

*Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA*

**To the bondholders in:**

**ISIN NO 0010715212 - 10 per cent Latina Offshore Holding Limited Senior Secured  
Callable Bond Issue 2014/2016 with step up**

Oslo, 7 December 2016

### **Notice of a Written Bondholders' Resolution**

Nordic Trustee ASA (the "**Bond Trustee**") acts as bond trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**" or the "**Bond Issue**") issued by Latina Offshore Holding Limited (the "**Company**" or "**Issuer**").

Capitalised terms used but not otherwise defined herein shall have the meaning assigned to them in the bond agreement originally entered into on 30 July 2014, as amended pursuant to an amendment agreement dated 24 August 2015, and as further amended by an amendment agreement on 5 September 2016 (the "**Bond Agreement**").

The Issuer has requested that the Bond Trustee issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (Written Resolution) of the Bond Agreement to consider approval of the Proposed Resolution (as defined below).

*The information in this notice regarding the Issuer and the described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

*Bondholders are encouraged to read this notice in its entirety.*

## **1 PROPOSAL**

In light of the Issuer's current financial position, the Issuer has been in discussions for some time with an 'ad hoc' committee of Bondholders who between them hold more than 2/3rds of the Voting Bonds with respect to certain potential amendments to the Bond Agreement.

The discussions have been constructive, and in light of this the Issuer is proposing the amendments to the Bond Agreement as set out in the term sheet attached hereto as Schedule 2 (the "**Proposal**").

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## 2 PROPOSED RESOLUTION

Based on the above, the Issuer hereby proposes the following (the “**Proposed Resolution**”):

*"The Proposal as described in Section 1 (Background) of the Notice of a Written Bondholders' Resolution is hereby approved and the Bond Trustee is hereby authorised to rely on instructions from Bondholders holding 2/3rds of the Voting Bonds in consultation with its advisors as set out in the Proposal, and is given power of attorney to enter into any and all documentation and agreements in connection with documenting the Proposal as well as to carry out the necessary completion work."*

## 3 EVALUATION OF THE PROPOSED RESOLUTION

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee or any of its advisors. The Bondholders must independently evaluate whether the proposal is acceptable and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

The Bond Trustee has been informed that Bondholders representing more than 2/3 of the Voting Bonds have stated that they will vote in favour of the Proposal.

Following the approval of the Proposal, all accrued and outstanding interest for the period from 1 August 2016 to the date on which the Proposed Resolution becomes effective shall be paid within 10 days of the date on which the Proposed Resolution becomes effective. Failure to pay all accrued and outstanding interest within such 10 day period shall result in the immediate termination of the Proposal.

Failure to implement the Proposal by the Longstop Date (as set out in the Proposal) shall invalidate the approval of the Proposal.

Issuer shall pay all cost and expenses relating to the Proposal including all outstanding legal fees for the ad hoc committee of Bondholders prior to the Proposal becoming effective.

For further questions to the Issuer, please contact Simen Flaaten or Jørn Ringheim at Clarksons Platou Securities AS at [simen.flaaten@clarksons.com](mailto:simen.flaaten@clarksons.com) / [jorn.ringheim@clarksons.com](mailto:jorn.ringheim@clarksons.com) or +47 48 3000 35.

For further questions to the Bond Trustee, please contact Fredrik Lundberg or Morten S. Bredeesen at [mail@nordictrustee.com](mailto:mail@nordictrustee.com) or +47 22 87 94 00.

## 4 WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 16.5 of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form at Schedule 1 (the “**Voting Form**”) no later than 14 December 2016 at 13.00 hours (Oslo time) (the “**Voting Deadline**”).

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Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5.6 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting (which, for the avoidance of doubt, is 2/3 of the Voting Bonds pursuant to Clause 16.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Yours sincerely

**Nordic Trustee ASA**

A handwritten signature in blue ink, appearing to read "Morten S. Brede".

Morten S. Brede

Enclosed:

Schedule 1:	Voting Form
Schedule 2:	Term Sheet

## Schedule 1

### Voting Form

ISIN NO 0010715212

10 per cent Latina Offshore Holding Limited Senior Secured  
Callable Bond Issue 2014/2016 with step up

The undersigned holder or authorised person/entity, votes in the following manner:

1. The Proposed Resolution as defined in the Notice for a Written Bondholders' Resolution dated 7 December 2016:

☐ In favour of the Proposed Resolution

☐ Against of the Proposed Resolution

ISIN <b>ISIN NO 0010715212</b>	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this proxy is the complete printout from our custodian/VPS,<sup>1</sup> verifying our bondholding in the bond issue as of \_\_\_\_\_, which also is our bondholding as the date hereof.

