

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR TO ANY U.S. PERSON. NOT FOR DISTRIBUTION INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

To the bondholders in:

**ISIN NO 001 00673791                      10 per cent. IGas Energy Plc. Senior Secured Callable Bond Issue 2013/2018 (the "Bonds")**

30 January 2017

**IGAS ENERGY PLC.: MANDATORY REDEMPTION OFFER TO BONDHOLDERS IN ISIN NO 001 0673791**

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 24 September 2015 (the "**Bond Agreement**") between IGas Energy plc. (the "**Issuer**") and Nordic Trustee ASA (the "**Bond Trustee**"), unless otherwise stated herein.

Pursuant to Clause 14.5.8.1 of the Bond Agreement, the Issuer is required to invest USD 15,000,000 per annum in Hydrocarbon Assets (excluding any Unconventional Hydrocarbon Assets). For the Issuer's financial year ended 31 December 2016, a shortfall of USD 2,323,490 against this capex requirement has been confirmed. Pursuant to Clause 14.5.8.2 of the Bond Agreement, the Issuer must therefore make an offer (the "**Offer**") to the Bondholders to redeem Bonds at 105% of par, being the prevailing Call Price, in an amount equal to the shortfall, and this letter (the "**Offer Letter**") sets out the terms of the Offer.

The Issuer hereby offers to purchase up to a maximum of 2,212,847 Bonds at a price of 105% of par value, corresponding to a maximum purchase price equal to the shortfall, plus accrued but unpaid interest thereon to and including the Settlement Date (as defined below).

The acceptance form attached hereto (the "**Acceptance Form**") sets out further terms and conditions of the Offer. Bondholders who wish to accept the Offer must complete and sign the Acceptance Form and submit it to ABG Sundal Collier ASA ("**Manager**") by no later than **16:00 CET on 1 March 2017** (the "**Offer Deadline**"). The settlement date for the repurchase of Bonds is expected to be 8 March 2017 (the "**Settlement Date**").

Any individual or company whose Bonds are registered in the name of a broker, bank, investment company or other nominee, must contact such person to submit an Acceptance Form. All Bonds sold pursuant to the Offer must be transferred free of any encumbrances and any other third party rights and with all rights attached to them. Any third party with such rights over the relevant Bonds or the VPS, Euroclear or Clearstream account in which the Bonds are registered must waive its rights in the Bonds and approve the transfer of the Bonds to the Manager. Acceptances may be treated as invalid if any such rights holder has not waived such right and approved the transfer.

In the event that more than 2,212,847 Bonds are tendered into the Offer, allocation will be made on a *pro rata* basis based on the Bondholders aggregate holdings of Bonds. For this reason, each Bondholder accepting the Offer will be required to provide proof of holdings.

Any questions related to the Offer can be directed to the Manager:

ABG Sundal Collier ASA:  
Attn.: Ola Nygård  
Telephone: +47 22 01 61 86 / +47 47 12 34 10  
E-mail: ola.nygard@abgsc.no

The Offer, any Acceptance Form and any acceptances thereof are subject to Norwegian law, with Oslo District Court as the agreed legal venue.

The Offer is not directed to persons in any jurisdiction where the Offer would be in violation of applicable laws or whose acceptance of the offer requires that (i) further documents are issued in order for the Offer to comply with local law or (ii) registration or other measures are taken pursuant to local law. No document or material relating to the Offer may be distributed in or into any country where such distribution or offering requires any of the aforementioned measures to be taken or would be in conflict with any law or regulation of such country. No securities are being offered for sale or subscription to any person in any jurisdiction by this Offer.

The Offer is not being made directly or indirectly in, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America, its territories and possessions, any State of the United States and the District of Columbia (the "**United States**"). This includes, but is not limited to, facsimile transmission, internet delivery, email, telex and telephones. Accordingly, copies of this document and any related offering documents are not being, and must not be, directly or indirectly mailed, emailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States, and so doing may invalidate any purported acceptance. Any purported offer or agreement to sell Bonds in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer and/or agreement to sell Bonds made by a person appearing or otherwise believed by the Manager to be located or resident in the United States, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

The Manager will only accept offers with respect to the Bonds from a Bondholder or beneficial owner of the Bonds (or any person acting as agent, custodian, fiduciary or other intermediary capacity for a Bondholder or beneficial owner) who is outside the United States (as such term is defined pursuant to Regulation S under the US Securities Act of 1933, as amended (the "**Securities Act**")). Each person participating in the Offer will represent that it or any beneficial owner of the Bonds or any person on whose behalf such person is acting is outside the United States and will not be in the United States at the time of the submission of its offer pursuant to the Offer.

