

**PROSPECTUS**



**SECURITIES NOTE**

**FOR THE**

**4.3000 % NOK NJORD GAS INFRASTRUCTURE AS SENIOR SECURED INDEX  
LINKED BOND ISSUE 2011/2027**

**OF 300,000,000 BONDS**

**UNDER THE**

**NJORD GAS INFRASTRUCTURE AS**

**NOK EQUIVALENT 10,000,000,000 SECURED TERM NOTE PROGRAMME**

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**Arrangers**

**UBS Investment Bank  
and  
The Royal Bank of Scotland**

**6 June 2011**

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ANNEX 1 – COMMON TERMS AGREEMENT

ANNEX 2 – GUARANTEE AGREEMENT

## IMPORTANT NOTICE

Please see section 4 to 8 for definitions, which apply also to the preceding pages.

This Prospectus has been prepared for the purpose of the offering and listing of the Bonds issued under the NOK equivalent 10,000,000,000 secured term note programme (the "**Programme**") by the Issuer at the Oslo Stock Exchange. The Issuer has furnished the information in this Prospectus, in order to provide information to the investors that are offered the Bonds. This Prospectus must be read in connection with the Annexes to the Prospectus and other documents incorporated by reference.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act and related secondary legislation, including EC Commission Regulation EC/809/2004. The Norwegian Financial Services Authority has reviewed and approved this Prospectus in accordance with the Norwegian Securities Trading Act Section 7-8. No action has been taken to permit the distribution of this Prospectus in any jurisdiction where action would be required for distribution. The Prospectus has been prepared solely in the English language.

The information contained herein is as of the date hereof and subject to change, completion and amendment without notice. Nothing contained herein shall create an implication that the information contained herein is complete or correct as of any time subsequent to the date hereof or that the affairs of the Issuer have not since changed. In accordance with section 7-15 of the Norwegian Securities Trading Act, every significant new factor, material mistake, or inaccuracy relating to the information included in the Prospectus, which is capable of affecting the assessment of the Bonds between the time when the Prospectus is approved and the time of the listing of the Bonds on the Oslo Stock Exchange, will be included in a supplement to the Prospectus.

An investment in the Issuer and the Bonds involves inherent risks. Potential investors should carefully consider the risk factors set out in section 1 "Risk Factors" in addition to the other information contained herein before making an investment decision. An investment in the Issuer and the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each reader of this Prospectus should consult with its own legal, business or tax adviser as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser before making any investment decision.

All inquiries relating to this Prospectus must be directed to the Issuer or the Arrangers. No other person is authorised to give any information about or to make any representations on behalf of the Issuer in connection with the Bond Issue. If any such information is given or made, it must not be relied upon as having been authorised by the Issuer or the Arrangers.

The distribution of this Prospectus and subscription of Bonds may, in certain jurisdictions, be restricted by law, and this Prospectus may not be distributed into or used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken in any jurisdiction other than Norway by the Issuer or the Arrangers that would permit a public offering of the Bonds, or the possession or distribution

of any documents relating thereto, in any jurisdiction where specific action for that purpose is required. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or issue, or a solicitation of an offer to buy or subscribe for, any securities in any jurisdictions in any circumstances in which such offer or solicitation is not lawful or authorised. The Issuer and the Arrangers require persons in possession of this Prospectus to inform them about and to observe any such restrictions.

Explicitly, the Bonds are not being offered and may not be offered or sold, directly or indirectly, in the United States of America, Canada, Japan or Australia or to or for the account of any resident of the United States of America, Canada, Japan or Australia.

Each prospective investor and applicant must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, applies for, offers or sells the Bonds or possesses or distributes this Prospectus and must obtain any consent, approval or permission required by it for acquiring the Bonds.

None of the Issuer, the Guarantor, the Arrangers, or the Bond Trustee accept responsibility to investors for the regulatory treatment of their investment in the Bonds (including (but not limited to) whether any transaction or transactions pursuant to which Bonds are issued from time to time is or will be regarded as constituting a "securitisation" for the purposes of Directive 2006/48/EC (as amended) (the "**CRD**") and the application of Article 122a to any such transaction) in any jurisdiction or by any regulatory authority. If the regulatory treatment of an investment in the Bonds is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to Section 1.13 of this Prospectus for further information on Article 122a.

The terms and conditions of the Bond Issue as set out in this document shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as the legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Bond Issue or this Prospectus.

## **1 RISK FACTORS**

*In addition to the other information set out in this Prospectus, the following risk factors should be carefully considered by investors when deciding what action to take in relation to the Bond Issue and by others when deciding whether to make an investment in the Bonds. Any of the risks described below could have a material adverse impact on the Issuer's business, financial condition and results of operations and could therefore have a negative effect on the trading price of the Bonds and affect a prospective investor's investment. The information below does not purport to be exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems immaterial may also have an adverse material effect on the Issuer's and Gassled's business, financial condition and operating results. If this occurs, the price of the Bonds may decline and investors could lose all or part of their investment.*

*The Issuer believes that the risks described herein are the principal risks inherent in the Bonds. However, the inability of the Issuer to pay interest or repay principal on the Bonds, or the inability of the Guarantor to make payments required under the parent company guarantee, may occur for other reasons, and the Issuer does not represent that the statements or risks of holding the Bonds described herein are exhaustive.*

### **1.1 Risk related to the Bonds in general**

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors.

### **1.2 Market risk**

The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, the currency rates applicable to that particular bond issue and the liquidity of the bond issue in the market. In spite of an underlying positive development in the Issuer's business activities, the price of a bond may fall independent of this fact.

### **1.3 Limited liquidity for the Bonds**

Notwithstanding the fact that an application has been made for the Bonds to be admitted to trading on the Oslo Stock Exchange, there is currently no market for the Bonds. There can be no assurance that a secondary market will develop, or, if a secondary market does develop for any of the Bonds, that such market will provide the holder of the Bonds with liquidity or that any such liquidity will continue for the life of the Bonds. Consequently, any purchaser of the Bonds must be prepared to hold such Bonds for an indefinite period of time or until final redemption or maturity of the Bonds.

No market-maker agreement is entered into in relation to this Bond Issue. The liquidity and market value at any time of the Bonds is affected by, among other things, the market view of the credit risk of such Bonds and will generally fluctuate with general interest rate and currency rate fluctuations, general economic conditions, the condition of certain financial markets, the gas market, international political events, the performance and financial condition of the Issuer, developments and trends in the industry generally.

#### **1.4 Modification and waiver**

The conditions of the Bonds contain provisions for calling meetings of Bondholders, both within one Series of Bonds and all Series of Bonds, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contradictory to the majority.

The conditions of the Bonds also provide that the Bond Trustee may, without the consent of the Bondholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any provisions of the Bonds or (ii) determine without the consent of the Bondholders that any event of default or potential default shall not be treated as such.

#### **1.5 The Bondholders will have no recourse to the Sponsor and the Gassled stakeholders**

The Bondholders will have a general recourse claim only against the Issuer and the Guarantor, and not against the Sponsor, the other Gassled participants, Gassled shippers, Gassco, or their respective shareholders or affiliates. The Bondholders will not be able to force the other Gassled participants or Gassco into bankruptcy. In addition, the Bondholders will not be able to participate in bankruptcy proceedings as creditors of any Gassled participant or shipper until all available Security Interests have been properly enforced and then only in respect of:

- any third-party security provided by Gassled participants for their obligations under the Participants' Agreement and Operating Agreement;
- claims against Gassled participants for their obligations under the Participants' Agreement and Operating Agreement;
- claims against the Gassled shippers for their obligations under the Gassled Transport Agreement; and
- claims against Gassco for its obligations under the Participants' Agreement and Operating Agreement.

In addition, the security is limited to the Participating Interests and cash flows and payment rights derived therefrom, and does not permit the Bondholders to access rights that would permit or provide an ability to significantly influence the continued operation of Gassled. Accordingly, in an enforcement scenario, the Bondholders would not be able to sell Gassled as a going concern and realise its value. Rather, the claims of the Bondholders would be limited primarily to rights to cash flows under the Gassled transport agreements and sales proceeds thereunder, as well as the potential sale by judicial auction of the Participating Interests. If the Gassled participants were unable or failed to continue the operation of Gassled as a result of bankruptcy or other defaults under their relevant obligations, the Bondholders would not be able to assume operational control over the transport system. Such inability or failure would prevent Gassled from satisfying its obligations to shippers, exposing the Issuer to the risk of contractual liability under, and termination of, long-term bookings and other shipping arrangements, materially and adversely affecting the cash flows and results of the Issuer's operations, its ability to make payments of principal and interest on its indebtedness, including the Bonds, and the value of the Security Interest.

**1.6 The credit ratings of the bonds may be suspended, downgraded or withdrawn, which could have an adverse effect on the value of an investment in the bonds.**

Prior to the issuance of the bonds, subject to final documentation, the Bonds will be rated A- by Standard & Poor's. A credit rating is not a recommendation to buy, sell or hold the Bonds and reflects only the view of the applicable rating agency at the time the rating is issued. Credit ratings are subject to revision or withdrawal at any time by the assigning rating agency. We cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. A suspension, downgrade or withdrawal at any time of the credit rating assigned to the Bonds may adversely affect their market price.

**1.7 Bondholder rights subject to the Agency and Intercreditor Agreement, the Security Documents and Common Terms Agreement**

Certain obligations of the Issuer will rank senior to the Bonds either on the basis of statutory preference, or by agreement. In addition to the Common Terms Agreement the Bonds are subject to the provisions of the Agency and Intercreditor Agreement and the Security Documents. These documents contain provisions regarding the priority of senior ranking creditors and provisions enabling the Security Agent, the Facility Provider and/or the Bond Trustee, either acting on its own initiative or on the instructions of the majority Bondholders to implement various modifications, consents, waivers and other things in relation to the Transaction Documents and the Bonds, subject to certain entrenched rights and reserved matters.

Accordingly, subject to the entrenched rights and reserved matters of the Bond Trustee, the Facility Provider and the Security Agent, decisions relating to and binding in relation to the Bonds may be made without regard to the interest of the Bondholders.

**1.8 Closing mechanics for the acquisition of the Participating Interests**

Upon issuance of the Bonds the Bond proceeds will be held in an escrow account (or several escrow accounts if necessary due to currencies) (the "Escrow Account(s)") pledged and blocked in favour of the Bond Trustee on behalf of the Bondholders. Subject to the Participating Interests being registered in the Norwegian Petroleum Register in the name of the Issuer with no pledges other than the mortgage of NOK 10,000,000,000, EUR 1,500,000,000, GBP 1,000,000,000 and USD 2,000,000,000 pursuant to the Security Agreement, the Bond proceeds will be released to the Issuer to be used as payment for the Participating Interests.

If the transfer of the Participating Interests or mortgaging is not completed within 40 Business Days after the Issue Date, or such later date as the Bond Trustee may decide, the Bond proceeds shall be repaid to the Bondholders within 10 Business Days together with all amounts due under the Common Terms Agreement or any other Transaction Document.

Upon issuance of the Bonds, and while the proceeds of the initial Series of Bonds are standing to the credit of the Escrow Account(s), the Issuer is entitled to exchange the proceeds of the initial Series of Bonds nominated in a currency other than NOK to NOK by executing a spot or forward currency transaction provided that the amounts so exchanged at all times remain credited to an Escrow Account. Although the Escrow Accounts will be pledged in favour of the Bondholders

such currency exchange may involve increased currency and counterparty risks which may or may not be hedged.

During a large part of this period, the Issuer will not have been registered as the owner of the Participating Interests and the security securing the Bonds will be limited to the other security contemplated by the Security Documents, including the pledge over the Escrow Accounts. The Issuer has been funded with USD 20.5 million and EUR 3 million to serve as additional security for any claims under the Swap Agreements and the Bonds. However, no assurance can be made that such amount is sufficient to cover all claims in this period, should the transfer of the Participating Interests not be completed.

## **1.9 The Standby Liquidity Facility**

The Standby Liquidity Facility is intended to cover liquidity shortfalls, and its usage is limited to the purposes set forth in the documents governing the facility. On any payment date, there are no assurances that any liquidity shortfalls will be met in whole or in part by the Standby Liquidity Facility nor that the Standby Liquidity Facility can be applied towards payment (including interest and principal) on the Bonds, thereby having an effect on the payments to be made, *inter alia*, in respect of the Bonds.

## **1.10 The Gassled Assets are illiquid assets**

The Gassled Assets and the Participating Interests are illiquid assets. Any potential holder will have to be approved and licensed by the MPE. The MPE will only approve holders deemed suited to operate on the NCS, at the discretion of the MPE. Should the Issuer or, following a default, the Security Agent on behalf of Bondholders, wish to sell the Participating Interests, the number of potential buyers may be limited and the time to complete a sale significant. Furthermore, there is no guarantee that the Security Agent on behalf of the Bondholders will be granted the necessary licenses to hold the Participating Interests and/or collect revenues therefrom upon the exercise of remedies following an event of default. These factors can limit the value of the Participating Interests and the Security Interests.

## **1.11 Limitations of the Security Interests**

The Security Interests comprise various asset and asset classes of the Issuer. However, the Issuer could have significant assets that are not mortgaged under the Security Documents.

Upon a bankruptcy of the Issuer enforcement could be subject to a 6 month cooling-off period during which no enforcement of certain Security Interests is allowed. No assurance can be given that the Security Interests will comprise the revenues from the Participating Interests or other income deriving from assets comprised by the Security Interests during such cooling-off period. Enforcement of the Security Interests other than charges over bank accounts and revenues arising prior to opening of bankruptcy is generally subject to the discretion of the courts or the relevant enforcement official, and may be delayed or rendered ineffective by actions initiated by the Issuer or other creditors.



## **1.12 Hedging risk**

The Issuer may be left exposed to interest rate risk or currency risk in the event that there is an early termination of a Swap Agreement. If a Swap Agreement is terminated or any of the Swap Providers becomes unable to fulfill its obligations under a Swap Agreement, and the Issuer is unable to find a replacement for such Swap Provider then the funds available to the Issuer may be insufficient to meet fully its obligations under the Bonds.

## **1.13 Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Bonds**

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in certain securitisation exposures and/or the incentives for certain investors to invest in securities issued under such structures, and may thereby affect the liquidity of such securities.

In particular, the CRD has been amended by CRD2 which, among other things, inserts a new Article 122a into the CRD.

Article 122a provides that an EU credit institution shall only be exposed to the credit risk of a securitisation position if (a) the originator, sponsor or original lender has represented that it will retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5 per cent, and (b) it is able to demonstrate to its regulator on an ongoing basis that it has a comprehensive and thorough understanding of the key terms, risks and performance of each securitisation position in which it is invested. Failure by an EU credit institution investor to comply with the requirements of Article 122a in relation to any applicable investment will result in an increased capital charge to or increased risk-weighting applying to such investor in respect of that investment.

No retention representation of the sort referred to in the preceding paragraph has been made in relation to this transaction.

The Issuer is of the opinion that the Bonds do not constitute an exposure to a "securitisation position" for the purposes of Article 122a of the CRD. The Issuer is therefore of the opinion that the requirements of Article 122a should not apply to investments in the Bonds.

However, investors should be aware that the regulatory capital treatment of any investment in the Bonds will be determined by the interpretation which an investor's regulator places on the provisions of CRD (as amended by CRD2) and the provisions of national law which implement it. Although market participants have, in consultations relating to these regulatory reforms, requested guidance on the structures captured by the definitions, no definitive guidance has been forthcoming. Therefore some uncertainty remains as to which transactions are subject to Article 122a of the CRD.

Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors, including investment firms, insurance or reinsurance undertakings, UCITS and/or certain hedge fund managers.

Investors in the Bonds are responsible for analysing their own regulatory position and should not rely on the Issuer's opinion set out above. Investors should consult their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Bonds.

Article 122a of the CRD and/or any further changes to the regulation or regulatory treatment of the Bonds for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Bonds in the secondary market.

#### **1.14 Change of law**

The structure of the transaction described in this Prospectus and the ratings assigned to the Bonds are each based on law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that there will not be any change to such law, tax or administrative practice after the Issue Date which might affect the Bonds and the expected payments of interest and repayment of principal.

## **2 PERSONS RESPONSIBLE**

### **2.1 Responsibility Statement**

The Board of Directors of Njord Gas Infrastructure AS accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

London, 6 June 2011

Board of Directors of Njord Gas Infrastructure AS

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Tore Ingebrigt Sandvold,  
Chairman

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Paul John Moy,  
Board member

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Mark Andrew Gilligan,  
Board member

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Gautier Michel Jean-Francois Chatelus,  
Board member

### **2.2 Disclaimer:**

#### **Arrangers**

UBS Limited and The Royal Bank of Scotland plc have acted as joint lead bookrunners and Arrangers for Njord Gas Infrastructure AS in connection with the issue of the Bonds and their subsequent listing on the Oslo Stock Exchange.

The Board and management of Njord Gas Infrastructure AS have prepared this Prospectus. UBS Limited and The Royal Bank of Scotland plc have not separately verified the information contained in this Prospectus and accordingly make no guarantees, representations, recommendations or warranty, express or implied, and do not accept any responsibility in respect of the accuracy, adequacy, reasonableness and the completeness of the information contained in the Prospectus or any other information, notice or document provided in connection with the Bonds or their distribution or their listing on the Oslo Stock Exchange. None of the Arrangers undertake to review the financial condition or affairs of the Issuer during the life of the arrangement contemplated by this Prospectus, nor advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Arrangers which is not included in this Prospectus.

London, 6 June 2011

UBS Limited

The Royal Bank of Scotland plc

### **2.3 Third party information**

Where information has been sourced from a third party, the information has been accurately reproduced and as far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which can render the information inaccurate or misleading. Third party sources are identified where applicable.

### **3 THE PROGRAMME ESTABLISHMENT AND INITIAL BOND ISSUE**

#### **3.1 Timetable**

The timetable below provides certain indicative key dates for the issue of the Bonds, subject to timely payment of the entire proceeds for the Bonds to the Issuer:

Payment date .....	9 June 2011
Delivery date for the Bonds .....	Expected on or about 9 June 2011
Listing and commencement of trading in the Bonds on the Oslo Stock Exchange .....	Expected on or about 20 June 2011

#### **3.2 Subscription**

The Bonds are fully subscribed and paid up.

#### **3.3 VPS Registrar**

The Company's registrar with the VPS is:

DnB NOR Bank ASA,  
Issuer Services  
Stranden 21,  
0021 Oslo  
Norway  
Tel: + 47 22 48 35 85  
Fax: + 47 22 48 28 92

#### **3.4 Costs in connection with listing the Bonds and use of proceeds**

The total expenses related to the issue and admission of trading for the Bonds amounts to approximately NOK 33,000,000, of which fees to the Arrangers amounts to approximately NOK 1,650,000 for the Index Linked NOK series separately and approximately NOK 24,700,000 for the Index Linked NOK series and the Nominal NOK, GBP and USD series combined, including legal fees and other expenses.

The Issuer shall pay all public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation.

The net proceeds of the Bonds will be used to partially fund the Issuer's acquisition of the Participating Interests, however such that NOK 193,500,000 may be used to establish the Debt Service Reserve Account (to the extent not already covered by existing funds of the Issuer).

### **3.5 Withholding tax**

There is no withholding tax in Norway on payment of interest to Bondholders.

#### 4 THE PROGRAMME, THE BOND ISSUE AND THE PARTIES

<b>Programme</b>	<p>The Programme is a bond programme, under which issues of several Series of Bonds up to the Total Maximum Amount, may take place from and including the Issue Date up and to the date falling 5 Business Days prior to the Final Maturity Date. The Programme will be established on or about from the Issue Date and is to be closed at the Final Maturity Date.</p> <p>The Issuer will issue applicable Specific Terms for each Series of Bonds setting out the specific terms and conditions applicable to such Series. All Series will other than as set out in the Specific Terms applicable to such Series be subject to identical terms in all respects.</p>
<b>Common Terms Agreement</b>	<p>The common terms agreement between the Bond Trustee, the Guarantor, the Security Agent and the Issuer dated 1 June 2011 attached hereto as Annex 1. The Bond Trustee will enter into the Common Terms Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Common Terms Agreement, please see clauses 6, 11, 13 and 17.1 (attached to this securities note).</p> <p>The Common Terms Agreement is available from the Issuer.</p>
<b>Specific Terms</b>	<p>The specific terms and conditions governing the Bonds.</p>
<b>Series of Bonds</b>	<p>Any single issue of Bonds in series under the Common Terms Agreement, subject to separate specific terms and with separate ISIN number.</p>
<b>Bond Issue</b>	<p>The issue of Bonds by the Issuer described in the Common Terms Agreement and the Specific Terms.</p>
<b>Bonds</b>	<p>The senior secured bonds ranking pari passu with each other, issued by the Issuer pursuant to the Common Terms Agreement and the Specific Terms dated 1 June 2011 for series no. 1.</p>
<b>Bondholders</b>	<p>The persons or entities holding the Bonds from time to time.</p>
<b>Issuer</b>	<p>Njord Gas Infrastructure AS, a Norwegian private limited liability company with organisation number 995 152 142 and registered business address at Haakon VII's Gate 8, 4005 Stavanger, Norway.</p>
<b>Guarantor</b>	<p>Njord Gas Infrastructure Holding AS, a Norwegian private limited liability company with organisation number 995 152 185 and registered business address at Haakon VII's Gate 8, 4005 Stavanger, Norway, which holds 100 % of the share capital of the Issuer.</p>

<b>Approvals</b>	The Bonds will be issued in accordance with the Issuer's board approval dated 25 May 2011.
<b>Listing</b>	The Issuer intends to list the Bonds on the Oslo Stock Exchange.
<b>Rating Agency</b>	Standard & Poor's.
<b>Sponsors</b>	The shareholders of the Guarantor on the date of the Common Terms Agreement and their permitted assignees.
<b>Bond Trustee</b>	Norsk Tillitsmann ASA.
<b>Security Agent</b>	Norsk Tillitsmann ASA.
<b>Paying Agent</b>	DnB NOR Bank ASA
<b>Calculation Agent</b>	Norsk Tillitsmann ASA
<b>Account Bank</b>	DnB NOR Bank ASA
<b>Arrangers</b>	UBS Limited 1 Finsbury Avenue London EC2M 2PP United Kingdom  and  The Royal Bank of Scotland plc 135 Bishopsgate London EC2M 3UR United Kingdom
<b>Facility Provider</b>	DnB NOR Bank ASA
<b>Swap Providers</b>	UBS Limited and Royal Bank of Scotland plc, or any other provider of hedging instruments under any Swap Agreement.
<b>Securities Register</b>	Verdipapirsentralen ASA (VPS)



## 5 TERMS OF THE BONDS ISSUED UNDER THE PROGRAMME

<b>Total Maximum Amount</b>	The bonds issued under the Programme may comprise one or more Series of Bonds. The aggregated maximum amount for all Series of Bonds is NOK 10,000,000,000 (Series denominated in EUR, GBP or USD shall count towards this amount with the NOK equivalent thereof). Within such cap the aggregated maximum amount for all Series denominated in EUR shall in any event be EUR 1,500,000,000, the aggregated maximum amount for all Series denominated in GBP shall in any event be GBP 1,000,000,000, and the aggregated maximum amount for all Series denominated in USD shall in event be USD 2,000,000,000.
<b>Currency</b>	The Bonds will be nominated in Norwegian krone ( <b>NOK</b> ).
<b>Denomination</b>	NOK 1 (one).
<b>Number of Bonds</b>	300,000,000
<b>Transfer Restrictions</b>	<p>Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, 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.</p> <p>The Bonds have been subscribed and shall be allocated in the in minimum aggregate amounts of NOK 500,000.</p>
<b>Issue Price</b>	100% of par value.
<b>Issue Date</b>	9 June 2011.
<b>Purpose</b>	The net proceeds of the Bonds will be used to partially fund the Issuer's acquisition of the Participating Interests and be used to establish the Debt Service Reserve Account (to the extent not already covered by existing funds of the Issuer).
<b>Ratings</b>	The Bonds are rated A- by Standard and Poor's.
<b>Listing</b>	The Bonds will be listed at the Oslo Stock Exchange.
<b>ISIN</b>	NO 001 060768.2
<b>Securities Form</b>	The Bonds exist in book-entry dematerialised form only and will be registered with the Securities Register.
<b>Description of Bond Issue</b>	4.3000 % NOK Njord Gas Infrastructure AS Senior Secured Index Linked Bond Issue 2011/2027.

