

Company Presentation 2018 Pareto Oil & Offshore Conference

Atlantica highlights

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Tender drilling rigs serve as key field infrastructure	 Atlantica owns and operates two purpose-built semi tender drilling rigs on term contracts No compatible rigs in the market can replace Atlantica's rigs, and significant replacement costs Development drilling typically continues during the whole field life cycle, even in the event of an adverse business environment (with e.g. low oil prices)
High revenue visibility and long-term contracts	 The rigs are on firm contracts through late 2019 and 2021 Firm revenue backlog of USD 336m Option backlog of USD 272m
Modern fleet with an average age of four years	 Two new generation semi tender rigs delivered in 2013 and 2015 Rig design and hull size provide operational flexibility Demand for modern offshore drilling units is rising globally
Solid asset backing and deleveraging capabilities	 Rigs at an all-in construction cost of USD 595m, including USD 89m of client funded upgrades Estimated LTV based on charter contracts and assumed terminal values ranges from 44-55% Average quarterly repayment of debt of USD 7.7m since Q1 2016
Excellent operational track record	 Experienced and successful management and board, backed by private equity firm HitecVision Strong financial and operational performance Uncompromising HSEQ focus, no lost time incidents the last three years

Introduction to Atlantica Tender Drilling Limited



ER PETROBRAS

Geographic presence







Financial performance



Asset and contract overview

Two new generation semi tender rigs on long-term contracts

Beta	
Delivery year	2013
Construction cost to Atlantica	USD 249m
Variation orders to date	USD 53m
Total investment	USD 302m
Client	Petrobras
Country	Brazil, South America
Oil field	Papa Terra
Potential wells remaining	2 firm and 8 additional of 13 wells
Firm contract end ¹	September 2019
Option contract end ¹	March 2020
Extension prospects	3 out of 13 well slots drilled to date

Delta	
Delivery year	2015
Construction cost to Atlantica	USD 257m
Variation orders to date	USD 36m
Total investment	USD 293m
Client	Total Congo E&P
Country	The Republic of Congo, West Africa
Oil field	Moho Nord
Contracted wells remaining	11 of 17 wells
Firm contract end ¹	Expected Q4 2021
Option contract end ¹	5 x 2 wells, expected Q4 2024
Extension prospects	Long-term drilling expected



Competitive position

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Tender drilling rigs are key infrastructure on Moho Nord and Papa Terra	 Fields developed with a dependency on a tender assist rig to conduct drilling as an alternative to a fixed platform with permanent drilling module 	
Moho Nord and Papa Terra are large field developments, with long-term demand for drilling and remedial work	 Moho Nord: 27 well slots, with only 6 wells completed by the end of August. In addition, remedial work expected Papa Terra: 3 out of 13 wells completed to date. More drilling needed to increase production. Field capex to date estimated to above USD 7bn 	
High cost to replace rigs	 Atlantica's drilling packages specific to the oil companies' requirements Estimated replacement cost of approx. USD 100m per rig¹ 	
No technically compliant alternative rigs available	 No rigs in the market are currently capable of replacing <i>Beta</i> or <i>Delta</i> 	
Infrastructure position demonstrated by the extension of the <i>Beta</i> contract with Petrobras at close to original rate and above current market rate		

Beta | Introduction

Overview

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- A new generation semi tender rig delivered in 2013 built at the Dalian Shipbuilding Industry Company yard in China
- Beta commenced a 1500 days contract with Petrobras on the Papa Terra field located in Brazil in March 2014
- Charter contract extended in August 2018
 - Firm charter period: ~13 months (386 days)
 - Option period: 180 or 60 days¹
- Purpose built for the TLP at the Papa Terra field with a construction cost to Atlantica of USD 249m
- Beta has worked without a lost time incident the last three years

Beta semi tender drilling rig



Specification	Description	
Capacity, beds, office, other:	140 persons in 1&2 bed cabins, six closed offices and large open area	
Water depth:	Unlimited (820ft self contained)	
Drilling depth:	30,000ft	
Variable load:	5,700 MT	
Hook load:	1,300,00 lbs	
Main crane:	171 MT at 40m radius	

Beta | Papa Terra oil field

Petrobras reliant on Beta to increase production

Introduction

- Papa Terra is a producing heavy oil field located 110km offshore of Rio de Janeiro, and 30km southeast of the Peregrino development in the deep-water Campos Basin
- Production commenced in 2013 and is mainly an oil field, with negligible gas and condensate deposits
- Petrobras is the operator and majority owner of the field, with Chevron as partner
- A two year reservoir study was undertaken to increase productivity and extend the lifetime of the field
- Only 3 of 13 production wells have been drilled
- Planned daily capacity of the field is 100 kboepd

Papa Terra going forward

- The field's production profile has been declining due to a suspension of drilling
- The contract extension Beta was awarded in August 2018 pertains to two newly designed development wells to evaluate field flow and how to best utilize the field's resources
- Petrobras and Chevron have invested in excess of USD 7bn to date in the field





Source: Rystad, IHS Vantage, Management

Beta | Contract extension case study

Purpose-built infrastructure is not easily replaced

Infrastructure position strengthened by recent events...

