

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA.

To the bondholders in:

ISIN: NO 001 069988.7 11% Jack-Up InvestCo 3 Ltd Senior Secured Callable Bond Issue 2014/2018

Oslo, 2 June, 2015

Summons to Bondholders' Meeting – Waiver of amortizations and certain other amendments to the Bond Agreement

1. INTRODUCTION

Nordic Trustee ASA (the "**Trustee**") acts as trustee for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue ISIN NO 001 069988.7 (the "**Bonds**" or the "**Bond Issue**") issued by Jack-Up InvestCo 3 Plc (the "**Issuer**").

All capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 3 January 2014 and made between the Trustee and the Issuer (the "**Bond Agreement**"), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Agreement.

The information in this summons regarding the Issuer, market conditions and the Proposal (as defined below) are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

2. BACKGROUND INFORMATION

The Issuer is the owner of the vessel WIND SERVER that was delivered from Nordic Yards in December 2014. The vessel is currently working on a short term contract with Siemens and has so far proven to be fully operational and performing as expected.

At the time of the Bond Issue, the WIND SERVER was under construction at the yard and the Group was competing in a tender process with Siemens for a 3 year contract upon delivery of the vessel. Since then the WIND SERVER has successfully been delivered and the Group won the tender and secured a 3-year time charter for WIND SERVER with Siemens. This charter will generate strong cash flow for the Issuer. However, due to preferences of Siemens, the commencement of the time charter was set to the end of Q1 2016, approximately 1 year later than the initially expected commencement date. Up until the commencement of the time charter, the Group expects to employ the WIND SERVER in the spot market.

In addition the WIND SERVER, the Group's fleet also consist of two other smaller vessels. The first of these, WIND, is currently working for MHI Vestas Offshore Wind. The second vessel, WIND PIONEER, which conversion yard stay has been significantly delayed, is now

undergoing the final tests and is expected to become operational towards the end of Q2 2015. As no clients are currently tendering for jack-up O&M vessels for longer term contracts, the Group expects to operate both these vessels in the spot market during the coming 12 months.

While the Group assess its current financial condition to be sound, the Group's liquidity over the next 12 months are dependent on the achievable utilization of the Group's fleet in the spot market. While the Group is positive to the outlook for work for the vessel, it is very difficult for the Group to predict the actual utilization rate of the fleet achievable up until commencement of the long term charter for WIND SERVER. In order to mitigate the risk of facing a situation of strained liquidity, the Group wish^{to} take certain pre-emptive steps. During January 2015 additional equity of DKK 25 million and additional subordinated loans of DKK 25 million was contributed to the Guarantor (as cash). At the same time, the lending bank with security in WIND and WIND PIONEER agreed to postpone a large share the scheduled of amortization payments until Q2 2016.

In June 2015, the Group's lending bank further agreed to postponement of all remaining amortizations under the loans secured in WIND SERVER and WIND PIONEER until Q2 2016 and an increase of the available amount under the Group's revolving credit facility with DKK 20 million. In connection with this arrangement, shareholders of the Group have provided an additional on-demand guarantee towards the bank in the amount of DKK 20 million. This agreement with the Group's lending bank is conditional upon approval by the Bondholders of the Proposal set forth herein.

In order to further bolster the liquidity outlook in the Group up until the commencement of the 3-year charter with Siemens, wish to kindly ask its Bondholders for waiver of the two first instalments (in July 2015 and January 2016 respectively) and certain other amendments to the Bond Agreement to temporarily cease the sweeping and trapping in the Issuer of all operational cash flow generated by the WIND SERVER.

For further information about the Group and the background for this proposal, please see the attached presentation.

