

# Vantage Drilling International

## Investor Presentation



September 2019 | Pareto Conference  
Oslo, Norway

VANTAGE

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As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the following: our small number of customers; credit risks of our key customers and certain other third parties; reduced expenditures by oil and natural gas exploration and production companies; termination or renegotiation of our customer contracts; general economic conditions and conditions in the oil and gas industry; competition within our industry; excess supply of drilling units worldwide; limited mobility of our drilling units between geographic regions; operating hazards in the offshore drilling industry; ability to obtain indemnity from customers; adequacy of insurance coverage upon the occurrence of a catastrophic event; governmental, tax and environmental regulation; changes in legislation removing or increasing current applicable limitations of liability; effects of new products and new technology on the market; our substantial level of indebtedness; our ability to incur additional indebtedness; compliance with restrictions and covenants in our debt agreements; identifying and completing acquisition opportunities; levels of operating and maintenance costs; our dependence on key personnel; availability of workers and the related labor costs; increased cost of obtaining supplies; the sufficiency of our internal controls; changes in tax laws, treaties or regulations; operations in international markets, including geopolitical risk, applicability of foreign laws, including foreign labor and employment laws, foreign tax and customs regimes and foreign currency exchange rate risk; any non-compliance with the U.S. Foreign Corrupt Practices Act and any other anti-corruption laws; and our incorporation under the laws of the Cayman Islands and the limited rights to relief that may be available compared to U.S. laws.

Many of these factors are beyond our ability to control or predict. Any, or a combination of these factors, could materially affect our future financial condition or results of operations and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of our future performance, and our actual results and future developments may differ materially from those projected in the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels.

We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in filings we may make with the Securities and Exchange Commission (the "SEC"), which may be obtained by contacting us or the SEC. These filings are also available through our website at [www.vantagedrilling.com](http://www.vantagedrilling.com) or through the SEC's Electronic Data Gathering and Analysis Retrieval system (EDGAR) at [www.sec.gov](http://www.sec.gov).

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that occur, or which we become aware of, after the date hereof, except as otherwise may be required by law.

This presentation includes certain financial measures that were not compiled in accordance with generally accepted accounting principles in the United States ("GAAP"). Such non-GAAP measures should not be considered as substitutes for operations or income statement data prepared in accordance with GAAP or used as a measure of profitability or liquidity, and they do not necessarily indicate whether cash flow will be sufficient or available for cash requirements. Such information should only be viewed as supplementary to our consolidated financial statements, and may not be indicative of our historical operating results, nor are they meant to be predictive of potential future results. Further, because all companies do not calculate such measures identically, our presentation of such non-GAAP measures may not be comparable to similarly titled measures of other companies, and you are cautioned not to place undue reliance on such financial information.

This presentation also includes certain financial information, including non-GAAP financial measures, presented pro forma for the conversion of the Company's third lien convertible notes. Such information was prepared and is presented solely to illustrate how the Company's financial position and results would have been had the conversion of the third lien notes occurred during the periods indicated. This unaudited pro forma financial information has been prepared solely for informational purpose and should not be used as indicative of future results of operations or interpreted as representing our actual financial data. Such unaudited pro forma financial information is qualified in its entirety by reference to, was based on, and should be read in conjunction with, the Company's annual audited financial statements (including the notes thereto) and the Company's interim financial statements (including the notes thereto), included in the Company's filings with the Securities and Exchange Commission. Such pro forma financial information has not been audited by an accountant, and is based in part on certain assumptions. Accordingly, such unaudited pro forma financial information is not necessarily indicative of the results or financial position that the Company would have achieved had the conversion of the third lien convertible notes been actually completed, and should not be relied upon to project the results of operations or financial position for any future date or period. In addition, there can be no guarantee that the third lien convertible notes will be converted in full or in part. As such, you should not place undue reliance on such financial information, or on any estimates or beliefs based on such financial information, that are presented in this presentation.

All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's website at: [www.vantagedrilling.com](http://www.vantagedrilling.com).

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# Second Quarter Financial Results \*



**\$897  
million**  
of Cash



**Negative  
Net Debt**  
(\$350 million of  
Gross Debt)



**\$528  
million**  
of EBITDA (\$636.4  
million in Revenue)

# Agenda

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- 1 Company overview
- 2 Leverage and liquidity
- 3 Operating strategy and results
- 4 Market outlook
- 5 Summary and Path Forward





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# Company overview

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# Vantage Drilling at a glance

## Overview

- Offshore drilling contractor that provides offshore drilling services and preservation management services for third-party drilling units.
- Offices in Houston (split HQ), Dubai (split HQ).
- Maintains among the most conservative capital structures with net debt of less than \$160mm as of Q2 2019<sup>(1)</sup>, excluding proceeds from agreement with Petrobras.
- Young fleet, with average fleet age of ~9 years with UDWs averaging ~7 years.
- One of the highest fleetwide utilizations with 7 of 8 rigs working.

