

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

To the bondholders in:

ISIN: NO0013134759 – Seacrest Petroleo Bermuda Limited 16.00% senior unsecured bonds 2024/2027

3 September 2024

INFORMATION TO BONDHOLDERS – CONSENT FEE IN THE FORM OF CONVERTIBLE BONDS

Reference is made to the above-mentioned bond issue by Seacrest Petroleo Bermuda Limited. Further reference is made to the notice of a written resolution dated 28 August 2024 approving the summons for a written resolution dated 27 August 2024 (the "**Summons**").

Terms defined in the Summons shall have the same meaning when used in this notice.

As further described in the Summons, the Issuer shall pay to each Bondholder a Consent Fee, which each bondholder may elect to have paid either:

- (a) Alternative 1: in cash in US Dollars in the aggregate amount of 0.75% of the principal amount of the Bonds (the "**Cash Consent Fee**"); or
- (b) Alternative 2: in the form of the Issuer's Convertible Bonds in the aggregate amount of 1.00% of the principal amount of the Bonds (with amount of securities calculated using the relevant securities' offering price) (the "**CB Consent Fee**").

Each Bondholder who wishes to receive the CB Consent Fee are encouraged to **immediately** send a duly filled out and signed application form (substantially in the form attached hereto in Schedule 1) (the "**Application Form**") to the Advisor by e-mail to abgsctrades@abgsc.no.

To be entitled to receive the CB Consent Fee, each bondholder must comply with all the following conditions no later than CEST 13:00 on 11 September 2024 (the "**Conditions**"):

- (a) delivery of a duly filled out and signed Application Form;
- (b) completion of all onboarding/KYC requirements of the Advisor; and
- (c) delivery of its Bonds in the Bond Issue to the Advisor (free of payment).

Note that the bonds of the Bondholders who choose to receive the CB Consent Fee will be transferred to a separate ISIN, the terms of which shall be identical to the original ISIN for the Bonds, and shall be held on such ISIN until all payments of Cash Consent Fee have been made, at which time the two ISINs shall be merged back and only the original ISIN apply. The Bond Trustee and the Paying Agent shall be authorised to do this in the most practical manner.

The CB Consent Fee is payable no later than 5 business days after their issuance by the Issuer and by transfer to the relevant Bondholder's custody account as notified to the Advisor.

If a bondholder fails to comply with one or more of the Conditions, or does not request CB Consent Fee, such bondholder will receive Cash Consent Fee. The Cash Consent Fee will be paid in two instalments:

- (a) a first instalment in the amount of 0.25% of the principal amount of the Bonds held by the relevant Bondholder as of the Effective Time shall be paid on or before 16 September 2024; and
- (b) a second instalment in the amount of 0.50% of the principal amount of the Bonds held by the relevant Bondholder as of the Effective Time will be paid on or before 16 December 2024.

The record date for payment of the Cash Consent Fee is the date falling 2 banking days prior to the relevant payment date.

Yours sincerely,
Nordic Trustee AS


Merete Vatsendvik

Attachments:

- Schedule 1 – Application Form
- Schedule 2 – Convertible Bond Term Sheet

**Schedule 1
Application Form**

Application Form

Subordinated Consent Bonds – Consent Fee

3 September 2024

Each Bondholder who wishes to receive the Consent Fee in form of Consent Bonds are encouraged to **immediately** send a duly filled out and signed Application Form to the Manager by e-mail to abgsctrades@abgsc.no.

NOTE: THIS APPLICATION FORM IS FOR USE ONLY IN CONNECTION WITH THE ELECTION TO RECEIVE CONSENT FEE IN THE FORM OF CONVERTIBLE BONDS AS PER THE TERMS AND CONDITIONS SET OUT IN THE SUMMONS FOR A WRITTEN RESOLUTION DATED 27 AUGUST 2024

General information: Seacrest Petroleo Bermuda Limited, an exempted company limited by shares incorporated under the laws of Bermuda (reg. no. 54716, LEI code 2138006AEHLIT6E5XM67) (the "**Company**"), is in the process of issuing convertible bonds with ISIN NO NO0013326132 (the "**Convertible Bonds**") with maturity in September 2027, in a minimum issue amount of USD 25,000,000 (the "**Bond Issue**") through a private placement directed towards investors in accordance with the selling and transfer restrictions included in Exhibit I hereto (the "**Private Placement**"). The denomination of the Convertible Bonds will be USD 1.

In connection with the Private Placement, the Company has issued a summons for a written resolution dated 27 August 2024 (the "**Summons**") relating to certain amendments to the Company's USD 120m senior unsecured bonds 2024/2027 with ISIN NO0013134759 (the "**Existing Bonds**"). Pursuant to the Summons, holders of the Existing Bonds will receive a Consent Fee (as defined in the Summons, in the form of either cash or Convertible Bonds (such Convertible Bonds referred to herein as "**Consent Bonds**"), on the further terms and conditions set out therein. To be entitled to receive the Consent Fee in the form of Consent Bonds, the relevant holder of the Existing Bonds must comply with all the following conditions (the "**Conditions**") no later than CEST 13:00 on 11 September 2024 (the "**Acceptance Period**"):

- (i) delivery of a duly filled out and signed application form (the "**Application Form**");
- (ii) completion of all onboarding/KYC requirements of the Manager; and
- (iii) delivery of its Existing Bonds to the Manager (free of payment), for the purpose of allocating a temporary ISIN and payment of the Consent Fee as described below.

Note that the Existing Bonds will be transferred to a separate ISIN (the "**Temporary ISIN**"), the terms of which shall be identical to the original ISIN for the Existing Bonds (the "**Original ISIN**"), and shall be held on such Temporary ISIN until all payments of the Consent Fee have been made, at which time the two ISINs shall be merged back and only the Original ISIN apply (expected to occur within 16 December 2024). By delivering an Application Form, the holder of Existing Bonds having chosen to receive the Consent Fee in the form of Consent Bonds (hereinafter referred to as the "**Applicant**") authorizes the Bond Trustee (as bond trustee for the Existing Bonds) and the Paying Agent (as paying agent for the Existing Bonds) to do this in the most practical manner and to take such actions they deem necessary and/or required in this respect.

The Applicant bears the risk of any delays, unavailable digital systems and channels and any other technical problems. The Applicant is furthermore responsible for the correctness of the information provided by the Applicant in this Application Form. The application received by the Manager becomes binding at the end of the Acceptance Period and may not be withdrawn or amended after such time.

The Manager: The Company has appointed ABG Sundal Collier ASA (the "**Manager**") to assist the Company in connection with the Summons and the Private Placement.

The Bond Trustee: Nordic Trustee AS will act as bond trustee on behalf of the holders of the Consent Bonds (the "**Trustee**").

The Paying Agent: Nordic Trustee Services AS acts as paying agent for the Existing Bonds (the "**Paying Agent**").

Documentation: The principal terms and conditions of the Bond Issue are set out in the term sheet (the "**Term Sheet**"), which is circulated together with this Application Form. This Application Form (including the risk factors described in the annex hereto) and the Term Sheet, both dated 3 September 2024, and the Summons together constitute the "**Documentation**". The Applicant hereby acknowledges to have received and accepted the Documentation and that the receipt of Consent Bonds as Consent Fee is subject to the terms set out therein.

Limitation of liability: The Manager disclaims any liability, to the fullest extent permitted, for the accuracy or completeness of the information in the Documentation. Further, the Manager disclaims any liability for all other information (whether written or oral) concerning the Company, the Consent Bonds, the Summons or the Private Placement, irrespective of whether such information was received through the Manager, the Company or otherwise, all to the extent legally permissible. Notwithstanding the above, if the Applicant has received information from the Company or the Manager for the purposes of conducting the Applicant's own due diligence investigations, the Applicant accepts that all information set out in the Documentation is provided on a strictly non-reliance basis. By signing this Application Form or by making an application for the Consent Bonds Consent Fee on the basis of this Application Form, the Applicant warrants that it understands and accepts that it is applying for the Consent Bonds on these terms and conditions and that the Applicant has not been induced to enter into this Application Form by any representation, warranty or undertaking by any of the aforementioned.

Bond Terms: The Consent Bonds shall be governed by a bond terms agreement for the Consent Bonds (the "**Bond Terms**") to be entered into by the Company and the Trustee and prepared on the basis of the Term Sheet and the standard Nordic Bond Terms for corporate high yield bonds with such adjustments as necessary to reflect the terms set out in the Term Sheet. The Applicant irrevocably authorises and instructs the Trustee (i) to finalise and execute the Bond Terms and the other finance documents referred to therein on behalf of the Applicant and (ii) to approve and execute all necessary resolutions and documents on its behalf relative to the Company and/or the Trustee in respect of the Bond Issue. The Manager shall bear no responsibility for the Trustee's performance of such function. A copy of the Bond Terms will be available from the Manager or the Trustee (www.stamdata.no) following the Issue Date (as defined in the Term Sheet).

Conditionality of the payment of Consent Fee in the form of Consent Bonds: The issue of the Consent Bonds is subject to the Conditions as stated herein and the further terms and conditions set out and referenced in the Summons.

Payment of Consent Fee in form of Consent Bonds: As further set out in the Summons, the Consent Fee in the form of Consent Bonds is payable no later than 5 business days after the issuance of the Consent Bonds by the Issuer and by transfer of the Consent Bonds by the Paying Agent to the relevant Bondholder's custody account set out below.

Consent Fee in the form of Consent Bonds will only be payable to Applicants holding the Temporary ISIN at the record date for payment of the Consent Fee in form of Consent Bonds. The record date for payment of the Consent Fee in the form of Consent Bonds will be the date falling 2 banking days prior to the relevant payment date. The Bond Trustee will notify the Bondholders no later than 3 banking days prior to the record date for payment of the Consent Fee in the form of Consent Bonds.

Listing: The Applicant expressly acknowledges that while the Company will use its best efforts to list the Consent Bonds as set out in the Summons, there can be no assurance that the Consent Bonds will be listed on any exchange or regulated (or other) marketplace. The Applicant further expressly acknowledges that Existing Bonds transferred to the Temporary ISIN will not be listed on any exchange or regulated marketplace.

Confidentiality: The Applicant hereby authorises the Manager and the Company to produce this Application Form or a copy hereof to any party in any administrative or legal proceedings or official inquiry with respect to matters covered hereby in connection with the Bond Issue, to the extent required by law.

Confirmations: The Applicant, by electing to receive Consent Bonds and thereby accepting the terms of the Application Form (including Exhibits), confirms its request to receive the Consent Fee in the form of Consent Bonds and further confirms that:

- (i) It acknowledges and accepts that the Manager has relied on information from the Company and that the Manager, has not engaged external advisors to carry out any other independent due diligence investigations of the Company or its subsidiaries. The Manager has not performed any further verification procedures relating to the information contained in the Documentation or in connection with the Bond Issue.
- (ii) It does not require the Manager to conduct any further review of the Company, in reliance on the fact that the Company in writing has confirmed to the Manager, to the best of its knowledge, that the Documentation in all material respects is correct and not misleading.
- (iii) It has made its own assessment, to the extent deemed necessary by the Applicant, in consultation with its own independent advisors, based on information it has received, requested or which is publicly available, including without limitation the risk factors described in the annex hereto, and has satisfied itself concerning the relevant legal, tax, currency and other economic considerations relating to its election to receive the Consent Bonds, and believes that an investment in the Consent Bonds is suitable for the Applicant based upon the Applicant's investment objectives, financial needs and personal contingencies; and the Applicant has no need for liquidity of investment with respect to the Consent Bonds.
- (iv) It is aware that in order for all Consent Bonds to be fully convertible into common shares of the Company, the Company must first hold an extraordinary general meeting in which additional common shares are authorised for issuance, and that in the absence of the approval of such authorisation the Consent Bonds will only constitute a subordinated, unsecured claim against the Company.
- (v) It is aware that certain financial information contained in the Documentation may not have been audited or subject to any review by the auditor or financial experts and that such financial information may not have been produced in accordance with applicable or recommended accounting principles and may furthermore contain errors and/or miscalculations.
- (vi) It has had access to and has received such financial and other information regarding the Company and the Consent Bonds as the Applicant deems necessary in order to make its investment decision to purchase the Consent Bonds, including, but not limited to, reviewing the Company's periodic reports and other filings up to the date hereof, as displayed on the Company's website. If the Applicant has had any questions regarding the Company or the Consent Bonds, the Applicant has asked these questions and has received satisfactory answers from representatives of the Company. The Applicant has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person other than the Company or any of its affiliates;
- (vii) Specifically, it has either:
 - a. received, reviewed and understood the Company's unaudited consolidated interim financial statements for the six-month period ended 30 June 2024 (the "**Interim Financial Statements**") and the Documentation including the important information, disclaimers and risk factors described therein as well as other legal matters; or
 - b. received the Interim Financial Statements and the Documentation, but decided, at its own risk, that such review would not be required.
- (viii) It acknowledges that the Bond Terms and other finance documents referred to therein have not yet been finalised, and that the final terms and conditions can differ from the terms and conditions set out in the Documentation or the terms and conditions of other bond issuances (either by the Company on previous occasions or by other recent issuers), and that such change/amendment cannot form basis for any claim by the Applicant that the Applicant is not bound by this Application Form.
- (ix) It has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision in the Company by applying for Consent Bonds, and the Applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Consent Bonds.
- (x) It has sufficient understanding of the commercial and legal aspects of the transaction to make an independent assessment of the relevant risks including the likelihood of any other risks being present and materialising.
- (xi) The election to receive the Consent Bonds is made solely at the Applicant's own risk.
- (xii) It accepts that the Manager disclaims any liability, to the fullest extent permitted, for the accuracy or completeness of the information in the Documentation, and that the Manager disclaims any liability for all other information (whether written or oral) concerning the Company, the Consent Bonds or the Summons, irrespective of whether such information was received through the Manager, the Company or otherwise, all to the extent legally permissible.
- (xiii) It is aware that no prospectus or similar disclosure package has been prepared in connection with the Bond Issue, and that the Documentation is not intended to be exhaustive or provide similar level of disclosure compared to any such document. The Applicant is expressly aware and accepts that the level of information available to it is therefore more limited than what would otherwise be the case, and that the Company could be subject to undisclosed and/or unknown risks and uncertainties.
- (xiv) It (either on the Applicant's own account or for the account of others) is able to lawfully elect to receive Consent Bonds as Consent Fee.
- (xv) It:

- a. is not located in the United States and is not a "U.S. person" (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**")) nor is it receiving the Bonds for the account or benefit of a U.S. person; or
- b. has executed and delivered to the Manager the "Additional Representations and Warranties Required for U.S. persons or for Applicants Acquiring Bonds in the United States" set forth in Exhibit II, certifying that it is a "Qualified Institutional Buyer" within the meaning of Rule 144A under the U.S. Securities Act.

SPECIFICATION OF APPLICATION:

Total amount of Existing Bonds held:	USD
VPS account where Existing Bonds are held:	
Euroclear Account where Existing Bonds are held:	
Clearstream Account where Existing Bonds are held:	
Other:	

The Applicant confirms and agrees that its Existing Bonds shall be exchanged for bonds with the Temporary ISIN. Such exchange shall be carried out after transferring its part of the Existing Bonds to the Manager (free of payment) pursuant to instructions received from the Manager. Thereafter, an equal amount of the bonds with the Temporary ISIN will be transferred to the abovementioned account (free of payment).

INFORMATION ON THE APPLICANT - ALL FIELDS MUST BE COMPLETED

Applicant's full name / Company name	
Name of contact person with Applicant	
Daytime telephone number	
E-mail address	
Street address	
Postal code and area, country	
Date of birth and national ID number (11 digits) / company registration number	
Legal Entity Identifier (" LEI ") / National Client Identifier (" NID ")	
Nationality	

Prime Broker / Custodian full legal name	
Name of contact person with Prime Broker / Custodian	
Daytime telephone number	
E-mail address	
Street address	
Postal code and area, country	

The Manager has the right to disregard the application, without any liability towards the Applicant, if a LEI or a NID number or VPS account or any other compulsory information requested in this Application Form is not filled in. Notwithstanding the aforementioned, in case a LEI or NID number or other compulsory information is not filled in by the Applicant, the Manager reserves the right to obtain such information through publicly available sources and use such number in this Application Form.

