

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or any action to be taken, you should immediately consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investments and Securities Act, No 29 of 2007.

If you have sold or otherwise transferred all or any of your bonds please give this document to the purchaser or transferee or to the Stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.



RC 4119

**~~N~~9,000,000,000 SERIES 1 5 YEAR 17.50% FIXED RATE UNSECURED BONDS DUE 2021
UNDER THE ~~N~~50,000,000,000 DEBT ISSUANCE PROGRAMME**

EXTRAORDINARY GENERAL MEETING OF BONDHOLDERS

DATE: Wednesday, 20th June 2018

VENUE: Ikoyi Meeting Room,
Radisson Blu Anchorage Hotel,
1A, Ozumba Mbadiwe Street,
Victoria Island,
Lagos.

TIME: 12 Noon



FORTE OIL PLC
₦9,000,000,000 SERIES 1 5 YEAR 17.50% FIXED RATE UNSECURED BONDS DUE 2021
UNDER THE ₦50,000,000,000 DEBT ISSUANCE PROGRAMME

CONSENT TO SHORTER NOTICE PERIOD

Whereas, pursuant to clause 2.1 of the Second Schedule of the Programme Trust Deed for the FORTE OIL PLC ₦9,000,000,000 Series 1 5 year 17.50% Fixed Rate Unsecured Bond Due 2021, it is required that a meeting of Bondholders be called by the giving of not less than twenty-one (21) days' notice in writing.

I/We being a holder/ holders of units in the FORTE OIL PLC ₦9,000,000,000 Series 1 5 year 17.50% Fixed Rate Unsecured Bond Due 2021, do hereby in accordance with clause 2.2 of the Second Schedule of the Programme Trust Deed give our consent to a shorter notice period in respect of the meeting proposed for Wednesday, 20th June 2018 at 12 noon at Ikoyi Meeting Room, Radisson Blu Anchorage Hotel, 1A, Ozumba Mbadiwe Street, Victoria Island, Lagos State.

Dated thisday of 2018

Please affix corporate seal

.....
Bondholder's Signature
(Only authorised signatories may sign.)



FORTE OIL PLC

**₦9,000,000,000 SERIES 1 5 YEAR 17.50% FIXED RATE UNSECURED BONDS DUE 2021
UNDER THE ₦50,000,000,000 DEBT ISSUANCE PROGRAMME**

NOTICE OF MEETING

Notice is hereby given that the Extraordinary General Meeting of the holders of the Forte Oil Plc ₦9,000,000,000 Series 1 5 Year 17.50% Fixed Rate Bonds Due 2021 (“the Bondholders”) will be held at Ikoyi Meeting Room, Radisson Blu Anchorage Hotel, 1A, Ozumba Mbadiwe Street, Victoria Island, Lagos on Wednesday, 20th June 2018 at 12noon to consider and if thought fit, approve the following in line with Clause 11.1.16 of the Programme Trust Deed:

1. The Issuer’s proposal for the sale of the following subsidiaries:
 - (a) Its Ghana operations, (AP Oil & Gas Ghana Limited (100%));
 - (b) Power business (Amperion Power Distribution Company Limited (57%) – the vehicle through which the Company’s interest in Geregu Power Plc is held); and
 - (c) Forte Upstream Services Limited (100%).

2. That the Joint Trustees are hereby authorized to take all necessary steps for and on behalf of the Bondholders for the purpose of giving effect to the resolutions passed herein in compliance with the provisions of the Investment and Securities Act No. 29, 2007.

Dated this12th..... day ofJune..... 2018.

BY ORDER OF THE TRUSTEES:
ARM TRUSTEES LIMITED
FBNQUEST TRUSTEES LIMITED
UTL TRUST MANAGEMENT SERVICES LIMITED
UNITED CAPITAL TRUSTEES LIMITED
VETIVA TRUSTEES LIMITED

Notes:

1. A Bondholder entitled to attend and vote may appoint a proxy to attend and vote instead of himself/herself/itself. A proxy need not be a Bondholder.
2. All proxy forms must be duly stamped to the value of ₦50.00 as duty thereon and same should be deposited at Veritas Registrars Limited, Plot 84, Ajose Adeogun Street, Victoria Island Lagos not later than 48 hours before the time fixed for the meeting.
3. Representatives of Bondholders that are corporate bodies shall be required to submit to the Bond Trustees at the entrance of the meeting venue, a letter of authorization (written on the letterhead of such corporate body and duly executed under the hand of its authorized officers) stating the name of the Bondholder's representative and verifying that the person named therein is authorized to represent the corporate body at the meeting.

EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS ON THE PROPOSED TRANSACTION

Forte Oil Plc (“Forte Oil” or “the Group”) is a leading integrated energy solutions provider in Nigeria. Forte Oil is an operating holding company under which the Group undertakes its downstream business in Nigeria, and also holds interests in AP Oil & Gas Ghana Limited (100%), Amperion Power Distribution Company Limited (57%) – the vehicle through which the Company’s interest in Geregu Power Plc is held and Forte Upstream Services Limited (100%). The core of Forte Oil’s operations is in the downstream oil and gas segment, and the Company has established itself as a foremost indigenous petroleum marketing company with a rich history and strong operational platforms. In December 2016, Forte Oil issued NGN9bn debt instrument as Series 1 of its NGN50bn debt program and in compliance with the obligations of this debt instrument, the Company hereby states the below with regard to its intending corporate action.

The downstream sector of Nigeria’s oil and gas industry has witnessed significant changes in recent years and is expected to further evolve in the near term. These changes continue to affirm our strong belief that only downstream operators with huge investments in both storage and distribution infrastructures can remain competitive and operationally efficient in the long run. These changes and macro-economic factors including but not limited to the devaluation of the Nigerian Naira, fixed margins in a tightly regulated sector and prospects of a fully deregulated downstream petroleum sector continue to shape the future of our industry.

Forte Oil has two (2) storage depots with a total capacity of 46.4m litres, five (5) aviation fuel depots with a total installed storage capacity of 14.7m litres and a lubricant blending plant with an installed capacity of 30,000 metric tonnes per annum. The Company also owns one hundred (100) Mercedes Benz trucks for distribution of products across our over five hundred (500) retail outlets and huge commercial customer base. Whilst these put us in a strong position to increase market share as the industry continues to evolve, significant amounts of additional capital investment in infrastructure for expansion purposes is still required to capture the desired market share, boost the company earnings and consequently improve shareholder value. In addition, the recent devaluation of the Nigerian Naira has also increased the capital requirements of the Nigerian downstream oil and gas business, as most products including inputs for lubes blending are imported. The changing landscape also suggests backward integration would be essential to remain competitive within the sector, particularly in the face of impending deregulation.

The Power business although profitable, has huge receivables due from the Nigeria Bulk Electricity Trading Plc (NBET) and a significant portion of its distributed earnings is also utilized in servicing the acquisition debt finance. The receivables from NBET as at 31st December 2016 and 31st December 2017 stood at Fourteen Billion, Six Hundred Million Naira (NGN14.6bn) and Thirty-Two Billion, Six Hundred Million Naira (NGN32.6bn) respectively. It is pertinent to note

that the Federal Government has provided an NBET Payment Assurance Facility (PAF) in the sum of Seven Hundred and One Billion Naira (NGN701bn) which has been able to settle some of these obligations. However, this fund has been depleted with no clear signals from the Government of another disbursement.

Despite the significant resources deployed including management time, the upstream services business has consistently contributed less than 7% to the Company earnings in the last three financial years.

The downstream subsidiary in Ghana has consistently declared losses after tax in the last three (3) years. In addition, the subsidiary has substantial bad and uncollectable trade debts as a result of tough economic conditions and currency devaluation in prior years.

Based on the foregoing, the Company is seeking to take a strategic step to restructure its business by divesting its interests in its Ghana operations, upstream services and power business, in order to ensure adequate funding is available for the Nigerian downstream oil and gas business expansion initiatives. The Company foresees immense prospects in the Nigerian downstream oil and gas sector, and is positioning proactively to harness these opportunities.

