

TIL AKSJONÆRENE I

ALADDIN OIL & GAS COMPANY ASA
(org.nr. 989 307 606)

Aksjonærene i Aladdin Oil & Gas Company ASA ("Aladdin") innkalles herved til en ekstraordinær generalforsamling:

Dato: 19. februar 2014
Tidspunkt: Kl. 12:30
Sted: Bryggetorget 1, 0250 Oslo

Til behandling på den ekstraordinære generalforsamling

- 1. Åpning av den ekstraordinære generalforsamlingen ved Aladdins styreleder**
- 2. Fortegnelse over møtende aksjonærer**
- 3. Valg av en person til å lede møtet**
- 4. Valg av en representant til å medundertegne protokollen fra den ekstraordinære generalforsamlingen**
- 5. Godkjennelse av innkalling og agenda**
- 6. Godkjennelse av oppgjørsavtale med Novos International SA i forbindelse med Aladdins tilbakebetalingsplikt etter avtale om konvertibelt lån**

For mer informasjon om vilkårene for oppgjørsavtalen, vennligst se aksjonærmemorandumet som er vedlagt her som bilag 1.

7. Valg av nytt styre

Det er foreslått at det velges et nytt styre bestående av:

- John Richard Shaw, styreleder
- Johanness Richardsen, styremedlem
- Kirsti Prestmarken, styremedlem

TO THE SHAREHOLDERS OF

ALADDIN OIL & GAS COMPANY ASA
(business register no. 989 307 606)

The shareholders of Aladdin Oil & Gas Company ASA ("Aladdin") are hereby summoned to an Extraordinary General Meeting:

Date: 19 February 2014
Time: 12:30 p.m. (CET)
Place: Bryggetorget 1, 0250 Oslo

The Extraordinary General Meeting will transact the following business:

- 1. Opening of the Extraordinary General Meeting by the Board of Directors' Chairman**
- 2. Registration of the attending shareholders**
- 3. Election of a person to chair the meeting**
- 4. Election of a representative to co-sign the minutes from the Extraordinary General Meeting**
- 5. Approval of the summons and the agenda**
- 6. Approval of the settlement agreement with Novos International SA regarding Aladdin's repayment obligation under the convertible loan agreement**

For more information on the terms and conditions of the settlement agreement, please refer to the shareholders' memorandum enclosed herewith as Appendix 1.

7. Election of a new board of directors

It is proposed that a new board of directors is elected comprising of:

- Mr. John Richard Shaw, Chairman
- Mr. Johanness Richardsen, Director
- Mrs. Kirsti Prestmarken, Director

VEILEDNING

Aksjonærer som ønsker å delta på generalforsamlingen må fylle ut og sende inn vedlagte møteseddel. Aksjonærer som ikke har anledning til å møte på generalforsamlingen, men som ønsker å være representert, kan gi fullmakt til styrets formann eller egen fullmektig på vedlagte fullmaktsskjema.

Aksjonærene har i henhold til allmennaksjeloven § 5-15 rett til å kreve at styremedlemmer og daglig leder på generalforsamlingen gir tilgjengelige opplysninger om forhold som kan innvirke på bedømmelsen av saker som er forelagt aksjonærene til avgjørelse, samt selskapets økonomiske stilling, herunder om virksomheten i andre selskaper som selskapet deltar i, og andre saker som generalforsamlingen skal behandle, med mindre de opplysningene som kreves ikke kan gis uten forholdsmessig skade for selskapet.

Følgende dokumenter er tilgjengelig på Aladdins nettsider (www.aog.no):

- Aksjonærmemorandumet
- Påmeldingsblankett
- Fullmaktsskjema

Det bes vennligst om at påmelding- eller fullmaktsskjema sendes til Aladdin innen kl. 16:00 den 18. februar 2014.

Postadresse: Aladdin Oil & Gas Company ASA,
Bryggetorget 1, 0250 Oslo
Elektronisk: office@aog.no

INSTRUCTIONS

Shareholders who wish to attend the Extraordinary General Meeting must complete and submit the enclosed attendance slip. Shareholders who are unable to attend the General Meeting but who wish to be represented may authorise the Chairman of the Board or another person to be their proxy using the enclosed form of proxy.

