



FRN Boa Offshore AS Subordinated Callable Bond Issue 2015/2018

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, listing document. The documents are available from the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

Relevant Places:

Web (www.boa.no, www.oslobors.no)

Issuer/Borrower:

Boa Offshore AS

Borrowing Limit – Tap Issue:

NOK 150 million

First Tranche / Loan Amount : ²⁾

N/A

Disbursement Date: ³⁾

17 July 2015

Maturity Date: ⁴⁾

20 December 2018

NIBOR: ⁵⁾

NIBOR 3 months

Margin:

10.0%

Coupon Rate: ⁶⁾

NIBOR + Margin

Day Count Fraction– Coupon:

ACT/360

Date of interest adjustment: ^{7) 9)}

Interest Payment Date

Business Day Convention: ⁸⁾

Modified following

Interest Payment Date: ⁹⁾

17 July, 17 October, 17 January, 17 April

Interest accrual date (from and including):

Disbursement Date

Final coupon date (to):

Maturity Date

days first term:

92 days (17 July to 17 October)

Status of the Loan ¹⁰⁾

The Bonds shall be subordinated to all of the Issuer's other indebtedness, except for any loans provided by the Bjørnevik Family and/or any Shareholder Loans to the Issuer, which shall be subordinated to the Bonds.

Issue Price: ¹¹⁾

100% of par value

Denomination:

NOK 1.00

Bondholder's put option: ¹²⁾

Redemption Date(s): N/A **Price:** N/A

Issuer's call option: ¹³⁾

Redemption Date(s):	Price:
17 Jan. 2017 – 16 July 2017	127% of par + interest
17 July 2017 – 16 Jan. 2018	135% of par + interest
17 Jan. 2018 – 16 July 2018	144% of par + interest
From 17 July 2018	154% of par + interest

Issuer's org. number: 926 265 156

Number / Codes:	Sector Code : 2100	Geographic code: (NO) 1601	Industry (trade) Code: 50203
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Usage of funds: General corporate purposes

Approvals / Permissions:

- Documentation corresponding to a listing document has been inspected by Oslo Børs
- The bonds have been issued in accordance with the issuer's board approval dated 13 July 2015

- Loan agreement dated 13 July 2015

**Trustee /
Bondholders'
Representative:
Arranger(s):
Paying Agent:
Securities
Depository:
Market making:
Special (distinct)
conditions:**

Nordic Trustee, P.O. Box 1470 Vika, 0116 Oslo

SpareBank 1 Markets AS

SpareBank 1 SMN

VPS

N/A

The Bonds are to be repaid at 154% of par at the Maturity Date.

Taubåtkompaniet AS is acting as Guarantor for the Bond Issue (see below).

All definitions in the following, which are not defined above, are from the Loan Agreement.

Call options

- Exercise of the Call Options (see further information above) shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the settlement date of the Call Option.
- Partial redemption must be carried out pro rata (in accordance with the procedures of the Security Depository).

Cash Sweep

- If the amount of all Free and Unrestricted Cash in the Group (the Issuer and its directly and indirectly owned subsidiaries) exceeds NOK 325,000,000 ("Excess Cash") at the Quarter Dates of 31 December 2016, 30 June 2017, 31 December 2017 or 30 June 2018 (a "Cash Sweep Event") the Issuer shall redeem the Bonds in an amount equal to the Excess Cash, at a price equal to the call option price at the settlement date as described in Clause 10.2.

The Excess Cash shall be applied towards the principal outstanding amount of each Bond (including any premium as stated above in Clause 10.2) and any unpaid interest accrued thereon to the settlement date. The Cash Sweep redemption shall take place no later than the earliest of i) the day falling ten (10) Business Days after the Interim Accounts for the period ending on the respective Quarter Date have been made available, or ii) the day falling ten (10) Business Days after the last day of which the relevant Interim Account shall have been made available pursuant to Clause 13.2.1 (iv).

