

Atlantica Tender Drilling Ltd



Pareto Conference September 2017
CEO Kerry Kunz

Overview



- Tender Drilling Service Provider
- Established 2007, originally as BassDrill
- HitecVision acquired major position in 2011
 - HitecVision (HVAS) holds ~64%
 - Erland Bassoe (BassInvest) holds ~11%
- Own and operate 2 modern semi tenders – Beta and Delta both operating on long-term contracts for oil majors on deep water TLP developments
- Both projects awarded due to willingness and ability to design in conjunction with operator
- 50% owner/manager of Alpha tender assist barge stacked in Congo (2010 build)
- Fully financed
- Highly cash generative
- Headquartered in Houston, Texas
- Share listed at Norwegian OTC
- Strong HSE Performance

Atlantica Tender Drilling – Assets

Beta



- New generation semi tender delivered in November 2013
- Purpose built to suit Petrobras' TLP – located offshore Brazil
- Contracted to Petrobras through to mid-2018
- Extension under negotiation - majority of wells yet to be drilled
- The Beta rig is not readily replaceable

BR PETROBRAS



- New generation semi tender delivered in December 2015
- Specifically tailored to Total's TLP (purpose built) – located offshore Congo
- Contract duration 44 months – through August 2020
- Extensions options for 25 additional months



TOTAL

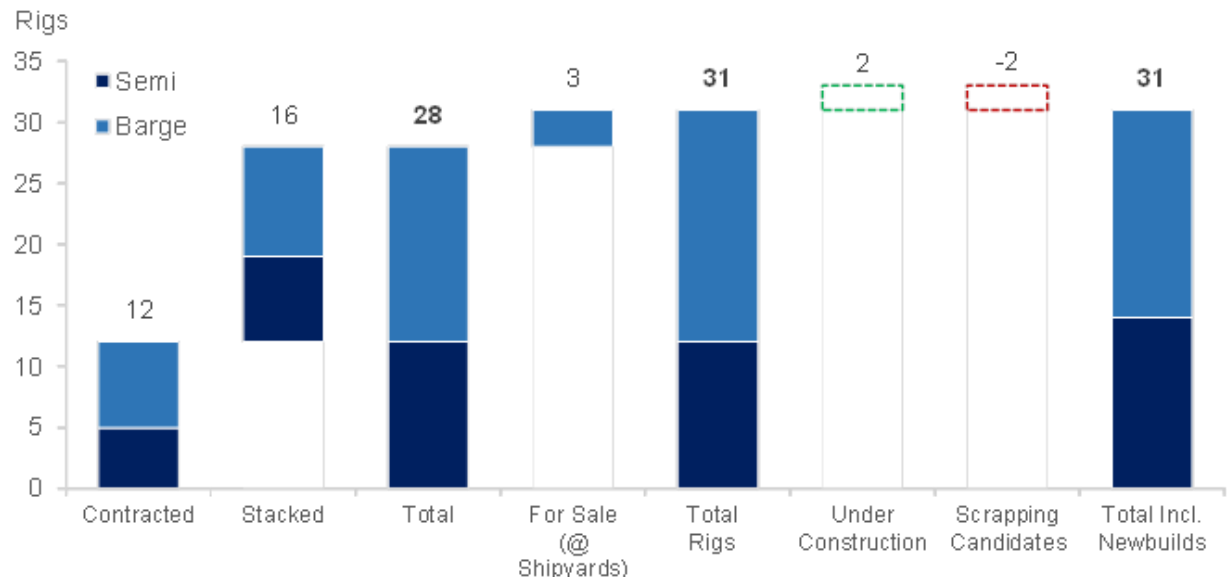
Alpha



- Atlantica owns ~50% and is rig manager
- Excellent operational record in West Africa, with avg. revenue utilization of ~95% since Q1-2011
- Alpha went off contract for Total in Congo in May 2015 after 4.5 years of operation
- The rig is currently warmed stacked and is being marketed

General Market Update, Trends; Tender Assist Market

- Clearly, the market has seen an increased number of inquiries, tenders and contract award over the past 6 months.
- Development drilling will rebound and with it the reduced tender fleet will naturally rebound.
- Unlike other sectors, the tender fleet is not overbuilt - flooded with new builds
- The tender fleet has in fact reduce in size by 25% over the past 5 years and now consists of only 28 units and 3 new builds
- Tightly held market segment
- Dominated by long term contract 2-5 yrs on average