Please note: If this Application Form is sent to the Manager by e-mail, the e-mail will be unsecured unless the Applicant itself takes measures to secure it. This Application Form may contain sensitive information, including national identification numbers, and the Manager recommends the Applicant to send this Application Form to the Manager in a secured e-mail. Please refer to Exhibit I for further information on the Manager's processing of personal data.

The Applicant hereby acknowledges to have received and accepted the terms set out in the Application Form (including Exhibits) and that the application and subscription is subject to the terms set out therein.

Application date and place	Binding signature The Applicant must have legal capacity. When signing by authorisation, documentation in form of company certificate or power of attorney must be enclosed
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EXHIBIT I
Terms and Conditions of Application

Selling and transfer restrictions:

General: This Application Form does not constitute an offer to sell or a solicitation of an offer to buy Consent Bonds, nor any offer to receive Consent Bonds as Consent Fee, in any jurisdiction in which such offer or solicitation is unlawful or where this would require registration, publication of a prospectus or similar action.

No prospectus: The Documentation or any other material related to the Bonds does not constitute or form part of a prospectus within the meaning of the EU Prospectus Regulation, as implemented in any member state of the European Economic Area (the "EEA") (each, a "Relevant Member State") and the United Kingdom. The expression "EU Prospectus Regulation" means in relation to the EU/EEA Regulation (EU) 2017/1129 (and amendments thereto) and in relation to the United Kingdom the Regulation (EU) 2017/1129 as it forms part of the United Kingdom ("UK") domestic law by virtue of the European Union Withdrawal Act 2018 (the "UK Prospectus Regulation") and includes any relevant implementing measure in each Relevant Member State. The Documentation or any other material related to the Consent Bonds has therefore not been, and will not be, reviewed by or registered with the Financial Supervisory Authority of Norway or any other regulator or public authority. Accordingly, the Consent Bonds will only be offered or sold within the EEA in reliance of applicable exemptions from preparing a prospectus pursuant to the EU Prospectus Regulation and (ii) in the United Kingdom according to applicable exemptions under the UK Prospectus Regulation.

United Kingdom: Each UK Applicant confirms that it understands that the election to receive Consent Bonds is only communicated to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons"). Consequently, the Applicant understands that the Consent Bonds may be offered only to "qualified investors" for the purposes of sections 86(1) and 86(7) FSMA, or to limited numbers of UK investors, or only where other exemptions are available. Any application or purchase of Consent Bonds is available only to relevant persons and will be engaged in only with relevant persons and each UK Applicant warrants that it is a relevant person.

United States: There will be no public offer of the Consent Bonds in the United States. The Consent Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities law of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. An Applicant in the United States or who is a "U.S. Person" (within the meaning of Regulation S under the U.S. Securities Act), may not execute this Application Form or otherwise take steps in order to purchase Consent Bonds unless (A) the Applicant is a registered client with the Manager as a "qualified institutional buyer" ("QIB") as defined in Rule 144A under the U.S. Securities Act, and such subscriber executes and delivers a U.S. investor representation letter (the form of which is attached as Exhibit II to this Application Form) to the Manager, or (B) the Applicant (i) confirms that it is a QIB acquiring the Consent Bonds for its own account or for one or more accounts, each of which is a QIB, in a transaction exempt from the registration requirements under the U.S. Securities Act and (ii) executes and delivers a U.S. investor representation letter (the form of which is attached as Exhibit II to this Application Form) to the Manager. The Consent Bonds are "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act and may not be deposited into any unrestricted depositary receipt facility in the United States, unless at the time of deposit the Consent Bonds are no longer "restricted securities". The Consent Bonds may not be reoffered, resold, pledged or otherwise transferred, except (a) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S, as applicable, or (b) pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and subject to the provisions of the U.S. investor representation letter.

Canada: The distribution of the Consent Bonds in Canada is being made only on a private-placement basis, thus exempting it from the requirement that the Company prepare and file a prospectus with the applicable securities regulatory authorities. The Consent Bonds are being offered in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale, and therein only by persons permitted to sell such securities. Each Canadian purchaser who purchases Consent Bonds must be entitled under applicable securities laws to purchase such securities without the benefit of a prospectus qualified under such securities laws; must be an "accredited investor" within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions and purchasing the Consent Bonds as principal or deemed principal for its own account; and must be a "permitted client" within the meaning of National Instrument 31-103 – Registration Requirements and Exemptions. There is currently no public market for the Consent Bonds in Canada and any resale of the Consent Bonds in Canada must be made in accordance with applicable securities laws.

Israel: In Israel the Consent Bonds may be offered only to Israeli Qualified Investors who have confirmed in writing that (a) they qualify as one of the types of investors listed in the First Addendum to the Israeli Securities Law, and are aware of the implications of being an investor of this type and agree thereto, and (b) they are acquiring the Consent Bonds for their own account and not with a view to, or for resale in connection with, any distribution thereof, except, to the extent permitted under the First Addendum to the Israeli Securities Law, for resale to investors of the types listed therein.

Australia and Japan: The Consent Bonds will not be registered under the applicable securities laws of Australia or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia or Japan except pursuant to an applicable exemption from applicable securities laws.

Singapore: This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the delivery and receipt of Consent Bonds may not be circulated or distributed, nor may the Consent Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289 of Singapore) ("SFA"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Consent Bonds subscribed or purchased pursuant to Sections 274 or 275 of the SFA may only be transferred in accordance with the provisions of Section 276 of the SFA.

Where the Consent Bonds are acquired under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the units under Section 275 of the SFA except:

- a) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA or arising from an offer under Section 275(1A) of the SFA;
- b) where no consideration is given for the transfer; or
- c) where the transfer is by operation of law.

Where the Consent Bonds are acquired under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor, the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that trust has acquired the Consent Bonds under Section 275 of the SFA except:

- a) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA or arising from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) (or such other amount as may be prescribed under the SFA) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- b) where no consideration is given for the transfer; or
- c) where the transfer is by operation of law.

By accepting receipt of this document and any other document or material issued in connection with the offer or sale, or invitation for subscription or purchase, of the Consent Bonds, a person in Singapore represents and warrants that he is entitled to receive such document in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein.

Hong Kong: Each Hong Kong Applicant confirms that it understands that:

- a) the Company and the Manager have not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Consent Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- b) the Company and the Manager have not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Consent Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Consent Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Regulatory issues: The Manager is required to categorize all recipients of Consent Bonds who are not existing customers of the Manager in one of three customer categories; eligible counterparties, professional and non-professional clients. All investors that are applying for Consent Bonds and which are not existing clients of the Manager will be categorized as non-professional clients unless otherwise is communicated in writing by the Manager. For further information about the categorization the Applicant may contact the Manager.

Personal data: The Applicant's personal data will be processed confidentially and according to legal obligations. Personal data will only be shared as far as necessary to fulfil this agreement/transaction (for example with VPS). Supplementary information on processing of personal data and the Applicants' rights can be found on the Manager's website.

Manager consideration: The Manager will receive consideration from the Company for carrying out its assignment as Manager.

Legal Entity Identifier ("LEI") and National Client Identifier ("NID"): Applicants that are legal entities are required to submit their LEI code. A LEI is a 20-digit, alpha-numeric code that enables clear and unique identification of legal entities participating in financial transactions. LEIs, like other identifiers, are needed by the Manager to fulfil certain reporting obligations under financial regulations and directives. LEIs are also key for matching and aggregating market data, both for transparency and regulatory purposes. The code is linked to a set of key reference information relating to the legal entity in question e.g., name and address. Once a legal entity obtains a LEI code, the code is assigned to that legal entity for its entire life. A LEI number may be obtained by contacting the preferred LEI issuing organisation (LEI issuer, also known as Local Operating Unit). The list of LEI issuers is available on the Global LEI Foundation (GLEIF) website <https://www.gleif.org/en/>.

Applicants that are natural persons are required to submit their NID. The appropriate form of NID will depend on the home country of the Applicant. An exhaustive list of countries and corresponding form of NID is set out in Annex 2 of Commission Delegated Regulation 2017/590. For Norwegian natural persons the applicable NID is the 11-digit personal id (*Fødselsnummer*).

Information exchange and barriers: The Applicant acknowledges that there is a duty of secrecy between the different units of the Manager as well as between the Manager and the other entities in the Manager's group. This may entail that other employee of the Manager or the Manager's group may have information that may be relevant to the Applicant, but which the Manager will not have access to in its capacity as Manager for the Bond Issue. The Manager is part of a securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in certain departments are kept confidential, the other activities, including analysis and stock broking, are separated from the respective departments by information walls. The Applicant acknowledges that the analysis and stock broking activity within the securities firm may conflict with the Applicant's interests with regard to transactions in the Consent Bonds as a consequence of such information walls.

Mandatory anti-money laundering procedures: The Bond Issue is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively the "Anti-Money Laundering Legislation"). Applicants who are not registered as existing customers of the Manager must verify their identity to the Manager in accordance with requirements of the Anti-Money Laundering Legislation unless an exemption is available. Applicants who have not completed the required verification of identity prior to the expiry of the Acceptance Period will not be allocated Consent Bonds.

Commission: It is not allowed to apply for Consent Bonds by commission or similar arrangements.

Cancellation: The Applicant acknowledges that the Bond Issue will be cancelled if the Conditions are not fulfilled and may be cancelled by the Company in its sole discretion for any other reason. The Manager will not be liable for any losses if the Bond Issue is cancelled, irrespective of the

reason for such cancellation.

Relation to law, regulations and by-laws: The Applicant has full power and authority to execute and deliver the Application Form and to approve these terms and conditions and to apply and subscribe for the Consent Bonds and is authorised to pay all amounts it has committed to pay subject to the satisfaction of the terms stated herein for completion of the Private Placement. The execution and delivery of the Application Form has been authorised by all necessary action by the Applicant or on the Applicant's behalf, and the Application Form shall constitute valid and binding obligations, enforceable against the Applicant in accordance with its terms. The Applicant bears the full risk for its legal ability to apply for, purchase for and own the Consent Bonds, and its monetary liability under this undertaking will not cease to be effective in the event that subscription and ownership of the Consent Bonds would be illegal due to applicable statutory law and regulations. In such event, the Applicant shall fulfil the payment obligations that have been effected and will designate a third party to whom the Consent Bonds are to be issued.

Target Market: The manufacturer Target Market (MIFID II product governance) for the Private Placement is a) eligible counterparties, professional clients and retail clients (all distribution channels) and who; b) have at least a common/normal understanding of the capital markets, c) is able to bear the losses of their invested amount and, d) is willing to accept risks connected with the Consent Bonds, and e) have an investment horizon which takes into consideration the liquidity of the Consent Bonds. The negative target market for the Consent Bonds is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile.

Third party rights: The terms and obligations in the Application Form are undertaken in favour of both the Company and the Manager in so far as is stipulated herein.

Governing law: The Bond Issue and all related Documentation shall be governed by Norwegian law, and any disputes (whether contractual or non-contractual) which cannot be resolved amicably, shall be referred to the ordinary courts of Norway and the Applicant accepts the non-exclusive jurisdiction of the Oslo District Court.

EXHIBIT II

Additional Representations and Warranties Required for U.S. persons or for Applicants Acquiring Consent Bonds in the United States

The Applicant hereby represents and warrants that

- (i) the Applicant is a "qualified institutional buyer" ("QIB") as defined in Rule 144A under the U.S. Securities Act;
- (ii) the Applicant is aware that the Consent Bonds are being delivered to the Applicant in reliance on applicable exemptions from the registration requirements of the U.S. Securities Act for non-public offerings;
- (iii) the Applicant is acquiring the Consent Bonds for its own account or for the account of a QIB with respect to which the Applicant exercises sole investment discretion for investment purposes;
- (iv) the Applicant understands that the Consent Bonds have not been and will not be registered under the U.S. Securities Act and will be "restricted securities" (as defined in Rule 144 under the U.S. Securities Act) and that as such the Consent Bonds may not be reoffered, resold, pledged or otherwise transferred, except (A) outside the United States in an offshore transaction, as defined in, and meeting the requirements of, Regulation S under the U.S. Securities Act, (B) to a person who the Applicant reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (C) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available) or otherwise, or (D) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;
- (v) the Applicant has conducted its own investigations with respect to the Company and the Consent Bonds and has had access to and has received such financial and other information regarding the Company and the Consent Bonds as the Applicant deems necessary in order to make its investment decision to purchase the Consent Bonds, including, but not limited to, reviewing the Company's periodic reports and other filings up to the date hereof, as displayed on the Company's website. If the Applicant has had any questions regarding the Company or the Consent Bonds, the Applicant has asked these questions and has received satisfactory answers from representatives of the Company. The Applicant has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person other than the Company or any of its affiliates;
- (vi) the Applicant hereby irrevocably waives and releases (the "Release") any claim, or potential claim, it has or may have against the Manager that arises out of, relates to, the Consent Bonds or the sale thereof, including, but not limited to, the existence of any non-public information and that non-public information has not been disclosed to it; the Applicant expressly covenants and agrees that this Release expressly survives the delivery of this representation letter;
- (vii) the Applicant is a sophisticated investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Consent Bonds and the Applicant is able to bear the economic risks of such an investment, including the loss of its entire investment. In the normal course of its business, the Applicant invests in or purchases securities similar to the Consent Bonds. The Applicant is aware that it may be required to bear the economic risk of an investment in the Consent Bonds for an indefinite period of time, and it is able to bear such risk. The Applicant has not been formed for the specific purpose of acquiring the Consent Bonds;
- (viii) the Applicant has relied upon its own tax, legal and financial advisers in connection with its decision to purchase Consent Bonds and believes that an investment in the Consent Bonds is suitable for the Applicant based upon the Applicant's investment objectives, financial needs and personal contingencies; and the Applicant has no need for liquidity of investment with respect to the Consent Bonds;
- (ix) the Applicant is acquiring the Consent Bonds for investment purposes only and not with a view to or for the purposes of resale or distribution, in whole or in part, thereof in violation of the U.S. securities laws. The Applicant has no agreement, understanding or intention to distribute, resell, pledge or otherwise transfer the Consent Bonds or any part thereof, directly or indirectly, in the United States or to any U.S. persons;
- (x) the Applicant has received a copy of the Documentation and agrees that it has held and will hold the Documentation in confidence, it being understood that the Documentation is solely for the Applicant's use and is not to be redistributed or duplicated by the Applicant;
- (xi) none of the Company or any of its affiliates, the Manager or any of its affiliates, or any person acting on behalf of any of the foregoing, has made any representation to the Applicant, express or implied, with respect to the information contained in the Documentation or any publicly available information;
- (xii) the Applicant agrees that so long as the Consent Bonds are "restricted securities" as defined in Rule 144 under the U.S. Securities Act, it shall notify each transferee of Consent Bonds from it that (a) such Consent Bonds have not been registered under the U.S. Securities Act; (b) such Consent Bonds are subject to the restrictions on the resale or other transfer thereof described above; (c) such transferee shall be deemed to have represented (i) as to its status as a subscriber acquiring the Consent Bonds in an offshore transaction pursuant to Regulation S under the U.S. Securities Act or in a transaction that does not require registration under the U.S. Securities Act or any applicable laws of the states of the United States and (ii) that such transferee is not an "underwriter" within the meaning of Section 2(a)(11) of the U.S. Securities Act; and (d) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;
- (xiii) the Applicant acknowledges that it has not purchased the Consent Bonds as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (xiv) the Applicant acknowledges and agrees that, to the extent that the Manager does not take title to the securities, (a) the Manager is acting solely as placement agent and not as initial purchaser or underwriter and (b) the Manager has not rendered any services in connection with which the Manager is deemed to take title to the securities, even momentarily, in connection with the transaction. For the avoidance of doubt, the Applicant acknowledges and agrees to the preceding sentence notwithstanding that the Manager, or any affiliate through which the Manager may be acting, may, but need not, act in an additional administrative capacity in connection with the settlement of the transaction (for example, as settlement agent). In such instances, the Applicant agrees that it will not claim that the Manager has acted

as initial purchasers or underwriters, or have rendered any services in connection with which the Manager is deemed to take title to the securities, even momentarily, in connection with the Bond Issue;

- (xv) the Applicant understands that the Company will not recognize any offer, sale, pledge or other transfer of the Consent Bonds made other than in compliance with the above stated restrictions; and
- (xvi) the Applicant understands and acknowledges that the Company, the Manager and others will rely upon the truth and accuracy of the foregoing representations and warranties and that if any of such representations and warranties made by it are no longer accurate, it shall promptly notify the Company; and if it is acquiring any Consent Bonds as fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power and authority to make, and does make, the foregoing representations and warranties on behalf of each such account.

