



January 20, 2016

On January 7, 2016, Integradora de Servicios Petroleros Oro Negro, S.A.P.I. de C.V. (collectively with its subsidiaries, “we” or the “Company”) provided the global restructuring proposal (the “Proposal”) attached hereto as **Exhibit A** to the respective ad hoc groups of holders of the Company’s senior secured bonds due 2015 and senior secured bonds due 2019 (the “Ad Hoc Groups”). The Company is making the Proposal publicly available solely to satisfy its contractual obligation to the Ad Hoc Groups to do so. The Company and the Ad Hoc Groups have not reached any agreement and may not reach any agreement with respect to a global restructuring, or, in the event such an agreement is reached, it may differ materially from the Proposal. At present, the Company and the Ad Hoc Groups are continuing to discuss potential restructuring alternatives, but there can be no assurance that such discussions will continue or that they will be successful.

The Company has no obligation, other than the aforementioned contractual obligation, to provide this Proposal to the public. The publication of this Proposal should not be regarded as an indication that the Ad Hoc Groups who received this Proposal, the Company’s management, or any other recipient of this Proposal considered, or now considers, it to be a reliable prediction of any future result.

Readers of this Proposal are cautioned not to and should not place undue reliance on any aspect of this Proposal or the negotiations between the Ad Hoc Groups and the Company. No representations have or are being made to any member of the Ad Hoc Groups regarding the Proposal. The Company does not intend to update or otherwise revise this Proposal to reflect circumstances existing after January 7, 2016, to reflect the occurrence of future events, even in the event that any or all of the terms of the Proposal change.

Exhibit A



Global Term Sheet

MOELIS & COMPANY

KIRKLAND & ELLIS LLP

January 7, 2016

Summary of Key Terms of the Combined Secured Facility Global Term Sheet

KIRKLAND & ELLIS LLP
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Oro Negro is proposing this revised Global Term Sheet to amend its capital structure through an out-of-court restructuring enabling the company to continue to serve PEMEX

- The following outlines the general framework of the proposed term sheet. Additional detail is reflected in the following pages:
 - Combined Secured Facility
 - 2015 Bonds and 2019 Bonds merged into a new combined secured facility (the “Combined Secured Facility”) secured by all five (5) existing rigs and consisting of:
 - \$872.2 mm total principal amount of 7.5% senior secured bonds due 24 January 2020
 - One-year extension of the maturity of the Combined Secured Facility to 2020 from 2019
 - Obligations guaranteed by Parent and secured by pledge of Charterer shares
 - Closing to occur concurrently with closing of the Accounts Receivable Factoring Facility (and no later than February 29, 2016)
 - \$8.0 mm of accrued interest under 2015 Bonds and \$31.9 mm accrued interest under 2019 Bonds paid contemporaneously with the closing
 - \$10.0 mm amortization payment to be made to 2019 Bondholders contemporaneously with the closing
 - Annual amortization under Combined Secured Facility of \$35.0 mm (\$7.0 mm / rig)
 - Additional equity of \$15.0 mm funded by shareholders and consisting of:
 - \$10 mm to remain in the Company to fund ongoing expenses
 - \$5 mm to fund part of the \$39.9 mm payment to 2015 and 2019 Bondholders
 - Minimum liquidity to be reduced to \$4.0 mm / rig (\$20.0 mm in total)
 - Parent
 - Company to settle obligations and expenses related to PPL, Rig 3, and Dockwise
 - Parent to receive agreed upon minimum cash balance at transaction closing
 - Ringfencing measures, including
 - Address any potential issues in existing documentation and collateral
 - Appointment of independent director to issuer of the Combined Secured Facility, whose vote would be needed to approve any insolvency filing

Summary of Key Terms of the Combined Secured Facility Global Term Sheet

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The below table summarizes proposed indicative terms available under the Combined Secured Facility