Firm Contract Backlog

- Beta contracted to Q2 2018 and entering negotiations on term extension commencing Q2-2018
- Only 3 of 13 planned wells on Papa Terra drilled to date
- Extension probability is likely a function of product price and improved well productivity
- Delta contracted through H1-2020
 - Excluding 25 months of options

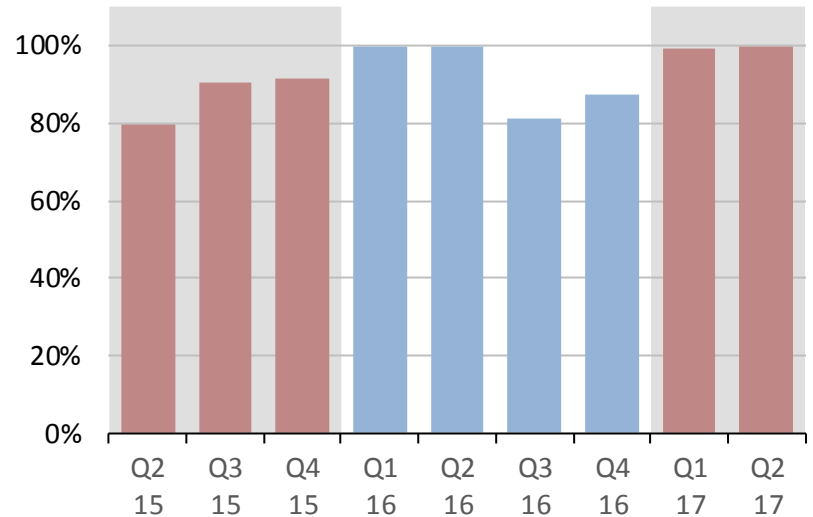
ATDL; Backlog (\$m)



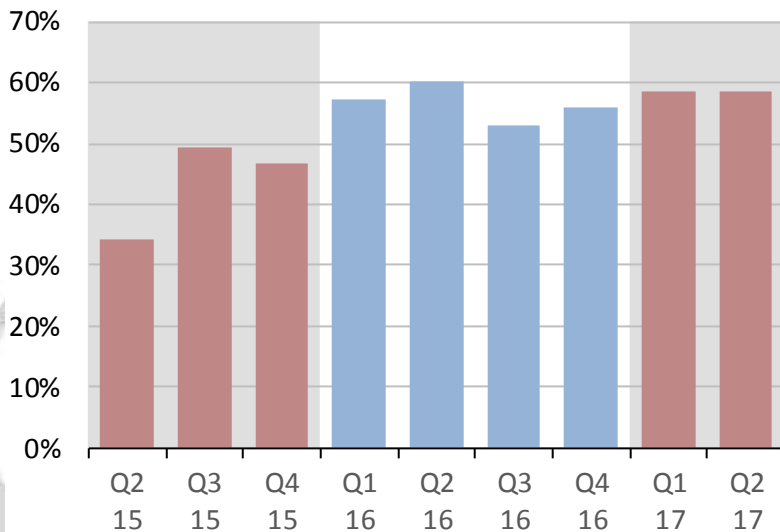
Main Financials per Q2 2017

(\$m)	2016	Q1 17	Q2 17
Revenues	152.7	39.6	40.2
EBITDA	86.6	23.2	23.5
Net Income	27.9	9.3	7.1
Fixed Assets	545	539	534
Cash, Restricted	9	9	10
Cash, Other	33	27	30
Shareholders' Funds	231	240	247
Interest bearing debt	346	336	330
Total Assets	627	620	620
NIBD	303	300	290

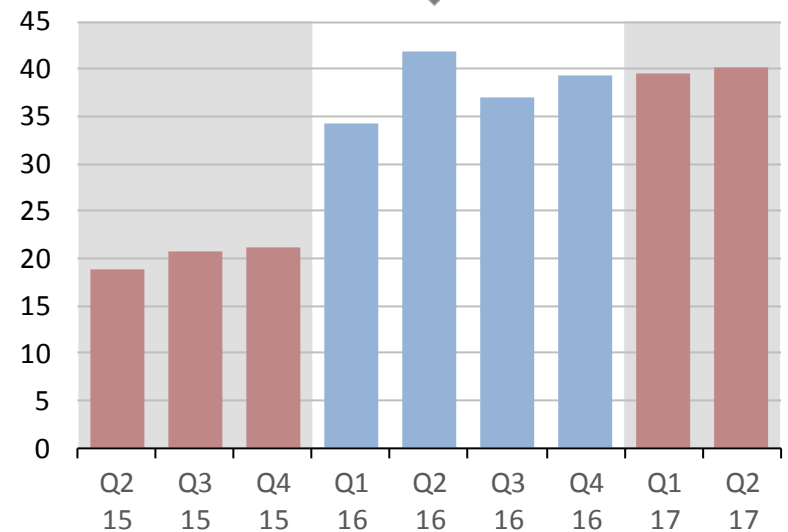
ATDL Fleet Revenue Efficiency



EBITDA Margin



Revenues (\$m)



Long-Term Debt Funding in Place

- Fleet debt funding established Q3 2014
- Matures Q3 2019

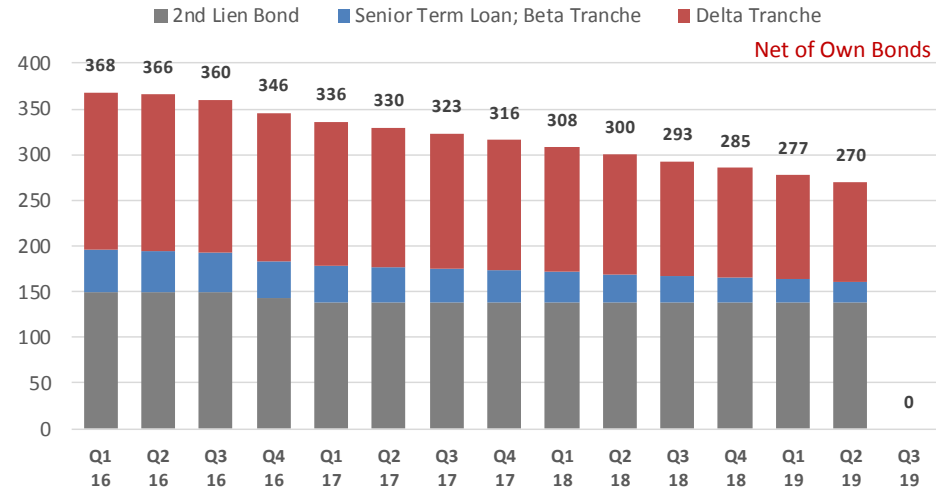
Senior Term Loan

- \$191m outstanding per Q2 2017
- ~9 yrs profile
- ~4.6% interest

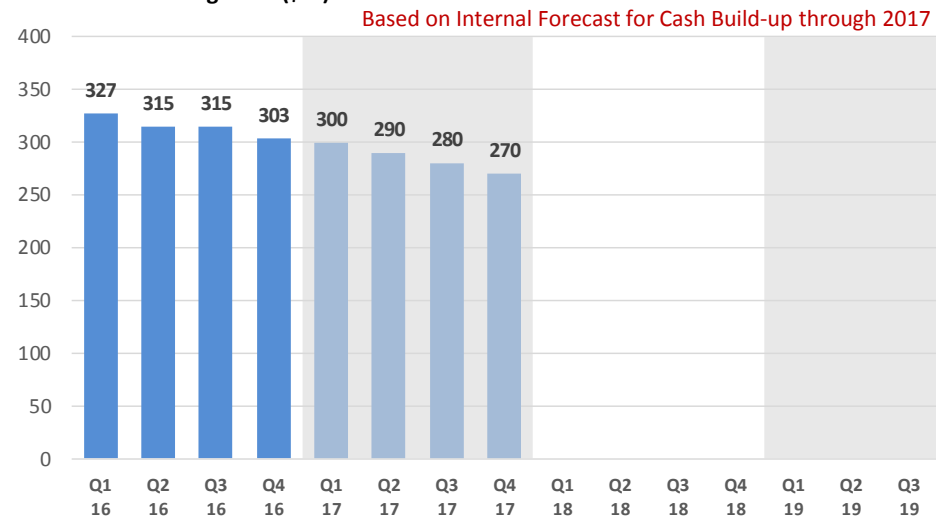
2nd lien bond

- \$150m (\$139m net of own bonds)
- 8.0%
- Non-amortizing

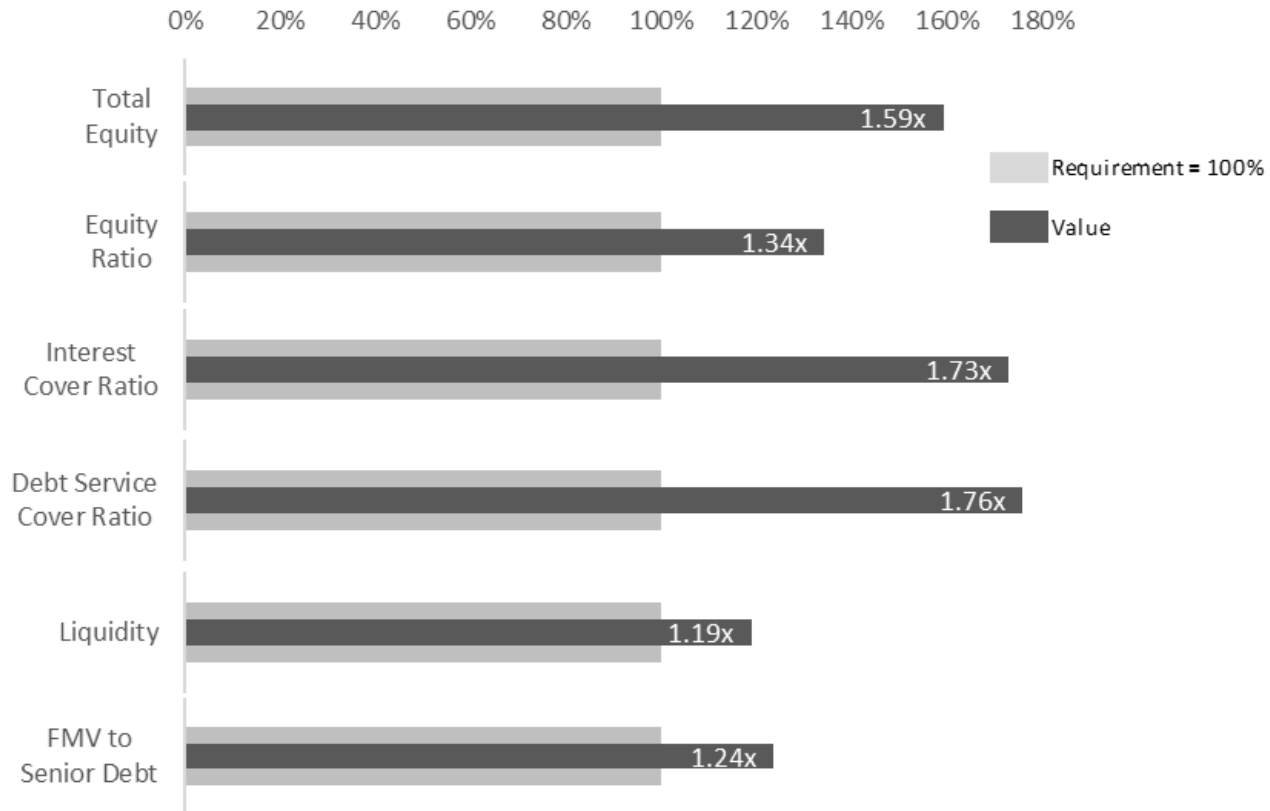
Interest Bearing Debt (\$m)



Net Interest Bearing Debt (\$m)