This announcement and the Offer are only addressed to and directed at persons in member states of the European Economic Area ("**Member States**") that have implemented the Prospectus Directive (each, a "**Relevant Member State**") who are "qualified investors" within the meaning of Article 2(l)(e) of European Union Directive 2003/71/EC, as amended (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and any relevant implementing measure in each Relevant Member State (the "**Prospectus Directive**"), and related implementation measures in Member States ("**Qualified Investors**"). In addition, in the United Kingdom, this announcement and the Offer is being distributed only to, and is directed only at, Qualified Investors (i) persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), and/or (ii) persons falling

within the definition of high net worth entities (as defined in Article 49 of the Financial Promotion Order), and/or (iii) persons who are within Article 43 of the Financial Promotion Order, and/or (iv) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any Member State other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any Member State other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons.

Each Bondholder is responsible for any taxes arising as a consequence of its acceptance of the Offer. Neither the Issuer nor the Manager assumes any responsibility for any tax liability resulting from the acceptance of the Offer.

This offer to Bondholders is also available at [www.stamdata.no](http://www.stamdata.no).

[Appendix 1: Acceptance Form](#)

**ACCEPTANCE FORM  
MANDATORY REDEMPTION OFFER**

This Acceptance Form shall be used when tendering bonds of the ISIN NO 001 0673791 – 10 per cent. IGas Energy Plc. Senior Secured Callable Bond Issue 2013/2018.

In addition to the below information, please attach a transcript of your holdings from VPS / Prime Broker duly legible, or other evidence of holdings in the form of an up to date screen shot or custodian letter.

<b>DETAILS OF THE BONDHOLDER – ALL FIELDS MUST BE COMPLETED</b>	
Name of Bondholder:	
Address:	
Identity number /registration number:	
VPS account number:	
Bank account number:	
Amount of Bonds held (state principal):	USD .....
Amount of Bonds offered (state principal):	USD .....
	OR, all Bonds offered Yes: <input type="checkbox"/>
Offer Price:	105% of par value (plus interest which is accrued but unpaid and including the Settlement Date).

<b>CONTACT DETAILS BONDHOLDER – ALL FIELDS MUST BE COMPLETED</b>	
Name of contact person:	
Telephone number:	
E-mail:	

**Acceptance:** By submitting a duly executed Acceptance Form before the Offer Deadline, the Bondholder irrevocably commits itself to the terms and conditions of the Offer. An acceptance is irrevocable, and may not be withdrawn or modified or altered once a duly executed Acceptance Form has been submitted. All Bonds accepted to be sold to the Issuer under the Offer are to be transferred free of any encumbrances and any other third party rights and with all rights attached to them.

The Acceptance Form must be correctly completed and signed and submitted by e-mail to ola.nygard@abgsc.no no later than **16:00 CET on 1 March 2017**. The result of the Offer will be announced before commencement of trading on Oslo Børs on 2 March 2017.

The Bondholder must be of age. If the Acceptance Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate or such other evidence that the Manager may accept.

**I/we confirm that I am/we are the beneficial owner of the Bonds hereby tendered in the Offer and I am/we are authorised to make this offer.**

.....	.....	.....
<b>Place, date</b>	<b>Signature</b>	<b>Name in capital letters</b>

By signing this Acceptance Form, the Bondholder expressly agrees and acknowledges the terms of the Offer, and confirms that the Bondholder has read and understood this Acceptance Form (including the following pages).

The Bondholder also represents by signing this Acceptance Form (and any person who is acting on behalf of any Bondholder that signs this Acceptance Form represents as to the Bondholder) that such Bondholder is outside the United States (as defined pursuant to Regulation S under the US Securities Act of 1933, as amended) and will not be in the United States at the time of the submission of its Offer pursuant to the Offer.

Any Bondholder or authorised representative of a Bondholder making an offer to the Manager by means of the telephone will be deemed to agree and certify to all of terms and restrictions of the Offer and to have made the representations to the Managers as set forth in this Acceptance Form.