### Jackups



*Aquamarine Driller (2009)*



*Topaz Driller (2009)*



*Sapphire Driller (2009)*



*Emerald Driller (2008)*



*Soehanah Rig (2007)*

### UDW Drillships



*Tungsten Explorer (2013)*



*Titanium Explorer (2012)*

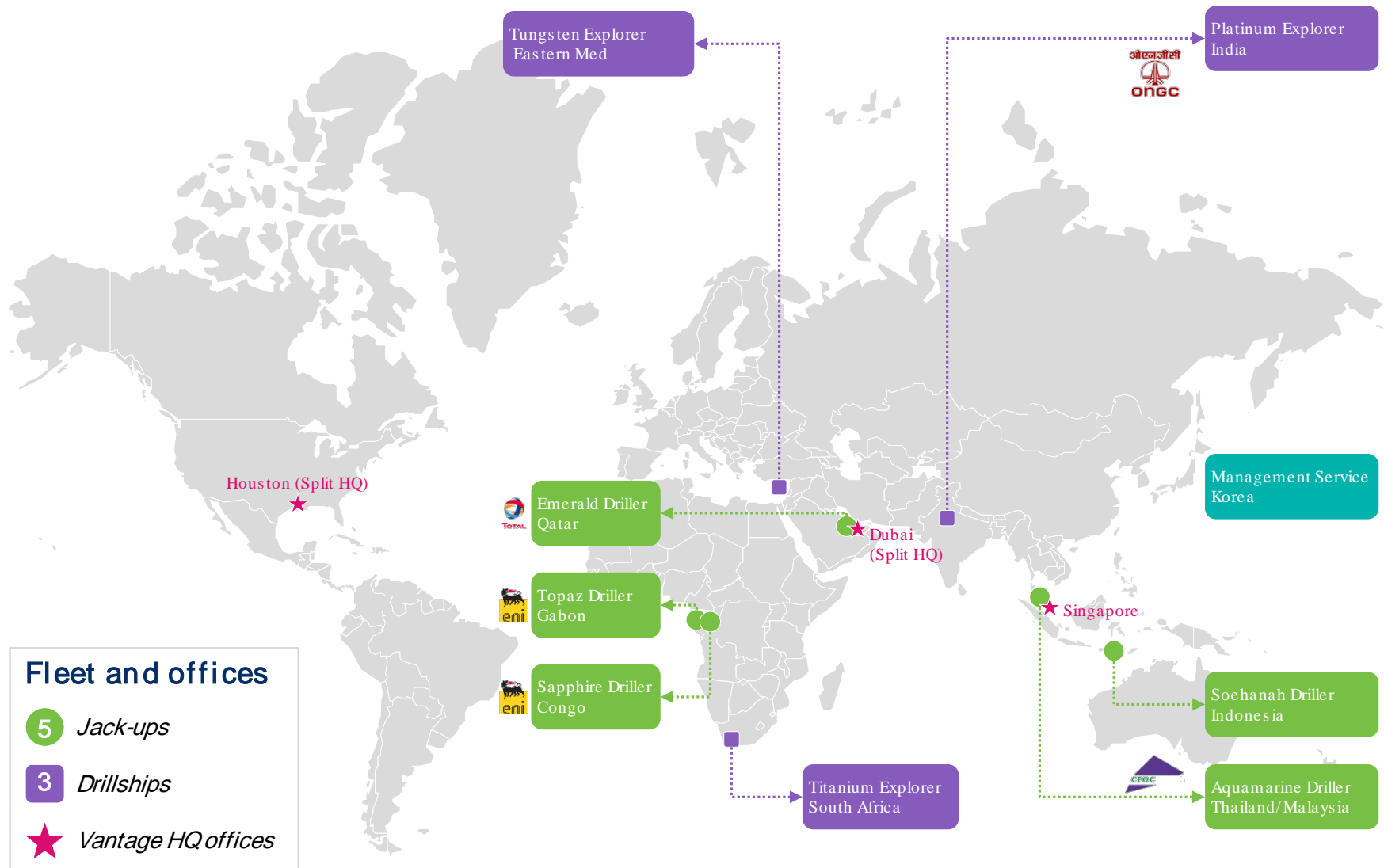


*Platinum Explorer (2010)*

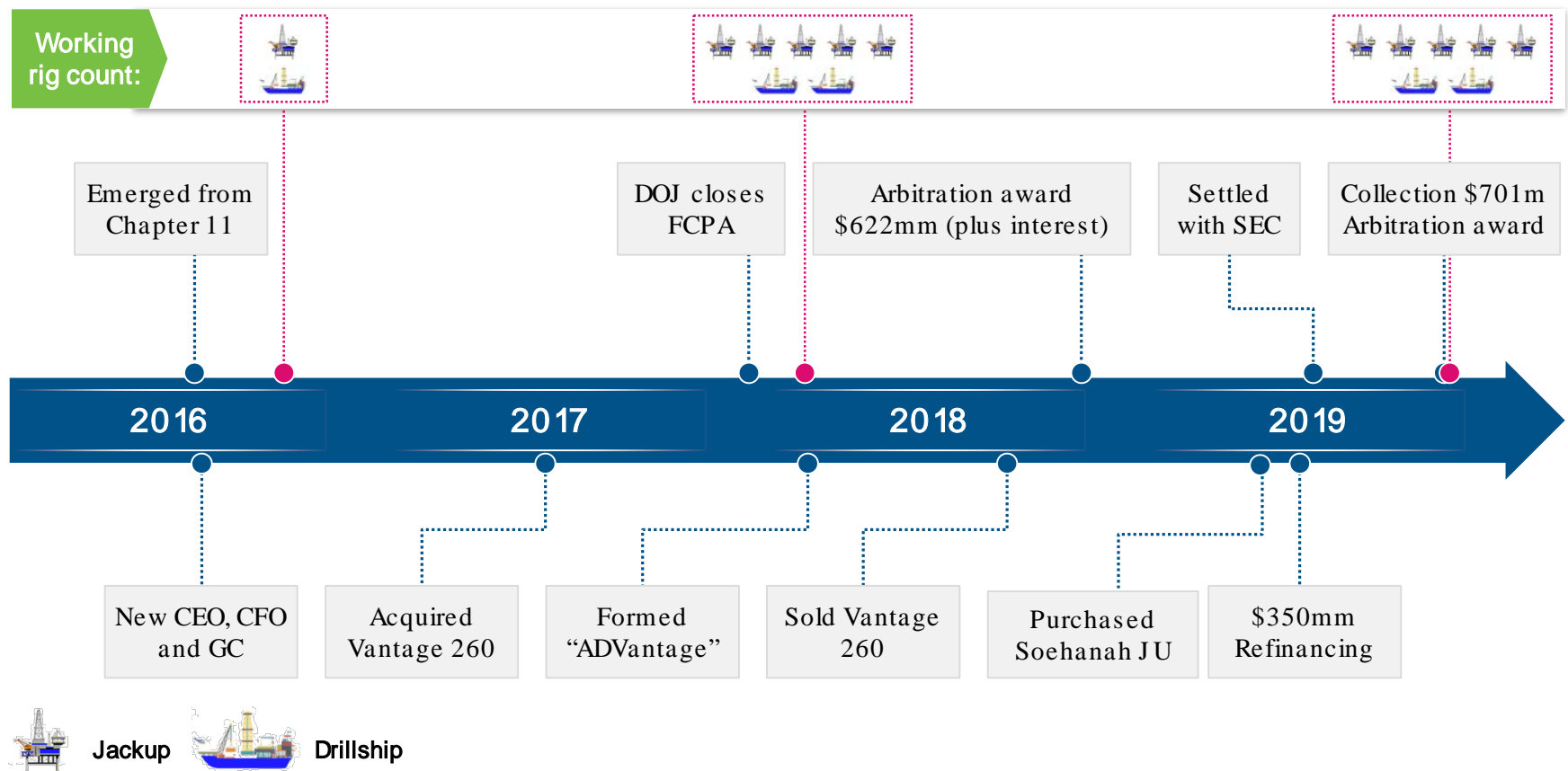
★ Represent working rigs at close of Q2 2019.

(1) We define "net debt" as total debt less cash and restricted cash. Assumes 3L conversion.

# Presence in key offshore regions



# Timeline and Accomplishments





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# Leverage and Liquidity

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# Refinancing – New \$350 million Senior Secured Bond – Issued November 2018

## Vantage Drilling International \$350,000,000 9.250% Senior Secured First Lien Notes due 2023

**VANTAGE**

Vantage Drilling International, a Cayman Islands exempted company (the “Company” or “VDI”), is offering \$350,000,000 aggregate principal amount of its 9.250% Senior Secured First Lien Notes due 2023 (the “notes” or the “First Lien Notes”), which will be fully and unconditionally guaranteed by substantially all of the Company’s future and existing subsidiaries (the “Guarantors”).

The notes will mature on November 15, 2023. We will pay interest on the notes in cash at a rate of 9.250% per annum. We will pay interest on the notes on May 15 and November 15 of each year, commencing on May 15, 2019.

At any time on or after May 15, 2020, other than upon the occurrence of a change of control occurring on or after May 15, 2019, we may redeem all or part of the notes at the redemption prices set forth in this offering circular, plus accrued and unpaid interest to but excluding the redemption date, and prior to such date, pursuant to the “make-whole” provisions described in this offering circular. In addition, prior to May 15, 2020, we may redeem up to 35% of the aggregate principal amount of the notes with the net proceeds