In accordance with the Norwegian Public Limited Liability Companies Act Section 5-15, the shareholders may demand that the Directors and Chief Executive Officer provide available information at the General Meeting about matters which may affect the evaluation items which have been presented to the shareholders for decision; and information regarding the financial status of the Company, including information about activities in other companies in which the Company participates, and other business to be transacted at the General Meeting, unless such information may not be given without disproportionately damaging the Company.

The following documents are available at Aladdin's website (www.aog.no):

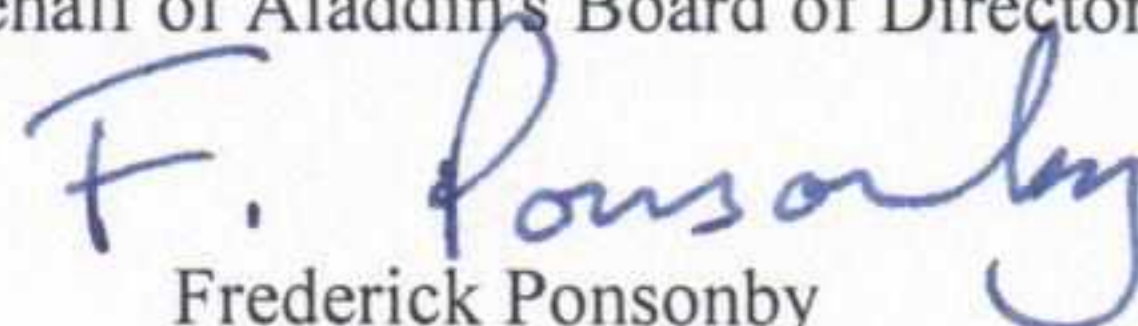
- The Shareholders' Memorandum
- Attendance slip
- Power of attorney template

It is kindly requested that the attendance slip or the power of attorney template is sent to Aladdin no later than 4:00 p.m. on 18 February 2014.

Mail address: Aladdin Oil & Gas Company ASA,
Bryggetorget 1, 0250 Oslo
Electronically: office@aog.no

4 February 2014

On behalf of Aladdin's Board of Directors



Frederick Ponsonby

Chairman of the Board of Directors

Appendix 1

to the summons dated 4 February 2014 convening an Extraordinary General Meeting

To the shareholders of Aladdin Oil & Gas Company ASA ("**Aladdin**")

SUMMARY OF SETTLEMENT AGREEMENT

1. INTRODUCTION

Aladdin's Board of Directors has called an Extraordinary General Meeting to be held on 19 February 2014.

The Board of Directors has convened the General Meeting of Shareholders to consider and deal with a Settlement Agreement (the "**Settlement Agreement**") between Aladdin and Novos International SA, registered under the laws of Panama, with company registration number 3149, having its formal seat and offices at Quijano & Associates, P.O. Box 0816-02884, Panama, Republic of Panama (the "**Purchaser**").

Aladdin borrowed an initial principal amount of of US\$ 7,600,000 (the "**Initial Principal**") in accordance with the terms and conditions of a Convertible Loan Agreement (the "**Loan Agreement**") between Aladdin, as the borrower, and Waterford Finance & Investments Limited ("**Waterford**"), as the lender.

The Initial Principal was increased to US\$ 10,500,000 (the "**Existing Principal**") at Aladdin's General Meeting of Shareholders on 24 January 2013, and the increased principal amount of US\$ 2,900,000 under the Convertible Loan Agreement was drawn-down by Aladdin. As of 31 January 2014, the outstanding amount under the Loan Agreement was US\$ 11,065,652 (the "**Outstanding Amount**"), including the Existing Principal and accumulated unpaid interests in the total sum of US\$ 2,140,652.

Waterford has notified Aladdin that the Loan Agreement has been transferred and assigned to the Purchaser pursuant to assignment agreement between Waterford, as the assignor, and Purchaser, as the assignee.

2. LAPSE OF TERM OF PAYMENT IN LOAN AGREEMENT – POTENTIAL DEFAULT

The term of payment of the Loan Agreement is 1 February 2014 (the "**Due Date**"). Thus the loan has fallen due, and without a Settlement Agreement, Aladdin would be in default.

Following Waterford's decision to transfer the Loan Agreement, it has been clear that it would not be possible to raise equity from Waterford for further investments in Aladdin, hereunder to repay the Outstanding Amount. The Board of Directors is also of the opinion that it will be difficult to raise necessary equity from Aladdin's existing shareholders.

The Purchaser has signaled an interest in settling the Outstanding Amount through the entry into of the Settlement Agreement.

Without such Settlement Agreement, and given the fact that default relating to the Loan Agreement is upon the company, Aladdin could be forced to carry out an enforcement process under the Norwegian Enforcement Act (*tvangsloven*). According to the procedure set out in the Enforcement Act, Aladdin could be required to publicly sell assets necessary to settle the Outstanding Amount. Such public sale will be managed by an independent broker with powers to conclude a transaction on behalf of Aladdin and use the

proceeds from the sale to settle part of or the entire Outstanding Amount. It is difficult to see that such process could be positive for Aladdin.

3. ENTRY INTO OF SETTLEMENT AGREEMENT

Based on the above, Aladdin has entered into negotiations with the Purchaser regarding settlement of (i) the Outstanding Amount and (ii) any interests accrued from the Due Date to the actual settlement under the Loan Agreement (the "**Future Interests**"). Such negotiations have resulted in the entry into of the Settlement Agreement, on certain terms and conditions.

In accordance with the Settlement Agreement, Aladdin will transfer and assign the below-mentioned assets (collectively, the "**Assets**"):

(a) all the issued and outstanding shares (the "**Shares**") of its wholly-owned Cypriot subsidiary Stikito Limited, company registration number 141754 ("**Stikito**"), including without limitation the 100% in «Veselovskoe» LLC (a Russian wholly-owned subsidiary of Stikito) which currently owns the Orenburg oil and gas exploration and production licenses (the "**Orenburg Production Licenses**"); and

(b) any and all rights relating to the intercompany receivable between Aladdin, as the creditor, and Stikito Limited, as the debtor, plus any accumulated unpaid interests thereon (the "**Intercompany Receivable**").

More information on the Orenburg Production Licenses is available on Aladdin's website www.aog.no.

According to the Settlement Agreement, the Purchaser will purchase and acquire the Assets for a purchase price equal to the Outstanding Amount and the Future Interests (the "**Purchase Price**"), and the Purchase Price will be settled by set-off against the Outstanding Amount and Future Interests.

For the sake of orderliness, the entering into of the Settlement Agreement is subject to approval by Aladdin's General Meeting of Shareholders, and the Board of Directors has thus convened an Extraordinary General Meeting to consider and deal with the Settlement Agreement.

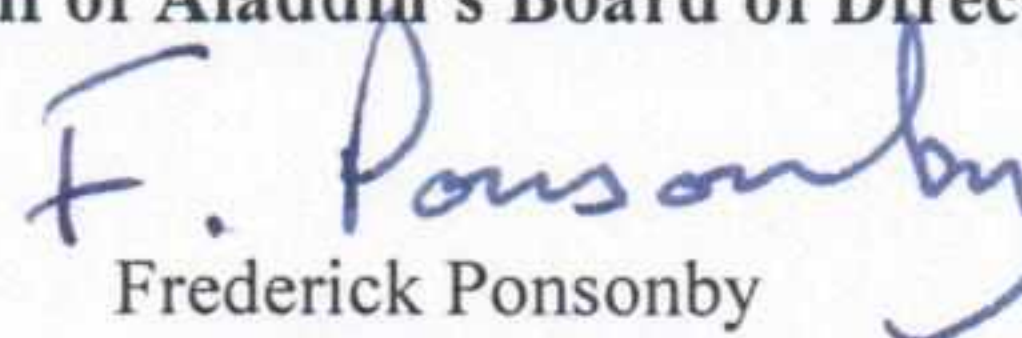
4. ADOPTION OF SETTLEMENT AGREEMENT

Based on the foregoing, the Board of Directors proposes that the Extraordinary General Meeting of Aladdin adopt the following:

"The Extraordinary General Meeting approves the settlement agreement between Aladdin Oil & Gas Company ASA and Novos International SA regarding the payment of all outstanding amounts under a loan agreement dated 4 April 2012, by way of transfer of certain defined assets (the Assets as defined in the settlement agreement. The Board of Directors is given authority to make minor amendments to the agreement, if necessary."

Any further questions regarding the Settlement Agreement will be answered at the Extraordinary General Meeting scheduled to be held on 19 February 2014 at 12:30 p.m. (CET).

Yours sincerely
on behalf of Aladdin's Board of Directors



Frederick Ponsonby
Chairman of the Board of Directors