The Applicant understands and agrees that it will acquire the Consent Bonds either directly from ABG Sundal Collier Inc., the U.S.-registered broker-dealer owned by the Manager or from ABG Sundal Collier ASA pursuant to its chaperoning arrangement with ABG Sundal Collier Inc. in accordance with Rule 15a-6 under the U.S. Securities Exchange Act of 1934. The Applicant irrevocably authorizes the Company and/or the Manager to produce this U.S. Investor Representation Letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Signature of Applicant *

***Only Applicants who are U.S. persons or who are acquiring Bonds in the United States, or for the account or benefit of U.S. Persons are required to make the representations and warranties set forth in this Exhibit II.**

ANNEX – RISK FACTORS

Introduction

An investment in Seacrest Petroleo Bermuda Limited (the "**Company**"), its subordinated convertible bonds 2024/2027 (the "**Bonds**") and its shares (the "**Shares**") involves inherent risk. Prospective investors should carefully consider, among other things, the risk factors set out below before making an investment decision. This section is not intended to be exhaustive – additional risks and uncertainties not presently known to the Company and its consolidated subsidiaries (the "**Group**") or that they currently deem immaterial, may, individually or cumulatively, also impair the Group's business operations or the value of the Bonds and/or the Shares. No guarantee can be given that any of the events discussed in the risk factors below will not occur. If one or more of these events do occur, the Company's and the Group's business, financial condition, results of operations, and cash flows could be materially adversely affected. In such case, the value and trading price of the Bonds and Shares could decline, and an investor could lose part or all of its investment.

An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of the investment. The information in these risk factors is presented as at the date hereof and may be subject to change, completion or amendment without notice.

The risk factors are organised in categories. 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 Company's estimation of 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 the likelihood of their occurrence or the magnitude of their potential impact.

1. Financial risks

1.1 The Group has substantial liabilities and does not expect to meet certain financial covenants contained in its financing arrangements. The Group is also exposed to liquidity constraints in the near and medium term, which could materially and adversely affect its financial condition and results of operations

The Group has incurred a substantial amount of debt in order to acquire and develop the Clusters (as defined below), mainly consisting of a credit agreement with a syndicate of banks (the "**Credit Agreement**") and the 16.00% senior unsecured bonds maturing in 2027 issued by the Company (the "**Senior Bonds**"). The Group's total debt as of March 31, 2024, was US\$ 697 million, all of which will mature in the next five years.

Based on the financial information available to the Group, the Group will not be in a position to meet the required leverage ratio under the Credit Agreement and the Senior Bonds as of the end of and for the second quarter of 2024 and does not expect to meet the required leverage ratios as of the end of and for the third and fourth quarters of 2024. The Group has agreed a waiver with the lenders under the Credit Agreement for the second and third quarters of 2024, subject to certain conditions, and has also agreed the same with senior unsecured bondholders.

The Group's ability to make payments under, or repay or refinance, any debt and to fund working capital and capital investments will depend on its future operating performance and ability to generate sufficient cash. This depends on the success of the Group's business strategy and on general economic, financial, competitive, market, legislative, regulatory, technical and other factors, many of which are beyond the Group's control.

The interest payments on the Credit Agreement are due on a quarterly basis, the interest payments on the Senior Bonds are due semi-annually, and payments under the Group's hedging instruments are due on a monthly basis. While the Group used the balance of the reserve account established and funded in the context of the Senior Bonds to make the coupon payment due thereunder on July 29, 2024, its ability to make further payments, including under the Credit Agreement and Senior Bonds, is dependent on its operations. The Group can give no assurance that its business will generate sufficient cash flow from operations or that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt or to fund its other liquidity needs.

Substantially all of the Group's assets are pledged for the benefit of creditors, and, as a consequence of the asset sale restrictions in the Group's financing arrangements, the Group may not be able to sell assets to satisfy its liquidity needs. Also, there can be no assurance as to the timing of any asset sale or that the amount of proceeds received will be sufficient to satisfy the Group's debt service and other liquidity needs.

Any failure by the Group to make debt payments on a timely basis or, in the absence of a waiver, otherwise meet its obligations under its financing arrangements, including financial covenants, would cause an event of default, which could result in the relevant debt being accelerated, enforcement of security and the Company and its subsidiaries being forced into bankruptcy or liquidation, which could result in an investor losing entirely its investment in the Bonds and/or Shares.

1.2 Nearly all of the Group's assets are pledged as security under the financing agreements

Nearly all of the Group's assets are currently pledged as security under the Credit Agreement, including the entirety of the equity interests in the entities owning the Clusters. If the Group fails to make debt repayments on a timely basis or otherwise comply with the terms of the financing arrangement, creditors may enforce on the collateral.

The enforcement of the security interest granted under the Credit Agreement would result in the Group losing title to the pledged assets, which would have a materially adverse effect on the Group and which could result in an investor losing the entirety of its investment in the Bonds and the Shares.

1.3 The Group is exposed to currency risk and its oil price hedging contracts may affect its future earnings

The Company's functional currency is USD. The Group expects that most of the Group's revenues will be derived from sales of oil quoted in or with reference to USD and be subject to oil price fluctuations. On the other hand, a substantial part of the Group's costs are denominated in BRL (Brazilian reais). Therefore, changes in exchange rates may result in losses or gains on the Group's net USD-denominated indebtedness and accounts receivable and fair value losses or gains on any currency derivatives the Group uses to stabilize the Group's cash flow in USD.

Movements in foreign exchange rates could negatively influence the Group's cash flow and results. Factors such as significant volatility in currency prices may also result in disruption of foreign exchange markets, which could limit the Group's ability to transfer or to convert certain currencies into USD and other currencies for the purpose of making timely payments of interest and principal on the Group's indebtedness.

Further, the Group has existing hedging contracts with respect to oil price movements, which represent financial expenses and may limit the Group's earning potential as a result of the hedging strategy executed (e.g., minimum and maximum price locks). As a consequence, the Group may not necessarily earn the full potential of future increases in the oil price. Although the Group is not currently party to any hedging contracts with respect to foreign exchange movements, it may enter into such hedging contracts in future. If the Group does not enter into foreign exchange hedging transactions, the Group may be more susceptible to exchange rate fluctuations.

An investor owning shares in the Company is exposed to exchange rate movements of Norwegian Krone ("**NOK**") as the Shares will be priced and traded in NOK on the Oslo Stock Exchange. The market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange rate fluctuations. This could impact the Share price.'

1.4 The Group may not be able to secure any future financing on favourable terms, in a timely manner, or at all

The oil and gas industry requires substantial capital investment and spending. The Group does not know when or if the Group's operations will generate sufficient cash to further fund the Group's ongoing operations. The Group requires additional capital to respond to business opportunities, refinancing needs, challenges, acquisitions, or unforeseen circumstances and may decide to engage in further equity or debt financings or enter into credit facilities for other reasons. The Group may not be able to secure any such additional debt or equity financing or refinancing on favourable terms, in a timely manner, or at all.

Any debt financing obtained by the Group in the future could also include restrictive covenants relating to the Group's capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it when it requires, the Group's ability to continue to grow or support its business and to respond to business challenges could be significantly limited. This could have a materially adverse effect on the Group and which could result in an investor losing entirely its investment in the Bonds and/or the Shares.

2. Risks associated with the Group's business and the industry in which the Group operates

2.1 The Group's business depends significantly upon and may be adversely affected by oil prices, which are highly volatile

The Group's revenues, cash flow, reserve estimates, profitability and rate of growth depend substantially on prevailing international and local prices of crude oil. Prices for crude oil may fluctuate substantially based on factors beyond the Group's control. Consequently, it is impossible to accurately predict future oil price movements. Prices for crude oil are volatile and are subject to significant fluctuations for many reasons, including, but not limited to:

changes in global and regional supply and demand, and expectations regarding future supply and demand for crude oil, even in response to relatively minor economic developments;

geopolitical uncertainty

availability of pipelines, tankers and other transportation and processing facilities;

proximity to, and the capacity and cost of, transportation;

petroleum refining capacity;

price, availability and government subsidies of alternative fuels;

price and availability of new technologies;

the ability and willingness of the members of the Organization of the Petroleum Exporting Countries (OPEC) and other oil-producing nations to set and maintain specified levels of production and prices;

war and other political, economic and military developments in producing regions – in particular, in Ukraine and Russia, the Middle East, Africa and Central and South America, and domestic and foreign governmental regulations and actions, including sanctions, boycotts, import and export restrictions, taxes, repatriations and nationalisations;

the impact of the ongoing war in Ukraine and economic sanctions imposed by Western economies on Russia and Russian entities and individuals, the conflict between Hamas and Israel, attacks on ships in the Red Sea led by Houthi rebels, and the impact of these events on the global economy;

global and regional economic conditions, particularly in large economies such as the United States of America and the Peoples Republic of China, which drive global consumption of crude oil; and

trading activities by market participants and others either seeking to secure access to oil and gas or to hedge against commercial risks, or as part of investment portfolio activity.

Sustained lower prices for crude oil or price declines may lead to a material decrease in the Group's net production revenues. Further, sustained lower prices for crude oil may also cause the Group to make substantial downward adjustments to its oil reserves. If this occurs, or the Group's estimates of production or economic factors change, the Group may be required to write-down the carrying value of its proved oil properties. If oil prices were to remain depressed over time, it could have a negative effect on the Company's ability to fulfil its obligations under the terms of the Bonds (the "Bond Terms"), as well as the market price and value of the Bonds and the Shares.

2.2 The Group is exposed to various operational risks, including risks related to drilling and production risks, as well as risks related to natural disasters, accidents, fires and other events beyond its control

The Group currently has two producing assets, the Cricaré Cluster and the Norte Capixaba Cluster (the "**Clusters**"). Any failures in the operation of the Clusters' equipment could impact the performance of the Clusters, affecting their production and, consequently, the Group's financial condition and operating results.

The oil and natural gas industry is subject to particular economic and industry-specific operational risks, some of which are beyond the Group's control, such as drilling, completion, production, equipment, gathering, treatment and transportation risks, as well as natural hazards and other uncertainties, including those relating to the physical characteristics of onshore and offshore oil or nature gas fields. The Group's operations may be curtailed, delayed or cancelled due to adverse or abnormal weather conditions and natural disasters (mainly due to climate variability or climate change), strikes and demonstrations by local actors aimed at blocking operations, equipment failures or accidents, oil or natural gas spills or leaks, shortages or delays in the availability or in the delivery of equipment, delays or cancellation of environmental licenses or other government authorizations or judicial decisions, fires, explosions, ruptures, surface cratering, pipeline failures, sabotage, thefts, damage and attacks to the Group's production infrastructure. Any of these or other unanticipated events could adversely affect the Group's operations, expose it to substantial liability (civil, environmental or criminal environmental liability) and harm its reputation. Dealing with any such adverse events may also require the Group to limit or suspend part of or all the Group's operations.

Any of these or similar adverse events may also subject the Group to administrative penalties and adversely impact the Group's ability to comply with the applicable regulation and the Group's ability to obtain or renew oil and gas concessions. The adverse events may also be deemed a breach under the concession agreements, in which case the Group may be subject to penalties or termination of the relevant concession.

2.3 The Group is exposed to risks related to the operation of the Clusters prior to their acquisition by the Group

The Group's assessment of the contingencies associated with the assets prior to their acquisition from Petrobras is inherently uncertain and may be insufficient to protect or indemnify the Group for any losses that may arise. The Group's liability allocation structure was defined in the purchase agreements signed with Petrobras for the acquisition of the Clusters, pursuant to which the Group assumed certain known and unknown liabilities, such as liabilities for environmental damage, for which the Group may not be entitled to contractual indemnification from Petrobras. Examples of such known liabilities in relation to the Cricaré Cluster, are three oil spills that occurred in certain areas of the Cluster under Petrobras' ownership, all of which were deemed as minor incidents with a remote administrative, civil and criminal risk exposure. Furthermore, other environmental irregularities have been identified, including potential contamination from previous oil spills, irregular disposal of waste and environmental plans being executed in damaged areas. A few environmental irregularities have also been identified in relation to the Norte Capixaba Cluster, including a lack of full compliance with requirements outlined in the environmental license, identified oil spill events which have been contained and where the oil has been removed, and an environmental plan being executed in a damaged area.

Under Brazilian law, following the acquisition of the Clusters, the Group became severally and jointly liable for the remediation measures and associated liabilities related to the respective sites' operations and environmental licenses. Under Brazilian law, the Group may in other circumstances also be held liable for environmental damage in connection with the Clusters, even if the Group was not negligent and was not involved in the operation of the relevant asset at the time the damage occurred. Although Petrobras and the Company have agreed in the documents relating to the acquisitions that certain remediation measures and compensation measures arising from potential contamination identified prior to the relevant acquisition would remain Petrobras' responsibility, the agreements are not enforceable against third parties and the Water Resources Environmental Institute of the State of Espírito Santo ("**IEMA**"), which might seek to bring claims against the Group and demand the execution of remediation/compensation measures.

Furthermore, the Group may not have obtained complete information related to the validity and/or scope of the environmental licenses previously issued to Petrobras in connection with the Clusters. Any consequent defects in the environmental licenses issued or to be issued in favour of the Group upon the closing of the relevant acquisitions or failure by the Group to comply with environmental regulations, whether identified before or after the acquisitions, could subject the Group to administrative, civil and criminal liability and could adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

2.4 The Group is exposed to risks related to Petrobras' asset divestment program

Until 2022, Petrobras maintained a divestment plan that provided for the sale of a series of assets, such as mature fields and refineries. Between 2017 and 2020, the company announced the sale of 230 areas, with 194 fields in production and 36 exploration blocks. However, after the presidential election of 2022, Brazilian policy regarding Petrobras's divestments program and other strategic public companies changed, and such divestments are now discouraged.

In this context, Petrobras' asset divestment program, pursuant to which the Group has acquired the Clusters, is subject to controversy in the Brazilian congress and has been periodically challenged in the Brazilian courts. Whilst none of those challenges, including a previous case in which Petrobras and one of the Group's subsidiaries were included as defendants, have succeeded to date, any future legal challenges could, if successful, result in additional costs to the Group or the acquisition of one or both of the Clusters being annulled. If the Group fails to realize the benefits it anticipates from the acquisition of the Clusters, the Group's business, financial condition and results of operations may be adversely affected, and could cause the Company to fail to meet its obligations under the Bond Terms.

2.5 The Group may not be successful in acquiring equipment or in hiring qualified personnel due to a highly competitive environment and supply chain issues

As a result of rising oil prices, the highly competitive environment within the oil industry and global supply chain issues affecting the importation of equipment to Brazil, the Group may be unable to secure drilling rigs, workover rigs and other equipment and services, as these may be in short supply. The Group may also experience difficulties in hiring and retaining qualified personnel necessary for the Group's operations and/or projects. If the Group is unable to acquire equipment or to hire and retain qualified personnel, this could adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

2.6 The Group may not be able to comply with the terms of its concession agreements, which may subject the Group to fines and to the loss of the relevant concession, its benefits or future revenues

Under Brazilian law, oil and gas activities are regulated by the federal government which, through concession agreements, production sharing contracts or assignment contracts, grants the rights to explore, develop and produce oil and gas. All of the Group's exploration and production rights were granted under the concession regime by means of concession agreements signed with the Brazilian oil and gas regulatory agency (the "ANP"). Concession agreements may be subject to early termination events, such as (i) failure to comply with obligations set forth in the concession agreement, including, but not limited to, failure to comply with the minimum exploratory program, failure to timely submit the development plan to the ANP or failure to obtain ANP approval of the development plan; or (ii) judicial reorganization or bankruptcy of the party to the concession agreement. In cases of early termination of the agreement, the assets under the concession must be returned to the federal government and, if the concessionaire was responsible for such early termination event, it will not be entitled to any type of compensation and will be subject to fines and other applicable penalties. The federal government may also unilaterally terminate concession agreements or recover the assets granted through expropriation for public utility; in such cases, the Group may obtain applicable compensation. If the Group is subject to fines, early termination of its concessions and/or expropriation, this could adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares. Early termination of concession agreements does not release the Group from any losses and damages caused to third parties in relation to the applicable concessions.

