

## NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF

### SeaBird Exploration PLC

The Board of Directors hereby convene the Shareholders of

### SeaBird Exploration PLC

to the Extraordinary General Meeting to be held on

**2 October 2017 at 11.00 local time**

at Diagoras House, 7<sup>th</sup> Floor, 16 Pantelis Catelaris Street, CY-1306 Nicosia, Cyprus

The Extraordinary General Meeting will be opened by the Chairman/Chairperson of the Meeting.

#### **The following agenda has been set for the general meeting:**

1. Creation of new Class A Shares and exclusion of Pre-Emption rights in relation to new shares.

The purpose of the Meeting is to consider and, if thought fit, approve Resolutions of the Company relating to each of the matters listed above.

#### **1. CREATION OF NEW CLASS "A" SHARES AND EXCLUSION OF PRE-EMPTION RIGHTS IN RELATION TO SUCH SHARES**

The Company has been in a difficult financial situation and has recently entered into arrangements for the restructuring of its debts and liabilities. On 3 August 2017 and as part of the above-mentioned restructuring, the Company converted part of its indebtedness into equity through the issue of 54,389,711 additional ordinary shares to some of its debtors. However, the Company is in urgent need for additional funds through the issue of further equity, in order to enable it to continue trading as a going concern and avoid initiating voluntary liquidation procedures in Cyprus. The Company has for an extended period of time discussed with a substantial number of potential investors, both existing shareholders and potential new investors to seek an equity financing on the best terms available under current market conditions. Under the circumstances, based on the outcome of these discussions, and in view of the current market value of the Company's shares traded on the

Oslo Børs, the Board of Directors has proposed that the Company be authorised to issue a new class of shares ("**the Class A Shares**") of a nominal value US\$0.001 each with a nominal value which is lower than the nominal value of the Company's ordinary shares, in order to make the said Class A Shares more marketable to investors. The Class A Shares shall rank in all respects pari passu with and bear the same rights as ordinary shares.

In order to facilitate the conversion of the Class A Shares into ordinary shares and/or the raising of more funds through the issue of further equity, it is also proposed that, at a separate Extraordinary General Meeting of the Company to be convened following the issues of the Class A Shares ("**EGM2**"), the Company (a) reduce its authorised and issued share capital through a reduction of the nominal value of its ordinary shares from US\$0.1 to US\$0.001 each ("**the Reduction**") and (b) simultaneously increase its authorised share capital to its former or a higher amount (as shall be specified in the Notice for EGM2) to be divided into ordinary shares of US\$0.001 each.

Under the Cyprus Companies' Law, whenever new shares are issued for consideration in cash, the shares must be offered on a pre-emptive basis to the existing shareholders, in proportion to the capital represented by their shares. These pre-emption rights may be excluded by a resolution of the General Meeting. In order to provide the Board of Directors with more flexibility and the ability to act quickly in raising funds, the Board proposes that any pre-emption rights be excluded in relation to the Class A Shares.

A report, prepared in accordance with section 60B of the Cyprus Companies' Law, Cap. 113, as amended, is attached as Appendix 1, wherein the Board of Directors sets out the reasons why an exclusion of pre-emption rights is proposed ("**the Report**").

**THE BOARD OF DIRECTORS PROPOSES THE FOLLOWING TO BE RESOLVED AS AN ORDINARY RESOLUTION** (see Note 9 below)

**THAT**, the authorised share capital of the company, presently in the amount of US\$16,800,000.00 divided into 168,000,000 ordinary shares of US\$0.10 each, be and is hereby divided into (a) 157,500,000 ordinary shares of a nominal value US\$0.10 each, and (b) 1,050,000,000 Class A Shares, of a nominal value of US\$0.001 each.

**THAT**, the rights attached to the 57,455,145 ordinary shares already issued in the Company shall remain unaffected.

**THAT** the Class A Shares shall be converted automatically into ordinary shares at a rate of 1 Class A Share to 1 ordinary share(s) of a nominal value US\$0.001 each, upon effective completion of the Reduction of the Company's authorised and issued share capital, through the reduction of the nominal value of its ordinary shares from US\$0.10 to US\$0.001 and issue

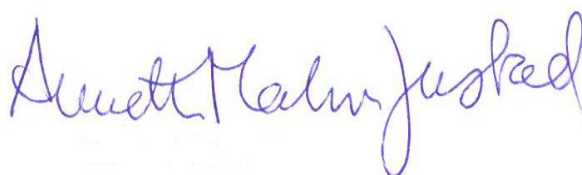
by the Registrar of Companies in Cyprus of the relevant Certificate confirming the Reduction, and

**THAT** the Class A Shares shall rank pari passu in all respects with the ordinary shares in the Company and shall confer on their holders the same rights as regards dividend, voting and other matters as the ordinary shares.

