



# Deep Drilling 1 Pte Ltd

*Corporate Presentation*



23 October 2015

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The Issuer would like to reference the bondholders to the risk factors contained in the original presentation material for the Bonds, which still applies for any extended tenor of the Bonds.

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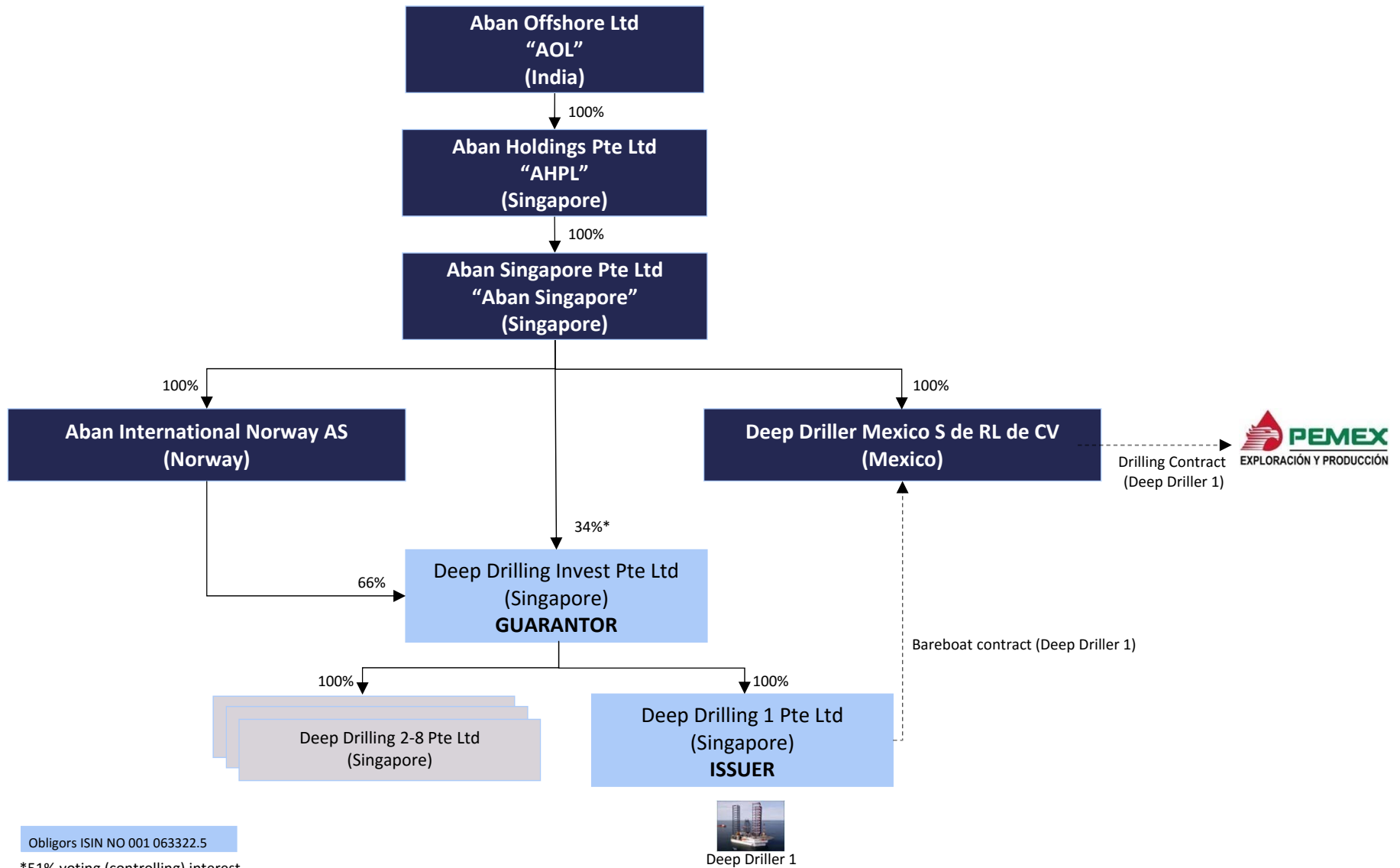
## Executive Summary

