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To the bondholders in:

ISIN NO 001 0715212 - 10 per cent Latina Offshore Holding Limited Senior Secured Callable Bond Issue 2014/2016 with step up

Oslo, 8 August 2016

Summons to Bondholders' Meeting – proposal to make certain amendments of the Bond Agreement

1. INTRODUCTION

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**" or the "**Bond Issue**") issued by Latina Offshore Holding Limited (the "**Company**" or "**Issuer**").

Capitalised terms used but not otherwise defined herein shall have the meaning assigned to them in the bond agreement originally entered into on 30 July 2014, as amended pursuant to an amendment agreement dated 24 August 2015 (the "**Bond Agreement**").

Reference is made to the information from the Company published on Stamdata on 2 March 2016 (the "**March Information Notice**") and the Interim Accounts for first quarter 2016 and related press release published on the Parent's website 31 May 2016 (the "**Interim Accounts Press Release**").

The information in this summons 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 summons letter in its entirety.

2. BACKGROUND

As set out in the Interim Accounts Press Release, the Company had expected its modular rig (Modular 01, referred to as the "**Modular**") to commence operations under the drilling contract with Pemex in the second week of June 2016. However, the final approval from Pemex as required in order to commence operations was first given on 5 July 2016. After receiving such approval, the Modular has now been mobilized to its final destination and has commenced operations and rate has started to accrue under the drilling contract with Pemex.

Furthermore, similar to other offshore drilling contractors with operations in Mexico, the Company has during the last couple of months been in extensive dialogue with Pemex regarding possible amendments to its drilling contracts, namely for the two jack-ups, La Santa Maria and La Covadonga, and the Modular. These negotiations have proven to be difficult and lengthy, and are yet to be resolved.

Pursuant to the Bond Agreement, the Maturity Date of the Bond Issue is 31 July 2016 and as this is not a Business Day the Issuer should on 1 August 2016 have repaid the Bonds in full in accordance with Clause 10.1 of the Bond Agreement (the "**Maturity Payment**").

On 1 August 2016 the Issuer should further have paid an amount of USD1,250,000 representing interest on the Bonds in accordance with Clause 9.1 of the Bond Agreement (as amended) (the "**July 2016 Interest Amount**").

Pending completion of the negotiations with Pemex and to avoid a breach of the Bond Agreement, the Issuer is approaching the Bondholders to ask for their consent to extend the Maturity Payment, arrange for payment of the July 2016 Interest Amount and make certain amendments to the Bond Agreement as described herein.

The Issuer has retained Clarksons Platou Securities AS as financial advisor to assist in the review of financing and strategic opportunities.

3. PROPOSED AMENDMENTS TO THE BOND AGREEMENT

In accordance with Clause 16.2 of the Bond Agreement, the Issuer has approached the Bond Trustee to convene a meeting of Bondholders ("**Bondholders' Meeting**") in order to consider the Issuer's request to amend the terms of the Bonds as set out below, pursuant to the authority given to the Bondholders' Meeting under Clause 16.1 of the Bond Agreement.

The Issuer proposes that the Bond Agreement is amended in accordance with the proposed amendments in sections 3.1 to 3.4 (the "**Proposal**"):

3.1 Deferral of the Maturity Payment and payment of the July 2016 Interest Amount

Maturity Payment:

The Maturity Payment shall be postponed to 30 September 2016.

Accordingly, the definition of "Maturity Date" in Clause 1.1 of the Bond Agreement shall be amended to read as follows:

""Maturity Date" means 30 September 2016. Any adjustment will be made according to the Business Day Convention."

For the avoidance of doubt, no interest for late payment in accordance with Clause 11.5 (only regular interest in accordance with Clause 9) of the Bond Agreement shall accrue on the Maturity Payment in the period from 31 July 2016 to 30 September 2016.

