

NOTICE TO BONDHOLDERS

Sequa Petroleum N.V. (the Issuer) **U.S.\$300,000,000 5 per cent. convertible bonds due 2020 (the Bonds)**

*Reference is hereby made to the Notice to holders of the Bonds (the **Notice to Bondholders**) and appended written resolution (the **Written Resolution**) published by the Issuer on 24 March 2016.*

Capitalised terms used but not defined in this Notice have the meanings assigned to them in the Notice to Bondholders and the Written Resolution.

NOTICE IS HEREBY GIVEN to the Bondholders that the Written Resolution was passed by the requisite majority of the Bondholders, thereby permitting, *inter alia*:

- a. the granting of security in connection with the Tellus Bond Transaction; the Sequa Bonds and potential future acquisitions by the Tellus Parent and its subsidiaries;
- b. the amendment of the Final Maturity Date applicable to the Bonds from 29 April 2020 to 29 April 2022 in order to facilitate the issue of the Tellus Bonds and the Sequa Bonds;
- c. the amendment of the initial Conversion Price applicable to the Bonds from U.S.\$3.50 per Ordinary Share to U.S.\$2.50 per Ordinary Share (in connection therewith, the Issuer confirms that no circumstance has arisen which would require, under the Conditions of the Bonds, any adjustment to the initial Conversion Price set out therein);
- d. the amendment of the interest rate applicable to the Bonds from 5.00 per cent. per annum to (x) 5.00 per cent. per annum from (and including) the Closing Date to (but excluding) the Interest Payment Date falling on 29 April 2019; (y) 7.00 per cent. per annum from (and including) the Interest Payment Date falling on 29 April 2019 to (but excluding) the Interest Payment Date falling on 29 April 2021; and (z) 9 per cent. per annum from (and including) the Interest Payment Date falling on 29 April 2021; and
- e. the deletion of Condition 7(b)(i), such that Issuer's right to redeem the Bonds at its option if the Parity Value of the Ordinary Shares exceeds 140 per cent. of a Bond in principal amount of US\$200,000 over a period of 30 qualifying dealing days in any 45 consecutive qualifying dealing day period is removed, and consequential amendments.

In accordance with the terms of the Notice to Bondholders, the Bonds will remain blocked until the First Supplemental Trust Deed is entered into.

This Notice is given by Sequa Petroleum N.V. on 11 April 2016.

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