3. THE PROPOSAL

In return for the compensation set out herein, the Issuer kindly requests that the Bondholders consent to the following:

- (i) An amendment of the amortization profile in the Bond Agreement where after the July 2015 instalment of EUR 2,000,000 and the January 2016 instalment of EUR 3,500,000 are both postponed and added to the payment at Maturity Date in January 2018 (Final Maturity) where after final payment shall be EUR 27,000,000, cf. the Bond Agreement, Clause 10.1.
- (ii) A release and permitted repayment to the Guarantor of the cash (currently in the amount of EUR 1,300,000), which has been paid into the Retention Account by the Guarantor to service the amortization payment in July 2015 proposed to be waived.
- (iii) A temporary waiver of item (iii) in paragraph 13.5.1 (Application of Earnings) and paragraph 13.5.4 (account description) in the Bond Agreement, to remain until WIND SERVER is accepted under the Siemens time charter but in no case longer

than 3 July 2016. These paragraphs obligate the Guarantor to transfer excess cash from the operation of WIND SERVER to the Issuer as shareholder loans.

- (iv) A temporary waiver of condition c. in paragraph 13.4.2 (a) (shareholder distribution covenant), to remain until WIND SERVER is accepted under the Siemens time charter but in no case longer than 3 July 2016. This condition c. states that the Issuer shall hold a cash amount equal to or greater than the Reserve Amount on the Collection Account before the Issuer may repay any shareholder loans to the Guarantor.

As compensation the Issuer is offering the following to Bondholders:

- (v) The Interest payable shall be increased to 11.5% from and including the Interest Payment Date on 3 January 2016 to, but excluding, the Interest Payment Date on 3 July 2016, to 12% from and including the Interest Payment Date on 3 July 2016 to, but excluding, the Interest Payment Date on 3 January 2017, to 12.5% from and including the Interest Payment Date on 3 January 2017 to, but not including the Interest Payment Date on 3 July 2017 and to 13% from and including the Interest Payment Date on 3 July 2017 to, but excluding the Maturity Date, being 3 January 2018.
- (vi) An increase in the redemption price of all amortization payments (including the balloon repayment at Final Maturity) from 100.00% of par value to 101.25% of par value.
- (vii) An increase of all the Call Option redemption prices of 1.25% of par value. The Call Option redemption prices in the Bond Agreement clause 10.2 will be amended as follows:
 - a. From 109.00% to 110.25% during the period from 3 January 2016 to 2 July 2016;
 - b. From 107.00% to 108.25% during the period from 3 July 2016 to 2 January 2017;
 - c. From 105.50% to 106.75% during the period from 3 January 2017 to 2 July 2017; and
 - d. From 104.00% to 105.25% during the period from 3 July 2017 until 2 January 2018;

The proposals in items (i) to (vii) are collectively referred to as the "**Proposal**".

4. ISSUER'S EVALUATION OF THE PROPOSAL

The Issuer is of the opinion that the Proposal represents an attractive solution for the Group, the Bondholders and the Group's other stakeholders.

The Issuer has informed the Bond Trustee that investors representing more than 23% of the total outstanding amount of the Bond Issue has expressed their support for the proposal.

5. NON-RELIANCE

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate the Proposal and vote accordingly.

6. BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: 16 June, 2015 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 01061 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Voting over the Proposal:

It is proposed that the Bondholders' Meeting resolve the following:

1. The Proposal (as defined in the summons to this Bondholders' Meeting) is approved by the Bondholders' Meeting.
2. The Bond Trustee is given power of attorney for all matters related to documenting the decisions made by this Bondholders' Meeting as well as necessary completion work, including making amendments to the Bond Agreement.

To approve the above resolutions, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolutions. In order to have a quorum, at least 1/2 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the Bonds, (ii) the aggregate nominal amount of the Bonds and (iii) the account number in VPS on which the Bonds are registered.)

The individual Bondholder may authorise Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this

NORDIC TRUSTEE

letter for further details).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which Nordic Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (as set out at the first page of this letter) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely

Nordic Trustee ASA



Vivian Trøsch

Enclosed:

- Bondholder's Form
- Company update and proposal presentation