<b>Limited Recourse</b>	The Bondholders shall only have recourse to the Issuer and its assets, as well to the Guarantor on the basis of a guarantee provided by the Guarantor.
<b>Maturity Date</b>	30 September 2027.
<b>Final Maturity Date</b>	30 September 2027.
<b>Interest Rate</b>	4.3000% payable semi annual in arrears on each Interest Payment Date. The interest due shall be subject to indexation as further described in this Securities Note.
<b>Interest Payment Dates</b>	31 March and 30 September in each year until all amounts owed under any of the Transaction Documents are paid in full and the Final Maturity Date. Adjustment for payments due on days other than Business Days will be made according to the Business Day Convention. The first Interest Payment Date shall be 30 September 2011.
<b>Interest Calculation</b>	Interest due on the Bonds on each Interest Payment Date shall be calculated on the basis of the aggregated principal amount of the outstanding Bonds multiplied by the Indexation Ratio pertaining to the relevant Interest Payment Date (the " <b>Indexed Principal Amount</b> "). The Issuer shall pay interest on the Bonds in an amount equal to the Interest Rate applied to the aggregated Indexed Principal Amount for the period from, and including, one Interest Payment Date to, but excluding, the next following applicable Interest Payment Date. For the first Interest Payment Date interest shall be calculated based on a period from and including the Issue Date to, but excluding the first Interest Payment Date.
<b>Day Count Fraction</b>	30/360
<b>Yield</b>	Dependent on market price. At the Issue Date the yield will be 4.3000 %.
<b>Principal Payment Dates</b>	31 March and 30 September each year
<b>Principal Amortisation</b>	<p>Payment of principal shall be made on the Principal Payment Dates as set out below to the extent sufficient funds are available for such payment from the Collection Accounts. If sufficient funds are not available to pay the aggregated Principal Amortisation Amounts due on such Principal Payment Date for all Series of Bonds, the full amount available on the Collection Accounts shall be paid on a pro rata basis between the Series of Bonds and between the Bonds.</p> <p>Any part of the Principal Amortisation Amounts remaining unpaid (the "<b>Postponed Amortisation Amounts</b>") shall not be considered due, but shall (in full) be postponed and added to the amount</p>

scheduled on the next Principal Payment Date. Any amounts so postponed shall become due and payable no later than on the Principal Payment Date falling 18 months after the Principal Payment Date when payment was first postponed.

All outstanding amounts of principal shall be paid on the Final Maturity Date.

Upon payment of any Principal Amortisation Amount or Postponed Amortisation Amount the amount shall be multiplied by the Indexation Ratio applicable for that date, and the resulting amount shall thereafter constitute the Principal Amortisation Amount or Postponed Amortisation Amount for the relevant payment date.

**Principal  
Amortisation  
Amount**

The Principal Amortisation Amount due at each Principal Payment Date, as represented by the number of Bonds redeemed per 1,000,000 Bonds issued on the Issue Date, shall be:

Principal Payment Date	Redemption per 1,000,000 Bonds
Sep-11	-
Mar-12	-
Sep-12	14,441
Mar-13	5,179
Sep-13	14,873
Mar-14	7,583
Sep-14	25,538
Mar-15	23,721
Sep-15	46,986
Mar-16	33,781
Sep-16	45,229
Mar-17	31,773
Sep-17	42,393
Mar-18	30,382
Sep-18	42,736
Mar-19	27,551
Sep-19	39,784
Mar-20	25,436
Sep-20	40,033
Mar-21	24,561
Sep-21	40,831
Mar-22	25,200
Sep-22	43,838
Mar-23	25,315
Sep-23	44,440
Mar-24	26,813
Sep-24	47,815
Mar-25	26,302
Sep-25	44,289
Mar-26	27,643

Sep-26	46,910
Mar-27	29,508
Sep-27	49,116

**Revenue Payments and Collection Accounts**

All income accruing to the Issuer for the period since the date of completion of the SPA shall be paid and disbursed to an account (or several accounts if necessary due to multiple currencies) in the name of the Issuer (the "**Collection Accounts**") in accordance with the Transaction Documents. The Collection Accounts shall be pledged in favour of the Security Agent, and payments from the Collection Accounts may only be made when no Event of Default has occurred and: (i) as from the day falling two Business Days prior to an Interest Payment Date up to and including the fifth Business Day after such Interest Payment Date, in accordance with the Cashflow Waterfall and (ii) at any time make payments which are mentioned under items a) – f) of the Cashflow Waterfall.

**Debt Service Reserve Account**

An account in the name of the Issuer that shall hold an amount at least equal the Issuer's reasonable estimate to the aggregate of the interest payable on all bonds issued under the Programme for the next twelve month period (where applicable multiplied by the applicable indexation ratio) and any payment to be made or received under any hedging arrangements then in place in respect of such interest.

The Debt Service Reserve Account shall be funded with (i) any cash or other available funds held or received by the Issuer on Issue Date (other than net proceeds of the Bond Issue), (ii) net proceeds of the Bond Issue (for the initial funding) and (iii) the Cashflow Waterfall (for any subsequent funding).

The Debt Service Reserve Account will be pledged and blocked in favour of the Security Agent on Issue Date. Amounts exceeding the required funding level may be released (i) at the written request of the Issuer with an agreed amount on the condition that the Security Agent receives evidence that no Event of Default has occurred and that all Principal Amortisation Amounts scheduled for payment prior to the date of release have been paid as scheduled (or on a later Principal Payment Date if postponed) or (ii) at the discretion of the Security Agent upon prior written request from the Issuer and applied in accordance with the Cashflow Waterfall.

On any Interest Payment Date, funds in the Debt Service Reserve Account may be applied to items d) to g) of the Cashflow Waterfall if there is insufficient cash in either the Collection Accounts or the Distribution Account to meet the payment due. At the Final Maturity Date, the funds may be applied in accordance with the Cashflow Waterfall.

**Distribution Account** An account in the name of the Issuer into which funds that are released after payment of items (a) – (k) of the Cashflow Waterfall shall be paid. The Distribution Account will be pledged in favour of the Security Agent.

The Distribution Account shall be subject to Issuer control and be available for making payments under the Shareholder Loans and otherwise for distribution at the Issuer's discretion. Upon the occurrence of a Trigger Event or an Event of Default under the Senior Indebtedness or any Additional Senior Indebtedness, and for so long as such event is not remedied or waived, the Distribution Account shall be blocked in favour of the Security Agent

**Buyer's Equity Account** An account in the name of Issuer which shall only be used for receiving amounts paid to the Issuer as equity from the Guarantor prior to the Release Date and amounts paid to the Buyer's Equity Account under any shareholder loans made prior to the Release Date and paying ExxonMobil Exploration and Production Norway AS amounts due under the agreement between the Issuer and ExxonMobil Exploration and Production Norway AS dated 13 April 2010 regarding assignment of the Participating Interests, to the Debt Service Reserve Account and the Collection Account, fees and expenses in relation to the Transaction Documents, amounts due under the Shareholder Loans and distributions at the Issuer's discretion.

**Swap Collateral Accounts** One or more cash and securities accounts in the name of the Issuer and established and funded in accordance with the Swap Agreements to provide the Issuer with collateral from the Swap Providers under the Swap Agreements. The Swap Collateral Accounts shall be pledged in favour of the Security Agent. As long as no Early Termination Date (as defined in the Swap Agreements) has occurred, any amounts standing to the credit of, or any other financial instruments deposited in, a Swap Collateral Account, can be solely applied by the Issuer in or towards satisfaction of any amounts due to be returned under the Credit Support Annex (as defined in the Swap Agreements) to the relevant Swap Provider under the Credit Support Annex comprising part of the relevant Swap Agreements.

**Cashflow Waterfall** As long as no Event of Default has occurred, including without limitation, the taking of any steps by the Security Agent to enforce a Security Document or actions by the Security Agent following a Lender Instruction (as defined in the Agency and Intercreditor Agreement) to take such steps, funds standing to the credit of the Collection Accounts may be disbursed as from the day falling two Business Days prior to an Interest Payment Date up to and including the fifth Business Day (for all Series, calculated in accordance with series denominated in NOK) after such Interest Payment Date and shall be paid and rank in the following order of priority (the "**Cashflow Waterfall**"):

- a) pari passu and pro rata according to amounts due and owing, any amount payable to the Bond Trustee, Security Agent, Paying Agent, Calculation Agent, Account Banks, Exchange where the Bonds are listed, Securities Register and Rating Agency;
- b) all payments due and owing, including Cash Calls, required to be paid to Gassco;
- c) pari passu and pro rata according to amounts due and owing, insurance payments and ongoing corporate expenses including staff remuneration and pensions, adviser and consultant fees, office rent and costs, directors expenses, Taxes, agency fees and all other costs and expenses incurred in the ordinary course of business while having regard to the purpose of the Issuer;
- d) interest, fees and costs due and owing under any Standby Liquidity Facility;
- e) principal payments and any other payments due and owing under any Standby Liquidity Facility;
- f) any amounts due and owing by the Issuer under the Swap Agreements;
- g) pari passu and pro rata according to amounts due and owing, interest due on the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items d) or f) above);
- h) any shortfall on the Debt Service Reserve Account to meet its required funding level;
- i) *pari passu* and *pro rata* according to amounts due and owing, any Postponed Amortisation Amounts
- j) pari passu and pro rata according to amounts due and owing, scheduled principal payments on the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items e) or f) above), *pari passu* between Series of Bonds and *pari passu* and *pro rata* according to amounts due and owing, within each Series of Bonds; and
- k) pari passu and pro rata according to amounts due and owing, any other payments related to the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items d), e) or f) above).

Any amount remaining in the Collection Accounts following an Interest Payment Date after distribution in accordance with the Cashflow Waterfall can be paid to the Distribution Account after receipt and approval by the Bond Trustee of a Compliance Certificate and provided that no Event of Default or Trigger Event exists.

<b>Indexation Ratio</b>	means the Index divided by the Base CPI Figure.
<b>Index</b>	Means (i) the CPI published on or about the 10th of the month 9 months prior to the relevant Interest Payment Date pertaining to the period ending on the 15th of the month 10 months prior to the relevant Interest Payment Date, or if (i) does not exist, (ii) such other price index as is used for calculating payments by shippers of gas in Gassled, in all cases as from time to time substituted or amended pursuant to the Common Terms Agreement.
<b>Base CPI Figure</b>	means 127.8
<b>Optional Redemption</b>	The Issuer may redeem the Bonds in whole on any Interest Payment Date at the price determined by the Expert, which results in the Gross Real Yield on the Bonds being redeemed on the Reference Date being equal to the Interest Rate less 100 basis points.
<b>Forced Redemption</b>	<p>The Bond Trustee is entitled to, with 5 Business Days notice, demand redemption of the Outstanding Bonds at the outstanding principal amount (if and where applicable multiplied by any applicable indexation ratio) and accrued interest if any of the following events occur or are threatened and the Bond Trustee in its reasonable opinion considers it likely that such event has led or will lead to a Material Adverse Effect:</p> <ul style="list-style-type: none"><li>a) the destruction of a portion of the Gassled Assets;</li><li>b) a nationalisation of any of the Guarantor, the Issuer, the Gassled Licences or the Participating Interests;</li><li>c) a dissolution of Gassled JV.</li></ul>
<b>No independent action</b>	The Bondholders and Other Senior Lenders will agree not to take independent action against the Issuer and limiting their enforcement rights to those taken by the Security Agent acting on their behalf.
<b>Additional Senior Indebtedness</b>	<p>The Issuer shall not incur any other indebtedness than</p> <ul style="list-style-type: none"><li>(i) the Initial Senior Indebtedness;</li><li>(ii) any other debt ("<b>Additional Senior Indebtedness</b>") (including for the avoidance of doubt Bonds issued after the Issue Date) incurred on the following conditions:</li></ul>

- a) the Senior Indebtedness ranks at least pari passu with the Additional Senior Indebtedness, save for any Additional Senior Indebtedness replacing or in addition to an existing Standby Liquidity Facility or Swap Agreement which will rank equal to such Standby Liquidity Facility or Swap Agreement which it replaces;
  - b) if applicable, providers of the Additional Senior Indebtedness accede to the Agency and Intercreditor Agreement and any relevant provisions of the Security Documents;
  - c) the final maturity date of the Additional Senior Indebtedness (not including any Standby Liquidity Facility) shall be no earlier than the Final Maturity Date;
  - d) the average life of the Additional Senior Indebtedness (not including any Standby Liquidity Facility or the Swap Agreements) shall be not less than the remaining average life of the Senior Indebtedness existing immediately prior to the Additional Senior Indebtedness being incurred;
  - e) no Event of Default is continuing under the Senior Indebtedness, or is caused by incurring the relevant Additional Senior Indebtedness, and the Debt Service Reserve Account is funded to its required level; and
  - f) the Rating Agency affirms that the Outstanding Bonds will not be downgraded as a result of the Additional Senior Indebtedness, or, to the extent the Bonds' current rating is higher than A-, that the new rating will not be below A-.
- (iii) any Shareholder Loans, provided that (i) they are subordinated to the Senior Indebtedness pursuant to the terms of the Agency and Intercreditor Agreement, (ii) the Security Agent is provided with a copy of the duly executed loan agreement evidencing the terms of such Shareholder Loan(s), and (iii) the claims of the Guarantor, the Sponsors and/or any other providers of Shareholder Loans being subject to an assignment in favour of the Security Agent.

**Standby Liquidity Facility**

A standby credit facility initially in the amount of NOK 250,000,000, as may be increased in connection with the issue of Series of Bonds after the Issue Date, available to the Issuer to fund any Cash Calls, payment of Taxes and ordinary operating expenses to the extent that



funds are not available from the Collection Accounts.

<b>Shareholder Loans</b>	Any loans granted to the Issuer by the Guarantor, Sponsors or any of their affiliates or shareholders.
<b>Bondholders' Meeting</b>	<p>A meeting of Bondholders representing the supreme authority of the Bondholders community in all matters relating to the Bonds. Bondholder's Meetings may be held as Separate Bondholders' Meetings between the Bondholders or as Joint Bondholders' Meetings between the Bondholders and the bondholders of all other bonds issued under the Programme. At Separate Bondholders' Meetings the Bonds each carry 1 (one) vote and at Joint Bondholders' Meetings the Bonds each carry 1 (one) vote.</p> <p>For a further description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights, please see clause 14 of the Common Terms Agreement (attached to this securities note).</p>
<b>Gross Real Yield</b>	The real yield-to-maturity on the Bonds calculated by the Expert as if the Bonds were to remain outstanding to the Maturity Date.
<b>Outstanding Bonds</b>	The aggregate principal of the total number of Bonds and other bonds issued under the Programme not redeemed or otherwise discharged.
<b>Expert</b>	A party appointed by the statutory auditor of the Issuer and the Bond Trustee, or if they fail to agree, the chairman of the Norwegian Association of Certified Accountants.

## 6 COVENANTS, REPRESENTATIONS AND WARRANTIES, EVENTS OF DEFAULT AND TRIGGER EVENTS

- Representations & Warranties** Each of the Issuer and the Guarantor will provide the following representations and warranties:
- a) *Status*  
It is a private limited liability company, duly incorporated and validly existing under the laws of Norway and has the power to own its assets and carry on their business as it is being conducted.
  - b) *Power and authority*  
It has the power to enter into and perform, and has taken all necessary corporate action to authorise its entry into, performance and delivery of the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.
  - c) *Valid, binding and enforceable obligations*  
The Transaction Documents constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of the Issuer and the Guarantor (as applicable), enforceable in accordance with their terms, and (save as provided for therein) no further registration, filing, payment of Tax or fees or other formalities are necessary to render the said documents enforceable against the Issuer and/or the Guarantor.
  - d) *Non-conflict with other obligations*  
The entry into and performance by the Issuer and/or the Guarantor of the Transaction Documents to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any present law or regulation or present judicial or official order; (ii) its articles of association or other constitutional documents; or (iii) any document or agreement which is binding on the Issuer or the Guarantor or any of its assets.
  - e) *No Event of Default*  
No Event of Default exists, and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or any combination of the foregoing) would constitute an event of default under any document which is binding on the Issuer or any of its assets, and which may have a Material Adverse Effect.
  - f) *Authorisations and consents*  
All authorisations, consents, licences or approvals of any

governmental authorities required for the Issuer in connection with the execution, performance, validity or enforceability of the Transaction Documents, and the transactions contemplated thereby, have been obtained and are valid and in full force and effect. All authorisations, consents, licences or approvals of any governmental authorities required for the Issuer to carry on its business as presently conducted and as contemplated by the Common Terms Agreement, have been obtained and are in full force and effect.

- g) *Litigation*  
No litigation, arbitration or administrative proceeding of or before any court, arbitral body or agency is pending or, to the best of the Issuer's knowledge, threatened, which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.
- h) *Title and ownership*  
The Issuer is (or will on the date the proceeds of the Bonds are released from the Escrow Account(s) be) the legal and beneficial owner of the Participating Interests and the Guarantor is the legal and beneficial owner of all the shares of the Issuer.
- i) *No undisclosed liabilities*  
As of the date of the opening balance sheet, the Issuer had no material liabilities, direct or indirect, actual or contingent, and there were no material anticipated losses from any unfavourable commitments not disclosed by or reserved against in the Financial Statements or in the notes thereto.
- j) *No Material Adverse Effect*  
Since (i) the date of the opening balance sheet of the Issuer, or (ii) the date of the most recent Financial Statements, as the case may be, there has been no change in the business, assets or financial condition of the Issuer that is likely to have a Material Adverse Effect.
- k) *No misleading information*  
All financial information concerning the Issuer and the Guarantor which has been provided to the Bondholders or the Bond Trustee in connection with the Bond Issue represented the latest available financial information at the time they were provided (unless otherwise is specifically stated or clearly follows from the relevant document provided), and there has been no subsequent change in the financial position of the Issuer or the Guarantor which has not been disclosed and which could have a Material Adverse Effect.

- l) *Environmental compliance*  
The Issuer and the Guarantor are in compliance with any relevant applicable environmental law or regulation and no circumstances have occurred which would prevent such compliance in a manner which has or is likely to have a Material Adverse Effect.
- m) *No withholdings*  
The Issuer is not required to make any deduction or withholding (other than as specifically stated in the Common Terms Agreement) from any payment which it may become obliged to make to the Bond Trustee (on behalf of the Bondholders) or the Bondholders under the Common Terms Agreement.
- n) *Pari passu ranking*  
The Bonds rank at least pari passu with all other obligations of the Issuer (save for the Standby Liquidity Facility and Swap Agreements and such claims which are preferred by bankruptcy, insolvency, liquidation or other laws); and
- o) *Encumbrances*  
No Encumbrances exist over any of the present assets of the Issuer or the Guarantor in conflict with the Security Interests.

**Affirmative and  
Negative Covenants**

Covenants stating that the Issuer (and where applicable the Guarantor) shall:

- a) unsolicited immediately inform the Bond Trustee and the Security Agent of any Event of Default or Trigger Event as well as of any circumstances which the Issuer knows or should know is likely to lead to an Event of Default or Trigger Event.
- b) unsolicited inform the Bond Trustee and the Security Agent of any other event which is likely to have a Material Adverse Effect;
- c) unsolicited produce Financial Statements and send them to the Bond Trustee in the English language as soon as they become available, and no later than 150 days after the end of the financial year, and produce Interim Financial Reports at least semi-annually and send them to the Bond Trustee in the English language as soon as they become available, and no later than 60 days after the end of the semi-annual period.
- d) at the request of the Bond Trustee, report the balance of the Issuer's Outstanding Bonds.

- e) unsolicited send the Bond Trustee and the Security Agent copies of any creditors' notifications of the Issuer, including but not limited to mergers, de-mergers or reduction of the Issuer's share capital.
- f) unsolicited send a copy to the Bond Trustee of its notices to the Exchange where the Bonds are listed, which are of relevance for the Issuer's liabilities pursuant to the Common Terms Agreement.
- g) unsolicited send to the Bond Trustee a Compliance Certificate.
- h) unsolicited inform the Bond Trustee of changes in the registration of the Bonds in the Securities Register.
- i) unsolicited procure that the Bond Trustee and Security Agent receive statements of the Collection Accounts, Distribution Account and Debt Service Reserve Account, showing the balance on the account and all movements in the period since the previous statement.
- j) unsolicited send to the Bond Trustee and the Security Agent a summary of the insurances taken out by or on behalf of the Issuer for the Participating Interests on the first Interest Payment Date of each year and upon any changes being made in the insurance cover for the Participating Interests or the Issuer.
- k) within a reasonable time, provide such information about the Issuer's financial condition as the Bond Trustee may reasonably request.
- l) at the request of the Bond Trustee provide all documents and information necessary to maintain the listing and quotation of the Bonds on the Exchange where the Bonds are listed and to otherwise enable the Bond Trustee to carry out its rights and duties pursuant to the Common Terms Agreement and the other Transaction Documents, as well as applicable laws and regulations.
- m) ensure that the Bonds at all times rank at least pari passu with all other obligations of the Issuer (save for the Standby Liquidity Facility and the Swap Agreements and such claims which are preferred by bankruptcy, insolvency, liquidation or other laws).
- n) not carry out any merger or other business combination or

- corporate reorganisation involving consolidating the assets and obligations of the Issuer with any other companies or entities.
- o) not carry out any de-merger or other corporate reorganisation involving splitting the Issuer into two or more separate companies or entities.
  - p) remain a single purpose company and not take on or carry on any business other than ownership of the Participating Interests and related activities, as well as issuing the Bonds and related activities. The Issuer may, subject to compliance with its obligations in the Common Terms Agreement, increase its Participating Interests and participate in any extension of or addition to the Gassled Licences or the Gassled Assets.
  - q) not sell or otherwise dispose of, neither as a whole or in part, the Participating Interests, including any part thereof acquired after the date of the Common Terms Agreement. A dilution of the Participating Interests caused by the non-participation by the Issuer in the acquisition or incorporation of additional assets by Gassled JV shall not constitute a disposal for the purpose of this provision.
  - r) shall cause all transactions between it and (i) any director or senior member of management in the Issuer or the Guarantor, (ii) any company in which the Guarantor holds more than 10 per cent of the shares, or (iii) any company, person or entity controlled by or affiliated with any of the foregoing, to be entered on commercial terms, not less favourable to the Issuer than would have prevailed in arms' length transaction with a third party. All such transactions shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-8 of the Private and Public Limited Companies Act 1997.
  - s) not change its type of organisation or jurisdiction of organisation.
  - t) carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time (including any environmental laws and regulations) and comply with all conditions or terms in approvals received from authorities, including the MPE approval dated 1 February 2011 regarding the acquisition by the Issuer of the Participating Interests and

the approval from the Ministry of Finance dated 2 February 2011 regarding the tax treatment of the acquisition of the Participating Interests.

- u) promptly upon becoming aware of them, send the Bond Trustee such relevant details of any material litigation, arbitration or administrative proceeding which have been or is likely to be started by or against the Issuer or the Guarantor.
- v) shall ensure that the board of directors of the Issuer comprises minimum one director independent of the Issuer, the Guarantor and the Sponsors.
- w) maintain a Standby Liquidity Facility with a bank with a credit rating of at least A-, in force and fully available to it, which, if it expires while any amounts are outstanding under the Common Terms Agreement and any other Transaction Document, shall be renewed with effect from each date it expires for so long as any amounts remain outstanding under the Common Terms Agreement and any other Transaction Document.
- x) not incur any other indebtedness than as set out under Additional Senior Indebtedness above.
- y) maintain the Participating Interests fully insured, including any insurance required under applicable laws, rules, regulations and agreements applicable to the Gassled JV or required by the management committee of Gassled JV. The Issuer shall immediately inform the Bond Trustee and the Security Agent if any insurance required to be taken out pursuant to the Common Terms Agreement is not taken out by the Issuer.
- z) ensure that the priority of payments as set out in the Common Terms Agreement clauses 7.2 and 11.2 are complied with.
- aa) ensure that all transactions between the Issuer and the Guarantor or the Sponsor (or an affiliate of the Sponsor) shall be on commercial terms, and shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-9 of the Private Limited Companies Act of 1997.
- bb) maintain a credit rating of the Bonds by a reputable international rating agency.
- cc) if the Bonds at any time are listed, ensure that the Bonds remain listed until they have been discharged in full.

