

Ocean Rig UDW Inc.  
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PROSPECTUS

35,260,089 Common Shares

Ocean Rig UDW Inc.

This prospectus relates to the resale, from time to time, of up to 35,260,089 common shares of Ocean Rig UDW Inc., being offered by the selling shareholders identified herein. The selling shareholders may sell their shares, from time to time, in one or more offerings, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices. The selling shareholders may sell shares in regular brokerage transactions, in transactions directly with market makers or investors, in privately negotiated transactions or through agents or underwriters they may select from time to time. See "Plan of Distribution" for more information on the methods of sale that may be used by the selling shareholders.

We are not offering any common shares for sale under this prospectus, and we will not receive any proceeds from the sale of the common shares by the selling shareholders.

Our common shares are currently listed on the NASDAQ Global Select Market under the symbol "ORIG." The last reported sale price of our common shares was \$24.86 on October 9, 2017.

Investing in our common shares involves risks. See "Risk Factors" beginning on page 14 of this prospectus and other risk factors contained in the documents incorporated by reference herein.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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The date of this prospectus is October 12, 2017.

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This prospectus is part of a registration statement on Form F-1 we filed with the Securities Exchange Commission, or the SEC, using a shelf registration process. Under the shelf registration process, the selling shareholders named in this prospectus may, from time to time, sell the securities described in this prospectus in one or more offerings. This prospectus and the documents incorporated by reference herein include important information about us, the common shares being offered by the selling shareholders and other information you should know before investing. This prospectus does not contain all the information provided in the registration statement we filed with the SEC. You should read this prospectus together with the additional information about us described in the section below entitled "Where You Can Find More Information."

You should rely only on the information contained in, or incorporated by reference into, this prospectus. We have not, and the selling shareholders have not, authorized anyone to provide you with different or additional information. If such information is provided to you, you should not rely on it. This prospectus is not an offer to sell these securities, and selling shareholders are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date on the front cover of the prospectus and information we have incorporated by reference in this prospectus is accurate only as of the date of the document incorporated by reference. You should not assume that the information contained in, or incorporated by reference into, this prospectus is accurate as of any other date.

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## PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and may not contain all of the information that you should consider before investing in our common shares. On September 22, 2017, we completed a financial restructuring of our company, pursuant to which, among other things, our aggregate outstanding indebtedness owed to third parties has been reduced from approximately \$3.7 billion of principal (plus accrued interest) to \$450 million. We refer to this as the "Restructuring", which is described more fully under "—Recent Developments—The Restructuring." You should carefully read this entire prospectus and the other documents to which this prospectus refers to fully understand the effects of the Restructuring (as defined herein). In particular, you should read the form of Second Amended and Restated Memorandum and Articles of Association of the Company included as an exhibit hereto because these documents will govern your rights as a shareholder of the Company following the Restructuring and upon their adoption. See the sections entitled "Description of Share Capital" and "Where You Can Find More Information" elsewhere in this prospectus. For a discussion of the risk factors that you should carefully consider, see the section entitled "Risk Factors" beginning on page 14.

Unless otherwise indicated, all information in this prospectus has been adjusted to give effect to the one-for-9,200 reverse stock split of our common shares effected on September 21, 2017 in connection with the consummation of the Restructuring. See "—Recent Developments—Reverse Stock Split."

As used throughout this prospectus, the terms the "Company," "Ocean Rig UDW," "we," "our" and "us" refer to Ocean Rig UDW Inc. and its subsidiaries, except where the context otherwise requires. Unless otherwise indicated, all references to "dollars" and "\$" in this prospectus are to, and amounts are presented in, U.S. Dollars. We prepare our financial statements in U.S. dollars and in accordance with U.S. GAAP.

### Our Company

We are an international offshore drilling contractor providing oilfield services for offshore oil and gas exploration, development and production drilling and specializing in the ultra-deepwater and harsh-environment segment of the offshore drilling industry. We seek to utilize our high-specification drilling units to the maximum extent of their technical capability and we believe that we have earned a reputation for operating performance excellence, customer service and safety.

We, through our wholly-owned subsidiaries, currently own two modern, fifth generation harsh weather ultra-deepwater semisubmersible offshore drilling units, the Leiv Eiriksson and the Eirik Raude, five sixth generation advanced capability ultra-deepwater drilling units, the Ocean Rig Corcovado, the Ocean Rig Olympia, the Ocean Rig Poseidon, the Ocean Rig Mykonos, and the Ocean Rig Paros, and four seventh generation drilling units, the Ocean Rig Mylos, the Ocean Rig Skyros, the Ocean Rig Athena, and the Ocean Rig Apollo. The Ocean Rig Corcovado, the Ocean Rig Olympia, the Ocean Rig Poseidon, the Ocean Rig Mykonos, and the Ocean Rig Paros are "sister-ships" constructed to the same high-quality drilling unit design and specifications and are capable of drilling in water depths of 10,000 feet. In addition, the Ocean Rig Mylos, the Ocean Rig Skyros, the Ocean Rig Athena and the Ocean Rig Apollo are also "sister ships" constructed to the same high-quality drilling unit design and specifications and are capable of drilling in water depths of 12,000 feet. We believe that owning and operating "sister-ships" helps us maintain our cost efficient operations on a global basis through the shared inventory and use of spare parts and the ability of our offshore maritime crews to work seamlessly across all of our drilling units.

In addition, we have contracts to construct three seventh generation drilling units at Samsung Heavy Industries, or Samsung, a major shipyard in Korea, the Ocean Rig Santorini, the Ocean Rig Crete and the Ocean Rig Amorgos. On August 11, 2016, we entered into agreements with Samsung to delay the delivery of the Ocean Rig Santorini and the Ocean Rig Crete to June 2018 and January 2019, respectively, and to postpone certain installment payments, in exchange for the increase in total construction costs to \$694.8 million and \$709.6 million, respectively. With respect to the Ocean Rig Amorgos, we agreed with Samsung to suspend its construction with an option, subject to our option, to bring it back into force within a period of 18 months after the date of the addendum. The estimated remaining total construction payments for our two drilling units under construction amounted to approximately \$0.9 billion in aggregate as of June 30, 2017.

