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Atlantica Tender Drilling Ltd.
Investor Presentation
USD 5,000,000 (50,000,000 Shares) - Underwritten Common Shares Rights Issue
8 October 2019

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Summary of risk factors

SUMMARY OF RISK FACTORS

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Risks related to the Company's business

- At maturity of the Senior Secured Term Loan (30 September 2020) and Senior Secured Bonds (30 October 2020), the Company will have to refinance its outstanding debt obligations, reach an alternative agreement with its creditors or be required to dispose of substantial assets in order to repay its indebtedness. The Company's ability to successfully refinance such debt or implement alternative arrangements is dependent on the conditions of the financial markets in general at such time and the Subsidiaries' financial situation. An inability to refinance or implement alternatives could materially and adversely affect the Company's financial condition, results of operations, cash flows and prospects.
- No assurance can be given that the Company will negotiate future drilling contracts on acceptable commercial terms. Pursuant to the terms of existing and future drilling contracts there may be circumstances under which the customer can demand a reduced day rate (possibly to zero) or termination of the drilling contract with little or no notice (with or without compensation) if certain circumstances occur.
- Uncertainty relating to global economic conditions and development may reduce demand for the Company's services or result in contract delays or cancellations.
- Total is entitled to terminate the contact for the Delta at any time and is not obliged to pay any early termination compensation. If Total uses the right to terminate as an opportunity to substantially reduce the day rates under the contract or exercises the right to terminate, the Company may not be able to secure satisfactory further or new employment for the Delta.
- A material or extended decline in expenditures by oil and gas exploration and production companies due to a decline or volatility in oil and gas prices, a decrease in demand for oil and gas, or other factors, would adversely affect the Company's business.
- The Company's rigs may be unable to operate due to failure to maintain their class certifications or other regulatory or survey requirements.
- The market value of the Company's rigs may decrease.
- New technology and/or products may cause the Company to become less competitive.
- The Company's business involves numerous operating hazards.
- The international operations of the Company will be subject to a number of risks inherent in operating a business in foreign countries, particularly those in emerging markets.
- The ability of the Company to achieve its stated objectives will depend on the performance of the counterparties.
- A small number of customers account for a significant portion of the Company's revenues, and loss of any such customer would adversely affect the Company's cash flow and financial results.
- The Company may enter into construction contracts or similar contracts for existing and new rigs which will entail additional risks inherent in such contracts.

Risks related to the Company

- The Company is a parent company and is dependent upon cash flows from its subsidiaries to meet its obligations.
- Changes in tax laws, treaties, regulations or effective tax rates or adverse outcomes resulting from examination of the Company's tax returns could adversely affect its financial results.
- The Company may be unable to generate sufficient cash flow to satisfy its debt obligations.
- The Company has, and will have, a small-sized rig fleet, which makes the Company more vulnerable to operational downtime and delays under any new building contract with a more significant effect on a period's results than for a company with a larger fleet.

Risks related to the Shares

- The Shares may not be a suitable investment for all investors.
- There can be no assurance that the Company will generate revenues in the future and the Company's ability to pay dividends.
- The market value of the Shares may fluctuate significantly.

Agenda

1	**Rights issue - summary and terms**
2	Appendix – company overview and update

Executive Summary

1 Secured 1 year extension on financing	▪ Company secured a one-year extension of its current financing arrangements (bank facility and bonds) on 20 September 2019 ▪ Other financing structures were actively pursued over the past 12 months. The only viable solution in the end was the agreed extension of the current facility
2 Finance extension requires underwritten capital raise of USD 5 million	▪ It is a requirement of the new financing to raise USD 5 million by 31 October 2019 ▪ It was also a requirement of the extension that the capital raise be fully underwritten ▪ Principal shareholder HVAS Invest Zeta AS has underwritten the offer in full
3 Funds will be used to finance bond interest	▪ The proceeds of the offering will be used to fund a blocked interest account in favour of the bondholders, related fees and general corporate purposes ▪ An amount of USD 4,068,000 must be deposited in a blocked interest account prior to 31 October 2019 ▪ The amount shall cover interest payable between an interest rate of 8 % and 12% per annum for the first three quarterly interest payments under the bond or the equivalent of 1/3 of the interest payable
4 Key terms of offering	▪ Shares will be offered at USD 0.10 (USD 10 cents) per share ▪ Offering only open to existing shareholders who will be offered shares on pro rata basis ▪ Oversubscriptions will be allocated pro rata ▪ Subscription rights are non-transferable ▪ **Subscription period launch today, 08 October 2019, and closes at 16:30 on 15 October 2019**

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Please see Term Sheet for further details

Underwritten common shares rights issue – summary of terms

Terms of the Offer	▪ Fully underwritten offer to all shareholders of ATDL ▪ Number of Offer Shares: 50,000,000 ▪ Issue price: USD 0.10 per share ▪ Pro-rata allocation in the event the offer is oversubscribed ▪ Fully underwritten by HVAS Zeta Invest AS with 2 % underwriting commitment fee
Use of proceeds	▪ An amount equal to 1/3 of the interest payable on the next three quarterly interest payment dates under the Atlantica Tender Drilling Ltd 13/20 Bond Loan (the "Bond Loan") shall be deposited to the Interest Account pledged in favour of the bondholders under the Bond Loan, and be used to cover 1/3 of the interest payable for the next three Interest payment dates under the Bond Loan ▪ Payment of related fees and general corporate purposes
Timeline	▪ Offer period: 8 October 2019 at 8:30 CET until 15 October 2019 at 16:00 CET ▪ Results of allocation will be sent to applicants on or about 15 October 2019 ▪ Payment date: No later than 21 October 2019 ▪ Delivery of offer shares: On or about 28 October 2019
Documentation	▪ This Investor Presentation ▪ Subscription Agreement ▪ Notices by ATDL published on its website and N-OTC under the ticker "ATDL"
Conditions	▪ Execution of all required corporate resolutions by the Issuer to issue and sell the Offer Shares ▪ Company filings and approvals under Bermuda law

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1) *IHS Petrodata*

Underwritten common shares rights issue – timeline

Launch of offering	08.10.2019
Subscription period	08.10.2019 – 15.10.2019
Expected allocation	15.10.2019
Expected payment deadline	21.10.2019
Final allocation	28.10.2019
Transfer of funds to Bond Interest Account	28.10.2019

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Debt refinancing – Summary of terms

Maturity extension	The Senior Secured Term Loan and the Senior Secured Bonds were due in full in August and September 2019, respectively. In September 2019, both agreements were amended and the maturities extended to September 2020 for the Senior Secured Term Loan and to October 2020 for the Senior Secured Bonds. The main details of the current terms following the extension are set out below, and further details may be found in the quarterly financial statements of the Company for the quarter ended 30 June 2019 available at www.atlanticatd.com.

Senior Secured Term Loan	▪ Principal amount: USD 101,400,000
	▪ Maturity Date: 30 September 2020
	▪ Interest Rate: LIBOR + margin p.a. of (i) 4.75 % in period 20 September 2019 – 19 March 2020, (ii) 5.25 % in the period 20 March 2020 – 19 September 2020, (iii) 5.75 % in the period from 20 September 2020 – Maturity Date
	▪ Repayment:
	  ▪ Quarterly repayments of USD 7.5 million starting 6 October 2019
	  ▪ Repayment by cash sweep of free liquidity (subject to USD 10m minimum liquidity and other exclusions) in excess of USD 10 million on the last day of the month before each quarterly payment date.
	  ▪ Repayment in the amount equal to proceeds from partial or full payment by Petrobras of the current withholding tax claim (currently estimated to be in the approximate amount of USD 7.3 million)

Senior Secured Bonds	▪ Principal amount: USD 135,600,000 ▪ Maturity Date: 30 October 2020 ▪ Coupon: 12 % p.a. ▪ Interest payable above an interest rate of 8 % p.a. for the first three quarterly interest payments under the bond (being USD 4,068,000) shall be paid from funds deposited on a blocked interest account (which is funded by the proceeds from this offering). ▪ Repayment: The bonds shall be repaid in full on the Maturity Date at 102 % of par value

1) *IHS Petrodata*

Operational Update – Executive Summary

- Admirable HSE performance. No recordable incidents on either rig since January 2019 which was minor in nature
- Strong operational performance on both rigs, Beta and Delta, with average 99% revenue uptime January to August 2019
- Continued strong EBITDA performance of $55 million YTD August which is ahead of budget
- Significant debt reduction expected in coming 12 months of approximately $30 to $40 million
- Based upon positive results from revised well design, indications to date point to re-entering negotiations with Petrobras for an extension in direct continuation of the existing contract for Beta at the end of Q1 2020
- Intent to resume merger discussions and finalize merger with Energy Drilling
- Company plans to refinance its debt prior to the new maturity date in September 2020

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Please see Term Sheet for further details