2.7 Failure to comply with, obtain or renew the licenses and permits required for each of the sectors in which the Group operates may have a material adverse effect on the Group's business

The Group is required to obtain and maintain various licenses and permits for its operations from applicable governmental authorities, including but not limited to environmental licenses, authorizations, permits and registrations. Additionally, the Group must comply with labor laws and regulatory health and safety standards in its operations. The laws and regulations governing these licenses may occasionally require the Group, among other things, to purchase and install costly pollution control equipment or make operational changes to limit the Group's impact on the environment and/or the health of the Group's employees and local residents and communities. Any failure to comply

with the terms of such laws, regulations and licenses, authorizations, permits and registries could result in administrative penalties, including fines as high as BRL 50 million, warnings, embargo on activities, partial or total suspension of activities, issuance of infraction notices, filing of labor and employment proceedings or lawsuits, as well as the revocation of existing operating licenses and permits. Moreover, the Public Prosecutor Office in Brazil may commence civil proceedings to investigate irregularities and seek to recover damages and/or indemnification for environmental damages. It might also file a public civil action seeking the same results.

At the criminal level, a legal entity of the Group involved in an irregular act may be subject to fines, restriction of rights and rendering of services to the community; and individuals who eventually contributed to the investigated acts, including managers, directors and employees, may be subject to imprisonment.

Governmental authorities may also modify the terms for granting or renewing licenses or require the Group to obtain additional licenses, authorizations, permits and registries, any of which could materially increase the Group's costs.

Any failure to comply with, obtain, maintain or renew the required licences, authorizations, permits and registries, could result in fines, loss or early termination of the licenses, authorizations, permits and registries, as well as embargoes on the Group's operations and breach of financing and commercial agreements, which could adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

2.8 The Group is exposed to risks in relation to its operating revenue as a result of action or inaction by Mercuria and/or third party purchasers of the oil produced in the Clusters

The Norte Capixaba SPV and Cricaré SPV have entered into offtake and marketing agreements (together, the "Mercuria Offtake and Marketing Agreements") with Mercuria Energy Trading S.A. ("**Mercuria**") in which they have agreed that all of the oil produced by them in the Clusters shall be sold to or marketed by Mercuria until the later of (i) six years after the date of such agreements or (ii) a combined total of 50 million barrels of oil across both the Clusters have been sold and delivered to Mercuria or marketed by Mercuria.

No security is provided by Mercuria under the Mercuria Offtake and Marketing Agreements. The contractual termination rights for both parties are limited to (i) force majeure events (no period is specified), (ii) breach of applicable laws and (iii) where either party becomes a "sanctioned entity" or enters into an insolvency process or similar. In circumstances in which the oil produced in the Clusters is marketed by Mercuria to third party purchasers, the Company bears the risk of late payment, non-payment, failure to perform and declaration of force majeure by such third party purchasers. If any of these events were to occur, whether as a result of action or inaction by Mercuria or a third party purchaser, the Company's revenues may be negatively affected. In the event of early termination of the Mercuria Offtake and Marketing Agreements, the Company may not be able, or may spend a long time, to find new purchasers of the oil the Company produces. Non-export sales of crude oil to Mercuria or third party purchasers may result in extra taxes, such as PIS/COFINS and local VAT, being payable by the Company. The occurrence of any or all of the foregoing events may negatively affect the Company's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

2.9 The Group is subject to risks related to operations of the Terminal Norte Capixaba, Petrobras' failure to timely repair and certify the subsea pipelines at the Terminal Norte Capixaba and the Group's dependency on third parties for the export of produced oil

Upon expiration of the service agreement with Petrobras Transporte S.A. relating to the operation of the Terminal Norte Capixaba (the "**TNC**"), which is part of the Norte Capixaba Cluster, the Group may have to hire a new operator of the TNC or operate the terminal itself through a Brazilian subsidiary. If the Group decides to operate the terminal itself, the Group will need to obtain the required governmental authorizations from the ANP and other governmental entities and retain qualified personnel with the applicable expertise. The Company cannot guarantee that it will be able to timely obtain the required licenses or that it will be able to retain qualified personnel. The Company also cannot guarantee that it will be able to timely find a new service provider, that it will be able to hire any such provider on favourable commercial terms or that the contracted services will be up to the Group's quality standards. Any failure or interruptions in the operations of the TNC may adversely impact the Group's business, financial condition and results

of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

Under the terms of the Company's purchase and sale agreement for acquisition of the Norte Capixaba Cluster and the TNC, Petrobras is required to carry out, at its cost, post-closing repairs to both the south and north subsea pipelines at the TNC in order to allow the Company to operate the pipelines within certain agreed specifications, including a maximum permissible operating pressure (MPOP) of 25 kgf/cm². Although the Company has now produced and stored oil in accordance with the very low sulphur fuel oil (VLSFO) specification required by the Mercuria Offtake and Marketing Agreements, for either subsea pipeline to be optimized for VLSFO shipment, the relevant pipeline must be certified for use at an MPOP of 25 kgf/cm² and an MPOT of 65°C. At present, neither subsea pipeline is certified for such use due to, among other things, the wrong gaskets being used by Petrobras in carrying out repairs on the pipeline flanges. To date, Petrobras has not succeeded in repairing and certifying either pipeline for use at an MPOP of 25 kgf/cm² and an MPOT of 65° C. The work being conducted by Petrobras to repair the north subsea pipeline has just been restarted following a temporary pause to analyze the results of previous tests and permit the Company to carry out offtake operations. The Company currently anticipates that such work will be completed by October. When the north subsea pipeline has been repaired and certified by Petrobras, Petrobras will repair and certify the south subsea pipeline. However, at present, no date has been provided by Petrobras for the repair and certification of the south subsea pipeline. The Company has engaged closely with Petrobras to expedite the remaining work, has filed an indemnity claim against Petrobras under the purchase and sale agreement for the Norte Capixaba Cluster and the TNC, and has hired additional specialised marine engineering resources to monitor Petrobras' activities. Petrobras' ongoing failure to repair and certify the subsea pipelines and the repeated delays to the work being carried out by Petrobras on the pipelines have prevented the Company from selling and shipping blended oil at IMO 2020-spec VLSFO prices. The Company's inability to achieve VLSFO-linked pricing (typically, a premium versus Brent) and the marketing fees that are payable by the Company to Mercuria in connection with the Company's sale of non-VLSFO crude oil have together had a negative effect on the Company's EBITDA and profitability. If the failure by Petrobras to repair and certify the TNC's subsea pipelines continues, it may adversely impact the Group's business, financial condition and results of operations, and could have a negative effect on the market price and value of the Bonds and the Shares.

The Group is not yet authorized to carry out customs clearance procedures for import and export onsite at the TNC. To address this issue, the Group has obtained short-term export permits and has temporarily arranged for crude oil intended for export to be transported to a nearby port for customs clearance.

In order to carry out the customs processes at the TNC, the Group must obtain certain governmental authorizations and certifications. The process of obtaining these authorizations and certifications involves assessments by various government authorities, as well as meeting the requirements established by such authorities which may be a complex and time-consuming process. Until the Group has successfully obtained the authorizations required for onsite customs clearance, the Group must rely on third parties in order to export the Group's crude oil, which may be more costly and take longer than if the Group was able to use the TNC for such customs clearance procedures. Thus, failure of or delays in obtaining the necessary authorizations and certifications could impact the Group's revenue generation and result in an increase in the Group's operating and administrative expenses, negatively affecting the Group's business, financial condition and results of operations, which could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

2.10 The Group is subject to third-party risk in terms of equipment, services and natural gas

Oil and gas production and development activities are dependent on the availability of raw materials, specialised equipment, including, but not limited to, drilling and related equipment in the particular areas where such activities will be conducted. The Group relies on suppliers of such equipment and services, including suppliers of drilling and workover rigs, in the operation and implementation of the Group's plans at the Clusters for reopening wells, infill drilling and other field-related projects and may be adversely affected by failures or delays by any suppliers in fulfilling their contractual obligations. If suppliers delay or fail to deliver the supplies required for the Group's projects, the Group may not meet its operational goals within the expected time. The Group may ultimately need to postpone one or more of the Group's projects, which may have an adverse effect on the Group's results.

In addition, at present, the fields of the Norte Capixaba Cluster do not currently produce enough natural gas to sustain the processes required for its full operation. The Group is currently using gas produced in the Cricaré Cluster to provide

the gas required to operate the Norte Capixaba Cluster, and the Company believes that the Cricaré Cluster gas will be sufficient to operate the Norte Capixaba Cluster until 2040. After 2040 or if prior to that time the Cricaré Cluster gas should prove insufficient to operate the Norte Capixaba Cluster, the Group will need to purchase natural gas to operate certain fields in the Norte Capixaba Cluster. In such circumstances, the Group may not be able to purchase enough natural gas in the market to completely fulfil the Group's needs or be unable to acquire any volume of natural gas at favourable commercial terms, which may require the Group to reduce its production of oil or incur higher costs, which could materially and adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

2.11 The construction, operation and expansion of facilities and equipment for oil and gas production involve significant risks

The increase in the Group's revenues depends significantly on the Group's ability to allocate capital efficiently and to develop and manage the Group's facilities, as well as the Group's ability to acquire and renew the required governmental authorizations, including approvals from the ANP and local, state and federal environmental authorities.

The Group may be unable to adequately pursue such construction, operation and expansion activities due to a number of factors, including: (i) the Group's inability or difficulty to obtain or renew the necessary governmental authorizations; (ii) environmental restrictions or changes in environmental laws, providing for new obligations or requiring measures that increase the costs of the Group's projects; (iii) issues with equipment; (iv) environmental accidents or damage, which may subject the Group to substantial liability, as well as reputational harm; (v) delays in construction or incurring costs higher than expected during construction; (vi) unavailability of financing at commercially attractive terms; (vii) the Group's inability or difficulty in acquiring or establishing and maintaining the appropriate real estate easements; (viii) delays or interruptions in the production of wells caused by restrictions on the Group's transportation, storage, production capacity or interruptions of the transportation of oil and natural gas; and (ix) adverse market conditions or lack of appropriate oil and natural gas transportation, which may compromise the Group's access to oil and natural gas markets.

If any of these or other problems occur, the Group may be required to incur in additional operating and financial costs and be subject to loss of the Group's licenses and authorizations, any of which may adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

2.12 The flow and transport of hydrocarbons involve risks that may result in accidents and operating costs for the Group

The Group uses its fully owned pipeline network to transport and sell the oil produced at the Group's fields. The oil is sent from the Group's fields to the TNC, and subsequently transported by ship. Interruptions or stoppages in the transportation caused by adverse weather conditions, strikes, blockages, delays or other incidents may impair the Group's ability to move the hydrocarbons produced by the Group to the TNC and carry out oil offtakes by ship from the TNC. For example, in October 2023, the Brazilian state of Amazonas experienced a severe drought, resulting in low water in the Rio Negro. This led to the late cancellation of a major offtake by a buyer, who declared force majeure due to draft restrictions in the Rio Negro that prevented vessels from approaching the buyer's terminal. Immediately following this event, the region experienced a three-week period of stormy weather conditions, which delayed the arrival of the replacement offtake vessel chartered by the Group. The combination of these events resulted in a nine-week period between full offtakes. As a result, the remaining storage availability at the TNC was consumed and the Group had to reduce its production, thereby negatively affecting the Company's results of operations for the period.

In addition to the above, some production pipelines are located in environmentally sensitive areas and if any problem occurs in any of the main pipelines the Group uses, such as leakage or rupture, the Group's operations may be paralyzed, which may result in financial loss. These risks can also cause fatalities, significant damage to the Group's or third parties' properties, pollution and environmental damage and interruption of operations, which, in turn, may result in significant financial and reputational losses.

The transportation and handling activities of the tailings produced in the fields operated by the Group, such as water and oily sludge, are the Group's responsibility and involve a variety of inherent dangers and operational risks, such as leaks, accidents and mechanical problems, which may cause significant financial losses for the Group.

The proximity of some pipelines and storage locations for hazardous products to populated areas, including residential, commercial and industrial facilities, may increase the extent of damage resulting from these risks. The occurrence of any of these events may cause reputational damage and adversely affect the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

2.13 Labor disputes may disrupt the Group's operations from time to time

The Group expects that a substantial number of the Group's employees, and some of the employees of the Group's service providers or subcontractors, will be represented by labour unions and covered by collective bargaining or other labour agreements, which are subject to periodic negotiation. Strikes and other labour disruptions at any of the Group's operations could adversely affect the operation of facilities and the timing of completion and cost of the Group's capital projects.

Social movements and labour unions may oppose the Group's operations or their expansion. In these cases, the Group's operations, image and reputation may be negatively affected, and the Group may be subject to legal and administrative proceedings that could result in criminal or administrative penalties.

Also, the use of outsourced employees may result in violations of applicable laws or the assumption of labor and social security obligations. There can be no guarantee that the Group's suppliers and service providers will comply with regulations on working conditions, environmental and sustainability practices, outsourcing of the production chain and safety conditions, or that they will not use irregular practices to reduce product costs or in any other way, including practices that may represent violations of Brazilian anti-corruption laws. The use of outsourced labor by the Group may imply the assumption of labor and social security contingencies. The assumption of such contingencies is inherent in the hiring of third parties, since the Group, as the borrower of third-party services, may be attributed subsidiary liability for the labor and social security debts of the employees of the companies providing the services, when they fail to comply with their labor and social security obligations. In addition, the Group cannot guarantee that its policies, procedures and internal controls are sufficient to prevent or detect all improper practices, fraud or violations of applicable laws on the part of third parties with which the Group has dealings, including its suppliers and service providers.

The Group does not have full control over the operations of the companies or persons with whom it maintains commercial relations for the purchase and sale of products or services. The occurrence of possible contingencies is difficult to predict and quantify, and if they were to occur, they could adversely affect the Group's financial situation and results, as well as negatively impact its image in the event of a fine or payment of compensation.

2.14 The Group's insurance policies may not be sufficient to cover all claims

The Group's operations are subject to a number of hazards and risks associated with such operations, including, but not limited to, fires, explosions, blowouts, and oil spills, each of which could result in substantial damage to oil and gas wells, production facilities, other property, and the environment, or result in personal injury and business interruption.

Although the Company maintains liability insurance that the Group considers adequate and consistent with industry standards, the Group's insurance policies may not adequately cover all risks and hazards to which the Group is exposed. A significant claim that is not covered by the Group's insurance, in full or in part, may result in large expenditures by the Group. Moreover, the Group may not be able to maintain insurance policies in the future at reasonable costs or on acceptable terms, which may adversely affect the Group's business and reduce the value of the Bonds and the Shares.

2.15 The costs related to decommissioning and abandonment of assets are unknown and can be substantial

With the exception of certain fields for which there are cost-sharing arrangements with Petrobras, the Group is responsible for the costs related to the abandonment and recovery of the Group's wells and facilities used for the

production of oil reserves (decommissioning). The costs related to decommissioning may impair the Group's ability to focus capital on other businesses. In addition, the Group may remain liable for decommissioning and abandonment of fields even after they have been sold or transferred prior to the end of production, which could adversely affect the Group's financial condition, results of operations and prospects, including because decommissioning may occasionally involve recovering contaminated areas.