from certain equity offerings. We may also, prior to May 15, 2020, redeem up to 10% of the initial aggregate principal amount of the notes, in any twelve-month period, at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest. In addition, if we sell certain of our assets, experience a change of control or receive at least \$75 million in proceeds from our arbitration with Petroleo Brasileiro S.A. (“Petrobras”), we may be required to make an offer to purchase the notes at the price set forth in this offering circular, provided, however, that at any time on or after May 15, 2019, if we experience a change of control, we may redeem all, but not less than all, of the notes at the specified change of control redemption prices set forth in this offering circular. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the notes.

The notes and the guarantees thereof will be secured by first priority liens (subject to payment priority in favor of future holders, if any, of certain superpriority first lien debt) on substantially all existing and newly acquired assets of the Company and the Guarantors, subject to the exceptions described in this offering circular. See “Description of Notes—Security.” The relative rights and other creditors’ rights issues in respect of the notes and the Company’s outstanding Convertible Notes (as defined herein) will be set forth in an intercreditor agreement (the “Existing Intercreditor Agreement”) described under “Description of Notes—Security—Existing Intercreditor Agreement.” The notes will rank senior in right of payment to any future subordinated indebtedness, and equal in right of payment with all of our other existing and any future senior indebtedness.

We will not register the notes under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state or any other jurisdiction. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system.

See “Risk Factors” beginning on page 18 to read about important factors you should consider before buying the notes.