We employ our drilling units primarily on a dayrate basis for initial periods of between two months and six years to drill wells for our customers, typically major oil companies, integrated oil and gas companies, state-owned national oil companies and independent oil and gas companies.

We believe that our drilling units, other than our fifth generation drilling units, the Leiv Eiriksson and the Eirik Raude, are among the most technologically advanced drilling units in the world. The S10000E design, used for our operating drilling units, was originally introduced in 1998 and has been widely accepted by customers. Among other technological enhancements, our drilling units are equipped with dual activity drilling technology, which involves two drilling systems using a single derrick that permits two drilling-related operations to take place simultaneously. We estimate this technology saves between 15% and 40% in drilling time, depending on the well parameters. Each of our sixth generation operating drilling units is capable of drilling 40,000 feet at water depths of 10,000 feet and our seventh generation drilling units have the capacity to drill 40,000 feet at water depths of 12,000 feet, while our fifth generation drilling units are capable of drilling 30,000 feet at water depths of 10,000 feet.

#### Our Fleet

Set forth below is summary information concerning our offshore drilling units as of October 9, 2017.

Drilling Unit	Year Built or Scheduled Delivery/ Generation	Water Depth to the Wellhead (ft)	Drilling Depth to the Oil Field (ft)	Customer	Expected Contract Expiration(1)	Dayrate (4)	Drilling Location
<b>Operating Drilling Units</b>							
Leiv Eiriksson	2001/5th	10,000	30,000	Lundin Norway AS	Q4 2017	\$147,315	Norway
Ocean Rig Corcovado	2011/6th	10,000	40,000	Petroleo Brasileiro S.A.	Q2 2018	\$496,312 (3)	Brazil
Ocean Rig Mykonos	2011/6th	10,000	40,000	Petroleo Brasileiro S.A.	Q1 2018	\$496,312 (3)	Brazil
Ocean Rig Skyros	2013/7th	12,000	40,000	Total E&P Angola	Q3 2021	\$580,755	Angola

#### Available for employment

Ocean Rig Mylos(2)	2013/7th	12,000	40,000
Eirik Raude(2)	2002/5th	10,000	30,000
Ocean Rig Paros(2)	2011/6th	10,000	40,000
Ocean Rig Olympia(2)	2011/6th	10,000	40,000
Ocean Rig Poseidon	2011/6th	10,000	40,000
Ocean Rig Apollo(2)(5)	2015/7th	12,000	40,000
Ocean Rig Athena(2)	2014/7th	12,000	40,000

(1) Not including the exercise of any applicable options to extend the term of the contract and any notification received for the termination of contracts.

(2) These drilling units are cold stacked in Greece and are available for charter.

(3) Approximately 20% of the dayrates are service fees paid to us in Brazilian Real (R\$). The day rate disclosed in this table is based on the October 9, 2017 exchange rate of R\$0.3206:\$1.00. During the first and second quarter of 2015, the Ocean Rig Mykonos and the Ocean Rig Corcovado, respectively, commenced drilling operations under the new awarded contracts, which are extensions of the previous contracts from Petrobras, for drilling offshore Brazil. The term of each extension was for 1,095 days excluding reimbursement by Petrobras for contract related equipment upgrades.



- (4) These rates represent the current operating rates applicable under each contract. Depending on the contract, these rates may be escalated.
- (5) This drilling unit is currently receiving termination fees according to a settlement agreement signed between us and our client.

#### Management of our Drilling Units

Ocean Rig Management Inc., our wholly owned subsidiary, provides supervisory management services including onshore management to our operating drilling units and drilling units under construction, pursuant to separate management agreements entered into with each of the drilling unit-owning subsidiaries. Under the terms of these management agreements, Ocean Rig Management Inc., through its affiliates, is responsible for, among other things, (i) assisting in construction contract technical negotiations and (ii) providing technical and operational management for the drilling units.

TMS Offshore Services Ltd., or TMS, a company affiliated with our Chairman of the Board and Chief Executive Officer, Mr. George Economou, provides certain management services related to our drilling units, including but not limited to commercial, financing, legal and insurance services, pursuant to the Management Services Agreement entered into among Ocean Rig UDW Inc., each of its vessel-owning subsidiaries and TMS, dated September 22, 2017, which was a condition of the Restructuring. For a description of certain material terms of the Management Services Agreement, please see below under "—Recent Developments—The Restructuring—Management Services Agreement."

#### Recent Developments

##### Annual General Meeting of Shareholders

At our annual general meeting of shareholders held on April 24, 2017, our shareholders (i) approved the re-election of Messrs. Mr. George Economou and Mr. Michael Pearson to serve as Class A Directors until our 2020 Annual General Meeting of the Shareholders; (ii) ratified the appointment of Ernst & Young (Hellas) Certified Auditors Accountants S.A., as our independent auditors for the fiscal year ending December 31, 2017; (iii) approved an increase in our authorized share capital of one billion (1,000,000,000) common shares of a par value of \$0.01 each and five hundred million (500,000,000) preferred shares of a par value of \$0.01 each to one trillion (1,000,000,000,000) common shares of a par value of \$0.01 each and five hundred million (500,000,000) preferred shares of a par value of \$0.01 each; and (iv) authorized our board of directors to effect one or more reverse stock splits of our issued common shares at a ratio of not less than one-for two and not more than one-for-100,000, with the exact ratio to be set at a whole number within this range to be determined by the board of directors, or any duly constituted committee thereof, at any time after approval by the shareholders, and authorized the board of directors to implement any such reverse stock split at its discretion.

