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18 December 2013

ALLIANCE OIL COMPANY LTD. ANNOUNCES:

- **AMALGAMATION WITH ALFORD FINANCIAL LTD.**
- **SATISFACTION OF CONDITIONS TO TENDER OFFER IN RESPECT OF ITS U.S.\$265,000,000 7.25 PER CENT. CONVERTIBLE BONDS DUE 2014 (CONVERTIBLE INTO SWEDISH DEPOSITARY RECEIPTS REPRESENTING ORDINARY SHARES) (ISIN: XS0434516349) (THE BONDS)**
- **AMENDMENT TO BONDS TO INTRODUCE CALL OPTION**

On 17 December 2013, the amalgamation under Bermuda law of the original issuer of the Bonds, Alliance Oil Company Ltd. (the **Issuer**) and Alford Financial Ltd (**Alford**) took effect, pursuant to which the Issuer and Alford were amalgamated into a new company also named Alliance Oil Company Ltd. (the **New Issuer**). The amalgamation took effect upon the Registrar of Companies in Bermuda issuing, on 17 December 2013, a Certificate of Amalgamation approving the amalgamation (the **Certificate of Amalgamation**). By operation of Bermuda law all rights and obligations of the Issuer have been transferred to the New Issuer as a result of the amalgamation. Accordingly, the New Issuer has assumed all rights and obligations of the Issuer under the Bonds and the Offer referred to below.

On 4 November 2013, the Issuer announced its invitation to holders (the **Bondholders**) of the Bonds to tender any and all of their Bonds for purchase by the Issuer for cash (such invitation, the **Offer**) on the terms and subject to the conditions set out in the Tender and Consent Memorandum dated 4 November 2013 (the **Tender and Consent Memorandum**). Capitalised terms used in this announcement but not otherwise defined have the meanings given to them in the Tender and Consent Memorandum.

On 11 December 2013, the Issuer announced its decision to accept for purchase all Bonds validly tendered in the Offer, subject to the satisfaction (or waiver by the Issuer) of the Tender and Financing Conditions. With the issue of the Certificate of Amalgamation, all Transaction and Financing Condition have been satisfied.

The Settlement Date for the Offer is expected to be on 19 December 2013.

In conjunction with the Offer, the Issuer invited Bondholders to approve, by Extraordinary Resolution, the modification of the terms and conditions of the Bonds (the **Conditions**) to provide the Issuer the option to redeem (the **Call Option**) all, but not some only, of the Bonds remaining (if any) on completion of the Offer (such invitation, the **Proposal**). On 29 November 2013, the Issuer announced that, at a meeting of Bondholders held on 26 November 2013, the Extraordinary Resolution was duly passed. On 18 December 2013, the New Issuer and the Trustee entered into a supplemental trust deed to amend the terms and conditions of the Bonds and the Trust Deed to introduce the Call Option into the Bonds.

The New Issuer currently intends to give notice to exercise the Call Option on 20 December 2013 in respect of all Bonds which are not purchased in the Offer specifying a redemption settlement date of 23 December 2013.

The Dealer Manager for the Offer and the Proposal is BofA Merrill Lynch (Telephone: +44 20 7995 3715 / +44 20 7996 0867; Attention: John Cavanagh / Karl Bystedt Wikblom; Email: john.m.cavanagh@baml.com / karl.bystedtwikblom@baml.com). BNY Mellon, London Branch (Telephone: +44 1202 689644; Attention:

Debt Restructuring Services; Email: debtstructuring@bnymellon.com) is acting as Tender and Tabulation Agent.

DISCLAIMER This announcement must be read in conjunction with the Tender and Consent Memorandum. No offer or invitation to acquire securities is being made pursuant to this announcement. The distribution of this announcement and/or the Tender and Consent Memorandum in certain jurisdictions may be restricted. Persons into whose possession this announcement and/or the Tender and Consent Memorandum comes are required by each of the New Issuer, the Dealer Manager and the Tender and Tabulation Agent to inform themselves about and observe any such restrictions.