**THAT** the Board of Directors be and is hereby authorised to issue and allot up to 1,050,000,000 (one billion fifty million) Class A Shares of US\$ 0.001 ("**the New Shares**") for general corporate purposes, for restructuring of debt and for general capitalisation of the Company, on such price as included in the Report and on such other terms and to such persons as the Board may determine and the shareholders hereby waive any pre-emption rights they have, under the applicable law, to subscribe for the New Shares ("**Resolution 1**").

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Cyprus 18 September 2017



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By order of the Board of Directors  
Annette Malm Justad  
Chairperson  
(sign)

Notes:

1. *A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and to vote on their behalf. A proxy need not be a member of the Company.*
2. *All persons/companies registered with the Norwegian Central Securities Depository (the "VPS") being holders of depositary ownership interest in SeaBird Exploration Plc for the relevant shares may attend and/or exercise their voting rights at the General Meeting by notifying the Company's VPS Registrar, DnB Bank ASA, by 12:00 hours CET on 1 October 2017 in the form of the attached proxy.*
3. *In the case of a corporation, the proxy must be signed on its behalf by a duly authorised officer or attorney, and a copy of the power of attorney or other authority (if relevant) under which the proxy is signed should be forwarded to the VPS Registrar together with the duly signed and completed proxy form.*
4. *Holders of depositary ownership interests who wish to attend and vote at the General Meeting in person should request the VPS Registrar to appoint him/her/it as proxy in the attached proxy form.*
5. *Completion of a proxy will not prevent members from attending and voting in person if they so wish.*
6. *A proxy form which may be used to make such an appointment has been sent to all Shareholders together with this Notice.*
7. *In the case of joint holders the signature of any one of them will suffice. The vote of the senior party tendering a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.*
8. *The Company specifies that for a member to be entitled to attend and vote at the meeting (and for the determination by the Company of the number of votes they may cast) they must be entered on the Company's register of members by three days before meeting ("the Specified Time"). Changes to entries on the register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the meeting.*
9. *The Resolution will be passed as follows:*
  - (i) *if at least half of the issued share capital is represented at the Meeting, a simple majority will suffice;*
  - (ii) *if less than half of the issued share capital is represented at the Meeting, the decision shall be taken by two thirds of the votes corresponding to the represented issued share capital.*

# SEABIRD EXPLORATION PLC

## Extraordinary General Meeting of 2 October 2017

### Report of the Board of Directors relating to the exclusion of Pre-emption rights

#### 1. Purpose of the Report

This report has been prepared and is being submitted by the Board of Directors of SeaBird Exploration Plc (the “**Company**”), pursuant to the provisions of section 60B of the Cyprus Companies’ Law, Cap. 13, as amended (the “**Law**”), in order to support the proposal for the approval by the shareholders, at the extraordinary general meeting to be held on 2 October 2017, at 11.00 a.m., of an exclusion of pre-emption rights, in connection with the proposed authorization to issue of up to 1,050,000,000 Class A shares in the Company.

The approval being sought, if granted, will remain in force until the date of the Company’s Annual General Meeting in 2018.

#### 2. Background

- 2.1 The Company has been in a difficult financial situation and has entered into arrangements for the restructuring of its debts and liabilities.
- 2.2 At an extraordinary general meeting held on 13 June 2017, the shareholders’ approved a restructuring of the Company’s debt and the conversion of part of the Company’s indebtedness into equity.
- 2.3 On 31 July 2017 the Board of Directors issued 54,389,711 additional shares in the Company to some of its creditors, as partial conversion of its indebtedness into equity.
- 2.4 At an extraordinary general meeting held on 17 August 2017, the shareholders resolved that the authorized share capital of the Company be increased from US\$ 6,800,000.00 to US\$ 16,800,000.00 divided into 168,000,000 shares of a nominal value of US\$ 0.10 each, for the purpose of securing additional funds to cover the Company’s immediate financial needs through the issue of further equity.
- 2.5 In view of the current market value of the Company’s shares traded on the Oslo Børs, the Board of Directors has proposed that the Company be authorised to issue a new class of shares (the “**Class A Shares**” or “**Offer Shares**”) of a nominal value US\$0.001 each with a nominal value which is lower than the nominal value of the Company’s ordinary shares, in order to make the said Class A Shares more marketable to investors.