##### Business Developments

On July 17, 2017 and September 5, 2017, Lundin Norway AS, or Lundin, declared their third and fourth option, respectively, to extend the existing employment contract of the Leiv Eiriksson. This drilling unit now has firm employment secured until December 2017. Lundin has remaining unexercised six one-well options on the Leiv Eiriksson, which, if declared, could extend the employment of this drilling unit until the first quarter of 2019. The total revenue backlog on Leiv Eiriksson, including all the optional wells, is approximately \$87.5 million. Actual results may differ. There is no guarantee that the options will be extended by Lundin or that the expected revenue backlog will be realized.

## The Restructuring

Ocean Rig UDW and certain of its subsidiaries, Drillships Financing Holding Inc., or DFH, Drillships Ocean Ventures Inc., or DOV, and Drill Rigs Holdings Inc., or DRH, which we collectively refer to as the Scheme Companies, have effected schemes of arrangement, or the Schemes, under Section 86 of the Companies Law (2016 Revision) to implement a financial restructuring plan, which we refer to as the Restructuring. As a result of the Schemes, the Scheme Companies' aggregate outstanding indebtedness owed to third parties has been reduced from approximately \$3.7 billion of principal (plus accrued interest) to \$450 million, effective as of the Restructuring Effective Date (as defined below).

On March 23, 2017, the Scheme Companies entered into a Restructuring Support Agreement, or the RSA, with certain creditors of our then-outstanding consolidated indebtedness to implement the Restructuring. Pursuant to the terms of the RSA, the Scheme Companies presented winding up petitions to the Grand Court of the Cayman Islands, or the Grand Court, on March 24, 2017, and filed applications seeking the appointment of Simon Appell of AlixPartners Services UK LLP and Eleanor Fisher of Kalo (Cayman) Limited as joint provisional liquidators, or the JPLs, under section 104(3) of the Companies Law (2016) Revision. On March 27, 2017, following a hearing before the Grand Court, the JPLs were appointed in respect to each of the Scheme Companies.

On October 4, 2017, the Grand Court issued an order discharging the JPLs effective as of October 18, 2017, and appointed Iraklis Sbarounis, Vice President and Secretary of Ocean Rig UDW, as successor to the JPLs for purposes of acting as the authorized foreign representative of the Scheme Companies in their Chapter 15 proceedings and in connection with the enforcement, defense, amendment or modification of any order issued therein.

## Schemes of Arrangement

The RSA proposed that the Restructuring of each of the Scheme Companies be effected by way of scheme of arrangement under Cayman law. The Schemes provided for substantial deleveraging of the Scheme Companies through an exchange by their creditors, or the Scheme Creditors, of approximately \$3.7 billion principal amount of debt (plus accrued interest) for new equity of the Company, approximately \$288 million in cash and \$450 million of new secured debt. See "—Scheme Equity Entitlements" and "—Exit Financing" below. More particularly: approximately \$131 million of claims outstanding (plus accrued interest) in respect of the Company's senior unsecured notes and those in respect of the Company's guarantees of the debt facilities of DRH, DFH and DOV were discharged in exchange for new equity of the Company representing approximately 18.94% of the outstanding common shares on a pro forma basis; approximately \$460 million of claims outstanding (plus accrued interest) in respect of DRH's senior secured notes were exchanged for new equity of the Company representing approximately 4.63% of the outstanding common shares on a pro forma basis and cash consideration of \$9.7 million; and approximately \$1.3 billion of claims outstanding (plus accrued interest) in respect of DOV's credit facility and \$1.9 billion of claims outstanding in respect of DFH's credit facility were exchanged for new equity of the Company representing approximately 67.11% of the outstanding common shares on a pro forma basis, cash consideration of \$269.5 million, and new secured debt of \$450.0 million, which is secured by first priority liens on substantially all (with the exception of the Ocean Rig Apollo) existing and future assets of the Company including ship mortgages to each vessel, earnings and insurance assignments and pledge of the bank accounts of the guarantors and the borrowing entities.

On July 20, 2017, the Grand Court gave permission to the Scheme Companies to convene meetings of the Scheme Creditors for the purpose of considering and if thought fit approving the Schemes, or the Scheme Meetings.

On August 11, 2017, the Scheme Meetings were held. Each of the Schemes was approved by a majority in number of the Scheme Creditors and holding at least 75% in value of claims present and voting, either in person or by proxy, at the respective Scheme Meeting. The Schemes were approved by Scheme Creditors holding over 97% of our then-outstanding indebtedness.

On September 15, 2017, following a hearing held between September 4, 2017 and September 6, 2017, the Grand Court issued orders sanctioning the Schemes.

On September 22, 2017, which we refer to as the Restructuring Effective Date, the Restructuring took effect. Pursuant to the Schemes, on the Restructuring Effective Date, Scheme Creditors exchanged their existing claims against the respective Scheme Companies for cash, new debt and/or new equity issued by the Company, as outlined above. The existing claims were either transferred to the Company or released. In particular, Scheme Creditors received shares equivalent to 90.68% of the post-Restructuring equity of the Company and aggregate cash consideration of \$342.5 million (including early consent payments paid previously) across all of the Schemes, and the Scheme Companies and certain subsidiaries entered into the New Credit Agreement (as defined below) with the DOV and DFH Scheme Creditors.

#### Chapter 15 Recognition Proceedings

On March 27, 2017, the JPLs as "foreign representatives" of each of the Scheme Companies filed petitions with the U.S. Bankruptcy Court under Chapter 15 of the Bankruptcy Code seeking recognition of the provisional liquidation proceedings and the contemplated Schemes as "foreign main proceedings." On the same date, the U.S. Bankruptcy Court issued an ex parte temporary restraining order enjoining Scheme Creditors and their affiliates from, inter alia, taking any actions against the Scheme Companies or their property within the territorial jurisdiction of the United States pending an inter partes hearing on April 3, 2017.

On April 3, 2017, the U.S. Bankruptcy Court granted provisional relief extending the protections of the temporary restraining order pending a recognition hearing, which was held on August 16, 2017. Following the recognition hearing, the U.S. Bankruptcy Court granted an order granting recognition to the provisional liquidation proceedings and the Schemes as in the terms sought by the JPLs.

