



November 25, 2015

On November 15, 2015, Integradora de Servicios Petroleros Oro Negro, S.A.P.I. de C.V. (collectively with its subsidiaries, “we” or the “Company”) provided the global restructuring proposal (the “Proposal”) attached hereto as **Exhibit A** to the respective ad hoc groups of holders of the Company’s senior secured bonds due 2015 and senior secured bonds due 2019 (the “Ad Hoc Groups”). The Company is making the Proposal publicly available solely to satisfy its contractual obligation to the Ad Hoc Groups to do so. The Company and the Ad Hoc Groups have not reached any agreement and may not reach any agreement with respect to a global restructuring, or, in the event such an agreement is reached, it may differ materially from the Proposal. At present, the Company and the Ad Hoc Groups are continuing to discuss potential restructuring alternatives, but there can be no assurance that such discussions will continue or that they will be successful.

The Company has no obligation, other than the aforementioned contractual obligation, to provide this Proposal to the public. The publication of this Proposal should not be regarded as an indication that the Ad Hoc Groups who received this Proposal, the Company’s management, or any other recipient of this Proposal considered, or now considers, it to be a reliable prediction of any future result.

Readers of this Proposal are cautioned not to and should not place undue reliance on any aspect of this Proposal or the negotiations between the Ad Hoc Groups and the Company. No representations have or are being made to any member of the Ad Hoc Groups regarding the Proposal. The Company does not intend to update or otherwise revise this Proposal to reflect circumstances existing after November 15, 2015, to reflect the occurrence of future events, even in the event that any or all of the terms of the Proposal change.

Exhibit A



Counter Global Term Sheet & Cash Flow Analysis

MOELIS & COMPANY
KIRKLAND & ELLIS LLP

November 15, 2015

I. Counter Global Term Sheet

MOELIS & COMPANY
KIRKLAND & ELLIS LLP

Introduction

Global Term Sheet

KIRKLAND & ELLIS LLP
MOELIS & COMPANY

After considering counter-proposals from the 2015 and 2019 Bond Advisors, Oro Negro is proposing this revised Global Term Sheet to amend its capital structure through an out-of-court restructuring enabling the company to continue to serve PEMEX

- The following outlines the general framework of the proposed term sheet. Additional detail is reflected in the following pages:
 - 2015 Bond:
 - \$185mm of 2015 Bondholders exchange into 2019 Bond (includes ~\$10mm of capitalized accrued and unpaid interest)
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 - \$48mm annual amortization reduced to \$35mm (\$7mm / rig)
 - January 2016 amortization payment reduced to \$7mm and only provided to pre-transaction 2019 Bondholders
 - Amortization and interest payment in Q1 2016 will be made contemporaneously with the closing of the Accounts Receivable Factoring facility
 - Approval of necessary amendments and carve outs for establishing Accounts Receivable Factoring facilities
 - Elimination of financial maintenance covenants
 - Dividends to Parent are limited to amounts necessary to pay proportionate shares of Parent-level operating expenses
 - Parent:
 - Shareholders to resolve parent-level issues
 - Company to settle obligations and expenses related to PPL, Rig 3, and Dockwise
 - Parent to receive agreed upon minimum cash balance at transaction closing for Parent-level expenses
 - Parent Guaranty eliminated

Summary of Key Terms to the 2015 and 2019 Bonds Global Term Sheet

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The below table summarizes proposed indicative terms available to 2015 and 2019 Bondholders

2015 Bond	<ul style="list-style-type: none"> ▪ \$185mm of 2015 Bondholders exchange into 2019 Bond (includes ~\$10mm of capitalized accrued and unpaid interest) ▪ Parent Guaranty eliminated ▪ Waiver of any existing outstanding defaults
2019 Bond	<ul style="list-style-type: none"> ▪ \$185mm of 2015 Bondholders exchange into 2019 Bond (includes ~\$10mm of capitalized accrued and unpaid interest), increasing total 2019 Bond principal to ~\$886mm ▪ \$48mm annual amortization reduced to \$35 mm (\$7mm / rig) and 7.5% cash interest <ul style="list-style-type: none"> – January 2016 amortization payment reduced to \$7mm and only provided to existing 2019 Bondholders – Amortization and interest payment in Q1 2016 will be made contemporaneously with the closing of the Accounts Receivable Factoring facility – Cash interest payment contingent on PEMEX meeting regular payment requirements ▪ 75.0% ECF sweep after amortization⁽¹⁾ ▪ Elimination of minimum bareboat rate requirement ▪ Elimination of equity ratio and asset coverage ratio covenants ▪ Issuer may dividend without restriction to the extent it has paid down principal to the same level as the originally scheduled amortization ▪ Approval of necessary amendments and carve outs for establishing Accounts Receivable Factoring facility of approximately [\$125.0mm] ▪ Waiver of any existing outstanding defaults

(1) Sweep is based on actual cash collected from PEMEX and applies to cash flow after rig operating expenses, related Parent G&A expenses, rig maintenance costs, taxes, interest, amortization, applicable restructuring fees and other contingency reserves

Summary of Sources & Uses Global Term Sheet

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The below tables summarize the sources and uses outlined in the Global Term Sheet

Sources				
	Parent	2019 Bond	2015 Bond	Total
Cash Sources				
Factoring Facility	\$649	\$65,550	\$-	\$66,199
Cash Contribution	-	-	11,075	11,075
Total Cash Sources	\$649	\$65,550	\$11,075	\$77,274
Non-Cash Sources				
Capitalized Interest	-	-	10,097	10,097
2019 Bond Principal	-	-	175,000	175,000
Total Non-Cash Sources	\$-	\$-	\$185,097	\$185,097
Total Sources	\$649	\$65,550	\$196,172	\$262,371
Uses				
	Parent	2019 Bond	2015 Bond	Total
Cash Uses				
Debt Service Account Catch-Up	\$-	\$8,625	\$-	\$8,625
Unrestricted Cash Catch-Up	-	31,711	21,172	52,883
Cash to Balance Sheet	649	14,139	-	14,788
Contribution to Rig Entity	-	11,075	-	11,075
Total Cash Uses	\$649	\$65,550	\$21,172	\$87,371
Non-Cash Uses				
2015 Bond Principal	-	-	175,000	175,000
Total Non-Cash Uses	\$-	\$-	\$175,000	\$175,000
Total Uses	\$649	\$65,550	\$196,172	\$262,371

	Current Outstanding	Scenario Adjustments	PF Current Outstanding	PF 2019 Outstanding
(\$US Thousands)				
7.5% Sr. Secured Due 2019	\$701,000	\$185,097	\$886,097	\$756,597
11.0% Sr. Secured Due 2015	175,000	(175,000)	-	-
11.0% Sr. Secured Due 2015 - Acc'd Interest	10,097	(10,097)	-	-
Total Debt	\$886,097	\$-	\$886,097	\$756,597
Available Cash	(39,093)	67,671	28,578	23,004
Restricted Cash	54,636	8,625	63,261	76,010
Total Cash	\$15,543	\$76,296	\$91,838	\$99,014
Net Debt	\$870,554	(\$76,296)	\$794,258	\$657,583

Credit Metrics			
2016 / 2019 EBITDA	\$123,599	\$123,599	\$123,599
Annualized Interest Expense	75,344	69,714	59,525
Consolidated			
Total Debt / EBITDA	7.1x	7.2x	6.1x
Net Debt / EBITDA	7.0x	6.4x	5.3x
Interest Coverage	1.6x	1.8x	2.1x