## **Offer and Distribution Restrictions:**

**United States:** The Offer is not being made, and will not be made, in the United States, and this document may not be distributed in or to any person located in the United States. The term "United States" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia. Any purported offer or agreement to sell Bonds resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer and/or agreement to sell Bonds made by a person appearing or otherwise believed by the Manager to be located or resident in the United States, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

**Canada:** The Offer is not being made, and will not be made, directly or indirectly in or into Canada by any means. Any offer or agreement to sell Bonds resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer and/or agreement to sell Bonds made by a person located in Canada or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within Canada will be invalid and will not be accepted. Each Bondholder submitting the Offer will be deemed to represent that it is not located in Canada and is not submitting the Offer from Canada or it is acting on a nondiscretionary basis for a principal located outside Canada that is not giving an order to submit the Offer from Canada. For the purposes of this and the above paragraph, "Canada" means Canada, its provinces and territories.

**United Kingdom:** The information contained in this Acceptance Form does not constitute an invitation or inducement to engage in investment activity within the meaning of the United Kingdom Financial Services and Markets Act 2000. In the United Kingdom, this announcement is being distributed only to, and is directed only at (i) persons who are outside the United Kingdom, (ii) persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")), (iii) persons who are within Article 43 of the Financial Promotion Order or (iv) any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This announcement and the Offer to Bondholders is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

**General:** The Offer is not intended for Bondholders located in any jurisdiction in circumstances which would require the Manager to prepare or register any prospectus, offering document or circular relating to the Offer in such jurisdiction, and the Manager may refuse to receive offers submitted from such jurisdictions. The distribution of this document in certain jurisdictions may be restricted by law. Any persons reading this document should inform themselves of and observe any such restrictions.

**Important Notice and disclaimers:** The Manager is acting on behalf of the Issuer in connection with the Offer. The Manager will not be acting on behalf of any other party in connection therewith and will not be responsible to any other party. The Manager has made no assessment of the price offered in the Offer and does not represent that such price is fair or appropriate.

Any decision to submit an Offer should only be made on the basis of an independent review by you of publicly available information. By submitting the Offer and signing the Acceptance Form you will be deemed to have acknowledged, represented to and agreed with the Manager that: (a) you have such business and financial experience as is required to give you the capacity to protect your own interests in connection with the sale of Bonds under the Offer; (b) you may not rely, and have not relied, on any investigation that the Manager or any of their respective affiliates, or any person acting on behalf of the Manager or any of their respective affiliates, may have conducted with respect to the Issuer, the Bonds, and neither the Manager nor any of their respective affiliates have made any representation to you, express or implied, with respect to the Issuer, the Bonds or the accuracy, completeness or adequacy of any publicly available information; (c) you understand that no disclosure or offering document has been prepared in connection with the Offer; (d) you have made your own assessment when submitting the Acceptance Form based on such information as is publicly available (which you acknowledge you have been able to access, read and understand); (e) you have made your own investment decision regarding the Offer based on your own knowledge and investigation of the Issuer and the Bonds; (f) the Manager shall have no liability for any other representations (express or implied) contained in, or for any omissions from, such information or any other written or oral communication transmitted to you in the course of your evaluation of the Offer; (g) the Manager shall have no obligation to update any such information or to correct any inaccuracies therein or omissions therefrom which may become apparent, even where the Manager is aware of such

inaccuracies or omissions; (h) you have consulted your own independent advisers or otherwise have satisfied yourself concerning, without limitation, any accounting, regulatory, tax or other consequences of selling the Bonds in the light of your own particular situation under the laws of all relevant jurisdictions.

In accordance with the Norwegian Securities Trading Act of 29 June 2007 no. 75, the Manager must categorize all new customers in one of three customer categories. All Bondholders that offers 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 Bondholder may contact the Manager. The Manager will treat any acceptance of the Offer as an execution only instruction from the Bondholder and hence the Manager will not determine whether the Offer is suitable or not for the Bondholder as otherwise provided for in the Norwegian Securities Trading Act.

The Manager shall not bear any risk or liability in the event the Acceptance Form or another form of acceptance of the Offer is not received for any reason whatsoever, including technical difficulties. The Manager may, in their sole discretion, accept applications placed by taped phone, e-mail, Bloomberg or other means they deem appropriate, but may request that the order is subsequently confirmed by the execution of this Acceptance Form in writing, and may, if the Bondholder fails to satisfy such requirement, in their sole discretion, disregard the offer, without any liability towards Bondholder. Any offer placed by taped phone, e-mail or Bloomberg or by other means, shall be deemed made on the terms and subject to the conditions set out in this Acceptance Form.

**Governing law and jurisdiction:** The Offer and all acceptances submitted in response thereto, including this Acceptance Form, are governed by Norwegian law with the Oslo District Court as legal venue. Any disputes arising out of, or in connection with, the Offer, are subject to Norwegian law and shall exclusively be settled by Norwegian courts and with Oslo District Court as legal venue.