We acknowledge that Nordic Trustee ASA in relation to the Bondholders' meeting for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....  
Place, date

.....  
Signature

#### Return:

Nordic Trustee ASA  
P.O.Box 1470 Vika  
N-0116 Oslo

Telefax: +47 22 87 94 10  
Tel: +47 22 87 94 00  
mailto: mail@nordictrustee.com

<sup>1</sup> If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.

**TERM SHEET FOR THE RESTRUCTURING OF  
LATINA OFFSHORE HOLDING LIMITED BOND**

**7 DECEMBER 2016**

This document sets out the terms for the proposed restructuring of the 10% Senior Secured Callable Bonds due July 2016 (the "**Bonds**") issued by Latina Offshore Holding Limited (the "**Issuer**"), a subsidiary of Constructora y Perforadora Latina S.A. de C.V. (the "**Parent**") together with its subsidiaries (the "**Group**").

The terms set out in this proposal do not constitute or imply any commitment on the part of any party.

Terms used but not defined herein shall have the meaning given to such term in the bond agreement dated 30 July 2014.

1.	Key Documentation to implement restructuring	<p>(a) Due approval by the Bondholders of this Term Sheet through a Written Resolution;</p> <p>(b) Amended Bond Agreement;</p> <p>(c) New security documents listed in Section 7 below;</p> <p>(d) Intercompany Lease Agreement (as defined below)</p> <p>(e) Parent Undertaking;</p> <p>(f) Guarantee from Latina Modular Holding Limited ("<b>Modular Holdco</b>");</p> <p>(g) Guarantee from Latina Modular 01 Limited ("<b>Rigco</b>");</p> <p>(h) Undertaking from Modular Holdco;</p> <p>(i) Undertaking Rigco; and</p> <p>(j) Mexican Trust Arrangement.</p>
2.	Maturity	Maturity Date shall be extended to 31 January 2018 and to the extent not redeemed pursuant to the Cash Flow Sweep, the Bonds shall be redeemed at the Maturity Price (as described below) on the Maturity Date.
3.	Interest	<p>For the period from 1 August 2016 to 30 November 2016 interest shall accrue at 10% per annum. This accrued interest shall be paid in cash within 10 days from the Approval Date (as defined below). Failure to make such payments within 10 days of the Approval Date shall result in the immediate termination of the proposal set out in this Term Sheet and the automatic withdrawal of the consent of ad hoc committee to the restructuring set out herein.</p> <p>For the period from 1 December 2016 to the date on which due approval is granted by a majority of the holders of the Bonds to the transactions contemplated under this Term Sheet by way of a written resolution (the "<b>Approval Date</b>") interest shall accrue at 8.875% per annum. This accrued interest shall be paid in cash within 10 days from the</p>

		<p>Approval Date. Failure to make such payments within 10 days of the Approval Date shall result in the immediate termination of the proposal set out in this Term Sheet and the automatic withdrawal of the consent of ad hoc committee to the restructuring set out herein.</p> <p>For the period from the Approval Date to 30 April 2017 interest will accrue at 8.875% per annum and will be payable upon the following interest payment dates:</p> <ul style="list-style-type: none"> <li>• 31 January 2017</li> <li>• 30 April 2017</li> </ul> <p>For the period from 1 May 2017 to the Maturity Date, interest will accrue at 10% per annum and will be payable upon the following interest payment dates:</p> <ul style="list-style-type: none"> <li>• 31 July 2017</li> <li>• 31 October 2017</li> <li>• 31 January 2018</li> </ul> <p>These amended interest terms and interest payment dates shall be implemented in VPS following the Approval Date.</p>
4.	Excess Cash Sweep	<p>A cash sweep mechanism (the "<b>Cash Flow Sweep</b>") shall be included in the Amended Bond Agreement, whereby 100% of the Excess Cash Flow (as defined below) calculated on a backward looking 3 monthly basis (with each 3 monthly period ending on the day immediately prior to an interest payment date) and documented to the satisfaction of the Bond Trustee shall be transferred to the Debt Service Account and utilised to redeem outstanding Bonds at 102% of par value (plus any accrued and unpaid interest which has become due on the redeemed amount) on the following interest payment dates:</p> <ul style="list-style-type: none"> <li>• 31 January 2017</li> <li>• 30 April 2017</li> <li>• 31 July 2017</li> <li>• 31 October 2017</li> </ul> <p>"<b>Excess Cash Flow</b>" is understood to be any revenues or factoring proceeds generated by the Latina 01 Unit less the following quarterly expenses/amounts<sup>1</sup>:</p> <ol style="list-style-type: none"> <li>1. Operating Expenses of the Parent, Issuer, Modular Holdco and/or Rigco according to the Budget (as further described below)</li> <li>2. SG&amp;A of the Parent, Issuer, Modular Holdco and Rigco according to the Budget (as further described</li> </ol>

<sup>1</sup> Issuer to provide details of quantum.