- dd) not enter into or maintain any financial derivative arrangements for speculative purposes. The Issuer shall not enter into or maintain any financial derivative arrangements other than for the purpose of reducing its exposure to fluctuations in economic, financial or operational outcomes. The Issuer shall only enter into such financial derivative arrangements with hedge counterparties with a minimum credit rating of A- from the Rating Agency or similar.
- ee) maintain all its bank accounts with a bank with a credit rating of at least A-.
- ff) at or before the issue date of any subsequent Series of Bonds, to the extent required by chapter 7 of the Norwegian Securities Trading Act, any other applicable prospectus regulation or stock exchange requirements, update, amend or replace the Prospectus.
- gg) in the event of an extension of the Gassled Licences the Issuer shall, prior to the date upon which the extension enters into force, either (i) obtain an affirmation from the Rating Agency that the Outstanding Bonds will not be downgraded as a result of the extension of the Gassled Licences, or to the extent the Bonds' rating is higher than A-, that the new rating will not be below A-; or (ii) redeem the Outstanding Bonds in accordance with the provisions under the Common Terms Agreement regarding optional redemption.
- hh) in the event that the Issuer's Participating Interests in the Gassled Licences is increased, the Issuer shall, no later than the date which such increase takes effect, amend the mortgage over the Gassled Licences to comprise the entire interest of the Issuer in all Gassled Licences. In the event that the Issuer's Participating Interests in the Gassled Licences is decreased and such decrease is in accordance with the Transaction Documents, the Issuer shall, not later than the date which such decrease takes effect, amend the mortgage over the Gassled Licences to comprise the entire interest of the Issuer in all Gassled Licences.

**Events of Default**

The Bonds may be declared by the Bond Trustee to be in default upon occurrence of any of the following events:

- a) *Non-payment*  
The Issuer fails to fulfil any payment obligation under any Transaction Document when due, unless, in the opinion of the Bond Trustee, it is obvious that such failure will be remedied, and payment in full is made, within 5 – five – Business Days



following the original due date.

*b) Breach of other obligations*

Any of the Issuer or the Guarantor fails to duly perform any covenant or other obligation pursuant to the Common Terms Agreement or any other Transaction Document to which it is a party and such breach of covenant or obligation remains unremedied for 10 – ten – Business Days.

*c) Cross default*

For any of the Issuer or the Guarantor, the aggregate amount of financial indebtedness falling within paragraphs (i) to (iv) below exceeds a total of NOK 250,000,000, or the equivalent thereof in other currencies;

- (i) any amounts owed and not paid when due nor within any originally applicable grace period;
- (ii) any indebtedness declared to be or otherwise has become due and payable prior to its specified maturity as a result of an event of default (however described);
- (iii) any commitment for any financial indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); and
- (iv) any indebtedness capable of being declared due and payable prior to its specified maturity as a result of an event of default (however described).

*d) Enforceability*

Any Security Interest becomes unenforceable.

*e) Misrepresentations*

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer or the Guarantor, as applicable, in or pursuant to any Transaction Document or in connection therewith is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made.

*f) Insolvency*

Any insolvency by the Issuer or the Guarantor, however defined, including:

- (i) A suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of

voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation.

- (ii) An agreement, compromise or arrangement between the Issuer and any creditor other than the Bondholders jointly, having an adverse effect on the Issuer's ability to perform its payment obligations under any Transaction Document.
  - (iii) The appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, compulsory manager (other than compulsory by contractual obligations) or other similar officer of any of the assets of the Issuer or the Guarantor.
  - (iv) The enforcement of any security over any of the assets of the Issuer or the Guarantor.
- g) *Impossibility or illegality*  
It is or becomes impossible or unlawful for any of the Issuer or the Guarantor to fulfil or perform any of its obligations under the Transaction Documents to which it is a party.
- h) *Litigation*  
There is current or pending any claims, litigation, arbitration or administrative proceedings (each an "action") against any of the Issuer or the Guarantor, which if adversely determined is, in the reasonable opinion of the Bond Trustee after consultations with the Issuer, likely to have a Material Adverse Effect, unless such action is, in the reasonable opinion of the Bond Trustee after consultations with the Issuer, either frivolous, vexatious or has no reasonable prospect of success and is contested in good faith by the Issuer or the Guarantor, as applicable.
- i) *Material adverse effect*  
The occurrence of an event or circumstance or series or combinations of events or circumstances in relation to the Issuer or the Guarantor which has or is likely to have, in the reasonable opinion of the Bond Trustee after consultations with the Issuer, a Material Adverse Effect.
- j) *Repudiation*  
Any of the Issuer or the Guarantor repudiates any of the Transaction Documents or any obligation therein, or evidences an intention to repudiate any of the Transaction Documents or any obligation therein.

- k) *Gassled Licences*  
Any breach by the Issuer of any requirement, obligation or term under the Gassled Licences that causes the Gassled Licences or any other governmental approval or licence held by the Issuer as a participant in the Gassled JV to be revoked or suspended.
- l) *Ownership*  
The Issuer ceases to be a wholly owned subsidiary of the Guarantor, or a change in the ownership or control of the Guarantor occurs that causes the Gassled Licences or any other governmental approval or licence held by Issuer as a participant in Gassled to be revoked or suspended.
- m) *Insurances*  
Any insurance taken out by or on behalf of the Issuer in respect of the Issuer and/or the Participating Interests ceases to be to be in full force and effect or are avoided, or the proceeds thereof fail to be assigned in favour of the Security Agent.

**Trigger Events**

The following circumstances will constitute Trigger Events:

- a) the DSCR or the Forecast DSCR is less than 1.2;
- b) the Issuer fails to pay scheduled principal on any relevant Interest Payment Date;
- c) the Debt Service Reserve Account is not funded to its required level;
- d) the Issuer does not have adequate funds available (including any cash balance retained on account and undrawn commitments under the Standby Liquidity Facility) to fund the Non-Discretionary Capex component of any forecast Cash Calls for the succeeding twelve month period; and
- e) the Standby Liquidity Facility has not been renewed or substituted by another Standby Liquidity Facility at least 12 months prior to its termination date.

**Dividend Lock-up**

Upon the occurrence of a Trigger Event or an Event of Default under the Senior Indebtedness or any Additional Senior Indebtedness, and for so long as such Trigger Event or Event of Default is not remedied or waived, no dividend, transfer or any other form of transfer from the Issuer to the Guarantor or the Sponsors shall be permitted.

**Compliance Certificate**

The Issuer shall in connection with the issue of its Financial Statements and Interim Financial Reports as well as no later than 20

Business Days after each Interest Payment Date send to the Bond Trustee a Compliance Certificate, confirming its compliance with the covenants set out in clause 11 of the Common Terms Agreement and that no Event of Default or Trigger Event exists. The Compliance Certificate shall be accompanied by the necessary supporting documents and calculations, including calculations of DSCR and Forecast DSCR for the relevant periods. In the event of non-compliance, the Compliance Certificate shall describe the non-compliance, the reasons therefore as well as the steps which the Issuer has taken and will take in order to rectify the non-compliance.

## 7 TRANSACTION DOCUMENTS, SECURITY AND RANKING

<b>Transaction Documents</b>	<p>The documentation in respect of the Bonds, including:</p> <ul style="list-style-type: none"><li>a) the Common Terms Agreement;</li><li>b) the Specific Terms for each Series of Bonds;</li><li>c) the Security Documents;</li><li>d) the Agency and Intercreditor Agreement;</li><li>e) the subscription agreement whereby the Bonds are subscribed;</li><li>f) the paying agent and registrar agreement between the Issuer and the Paying Agent;</li><li>g) the Standby Liquidity Facility;</li><li>h) a fee and expenses agreement between the Issuer and the Bond Trustee;</li><li>i) any documents governing any Additional Senior Indebtedness for which the creditor has adhered to the Agency and Intercreditor Agreement;</li><li>j) the Swap Agreements;</li><li>k) the Calculation Agency Agreement; and</li><li>l) such additional agreements and notifications as may be required to effect the perfected first priority lien of the Security Agent over the relevant rights and assets of the Issuer and to otherwise implement the transaction and security structure.</li></ul>
<b>Governing Law and Dispute Resolution</b>	<p>The Transaction Documents will be governed by Norwegian law. The parties submit to the non-exclusive jurisdiction of Oslo District Court of Norway as due venue. Claims under the Transaction Documents may become time barred under the Norwegian Statutory Limitation of Claims Act (no: <i>Foreldelsesloven</i>).</p>
<b>Swap Agreements</b>	<p>The Issuer may, subject to the applicable hedging covenant, enter into swap agreements.</p>
<b>Security and Security Documents</b>	<p>The security and the security documents in respect of the Bonds shall include:</p> <ul style="list-style-type: none"><li>a) a share pledge and receivables assignment agreement in</li></ul>

- respect of all shares in the Issuer and all claims of the Guarantor against the Issuer, including but not limited to any claims under any loans from the Guarantor to the Issuer, relating to the matters specified therein, granted by the Guarantor in favour of the Security Agent;
- b) a share pledge and receivables assignment agreement in respect of all shares in the Guarantor and all claims of the Sponsors against the Guarantor and/or the Issuer, including but not limited to any claims under loans from the Sponsor to the Issuer and/or the Guarantor, granted by the Sponsors in favour of the Security Agent;
  - c) a security agreement (the "**Security Agreement**") between the Issuer and the Security Agent under which the Issuer grants in favour of the Security Agent
    - (i) account pledges in respect of the Collection Accounts, the Debt Service Reserve Account, the Distribution Account and the Swap Collateral Accounts;
    - (ii) an assignment of all receivables from the Participating Interests;
    - (iii) a floating charge over the operating machinery of the Issuer;
    - (iv) a floating charge over the inventory and stock of the Issuer;
    - (v) a floating charge over accounts receivable of the Issuer;
    - (vi) an assignment of the proceeds from all insurances taken out by or on behalf of the Issuer, save for any payments received under insurance agreements which are used to repair or rebuild the Gassled Assets;
    - (vii) a mortgage over the Participating Interests of the Gassled Licences pursuant to the Norwegian Petroleum Act Section 6-2; and
    - (viii) an assignment of all claims of the Issuer against the Guarantor and/or the Sponsors relating to the matters specified therein;
  - d) an on demand guarantee in respect of the Issuer's obligations under the Transaction Documents granted by the Guarantor in favour of the Security Agent, as set out in Annex 2 hereto;
  - e) any further mortgages, charges or other security interests

capable of being created in a practical manner over any property or asset forming part of the Participating Interests (other than the Gassled Licences), in favour of the Security Agent; and

- f) such additional agreements as may be required to effect a perfected first priority lien in favour of the Security Agent over the above listed securities.

The Security Agent holds the Security on behalf of the Bondholders, the bondholders of bonds issued under any other Series of Bonds and any Other Senior Lenders (if any) and itself on the terms and conditions set out in the Agency and Intercreditor Agreement.

### **Security and Ranking**

Security and ranking is regulated in (A) the Agency and Intercreditor Agreement among (1) the Issuer, (2) the Guarantor, (3) the Security Agent, (4) the Bond Trustee (on behalf of the Bondholders), (5) the Sponsors, (6) the Paying Agent, (7) the Calculation Agent, (8) the Swap Providers, (9) a provider of any Additional Senior Indebtedness, (10) the Account Bank and (11) the Facility Provider and (B) the Common Terms Agreement between (1) the Issuer, (2) the Guarantor (3) the Bond Trustee (on behalf of the Bondholders) and (4) the Security Agent.

Distribution of the cash flows or assets of the Issuer upon the exercise of remedies upon an Event of Default, liquidation or otherwise shall be made in the following priority:

- a) Any payments required under mandatory law to be paid senior to payments under b) to f) below;
- b) Pari passu and pro rata according to amounts outstanding, any amount payable to the Bond Trustee, Security Agent, Paying Agent, Calculation Agent, Appointed Authority, Expert and/or Account Bank;
- c) Principal, accrued interests and other amounts outstanding under the Standby Liquidity Facility;
- d) Any amounts owed by the Issuer under the Swap Agreements;
- e) Pari passu and pro rata according to amounts outstanding, accrued interest under the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items c) or d) above);
- f) Pari passu and pro rata according to amounts outstanding, principal owed under the Outstanding Bonds and any other Additional Senior Indebtedness, and pari passu and pro rata

according to amounts outstanding between the Series of Bonds and within each Series of Bonds;

- g) Once there are no amounts outstanding under items a) to f) above, any remaining payment required to be made by the Issuer; and
- h) Any remaining funds can be paid to the Distribution Account.

Any amounts standing to the credit of the Swap Collateral Accounts shall be applied to cover outstanding amounts under the Swap Agreements before being applied to the waterfall of payments above.

### **Security Interests**

Any Encumbrances or other security (including any guarantee) created (or to be created) by the Security Documents securing the obligations of the Issuer and the Guarantor under the Senior Indebtedness.

## **8 OTHER DEFINITIONS**

### **DSCR**

means debt service cover ratio being the ratio of A:B for the 12 month period preceding an Interest Payment Date where:

**A** = the aggregate, during the period, of:

- (i) ordinary operating revenues and other revenues paid to the Issuer (and any payment *in lieu* thereof such as insurance proceeds); plus
- (ii) financial income paid to the Issuer; plus
- (iii) other income paid to the Issuer; plus
- (iv) any cash held on the Distribution Account at the beginning of the relevant period; plus
- (v) any commitments under the Standby Liquidity Facility drawn during the period to fund Non-Discretionary Capex; plus
- (vi) any proceeds arising from an issuance of Additional Senior Indebtedness, Shareholder Loans or equity in the Issuer where such proceeds are applied to fund Discretionary Capex; less



- (vii) Cash Calls, ordinary operating expenses and Taxes paid by the Issuer.

and

**B** = the amount payable by the Issuer for the relevant period of (i) interest, fees and equivalent payments on all Senior Indebtedness, save for any payments made by the Issuer under the Swap Agreements, and (ii) any other mandatory payments and scheduled principal on the Senior Indebtedness, save for scheduled principal payments under the Standby Liquidity Facility and any payments made by the Issuer under the Swap Agreements, and (iii) any payments made by the Issuer under the Swap Agreements; minus (iv) any payments received under the Swap Agreements.

**Forecast DSCR**

means the ratio of A:B for the 12 month period following the Interest Payment Date where:

**A** = the aggregate, during the period, of:

- (i) all expected ordinary operating revenues payable to the Issuer (and any payment *in lieu* thereof such as insurance proceeds) based on the Issuer's forecasts; plus
- (ii) the expected interest income payable to the Issuer based on the Issuer's forecasts; plus
- (iii) any cash retained on the Distribution Account at the beginning of the relevant period; plus
- (iv) any expected drawdown under the Standby Liquidity Facility during the period, to fund Non-Discretionary Capex; plus
- (v) any proceeds arising from a contemplated issuance of Additional Senior Indebtedness, Shareholder Loans or equity in the Issuer where such proceeds are applied to fund Discretionary Capex; less
- (vi) the expected ordinary operating expenses, Cash Calls and Taxes payable by the Issuer based on the Issuer's forecasts.

and

**B** = the aggregate amount payable by the Issuer for the relevant period of (i) interest, fees and equivalent payments on all Senior Indebtedness, save for any payments expected to be made by the Issuer under the Swap Agreements, and (ii) any other mandatory payments and scheduled principal on the Senior Indebtedness, save

for scheduled principal payments under the Standby Liquidity Facility and any payments expected to be made by the Issuer under the Swap Agreements, and (iii) any payments expected to be made under the Swap Agreements; minus (iv) any payments expected to be received under the Swap Agreements.

**Cash Calls** Any payment required by Gassco from the Issuer pursuant to the relevant participants' agreement and operating agreement governing the Gassled JV.

**Discretionary Capex** Means all capital expenditures of the Gassled JV which is not Non-Discretionary Capex.

**Non-Discretionary Capex** means capital expenditures of the Gassled JV essential to maintain the integrity or the proper operation of the Gassled Assets, so that the Gassled Assets are able to meet the contractual transportation commitments related to existing capacity of the Gassled Assets and for which the Issuer is obliged to participate in proportion to its Participating Interests in accordance with the agreements governing the Gassled Assets.

**CPI** Means the all-items consumer price index (*No.: Konsumprisindeksen or KPI*) published by the Norwegian Central Bureau of Statistics (*Statistisk Sentralbyrå*), as from time to time substituted or amended pursuant to Clause 8 of the Common Terms Agreement.

**Initial Senior Indebtedness** The Bonds and any other bonds issued by the Issuer on the Issue Date, amounts owed under any Swap Agreements entered into on or prior to the Issue Date and the Standby Liquidity Facility entered into on or prior to the Issue Date.

**Senior Indebtedness** The Initial Senior Indebtedness and the Additional Senior Indebtedness.

**Material Adverse Effect** A material adverse effect on:

- (a) the business, financial condition or operations of the Issuer and/or the Guarantor;
- (b) the Issuer's ability to perform and comply with its obligations under the Common Terms Agreement; or
- (c) the validity or enforceability of the Common Terms Agreement and any of the Security Documents.

**Taxes** All present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings, and any restrictions and or conditions resulting in a charge together with interest thereon and penalties in respect thereof, and “**Tax**” and “**Taxation**” shall be construed accordingly.

**Release Date** Means the date on which the funds standing to the credit of the Escrow Account(s) are released to the Issuer in accordance with the Common Terms Agreement.

**Participating Interests** The Issuer's interests, as they are at any time, in the Gassled Assets (as defined in the Common Terms Agreement), representing as of the Issue Date:

1. a 8.036 % undivided participating interest in Gassled JV,
2. a 3.93781 % undivided participating interest in Zeepipe Terminal Joint Venture, and
3. a 5.22362 % undivided participating interest in Dunkerque Terminal DA,

and being subject to such other adjustments as may be made from time to time pursuant to the agreements governing the Gassled JV.

## **9 ADDITIONAL INFORMATION**

Members of the board of directors Paul Moy and Mark Gilligan are currently employees of UBS, which acts as joint lead bookrunner and joint lead Arranger for the Issuer in connection with the issue of the Bonds and their subsequent listing on Oslo Stock Exchange, and which also owns shares in the Guarantor.

Certain directors or officers of the Issuer may also be directors or officers of other oil and gas related companies from time to time.

Conflict of interests might arise in respect of the above mentioned matters. Conflicts, if any, will be subject to the procedures and remedies of the Norwegian Private Limited Liability Companies Act. As far as the board and the Company are aware of, there are otherwise no conflicts of interest between any duties to the Company of the members of the administrative, management of supervisory bodies, and their private interests and/or duties.

The Issuer has mandated UBS Limited and The Royal Bank of Scotland plc as sole bookrunners for the issuance of the Bonds. Wikborg, Rein & Co. has acted as legal advisor to the Arrangers with respect to Norwegian law.

Advokatfirmaet Selmer DA has acted as legal advisor to the Issuer with respect to Norwegian law.

The Prospectus will only be published in Norway.

**ANNEX 1 – COMMON TERMS AGREEMENT**

**COMMON TERMS AGREEMENT**

between

**Njord Gas Infrastructure AS**  
(Issuer)

**Njord Gas Infrastructure Holding AS**  
(Guarantor)

**Norsk Tillitsmann ASA**  
(Security Agent)

and

**Norsk Tillitsmann ASA**  
(Bond Trustee)

on behalf of

**the Bondholders**

**in the NOK equivalent 10,000,000,000 Secured Term Note  
Programme**



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This agreement has been entered into on 1 June 2011 between:

- (1) Njord Gas Infrastructure AS, a company incorporated under the laws of Norway with organisation number 995 152 142 and registered business address Haakon VII's Gate 8, 4005 Stavanger, Norway as owner of the Participating Interests and Issuer of the Bonds (the "**Issuer**");
- (2) Njord Gas Infrastructure Holding AS, a company incorporated under the laws of Norway with organisation number 995 152 185, and registered business address Haakon VII's Gate 8, 4005 Stavanger, Norway as owner of 100% of the shares of the Issuer and as guarantor (the "**Guarantor**"); and
- (3) Norsk Tillitsmann ASA, a company incorporated under the laws of Norway with organisation number 963 342 624 and registered address at Haakon VII g 1, 0161 Oslo as bond trustee (the "**Bond Trustee**").

**WHEREAS** the Issuer is a single purpose company established on 25 January 2010 and its sole purpose is to acquire and hold a participating interest in the Gassled Assets (as defined below), and the Guarantor is a single purpose company established on 25 January 2010 and its sole purpose is to hold all issued shares in the Issuer;

**WHEREAS** the Issuer has entered into an agreement with ExxonMobil Exploration and Production Norway AS for the purpose of acquiring its participating interest in the Gassled Assets; and

**WHEREAS** the Issuer intends to finance the acquisition of the said participating interest in the Gassled Assets *inter alia* by the issue of the Bonds;

**THE FOLLOWING** has been agreed among the Issuer, the Guarantor and the Bond Trustee:

## **1. INTERPRETATION**

### **1.1. Definitions**

In this CTA the following terms shall have the following meanings:

" <b>Account Bank</b> "	means DnB NOR Bank ASA.
" <b>Account Manager</b> "	means a Bondholder's account manager in the Securities Register.
" <b>Additional Senior Indebtedness</b> "	means any senior indebtedness of the Issuer raised in accordance with Clause 11.4.8 (ii).
" <b>Agency and Intercreditor Agreement</b> "	means the agency and intercreditor agreement dated 1 June 2011 between the Issuer, the Guarantor, the Security Agent, the Bond Trustee (on behalf of the Bondholders), the Sponsors, the Paying Agent, the



	Calculation Agent, the Swap Providers and the Facility Provider.
<b>"Applicable Base CPI Figure"</b>	means, for each Series of Index Linked Bonds, the Base CPI Figure as defined in the Specific Terms for such Series.
<b>"Applicable Currency"</b>	means, for each Series of Bonds, the currency the Bonds of such Series are denominated in, which shall be either EUR, GBP, USD or NOK.
<b>"Applicable Indexation Ratio"</b>	means, for each Series of Index Linked Bonds, the Indexation Ratio applicable to such Series.
<b>"Applicable Interest Rate"</b>	means, for each Series of Bonds, the Interest Rate as defined in the Specific Terms for such Series.
<b>"Applicable Maturity Date"</b>	means, for each Series of Bonds, the Maturity Date as defined in the Specific Terms for such Series, which shall in no event exceed the Final Maturity Date.
<b>"Applicable Principal Amortisation Amount"</b>	means, for each Series of Bonds, the Principal Amortisation Amount, as defined in the Specific Terms for such Series.
<b>"Appointed Authority"</b>	means the person appointed in accordance with the procedures set forth in Clause 8.3.4.
<b>"Arrangers"</b>	means the arrangers for the Bond Issue.
<b>"Attachment"</b>	means any attachments to this CTA.
<b>"Bond Issue"</b>	means the issue of the Bonds by the Issuer described in this CTA.
<b>"Bondholder"</b>	means the owner of one or more Bonds, as registered in the Securities Register, from time to time.
<b>"Bondholders' Meeting"</b>	means a Joint Bondholders' Meeting or a Separate Bondholders' Meeting (as the case may be).
<b>"Bonds"</b>	means bonds ranking pari passu with each other (however, subject to differing terms between the Series), issued by the Issuer (in one or more Series) pursuant to this CTA and the relevant Specific Terms, as further described in Clause 2.2.
<b>"Business Day"</b>	means any day on which commercial banks are open

for general business, and can settle foreign currency transactions, for

- (i) Series denominated in GBP, in Oslo and London;
- (ii) Series denominated in NOK, in Oslo;
- (iii) Series denominated in USD, in Oslo and New York; and
- (iv) Series denominated in EUR, in Oslo and Brussels,

and whereas

- (i) "Oslo" is based on a day on which the Norwegian Central Bank's Settlement System is open for business; and
- (ii) "Brussels" is based on a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) is open for business.

<b>"Business Day Convention"</b>	means that no adjustment will be made, provided that if the period end date occurs on a day that is not a Business Day, payments will be made on the first following day that is a Business Day (No Adjustments of Business Day).
<b>"Buyer's Equity Account"</b>	means the Issuer's account no 1503 19 34882 in DnB NOR Bank ASA.
<b>"Calculation Agent"</b>	means Norsk Tillitsmann ASA.
<b>"Calculation Agency Agreement"</b>	means the agreement dated 1 June 2011 between the Issuer and the Calculation Agent.
<b>"Calculation Date"</b>	means the date falling 14 Business Days (for all Series, calculated in accordance with series denominated in NOK) following the relevant date of announcement of Index.
<b>"Cash Calls"</b>	means any payment required by Gassco from the Issuer pursuant to the relevant agreements governing the Gassled JV.
<b>"Cashflow Waterfall"</b>	shall have the meaning ascribed to it in Clause 10.2.
<b>"Collection Accounts"</b>	means, collectively, the Issuer's accounts with account no. 125004 65334 (USD), 1250 1615 208 (GBP), 1250 60 71923 (EUR) and 1503 19 34866 (NOK) in DnB NOR Bank ASA.