- Deep Drilling 1 Pte. Ltd. («**Deep Drilling 1**» or the «**Issuer**») issued a USD 125 million senior secured bond guaranteed by Deep Drilling Invest Pte. Ltd. («**Deep Drilling Invest**» or the «**Guarantor**») in December 2011 with a 4 year tenor (the «**Bonds**» or the «**Bond Issue**»)
- The Bond Issue is now approaching its final maturity date in December 2015 with USD 87.5 million outstanding after have been repaid by USD 37.5 million in scheduled repayments
- The Bond Issue is secured on a first priority basis in the jack-up rig Deep Driller 1 on contract with Pemex until early September 2016
- As of 30 September 2015:
  - The Aban Group's consolidated free cash position is USD ~12.7 million with USD 2,225.6 million in debt
  - Deep Drilling 1's revenue backlog is USD 33.7 million and its accounts receivable USD 8.3 million
  - Deep Drilling Invest's revenue backlog is ~62.1 million and its accounts receivable USD 215.9 million
  - Of Deep Drilling Invest's eight jackup rigs, only Deep Driller 1 currently has firm contract backlog extending into 2016

## Executive Summary -contnd

- The Aban Group's rigs' drilling backlog is lower than previously anticipated and the market is challenging with few new contract awards
- Payments from the oil companies are increasingly delayed and the Guarantor's accounts receivable have increased by USD 55.6 million (35%) in the six month period ending 30 September, negatively impacting the ability to set aside funds to redeem the Bonds in full
- Raising additional common equity in the current market is challenging
- Refinancing the Bonds with a new bond is prohibited under a negative pledge provision contained in the man bank financing agreements and would thus require approval from all bank 19 lenders of the Aban Group
- In light of these circumstances and the current market conditions, the Issuer would like to discuss the possibility with its bondholders of extending the bond tenor for part of the outstanding principal
- The current status of the Issuer, Guarantor and the Aban Group is further described in this presentation to help bondholders evaluate and discuss a possible solution

# Simplified Corporate Overview and Contractual Structure



# Deep Drilling Invest Pte. Ltd. (the “Guarantor”)

## Background

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- Deep Drilling Invest was incorporated in 2004 in Singapore as a holding company and the owner (100%) of eight rig owning companies each owning one jackup rig, and does not in its own capacity enter into any drilling contracts or charters for its rigs
- Deep Drilling Invest either directly or through its subsidiaries currently employs about 530 employees
- Three of the rigs remain in Iran (one of which is hot-stacked)

## Update as of 30 September 2015

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- In 2014-15, most of the company’s and its subsidiaries’ debt was refinanced for longer term and moved to the AHPL level (secured inter alia by the company’s rigs) and the Guarantor’s remaining consolidated debt is USD 135.5 million of which Deep Drilling 1’s Bonds account for USD 87.5 million with the remaining held by another subsidiary and is in the process of being transferred to AHPL. Cash is USD 0.6 million
- 6 of its 8 rigs are working, but unless new drilling contracts are secured or work otherwise extended, Deep Driller 1 will be the only of the company’s rigs with contracted revenue backlog in 2016
- Total revenue backlog is USD ~62.1 million of which Deep Drilling 1 accounts for ~54%. Total non-Iran revenue backlog is USD 41.2 million
- Accounts receivable is USD 215.9 million of which Deep Drilling 1 accounts for less than 4%. Total non-Iran accounts receivable is USD ~23 million all of which have been pledged to the banks except those of Deep Drilling 1
- No other material financial commitments
- Deep Drilling Invest has at all times been in compliance with all bond covenants

# Deep Drilling 1 Pte. Ltd. (the “Issuer”)

## Background

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- Deep Drilling 1 was incorporated in 2004 in Singapore as a special purpose company to own and operate the jack-up rig Deep Driller 1 and is 100% owned by Deep Drilling Invest (the Guarantor)
- Deep Driller 1 is a Baker Marine Pacific Class 375 jack-up rig built by PPL Shipyard in 2006 suitable for operations in most parts of the world
- In December 2011, Deep Drilling 1 issued a USD 125m 4 year 12% bonds at priced at 96, and has subsequently amortized USD 37.5 million
- Deep Driller 1 operated for Gujarat State Petroleum Corporation until year-end 2012, and then in May 2013, the Issuer announced a 1115 day contract in Mexico starting Q3 2013 worth USD ~177m (including mob), equal to a contracted day rate of USD ~149,000

