

A photograph of a waterfall cascading over dark, mossy rocks. The water is white and frothy as it falls, creating a misty spray at the bottom. The surrounding rocks are dark and covered in green moss and small plants. The overall scene is natural and serene.

Bond Trustee as Investor Protection

Agenda

- The Norwegian Bond Market
- Role of the Bond Trustee
- Norsk Tillitsmann ASA ("NTM")
- The documentation process
- Monitoring
- Default and rescheduling



The Norwegian Bond Market



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The Norwegian Market

(i.e. Bonds and CD's registered in the Norwegian Securities Depository - VPS)

- Market value bonds approx NOK 630 bill (*USD 100 bill*)
- Market value CD's approx NOK 130 bill (*USD 20 bill*)
- Finance institutions and the government less dominating than usual in other bond markets
- Covered bonds not yet introduced in the market
- Approx 500 new bond issues annually at a total value of approx NOK 150 bill – *USD 24 bill* (i.e average issue NOK 300 mill – *USD 47 mill*)
- Increasing share of industrial, shipping and commercial companies as issuers (25 % of volume of new issues)
- Increasing share of issuers registered outside Norway
- Increasing share of high-yield bonds
- Increasing share of foreign investors (20 % of total volume)



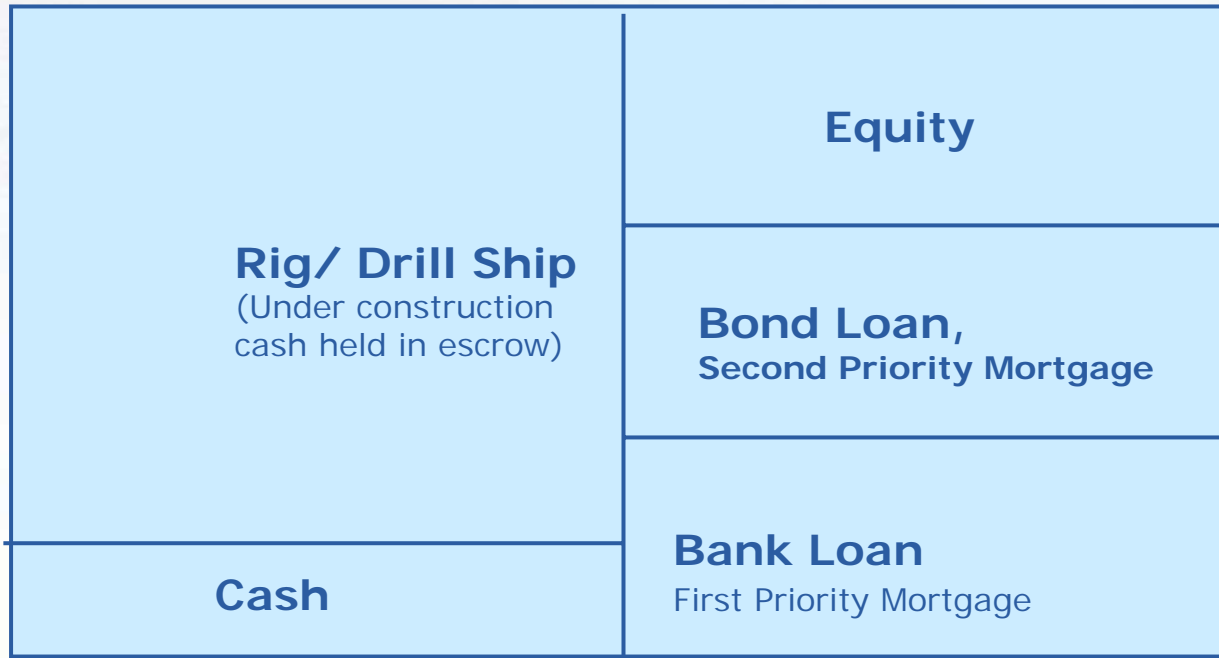
High Yield Bonds in the Norwegian Market – characteristics

