



5th November 2019

The Managing Director
FMDQ OTC
Exchange Place
35 Idowu Taylor Street
Victoria Island
Lagos, Nigeria



Attention: Examination Group

Dear Sir,

RE: ATTESTATION TO THE ISSUER'S ADHERENCE TO FINANCIAL COVENANTS OF THE FORTE OIL PLC ₦9.00BN (SERIES 1) 5 YEAR 17.50% FIXED RATE UNSECURED BOND DUE 2021

Further to the outstanding Forte Oil PLC ₦9.00bn Series 1 Bond and the financial covenants (as contained in page 10 of the Bond Prospectus), we declare that for the period between July – September 2019:

1. The Issuer has confirmed that there have been no disposal of its assets beyond ₦5 billion without consent of the Bondholders.
2. The Debt Service Reserve Account is held by the Trustees.
3. The Debt Service Reserve Account is funded on a monthly basis with sum indicated in the Series Trust Deed from the Issuer's operating cash flow from which coupon payments and periodic repayment obligation will be met.
4. There are restrictions on additional financial indebtedness of the Issuer above ₦5 billion which must not be made without the consent of the Bondholders.
5. The Issuer has confirmed that there have been no acquisitions of any company/business/assets and the amount of the acquisition cost (which when aggregated with the cost of any other acquisition during the financial year) will exceed ₦5 billion.
6. From our computations using figures in the financial statement for the period, the Issuer's:
 - a) Debt to Equity Ratio for the period was 0.48 (benchmark: equal to or less than 3:1)
 - b) Maximum Net Debt to EBITDA for the period was 3.5x (benchmark 3.0x)
 - c) Minimum Debt Service Cover Ratio for the period 1.85x (benchmark 1.5x)

Yours faithfully,

For: **THE JOINT TRUSTEES**

PP: <u>Ashaki</u> FOLASHADE ADELOYE	ADEKUNLE AWOJOBI	OLUFUNKE AIYEPOLA	TOKUNBO AJAYI	THERESA ORJI
ARM Trustees Limited	FBNQuest Trustees Limited	UTL Trust Management Services Limited	United Capital Trustees Ltd	Vetiva Trustees Limited