<b>"CPI"</b>	means the all-items consumer price index (no.: Konsumprisindeksen or KPI) published by the Norwegian Central Bureau of Statistics (Statistisk Sentralbyrå), as from time to time substituted or amended pursuant to Clause 8.3.2 and 8.3.3.
<b>"CTA"</b>	means this agreement, including all attachments and enclosures, as amended and supplemented from time to time.
<b>"Debt Service Reserve Account"</b>	means the Issuer's account no. 1503 19 34874 in DnB NOR Bank ASA.
<b>"Discretionary Capex"</b>	means all capital expenditures of the Gassled JV which is not Non-Discretionary Capex.
<b>"Distribution Account"</b>	means the Issuer's account no. 1250 04 69550 (USD), 1250 16 16328 (GBP), 1250 60 77883 (EUR), 1503 18 11683 (NOK) in DnB NOR Bank ASA.
<b>"DSCR"</b>	means the ratio of A:B for the 12 month period preceding an Interest Payment Date where:  A = the aggregate, during the period, of: <ul style="list-style-type: none"> <li>(i) ordinary operating revenues and other revenues paid to the Issuer (and any payment <i>in lieu</i> thereof such as insurance proceeds); plus</li> <li>(ii) financial income paid to the Issuer; plus</li> <li>(iii) other income paid to the Issuer; plus</li> <li>(iv) any cash held on the Distribution Account at the beginning of the relevant period; plus</li> <li>(v) any commitments under the Standby Liquidity Facility drawn during the period to fund Non-Discretionary Capex; plus</li> <li>(vi) any proceeds arising from an issuance of Additional Senior Indebtedness, Shareholder Loans or equity in the Issuer where such proceeds are applied to fund Discretionary Capex; less</li> </ul>

(vii) Cash Calls, ordinary operating expenses and Taxes paid by the Issuer.

and

**B** = the aggregate amount payable by the Issuer for the relevant period of (i) interest, fees and equivalent payments on all Senior Indebtedness, save for any payments made by the Issuer under the Swap Agreements, and (ii) any other mandatory payments and scheduled principal on the Senior Indebtedness, save for scheduled principal payments under the Standby Liquidity Facility and any payments made by the Issuer under the Swap Agreements, and (iii) any payments made by the Issuer under the Swap Agreements; minus (iv) any payments received under the Swap Agreements.

For the avoidance of doubt, any costs relating to the issue of subsequent Series of Bonds and any proceeds from issue of subsequent Series of Bonds shall not be included in this calculation.

**"Dunkerque/Zeebrugge Assets"**

means the Gassled JV participants' participating interests in each of the receiving terminals in Zeebrugge (Belgium) owned by the Zeepipe Terminal Joint Venture and Dunkerque (France) owned by Dunkerque Terminal DA. The Gassled JV participants hold a total of 49% in Zeepipe Terminal Joint Venture and 65% in Dunkerque Terminal DA, in proportion to their respective participating interests.

**"Encumbrance"**

means any encumbrance, mortgage, pledge, lien, charge (whether fixed or floating), assignment by way of security, finance lease, sale and repurchase or sale and leaseback arrangement, sale of receivables on a recourse basis or security interest or any other agreement or arrangement having the effect of conferring security.

**"Escrow Accounts"**

means accounts established in the name of the Issuer to be blocked and pledged on first priority in favour of the Bond Trustee (on behalf of the Bondholders), in which the bank operating the account(s) has waived any set-off rights.

**"Escrow and Buyer's"**

means the Norwegian law first priority pledge over

<b>Equity Account Pledge"</b>	the Issuer's funds standing from time to time to the credit of the Escrow Accounts and the Buyer's Equity Account, to be granted in favour of the Bond Trustee (on behalf of the Bondholders) as security for the Issuer's due fulfilment of its payment obligations (including, but not limited to payment of principal, interest and expenses) under this CTA.
<b>"EUR"</b>	means the single currency introduced at the start of the third stage of the European Economic and Monetary Union.
<b>"Event of Default"</b>	means the occurrence of an event or circumstance specified in Clause 13.1.
<b>"Excess Swap Collateral"</b>	shall have the meaning ascribed to it in section 10.5.3.
<b>"Exchange"</b>	means Oslo Stock Exchange or any other regulated market under Section 3 of the Norwegian Stock Exchange Act.
<b>"Expert"</b>	means a party appointed by the Bond Trustee and the statutory auditor of the Issuer, or if they fail to agree, the chairman of the Norwegian Association of Certified Accountants.
<b>"Facility Provider"</b>	means the lender under a Standby Liquidity Facility.
<b>"Final Maturity Date"</b>	means 30 September 2027 or an earlier Final Maturity Date as provided for in this CTA. Any further adjustment may be made according to the Business Day Convention.
<b>"Financial Statements"</b>	means the audited unconsolidated and, if applicable, consolidated annual accounts and financial statements of the Issuer for any financial year, drawn up according to GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.
<b>"Forecast DSCR"</b>	means the ratio of A:B for the 12 month period following an Interest Payment Date where:  A = the aggregate, during the period, of:  (i) all expected ordinary operating revenues payable to the Issuer (and any payment <i>in lieu</i> thereof such as insurance proceeds) based on

- the Issuer's forecasts; plus
- (ii) the expected interest income payable to the Issuer based on the Issuer's forecasts; plus
- (iii) any cash retained on the Distribution Account at the beginning of the relevant period; plus
- (iv) any expected drawdown under the Standby Liquidity Facility during the period, to fund Non-Discretionary Capex; plus
- (v) any expected proceeds arising from a contemplated issuance of Additional Senior Indebtedness, Shareholder Loans or equity in the Issuer where such proceeds are applied to fund Discretionary Capex; less
- (vi) the expected ordinary operating expenses, Cash Calls and Taxes payable by the Issuer based on the Issuer's forecasts.

and

**B** = the aggregate amount payable by the Issuer for the relevant period of (i) interest, fees and equivalent payments on all Senior Indebtedness, save for any payments expected to be made by the Issuer under the Swap Agreements, and (ii) any other mandatory payments and scheduled principal on the Senior Indebtedness, save for scheduled principal payments under the Standby Liquidity Facility and any payments expected to be made by the Issuer under the Swap Agreements, and (iii) any payments expected to be made under the Swap Agreements; minus (iv) any payments expected to be received under the Swap Agreements.

For the avoidance of doubt, any costs relating to the issue of subsequent Series of Bonds and any proceeds from issue of subsequent Series of Bonds shall not be included in this calculation.

**"GAAP"**

means the generally accepted accounting practice and principles in Norway, in force from time to time.

**"Gassco"**

means Gassco AS, a Norwegian limited company with registration number 983 452 841, 100% owned by the Norwegian state, being the operator of the

Gassled Assets.

**"Gassled Assets"**

means the assets owned by Gassled JV comprising, *inter alia*:

- (i) the Gassled Licences;
- (ii) all major gas transport systems from the Norwegian continental shelf to the European continent and the UK;
- (iii) the Kollsnes and Kårstø gas processing plants in Norway;
- (iv) the receiving gas terminals in Emden and Dornum (Germany) and St. Fergus and Easington (UK); and
- (v) the Dunkerque/Zeebrugge Assets.

**"Gassled JV"**

means a Norwegian unincorporated joint venture established pursuant to the Norwegian Petroleum Act 1996 and by the joint venture agreement dated 20 December 2002 between Petoro AS, Statoil ASA, Norsk Hydro Produksjon a.s, Mobil Development Norway A/S, Esso Exploration and Production Norway AS, TotalFinaElf Exploration Norge AS, Norske Shell Pipelines AS, Norsesea Gas A/S, Norske Conoco AS, Norsk Agip A/S and Fortum Petroleum AS.

**"Gassled Licences"**

means the licences granted by the MPE in respect of the Participating Interests as listed in Schedule 4 to this CTA. The Gassled Licences expire on 31 December 2028, with the exception of the licences for

- (i) the Tampen Link, which expires 30 September 2032;
- (ii) Langeled, which expires 31 December 2035;
- (iii) Norne Gas Transport System, which expires 31 December 2020; and
- (iv) Kvitebjørn Gas Pipeline, which expires 31 December 2020.

**"GBP"**

means pound sterling, being the lawful currency of the United Kingdom.

<b>"Gross Real Yield"</b>	means the real yield-to-maturity on the Outstanding Bonds calculated by the Expert as if the Outstanding Bonds were to remain outstanding to the Applicable Maturity Date.
<b>"Gross Yield"</b>	means the yield-to-maturity on the Outstanding Bonds calculated by the Expert as if the Outstanding Bonds were to remain outstanding to the Applicable Maturity Date
<b>"Guarantee"</b>	means an unconditional guarantee (Norwegian " <i>Selvskyldnergaranti</i> ") from the Guarantor in favour of the Security Agent (on behalf of the Secured Parties) guaranteeing all of the Issuer's obligations under the Transaction Documents.
<b>"Index"</b>	means (i) the CPI published on or about the 10th of the month 9 months prior to the relevant Interest Payment Date pertaining to the period ending on the 15th of the month 10 months prior to the relevant Interest Payment Date, or if (i) does not exist (ii) such other price index as is used for calculating payments by shippers of gas in Gassled, in all cases as from time to time substituted or amended pursuant to Clause 8.3.2 and 8.3.3.
<b>"Index Linked Bonds"</b>	means Bonds in respect of which payments of interest and/or principal is adjusted for or otherwise linked to changes in the Index.
<b>"Indexation Ratio"</b>	means the Index divided by the Applicable Base CPI Figure.
<b>"Indexed Principal Amount"</b>	shall have the meaning ascribed to it in Clause 8.3.
<b>"Initial Issue Date"</b>	9 June 2011, which is the date of issue of the initial Series of Bonds.
<b>"Initial Senior Indebtedness"</b>	means the Bonds issued on the Initial Issue Date, amounts owed under any Swap Agreements entered into on or prior to the Initial Issue Date and the Standby Liquidity Facility entered into on or prior to the Initial Issue Date.
<b>"Interest Payment Date"</b>	means 31 March and 30 September each year until all amounts owed under any of the Transaction Documents are paid in full and the Final Maturity



Date. Adjustment for payments due on days other than Business Days will be made according to the Business Day Convention.

<b>"Interim Financial Reports"</b>	means the unaudited unconsolidated and, if applicable, consolidated management accounts of the Issuer as of the end of a quarter or six-month period, as the case may be, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.
<b>"ISIN"</b>	means International Securities Identification Numbering system.
<b>"Issue Date"</b>	means the Initial Issue Date and each subsequent date of issue for one or more Series of Bonds issued under this CTA as specified in the Specific Terms for such Series.
<b>"Issue Price"</b>	means the issue price applicable to each Series of Bonds as specified in the Specific Terms applicable to such Series.
<b>"Issuer's Bonds"</b>	means collectively all Bonds owned by the Issuer, any party or parties who has decisive influence over the Issuer, or any party or parties over whom the Issuer has decisive influence.
<b>"Joint Bondholders' Meeting"</b>	means a joint meeting of the Bondholders held in accordance with the procedures set out in Clause 14.
<b>"Material Adverse Effect"</b>	means a material adverse effect on: (a) the business, financial condition or operations of the Issuer and/or the Guarantor, (b) the Issuer's ability to perform and comply with its obligations under this CTA; or (c) the validity or enforceability of this CTA and any of the Security Documents.
<b>"MPE"</b>	means the Norwegian Ministry of Petroleum and Energy.
<b>"NOK"</b>	means Norwegian kroner, being the lawful currency of Norway.
<b>"Nominal Bonds"</b>	means Bonds in respect of which payments of interest and/or principal is not adjusted for or otherwise linked to changes in the Index.
<b>"Non-Discretionary Capex"</b>	means capital expenditures of the Gassled JV

essential to maintain the integrity or the proper operation of the Gassled Assets, so that the Gassled Assets are able to meet the contractual transportation commitments related to existing capacity of the Gassled Assets and for which the Issuer is obliged to participate in proportion to its Participating Interests in accordance with the agreements governing the Gassled Assets.

<b>"Outstanding Bonds"</b>	means the aggregate principal of the total number of Bonds issued under this CTA and not redeemed or otherwise discharged.
<b>"Participating Interests"</b>	<p>means the Issuer's interests, as they are at any time, in the Gassled Assets, representing as of the date of the issuance of the initial Series of Bonds under this CTA:</p> <ol style="list-style-type: none"><li>1. a 8.036 % undivided participating interest in Gassled JV,</li><li>2. a 3. 93781% undivided participating interest in Zeepipe Terminal Joint Venture, and</li><li>3. a 5. 22362 % undivided participating interest in Dunkerque Terminal DA Joint Venture,</li></ol> <p>and being subject to such other adjustments as may be made from time to time pursuant to the agreements governing the Gassled JV.</p>
<b>"Party"</b>	means a party to this CTA (including its successors and permitted transferees).
<b>"Paying Agent"</b>	means any legal entity as appointed by the Issuer and approved by the Bond Trustee who acts as paying agent on behalf of the Issuer with respect to the Bonds.
<b>"Paying Agent and Registrar Agreement"</b>	means the agreement dated 20 December 2010 between the Paying Agent and the Issuer.
<b>"Postponed Amortisation Amounts"</b>	shall have the meaning ascribed to it in Clause 9.1.1.
<b>"Principal Payment Date"</b>	means, for each Series of Bonds, the dates when principal is scheduled to be paid according to the Specific Terms for such Series, and which shall only fall on Interest Payment Dates.

<b>"Rating Agency"</b>	means Standard and Poor's.
<b>"Reference Date"</b>	means the date which is 10 Business Days (for all Series, calculated in accordance with series denominated in NOK) prior to the date specified for redemption in the notice given by the Issuer pursuant to Clause 9.2.2.
<b>"Securities Register Act"</b>	means the Norwegian Act relating to Registration of Financial Instruments of 5 July 2002 No. 64.
<b>"Securities Register"</b>	means Verdipapirsentralen ASA.
<b>"Security Agent"</b>	means Norsk Tillitsmann ASA.
<b>"Security Agreement"</b>	shall have the meaning ascribed to it in Clause 7.3 c).
<b>"Security Documents"</b>	means the documents listed in Clause 7.3.
<b>"Security Interests"</b>	means any Encumbrances or other security (including any guarantee) created (or to be created) by the Security Documents securing the obligations of the Issuer and the Guarantor under the Senior Indebtedness.
<b>"Senior Indebtedness"</b>	means the Initial Senior Indebtedness and any Additional Senior Indebtedness.
<b>"Separate Bondholders' Meeting"</b>	means a meeting of the Bondholders within one Series of Bonds held in accordance with the procedures set out in Clause 14.
<b>"Series"</b>	means any single issue of Bonds in series hereunder, subject to separate Specific Terms and with separate ISIN number.
<b>"Shareholder Loans"</b>	means any loans granted to the Issuer by the Guarantor, Sponsor or any of their affiliates or shareholders, subject to the conditions in Clause 11.4.8 (iii).
<b>"Specific Terms"</b>	means the individual terms and conditions governing each Series of Bonds the form of which is set out in Schedule 1 to this CTA.
<b>"SPA"</b>	means the agreement between the Issuer and ExxonMobil Exploration and Production Norway AS dated 13 April 2010 for the purpose of acquiring the Participating Interest in the Gassled Assets.

<b>"Sponsors"</b>	means the shareholders of the Guarantor on the date of this CTA and their permitted assignees.
<b>"Standby Liquidity Facility"</b>	means a standby credit facility initially in the amount of NOK 250,000,000, as may be increased in connection with the issue of Series of Bonds after the Initial Issue Date, subject to the conditions of Clause 11.4.8 (ii) being fulfilled, available to the Issuer to fund any Cash Calls, payment of Taxes and ordinary operating expenses to the extent that funds are not available from the Collection Accounts.
<b>"Swap Agreements"</b>	means the agreement(s) between the Swap Providers and the Issuer dated 1 June 2011 and any additional similar agreements whereby the Issuer enters into hedging arrangements in respect of hedging its exposure in relation to the Bonds.
<b>"Swap Collateral Accounts"</b>	means any cash or securities accounts in the name of the Issuer and established and funded in accordance with the Swap Agreements to provide the Issuer with collateral from the Swap Providers under the Swap Agreements.
<b>"Swap Providers"</b>	means UBS Limited and The Royal Bank of Scotland plc, or any other provider of hedging instruments under any Swap Agreements.
<b>"Taxes"</b>	means all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings, and any restrictions and or conditions resulting in a charge together with interest thereon and penalties in respect thereof, and " <b>Tax</b> " and " <b>Taxation</b> " shall be construed accordingly.
<b>"Total Maximum Amount"</b>	means the aggregated maximum amount for all Series of Bonds being NOK 10,000,000,000 (Series denominated in EUR, USD or GBP shall count towards this amount with the NOK equivalent thereof calculated in accordance with Clause 5.4 (a)). Within such cap the aggregated maximum amount for all Series denominated in EUR shall in any event be EUR 1,500,000,000, the aggregated maximum amount for all Series denominated in USD shall in any event be USD 2,000,000,000 and the aggregated maximum amount for all Series denominated in GBP shall in any event be GBP 1,000,000,000.

<b>"Transaction Documents"</b>	means (i) this CTA, (ii) the Specific Terms for each Series of Bonds (iii) the Security Documents, (iv) the Agency and Intercreditor Agreement, (v) the subscription agreement whereby the Bonds are subscribed, (vi) the Paying Agent and Registrar Agreement, (vii) the agreement between the Bond Trustee and the Issuer referred to in Clause 12.2, (viii) the Standby Liquidity Facility, (ix) any documents governing any Additional Senior Indebtedness for which the creditor has adhered to the Agency and Intercreditor Agreement, (x) the Swap Agreements, (xi) the Calculation Agency Agreement, and (xii) such additional agreements and notifications as may be required to effect the perfected first priority lien of the Security Agent over the security assets described in Clause 7.3 and to otherwise implement the transaction and security structure.
<b>"Trigger Events"</b>	shall have the meaning ascribed to it in Clause 11.6.1.
<b>"USD"</b>	means US Dollars, being the lawful currency of the United States of America.
<b>"Voting Bonds"</b>	means the Outstanding Bonds less the Issuer's Bonds.

## **1.2. Construction**

In this CTA, unless the context otherwise requires:

- a) headings are for ease of reference only and no meaning shall be construed from it when interpreting the meaning of any clause;
- b) words denoting the singular shall include the plural and vice versa;
- c) reference to a Clause, a Schedule or an Appendix is respectively a reference to a clause of or a schedule or appendix to this CTA;
- d) references to a time is a reference to Oslo time unless otherwise stated herein;
- e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;

- f) reference to a document is to be construed as a reference to such document as amended or supplemented (with any necessary consent) from time to time;
- g) references to "control" means the power to appoint a majority of the board of directors of the Issuer or to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise; and
- h) references to a "person" shall include any individual, firm, partnership, joint venture, company, corporation, trust, fund, body corporate, unincorporated body of persons, or any state or any agency of a state or association (whether or not having separate legal personality).

## **2. THE BONDS**

### **2.1. Binding nature of this CTA**

- 2.1.1. The Bondholders are, through their subscription, purchase or other transfer of Bonds, bound by the terms of this CTA, the Specific Terms for the Series the relevant Bonds are issued under and other Transaction Documents and all Bond transferees are, in taking transfer of Bonds, deemed to have accepted the terms of this CTA, the Specific Terms for the Series the relevant Bonds are issued under and the other Transaction Documents and will automatically become parties to this CTA upon completed transfer having been registered in the Securities Register, without any further action required to be taken or formalities to be complied with.
- 2.1.2. This CTA and the Specific Terms are available to anyone and may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that this CTA and any Specific Terms are available to the general public throughout the entire term of the Bonds.

### **2.2. The CTA and the Specific Terms**

- 2.2.1. The Issuer has resolved to issue Series of Bonds, in one or several Series and on one or more Issue Dates, all ranking *pari passu* (however, subject to differing terms between the Series), within the Total Maximum Amount and denominated in any of the Applicable Currencies. Each Bond shall be governed by the terms and conditions set out in this CTA in addition to the terms and conditions set out in the Specific Terms of the Series to which the Bond belongs.
- 2.2.2. The initial Series of Bonds may be issued, subject to the conditions set out in Clause 5.1, on the Initial Issue Date. Subsequent Series of Bonds may be issued, subject to the conditions set out in Clause 5.4, from and including the day after the Initial Issue Date to, but not including, the day falling 5 Business Days (for all Series, calculated in accordance with series denominated in NOK) prior to the Final Maturity Date.
- 2.2.3. The Issuer and the Bond Trustee shall enter into an agreement in the form attached hereto as Schedule 1 for each Series setting out the Specific Terms applicable to such Series.

### **2.3. Purpose and application of funds**

- 2.3.1 The net proceeds of the initial Series of the Bonds will be used to partially fund the Issuer's acquisition of the Participating Interests and be used to establish the Debt Service Reserve Account (to the extent not already covered by existing funds of the Issuer).
- 2.3.2 The net proceeds of any subsequent Series of Bonds will be used to fund any increase in the Participating Interests or to fund any activities related to the Issuer's ownership of the Participating Interests.
- 2.3.3 The Issue Price for any Series of Bonds may be at par, at discount to, or premium over, par. The Issue Price must comply with Regulation no. 1247 of 20 December 1996 on offer price and obligation to report when issuing bonds.

### **3. LISTING AND REGISTRATION**

- 3.1.1. The Bonds are intended to be listed on the Oslo Stock Exchange. If any Bonds are listed, the Issuer shall ensure that all Series of the Bonds will be so listed and that they remain listed until they have been discharged in full.
- 3.1.2. The Bonds exist in book-entry dematerialised form only. Each Bond Issue and the Bonds shall prior to disbursement be registered in the Securities Register according to the Securities Register Act and the conditions of the Securities Register.
- 3.1.3. The Issuer shall promptly arrange for notification to the Securities Register of any changes in the terms and conditions of this CTA or any Specific Terms. The Bond Trustee shall receive a copy of such notification.
- 3.1.4. The Issuer is responsible for the implementation of correct registration in the Securities Register. The registration may be executed by an agent for the Issuer provided that the agent is qualified according to relevant regulations.

### **4. PURCHASE AND TRANSFER OF BONDS**

#### **4.1. Eligible purchasers**

- 4.1.1. In connection with any issue of Series of Bonds, the Bonds may not be offered to and may not be subscribed or purchased by investors located in the United States, Canada, Japan or Australia.
- 4.1.2. In connection with any issue of Series of Bonds, the Bonds must be subscribed and shall be allocated in the in minimum aggregate amounts of NOK 500,000 for Bonds denominated in NOK, USD 200,000 for Bonds denominated in USD, EUR 100,000 for Bonds denominated in EUR and GBP 100,000 for Bonds denominated in GBP.

4.1.3. The Issuer has the right to acquire and own Bonds. The Issuer's Bonds may at the Issuer's discretion be retained by the Issuer, sold or discharged.

#### **4.2. Transfer restrictions**

4.2.1. Subject to the restrictions set forth in this Clause 4.2, the Bonds are freely transferable and may be pledged.

4.2.2. Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, 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.

4.2.3. Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under this CTA and the Specific Terms.