<p>Overview</p>	<ul style="list-style-type: none"> ▪ 2015 Bonds and 2019 Bonds are merged into new Combined Secured Facility, secured by all five (5) existing rigs and consisting of: <ul style="list-style-type: none"> – <u>Combined Secured Facility</u>: \$872.2 mm total principal amount of 7.5% senior secured bonds due 24 January 2020; consisting of \$175.0 mm held by the 2015 Bondholders, \$691.0 mm held by the 2019 Bondholders and \$6.2 mm of accrued interest under the 2015 Bonds – One-year extension of the maturity of the Combined Secured Facility to 2020 from 2019 ▪ Additional equity of \$15.0 mm funded by shareholders <ul style="list-style-type: none"> – \$10.0 mm to remain in the Company to fund ongoing expenses – \$5.0 mm to fund part of the \$39.9 mm payment to 2015 and 2019 Bondholders ▪ Closing to occur concurrently with the closing and funding of an Accounts Receivable Factoring Facility and no later than February 29, 2016
<p>Amortization & Accrued Interest</p>	<ul style="list-style-type: none"> ▪ <u>Combined Secured Facility</u>: Annual amortization under Combined Secured Facility of \$35.0 mm (\$7.0 mm / rig) and 7.5% cash interest <ul style="list-style-type: none"> – \$39.9 mm payment on account of accrued interest under 2015 and 2019 Bonds. 2015 Bondholder allocation of \$8.0 mm and 2019 Bondholder allocation of \$31.9mm, both payable at the closing – \$10.0 mm amortization payment to 2019 Bondholders to be made as of closing – Cash interest payment contingent on PEMEX meeting regular payment requirements or availability of receivables factoring
<p>Guaranty and Security</p>	<ul style="list-style-type: none"> ▪ Combined Secured Facility guaranteed by Parent¹ ▪ Charterer shares pledged as additional security; Charterer required to remain a subsidiary of Parent

¹ The concept of a bareboat rate should not apply under the Combined Secured Facility, as with a Parent Guarantee and pledge of the Charterer's shares there will be no cash outside of the security group.

Summary of Key Terms of the Combined Secured Facility Global Term Sheet

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	<ul style="list-style-type: none"> ▪ Issuer debt service and minimum liquidity accounts pledged and blocked; dry dock reserve accounts pledged but not blocked
ECF Sweep	<ul style="list-style-type: none"> ▪ 100% ECF sweep after amortization (minus lesser of 25% and Parent budget over and above SG&A),² but sweep payable only after Company's unrestricted cash is in excess of \$20.0 mm
Amendments/ Waivers to Covenants and Events of Default	<ul style="list-style-type: none"> ▪ Elimination of minimum bareboat concept in light of Parent guaranty and charterer pledge putting all cash flow within the credit ▪ Approval of necessary amendments and carve outs for establishing Accounts Receivable Factoring Facility of approximately \$96.4 mm, with the closing thereof to be concurrent with the closing of the Combined Secured Facility ▪ Suspension of Asset Coverage Ratio covenant for so long as 5 rigs are operating with PEMEX ▪ Elimination of Equity Ratio ▪ Minimum liquidity to be reduced to \$4.0 mm / rig (\$20.0 mm in total) ▪ Temporary resets of other financial covenants ▪ Complete mutual release of bondholders, officers, directors and shareholders ▪ Waiver of any outstanding defaults
Uses of Cash	<ul style="list-style-type: none"> ▪ Open to discussion regarding any additional amounts needed to bridge to Accounts Receivable Factoring Facility and closing ▪ Unrestricted cash on hand at the Parent level may only be used to fund operating and restructuring expenses, including all restructuring advisors; payment of fees of advisors to resume upon execution by the Company and the 2015 Bondholders and 2019 Bondholders of a restructuring support agreement and in any event be current as of closing ▪ \$7.8 mm to remain at Parent after transaction close, net of closing payments and Dockwise provision

² Sweep is based on consolidated net income and applies to cash flow after rig operating expenses, related Parent G&A expenses, rig maintenance costs, taxes, interest, amortization, applicable restructuring fees, unrestricted cash catch-up and other contingency reserves.

Summary of Key Terms of the Combined Secured Facility
Global Term Sheet

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- Capex/opex budget of the business for 2016 to be provided prior to closing; opex budget to be provided to Bondholders annually and capex budget to be provided to Bondholders quarterly thereafter
- No Bondholder consent right with respect to Company budgets or management changes



- Dividends to Parent only permitted to fund expenses associated with the business
- Dividends to shareholders only permitted to the extent all payments on amortization schedule have been made