Although the obligation to properly deactivate wells which arose under the operatorship of Petrobras falls under Petrobras' responsibility under the terms of the sale and purchase agreements for the Clusters, this does not prevent third parties and IEMA from seeking remediation measures and compensation measures from the Group.

Failure to properly deactivate and/or decommission wells and facilities may expose the Group to administrative penalties, including fines as high as BRL 50 million, and/or warnings, embargo on activities and partial or total suspension of activities. Moreover, the Public Prosecutor Office in Brazil may commence civil proceedings to investigate irregularities and seek to recover environmental damages and/or indemnification. It might also file a public civil action seeking the same results. At the criminal level, the Group may be subject to fines, restriction of rights and rendering of services to the community; and individuals who are eventually determined to have contributed to the investigated acts, including those who were aware of a criminal act and did not act to stop it (i.e., directors, managers, employees and others), may be subject to imprisonment.

2.16 The Group is exposed to risk related to decommissioning guarantees and related security provided to the ANP

The Group cannot guarantee that decommissioning costs for its assets will not exceed its expectations and, therefore, may have a material adverse effect on the Group's business and results.

Pursuant to the applicable Brazilian regulation, the Group is required to submit financial guarantees and/or insurance policies to the ANP as security for its obligations in respect of the decommissioning of its facilities, which guarantees and/or insurance policies must be submitted to the ANP and meet the requirements outlined in the applicable regulation. The ANP may, at any time, request the replacement of the type of obligation presented. Additionally, although the Group may contractually arrange for a third-party to assume decommissioning and abandonment costs, the Group would remain liable to the ANP in its capacity as concessionaire.

If the Group's proposed decommissioning guarantees and/or insurance policies submitted to the ANP are not accepted by the ANP or its existing decommissioning guarantees and/or insurance policies are not renewed on the terms provided for in the applicable regulation, the ANP may enforce the existing guarantees and/or policies, the Group may be subject to regulatory sanctions and the Group's oil and gas concession agreements could be terminated. Additionally, there is a limited number of banks who are able and willing to provide financial guarantees or letters of credit, as well as insurance companies who are willing and able to provide insurance policies, for decommissioning guarantee purposes, which may require the Group to provide cash collateral and may lead the Group to avail itself of other, costlier forms of collateral acceptable to the ANP.

2.17 The Group's business and growth depend on its ability to continue developing and exploring its fields and oil and gas prospects, including through the acquisition of new fields. Unless the Group manages to acquire new oil and natural gas reserves and/or make new discoveries through exploration, its reserves and production will be reduced over time, which could adversely affect its production capacity and, consequently, its ability to generate revenue

Since oil and natural gas are non-renewable natural resources, the continuity of the sector depends on the discovery, development and acquisition of other reserves. The Group's ability to implement its growth strategy and develop production activities depends on its degree of success in finding, developing and acquiring new assets or gaining access to new oil and natural gas reserves. Without the addition of new reserves through acquisition, development or exploration activities, the Group's reserves and production will naturally be reduced over time as its existing reserves are produced and concession agreements expire. There is no guarantee that the Group will continue to implement the strategy of expanding its reserves through the acquisition of assets and, furthermore, there is no guarantee that, if new wells are drilled in these fields, they will produce oil or natural gas or, if they do, that the production will be of commercial quantity or quality. Acquisitions of new oil and gas fields may not be approved or government agencies may impose conditions on the closing of such transactions. For example, in the case of acquisitions of new fields that

give rise to assignment processes at the ANP, the Group cannot guarantee that the ANP will approve the assignment of such assets and/or that the Group will be able to meet all the criteria for the technical, legal and financial qualifications in such assignment processes, which may adversely affect the Group's business. In addition, the Group faces competition from other companies in the sector, or even from other sectors, in the process of acquiring new oil and natural gas reserves, which may make it unfeasible or difficult, or even result in a higher acquisition value than initially estimated. The Group cannot guarantee that it will have sufficient financial resources to acquire, or that it will acquire, or that it will have access to production and exploration assets that hold reserves.

2.18 The Group's resources and reserves are based on several variables, such as geological and geophysical analyses, modelling of the behaviour of the deposits, price and cost projections and comparative analyses with other similar reserves and resources, which are not exact and may involve a significant degree of uncertainty

Oil and gas reserves engineering is a process of estimating accumulations of oil and gas that cannot be measured in an exact way, and estimates of other engineers may differ materially from the Group's estimates. Numerous assumptions and uncertainties are inherent in estimating quantities of proved oil and gas reserves, including projecting future rates of production, timing and amounts of development expenditures and prices of oil and gas, many of which are beyond the Group's control. Results of drilling, testing and production after the date of the estimate may require revisions to be made. For example, if the Group is unable to sell its oil to customers, this may impact the estimate of the Group's oil and gas reserves. Accordingly, reserves estimates are often materially different from the quantities of oil and gas that are ultimately recovered, and if such recovered quantities are substantially lower than the initial reserves estimates, this could have a material adverse impact on the Group's business, financial condition and results of operations, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

The Group's reported reserves are based on estimates about future production expenses, expenses associated with existing wells, operating expenses, and cash flow, and on assumptions about the continuity of the Group's operations and the Group's ability to obtain all required regulatory permits and licenses. It is also based on assumptions related to economic factors in Brazil or in other petroleum-producing regions and their potential impact on the Group's business, as well as on economic factors that might occur or continue to occur in the Brazilian petroleum markets or in other petroleum-producing regions. The Group also assumes that it will be able to maintain the economic terms of the concessions from the Cricaré and Norte Capixaba Clusters until their terms conclude. The Group cannot guarantee the accuracy of these assumptions or that the Group's future operations involving exploration and production of oil will not be materially adversely affected in the future by political, environmental or other matters, many of which are beyond the Group's control. The Group's estimates regarding its ability to discover reserves, as well as the quantity and quality of oil and gas to be discovered in the Clusters, are inherently uncertain. When projecting such future potential rates of production of oil the Group may have failed to take into account various relevant factors. Depending on global macroeconomic conditions, there may be a risk around the valuations of the Group's reserves. The assumptions used in the valuation of the Group's reserves include estimates of oil and gas prices. If these estimates or assumptions are inaccurate, the Group may be required to make write-down adjustments to the recorded value of its reserves and contingent resources, which would negatively affect the Group's results and financial condition, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

2.19 Unfavourable decisions in legal proceedings the Group is involved may have adverse effects on the Group's business, financial condition and operating results

The Group and its managers are/may become parties to judicial and administrative proceedings and arbitration proceedings, including civil, criminal, tax, environmental and labor liability proceedings, related to violations of anti-corruption laws, among others. There is no guarantee that these processes and procedures will be judged favourably to the Group, or that the provisions will be sufficient to cover the amounts arising from any convictions. Decisions contrary to the Group's interests may reach substantial payment amounts, affect the Group's image or prevent the Group's from carrying out its business as initially planned could have a material adverse effect on its business, financial condition and results of operations.

In addition, it is possible that the Group may not have the necessary resources to make legal deposits or provide or offer guarantees in legal proceedings that dispute substantial amounts. Difficulty in obtaining the necessary funds to make these deposits or to provide or offer these guarantees will not suspend collection of the amounts arising from any convictions and could have an adverse effect on the Group's business, financial condition and operating results.

In addition, the Group is subject to inspection by various federal, state and municipal authorities, including tax, labor and environmental authorities. The Group may be assessed by such authorities and such assessments may become administrative proceedings and, subsequently, judicial proceedings, which, if decided unfavourably, may have an adverse effect on the Group's business and financial condition, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

2.20 The Group's business is capital intensive and may require additional capital in the future, which may not be available in satisfactory conditions

The Group's business and growth strategies require significant amounts of capital to be invested in future projects, as well as in maintaining current activities. If the cash generated by its operating activities is not sufficient to meet the need for capital, it may be required to raise additional capital, including through future financing, new public or private offerings of securities, such as shares and securities convertible into shares, to finance growth activities and initiatives. As of the date hereof, the Group relies on equity issuances and third-party financing to obtain sufficient capital to conduct its operations.

The ability to obtain such funds depends on various factors, including the Group's level of indebtedness, covenants governing its existing indebtedness, and market conditions. As of the date hereof, the Company financial indebtedness covenants severely restrict its ability to obtain additional indebtedness.

The inability to obtain the necessary funds under reasonable conditions could have adverse effects on the Group's business and impair its ability to implement its investment plan, as well as forcing the Group to reduce or postpone capital outlays, sell assets or restructure and refinance indebtedness, which could restrict the future growth and development of activities, adversely affecting operating results, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

2.21 The Group depends on information systems to conduct its business, and failure to protect these systems from security breaches could adversely affect its results

The Groups depends on information technology, communications and hardware and software processing systems for the efficient running of its business. Such systems are vital to its ability to properly monitor the Group's operations, achieve operational efficiency and meet service indicators and standards.

Information systems are vulnerable to service interruptions and security breaches by hackers and cyber terrorists, which have become increasingly sophisticated and widespread. Failures in the Group's cyber security systems or failures to prevent or identify these attacks could have a material adverse impact on the Group.

The Group cannot guarantee that the measures it takes will be sufficient to adequately prevent any security breaches. The unavailability of information systems or the failure of such systems to function as intended, for whatever reason, may cause an interruption in the Group's business and result in reduced performance and increased operating costs, which may have an adverse effect on the Group's business, financial condition and results of operations.

In addition, cyber security incidents may result in the misappropriation of information and/or the information of the Group's customers, employees and third parties and/or in downtime in the Group's servers or operations, or in the disclosure of commercial data and/or other sensitive information, which may adversely affect the Group's financial results and reputation. Any loss of intellectual property, business strategies or other sensitive information or interruption of the Group's operations could adversely affect the Group's financial results, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms.

2.22 The Group's assets may be subject to impairment and inventory value adjustments

The assets related to oil and gas activities are the most significant for the Group. The investments associated with oil and gas properties include the rights to properties in production, under development and at the prospecting stage, which are recorded at cost.

The Group reviews and assesses its assets for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable, which may represent a further risk.

Future cash flows are estimated based on expected future production, oil and gas prices, operating costs and capital costs. There are numerous uncertainties inherent in estimating oil and gas reserves and contingent resources and these differences between management's assumptions and the conditions obtained during the operational stage may have a material effect in the future on the Group's financial position and operating results.

In addition, depending on global macroeconomic conditions, there may be a risk related to the valuations of the Group's reserves and contingent resources. The assumptions used in the valuation of the Group's reserves and contingent resources include estimates of oil and gas prices expected to be obtained when they are negotiated. If these estimates or assumptions are inaccurate, the Group's may be required to make adjustments to the amount of its reserves and contingent resources, which could adversely affect its business plan.

2.23 Risk of failures in the Group's policies, systems, procedures and internal controls could adversely affect the Group's business

The Group's policies, systems, procedures and internal controls may not be fully effective or sufficient to prevent or detect all inappropriate conduct, fraud or violations of the law or internal policies by the Group, its managers, employees and third-party service providers. Risk management methods may not predict future exposures or be sufficient against unknown and/or unmapped risks which may be significantly greater than those indicated by the historical measures used.

The Group's governance and risk management processes were designed and are maintained and fed based on historical and statistical models that may be incomplete, incorrect or prove incapable of predicting future exposures, which could have a material adverse effect on the Group's business. If the Group is unable to maintain effectively operating internal controls (including, but not limited to, those over financial reporting), the Group may not be able to prepare the Group's financial statements and information properly, report its results accurately, prevent the occurrence of fraud or other deviations.

In addition, the Group's governance, policies, risk management and compliance processes may not be able to detect other occurrences of behavior not in keeping with ethical and moral principles, which could materially and adversely affect the Group's reputation, business, financial condition and operating results, or the market price of the Bonds and the Shares in a negative way. The failure or ineffectiveness of the Group's internal controls could have a significant adverse effect on its business, financial condition and results of operations.

2.24 An increase in the use of alternative energy sources can substantially affect the demand for fossil fuels

There has been a transformation in the way energy is produced and consumed around the world. This energy transition involves reducing CO² emissions, applying new technologies to increase efficiency and productivity and increasing the use of other energy sources, such as natural gas, wind and solar power. Changes in the composition of the energy matrix of Brazil and other countries and the cost of using such alternative energy sources could affect the demand for hydrocarbons and fossil fuels, which could negatively affect the Group.

Any structural reduction in the demand for oil and natural gas could have a negative impact on revenues, affecting the Group's financial condition and results of operations. In addition, a significant increase in the supply of electricity generated from alternative fuels could result in a reduction in the price of electricity for end users and adversely affect the demand for natural gas as an input. Future changes in natural gas prices, reductions in alternative fuel prices, incentives for the use of alternative energy sources or the generation of electricity from such sources may have a material adverse effect on the Group's cash flow and operating results.

In addition, the development and implementation of new technologies may result in a significant acceleration in the transition away from fossil fuels. It is not possible to predict when new technologies may become available, the flow of migration and acceptance of these new technologies and the associated costs. Advances in the development of alternative sources for the so-called "energy transition" may significantly reduce the demand for fossil fuels, which would otherwise reduce the demand for oil and natural gas, and may have a material adverse effect on the Group's business and financial performance, and could have a negative effect on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

3. Legal and regulatory risks

3.1 The Group's oil and gas concession agreements are subject to expiration, and the Group may not be able to renew those agreements

Each of the Group's concession agreements with the ANP expires 27 years after the date of the Declaration of Commerciality (Br.: *Declaração de Comercialidade*) of the corresponding field, which is a notice to the ANP stating that the field is suitable for commercial development, subject to extension periods if approved by the ANP.

The Group may apply for an extension of the term of a concession prior to the end of the relevant concession agreement, subject to the presentation of a new Development Plan for the related fields, including proposed new investments, and compliance with applicable legal and regulatory requirements. Any contractual extension is subject to approval of the new Development Plan by the ANP. The ANP is not required to approve the Group's requests for extension of any of the Group's concession agreements, and may condition its approval of any extension on certain modifications to the Development Plan and the investments to be made. As a result of these factors, the Group may not be able to renew concession agreements relating to the Group's fields on time or at all, which could have a material adverse effect on the Group's business, financial condition and results of operations, and, as a consequence, on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

3.2 Oil and natural gas companies in Brazil do not have title to oil and natural gas reserves

In Brazil, the Federal Government retains ownership of oil and gas reserves, transferring to the concession holders exclusive rights to explore, develop and produce oil and gas pursuant to concession agreements with the ANP. The concession holder is in turn entitled to perform oil exploration and production activities for its own account, using its own equipment and facilities, and retaining property rights to oil and gas produced. The Federal Government defines the energy policy through the Brazilian National Council for Energy Policy, and performs regulatory functions through the ANP. If the Federal Government imposes additional restrictions or obstacles for production of oil and gas by reforming or amending the current legal framework, the Group's ability to generate revenue could be affected, which could have a material adverse effect on the Group's business, financial condition and results of operations, and, as a consequence, on the Company's ability to fulfil its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

3.3 Operations in the oil and gas industry are subject to extensive regulation in Brazil

The oil and natural gas industry in Brazil is subject to extensive regulation and intervention of the Federal Government. Regulation and government intervention include the imposition of specific drilling and exploration obligations or requirements, production restrictions, price controls, taxation, restrictions for disposal of assets, foreign currency controls, nationalization and expropriation or cancellation of contractual rights. Recently, the ANP has begun to aggressively audit independent oil and gas companies in Brazil and order companies that it finds non-compliant with its regulations to shut down or curtail hydrocarbon production, shut down facilities, incur additional capital expenditures to become compliant, and/or pay fines for non-compliance. Compliance with applicable regulations may entail significant expenses, including in connection with obtaining licenses to conduct operations, production individualization processes (if production extends to adjacent deposits), compliance with local content policies, and taxation. The Group is also subject to federal, state and municipal environmental laws and regulations, which could result in delays to the Group's projects, prohibit or severely restrict the Group's activities in environmentally protected or sensitive regions or areas, or impose obligations with significant compliance costs.