## Update as of 30 September 2015

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- The current drilling contract is entered into between Deep Driller Mexico S de RL de CV (a subsidiary of Aban Singapore Pte Ltd) and PEMEX Exploración y Producción (“PEP”), a 100% PEMEX subsidiary. The Issuer provides the Deep Driller 1 to Deep Driller Mexico S de RL de CV at USD 100,000 less 10% Mexican withholding tax under a bareboat contract
- As of 30 September 2015, the Issuer’s revenue backlog (bareboat pre-tax) is USD 33.7 million and the Issuer’s accounts receivable is USD 8.3 million equivalent to ~3 months hire where last payment received 14 September 2015
- The contracted day-rate remains unchanged and PEP has not made any approach in this respect nor early termination of contract prior to its scheduled end in early September 2016
- There are no ongoing contract discussions for Deep Driller 1 for any work post the current contract
- The Issuer’s only debt are the USD 87.5 million Bonds maturing in December 2015 and cash is insignificant

# Contract backlog

Rig	Rig type	Built year	Location	Counterparty	Dayrate	Firm contract period end	2015				2016				2017			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Deep Driller 1	IC JU - 375	2006	Mexico	Pemex / Deep Driller MX	USD 149' / 100'*	Sep-16	■	■	■	■	■	■	■	■				
Deep Driller 2	IC JU - 350	2006	Iran	Hot stacked		***	■	■	■	■								
Deep Driller 3	IC JU - 350	2006	Malaysia	Petronas / Aban Labuan	USD 125'	Nov-15	■	■	■	■								
Deep Driller 4	IC JU - 375	2007	Iran	IOOC	USD 155'	Dec-15***	■	■	■	■								
Deep Driller 5	IC JU - 350	2007	Indonesia	Hot stacked			■	■	■	■								
Deep Driller 6	IC JU - 350	2008	Iran	Petropars	USD 125'	Dec-15***	■	■	■	■								
Deep Driller 7	IC JU - 375	2008	Mexico	Hot stacked			■	■	■	■								
Deep Driller 8	IC JU - 375	2009	Brunei	Brunei Shell / Aban Singapore	USD 112' / 66'***	Nov-15	■	■	■	■								
Aban VIII	IC JU - 375	2008	Iran	Petropars		Dec-15***	■	■	■	■								
Aban II	MS JU - 250	1981/2011	India	ONGC		Oct-15	■	■	■	■	■	■	■	■	■	■	■	■
Aban III	IC JU - 300	1974/2011	India	ONGC		Apr-18	■	■	■	■	■	■	■	■	■	■	■	■
Aban IV	IC JU - 300	1983/1999	India	ONGC		Mar-18	■	■	■	■	■	■	■	■	■	■	■	■
Aban V	IC JU - 300	1982/2002	UAE	Hot stacked														
Aban VI	IC JU - 250	1975/2002	Iran	IOOC		Feb-16***	■	■	■	■								
Aban Ice	DS - 2000	1975/2013	India	ONGC		Nov-16	■	■	■	■	■	■	■	■				
Tahara	FPU	1973/1997	India	In layup														
Aban VII	IC JU - 250	1973/2008	UAE	Hot Stacked														
Aban Abraham	DS - 6600	1976/2011	Brazil	Petrobras		Jun-16	■	■	■	■								

Rigs owned by subsidiaries of the Guarantor

\*\*\*Iran rigs on a well-by-well type of contract may thus be extended  
Source: Aban



# Financial Position of the Issuer and the Guarantor

As of 30 September (in USDm)	Deep Drilling Invest		Deep Drilling 1
	All 8x rigs	Non-Iran rigs	DD1
Revenue backlog	62.1	41.2	33.7
EBIDA backlog (after tax, OPEX, demob and stacking cost)	16.2	15.8	27.5
Accounts Receivable	215.8	22.9	8.3
<b>Contracted cashflow available for debt service</b>	<b>232.0</b>	<b>38.6</b>	<b>35.7</b>

## Notes:

- Assumes no new drilling contracts and includes stacking costs for 12 months and certain demob costs post current contracts
- The Guarantor's accounts receivable are up by USD 58.8 million, a 36.8% increase since FYE 31 March 2015
- Once Iran sanctions are lifted, a large portion of the accounts receivable are expected to be realized and revert to a normalized level of around ~60 days