July 2016 Interest Amount:

The Issuer shall on the date of this summons letter pay the July 2016 Interest Amount, provided that no interest for late payment pursuant to Clause 11.5 of the Bond Agreement shall apply on the July 2016 Interest Amount if the Issuer provides a confirmation from the Paying Agent to the Bond Trustee that payment of the July 2016 Interest Amount has been initiated on the date of this summons letter.

3.2 Bondholders' Meeting

The Bond Agreement shall be amended to allow for summons to Bondholders' Meetings to be dispatched with 5 (rather than 10) Business Days' notice. Accordingly, Clause 16.2.4 of the Bond Agreement shall be amended to read as follows:

"The summons to a Bondholders' Meeting shall be dispatched no later than five Business Days prior to the date of the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of Bonds shall be sent to all Bondholders registered in the

Securities Depository at the time of distribution. The Exchange shall also be informed if the Bonds are listed."

3.3 Written resolution

The Bond Agreement shall be amended to allow matters which may be resolved in a Bondholders' Meeting to be resolved by way of a written resolution procedure. Accordingly, a new Clause 16.5 shall be included in the Bond Agreement in accordance with the form attached as **Schedule B**.

3.4 Negative Pledge

New Clause 13.5 (j):

The existing negative pledge in Bond Agreement shall be amended to include revenues from the modular rig. Accordingly, a new Clause 13.5 (j) shall be included in the Bond Agreement with the heading "Negative Pledge" and the following wording:

"The Parent will not and it will procure that none of its Subsidiaries will create or agree to create or permit to subsist any Security over any part of the revenues from the Rig other than any Security permitted by the Bond Agreement"

The following new definition to be included:

"Rig" means the modular rig constructed and delivered under the Construction Contract and registered in the name of Rigco"

Amendment to definition of "Permitted Security":

The reference to "Permitted First Rig Financing" shall be deleted from the definition of "Permitted Security". Accordingly, the definition of "Permitted Security" in the Bond Agreement shall be amended to read as follows:

"Permitted Security" means security provided for the Permitted Second Rig Financing and any security interest (in existence as of the Issue Date) over any of the Issuer's assets or revenues provided as security under the Existing Bond.

3.5 Amendment to Bond Agreement and miscellaneous

Save for such amendments as are necessary to reflect the Proposal, the Bond Agreement shall remain in full force and effect.

The Proposal requested by the Issuer shall have effect immediately upon approval of the Proposal by the Bondholders' Meeting.

By approving the Proposal, the Bondholders acknowledge that regardless of the temporary non-payment of the Maturity Payment the Issuer will continue to pay on the due date at regular rates and tariffs its suppliers and operational expenses necessary for the regular operation of the Rig

4. STANDSTILL UNDERTAKING PENDING BONDHOLDERS' MEETING

In respect of the Maturity Payment and the July 2016 Interest Amount (provided payment is initiated as set out in section 3.1 above), (i) the Bond Trustee have undertaken to the Issuer not to declare an Event of Default unless it receives instruction from a relevant majority of the Voting Bonds and (ii) Bondholders representing more than 2/3 of the Voting Bonds have undertaken to the Issuer not to declare or instruct to declare an Event of Default, in each case due to the

payments originally due on 1 August 2016 in the period from 1 August 2016 to 16 August 2016 or the time the Bondholders' Meeting is adjourned or cancelled if that is earlier.

5. EVALUATION OF THE PROPOSAL

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee or the Issuer or any of their respective advisors. The Bondholders must independently evaluate whether the proposal is acceptable and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

The Bond Trustee has been informed that Bondholders representing more than 2/3 of the Voting Bonds have irrevocably undertaken to vote in favour of the Proposal.

For further questions to the Issuer, please contact Simen Flaaten at Clarksons Platou Securities AS at simen.flaaten@clarksons.com or +47 48 3000 35.

For further questions to the Bond Trustee, please contact Morten S. Bredeesen at mail@nordictrustee.com or +47 22 87 94 00.