### **5. CONDITIONS PRECEDENT**

#### **5.1. Conditions precedent to the Bond Issue**

The issue by the Issuer of the initial Series of Bonds and the disbursement of the proceeds of the corresponding Bonds to the Escrow Account will be subject to the Bond Trustee having received the following documents, in form and substance satisfactory to it, at least two Business Days (for all Series, calculated in accordance with series denominated in NOK) (or such later date as indicated below) prior to the Initial Issue Date:

- a) this CTA duly executed by all parties hereto;
- b) the Specific Terms for such Series duly executed by all parties thereto;
- c) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Transaction Documents to which it is a party;
- d) copies of all necessary corporate resolutions of the Guarantor to provide the Guarantee and execute the Transaction Documents to which it is a party;
- e) copies of all necessary corporate resolutions of each of the Sponsors to execute and deliver the Transaction Documents to which each of them is a party;
- f) a copy of a power of attorney from the Issuer to the relevant individual for the execution of the Transaction Documents to which the Issuer is a party, or extracts from the relevant register or similar documentation evidencing the relevant individual's authorisation to sign on behalf of the Issuer;



- g) a copy of a power of attorney from the Guarantor to the relevant individual for the execution of the Transaction Documents to which the Guarantor is a party, or extracts from the relevant register or similar documentation evidencing the relevant individual's authorisation to sign on behalf of the Guarantor;
- h) a copy of a power of attorney from each of the Sponsors to the relevant individual for the execution of the Transaction Documents to which the relevant Sponsor is a party, or extracts from the relevant register or similar documentation evidencing the relevant individual's authorisation to sign on behalf of the relevant Sponsor;
- i) copies of (i) the Certificate of Incorporation or other similar official document for the Issuer, evidencing that it is validly existing, (ii) Articles of Association of the Issuer in the form attached hereto as Schedule 3, and (iii) the shareholder register of the Issuer;
- j) copies of (i) the Certificate of Incorporation or other similar official document for the Guarantor, evidencing that it is validly existing, (ii) Articles of Association of the Guarantor, and (iii) the shareholder register of the Guarantor;
- k) a copy of the opening balance sheet of both the Issuer and the Guarantor;
- l) on the Initial Issue Date, confirmation from the Paying Agent that the Bonds have been registered in the Securities Register;
- m) written confirmation in accordance with Clause 6.3 (if required);
- n) the agreement set forth in Clause 12.2, duly executed;
- o) copies of the prospectus documents, including the registration document and the securities note published by the Issuer in connection with the Bond Issue;
- p) on the Initial Issue Date, any statements or legal opinions reasonably required by the Bond Trustee, confirming *inter alia* the enforceability of this CTA, the Standby Liquidity Facility, the Transaction Documents and the Security Documents against the Issuer, the Guarantor and/or the Sponsors;
- q) confirmation of establishment of the Escrow Account(s), the Collection Accounts, the Debt Service Reserve Account and the Distribution Account;
- r) copies of all government approvals to hold and pledge the Participating Interests;
- s) evidence that the Standby Liquidity Facility has been established and confirmation from the Facility Provider(s) that all conditions precedent have been satisfied or waived, save for the requirements that (i) the proceeds of the initial Series of Bonds has been released from the Escrow Account(s), (ii) the legal opinion from Wiersholm, Mellbye & Bech, advokatfirma AS, has been provided, (iii) a copy of the legal opinion from Wikborg Rein to the Bond Trustee has been provided, and (iv) transcripts from the Norwegian Petroleum Register have been provided showing the Issuer as the owner of the Participating Interest in the

Gassled Licences and (v) that such Participating Interest are free and clear of any mortgage of record, except for the recording of a first priority mortgage in the aggregated amount of NOK 10,000,000,000, USD 2,000,000,000 EUR 1,500,000,000 and GBP 1,000,000,000 in favour of the Security Agent;

- t) the Transaction Documents duly executed by all parties thereto (including any necessary corporate resolutions from security providers) and, on the Initial Issue Date, evidence for establishment of the Security Interests (and any insurance covering the Security Interests) (save for the mortgage over the Gassled Licenses, cf. Clause 7.3c)(vii));
- u) confirmation of preliminary rating of A- from the Rating Agency;
- v) confirmation from an authorised signatory of the Issuer that all conditions precedent of the SPA have been fulfilled or waived, save for:
  - the condition of performance and compliance (item 6.1 (e) of the SPA)
  - no material adverse change (item 6.1 (f) of the SPA)
  - completion of the Bond Issue (item 6.1 (g) of the SPA);
- w) confirmation from an authorised signatory of the Issuer stating that the Issuer, on the date thereof, is in compliance with the conditions of transfer of the Participating Interests to the Issuer set forth in the MPE approval dated 1 February 2011;
- x) evidence that Issuer has taken out insurances consistent with its obligations in respect of the Gassled JV;
- y) statement from ExxonMobil Exploration and Production Norway AS confirming that the conditions of the approval from the MPE has been accepted;
- z) a copy of a statement of accession by the Issuer to the participants agreements governing Gassled JV, Dunkerque Terminal DA and Zeepipe Terminal JV; and
- aa) a bank transcript showing that the Issuer has an amount of at least the aggregate of USD 20 million and EUR 3 million standing to the credit of its accounts.

Subject to the fulfilment or waiver of the conditions set out above and the Bond Trustee's written notice to the Issuer, the Arranger and the Paying Agent stating that the conditions have been controlled and fulfilled or waived, the proceeds of the initial Series of the Bonds will be transferred to the Escrow Account(s) on the Initial Issue Date.

While the proceeds of the initial Series of Bonds are standing to the credit of the Escrow Account(s) the Issuer shall be entitled to exchange the proceeds of the Series of Bonds nominated in currency other than NOK to NOK by executing a spot or forward currency transaction provided that the amounts so exchanged at all times remain

credited to an Escrow Account denominated in NOK which is pledged and blocked in favour of the Bond Trustee. The Issuer shall be entitled to execute such currency transactions with the Account Bank or with an alternate transaction counterparty.

## **5.2. Conditions precedent to release of proceeds from Escrow Account(s)**

5.2.1. The amount standing to the credit of the Escrow Account(s) shall be released to the Issuer upon the Bond Trustee's receipt of the following documents in a form and content satisfactory to the Bond Trustee:

- a) transcripts from the Norwegian Petroleum Register showing the Issuer as the owner of the Participating Interests in the Gassled Licences that can be registered pursuant to the Petroleum Act;
- b) confirmation from an authorised signatory of the Issuer that all conditions precedent of the SPA have been fulfilled or waived; and
- c) evidence that the Participating Interests in the Gassled Licences are free and clear of any mortgage of record, except for the recording of a first priority mortgage in the aggregated amount of NOK 10,000,000,000, USD 2,000,000,000, EUR 1,500,000,000 and GBP 1,000,000,000 in favour of the Security Agent.

5.2.2. If the conditions precedent for release of proceeds from the Escrow Account(s) are not fulfilled or waived by the Bond Trustee within 40 Business Days (for all Series, calculated in accordance with series denominated in NOK) (or such later date as determined according to Clause 5.3.2) after the Initial Issue Date, (i) a notice shall be given by the Issuer to the Bond Trustee stating that the Bond proceeds will be repaid and the date of such repayment, such date not be later than 10 Business Days (for all Series, calculated in accordance with series denominated in NOK) from the date of such notice, (ii) the amount credited to the Escrow Account(s) shall be paid on said date by the Issuer to the Bondholders together with interest and all other amounts owed by the Issuer to the Bondholders under this CTA or any other Transaction Document, and (iii) after such payment has been made the Bonds shall be considered redeemed.

## **5.3. Waiver of conditions precedent**

5.3.1. The Bond Trustee may, in its reasonable discretion, waive the deadline or requirements for documentation as set forth in Clause 5.1.

5.3.2. The deadline for fulfilment or waiver of conditions precedent for release of proceeds from the Escrow Account(s) in Clause 5.2.2. may be postponed by the Bond Trustee at its sole discretion.

## **5.4. Subsequent Series**

The Issuer may issue subsequent Series of Bonds provided that:

- (a) the sum of the initial nominal value of the Bonds (i.e. disregarding any amortization) less the initial nominal amount of the Bonds in any Series redeemed in full plus the nominal amount of Bonds contemplated to be issued under such Series is within the Total Maximum Amount. For the purpose of this Clause 5.4 (a), Series denominated in currencies other than NOK shall be converted to NOK at either (i) the actual exchange rate applied in any Swap Agreement related to such Series entered into at the time of issue of such Series or, if this is not applicable, (ii) the exchange rate published by the Norwegian Central Bank 20 Business Days (for all Series, calculated in accordance with series denominated in NOK) before the planned issue date for issue of such Series.
- (b) fulfilment of the conditions set out in Clause 11.4.8 (ii);
- (c) no Event of Default or Trigger Event exists or would occur as a result of the issuing of such Series of Bonds;
- (d) the documents earlier received by the Bond Trustee, c.f. Clause 5.1, are still valid and the Bond Trustee having received such further documents, in form and substance satisfactory to it, as required by the Bond Trustee and as set out in the Specific Terms applicable to such Series of Bonds;
- (e) the representations and warranties contained in this CTA being true and correct and repeated by the Issuer at the Issue Date; and
- (f) that such Series is in compliance with laws and regulations as of the time of such issue.

The Bond Trustee may, in its reasonable discretion, waive the deadline or requirements for documentation as set forth in this Clause 5.4.

## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1. Representations and warranties**

Each of the Issuer and the Guarantor represents and warrants to the Bond Trustee (on behalf of the Bondholders) that:

- a) Status*  
It is a private limited liability company, duly incorporated and validly existing under the laws of Norway and has the power to own its assets and carry on its business as it is being conducted.
- b) Power and authority*  
It has the power to enter into and perform, and has taken all necessary corporate action to authorise its entry into, performance and delivery of the Transaction

Documents to which it is a party and the transactions contemplated by those Transaction Documents.

- c) Valid, binding and enforceable obligations*  
The Transaction Documents constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of the Issuer and/or the Guarantor (as applicable), enforceable in accordance with their terms, and (save as provided for therein) no further registration, filing, payment of Tax or fees or other formalities are necessary to render the said documents enforceable against the Issuer and/or the Guarantor.
- d) Non-conflict with other obligations*  
The entry into and performance by the Issuer and/or the Guarantor of the Transaction Documents to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any present law or regulation or present judicial or official order; (ii) its articles of association or other constitutional documents; or (iii) any document or agreement which is binding on the Issuer or the Guarantor or any of its assets.
- e) No Event of Default*  
No Event of Default exists, and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or any combination of the foregoing) would constitute an event of default under any document which is binding on the Issuer or any of its assets, and which may have a Material Adverse Effect.
- f) Authorisations and consents*  
All authorisations, consents, licences or approvals of any governmental authorities required for the Issuer in connection with the execution, performance, validity or enforceability of the Transaction Documents, and the transactions contemplated thereby, have been obtained and are valid and in full force and effect. All authorisations, consents, licences or approvals of any governmental authorities required for the Issuer to carry on its business as presently conducted and as contemplated by this CTA, have been obtained and are in full force and effect.
- g) Litigation*  
No litigation, arbitration or administrative proceeding of or before any court, arbitral body or agency is pending or, to the best of the Issuer's or the Guarantor's knowledge, threatened, which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.
- h) Title and ownership*  
The Issuer is (or will on the date the proceeds of the Bonds are released from the Escrow Account(s) be) the legal and beneficial owner of the Participating Interests and the Guarantor is the legal and beneficial owner of all the shares of the Issuer.
- i) No undisclosed liabilities*

As of the date of the opening balance sheet, the Issuer had no material liabilities, direct or indirect, actual or contingent, and there were no material anticipated losses from any unfavourable commitments not disclosed by or reserved against in the Financial Statements (if applicable) or in the notes thereto.

- j) No Material Adverse Effect*  
Since (i) the date of the opening balance sheet of the Issuer or (ii) the date of the most recent Financial Statements, as the case may be, there has been no change in the business, assets or financial condition of the Issuer that is likely to have a Material Adverse Effect.
- k) No misleading information*  
All financial information concerning the Issuer and the Guarantor which has been provided to the Bondholders or the Bond Trustee in connection with the Bond Issue represented the latest available financial information at the time they were provided (unless otherwise is specifically stated or clearly follows from the relevant document provided), and there has been no subsequent change in the financial position of the Issuer or the Guarantor which has not been disclosed and which could have a Material Adverse Effect.
- l) Environmental compliance*  
The Issuer and the Guarantor are in compliance with any relevant applicable environmental law or regulation and no circumstances have occurred which would prevent such compliance in a manner which has or is likely to have a Material Adverse Effect.
- m) No withholdings*  
The Issuer is not required to make any deduction or withholding (other than as specifically stated in this CTA) from any payment which it may become obliged to make to the Bond Trustee (on behalf of the Bondholders) or the Bondholders under this CTA.
- n) Pari passu ranking*  
The Bonds rank at least *pari passu* with all other obligations of the Issuer (save for the Standby Liquidity Facility, the Swap Agreements and such claims which are preferred by bankruptcy, insolvency, liquidation or other laws).
- o) Encumbrances*  
No Encumbrances exist over any of the present assets of the Issuer or the Guarantor in conflict with the Security Interests.

## **6.2. Times for representations and warranties**

The representations and warranties set out in Clause 6.1 are made on the execution date of this CTA, the Initial Issue Date, the date of release of the funds from the Escrow Account(s) pursuant to Clause 5.2.1 and shall be deemed to be repeated on each Issue Date.

### **6.3. Confirmation of representations and warranties**

The Bond Trustee may, with at least five Business Days' (for all Series, calculated in accordance with series denominated in NOK) notice, prior to an Issue Date, require a written statement from the Issuer and the Guarantor confirming its compliance with Clause 6.1.

### **6.4. Misrepresentation**

In the event of misrepresentation, the Issuer or the Guarantor shall indemnify the Bond Trustee for any economic losses suffered, both prior to the disbursement of the Bonds, and during the term of the Bonds, as a result of its reliance on the representations and warranties provided by the Issuer or the Guarantor herein.

## **7. STATUS OF THE BONDS AND SECURITY**

### **7.1. Senior debt**

The Bonds shall be senior debt of the Issuer. The Bonds shall rank at least *pari passu* with all other obligations of the Issuer (save for the Standby Liquidity Facility and amounts owed under the Swap Agreements and such claims which are preferred by bankruptcy, insolvency, liquidation or other laws).

### **7.2. Priority of payments upon default**

Distribution of the cash flows or assets of the Issuer upon the exercise of remedies upon an Event of Default, liquidation or otherwise, including, without limitation, upon taking any steps to enforce a Security Document or actions following a Lender Instruction (as defined in the Agency and Intercreditor Agreement) to take such steps, shall be made in accordance with the Agency and Intercreditor Agreement and shall, subject to the terms of Clause 10.5, rank in the following priority:

- a) any payments required under mandatory law to be paid senior to payments under b) to f) below;
- b) *pari passu* and *pro rata* according to amounts outstanding, any amount payable to the Bond Trustee, Security Agent, Paying Agent, Calculation Agent, any Appointed Authority, Expert and/or Account Bank;
- c) principal, accrued interest and other amounts remaining unpaid under the Standby Liquidity Facility;
- d) any amounts owed by the Issuer under the Swap Agreements;
- e) *pari passu* and *pro rata* according to amounts outstanding, accrued interest under the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items c) or d) above);

- f) *pari passu* and *pro rata* according to amounts outstanding, principal owed under the Outstanding Bonds and any other Additional Senior Indebtedness, and *pari passu* and *pro rata* according to amounts outstanding between the Series of Bonds and within each Series of Bonds;
- g) once there are no amounts outstanding under items a) to f) above, any remaining payment required to be made by the Issuer; and
- h) any remaining funds may be paid to the Distribution Account.

### 7.3. Security Documents

From the Initial Issue Date and until the release of the funds from the Escrow Account(s), all amounts outstanding under this CTA, including principal (after application of the Applicable Indexation Ratio if and where applicable), interests, fees and all other outstanding amounts, shall be secured by the Security Documents (as defined below) and the Escrow and Buyer's Equity Account Pledge.

When the funds are released from the Escrow Account(s), the Senior Indebtedness, including accrued but unpaid interest and expenses, shall be secured on first priority by the Security Interests as created (or to be created) by the following documents (together with the Escrow and Buyer's Equity Account Pledge, the "**Security Documents**"):

- a) a share pledge and receivables assignment agreement in respect of all shares in the Issuer and all claims of the Guarantor against the Issuer, including but not limited to any claims under any loans from the Guarantor to the Issuer, relating to the matters specified therein, granted by the Guarantor in favour of the Security Agent;
- b) a share pledge and receivables assignment agreement in respect of all shares in the Guarantor and all claims of the Sponsors against the Guarantor and/or the Issuer, including but not limited to any claims under loans from the Sponsor to the Issuer and/or the Guarantor, granted by the Sponsors in favour of the Security Agent;
- c) a security agreement (the "**Security Agreement**") between the Issuer and the Security Agent under which the Issuer grants in favour of the Security Agent
  - (i) account pledges in respect of the Collection Accounts, the Debt Service Reserve Account, the Distribution Account and the Swap Collateral Accounts;
  - (ii) an assignment of all receivables from the Participating Interests and the Swap Agreements;
  - (iii) a floating charge over operating machinery of the Issuer;
  - (iv) a floating charge over inventory and stock of the Issuer;



- (v) a floating charge over account receivables of the Issuer;
  - (vi) an assignment of the proceeds from all insurances taken out by or on behalf of the Issuer, save for any payments received under insurance agreements which are used to repair or rebuild the Gassled Assets;
  - (vii) a mortgage over the Participating Interests in the Gassled Licences pursuant to the Norwegian Petroleum Act Section 6.2;
  - (viii) an assignment of all claims of the Issuer against Guarantor and/or the Sponsors relating to the matters specified therein;
- d) the Guarantee;
  - e) any further mortgages, charges or other security interests capable of being created in a practical manner over any property or asset forming part of the Participating Interests (other than the Gassled Licences), in favour of the Security Agent;
  - f) such additional agreements as may be required to effect a perfected first priority lien of the Security Agent over the above listed securities.

#### **7.4. Limited recourse**

The Bondholders shall only have recourse to the Issuer and its assets, as well as the Guarantee from the Guarantor. As such the Bondholders will have no recourse to the Sponsors or any other group company.

### **8. APPLICABLE TERMS FOR INTEREST PAYMENT**

#### **8.1. Interest**

Each Series shall carry a fixed interest or an index linked interest, as further set out in the Specific Terms of such Series.

#### **8.2. Times for payment of interest**

Interest payments shall be made in arrears on the Interest Payment Dates.

#### **8.3. Interest periods and calculation of interest for Index Linked Bonds**

- 8.3.1. Interest due on any Index Linked Bonds on each Interest Payment Date shall be calculated by the Calculation Agent on the Calculation Date on the basis of the aggregated principal amount of the outstanding Index Linked Bonds multiplied by the Indexation Ratio pertaining to the relevant Interest Payment Date (the "**Indexed Principal Amount**"). The Issuer shall pay interest in an amount equal to the Applicable Interest Rate applied to the Indexed Principal Amount for the period from, and including, one Interest Payment Date to, but excluding, the next following applicable Interest Payment Date. For the first Interest Payment Date for each Series of Index

Linked Bonds interest shall be calculated based on a period from and including the Issue Date for such Series and to, but excluding the first Interest Payment Date for such Series. The calculation shall promptly and no later than 3 Business Days (for all Series, calculated in accordance with series denominated in NOK) after the Calculation Date be notified to the Issuer, the Bond Trustee and the Securities Register.

- 8.3.2. If the Index ceases to be published the Index shall be such substitute index (if any) as the Bond Trustee considers to have been published by the Norwegian Central Bureau of Statistics as a measure of consumer price developments (or any other Norwegian official consumer price index replacing it).
- 8.3.3. If (1) the Bond Trustee determines that the Index has ceased to be published and cannot be replaced as described in Clause 8.3.2 or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of the Expert, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Bond Trustee together shall seek to agree for the purpose of the Index Linked Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders of the Index Linked Bonds in no better and no worse position than they would have been in had the Index not ceased to be published or the relevant fundamental change not been made.
- 8.3.4. If the Issuer and the Bond Trustee fail to reach agreement as mentioned in 8.3.3 above within 20 Business Days (for all Series, calculated in accordance with series denominated in NOK) following the giving of such notice as mentioned therein, a bank or other person in Oslo shall be appointed by the Issuer and the Bond Trustee or, failing agreement on and the making of an appointment within 20 Business Days (for all Series, calculated in accordance with series denominated in NOK) following the expiry of the 20 Business Day (for all Series, calculated in accordance with series denominated in NOK) period referred to above, by the Bond Trustee (in each case, such bank or other person so appointed being referred to as the "**Appointed Authority**"), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders of the Index Linked Bonds in no better and no worse position than they would have been in had the Index not ceased to be published or the relevant fundamental change not been made. Any Appointed Authority shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Appointed Authority, any Expert, the Issuer and the Bond Trustee in connection with such appointment shall be borne by the Issuer.
- 8.3.5. The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Bond Trustee or as determined by the Appointed Authority pursuant to the foregoing paragraphs, as the case may be, and references in this CTA to the Index and to any figure based on or relating to the Index (including CPI) shall be deemed amended in such manner as the Bond Trustee and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be binding upon the Bond Trustee, the Issuer and the Bondholders and the Issuer shall give notice of

such amendments to the Bondholders as promptly as practicable following such notification.

- 8.3.6. If at any time and from time to time the Index is changed by the substitution of a new base therefore then, with effect from the calendar month from and including that in which such substitution takes effect, the Applicable Base CPI Figure for each Series of Index Linked Bonds shall be changed to the product of the Applicable Base CPI Figure for each such Series in effect immediately prior to such substitution and the Index published immediately following such substitution, divided by the Index published immediately prior to such substitution.

#### **8.4. Interest periods and calculation of interest for Nominal Bonds**

- 8.4.1. Interest due on any Nominal Bonds on each Interest Payment Date shall be calculated by the Securities Register on the basis of the aggregated principal amount of the outstanding Nominal Bonds. The Issuer shall pay interest in an amount equal to the Applicable Interest Rate applied to the aggregated principal amount of the outstanding Nominal Bonds for the period from, and including, one Interest Payment Date to, but excluding, the next following applicable Interest Payment Date. For the first Interest Payment Date for each Series of Nominal Bonds interest shall be calculated based on a period from and including the Issue Date for such Series and to, but excluding the first Interest Payment Date for such Series.

#### **8.5. Day count fraction**

The day count fraction in respect of the calculation of the relevant interest amount under Clauses 8.3.1 and 8.4.1 shall be "30/360", i.e. the number of days in each interest period to be calculated on the basis of a year of 360 days with twelve 30-days months (unless (i) the last day of the calculation period is the 31st day of a month but the first day of the calculation period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the calculation period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

#### **8.6. Interest in the event of late payment**

- 8.6.1. In the event that payment of interest or principal is not made when due pursuant to this CTA and the applicable Specific Terms, the unpaid amount outstanding shall bear interest from the due date at an interest rate equivalent to the Applicable Interest Rate plus 1 percentage points.
- 8.6.2. The interest charged under this Clause 8.6 shall be calculated on a daily basis and be added to the defaulted amount on each Interest Payment Date until the defaulted amount has been repaid in full.
- 8.6.3. The outstanding amounts shall bear interest as stated above until payment is made, whether or not the Bonds are declared to be in default pursuant to Clauses 13.2 or 13.3.

## 9. PRINCIPAL AMORTISATION AND REDEMPTION

### 9.1. Principal amortisation

- 9.1.1. Payment of the aggregated Applicable Principal Amortisation Amounts for all Series shall be made on the Principal Payment Date (including payments to be made on an Applicable Maturity Date but not including payments to be made on the Final Maturity Date) to the extent sufficient funds are available for such payment from the Collection Accounts. If sufficient funds are not available to pay the aggregated Applicable Principal Amortisation Amounts due on such Principal Payment Date for all Series of Bonds, the full amount available on the Collection Accounts shall be paid on a pro rata basis between the Series of Bonds and between the Bonds in each Series, calculated according to the NOK equivalent (as set out in Clause 10.6.4) of the amounts payable in respect of each Series and Bond, respectively, on the relevant Principal Payment Date had no such prorating been made.
- 9.1.2. Any part of the Applicable Principal Amortisation Amounts remaining unpaid (the "**Postponed Amortisation Amount**") shall except as stated below not be considered due, but shall (in full) be postponed and added to the amount scheduled on the next Principal Payment Date. On the next ensuing Principal Payment Date the Issuer shall first amortise the amount that was due on the previous Principal Payment Date for all Series of Bonds and thereafter the amount due on the then applicable Principal Payment Date for all Series of Bonds. Postponed Principal Amounts shall become due and payable no later than on the Principal Payment Date falling 18 months after the Principal Payment Date when payment was first postponed, and the Applicable Principal Amortisation Amount payable on such Principal Payment Date must be paid in full.
- 9.1.3. Upon payment of any Applicable Principal Amortisation Amount or Postponed Amortisation Amount in respect of Index Linked Bonds the amount shall be multiplied by the Indexation Ratio applicable for that date, and the resulting amount shall thereafter constitute the Applicable Principal Amortisation Amount or Postponed Amortisation Amount for the relevant payment date.
- 9.1.4. The record date for repayment of Postponed Amortisation Amounts shall be reset by the Securities Register and shall be set equal to the record date for the scheduled amortisation of the relevant Interest Payment Date.
- 9.1.5. The Issuer shall at least 30 Business Days (for all Series, calculated in accordance with series denominated in NOK) prior to each Principal Payment Date notify the Calculation Agent, the Paying Agent and the Bond Trustee as to whether any part of the relevant Applicable Principal Amortisation Amount shall be paid or postponed on such Principal Payment Date. If no such notice has been given, the relevant Applicable Principal Amortisation Amount shall be considered to fall due on the relevant Principal Payment Date, and if not paid, default interest shall accrue in accordance with Clause 8.6 (Interest in the event of late payment).
- 9.1.6. All outstanding amounts of principal shall be paid on the Final Maturity Date.