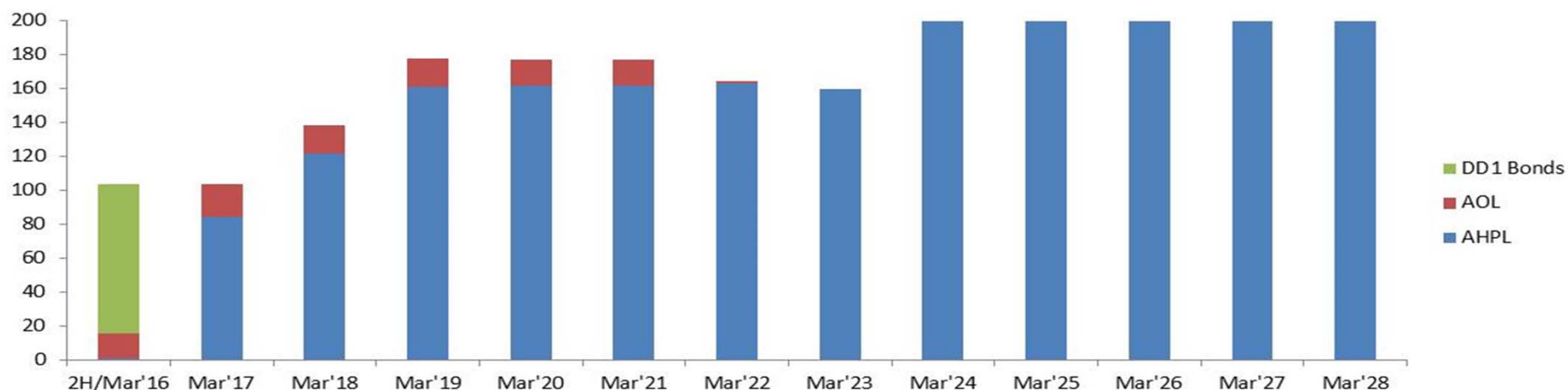
Source: Aban

# Aban Group's bank debt has been refinanced

- The Aban Group's bank debt has been refinanced for longer tenure and scheduled repayments stretched until 2028 and most INR term loans have been swapped to USD reducing interest costs now at L + 5.5%
- As of 30 September 2015, total consolidated debt (incl. bonds and working capital loans) was USD 2,225.6 million
- The bank debt is secured by a i.a. first lien mortgages of the Aban Group's rigs, receivables (except Deep Driller 1's) and a USD 1271 million second lien mortgage on Deep Driller 1 in addition to a neg. pledge provision limiting new debt incl. bonds
- The USD 87.5m Bonds are secured by a i.a. by a first lien mortgage on Deep Driller 1

Debt	Currency	USDm
Foreign Currency Term Loans	USD	2,100.0
Working Capital Loans and Rupee loans	INR	38.1
Bonds	USD	87.5
<b>Total</b>	<b>USD</b>	<b>2,225.6</b>

## AOL consolidated pro-forma Debt Repayment Schedule (USDm) as of 30 September 2015



Note 1: The Debt Repayment Schedule does not include repayments of USD 27.4m in working capital facilities, servicing of interest and redemption of preference shares

Note 2: The Debt Repayment Schedule Reflects USD 127.7m of bank debt approved for refinancing for longer tenor, but with documentation pending

2H/Mar'16	Mar'17	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Mar'26	Mar'27	Mar'28
103.3	103.5	138.0	177.3	177.1	177.1	164.4	159.7	199.6	199.6	199.6	199.6	199.6

# Deep Drilling 1 – Financial Statements

<b>Profit &amp; Loss</b>						<b>Balance Sheet</b>					
		<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>	<b>Sep-15</b>			<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>	<b>Sep-15</b>
Revenue	USDm	35.7	31.1	36.5	18.3	Fixed assets (PP&E)	USDm	99.4	103.8	97.9	95.4
Opex	"	(17.0)	(7.8)	(2.6)	(0.6)	Other non-current assets (non-trade)	"	239.2	217.2	214.7	212.7
<b>EBITDA</b>	"	<b>18.7</b>	<b>23.3</b>	<b>33.9</b>	<b>17.7</b>	Receivables and other current assets	"	12.2	3.3	2.8	8.5
Depreciation	"	(4.0)	(5.2)	(6.3)	(3.2)	Cash and cash equivalents	"	0.0	3.2	-	0.0
<b>Operating profit</b>	"	<b>14.7</b>	<b>18.1</b>	<b>27.6</b>	<b>14.6</b>	<b>Total assets</b>	"	<b>350.7</b>	<b>327.5</b>	<b>315.4</b>	<b>316.6</b>
Share of income (loss) in joint ventures	"	-	-	-	-	Shareholder's equity	USDm	221.6	221.7	223.0	223.6
Net financial expenses	"	(16.3)	(15.5)	(22.2)	(11.9)	Non-current interest bearing loans	"	94.6	84.1	-	-
Other financial items	"	-	-	-	0.0	Other non-current liabilities	"	-	-	-	-
<b>Profit (loss) before tax</b>	"	<b>(1.6)</b>	<b>2.6</b>	<b>5.4</b>	<b>2.7</b>	Current interest bearing loans	"	20.3	12.5	86.1	86.6
Tax	"	(1.9)	(2.4)	(4.1)	(1.8)	Other current liabilities	"	14.2	9.2	6.3	6.4
<b>Profit (loss) after tax</b>	"	<b>(3.5)</b>	<b>0.1</b>	<b>1.3</b>	<b>0.9</b>	<b>Total equity and liabilities</b>	"	<b>350.7</b>	<b>327.5</b>	<b>315.4</b>	<b>316.6</b>
						<b>Cash Flow</b>		<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>	<b>Sep-15</b>
						Net cash provided by operating activities	USDm	26.1	24.7	27.9	
						Net cash used in investing activities	"	(6.8)	12.5	2.1	
						Net cash provided by financing activities	"	(19.4)	(34.0)	(33.2)	
						<b>Net increase (decrease) in cash and cash equivalents</b>	"	<b>(0.1)</b>	<b>3.2</b>	<b>(3.2)</b>	<b>0.0</b>
						Cash and cash equivalents at beginning of period	"	0.1	0.0	3.2	-
						<b>Cash and cash equivalents at end of period</b>	"	<b>0.0</b>	<b>3.2</b>	-	<b>0.0</b>