Agenda

1	Rights issue - summary and terms
2	**Appendix – company overview and update**

Overview of Atlantica

Overview

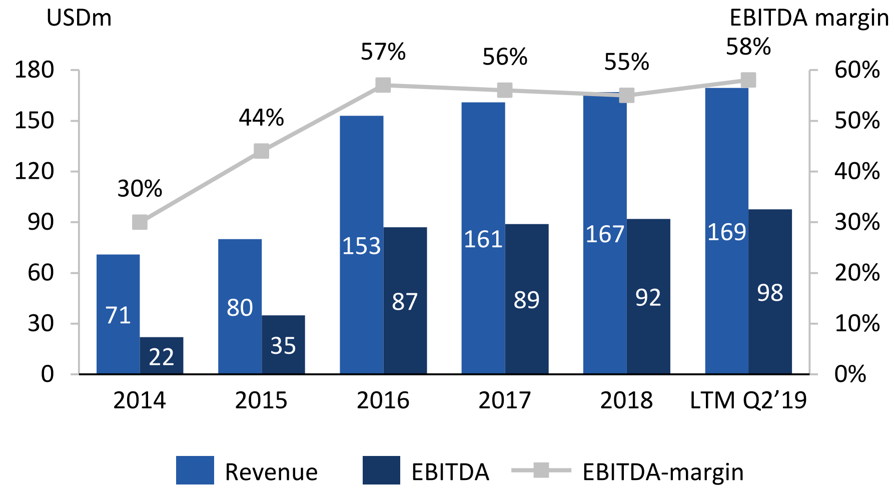
- Atlantica owns and operates two new generation semi tender drilling rigs
- Established in 2007, headquartered in Houston, with currently ~350 full-time employees
- Both rigs on long-term contracts, attractive rates with options (*Delta*) and prospect for additional long-term employment (*Beta*)
- Strong financial, operational and HSE track record
- Positioned for growth as the industry recovers
- Owners include energy focused private equity investor HitecVision, founder Erland Bassoe and management

Asset overview

Delta	*Beta*
	
TOTAL	PETROBRAS

Geographical presence

Financial performance



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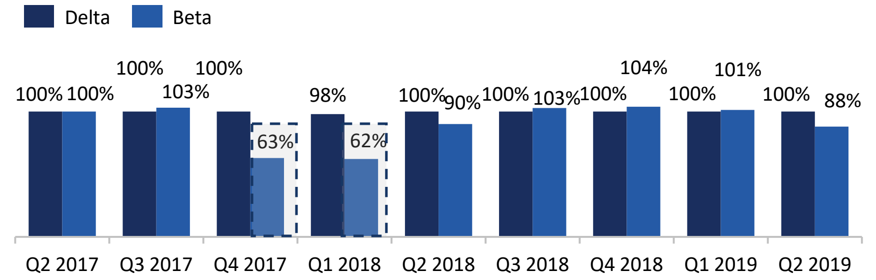
Recent events – Atlantica continues to deliver

Positive Papa Terra developments and Beta extension

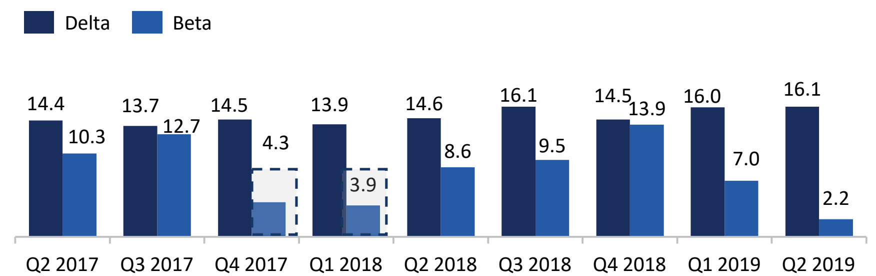
Recent operational events

- In November 2018, *Beta* completed drilling a successful well on Papa Terra which is producing results ahead of expectations ~ 9,000 bbls/day
- Full development of this field is expected – involving between 6-10 additional wells with an overall drilling term of 3-4 years
- On April 18, 2019 Petrobras exercised its right to extend the *Beta* contract until March 2020. It is anticipated that Atlantica and Petrobras will initiate negotiations before YE 2019 to firm up an extended drilling program prior to end of March 2020
- Strong performance continuing with stable, near perfect uptime and revenue efficiency as well as positive budget variances
- *Delta* surpassed the milestone of three years (December 2018) without a lost time incident, and *Beta* surpassed the milestone of four years (April 2019) without a lost time incident

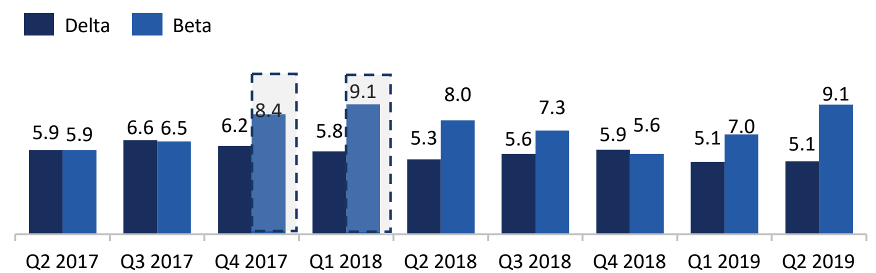
Revenue efficiency



EBITDA (USDm)



Rig OPEX (USDm)

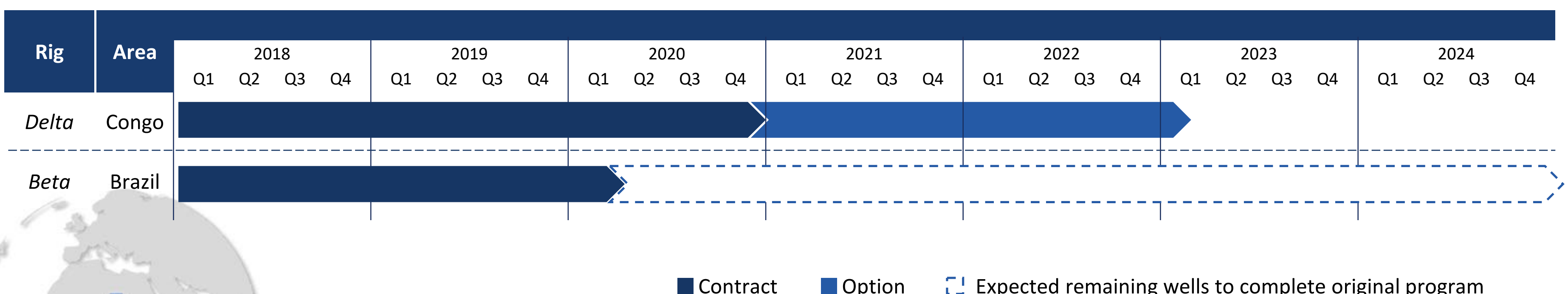


Beta reactivation period

Asset and contract overview

Delta	
Delivery year	2015
Construction cost to Atlantica	USD 257m
Variation orders to date	USD 36m
Total investment	USD 293m
Client	Total E&P Congo
Country	The Republic of Congo, West Africa
Oil field	Moho Nord
Wells remaining	4 of 17 wells
Expected contract end	Expected Q4 2020
Option contract end	5 x 2 wells, expected Q1 2023
Extension prospects	Long-term drilling expected
Revenue backlog (including option)	USD 90m (USD 165m)
EBITDA backlog (including option)	USD 54m (USD 99m)

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
Expected remaining wells to complete original program	9 well slots to complete
Firm contract end	March 2020
Option contract end	N/A
Extension prospects (at Papa Terra)	3-5 years
Revenue backlog	USD ~ 44m
EBITDA backlog	USD ~ 20m



Atlantica and Energy Drilling contemplated merger

Creating a stronger company with improved capabilities and geographical presence

Overview of the contemplated merger

- The combined company will be the second largest tender drilling contractor, with five rigs representing 17% of the tender drilling market with an average age of five years
- Operations backed by solid backlog against Total (Aa3 / A+) and Petrobras (Ba2 / BB-) and strong track-record operating for Thai national oil company PTTEP (Baa1 / BBB+)
- The stronger combined company will have improved capabilities, an enhanced geographical footprint and will provide a strong starting point for future growth and consolidation
- The contemplated merger is subject to finalizing a business combination agreement to be entered into by the board and approved by the shareholders

Stronger company

Improved capabilities

Geographical presence

ATLANTICA + energy drilling

Your Partner in Drilling

Starting point for further growth and consolidation

Atlantica backed by leading PE investor HitecVision

HitecVision in brief

- A leading energy PE investor focused on the upstream offshore oil & gas industry
- HQ in Stavanger, Norway, offices in Oslo and London
- Currently manages five funds with total AUM of USD 5.6bn
- ~85% of capital managed by the fund is provided by investors outside of Norway and includes private and public pension funds, foundations, sovereign wealth funds and others
- Long-term horizon for E&P investments through extended holding period

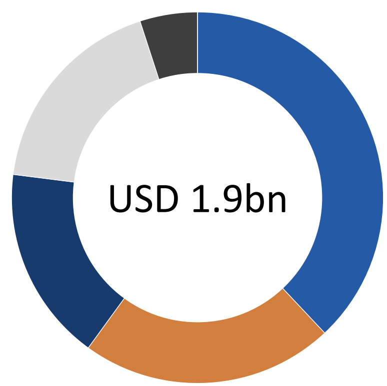
30	150	40	62%
Years of experience in the upstream oil and gas industry	Companies invested in, acquired or established – over 100 exited	Person investment team	Of investments realized at 3.0x cost or higher

HITECVISION
The Serial Entrepreneurs

Selected investments[1]

"HitecVision invests across the entire offshore upstream oil and gas industry, including all segments of the oilfield services and technology sector (e.g., equipment manufacturers, manpower-based, technology-based and asset-based service companies) and exploration and production companies."