IMPACT OF THE DIVESTMENT ON EARNINGS AND CASHFLOWS

1. Reduction in the finance cost of the Company, which stood at NGN2.17bn and NGN2.62bn for 2017 and 2016 respectively, and would increase profitability.
2. Improve liquidity as the Company expects the proceeds of the divestment to be a minimum of NGN10.3bn (the carrying value of the investments in the subsidiaries).
3. Increased earnings are expected to double from expansion initiatives and backward integration.
4. Average dividend of NGN200m received annually from Forte Upstream Services Ltd to be eliminated. This should have no significant impact on the Company's cash flows as the proceeds from the divestment would be used to grow the downstream business and improve cash flows by over NGN200m.
5. Current cash flow support provided by the Company to Amperion for loan repayments will no longer be required.



**PROXY FORM | FORTE OIL PLC ₦9,000,000,000 SERIES 1 5 YEAR 17.50% FIXED RATE
UNSECURED BOND DUE 2021**

FORTE OIL PLC EXTRAORDINARY GENERAL MEETING OF THE BONDHOLDERS TO BE HELD ON THE 20TH JUNE 2018 AT 12P.M. AT IKOYI MEETING ROOM, RADISSON BLU ANCHORAGE HOTEL, 1A, OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS STATE.

I/We being a holder/ holders of units in the **FORTE OIL PLC ₦9,000,000,000 Series 1 5 year 17.50% Fixed Rate Unsecured Bond Due 2021**, hereby appoint (**)

or failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Bondholders to be held on the 20th June 2018 at 12noon at Ikoyi meeting room, Radisson Blu anchorage hotel, 1a, Ozumba Mbadiwe Street, Victoria Island, Lagos State.

Dated thisday of 2018

Bondholder's Signature.....

EXTRAORDINARY RESOLUTIONS	
1.	The Issuer's proposal for the sale of the following subsidiaries: (A) Its Ghana operations, (AP Oil & Gas Ghana Limited (100%)); (B) Power business (Amperion Power Distribution Company Limited (57%) – the vehicle through which the Company's interest in Geregu Power Plc is held); and (C) Forte Upstream Services Limited (100%).
2.	That the Joint Trustees are hereby authorized to take all necessary steps for and on behalf of the Bondholders for the purpose of giving effect to the resolutions passed herein in compliance with the provisions of the Investment and Securities Act No. 29, 2007.

For	Against	Abstain
Please indicate how you wish your votes to be cast on the resolution set out above by indicating "x" in the appropriate space. Unless, otherwise instructed the proxy will vote or abstain from voting at his discretion		

NOTE:

1. A holder (bondholder) who is unable to attend the Extraordinary General Meeting is allowed by law to vote by proxy and the above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked**) the name of the person whether a Bondholder or not, who you wish to attend the meeting and vote on your behalf instead of the Chairman of the meeting.
3. Voting at the meeting will be by show of hands.
4. Please sign this form and deliver or post it to reach the Registrar, Veritas Registrars Limited, Plot 84, Ajose Adeogun Street, Victoria Island Lagos, not later than 48 hours before the meeting and ensure that the proxy form is dated, signed and stamped to the value of ₦50.00 as duty thereon.
5. The holder (bondholder) or his/her duly appointed proxy must detach and produce the Admission Card to obtain entrance to the meeting.

6. The completion and despatch of the proxy form does not prevent the attendance of the holder should he/she become free to attend in person.
7. The Explanatory Statement provides information on the proposed transaction and its impact on the cash flow of the Issuer.



Before posting the above form, please tear off this part and retain it for admission to the meeting

**FORTE OIL PLC ₦9,000,000,000 SERIES 1 5 YEAR 17.50% FIXED RATE UNSECURED BOND DUE 2021
EXTRAORDINARY MEETING ADMISSION CARD**

Please admit the Bondholder named on this Card or duly appointed proxy to the Extraordinary Meeting of the Bondholders to be held at Ikoyi meeting room, Radisson Blu anchorage hotel, 1a, Ozumba Mbadiwe street, Victoria Island, Lagos State.

Name and address of Bondholder

Bondholder

Proxy

Number of Units

Please tick [✓] appropriate box before admission to the meeting

Account number

Signature

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

TRUSTEES:

