

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS

To the bondholders in:

ISIN: NO 001 067558.0 - Atlantica Tender Drilling Ltd. Second Lien Callable Bond Issue 2014/2020

Oslo, 6 April 2020

Notice of a Written Bondholders' Resolution

1. Introduction

Nordic Trustee AS acts as Bond Trustee for the above mentioned Bond Issue.

Reference is made to the bond agreement made between the Issuer and the Bond Trustee (originally among BassDrill Beta Ltd. and the Bond Trustee), originally dated 23 April 2013, amended and restated on 22 September 2014 and amended by an addendum no. 2 on 19 January 2016, by an amendment agreement on 25 October 2017, by a third amendment agreement dated 19 September 2019 and as further amended from time to time (the "**Bond Agreement**") in respect of the above mentioned Bond Issue.

All capitalised terms used herein shall have the meaning assigned to them in the Bond Agreement unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Agreement.

The Issuer has requested that the Bond Trustee issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (*Written Resolution*) of the Bond Agreement to consider approval of the Proposed Resolution (as defined below).

The information in this notice (the "Notice") regarding the Issuer and the described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

Bondholders are encouraged to read this notice in its entirety.

2. BACKGROUND

As described in its announcement and market update on 30 March 2020, the Issuer's operations and cashflow are directly affected by the restrictions on travel, supply chains and similar measures that are now being initiated in the Democratic Republic of Congo, Brazil and the US as well as in most other jurisdictions in response to the world wide "Corona"-crisis.

The Issuer is working to find solutions to these challenges with its solid and reputable contract partners and will, in so doing, prioritise the security and health of its employees and the safety and value of its assets and organisation.

In relation to the foregoing the board of directors of the Issuer have decided, *inter alia*, to stop all payments of interest and instalments of the Issuer's financial debt and to stop funding of the Debt Service Account and the Retention Accounts serving as cash collateral for its creditors.

In relation to the above, the Issuer requests that the Bondholders authorise the Bond Trustee (on behalf of the Bondholders) to enter into a standstill letter substantially in the form set out Schedule 2 (the "**Standstill Letter**"), which, *inter alia*, provides that the Bond Trustee (on behalf of the Bondholders) agrees and undertakes not to take action pursuant to Clauses 15.2 to 15.4 of the Bond Agreement in respect of certain specified Events of Defaults in the period up until 30 April 2020. Pursuant to the Standstill Letter, the Bond Trustee shall (in consultation with Bondholders holding 50% or more of the Bonds) be entitled to appoint a financial advisor at the cost of the Issuer, provided that the Bond Trustee and the Issuer (acting reasonably) agree to such costs.

A standstill letter on similar terms (in all material respects) has been negotiated with the Issuer's bank creditors.

3. PROPOSAL

Based on the above, the Issuer hereby proposes (the "**Proposal**") that the Bondholders approve the Standstill Letter substantially in the form set out Schedule 2, including the following waivers and amendments to the Bond Agreement:

- (i) a standstill of the Issuer's payment obligations in respect of the Interest due on 23 March 2020 and any obligation to fund the Debt Service Account in the period up until 30 April 2020 unless extended by the Bond Trustee, acting on instructions from Bondholders holding 2/3 or more of the Bonds, by written notice to the Issuer, however so that such extension cannot be granted beyond 30 June 2020 without a new Bondholder resolution ("the **Standstill Period**");
- (ii) during the Standstill Period, an amendment of the maximum threshold for funds that may be deposited to unpledged bank accounts shall be increased from USD 3,000,000 to USD 4,000,000;
- (iii) an extension of the deadline for providing Interim Accounts for the first quarter of 2020 and Financial Statements for 2019, in each case until 30 June 2020; and
- (iv) a confirmation that, notwithstanding the above, payments may be made and interest may be served under the Intra-Group Loans during the Standstill Period, provided that (a) a similar confirmation is given by the Issuer's bank creditors, and (b) no payments may be made and no interest served under Intra-Group Loans by any Obligor to a Group Company which is not an Obligor.

4. FURTHER INFORMATION

Bondholders holding more than 2/3 of the Voting Bonds have informed the Issuer that they support the Proposal.

For more detailed information and questions to the Issuer, please contact Reese McNeel at reese.mcneel@atlanticatd.com or telephone +47 415 08 186.

For further questions to the Bond Trustee, please contact Ellen Søliland at mail@nordictrustee.com / soiland@nordictrustee.com or telephone +47 22 87 94 54.