#### 3. Purpose and justification for the proposal

- 3.1 The Board of Directors proposes the following for the purpose of raising funds through the issue of further equity:
  - (a) The Company intends to carry out a private placement of the new Class A Shares in the Company, each with a nominal value of USD 0,001, at a subscription price of NOK 0.10 (the “**Offer Price**”) per Offer Share (the “**Private Placement**”). The Private Placement will be for a maximum of NOK 100 million corresponding to

1,000,000,000 Offer Shares. As further described below, the Offer Shares will initially be issued on a separate ISIN, and will be converted into ordinary shares of the Company following a reduction of the nominal value of the Company's ordinary shares. The net proceeds from the Private Placement will be used for working capital purposes to strengthen the financial position of the Company as well as for general corporate purposes. The Company has received subscriptions and made allocations for NOK 100 million, subject to approval by the shareholders of the resolutions proposed by the Board of Directors at the extraordinary general meeting to be held on 2 October 2017.

- (b) The Company, subject to approval of the completion of the Private Placement, may carry out a subsequent repair offering of Class A Shares raising proceeds of up to NOK 5 million at the Offer Price to its existing shareholders as of close of trading 15 September 2017, as subsequently recorded in the VPS, who were not contacted in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action.
  - (c) The Company may deem it in the interest of its stakeholders to carry out other offerings of Class A Shares.
- 3.2 In order to be able to execute the Private Placement, it is essential that the pre-emption rights of the Company's current shareholders are excluded, so that the new Class A Shares are subscribed by investors, that have indicated their interest in investing in the Company.

Issuing shares without excluding pre-emption rights would hinder the implementation of the Private Placement and therefore deprive the Company from securing the funds needed quickly. Therefore, the recommendations made by the Board of Directors are necessary under the circumstances and proportionate to the aim pursued i.e. the Company continuing as a going concern.

#### **4. Issue Price**

Given the urgent need for equity refinancing, the Company has for a number of months together with its financial advisors approached existing shareholders and new investors to establish the basis for a guaranteed rights issue for the Company. This has, however, proved impossible. The currently proposed Private Placement has been negotiated with a large number of prospective investors with the aim of achieving a re-financing of the Company, and to achieve the best possible price for the shares to be issued. The Offer Price has proven to be the best price achievable to secure the funds required to allow the Company to continue trading as a going concern.



Annette Malm Justad  
Chairperson  
On behalf of the Board of Directors



## PROXY VOTE INSTRUCTION

### SeaBird Exploration PLC (the "Company")

#### Proxy Solicited for Extraordinary General Meeting 2 October 2017

The undersigned hereby authorize DNB Bank ASA to constitute and appoint Ms. Avra Arestis Zachariades, the Company's Legal Counsel in Cyprus, as his true and lawful agent and proxy, to represent the undersigned at the Extraordinary General Meeting of shareholders of the Company to be held in Diagoras House, 7<sup>th</sup> Floor, 16 Pantelis Catelaris Street, CY-1306 Nicosia, Cyprus, at 11:00 (local time), for the purposes set forth below and in the Notice of Extraordinary General Meeting issued by the Company.

☒ Please mark your votes as in this example.

#### Resolutions

YES NO ABSTAIN

1. Creation of new Class A Shares and exclusion of Pre-emption rights in relation to new shares	—	—	—
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Signature(s) \_\_\_\_\_ Date: \_\_\_\_\_

Note: Please sign exactly as name appears below, joint owners should each sign. When signing as attorney, executor, administrator or guardian, please give full title as such.

Name of shareholder in block

letters: \_\_\_\_\_

Please return your completed and signed proxy, to be received by DNB Bank ASA on or prior to 1 October 2017, 12:00 hours Central European Time, either by way of e-mail to e-mailaddress: [vote@dnb.no](mailto:vote@dnb.no) or by ordinary mail to DNB Bank ASA, Registrars Dept., P.O. Box 1600 Sentrum, 0021 Oslo, Norway, or if delivery by hand to: DNB Bank ASA, Registrars Dept., attn.: K. G. Berg, Dronning Eufemias gate 30, 0191 Oslo, Norway.