



AWILCO DRILLING PLC
(A public limited company organized under the laws of England and Wales)

**Listing of Bonds issued by Awilco Drilling PLC in a
USD125 million Senior Secured Callable Bond issue with maturity in 2019**
ISIN: NO 001070928.0

This prospectus (the “**Prospectus**”) relates to, and has been prepared in connection with the listing (the “**Listing**”) on Oslo Børs, a stock exchange operated by Oslo Børs ASA (“**Oslo Børs**”), of bonds (the “**Bonds**”) which were issued by Awilco Drilling PLC (the “**Company**” or the “**Issuer**”) on 9 April 2014 in a USD 125 million senior secured callable bond issue with maturity in April 2019 (the “**Bond Issue**”).

The Bonds are expected to be listed and tradable on Oslo Børs on or about 2 July 2014.

The distribution of this Prospectus may in certain jurisdictions be restricted by law. Accordingly, this Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Manager (as defined below) requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions.

This Prospectus and the Bonds shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of, or in connection with the Bonds or this Prospectus.

THIS PROSPECTUS IS A LISTING PROSPECTUS FOR BONDS ALREADY ISSUED BY AWILCO DRILLING PLC. NO SECURITIES ARE BEING OFFERED TO ANY PERSON IN ANY JURISDICTION ON THE BASIS OF THIS PROSPECTUS.

Investing in the Company and the Bonds (including but not limited to the Bonds) involves material risks and uncertainties. See section 2 “Risk Factors”.

Sole Manager and bookrunner

RS Platou Markets AS

30 June 2014

5 THE BONDS

5.1 Overview

On 31 March 2014, Awilco Drilling announced the successful placing of a new senior secured callable bond issue with a total loan amount of USD 125 million (the “**Bonds**” or the “**Bond Issue**”). The issue of the Bonds was approved by the Board on 8 April 2014. The Bonds were issued on 9 April 2014 and will mature on 9 April 2019.

The net proceeds from the Bond Issue (net of legal costs, fees of the Managers and the Trustee and any other agreed costs and expenses) shall, subject to the applicable conditions precedents, be applied as follows:

- (i) firstly, on 14 April 2014 the net proceeds were used to repay the Transocean Seller Note (as defined below) in full; and
- (ii) secondly, the remaining proceeds shall be used for general corporate purposes.

5.2 Listing

The Company has applied for listing of Bonds on Oslo Børs, and admission to trading is expected to be on or about 2 July 2014 with ISIN NO 001 070928.0. Except for the Company's shares, which are listed on Oslo Axess, neither the Company nor any other members of the Group have securities listed on any EEA regulated market.

The Bonds are registered in book-entry form in the VPS under ISIN NO 001 070928.0. The account operator (issuer) for the Bonds is DNB Bank ASA, Securities Services, of Dronning Eufemias Gate 30, 0191 Oslo, Norway.

5.3 The terms and details of the Bonds

Below is an overview of the key terms and details of the Bonds. The full bond agreement for the Bonds (the “**Bond Agreement**”) is included in Appendix A to this Prospectus.

Issuer: Awilco Drilling PLC a UK registered company (registration no. 07114193).

Guarantors: The Issuer's subsidiaries WilPhoenix (UK) Ltd., a UK registered company (registration no 07114213), WilPhoenix (Malta) Ltd., a - Maltese registered company (registration no. C51565) (the “**Rig Owning Guarantor**”), and Awilco Drilling Pte. Ltd., a Singapore registered company (registration no. 201109168M).

Nature and scope of the guarantees: The guarantees are unconditional and irrevocable on-demand guarantees from the Guarantors. Each Guarantor has waived:

- (a) any requirement that the Bond Trustee or any of the Bondholders in case of an Event of Default first have to make demand upon or seek to enforce remedies against the Issuer;
- (a) any and all defences or objections from any party in or based on underlying relationships, agreements and transactions whatsoever, including, without limitation, any such relationships, agreements or transactions with any third party for Security Interests or otherwise, and right to limit the liability under the guarantee provided hereunder resulting from any failure to give notice of any kind;
- (b) any right to exercise a right of subrogation into the rights of the Bondholders under the Bond Agreement, without the prior written consent of the Bond Trustee until such time that no amounts are outstanding under this Bond Agreement and any other Finance Document;

- (c) any right to claim reimbursement from the Issuer and/or any other Obligor for payment made hereunder until such time that no amounts are outstanding under this Bond Agreement and any other Finance Document; and
- (d) any requirement that additional Security Interests be provided or maintained.

Obligors: The Issuer and the Guarantors (each an "Obligor").

Currency: USD

Loan Amount: USD 125 million

Interest Rate: 7.00% p.a., semi-annual interest payments.

Settlement Date: 9 April 2014.

Final Maturity Date: The date falling five (5) years after the Settlement Date, 9 April 2019.

Amortization: The Bonds shall be repaid pro rata as follows:

- (iii) USD 5,000,000 each Interest Payment Date (semi-annually) commencing on the First Interest Payment Date; and
- (iv) the remaining outstanding amount of the Bonds to be repaid at the Final Maturity Date.

All scheduled redemptions herein will be at 100% of par value (plus accrued unpaid interest on redeemed amount).

First Interest Payment Date: The date falling six (6) months after the Settlement Date, 9 October 2014.

Last Interest Payment Date: Final Maturity Date.

Interest Payment Date: Each 9 April and 9 October in each year.

Interest Payments: Interest on the Bonds will accrue from (and including) the Settlement Date and shall be payable semi-annually in arrears on the Interest Payment Dates. Day-count fraction is "30/360", business day convention is "unadjusted". Business day is "Oslo and New York".

