

Oro Negro Announces Amendments Requested by Pemex to Drilling Contracts

Oro Negro Drilling Pte. Ltd. Senior Secured Bond Issue 2014/2019

Mexico City, Mexico. August 11, 2017. Pursuant to the terms of the bond agreement governing the Oro Negro Drilling Pte. Ltd. (the “Company”) Senior Secured Bond Issue 2014/2019, the Company announced today that Petróleos Mexicanos (“Pemex”) has requested a series of amendments to the drilling contracts for the Primus, Laurus, Fortius, Decus and Impetus rigs operated by Perforadora Oro Negro, S. de R.L. de C.V., an affiliated entity of the Company. After extensive discussions, Pemex has presented the following final terms:

- The Primus rig would remain suspended until the end of 2018. Thereafter, it would resume operations at a reduced rate of U.S.\$116,300 per day for six months, after which the day rate would be adjusted according to a formula based on the “Global Jack-Up Average Index” issued by Clarkson Research and subject to a floor equal to the reduced rate and a cap equal to the original contracted rate.
- The Laurus rig would remain suspended until November 2017. Thereafter, it would resume operations at a reduced rate of U.S.\$116,300 per day for six months, after which the day rate would be adjusted according to the formula described above.
- The Fortius, Decus and Impetus rigs will continue operations at a reduced rate of U.S.\$116,300 (effective June 1, 2017). Beginning December 1, 2017, the day rate would be adjusted according to the formula described above.
- The tenor of all five contracts would remain unchanged.

Pemex has advised the Company that Pemex may terminate the drilling contracts with Oro Negro if the final terms above are not accepted.

The Company is analyzing the impact of the proposed terms on its capital structure. Any amendments to the drilling contracts require applicable Company approvals. In addition, under the terms of the bond agreement, Oro Negro may not, without the consent of bondholders, permit any changes to the drilling contracts that are likely to have a material adverse effect on the Company’s ability to meet its obligations under the bond agreement.

Holders of the Senior Secured Bond Issue 2014/2019 that have questions regarding these amendments may contact Miguel Angel Villegas by email at mvillegas@oronegro.com.