



**KISTOS ENERGY (NORWAY) AS 9.75% SUPER SENIOR SECURED USD 180,000,000 BONDS
2023/2025**

Terms:

Documentation:

The Loan Agreement¹⁾ 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, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with 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:

www.stamdata.com

Issuer:

Kistos Energy (Norway) AS

Borrowing Limit – Tap Issue:

USD 180,000,000

First Tranche / Loan Amount:²⁾

USD 121 574 719

Disbursement Date:³⁾

17 March 2023

Maturity Date:⁴⁾

17 September 2026

Interest Rate:

9.75

Yield on Disbursement Date:

9.75

Day Count Fraction– Interest rate:⁵⁾

30/365

Business Day Convention:⁶⁾

Standard Business Day Convention

Interest Payment Date(s):⁷⁾

17 March, 17 June, 17 September and 17 December each year, first Interest Payment Date being 17 June 2023 and last Interest Payment Date being 17 September 2026 (Maturity Date)

Interest accrual date:

17 March 2023

Date until which interest accrues:

17 September 2026 (Maturity Date)

Status of the loan:⁸⁾

Secured

Issue Price:⁹⁾

100

Denomination:

USD 1.00

Call:¹⁰⁾

Redemption Date(s): [Date(s)] **Price:** [Corresponding price(s)]

All Outstanding Bonds will mature in full on: 17 Septem ber 2026 100.00 percent of Nominal Value (USD 1.00)

Voluntary early redemption: On any Business Day up until 16 Septem ber 2026 100.00 percent of Nominal Value (USD 1.00)

Issuer's org. number/LEI number:

918 980 946/213800RJDWTCWEMG1513

Number / Codes:

Sector code: 2100 (Private limited companies) **Geographic code:** 1366 Lysaker **Industry (trade) Code:** 06100 (Extraction of crude petroleum)

Usage of funds:

The Issuer will use the Net Proceeds from the issuance of the Bonds as follows: (i) to fund the Issuer's share of the costs and expenses for the development of the Balder Ringhorne Licences; (ii) payment of interest and principal on the Bonds; and (iii) for general corporate purposes.

Approvals / Permissions:	- The issuance is approved by the board of directors on 16 March 2023. - The admission document has been inspected by Oslo Børs, cf. ABM-rules sec 2.7
Trustee:	Nordic Trustee AS, Kronprinsesse Märthas plass 1, 0160 Oslo
Arranger(s):	Pareto Securities AS
Paying Agent:	DNB Bank ASA
Securities Depository:	Norwegian Central Securities Depository
FISN- and CFI-code	FISN code: MIME PETROLEUM/VAR BD PIK 20260917 CFI code: DBVSGR
Market Making:	No market-maker agreement has been made for the Bonds.
MiFiD II target market of end clients:	The manufacturer Target Market (MiFiD II product governance) for the Bond Issue is a) eligible counterparties, professional clients and retail clients (all distribution channels) and who; b) have at least a common/normal understanding of the capital markets, c) is able to bear the losses of their invested amount and, d) is willing to accept risks connected with the Bonds, and e) have an investment horizon which corresponds with the terms of the Bonds.
Withholding tax: ¹¹⁾	Gross up
Special (distinct) conditions:	N/A
Supplementary information about status of the loan and collateral: ⁸⁾	<p>The Bonds constitute senior debt obligations of the Issuer and each relevant Group Company and shall be secured on a first priority basis in certain assets as set out herein, and otherwise rank at least pari passu with the claims of the Issuer's and each relevant Group Company's other unsubordinated creditors, except for obligations which are mandatorily preferred by law.</p> <p>The Bond are secured by the following security: (i) the Shared Security on a pari passu with the other secured parties, subject to (A) the 'extra' super senior status of any Permitted Super Senior Hedge Counterparty; and (B) the junior ranking of the Existing Bonds; (ii) the Parent Company Guarantee, which shall secure only the Bonds and the Existing Bonds on a pari passu basis and the Subordinated Bonds on a subordinated and deferred basis (and shall not secure the Permitted Super Senior Hedging), subject to: (A) the junior ranking of the Existing Bonds; and (B) the 'deeply' subordinated ranking of the Subordinated Bonds; and; and (iii) the Bilateral Security, which shall secure only the Bonds and not the Existing Bonds, the Permitted Super Senior Hedging or the Subordinated Bonds.</p> <p>Transaction Security: Subject to mandatory limitations under applicable law, all amounts outstanding under the Finance Documents, including but not limited to principal, interest, fees and expenses, shall be secured by the following security interests:</p> <ul style="list-style-type: none"> (a) Pre-Settlement Security: <ul style="list-style-type: none"> (i) the Escrow Account Pledge, (b) Pre-Disbursement Security: <ul style="list-style-type: none"> (i) the first priority "Transaction Security" under, and as defined in, the Existing Bond Terms, including (without limitation): A) the Issuer Share Pledge; B) the Shareholder Loan Assignment; C) the Licence Mortgages; D) a first priority Norwegian law security assignment of all of the Issuer's monetary claims under or with respect to any insurances required to be taken out under these Bond Terms, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator; E) a first priority Norwegian law floating charge over all the Issuer's accounts receivable (No. <i>factoringpart</i>), operating assets (No. <i>driftstilbehørspant</i>) and inventory (No. <i>varelagerpart</i>); F) a first priority Norwegian law account charge or pledge over each of the Charged Accounts and the amount from time to time standing to the credit of the Issuer (or of any other Group Company) in the Charged Accounts; and G) any "Additional Security" under, and as defined in, the Existing Bond Terms. (c) Additional Security: (i) Parent Company Guarantee; and (ii) the RCF Assignment (d) The Transaction Security (with the exception of the Escrow Account Pledge and the Additional Security) shall be established prior to (or as the case may be, in connection with) the release of funds from the Escrow Account, subject to a closing mechanism acceptable to the Issuer and the Bond Trustee. (e) The Additional Security shall be established no later than the Completion Date. (f) Pursuant to the terms of the Intercreditor Agreement (as amended): (i) the Bilateral Security shall secure only the Bond liabilities, and shall not secure the Subordinated Bond liabilities, the Existing Bond liabilities, or the Permitted Super Senior Hedging; (ii) the Parent Company Guarantee shall secure the Bond liabilities, the Existing Bond liabilities and the Subordinated Bond liabilities, and shall not secure the Permitted Super Senior Hedging; and (iii) the Shared Security shall secure the Bond liabilities, the Existing Bond liabilities, and the Permitted Super Senior Hedging, and shall not secure the Subordinated Bond liabilities, in each case, to the extent and in the manner contemplated by the Intercreditor Agreement. (g) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

h) The Security Agent is irrevocably authorised to (i) release any guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (A) in any merger, de-merger or disposal permitted in compliance with Clauses 13.3 (Mergers and demergers) of the Bond Terms or Clause 13.12 (Disposals) of the Bond Terms and (B) following an enforcement

Standard terms: *If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.*

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. 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 bank days before Maturity Date.
Disbursement date: ³⁾	Payment of the First Tranche / Loan Amount takes place on the banking date ahead of Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinkel betaling m.m." will accrue.
Expansions – Tap Issues: ²⁾	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. 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 in the Borrowing Limit.
Issue price – Tap Issues: ⁹⁾	Any taps under the Tap Issue will be made at market prices.
Interest Period: ⁷⁾	The interest rate is due in arrears on the Interest Payment Date. The first Interest Rate is paid on the first Interest Payment Date after Disbursement Date. The subsequent period runs from this date until the next Interest Payment Date. Last Interest Payment Date corresponds to Maturity Date.
Day Count Fraction–Interest rate: ⁵⁾	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, in case of a non-finished month the actual number of calendar days (30/360-basis), with the exception of periods where <ol style="list-style-type: none"> the last day in the period is the 31st calendar day, and the first day of the period is neither the 30th nor the 31st of the month, in which the month containing the period shall not be reduced to 30 days; or the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.
Standard Business Day Convention ⁶⁾	Interest Payment Date will not be moved even if it is on a day that is not a banking day. If Interest Payment Date is not a banking day, payments will be made on the following banking day.
Accrued interest:	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening (<i>The Norwegian Society of Financial Analysts</i>).
Condition – Call: ¹⁰⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten 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 or nominee 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 rate and matured principal will be credit 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. Later taps can also take place by other authorized investment firms.
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.
Withholding tax: ¹¹⁾	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the

issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.



Oslo, 10 August 2023

Pareto Securities AS