Distribution of Hitecvision's latest fund investors



Type of institution	
Pension funds	38%
Fund of funds	22%
Sovereign Wealth Funds	17%
Endowments/Foundations /Family Offices	18%
Financial institutions /Insurance companies	5%
Other	0%

Source: HitecVision; 1) Current and exited investments, (Vår Energi = merger of Point Resources and Eni Norway)

Delta | Introduction

New generation semi tender rig on long-term charter with Total

Overview

- Delivered in December 2015 and built at the Dalian Shipbuilding Industry Company yard in China
- It commenced a 17 well contract with Total in January 2016 to work on the Moho Nord field in the Republic of Congo
  - Charter period: 17 wells – expected completion Q4 2020
  - Option period: 5 x 2 well options
- Construction cost to Atlantica of USD 257m
  - Additional variation orders of USD 36m financed by Total bringing sum investments in *Delta* to USD 293m
  - The choice of a TLP was due to the geological nature of the reservoirs, which are characterized by *inter alia* low permeability, frequent interventions favors topside well heads[1]
- Current day rate of USD 221,000 and estimated OPEX of USD ~80,000 per day
- LTM EBITDA excluding mobilization fee of USD ~61m with a revenue efficiency of 100%
- *Delta* has operated nearly four 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

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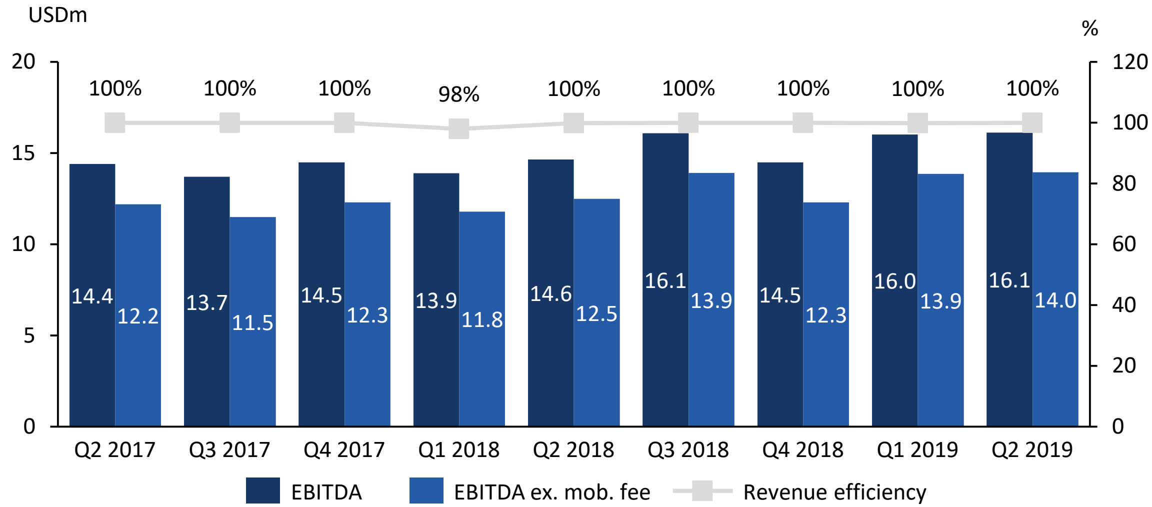
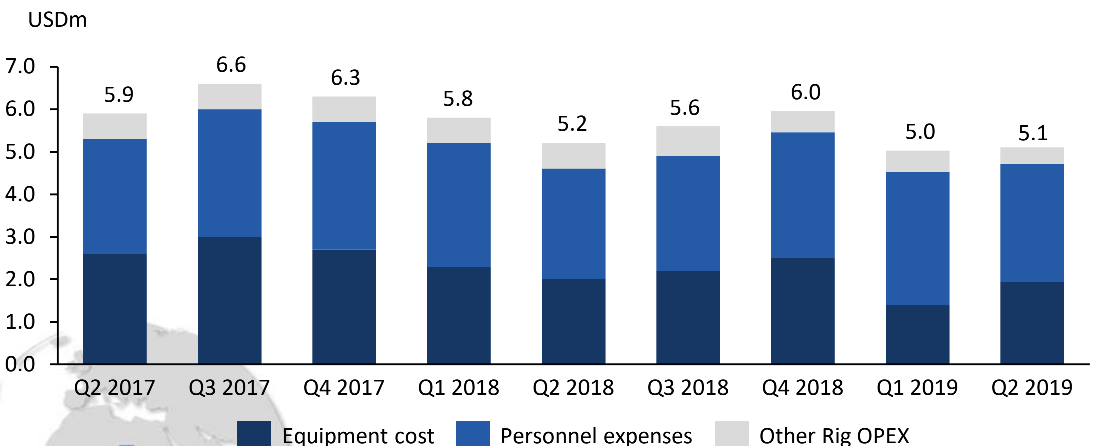
EBITDA and revenue efficiency



Rig OPEX[1]



Comments

- Since commencing ordinary drilling operations in Q4 2016, *Delta* has achieved a consistently high revenue efficiency, averaging 99.5%
- In this period *Delta* has earned an average monthly EBITDA of USD 4.9m (~65% margin)
- Atlantica accredits *Delta's* strong operational and financial performance both to own proficiency as well as a sound working relationship with Total
- Since commencing ordinary drilling operations, *Delta* has also achieved stable and predictable rig OPEX, in line with the budgeted and planned activity level

1) Total OPEX also includes shore based expenses, insurance and other minor OPEX items; rig OPEX relates to operations of the rig

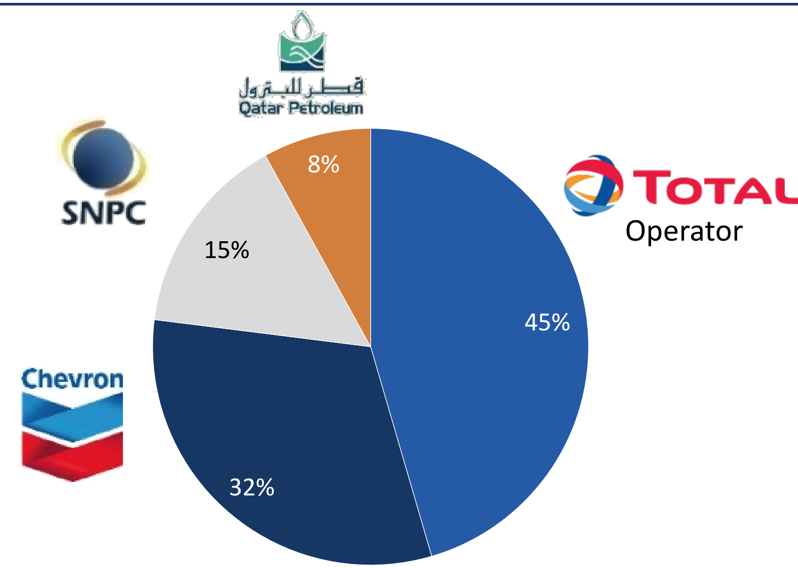
Delta | Moho Nord oil field

Prospective field offshore the Republic of Congo

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 800m
- Exploitation is governed through a production sharing agreement with the government of the Republic of Congo

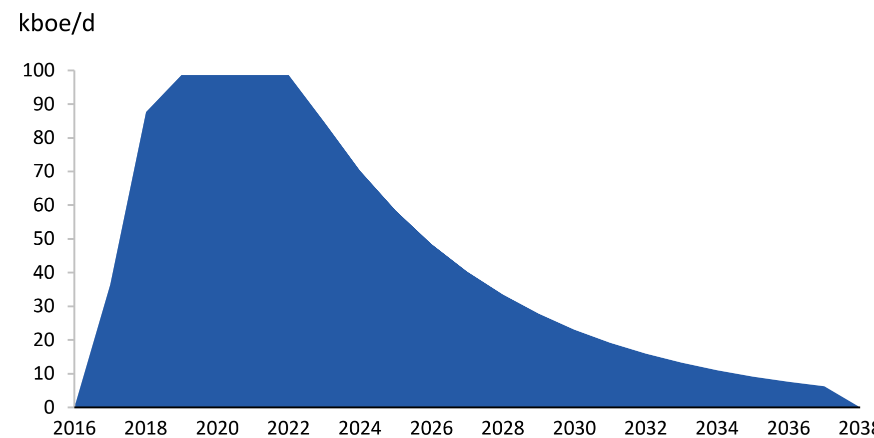
License partners



Key production metrics

Production start year:	2017
Estimated last production year:	2037
Share produced by the end of 2018:	13%
Peak production:	99 kboepd
Cumulative production by end of 2017:	45.3 Mmboe
Remaining resources/peak production ratio:	8.8 years

Production profile



Source: Rystad

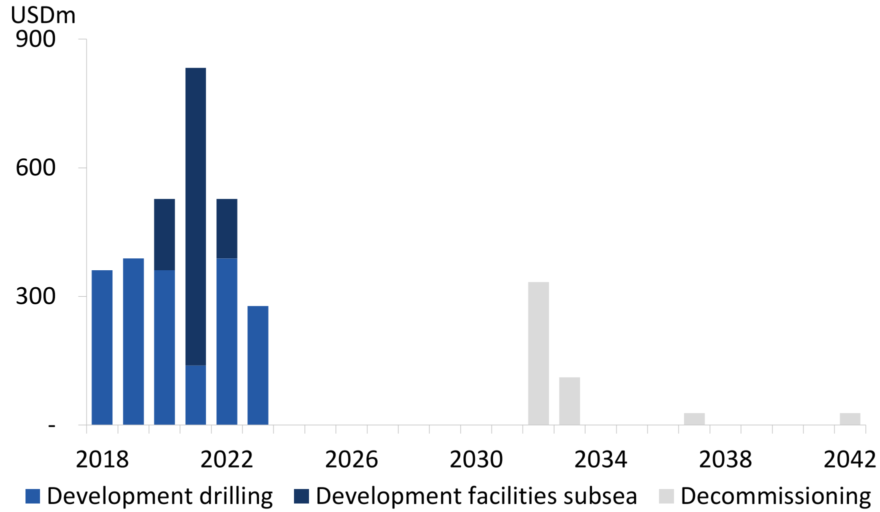
Delta | Moho Nord going forward

Extensive room for drilling spend and continued operations

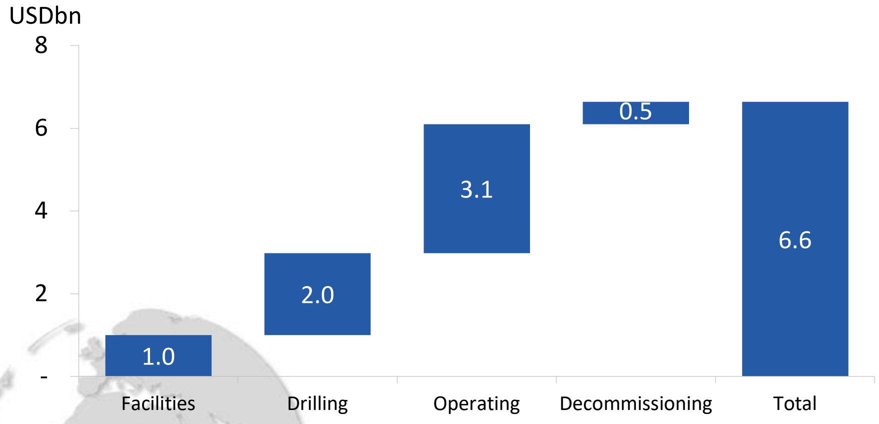
Overview

- 34 wells are expected to be drilled on the Moho Nord field
  - Minimum of 17 wells (possibly 27) are targeting the reservoir related to the TLP (*Delta*)
  - 17 wells are targeting an adjacent reservoir for the subsea tieback structure
- Atlantica awarded 17 wells contract, and by end September 2019, thirteen of these have been completed
- Significant CAPEX expected to be spent on development drilling in future years

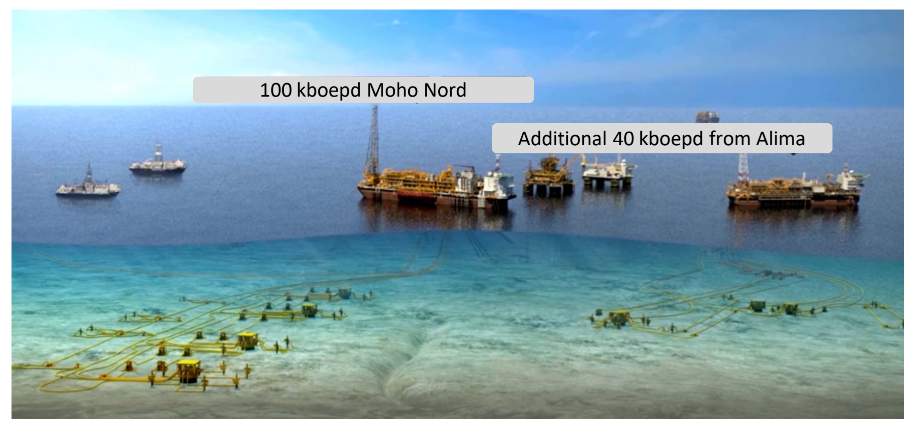
Estimated field capex going forward[1]



Future field costs[1]



Moho Nord field layout[2]



Source: IHS Vantage, Total S.A; 1) IHS Vantage cost estimate and breakdown; 2) Delta not exhibited on the figure

Beta | Introduction

New generation semi tender rig on long-term charter with Petrobras

Overview

- Delivered in 2013 and built at the Dalian Shipbuilding Industry Company yard in China
- *Beta* commenced a 1,500 days contract with Petrobras on the Papa Terra field located in Brazil in March 2014
- Charter contract extended in April 2019 to March 2020
- Construction cost to Atlantica of USD 249m
    - Variation orders and additional investments by Petrobras of USD 53m bring sum investment in *Beta* to USD 302m
- *Beta* has worked without a lost time incident the last four years
- Current day rate of USD 186,000 and estimated OPEX of USD ~90,000 per day

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

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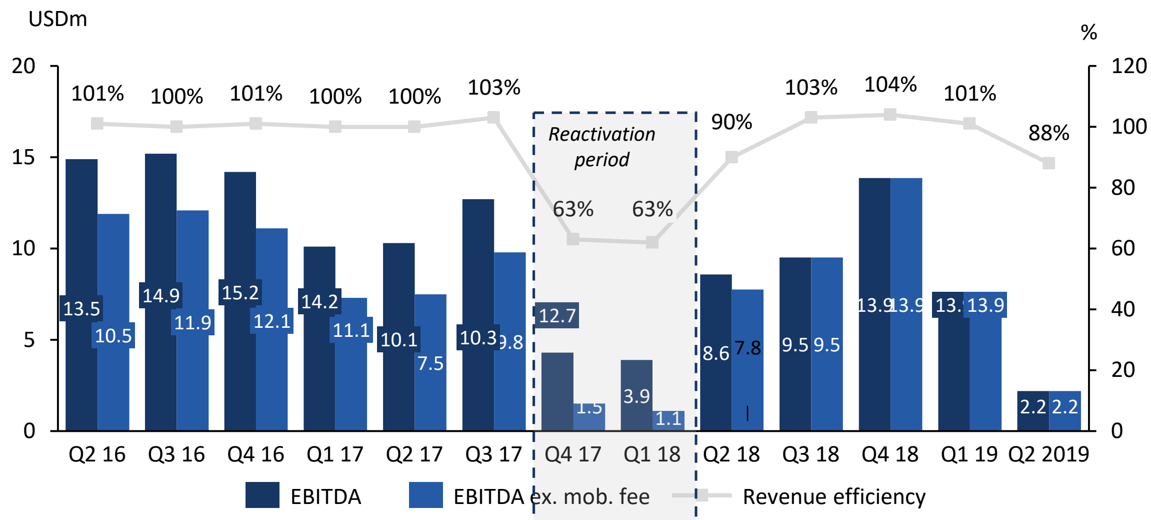
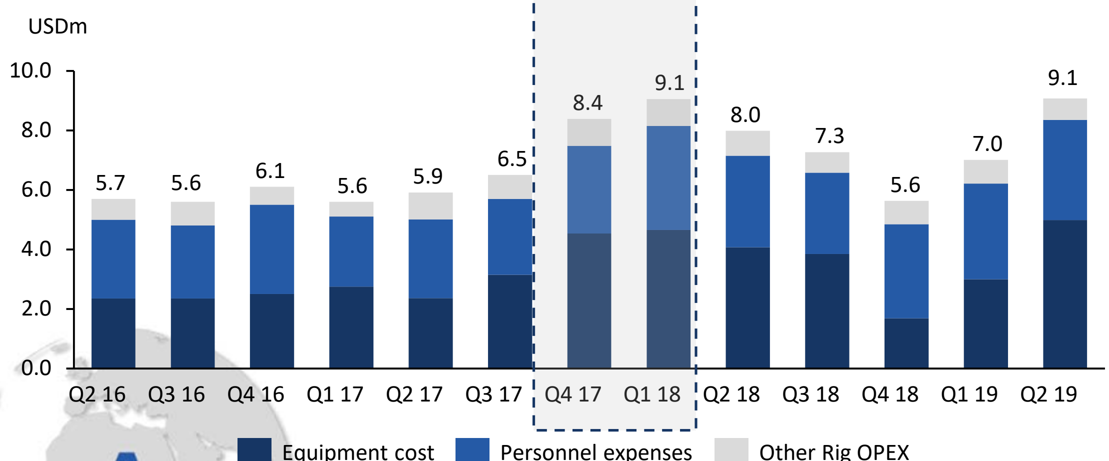
EBITDA and revenue efficiency



Rig OPEX[1]



Comments

- Following the hibernation period (ended 31 October 2017), *Beta* struggled to maintain high uptime
  - Hibernation period lasted 6 months longer than planned; Beta was separated from TLP, preventing regular maintenance of drilling equipment
- 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
- Increased Q1/Q2 2019 Rig OPEX
  - At the beginning of 2019 Petrobras entered a five-month maintenance period
  - Atlantica utilized this time to perform a number of planned maintenance activities including amongst others:
    - Crane 5-year maintenance
    - Gangway 5-year maintenance
    - Top drive overhaul
    - Mud pump overhaul
    - Main engine overhaul
    - Recertification of Choke and Kill Manifold

1) Total OPEX also includes shore based expenses, insurance and other minor OPEX items; Rig OPEX relates to operations of the rig

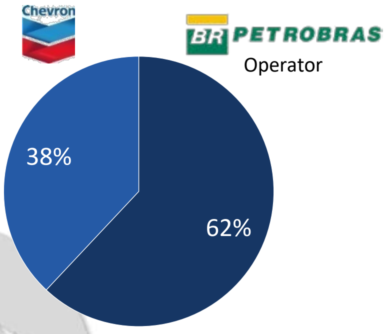
Beta | Papa Terra oil field

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
- Discovered in 2003 at a water depth of 1,200m
- 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
- The field is undergoing studies to understand prospectivity to increase production and extend the lifetime of the field
- Only 4 of 15 well slots have been drilled, and the planned daily capacity of the field is more than 100 kboepd

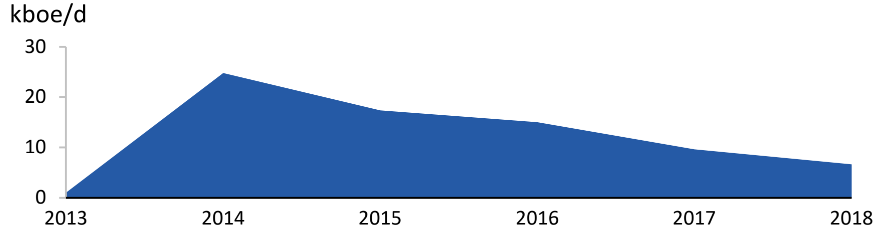
License partners



Papa Terra going forward

- The field's production profile has been declining the last years, due to unsuccessful development drilling
- The contract extension *Beta* was awarded in August 2018 pertains to two development wells to evaluate field flow and how to best utilize the field's resources
  - New well design and stimulation techniques resulted in well results above expectations – full drilling program expected
- Petrobras and Chevron have invested in excess of USD over 8bn to date in the field

Field production



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Source: IHS Vantage, Management, Rystad,

Financials

See audited and unaudited consolidated financial statements at:

https://www.atlanticatd.com/financial-statements

Consolidated income statement

USDm	2014A	2015A	2016A	2017A	2018A	Q2'19
Day Rate Revenues	58.8	66.3	127.5	135.3	141.3	66.6
Amortization of Deferred Revenue	9.4	12.2	19.7	20.0	12.3	4.3
Reimbursable income, other	2.8	1.8	5.5	5.3	12.9	5.7
Total Revenues	**70.9**	**80.3**	**152.7**	**160.6**	**166.5**	**76.6**
Equipment costs	(17.1)	(13.1)	(19.1)	(24.0)	(23.0)	(11.4)
Personnel Expenses	(10.3)	(13.5)	(20.5)	(21.7)	(23.3)	(12.3)
Other Rig OPEX	-	-	-	(5.3)	(5.6)	(2.4)
Rig OPEX	*(31.5)*	*(30.2)*	*(44.7)*	*(51.0)*	*(52.4)*	*(26.1)*
Shore Base Expenses	(3.1)	(3.2)	(5.3)	(5.1)	(6.4)	(3.0)
Insurance	(2.2)	(2.0)	(3.0)	(3.0)	(3.2)	(1.5)
Reimbursables, other OPEX	0.0	-	(1.9)	(1.7)	(2.2)	(1.5)
OPEX	**(36.8)**	**(35.4)**	**(54.9)**	**(60.8)**	**(64.2)**	**(32.1)**
SG&A	(11.9)	(9.9)	(11.2)	(10.3)	(10.4)	(4.9)
EBITDA	**22.2**	**35.0**	**86.6**	**89.5**	**91.9**	**39.6**
EBITDA Cash	**12.8**	**22.8**	**66.9**	**69.5**	**79.7**	**35.3**
Depreciation	(10.5)	(13.1)	(25.8)	(27.7)	(26.9)	(13.2)
Amortization	(1.2)	(2.1)	(3.4)	(3.3)	(3.0)	(1.4)
Net Interest	(7.1)	(8.6)	(20.4)	(19.8)	(18.2)	(8.6)
Non-cash financial items	1.8	(22.3)	(1.2)	(0.8)	(21.2)	(4.2)
Income Taxes	(1.7)	(2.4)	(8.0)	(13.8)	(11.8)	(5.6)
Net income	**(0.2)**	**(13.6)**	**27.9**	**24.0**	**10.8**	**6.6**

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Ultimate Parent consolidated, 2014A-2018A figures are audited, Q1 and Q2'19 are unaudited

Consolidated balance sheet

USDm	2014A	2015A	2016A	2017A	2018A	Q2'19
Fixed assets	361.8	543.7	544.8	515.6	480.2	468.9
Share, other assets	21.1	24.9	22.1	21.4	4.3	2.4
Total fixed assets	**382.9**	**568.6**	**566.9**	**537.0**	**484.4**	**478.5**
Stocks	-	-	-	4.6	24.6	25.7
Receivables	8.1	38.8	15.4	15.6	25.0	19.4
Other short-term assets	2.8	4.9	2.5	2.2	2.2	2.3
Cash restricted	2.0	1.7	9.3	8.4	9.9	9.0
Minimum free cash	15.0	25.0	25.0	25.0	25.0	25.0
Cash operating	25.1	6.6	8.3	6.8	11.2	17.7
Total current assets	53.1	76.9	60.4	62.6	97.9	99.1
Total assets	**436.0**	**645.5**	**627.3**	**599.6**	**582.3**	**570.4**
Accounts payable	11.0	12.4	12.7	7.5	7.4	8.2
Other current liabilities	2.3	7.2	4.3	4.6	4.4	3.3
Interest bearing short-term debt	5.9	25.6	26.8	30.6	296.1	280.8
Interest bearing long-term debt	197.1	348.6	319.2	281.7	(14.4)	(14.4)
Deferred Revenue	40.6	58.8	42.1	21.7	9.5	5.2
Other long-term liabilities	-	(12.0)	(8.4)	(1.2)	2.0	3.3
Intercompany loans/notes	-	-	-	-	-	-
Minority Interests	-	-	-	-	-	-
Shareholder's Funds	179.1	204.9	230.6	254.7	277.3	284.0
Total liabilities & shareholder's fund	**436.0**	**645.5**	**627.3**	**599.6**	**582.3**	**570.4**

Ultimate Parent consolidated, 2014A-2018A figures are audited, Q1 and Q2'19 are unaudited

Consolidated statement of cash flows

USDm	2014A	2015A	2016A	2017A	2018A	Q2'19
Net income	(0.2)	(13.5)	27.9	24.0	10.8	6.7
Depreciation	10.5	13.1	25.8	27.7	26.9	13.2
Amortization of Deferred Revenues	(9.4)	(12.2)	-19.7	(20.0)	(12.3)	(4.3)
Amortization of Debt Issue Costs	1.2	2.1	3.4	3.3	3.0	1.4
Impairment of Asset	-	22.3	0.2	0.0	19.7	1.2
Other; Cash from Operations	(1)	0.0	3.5	2.7	1.6	3.0
Cash from operations	**1.3**	**11.8**	**41.1**	**37.7**	**49.7**	**21.2**
Receivables	(7.2)	(30.6)	22.9	0.1	(9.4)	5.6
Inventories	-	0.0	0.0	0.0	(20.3)	(0.6)
Other Non-Current Assets	(0.2)	(18.7)	-0.1	0.1	(2.7)	(1.1)
Accounts Payable	(1.3)	(24.4)	-0.3	(3.4)	(1.1)	(0.2)
Accrued Interest Expense	(0.3)	0.3	0.4	(0.3)	(0.3)	(0.2)
Other Accrued Liabilities	2.1	7.6	-3.3	(1.9)	(0.4)	(0.4)
Other; Changes in Working Capital	12.8	29.6	6.1	0.8	0.2	(0.9)
Changes in Working Capital	**5.7**	**(36.2)**	**25.7**	**(4.6)**	**(34.1)**	**(2.2)**
Drilling Unit	(298.5)	(3.5)	(286.9)	(2.9)	9.5	(1.6)
CWIP	255.9	(190.1)	263.4	0.0	0.0	0.0
Other; CAPEX	(0.3)	(1.3)	(3.5)	(2.7)	0.2	(0.5)
CAPEX	**(42.9)**	**(194.9)**	**-27.0**	**(5.6)**	**9.8**	**(2.1)**
Other Equity Charges	0.2	13.5	0.0	0.0	11.3	0.0
Senior Term Loan; Instalments	53	171.1	(20.6)	(26.8)	(30.6)	(15.3)
Bought Own Common Shares	6.9	0.0	(7.5)	(6.9)	0.0	0.0
Change in Restricted Cash	6.9	0.4	(7.6)	0.9	(1.5)	0.9
Other; Financing Activities	(40.4)	25.8	(2.2)	3.8	0.7	0.0
Financing Activities	**19.7**	**210.8**	**(38.0)**	**(29.0)**	**(20.0)**	**(14.4)**
Other	(1.7)	0.0	0.0	0.0	(0.9)	(0.4)
Total; Period Cash flow	**(17.8)**	**(8.5)**	**1.7**	**(1.5)**	**4.4**	**6.5**

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Ultimate Parent consolidated, 2014A-2018A figures are audited, Q1 and Q2'19 are unaudited

Atlantica’s competitive position

Field infrastructure position play ensures long-term contracts

Atlantica’s rigs serve as key field infrastructure…

- Large commercial reservoir developments such as Moho Nord and Papa Terra require drilling through their entire life cycles to allow for:
  - Additional development drilling
  - Infill drilling and workovers
  - Production optimizing drilling
- Both Delta and Beta are high-spec units with additional features specified by the operators, to suit TLP’s employed in the Republic of Congo and Brazil for Total E&P Congo and Petrobras E&P respectively
- Atlantica received variation orders for workover for both *Delta* and *Beta* prior to commissioning
- The costs of customization were carried by the field operators:
  - *Delta* has received total additional investments of USD 36m to be compatible with the TLP on Moho Nord
  - *Beta* received a variation order from Petrobras for USD 53m to suit the P-61TLP at Papa Terra

… and represent large replacement costs to clients

- *Delta* and *Beta* are not readily replaceable for their respective clients without incurring significant costs
- Costs that need to be justified, and are avoided by keeping *Delta and Beta* on long-term contracts are:
  - Investing in new specialized drilling packages to suit the respective TLPs
  - Payment of country-specific import tax
  - Disassembly and re-assembly of the replacement drilling package on the TLP
  - De-anchor the *Delta* and *Beta* and re-anchor replacement units
  - Mobilization costs of unit from SE Asia, where the available and compatible tender drilling units are located
- The Company has a sustainable competitive position with respect to costs

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Atlantica's semi tender design

New generation semi tenders

Design advantages

- Both *Delta* and *Beta* are tender semis, built to the same design, with minor differences with respect to dimensions and accommodation
- Bassoe Technology, a recognized designer of advanced mobile offshore units conducted the design and engineering studies for the rigs
- The design features several advantages, enabling the rigs to work in more challenging environments than other tender semi designs:
  - Better motion characteristics and larger air gap
  - Broader application due to ability to operate in more challenging metocean conditions
  - Reduced weather related downtime
  - Four-column design (vs. six-column for others) provides increased stability
  - Less weather related downtime
  - Lower construction cost relative to peers

BT-3500

Beta up to TLP during operations

Beta in transit

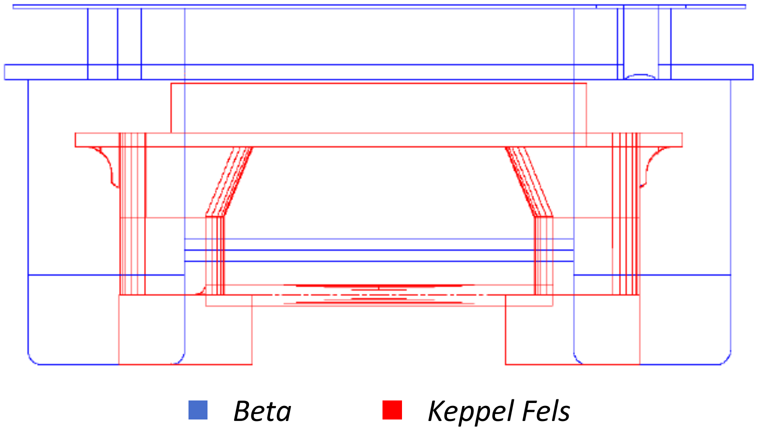
Beta | Contract extension case study

High-spec infrastructure that 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 May 2018 and was temporarily extended to August 2018 and further to March 2020
- After long negotiations, Petrobras and Atlantica agreed to extend the current contract at above market rate, and close to the original rate of USD 189,000 per day

… and is backed by unique rig design



- Atlantica has a strong and protected position against its competitors
  - Rigs are connected to the platforms and are difficult to replace
  - Superior design compared to competitors, e.g. higher and wider design than Keppel FELS design results in increased stability and uptime

Management

Highly experienced team with an average of 27 years in the offshore, oil and gas industries

Executive Management – selected members

Kerry Kunz

CEO and President

- Over 35 years of experience in the offshore industry
- Former Vice President of Offshore Operations for Nabors International

Reese McNeel

CFO

- Former CEO and CFO of Sevan Marine ASA
- MBA from IESE Business School in Barcelona, Spain

Mike Cadigan

COO

- 25 years of management experience in the drilling industry
- Former VP and co-founder Premium Drilling and Prospector Drilling

Franck Soule

Director of Marketing

- 20 years of experience in the drilling industry
- Former Marketing Support Manager for Pride International

Comments

- Demonstrated ability of securing favorable contracts for the Company’s assets
- Atlantica’s management and board are committed to the Company
    - Management owns ~2% of the Company
- Solid track record in rig management and operations
    - Consistent and high uptime
    - Strong financial performance during operations
    - Superior HQSE performance

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Risk factors

Risks related to the Company's business

Uncertainty relating to drilling contracts - There can be no assurance given that the Company will negotiate a contract or contracts on acceptable commercial terms and at favourable daily rates. In addition, under the terms of drilling contracts, circumstances may arise when the Company receives a reduced day rate to the agreed daily operating rates (possibly to zero). Drilling contracts may also be terminated with little or no notice (with or without compensation) if certain events occur. In the past, oil companies have forced a renegotiation of drilling contracts in certain cases. The renegotiations have included a reduction of the daily rates payable under the drilling contracts and a change of the payment currency of all or part of the services. If the Company and/or the Company is not able to successfully meet these challenges, the Company and the Company's prospects, business, financial condition and results of operations could be materially adversely affected.

Uncertainty relating to global economic conditions and development may reduce demand for the Company's services or result in contract delays or cancellations - Continued volatility and sustained weakness in general economic conditions and global or regional financial markets have negatively affected and may continue to negatively affect oil and gas prices and/or create uncertainty that can cause oil and gas companies to cut E&P spending budgets. Such adjustments could reduce demand for drilling services generally, and for the Company's services specifically, which could have a material adverse effect on the Subsidiaries' results of operations, cash flows and financial condition. The Company currently indirectly owns and operates two drilling units. The following table sets forth certain information concerning the current contract status of the -drilling units as of end June 2019.

Name	Region	Contract End Date / Scope	Customer
Beta	Brazil	March 2020	Petroleo Brasileiro S.A.
Delta	The Republic of Congo	17 Wells	Total E&P Congo

No assurance can be given that the Group will be able to secure satisfactory employment for the Rigs after the expiry of its current contracts.

Termination for convenience of Total Contract: The contract with Total E&P Congo for the Delta is for drilling of 17 wells, which is currently estimated to be completed Q4 2020 and with no indications from Total that the drilling program will not be completed in full. However, Total is entitled to terminate this contract for convenience at any time upon 7 days' notice. If such termination for convenience occurs, Total is not obliged to pay any early termination compensation. If Total uses the right to terminate or renegotiate the contract, it may, depending on the then prevailing market conditions and Total's dependence on the availability of the Delta to complete the drilling program, be difficult for the Company to renegotiate the rates to a satisfactory level or to secure satisfactory new employment for the Delta (as the case may be). This could in turn have a material adverse effect on the Company´s results of operations, cash flow and financial condition.

A material or extended decline in expenditures by oil and gas exploration and production companies due to a decline or volatility in oil and gas prices, a decrease in demand for oil and gas, or other factors, would adversely affect the Company's business - The Company's business depends on the level of activity in oil and gas exploration, development and production by potential customers. Any prolonged reduction in oil and gas prices, in addition to numerous other factors, could depress the near-term levels of exploration, development, and production activity, which could have a material adverse effect on the Company´s results of operations, cash flows and financial condition.

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Risk factors

Risks related to the Company's business

The industry in which the Company operates is highly competitive, cyclical and subject to intense price competition - The drilling industry is highly competitive, and contracts have traditionally been awarded on a competitive bid basis. The offshore contract drilling industry, historically, has been very cyclical with periods of high demand, limited supply and high day rates alternating with periods of low demand, excess supply and low day rates. Periods of low demand and excess supply intensify competition in the industry and often result in some drilling units becoming idle for long periods of time. If any of the Company's rigs becomes idle for longer periods, this could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Certain of the Company's competitors for drilling contracts are significantly larger than the Company, both in respect of fleet size and financial position. Such competitors' greater resources could allow them to better withstand industry downturns and operational downtime, compete more effectively on the basis of the size of their fleet, financial strength, technology and geographic scope, and retain skilled personnel. There can be no assurance that the Company can compete effectively with its competitors in the industry.

The Company's rigs may be unable to operate due to failure to maintain their class certifications or other regulatory or survey requirements - The Company's rigs are "classed" by a classification society. The classification society certifies that the Company's rigs are "in-class," signifying that such unit has been built and maintained in accordance with the rules of the classification society and also that the relevant drilling unit complies with applicable laws, rules and regulations, e.g. of the registry and other maritime authorities of the relevant Company's rigs flag state and the international conventions of which that state is a member. There can be no assurance that any future changes to any such laws, rules and regulations or relevant international conventions will not subject the Company's rigs to additional onerous requirements and obligations which may have a material adverse effect on the Company's business, financial position, results of operations and cash flows.

The market value of the Rigs may decrease - If the offshore drilling industry suffers adverse developments in the future, the fair market value of the Rigs may decline, which may affect the price achieved for any sale of any of the Rigs in a distress situation. The fair market value of the Rigs may increase or decrease depending on a number of factors as described herein. In the future, if the market value of the Rigs deteriorates significantly, the Company may be required to record an impairment charge in its financial statements, which could adversely affect the Company's financial results.

New technology and/or products may cause the Company to become less competitive - The Company may be unable to implement and use new and emerging technology in an effective and efficient manner (due to e.g. patent protection or costs associated with such technology), and this may have a material and adverse effect on its business, financial condition, results of operations and cash flows.

Intellectual Property Rights - The Company must observe third parties' patent rights and intellectual rights. There is always an inherent risk of third parties claiming that the technology utilized in the construction of any of the Company's rigs or in their operations infringes third parties' patents or intellectual property rights, and any such claim, if successful, could have a material adverse effect on the ~~Obligor's~~ results of operation of the Rigs.

Any ban of offshore drilling by any governing body may have a material adverse effect on the Company's business, financial position, cash flows and future results of operations - From time to time, governing bodies may propose legislation that would materially limit or prohibit offshore drilling in certain areas, and which may cause a general increase in industry regulation and/or operating costs with respect to drilling activities in the countries in which the Company operates. There is no assurance that the Company's operations will not be adversely affected by future developments in the industry or related regulation. In response to regulatory changes and scrutiny of offshore drilling, oil and gas clients or industry regulators could impose additional equipment or procedural requirements. These additional requirements could impact the capital cost of the Company's rigs, and the operating costs of the Company, which could in turn have a material adverse effect on the Company's business, results of operations, cash flows and financial condition. Further, significant changes in regulations regarding future exploration and production activities internationally or governmental or regulatory actions could be highly restrictive, require costly compliance measures and reduce drilling and production activity, which could have a material adverse effect on any future business activities of the Company.

The Company may experience reduced profit even though the operating and maintenance costs remain the same - The Company does not expect operating and maintenance costs to fluctuate in proportion to changes in operating revenues. An increase in operating and maintenance costs without any corresponding increase in daily rate may result in a reduction in the profit generated for the Company by a drilling contract, or, in extreme circumstances, in the Company incurring a loss with respect to a drilling contract.

Labour issues - Labour unrest could prevent or hinder the Company's services from being carried out normally and, if not resolved in a timely and cost effective manner, could adversely affect its business, results of operations, cash flows and financial condition.

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Risk factors

Risks related to the Company's business

Failure to employ a sufficient number of skilled workers or an increase in labour costs could hurt the Company's operations –The Company's future operational performance depends to a significant degree upon the continued service of key members and key personnel of the Company who manage its business, as well as on operational personnel. Shortage of qualified personnel or the inability of the Company to obtain and retain qualified personnel could negatively affect the quality and timeliness of its work, and could have a material adverse effect on the business, financial position, results of operations and cash flows of the Company.

The Company's business involves numerous operating hazards - The Company's operations will be subject to the usual hazards inherent in the drilling and operation of oil and gas wells, such as blowouts, reservoir damage, loss of production, loss of well control, craterings, fires and pollution. The occurrence of any one of these events could result in the suspension of drilling or production operations, claims by the operator or third parties, severe damage to, or destruction of, the property and equipment involved, injury or death to personnel and environmental damage. The Company may also be subject to personal injury and other claims of the personnel onboard any of the Company's rigs as a result of its drilling operations. Operations may also be suspended because of machinery breakdowns, abnormal operating conditions, weather, failure of subcontractors to perform or supply goods or services and personnel shortages, requirements to obtain permits or meet other regulatory requirements. Damage to the environment could result from the Company's operations, particularly through oil spillage or gas leaks. The Company may also be subject to property, environmental and other damage claims by oil and gas companies and other businesses operating offshore and in coastal areas and other third parties. The Company may not be able to take out insurance for and/or have in place adequate insurance cover for such claims. Furthermore, the contractual indemnities included in drilling contracts with the Company's customers may not cover such claims, and even when the customers have agreed to indemnify the Company, there can be no assurance that they will necessarily be financially able or willing to indemnify it against all of these risks. Any one of the above could have a material adverse effect on the Company's business, financial position, results of operations and cash flows.

The Company's insurance may not be adequate to cover the Company's losses - Insurance of all risks associated with offshore drilling and oil and gas exploration and production is not always available and, where available, the cost can be high. The occurrence of an event that is uninsurable, not covered or only partially covered by insurance could have a material adverse effect on the Company's business and financial position.

Customers may be unable or unwilling to indemnify the Company – The Company seeks to negotiate a liability and indemnity regime with its customers in relation to personal injury or death, damage to property, pollution and other claims similar to those generally seen in the offshore oil and gas industry, but the indemnities obtained may still be limited in scope and duration or subject to exceptions pursuant to their terms or as required by law. An industry trend is also that oil companies require its suppliers to take on more liabilities than what used to the case, and national oil companies (such as Petrobras in Brazil) typically impose a regime which is more favourable to the oil company than more general terms and conditions used across jurisdictions. Additionally, even if the Company's customers agree to indemnify the Company, there can be no assurance that they will necessarily be financially able to indemnify it against all of the agreed risks.

Risks associated with upgrades, refurbishment and repairs - The Company may undertake upgrades, refurbishment and repairs for its existing fleet from time to time, which involves inherent risks for delay and/or cost overruns due to various circumstances outside of the Company's control. The Company may not be able to make a claim against the relevant yard or otherwise be held harmless from the consequences of such delay or cost overruns. Significant cost overruns or delays would adversely affect the Company's business, financial condition and results of operations.

Hidden defects and risk related to maintenance - Construction contracts for new built units typically extend limited warranties from defects for a limited period of time (often one year from delivery), and sale and purchase agreements typically provide for sale of second hand vessels on an "as is" basis without warranties from defects. The Company therefore carries the risk for any hidden defect or defects not discovered during pre-purchase inspection of the respective units. Any such defects may have a materially adverse effect on the value of the units and their ability to trade.

The Company could be adversely affected by violations of worldwide anti-bribery laws - The Company operates in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Despite extensive training and a compliance program, the Company cannot assure that the Company's internal control policies and procedures will always protect it from improper acts committed by its directors, employees or agents. Violations of these laws, or allegations of such violations, could disrupt the Company's business and result in a material adverse effect on its business and operations. The Company may be subject to competitive disadvantages to the extent that its competitors are able to secure business, licenses or other preferential treatment by making payments to government officials and others in positions of influence or using other methods that applicable laws and regulations prohibit the Company from using.

Risk factors

Risks related to the Company's business

The Company could be adversely affected by violations of worldwide anti-bribery laws - The Company operates in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Despite extensive training and a compliance program, the Company cannot assure that the Company's internal control policies and procedures will always protect it from improper acts committed by its directors, employees or agents. Violations of these laws, or allegations of such violations, could disrupt the Company's business and result in a material adverse effect on its business and operations. The Company may be subject to competitive disadvantages to the extent that its competitors are able to secure business, licenses or other preferential treatment by making payments to government officials and others in positions of influence or using other methods that applicable laws and regulations prohibit the Company from using.

The international operations of the Company will be subject to a number of risks inherent in operating a business in foreign countries, particularly those in emerging markets (including the Republic of Congo and Brazil) - The Company will operate worldwide. The Company will thus be subject to a number of risks inherent in operating a business in various jurisdictions, particularly those in emerging markets, including, but not limited to:

- political, social and economic instability, war and acts of terrorism;
- potential seizure, expropriation or nationalization of assets;
- damage to the Company's equipment or violence directed at the management companies' employees, including, but not limited to kidnappings and piracy;
- increased operating costs;
- complications and delays associated with repairing and replacing equipment in the remote locations in which the Company operates (including as a result of having to transport replacement equipment from distant locations);
- repudiation, modification or renegotiation of, or default by counterparties under, contracts;
- limitations on insurance coverage, such as war risk coverage in certain areas;
- import-export quotas and costs;
- confiscatory taxation;
- work stoppages;
- unexpected changes in regulatory requirements;
- wage and price controls;
- sanctions and/or other imposition of trade barriers;
- imposition or changes in enforcement of local content laws;
- changes in economic or tax policies;
- changes in legislation which give rise to increased compliance costs;
- restrictions on currency or capital repatriations;
- currency fluctuations and devaluations and high levels of inflation;
- high interest rates;
- significant governmental influence over many aspects of local economies; and/or
- other forms of government regulation and economic conditions that are beyond the Company's control;
- all of which could have a material adverse effect on the Company's business, financial position, results of operations and cash flows.

Counterparties - The ability of the Company to achieve its stated objectives will depend on the performance of the counterparties under the various agreements it has entered into. If any counterparties do not meet their obligations under the respective agreements, this may impact on the Company's and the Company's operations, business and financial condition.

A small number of customers account for a significant portion of the Company's revenues - The Company derives a significant portion of its revenues from a few customers. The Company's cash flows, financial condition and results of operations could be materially and adversely affected if any one of these customers interrupts or curtails their activities, fails to pay for the services that have been performed, terminates their contracts, fails to renew their existing contracts or refuses to award new contracts and the Company is unable to enter into contracts with new customers on comparable terms.

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Risks related to the Company

Refinancing of existing debt obligations – At maturity of the Senior Secured Term Loan (30 September 2020) and Senior Secured Bonds (30 October 2020), the Company will have to refinance its outstanding debt obligations, reach an alternative agreement with its creditors or be required to dispose of substantial assets in order to repay its indebtedness. The Company's ability to successfully refinance such debt or implement alternative arrangements is dependent on the conditions of the financial markets in general at such time and the Subsidiaries' financial situation. An inability to refinance or implement alternatives could materially and adversely affect the Company's financial condition, results of operations, cash flows and prospects.

The Company is a holding company and is dependent upon cash flows from its subsidiaries to meet its obligations – The Company is a parent company, and as such, it holds no title to the Company's assets or conduct any of the Company's operations, and its operating income and cash flow are generated by subsidiaries of the Company. The Company is dependent upon cash flows from such subsidiaries to meet its debt service and related obligations. Contractual provisions or laws, as well as the Company's financial condition and operating requirements, may limit the Company's ability to obtain, from such subsidiaries, the cash required to meet such debt service or related obligations. Applicable tax laws may also subject such payments to further taxation. The inability to obtain cash from such subsidiaries, and the lack of assets, may limit the Company's ability to meet its debt service and related obligations even though there may be sufficient resources on a consolidated basis to satisfy such obligations.

The Company may be subject to legal, governmental, regulatory or arbitration proceedings - Save for the ongoing proceedings accounted for below in relation to the Gamma arbitration, the Company is not currently aware of any pending or threatened legal, governmental, regulatory or arbitration proceedings against it that would have a material adverse effect on the Company's business, financial position, results of operations and cash flows. The Company may however be involved in material litigation, claims and disputes in the future, which may involve claims for significant monetary amounts, some of which would not be covered by insurance. The Company may also be subject to frivolous or vexatious claims. A substantial settlement payment or judgment or attempt by a third party to make a frivolous, vexatious or strategic claim could have a material adverse effect on the Company's reputation, business, financial position, results of operations and cash flows.

Gamma arbitration – The Ultimate Parent is an indirect shareholder in Atlantica Gamma Ltd. which is party to a construction contract for the rig "Gamma" with Dalian Shipbuilding Industry Co Ltd and Dalian Shipbuilding Industry Offshore Co Ltd (together "Dalian"). A dispute arose under the construction contract with respect to the non-delivery of the "Gamma", in relation to which inter alia the arbitration tribunal determined that Dalian was entitled to retain the first instalment under the construction contract. Dalian were also awarded their costs of the arbitration, with such costs yet to be determined and have a further claim for damages against Atlantic Gamma Ltd which will need to be determined by the arbitration tribunal in due course. Atlantica Gamma Ltd. is a single purpose company, and neither the Ultimate Parent nor any other Subsidiary has provided any company guarantee under the construction contract. Atlantic Gamma Ltd have obtained counsel's advice confirming that, under English law, there is limited risk of enforcement of any award by Dalian against the Ultimate Parent or any other Subsidiary. However, to the extent Dalian is able to substantiate a claim against the Ultimate Parent or any other Subsidiary, or arrest any of the Subsidiaries' drilling units or attach any other assets of the Company, this may have a material adverse effect on the Ultimate Parent and/or the other Company's business and/or financial position.

Changes in tax laws, treaties, regulations or effective tax rates or adverse outcomes resulting from examination of the Company's tax returns could adversely affect its financial results - The Company's future effective tax rates could be adversely affected by changes in applicable tax laws, treaties and regulations. The Company expects to minimize any income taxes, corporation taxes or based upon its interpretation of the tax laws in the country of operation. Although the Company has sought the advice of external tax advisors, the application of these tax laws is not entirely clear. If any country successfully challenges the Company's income tax, corporation tax or other tax filings based on the Company's structure there, or if the Company otherwise loses a material dispute, its effective tax rate on worldwide earnings could increase substantially or it could be subject to substantial penalties. Any such increase in the Company's taxes or incurrence of penalties could have a material adverse effect on the Company's business, financial position, results of operations and cash flows, as well as loss of key personnel and loss of its ability to pay all or any of the amounts due on its existing indebtedness.

Withholding tax on payments under Petrobras charter contract: Due to a change in the tax laws and regulations in Brazil subsequent to the date of charter contract, a portion of the charter hire earned by BassDrill Beta B.V. under its contract with Petrobras is subject to withholding tax in Brazil. The Company's position is that Petrobras should have grossed up its payments under the charter contract pursuant to a provision therein, and that the cost of the change in tax laws and regulations should be covered by Petrobras. Petrobras has nevertheless withheld tax on the payment of charter hire in the amount of USD 7.1 million through 30 June 2019 without applying the gross-up clause. BassDrill Beta B.V. has an ongoing, constructive dialogue with Petrobras in this respect, but to the extent that Petrobras does not pay the amount and/or apply the gross up clause, this may have a material adverse effect on the Company's business, financial position, results of operations and cash flows.

The Company may be unable to generate sufficient cash flow to satisfy its existing and future debt obligations - The Company's earnings and cash flows may vary significantly from year to year due to the cyclical nature of the offshore drilling industry. Any insufficiency in such earnings and cash flows could negatively impact the Group's business. If the Group does not generate enough cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans. It cannot be assured, however, that undertaking alternative financing plans, if necessary, would allow such to meet its debt obligations.

Risk factors

Risks related to the Shares

No trading market exists the shares - No trading market exists for the shares of the Company and there can be no assurance that such a market will be established , and if established that a trading market will develop. Accordingly, investors risk that the investment will be an indefinite investment;

Fluctuations in market value - The market value of the shares may fluctuate significantly and may not reflect the Company's underlying asset value;

Ability to pay dividends - The Company has never paid dividend and the Company's future ability to pay dividends is dependent on the availability of distributable reserves;

Beneficial owners may be unable to vote on the shares - Beneficial owners of shares that are registered in a nominee account will not be able to vote for such shares unless their ownership is re-registered in their names in the VPS prior to the general meeting;

Pre-emptive rights may be set aside - The pre-emptive right of shareholders to participate in future share issuances may be set aside by the Board on a case by case basis;

Dilution in shareholding - Shareholders will be diluted if they are unable or unwilling to participate in future share issuances;

Transfer and selling restrictions - Certain transfer and selling restrictions may limit shareholders' ability to participate in future share issuances, sell or otherwise transfer their shares;

Limited subscription materials - Subscriptions in the rights issue are made on the basis of the rights issue materials only, which is summary form documentation that does not contain the level of disclosure that would be found in a prospectus

Potential inability to cover losses - Investors may be unable to recover losses in civil proceedings in jurisdictions other than Norway; and

Bermudan law limitations - Bermuda law may limit shareholders' ability to bring an action against the Company.

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