		<p>below)</p> <ol style="list-style-type: none"> <li>3. Capital Expenditure of the Parent, Issuer, Modular Holdco and/or Rigco according to the Budget (as further described below)</li> <li>4. Taxes (paid or accrued)</li> <li>5. Factoring costs related to the Pemex Contract</li> <li>6. the next interest payment, which shall be payable on a quarterly basis into the Interest Reserve Account</li> </ol> <p>The Issuer shall report the calculation of the Excess Cash Flow and application thereof to the Bond Trustee on a quarterly basis and maintain a report containing historical and accrued amounts in relation to the Cash Flow Sweep.</p> <p>For the avoidance of doubt, in case revenues or factoring proceeds from the Charter Contracts are not received on a monthly basis the calculation of Excess Cash Flow shall take into account deferred expenses from previous months. With respect to factoring, this shall be with reputable international or local banks or similar financial institutions on market terms.</p>
5.	Maturity Price	102%
6.	Call Option Price	The Issuer may redeem the bonds at 102% of par value any time prior to Maturity Date by providing 10 Business Day notice.
7.	Security	<p>The following security will be provided (in accordance with local legal requirements or restrictions):</p> <ul style="list-style-type: none"> <li>• Bermudan law share pledge granted by the Issuer over the entire issued share capital of Modular Holdco;</li> <li>• Bermudan law share pledge granted by Modular Holdco over the entire issued share capital of Rigco;</li> <li>• Bermudan law fixed and floating charge granted by Modular Holdco over all its assets;</li> <li>• Bermudan law fixed and floating charge granted by Rigco over all its assets;</li> <li>• Mexican law non-possessory floating lien pledge granted by Rigco over the 3000 HP Modular Platform Rig Unit (the "<b>Latina 01 Unit</b>") with building number 00549;</li> <li>• Security assignments over Intercompany Lease Agreement (as defined below);</li> <li>• Security assignment over any intercompany loans</li> </ul>

		<p>not currently subject to security;</p> <ul style="list-style-type: none"> <li>• Security assignments over the Pemex receivables (with carve out for factoring at an annual cost less than 5%);</li> <li>• Security assignment over other project documents (including insurance contracts);</li> <li>• Account pledge granted by the Parent over the Modular Earnings Account (as defined below);</li> <li>• Account pledge granted by the Issuer over the Debt Service Account (as defined below);</li> <li>• Issuer to grant bank account pledge(s) over bank accounts not already encumbered;</li> <li>• Modular Holdco to grant bank account pledge(s) over bank accounts not already encumbered; and</li> <li>• Rigco to grant bank account pledge(s) over bank accounts not already encumbered.</li> </ul>
8.	Guarantees	Guarantees from Modular Holdco and Rigco.
9.	Undertaking	Each of the Parent and Modular Holdco to refresh existing undertakings (with logical amendments, if required) and Rigco to provide new undertaking in favour of the Bond Trustee (on similar terms to those provided by the Parent and Modular Holdco, with logical amendments, if required).
10.	Budget	<p>Budgeted expenditure shall be set out in a budget to be agreed between the Issuer and the Bond Trustee and shall be based on the following costs:</p> <ul style="list-style-type: none"> <li>• Operating expenses: \$22k/day;</li> <li>• SG&amp;A: \$3k/day; and</li> <li>• Capital expenditures: \$1k/day,</li> </ul> <p>in each case, plus a 10% margin.</p> <p>Budgeted expenditure shall be understood as a maximum cap to the monthly expenses, permitted to be deducted as part of the Excess Cash Flow application. Rig expenses must be documented to the reasonable satisfaction of the Bond Trustee on request.</p>
11.	Application of Earnings	All earnings and other payments received under the Pemex Contract / Mexican Trust Arrangement shall be paid into the Modular Earnings Account (as defined below) and thereafter payments shall be made in accordance with the Cash Flow Sweep described above.
12.	Modular Earnings Account	An account under the name of the Parent into which all its earnings under the Pemex Contract / Mexican Trust Arrangement shall be paid. This account shall be pledged in