Failure to comply with such laws and regulations may also result in suspension or termination of operations and administrative, civil and criminal fines and penalties. These laws and regulations may be selectively enforced, changed or the enforcement authority may change its interpretation with respect to them, so as to substantially increase costs. Under laws and regulations applicable to the oil and gas industry in Brazil, there is potential liability for personal injury, property damage and other harm. Any such liability could have a material adverse effect on the Group's business, financial condition and results of operations, and, as a consequence, on the Company's ability to fulfil its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

3.4 The Group's operating results may be impacted by changes in Brazilian tax laws

The Group's operating results may be impacted by changes in Brazilian tax laws, including changes in applicable tax rates or the introduction of new temporary or permanent taxes. These changes may impact the Group's financial margins and adversely impact the Group's business, financial condition and results of operations, and thereby the Company's ability to fulfil its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares. In December 2023, Brazilian Congress approved the Constitutional Amendment No. 132/2023. This amendment provides for the total consolidation, by 2033, of several taxes into three taxes inspired by the European value-added tax model. The constitutional amendment does not establish the tax rates for these new taxes and such rates are yet to be established.

In 2023, the Brazilian Government also imposed a 9.2% tax on crude oil exports from March 1, 2023, to June 30, 2023. The tax collection ceased after this period, and major oil and gas companies are currently challenging it in court to recover amounts paid. Brazilian law currently exempts dividends from income taxes, a rule in place since 1995. There have been discussions to change this exemption. Any changes to this exemption could adversely affect the Group's financial results. Any legislative or regulatory changes affecting the taxes or special regimes benefiting the Group could negatively impact the Group's business and financial results.

3.5 The Group is exposed to risk related to anti-corruption and anti-money laundering compliance in Brazil

The oil industry in Brazil is deemed to be high risk from a corruption perspective, and the Group is therefore exposed to corruption risk. The Group is subject to anticorruption, anti-bribery, anti-money laundering and sanctions laws and regulations, including but not limited to, Brazilian Federal Law No. 12,846/2013 and the United States Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"), and the Bermuda Bribery Act 2016 (the "**BBA**"). Each of the Clean Group Act, the FCPA and BBA impose liability on companies who engage in bribery of government officials, either directly or through intermediaries. Violations by the Group of such laws and regulations could result in criminal liability, administrative and civil lawsuits, significant fines and penalties, forfeiture of significant assets, as well as reputational harm. Furthermore, if compliance requirements become more stringent in the future, this could result in significant costs for the Group, or result in delays in the Group's business processes.

3.6 The Group's activities are subject to environmental, safety and health regulations, which may become stricter in the future and cause an increase in liabilities and capital expenditure, including compensation and fines for environmental damage

The Group's activities are subject to environmental, health and safety regulations and evolving industry standards and international conventions. More stringent environmental legislation or regulations are also expected to be enacted over time, either through the approval of new standards or stricter interpretations of existing laws and regulations. Brazilian environmental legislation and regulations permits piercing the corporate veil to ensure that sufficient financial resources are available to parties seeking to remedy environmental damage.

Brazilian environmental legislation imposes strict civil liability on anyone who directly or indirectly causes environmental degradation and, therefore, the duty to repair or indemnify damage caused to the environment and to third parties affected is independent of intent or fault. The Group may also be held liable, including criminally, for potential damage and risks associated with environmental irregularities that occur in areas that have been affected as a result of its activities.

If the Group fails to comply with applicable regulations, it may be subject to warnings, fines, embargoes, partial or total suspension of activities, cancellation of licenses and the revocation of authorizations or other restrictions on the Group's development, construction, maintenance and sales activities, adversely affecting its financial condition. Failure of the Group to comply with environmental regulations or the Group being implicated in environmental damage may have an adverse impact on the Group's business, results of operations or financial condition.

3.7 International conventions, new trends in the energy market or measures to prevent climate change may affect the Group's operating activities or results

The Group's activities are subject to changes in industry standards, international conventions and environmental protection requirements. Any international conventions that do not yet exist may introduce restrictions on oil activities. With increasing global action to slow climate change, new national and international regulatory approaches to reducing gas emissions associated with oil and gas production activities may be developed, which may require the Group to

incur significant costs, which may have a negative impact on the profitability of its projects, in addition to generating uncertainties and exposures to financial, operational and reputational risks, directly impacting the Group's financial results.

3.8 The Group may be affected by new demarcations of indigenous lands by the Brazilian authorities, settlements, occupations by social movements and traditional communities

Traditional communities (indigenous and quilombo remnants) and social movements are relevant stakeholders in the development of projects in Brazil and usually demand that the Brazilian government carry out land demarcation procedures, land collection and discrimination, agrarian reform and compulsory land redistribution, which may cover areas currently occupied by the Group, forcing it to renegotiate existing occupation contracts, which may generate additional costs and negatively affect its image and reputation.

4. Macroeconomic Risks

4.1 The Brazilian government exercises significant influence over the Brazilian economy and government actions may materially adversely affect the Brazilian market and the Group

Political and economic conditions in Brazil directly affect the Group's business and may adversely affect the Group. Macroeconomic policies imposed by the Brazilian Government can have significant impacts on Brazilian companies, including the Group, as well as on market conditions and securities prices in Brazil. The Federal Government has frequently modified credit, monetary, fiscal and exchange rate policies, among others, to influence the conduct of Brazil's economy, which may result in adverse changes to the oil and gas sector, including the annulment of transactions and/or agreements made under Petrobras' divestment program. In addition, the federal government's actions to control inflation have sometimes involved controlling wages and prices, restricting access to bank accounts, blocking bank accounts, controls on the flow of capital and certain limits on imports and exports of goods. These changes could have a significant negative effect on the Group.

Uncontrolled inflation, significant exchange rate variations, civil unrest, social instability and other political, economic and diplomatic events, as well as the Brazilian government's response to these events, could have a material adverse effect on the Group's results of operations and financial condition. In addition, uncertainty regarding the guidelines of economic policy may contribute to a lack of confidence and increased volatility in the Brazilian capital markets, as well as in the price of securities in Brazil. It is not possible to predict with any certainty how the approval of any reforms, such as labour, social security, political and tax reforms, will impact on the Brazilian economy. Continuing political uncertainty may affect the approval of important measures and lead to reversals in expectations.

It is difficult to foresee which measures may be adopted by the Brazilian government, or which measures (if and when implemented) may create instability in the Brazilian economy. For example, the deterioration in federal, state and municipal governments' fiscal results in recent years has led to an unprecedented increase in gross debt, as well as in the gross debt to gross domestic product ratio. In this environment, the government may encounter difficulty honouring its commitment to pass on to the Group the credit instalments deducted from the salaries of its employees, increasing the Group's provisions for credit in general.

Due to the current political and economic instability in Brazil, there are substantial uncertainties in relation to future economic policies. Any changes in the regulations that govern the Group's sale of oil, for example, or continued policy uncertainty, may materially adversely affect the Group, and thereby on the Company's ability to fulfil its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

4.2 The Group is exposed to risks related to political instability in Brazil, including instability resulting from corruption investigations

Historically, Brazil's political landscape has influenced and continues to influence the performance of the country's economy. Political crises have affected and continue to affect the confidence of both investors and the general public, which has resulted in an economic downturn and increased the volatility of securities in Brazil.

Brazil, where the Group carries on its activities, is considered a moderately high-risk country for corruption. The Brazilian capital markets have experienced an increase in volatility on account of the uncertainties generated by

corruption investigations, led by the Federal Public Prosecutor's Office and other authorities, and its impact on the Brazilian economy and political environment. Certain members of the federal executive and legislative branches, as well as senior officers of large state-owned companies, have faced allegations of political corruption due to having allegedly accepted bribes in contracts awarded by the Brazilian government to various construction, infrastructure, oil and agribusiness companies. There can be no assurance that individuals directly or indirectly connected to the Group, including employees, executive officers, board members, suppliers, service providers, or subcontractors, are not or will not be involved in criminal investigations (whether or not related to corruption) that may adversely affect the Group's reputation, and thus also its financial condition, and, as a consequence, on the Company's ability to meet its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

4.3 Brazil's credit ratings have been, and may be further downgraded, which may have a material adverse effect on the Group's funding costs

Rating agencies regularly evaluate Brazil and its sovereign ratings based on a number of factors, including macroeconomic trends, physical and budgetary conditions, debt metrics and the prospect of changes in any of these factors. The rating agencies began to review Brazil's sovereign credit rating in September 2015, and subsequently, three major rating agencies downgraded Brazil's investment-grade status. On the date hereof, the Brazilian credit rating was classified as BB, Ba2 and BB stable by Standard & Poor's, Moody's and Fitch, respectively.

As a result of Brazil losing its investment grade status with the three major rating agencies, the trading prices of debt and equity securities in Brazil were adversely affected. Any further downgrades of Brazil's sovereign credit rating could increase investors' risk perception and, consequently, may increase the Group's future borrowing costs and could have a material adverse effect on the Group's results of operations and financial condition, and, as a consequence, on the Company's ability to fulfil its obligations under the Bond Terms, as well as the market price and value of the Bonds and the Shares.

4.4 Brazilian foreign exchange controls and regulations could restrict conversions and remittances abroad of the dividend payments and other shareholder distributions paid in Brazil in reais arising from the Company's Brazilian subsidiaries

Brazilian law provides that whenever there is a serious imbalance in Brazil's balance of payments or reasons to foresee such a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil. Such restrictions may hinder or prevent the Company, as the holder of the shares of the Brazilian subsidiaries from converting distributions or the proceeds from any sale of such shares, as the case may be, into USD and remitting such USD out of Brazil. Any reais so held will be subject to devaluation risk against the USD. In addition, the likelihood that the Brazilian government would impose such restrictions may be affected by the extent of Brazil's foreign currency reserves, the availability of foreign currency in the foreign exchange markets on the date a payment is due and the size of Brazil's debt service burden relative to the economy as a whole. The Company cannot assure investors that the Brazilian Central Bank will not modify its policies or that the Brazilian government will not institute restrictions or delays on cross-border remittances.

4.5 The Company and its Bermuda-registered subsidiaries are subject to economic substance requirements in Bermuda. The Company's Uruguay-registered subsidiary is subject to economic substance requirements in Uruguay

The Company and certain of the Company's subsidiaries are incorporated in Bermuda and may from time to time be organized in other jurisdictions identified by the Code of Conduct Group for Business Taxation of the European Union (the "COCG"), based on global standards set by the Organization for Economic Co-operation and Development with the objective of preventing low-tax jurisdictions from attracting profits from certain activities, as non-cooperative jurisdictions or jurisdictions having tax regimes that facilitate offshore structures that attract profits without real economic activity.

From 5 December 2017, following an assessment of the tax policies of various countries by the COCG, economic substance laws and regulations were enacted in these jurisdictions requiring that certain entities carrying out particular activities comply with an economic substance test whereby the entity must show, for example, that it (i) carries out activities that are of central importance to the entity from the jurisdiction, (ii) has held an adequate number of its board meetings in the jurisdiction at which strategic decisions are made when judged against the level of decision-making

required and (iii) has an adequate (a) amount of operating expenditures, (b) physical presence and (c) number of full-time employees in the jurisdiction. While the Company has taken action to ensure it and its Bermuda and Uruguay subsidiaries comply with applicable economic substance legislation in those jurisdictions, if the Company or any such subsidiary fails to comply with such obligations or any similar applicable law in any other jurisdiction, the Company or such subsidiary could be subject to financial penalties and spontaneous disclosure of information to foreign tax officials in related jurisdictions and may be struck from the register of companies in that jurisdiction.

5. Risks related to the Bonds

5.1 Limitations on the Company's ability to service the Bonds

Both the Credit Agreement and the Senior Bonds restrict the Company's ability to pay principal of or accrued interest on the Bonds. The Bonds may therefore only be serviced by conversion to equity, or in a scenario where the Credit Agreement and Senior Bonds are refinanced or where the creditors thereunder consent to principal and accrued interest on the Bonds being paid.

Furthermore, in a scenario in which principal of and accrued interest on the Bonds can be paid, the Company is predominantly a holding company and is dependent upon the cash flow from its subsidiaries in order to have the funds necessary to pay the principal of and interest on the Bonds and to meet its other obligations. The ability of the subsidiaries to pay distributions, dividends, intercompany debt and other payments to its direct and indirect parent entities, including the Company, may be restricted by, among other things, the availability of cash flows from operations, contractual restrictions in its debt instruments, applicable corporate, tax and other laws and other agreements to which the subsidiaries are party. Compliance with such restrictions may limit the amounts available for such distribution or transfer or may lead to such distributions or transfers being subject to costs, deductions and withholdings.

The inability to pay principal of and accrued interest on the bonds and to transfer cash from the Company's subsidiaries may result in the Group not being able to meet its obligations under the Bond Terms which could result in an investor losing its investment in the Bonds and the Shares entirely.

5.2 The Bonds are unsecured and subordinated to any senior debt of the Company

The Bonds (including all interest since it is payable in kind) are unsecured and the holders of the Bonds (together, the "**Bondholders**", and each a "**Bondholder**") will not benefit from any security in the event that the Company is unable to meet its obligations under the Bond Terms. Furthermore, the Bonds are fully subordinated to all senior debt obligations and all other unsubordinated obligations of the Company. Any cash payments under the Bonds (with the exception of fees payable to the Bond Trustee) shall be deferred until after any senior and/or unsubordinated debt liabilities of the Company are fully discharged. In the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding affecting the Company, the Bondholders' rights to receive payment will be subordinated to those of senior creditors and all other unsubordinated creditors.

Other creditors may have conflicting interests with Bondholders in the event of default and enforcement, including an incentive to initiate enforcement of their claims, which may be detrimental to the value of the Bonds. In the event of insolvency, therefore, there may be no or virtually no funds available for distribution in the insolvency estate and the Bondholders may receive no or only small payments on their claims.

5.3 The Bonds are structurally subordinated to liabilities of the Company's subsidiaries

Generally, claims of creditors of the Company's subsidiaries, including the lenders under the Credit Agreement, trade creditors, other secured and unsecured financial creditors, and creditors holding indebtedness and guarantees issued by such subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of the Company and will be entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Company as a direct or indirect shareholder. Accordingly, the Bonds will be structurally subordinated to all such creditors' claims against such subsidiaries and in an enforcement scenario, such creditors will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiaries before the Company, as a direct or indirect shareholder, will be entitled to receive any distributions.

5.4 Conversion of Bonds to Shares

Each Bondholder may elect to convert its Bonds to Shares at any time at the applicable conversion price. However, depending on the 20-day VWAP of the Share price on the date of issuance of the Bonds and the aggregate amount of Bonds that are issued, there may not be a sufficient number of authorised shares available on the date of issue to permit the entire Bond issue to be converted into Shares simultaneously, and that a post-issue extraordinary general meeting of shareholders of the Company may be required to obtain shareholder approval of the creation of additional authorised shares for future issuance upon conversion of the Bonds. There is a risk that such shareholder vote could fail, resulting in the Company not being able to convert the relevant Bonds and Bondholders being left with a claim subordinated as set out in the Term Sheet.

Furthermore, upon an Equity Event (as defined in the Bond Terms) the Bonds will be mandatorily converted into Shares (or Alternative Equity Instruments if the Equity Event is an Alternative Equity Event (each such term as defined in the Bond Terms)). Such conversion shall be carried out at the applicable conversion price (being equal to a fixed reference price multiplied by a discount factor). There is a risk that the conversion price is unfavourable compared to retaining the Bonds for a potential later conversion.

5.5 Bondholders may not be able to sell their Bonds at their preferred time or price due to registration requirements of certain jurisdictions

As the Company is relying upon exemptions from registration under applicable securities laws in the placement of the Bonds, in the future the Bonds may be transferred or resold only in a transaction registered under or exempt from the registration requirements of such legislation. Therefore, Bondholders may not be able to sell their Bonds at their preferred time or price. The Company cannot assure Bondholders as to the future liquidity of the Bonds and as a result, Bondholders bear the financial risk of their investment in the Bonds.

5.6 There is no active trading market for the Bonds

Pursuant to the Bond Terms, the Bonds will not be listed on any trading venue. As a result, Bondholders may find it difficult or impossible to trade their Bonds when desired or at a price level which allows for a profit comparable to similar investments.