5. EVALUATION OF THE PROPOSED RESOLUTION

The Proposed Resolution is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee, and the Bond Trustee emphasises that each Bondholder should cast its vote based on its own evaluation of the proposal. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposed Resolution is acceptable and vote accordingly. The Bond Trustee urges each Bondholder to seek advice in order to evaluate the Proposed Resolution.

6. WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 16.5 of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

It is proposed that the Bondholders resolve the following (the "**Proposed Resolution**"):

"The Bondholders approve by Written Resolution the Proposal as described in Clause 3 of the Notice.

The Bond Trustee is hereby authorised and instructed to prepare, negotiate, finalise and enter into the necessary agreements and documentation in connection with execution, delivery and performance of the Standstill Letter, as well as to enter into any amendments required to the Finance Documents and take any other action as may be required in relation thereto. The execution of the Standstill Letter by the Bond Trustee shall be conditional on the execution by the Issuer of a standstill letter on similar terms (in all material respects) with the Issuer's bank creditors."

The Proposed Resolution will be passed if either: (a) Bondholders representing at least a 2/3 majority of the total number of Voting Bonds vote in favour of the relevant Proposed Resolution prior to the expiry of the Voting Period (as set out below); or (b) (i) a quorum representing at least 50% of the total number of Voting Bonds submits a timely response to the Notice, and (ii) the votes cast in favour of the relevant Proposed Resolution represent at least a 2/3 majority of the Voting Bonds that timely responded to the Notice.

If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in clause 16.3 (*Resolutions passed at Bondholders' Meetings*).

The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.

Voting Period: The Voting Period shall expire ten (10) Business Days after the date of this Notice, being on no later than 27 April 2020 at 12:00 Oslo time. The Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority under the Bond Agreement prior to the expiration of the Voting Period.

How to vote: A duly completed and signed Voting Form (attached hereto as Schedule 1), together with proof of ownership/holdings must be received by the Bond Trustee no later than at the end of the Voting Period and must be submitted by scanned e-mail to mail@nordictrustee.com.

Yours sincerely

Nordic Trustee AS


Ellen Søliland

Enclosed: Schedule 1 – Voting Form

Schedule 2 – Form of Standstill Letter

SCHEDULE 1 – VOTING FORM

ISIN: NO 001 067558.0 - Atlantica Tender Drilling Ltd. Second Lien Callable Bond Issue 2014/2020

The undersigned holder or authorised person/entity, votes either in favour of or against the Proposed Resolution in the summons dated 6 April 2020.

In favour of the Proposed Resolution

Against the Proposed Resolution.

ISIN ISIN NO001067558.0	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,¹ verifying our bondholding in the bond issue as of: ----

We acknowledge that Nordic Trustee AS in relation to the Written Resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Authorised signature

Return:
Nordic Trustee AS
P.O. Box 1470 Vika
N-0116 Oslo

Telefax: +47 22 87 94 10
Tel: +47 22 87 94 00
Mail mail@nordictrustee.no

¹ If the bonds are held in custody other than in the VPS, evidence provided from the custodian - confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.

SCHEDULE 2 – FORM OF STANDSTILL LETTER

Atlantica Tender Drilling Ltd.
Attn.: Reese McNeel
Canon's Court, 22 Victoria Street,
Hamilton HM 12, Bermuda
E-mail: reese.mcneel@atlanticatd.com

[**] April 2020

Atlantica Tender Drilling Ltd. Second Lien Callable Bond Issue 2014/2020 - Bond agreement originally dated 23 April 2013, amended and restated on 22 September 2014 and amended by an addendum no. 2 on 19 January 2016, by an amendment agreement on 25 October 2017 and by a third amendment agreement on 19 September 2019, between the Nordic Trustee AS as Bond Trustee and Atlantica Tender Drilling Ltd. as Issuer (as further amended and modified from time to time, the "Bond Agreement") – Standstill

1 INTRODUCTION

We refer to the notice by the Bond Trustee dated 6 April 2020 (the "**Bondholder Notice**") of a written bondholder resolution and the notice by the Bond Trustee dated [**] April 2020 confirming that the proposal set out in the Bondholder Notice has been approved by the requisite qualified majority of Bondholders. Hence, we kindly ask you to sign and return a copy of this standstill letter (the "**Standstill Letter**") by no later than 8 April 2020.

2 DEFINITIONS

2.1 Unless the context otherwise requires, capitalized terms used in this Standstill Letter shall have the meaning given to them in the Bond Agreement.

2.2 In this Standstill Letter:

"**Effective Date**" means the date upon which the Bond Trustee confirms in writing to the Issuer that it has received, to its satisfaction, all documents and evidence referred to in Clause 9 (*Conditions precedent*) below.