- **Interest rates** more than 3,5 % p.a above NIBOR; i.e. from 7 % - 12,5 p.a.
- **Call option** above par value (102%-110%)
- Often a **second priority mortgage** ranking behind bank loan secured by a first priority mortgage
- Often special **covenants** regarding strong negative pledge, dividend restrictions and maintaining equity ratios
- Often **project financing** – i.e. the servicing of the bond loan is tied to the revenues from one or a few assets
- Substantial part of the **issuers registered outside Norway**
- Substantial part of the **issues in other currencies** (USD) than Norwegian Krone
- More than 80 % of the capital invested in the high yield market from **investors outside Norway**
- Approx **100 issues** outstanding – approx 70 different issuers
- Nominal value of the high yield market approx **NOK 35 bill** of which NOK 30 bill issued last 12 months
- Most if the issues are **not listed**
- The presence of an active **"Bond Trustee"** necessary to make this market function

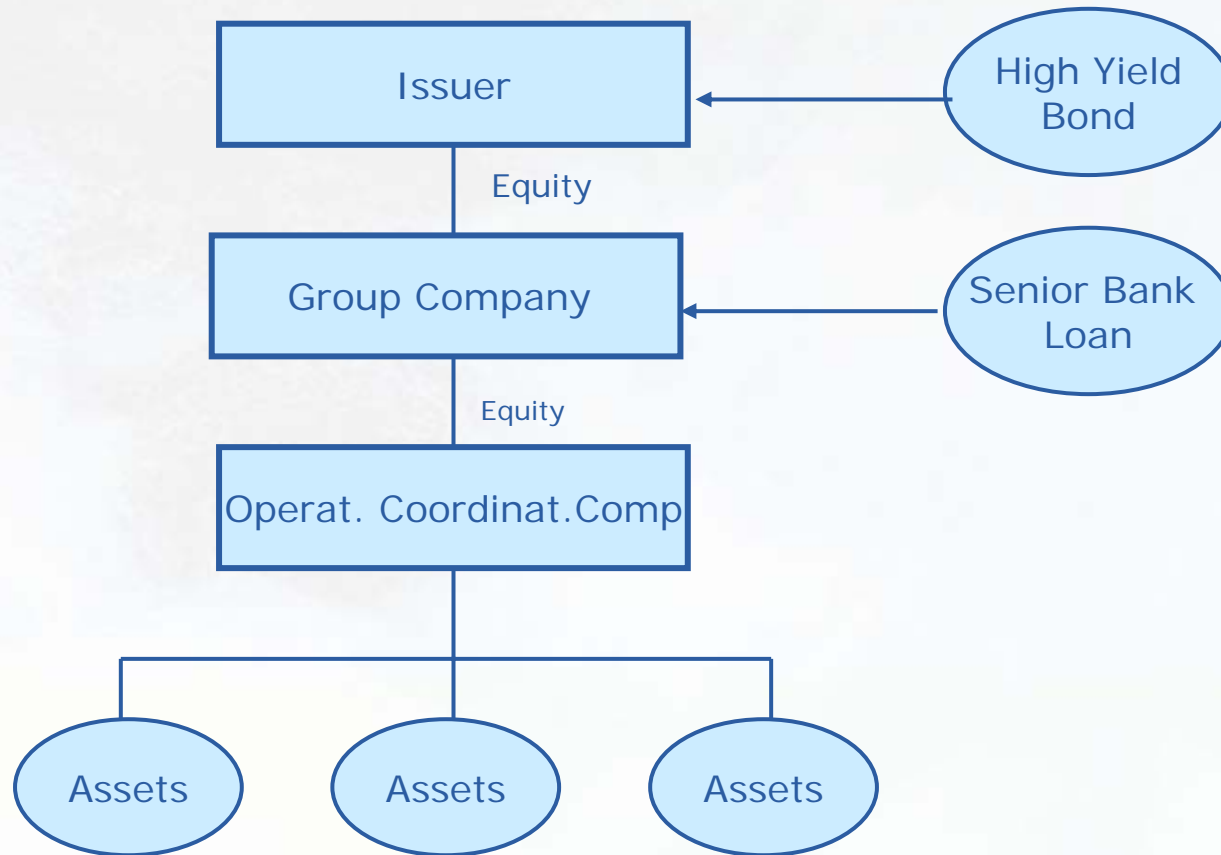


Typical high yield bond structure

Balance



Structural subordination of high yield bond



Role of the Bond Trustee



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Role of the Bond Trustee

- The Bond Trustee is an independent and impartial third party who can play a critical role in acting as a bridge between the borrower and holders of its debt securities during the life of a loan capital issue.
- The Bond Trustee shall exercise the discretions provided in the Loan Agreement which is the document that constitutes the Bond Trustee's role duties and powers.
- Most of the issues (95 %) in the Norwegian market have a Bond Trustee
- A Bond Trustee function is mandatory for all Bonds listed on the Oslo Stock Exchange



Who can act as a Bond Trustee

- **Independence**
 - No other business relationship with the Borrower
 - Not be a shareholder/investor in the Borrower
 - Not be a lead manager/underwriter
 - independence with regard to the Borrower should exist throughout the duration of the bond
- **Competence**
 - experienced and capable of applying judgement
 - able to hold the trust property and be competent to deal with it
- **Approval of the market**
 - maintain integrity at all times
 - act in good faith in the best interests of the bondholders
 - right to replace the Bond Trustee at a Bondholders' Meeting
- **Responsibility**
 - liable for any economic losses incurred by the bondholders as a result of negligence by the Bond Trustee in carrying out its functions and tasks pursuant to the Loan Agreement



Benefits from having a Bond Trustee

Borrower

- Can relate to only one **single legal entity** as creditor
- Will be able to **discuss** any necessary **confidential matters** and disclose price sensitive information to the Bond Trustee
- The Bond Trustee can agree to **minor modification** of terms and provisions of the Loan Agreement
- If a technical or a minor default should occur the Bond Trustee can decide **not to enforce** against the Borrower
- The Bondholders' Meeting can be supported by a **recommendation** from the Bond Trustee
- The Bond Trustee protects the Borrower from Bondholders making **arbitrary proceedings**



Benefits from having a Bond Trustee

Bondholders

- Professional **monitoring** of the terms and conditions of an issue to protect the interests of the Bondholders.
- **Legal action** can be taken by the Bond Trustee as a class action on behalf of all Bondholders
- A fair **distribution of costs** arising from legal action and enforced collection
- In a default situation the Bond Trustee will be able to take possession of assets and **negotiate on behalf** of all Bondholders



The authority of the Bond Trustee and the Bondholder's Meeting is derived from the Loan Agreement - inter alia

- the Bond Trustees right to make its **own decisions** binding all the Bondholders
- who can **summon a Bondholders' Meeting** and in what situations a Bondholders' Meeting is required,
- who can **attend the Bondholders' Meeting** and the Bondholders' right to be represented by proxy,
- **voting rights** and minimum representation of Bondholders to make valid decisions,
- the **majority of Bondholders'** required to make certain decisions of significant importance to the bondholders
- who (normally the Bond Trustee) shall **preside over the Meeting** and
- the prevention of the individual Bondholders' right to **approach the Borrower** directly



Authority of the Bond Trustee

- The Bond Trustee is generally given the power to consent to a minor breach and even formally modify some provisions or terms of a Loan Agreement, provided that the consent or modifications will not - in the opinion of the Bond Trustee - prejudice the interests of the Bondholders
- According to Norwegian practise the power of the Bond Trustee is limited and modifications should be of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law
- The limited power of the Bond Trustee means that most questions is put forward to the Bondholders meeting. Usually the Bond Trustee will have discussions with the Borrower in order to try to reach a proposal that can be acceptable to the Bondholders at the Bondholders Meeting



The Bondholders' Meeting

- The Bondholder's Meeting represents the highest authority within the bondholders' community
- The Bondholders' Meeting may approve any proposal submitted to the Meeting - i.e. the Bondholders' Meeting may approve to alter each and all of the terms and conditions of the Loan Agreement (provided that the Borrower approves such amendments/modifications)
- Most Bondholders meet through proxy at the Bondholder's Meeting giving a tied vote to the Bond Trustee
- Resolutions passed at the Bondholders' Meeting is binding and prevailing for all Bonds/Bondholders



Norsk Tillitsmann ASA



NORSK TILLITSMANN ASA

Norsk Tillitsmann ASA ("NTM")

(Norwegian Trustee Company)

- Norsk Tillitsmann (which means the "Norwegian Trustee") was established in 1993, based on the idea of an independent and competent Bond Trustee function
- Norwegian savings banks, commercial banks, investment banks and brokers decided to transfer their activity as Bond Trustee to NTM in 1995
- Norsk Tillitsmann is a leading independent general supplier of financial-agreement trustee services, although with the Norwegian bond market as its core activity
- Norsk Tillitsmann is owned by the most substantial institutions in the Norwegian financial market , i.e. banks, life assurance companies, securities firms and institutional investors



Shareholders

	Number	Amount	Share
DnB NOR Bank ASA	15.039	1.503.900	13,95 %
Nordea Bank Norge ASA	11.223	1.122.300	10,41 %
KLP Forsikring	11.175	1.117.500	10,36 %
Storebrand Livsforsikring AS	11.175	1.117.500	10,36 %
Vital Forsikring ASA	11.175	1.117.500	10,36 %
Frimal AS	11.000	1.100.000	10,20 %
Pareto AS	5.925	592.500	5,49 %
SEB Merchant Banking Oslo	5.000	500.000	4,64 %
L D C Trust Management Ltd	4.470	447.000	4,15 %
Sparebanken Vest	4.000	400.000	3,71 %
Carnegie ASA	2.975	297.500	2,76 %
Sparebank 1 Livsforsikring AS	2.490	249.000	2,31 %
Terra Markets AS	2.240	224.000	2,08 %
Fokus Bank ASA	1.495	149.500	1,39 %
Stiftelsen Najaden	1.490	149.000	1,38 %
Vestfold Sparebank	1.490	149.000	1,38 %
Sparebanken Sør	1.000	100.000	0,93 %
Fearnley Fonds ASA	750	75.000	0,70 %
ABG Sundal Collier Norge ASA	745	74.500	0,69 %
Aker Invest II KS	745	74.500	0,69 %
Alfred Berg Norge ASA	745	74.500	0,69 %
DnB NOR Kapitalforvaltning ASA	745	74.500	0,69 %
SEB Enskilda ASA	745	74.500	0,69 %
	107.837	10.783.700	100,00 %



NTM in short

- Portfolio of more than 1800 Bond Trusteeships
- Representing an outstanding nominal value of NOK 500 billion (USD 80 bill)
- More than 350 different issuers
- Market share (Norwegian Market) of more than 90 % of number of issues and more than 95 % of outstanding nominal amount (i.e. ex government bonds)
- Bond Trustee (and security agent) for all the high yield issues made in the Norwegian market



Stamdata AS

Norsk Tillitsmann provides electronic solutions for the supply of securities information for the Norwegian market for interest-bearing securities through its subsidiary **Stamdata AS**.





Search for issues

SeaDragon Offshore Limited 06/08 Fixed PIK Conv

[Interest rates](#)
[Conversion](#)

Names, ID's and Misc. Classes

VPnr - ISIN	NO 001033873.4
Ticker (Old/New)	
Exchange	Not listed
Issuer	SeaDragon Offshore Limited
Issuer's reg. number	200326261
Issue Name	SeaDragon Offshore Limited 06/08 Fixed PIK Conv
Securities Type	Bond
Business	INDUSTRISELSKAP
Risk Specification	Pledge
Capital Weight	100

Dates

Issue Date	02.11.2006
Interest Accrual Date	02.11.2006
Next Put (Price/Exe. Date)	
Next Call (Price/Exe. Date)	
Next Coupon Adjustment	
Next Redemption (X-date)	
Maturity Date	31.10.2008

Other Information

Region	Cayman Islands (9613)
Sector Code	Utenlandske utstedere (900)
Indstr. Class	Tj tilkn olje- og gassutv (11200)

Interest Rates

Interest Type	Fixed
Interest Adjustment	
Frequency	Annual
Frequency Type	
Reference Rate	
Margin	
Cap	
Floor	
Current Coupon Rate	9,00000
Day Count	30/360
Accrued Interest Conv	Act/365
Redemption Type	Bullet

Amounts

Program Type	Tap Issue
Currency	USD
Initial Principal Amount	
Current Outst. Principal Amount	10 000 000
Maximum Principal Amount	10 000 000
Denomination	1
Redemption Price	100,00000

Agents

Manager	Pareto Securities ASA
Paying Agent	DnB NOR Bank ASA
Loan Trustee	Norsk Tillitsmann ASA

Documentation process



NORSK TILLITSMANN ASA

Establishing a Bond Issue

- The terms and conditions of the issue are negotiated between the Borrower and lead manager (and its co-managers) and ultimately the investors.
- The Bond Trustee shall ensure that whatever terms are agreed are clear, meaningful and workable.
- The Loan Agreement is entered into by the Borrower and the Bond Trustee, acting on behalf of all the Bondholders.
- The Bond Trustee is not obliged to assess the Borrower's financial situation or ability to service the Bond Loan.
 - The prospectus or the information memorandum including the Loan Agreement should provide potential investors with sufficient information to assess the Borrower's financial position and the level of risk involved in the issue.



Bond Trustee take an active role

- Norsk Tillitsmann most often take an active part in establishing the documentation of the issue, i.e.
 - drafting the Loan Agreement based on the Term Sheet,
 - establishing any necessary security/collateral
 - verification of resolutions, powers of authority, government approvals,
 - obtaining legal opinions, auditor's confirmation and assessments .
- The documentation process is most often a cooperation and interaction between Norsk Tillitsmann, the lead manager, the legal counsel of the lead manager and sometimes the legal counsel(s) of substantial investors in the issue



Norwegian loan documentation - short and simplified

- Norwegian Background Legislation is extensive
 - Norwegian Public Limited Companies Act
 - Securities Depository Act
 - Securities Trading Act
- Scandinavian tradition of simplification
- Regulates 99.9 % of the possible situations
- The last 0.1 % consist of the obvious and the unthinkable
- Regulation of the unthinkable rarely fit the unthinkable situation





Monitoring



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Monitoring I

- Payment of principal, interest and other forms of yield
 - calculation and computation of interest rates,
 - interest rate regulations (both floaters and fixed rate)
 - yield calculations linked to shares and equity indexes
- Call and put options
 - the exercising of options
 - the conversion price of convertible bonds,
- Negative Pledge
 - compliance certificate should be given regularly
 - if security is given for other issues the Bond Trustee will hold security on the bondholders' behalf



Monitoring II

- **Security**
 - Change from escrow to security
 - Change in
- **Financial Covenants**
 - Minimum Loan to Value
 - Minimum Equity
 - Maximum borrowing
- **Other covenants**
 - Disposal of assets/Mandatory Prepayment
 - Change of business
 - Change of control
 - Maintaining Insurance



Monitoring III

- **Monitoring requires information**
 - from Borrower
 - from Investors
 - from Manager
- **The Bond Trustee**
 - is not obliged to assess the Borrower's financial situation
 - can only act upon terms and conditions in the Loan Agreement
 - is not an interest group or a pressure group



Default and rescheduling

Crisis management

- The single most important role that an experienced Bond Trustee can play is in crisis management
- Early contact with the Bond Trustee will allow the longest possible period for discussion and consideration and, hopefully, resolution
- A Bond Trustee can act behind the scenes in helping a Borrower to overcome potential events of default
- In the event of a default the Bond Trustee must consider whether such default is a major one, or a minor one, and whether or not such default is capable of remedy
- A Bond Trustee can provide a qualified view of Bondholders' likely reaction to a proposed course of action or proposal to the Bondholders



Acceleration- Enforcement - Default

- The Bond Trustee may at its absolute discretion take such steps and proceedings against the Borrower as it may think fit to enforce the security (if any) or otherwise secure recovery of the Bonds under the Loan Agreement
- However, the Bond Trustee is not bound to do so or to take any other action in relation to the Loan Agreement unless it has been so requested by the Bondholders' Meeting
- Only the Bond Trustee may pursue the remedies available under the Loan Agreement to enforce and accelerate the rights of the Bondholders and no Bondholders is entitled to proceed against the Borrower
- Having realised the charged property and distributed the net proceeds to the Bondholders, only the Bond Trustee is entitled to take further steps against the Borrower to recover any sum still unpaid, including steps for the winding-up of the Borrower



Rescheduling

- Norsk Tillitsmann has as bondholders representative been involved in more than **15 reschedulings** and restructurings during the last ten years
- Rescheduling and restructuring have in general given a far **better recovery rate** than bankruptcy proceedings under Norwegian law
- Bankruptcy proceedings according to Norwegian law most often lead to liquidation and forced sale of all the asset of a company which most often have a **negative affect on the values** compared to a going concern solution
- Trough the authority and power of the Bond Trustee and the bondholders meeting (derived from the loan agreement) it is possible to make **resolutions binding** and prevailing for all bonds/bondholders – which in order to reach a solution in a rescheduling situation is a necessity