5.7 Individual Bondholders do not have a right of action against the Company

In accordance with the Bond Terms, the bond trustee will represent all Bondholders in all matters relating to the Bonds, and the Bondholders are prevented from taking action on their own against the Company. Consequently, individual Bondholders do not have the right to take enforcement action against the Company if it defaults and they will instead need to wait until a requisite majority of Bondholders agrees to take such action. The bond trustee will in some cases have the right to make decisions and take actions that bind all Bondholders. It is possible that such decisions and actions will negatively affect one or more Bondholders.

5.8 Bondholders may be overruled by majority votes taken in Bondholders' meetings

The Bond Terms include certain provisions regarding Bondholders' meetings and written procedures. Such meetings and procedures may be used to reach decisions on matters relating to the Bondholders' interests. The Bond Terms allow for specified majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or procedure and those who have voted against the majority. Consequently, there is a risk that the actions of the majority in such matters will impact a Bondholder's rights in a manner that is undesirable to it.

6 Risks related to the Shares

6.1 Future sales, or the possibility of future sales of substantial number of shares could affect the market price of the Shares

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult

for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

6.2 Investors' rights and responsibilities as shareholders will be governed by Bermuda law

The Company's corporate affairs are governed by the Bermuda Companies Act and the Company's Memorandum of Association and Bye-Laws. The rights of the Company's shareholders and the responsibilities of the Board under Bermuda law may not be as clearly established as under the laws of other jurisdictions, including Norway. In addition, the rights of shareholders are governed by Bermuda law and the Bye-Laws and could differ from the rights of the shareholders under other jurisdictions, including Norway. The holders of the Shares may have more difficulty in protecting their interests in the face of actions by the Board than if the Company was incorporated in the United States, Norway, or another jurisdiction.

6.3 The shareholders do not have pre-emptive rights

Under Bermuda law, shareholders do not have pre-emptive rights to subscribe for additional issues of a company's shares unless, and to the extent that, such right is expressly granted to shareholders under the bye-laws of a company or in a contract between shareholders and the company. The Bye-Laws do not provide for pre-emptive rights to subscribe for additional issues of Shares. The Board is authorised to issue Shares in the Company to such persons, at such times and on such terms as the Board determines, up to the total authorised share capital of the Company from time to time. As such, the holdings of shareholders of the Company may be diluted by the issuance of Shares in the Company, which do not generally have to be approved by a general meeting of shareholders.

6.4 The Company may not pay and/or be restricted from paying dividends in the future

The Company has firm dividend restrictions pursuant to the Credit Agreement and the Senior Bonds, which restrict the Company from declaring distributions to its shareholders while indebtedness under the Credit Agreement and the Senior Bonds remains outstanding. Furthermore, under Bermuda law, the Company may not declare or pay a dividend or distribution if there are reasonable grounds for believing that (a) the Company is, or would after the payment of the dividend or distribution be, unable to pay its liabilities as they become due or (b) the realizable value of the Company's assets would as a result of the dividend or distribution be less than the Company's liabilities. In addition, since the Company is a holding company with no material assets other than the shares of the Company's subsidiaries through which the Company conducts the Group's operations, the Company's ability to pay dividends will depend on the Company's subsidiaries distributing to the Company their earnings and cash flow and liquidity. Due to these restrictions, the Company cannot predict when, or if, dividends will be paid in the future.

6.5 The Bye-Laws, as well as Bermuda law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of the Company's Shares

The Bye-Laws, as well as Bermuda law, contain provisions that may discourage, delay or prevent a merger, amalgamation, acquisition, or other change in control that shareholders may consider favourable, including transactions in which shareholders might otherwise receive a premium for their Shares. These provisions may also prevent or frustrate attempts by the Company's shareholders to replace or remove its management. The Company's corporate governance documents include provisions:

- permitting the issuance of undesignated shares, which can be issued without shareholder approval and with voting, liquidation, dividend and other rights superior to the Shares;
- providing that any action required or permitted to be taken by the Company's shareholders must be taken at a duly called annual or special meeting of such shareholders and may not be taken by any consent in writing by such shareholders;
- requiring, to the fullest extent permitted by applicable law, advance notice of shareholder proposals for business to be conducted at meetings of the Company's shareholders and for shareholder-proposed nominations of candidates for election to the Board;

- limiting the filling of vacancies or newly created seats on the Board between general meetings to the decision of the Board then in office; and
- providing that directors may be removed by shareholders only upon the affirmative vote of holders of at least 75% of the votes cast at the relevant general meeting.

The existence of these provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for Shares. They could also deter potential acquirers of the Company, reducing the likelihood that shareholders could receive a premium for their Shares in an acquisition.

6.6 Norwegian investors may become subject to CFC taxation

Since the Company is resident in Bermuda (which for Norwegian tax purposes is deemed a "low-tax jurisdiction" and outside the EEA), Norwegian shareholders will become subject to controlled foreign corporation ("**CFC**") taxation (Nw.: *NOKUS-beskatning*) if the Norwegian shareholders (jointly) control the Company. The Company will be deemed controlled by Norwegian shareholders if all Norwegian shareholders (jointly) directly or indirectly own or control (together referred to as "**Control**") at least 50% of the Shares / capital of the Company, subject to further threshold calculation rules.

CFC-taxation means that the Norwegian shareholders will be allocated and taxed on a proportionate part of the Company's net income (calculated in accordance with Norwegian tax rules) on an ongoing basis (irrespective of whether they receive any distributions or other proceeds from the Company) based on their individual shareholding in the Company. As of 2022, the ordinary tax rate is 22%. If the Norwegian shareholders become subject to CFC taxation and later cease to be subject to CFC taxation due to the Company ceasing to be Controlled by Norwegian shareholders, then all CFC taxed Norwegian shareholders would become subject to Norwegian exit taxation (at their applicable tax rates) on any non-realized gain. CFC taxation further implies that the Norwegian shareholders would need to make additional CFC tax filings.

The above is not an exhaustive description of the consequences of and risks associated with CFC taxation. Prospective Norwegian shareholders are advised to consult with their tax advisors with respect to any Norwegian tax consequences under the CFC rules in connection with investing in Shares.

6.7 Shareholders may have difficulty enforcing judgments of U.S. and Norwegian courts against the Company in Bermuda courts

The Company is incorporated as an exempted company pursuant to the laws of Bermuda. In addition, a number of its directors and executive officers are not residents of the United States or Norway, and a substantial portion of the Company's assets are or may be located in jurisdictions outside the United States or Norway (mainly in Brazil). As a result, it may be difficult for shareholders to effect service of process within the United States upon those persons or the Company or to recover against them or the Company on judgments of U.S. or Norwegian courts, including judgments predicated upon civil liability provisions of the U.S. federal securities laws or Norwegian securities laws.

There is no treaty in force between the United States or Norway, Bermuda and Brazil providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S., Norwegian or Brazilian judgment would be enforceable in Bermuda against the Company or its directors and officers depends on whether the U.S., Norwegian or Brazilian court that entered the judgment is recognized by the Bermuda court as having jurisdiction over the Company or its directors and officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court, Norwegian court, or Brazilian court that is final and for a certain sum based on U.S. federal securities laws, Norwegian securities laws or Brazilian securities laws will not be automatically enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, Norwegian court, or Brazilian court, and the issue of submission and jurisdiction is a matter of Bermuda (not U.S., Norwegian or Brazilian) law.

In addition, and irrespective of jurisdictional issues, the Bermuda courts will not enforce U.S. federal securities law, Norwegian securities law, or Brazilian securities law that is either penal or contrary to Bermuda public policy. The Company has been advised that an action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, will not be entertained by a Bermuda court.

Certain remedies available under the laws of U.S., Norwegian, or Brazilian jurisdictions, including certain remedies under U.S. federal securities laws, Norwegian securities laws, or Brazilian securities law would not be available under Bermuda law or enforceable in a Bermuda court, as they would be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against the Company or its directors and officers in the first instance for violation of U.S. federal securities laws, Norwegian securities laws, or Brazilian securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on the Company or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

6.8 Shareholders may have more difficulty protecting their interests than shareholders of a U.S. or Norwegian corporation

The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders under legislation or judicial precedent in many U.S. jurisdictions and other jurisdictions, such as Norway. Class actions and derivative actions are generally not available to shareholders under Bermuda law. However, Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in the name of a company to remedy a wrong done to a company where the act complained of is alleged to be beyond the corporate power of a company, is illegal or would result in the violation of that company's memorandum of association or by-laws. Furthermore, consideration would be given by a Bermuda court to allow derivative action rights where there are acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of a company's shareholders than actually approved it.

Schedule 2
Convertible Bond Term Sheet

THIS TERM SHEET MAY NOT BE REPRODUCED OR REDISTRIBUTED IN WHOLE OR IN PART OR OTHERWISE MADE AVAILABLE TO ANY OTHER PERSON FOR ANY PURPOSE WITHOUT THE WRITTEN CONSENT OF THE MANAGER. THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO PURCHASE ANY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE LAWS OF ANY STATE OR OTHER JURISDICTION WITHIN THE U.S., AND WILL NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Term Sheet

3 September 2024



Seacrest Petroleo Bermuda Limited Subordinated Convertible Bond Issue 2024/2027

ISIN: NO0013326132

Issuer:	Seacrest Petroleo Bermuda Limited, an exempted company limited by shares incorporated under the laws of Bermuda with business registration number 54716 and LEI-code: 2138006AEHLIT6E5XM67.
Group:	The Issuer and all its Subsidiaries from time to time (each a " Group Company ").
Securities Offered:	<p>USD denominated convertible bonds (the "Bonds") convertible into:</p> <ul style="list-style-type: none"> (i) Shares; or (ii) in the case of an Alternative Equity Event, at the election of the holder, Alternative Equity Instruments, <p>(together the "Conversion Shares").</p> <p>Bond converted prior to fulfilment of the Condition Subsequent, will have full conversion rights up to the number of Conversion Shares authorised for issuance based on the time of exercise of the conversion right by the Bondholders (i.e., first come, first served).</p> <p>The Bonds will be in dematerialised registered form (registered in the CSD).</p>
Status of the Bonds:	The Bonds will constitute subordinated and unsecured obligations of the Issuer. The Bonds will rank <i>pari passu</i> without any preference among themselves and with all subordinated loans, but will be fully subordinated to all senior debt obligations and all other unsubordinated obligations of the Issuer. Any cash payments under the Bonds (with the exception of fees payable to the Bond Trustee) shall be deferred until after any senior and/or unsubordinated debt liabilities of the Issuer are fully discharged.
Issue Size:	Minimum USD 25,000,000.

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH, OR TO PERSONS IN ANY JURISDICTION TO WHOM, SUCH DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW.

Use of Proceeds:	The net proceeds of the Bonds will be used for general corporate purposes of the Group.
Denomination:	USD 1 per Bond (the “ Nominal Amount ”).
Minimum subscription:	The minimum amount of Bonds for subscription and allotment is USD 200,000 (but in no circumstances less than an amount equivalent to EUR 100,000).
Rating of the Issuer:	The Issuer is not rated.
Rating of the Bonds:	The Bonds will not be rated.
Issue Date:	Expected to be 16 September 2024.
Maturity Date:	Expected to be 16 September 2027.
Issue Price:	100% of the Nominal Amount.
Redemption Price:	100% of the Nominal Amount.
Coupon:	<p>In the period:</p> <ul style="list-style-type: none"> (i) from the Issue Date to but not including the Interest Payment Date falling 12 months after the Issue Date, 10% per annum; (ii) from the Interest Payment Date falling 12 months to but not including the Interest Payment Date falling 24 months after the Issue Date, 20% per annum; (iii) from the Interest Payment Date falling 24 months and at any time thereafter, 25% per annum, <p>in each case by payment in kind (PIK) by way of issuing additional Bonds.</p> <p>The day-count fraction is 30/360, business day convention is "unadjusted". The first interest payment shall be made on the date falling six (6) months after the Issue Date, with the last interest payment date to be the Maturity Date.</p>
Interest Payment Date	16 March and 16 September of each year, commencing on 16 March 2025.
Amortization:	The Bonds shall be non-amortizing and be repaid on the Maturity Date at the Redemption Price (plus accrued and uncapitalised interest), subject to conversion of the Bonds on the terms set out herein.
Reference Price:	<p>Means:</p> <ul style="list-style-type: none"> (i) in the case of a General Voluntary Conversion, NOK [●]¹ per Share (adjusted for any share split, reverse split or payment of any shareholder distribution), converted to USD using the exchange rate of NOK published by the Norwegian Central Bank on the date on which the General Voluntary Conversion is exercised;

¹ To be set at 20 days volume weighted average price (VWAP) for the Shares quoted on the date of pricing of the Bonds

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	<ul style="list-style-type: none"> (ii) in the case of an Alternative Equity Event, the price per Alternative Equity Instrument in such Alternative Equity Event, converted to USD using the exchange rate of the relevant currency in which the Alternative Equity Instrument is denominated published by the Norwegian Central Bank on the date of pricing of such Alternative Equity Event; (iii) in the case of a Share Equity Event, the price per Share in such Share Equity Event, converted to USD using the exchange rate of NOK published by the Norwegian Central Bank on the date of pricing of such Equity Event; (iv) in the case of an Asset Level Equity Event, the average of the 5 day volume weighted average price per Share (VWAP) immediately prior to the closing date of such Asset Level Equity Event and the 5 day VWAP immediately following such closing date, converted to USD using the exchange rate of NOK published by the Norwegian Central Bank on the date of pricing of such Asset Level Equity Event; (v) in the case of a Threshold Conversion Event, the equal weighted average price per Share of all conversions that have occurred prior to the date of the Threshold Conversion Event, converted to USD using the exchange rate of NOK published by the Norwegian Central Bank on the date of pricing of such Threshold Conversion Event; (vi) in the case of a Voluntary Conversion Prior to Maturity, the VWAP for the 20 day period commencing on 2 August 2027, converted to USD using the exchange rate of NOK published by the Norwegian Central Bank on the date on which the Voluntary Conversion Prior to Maturity is exercised; or (vii) if the Equity Event is a Sale Event, the price per Share in such Sale Event, converted to USD using the exchange rate of NOK published by the Norwegian Central Bank on the date of pricing of such Equity Event.
Discount Factor:	<p>In the period:</p> <ul style="list-style-type: none"> (i) from the Issue Date to but not including the Interest Payment Date falling 12 months after the Issue Date, 95%; (ii) from the Interest Payment Date falling 12 months to but not including the Interest Payment Date falling 24 months after the Issue Date, 90%; or (iii) from the Interest Payment Date falling 24 months after the Issue Date and at any time thereafter, 85%.
Conversion price:	<p>Except with respect to a General Voluntary Conversion or a Voluntary Conversion prior to Maturity, the conversion price to Shares or Alternative Equity Instruments shall be equal to the applicable Reference Price multiplied by the applicable Discount Factor.</p>