		favour of the Bond Trustee and blocked in the event of a default.
13.	Debt Service Account	An account under the name of the Issuer that shall be pledged in favour of the Bond Trustee and blocked in the event of a default.
14.	Mexican Trust	Means a Mexican law trust arrangement with Deutsche Bank for perfection of security documents and securing the application of earnings under the Pemex Contract (including authorised translations as requested by the Bond Trustee).
15.	Intercompany Lease Agreement	Rigco shall lease the Latina 01 Unit to the Parent under a lease agreement at a rate equal to the charter rate under the Pemex Contract minus any amounts deducted pursuant to the Cash Flow Sweep mechanism referred to in Section 4 above. Terms of this agreement shall be agreed with bondholders holding more than 2/3rds of the Bonds prior to implementation of the restructuring.
16.	Outstanding Capital Expenditures	Any outstanding amounts currently due and owing by RigCo as of the Approval Date and which relate to the installation of the Latina 01 Unit on the rig/unit operated by PEMEX shall be either (i) transferred to the Parent who shall assume the obligation to pay such amounts on behalf of RigCo, or (ii) shall continue to be a payment obligation of RigCo, provided that RigCo shall not be permitted to offer any security in respect of any such amount.
17.	Bond cancellation	<p>Issuer Bonds shall be cancelled or if already cancelled confirmation of cancellation provided.</p> <p>Clause 12 (Issuer's acquisition of Bonds) shall be amended to require any Bonds acquired by the Group to be immediately cancelled upon acquisition.</p>
18.	Additional Events of Default	<p>To include a cross-default should Latina Offshore Limited default on the 8.875% Senior Secured Callable Bonds due July 2018 (the "<b>2018 Bonds</b>") or any other indebtedness of Latina Offshore Limited is not paid when due or is declared or becomes due and payable prior to its specified maturity, always provided that a threshold of USD 5,000,000 shall apply.</p> <p>New event of default should Latina Offshore Limited or its assets become subject to any enforcement action either by the 2018 Bonds or any other creditor, always provided that a threshold of USD 5,000,000 shall apply.</p> <p>New event of default should Latina Offshore Limited admit an inability to pay debts, become subject to or enters any insolvency proceeding including any compromise or arrangement with creditors or has a moratorium declared or ceases business.</p>
19.	Covenants	<p>Information Covenants</p> <p>In addition to the existing information covenants, the Issuer will provide monthly updates on Stamdata that include the</p>

		<p>following:</p> <ul style="list-style-type: none"> <li>• Payments received from Pemex and outstanding invoices;</li> <li>• Daily rate pricing of the Latina 01 Unit;</li> <li>• Actual expenses versus budget;</li> <li>• Cash position in the Modular Earnings Account and Debt Service Account; and</li> <li>• Details of factoring (if applicable);</li> <li>• uptime data stats for the relevant month;</li> <li>• details of projected tax expenditure; and</li> <li>• to the extent that uptime is below 100%, an explanation as to the reasons for this.</li> </ul> <p>Financial Covenant</p> <ul style="list-style-type: none"> <li>• Clause 13.4(a) of the Bond Agreement shall be deleted such that the Value Adjusted Equity Ratio shall not apply during the term of the Bonds.</li> </ul>
20.	Negative Pledge	Tighten negative pledge to ensure no further security is granted to the holders of bonds in the <i>8.875% Senior Secured Callable Bonds due July 2018</i> or any other person over any asset already encumbered or to be encumbered as envisaged in this Term Sheet (new security package) to the Bondholders.
21.	Financial Indebtedness	Restriction on all future financial indebtedness unless subordinated, otherwise than arising in the ordinary course of business.
22.	Costs and expenses	Issuer to pay all costs and expenses relating to the restructuring including properly incurred legal fees of the Bondholders and the Bond Trustee, provided that such legal fees shall be supported by a schedule of hours incurred and the hourly rates charged, in the standard form of the relevant legal adviser.
23.	Conditions	<p>The effectiveness of the amendments set out herein shall be subject to:</p> <ul style="list-style-type: none"> <li>• Due approval by the Bondholders of this Term Sheet through a Written Resolution;</li> <li>• Finalisation of appropriate amendment and security documentation (including, without limitation, those documents set out in Section 1 above) satisfactory to the Bond Trustee;</li> <li>• The relevant payments set out under "Interest" above having been timely made;</li> </ul>

		<ul style="list-style-type: none"> <li>• Intercompany Lease Agreement having been agreed with bondholders representing more than 2/3 of the Bonds (and to the satisfaction of the Bond Trustee);</li> <li>• Such legal opinions as may be required by the Bond Trustee;</li> <li>• Payment by the Issuer of the costs and expenses referred to in section 22 above; and</li> <li>• Other customary conditions precedent required by the Bond Trustee.</li> </ul>
24.	Ad Hoc Committee of Bondholders / Instructions from Bondholders	The Bond Trustee shall in connection with the implementation of the terms and amended documentation as set out herein be entitled to consult with the Ad Hoc Committee of Bondholders and its and the committee's advisors, and shall furthermore be authorised to rely on instructions on any implementation measure, condition or document from Bondholders holding more than 2/3rds of the Bonds (for the avoidance of doubt, without any procedural requirements for additional bondholders' meeting or written resolutions, unless required by the Bond Trustee in its discretion).
25.	Longstop Date	If the restructuring described in this Term Sheet is not implemented by 31 January 2017, or such later date agreed to by the Bond Trustee in consultation with or upon instruction from Bondholders holding more than 2/3rds of the Bonds, the Bondholders' approval shall be automatically withdrawn.