"**Payment Defaults**" means non-payment of scheduled interest, amortisation and other payments falling due, including any failure to make deposits to be made to the Debt Service Account, under the Bond Agreement during the Standstill Period, which consists of the following:

- (a) the payment of interest on the Bonds falling due on 23 March 2020, pursuant to Clause 9 (*Interest*) of the Bond Agreement; and
- (b) the deposit of funds into the Debt Service Account pursuant to paragraph (i) (C) of Clause 13.4 (j) of the Bond Agreement,

but excluding any other payment default under the Finance Documents.

"**Standstill Defaults**" means:

- (a) the Payment Defaults;
- (b) any Event of Default that would occur as a result of non-payment under the Senior Bank Facility of (i) the scheduled repayment of principal falling due on 6 April 2020, (ii) the payment of interest falling due on 6 April 2020, (iii) the repayment related to the cash sweep falling due on 6 April 2020, (iv) if received, within the Standstill Period, the payment of the withholding tax claim to Petrobras, and (v) any funding of the Retention Accounts, during the Standstill Period, but excluding, for clarity, any other payment defaults thereunder; and
- (c) any Event of Default that would otherwise occur by any payment not being made under any Permitted Hedging during the Standstill Period,

but excluding any other Event of Default.

"**Standstill Period**" means the period starting on the Effective Date and ending on the earlier of (i) the date of the occurrence of a Termination Event, and (ii) 30 April 2020, unless extended by the Bond Trustee, acting on instructions from Bondholders holding 2/3 or more of the Bonds, by written notice to the Issuer, however so that such extension cannot be granted beyond 30 June 2020 without a new Bondholder resolution.

"**Termination Event**" means the events listed in Clause 12 (*Termination*).

3 STANDSTILL

Subject to the terms and conditions set out in this Standstill Letter, the Bond Trustee (on behalf of the Bondholders) agrees and undertakes not to declare a default or take actions against any Group Company pursuant to Clauses 15.2 to 15.4 of the Bond Agreement in respect of the Standstill Defaults during the Standstill Period unless a Termination Event has occurred, it being understood that this shall not in any respect constitute a waiver or deferral of the Standstill Defaults, nor any waiver of any of the rights of the Bond Trustee and the Bondholders under the Finance Documents due to the occurrence of any Event of Default other than the Standstill Defaults, all of which remain fully reserved unless otherwise agreed herein.

4 FINANCING PLAN

- 4.1 The Issuer shall immediately initiate a process for preparation of materials as a basis for the required restructuring of its balance sheet prior to the Final Maturity Date. The Issuer shall present a proposal for a medium term financing plan for the Issuer's business which demonstrates sufficient runway to remain a going concern (the "**Financing Plan**") to the Bond Trustee no later than 30 April 2020.
- 4.2 The Bond Trustee shall not disclose the Financing Plan or the information received pursuant to Clause 7 (*Information Undertakings*) or Clause 8 (*Appointment of financial advisor*) below on Stamdata. However, the Bond Trustee may disclose information received from the Issuer and/or the financial advisor appointed under Clause 8 (*Appointment of financial advisor*) to any Bondholder, subject to such Bondholder entering into a confidentiality undertaking (including market standard cleansing provisions) with the Issuer on terms reasonably satisfactory to the Issuer and the Bond Trustee (a "**Confidentiality Undertaking**").

5 TEMPORARY ADJUSTMENTS

Subject to the terms and conditions set out in this Standstill Letter, the Bond Trustee (on behalf of the Bondholders) accepts and agrees that:

- (a) during the Standstill Period, the maximum threshold set out in paragraph (iv) of Clause 13.5 (c) (*Senior Bank Accounts*) of the Bond Agreement shall be increased to USD 4,000,000;
- (b) the deadline set out in paragraph (d) and (e) of Clause 13.2.1 (*Information Covenants of the Issuer*) of the Bond Agreement shall be deferred to 30 June 2020; and
- (c) payments may be made and interest may be served under Intra-Group Loans during the Standstill Period until a Termination Event has occurred, provided that:
 - (i) a similar confirmation is received from the agent under the Senior Bank Facility; and
 - (ii) no payments may be made and no interest may be served under Intra-Group Loans by any Obligor to a Group Company which is not an Obligor,

it being understood that settlement of outstanding balances between Group Companies arising from management and operational services provided by a Group Company in the ordinary course of business, including management fees and salaries, shall not be restricted by this provision.