Offering Price for the notes: 100.00% plus accrued and unpaid interest, if any, from November 30, 2018.

The notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. We do not intend to register the notes for resale under the Securities Act. The notes may be offered only in transactions that are exempt from registration under the Securities Act and applicable state securities laws. Accordingly, we and the initial purchasers named below are offering the notes (i) only to persons reasonably believed to be “qualified institutional buyers” as defined in, and in accordance with, Rule 144A under the Securities Act and (ii) outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. See “Notice to Investors.”

The Company expects to deliver the notes through the facilities of The Depository Trust Company (“DTC”) against payment in New York, New York on November 30, 2018.

*Joint Book-Running Managers*

Credit Suisse

Clarksons Platou Securities AS Pareto Securities AS

*Co-Managers*

BofA Merrill Lynch

DNB Markets

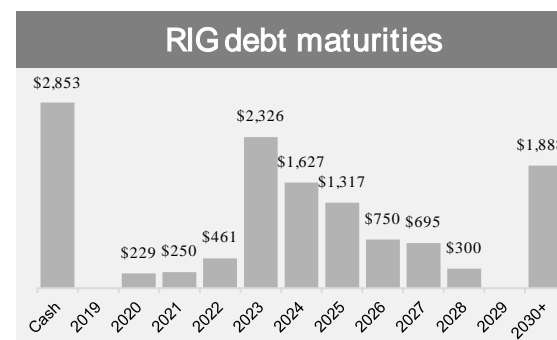
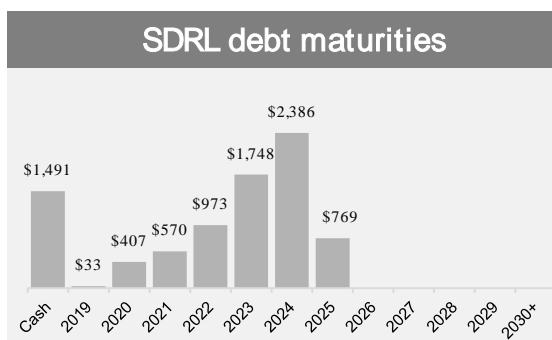
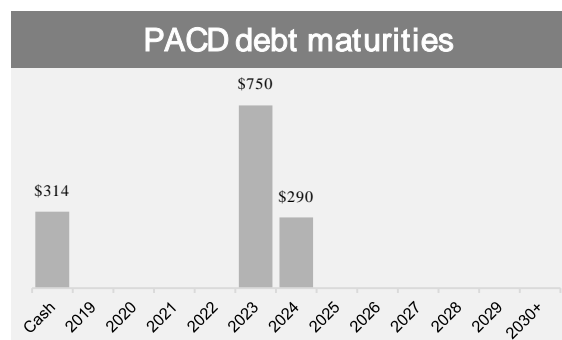
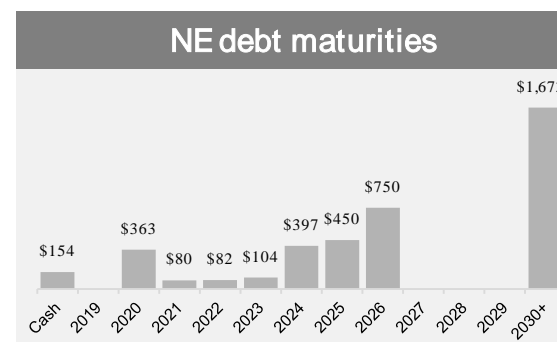
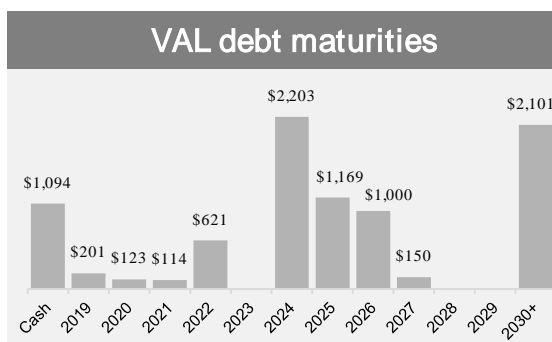
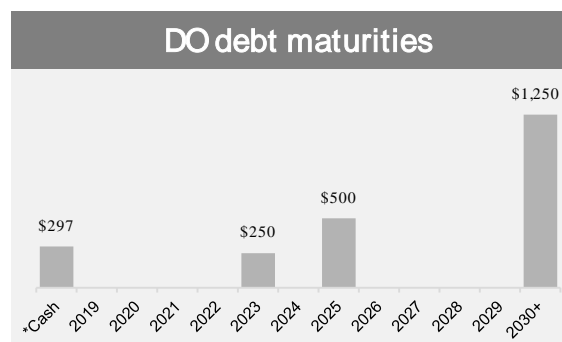
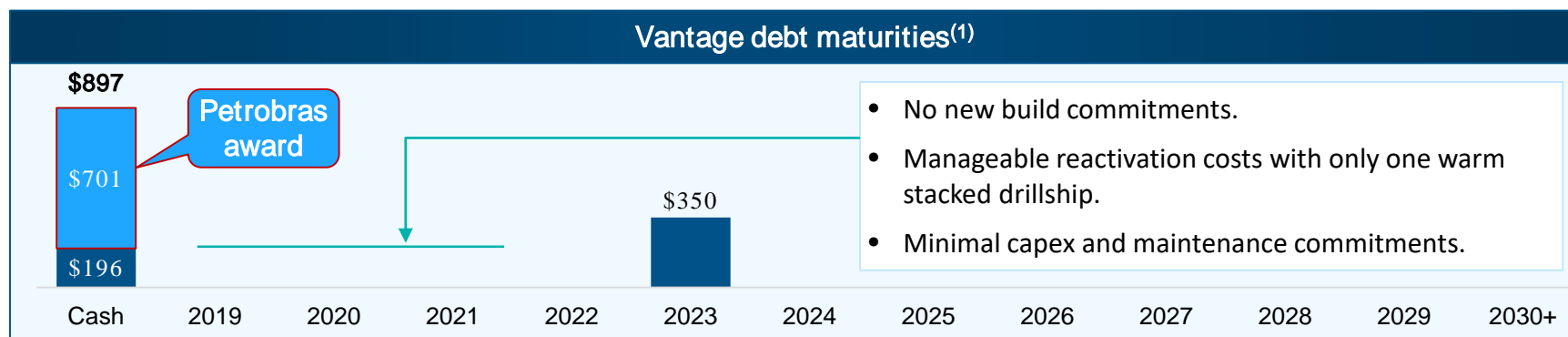
The date of this offering circular is November 15, 2018

- Extended debt maturity to the end of 2023.
- Relief from post bankruptcy restrictive covenants.
- Additional capacity under existing collateral.
- Favorable non-call terms.
- Mix of US and international investors.

### Use of Funds (millions)

Repay 1st Lien	\$134
Repay 2nd Lien	\$76
Purchase Soehanah	\$69
Accrued Interest / Transaction Fees	\$10
Cash to the balance sheet	\$61
<b>Total uses</b>	<b>\$350</b>

# Vantage Drilling Liquidity Advantage



Source: Company filings / Investor Presentations.

(1) Debt is pro forma for convertible notes conversion. Cash does not reflect legal and tax payables associated with the arbitration award.

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# Operating Strategy and Results

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# Clear Strategy - Key Focus Areas for Success

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Provide our shareholders with a self-funding platform achieving margin accretive fleet utilization and fully satisfied clients, by following our Wildly Important Goals (WIGs):



Maintain world class **safety and operating performance**.



Achieve and maintain **high utilization**.



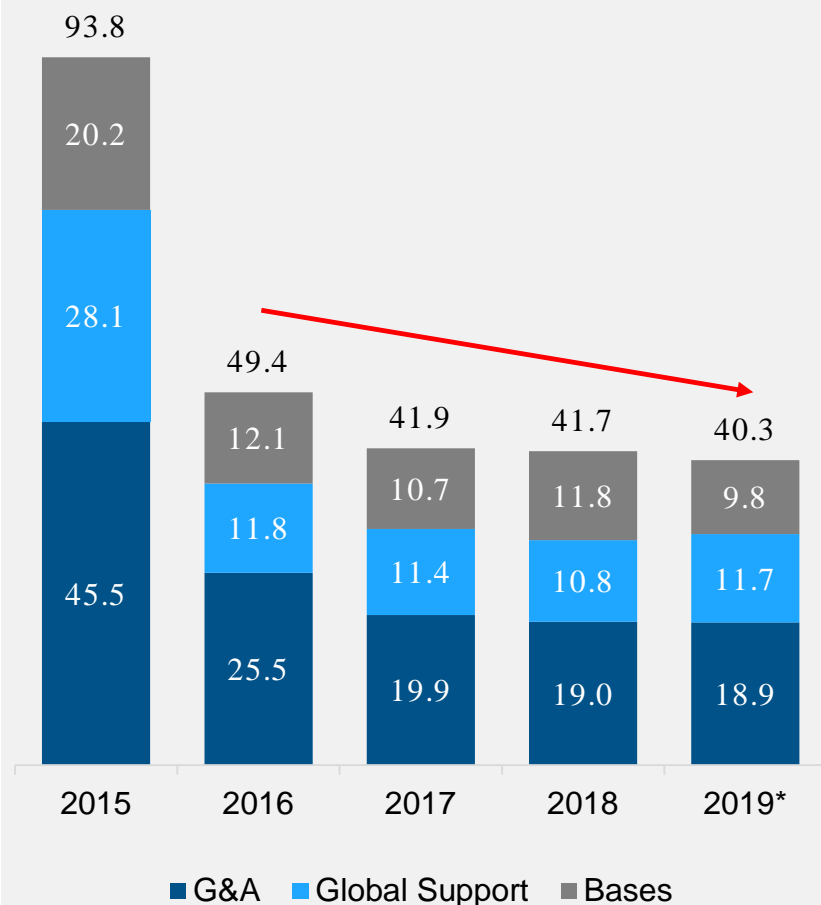
**Reduce costs** and maintain lean operating structure.



# Cost Savings and Lean Operating Structure

## G&A, Global Support and Base costs

Shorebase Costs – USD Millions  
Excludes non-Cash MIP expense & non-recurring legal fees

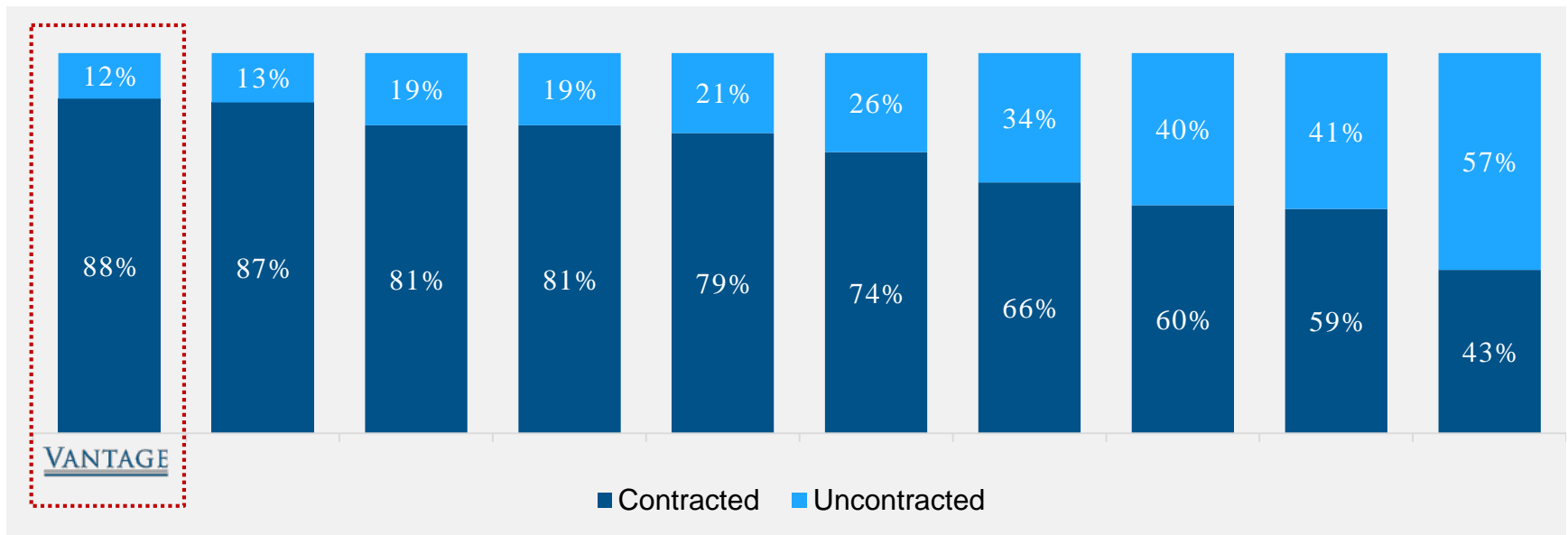


## Reduced offshore operating costs

- Reduced salaries on operating rigs and stacked rig.
- Regionalization of significant number of positions with lower salaries and travel cost.
- Significant nationalization of the Platinum Explorer and Tungsten Explorer senior crews.
- Renegotiated vendor contracts.
- Inventory and supply chain management.

\* annualized based on 6 months results.

# Achieve and Maintain High Utilization



## High utilization translates into:

- Avoidance of stacking costs and prudent use of cash.
- Proven ability to reactivate (timely and within budget).
- Customers priority for “hot” rigs.
- Well maintained rigs that are current on maintenance.
- Continuity of crews assist in operating efficiencies.

## SPS and major maintenance schedules:

- Tungsten Explorer recently completed 5 year maintenance and SPS ahead of Mediterranean campaign.
- Topaz and Sapphire completed in 2019 while Aquamarine scheduled for 2020.
- Remaining surveys due 2021 and beyond.

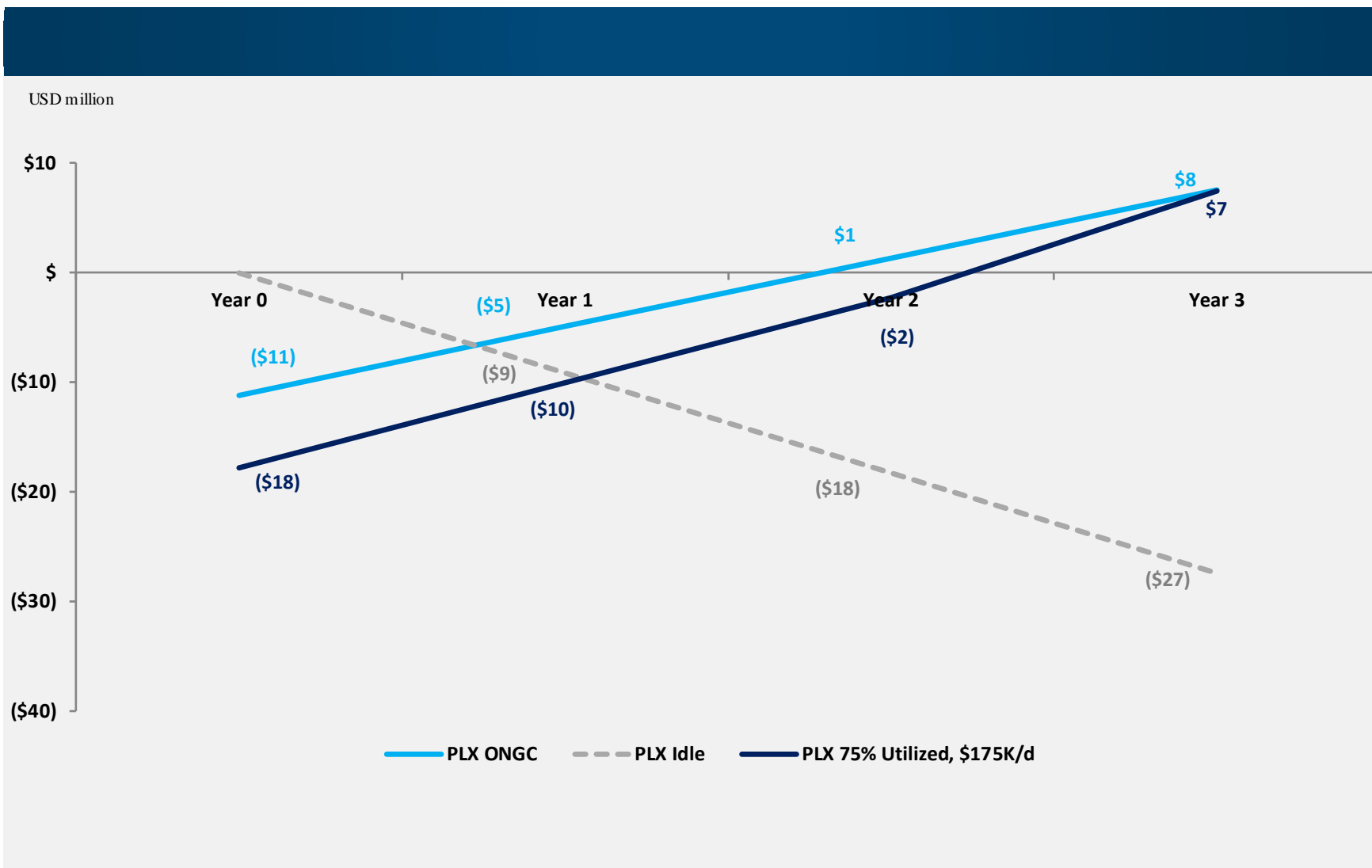
Source: Company data, most recent fleet status report.

# Platinum and Tungsten Explorer

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# Platinum Explorer Contracting Strategy



# Tungsten Explorer Overview

All jackups contracted  
into 2020

Platinum Explorer  
contracted through 2020

Tungsten 40% contracted  
into 2020

## Illustrative Enterprise EBITDA & Levered FCF based on 2020 Tungsten activity

### EBITDA (USD Millions)

	\$175K	\$185K	\$195K	\$205K	\$215K	\$225K
80%	40	43	46	49	51	54
85%	43	46	49	52	55	58
90%	46	49	53	56	59	62
95%	49	53	56	59	63	66
100%	52	56	59	63	66	70

### Levered FCF (USD Millions)

	\$175K	\$185K	\$195K	\$205K	\$215K	\$225K
80%	(8)	(5)	(2)	0	3	6
85%	(5)	(2)	1	4	6	9
90%	(2)	1	4	7	10	13
95%	1	4	7	10	14	17
100%	4	7	11	14	17	21

### Latest on the Tungsten:

- Recent 5 yearly and COCs up to spec.
- MPD installed.
- Mobilized to the Mediterranean with first job in Egypt at >99% revenue efficiency.





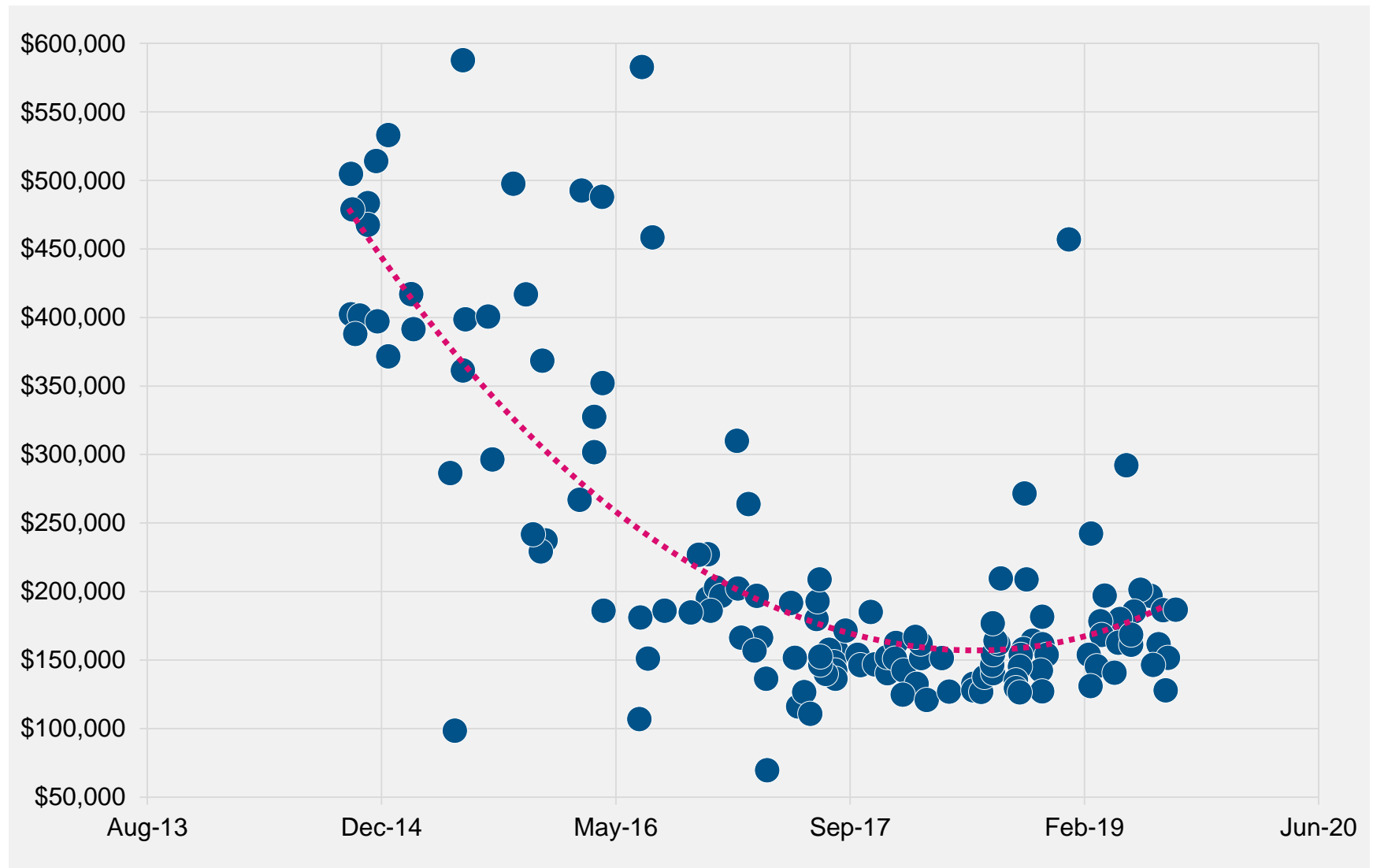
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## Market Outlook