The time limit on the validity of claims to interest and repayment of principal: The Bond Agreement does not impose any time limit on the validity of claims to interest and repayment of principal. The general period of limitation under Norwegian law, by which the Bonds are governed, is three years, meaning that the time limit for any claims for the payment of interest be three years from the due date for such payment. Pursuant to an exemption from the main rule, the time limit for claims for repayment of the principal amount of the Bonds is 10 years from the due date.

Issue Price: 100% of par value.

Yield: Dependent on the market price. On 9 April 2014 the yield is indicated to 7.1225% p.a.

The effective interest rate/yield per annum has been calculated based on a nominal interest rate/yield of 7% per annum with semi-annual interest payments according to the effective interest rate formula stated below:

$$R = (1+i/n)^n - 1$$

Where:

R = effective interest rate

I = nominal interest rate

N=number of annual interest payments

Assuming that the bonds trade at par the effective annual interest rate is: $R = (1+7\%/2)^2 - 1$, this gives an effective interest rate of 7.1225% per year.

Nominal value: The Bonds will have a nominal value of USD 1. Minimum subscription and allotment amount shall be USD 200,000.

Status of the Bonds: The Bonds shall constitute senior debt of the Issuer and shall be secured on a first priority basis against certain assets of the Obligors as set out herein, and otherwise rank at least pari passu with the claims of the Obligors' other creditors, except for obligations which are mandatorily preferred by law. The Bonds shall rank ahead of any subordinated capital.

Call Options: The Issuer may redeem the Bonds (all or nothing) at any time from and including:

- (i) the Settlement Date to, but not including, the date falling two (2) years after Settlement Date at a price equal to:
 - a) the present value on the relevant record date of 103.375% of par value as if such payment originally should have taken place on the Interest Payment Date
 - b) falling two (2) years after Settlement Date; and (b) the present value on the relevant record date of the remaining interest payments (less any accrued but
 - c) unpaid interest) through to and including the Interest Payment Date falling two (2) years after Settlement Date, and

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- d) accrued but unpaid interests on the redeemed amount, where the present value under both (a) and (b) calculated by using a discount rate of 50 basis points over the comparable U.S. Treasury Rate (i.e. comparable to the remaining duration of the Bonds until the mentioned interest payment date two (2) years after the Settlement Date) on the 10th banking day prior to the repayment date and where "relevant record date" shall mean a date agreed upon between the Trustee and the Issuer in connection with such repayment. The call notice shall be provided no later than 10 banking days prior to the repayment date;
- (ii) the date falling two (2) years after the Settlement Date to, but not including, the date falling three (3) years after the Settlement Date, at a price equal to 103.375% of par value (plus accrued unpaid interest on redeemed amount);
- (iii) the date falling three (3) years after the Settlement Date to, but not including, the date falling four (4) years after the Settlement Date at a price equal to 102.50% of par value (plus accrued unpaid interest on redeemed amount); and
- (iv) the date falling four (4) years after the Settlement Date to, but not including, the Final Maturity Date at a price equal to 101.50% of par value (plus accrued unpaid interest on redeemed amount).

Any exercise of the Call Option must be notified by the Company to the Bond Trustee and the Bondholders at least 30 Business Days prior to the settlement date of the Call Option.

Purpose of the Bond Issue: The net proceeds from the Bond Issue (net of legal costs, fees of the Managers and the Trustee and any other agreed costs and expenses) shall, subject to the applicable conditions precedents, be applied as follows:

- (i) firstly, on the Disbursement Date (as defined below), to repay and retire in full the Transocean Seller Note (as defined below) by way of an intercompany loan from the Issuer to the Rig Owning Guarantor (the "**Refinancing Intercompany Loan**"); and
- (ii) secondly, any remaining proceeds shall be released to the Issuer for general corporate purposes.

Transocean Seller Note: In 2010, the Issuer was granted a five year seller's credit from Transocean Inc. of USD 165 million in connection with the acquisition of the Issuer group's two drilling rigs (the Rig and the rig called "WilHunter") from Transocean Inc. The debt is secured inter alia by first priority mortgages over the two drilling rigs, and the borrowers are currently the Rig Owning Guarantor and WilHunter (Malta) Ltd. The outstanding balance as of 1 March 2014 under the Transocean Seller Note was approx. USD 95.3 million (of which USD 60.5 million is owed by the Rig Owning Guarantor and USD 34.8 million is owed by the Issuer's subsidiary WilHunter (Malta) Ltd).

Rig: "WilPhoenix", the 1982 built Friede & Goldman L 907 Enhanced Pacesetter semi-submersible drilling rig built at Gotaverken, Sweden and subsequently upgraded in 2011, with IMO 8752350. The Rig shall be registered with the Office of the Deputy Commissioner of Maritime Affairs of the Republic of Vanuatu or such other registry satisfactory to the Trustee.

Drilling Contracts: The Rig may during the term of the Bond be operating under one or more drilling contracts (each a "**Drilling Contract**") with clients in different jurisdictions (each a "**Client**"). The Rig is currently operating West of Shetland (UK) under a drilling contract dated 3 May 2012 with Premier Oil UK Ltd. (the "**Existing Drilling Contract**"), which will be succeeded by operations under a drilling contract with Apache North Sea Ltd. dated 12 August 2013 (the "**New Drilling Contract**").

Security: All amounts outstanding under the Finance Documents to the Trustee and the bondholders from time to time, including but not limited to interest, default