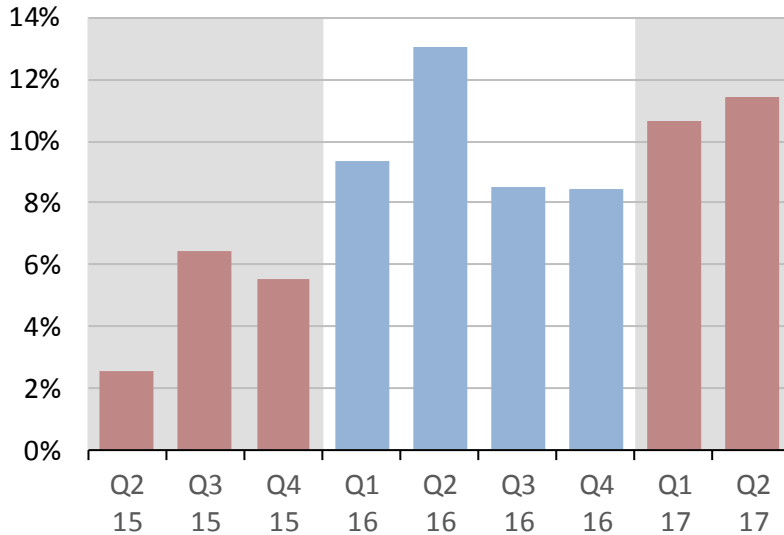


Debt Covenant Compliance per Q2 2017

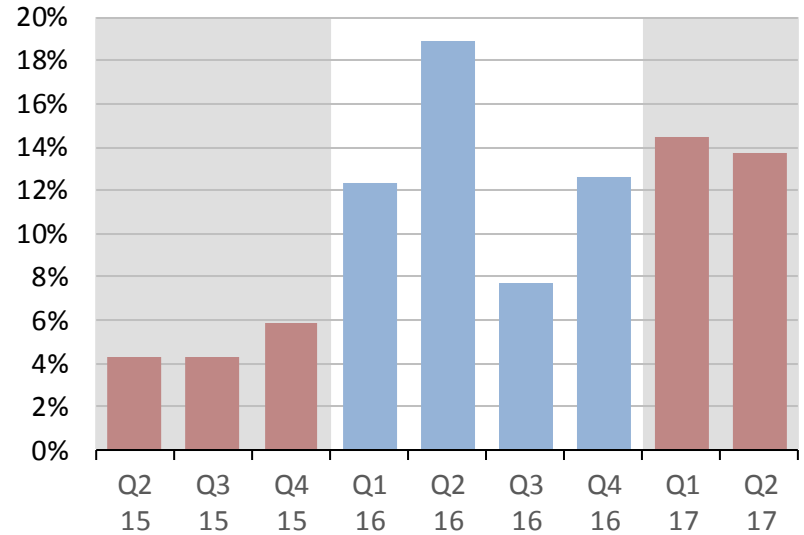


Return on Capital

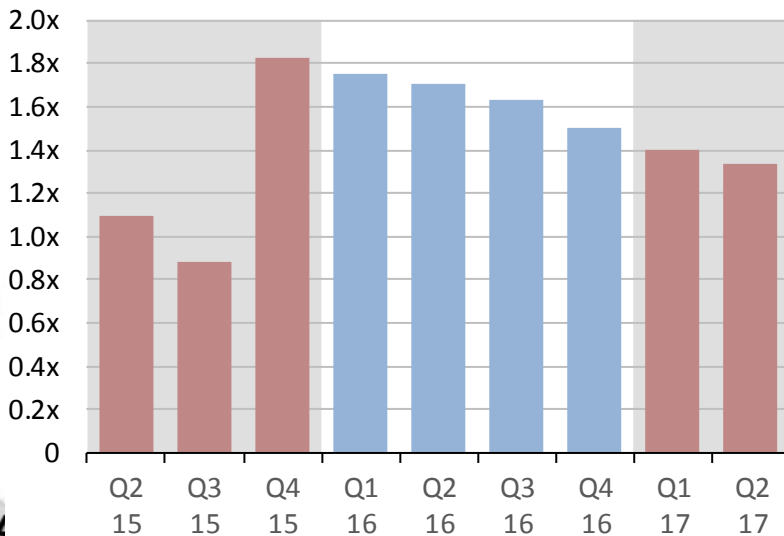
ROCE; Recurring (Annualized)



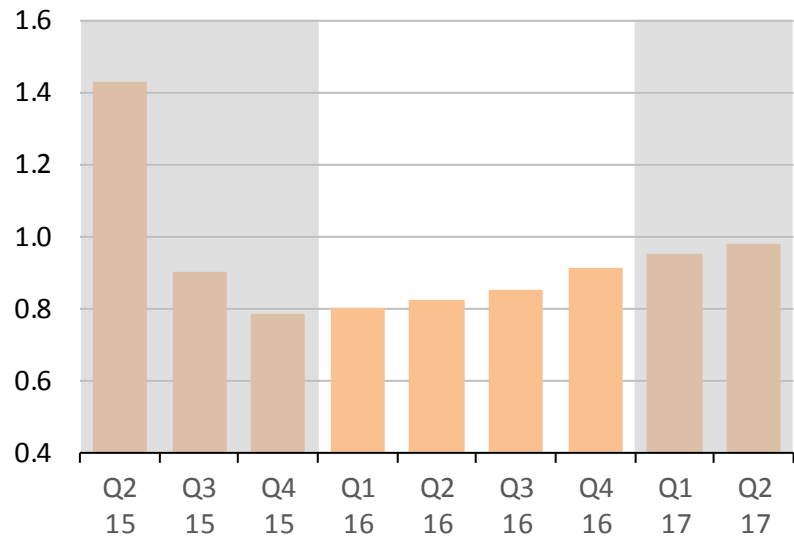
ROE; BOOK Values; Recurring (Annualized)



Leverage; BOOK Value of Equity



Book Value per Share



Atlantica in Summary

- ✓ Attractive contracts
- ✓ Positive extension prospects
- ✓ Financing in place through 2019
- ✓ No further equity requirement
- ✓ Positive cash flow
- ✓ Strong EBITDA
- ✓ Young fleet
- ✓ Established operational experience
- ✓ Enviably position

Thank you ! Questions ?