On August 22, 2017, the JPLs filed an application for an order of the U.S. Bankruptcy Court recognizing and giving full force and effect to the Schemes in the United States. Following the sanction of the Schemes by the Grand Court, a hearing was held before the U.S. Bankruptcy Court on September 20, 2017 to consider the relief requested in the JPLs' application. Shortly after the conclusion of this hearing, the U.S. Bankruptcy Court entered an order giving full force and effect to the Grand Court's orders, the Schemes, and all documents and other agreements related thereto.

#### Discharge of JPLs

The JPLs were discharged by the Grand Court on October 4, 2017, and such discharges will be effective as of October 18, 2017. The Grand Court appointed Iraklis Sbarounis, Vice President and Secretary of Ocean Rig UDW Inc., as successor to the JPLs for purposes of acting as the authorized foreign representative of the Scheme Companies in their Chapter 15 proceedings and in connection with the enforcement, defense, amendment or modification of any order issued therein.

#### Scheme Equity Entitlements

Scheme Creditors were entitled to receive an aggregate of 83,022,214 shares of the Company pursuant to the Schemes, representing 90.68% of the post-Restructuring equity of the Company, as part of the consideration for their claims to our indebtedness as outlined above. On the Restructuring Effective Date, we issued an aggregate of 82,126,810 common shares to Scheme Creditors or their nominees. In addition, certain Scheme Creditors elected to receive in lieu of common shares an aggregate of 895,404 Class B common shares (as defined below) to be issued following the adoption of the Second Amended and Restated Memorandum and Articles of Association at the EGM (as defined below). See "Description of Share Capital" for a description of the expected rights of shareholders and a summary of the material terms of our common shares (to be renamed Class A common shares) and Class B common shares under the proposed Second Amended and Restated Memorandum and Articles of Association. All shares were issued to the Scheme Creditors on a post-split basis. See "—Reverse Stock Split" below. The common shares were issued and the Class B common shares will be issued pursuant to the Schemes in an exchange transaction exempt from registration under Section 3(a)(10) of the Securities Act.

#### Exit Financing

On the Restructuring Effect Date, pursuant to the Schemes, we, including certain of our subsidiaries, as borrowers and guarantors, entered into a new credit agreement dated September 22, 2017, or the New Credit Agreement, with the Scheme Creditors participating in the Schemes relating to DOV and DFH, as lenders. The New Credit Agreement contains limited restrictive and financial covenants that are usual and customary for facilities of this type, including, without limitation: (i) delivery of financial statements, reports, accountants' letters, certificates and SEC filings; (ii) notices of defaults, material litigation and other material events; (iii) continuation of business and maintenance of existence and material rights and privileges; (iv) compliance with laws, including sanctions laws; and (v) maintenance



of property and insurance.

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We and certain of our subsidiaries will guarantee the obligations of the New Credit Agreement and collateral has been granted to the lenders by way of first priority lien over substantially all existing and newly acquired assets of the borrowers and guarantors. The New Credit Agreement consists of a \$450 million senior secured term loan facility, which was fully drawn on September 22, 2017, bearing interest at 8.00% per annum and with a maturity date of September 20, 2024. In connection with the entry into the New Credit Agreement, the borrowers and guarantors entered into a new intercreditor agreement dated September 22, 2017, or the New Intercreditor Agreement, with the collateral agents and certain other parties thereto. In addition, under the terms of the New Credit Agreement, the Company has the option to refinance the facility in full at no cost until March 22, 2018.

#### Management Services Agreement

On the Restructuring Effective Date, as part of the Restructuring, Ocean Rig UDW and each of its vessel-owning subsidiaries entered into the Management Services Agreement with TMS, a company affiliated with our Chairman of the Board and Chief Executive Officer, Mr. George Economou, pursuant to which TMS provides certain management services related to our drilling units, including but not limited to commercial, financing, legal and insurance services. In consideration for these services, under the Management Services Agreement we have agreed to pay TMS an annual fee of \$15.5 million (not including reimbursement for certain expenses incurred in connection with their performance of services as manager) plus up to an additional \$10 million based on the satisfaction of certain metrics. We will also pay a 1.0% commercial fee on all earnings under any existing drilling contract and any drilling contract entered into after the commencement of the Management Services Agreement.

In addition, pursuant to the Management Services Agreement, 8,524,793 common shares were issued to Prime Cap Shipping Inc., or Prime Cap, a company affiliated with Mr. Economou, which shares are subject to vesting over four years and represent 9.31% of the post-Restructuring equity of the Company.

We may terminate the Management Services Agreement at any time, subject to our payment of a termination fee of the greater of (x) \$150 million, which amount shall be reduced ratably on a daily basis over the term of the Management Services Agreement or (y) \$30 million (the "Convenience Termination Fee"). We may also terminate the Management Services Agreement for "cause" upon five business days' notice to TMS, subject to certain conditions, including our payment to an escrow account of the lesser of (x) of \$50 million or (y) the Convenience Termination Fee, due and owing at the time, such funds to be released in accordance with the decision of an appointed arbitrator. The Management Services Agreement may also be terminated by TMS if we default under the Management Services Agreement and such default is not cured within ninety (90) days of written notice of such default.

The Management Services Agreement replaced the management services agreement we and our subsidiaries entered into with TMS on March 31, 2016, as amended.

#### Governance Agreements

On the Restructuring Effective Date, we entered into the governance agreements dated September 22, 2017, or the Governance Agreements, with certain Scheme Creditors receiving new equity of the Company pursuant to the Schemes, including the selling shareholders named in this prospectus. The Governance Agreements provide for certain governance and shareholders' rights, including customary registration rights. See "Description of Share Capital—Governance Agreement."

