

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

**To the bondholders in:**

**ISIN NO 001 068383.2      8.875 per cent Latina Offshore Limited Senior Secured Callable Bond Issue 2013/2018**

Oslo, 1 October 2018

### **Notice of a Written Bondholders' Resolution**

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

Unless otherwise stated, capitalised terms used herein shall have the meaning assigned to them in the bond agreement originally entered into on 3 July 2013, as amended (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 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.*

## **1 BACKGROUND**

The current Maturity Date of the Bonds is 1 October 2018 (the "**Current Maturity Date**"). In order to allow for an extension of the Maturity Date and as part of such extension, the Issuer proposes certain changes to the Bond Agreement (the "**Bond Agreement Amendments**") as described in the following:

- (i) the Maturity Date is extended to 3 October 2019, and may be further extended upon request by the Issuer, subject to approval of the Bondholders in a Bondholders' Meeting or written resolution with requisite 2/3 majority in accordance with the terms of the Bond Agreement;
- (ii) payments of interest and instalments are changed to quarterly payments on each of 3 January, 3 April, 3 July and 3 October until the Maturity Date;
- (iii) the Issuer shall pay quarterly instalments equal to any remaining cash standing on the Interest Retention Account 5 Business Days prior to the relevant payment date (after deductions to allow for payment of interest in accordance with the application of earnings as described below);
- (iv) for any Charter Contract entered into by the Parent, the Parent shall pay a bareboat rate (the "**Bareboat Rate**") to the relevant Rigowner equal to the day rate in USD of the applicable

Charter Contract at the time of the start of such Charter Contract less an amount (the "**Deductible Amount**") equal to USD 47,500 per Rig per day;

- (v) the Deductible Amount shall cover all operating expenditure (fixed at USD 30,000 per Rig per day), all capital expenditure (fixed at USD 5,500 per Rig per day) and all SG&A (fixed at USD 12,000 per Rig per day) for the Issuer, the Rigowner, the Rigowner Subsidiary and for the Parent;
- (vi) the Bareboat Rate and the Deductible Amount shall only be subject to the following adjustments:
  - (a) the Deductible Amount per day may be increased by an amount equal to the increase of a day rate under the applicable Charter Contract (in aggregate, in one or more contract adjustments, if any) up to a maximum amount of USD 3,000 per Rig per day
  - (b) any increase of the day rates under the applicable Charter Contracts (in aggregate, in one or more contract adjustments, if any) exceeding USD 3,000 shall increase the Bareboat Rate(s) payable by the Parent by an equal amount without further increases of the Deductible Amount(s);
- (vii) since the Deductible Amount(s) shall cover all costs for the Issuer, the Rigowner and the Rigowner Subsidiary and the Parent, and the Parent shall not be entitled to receive any other amounts than the Deductible Amount(s), the application of earnings shall be structured so that the earnings from the Bareboat Charter(s) are finally transferred to the Interest Retention Account on a monthly basis (subject to item (viii) below) and quarterly first applied towards the Issuer's quarterly interest obligations and secondly towards the Issuer's quarterly instalment obligations equal to any remaining balance standing on the Interest Retention Account 5 Business Days prior to the relevant payment date;
- (viii) if the Parent has not received payment of hire or factoring proceeds from the expected payment of such hire for a part the charter period under any Charter Contract entered into by it, the Parents obligation to pay Bareboat Charter hire for the corresponding period shall be deferred until such time as it receives payment of hire or factoring proceeds under the Charter Contract for the relevant period (as per the current terms of Bond Agreement and Bareboat Charters);
- (ix) any request for release of funds from an Account which is blocked in favour of the Bond Trustee shall be based on a format which is to be agreed between the Bond Trustee and the Issuer and which sets out a detailed overview of the costs which are covered by the request (a "**Release Request**"), and each such request shall be posted, in a redacted format if necessary, on Stamdata;
- (x) the Retained Amount in the Minimum Liquidity Account shall at all times be no less than USD 10,000,000;
- (xi) for any Charter Contract entered into by the Issuer, a Rigowner or a Rigowner Subsidiary (the "**Issuer Direct Contract Regime**"), and upon request of the Issuer, a Rigowner or a Rigowner Subsidiary, the Issuer, the Rigowner and the Rigowner Subsidiary shall enter into an Operational Management Agreement and an SG&A agreement (the "**SG&A Agreement**") with the Parent;
- (xii) the Operational Management Agreement and the SG&A Agreement, shall be on market terms, the aggregate fee under both agreement shall not in any event exceed the Deductible Amount, and the agreements shall cover all services and costs necessary for the performance of the relevant Charter Contract(s) and all services/costs for the Issuer, the Rigowner and the Rigowners Subsidiary and the Parent;
- (xiii) the application of earnings under the Issuer Direct Contract Regime shall be similar to the application of earnings where the Parent enters into a Charter Contract.