- The Issuer shall ensure that all Cash and Cash Equivalents in the Group are transferred to the Issuer and undertakes to maximise the Cash Sweeps at all times, subject only to restrictions in applicable law or loan agreements. For the avoidance of doubt, Cash and Cash Equivalents shall never include anything which is not Free and Unrestricted Cash.
- The Issuer shall notify the Bond Trustee and the Bondholders (through the Bond Trustee) in writing about any exercise of the cash sweep redemption at least ten (10) Business Days prior to the settlement date of the Cash Sweep.
- Partial redemption must be carried out pro rata between the Bonds in accordance with the procedures of the Security Depository.

**Supplementary
information about
the status of the
loan: ¹⁰⁾**

The Guarantor:

- undertakes with the Bond Trustee (on behalf of the Bondholders) that whenever the Issuer does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal
- agrees with the Bond Trustee (on behalf of the Bondholders) that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Bond Trustee (on behalf of the Bondholders) immediately on demand against any cost, loss or liability it incurs as a result of the Issuer not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under

any Finance Document on the date when it would have been due.

This Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Issuer under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

Standard Terms:	<i>If any discrepancy should occur between this Loan Description and the Loan Agreement, then the Loan Agreement will apply.</i>
Loan Agreement: 1)	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement.
	When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. If subscription is made prior to finalisation of the Loan Agreement, the subscriber is deemed to have granted authority to the Trustee to finalise the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: 3)4)	Tap Issues will be opened on Disbursement Date and closed no later than five banking days before Maturity Date.
Disbursement Date: 3)	Payment of the First Tranche / Loan Amount takes place on the Disbursement Date. In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.
Expansions – Tap Issues: 2)	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount, before the initial Disbursement Date. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase of the Borrowing Limit.
Issue price – Tap Issues: 11)	Any taps under the Tap Issue will be made at market prices.
Interest Determination Date: 7)	2 Business Days prior to Date of Interest Payment Date
Interest Determination: 6)7)	The regulation of the Interest Rate is effective from each Interest Payment Date. The new interest rate is determined on Interest Determination Date based on NIBOR with additional margin. The new interest rate and the next interest term/period will be notified the Bondholders in writing through the Securities Depository. The Trustee and Nordic ABM shall also be notified immediately.
NIBOR – definition: 5)	(Norwegian Interbank Offered Rate) Interest rate fixed for a defined period on Oslo Børs' webpage at approximately 12.15 Oslo time. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the Reference Rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate as the initial Reference Rate shall be used. If this is not possible, the Bond Trustee shall calculate the Reference Rate based on comparable quotes from major banks in Oslo. NIBOR is calculated to two Business Days prior to every Interest Determination Date, rounded to the nearest hundredth of a percentage point, for the Interest Period stated. NIBOR applies with effect from each Date of Interest Adjustment to the next Date of Interest Adjustment. If NA is specified, Reference Rate does not apply.
Interest Period: 9)7)	The interest is paid in arrears on the Interest Payment Date. The first interest period matures on the first Interest Payment Date after the Disbursement Date. The next period runs from this date until the next Interest Payment Date. The last period of interest ends on Maturity Date.
Accrued interest:	Accrued Interest for trades in the secondary bond market are calculated on the basis of current recommendations of Norsk Finansanalytikerforening.
Standard Business Day Convention: 8)	Modified Following: If the Interest Payment Date is not a banking day, the Interest Payment Date shall be postponed to the next banking day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first banking day preceding the

original date.

Condition – Bondholder’s put option: ¹²⁾	Exercise of Put shall be notified by the Bondholder to its Securities Register agent no later than the last Business Day before the end of the Put Period, and the settlement of the Put shall take place the fifth Business Day after the end of the Put Period.
Condition – Issuer’s call option: ¹³⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least thirty Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account in the Securities Depository.
Issuer’s acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: ⁴⁾	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan Amount has been sold by the Arranger(s). Later taps can be made by authorized securities brokers.
Legislation:	Disputes arising from or in connection with the Loan Agreement, which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee’s competent legal venue.
Fees and expenses:	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.



Trondheim, 04.11.15