#### Extraordinary General Meeting

We agreed under the Schemes to hold an extraordinary general meeting of shareholders, or EGM, promptly following and within 45 days of the Restructuring Effective Date for the purposes of adopting the Second Amended and Restated Memorandum and Articles of Association. We expect to hold the EGM on November 3, 2017. At the EGM, shareholders of the Company will have the opportunity to vote on proposals to: (i) adopt the Second Amended and Restated Memorandum and Articles of Association of the Company, (ii) reduce the authorized share capital of the Company and (iii) re-designate issued and unissued authorized common shares as Class A common shares and Class B common shares of the Company, to reduce the number of unissued authorized preferred shares of the Company and to cancel the remaining unissued authorized common shares. Scheme Creditors, including the selling shareholders named in this prospectus, which beneficially own in the aggregate at least two-thirds of the outstanding shares entitled to vote at the EGM, have, pursuant to the Schemes, granted proxies to vote in favor of adopting the Second Amended and Restated Memorandum and Articles of Association.

#### Second Amended and Restated Memorandum and Articles of Association

Following the adoption of the Second Amended and Restated Memorandum and Articles of Association at the EGM, our authorized share capital will be reclassified from one trillion (1,000,000,000,000) common shares of a par value of \$0.01 each and five hundred million (500,000,000) preferred shares of a par value of \$0.01 each to (i) one billion eight hundred million (1,800,000,000) common shares, consisting of one billion five hundred million (1,500,000,000) Class A common shares of a par value of \$0.01 each, and three hundred million (300,000,000) Class B common shares of a par value of \$0.01 each, and (ii) one hundred million (100,000,000) preferred shares of par value \$0.01 each. Common shares outstanding prior to the adoption of the Second Amended and Restated Memorandum and Articles of Association will remain outstanding after such adoption and will be reclassified as Class A common shares on our register of members. We expect that the Class A common shares will continue to trade on the NASDAQ under our current symbol "ORIG." The Class B common shares will be convertible into Class A common shares on a one-for-one basis and will not be listed on a national securities exchange or a national market system. A copy of the form of the Second Amended and Restated Memorandum and Articles of Association is included as an exhibit hereto. See also the section entitled "Description of Share Capital."

#### Directors and Officers

The directors and officers of the Company serving as directors and officers of the Company immediately prior to the Restructuring Effective Date remain the directors and officers of the Company immediately after the Restructuring Effective Date. Under the Second Amended and Restated Memorandum and Articles of Association, which is expected to become effective immediately following shareholder approval at the EGM, our board of directors will increase in size to consist of seven directors, of which four directors, including the Chairman of the Board, will be appointed by our Chairman and Chief Executive Officer, Mr. George Economou, and three directors, or the Lender Directors, will be appointed by certain Scheme Creditors, or the Lender Appointing Persons. See "Description of Share Capital—Directors."

#### Reverse Stock Split

On April 24, 2017, at our annual general meeting of shareholders, our shareholders approved a proposal to allow us to effect one or more reverse stock splits for ratios ranging from 1-for-2 to not more than 1-for-100,000, with the exact ratio to be set within this range as determined by our board of directors or duly constituted committee thereof and any time following the annual general meeting of shareholders.

On September 21, 2017, we effected a 1-for-9,200 reverse stock split of our common shares. Our common shares commenced trading on a split-adjusted basis on September 22, 2017. The reverse stock split reduced the number of our issued and outstanding common shares from 82,586,851 shares to approximately 8,975 shares and affected all issued and outstanding common shares. The number of our authorized common shares and the par value and other terms of our common shares were not affected by the reverse stock split. No fractional shares were issued in connection with the reverse stock split. Shareholders of record who would have otherwise been entitled to receive a fractional share as a result of the reverse stock split received a cash payment in lieu thereof. The reverse stock split was completed in order to comply with NASDAQ's listing requirements and meet the minimum bid requirement for continued listing on NASDAQ.

#### Nasdaq Listing

On September 26, 2017, we received formal notice from NASDAQ that we had demonstrated compliance with all applicable requirements for the continued listing of the Company's common shares on NASDAQ. As previously announced on June 12, 2017, the Nasdaq Hearings Panel had granted us a conditional exception from the decision by the Nasdaq Staff to delist our common shares and had asked us to demonstrate compliance with certain listing requirements upon emergence from the Restructuring. NASDAQ confirmed that, as a result of its favorable determination, our common shares will continue to be listed on The Nasdaq Global Select Market and that the compliance matter is now closed.

#### Risk Factors

We face a number of risks associated with our business and industry and must overcome a variety of challenges to utilize our strengths and implement our business strategy. These risks include, among others, changes in the offshore drilling market, including supply and demand, utilization rates, dayrates, customer drilling programs, and commodity prices; the effect of the Restructuring on us; increased costs of compliance with regulations affecting the offshore drilling industry; a downturn in the global economy; hazards inherent in the drilling industry and marine operations resulting in liability for personal injury or loss of life, damage to or destruction of property and equipment, pollution or environmental damage; inability to comply with loan covenants; inability to finance shipyard and other capital projects; and inability to successfully employ our drilling units.

This is not a comprehensive list of risks to which we are subject, and you should carefully consider all the information in this prospectus before investing in the securities offered by this prospectus. In particular, we urge you to carefully consider the risk factors set forth in the section of this prospectus entitled "Risk Factors" beginning on page 14.

#### Corporate Structure

Ocean Rig UDW Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands, was formed on December 10, 2007 under the name Primelead Shareholders Inc., a corporation organized under the laws of the Republic of the Marshall Islands. As of April 14, 2016, we redomiciled from the Republic of the Marshall Islands to the Cayman Islands. Each of our drilling units is owned by a separate wholly-owned vessel-owning subsidiary. All of the subsidiaries are, directly or indirectly, wholly-owned by Ocean Rig UDW Inc., except for Olympia Rig Angola Ltd., which is 51% owned by Angolan shareholders and 49% indirectly owned by Ocean Rig UDW Inc. and Drillship Alonissos Stock Trust in which two of our wholly-owned subsidiaries have transferred their shares.

