

BORGESTAD ASA – FORSLAG TIL ENDRING I VILKÅR I OBLIGASJONSLÅN

Borgestad ASA har i dag innkalt til obligasjonseiermøte i obligasjonslånet benevnt "FRN Borgestad ASA Senior Secured Callable Bond Issue 2014/2017" (Ticker: BOR03; ISIN NO: 0010720766) ("**Obligasjonslånet**") i forbindelse med endringer i Obligasjonslånet. De foreslåtte endringene relaterer seg i hovedsak til utvidelse av forfallsdatoen til Obligasjonslånet med ett år, fra 3. oktober 2017 til 3. oktober 2018.

Gjennomføringen av endringene i Obligasjonslånet forutsetter at endringene godkjennes i obligasjonseiermøte, som skal avholdes 12. desember 2016.

For ytterligere informasjon, vennligst kontakt:

Christen Knudsen, administrerende direktør, +47 35 54 24 00 / +47 911 90 534 eller Pål Feen Larsen, finansdirektør, +47 48 84 53 33

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

ISIN: NO 0010720766 - FRN Borgestad ASA Senior Secured Callable Bond Issue 2014/2017

Oslo, 25 November 2016

SUMMONS TO BONDHOLDERS' MEETING

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue (the "**Bond Issue**" or the "**Bonds**") in respect of which Borgestad ASA is the issuer.

All capitalised terms used in this summons (the "**Summons**") shall have the meaning assigned to them in the bond agreement dated 1 October 2014 and made between the Issuer and the Bond Trustee (the "**Bond Agreement**") unless otherwise stated herein.

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

The Issuer has been in discussions with certain larger Bondholders holding a majority of the Outstanding Bonds with respect to a potential extension of the Maturity Date of the Bonds with one year, from 3 October 2017 to 3 October 2018. As such Bondholders are supportive of the extension, the Issuer proposes that the Bondholders' Meeting approves the following amendments to the Bond Agreement (together, the "**Bond Agreement Amendments**"):

- (a) An extension of the Maturity Date of the Bonds from 3 October 2017 to 3 October 2018, so that the definition of "Maturity Date" in Clause 1.1 of the Bond Agreement is amended to:

"Maturity Date" means 3 October 2018. Any adjustment will be made according to the Business Day Convention."

- (b) A corresponding extension of the first day on which the Issuer may exercise the Call Option in Clause 10.2 of the Bond Agreement from the Interest Payment Date in April 2017 to the Interest Payment Date in April 2018, so that paragraph a) of Clause 10.2 is amended to:

"The Issuer may redeem all of the Outstanding Bonds in full (Call Option) at any time from and including the Interest Payment Date in April 2018 to, but not including, the Maturity Date, at a price equal to 101% of par, plus accrued interest on the redeemed amount."

In consideration of approving the Bond Agreement Amendments, the Issuer is proposing a one-time consent and administration fee of 0.50% of the Face Value of the respective Bondholder's holdings of the Bonds (the "**Fee**"). The Fee will be payable to all the Bondholders (with record date at the end of business on the date of the Bondholders' Meeting) within 10 Business Days after the Bondholders' Meeting, provided that the Bondholders' Meeting accepts the Bond Agreement Amendments.

The Issuer has requested the Bond Trustee to convene a Bondholders' Meeting in order to consider, and if thought fit, approve the Bond Agreement Amendments. 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.

For further information about the Issuer and its current trading and financial position, please refer to its Interim Accounts for the third quart of 2016 published on 11 November 2016.

The Issuer has engaged Arctic Securities AS ("Arctic") as its financial adviser in connection with the amendment process. Accordingly, Bondholders are invited to contact Arctic for further information:

Kristian Pande Horn
+47 48 40 32 74
kristian.pande.horn@arctic.com

Thomas Alexander Hasner
+47 48 40 31 98
thomas.hasner@arctic.com

Arctic acts solely for the Issuer and no-one else in connection herewith. No due diligence investigations have been carried out by Arctic with respect to the Issuer, and Arctic expressly disclaims any and all liability whatsoever in connection with the proposal (including but not limited to the information contained herein).

The Issuer has informed the Bond Trustee that the proposed Bond Agreement Amendment has received support from the majority of the contacted Bondholders by way of irrevocable undertakings from such Bondholders.

Bondholders' meeting:

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 12 December 2016 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 0161 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. Request for adoption of proposal:

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

"The Bondholders' Meeting approves the Bond Agreement Amendments as set out in the summons for this Bondholders' Meeting, and authorises the Bond Trustee to do all things and take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the Bond Agreement Amendments, including, without limitation, negotiating and approving the final terms of, and entering into, any and all documentation and agreements deemed necessary or desirable by the Bond Trustee."

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

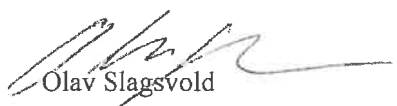
Please find attached hereto a Bondholder's Form from the Securities Depository (VPS), which indicates your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. If the Bonds are held in custody - i.e. 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 the Bond 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 the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post).

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 the Bond 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 the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (mail@nordictrustee.no) within 16:00 hours (4 pm) (Oslo time) the Business Day before the Bondholders' Meeting takes place.

Yours sincerely,
Nordic Trustee ASA


Olav Slagsvold

Enclosed: Bondholder's Form