

SVPGlobal reaches agreement with majority lenders on Dolphin Drilling

12th April, 2019: Investment funds managed by Strategic Value Partners, LLC or its affiliates (“SVPGlobal”), have successfully reached an agreement with lenders under Dolphin Drilling ASA's USD 2,000 million secured credit facility holding more than 78% of the principal amount outstanding under such facility, for the reorganisation and recapitalisation of the drilling business of Dolphin Drilling ASA and its subsidiaries (the “Group”) (the “Drilling Recapitalisation”).

SVPGlobal looks forward to working closely with the company to implement the Drilling Recapitalisation. Once the recapitalization process is complete, Bjørnar Iversen will become CEO of the business.

Mr. Iversen has more than 20 years of management experience in the offshore drilling industry and previously served as the CEO of Songa Offshore, where he led the company’s successful turnaround and sale to Transocean Ltd.

At the closing of the Drilling Recapitalization, Jørgen Peter Rasmussen will be appointed as Chairman of the business. Mr. Rasmussen has more than 30 years’ experience in the oil and gas industry. Previously Chairman of Seawell Limited, Vice Chairman of Sevan Marine ASA, President and CEO of Archer Limited, all companies listed on Oslo Stock exchange, today he has chairmanships and Board positions in Denmark, Finland, UK, Norway and USA. Between 1982 to 2008 he also served in various President-level roles in both management and operations with Schlumberger Limited.

As agreed among the Majority Lenders, the Drilling Recapitalisation will include the following key elements:

- The drilling unit Bolette Dolphin will be sold to refocus the Group's drilling business on its mid-water fleet. The proceeds from such sale will be used to repay Dolphin Drilling ASA's debt to the secured lenders.
- The mid-water drilling business of the Group will be transferred to a new holding company, controlled by the secured lenders ("NewCo").
- In consideration of the mid-water drilling business of the Group, NewCo will assume all secured debt of the Company that is not repaid through the sale of Bolette Dolphin, and issue shares in NewCo to the Company. Such shares will represent 1.5% of the share capital of NewCo, post restructuring. The Company will have the right to sell such shares to SVP Global for a total cash amount of approximately USD 2 million.
- All secured debt assumed by NewCo from the Company will be converted into equity in NewCo, save for USD 30 million. As such, the balance sheet of the drilling business will be significantly deleveraged.
- The secured lenders will also provide NewCo with new liquidity in the form of a USD 45 million revolving credit facility.

- On this basis, the Drilling Recapitalisation is expected to provide the Group's current mid-water drilling business with a stable platform to support its future development.

SVPGlobal and the other majority lenders have informed the Company that they will take steps to implement the Drilling Recapitalisation with or without the consent of the other stakeholders, through a solvent liquidation or through a bankruptcy in the Company.

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About SVPGlobal

SVPGlobal was founded in 2001 by Victor Khosla. With approximately \$7.9 billion in assets under management, SVPGlobal is a global investment firm with primary offices in Greenwich (CT), London and Tokyo, focused on distressed and deep value investments. SVPGlobal seeks to create value in its investments through its substantial industrial and operating experience.