Note: Sep 2015 half-year financials are provisional management accounts

# Deep Drilling Invest – Consolidated Financial Statements

<b>Profit &amp; Loss</b>					<b>Balance Sheet</b>						
		<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>	<b>Sep-15</b>		<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>	<b>Sep-15</b>	
Net revenue	USDm	349.3	323.6	398.4	146.7	Fixed assets (PP&E)	USDm	972.3	941.8	906.3	885.7
Opex	"	(109.6)	(84.4)	(86.0)	(34.5)	Other non-current assets	"	1,258.0	1,312.6	950.4	950.9
<b>EBITDA</b>	"	<b>239.7</b>	<b>239.1</b>	<b>312.4</b>	<b>112.2</b>	Receivables and other current assets	"	174.3	138.9	177.1	233.6
Depreciation	"	(42.9)	(44.1)	(44.1)	(22.5)	Cash and cash equivalents	"	0.8	3.4	0.6	0.6
<b>Operating profit</b>	"	<b>196.8</b>	<b>195.1</b>	<b>268.3</b>	<b>89.6</b>	<b>Total assets</b>	"	<b>2,405.4</b>	<b>2,396.7</b>	<b>2,034.4</b>	<b>2,070.8</b>
Impairments	"	-	(3.9)	-	-	Shareholder's equity	USDm	1,531.3	1,629.1	1,765.7	1,799.7
Net financial expenses	"	(77.5)	(78.4)	(116.6)	(49.7)	Non-current interest bearing loans	"	695.5	375.7	46.6	48.6
Other financial items	"	-	-	-	0.0	Due to intermediate holding co & associates	"	0.3	-	92.7	90.7
<b>Profit (loss) before tax</b>	"	<b>119.3</b>	<b>112.8</b>	<b>151.7</b>	<b>40.0</b>	Current interest bearing loans	"	106.9	330.4	87.5	86.1
Tax	"	(23.2)	(15.1)	(15.0)	(6.1)	Other current liabilities	"	71.5	61.5	41.9	45.8
<b>Profit (loss) after tax</b>	"	<b>96.1</b>	<b>97.7</b>	<b>136.6</b>	<b>33.9</b>	<b>Total equity and liabilities</b>	"	<b>2,405.4</b>	<b>2,396.7</b>	<b>2,034.4</b>	<b>2,070.8</b>
						<b>Cash Flow</b>		<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>	<b>Sep-15</b>
						Net cash provided by operating activities	USDm	220.5	234.4	279.0	
						Net cash used in investing activities	"	(190.4)	(65.0)	413.5	
						Net cash provided by financing activities	"	(30.8)	(166.8)	(695.3)	
						<b>Net increase (decrease) in cash and cash equivalents</b>	"	<b>(0.6)</b>	<b>2.6</b>	<b>(2.8)</b>	<b>0.0</b>
						Cash and cash equivalents at beginning of period	"	1.4	0.8	3.4	0.6
						<b>Cash and cash equivalents at end of period</b>	"	<b>0.8</b>	<b>3.4</b>	<b>0.6</b>	<b>0.6</b>

Note: Sep 2015 half-year financials are provisional management accounts