We maintain our principal executive offices at c/o Ocean Rig Cayman Management Services SEZC Limited, 3<sup>rd</sup> Floor Flagship Building, Harbour Drive, Grand Cayman, Cayman Islands. Our telephone number is +1 345 327 9232. Our website address is [www.ocean-rig.com](http://www.ocean-rig.com). Information contained on our website does not constitute part of this prospectus.

The Offering	
Common shares offered by the selling shareholders	35,260,089 common shares
Common shares currently issued and outstanding	90,660,578 common shares <sup>(1)</sup>
Selling shareholders	The selling shareholders are certain of our former creditors. The selling shareholders acquired the common shares in connection with our Restructuring pursuant to an exemption from the registration requirements available under Section 3(a)(10) of the Securities Act. For additional information about the selling shareholders, please refer to the sections of this prospectus entitled "—Recent Developments—The Restructuring" and "Principal and Selling Shareholders."
Use of proceeds	The selling shareholders will receive all of the proceeds from the sale of any ordinary shares sold by them pursuant to this prospectus. We will not receive any proceeds from the sale of the common shares by the selling shareholders. See "Use of Proceeds" in this prospectus.
Listing	Our common shares currently trade on the NASDAQ Global Select Market under the symbol "ORIG."
Risk factors	Investing in our common shares involves substantial risk. You should carefully consider all the information in this prospectus prior to investing in our common shares. In particular, we urge you to consider carefully the factors set forth in the section of this prospectus entitled "Risk Factors" beginning on page 14 as well as other information included in or incorporated by reference into this prospectus before making an investment decision.

(1) The number of common shares shown to be issued and outstanding is based on the number of common shares issued and outstanding as of October 9, 2017.

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected historical consolidated financial and other data, at the dates and for the periods indicated. The selected historical consolidated financial data as of and for the years ended December 31, 2012, 2013, 2014, 2015 and 2016 has been derived from our audited consolidated financial statements and notes thereto.

The selected historical consolidated financial data as of and for the six month period ended June 30, 2017 is derived from our unaudited interim consolidated financial statements and the notes thereto.

The following selected historical consolidated financial and other data should be read in conjunction with the section entitled "Item 5 Operating and Financial Review and Prospects" and our audited consolidated financial statements and related notes thereto included therein contained in our Annual Report on Form 20-F for the year ended December 31, 2016, and Management's Discussion and Analysis of Financial Condition and Results of Operations and our unaudited consolidated financial statements and related notes thereto as of and for the six month period ended June 30, 2017 included in our Report on Form 6-K filed with the U.S. Securities and Exchange Commission on September 13, 2017, which are incorporated by reference herein, as well as other information included in this prospectus and the documents we have incorporated by reference in this prospectus. Historical results are not necessarily indicative of future results. For more information, please see the section entitled "Where You Can Find More Information."

## Ocean Rig UDW Inc.

(U.S. Dollars in thousands except for share and per share data)	As of December 31,					As of
	2012	2013	2014	2015	2016	June 30, 2017
<b>Income statement data:</b>						
Total revenues	941,903	1,180,250	1,817,077	1,748,200	1,653,667	587,317
Drilling units operating expenses	563,583	504,957	727,832	582,122	454,329	146,194
Loss on disposals	133	-	-	5,177	25,274	139
Impairment loss	-	-	-	414,986	3,776,338	-
Depreciation and amortization	224,479	235,473	324,302	362,587	334,155	62,649
Legal settlements and other, net	4,524	6,000	(721 )	(2,591 )	(8,720 )	-
General and administrative expenses	83,647	126,868	131,745	100,314	103,961	31,091
Total operating expenses	876,366	873,298	1,183,158	1,462,595	4,685,337	240,073
Operating income/ (loss)	65,537	306,952	633,919	285,605	(3,031,670)	347,244
Interest and finance costs	(116,427)	(220,564 )	(300,131 )	(280,348 )	(226,981 )	(124,357)
Interest income	553	9,595	12,227	9,811	3,449	3,148
Gain/(loss) on interest rate swaps	(36,974 )	8,616	(12,671 )	(11,513 )	(4,388 )	-
Reorganization expenses	-	-	-	-	-	(41,043 )
Gain from repurchase of Senior Notes	-	-	-	189,174	125,001	-
Other income/(expense), net	(1,068 )	3,315	4,282	(12,899 )	(614 )	1,212
Total other expenses, net	(153,916)	(199,038 )	(296,293 )	(105,775 )	(103,533 )	(161,040)
Income/(loss) before income taxes	(88,379 )	107,914	337,626	179,830	(3,135,203)	186,204
Income taxes	(43,957 )	(44,591 )	(77,823 )	(99,816 )	(106,315 )	(37,013 )
Net income/(loss)	\$(132,336)	\$63,323	\$259,803	\$80,014	\$(3,241,518)	\$149,191
Net Income/(loss) attributable to common shareholders	\$(132,336)	\$63,221	\$259,031	\$78,839	\$(3,241,518)	\$149,010
Earnings/(loss) per share attributable to common stockholders, basic and diluted	\$(9,200 )	\$4,416	\$18,032	\$5,244	\$(307,566 )	\$16,652
Weighted average number of common shares, basic and diluted	14,314	14,318	14,330	15,082	10,538	8,965



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(U.S. Dollars in thousands except for share and per share data)	Ocean Rig UDW Inc.					As of June 30,
	As of December 31,					2017
	2012	2013	2014	2015	2016	
<b>Balance sheet data:</b>						
Cash and cash equivalents	317,366	605,467	528,933	734,747	718,684	941,623
Other current assets	279,768	404,250	449,259	503,355	361,257	362,259
Total current assets	597,134	1,009,717	978,192	1,238,102	1,079,941	1,303,882
Drilling units, machinery and equipment, net	4,399,462	5,777,025	6,207,633	6,336,892	2,438,292	2,324,599
Intangible assets, net	7,619	6,175	4,732	3,289	1,845	-
Other non-current assets	228,074	165,220	228,557	47,085	25,997	4,828
Advances for drilling units under construction and related costs	992,825	662,313	622,507	394,852	545,469	562,909
Total assets	6,225,114	7,620,450	8,041,621	8,020,220	4,091,544	4,196,218
Current liabilities, including current portion of long term debt, net of deferred financing costs	505,665	543,654	417,693	401,464	812,011	4,016,813
Long term debt, net of current portion and deferred financing costs	2,683,630	3,907,835	4,352,592	4,271,743	3,247,216	-
Other non-current liabilities	127,304	189,118	105,060	72,248	21,567	19,308
Total liabilities	3,316,599	4,640,607	4,875,345	4,745,455	4,080,794	4,036,121
Number of shares issued	14,317	14,334	14,349	17,487	17,487	17,487
Shareholders' equity	2,908,515	2,979,843	3,166,276	3,274,765	10,750	160,097
Common Share	-	-	-	-	-	-
Dividends declared, per share	-	-	5,244	3,496	-	-
Total liabilities and stockholders' equity	\$6,225,114	\$7,620,450	\$8,041,621	\$8,020,220	\$4,091,544	\$4,196,218

(U.S. Dollars in thousands, except for operating data)	Ocean Rig UDW Inc.					Six month Period Ended June 30,
	Year Ended December 31,					2017
	2012	2013	2014	2015	2016	
<b>Cash flow data:</b>						
<b>Net cash provided by / (used in):</b>						
Operating activities	\$278,303	\$333,008	\$469,817	\$593,012	\$763,129	\$367,529
Investing activities	(320,469)	(1,144,230)	(814,984)	(643,717)	(392,547)	(6,873)
Financing activities	108,654	1,099,323	268,633	263,267	(386,645)	(137,717)
<b>Other financial data</b>						
EBITDA (1)	251,974	554,356	949,832	812,954	(2,577,516)	370,062
Cash paid for interest	(73,219)	(113,337)	(212,014)	(256,056)	(254,207)	(49,074)
Capital expenditures	(310,054)	(1,283,364)	(748,981)	(633,843)	(340,153)	(24,587)
<b>Operating data, when on hire</b>						
Total Fleet	6	8	9	10	11	11



(1) EBITDA represents net income/loss before interest, taxes, depreciation and amortization. EBITDA is a non-U.S. GAAP measure and does not represent and should not be considered as an alternative to net income /loss or cash flow from operations, as determined by U.S. GAAP or other U.S. GAAP measures, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which we measure our operations.

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## Ocean Rig UDW Inc.

(U.S. Dollars in thousands)	Year Ended December 31,					Six Month Period Ended June 30,
	2012	2013	2014	2015	2016	2017
<b>EBITDA reconciliation</b>						
Net income / (loss)	\$(132,336)	\$63,323	\$259,803	\$80,014	\$(3,241,518)	\$149,191
Add: Depreciation and amortization	224,479	235,473	324,302	362,587	334,155	62,649
Add: Net interest expense	115,874	210,969	287,904	270,537	223,532	121,209
Add: Income taxes	43,957	44,591	77,823	99,816	106,315	37,013
<b>EBITDA</b>	<b>\$251,974</b>	<b>\$554,356</b>	<b>\$949,832</b>	<b>\$812,954</b>	<b>\$(2,577,516)</b>	<b>\$370,062</b>

## RISK FACTORS

An investment in our common shares involves a high degree of risk. You should carefully consider the risks set forth below and in any documents incorporated by reference herein before making an investment in our securities. Please see the section of this prospectus entitled "Where You Can Find More Information—Incorporation of Documents by Reference." The occurrence of one or more of these risks could materially and adversely impact our business, financial condition or results of operations and could result in a complete loss of your investment.

### Risks Relating to the Completion of the Restructuring

We recently completed the Restructuring, which could adversely affect our business and relationships.

Our recent completion of the Restructuring could adversely affect our business and relationships with our customers, employees and business partners. There is a risk, due to uncertainty about our future, that, among other factors:

- customers may terminate their relationships with us and move to other offshore drilling companies, including our competitors that have comparatively greater financial and other resources, or renegotiate terms or require additional assurances from us to maintain, renew or extend existing contracts or enter into new drilling contracts;
- employees could be distracted from performance of their duties or more easily attracted to other career opportunities; and
- business partners could terminate their relationship with us or demand financial assurances or enhanced performance, any of which could impair our prospects.

We may also be the subject of negative publicity as a result of the Restructuring, which could adversely affect our reputation, stature and relationship with existing and potential customers and business partners and our corporate image and competitive position within the industry.

Any of these factors could materially adversely affect our business, financial condition and results of operations.

We may not be able to achieve our projected financial results or service our debt.

Although the financial projections recently disclosed in our Explanatory Statement in relation to the Schemes filed with the Grand Court of the Cayman Islands and provided to our former creditors represent our view based on then-current known facts and assumptions about our future operations, there is no guarantee that the financial projections included in the Explanatory Statement will be realized. We may not be able to meet the projected financial results or achieve projected revenues and cash flows assumed in projecting future business prospects. To the extent we do not meet the projected financial results or achieve projected revenues and cash flows, we may lack sufficient liquidity to continue operating as planned post-Restructuring and may be unable to service our debt obligations as they come due or may not be able to meet our operational needs. Any one of these failures may preclude us from, among other things, taking advantage of future opportunities, growing our business or responding to future changes in the oil and gas drilling industry. Further, our failure to meet the projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require us to seek additional working capital. We may not be able to obtain such working capital when it is required or on acceptable terms. As a result, investors should not rely on these financial projections.

In connection with the Restructuring and pursuant to the Schemes, the composition of our board of directors will change significantly.