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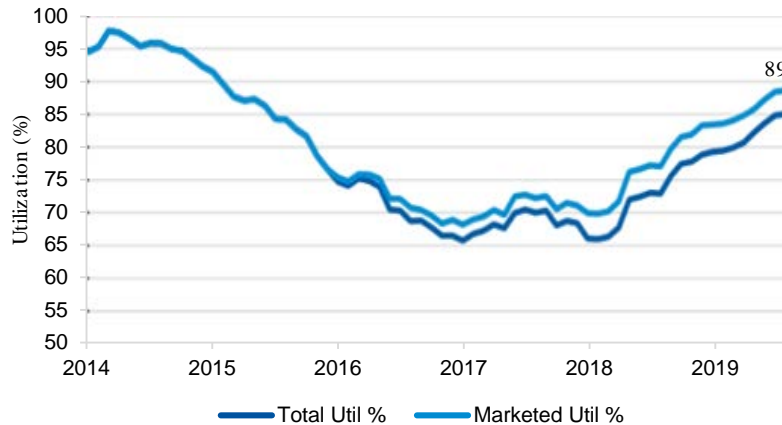
# Path of Dayrates for Ultra Deepwater Drillships



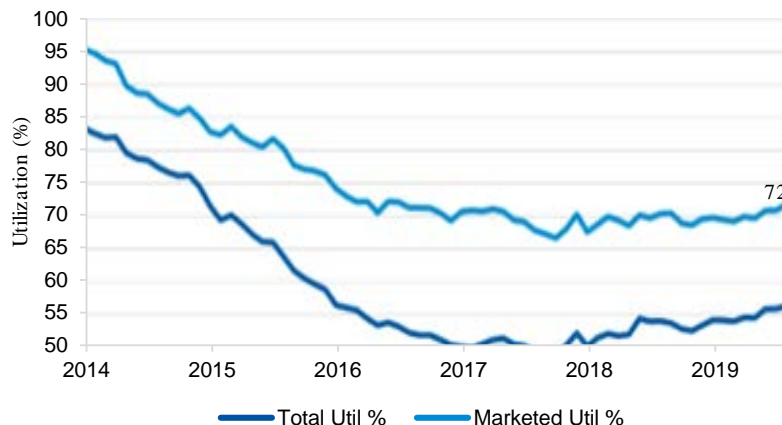
Source: Westwood Briefing – 22nd August 2019.

# Bifurcation in Jack- up Market continues to play out

## Jackups built after 2000



## Jackups built before 2000



## Clients' clear preference for modern jackups

- While demand is in recovery, it is still not in balance with global supply, so E&Ps have ability to be very selective in rig contracting...and they are:
- Superior drilling performance.
  - Offline stand building capabilities
  - 3 x high flow mud pumps
  - Larger cantilever capacity (reach & load)
  - Larger hoisting capacity
- Better logistics.
- Bigger and better accommodation.
- Similar trends seen in deep water market.

# 5

Path  
Forward

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# Well positioned operationally and financially



## Maintain solid platform well positioned for the long-haul

- Efficient and low costs overhead structure.
- Working rigs with positive cash flow contracts.
- Healthy Balance Sheet with no debt maturities until 2023.

## Continue our operational focus

- Drive for zero incidents and downtime.
- Re-contract rigs and focus on day-rate increase efforts.
- Continue to maintain low-cost operating structure.
- Reactivate Titanium Explorer.

## Investigate strategic options



THANK YOU.

Questions and  
Answer Session

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