9.1.7. Payment of principal shall be carried out by redemption of entire individual Bonds and *pro rata* within each Series of Bonds (in accordance with the procedures of the Securities Register).

## **9.2. Optional redemption**

9.2.1. The Issuer may by notice to the Bond Trustee according to Clause 9.2.2, redeem the Outstanding Bonds within one or more Series in whole on any Interest Payment Date at the price calculated in accordance with the procedures set forth in the applicable Specific Terms for the relevant Series or, if no such procedure is indicated in the applicable Specific Terms, at the price determined by the Expert which results in the Gross Real Yield on the Index Linked Bonds or, as the case may be, the Gross Yield on the Nominal Bonds being redeemed on the Reference Date being equal to the Applicable Interest Rate less 100 basis points.

9.2.2. Any notice of redemption pursuant to Clause 9.2.1 shall be made by the Issuer in writing to the Bond Trustee and the Bondholders at least thirty, but no more than sixty, Business Days (for all Series, calculated in accordance with series denominated in NOK) prior to the relevant Interest Payment Date. Any such notice shall be valid only if accompanied by a certificate signed by two directors of the Issuer to the effect that it will have the necessary funds to for the purpose of and to discharge any other amounts required under the Transaction Documents to be paid on the relevant Interest Payment Date pursuant to Clause 9.2.1. A copy of such notice shall be sent to the Calculation Agent and the Paying Agent.

9.2.3. The Issuer may at any time redeem the Outstanding Bonds in accordance with Clause 12.5.

## **9.3. Forced redemption**

9.3.1. The Bond Trustee is entitled to demand redemption of the Outstanding Bonds at the outstanding principal amount (if and where applicable multiplied by any Applicable Indexation Ratio) and accrued interest if any of the following events occur or are threatened:

- a) the destruction of a portion of the Gassled Assets;
- b) a nationalisation of any of the Guarantor, the Issuer, the Gassled Licences or the Participating Interests;
- c) a dissolution of Gassled JV,

and the Bond Trustee in its reasonable opinion considers it likely that such event has led or will lead to a Material Adverse Effect. The notice period for such redemption shall be no less than 5 Business Days (for all Series, calculated in accordance with series denominated in NOK) from the day such notice is issued by the Bond Trustee and to the redemption date.

## 10. CASH FLOW, ACCOUNTS AND DISTRIBUTIONS

### 10.1. Income and Collection Accounts

All income accruing to the Issuer for the period since the date of completion of the SPA, including net payments received by the Issuer under the Swap Agreements (other than amounts to be credited to the Swap Collateral Accounts and amounts received pursuant to currency transactions carried out pursuant to Clause 5.1 last paragraph), and any amounts released from the Debt Service Reserve Account pursuant to Clause 10.3.2 shall be paid and disbursed to the Collection Accounts in accordance with the Transaction Documents. The Collection Accounts shall be pledged in favour of the Security Agent. Funds from the Collection Accounts may only be disbursed if no Event of Default has occurred:

- (i) as from the day falling 2 Business Days prior to an Interest Payment Date up to and including the fifth Business Day (for all Series, calculated in accordance with series denominated in NOK) after such Interest Payment Date, in accordance with the Cashflow Waterfall; and
- (ii) at any time to make payments which are mentioned under items a) – f) of Clause 10.2.

### 10.2. Cashflow waterfall

As long as no Event of Default has occurred, including without limitation, the taking of any steps by the Security Agent to enforce a Security Document or actions by the Security Agent following a Lender Instruction (as defined in the Agency and Intercreditor Agreement) to take such steps, funds standing to the credit of the Collection Accounts may be disbursed as from the day falling 2 Business Days prior to any Interest Payment Date up to and including the fifth Business Day (for all Series, calculated in accordance with series denominated in NOK) after such Interest Payment Date and shall be paid and rank in the following order of priority (the "**Cashflow Waterfall**"):

- a) *pari passu* and *pro rata* according to amounts due and owing, any amount payable to the Bond Trustee, Security Agent, Paying Agent, Calculation Agent, Account Bank, Exchange where the Bonds are listed, Securities Register and Rating Agency;
- b) all payments due and owing, including Cash Calls, required to be paid to Gassco;
- c) *pari passu* and *pro rata* according to amounts due and owing, insurance payments and ongoing corporate expenses including staff remuneration and pensions, adviser and consultant fees, office rent and costs, directors expenses, Taxes, agency fees and all other costs and expenses incurred in the ordinary course of business while having regard to the purpose of the Issuer as specified in Clause 11.3.4;
- d) interest, fees and costs due and owing under any Standby Liquidity Facility;

- e) principal payments and any other payments due and owing under any Standby Liquidity Facility;
- f) any amounts due and owing by the Issuer under the Swap Agreements;
- g) *pari passu* and *pro rata* according to amounts due and owing, interest due on the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items d) or f) above);
- h) any shortfall on the Debt Service Reserve Account to meet its required funding level according to Clause 10.3.1;
- i) *pari passu* and *pro rata* according to amounts due and owing, any Postponed Amortisation Amounts;
- j) *pari passu* and *pro rata* according to amounts due and owing, scheduled principal payments on the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items e) or f) above), *pari passu* between Series of Bonds and *pari passu* and *pro rata* according to amounts due and owing, within each Series of Bonds; and
- k) *pari passu* and *pro rata* according to amounts due and owing, any other payments related to the Outstanding Bonds and any other Additional Senior Indebtedness (unless already paid under items d), e) or f) above).

Any amount remaining in the Collection Accounts following an Interest Payment Date after distribution in accordance with the Cashflow Waterfall can be paid to the Distribution Account after receipt and approval by the Bond Trustee of the certificate mentioned in Clause 11.2 g) and provided that no Event of Default or Trigger Event exists.

### **10.3. Debt Service Reserve Account**

- 10.3.1. The Debt Service Reserve Account shall from the date the funds are released from the Escrow Account(s) and at all times thereafter hold an amount at least equal to the aggregate of the Issuer's reasonable estimate of (i) the interest payable on the Bonds for the next succeeding twelve month period, and (ii) any payment to be made or received under the Swap Agreements in respect of such interest, as stated in the latest compliance certificate issued in accordance with Clause 11.5 if such compliance certificate has been issued.

The Debt Service Reserve Account shall be funded with (i) any cash or other available funds held or received by the Issuer (other than the proceeds of the issue of the initial Series of Bonds), (ii) the proceeds of the issue of the initial Series of Bonds (for the initial funding) and (iii) payments under item h) of Clause 10.2 (for any subsequent funding).

- 10.3.2. The Debt Service Reserve Account shall be pledged and blocked in favour of the Security Agent. Amounts exceeding the requirement may be released (i) at the written request of the Issuer on the condition that the Security Agent receives evidence that no Event of Default has occurred and that all Applicable Principal Amortisation Amounts scheduled for payment prior to the date of release have been paid (either on their scheduled date or on a later Principal Payment Date in the case of Postponed Amortisation Amounts) or (ii) at the discretion of the Security Agent upon prior written request from the Issuer. Any amount so released shall be applied in accordance with the Cashflow Waterfall.
- 10.3.3. On any Interest Payment Date, funds in the Debt Service Reserve Account may be applied to items d) to g) of Clause 10.2 if there are insufficient funds in the Collection Accounts to meet the payment due. At the Final Maturity Date all funds in the account may be applied in accordance with the Cashflow Waterfall.

#### **10.4. Distribution Account**

- 10.4.1. The Distribution Account shall be funded by funds that are released pursuant to the last paragraph of Clause 10.2 on any Interest Payment Date. The Distribution Account shall be pledged in favour of the Security Agent.
- 10.4.2. The Distribution Account shall be subject to Issuer control and be available for making payments under the Shareholder Loans and otherwise for distribution at the Issuer's discretion. Upon the occurrence of a Trigger Event or an Event of Default under the Senior Indebtedness, and for so long as such event is not remedied or waived, the Distribution Account shall be blocked in favour of the Security Agent.

#### **10.5. Swap Collateral Accounts**

- 10.5.1. The Swap Collateral Accounts shall be funded by the Swap Provider(s) in accordance with the terms of the Swap Agreements. The Swap Collateral Accounts shall be pledged in favour of the Security Agent.
- 10.5.2. As long as no Early Termination Date (as defined in the Swap Agreements) has occurred, any amounts standing to the credit of, or any other financial instruments deposited in, a Swap Collateral Account, can be solely applied by the Issuer in or towards satisfaction of amounts due to be returned under the Credit Support Annex (as defined in the Swap Agreements) to the Swap Provider who has funded that particular Swap Collateral Account under and according to the terms of the Credit Support Annex comprising part of the Swap Agreement the Issuer and such Swap Provider are party to.
- 10.5.3. Upon the occurrence of an Early Termination Date (whether arising as a result of an Event of Default, liquidation or otherwise) the amount (if any) standing to the credit of, or any other financial instruments deposited in, any Swap Collateral Account in an amount equal to the value of the collateral provided by the relevant Swap Provider which is in excess of the relevant Swap Provider's liability to the Issuer under the Swap Agreement as at the date of termination of such Swap Agreement, or which the relevant Swap Provider is otherwise entitled to have returned to it under the terms of the



relevant Swap Agreement (the “**Excess Swap Collateral**”), shall be returned (without regard to the waterfalls in Clauses 7.2 and 10.2) directly by the Issuer to the Swap Provider who has funded that particular Swap Collateral Account under and according to the terms of the Swap Agreement the Issuer and such Swap Provider are party to. Any remaining funds which do not constitute part of the Excess Swap Collateral can be distributed in accordance with Clause 7.2.

- 10.5.4. For the avoidance of doubt, the Bondholders irrevocably waive any right which they may have hereunder in respect of such amounts which is not in accordance with the foregoing paragraphs of this Clause 10.5.

## **10.6. Payment mechanics and currency**

- 10.6.1. The Issuer shall pay all amounts due to the Bondholders under the Bonds and this CTA (being payments deriving from items g), i), j) and k) of Clause 10.2) by crediting the bank account nominated by each Bondholder for making and receiving cash payments in connection with the Bondholder's securities account in the Securities Register.
- 10.6.2. Payment shall be considered to have been made once the amount has been credited to the bank which holds the bank account nominated by the Bondholder in question, but if the paying bank and the receiving bank are the same, payment shall be considered to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- 10.6.3. Except as otherwise expressly provided, all amounts payable under this CTA and any other Transaction Document shall be payable in the same currency in which the Bonds are denominated. Amounts payable in respect of costs, expenses, Taxes and other liabilities shall be payable in the currency in which they are incurred.
- 10.6.4. Unless otherwise expressly stated in this CTA, for the purpose of calculations and payments under this CTA and the Bonds, when determining the rate of any currency other than NOK to NOK, the latest available exchange rate published by the Norwegian Central Bank at the date of such calculation or the latest available exchange rate published by the Norwegian Central Bank at the date of the payment instruction for such payment (taken into account the time limit for notifying such rates or instructions to the Securities Depository) shall be applied.

## **10.7. Set-off and counterclaims**

Neither the Issuer nor the Guarantor may apply or perform any counterclaims or set-off against any payment obligations pursuant to this CTA or any other Transaction Document.

## **11. COVENANTS**

### **11.1. General**

The Issuer has undertaken the covenants in this Clause 11 to the Bond Trustee (on behalf of the Bondholders). The covenants in this Clause 11 shall remain in force from the date of this CTA and until such time that no amounts are outstanding under this CTA and any other Transaction Document, unless the Bond Trustee (or the Joint Bondholders' Meeting, as the case may be), has agreed in writing to waive any covenant, and then only to the extent of such waiver, and on the terms and conditions set forth in such waiver.

### **11.2. Information Covenants**

The Issuer covenants to the Bond Trustee and the Security Agent that it shall:

- a) unsolicited immediately inform the Bond Trustee and the Security Agent of any Event of Default or Trigger Event as well as of any circumstance which the Issuer knows or should know is likely to lead to an Event of Default or Trigger Event;
- b) unsolicited inform the Bond Trustee and the Security Agent of any other event which is likely to have a Material Adverse Effect;
- c) unsolicited produce Financial Statements and send them to the Bond Trustee in the English language as soon as they become available, and no later than 150 days after the end of the financial year, and produce Interim Financial Reports at least semi-annually and send them to the Bond Trustee in the English language as soon as they become available, and no later than 60 days after the end of the semi-annual period;
- d) at the request of the Bond Trustee, report the balance of the Issuer's Outstanding Bonds;
- e) unsolicited send the Bond Trustee and the Security Agent copies of any creditors' notifications of the Issuer, including but not limited to mergers, de-mergers or reduction of the Issuer's share capital;
- f) unsolicited send a copy to the Bond Trustee of its notices to the Exchange where the Bonds are listed, which are of relevance for the Issuer's liabilities pursuant to this CTA;
- g) unsolicited send to the Bond Trustee the compliance certificate described in Clause 11.5;
- h) unsolicited inform the Bond Trustee of changes in the registration of the Bonds in the Securities Register;
- i) unsolicited procure that the Bond Trustee and Security Agent receive statements of the Collection Accounts, Distribution Account and Debt Service Reserve

Account, showing the balance on the account and all movements in the period since the previous statement;

- j) unsolicited send to the Bond Trustee and the Security Agent a summary of the insurances taken out by or on behalf of the Issuer for the Participating Interests on the first Interest Payment Date of each year and upon any changes being made in the insurance cover for the Participating Interests or the Issuer;
- k) within a reasonable time, provide such information about the Issuer's financial condition as the Bond Trustee may reasonably request; and
- l) at the request of the Bond Trustee provide all documents and information necessary to maintain the listing and quotation of the Bonds on the Exchange where the Bonds are listed and to otherwise enable the Bond Trustee to carry out its rights and duties pursuant to this CTA and the other Transaction Documents, as well as applicable laws and regulations.

### **11.3. General Covenants**

The Issuer covenants to the Bond Trustee and the Security Agent that:

- 11.3.1. *Pari passu ranking*  
The Issuer shall ensure that the Bonds rank at least *pari passu* with all other obligations of the Issuer (save for the Standby Liquidity Facility, the amounts owed under the Swap Agreements and such claims which are preferred by bankruptcy, insolvency, liquidation or other laws).
- 11.3.2. *Mergers*  
The Issuer shall not carry out any merger or other business combination or corporate reorganisation involving consolidating the assets and obligations of the Issuer with any other companies or entities.
- 11.3.3. *De-mergers*  
The Issuer shall not carry out any de-merger or other corporate reorganisation involving splitting the Issuer into two or more separate companies or entities.
- 11.3.4. *Single purpose company*  
The Issuer shall remain a single purpose company and not take on or carry on any business other than ownership of the Participating Interests and related activities, as well as issuing the Bonds and related activities. The Issuer may, subject to compliance with its obligations in this CTA, increase its Participating Interest and participate in any extensions of or additions to the Gassled Licences or the Gassled Assets.
- 11.3.5. *Disposal of assets*  
The Issuer shall not sell or otherwise dispose of, neither as a whole or in part, the Participating Interests, including any part thereof acquired after the date of this CTA. A dilution of the Participating Interests caused by the non-participation by the Issuer in the acquisition or incorporation of additional assets by Gassled JV shall not constitute a disposal for the purpose of this Clause 11.3.5.

#### **11.4. Corporate, operational and financial covenants**

Each of the Issuer and the Guarantor (as applicable) covenants to the Bond Trustee and the Security Agent that:

##### *11.4.1. Intra-group transactions*

All transactions between the Issuer and the Guarantor or the Sponsor (or an affiliate of the Sponsor) shall be on commercial terms, and shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-9 of the Private Limited Liability Companies Act of 1997.

##### *11.4.2. Transactions with shareholders, directors and affiliated companies*

The Issuer shall cause all transactions between it and (i) any director or senior member of management in the Issuer or the Guarantor, (ii) any company in which the Guarantor holds more than 10 per cent of the shares, or (iii) any company, person or entity controlled by or affiliated with any of the foregoing, to be entered on commercial terms, not less favourable to the Issuer than would have prevailed in arms' length transaction with a third party. All such transactions shall comply with all applicable provisions of applicable corporate law applicable to such transactions, including, in respect of Norwegian companies, Section 3-8 of the Private Limited Liability Companies Act 1997.

##### *11.4.3. Corporate status*

The Issuer shall not change its type of organisation or jurisdiction of organisation.

##### *11.4.4. Compliance with laws, regulations and approvals*

The Issuer and the Guarantor shall carry on their respective business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time (including any environmental laws and regulations), and comply with all conditions or terms in approvals received from authorities, including the MPE approval dated 1 February 2011 regarding the acquisition by the Issuer of the Participating Interests and the approval from the Ministry of Finance dated 2 February 2011 regarding the tax treatment of the acquisition of the Participating Interests.

##### *11.4.5. Litigation*

The Issuer shall, promptly upon becoming aware of them, send the Bond Trustee such relevant details of any material litigation, arbitration or administrative proceeding which have been or is likely to be started by or against the Issuer or the Guarantor.

##### *11.4.6. Board composition*

The Issuer and the Guarantor shall ensure that the board of directors of the Issuer comprises minimum one director independent of the Issuer, the Guarantor and the Sponsors.

##### *11.4.7. Standby Liquidity Facility*

The Issuer shall maintain a Standby Liquidity Facility with a bank with a credit rating of at least A- with the Rating Agency, in force and fully available to it, which, if it expires while any amounts are outstanding under this CTA and any other Transaction Document, shall be renewed with effect from each date it expires for so long as any amounts remain outstanding under this CTA and any other Transaction Document.

11.4.8. *Additional Indebtedness*

The Issuer shall not incur any other indebtedness than

- (i) the Initial Senior Indebtedness; and
- (ii) any debt (hereinafter referred to as "**Additional Senior Indebtedness**") (including for the avoidance of doubt Bonds issued after the Initial Issue Date) incurred on the following conditions:
  - a) the Senior Indebtedness ranks at least pari passu with the Additional Senior Indebtedness, save for any Additional Senior Indebtedness replacing or in addition to an existing Standby Liquidity Facility or Swap Agreement which will rank equal to such Standby Liquidity Facility or Swap Agreement which it replaces;
  - b) if applicable, providers of the Additional Senior Indebtedness accede to the Agency and Intercreditor Agreement and any relevant provisions of the Security Documents;
  - c) the final maturity date of the Additional Senior Indebtedness (not including any Standby Liquidity Facility) shall be no earlier than the Final Maturity Date;
  - d) the average life of the Additional Senior Indebtedness (not including any Standby Liquidity Facility or the Swap Agreements) shall be not less than the remaining average life of the Senior Indebtedness existing immediately prior to the Additional Senior Indebtedness being incurred;
  - e) no Event of Default is continuing under the Senior Indebtedness, or is caused by incurring the relevant Additional Senior Indebtedness, and the Debt Service Reserve Account is funded to its required level; and
  - f) the Rating Agency affirms that the Outstanding Bonds will not be downgraded as a result of the Additional Senior Indebtedness, or to the extent the Bonds' current rating is higher than A-, that the new rating will not be below A-; and
- (iii) any Shareholder Loans, provided that (i) they are subordinated to the Senior Indebtedness pursuant to the terms of the Agency and Intercreditor Agreement, (ii) the Security Agent is provided with a copy of the duly executed loan agreement evidencing the terms of such Shareholder Loan(s), and (iii) the claims of the Guarantor, the Sponsors and/or any other providers of Shareholder Loans being subject to an assignment in favour of the Security Agent.

- 11.4.9. *Insurance*  
The Issuer shall maintain the Participating Interests fully insured, including any insurance required under applicable laws, rules, regulations and agreements applicable to the Gassled JV or required by the management committee of Gassled JV. The Issuer shall immediately inform the Bond Trustee and the Security Agent if any insurance required to be taken out pursuant to this Clause 11.4.9 is not taken out by the Issuer.
- 11.4.10. *Status of creditors*  
The Issuer shall ensure that the priority of payments as set out in Clauses 7.2 and 10.2 is complied with.
- 11.4.11. *Rating*  
The Issuer shall maintain a credit rating of the Bonds by a reputable international rating agency.
- 11.4.12. *Listing*  
If any Bonds at any time are listed, the Issuer shall ensure that the Bonds remain listed and that any new Series of Bonds are listed until they have been discharged in full.
- 11.4.13. *Hedging*  
The Issuer shall not enter into or maintain any financial derivative arrangements for speculative purposes. The Issuer shall not enter into or maintain any financial derivative arrangements other than for the purpose of reducing its exposure to fluctuations in economic, financial or operational outcomes. The Issuer shall only enter into such financial derivative arrangements with hedge counterparties with a minimum credit rating of A- from the Rating Agency or similar.
- 11.4.14. *Accounts*  
The Issuer shall maintain all its bank accounts with a bank with a credit rating of at least A- from the Rating Agency.
- 11.4.15. *Update of prospectus material*  
The Issuer and the Guarantor shall, at or before the issue date of any subsequent Series of Bonds, to the extent required by chapter 7 of the Norwegian Securities Trading Act, any other applicable prospectus regulation or stock exchange requirements, update, amend or replace the Prospectus.
- 11.4.16. *Extension to Gassled Licences*  
In the event of an extension of the Gassled Licences the Issuer shall, prior to the date upon which the extension enters into force, either (i) obtain an affirmation from the Rating Agency that the Outstanding Bonds will not be downgraded as a result of the extension of the Gassled Licences, or to the extent the Bonds' rating is higher than A-, that the new rating will not be below A-; or (ii) redeem the Outstanding Bonds in accordance with Clause 9.2.
- 11.4.17. *Adjustment of mortgage over Gassled Licences*

In the event that the Issuer's Participating Interests in the Gassled Licences is increased, the Issuer shall, no later than the date which such increase takes effect, amend the mortgage over the Gassled Licences to comprise the entire interest of the Issuer in all Gassled Licences. In the event that the Issuer's Participating Interests in the Gassled Licences is decreased and such decrease is in accordance with the Transaction Documents, the Issuer shall, no later than the date which such decrease takes effect, amend the mortgage over the Gassled Licences to comprise the entire interest of the Issuer in all Gassled Licences.

The Security Agent shall co-operate with the Issuer to the extent necessary so that the relevant amendments may be made to the mortgage.

## **11.5. Compliance certificate**

The Issuer shall in connection with the issue of its Financial Statements and Interim Financial Reports as well as no later than 20 Business Days (for all Series, calculated in accordance with series denominated in NOK) after each Interest Payment Date send to the Bond Trustee a compliance certificate, substantially in the form set out in Schedule 2 hereto, confirming its compliance with the covenants in Clause 11 and that no Event of Default or Trigger Event exists and stating the balance of the Debt Service Reserve Account. The compliance certificate shall be accompanied by the necessary supporting documents and calculations, including calculations of DSCR and Forecast DSCR and Debt Service Reserve Account balance for the relevant periods. In the event of non-compliance, the compliance certificate shall describe the non-compliance, the reasons therefore as well as the steps which the Issuer has taken and will take in order to rectify the non-compliance.

## **11.6. Occurrence of Trigger Events or Events of Default**

### **11.6.1. *Trigger Event***

The occurrence of any of the following circumstances shall constitute a Trigger Event:

- a) the DSCR or the Forecast DSCR is less than 1.2;
- b) the Issuer fails to pay scheduled principal on any relevant Principal Payment Date;
- c) the Debt Service Reserve Account is not funded to its required level;
- d) the Issuer does not have adequate funds available (including any cash balance retained on account and undrawn commitments under the Standby Liquidity Facility) to fund the Non-Discretionary Capex component of any forecast Cash Calls for the succeeding twelve month period; and
- e) the Standby Liquidity Facility has not been renewed or substituted by another Standby Liquidity Facility at least 12 months prior to its termination date.

### **11.6.2. *Occurrence of Trigger Event or Event of Default***

Upon the occurrence of a Trigger Event or an Event of Default under the Senior Indebtedness and for so long as such Trigger Event or Event of Default is not remedied or waived

- (i) no dividend, transfer or any other form of transfer from the Issuer to the Guarantor or the Sponsors shall be permitted;
- (ii) the Bond Trustee shall have the right to nominate one board member to the Issuer's board of directors (which the Guarantor shall procure that is elected and instated no later than 15 days following a written request by the Bond Trustee); and
- (iii) the Bond Trustee shall have the right to demand a third party audit of the Issuer's financial and operational situation, the costs of which shall be borne by the Issuer.