- Prior to extending the contract for *Beta*, Petrobras went to the market looking for comparable units to assist the P-61 TLP at Papa Terra in Brazil
 - Atlantica was offered a discount in the rate going forward, which was declined
 - Competitive drilling contractors were approached late 2017
 - Petrobras did not receive any bids with satisfactory economic terms and viable technical solutions
- The *Beta* contract expired in Apl 2018 and was temporarily extended to August 2018
- After long negotiations, Petrobras and Atlantica agreed to extend the current contract at above market rate, and close to the original rate



... and is backed by more robust vessel design



- Atlantica has a strong and protected position against its competitors
 - Rigs systems are integrated with the platforms and are difficult to replace
 - Superior design compared to competitors resulting in increased stability and increased variable deck load
- The only rigs that could viably replace *Delta* and *Beta* are not plausible contenders

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Delta | Introduction

On long-term charter with Total

Overview

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- A new generation semi tender rig delivered in December 2015 built at the Dalian Shipbuilding Industry Company yard in China
- Commenced a 17 well contract with Total in January 2016 to work on the Moho Nord field in the Republic of Congo
- Purpose built for the TLP at the Moho Nord field at a construction cost to Atlantica of USD 257m
 - Additional variation orders of USD 36m financed by Total bringing sum investments in *Delta* to USD 293m
- Delta has operated in excess of three years without a lost time incident

Delta semi tender drilling rig



Specification	Description	
Capacity, beds, office, other:	170 persons in 1&2 man cabins, nine closed offices and large open area	
Water depth:	Unlimited (820ft self contained)	
Drilling depth:	30,000ft	
Variable load:	5,550 MT	
Hook load:	1,000,000 lbs	
Main crane:	171 MT at 40m radius	

Introduction

- The Moho Nord field is a deep water oil development on the Moho-Bilondo licence
- Located offshore the Republic of Congo in the Lower Congo Basin
- The Republic of Congo's current largest oil field development
- Started producing in 2017 and mainly contains oil, with negligible gas and condensate deposits
- The field utilizes a TLP with a subsea tie-back and has a water depth of 1,100m

Key production metrics¹

Production start year:	2017
Estimated last production year:	2039
Share produced by the end of 2017:	4%
Peak production:	90 kboepd
Cumulative production by end of 2017:	13,300 Mmboe
Remaining resources/peak production ratio:	10.5 years





ATDL | Financial performance

EBITDA (\$m) and revenue efficiency



Rig Opex (\$m)¹

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Beta Comments

- Following the hibernation period (ended 31 October 2017), *Beta* struggled to maintain high uptime due to equipment start-up issues incurred with reactivation
- This was exacerbated by unfavorable weather conditions and a more stringent permit-to-work system imposed by the client following several severe HSE issues incurred on other rigs
- In sum this led to a prolonged period with sub-par uptime and materially higher opex
- The negative development was reversed in April 2018, and since May 2018 Beta has achieved consistently high uptime and opex par with budget, yielding substantially improved margins

Delta Comments

- Since commencing ordinary drilling operations in Q4 2016, Delta has achieved a consistently high revenue efficiency, averaging > 99%
- In this period Delta has earned an average monthly EBITDA of USD 4.8m (~64% margin), with a standard deviation of only 10%

Introduction to the tender drilling market

Niche market	 Niche market with 17 barges and 13 semis globally Barges: most cost efficient solution for drilling in shallow benign waters Semis: larger rigs with higher operating capabilities and ability to operate in deep water, can compete with barges, but in general not vice versa 	17 Barges	13 Semis	30 Fleet
Stable business – exposed to production drilling	 Tender drilling rigs used for development and production drilling Less exposure to the volatile exploration drilling market Operation carried out in close collaboration and integration with the customer Customer base mainly dominated by blue chip E&P companies 	Chevron Chevro		bp
Established markets in Southeast Asia and West Africa	 South East Asia the largest market Established market in West Africa and South America Tender drilling concept evaluated for field developments in other regions 			
Cost efficient and flexible drilling solution for dry wellheads	 No need for permanent drilling package on the production platform Reduced weight of the platform saves significant capex for the oil company An alternative to sub sea developments Enhanced safety for the customer through ability to disconnect quickly 	Reduc	ted the formation of th	Reduced capex and opex

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E&P life cycle and drilling application



Tender drilling rigs enable cost efficiencies by allowing the E&P companies to avoid capex associated with larger facilities:

- No need for permanent drilling equipment, mud pumps, storage system for drilling fluid and risers on the production platform
- Reduced required accommodation space

Facility does not need to be designed to support weight imposed by drilling equipment and additional rig infrastructure