6 PERMANENT AMENDMENTS

With effect from the date when this Standstill Letter is duly executed by all parties hereto, a new Clause 15.5 shall be added to the Bond Agreement and read as follows:

Upon the occurrence of an Event of Default pursuant to Clause 15.1 (e) (Insolvency) or Clause 15.1 (f) (Insolvency proceedings and dissolution), the Bonds, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents shall at once become due and payable at the option of the Bond Trustee (acting on behalf of the Bondholders) without prior notice, except as otherwise required by applicable law, and regardless of any prior forbearance, and the Bond Trustee shall be entitled to exercise all of its rights under this Bond Agreement (subject to the Intercreditor Agreement), including as set out in Clauses 15.1 – 15.4 above.

7 INFORMATION UNDERTAKINGS

In addition to the information undertakings set out in the Bond Agreement, the Issuer shall provide the Bond Trustee on a weekly basis, or more frequently if required by the Bond Trustee, with the following:

- (a) a 13 weeks forward looking cashflow forecast for the Group, in form and substance acceptable to the Bond Trustee;
- (b) details of any and all anticipated costs, expenses and investments and how such uses are to be funded, in form and substance acceptable to the Bond Trustee;

- (c) an updated contingency plan for operations in the various scenarios that may occur due to the Covid-19 situation, including a detailed description of the current situation regarding both the Beta and the Delta rig, both in respect of operational matters and charter hire, and what measures that have been and will be initiated to keep the rigs safe and protected;
- (d) a budget reflecting the need for and purpose of funding accounts not pledged as security under the Finance Documents during the Standstill Period; and
- (e) such other information as the Bond Trustee may reasonably require.

8 APPOINTMENT OF FINANCIAL ADVISOR

8.1 The Bond Trustee shall, with effect from the date when this Standstill Letter is duly executed by all parties hereto, be entitled to appoint and mandate a financial advisor (in consultation with Bondholders holding 50% or more of the Bonds) based on a scope to include, *inter alia*, the following;

- (a) explore available business opportunities for the Issuer and the Group and options going forward, including re-(deployment), potential sale, new investors and others;
- (b) assess suitable capital structure for Issuer and the Group taking into account the ranking of different stakeholders (banks, bondholders, shareholders) and in this respect assess the Financing Plan;
- (c) validate the Issuer's projections presented to the Bond Trustee; and
- (d) support brokering a deal among the different stakeholders, in coordination with any financial advisor appointed by the agent under the Senior Bank Facility.

The Issuer shall cover the costs of such financial advisor, provided that such costs are agreed between the Bond Trustee (in consultation with Bondholders holding 50% or more of the Bonds) and the Issuer (acting reasonably) prior to appointment of the financial advisor.

8.2 The Bond Trustee may, if instructed by Bondholders holding 50% or more of the Bonds, instead of appointing a financial advisor pursuant to Clause 8.1, negotiate and agree with the agent under the Senior Bank Facility to appoint a joint financial advisor for the Bond Trustee and the agent under the Senior Bank Facility with the same scope as set out in 8.1 above.

The Issuer shall cover the costs of such joint financial advisor, provided that such costs are agreed between the Bond Trustee, the agent under the Senior Bank Facility and the Issuer (acting reasonably) prior to appointment of the joint financial advisor.

8.3 The appointed financial advisor shall share its analysis with the Bond Trustee and with Bondholders who request to receive information and have entered into a Confidentiality Undertaking.

9 CONDITIONS PRECEDENT

Save for Clause 6 (*Permanent amendments*), Clause 8 (*Appointment of Financial Advisor*) and Clause 13 (*Miscellaneous*), the effectuation of the Standstill Period and the other terms and conditions set out in this Standstill Letter is conditional upon the Bond Trustee having received all of the documents and evidence set out below, each in a form and substance satisfactory to it:

- (a) this Standstill Letter, duly executed; and
- (b) evidence that the agent (on behalf of the lenders) under the Senior Bank Facility has (i) not declared a default or taken any other action against any Group Company in respect of payment defaults under the Senior Bank Facility prior to the Effective Date, and (ii) formally accepted in writing not to declare a default or take any other actions against any Group Company in respect of payment defaults under the Senior Bank Facility in the period from and including the Effective Date until a date falling no earlier than the expiry of the Standstill Period, through the due execution of a standstill letter on terms similar in all material respects to the terms and conditions of the Standstill Letter (the "**Bank Standstill Letter**").