6. SUMMONS FOR BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: **22 August 2016 at 13:00 hours (Oslo time)**

Place: **The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 0161 Oslo - 6th floor**

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the Proposal and granting of the Waiver:

It is proposed that the Bondholders' Meeting resolves the following:

"The Bondholder's Meeting approves the Proposal as described in Section 3 (Proposed Amendments to Bond Agreement) of the summons for the Bondholders' Meeting.

The Bond Trustee is given power of attorney to prepare, finalise and enter into any and all documentation and agreements deemed necessary or desirable by the Bond Trustee in connection with documenting the decisions made by the Bondholders' Meetings as well as to carry out the necessary completion work."

To approve the above resolution, Bondholders representing more than 2/3 of the Voting Bonds represented in person or by proxy at the Bondholders' Meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the Voting Bonds must be represented at the meeting.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody - i.e.

the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

Individual Bondholders may authorise the Bond Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post to post@nordictrustee.no, +47 22 87 94 10, or Nordic Trustee ASA, PO Box 1470 Vika, 0116 Oslo, Norway).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form is executed, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the beneficial ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (as set out at the first page of this letter) by no later than 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA



Morten S. Bredesen

Enclosed: Schedule A - Bondholder's Form
Schedule B - Written Resolution

Schedule A

Schedule B – Written Resolution

“**Written Resolution**” means the written or electronic procedure for decision making among Bondholders in accordance with Clause 16.5 (*Written Resolution*).

16.5 Written Resolutions

16.5.1 Subject to the provisions in this Bond Agreement, anything which may be resolved by the Bondholders in a Bondholders’ Meeting pursuant to Clause 16.1 (*Authority of the Bondholders’ Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders’ Meeting, and any reference in any Finance Document to a Bondholders’ Meeting shall be construed accordingly.

16.5.2 The person requesting a Bondholders’ Meeting may instead request that the relevant matters are to be resolved by Written Resolution only.

16.5.3 The summons for the Written Resolution shall be sent to the Bondholders through the VPS and published at the Bond Trustee’s web site, or other relevant electronic platform or via press release issued by the Bond Trustee.

16.5.4 The provisions set out in Clause 16.1 (*Authority of the Bondholders’ Meeting*), 16.2 (*Procedural rules for Bondholders’ meetings*), Clause 16.3 (*Resolutions passed at Bondholders’ Meetings*) and Clause 16.4 (*Repeated Bondholders’ Meeting*) shall apply mutatis mutandis to a Written Resolution, except that:

- (i) the provisions set out in Clauses 16.2.8, 16.2.10 and 16.2.11; or
- (ii) provisions which are otherwise in conflict with the requirements of this Clause 16.5 (*Written Resolutions*),

shall not apply to a procedure undertaken pursuant to this Clause 16.5.

16.5.5 The summons for a Written Resolution shall include:

- (a) instructions as to how to vote to each separate item in the summons (including instructions as to how voting can be done electronically if relevant); and
- (b) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the “**Voting Period**”), such Voting Period to be at least three (3) Business Days but not more than 15 Business Days from the date of the summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 16.4 (*Repeated Bondholders’ Meeting*) shall be at least five (5) Business Days but not more than 15 Business Days from the date of the Summons.

16.5.5 Only Bondholders of Voting Bonds registered with the VPS on the relevant record date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee, will be counted in the Written Resolution.

16.5.6 A Written Resolution is passed when the requisite majority set out in Clause 16.3.4 or Clause 16.3.5 (Resolutions passed at Bondholders' Meeting) or Clause 16.4.2 (Repeated Bondholders' Meeting) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient number of negative votes is received prior to the expiry of the Voting Period.

16.5.7 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.

16.5.8 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 total number of votes casted when the quorum and majority requirements set out in Clause

16.3 (Resolutions passed at Bondholders' Meeting) and Clause 16.4 (Repeated Bondholders' Meeting) shall be calculated.