Rescheduling of Kværner Group in 2001 – an example

- Acquisitions lead to severe financial problems and forced the company into negotiations with stock holders and creditors in 2001
- Total loan debt of Kværner of NOK 8,6 bill
- Bond and CD debt of total NOK 3.4 bill, consisting of 8 different issues, all with Norsk Tillitsmann as Bond Trustee, more than 250 Bondholders,
- Extensive calculations showed that a bankruptcy proceeding would probably give less than 15 percent recovery
- After four months of negotiations and three bondholders meetings total loan debt of NOK 8.6 bill converted into one ordinary 3-year bond loan of NOK 4.1 bill and one subordinated 10 year bond loan of NOK 4.5 bill, both with Norsk Tillitsmann as Bond Trustee
- The recovery rate has been depending upon when the bondholders sold their bonds. The ordinary loan paid interest until it was early redeemed in 2004 at a price of 100 %. The subordinated bond loan will be redeemed in December 2006 at a price of 98.6 %



Norsk Tillitsmann – Default and Rescheduling 1

Issuer	ISIN	Issued year	Amount	Difficulties occurred / Default	Action	Outcome / Dividend
Kværner ASA	NO 001009974.0	2001	NOK 500	Oct. 2001. Kværner ASA management acquisitions lead to severe financial problems and forced the company into negotiations with stock holders and creditors.	Dec. 2001 After heavy negotiations the bond holders agreed to join "the refinancing plan" which included all the company's creditors. The bondholders were for each bond given a part in two new bond loans; one ordinary bond loan (47%) and one subordinated bond loan (53%).	The recovery rate has been depending upon when the bondholders sold the bonds. The ordinary bond loan paid interest until it was early redeemed in 2004 at a price of 100%. The subordinated bond loan is now trading at 98%
	NO 001010082.9	2001	NOK 300			
	NO 001010236.1	2001	NOK 100			
	NO 001011160.2	2001	NOK 250			
	NO 000179150.3	1994	NOK 800			
	NO 000179151.1	1997	NOK 500			
	NO 001007682.1	2000	NOK 280			
	NO 001007683.9	2000	NOK 665			
Petrolia Drilling	NO001008557.4	2001	NOK 183	May 2002 Unemployed drilling rig and vessels caused severe financial problems.	Nov. 2002 Terms and conditions for the bond loan were altered to save the company from going into a bankruptcy process. The bondholders were given the option to convert into shares in the company at a price of NOK 0.50 within one month and at 0.75 at maturity.	A conversion to share at NOK 0.50 gave approximately 20% dividend. Nearly the whole bond loan amount was converted to shares in 2002.
Loki	NO001003245.1	1999	NOK 40 mill.	Nov. 2002. The company met liquidity challenges and announced that it would be impossible to redeem the bond loan at maturity date in March 2003	Nov. 2002 Maturity date was postponed to December 2006. Pledge and redemption plan was established on "pay as you earn" basis	February 2004 Market and business strengthened and the bond loan was redeemed at the price of 100% plus accrued interest



Norsk Tillitsmann – Default and Rescheduling 2

Issuer	ISIN	Issued year	Amount	Difficulties occurred / Default	Action	Outcome / Dividend
Actinor	NO001009018.6 NO001009019.4 NO001011408.5 NO001011409.3	2001 2001 2001 2001	NOK 100 mill NOK 300 mill NOK 50 mill NOK 100 mill	Autumn 2002. Liquidity was squeezed as a consequence of internal loans given from the borrower to the parent company. The parent company was not able to repay the loan.	Negotiations started immediately after the borrower informed NTM about the situation and a waiver agreement was signed to give the borrower time to hand off some of the assets to meet an early redemption for the bond loans. The negotiations continued in cooperation with other creditors and dealers.	March 2003 The borrower agreed to sell of most of the assets in the company and gave the bondholders an offer of an early redemption at a price of 85% plus accrued interest. The bondholders accepted.
Crystal Production (Brøvig)	NO001007390.1 NO 001007816.5	2000 2000	NOK 178 mill NOK 71 mill	June 2001. Breach of contracts, delays in projects, reconstruction of vessel all lead to higher cost and considerable loss of income. The company gave a warning of liquidity problems.	Several bondholders meeting were arranged. 2001 -Put option waived in exchange of pledge in the vessels. 2002- Two of the three vessels were unemployed, interest rate and installments were postponed. Later a creditor agreement was signed.	December 2002 The creditor agreement gave the bondholders in the ordinary bond loan 11% cash settlement, the remaining bonds were converted to shares leaving the bondholders as 48.5% owners of the company. The convertible bond loan was converted to shares leaving the bondholders with 7.5% of the company. The vessels were later sold and the proceeds did not cover more than the company owed to the mortgage banks.



Norsk Tillitsmann – Default and Rescheduling 3

Issuer	ISIN	Issued year	Amount	Difficulties occurred / Default	Action	Outcome / Dividend
Pan Fish	NO001007857.9 NO001007856.1	2000 2000	237 mill 496 mill	August 2002 Liquidity problem was obvious for the market and discussions began with the banks, dealers and the trustee.	September – December 2002 Negotiations with the banks and the dealers for raising more capital to be able to run the company further. The trustee worked with the banks to settle an agreement.	December 2002 The restructuring agreement was signed giving the bondholders the option to convert into shares in Pan Fish at a price of 1,50 or/and into a new bond loan with maturity after 10 years and paying interest after 5 years. Recovery rate at more than 50%.
Northern Offshore	NO001009351.1	2001	143 mill	March 2003 It became clear that the company would not be able to redeem the bond loan according to the loan agreement in April 2003.	April 2003 The bondholders decided to give their approval of postponing the maturity to October 2004 and demanded higher interest margin and a cash payment of 2,5% immediately. July 2004 The company failed to pay interest due July 2004. An unofficial ad hoc committee of holders of the USD Notes and NOK Bonds was established.	May 2005 Under one scheme of arrangement under Bermuda law, restructuring of the company was agreed upon. The bond loans were converted to share capital and the company was split between the NOK bond holders and the USD bond holder. Increasing rig rates gave the holders a recovery rate at more than 100% after a year.
Tordenskjold*	NO 001 011115.6 NO 001 003166.9	2001 1999	NOK 98 mill NOK 64 mill	June 2003 The owners and administration entered into agreements which were in conflict with the loan agreement and a default situation arose. The financial statements hid the fact that the company was insolvent.	July 2003 The bondholder meeting authorized the trustee to accelerate the bond loans, and the company was declared bankrupt. Mortgage banks demanded the assets (ships) sold.	2006 The case is not yet closed and administration and legal proceedings are still ongoing. The administration and the board of the company have not acted in accordance with prudent business practice and some officers of the company have been charged for criminal actions. A payout ratio (dividend) of more than 5-10% can not be expected.

The table illustrates the most important cases of restructuring or insolvency processes where Norsk Tillitsmann has represented the bondholders. Some of the cases are very complex and only the main features are mentioned above.



Example of High Yield Issues with trusteeship of Norsk Tillitsmann

Some of the HY Bonds with NTM as bond trustee (1)

- **DDI Holding 06/12 – 4 bond issues**
 - Part financing of new building rigs
 - NOK 400 million
 - USD 160 million
 - USD 140 million, and
 - USD 280 million
 - Each issue is secured by 2. pr. mortgage in the relevant rig(s)
- **12 % Thule Drilling 06/09**
 - Refinancing of debt and financing of rigs
 - USD 130 million
 - i.a. 1. pr. mortgage in the rigs
- **FRN Neptune Marine Invest 06/09**
 - Financing the reactivation and upgrading of drillships
 - USD 125 million
 - 1. pr. mortgage in the drillships
- **9.75 % Petromena AS 06/12**
 - Part-financing of two new building rigs
 - NOK 2 billion
 - i.a. 2. pr. Mortgage in the rigs
- **FRN Petrojack AS 06/12**
 - Part-financing of two new building rigs
 - USD 200 billion
 - i.a. 1. pr. mortgage in the rigs
- **FRN Petrojack AS 06/12**
 - Part-financing of two new building rigs
 - NOK 500 billion
 - i.a. 2. pr. mortgage in the rigs



Some of the HY Bonds with NTM as bond trustee (2)