10 CONDITIONS SUBSEQUENT

10.1 Unless otherwise agreed with the Bond Trustee, the Issuer shall by no later than five (5) Business Days from the Effective Date deliver to the Bond Trustee all of the following documents and evidence (the "**Conditions Subsequent**"), each in a form and substance satisfactory to it:

- (a) copies of the constitutional documents of the Issuer, and each of the other Obligors (if required), including any memorandum and articles of association;
- (b) copies of all necessary corporate resolutions of the Issuer, and each of the other Obligors (if required), approving the terms of, and the transactions contemplated by this Standstill Letter and any other Finance Document to which it is a party;
- (c) if not covered by paragraph (b) above, a power of attorney from the Issuer, and each of the other Obligors (if required), to relevant individuals for their execution of this Standstill Letter and any other Finance Documents to which it is a party;
- (d) such documents being entered into and/or action taken that any counsel of the agent under the Senior Bank Facility recommends in order to ensure continued validity or enforceability of any Security Document;
- (e) an overview of any and all Intra-Group Loans in existence on the date of the Standstill Letter;
- (f) an overview of the accounts not pledged as security under the Finance Documents and the amounts currently deposited therein, together with a budget as referred to in paragraph (d) of Clause 7 (*Information undertakings*);
- (g) any legal opinions reasonably required by the Bond Trustee; and
- (h) any other document or evidence reasonably requested by the Bond Trustee.

10.2 For the avoidance of doubt, a failure to deliver any of the Conditions Subsequent will constitute an Event of Default.

11 CONTINUING OBLIGATIONS AND FURTHER ASSURANCE

11.1 By signing this Standstill Letter, the Issuer (on behalf of itself and the Obligors) acknowledges and confirms that in any and all capacities it may have under the Finance Documents, the provisions of the Bond Agreement and the other Finance Documents and any Security created or guarantee or indemnity given by it in favour of the Bond Trustee (on behalf of the Bondholders), save as adjusted by this Standstill Letter or contemplated hereby, shall:

- (a) remain in full force and effect notwithstanding the adjustments effectuated pursuant to this Standstill Letter;
- (b) continue to secure all obligations under or in connection with Clause 12.3 (*Parallel Debt*) under the Intercreditor Agreement; and
- (c) extend to all the liabilities and obligations of the Obligors to the Finance Parties under the Finance Documents as adjusted pursuant to this Standstill Letter.

11.2 The Issuer shall, and shall ensure that each of the other Obligors will, at the request of the Bond Trustee and at their own expense, do all such acts and things necessary or desirable to give effect to this Standstill Letter.

12 TERMINATION

12.1 If any of the following occurs (a "**Termination Event**"):

- (a) an Event of Default pursuant to Clause 15.1 (e) (*Insolvency*), Clause 15.1 (f) (*Insolvency proceedings and dissolution*) or Clause 15.1 (g) (*Creditor's process*) of the Bond Agreement;
- (b) any payment being made by the Group under the Senior Bank Facility (including any funding of the Retention Accounts) and/or under the Permitted Hedging;
- (c) the standstill under the Bank Standstill Letter (or any similar letter replacing the same) ceases to apply;
- (d) a breach by the Issuer or any other member of the Group of the terms and conditions of this Standstill Letter;
- (e) the issuance by the Bond Trustee of a written notice to the Issuer stating that the standstill set out in this Standstill Letter shall terminate,

then the provisions of Clause 3 (*Standstill*) shall cease to apply from and including that date.

12.2 If:

- (a) the Effective Date has not occurred within 8 April 2020; or
- (b) the Conditions Subsequent have not been fulfilled within the required date,

this Standstill Letter shall terminate with immediate effect, save for Clause 6 (*Permanent amendments*), Clause 8 (*Appointment of Financial Advisor*) and Clause 13 (*Miscellaneous*) which shall survive any termination and continue in full force and effect.

13 MISCELLANEOUS

The Issuer shall promptly on demand reimburse the Bond Trustee for the amount of all costs and expenses (including legal fees) incurred by Bond Trustee in connection with the negotiation, preparation and execution of this Standstill Letter.

This Standstill Letter is a "Finance Document" as defined under the Bond Agreement.

This Standstill Letter is governed by Norwegian law and the courts of Norway, the venue to be Oslo District Court, have exclusive jurisdiction to settle any dispute arising out of or in connection with this Standstill Letter. The exclusive jurisdiction is for the benefit of the Bond Trustee only. As a result, the Bond Trustee shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may take concurrent proceedings in any number of jurisdictions.

The consent covered by the above confirmation are subject to this Standstill Letter and the conditions herein being accepted by you, by returning a copy of this Standstill Letter duly countersigned by yourself.

Yours sincerely,
Nordic Trustee AS
as Bond Trustee (on behalf of the Bondholders)

Name:
Title:

We hereby, on behalf of ourselves and each other Obligor, accept and agree to the terms and conditions set out above in this Standstill Letter.

Atlantica Tender Drilling Ltd.
as Issuer and on behalf of the Obligors

Name:
Title: