Introduction to:

Spartan Offshore Drilling, LLC

Our Goal Is To:

“Exceed our customers’ expectations the first time, every time...

FAILURE IS NOT AN OPTION”
Confidential Information

**Confidentiality:** By accepting this presentation and participating in the related meeting, the recipient acknowledges and agrees that all of the information contained herein and discussed at the meeting is confidential and that the recipient will keep this information confidential. The recipient further agrees that it will not copy, reproduce or distribute this presentation in whole or in part without the express written approval of Spartan Offshore Drilling, LLC.
Executive Highlights

• We are pleased to have the opportunity to visit with you to explain who Spartan Offshore Drilling, LLC is and its unique attributes.

• We are the only remaining privately held offshore drilling contractor in the United States.

• We are recognized, by our customers, as being a provider of quality services, crews and equipment.

• We are rapidly becoming a preferred alternative to the large publically held rig owners that dominate the offshore rig market.

• Over 90% of our current customer base is repeat clients that have been developed over the last three years.

• Our Management team is comprised of “Career Rig Contractors”, not investment bankers and not attorneys. We understand the “Rig Contracting Business” and our customers’ needs.

• Through the equity position of AVISTA Capital Partners we are very well positioned financially to weather any market downturns and to take advantage of growth opportunities.

• Our Management has extensive experience in almost all sectors of the contract drilling business: Platform Rig, Barge Rig, Land Rig and Jackup Rig operations.

• Our Management team (prior to joining Spartan) was responsible for developing the self erecting platform rig for their utilization on dynamic, deep water floating production facilities.
Company Overview

- Spartan Offshore was founded in 2002 under the name of Blake Offshore, LLC
  - The fleet consisted of three MOPUs focused on offshore service and maintenance
- In 2004, Spartan Offshore purchased Rigs 202 and 303 to enter into the shallow-water drilling business
- In Q4 2009 Company commenced conversion of its MOPU 8 to a jackup cantilevered drilling/heavy workover rig
  - Over $30 million of capital improvements were committed to the MOPU 8/Rig 208 conversion.
- Company is substantially delevered
  - The company has completed a substantial placement of new equity investment and refinancing all of its outstanding debt
  - Spartan will reduce its indebtedness to zero by the end of January, 2014
- Spartan Offshore is well positioned to weather any expected downturns
  - Spartan Offshore has two rigs committed for the balance of the year at attractive rates
  - Company is owned and supported by a leading energy focused private equity firm, Avista Capital Partners
Company Overview (cont’d)

- Spartan Offshore is being led by a 30 year veteran in the offshore drilling and marine services industry.

  - Paul Butler, CEO and past Chief Operating Officer of Spartan is also the former CEO of Pool Energy Services’ “Pool Offshore” Division which operated a diverse fleet of 22 offshore & inland barge rigs and former President of Houma Industries which is a large fabrication contractor of offshore production facilities and marine vessels.

  - Mr. Butler brings extensive experience in offshore rig design, construction, contracts, marketing and rig operations both domestically and internationally. Mr. Butler was instrumental in developing Pool’s expansion into international offshore markets, particularly in the Middle East with Pool Arabia. Additionally, while at Pool Energy Services, Mr. Butler was actively involved in developing offshore platform rigs which are still in use in the Alaskan Cook Inlet.

- Spartan Offshore is 95% owned by Avista Capital Partners. Avista is a private equity investment banking concern with a 19 year successful track record and over US$9 billion in investments.

- Spartan Offshore is actively developing strategic opportunities to grow its business in key international markets such as Mexico, the Middle East, Southeast Asia and India.

- Spartan Offshore has been actively engaged in the offshore contract drilling business operating various types of rigs since 2002.
The Rig Package policy coverages are subject to a $30,000,000 combined single limit in respect of “Named Windstorms” in the Gulf of Mexico and to apply excess of any deductible(s), excess(s), retention(s) specified therein.

**Excess Liabilities**

$100MM xs $40MM ($78.3MM Vessel Pollution Liability in respect of Spartan Rig 151)

$35MM ($56,212,000 Vessel Pollution Liability in respect of Spartan Rig 151) xs $5MM

**Excess Liabilities**

$5MM

* The Rig Package policy coverages are subject to a $30,000,000 combined single limit in respect of “Named Windstorms” in the Gulf of Mexico and to apply excess of any deductible(s), excess(s), retention(s) specified therein.

** Excess Liabilities do not apply to Named Windstorm coverage.

*** Excluding Named Windstorm.

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Timeline

2002
Spartan/Blake Offshore founded.
Company purchased MOPUs 4, 8 and 10 from Transocean.

2003
• Blake Drilling purchased unit 101 from C.S. Liftboats, Inc.

2004
• MOPU 10 divested.
• Spartan/Blake Offshore pursues offshore drilling market with acquisition of rigs 202 and 303 from Pride Offshore, Inc.

2005
• Spent $66 million on refurbishment of 202 and 303.
• Orion Offshore N.V. ("Orion") purchased rig 151 from TODCO.

2006
• Blake Drilling contributed unit 101 to the Company.
• Company acquired ownership of Orion, which owns rig 151.

2007
• Avista purchased a 22% ownership interest in Spartan/Blake Offshore from a minority partner.
• Spartan/Blake Offshore hires the current management team.

2008
• Avista increases ownership in Spartan/Blake Offshore.
• Sold Rig 101.

2009
• Avista & one other investor acquire 100% of Spartan/Blake Offshore.
• The company is restructured and recapitalized; reducing debt by $48 million.
• The company’s name is changed to Spartan Offshore Drilling, LLC.
• Sold MOPU 4 to AFREN Resources of Nigeria.

2010
• Signed two year contract with options valued at $65 million for Rig 151 to drill in the Cook Inlet.
• Modified MOPU 8 into cantilevered, SCR drilling rig, renamed Spartan Rig 208.

2011
• Signed 1-year term contract for Rig 202, the value at which assured a fleet utility of over 85% during 2012.

2012
• Spartan has contractual commitments for 100% of its fleet.
• Projected EBITDA is expected to exceed US$34 million.
• Purchased top drive and third mud pump for Rig 202.

2013
• Commenced negotiations for a contract assignment with Pemex to operate up to four (4) platform rigs owned by La Isla of Mexico.
• Secured operating contract for Buccaneer Energy to operate their rig in the Cook Inlet, Alaska.
• Increased EBITDA to $70 million.
Key Strengths

• Seasoned executive and operating management team
  - Spartan’s CEO, Paul Butler, is an experienced operator and contractor
    • Has over 30 years of experience in managing, designing, building and operating rigs that service the global offshore oil and gas industry.
    • Has an extensive background in establishing and managing international rig operations.
  - CEO, CFO and other operating management have well over 100 years of combined experience in the oilfield service sector.
  - Flat organization and management structure with limited overhead and no internal bureaucracy.
  - Aggressive, highly respected and well known sales/marketing personnel

• Locked in term contracts for 100% of fleet entering the first two quarters of 2013

• Strong customer relationships
  - Company is an established and respected operator in the Gulf of Mexico with the independents and majors
  - Customers are inquiring about our desire to expand internationally

• Excellent operating personnel and upgraded equipment resulting in expanded customer base.
  - Spartan Offshore has expanded its customer base to work for clients such as Exxon, ADTI, Apache, Nippon, Arena
  - Over 85% of our 2013 revenues were generated from fixed term contracts

• Spartan Offshore is the lowest cost operator in Gulf
  - Recent substantial refurbishments enable the Company’s fleet to operate more efficiently and to maintain lower operating costs
Key Strengths

• Outstanding safety performance
  - Enables Spartan to garner long-term contracts with majors
  - Spartan Offshore’s three year average EMR of 0.94 is better than the industry average EMR of 1.35

• Strong financial support
  - Our shareholders are committed to the company and are able to provide liquidity which is generally not available to our competitors

• Spartan Offshore attracts top tier operating talent
  - Spartan offers one of the most competitive compensation packages in the GOM to rig level employees
  - Spartan has been approved to participate in the Louisiana sponsored grant program which provides government funds to hire, train and develop oil field employees
  - Up cycle turnover is among lowest in the offshore drilling industry

• Superior customer service differentiates Spartan Offshore from its competitors
  - Our lack of bureaucracy allows us to be more responsive to our customers’ needs
  - Our rig managers average over 24 years of experience
  - Superior customer service differentiates Spartan Offshore from its competitors

• Diversified experience in almost all segments of the contract drilling industry: land rigs, offshore platform rigs, jackup rigs and inland barge rigs.
Safety

• Safety is our top priority
  - Company is led by top caliber management and operating team and supported by a safety focused Board
  - Company has increased safety and training costs almost fivefold since 2006
• Top-down commitment
  - Senior management conduct periodic rig visits to emphasize the importance of safe operations
• Strong policies and procedures
  - “Stop” loss control program implemented and enforced by management
  - Safety rep/medic on board rigs at all times
  - New employee orientation and mentoring program
• Successful safety incentive bonus plan
  - Company has paid more than $2.2 million in safety bonuses since 2007
• Excellent safety record
  - Spartan’s lost time incident (LTI) rate over the last three years has been 0.25.
  - Spartan’s 2011 to present safety metrics is well ahead of the industry average as our YTD TRIR is 0 with an average TRIR over last three years of .85 compared to an industry average of 2.14.
Policies, Procedures and Systems

Spartan is in compliance with all Safety and Human Resources Policies and procedures that are required by Government and our Customers.

In addition, we have implemented the following:

- New employee mentoring program
- Participate in the State of Louisiana grant program which provides new employee rig-based orientation and basic offshore rig training
- Thorough new employee background checks
- Post accident follow-up and rehab program which incorporate “light duty” work assignments.

Currently:

- Implementing the IADC compatible RIM Drill Well site Information System to automate and improve safety data and other key performance indicator collection to improve efficiency
- Implemented proactive safety and task-oriented planning procedures such as:
  - Stop Work Authority
  - Pre-Job planning, JSA
  - Post-Accident Investigation
- Implemented proactive procedures and policies to address new regulations relative to the “BP Macondo” incident.
  - Placed Regulatory, Safety, Training Coordinator (RSTC) personnel on each rig to insure readiness for regulatory inspections and compliance.
  - Implemented new procedures to address compliance with all new regulations that have resulted from the “BP Macondo” incident.
Culture for Success

At Spartan we are focused on the needs of our clients, the wellbeing of our employees, our obligations to our investors and lenders, while remaining committed to our primary objective: “To exceed our customers’ expectations the first time, every time ... Failure Is Not An Option”

- Values
  - People
  - Equipment
  - Legal

- Integrity
  - Take the right actions
  - Take responsibility / ownership

- Tone at the Top
  - CEO has a professional “Hands On” approach to management. He visits rigs, customers, lenders and equity partners regularly
  - Manager of HSE performs regularly rig safety audits and maintains relationships with customer HSE representatives
  - Safety and performance incentive-based bonuses
Management

**Paul Butler, Age 57**  
**Chief Executive Officer & President**

Mr. Butler joined Spartan in January 2007 as its Chief Operating Officer & Executive Vice President. He was instrumental in the company’s recent reorganization and financial restructuring and was subsequently elected by the company’s Board of Directors to his current position.

Before joining Spartan he served as President of Houma Industries, a large offshore oilfield fabrication and construction contractor.

Prior to working at Houma Industries Mr. Butler served as Division CEO for Pool Energy Services’ Pool Offshore Division which operated a fleet of 22 offshore jack-up, barge and platform rigs. He has considerable domestic and international rig design, rig construction and rig operating experience, the majority of which is in the US Gulf of Mexico, South East Asia and the Middle East. Mr. Butler was instrumental in developing Pool’s expansion into international offshore markets, particularly in the Middle East with Pool Arabia. Additionally, while at Pool Energy Services, Mr. Butler was actively involved in developing offshore platform rigs which are still in use in the Alaskan Cook Inlet.

Mr. Butler holds a BS degree in Marine Engineering/Naval Architecture from Mississippi State University and a MBA from Tulane University.

**Doy Dugan, Age 53**  
**Chief Financial Officer**

Mr. Dugan joined Spartan as the Company’s Chief Financial Officer in 2005.

Prior to joining Spartan, Mr. Dugan held similar positions at Coastal Drilling Co., LLC and Delta Towing, LLC (formerly R&B Falcon Marine).

While at R&B Falcon, Mr. Dugan served in a variety of accounting and financial control functions including Divisional Controller, Account Benefits Manager and Assistant Controller for Falcon Drilling Company, Inc. (Offshore Division).

Prior to joining R&B Falcon, Mr. Dugan was an assistant controller for The Power Rig Drilling Co., Lafayette, LA from February 1990 to February 1995.

Mr. Dugan earned his Bachelor’s degree and his Master’s in Business Administration from the University of Louisiana at Monroe and is a licensed CPA.
Management

Charles Bruno, Age 63
Vice President – Marketing & Sales (At Large)
Mr. Bruno joined Spartan Offshore in 2007 as Vice President of Marketing And Sales. From 1993 – 2007, he served as the Senior sales representative for Pool Offshore and subsequently Nabors Offshore.

Paul Kessler 58
Vice President, Marketing & Sales
Mr. Kessler joined Spartan Offshore in 2007 as vice president of Houston sales. He comes with over 25 years of oilfield sales experience, most recently working in offshore rig marketing for TODCO/Hercules.

Terry Parker, Age 58
Vice President, Operations Support
Mr. Parker joined Spartan Offshore in 2007 as director of materials and regulatory affairs. Prior, he was the national purchasing manager at Aggreko North America, a large multinational utility rental corporation responsible for supplying temporary utilities to such high profile projects as the 2002 Winter Olympics and more than 20 NFL Super Bowl Games.

Mr. Parker was also the director of materials and regulatory affairs at Pool Offshore and Baker Marine. While at Baker, he was responsible for materials management and international logistics during the construction of some 74 jack-up rigs worldwide.

Parker has studied at Virginia Tech, Southern Methodist and Tulane Universities.

Donnie Durham, Age 43
Manager of Operations
Mr. Durham joined the company upon its inception in 2002 and has over 23 years of direct rig operating experience. During his carrier he has worked land rigs, inland barge rigs, offshore platform rigs and jackup rigs. All in various positions up to Tool Pusher and including Superintendent.
### Management Experience

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience (yrs.)</th>
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<tbody>
<tr>
<td>Paul Butler</td>
<td>CEO</td>
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<tr>
<td>Doy Dugan</td>
<td>CFO</td>
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<td>Donnie Durham</td>
<td>Operations Manager</td>
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<td>Wilton Landry</td>
<td>HSE Manager</td>
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<tr>
<td>Jennings Broussard</td>
<td>Personnel Manager</td>
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<tr>
<td>Charles Bruno</td>
<td>Sales</td>
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<tr>
<td>Paul Kessler</td>
<td>Sales</td>
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<tr>
<td>Terry Parker</td>
<td>VP, Operations Support</td>
<td>25</td>
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### Rig Level Experience

<table>
<thead>
<tr>
<th>Role</th>
<th>Average Experience</th>
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<tr>
<td>Rig Managers</td>
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<tr>
<td>Drillers</td>
<td>12</td>
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<tr>
<td>Crane Operators</td>
<td>14</td>
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</table>
Fleet Overview
Jackup Rigs

Spartan 208

Spartan 202

Spartan 151

Spartan 350
Purchase Pending

Spartan MOPU 4
Sold to Afren Oil - Nigeria

Spartan 303
# Jackup Fleet Highlights

<table>
<thead>
<tr>
<th>Vessel Name</th>
<th>Vessel Type</th>
<th>Leg Type</th>
<th>Water Depth (ft.)</th>
<th>Vessel Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spartan 4</td>
<td>MOPU</td>
<td>Mat Support</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Bethlehem, Jackup, Slot-O-Lever, Cantilevered Drilling &amp; Workover</td>
<td>Mat Support</td>
<td>12</td>
<td>225</td>
</tr>
<tr>
<td>Spartan 208</td>
<td>BMC 150, Jackup, Cantilevered Drilling (SCR)</td>
<td>Independent Leg</td>
<td>12</td>
<td>150</td>
</tr>
<tr>
<td>Spartan 151</td>
<td>Bethlehem, Jackup, Slot Drilling</td>
<td>Mat Support</td>
<td>23</td>
<td>225</td>
</tr>
<tr>
<td>Spartan 202</td>
<td>Bethlehem, Jackup, Slot Drilling</td>
<td>Mat Support</td>
<td>23</td>
<td>262</td>
</tr>
<tr>
<td>Spartan 303</td>
<td>Bethlehem, Jackup, Slot Drilling</td>
<td>Mat Support</td>
<td>23</td>
<td>262</td>
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<tr>
<td>Spartan 350</td>
<td>Letourneau Super 116E, Jackup, Cantilevered Drilling</td>
<td>Independent Leg</td>
<td>18</td>
<td>350-400</td>
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Platform Rigs

• Spartan has several platform rig designs and configurations available to suit almost any requirement.
• These rigs can be constructed on a contract specific bases, to the client’s exact specifications.
• Design Configurations
  - Self Erecting (Bootstrap) installation and removal
  - API Standard Package Rig (Requires derrick barge for lifting onto platforms)
  - Dynamic: Self Erecting for operations on deep water floating production facilities or those located in seismically active areas. Spartan’s management (while at Pool Offshore) were the first in the industry to develop this concept which is now widely utilized in the industry.

Standard Configuration: Self Erecting or API Derrick Barge Installation

Modified for operations on floating production facilities.
Customers
Strong Customer Relationships

Representative Customers

• Apache (now Fieldwood)
• Arena Offshore
• Black Elk
• Bois d’Arc
• BP America
• Buccaneer
• Byron Energy
• Century Exploration Group
• Chevron
• Commander Drilling Technology (ex. ADTI)
• Conn Energy
• Devon Energy
• Enven Energy
• EPL
• EXXON
• Fieldwood Energy
• Forza
• Furie Operating Alaska
• GoMex
• Gulf Coast Energy Resources
• Hall Houston
• Helis Oil & Gas
• Hess Corp.
• Hilcorp
• Hunt Oil Company
• Hydro
• Linder Oil
• LLOG
• Marlin
• Manti Operating
• Mariner Energy, Inc.
• Maritech
• Marlin Offshore
• McMoran
• Newfield Exploration
• Nexen
• Northstar
• Nippon Exploration
• Palm (Pisces) Energy
• Peregrine
• Phoenix Resources
• Remington Oil & Gas
• Ridgelake Energy
• Rooster
• Rosetta Resources
• SABCO
• Sterling Energy PLC
• Texas Petroleum Investment Company
• Union
• Virgin Oil
• W&T Offshore PLC

NOTE: Red text indicates highest four 2013 revenue generators
Expanding International Presence

• Successfully completed negotiations for the sale and refurbishment of Spartan MOPU 4 with AFREN for production operations off the west African coast.

• Consortium participant with Tuff Drilling, Ltd. in bid to GSPC to build and then operate a new 3,000HP Platform Drilling Rig off the south eastern coast of India.

• Consortium participant with Strategic Oilfield Services of Dubai on the bid tender for five (5) year term jackup contract to Dragon Oil for operations in the Caspian Sea.

• Negotiating a Saudi Arabian joint venture with Al Fozan to participate in ARAMCO drilling programs.

• Pre-Qualified Offshore Drilling Contractor to participate on RFQs from:
  - KJO Joint Venture (Kuwait)
  - Kuwait National Oil Company (Kuwait)
  - National Drilling Company (Dubai)
  - Dubai Petroleum (Dubai)
  - Ras Gas (Qatar)
  - ONGC (India)
  - GUPCO (Egypt)
  - Chevron (Nigeria)
  - GSPC (India)
  - PEMEX (Mexico)
Equity Sponsorship
Financial Strength

Financially Stable Ownership
**Strong Equity Support**

- Spartan Offshore has completed its equity recapitalization with its majority shareholder, Avista Capital Partners.
  - Equity investment has reduced current indebtedness to $40 million from $88 million.
  - Avista’s ownership has increased to 95% of the company.
- Avista team has an intimate knowledge of the offshore drilling business.
  - Avista’s Co-Managing Partner, Steve Webster, founded Falcon Drilling and served at its CEO and R&B Falcon prior to its merger with Transocean in 1999.
  - Steve Webster has made a number of investments in both Gulf of Mexico exploration and production companies as well as global offshore drilling equipment operators such as Hercules Offshore, Pioneer Offshore, Basic Energy Servises, Precision Drilling, Peregrine Oil & Gas and Scorpion Drilling.
- Avista remains steadfast in its support for Spartan and is very enthusiastic regarding both its growth potential going forward.
Avista Capital Partners Overview

Avista was formed in July 2005, as a spin out from Credit Suisse, with the core Energy, Healthcare and Media investment teams from the former DLJ Merchant Banking Partners (“DLJMB”) franchise

Avista Capital Partners I has closed investments in 20 portfolio companies and committed approximately $2.0 billion to the companies

In 2008, Avista Capital Partners launched its second fund with a targeted fund size of $3.0 billion; Avista Capital Partners II has invested in six portfolio companies to-date representing capital commitments of over $700 million

Over the past 10 years (including tenure at DLJMB), the Avista Energy team has delivered a consistently superior investment track record

- Approximately $9.0 billion of equity invested in 88 companies
- Broad energy mandate allocated to E&P, Oilfield Services, Midstream and Power Generation
- Realized cash return of 3.0x invested capital and an IRR of approximately 70%

Flexible investment mandate with target equity investment size of $100 - $400 million
Avista – A Value Added Partner

- Efficient, creative and flexible investment approach – able to move quickly
- Significant domain knowledge with industry focus
- Value-added orientation with an operating perspective
- Proven ability to partner with superior management teams
- Expertise in structuring and completing complex transactions
- Patient, long-term investors
- Support portfolio companies in value creation process
  - Add-on acquisitions / divestitures
  - Operational efficiency and cost savings
  - Strategy refinement
  - Financings and incremental equity investments
Contact

Your interest in Spartan is appreciated and we would welcome further discussion regarding your future rig needs.

For Further Information Please Contact:

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Email: cbruno@spartanoffshore.com