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<p>General Voluntary Conversion:</p>	<p>Each bondholder may elect to convert all its Bonds (principal only and no accrued interest) to Shares at any time prior to 28 February 2025. Such conversion shall be carried out at the Reference Price.</p> <p>The General Voluntary Conversion may be exercised by 10 Business Day written notice to the Bondholder's account manager for the CSD.</p>
<p>Non-Material Share Equity Event Voluntary Conversion:</p>	<p>Upon a Non-Material Share Equity Event, each bondholder may elect to convert all its Bonds (including accrued, unpaid interest) to Shares. Such conversion shall be carried out at the applicable Conversion Price.</p> <p>The Non-Material Share Equity Event Voluntary Conversion may be exercised by 10 Business Day written notice to the Bondholder's account manager for the CSD at any time after closing of the relevant Non-Material Share Equity Event, but in any event within no more than 15 Business Days upon such occurrence.</p>
<p>Voluntary Conversion Prior to Maturity:</p>	<p>Each bondholder may elect to convert all its Bonds (including accrued and unpaid interest) to Shares at any time from and including 1 September 2027 to and including 9 September 2027. Such conversion shall be carried out at the applicable Reference Price.</p> <p>The Voluntary Conversion prior to Maturity may be exercised by 2 Business Day written notice to the Bondholder's account manager for the CSD.</p>
<p>Mandatory Conversion:</p>	<p>Upon an Equity Event or a Threshold Conversion Event, (1) the Issuer shall immediately notify the Bond Trustee in writing thereof and, (2) as soon as possible, but not later than 20 Business Days following such event, all Bonds (including accrued, unpaid interest) shall be mandatorily converted into Shares or, if the Equity Event is an Alternative Equity Event, at the election of the holder (with such election being made no later than 10 Business Days following such event), Alternative Equity Instruments. The conversion shall be carried out at the relevant Conversion Price. If an Equity Event is an Alternative Equity Event and a holder does not elect to convert its Bonds into Alternative Equity Instruments, such Bonds shall be mandatorily converted into Shares on the same conversion price as if such conversion was a General Voluntary Conversion (with the conversion of USD to NOK using the exchange rate published by the Norwegian Central Bank on the date of pricing of such Alternative Equity Event).</p>
<p>Threshold Conversion Event:</p>	<p>Means the conversion by holders of not less than 2/3 of the aggregate principal amount of the Bonds, calculated as at the Issue Date.</p>
<p>Equity Event:</p>	<p>Means the occurrence of:</p> <ul style="list-style-type: none"> (i) an issue by the Issuer of Alternative Equity Instruments in one or several connected transactions raising gross proceeds of no less than USD 50,000,000 (whether in cash, by conversion of debt or otherwise) (or the equivalent in any other currency) (a "Alternative Equity Event");

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	<ul style="list-style-type: none"> (ii) an issue by the Issuer of any shares in one or several connected transactions raising gross proceeds of no less than USD 50,000,000 (whether in cash, by conversion of debt or otherwise) (or the equivalent in any other currency) (a “Material Share Equity Event”); (iii) an issue by a subsidiary of the Issuer in one or several connected transactions raising gross proceeds of no less than USD 50,000,000 (whether in cash, by conversion of debt or otherwise) (or the equivalent in any other currency) (an “Asset Level Equity Event”); or (iv) the completion of a bona fide third party offer to buy the shares in the Issuer (which may be a merger transaction) that has been accepted or approved by holders of at least fifty per cent (50%) plus one share of the then total shares issued by the Issuer (a “Sale Event”).
Non-Material Share Equity Event:	Means the occurrence of an issue by the Issuer of any shares in one or several connected transactions raising gross proceeds of more than USD 5,000,000, but less than USD 50,000,000 (whether in cash, by conversion of debt or otherwise) (or the equivalent in any other currency), excluding the issuance of any shares upon exercise of any option agreement or warrants entered into prior to the issue date for the Bonds and any repair issue made as a consequence of the issuance of the Bonds.
Share Equity Event:	Means any Non-Material Share Equity Event or any Material Share Equity Event.
Alternative Equity Instruments:	Means: <ul style="list-style-type: none"> (i) Brazilian Depository Receipts issued by the Issuer and listed on the B3 Stock Exchange; or (ii) any other equity instruments (other than Shares or a debt instrument convertible into Shares) issued by the Issuer in relation to an Alternative Equity Event.
Shares:	<p>Means common shares in the share capital of the Issuer to be listed on Euronext Expand.</p> <p>Shares issued to Bondholders as a result of conversion of the Bonds may be issued on a separate, temporary ISIN pending approval of a listing prospectus by the Financial Supervisory Authority of Norway in accordance with the requirements in the EU Prospectus Regulation and will thus not be listed or tradable on Oslo Børs until such listing prospectus has been published.</p> <p>At the option of the Issuer, the Issuer may agree with individual Bondholders that such Bondholders' Bonds will be converted into non-voting shares or other ownership interests in a Group Company or asset.</p>
Call Option Issuer:	Non-callable for the tenor of the Bond.
Representations and Warranties:	The Bond Terms shall include standard representations and warranties (as customary in the Norwegian high-yield convertible bond market). The representations and warranties shall be made by the Issuer at the date of the Bond Terms and at the Issue Date.

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Information Undertakings:	The Bond Terms shall include relevant information undertakings (as customary in the Norwegian high-yield convertible bond market), including for the Issuer to make available on its website its Annual Financial Statements as soon as they become available and no later than 120 days after the end of the financial year and its Interim Accounts as soon as they become available and no later than 60 days after the end of the relevant quarter.
General Undertakings:	<p>During the term of the Bonds, the Issuer shall comply with the following general undertakings:</p> <p>(a) Issuance of shares: The Issuer shall ensure that no Group Company other than the Issuer shall issue shares or other equity instruments to any third parties not being a member of the Group, as a result of which the Issuer may lose Decisive Influence over any of its subsidiaries.</p> <p>(b) Mergers and de-mergers: The Issuer shall not carry out any (i) merger, amalgamation or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer with any other company or entity not being a member of the Group or (ii) de-merger or other corporate reorganization involving a split of the Issuer into two or more separate companies or entities other than within the Group, in each case, if such merger, amalgamation, demerger, combination or reorganisation would have a Material Adverse Effect.</p> <p>(c) Continuation of business: The Issuer shall not cease to carry on its business.</p> <p>(d) Compliance with laws: The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time, if a failure to do so would have Material Adverse Effect.</p> <p>(e) Arm's length transactions: The Issuer shall not, and shall ensure that no other Group Company will, engage, directly or indirectly, in any material transaction with any related party (including, without limitation, the purchase, sale or exchange of assets or the rendering of any service), except on arm's length terms or on terms that are better for the Group than arm's length.</p>
Material Adverse Effect:	Means an event or circumstance which has a material adverse effect on (a) the business, financial condition or operations of the Group (taken as a whole); (b) the ability of the Issuer to perform its obligations under the Finance Documents; or (c) the validity or enforceability of any of the Finance Documents and if capable of remedy, not remedied with 15 Business Days of the Issuer becoming aware of the issue or being given notice of the issue by the Bond Trustee.
Events of Default:	The Bond Terms shall include standard Event of Default provisions regarding: <ul style="list-style-type: none"> (i) non-payment; (ii) breach of other obligations; (iii) misrepresentations;

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	<p>(iv) insolvency and insolvency proceedings; and</p> <p>(v) unlawfulness,</p> <p>in each case applicable to the Issuer.</p>
Definitions:	<p>“Annual Financial Statements” means, for any financial year, the audited unconsolidated and consolidated annual financial statement of the Issuer. The Annual Financial Statements shall be in the English language and prepared in accordance with GAAP. Such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.</p> <p>“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 the services provided by the Bond Trustee relating to the Bonds.</p> <p>“Bondholder” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond.</p> <p>“Business Day” means any day which is a business day in Oslo, New York and Hamilton, Bermuda and on which the relevant CSD settlement system is open.</p> <p>“CSD” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).</p> <p>“Decisive Influence” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):</p> <ul style="list-style-type: none">(i) a majority of the voting rights in that other person; or(ii) a right to elect or remove a majority of the members of the board of directors of that other person. <p>“Distribution” means, whether in cash or kind, any (i) payment of dividend on shares, (ii) repurchase of own shares, (iii) redemption of share capital or other restricted equity with repayment to shareholders, or (iv) any other similar distribution or transfers of value to the direct and indirect shareholders of any Group Company or the affiliates of such direct and indirect shareholders, but shall not include any issue (rebated sale) of shares/options to employees/management as part of any incentive scheme or any other payment in the form of Shares of the Issuer.</p> <p>“Finance Documents” means:</p> <ul style="list-style-type: none">(i) the Bond Terms;(ii) the Bond Trustee Fee Agreement; and(iii) any other document the Issuer and the Bond Trustee designate as a Finance Document. <p>“GAAP” means generally accepted accounting principles in the jurisdiction of incorporation of the Issuer, including IFRS.</p>

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	<p>“IFRS” means International Financial Reporting Standards, and guidelines and interpretations issued thereto by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.</p> <p>“Interim Accounts” means, for the quarterly periods ending on each 31 March, 30 June, 30 September and 31 December in each year, the unaudited consolidated quarterly financial statements of the Issuer. The Interim Accounts shall be in the English language and prepared in accordance with GAAP. Such interim accounts shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.</p> <p>“Subsidiary” means a company over which another company has Decisive Influence.</p>
<p>Tax Gross-up:</p>	<p>If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required. 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>Tax Call:</p>	<p>If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to (subject to the Bondholders' right to apply its Conversion Rights) redeem all, but not only some, of the 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 twenty (20) Business Days prior to the relevant repayment date, provided that no such notice shall be given earlier than forty (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>Governing Law and Jurisdiction:</p>	<p>The Bonds will be governed by and shall be construed in accordance with Norwegian law. Disputes arising out of or in connection with the Bonds shall be resolved in the Norwegian courts.</p>

Conditions Precedent:	<p>Issuance of the Bonds and payment of the net proceeds thereof to the Issuer 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 reasonably satisfactory to the Bond Trustee:</p> <ul style="list-style-type: none">(a) the Bond Terms duly executed;(b) the Bond Trustee Fee Agreement duly executed by the parties thereto;(c) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and a minimum of 190,678,733 of the Conversion Shares and execute the relevant Finance Documents to which it is a party;(d) unless included in the corporate resolutions, a copy of a power of attorney from the Issuer 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;(e) copies of the bye-laws and certificate of incorporation (or similar document) of the Issuer;(f) copies of the latest Financial Reports of the Issuer;(g) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation, Regulation (EU) (2017/1129)) concerning the issuance of the Bonds have been fulfilled;(h) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);(i) confirmation in writing from the Issuer that no Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds;(j) 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;(k) evidence that the issuance of the Bonds is permitted pursuant to the terms of the Issuer's senior unsecured bonds with ISIN NO0013134759;(l) evidence that legal costs of the Manager and the Bond Trustee have been or will be paid no later than on the Issue Date; and(m) legal opinions as may be required by the Bond Trustee in respect of corporate matters relating to the Issuer and the legality, validity and
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	<p>enforceability of these Bond Terms and the relevant Finance Documents.</p> <p>The Bond Trustee may waive or postpone the delivery of certain conditions precedent at its sole discretion, or decide in its discretion that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.</p>
Conditions Subsequent:	The Issuer shall (to the extent required) deliver to the Bond Trustee (in form and content satisfactory to the Bond Trustee), not later than 90 days after the Issue Date, copies of all necessary corporate resolutions of the Issuer to issue any Conversion Shares not covered by the corporate resolutions delivered as conditions precedent.
Issuer's Ownership of Bonds:	The Issuer and its Subsidiaries have the right to purchase and own Bonds. Any such Bonds may (at the Issuer's discretion) be retained, cancelled or sold.
Listing of the Bonds:	The Issuer will apply for the Bonds to be listed on the Nordic ABM.
Manager:	ABG Sundal Collier ASA.
Bond Trustee:	Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo.
Paying Agent:	Nordic Trustee Services AS.
Subscription:	<p>By subscribing for and / or accepting an allocation of Bonds, each subscriber (the "Subscriber") irrevocably authorises and instructs the Manager to subscribe for the number of Bonds allocated to the relevant Subscriber on behalf of the relevant Subscriber. Subscribers shall make payment for the Bonds allocated to them to the Issuer's bank account separately notified to them. Subscribers may pay for Bonds in advance of the Issue Date.</p> <p>The Issuer and the Manager will in their sole discretion allocate the Bonds to the Subscribers and may apply allocation principles as agreed between the Issuer and the Manager. The Issuer and the Manager further reserve the right to set a maximum allocation to any applicant.</p> <p>The Bonds will be transferred to the relevant Subscriber's account with the CSD on the Issue Date provided that the Bond Trustee has confirmed that all documents required related to the issuance of the Bonds have been received. The Bonds shall be governed by the Bond Terms. The Subscriber, by subscribing for and/or accepting an allocation of Bonds, acknowledges having received and accepted the Bond Terms. By subscribing for and/or accepting an allocation of Bonds, each Subscriber irrevocably authorises the Bond Trustee to execute the Bond Terms on its behalf. The Subscriber acknowledges having accepted the Bond Terms and being bound by the terms and condition set out therein. If subscription is made prior to finalisation of the Bond Terms, the Subscriber hereby grants authority to the Bond Trustee and the Issuer to finalise the Bond Terms. Each Subscriber, by subscribing for and/or accepting an allocation of Bonds, acknowledges that minor adjustments to the structure and terms described herein could occur in the final Bond Terms.</p>

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Bond Terms:

A bond terms agreement (the "**Bond Terms**") for the Bonds will be entered into by the Bond Trustee on behalf of the Bondholders, based on this Term Sheet and the Bond Trustee's standard bond terms. The Bond Terms regulate the Bondholders' rights and obligations with respect to the Bonds. This Term Sheet is a summary of the main provisions of the Bond Terms, but is qualified in its entirety by reference to the detailed provisions of the Bond Terms. If any discrepancy should occur between this Term Sheet and the Bond Terms, the terms of the Bond Terms shall prevail.

The Bond Terms shall include provisions on the Bond Trustee's right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms) and any enforcement actions shall be taken via the Bond Trustee subject to the requisite majority of the Bondholders providing the relevant instructions. The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders' meetings and applicable quorum and majority requirements for Bondholders' consent, whereas a sufficient majority of Bondholders may materially amend the provisions of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions, undertakings, representations and warranties customary for a bond offering as described herein. The Bond Terms shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.

By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.

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Selling Restrictions:

The Bonds shall only be offered to (i) non-"U.S. persons" in "offshore transactions" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")), and (ii) to a limited number of persons located in the United States, its territories and possessions that are reasonably believed to be "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act. No purchase of Bonds in the United States, or to or for the account of U.S. Persons, shall be permitted, unless the purchaser provides a duly executed investor representation letter, in the form provided by the Issuer or the Manager, containing certain representations and acknowledgements, including, without limitation, that such purchaser is a QIB.

The Bonds have not and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. person (as such terms are defined in regulations) absent registration, except under an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act as further detailed in the application form. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

The Bonds may not be purchased by, or for the benefit of, persons resident in Canada unless pursuant to the "accredited investor" exemption from applicable prospectus requirements in British Columbia, Alberta, Ontario and Quebec and then only to the extent the Manager is in compliance with the "international dealer" exemption from applicable registration requirements under applicable Canadian securities laws.

In relation to each Member State of the European Economic Area (each, a "**Relevant State**"), no offer of Bond will be made to the public in that Relevant State other than: (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Bonds shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor

to decide to purchase or subscribe for the Bonds and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

The Bonds may be offered to and directed at specific addressees who, if in the United Kingdom, are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act and who are: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being "Relevant Persons"), and only in circumstances where, in accordance with section 86(1)(c) and (d) of the Financial and Services Markets Act 2000, as amended ("**FSMA**"), the requirement to provide an approved prospectus in accordance with the requirement under section 85 of the FSMA does not apply as the minimum denomination of and subscription for the Bonds exceeds EUR 100,000 or an equivalent amount. The Bonds may not be offered to or directed at specific addressees who in the United Kingdom, are not Relevant Persons.

The Bonds shall only be offered in Singapore (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

The Bonds shall only be offered in Hong Kong (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) (the "**CO**") or which do not constitute an offer to the public under the CO.

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Transfer restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none">(a) Bondholders may be subject to purchase or transfer restrictions as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.(b) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms, provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.(c) Bondholders will not be permitted to transfer the Bonds except (i) subject to an effective registration statement under the Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) in an offshore transaction in accordance with Regulation S under the Securities Act, or (iv) pursuant to any other exemption from registration under the Securities Act, including Rule 144 there under (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the Issue Date.(d) The Bondholders will not be permitted to transfer the Bonds to the public in Singapore for 6 months after the Bondholder has acquired the units except in accordance with the provisions of Section 276 of the SFA.(e) The Bondholders will not be permitted to transfer the Bonds in Hong Kong except (i) to "professional investors" as defined in the SFO (Cap. 571) of the law of Hong Kong and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the CO or which do not constitute an offer to the public under the CO.
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Oslo, 3 September 2024



Seacrest Petroleo Bermuda Limited
as Issuer



ABG Sundal Collier ASA
as Manager and Bookrunner