UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: June 18, 2018

Commission File Number 001-35345

PACIFIC DRILLING S.A.

8-10, Avenue de la Gare
L-1610 Luxembourg
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

Indicate by check mark whether the registrant by furnishing the information contained in this Form, is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Background

Under the Bankruptcy Code, Pacific Drilling S.A. (the “Company” and, together with its subsidiaries, the “Companies”, “we” or “our”) had the exclusive right to file a plan of reorganization under Chapter 11 (the “Exclusive Filing Period”) through March 12, 2018.

On March 8, 2018, the Bankruptcy Court approved our request to extend the Exclusive Filing Period through and including March 21, 2018 or the date on which the Bankruptcy Court resolved the Company’s request to extend the Exclusive Filing Period.

At a hearing on March 22, 2018, the Bankruptcy Court approved our request for an agreed order, which was entered on April 2, 2018, under which we, our secured creditor groups and our majority shareholder agreed to take part in mediation (the “Mediation”) before the Honorable James R. Peck, retired Bankruptcy Court Judge for the Southern District of New York. The scope of the Mediation was to facilitate discussions for the purpose of agreeing to the terms of a binding term sheet or restructuring support agreement describing a Chapter 11 plan of reorganization. In addition, conditioned on our participation in the Mediation, the Bankruptcy Court ordered the extension of the Exclusive Filing Period to May 21, 2018, without prejudice for us to seek further extensions of the Exclusive Filing Period.

On May 16, 2018, the Bankruptcy Court approved our request for an agreed order under which we, our secured creditor groups and our majority shareholder agreed to extend the Mediation and the Exclusive Filing Period to June 4, 2018, without prejudice to seek further extensions of the Exclusive Filing Period.

On May 25, 2018, the Bankruptcy Court approved our request for an agreed order under which we, our secured creditor groups and our majority shareholder agreed to further extend the Mediation and the Exclusive Filing Period to June 15, 2018, without prejudice to seek further extensions of the Exclusive Filing Period.

On June 14, 2018, the Bankruptcy Court approved our request for an agreed order under which we, our secured creditor groups and our majority shareholder agreed to further extend the Mediation and the Exclusive Filing Period to June 22, 2018, without prejudice to seek further extensions of the Exclusive Filing Period.

In connection with the Mediation, we executed non-disclosure agreements (“NDAs”) with certain of our secured creditors to facilitate discussions in the Mediation. Pursuant to the NDAs, the Company agreed to disclose publicly after a specified period, if certain conditions were met, the fact that confidential discussions occurred, and certain information regarding such discussions.

As a condition to their approval of the extension of the Mediation and the Exclusive Filing Period to June 22, 2018, certain of our stakeholders have required us to satisfy the public disclosure obligations under the NDAs. The information included in this Form 6-K is being furnished, in part, to satisfy the Company’s public disclosure obligations under the NDAs.

Included herein as Exhibit 99.1 to this Form 6-K is a presentation of the Company’s Business Plan that was provided to the secured creditor groups and our majority shareholder on April 29, 2018 (the “Business Plan”). Included herein as Exhibit 99.2 is a presentation (the “QP Group / SSCF Proposal”) containing the proposal that was made by our majority shareholder, Quantum Pacific (Gibraltar) Limited, certain lenders under the Senior Secured Credit Facility and a third party investor (collectively, the “QP Group / SSCF”), on June 7, 2018 to the independent members of our Board of Directors for a plan of reorganization. Included herein as Exhibit 99.3 to this Form 6-K is a presentation (the “Ad Hoc Group Proposal”) containing the proposal that was made by an ad hoc group of our secured creditors on June 7, 2018 to the independent members of our Board of Directors for a plan of reorganization.

Neither the QP Group / SSCF Proposal, the Ad Hoc Group Proposal nor any other proposal is legally-binding or indicative of the terms of any Chapter 11 plan of reorganization that may occur.

There is no consensus currently among the Company and its stakeholders as to the terms of any plan of reorganization. We continue to engage in active discussions in the Mediation among us and our stakeholders for the purpose of agreeing to the terms of a Chapter 11 plan of reorganization.

The information contained in this Form 6-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing. The filing of this Form 6-K shall not be deemed an admission as to the materiality of any information herein.

Disclosure Regarding Forward-Looking Statements

Certain statements and information contained herein constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are generally identifiable by the use of words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “our ability to,” “plan,” “potential,” “projected,” “should,” “will,” “would,” or other similar words, which are generally not historical in nature. The forward-looking statements speak only as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Our forward-looking statements express our current expectations or forecasts of possible future results or events, including our future financial and operational performance; revenue efficiency levels; market outlook; forecasts of trends, future client contract opportunities, contract dayrates; our business strategies and plans and objectives of management; estimated duration of client contracts; backlog; expected capital expenditures; projected costs and savings; the potential impact of our Chapter 11 proceedings on our future operations and ability to finance our business; and our ability to emerge from our Chapter 11 proceedings and continue as a going concern.

Although we believe that the assumptions and expectations reflected in our forward-looking statements are reasonable and made in good faith, these statements are not guarantees, and actual future results may differ materially due to a variety of factors. These statements are subject to a number of risks and uncertainties, many of which are beyond our control.

Important factors that could cause actual results to differ materially from our expectations include: the global oil and gas market and its impact on demand for our services; the offshore drilling market, including reduced capital expenditures by our clients; changes in worldwide oil and gas supply and demand; rig availability and supply and demand for high-specification drillships and other drilling rigs competing with our fleet; costs related to stacking of rigs; our ability to enter into and negotiate favorable terms for new drilling contracts or extensions; our substantial level of indebtedness; possible cancellation, renegotiation, termination or suspension of drilling contracts as a result of mechanical difficulties, performance, market changes or other reasons; our ability to continue as a going concern in the long term, including our ability to confirm a plan of reorganization that restructures our debt obligations to address our liquidity issues and allows emergence from our Chapter 11 proceedings; our ability to obtain Bankruptcy Court approval with respect to motions or other requests made to the Bankruptcy Court in our Chapter 11 proceedings, including maintaining strategic control as debtor-in-possession; our ability to negotiate, develop, confirm and consummate a plan of reorganization; the effects of our Chapter 11 proceedings on our operations and agreements, including our relationships with employees, regulatory authorities, customers, suppliers, banks and other financing sources, insurance companies and other third parties; the effects of our Chapter 11 proceedings on our Company and on the interests of various constituents, including holders of our common shares and debt instruments; Bankruptcy Court rulings in our Chapter 11 proceedings as well as the outcome of all other pending litigation and arbitration matters and the outcome of our Chapter 11 proceedings in general; the length of time that we will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the proceedings; risks associated with third-party motions in our Chapter 11 proceedings, which may interfere with our ability to confirm and consummate a plan of reorganization and restructuring generally; increased advisory costs to execute a plan of reorganization; our ability to access adequate debtor-in-possession financing or use cash collateral; the potential adverse effects of our Chapter 11 proceedings on our liquidity, results of operations, or business prospects; increased administrative and legal costs related to our Chapter 11 proceedings and other litigation and the inherent risks involved in a bankruptcy process; the cost, availability and access to capital and financial markets, including the ability to secure new financing after emerging from our Chapter 11 proceedings; and the other risk factors described in our 2017 Annual Report on Form 20-F and our Current Reports on Form 6-K. These documents are available through our website at www.pacificdrilling.com or through the SEC’s website at www.sec.gov.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Pacific Drilling S.A.
(Registrant)

Dated: June 18, 2018

By /s/ Lisa Manget Buchanan
Lisa Manget Buchanan
SVP, General Counsel & Secretary

EXHIBIT INDEX

Exhibit	Description
99.1	Company Business Plan
99.2	QP Group / SSCF Proposal
99.3	Ad Hoc Group Proposal

Exhibit 99.1

Business Plan Discussion

May 1, 2018

Pacific Drilling

Disclaimer

THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION. THIS PRESENTATION MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS. THIS PRESENTATION IS NOT AN OFFER OR INVITATION TO BUY OR SELL SECURITIES IN ANY JURISDICTION.

The Company certifies that slides numbered 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 38, 39, 40, 41, 42, 48 and 50 within this presentation do not constitute material, non-public information within the meaning of Regulation FD under the Securities Exchange Act of 1934, as amended.

Subject to Common Interest / Provided in Connection with Mediation & Subject to Mediation Privilege

For the purposes of this notice, "Presentation" means and includes this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed during the Presentation meeting. This Presentation is being provided to you solely for your information and you may not disclose this Presentation to any third party. It may not be copied, distributed, reproduced, published or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organization or firm) or published in whole or in part, by any medium or in any form for any purpose or under any circumstances.

Forward-looking Statements

Certain statements and information contained in this Presentation constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are generally identifiable by the use of words such as "believe," "estimate," "expect," "forecast," "our ability to," "plan," "potential," "projected," "target," "would," or other similar words, which are generally not historical in nature. The forward-looking statements speak only as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Our forward-looking statements express our current expectations or forecasts of possible future results or events, including: future financial and operational performance; earnings expectations; revenue efficiency levels; market outlook; forecasts of trends; future client contract opportunities; contract dayrates; our business strategies and plans and objectives of management; estimated duration of client contracts; backlog; expected capital expenditures and projected costs and savings.

Although we believe that the assumptions and expectations reflected in our forward-looking statements are reasonable and made in good faith, these statements are not guarantees and actual future results may differ materially due to a variety of factors. These statements are subject to a number of risks and uncertainties, many of which are beyond our control.

Important factors that could cause actual results to differ materially from our expectations include: the global oil and gas market and its impact on demand for our services; the offshore drilling market, including reduced capital expenditures by our clients; changes in worldwide oil and gas supply and demand; rig availability and supply and demand for high-specification drillships and other drilling rigs competing with our fleet; costs related to stacking of rigs; our ability to enter into and negotiate favorable terms for new drilling contracts or extensions; our substantial level of indebtedness; possible cancellation, renegotiation, termination or suspension of drilling contracts as a result of mechanical difficulties, performance, market changes or other reasons; our ability to continue as a going concern in the long term, including our ability to confirm a plan of reorganization that restructures our debt obligations to address our liquidity issues and allows emergence from our Chapter 11 proceedings; our ability to obtain Bankruptcy Court approval with respect to motions or other requests made to the Bankruptcy Court in our Chapter 11 proceedings, including maintaining strategic control as debtor-in-possession; our ability to negotiate, develop, confirm and consummate a plan of reorganization; the effects of our Chapter 11 proceedings on our operations and agreements, including our relationships with employees, regulatory authorities, customers, suppliers, banks and other financing sources, insurance companies and other third parties; the effects of our Chapter 11 proceedings on our Company and on the interests of various constituents, including holders of our common shares and debt instruments; Bankruptcy Court rulings in our Chapter 11 proceedings as well as the outcome of all other pending litigation and arbitration matters and the outcome of our Chapter 11 proceedings in general; the length of time that we will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the proceedings; risks associated with third-party motions in our Chapter 11 proceedings, which may interfere with our ability to confirm and consummate a plan of reorganization and restructuring generally; increased advisory costs to execute a plan of reorganization; our ability to access adequate debtor-in-possession financing or use cash collateral; the potential adverse effects of our Chapter 11 proceedings on our liquidity, results of operations, or business prospects; increased administrative and legal costs related to our Chapter 11 proceedings and other litigation and the inherent risks involved in a bankruptcy process; the cost, availability and access to capital and financial markets, including the ability to secure new financing after emerging from our Chapter 11 proceedings; and the other risk factors described in our 2017 Annual Report on Form 20-F and our Current Reports on Form 6-K. These documents are available through our website at www.pacificdrilling.com or through the SEC's website at www.sec.gov.

Table of Contents

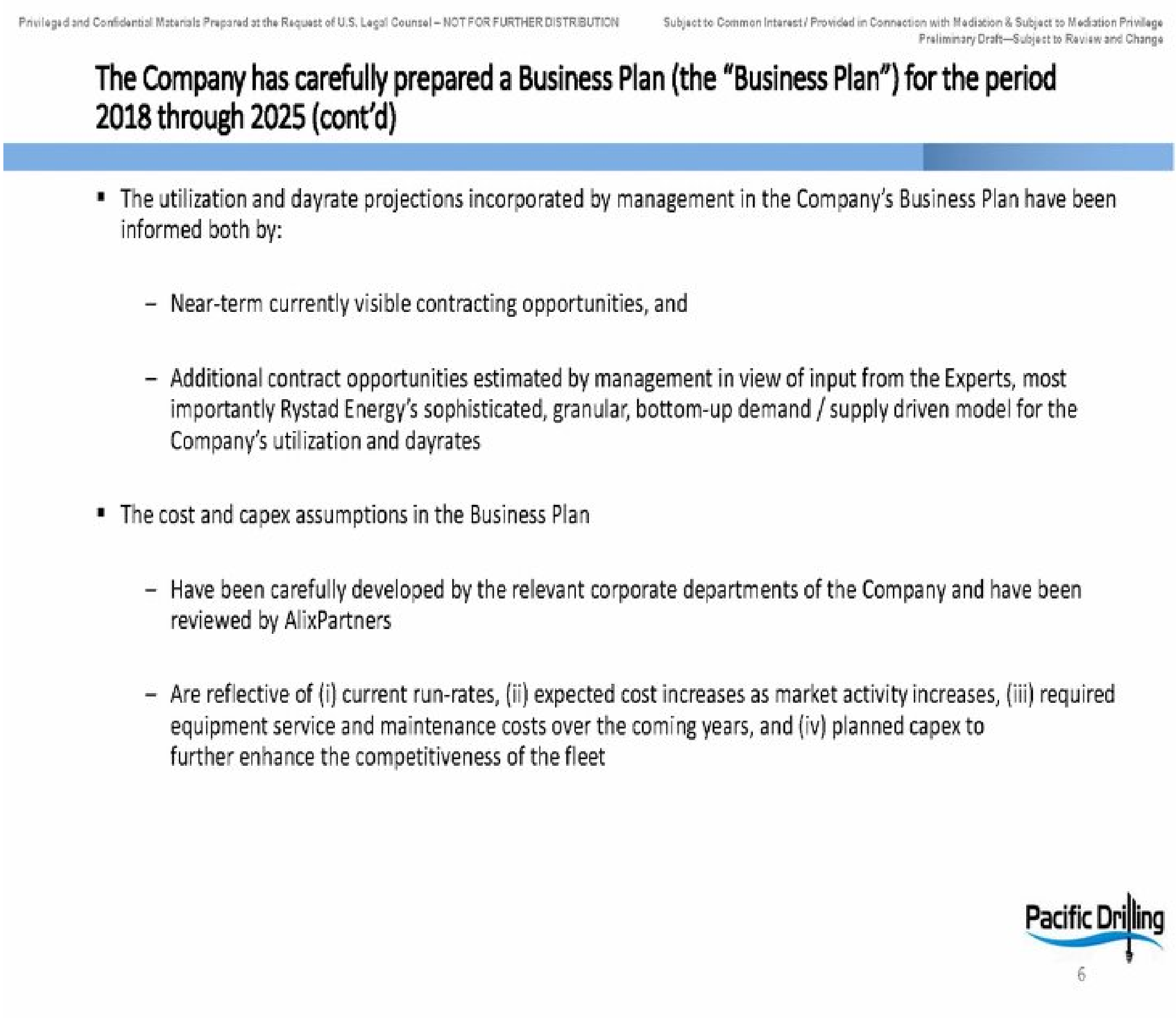
Pacific Drilling

I. Introduction

The Company has carefully prepared a Business Plan (the "Business Plan") for the period 2018 through 2025

- In developing its Business Plan, the Company has considered:
  - Projected supply, demand and price of oil
  - The outlook for the offshore UDW drilling market
  - The Company's competitive and strategic position in the UDW drilling market
- To obtain additional market intelligence and to enhance the credibility of the Business Plan, the Company has engaged three experts (the "Experts") to support management in developing the Business Plan:
  - Analysis Group has been engaged to help inform the outlook for oil prices
  - Rystad Energy has been engaged to help inform the outlook for oil prices and the UDW offshore drilling market
  - Fearnley Offshore has been engaged to help inform the outlook for oil prices, the UDW offshore drilling market, and drillship values

Pacific Drilling



The Company has carefully prepared a Business Plan (the "Business Plan") for the period 2018 through 2025 (cont'd)

- The utilization and dayrate projections incorporated by management in the Company's Business Plan have been informed both by:
  - Near-term currently visible contracting opportunities, and
  - Additional contract opportunities estimated by management in view of input from the Experts, most importantly Rystad Energy's sophisticated, granular, bottom-up demand / supply driven model for the Company's utilization and dayrates
- The cost and capex assumptions in the Business Plan
  - Have been carefully developed by the relevant corporate departments of the Company and have been reviewed by AlixPartners
  - Are reflective of (i) current run-rates, (ii) expected cost increases as market activity increases, (iii) required equipment service and maintenance costs over the coming years, and (iv) planned capex to further enhance the competitiveness of the fleet

Pacific Drilling

Recent Contract Awards

- The Company has been successful in multiple competitive tender processes, executing a contract extension and putting rigs to work post-petition, including:
    - The contract commencement with Petronas for the Pacific Santa Ana,
    - A contract extension for the Pacific Bora,
    - A Letter of Intent from ENI for the Pacific Bora,
    - A Letter of Award for the Pacific Khamsin, and
    - A Letter of Award for the Pacific Meltem
- The Company successfully competed against much larger offshore drilling competitors in multiple cases
- The Company believes it was selected over competitors based on its:
    - Rigs' technical specifications and quality
    - Condition and readiness of rigs, attributable to the Company's "Smart Stacking" system, and
    - Experience and relationships of the existing management team
- As a result of these awards, the Company expects to have at least five of its seven rigs under contract by the end of 2018 or early 2019

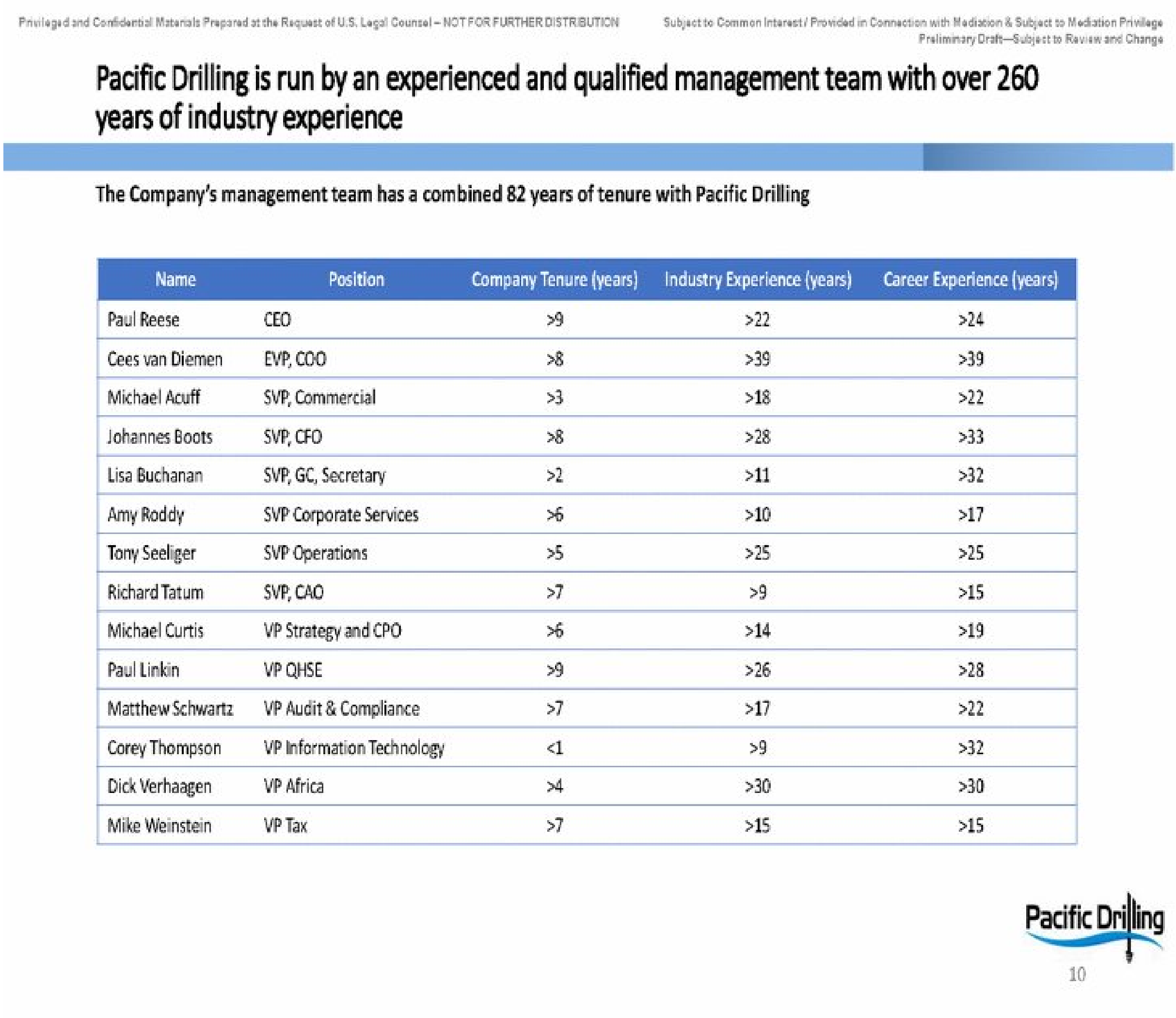
II. Company Background and Positioning

Pacific Drilling at a Glance

Pacific Drilling S.A. (the "Company" or "Pacific Drilling") is a competitive global ultra-deepwater ("UDW") offshore oil and gas drilling company which is well positioned to benefit from the expected increase in UDW drilling demand

- The only pure-play "high specification" UDW offshore driller
- Incorporated in 2008, operational since 2011
- 7 drillships of the highest specification
- Proven experience in
  - Nigeria (Total, Chevron, FASL, Erin)
  - Ivory Coast (Total), Guinea (Hyperdynamics)
  - Mauritania (Petronas)
  - USGOM (Chevron)
  - Brazil (Petrobras)
- Very cost-competitive operator
- Exceptional service quality and revenue capture with 98.3%[1] revenue efficiency[2] in 2017
- Strong, experienced management team
- 768 employees[3]

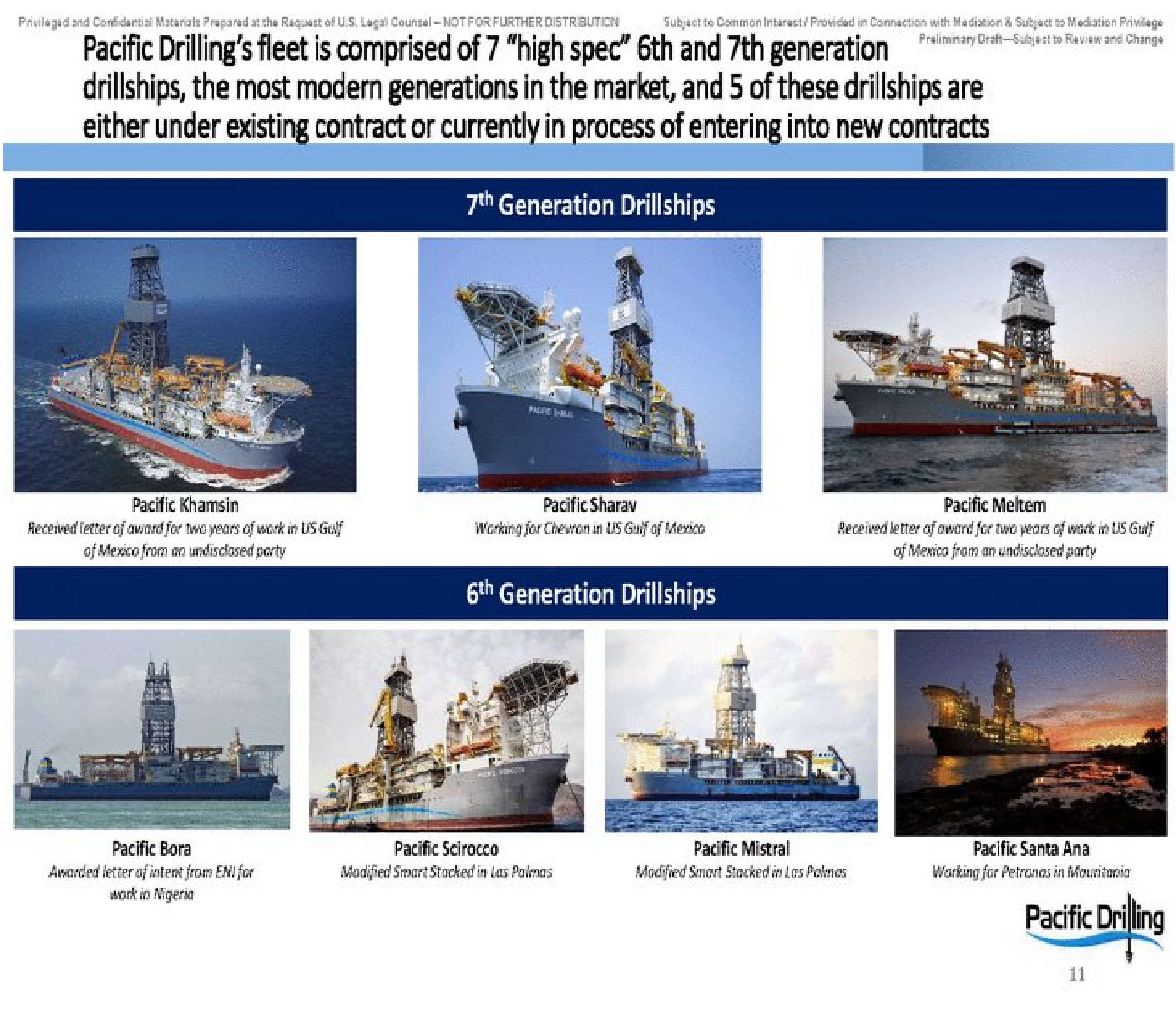
(1) *Historical revenue efficiency >94.5% over the life of the Company*
(2) *Revenue efficiency defined as actual contractual dayrate revenue divided by the maximum amount of contractual dayrate revenue that could have been earned*
(3) *As of December 31, 2017*



Pacific Drilling is run by an experienced and qualified management team with over 260 years of industry experience

The Company's management team has a combined 82 years of tenure with Pacific Drilling

Name	Position	Company Tenure (years)	Industry Experience (years)	Career Experience (years)
Paul Reese	CEO	>9	>22	>24
Cees van Diemen	EVP, COO	>8	>39	>39
Michael Acuff	SVP, Commercial	>3	>18	>22
Johannes Boots	SVP, CFO	>8	>28	>33
Lisa Buchanan	SVP, GC, Secretary	>2	>11	>32
Amy Roddy	SVP Corporate Services	>6	>10	>17
Tony Seeliger	SVP Operations	>5	>25	>25
Richard Tatum	SVP, CAO	>7	>9	>15
Michael Curtis	VP Strategy and CPO	>6	>14	>19
Paul Linkin	VP QHSE	>9	>26	>28
Matthew Schwartz	VP Audit & Compliance	>7	>17	>22
Corey Thompson	VP Information Technology	<1	>9	>32
Dick Verhaagen	VP Africa	>4	>30	>30
Mike Weinstein	VP Tax	>7	>15	>15



Pacific Drilling's fleet is comprised of 7 "high spec" 6th and 7th generation drillships, the most modern generations in the market, and 5 of these drillships are either under existing contract or currently in process of entering into new contracts

7th Generation Drillships

Pacific Khamsin
Received letter of award for two years of work in US Gulf of Mexico from an undisclosed party

Pacific Sharav
Working for Chevron in US Gulf of Mexico

Pacific Meltem
Received letter of award for two years of work in US Gulf of Mexico from an undisclosed party

6th Generation Drillships

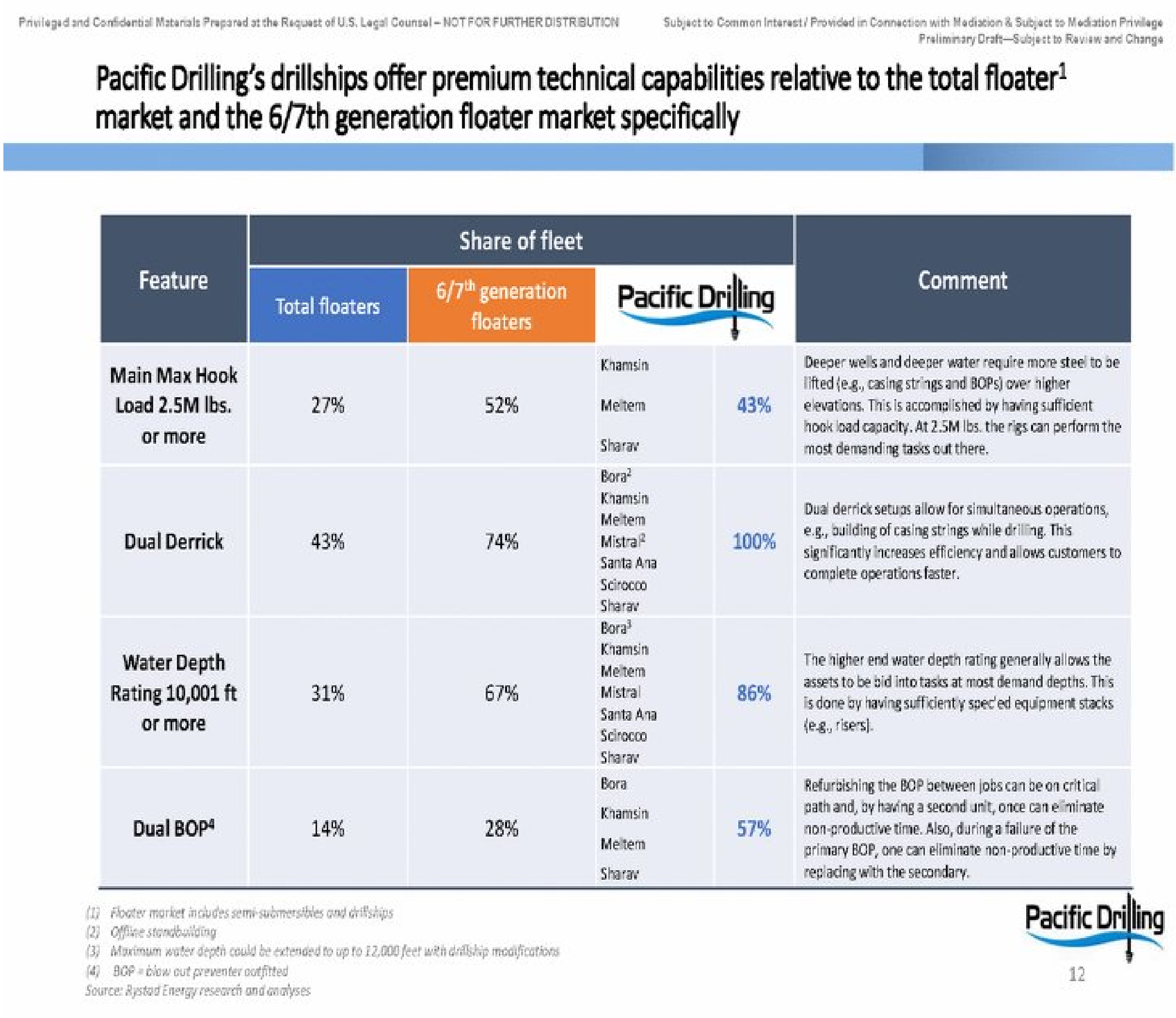
Pacific Bora
Awarded letter of intent from ENI for work in Nigeria

Pacific Scirocco
Modified Smart Stacked in Las Palmas

Pacific Mistral
Modified Smart Stacked in Las Palmas

Pacific Santa Ana
Working for Petronas in Mauritania

Pacific Drilling



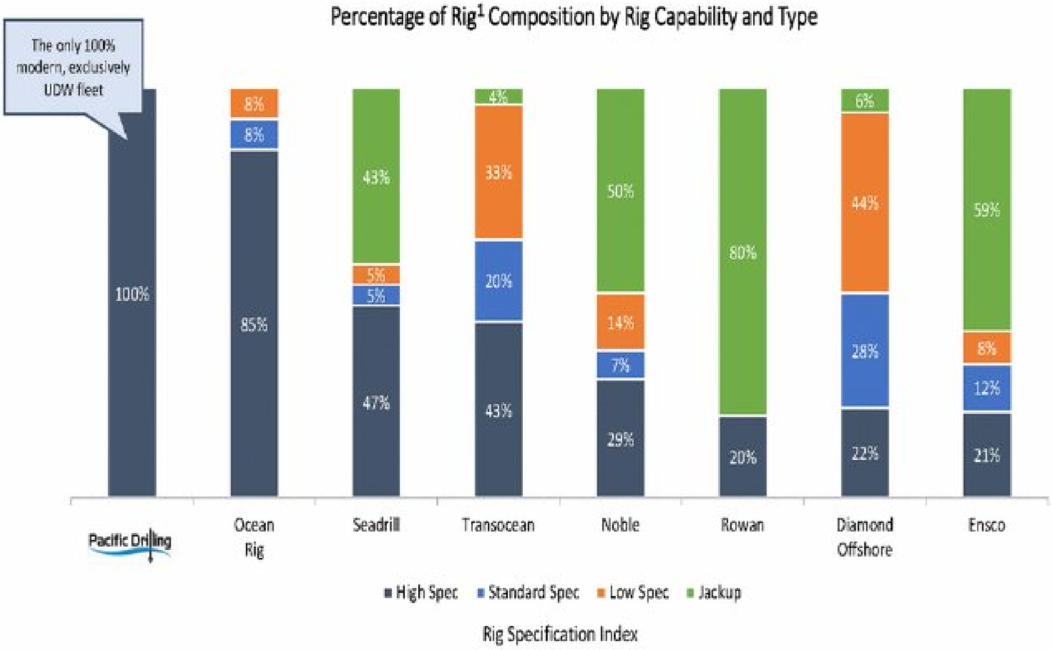
Pacific Drilling's drillships offer premium technical capabilities relative to the total floater[1] market and the 6/7th generation floater market specifically

Feature	Share of fleet				Comment
	Total floaters	6/7th generation floaters	Pacific Drilling		
Main Max Hook Load 2.5M lbs. or more	27%	52%	Khamsin Meltem Sharav	43%	Deeper wells and deeper water require more steel to be lifted (e.g., casing strings and BOPs) over higher elevations. This is accomplished by having sufficient hook load capacity. At 2.5M lbs. the rigs can perform the most demanding tasks out there.
Dual Derrick	43%	74%	Bora[2] Khamsin Meltem Mistral[2] Santa Ana Scirocco Sharav	100%	Dual derrick setups allow for simultaneous operations, e.g., building of casing strings while drilling. This significantly increases efficiency and allows customers to complete operations faster.
Water Depth Rating 10,001 ft or more	31%	67%	Bora[3] Khamsin Meltem Mistral Santa Ana Scirocco Sharav	86%	The higher end water depth rating generally allows the assets to be bid into tasks at most demand depths. This is done by having sufficiently spec'ed equipment stacks (e.g., risers).
Dual BOP[4]	14%	28%	Bora Khamsin Meltem Sharav	57%	Refurbishing the BOP between jobs can be on critical path and, by having a second unit, once can eliminate non-productive time. Also, during a failure of the primary BOP, one can eliminate non-productive time by replacing with the secondary.

(1) *Floater market includes semi-submersibles and drillships*
(2) *Offline standbuilding*
(3) *Maximum water depth could be extended to up to 12,000 feet with drillship modifications*
(4) *BOP = blow out preventer outfitted*
Source: Rystad Energy research and analyses

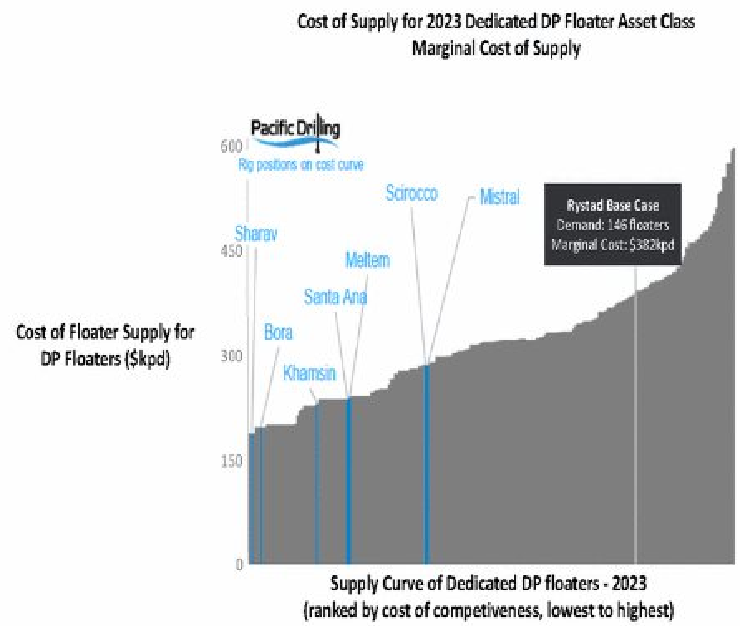
With a fleet composed solely of high-spec rigs, Pacific Drilling is in a strong competitive position to participate in the recovery in demand for UDW drilling services

Percentage of Rig[1] Composition by Rig Capability and Type



(1) Rig includes jack-ups, semi-submersibles and drillships
Note: Graph includes committed newbuilds only

With a very cost-competitive fleet, the Company is well-positioned to benefit relatively early in the market recovery



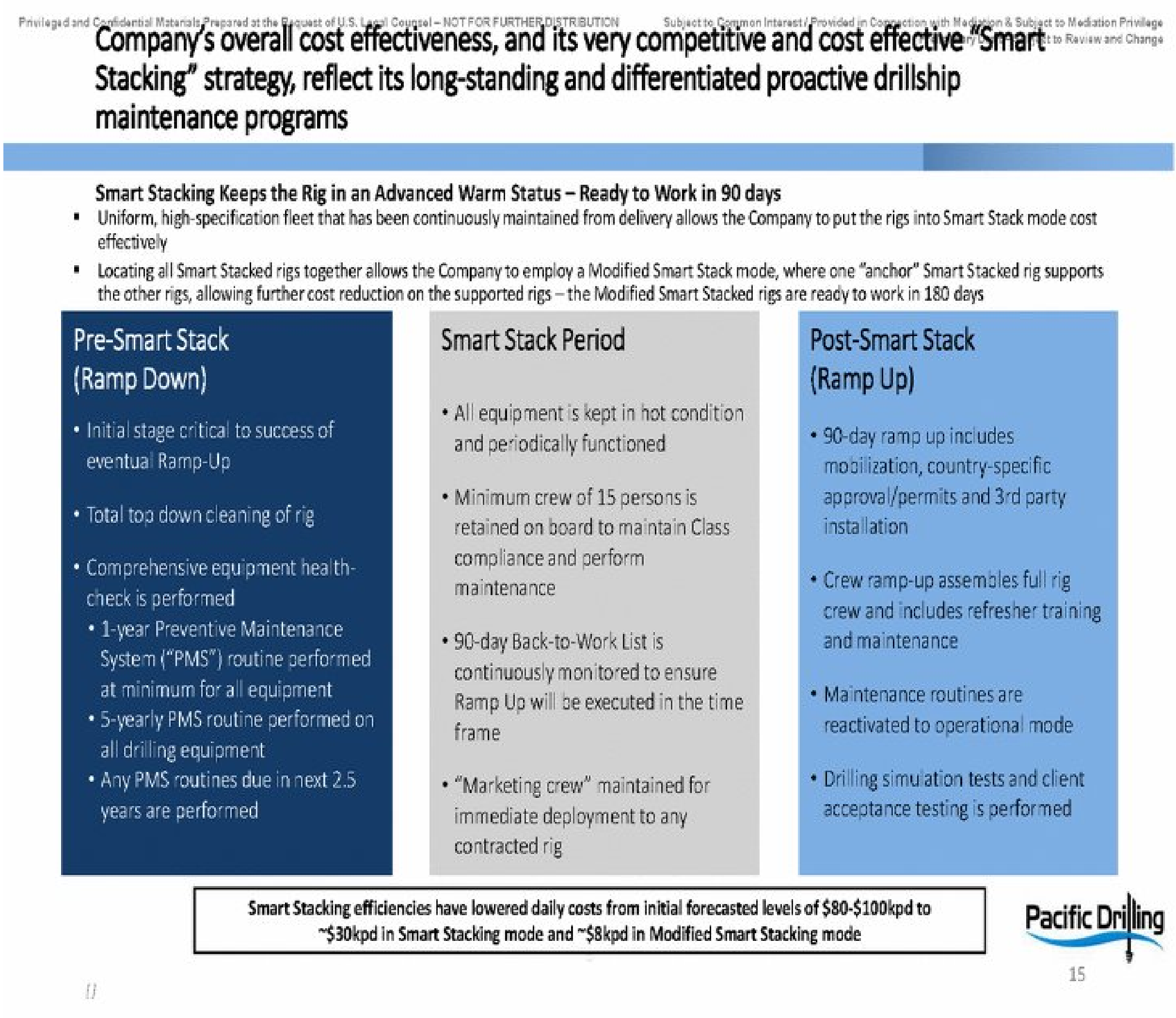
Cost of Supply for 2023 Dedicated DP Floater Asset Class
Marginal Cost of Supply

Supply Curve of Dedicated DP floaters - 2023
(ranked by cost of competiveness, lowest to highest)

Source: Rystad Energy

**Assumes attrition of floaters reaching 30 years age with upcoming special survey capital expenditure costs and no contract*

Note: Cost of Floater Supply includes opex, SPS, inefficiency/spread impact and reactivation costs. Demand calculated base on BP Trust implied oil price forecast



Company's overall cost effectiveness, and its very competitive and cost effective "Smart Stacking" strategy, reflect its long-standing and differentiated proactive drillship maintenance programs

Smart Stacking Keeps the Rig in an Advanced Warm Status – Ready to Work in 90 days

- Uniform, high-specification fleet that has been continuously maintained from delivery allows the Company to put the rigs into Smart Stack mode cost effectively
- Locating all Smart Stacked rigs together allows the Company to employ a Modified Smart Stack mode, where one "anchor" Smart Stacked rig supports the other rigs, allowing further cost reduction on the supported rigs – the Modified Smart Stacked rigs are ready to work in 180 days

Pre-Smart Stack (Ramp Down)

- Initial stage critical to success of eventual Ramp-Up
- Total top down cleaning of rig
- Comprehensive equipment health-check is performed
  - 1-year Preventive Maintenance System ("PMS") routine performed at minimum for all equipment
  - 5-yearly PMS routine performed on all drilling equipment
  - Any PMS routines due in next 2.5 years are performed

Smart Stack Period

- All equipment is kept in hot condition and periodically functioned
- Minimum crew of 15 persons is retained on board to maintain Class compliance and perform maintenance
- 90-day Back-to-Work List is continuously monitored to ensure Ramp Up will be executed in the time frame
- "Marketing crew" maintained for immediate deployment to any contracted rig

Post-Smart Stack (Ramp Up)

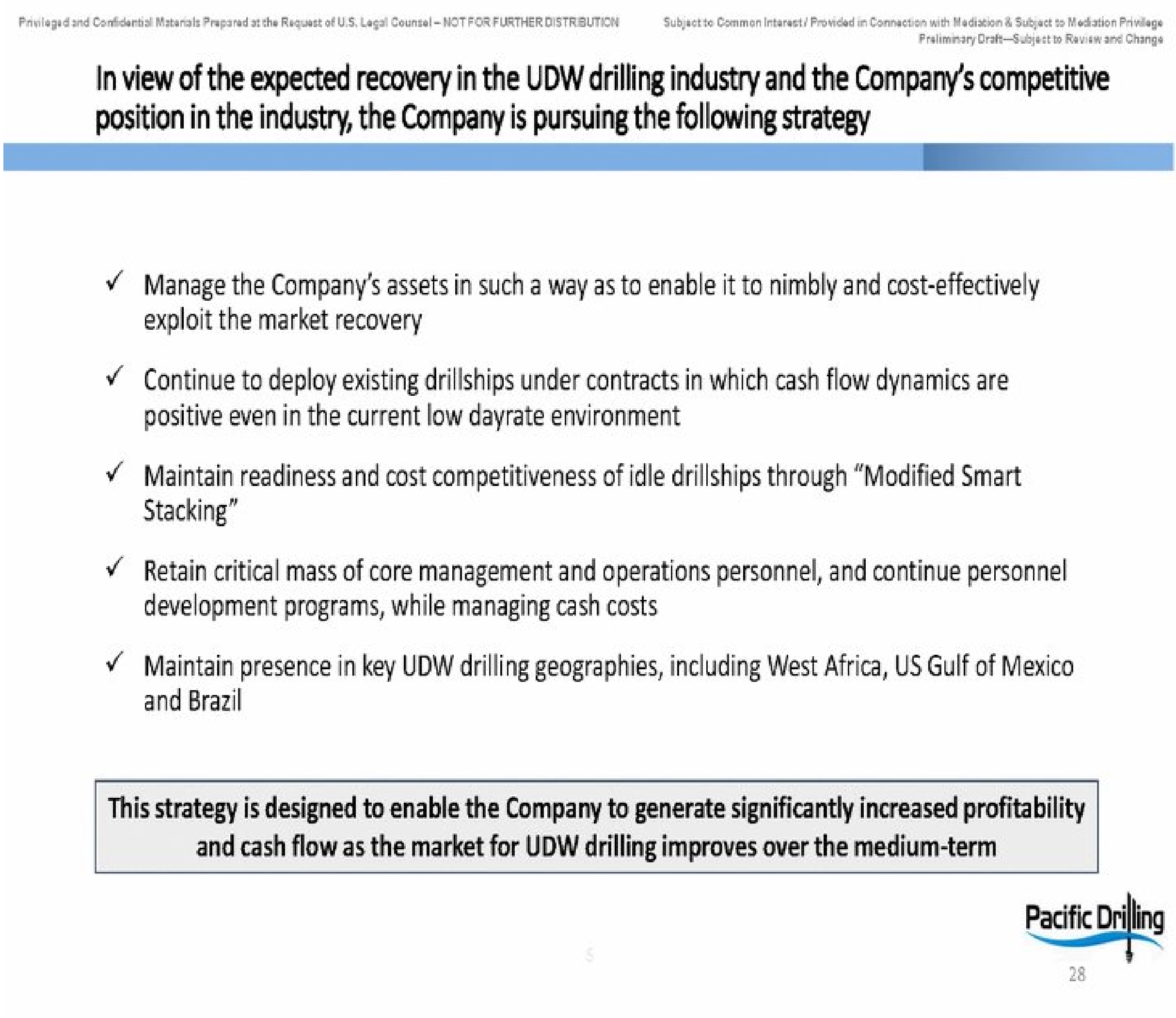
- 90-day ramp up includes mobilization, country-specific approval/permits and 3rd party installation
- Crew ramp-up assembles full rig crew and includes refresher training and maintenance
- Maintenance routines are reactivated to operational mode
- Drilling simulation tests and client acceptance testing is performed

Smart Stacking efficiencies have lowered daily costs from initial forecasted levels of $80-$100kpd to ~$30kpd in Smart Stacking mode and ~$8kpd in Modified Smart Stacking mode

Pacific Drilling

III. Commodity Backdrop

IV. Offshore Drilling Market Outlook



In view of the expected recovery in the UDW drilling industry and the Company's competitive position in the industry, the Company is pursuing the following strategy

- ✓ Manage the Company's assets in such a way as to enable it to nimbly and cost-effectively exploit the market recovery
- ✓ Continue to deploy existing drillships under contracts in which cash flow dynamics are positive even in the current low dayrate environment
- ✓ Maintain readiness and cost competitiveness of idle drillships through "Modified Smart Stacking"
- ✓ Retain critical mass of core management and operations personnel, and continue personnel development programs, while managing cash costs
- ✓ Maintain presence in key UDW drilling geographies, including West Africa, US Gulf of Mexico and Brazil

This strategy is designed to enable the Company to generate significantly increased profitability and cash flow as the market for UDW drilling improves over the medium-term

V. Business Plan Assumptions and Financial Projections

The utilization and earned dayrates projected in the Business Plan are generally in line with the projections prepared by Rystad Energy for the Company's fleet and conservative relative to projections by Fearnley Offshore

UDW Utilization (%) – Excluding Revenue Efficiency

	2019	2020	2021	2022	2023	2024	2025
Fearnley Offshore – Floater Fleet[1]	85%	90%	NA	NA	NA	NA	NA
Rystad Energy – DP Floater Fleet	65%	74%	81%	86%	99%	100%	100%
Rystad Energy – Company Fleet	71%	100%	100%	100%	100%	100%	100%
Business Plan (ex. rev. eff.)[2]	77%	90%	96%	96%	96%	96%	95%

UDW Dayrate Assumptions ($'000/d) - Worldwide

	2019	2020	2021	2022	2023	2024	2025
Fearnley Offshore – Floater Fleet[1]	$224	$300	$354	$408	$425	NA	NA
Rystad Energy – 6th / 7th Generation Floaters	$219	$268	$303	$328	$378	$450	$460
Business Plan	$183	$266	$298	$325	$375	$450	$475

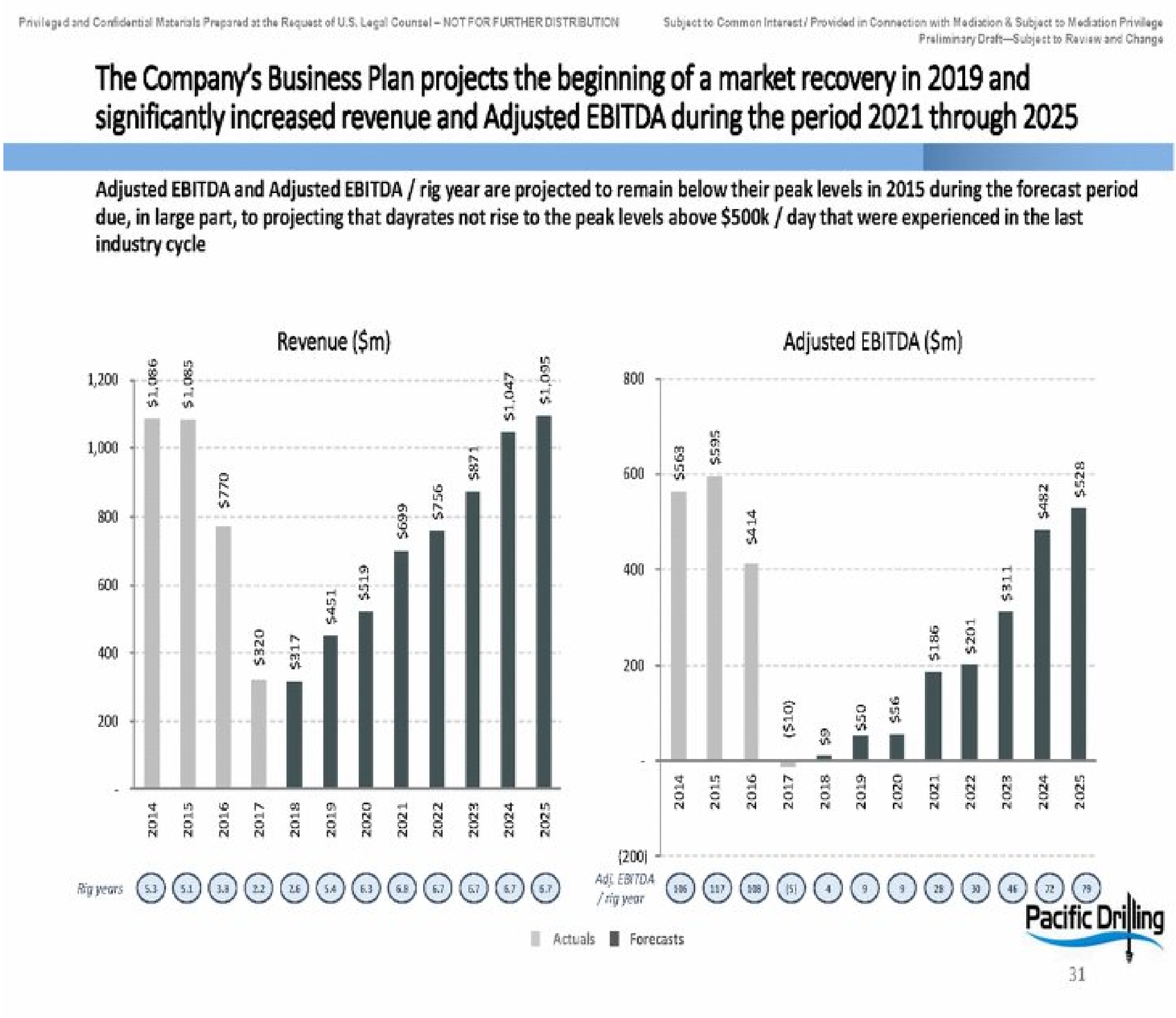
Note: Due to technical spec differences, Bora, Scirocco & Mistral strip is $25k lower than Company mgmt. strip, and Khamsin, Sharav & Meltem strip is $25k higher than Company mgmt. strip; Assumed rates in 2019 are management's best estimates based on current client discussions and tenders; Rystad Energy's projections are based on their in-house view of base, low and high oil price projections while Fearnley Offshore's projections represent s a range of possible outcomes under a single in-house oil price projection

(1) Figures are for UDW floaters including 5G, 6G and 7G

(2) Business Plan utilization less than "Rystad Energy – Company Fleet" due to assumed 15 days downtime between contracts

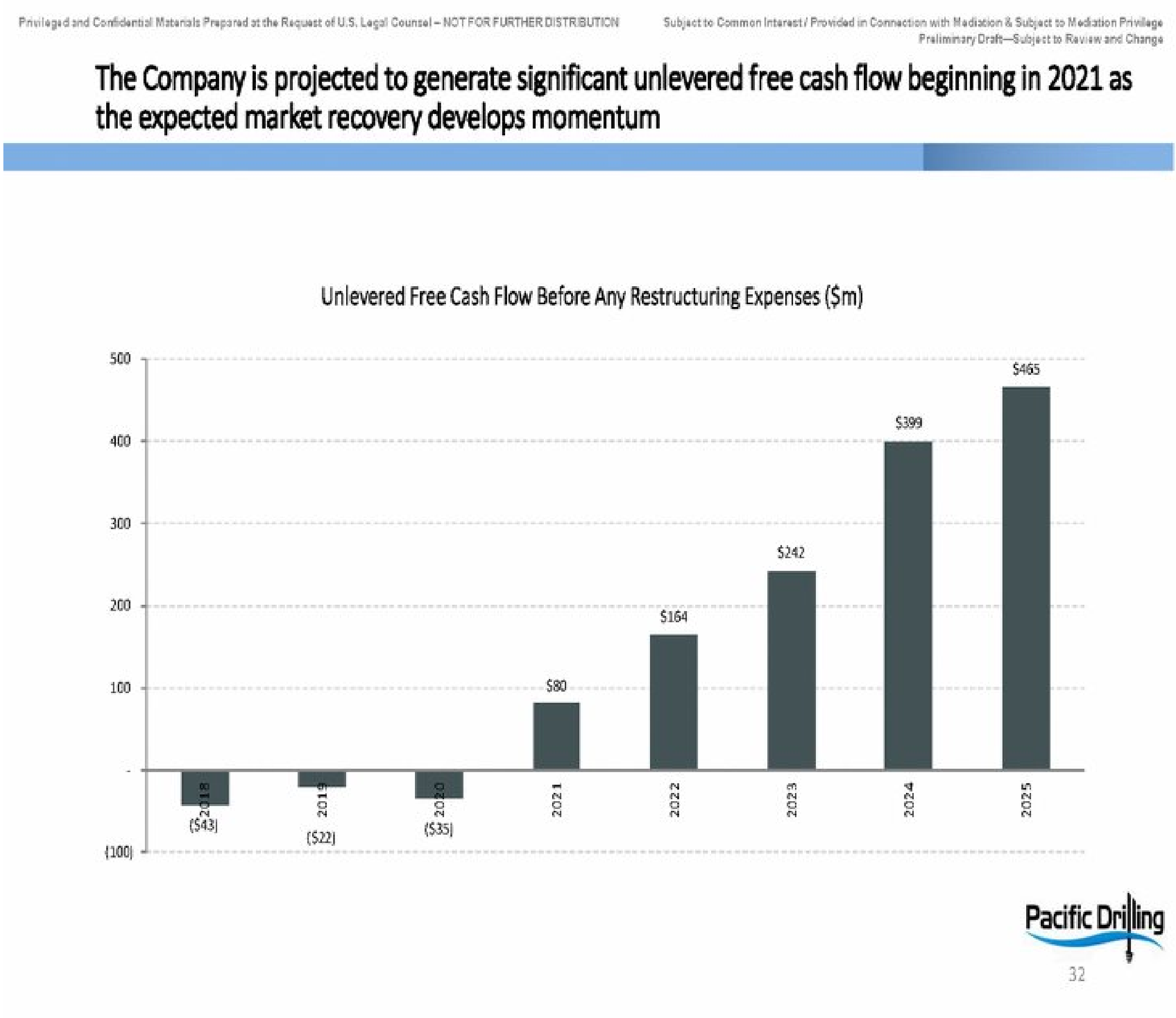
Source: Rystad Energy report to Company based on Rystad view on oil pricing dated March 21, 2018, Fearnley Offshore report presented to Company March 13, 2018

Pacific Drilling



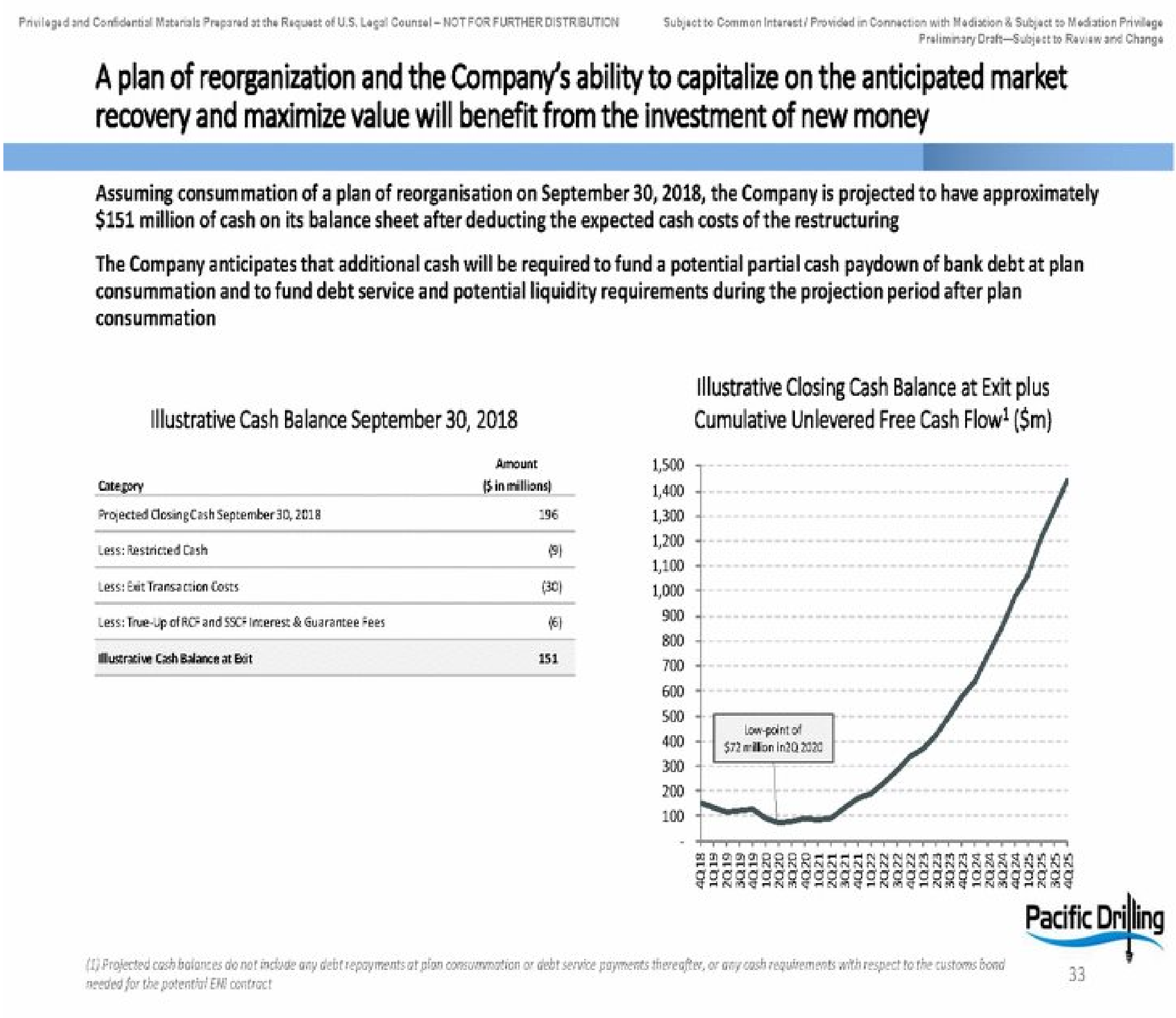
The Company's Business Plan projects the beginning of a market recovery in 2019 and significantly increased revenue and Adjusted EBITDA during the period 2021 through 2025

Adjusted EBITDA and Adjusted EBITDA / rig year are projected to remain below their peak levels in 2015 during the forecast period due, in large part, to projecting that dayrates not rise to the peak levels above $500k / day that were experienced in the last industry cycle



The Company is projected to generate significant unlevered free cash flow beginning in 2021 as the expected market recovery develops momentum

Unlevered Free Cash Flow Before Any Restructuring Expenses ($m)



A plan of reorganization and the Company's ability to capitalize on the anticipated market recovery and maximize value will benefit from the investment of new money

Assuming consummation of a plan of reorganisation on September 30, 2018, the Company is projected to have approximately $151 million of cash on its balance sheet after deducting the expected cash costs of the restructuring

The Company anticipates that additional cash will be required to fund a potential partial cash paydown of bank debt at plan consummation and to fund debt service and potential liquidity requirements during the projection period after plan consummation

Illustrative Cash Balance September 30, 2018

Category	Amount ($ in millions)
Projected Closing Cash September 30, 2018	196
Less: Restricted Cash	(9)
Less: Exit Transaction Costs	(30)
Less: True-Up of RCF and SSCF Interest & Guarantee Fees	(6)
Illustrative Cash Balance at Exit	**151**

Illustrative Closing Cash Balance at Exit plus Cumulative Unlevered Free Cash Flow[1] ($m)

Pacific Drilling

(1) Projected cash balances do not include any debt repayments at plan consummation or debt service payments thereafter, or any cash requirements with respect to the customs bond needed for the potential ENI contract

VI. Conclusion

The Company is well positioned to benefit from the expected industry recovery

- Oil reserves continue to deplete at a rapid pace, while demand for oil continues to increase
- Increased UDW drilling will be required to help fill the inevitable "supply gap" forecasted
- The Company is very well positioned to take advantage of this increase in UDW drilling due to:
  - Its highly efficient and cost competitive fleet of latest generation drillships
  - Its motivated and experienced management team and operations personnel
- In fact, the Company is already demonstrating its market strength by obtaining 3 Letters of Intent/Award from clients, even while in the process of Chapter 11
  - By the end of 2018 or early 2019 the Company expects to have at least five of its seven rigs under contract
- Accordingly, the Company's Business Plan forecast illustrates significantly increased revenue and cash flow by 2021 that will drive value for all stakeholders

Appendix

Pacific Drilling

a. Commodity Backdrop

b. Offshore Drilling Market Outlook

Recent Dayrates Trending From $120-$150kpd; Low End for Short Term Work and Upper End of Range for Longer Term Work

Operator	Rig Name	Manager	Rig Type	Rig Water Depth	Country	Contract Description	Day Rate	Fixture Date
ExxonMobil	Maersk Viking	Maersk Drilling	Drillship	12,000'	USA	2-month extension	$145	2-Jan-18
Petrobras	Ocean Valor	Diamond Offshore	Semi	7,500'	Brazil	2-yr extension (priced contract)	Blend & Extend	4-Jan-18
ExxonMobil	Stena Carron	Stena	Drillship	7,500'	Guyana	1-well option	$135	5-Jan-18
Reliance	Dhirubhai Deepwater KG1	Transocean	Drillship	10,000'	India	6 wells + 2-7options	Not Published	8-Jan-18
Eni	West Gemini	Seadrill	Drillship	10,000'	Angola	4 wells + 3-well option	$140	11-Jan-18
Murphy	Deepwater Asgard	Transocean	Drillship	10,000'	USA	1-2 wells	$123	16-Jan-18
Repsol	ENSCO 8504	Ensco	Semi	8,500'	Vietnam	5 wells + option wells	Not Published	18-Jan-18
CNR International	Discoverer India	Transocean	Drillship	10,000'	Cote d'Ivoire	5-wells + 2 x 1-well options	$155	7-Feb-18
ExxonMobil	Ocean Monarch	Diamond Offshore	Semi	10,000'	Australia	2 wells	Not Published	12-Feb-18
PTTEP	Noble Clyde Boudreaux	Noble	Semi	10,000'	Myanmar	8 wells + 7 to 9 well options	Not Published	16-Feb-18
Shell	SSV Catarina	Petroserv	Semi	6,562'	Brazil	TBC	Not Published	16-Feb-18
Shell	Deepwater Nautilus	Transocean	Semi	8,000'	Brunei	1 well + 3 option wells	Not Published	19-Feb-18

Source: Company

Notes: Includes rigs with water depth capability greater than 5,000 ft and contract dayrate revenue from new mutual or mutual renegotiations with available dayrates (IHS-Petrodata) and excludes harsh environment fixtures; Dayrates estimated from analyst reports or market intelligence

Pacific Drilling

No contract cancellations / terminations since November 2017

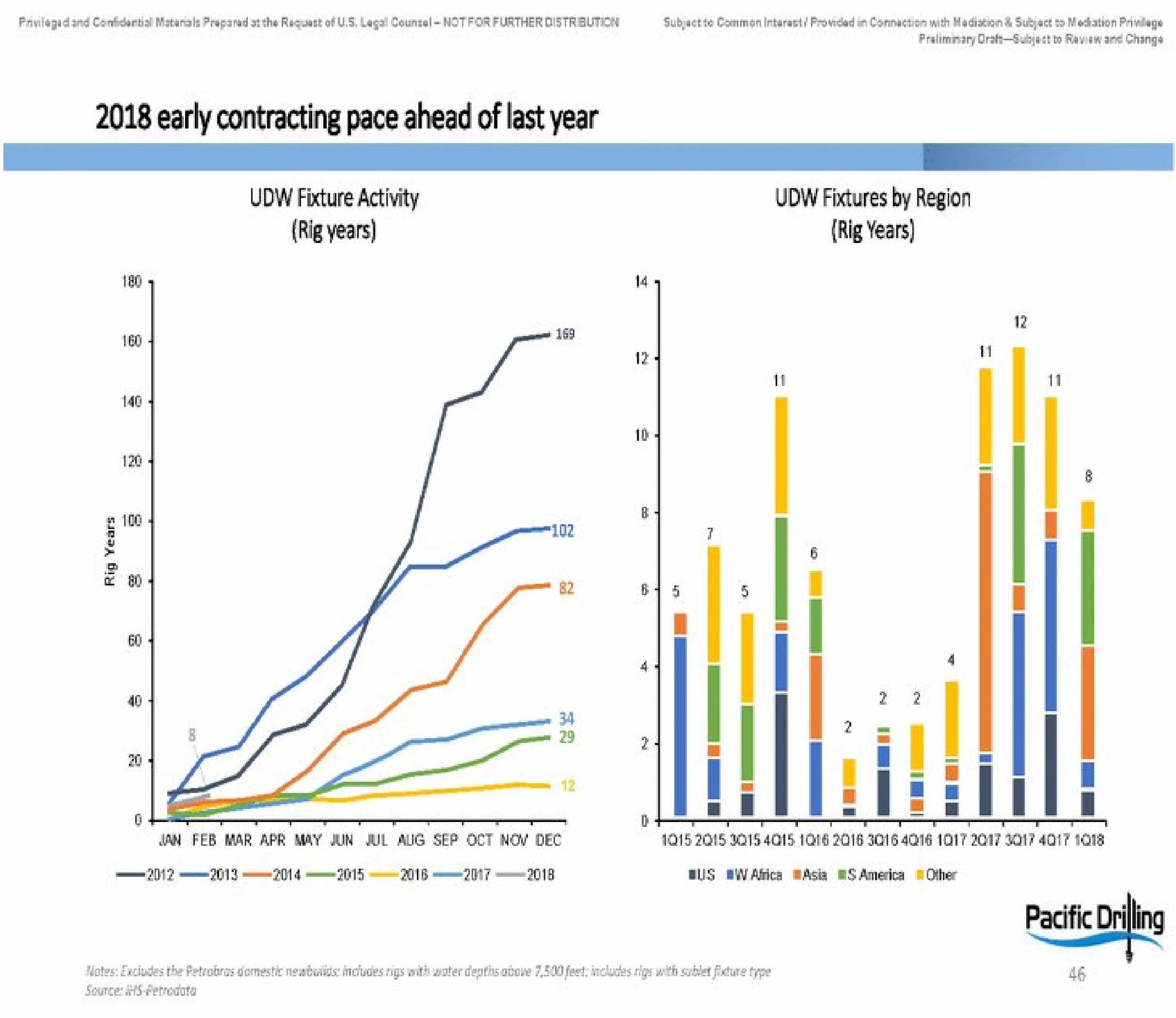
12-Month Rolling Floater Contract Terminations

Time	Rig	Contractor	Operator	Location	Comments	Payout
Nov-17	Rowan Resolute	Rowan	Anadarko	USGOM	Contract end date changed from August 2018 to March 2018	$28m
Sep-17	Discoverer Clear Leader	Transocean	Chevron		Termination effective November 2017. Contract originally set to expire October 2018	$148m
Jul-17	Bolette Dolphin	Fred Olsen	Anadarko	Cote D'Ivoire	Rig was on contract until July 2018, term fee equal to remaining EBITDA	$96m
Feb-17	Ocean Rig Athena	Ocean Rig	Conoco		Rig has been off contract since June of 2016 - did not disclose details of term payout	$64m
Feb-17	Stena Forth	Stena	Hess		Hess noted that it terminated a rig, but has not disclosed the rig	-
Feb-17	Deepwater Asgard	Transocean	Chevron	USGOM	Contracted until July 2017 at $615kpd, term fee covered lost EBITDA	$79m
Jan-17	Pacific Santa Ana	Pacific	Chevron	USGOM	Contract amendment with Chevron to change the contract end date to January 31, 2017	$35m
Jan-17	Atwood Achiever	Atwood	Kosmos	NW Africa	Kosmos reversed the extension of the rig, it will revert to original dayrate ($595kpd from blend & extend rate of $495kpd) and end its contract Nov 2017, not Nov 2018	$75m

Contract cancellations and suspensions in the deep-water space show that once a rig is operating and it meets the technical specifications of the contract, most contracts with IOC's protect against early terminations with large payouts for the rig operators

Pacific Drilling

Source: IHS-Petrodata and market/driller reports
*Notes: Dayrate was cut without contract extension, **unclear prior contract terms make current transaction unclear (excluded from termination totals)*



2018 early contracting pace ahead of last year

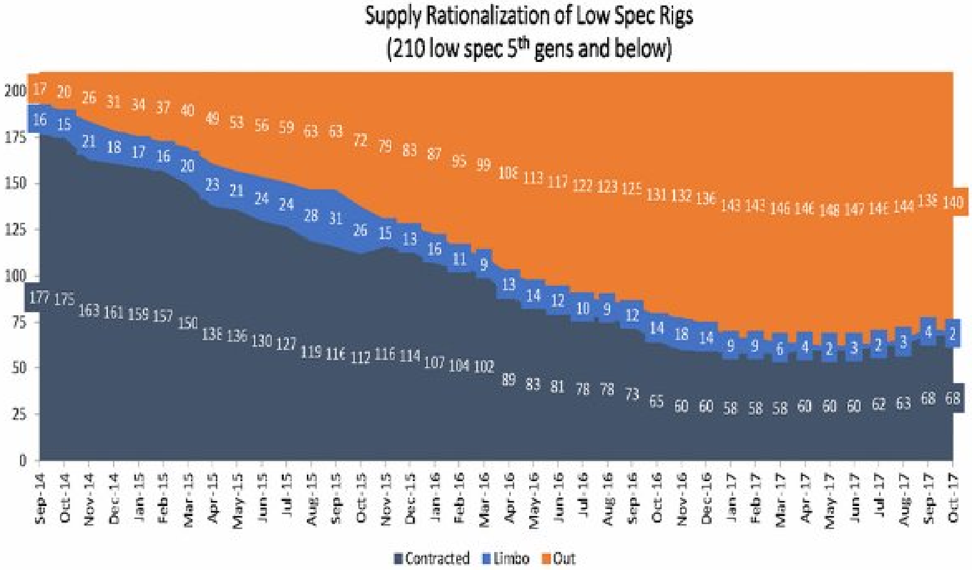
UDW Fixture Activity
(Rig years)

UDW Fixtures by Region
(Rig Years)

Pacific Drilling

Notes: Excludes the Petrobras domestic newbuilds; includes rigs with water depths above 7,500 feet; includes rigs with sublet fixture type
Source: IHS-Petrodata

Supply rationalization has slowed though cold stacked rigs continue to be scrapped



Supply Rationalization of Low Spec Rigs
(210 low spec 5th gens and below)

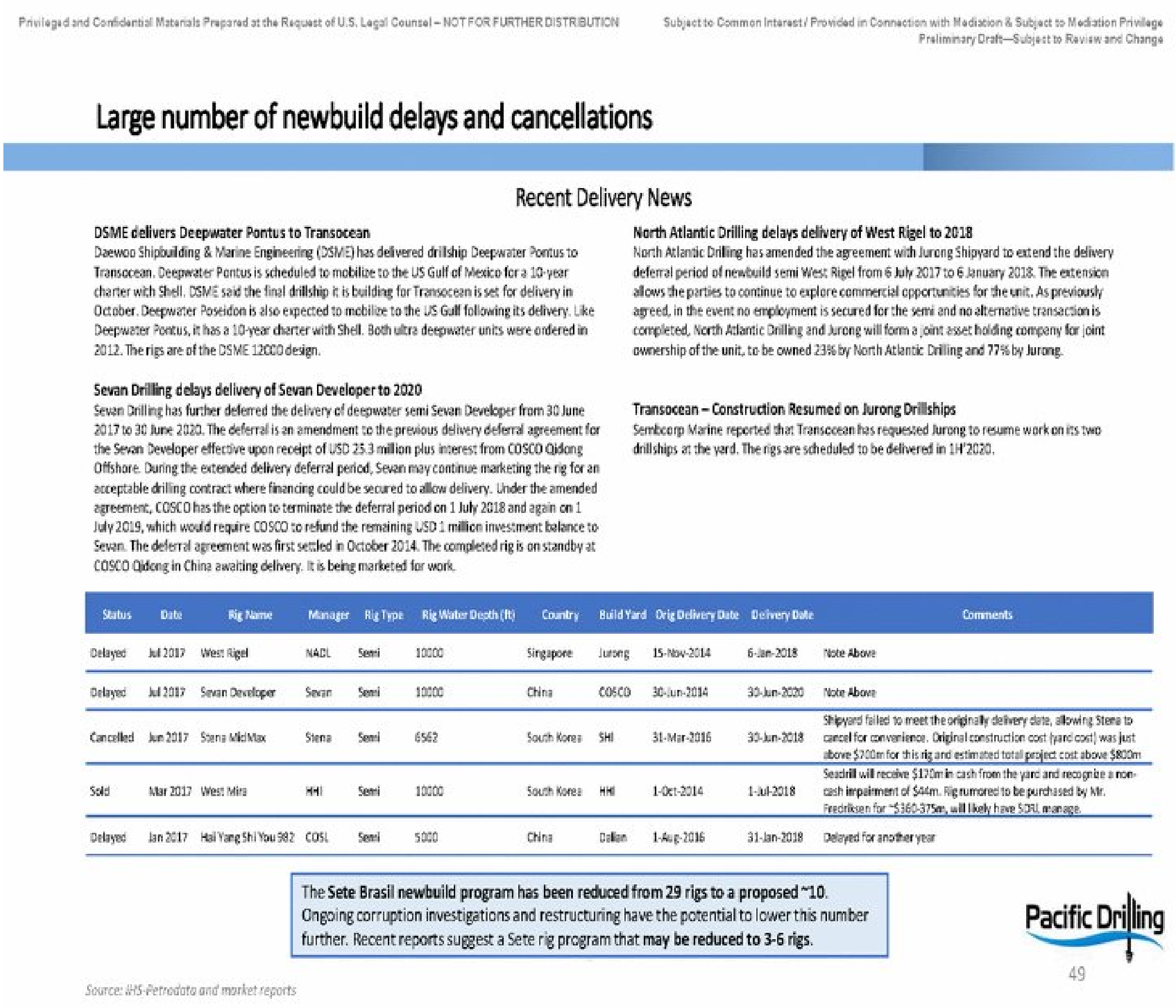
Limbo

Rig	Manager	RCI	IHS Status
Bicentenario	IPC	5.0	Warm Stacked
Scarabeo 8	Saipem	5.1	Warm Stacked

Out

Rig	Manager	RCI	IHS Status
Ensco 8507	Ensco	5.1	Warm Stacked*
Blackford Dolphin	Dolphin	3.7	Warm Stacked*

Source: IHS-Petrodata, *Cold stacking is assumed after stacked for more than six months or after announced



Large number of newbuild delays and cancellations

Recent Delivery News

DSME delivers Deepwater Pontus to Transocean

Daewoo Shipbuilding & Marine Engineering (DSME) has delivered drillship Deepwater Pontus to Transocean. Deepwater Pontus is scheduled to mobilize to the US Gulf of Mexico for a 10-year charter with Shell. DSME said the final drillship it is building for Transocean is set for delivery in October. Deepwater Poseidon is also expected to mobilize to the US Gulf following its delivery. Like Deepwater Pontus, it has a 10-year charter with Shell. Both ultra deepwater units were ordered in 2012. The rigs are of the DSME 12000 design.

Sevan Drilling delays delivery of Sevan Developer to 2020

Sevan Drilling has further deferred the delivery of deepwater semi Sevan Developer from 30 June 2017 to 30 June 2020. The deferral is an amendment to the previous delivery deferral agreement for the Sevan Developer effective upon receipt of USD 25.3 million plus interest from COSCO Qidong Offshore. During the extended delivery deferral period, Sevan may continue marketing the rig for an acceptable drilling contract where financing could be secured to allow delivery. Under the amended agreement, COSCO has the option to terminate the deferral period on 1 July 2018 and again on 1 July 2019, which would require COSCO to refund the remaining USD 1 million investment balance to Sevan. The deferral agreement was first settled in October 2014. The completed rig is on standby at COSCO Qidong in China awaiting delivery. It is being marketed for work.

North Atlantic Drilling delays delivery of West Rigel to 2018

North Atlantic Drilling has amended the agreement with Jurong Shipyard to extend the delivery deferral period of newbuild semi West Rigel from 6 July 2017 to 6 January 2018. The extension allows the parties to continue to explore commercial opportunities for the unit. As previously agreed, in the event no employment is secured for the semi and no alternative transaction is completed, North Atlantic Drilling and Jurong will form a joint asset holding company for joint ownership of the unit, to be owned 23% by North Atlantic Drilling and 77% by Jurong.

Transocean – Construction Resumed on Jurong Drillships

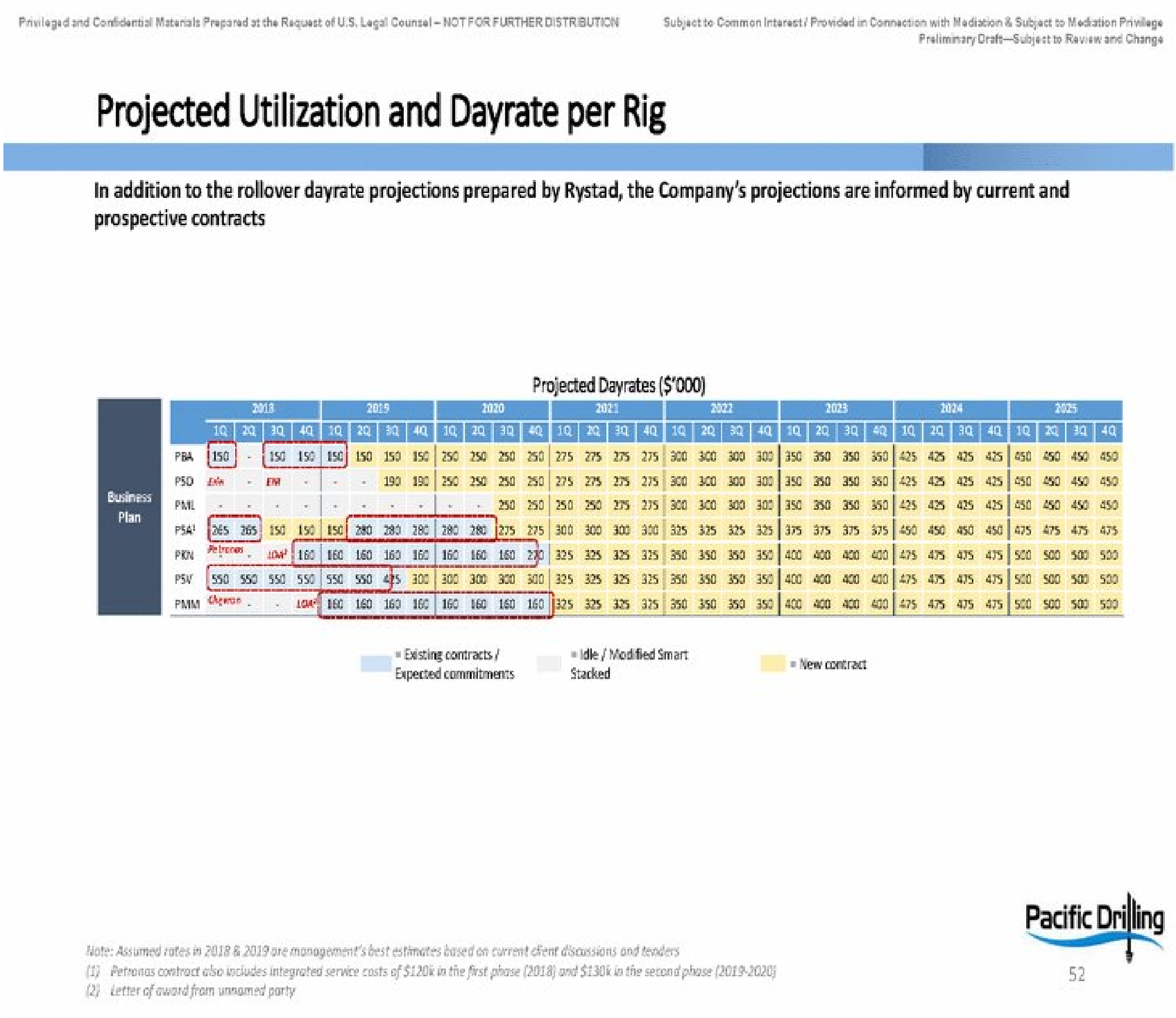
Sembcorp Marine reported that Transocean has requested Jurong to resume work on its two drillships at the yard. The rigs are scheduled to be delivered in 1H'2020.

Status	Date	Rig Name	Manager	Rig Type	Rig Water Depth (ft)	Country	Build Yard	Orig Delivery Date	Delivery Date	Comments
Delayed	Jul 2017	West Rigel	NADL	Semi	10000	Singapore	Jurong	15-Nov-2014	6-Jan-2018	Note Above
Delayed	Jul 2017	Sevan Developer	Sevan	Semi	10000	China	COSCO	30-Jun-2014	30-Jun-2020	Note Above
Cancelled	Jun 2017	Stena MidMax	Stena	Semi	6562	South Korea	SHI	31-Mar-2016	30-Jun-2018	Shipyard failed to meet the originally delivery date, allowing Stena to cancel for convenience. Original construction cost (yard cost) was just above $700m for this rig and estimated total project cost above $800m
Sold	Mar 2017	West Mira	HHI	Semi	10000	South Korea	HHI	1-Oct-2014	1-Jul-2018	Seadrill will receive $170m in cash from the yard and recognize a non-cash impairment of $44m. Rig rumored to be purchased by Mr. Fredriksen for ~$360-375m, will likely have SDRL manage.
Delayed	Jan 2017	Hai Yang Shi You 982	COSL	Semi	5000	China	Dalian	1-Aug-2016	31-Jan-2018	Delayed for another year

The **Sete Brasil newbuild program has been reduced from 29 rigs to a proposed ~10.** Ongoing corruption investigations and restructuring have the potential to lower this number further. Recent reports suggest a Sete rig program that **may be reduced to 3-6 rigs.**

Source: IHS-Petrodata and market reports

c. Business Plan Assumptions



Projected Utilization and Dayrate per Rig

In addition to the rollover dayrate projections prepared by Rystad, the Company's projections are informed by current and prospective contracts

Projected Dayrates ($'000)

		2018				2019				2020				2021				2022				2023				2024				2025			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Business Plan	PBA	150	-	150	150	150	150	150	150	250	250	250	250	275	275	275	275	300	300	300	300	350	350	350	350	425	425	425	425	450	450	450	450
	PSD	Exh	-	EW	-	-	-	190	190	250	250	250	250	275	275	275	275	300	300	300	300	350	350	350	350	425	425	425	425	450	450	450	450
	PML	-	-	-	-	-	-	-	-	-	-	250	250	250	250	275	275	300	300	300	300	350	350	350	350	425	425	425	425	450	450	450	450
	PSA[1]	265	265	150	150	150	280	280	280	280	280	275	275	300	300	300	300	325	325	325	325	375	375	375	375	450	450	450	450	475	475	475	475
	PKN	Petronas -	-	LOA[2]	160	160	160	160	160	160	160	160	270	325	325	325	325	350	350	350	350	400	400	400	400	475	475	475	475	500	500	500	500
	PSV	550	550	550	550	550	550	425	300	300	300	300	300	325	325	325	325	350	350	350	350	400	400	400	400	475	475	475	475	500	500	500	500
	PMM	Chevron	-	-	LOA[2]	160	160	160	160	160	160	160	160	325	325	325	325	350	350	350	350	400	400	400	400	475	475	475	475	500	500	500	500

▨ = Existing contracts / Expected commitments

□ = Idle / Modified Smart Stacked

▨ = New contract

Note: Assumed rates in 2018 & 2019 are management's best estimates based on current client discussions and tenders

(1) Petronas contract also includes integrated service costs of $120k in the first phase (2018) and $130k in the second phase (2019-2020)

(2) Letter of award from unnamed party

Pacific Drilling

Projected Opex per Day

Longer-term, the Company assumes two rigs operating in each of US GoM, Brazil and West Africa; and that the Khamsin will be a "floating" rig

Operating costs per day are forecast to increase as market activity returns

Assumed Long-Term Rig Location

Opex per Day Assumption

- Contracted rigs:
  - Projected opex per day is based on:
    1. A base cost per day in each region
    2. Cost inflation of the base cost to reach dayrates which reflect historical cost levels in each region at time of high activity
  - Inflation in the Business Plan beyond 2022 assumed to be covered through contractual escalation provisions
- Modified Smart Stacked rigs:
  - Anchor rig: Between $50kpd and $80kpd depending on how many rigs that are modified Smart Stacked; 90 days to ramp up
    - Costs include Smart Stacking costs for the rig as well as for a marketing crew (personnel retained in anticipation of near-term activity increase)
  - Each additional rig: Between $7kpd and $8kpd depending on how many rigs that are modified Smart Stacked; 180 days to ramp up

Projected Opex per Day ($'000)

Business Plan	Base Cost	2019	2020	2021	2022	2023	≥2024
% Increase							
West Africa	-	-	13%	13%	13%	-	-
US GoM	-	-	6%	6%	6%	-	-
Brazil	-	-	7%	7%	7%	-	-
Mauritania	-	-	-	NA	NA	NA	NA
Floating	-	-	10%	10%	10%	-	-
Opex per Day							
West Africa	120	120	136	154	175	175	175
US GoM	137	137	146	155	165	165	165
Brazil	150	150	161	173	185	185	185
Mauritania	110	110	110	NA	NA	NA	NA
Floating	130	130	144	158	175	175	175

Projected Daily Opex per Rig

The projected opex per day for each rig reflects in which region the rig is assumed to be working

Projected Opex per Day ($'000)

		2018				2019				2020				2021			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Business Plan	PBA	115	95	101	102	105	120	120	120	136	136	136	136	154	154	154	154
	PSD	35	8	8	50	73	97	120	120	136	136	136	136	154	154	154	154
	PML	16	8	8	8	40	40	40	40	80	121	161	161	173	173	173	173
	PSA[1]	95	95	110	110	110	110	110	110	110	110	161	161	173	173	173	173
	PKN	19	21	71	120	120	120	120	120	130	130	130	130	158	158	158	158
	PSV	139	139	134	130	137	137	137	137	146	146	146	146	155	155	155	155
	PMMP[2]	80	65	65	93	120	120	120	120	130	130	130	130	155	155	155	155

		2022				2023				2024				2025			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Business Plan	PBA	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175
	PSD	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175
	PML	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185
	PSA[1]	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185
	PKN	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175
	PSV	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165
	PMMP[2]	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165

🟦 = Existing contracts / expected commitments

⬜ = Idle / Modified Smart Stacked

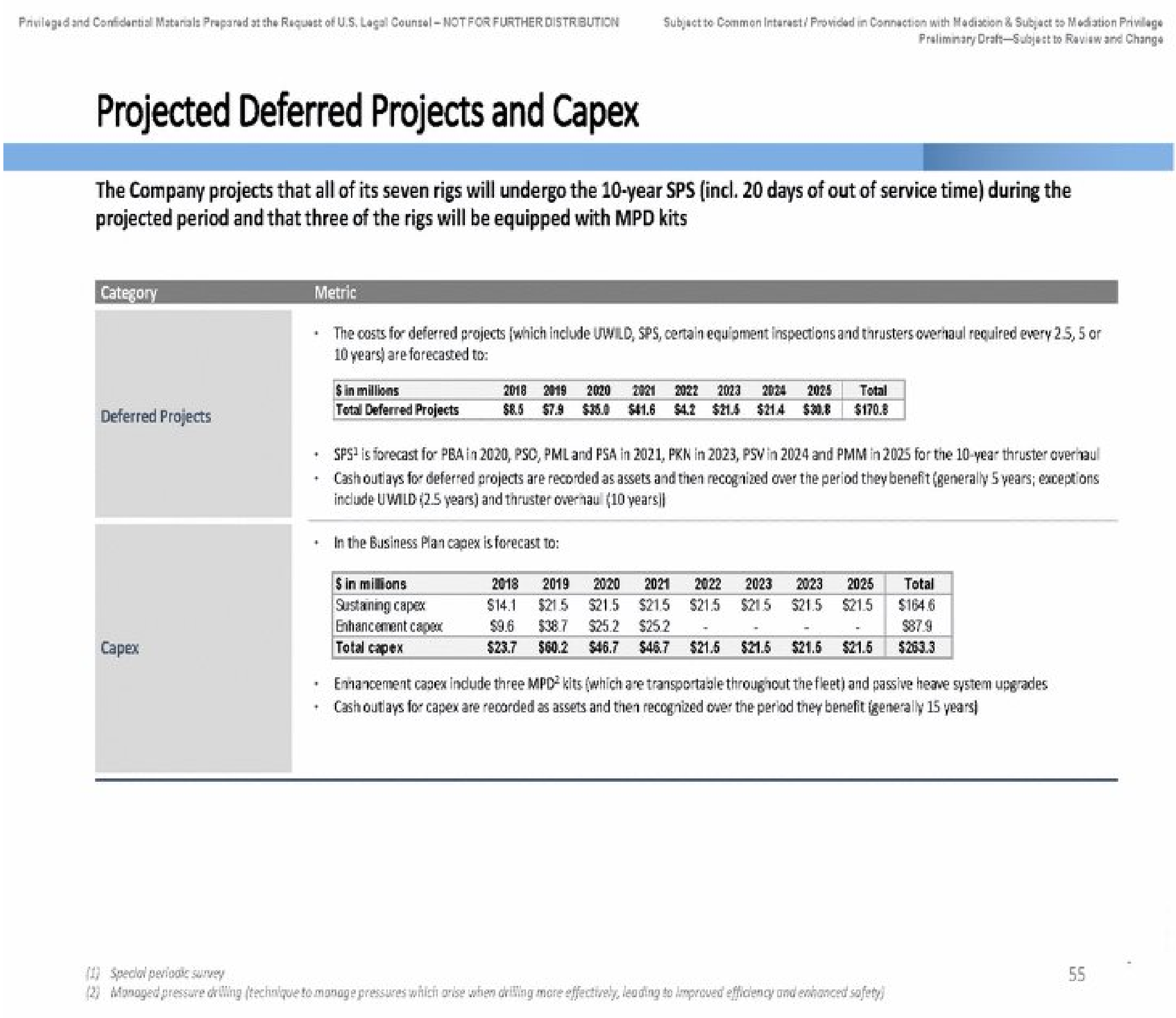
🟨 = New contract

Note: 2018 assumptions are based on the Company's 2018 forecast

(1) Petronas contract also includes integrated service costs of $120k in the first phase (2018) and $130k in the second phase (2019-2020) (these costs are not included in opex per day)

(2) Anchor rig in the Company's modified smart stacking program; costs include Smart Stacking costs for the rig as well as for a marketing crew (personnel retained in anticipation of near-term activity increase)

Pacific Drilling



Projected Deferred Projects and Capex

The Company projects that all of its seven rigs will undergo the 10-year SPS (incl. 20 days of out of service time) during the projected period and that three of the rigs will be equipped with MPD kits

Category	Metric
Deferred Projects	• The costs for deferred projects (which include UWILD, SPS, certain equipment inspections and thrusters overhaul required every 2.5, 5 or 10 years) are forecasted to: • SPS[1] is forecast for PBA in 2020, PSO, PML and PSA in 2021, PKN in 2023, PSV in 2024 and PMM in 2025 for the 10-year thruster overhaul • Cash outlays for deferred projects are recorded as assets and then recognized over the period they benefit (generally 5 years; exceptions include UWILD (2.5 years) and thruster overhaul (10 years))
Capex	• In the Business Plan capex is forecast to: • Enhancement capex include three MPD[2] kits (which are transportable throughout the fleet) and passive heave system upgrades • Cash outlays for capex are recorded as assets and then recognized over the period they benefit (generally 15 years)

Deferred projects forecast (shown under the first bullet in the slide):

$ in millions	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
Total Deferred Projects	**$8.5**	**$7.9**	**$35.0**	**$41.6**	**$4.2**	**$21.5**	**$21.4**	**$30.8**	**$170.8**

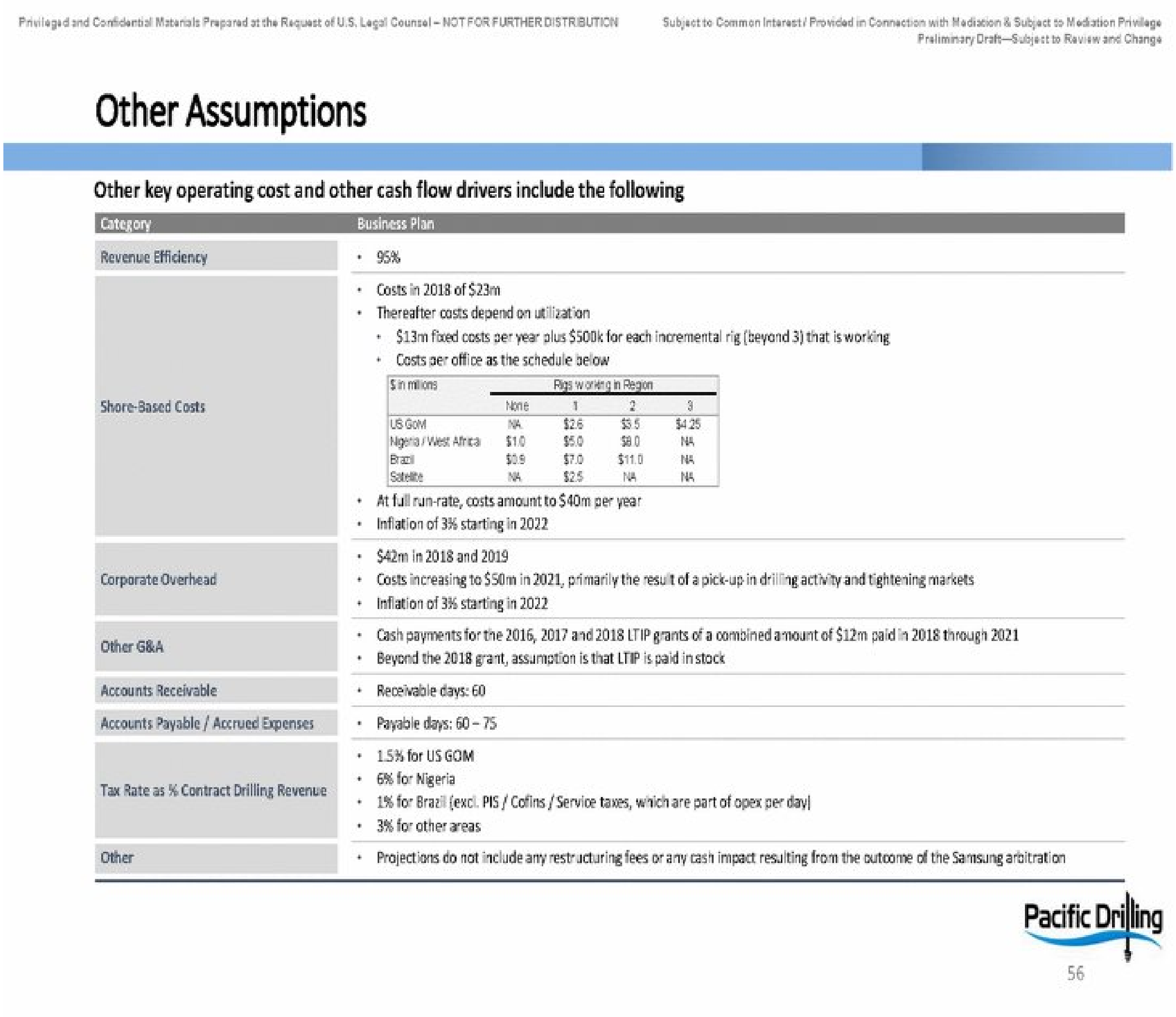
Capex forecast (shown under "In the Business Plan capex is forecast to:" in the slide):

$ in millions	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2023**	**2025**	**Total**
Sustaining capex	$14.1	$21.5	$21.5	$21.5	$21.5	$21.5	$21.5	$21.5	$164.6
Enhancement capex	$9.6	$38.7	$25.2	$25.2	-	-	-	-	$87.9
Total capex	**$23.7**	**$60.2**	**$46.7**	**$46.7**	**$21.5**	**$21.5**	**$21.5**	**$21.5**	**$263.3**

---

(1) *Special periodic survey*

(2) *Managed pressure drilling (technique to manage pressures which arise when drilling more effectively, leading to improved efficiency and enhanced safety)*



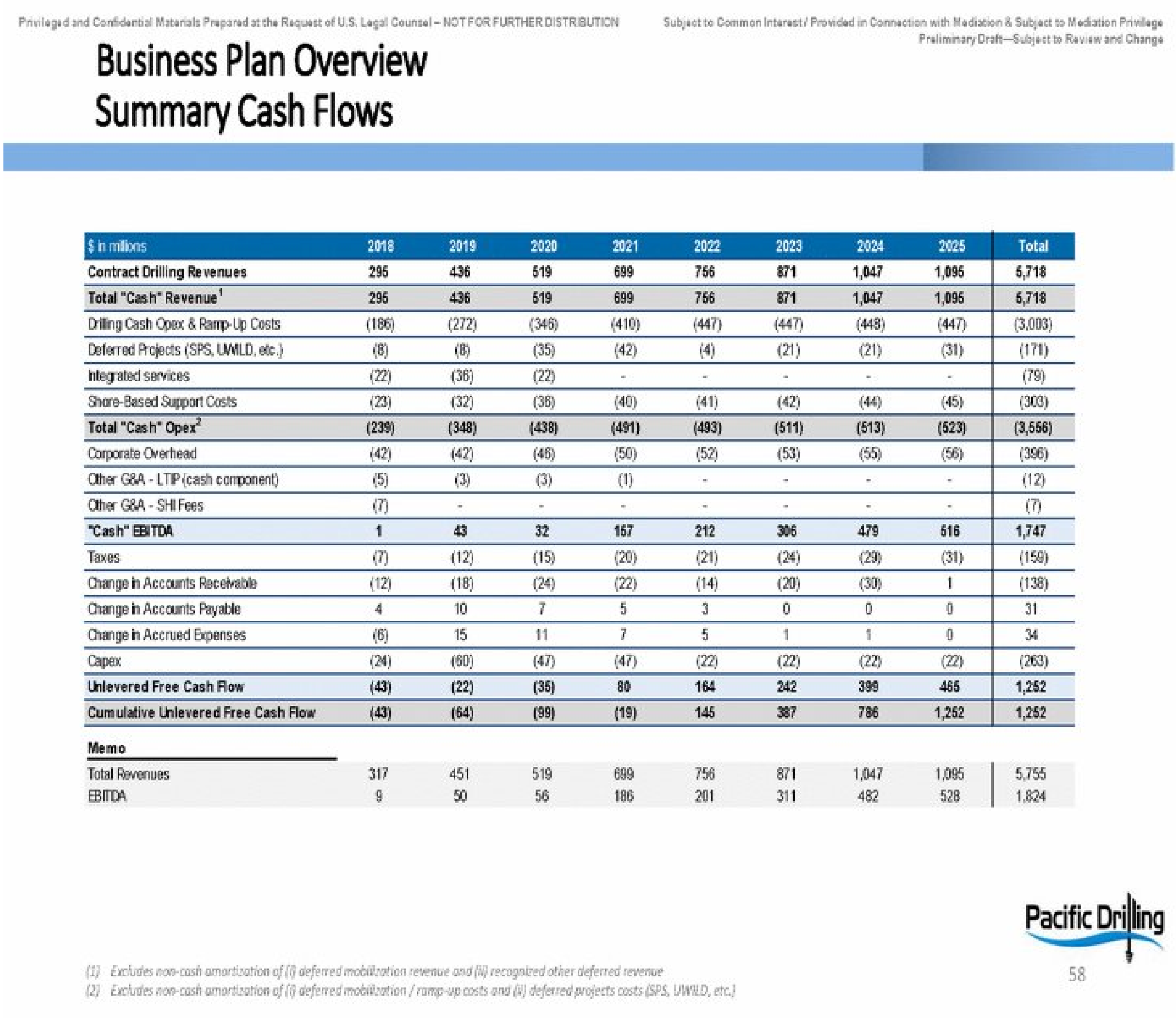
Other Assumptions

Other key operating cost and other cash flow drivers include the following

<table>
<tr><th>Category</th><th>Business Plan</th></tr>
<tr><td>Revenue Efficiency</td><td>• 95%</td></tr>
<tr><td>Shore-Based Costs</td><td>• Costs in 2018 of $23m
• Thereafter costs depend on utilization
  • $13m fixed costs per year plus $500k for each incremental rig (beyond 3) that is working
  • Costs per office as the schedule below
<table>
<tr><th>$ in millions</th><th colspan="4">Rigs working in Region</th></tr>
<tr><th></th><th>None</th><th>1</th><th>2</th><th>3</th></tr>
<tr><td>US GoM</td><td>NA</td><td>$2.6</td><td>$3.5</td><td>$4.25</td></tr>
<tr><td>Nigeria / West Africa</td><td>$1.0</td><td>$5.0</td><td>$8.0</td><td>NA</td></tr>
<tr><td>Brazil</td><td>$0.9</td><td>$7.0</td><td>$11.0</td><td>NA</td></tr>
<tr><td>Satellite</td><td>NA</td><td>$2.5</td><td>NA</td><td>NA</td></tr>
</table>
• At full run-rate, costs amount to $40m per year
• Inflation of 3% starting in 2022</td></tr>
<tr><td>Corporate Overhead</td><td>• $42m in 2018 and 2019
• Costs increasing to $50m in 2021, primarily the result of a pick-up in drilling activity and tightening markets
• Inflation of 3% starting in 2022</td></tr>
<tr><td>Other G&A</td><td>• Cash payments for the 2016, 2017 and 2018 LTIP grants of a combined amount of $12m paid in 2018 through 2021
• Beyond the 2018 grant, assumption is that LTIP is paid in stock</td></tr>
<tr><td>Accounts Receivable</td><td>• Receivable days: 60</td></tr>
<tr><td>Accounts Payable / Accrued Expenses</td><td>• Payable days: 60 – 75</td></tr>
<tr><td>Tax Rate as % Contract Drilling Revenue</td><td>• 1.5% for US GOM
• 6% for Nigeria
• 1% for Brazil (excl. PIS / Cofins / Service taxes, which are part of opex per day)
• 3% for other areas</td></tr>
<tr><td>Other</td><td>• Projections do not include any restructuring fees or any cash impact resulting from the outcome of the Samsung arbitration</td></tr>
</table>

Pacific Drilling

d. Projected Financials in the Business Plan



Business Plan Overview
Summary Cash Flows

$ in millions	2018	2019	2020	2021	2022	2023	2024	2025	Total
Contract Drilling Revenues	**295**	**436**	**519**	**699**	**756**	**871**	**1,047**	**1,095**	**5,718**
Total "Cash" Revenue[1]	**295**	**436**	**519**	**699**	**756**	**871**	**1,047**	**1,095**	**5,718**
Drilling Cash Opex & Ramp-Up Costs	(186)	(272)	(346)	(410)	(447)	(447)	(448)	(447)	(3,003)
Deferred Projects (SPS, UWILD, etc.)	(8)	(8)	(35)	(42)	(4)	(21)	(21)	(31)	(171)
Integrated services	(22)	(36)	(22)	-	-	-	-	-	(79)
Shore-Based Support Costs	(23)	(32)	(38)	(40)	(41)	(42)	(44)	(45)	(303)
Total "Cash" Opex[2]	**(239)**	**(348)**	**(438)**	**(491)**	**(493)**	**(511)**	**(513)**	**(523)**	**(3,556)**
Corporate Overhead	(42)	(42)	(46)	(50)	(52)	(53)	(55)	(56)	(396)
Other G&A - LTIP (cash component)	(5)	(3)	(3)	(1)	-	-	-	-	(12)
Other G&A - SHI Fees	(7)	-	-	-	-	-	-	-	(7)
"Cash" EBITDA	**1**	**43**	**32**	**167**	**212**	**306**	**479**	**516**	**1,747**
Taxes	(7)	(12)	(15)	(20)	(21)	(24)	(29)	(31)	(159)
Change in Accounts Receivable	(12)	(18)	(24)	(22)	(14)	(20)	(30)	1	(138)
Change in Accounts Payable	4	10	7	5	3	0	0	0	31
Change in Accrued Expenses	(6)	15	11	7	5	1	1	0	34
Capex	(24)	(60)	(47)	(47)	(22)	(22)	(22)	(22)	(263)
Unlevered Free Cash Flow	**(43)**	**(22)**	**(35)**	**80**	**164**	**242**	**399**	**465**	**1,252**
Cumulative Unlevered Free Cash Flow	**(43)**	**(64)**	**(99)**	**(19)**	**145**	**387**	**786**	**1,252**	**1,252**
Memo									
Total Revenues	317	451	519	699	756	871	1,047	1,095	5,755
EBITDA	9	50	56	186	201	311	482	528	1,824

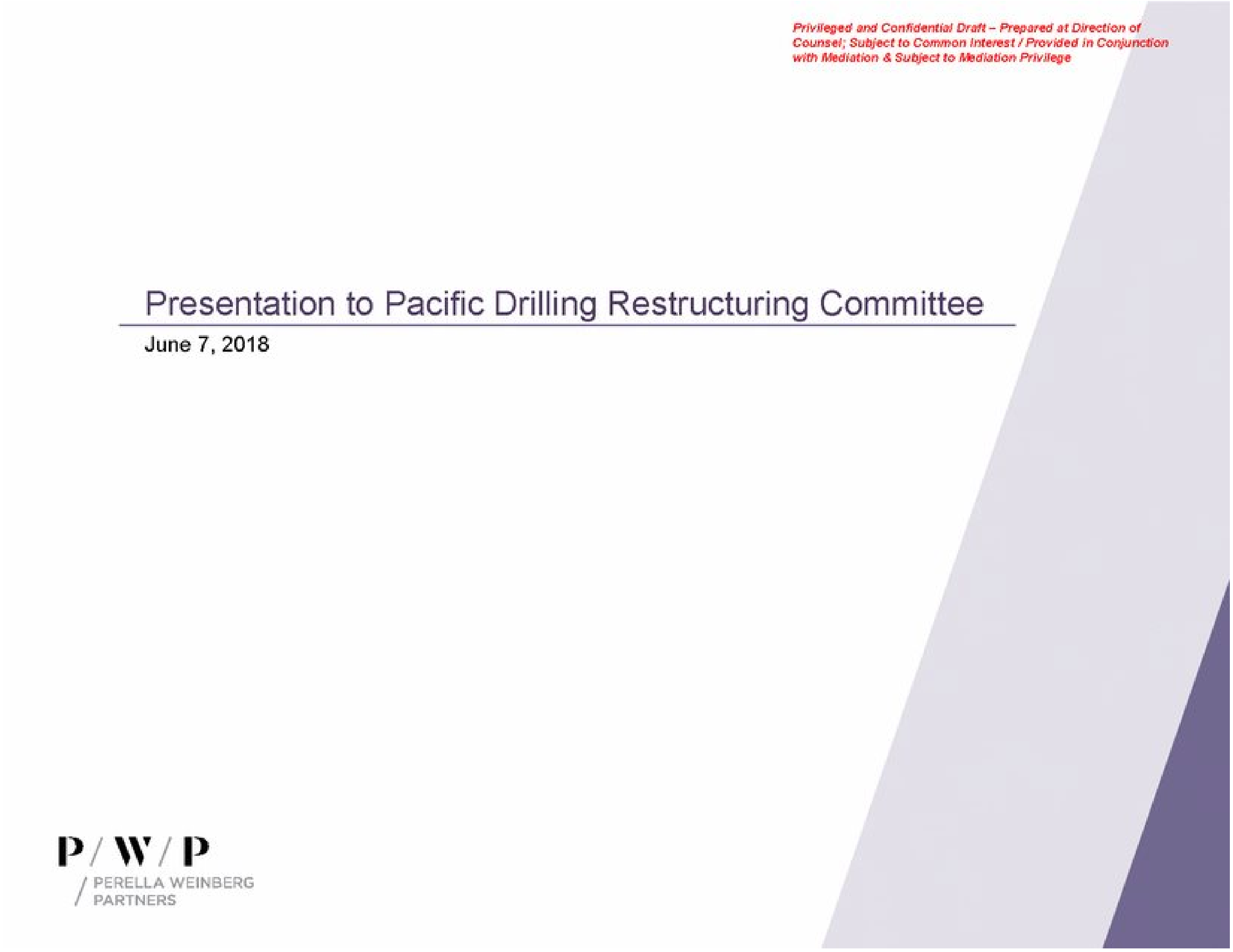
Pacific Drilling

---

(1) Excludes non-cash amortization of (i) deferred mobilization revenue and (ii) recognized other deferred revenue

(2) Excludes non-cash amortization of (i) deferred mobilization / ramp-up costs and (ii) deferred projects costs (SPS, UWILD, etc.)

Exhibit 99.2



Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

Presentation to Pacific Drilling Restructuring Committee

June 7, 2018

P / W / P
PERELLA WEINBERG PARTNERS

Introduction

Quantum Pacific ("QP"), a third party investor (collectively, the "QP Group") and certain lenders under the SSCF Facility (the "SSCF") are pleased to present a revised restructuring proposal to Pacific Drilling ("PACD" or the "Company")

- PACD is seeking a restructuring solution that will provide the Company with a sustainable capital structure and sufficient liquidity to withstand the uncertainty in the timing of the industry recovery

- In order to achieve these objectives, we understand the Company believes any restructuring proposal must provide for a significant deleveraging of the balance sheet, new equity capital to ensure the Company has sufficient pro forma liquidity, and certainty regarding the likelihood of such new equity capital

- QP Group / SSCF strongly believe that our combined revised proposal with a new capital commitment of $1.2 billion addresses all of the Company's objectives and provides the best opportunity for the Company to successfully restructure its obligations

Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

QP Group / SSCF Restructuring Term Sheet Summary

New Equity Investment

- **Fully committed $1.0 billion new equity investment (the "Equity Investment"), comprised of:**
  - $450M private placement (the "Private Placement") commitment by QP Group/SSCF to buy 41.7% of equity(1)
  - $550M equity rights offering (the "ERO") open to the 2017 Notes / 2018 TLB / 2020 Notes (the "AHC Group Classes") to buy 50.9% of equity(1)
    - The ERO would be fully backstopped by QP Group/SSCF, however, QP Group / SSCF is willing to let the AHC backstop some or all of the ERO
    - ERO subscription rights to be fully transferrable
- **The Equity Investment commitment / backstop parties will receive a private placement commitment and backstop premium of 8.0% paid in equity**
  - Implies Private Placement investors receiving 3.3% of equity and ERO backstop parties receiving 4.1% of equity
- **Proceeds from the Private Placement and the ERO would be used to:**
  - Provide a $405M cash payment to the AHC Group Classes
  - Provide a partial paydown of the SSCF debt, and
  - Fund excess cash to the balance sheet

New Debt Commitment

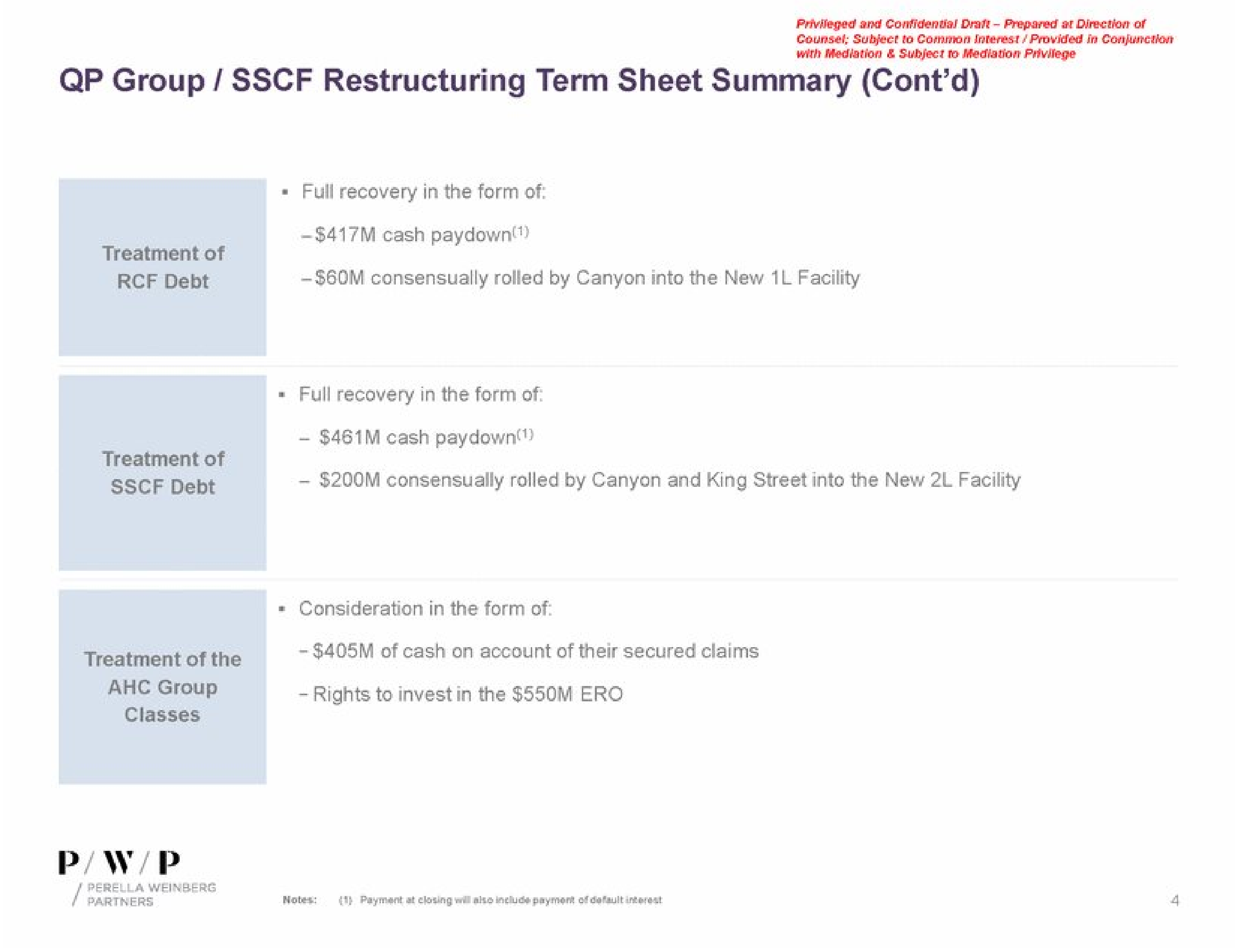
- $700M new first lien facility (the "New 1L Facility") raised by PACD on terms acceptable to QP Group / SSCF
- **$200M fully committed new second lien facility (the "New 2L Facility") provided by Canyon and King Street(2)**

PF Debt

- $900M of total debt, comprised of $700M of New 1L Facility and $200M of New 2L Facility
- $427M of net debt at closing

P/W/P PERELLA WEINBERG PARTNERS

Notes:
(1) Implies buy-in price of $204M per rig
(2) New Second Lien Debt will have an 8 year tenor, [10-13]% interest rate, and will be secured on a second lien basis by all 7 rigs. QP Group / SSCF expressed a willingness that the New Second Lien Debt could be revised to include a paid in kind ("PIK") toggle feature with a step up in interest rate of 200bps



QP Group / SSCF Restructuring Term Sheet Summary (Cont'd)

Treatment of RCF Debt	- Full recovery in the form of: – $417M cash paydown(1) – $60M consensually rolled by Canyon into the New 1L Facility
Treatment of SSCF Debt	- Full recovery in the form of: – $461M cash paydown(1) – $200M consensually rolled by Canyon and King Street into the New 2L Facility
Treatment of the AHC Group Classes	- Consideration in the form of: – $405M of cash on account of their secured claims – Rights to invest in the $550M ERO

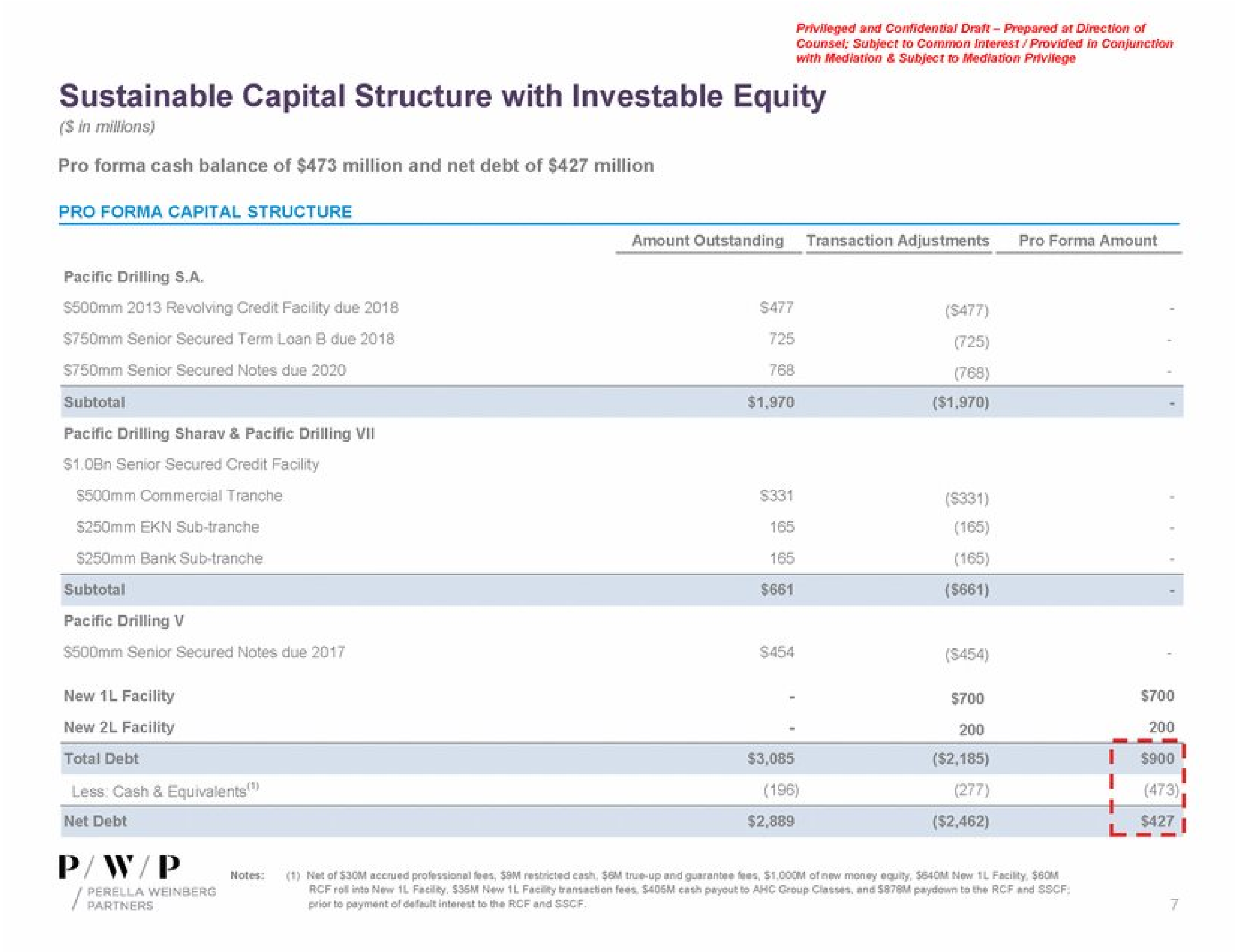
Notes: (1) Payment at closing will also include payment of default interest

Key Highlights of the Revised QP Group / SSCF Proposal

- ✓ **Provides for $1.2 billion of committed capital to adequately capitalize Pacific Drilling in light of uncertainty of the timing of the industry recovery**
  - Fully backstopped $1.0 billion equity investment by long-term sector investors with significant knowledge of the Company's assets and long-term commitment to the Company
  - Commitment by Canyon and King Street to roll $200 million of SSCF into New 2L Facility
- ✓ **Creates sustainable deleveraged capital structure and positions the Company to most effectively compete for new contracts**
- ✓ **Provides an opportunity to re-list the Company, which facilitates access to capital markets that can serve as a source of liquidity as well as for future growth**
- ✓ **Provides substantial cash liquidity of $473M at closing to ensure significant runway for the Company to fund its business plan**
- ✓ **Provides fair treatment to all the Company's creditors, including minority holders of the 2017 & 2020 Notes and 2018 TLB**
  - Opportunity for all members of AHC Group Classes to share in ERO and for members of the AHC Group to backstop the ERO
  - Flexibility for all members of AHC Group Classes to elect to cash out or to recycle cash into new equity investment on same terms as QP Group / SSCF
  - Flexibility for all members of AHC Group Classes to sell their ERO subscription rights
- ✓ **QP Group is willing to allow other existing minority equity holders to invest new money by purchasing some of the equity purchased by QP Group in the Private Placement at the same price as paid by QP Group (post closing)**

Fair Treatment of All Stakeholders

- ✓ Full repayment of the RCF Facility in cash at closing with proceeds from New 1L Facility, with $60 million held by Canyon voluntarily rolling into the $700 million New 1L Facility
- ✓ Full repayment of the SSCF Facility in cash at closing, with $200 million held by Canyon and King Street voluntarily rolling into the New 2L Facility
- ✓ Cash payment of $405 million to all of the AHC Group Classes in full satisfaction of their secured claims based on the mid-point of an independent rig market expert valuation analysis by Fearnley's
- ✓ Opportunity for all members of the AHC Group Classes to invest $550 million of capital into the Company at the same price as QP Group / SSCF by participating in the ERO or to re-sell their ERO subscription rights
- ✓ Cash payment to all members of the AHC Group Classes is fairest alternative since it doesn't prejudice minority holders (the "Minority Holders") relative to members of the ad hoc group of bondholders that have appeared in the chapter 11 cases (the "AHC Group")
- ✓ Other existing equity holders also invest new money on the same terms as the QP Group by purchasing some of the shares to be purchased by QP



Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

Sustainable Capital Structure with Investable Equity

($ in millions)

Pro forma cash balance of $473 million and net debt of $427 million

PRO FORMA CAPITAL STRUCTURE

	Amount Outstanding	Transaction Adjustments	Pro Forma Amount
Pacific Drilling S.A.			
$500mm 2013 Revolving Credit Facility due 2018	$477	($477)	-
$750mm Senior Secured Term Loan B due 2018	725	(725)	-
$750mm Senior Secured Notes due 2020	768	(768)	-
Subtotal	**$1,970**	**($1,970)**	**-**
Pacific Drilling Sharav & Pacific Drilling VII			
$1.0Bn Senior Secured Credit Facility			
$500mm Commercial Tranche	$331	($331)	-
$250mm EKN Sub-tranche	165	(165)	-
$250mm Bank Sub-tranche	165	(165)	-
Subtotal	**$661**	**($661)**	**-**
Pacific Drilling V			
$500mm Senior Secured Notes due 2017	$454	($454)	-
New 1L Facility	-	**$700**	**$700**
New 2L Facility	-	**200**	**200**
Total Debt	**$3,085**	**($2,185)**	**$900**
Less: Cash & Equivalents[1]	(196)	(277)	(473)
Net Debt	**$2,889**	**($2,462)**	**$427**

Notes: [1] Net of $30M accrued professional fees, $9M restricted cash, $6M true-up and guarantee fees, $1,000M of new money equity, $640M New 1L Facility, $60M RCF roll into New 1L Facility, $35M New 1L Facility transaction fees, $405M cash payout to AHC Group Classes, and $878M paydown to the RCF and SSCF; prior to payment of default interest to the RCF and SSCF.

Transaction Valuation and Implied Equity Ownership Splits

($ in millions)

PROPOSED VALUATION AND EQUITY SPLITS

Assumed Illustrative Enterprise Valuation	**$2,100**
Less: Pro Forma Illustrative Total Debt[1]	(900)
Plus: Pro Forma Cash[2]	473
Implied Illustrative Equity Value	**$1,673**
New Money Discount	*35%*
Implied Illustrative New Money Equity Value	**$1,080**

Equity Splits:

	Investment ($)	Own (%)	Plan Value ($)
Private Placement	**$486**	**45.0%**	**$753**
Of Which: QP Group / SSCF Investment	*450*	*41.7%*	*697*
Of Which: Private Placement Commitment Premium	*36*	*3.3%*	*56*
ERO Participants (Rights allocated to Noteholders)[3]	**550**	**50.9%**	**852**
Of Which: Ad Hoc Group Members	*340*	*31.5%*	*526*
Of Which: Minority Bondholders	*210*	*19.5%*	*326*
ERO Backstop Premium	**44**	**4.1%**	**68**
Total	$1,080	100.0%	$1,673

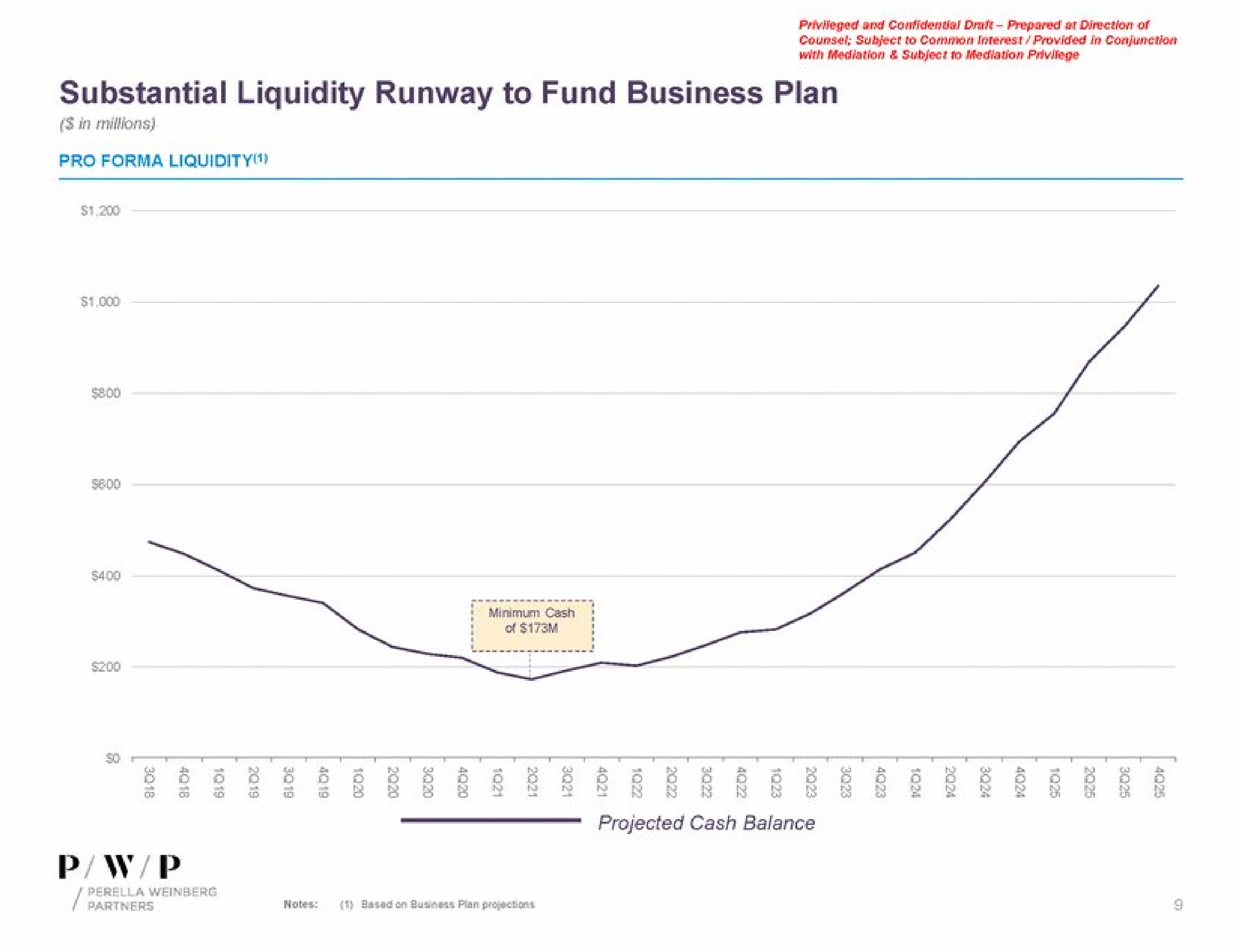
Notes:

(1) Reflects new $700M 1L and $200M consensually rolled 2L

(2) Net of $30M accrued professional fees, $9M restricted cash, $6M true-up and guarantee fees, $1,000M of new money equity, $640M New 1L Facility, $60M RCF roll into New 1L Facility, $35M New 1L Facility transaction fees, $405M cash payout to AHC Group Classes, and $878M paydown to the RCF and SSCF; prior to payment of default interest to the RCF and SSCF.

(3) Assumes AHC Group Classes exercise 100% of rights in ERO

p



Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

Substantial Liquidity Runway to Fund Business Plan

($ in millions)

PRO FORMA LIQUIDITY[(1)]

Minimum Cash of $173M

P / W / P
PERELLA WEINBERG PARTNERS

Notes: (1) Based on Business Plan projections

Comparison of Recoveries to Minority Holders[1]

($ in millions)

COMPONENTS OF RECOVERY TO MINORITY HOLDERS UNDER QP GROUP / SSCF PROPOSAL & AHC GROUP PROPOSAL

	QP Group / SSCF Proposal	AHC Group Proposal	Key Advantages of QP Group / SSCF Proposal
Cash Recovery	17.6%	NA	✓ Provides ability to receive cash instead of equity in the reorganized company
Total Recovery (Assuming Full Participation in ERO)	39.5%	40.7%	✓ Similar pro forma equity ownership in a less levered capital structure with more cash at closing and no PIK debt or contingent equity investment overhang ✓ ERO Rights will be freely transferable, therefore additional recovery can be captured through sale of ERO Rights ✓ QP Group / SSCF intend to re-list the Company which facilitates access to capital markets and can serve as a source of liquidity for the Company and equity holders

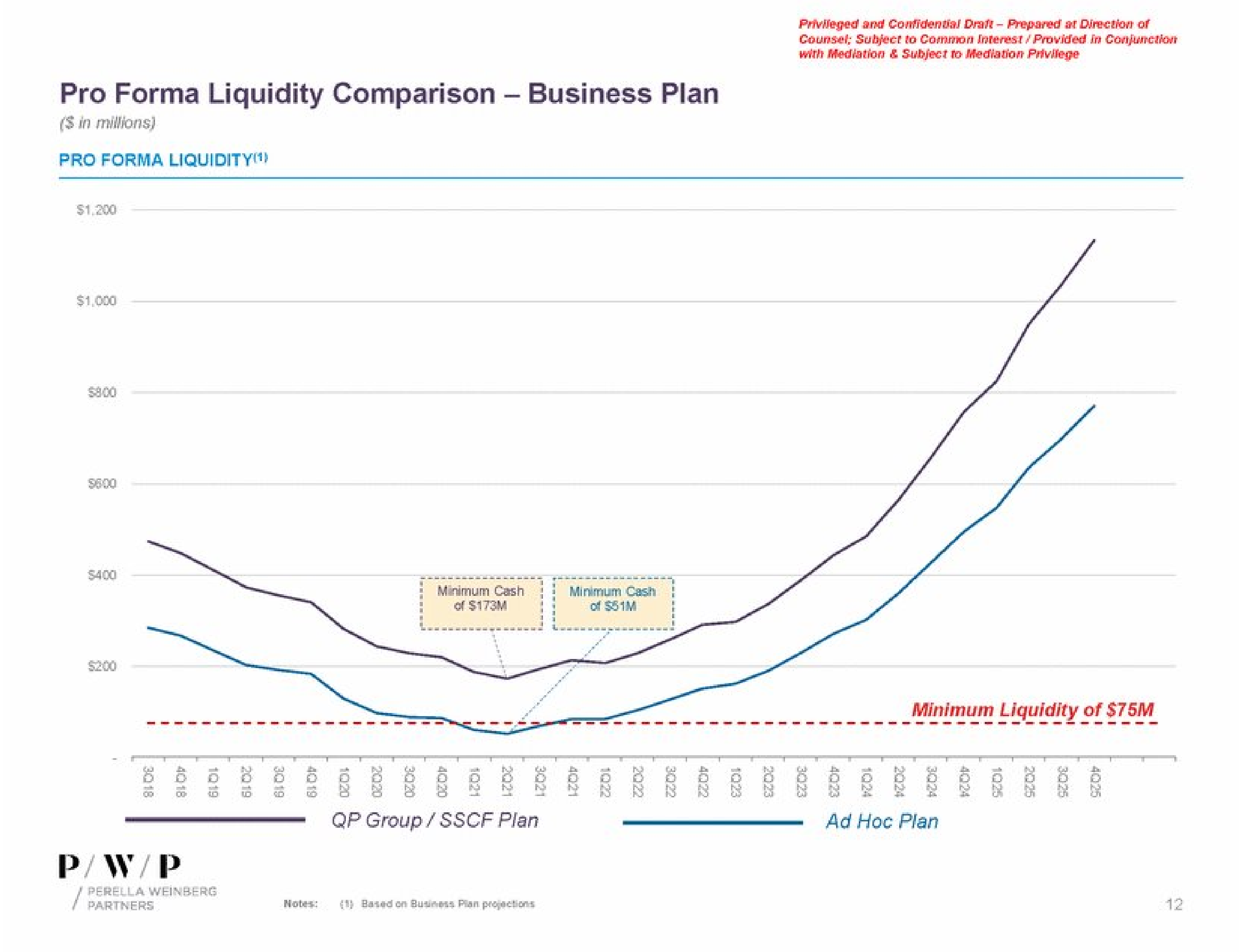
Notes: (1) "Minority Holders" defined as all holders of 2017 Notes, 2018 TLB, and 2020 Notes not part of the Ad Hoc Group

Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

Appendix

P / W / P

/ PERELLA WEINBERG PARTNERS



Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

Pro Forma Liquidity Comparison – Business Plan

($ in millions)

PRO FORMA LIQUIDITY[1]

P / W / P
PERELLA WEINBERG PARTNERS

Notes: (1) Based on Business Plan projections

Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

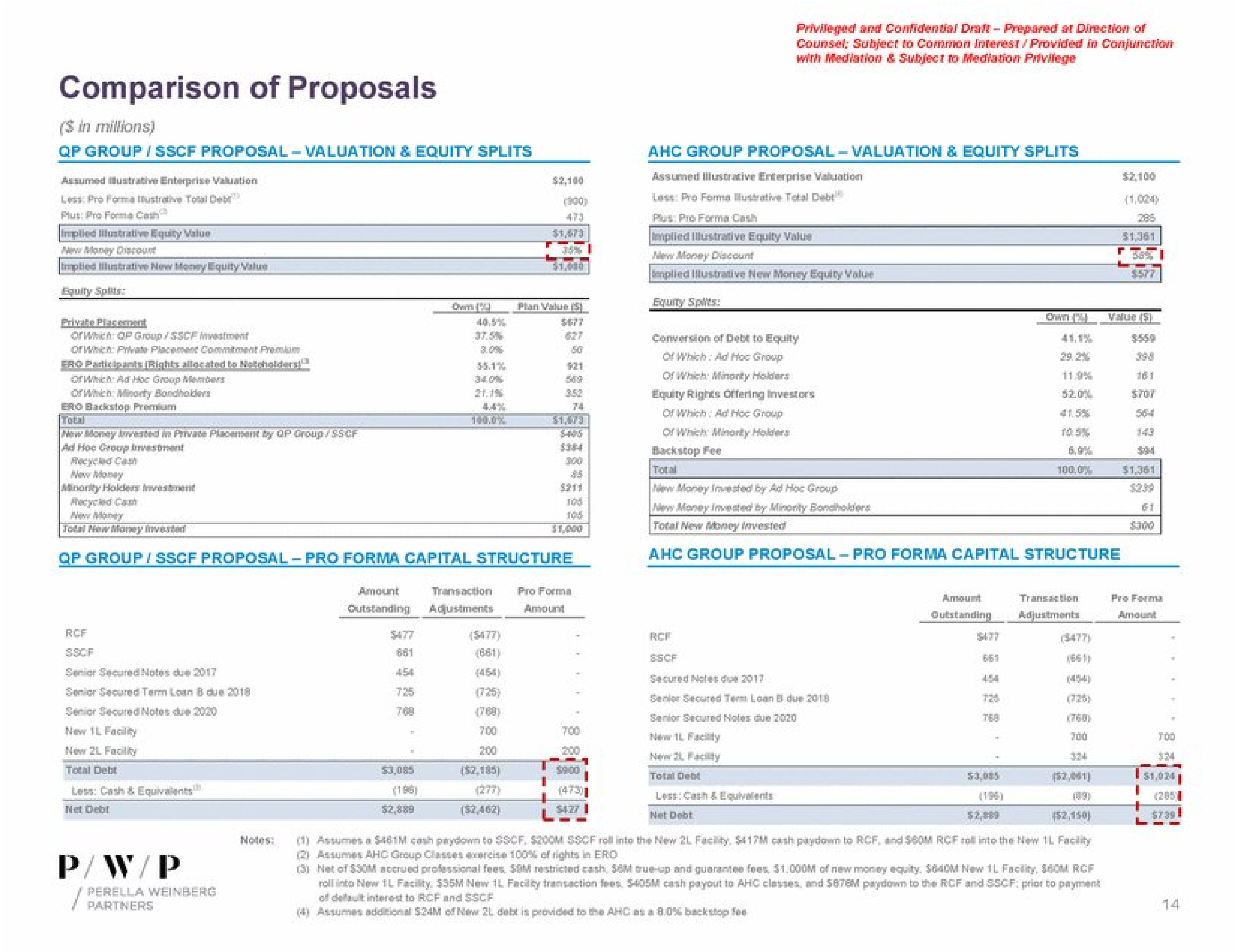
Pro Forma Liquidity Comparison – Sensitivity Case

($ in millions)

PRO FORMA LIQUIDITY(1)

P / W / P
PERELLA WEINBERG PARTNERS

Notes: (1) Based on Sensitivity Case (Excluding LOA's) projections



Privileged and Confidential Draft – Prepared at Direction of Counsel; Subject to Common Interest / Provided in Conjunction with Mediation & Subject to Mediation Privilege

Comparison of Proposals

($ in millions)

QP GROUP / SSCF PROPOSAL – VALUATION & EQUITY SPLITS

Assumed Illustrative Enterprise Valuation	$2,100
Less: Pro Forma Illustrative Total Debt[1]	(900)
Plus: Pro Forma Cash[3]	473
Implied Illustrative Equity Value	$1,673
New Money Discount	35%
Implied Illustrative New Money Equity Value	$1,080

Equity Splits:

	Own (%)	Plan Value ($)
Private Placement	40.5%	$677
Of Which: QP Group / SSCF Investment	37.5%	627
Of Which: Private Placement Commitment Premium	3.0%	50
ERO Participants (Rights allocated to Noteholders)[2]	55.1%	921
Of Which: Ad Hoc Group Members	34.0%	569
Of Which: Minority Bondholders	21.1%	352
ERO Backstop Premium	4.4%	74
Total	100.0%	$1,673
New Money Invested in Private Placement by QP Group / SSCF		$405
Ad Hoc Group Investment		$384
Recycled Cash		300
New Money		85
Minority Holders Investment		$211
Recycled Cash		105
New Money		105
Total New Money Invested		$1,000

QP GROUP / SSCF PROPOSAL – PRO FORMA CAPITAL STRUCTURE

	Amount Outstanding	Transaction Adjustments	Pro Forma Amount
RCF	$477	($477)	-
SSCF	661	(661)	-
Senior Secured Notes due 2017	454	(454)	-
Senior Secured Term Loan B due 2018	725	(725)	-
Senior Secured Notes due 2020	768	(768)	-
New 1L Facility	-	700	700
New 2L Facility	-	200	200
Total Debt	$3,085	($2,185)	$900
Less: Cash & Equivalents[3]	(196)	(277)	(473)
Net Debt	$2,889	($2,462)	$427

AHC GROUP PROPOSAL – VALUATION & EQUITY SPLITS

Assumed Illustrative Enterprise Valuation	$2,100
Less: Pro Forma Illustrative Total Debt[4]	(1,024)
Plus: Pro Forma Cash	285
Implied Illustrative Equity Value	$1,361
New Money Discount	58%
Implied Illustrative New Money Equity Value	$577

Equity Splits:

	Own (%)	Value ($)
Conversion of Debt to Equity	41.1%	$559
Of Which : Ad Hoc Group	29.2%	398
Of Which: Minority Holders	11.9%	161
Equity Rights Offering Investors	52.0%	$707
Of Which : Ad Hoc Group	41.5%	564
Of Which: Minority Holders	10.5%	143
Backstop Fee	6.9%	$94
Total	100.0%	$1,361
New Money Invested by Ad Hoc Group		$239
New Money Invested by Minority Bondholders		61
Total New Money Invested		$300

AHC GROUP PROPOSAL – PRO FORMA CAPITAL STRUCTURE

	Amount Outstanding	Transaction Adjustments	Pro Forma Amount
RCF	$477	($477)	-
SSCF	661	(661)	-
Secured Notes due 2017	454	(454)	-
Senior Secured Term Loan B due 2018	725	(725)	-
Senior Secured Notes due 2020	768	(768)	-
New 1L Facility	-	700	700
New 2L Facility	-	324	324
Total Debt	$3,085	($2,061)	$1,024
Less: Cash & Equivalents	(196)	(89)	(285)
Net Debt	$2,889	($2,150)	$739

Notes:

(1) Assumes a $461M cash paydown to SSCF, $200M SSCF roll into the New 2L Facility, $417M cash paydown to RCF, and $60M RCF roll into the New 1L Facility

(2) Assumes AHC Group Classes exercise 100% of rights in ERO

(3) Net of $30M accrued professional fees, $9M restricted cash, $6M true-up and guarantee fees, $1,000M of new money equity, $840M New 1L Facility, $60M RCF roll into New 1L Facility, $35M New 1L Facility transaction fees, $405M cash payout to AHC classes, and $878M paydown to the RCF and SSCF; prior to payment of default interest to RCF and SSCF

(4) Assumes additional $24M of New 2L debt is provided to the AHC as a 8.0% backstop fee

P / W / P
PERELLA WEINBERG PARTNERS

Legal Disclosures

This Presentation has been provided to you by Perella Weinberg Partners and its affiliates (collectively "Perella Weinberg Partners" or the "Firm") and may not be used or relied upon for any purpose without the written consent of Perella Weinberg Partners. The information contained herein (the "Information") is confidential information. By accepting this Information, you agree that you will, and you will cause your directors, partners, officers, employees, attorney(s), agents and representatives to, use the Information only for your informational purposes and for no other purpose and will not divulge any such Information to any other party. Any reproduction of this Information, in whole or in part, is prohibited. These contents are proprietary information and products of Perella Weinberg Partners. The Information contained herein is not an offer to buy or sell or a solicitation of an offer to buy or sell any corporate advisory services or security or to participate in any corporate advisory services or trading strategy. Any decision regarding corporate advisory services or to invest in the investments described herein should be made after, as applicable, reviewing such definitive offering memorandum, conducting such investigations as you deem necessary and consulting the investor's own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment or service.

Nothing contained herein should be construed as tax, accounting or legal advice. You (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by these materials and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and structure. For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income tax treatment of the transaction and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the transaction.

Perella Weinberg Partners LP, Tudor, Pickering, Holt & Co. Securities, Inc., and Tudor, Pickering, Holt & Co. Advisors, LLC are each members of FINRA (www.finra.org) and SIPC.

Exhibit 99.3

Houlihan Lokey

Project Williwaw

AD HOC GROUP PROPOSAL

JUNE 2018 | DRAFT | PRIVILEGED & CONFIDENTIAL | SUBJECT TO FRE 408 & EQUIVALENTS | SUBJECT TO COMMON INTEREST / PROVIDED IN CONNECTION WITH MEDIATION & SUBJECT TO MEDIATION PRIVILEGE

Ad Hoc Group Proposal

Transaction Summary

The Ad Hoc Group has support for a plan featuring $1.5 billion of new capital, including (i) $700 million of New First Lien Debt, (ii) $300 million of New Second Lien PIK Debt, (iii) $200 million of New Contingent Equity, and (iv) a $300 million Equity Rights Offering. The Ad Hoc Group has received a draft commitment letter from Credit Suisse for the debt financing components. In addition, the Ad Hoc Group will fully backstop the $800 million of junior capital (up to $500 million in equity and $300 million on New Second Lien PIK Debt, if Credit Suisse cannot place it)

US$ in mm

Sources	
Equity Rights Offering	300.0
New First Lien Debt	700.0
New Second Lien Debt	300.0
New Contingent Equity Capital	200.0
Total Sources	**$1,500.0**

Uses	
RCF Repayment	475.0
SSCF Repayment	661.5
Est. Cash Financing Fees[1]	28.0
Cash to the Balance Sheet Day One	135.5
Cash to the Balance Sheet in Future if Needed	200.0
Total Uses	**$1,500.0**

Current and Pro Forma Capital Structure

	Interest Rate	Maturity	Face Amount Out.[3]	Transaction Adjustments	Pro Forma Amount Out.
Senior Secured Credit Facility			661.5	(661.5)	-
Commercial Tranche	*L + 3.75%*	*May-19*	*330.7*	(330.7)	-
GIEK Tranche	*L + 1.50%*	*Nov-26*	*330.7*	(330.7)	-
Revolving Credit Facility	L + 3.75%	Jun-18	475.0	(475.0)	-
New First Lien Debt	[9.00%]	2023+	-	700.0	700.0
New Second Lien Debt	[PIK, 15.00%][2]	[2024]+	-	324.0	324.0 [4]
Subtotal			**$1,136.5**	**($112.5)**	**$1,024.0**
7.25% Senior Secured Notes	7.25%	Dec-17	439.4	(439.4)	-
Term Loan B	L + 3.50%	Jun-18	718.1	(718.1)	-
5.375% Senior Secured Notes	5.375%	Jun-20	750.0	(750.0)	-
Total Ad-Hoc Group			**$1,907.5**	**($1,907.5)**	-
Total Debt			**$3,044.0**	**($2,020.0)**	**$1,024.0**
Cash			151.0	135.5	286.5
Total Net Debt			**$2,893.0**	**($2,155.5)**	**$737.5**

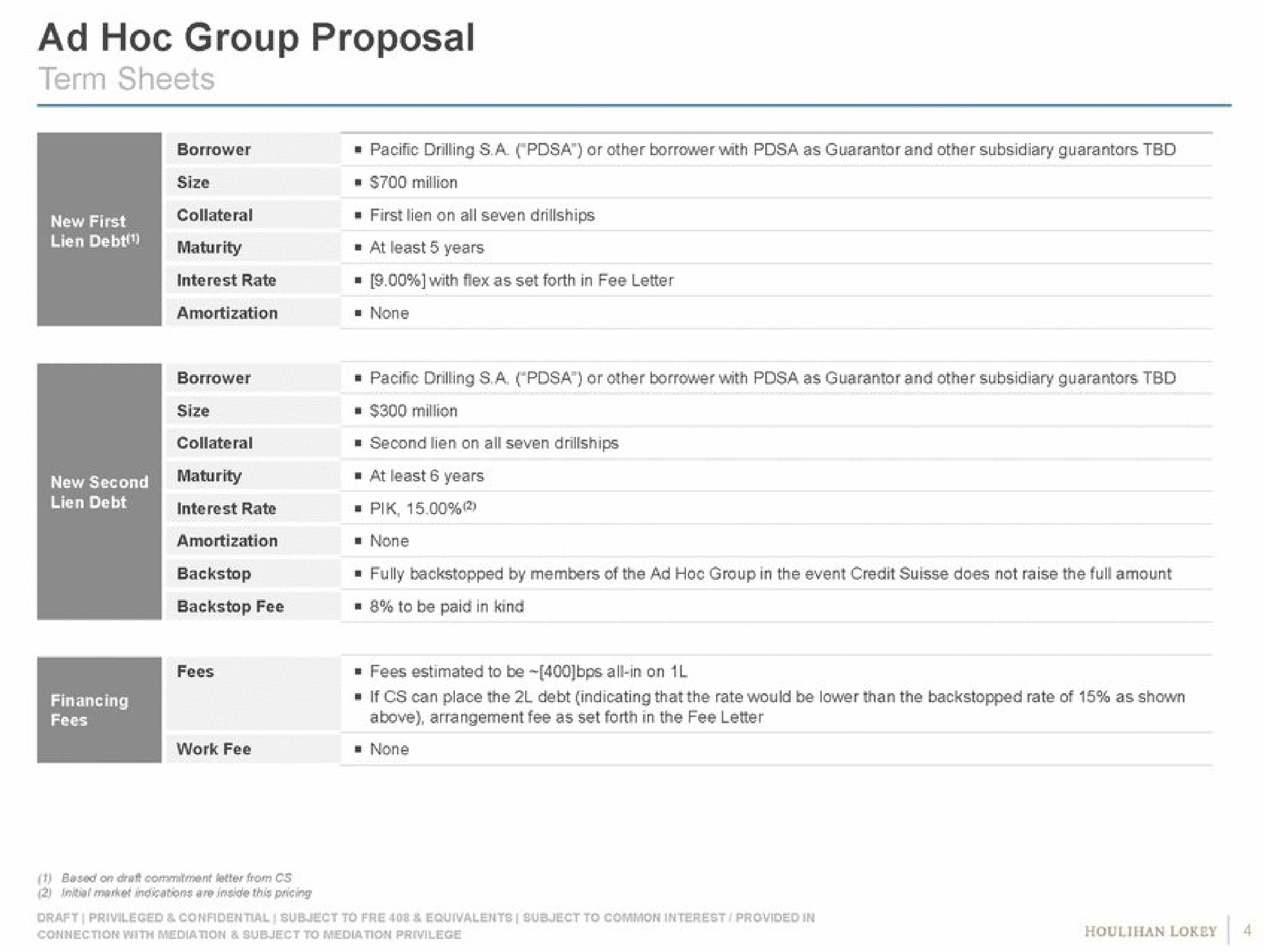
+200.0mm if needed

(1) *Fees are subject to negotiation and change; inclusive of Arrangement Fee, Commitment Fee, and Lender Fees. Assumes 400 bps on $700mm 1L*
(2) *Initial market indications are inside this pricing*
(3) *Face amount of debt claims as of 9/30/17 per Company filings; $151mm cash estimate as of 9/30/18 per Company estimate*
(4) *Includes $24mm of backstop fees paid in kind*

Ad Hoc Group Proposal

Claim Treatment

Class of Claims	Amount	Treatment
RCF Claims	$475.0mm	▪ Recovery in full, in cash ▪ Unimpaired, not entitled to vote
SSCF Claims	$661.5mm ($330.7mm commercial + $330.7mm GIEK)	▪ Recovery in full, in cash ▪ Unimpaired, not entitled to vote
Ad Hoc Group Claims (2017s, 2020s, TLB)	2017s: $453.7mm 2020s: $768.1mm TLB: $724.9mm	▪ 100% of pre-Rights Offering, pre-MIP New Equity ▪ Right to invest in the Equity Rights Offering
Current Shareholders	N/A	▪ Extinguished
QP Investment Right	N/A	▪ Upon signing of an RSA to fully support the plan of reorganization, QP and / or other existing shareholders shall receive the right at signing, if it so chooses (the “Existing Shareholders Debt Purchase Right”) to purchase $125mm of claims held by AHG members, in a proportion of 2017s, 2020s and TLB based on face amount outstanding, at 60 cents on the dollar. Net proceeds from the Existing Shareholders Debt Purchase Right would be $75mm and would be funded on or around the date of confirmation of the plan of reorganization. ▪ Upon exercising of the Existing Shareholders Debt Purchase Right, the associated commitments (including 2nd lien debt commitments, backstop commitments for the equity rights offering, and signing a joinder to the RSA with respect to QP's and / or other existing shareholders new debt holdings), backstop fees, minimum directed allocation and investment rights from the equity rights offering shall be transferred to QP and / or other existing shareholders, allowing QP and / or other existing shareholders to participate alongside the AHG as a backstop party, exact mechanics TBD



Ad Hoc Group Proposal

Term Sheets

New First Lien Debt[1]	**Borrower**	▪ Pacific Drilling S.A. ("PDSA") or other borrower with PDSA as Guarantor and other subsidiary guarantors TBD
	Size	▪ $700 million
	Collateral	▪ First lien on all seven drillships
	Maturity	▪ At least 5 years
	Interest Rate	▪ [9.00%] with flex as set forth in Fee Letter
	Amortization	▪ None
New Second Lien Debt	**Borrower**	▪ Pacific Drilling S.A. ("PDSA") or other borrower with PDSA as Guarantor and other subsidiary guarantors TBD
	Size	▪ $300 million
	Collateral	▪ Second lien on all seven drillships
	Maturity	▪ At least 6 years
	Interest Rate	▪ PIK, 15.00%[2]
	Amortization	▪ None
	Backstop	▪ Fully backstopped by members of the Ad Hoc Group in the event Credit Suisse does not raise the full amount
	Backstop Fee	▪ 8% to be paid in kind
Financing Fees	**Fees**	▪ Fees estimated to be ~[400]bps all-in on 1L ▪ If CS can place the 2L debt (indicating that the rate would be lower than the backstopped rate of 15% as shown above), arrangement fee as set forth in the Fee Letter
	Work Fee	▪ None

(1) *Based on draft commitment letter from CS*
(2) *Initial market indications are inside this pricing*

Ad Hoc Group Proposal

Term Sheets (cont.)

New Contingent Equity	**Size**	▪ $200 million
	Subscription Price	▪ Equivalent to equity rights offering (based on $170 million per rig)
	Participation	▪ Fully backstopped by members of the Ad Hoc Group: Avenue Capital Group, Strategic Value Partners, Abrams Capital, Whitebox Advisors, and Fidelity Investments, with approximate split based on pro-rata bond position ▪ Commitments available to be taken up by all holders of TLB, 2017 Notes and 2020 Notes, net of Directed Allocation
	Directed Allocation	▪ 30% of the New Contingent Equity to be reserved for members of the Ad Hoc Group
	Commitment / Drawdown Period	▪ 1 year period post-emergence where PACD may call the funds at its discretion
	Commitment Fee	▪ 8% Commitment Fee paid in equity upon emergence ▪ 2% Funding Fee paid in equity upon funding
	Use of Proceeds	▪ No restrictions or conditions

Equity Rights Offering	**Size**	▪ $300 million
	Subscription Price	▪ $170 million per rig; ~44% discount to assumed $2.25 billion plan enterprise value
	Participation	▪ Available to all holders of TLB, 2017 Notes, and 2020 Notes, net of Directed Allocation
	Directed Allocation	▪ 30% of the Equity Rights Offering to be reserved for members of the Ad Hoc Group
	Backstop	▪ Fully backstopped by members of the Ad Hoc Group
	Backstop Fee	▪ 8% paid in equity

Corporate Governance	▪ Owners of pro-forma equity to nominate board of directors

HOULIHAN LOKEY

CORPORATE FINANCE
FINANCIAL ADVISORY SERVICES
FINANCIAL RESTRUCTURING
STRATEGIC CONSULTING

HL.com