The proposed changes are expected to yield a more transparent and effective cash management reducing cost for the benefit of all stakeholders going forward.

Implementation of the Bond Amendments will be subject to the following conditions:

- (i) an amended Bond Agreement implementing the terms of the Proposed Resolution and, to the extent required, amended and/or restated Finance Documents; and
- (ii) other customary conditions precedent, including legal opinions, cost coverage and security confirmations,

in each case, in form and substance satisfactory to the Bond Trustee.

## 2 PROPOSAL

Based on the foregoing, the Issuer hereby proposes the following (the “**Proposed Resolution**”):

*“The Bondholders' Meeting approves the Bond Agreement Amendments as described in Clause 1. The Bond Trustee is hereby authorised to prepare, approve, finalise and enter into, execute and/or agree appropriate amendment documentation as well as any other documentation necessary or advisable in relation to the above, in each case in the absolute discretion of the Bond Trustee.*”

*Non-payment by the Issuer of principal amounts on the Current Maturity Date does not constitute an Event of Default and/or require any default interest to be paid pursuant to Clause 11.4 of the Bond Agreement.”*

## 3 EVALUATION OF THE PROPOSED RESOLUTION

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 the Bond Trustee or any of its 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 the members of an ad hoc committee of Bondholders (the “**Ad Hoc Committee**”), together representing more than 2/3 of the Voting Bonds, will vote in favour of the Proposal.

For further questions to the Issuer, please contact Miguel Ruiz Tapia at [miguel.ruiz@cplatina.com](mailto:miguel.ruiz@cplatina.com).

For further questions to the Bond Trustee, please contact Fredrik Lundberg or Morten S. Bredesen at [mail@nordictrustee.com](mailto:mail@nordictrustee.com) or +47 22 87 94 00. Bondholders may also contact the legal advisors to the Ad Hoc Committee, Viggo Bang-Hansen, and Hedda Leikvang of Advokatfirmaet Schjødt AS (+47 22 01 88 00; [vbh@schjodt.no](mailto:vbh@schjodt.no), [hedda.leikvang@schjodt.no](mailto:hedda.leikvang@schjodt.no)).

## 4 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.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form at Schedule 1 (the “**Voting Form**”) no later than 8 October 2018 at 13.00 hours (Oslo time) (the “**Voting Deadline**”).

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5.6 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting (which, for the avoidance of doubt, is 2/3 of the Voting Bonds pursuant to Clause 16.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Yours sincerely  
**Nordic Trustee AS**

A handwritten signature in black ink, appearing to read 'Morten S. Bredesen', with a long horizontal flourish extending to the right.

Morten S. Bredesen

Enclosed:

Schedule 1: Voting Form

---

**Written Bondholders' resolution**

**ISIN: NO 001 068383.2 - 8.875 per cent Latina Offshore Limited Senior Secured Callable Bond  
Issue 2013/2018**

The undersigned holder or authorised person/entity, votes either in favour of or against the Proposed Resolution in the summons dated 1.10.2018.

- In favour** of the Proposed Resolution
- Against** the Proposed Resolution.

ISIN <b>ISIN NO 001 0683832</b>	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,<sup>1</sup> 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 to: mail@nordictrustee.no

---

<sup>1</sup> 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.