## **12. FEES AND EXPENSES**

### **12.1. Fees and expenses of the Issuer**

The Issuer shall cover all its own expenses in connection with the Transaction Documents including preparations prior to the entering into and the fulfilment of its obligations under the Transaction Documents, any registration or notifications relating thereto, listing of the Bonds on an Exchange, and the registration and administration of the Bonds in the Securities Register.

### **12.2. Fees and expenses of the Bond Trustee**

The expenses and fees payable to the Bond Trustee shall be paid by the Issuer and are set forth in a separate agreement between the Issuer and the Bond Trustee.

### **12.3. Public fees**

The Issuer shall cover all public fees in connection with the Bond Issue and the Transaction Documents. Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation, and the Issuer is not responsible for reimbursing any such fees.

### **12.4. Gross-up**

All payments to be made by the Issuer in respect of the Bonds shall be made free and clear of and without deduction for or on account of any Taxes unless the Issuer is required by law to make such a payment subject to the deduction or withholding of such Taxes, in which case the sum payable by the Issuer (in respect of which such deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that the Bondholders receive a sum net of any deduction or withholding equal to the sum which they would have received had no such deduction or withholding been made or required to be made.



## 12.5. Withholding tax

If at any time the Issuer becomes subject to any withholding tax with respect to any payment under this CTA, the Issuer shall have the right to redeem the Outstanding Bonds at the principal amount (or the most recently calculated Indexed Principal Amount for any Index Linked Bonds) together with payment of all accrued interest.

## 13. EVENTS OF DEFAULT

### 13.1. Events of default

The Outstanding Bonds may be declared by the Bond Trustee to be in default upon occurrence of any of the following events (which shall be referred to as an "**Event of Default**") if:

- a) *Non-payment*  
The Issuer fails to fulfil any payment obligation under any Transaction Document when due, unless, in the opinion of the Bond Trustee, it is obvious that such failure will be remedied, and payment in full is made, within 5 – five – Business Days following the original due date.
- b) *Breach of other obligations*  
Any of the Issuer or the Guarantor fails to duly perform any covenant or other obligation pursuant to this CTA or any other Transaction Document to which it is a party and such breach of covenant or obligation remains unremedied for 10 – ten – Business Days (for all Series, calculated in accordance with series denominated in NOK).
- c) *Cross default*  
For any of the Issuer or the Guarantor, the aggregate amount of financial indebtedness falling within paragraphs (i) to (iv) below exceeds a total of NOK 250,000,000, or the equivalent thereof in other currencies;
  - (i) any amounts owed and not paid when due nor within any originally applicable grace period;
  - (ii) any indebtedness declared to be or otherwise has become due and payable prior to its specified maturity as a result of an event of default (however described);
  - (iii) any commitment for any financial indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); and
  - (iv) any indebtedness capable of being declared due and payable prior to its specified maturity as a result of an event of default (however described).
- d) *Enforceability*

Any Security Interest becomes unenforceable.

*e) Misrepresentations*

Any representation, warranty or statement (including statements in compliance certificates) made by the Issuer or the Guarantor, as applicable, in or pursuant to any Transaction Document or in connection therewith is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made.

*f) Insolvency*

Any insolvency by the Issuer or the Guarantor, however defined, including:

- (i) A suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation.
- (ii) An agreement, compromise or arrangement between the Issuer and any creditor other than the Bondholders jointly, having an adverse effect on the Issuer's ability to perform its payment obligations under any Transaction Document.
- (iii) The appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, compulsory manager (other than compulsory by contractual obligations) or other similar officer of any of the assets of the Issuer or the Guarantor.
- (iv) The enforcement of any security over any of the assets of the Issuer or the Guarantor.

*g) Impossibility or illegality*

It is or becomes impossible or unlawful for any of the Issuer or the Guarantor to fulfil or perform any of its obligations under the Transaction Documents to which it is a party.

*h) Litigation*

There is current or pending any claims, litigation, arbitration or administrative proceedings (each an "action") against any of the Issuer or the Guarantor, which if adversely determined is, in the reasonable opinion of the Bond Trustee after consultations with the Issuer, likely to have a Material Adverse Effect, unless such action is, in the reasonable opinion of the Bond Trustee after consultations with the Issuer, either frivolous, vexatious or has no reasonable prospect of success and is contested in good faith by the Issuer or the Guarantor as applicable.

*i) Material adverse effect*

The occurrence of an event or circumstance or series or combinations of events or circumstances in relation to the Issuer or the Guarantor which has or is likely to

have, in the reasonable opinion of the Bond Trustee after consultations with the Issuer, a Material Adverse Effect.

- j) Repudiation*  
Any of the Issuer or the Guarantor repudiates any of the Transaction Documents or any obligation therein, or evidences an intention to repudiate any of the Transaction Documents or any obligation therein.
- k) Gassled Licences*  
Any breach by the Issuer of any requirement, obligation or term under the Gassled Licences that causes the Gassled Licences or any other governmental approval or licence held by the Issuer as a participant in the Gassled JV to be revoked or suspended.
- l) Ownership*  
The Issuer ceases to be a wholly owned subsidiary of the Guarantor, or a change in the ownership or control of the Guarantor occurs that causes the Gassled Licences or any other governmental approval or licence held by Issuer as a participant in the Gassled JV to be revoked or suspended.
- m) Insurances*  
Any insurance taken out by or on behalf of the Issuer in respect of the Issuer and/or the Participating Interests ceases to be to be in full force and effect or are avoided, or the proceeds thereof fail to be assigned in favour of the Security Agent.

### **13.2. Rights of the Bond Trustee upon an Event of Default**

- 13.2.1. In the event that one or more of the circumstances mentioned in Clause 13.1 occurs and is continuing, the Bond Trustee can, in order to protect the interests of the Bondholders, declare the Outstanding Bonds to be in default and due for immediate payment at their principal amount (multiplied with the Applicable Indexation Ratio where applicable) together with accrued interest and expenses.
- 13.2.2. The Bond Trustee may at its discretion, on behalf of the Bondholders, take every measure necessary to recover the amounts due under the Outstanding Bonds, and all other amounts outstanding under any Transaction Document.

### **13.3. Rights of the Bondholders upon an Event of Default**

In the event that one or more of the circumstances mentioned in Clause 13.1 occurs and is continuing, the Bond Trustee shall declare the Outstanding Bonds to be in default and due for payment at their principal amount (multiplied with the Applicable Indexation Ratio where applicable) together with accrued interest and expenses if:

- a) the Bond Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of the Outstanding Bonds, and the Joint Bondholders' Meeting has not decided on other solutions, or

- b) the Joint Bondholders' Meeting has decided to declare the Outstanding Bonds in default and due for payment.

In either case the Bond Trustee shall on behalf of the Bondholders take every measure necessary to recover the amounts due under the Outstanding Bonds. The Bond Trustee can request satisfactory security for any possible liability and anticipated expenses, from those Bondholders who requested that the declaration of default be made pursuant to item a) above and/or those who voted in favour of the decision pursuant to item b) above.

#### **13.4. Notice of Event of Default**

In the event that the Bond Trustee pursuant to the terms of Clauses 13.2 or 13.3 declares the Outstanding Bonds to be in default and due for payment, the Bond Trustee shall immediately deliver to the Issuer a notice demanding payment of interest and principal due to the Bondholders under the Outstanding Bonds including accrued interest and interest on overdue amounts and expenses, together with a statement regarding the grounds for stating an Event of Default.

### **14. SEPARATE BONDHOLDERS' MEETING AND JOINT BONDHOLDERS' MEETING**

#### **14.1. Authority of the Joint Bondholders' Meeting**

The Joint Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds. If a resolution by or an approval of the Bondholders is required under this CTA and such resolution or approval does not fall within the authority of one or more Separate Bondholders' Meetings, resolution of such shall be passed at a Joint Bondholders' Meeting. Resolutions passed at Joint Bondholders' Meetings shall be binding upon and prevail for all the Bonds of all Series of Bonds.

#### **14.2. Authority of Separate Bondholders' Meetings**

The Separate Bondholders' Meetings shall be held separately for each Series of Bonds and represents the supreme authority of each Series for all matters relating to such Series only, being the Specific Terms applicable for such Series. Resolutions passed at Separate Bondholders' Meetings shall be binding upon and prevail for all the Bonds of the Series such Separate Bondholders' Meeting was held for.

#### **14.3. Procedural rules for Separate Bondholders' Meetings and Joint Bondholders' Meetings**

14.3.1. A Joint Bondholders' Meeting shall be held at the request of:

- a) the Issuer,

- b) Bondholders representing at least 1/10 of the Outstanding Bonds,
  - c) the Exchange where the Bonds are listed, or
  - d) the Bond Trustee.
- 14.3.2. A Separate Bondholders' Meeting shall be held for one or more Series at the request of:
- a) the Issuer,
  - b) Bondholders representing at least 1/10 of the Outstanding Bonds of the relevant Series,
  - c) the Exchange where the Bonds of the relevant Series are listed, or
  - d) the Bond Trustee.
- 14.3.3. The Bondholders' Meeting shall be summoned by the Bond Trustee. A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be discussed together with a proposal for resolution.
- 14.3.4. If the Bond Trustee has not summoned a Bondholders' Meeting within 10 – ten – Business Days (for all Series, calculated in accordance with series denominated in NOK) after having received such a request, then the requesting party may summon such Bondholders' Meeting itself.
- 14.3.5. Summons to a Bondholders' Meeting shall be dispatched no later than 10 – ten – Business Days (for all Series, calculated in accordance with series denominated in NOK) prior to the date of the Bondholders' Meeting. The summons and a confirmation of the Bondholder's holdings of Bonds shall be sent to all Bondholders registered in the Securities Register at the time of distribution. The summons shall also be sent to the Exchange where the Bonds are listed for publication.
- 14.3.6. The summons shall specify the agenda of the Bondholders' Meeting and specify whether the meeting is a Separate Bondholders' Meeting or Joint Bondholders' Meeting. The Bond Trustee may in the summons also set forth other matters on the agenda than those requested. If amendments to this CTA or the Specific Terms have been proposed, the main content of the proposal shall be included in the summons.
- 14.3.7. The Bond Trustee may restrict the Issuer to acquire Bonds in the period from distribution of the summons until the date of the Bondholders' Meeting, by serving notice to it to such effect.
- 14.3.8. Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Joint Bondholders' Meeting may only be addressed with the approval of all Voting Bonds. Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Separate Bondholders' Meeting may only be addressed with the approval of all Voting Bonds within the relevant Series.

- 14.3.9. The Bondholders' Meeting shall be held on premises designated by the summoning person or entity. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.
- 14.3.10. Minutes of the Bondholders' Meeting shall be recorded and kept by the Bond Trustee and be available to the Bondholders and the Issuer. The minutes shall state the numbers of Bondholders represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting.
- 14.3.11. The Bondholders, the Bond Trustee and representatives of the Exchange where the Bonds are listed, have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding proxy. Bondholders have the right to be assisted by an advisor. In case of dispute the Bond Trustee shall decide who may attend the Bondholders' Meeting.
- 14.3.12. Representatives of the Issuer have the right to attend the Bondholders' Meeting and the Issuer has the right to be assisted by an advisor. The Bondholders' Meeting may resolve that the Issuer's representatives and advisor may not participate in the discussions regarding particular matters. The Issuer shall in any event have the right to be present during the voting.

#### **14.4. Bondholder voting rights and resolutions passed at Bondholders' Meetings**

- 14.4.1. At the Joint Bondholders' Meeting each Bondholder may vote for each Voting Bond owned at close of business on the day prior to the date of the Joint Bondholders' Meeting in accordance with the records registered in the Securities Register. Voting Bonds denominated in NOK shall each carry one vote, Voting Bonds denominated in currencies other than NOK shall each carry such number of votes determined 10 Business Days prior to the Issue Date for each Series of Bonds based on the NOK equivalent of the relevant Series calculated pursuant to Clause 5.4 (a) (rounded to the closest whole), as set forth in the Specific Terms for each Series of Bonds.
- 14.4.2. At the Separate Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Separate Bondholders' Meeting in accordance with the records registered in the Securities Register.
- 14.4.3. Whoever opens the Bondholders' Meeting shall adjudicate any disagreement concerning which Bonds shall count as the Issuer's Bonds. The Issuer's Bonds shall not have any voting rights.
- 14.4.4. In all matters, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the chairman shall have the deciding vote, regardless of the chairman being a Bondholder or not.

- 14.4.5. In order for a Joint Bondholders' Meeting to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting. If less than half (1/2) of the Voting Bonds are represented, the Joint Bondholders' Meeting shall still be held and voting completed.
- 14.4.6. In order for a Separate Bondholders' Meeting to form a quorum, at least half (1/2) of the Voting Bonds belonging to the relevant Series must be represented at the meeting. If less than half (1/2) of the Voting Bonds belonging to the relevant Series are represented, the Separate Bondholders' Meeting shall still be held and voting completed.
- 14.4.7. Resolutions of a Joint Bondholders' Meeting shall be passed by simple majority of the Voting Bonds represented at the Joint Bondholders' Meeting, unless otherwise set forth in Clause 14.4.8.
- 14.4.8. In the following matters, a majority of at least 2/3 of the Voting Bonds represented at the Joint Bondholders' Meeting is required:
- a) amendment of Clauses 7, 10, 11.4.8, 13 or 17.1 of this CTA;
  - b) transfer of rights and obligations of this CTA to another party as replacement for the Issuer or the Guarantor; or
  - c) change of Bond Trustee.
- 14.4.9. In the following matters, a majority of at least 2/3 of each of the Voting Bonds and the Voting Bonds of any Series of Index Linked Bonds represented at the Joint Bondholders' Meeting is required:
- a) amendments of the following definitions: "Applicable Base CPI Figure", "Applicable Indexation Ratio", "CPI", "Gross Real Yield", "Index" or "Index Linked Bonds"; or
  - b) amendments of Clauses 8 or 9 of this CTA.
- 14.4.10. In the following matters, a majority of at least 2/3 of each of the Voting Bonds and the Voting Bonds of any Series of non-NOK denominated Bonds represented at the Joint Bondholders' Meeting is required:
- a) amendments of the following definitions: "EUR", "GBP", "USD" or "NOK"; or
  - b) amendments of Clause 5.4 or 10.6.4 of this CTA.
- 14.4.11. Resolutions of a Separate Bondholders' Meeting shall be passed by a majority of at least 2/3 of the Voting Bonds belonging to the relevant Series represented at the Separate Bondholders' Meeting.

- 14.4.12. The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders, without the endorsement (by voting or written approval) of all Bondholders the resolution comes at the expense of.

No amendments to this Clause 14 may be made without the consent of all Voting Bonds

- 14.4.13. The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented.

- 14.4.14. The Issuer, the Bondholders and the Exchange where the Bonds are listed shall be notified without delay of resolutions passed at the Bondholders' Meeting.

#### **14.5. Repeated Bondholders' Meeting**

- 14.5.1. If the Bondholders' Meeting does not form a quorum pursuant to Clause 14.4.5 or Clause 14.4.6, as applicable, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting in addition to the requirements set out in Clause 14.3.6.

- 14.5.2. Any matter on the agenda for the repeated Bondholders' Meeting, which was voted over at the Bondholders' Meeting without the Bondholders' Meeting forming a quorum pursuant to Clause 14.4.5 or Clause 14.4.6, may be resolved even though less than half (1/2) of the Voting Bonds are represented for the Joint Bondholders' Meetings and may be resolved even though less than half (1/2) of the Voting Bonds belonging to the relevant Series are represented for the Separate Bondholders' Meetings.

#### **14.6. Calculation of fractions**

- 14.6.1. In this CTA when a fraction of the Bonds, or as the case may be the Voting Bonds, the Nominal Bonds, the Index Linked Bonds or the Outstanding Bonds, is stated to be required for an action or a resolution, the calculation shall be based on the total number of votes each such Bond acting or voting in favour carries at a Joint Bondholders' Meeting and divided on the total number of votes all such Bonds carry at a Joint Bondholders' Meeting.

### **15. THE BOND TRUSTEE AND SECURITY AGENT**

#### **15.1. The role and authority of the Bond Trustee**

- 15.1.1. The Bond Trustee shall monitor the compliance by the Issuer of its obligations under this CTA and applicable laws and regulations which are relevant to the terms of this CTA, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange where the Bonds are listed of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing confidential



matters with the Issuer and the Bond Trustee shall not be required to disclose such matters), arrange Bondholders' Meetings, and make the decisions and implement the measures resolved pursuant to this CTA. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set forth in this CTA.

- 15.1.2. The Bond Trustee may take any step necessary to ensure the rights of the Bondholders in all matters pursuant to the terms of this CTA. The Bond Trustee may postpone taking action until such matter has been resolved by the Bondholders' Meeting.
- 15.1.3. Except as provided for in Clause 15.1.5 the Bond Trustee may reach decisions binding for all Bondholders concerning the Transaction Documents, including amendments to the CTA and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not have a material adverse effect on the rights or interests of the Bondholders pursuant to the Transaction Documents.
- 15.1.4. Except as provided for in Clause 15.1.5 and in addition to the rights of the Bond Trustee in accordance with Clause 15.1.3, the Bond Trustee may reach decisions binding for all Bondholders provided prior notification has been made to the Bondholders. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision binding for all Bondholders in the event that any Bondholder submit a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five (5) Business Days (for all Series, calculated in accordance with series denominated in NOK) following the dispatch of the notification.
- 15.1.5. The Bond Trustee may not resolve matters set forth in Clause 14.4.8 or Clause 14.4.9 except to rectify obvious incorrectness, vagueness or incompleteness.
- 15.1.6. The Bond Trustee may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders, without the written approval of all Bondholders the resolution comes at the expense of.
- 15.1.7. The Issuer, the Bondholders and the Exchange where the Bonds are listed shall be notified of decisions made by the Bond Trustee pursuant to Clause 15.1 unless such notice is clearly unnecessary.
- 15.1.8. The Bond Trustee may instruct the Paying Agent to split the Bonds to a lower denomination in order to facilitate partly redemptions or restructuring of the Bonds or other situations.

## **15.2. Liability and indemnity**

- 15.2.1. The Bond Trustee is liable only for direct losses incurred by Bondholders or the Issuer as a result of negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set forth in this CTA. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuer.
- 15.2.2. The Issuer is liable for, and shall indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence

by the Issuer (including its directors, management, officers, employees, agents and representatives) to fulfil its obligations under the terms of the Transaction Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the establishment and performance of the Transaction Documents.

### **15.3. Change of Bond Trustee**

- 15.3.1. Change of Bond Trustee shall be carried out pursuant to the procedures set forth in Clause 14. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.
- 15.3.2. The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 12, but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach of the Bond Trustee's duties pursuant to the terms of this CTA or other circumstances for which the Bond Trustee is liable.
- 15.3.3. The Bond Trustee undertakes to co-operate so that the new bond trustee receives the documentation and information necessary to perform the functions as set forth under the terms of this CTA, without undue delay following the Bondholders' Meeting where the new bond trustee is elected.

### **15.4. Security Agent**

- 15.4.1. The Security Agent acts as security agent on behalf of and for the benefit of the Bondholders and the other Secured Parties (as defined in the Agency and Intercreditor Agreement). The functions, rights and obligations of the Security Agent shall be set out in the Security Documents and the Agency and Intercreditor Agreement. The Security Agent may appoint a bank or other institution to carry out its duties as Security Agent. Before the appointment of a bank or other institution to carry out the Security Agent's duties as security agent, the Issuer shall be given the opportunity to state its views on the proposed party, but the final decision as to appointment shall lie exclusively with the Security Agent.
- 15.4.2. The main functions of the Security Agent may include holding Security Interests on behalf of the Bondholders and the other Secured Parties (as defined in the Agency and Intercreditor Agreement), monitoring compliance by the Issuer and other relevant parties of their respective obligations under this CTA and the Security Documents with respect to the Security Interests as well as execution of documentation in relation to the Security Documents if applicable.

## **16. NOTICES**

- 16.1.1. Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Register with a copy to the Issuer and the Exchange where the Bonds are listed. Information to the Bondholders may also be published at the web site [www.stamdata.no](http://www.stamdata.no).

- 16.1.2. The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the Securities Register with a copy to the Bond Trustee and the Exchange where the Bonds are listed.
- 16.1.3. Unless otherwise specifically provided, all notices or other communications under or in connection with this CTA between the Bond Trustee and any of the Issuer or the Guarantor shall be given or made in writing, by letter or telefax. Any such notice or communication addressed shall be deemed to be given or made as follows:
- a) if by letter, when delivered at the address of the relevant Party;
  - b) if by telefax, when received.
- 16.1.4. However, a notice given in accordance with the above but received on a day which is not a business day in the place of receipt, or after 3:00 p.m. on such a business day, shall only be deemed to be given at 9:00 a.m. on the next business day in that place.
- 16.1.5. The Issuer and the Bond Trustee shall ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.

## **17. MISCELLANEOUS**

### **17.1. The community of Bondholders**

By virtue of holding Bonds, which are governed by this CTA (which pursuant to Clause 2.1.1 is binding upon all Bondholders), a community exists between the Bondholders, implying, inter alia, that

- a) the Bondholders are bound by the terms of this CTA,
- b) the Bond Trustee has power and authority to act on behalf of the Bondholders,
- c) the Bond Trustee has, in order to administrate the terms of this CTA, access to the Securities Register to review ownership of Bonds registered in the Securities Register,
- d) the Bondholders may not, based on the Transaction Documents, act directly towards the Issuer and may not themselves institute legal proceedings or take any other independent action against the Issuer,
- e) the Issuer may not, based on this CTA, act directly towards the Bondholders,
- f) the Bondholders may not cancel the Bondholders' community, and
- g) the individual Bondholder may not resign from the Bondholders' community.

**17.2. Limitation of claims**

All claims under the Bonds and this CTA for payment, including interest and principal, are subject to the time-bar provisions of the Norwegian Limitation Act of 18 May 1979, number 18.

**17.3. Access to information**

17.3.1. This CTA is available to anyone and copies may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that this CTA is available in copy form to the general public until all the Bonds have been fully discharged.

17.3.2. The Bond Trustee shall, in order to carry out its functions and obligations under this CTA, have access to the Securities Register for the purposes of reviewing ownership of the Bonds registered in the Securities Register.

**17.4. Amendments**

All amendments of this CTA shall be made in writing, and shall unless otherwise provided for by this CTA, only be made with the approval of all parties hereto.

**17.5. Conflicting provisions**

If there is a conflict between the provisions of this Agreement and the provisions of the Agency and Intercreditor Agreement, the provisions of the Agency and Intercreditor Agreement shall prevail.

**17.6. Dispute resolution and legal venue**

17.6.1. This CTA shall be construed in accordance with, and all disputes arising out of, or in connection with this CTA shall be governed by Norwegian law.

17.6.2. The parties submit to the non-exclusive jurisdiction of, and irrevocably waive any objection to venue in, Oslo district court of Norway for all disputes arising out of or in connection with this CTA.

\* \* \* \* \*

Execution page to follow

**EXECUTION PAGE**

for the Common Terms Agreement dated 1 June 2011 between the parties stated below.

**Njord Gas Infrastructure AS**

**Njord Gas Infrastructure Holding AS**

.....  
By:  
Position:

.....  
By:  
Position:

**Norsk Tillitsmann ASA  
as Bond Trustee**

**Norsk Tillitsmann ASA  
as Security Agent**

.....  
By:  
Position:

.....  
By:  
Position:

This Common Terms Agreement has been executed in four originals, of which the Issuer, the Guarantor, the Security Agent and the Bond Trustee retain one each.

**SCHEDULE 1: FORM OF SPECIFIC TERMS**

**SPECIFIC TERMS**

between

**Njord Gas Infrastructure AS**  
(Issuer)

**Njord Gas Infrastructure Holding AS**  
(Guarantor)

**Norsk Tillitsmann ASA**  
(Security Agent)

and

**Norsk Tillitsmann ASA**  
(Bond Trustee)

on behalf of

**the Bondholders**

**in the [description of bonds]**

**issued under the NOK equivalent 10,000,000,000 Secured Term Note  
Programme**



## 1. THE COMMON TERMS AGREEMENT

- 1.1. The issue of the Series of Bonds described herein is subject to the terms and conditions of the common terms agreement (the "CTA") dated 1 June 2011 between Njord Gas Infrastructure AS as Issuer, Njord Gas Infrastructure Holding AS as Guarantor, Norsk Tillitsmann ASA as Bond Trustee and Norsk Tillitsmann ASA as Security Agent.
- 1.2. In these Specific Terms capitalised terms used shall, save as expressly defined herein, have the same meanings as given to them in the CTA (including such capitalised terms which are defined therein by reference to other documents).
- 1.3. This document constitutes the Specific Terms of the Bonds described herein and must be read in conjunction with the CTA.

## 2. THE SPECIFIC TERMS

### 2.1. General terms

<b>ISIN:</b>	[NO 001 IX]
<b>Description of Series:</b>	[As applicable:]  [[●] % Njord Gas Infrastructure AS Senior Secured CPI Linked Bond Issue 2011/2027]  [[●] % Njord Gas Infrastructure AS EUR Senior Secured Bond Issue 2011/2027]  [[●] % Njord Gas Infrastructure AS Senior Secured Bond Issue 2011/2027]
<b>Currency:</b>	[NOK/EUR/GBP/USD]
<b>Denomination:</b>	[NOK 1 (one)/EUR 1 (one)/GBP 1 (one)/USD 1 (one)]
<b>Number of Bonds:</b>	[●]
<b>Issue price:</b>	[100] % of par value
<b>Issue Date:</b>	[Date]
<b>Maturity Date:</b>	[Date]
<b>Interest Rate:</b>	[●] % per annum, payable semi-annually in arrears

on each Interest Payment Date.

**[Base CPI Figure]** means the CPI in [June 2010] for the period ending 15 [May 2010].]

**First Interest Payment Date:** [30 September 2011/Other]

**Joint Bondholders' Meetings:** Each Bond under this Series shall carry [●] votes at a Joint Bondholders' Meeting.

**Separate Bondholders' Meetings:** Each Bond under this Series carries one vote at a Separate Bondholders' Meeting.

**Method of Distribution:** [syndicated / non-syndicated]

**Manager[s]:** [If syndicated insert names of Managers/If non-syndicated insert name of Manager]

**Listing:**

**Optional redemption price calculation:** [As per CTA / [insert specific provision]]

## 2.2. Amortisation:

**Principal Payment Dates:** [Dates (must be Interest Payment Dates)]

**Principal Amortisation Amount:**

**Amortisation Factor:**

## 2.3. Specific Conditions precedent for the Series

2.3.1. The issue by the Issuer of this Series of Bonds and the disbursement of the proceeds of the Bonds pertaining to this Series to the Issuer will be subject to the Bond Trustee having received the following documents, in form and substance satisfactory to it, at least two Business Days (or such later date as indicated below) prior to the Issue Date:

- a) the Specific Terms for such Series duly executed by all parties thereto;
- b) copies of all necessary corporate resolutions of the Issuer to issue this Series of Bonds;
- c) a copy of a power of attorney from the Issuer to the relevant individual for the execution of these Specific Terms, or extracts from the relevant register or similar



documentation evidencing the relevant individual's authorisation to sign on behalf of the Issuer;

- d) a copy of a power of attorney from the Guarantor to the relevant individual for the execution of these Specific Terms, or extracts from the relevant register or similar documentation evidencing the relevant individual's authorisation to sign on behalf of the Guarantor;
- e) copies of (i) the Certificate of Incorporation or other similar official document for the Issuer, evidencing that it is validly existing, and (ii) Articles of Association of the Issuer;
- f) copies of (i) the Certificate of Incorporation or other similar official document for the Guarantor, evidencing that it is validly existing, and (ii) Articles of Association of the Guarantor;
- g) on the Date of Issue, confirmation from the Paying Agent that the Bonds of this Series have been registered in the Securities Register;
- h) written confirmation in accordance with Clause 6.3 of the CTA (if required);
- i) confirmation from the Rating Agency that the Bonds already issued will not be downgraded as a result of this Series of Bonds, or to the extent the already issued Bonds' current rating is higher than A-, that the new rating will not be below A-; and
- j) [*any other conditions precedent*].

#### **2.4. Waiver of conditions precedent**

- 2.4.1. The Bond Trustee may, in its reasonable discretion, waive the deadline or requirements for documentation as set forth in clause 2.3 of these Specific Terms.

#### **2.5. Representations and warranties**

- 2.5.1. As per Clauses 5.4 e) and 6.2 of the CTA the representations and warranties of the CTA are deemed to be repeated at the Issue Date.

**EXECUTION PAGE**

for the Specific Terms dated [date] relating to the Bonds described as [name of Bonds] with ISIN [ISIN no] between the parties stated below.

**Njord Gas Infrastructure AS**

**Njord Gas Infrastructure Holding AS**

.....  
By:  
Position:

.....  
By:  
Position:

**Norsk Tillitsmann ASA  
as Bond Trustee**

**Norsk Tillitsmann ASA  
as Security Agent**

.....  
By:  
Position:

.....  
By:  
Position:

These Specific Terms have been executed in four originals, of which the Issuer, the Guarantor, the Security Agent and the Bond Trustee retain one each.

**SCHEDULE 2 – COMPLIANCE CERTIFICATE**

From: Njord Gas Infrastructure AS

To: Norsk Tillitsmann ASA

Dear Sirs,

We refer to the common terms agreement (the "CTA") dated 1 June 2011 and the Specific Terms dated 1 June 2011 governing the bond issue [name of bond issue] with ISIN [ISIN] and made between ourselves as Issuer, yourselves as Bond Trustee and Security Agent and Njord Gas Infrastructure Holding AS as Guarantor. Terms defined in the CTA and the Specific Terms shall have the same meaning in this certificate. [All numbers are in NOK except for ratios.]

With reference to Clause 11.5 of the CTA we hereby confirm that as of the date of this certificate

- (i) we are, and have in the period since the previous compliance certificate or since the Initial Issue Date if no compliance certificate has been issued to this date, been in compliance with the covenants set out in Clause 11 of the CTA;
- (ii) no Event of Default or Trigger Event exists; and
- (iii) the current balance of the Debt Service Reserve Account is NOK [amount].

Please find attached the necessary supporting documents and calculations, including calculations of DSCR and Forecast DSCR and Debt Service Reserve Account balance for the period since the last compliance certificate or since the Initial Issue Date if no compliance certificate has been issued to this date.

[The above statement is given with exception of the following circumstance that constitutes non-compliance with the terms of the CTA:

[Description of non-compliance and reasons therefore]

In order to rectify the non-compliance we have taken the following steps and measures:

[Description of steps and measures taken to rectify the non-compliance.]]

[Place], [date]  
for and on behalf of  
Njord Gas Infrastructure AS

.....  
Name:  
Position:

## **SCHEDULE 3 – ISSUER ARTICLES OF ASSOCIATION**

### **ARTICLES OF ASSOCIATION OF THE ISSUER**

*Unauthorised translation from Norwegian*

#### **1 Company Name**

The name of the company is Njord Gas Infrastructure AS (the “Company”). The Company is a wholly-owned subsidiary of Njord Gas Infrastructure Holding AS (“Njord Holding”).

#### **2 Place of Business**

The Company’s place of business is in Stavanger municipality.

#### **3 Purpose**

The purpose is to invest in gas infrastructure assets related to the Norwegian continental shelf.

#### **4 Signature**

The right of signature for the Company is vested with the chairman individually or two directors jointly.

#### **5 Share capital**

The Company’s share capital is NOK 21 100 000 divided into 211 000 ordinary shares, each having a nominal value of NOK 100.

#### **6 Election of the Board**

6.1 The board shall consist of 4 to 7 directors, including the chairman.

6.2 All directors and respective alternates and the chairman shall be elected by the shareholders meeting.

#### **7 Board Meetings**

7.1 Board meetings shall be held at least quarterly unless otherwise agreed by the board.

7.2 Board meetings shall be called by the chairman by not less than 10 business days’ prior written notice (or such shorter notice as may be deemed necessary, acting reasonably, by the chairman). Any director may require the chairman to call a board meeting.

7.3 The notice for board meetings shall include an agenda specifying items for decision together with (to the extent appropriate) supporting materials.

7.4 The Company shall reimburse each director for all documented, reasonable out of pocket costs incurred by such director in attending board meetings.

7.5 The Company's chief executive officer and chief financial officer shall, unless otherwise decided by the board, attend the board meetings.

## **8 Board Quorum and Participation**

8.1 A quorum for board meetings requires the presence of the majority of the directors.

8.2 In the event that a quorum is not met for a duly convened and properly noticed board meeting, such meeting shall be adjourned for two days by further written notice to all directors.

8.3 Presence by any director (or its alternate) at any board meeting shall be deemed to be an effective waiver of notice with respect thereto (except where such director (or such alternate) is present solely for the purpose of contesting the adequacy of notice).

## **9 Voting by the Board of Directors – Policies and Procedures**

9.1 Each director shall have one vote. The chairman shall have one vote only.

9.2 Except as set forth in Section 12 (Unanimous Decisions), each matter put before the board shall require the approval of the majority of votes of the directors present.

9.3 The board shall establish the policies, procedures and guidelines for management of Company, including approval, implementation and modification of a business plan and representing the Company's interest in the Gassled Joint Venture, Dunkerque Terminal DA and Zeepipe Terminal Joint Venture (collectively "Gassled").

## **10 Shareholders Meetings**

Shareholders meetings shall be called by the board by not less than 10 days' prior written notice to all shareholders. Such notice shall include an agenda specifying items for decision together with supporting materials.

## **11 Annual Shareholders Meeting**

The annual shareholders meeting shall deal with:

- (a) the approval of the annual accounts, the annual report from the board of directors, including approval of dividends; and
- (b) other matters that shall be dealt with by the shareholders meeting according to law or these articles of association.

## **12 Unanimous decisions**

- 12.1.1 The term “Affiliate” wherever used herein shall mean with respect to a shareholder of Njord Holding, any person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the shareholder. As used in this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of (i) more than 50% of the shares of a person, or (ii) the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise.
- 12.2. The matters set forth below shall require the prior unanimous approval by all directors:
- 12.2.1 entering into a contract or arrangement with any shareholder (or any Affiliate of a shareholder of Njord Holding), otherwise than on arm’s length terms in the ordinary course of business;
- 12.2.2 delegation of and any changes to the delegation of any powers to the Board or to any committees thereof;
- 12.2.3 the commencement, settlement, waiver or other disposition of any claims, lawsuits, or other proceedings where the adverse outcome of such proceeding could reasonably be expected to materially and adversely affect the ability of the Company to manage its ownership interest in Gassled and the operations thereof;
- 12.2.4 any variation to the Company’s distribution and working capital policy;
- 12.2.5 a decision to make a distribution other than in accordance with the Company’s distribution and working capital policy;
- 12.2.6 with the exception of acquisitions or investments in Gassled, acquiring any interest in any person or making any other investment in any person or acquiring any assets of any person or entering into any partnership or joint venture;
- 12.2.7 making any loan or advance to any person;
- 12.2.8 incurring any indebtedness except where
- (a) the indebtedness is incurred in relation to acquisitions or investments in Gassled and the effect of such indebtedness (i) does not cause, at a Njord Holding consolidated level, the debt to enterprise value (equity plus debt less surplus cash plus minority interest plus preferred equity) to exceed 66% and (ii) the indebtedness is on terms no more onerous for Njord Holding and its subsidiaries as a whole than the indebtedness in place before the additional indebtedness is incurred; or
  - (b) the indebtedness is less than NOK 10 million;
- 12.2.9 selling, assigning, licensing, exchanging or otherwise disposing of assets of the Company or its subsidiaries, in each case outside the ordinary course of business; and

- 12.2.10 appointment of a chief executive officer if the proposed appointee is or has recently been a member, shareholder, officer, director or employee of the largest shareholder of Njord Holding or any Affiliates of that shareholder.
- 12.2.11 the creation or extension of any lien or other encumbrance on any asset of the Company or any of its subsidiaries:
- (a) not specifically contemplated by any debt financing instrument of the Company and any of its Affiliates; or
  - (b) except where such lien or other encumbrance relates to acquisitions or investments that are not mandatory for the Company as a participant in Gassled and is on terms no more onerous than any lien or other encumbrance already in place;
- 12.2.12 any alteration to the capital structure of the Company or any of its subsidiaries, including
- (a) the issuance by the Company or any of its subsidiaries of equity interests (including shareholder loans, convertible bonds, warrants) except in relation to acquisitions or investments in Gassled;
  - (b) the grant of options by the Company or any of its subsidiaries;
  - (c) the redemption of equity interests in Company or any of its subsidiaries;
  - (d) buy-back of equity interests in Company or any of its subsidiaries; and
  - (e) a merger or demerger of the Company or any of its subsidiaries
- 12.2.13 approval to pursue an initial public offering of the equity in the Company or any of its subsidiaries or to have such equity listed on any securities exchange or any other regulated or unregulated market place;
- 12.2.14 the acquisition, exchange or disposal of any equity interests of the Company or any of its subsidiaries;
- 12.2.15 any non-technical amendment or modification of the organisational, constituent or governing documents of the Company or any of its subsidiaries, including the Articles of Association;
- 12.2.16 commencement by the Company or any of its subsidiaries of a voluntary case under, or consent to an involuntary case under, any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other similar law;
- 12.2.17 the voluntary winding up of, liquidation of or dissolving the Company or any of its subsidiaries;
- 12.2.18 the commencement of any material new business not contemplated under Section 3 (Purpose); and
- 12.2.19 appointing or removing the Company's auditors, or except as required by the relevant generally accepted accounting principles or law, adopting or changing any material accounting principle.

- 12.3 Nothing in this Section 12 shall in any way restrict the Company from performing its financial or other obligations as a participant in Gassled and such obligations shall be financed in the following order of priority, except with the prior unanimous approval of all directors or shareholders as the case may be:
- (a) from existing cash flows of the Company and its Affiliates;
  - (b) from indebtedness incurred in accordance with Section 12.2.8(a); and
  - (c) from the issuance by Njord Holding of equity interests (including shareholder loans, convertible bonds, warrants).



## **10 SCHEDULE 4 – THE GASSLED LICENCES**

The Gassled Licences comprise the licences granted by the MPE in respect of the following transport systems:

- (i) Europipe,
- (ii) Europipe II,
- (iii) Franpipe,
- (iv) Franpipe/Dunkerque Terminal DA,
- (v) The gas treatment plants at Kårstø,
- (vi) Gjøa gas pipeline,
- (vii) the Kollsnes gas treatment plant,
- (viii) Kvitebjørn gas transport system,
- (ix) Langeled,
- (x) Norne gas transport system,
- (xi) Norpipe gaspipe,
- (xii) Oseberg gas transport,
- (xiii) Statpipe,
- (xiv) Tampen Link,
- (xv) Vesterled,
- (xvi) Zeepipe,
- (xvii) Zeepipe phase II-A,
- (xviii) Zeepipe phase II-B,
- (xix) Zeepipe Terminal and
- (xx) Åsgård transport.

## ANNEX 2 – GUARANTEE AGREEMENT

1 June 2011

### GUARANTEE AGREEMENT

between

Njord Gas Infrastructure Holding AS (as Guarantor)

and

Norsk Tillitsmann ASA  
(as Security Agent)

on behalf of  
the Secured Parties

---

Governed by the Agency and Intercreditor Agreement  
dated 1 June 2011  
(as amended from time to time)

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This guarantee agreement (the "**Agreement**") has been entered into on 1 June 2011 between

- (4) Njord Gas Infrastructure Holding AS, a company incorporated under the laws of Norway with organisation number 995 152 185 and registered business address Haakon VII's Gate 8, 4005 Stavanger, Norway, as guarantor (the "**Guarantor**"); and
- (5) Norsk Tillitsmann ASA, a company incorporated under the laws of Norway with organisation number 963 342 624 and registered address at Haakon VII g 1, 0161 Oslo as security agent (the "**Security Agent**").

**WHEREAS** Njord Gas Infrastructure AS (the "**Issuer**") has agreed to issue and sell bonds in the aggregate amount of NOK 850,000,000, USD 265,000,000 and GBP 165,000,000 under the NOK equivalent 10,000,000,000 Secured Term Note Programme pursuant to a common terms agreement dated 1 June 2011 (the "**CTA**") among the Issuer, the Guarantor, the Security Agent and the Bond Trustee;

**WHEREAS** the Issuer is a single purpose company established on 25 January 2010 for the sole purpose of acquiring and holding the Gassled Assets and issuing the Bonds, and the Guarantor is a single purpose company established on 25 January 2010 for the sole purpose of holding all issued shares in the Issuer; and

**WHEREAS** the Guarantor has entered into an Agency and Intercreditor Agreement dated 1 June 2011 with the Issuer, the Facility Provider, the Bond Trustee, the Sponsors, the Paying Agent, the Calculation Agent, the Swap Providers and the Security Agent; and

**WHEREAS** to secure the payment and performance in full of the obligations of the Issuer under the Transaction Documents, the Guarantor desires to guarantee to the Security Agent, as agent and representative of and on behalf of and for the benefit of the Secured Parties (as defined in the Agency and Intercreditor Agreement) the due and punctual observance and performance by the Issuer of all the Issuer's obligations and liabilities under the Transaction Documents (the "**Issuer's Obligations**");

**THE FOLLOWING** has been agreed:

## **1. Construction**

In this Agreement, unless the context otherwise requires:

- i) capitalised terms shall have the same meaning as defined in the CTA, except where otherwise specifically stated;
- j) headings are for ease of reference only and no meaning shall be construed from it when interpreting the meaning of any clause;
- k) words denoting the singular shall include the plural and vice versa;
- l) reference to a Clause, a Schedule or an Appendix is respectively a reference to a clause of or a schedule or appendix to this Agreement;

- m) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- n) reference to a document is to be construed as a reference to such document as amended or supplemented (with any necessary consent) from time to time; and
- o) references to a "**person**" shall include any individual, firm, partnership, joint venture, company, corporation, trust, fund, body corporate, unincorporated body of persons, or any state or any agency of a state or association (whether or not having separate legal personality).

## 2. **Guarantee and indemnity**

The Guarantor hereby unconditionally and irrevocably:

- a) guarantees to the Security Agent (on behalf of the Secured Parties) as for its own debt and not merely as surety ("*som selvskyldnerkausjonist*") the due and punctual observance and performance by the Issuer of all the Issuer's Obligations;
- b) undertakes to the Security Agent (on behalf of the Secured Parties) that whenever the Issuer does not pay an amount when due under or in connection with the Issuer's Obligations, to pay that amount on demand as if it were the principal obligor;
- c) agrees to indemnify the Secured Parties immediately on demand against any cost, loss or liability suffered by the Secured Party if any obligation guaranteed by it hereunder is or becomes unenforceable, invalid or illegal (the amount of such cost, loss or liability being equal to the amount which that Secured Party would otherwise have been entitled to recover); and
- d) confirms to the Security Agent (on behalf of the Secured Parties) that adequate consideration has been agreed with the Issuer in exchange for its guarantee obligations under this Agreement, and that the granting of such guarantee by it hereunder is for the overall commercial benefit of the Issuer and the Guarantor, and consistent with its prudent and conservative credit risk management practice.

## 3. **Demands**

The Guarantor undertakes unconditionally and irrevocably immediately and no later than 5 Business Days from the receipt by it of any first written demand by the Security Agent from time to time to make payment(s) in accordance with its obligations (the "**Guarantee Obligations**") under Clause 2 where such demand is accompanied by a statement of the Security Agent that a payment in a certain amount has fallen due under this Agreement, that the Issuer has failed to make such payment when due, that notice of such non-payment has been issued to the Issuer and that following such notice to the Issuer the relevant amount remains unpaid. Each such payment so demanded shall be made by the Guarantor having received such demand to such account as the Security Agent may from time to time notify in writing.

#### **4. Scope of liability and continuing guarantee**

The liability of the Guarantor hereunder shall be equivalent to that of the Issuer's Obligations, but shall in any event be limited to the aggregate of NOK 10,000,000,000, EUR 1,500,000,000, GBP 1,000,000,000 and USD 2,000,000,000 plus interest, fees and other expenses. The obligations of the Guarantor hereunder are continuing guarantee obligations for the ultimate balance of sums at any time payable by the Issuer under the Issuer's Obligations.

#### **5. Number of claims**

There is no limit on the number of claims that may be made by the Security Agent against the Guarantor under this Agreement.

#### **6. Survival of the Guarantor's liability**

The liability of the Guarantor to the Security Agent (on behalf of the Secured Parties) under this Agreement shall not be discharged, impaired or otherwise affected by reason of any of the following events or circumstances (regardless of whether any such events or circumstances occur with or without the knowledge or consent of the Guarantor):

- (i) any time, waiver, consent, forbearance or other indulgence given or agreed by the Security Agent or any of the Secured Parties with the Issuer in respect of any of the Issuer's Obligations;
- (ii) any failure by the Security Agent or any of the Secured Parties to establish or enforce any rights, remedy or security against the Issuer;
- (iii) this Agreement or any of the Transaction Documents becoming invalid or unenforceable;
- (iv) any legal limitation, disability or incapacity of the Issuer related to the Transaction Documents;
- (v) any amendments to or variations of the Transaction Documents agreed by the Security Agent or the Secured Parties with the Issuer; or
- (vi) the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of the Issuer.

#### **7. Deferral of the rights of the Guarantor**

The Guarantor further undertakes to the Security Agent (on behalf of the Secured Parties) that as long as this Agreement is effective;

- (i) following receipt by it of a notice from the Security Agent of the occurrence of any Event of Default which is unremedied, it will not make demand for or claim payment of any amounts due to it from the Issuer, or exercise any other right or remedy to which it is entitled in respect of such amounts unless and until all amounts owing or due and payable by the Issuer to the Secured Parties under and in relation to the Issuer's Obligations have been irrevocably paid in full;

- (ii) if the Issuer shall become the subject of an insolvency proceeding or shall be wound up or liquidated, it shall not (unless so instructed by the Security Agent and then only on the condition that it holds the benefit of any claim in such insolvency or liquidation to pay any amounts recovered thereunder to the Security Agent (on behalf of the Secured Parties)) make any claim in such insolvency, winding-up or liquidation until all moneys owing or due and payable by the Issuer to the Secured Parties under and in relation to the Issuer's Obligations have been irrevocably paid in full;
- (iii) if, in breach of paragraphs (i) and/or (ii) above of this clause it receives or recovers any money pursuant to any such exercise, claim or proof as therein referred to, such money shall be held by it in custody for the Secured Parties and immediately be paid to the Security Agent so as for the Security Agent to apply the same as if they were moneys received or recovered by the Security Agent or the Secured Parties under this Agreement;
- (iv) it has not taken and will not take from the Issuer any security whatsoever for the moneys hereby guaranteed; and
- (v) the provisions of Sections 62-74 (both inclusive) of the Norwegian Financial Agreement Act of 1999 shall not apply to this Agreement.

## **8. Enforcement**

Neither the Security Agent nor the Secured Parties shall be obliged before taking steps to enforce the Guarantee Obligations of the Guarantor under this Agreement:

- (i) to obtain judgment against the Issuer or any third party in any court or other tribunal;
- (ii) to make or file any claim in a bankruptcy or liquidation of the Issuer or any third party; or
- (iii) to take any action whatsoever against the Issuer or any third party under this Agreement or the Transaction Documents, except the giving notice of any payment due hereunder,

and the Guarantor hereby waives all such formalities or rights to which it would otherwise be entitled or which the Security Agent and/or the Secured Parties would otherwise first be required to satisfy or fulfil before proceeding or making any demand against it, except as required hereunder.

## **9. Conditional discharge**

Any release, discharge or settlement between the Guarantor, the Security Agent and the Secured Parties (or any of the them) in relation to the Transaction Documents shall be conditional upon no payment made by the Issuer or the Guarantor to the Security Agent or the Secured Parties hereunder being void, set aside or ordered to be refunded pursuant to any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason whatsoever. If any payment is void or at any time so set aside or ordered to be refunded, the Security Agent and the Secured Parties shall be entitled subsequently to enforce the Guarantee Obligations of the Guarantor hereunder as if such release, discharge or settlement had not occurred and any such payment had not been made.

## **10. Law and jurisdiction**

This Agreement shall be governed by and shall be construed in accordance with, Norwegian law. The parties submit to the non-exclusive jurisdiction of, and irrevocably waive any objection to venue in, Oslo district court of Norway for all disputes arising out of or in connection with this Agreement.

\* \* \* \* \*

Execution page to follow

**EXECUTION PAGE**

for the Guarantee Agreement dated 1 June 2011 between the parties stated below

**Norsk Tillitsmann ASA**

**Njord Gas Infrastructure Holding AS**

.....  
By:  
Position:

.....  
By:  
Position:

This Guarantee Agreement has been executed in two originals, of which the Guarantor and the Security Agent retain one each.