- **8.75 % PA Resources AB 05/10**
 - Refinancing of debt
 - NOK 300 million
 - Senior unsecured
- **10 % PA Resources AB 06/11**
 - Refinancing of debt
 - USD 100 million
 - 2 pr. pledge over the shares in Didon Tunisia
- **8.75 % Club Cruise 06/11**
 - General corporate purpose
 - NOK 100 million
 - 1. pr. security over “MV Walrus”
- **8.5 % Club Cruise 06/11**
 - General corporate purpose
 - NOK 112 million
 - 1. pr. security over “MV Van Gogh”
- **12 % Geopard A/S 06/12**
 - Part-financing of Altinex’ acquisition of Denerco Oil
 - NOK 600 million
 - Subordinated bank debt
 - Senior unsecured
 - Guarantee from the parent company
- **FRN Eitzen Chemical 06/11**
 - Part financing of the acquisition of Songa Shipholding
 - NOK 490 million
 - Senior unsecured
- **FRN Eitzen Chemical 06/11**
 - Part financing of the acquisition of Songa Shipholding
 - USD 25 million
 - Senior unsecured



Some of the HY Bonds with NTM as bond trustee (3)

- **Volstad Maritime 06/12**
 - Financing of new buildings and acquisitions
 - NOK 150 million
 - Fully subordinated the Fleet Loan
 - 2. pr. security over main assets
- **FRN Peterson 06/10**
 - Refinancing of debt
 - NOK 385 million
 - 1 pr. security over main assets
- **9.75 % Tandberg Data 06/10**
 - Refinancing of debt
 - USD 17.5 million
 - 1. pr. security over all assets
- **11.25 % Tandberg Data 06/10**
 - Refinancing of debt
 - USD 5.95 million
 - 2. pr. security over all assets



Some of the HY Bonds with NTM as bond trustee (4)

- **Aker Drilling Convertible 05/10**
 - Part financing of the acquisition of two semi submersible drilling rigs.
 - NOK 800 million
 - Fully subordinated
- **10.5 % Artumas Group Inc Convertible 06/09 – 2 issues**
 - Finance capital expenditures, project development expenditures and working capital in connection with Mnazi Bay gas field
 - USD 20 million and USD 10 million
 - Senior unsecured
- **10 % Heritage Oil Convertible 06/11**
 - Development of West Chumpass Field, West Siberia and general corporate purpose
 - USD 20 million and USD 10 million
 - Senior unsecured
- **6 % Geysir Petroleum hf. Convertible 06/10**
 - Development of current assets and acquiring of new strategic assets
 - NOK 200 million
 - Senior unsecured
- **8 % Onetwocom Convertible 06/08**
 - General corporate purpose
 - NOK 34.96 million
 - 1. pr. pledge in Freetel AB
- **11 % Atlantic Oilfield Services Ltd 06/11**
 - Warrants allotted to each bond
 - General corporate purpose
 - USD 35 million
 - 1. pr. mortgage in an accommodation rig



Some of the HY Bonds with NTM as bond trustee (5)

- **4.10 % Hambo AB Oy 05/10**
 - General corporate purpose
 - EUR 26 million
 - Subordinated
- **FRN SAS 05/10**
 - General corporate purposes
 - NOK 667 million
 - Senior unsecured
- **7 % SAS 05/10**
 - General financing of the issuer
 - NOK 332.5 million
 - Senior unsecured
- **FRN Broström AB (publ) 05/08**
 - General corporate purpose
 - USD 100 million
 - Senior unsecured
- **FRN Bergesen Worldwide Gas 06/09**
 - Part financing of the acquisition of Yara's ammonia fleet and general corporate purpose
 - NOK 700 million
 - Senior unsecured
- **FRN Bergesen Worldwide Gas 06/11**
 - Part financing of the acquisition of Yara's ammonia fleet and general corporate purpose
 - NOK 250 million
 - Senior unsecured



Some of the HY Bonds with NTM as bond trustee (6)

- **FRN Software Innovation 06/09**
 - General corporate purpose
 - NOK 80 million
 - Senior unsecured
- **FRN StepStone 06/10**
 - General corporate purpose
 - NOK 100 million
 - Senior unsecured
- **FRN NextGenTel Holding 06/10**
 - General corporate purpose
 - NOK 200 billion
 - Senior unsecured
- **FRN Visma 04/08**
 - General corporate purpose
 - NOK 250 million
 - Senior unsecured