In connection with the Restructuring and pursuant to the Schemes, the composition of our board of directors will change significantly. On September 20, 2017, we issued a press release announcing that we expect to hold the EGM on November 3, 2017, or the EGM, for the purpose of soliciting shareholder approval to the adoption of the Second Amended and Restated Memorandum and Articles of Association. Scheme Creditors, including the selling shareholders named in this prospectus, which beneficially own in the aggregate at least two-thirds of the outstanding shares entitled to vote at the EGM, have, pursuant to the Schemes, granted proxies to vote in favor of adopting the Second Amended and Restated Memorandum and Articles of Association. Under the Second Amended and Restated Memorandum and Articles of Association, our board of directors will increase in size to consist of seven directors, of which four directors, including the Chairman of the Board, will be appointed by our Chairman and Chief Executive Officer, Mr. George Economou, and three directors, or the Lender Directors, will be appointed by certain of the Scheme Creditors, or the Lender Appointing Persons. See "Description of Share Capital—Directors." The three new Lender Directors are expected to have not previously served on our board of directors, and will have different backgrounds, experiences and perspectives from those individuals who currently serve on our board of directors and, consequently, may have different views on the issues that will determine our future as a business. There is no guarantee that the new board of directors will pursue, or will pursue in the same manner, our current strategic plans. As a result, our future strategy and plans may differ materially from those of the past.

#### Risks Relating to This Offering and Ownership of Our Common Shares

We cannot assure you that an active and liquid public market for our common shares will continue.

Our common shares commenced "regular way" trading on the NASDAQ Global Select Market on October 6, 2011 and commenced trading in the Norwegian OTC market maintained by the Norwegian Security Dealers Association in December 2010. On March 28, 2017, we received a delisting notice from the NASDAQ staff following the announcement on March 27, 2017, of our filing for protection under Chapter 15 of the U.S. Bankruptcy Code in connection with the Restructuring. On April 6, 2017, we received a separate delisting notice indicating that the closing bid price of our common shares had been below the minimum \$1.00 per share bid price requirement for 30 consecutive business days. We appealed the delisting decision of the NASDAQ staff in connection with the announcement of the Restructuring and were granted a conditional exception staying the delisting action by the NASDAQ Hearings Panel subject to, among other requirements, the Restructuring becoming effective on or before September 25, 2017.

As described elsewhere in this prospectus, the Restructuring became effective on September 22, 2017. In connection with the Restructuring, we effected a 1-for-9,200 reverse stock split of our common shares after the close of business on September 21, 2017, which reverse stock split had been previously approved by our shareholders at our annual general meeting of shareholders held on April 24, 2017. Our common shares commenced trading on a split-adjusted basis on September 22, 2017. Upon effectiveness of the reverse stock split and pursuant to the Schemes, on September 22, 2017, we issued an aggregate of 90,651,603 common shares, of which 82,126,810 common shares were issued (together with 895,404 Class B common shares to be subsequently issued) to Scheme Creditors or their nominees, representing 90.68% of the post-Restructuring equity of the Company. An additional 8,524,793 common shares were issued to Prime Cap pursuant to the Management Services Agreement, which shares are subject to vesting over four years and represent 9.31% of the post-Restructuring equity of the Company. On September 26, 2017, we received notification from the NASDAQ Hearings Panel that we had regained compliance with all requirements for continued listing on the NASDAQ Global Select Market. Notwithstanding the reverse stock split and our compliance with the NASDAQ continued listing requirements following the Restructuring, we can provide no assurance that the market price of our common shares will comply with the requirements for continued listing of our common shares on NASDAQ in the future, or that we will comply with the other continued listing requirements of NASDAQ or any other U.S. national securities exchange.

The market price of our common shares and the level of trading that develops for our common shares following the completion of the Restructuring may be affected by numerous factors including, among others, our new capital structure to be implemented pursuant to the Schemes, our limited trading history subsequent to the Restructuring and the concentration of holdings of our common shares following the issuance of the common shares to the Scheme Creditors pursuant to the Schemes, as well as other factors including those described in this "Risk Factors" section and elsewhere in this prospectus. Furthermore, a decline in the market price of our common shares after the reverse stock split may result in a greater percentage decline than would occur in the absence of a reverse stock split, and the liquidity of our common shares could be adversely affected following the reverse stock split. No assurance can be given that an active market will develop for our common shares following the completion of the Restructuring or as to the liquidity of the trading market for our common shares. If an active trading market for our common shares does not develop following the Restructuring or is not maintained, significant sales of our common shares, or the expectation of these sales, including by the selling shareholders pursuant to this prospectus, could materially and adversely affect the market price of our common shares.

The market price of our common shares may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the offering price.

The market price of our common shares has exhibited substantial volatility recently. Between January 3, 2017 and September 27, 2017, the market price of our common shares as reported on the NASDAQ Global Select Market has fluctuated from a low of \$24.90 to a high of \$17,272.73, as adjusted for the 1-for-9,200 reverse stock split of our common shares that was effected on September 21, 2017. The market price of our common shares may be influenced by many factors, many of which are beyond our control, including the market reaction to any of the following: the effects and market perception of our Restructuring, which was completed on September 22, 2017, including the reverse stock split and issuance of the common shares to the Scheme Creditors pursuant to the Schemes;

limited trading volume in our common shares;

actual or anticipated variations in our operating results;

changes in our cash flow, EBITDA or earnings estimates;

changes in the price of oil;

publication of research reports about us or the industry in which we operate;

increases in market interest rates that may lead purchasers of common shares to demand a higher expected yield which, would mean our share price would fall;

changes in applicable laws or regulations, court rulings and enforcement and legal actions;

changes in market valuations of similar companies;

announcements by us or our competitors of significant contracts, acquisitions or capital commitments;

increased indebtedness we incur in the future;

additions or departures of key personnel;

actions by institutional stockholders or other key stakeholders;

speculation in the press or investment community;

terrorist attacks;

economic and regulatory trends; and

general market conditions.

In addition, the U.S. stock market in general has experienced extreme price and volume fluctuations and the offshore drilling industry in particular has been highly unpredictable and volatile. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may negatively affect the market price of our common shares, regardless of our actual operating performance. As a result of these and other factors, investors in our common shares may not be able to resell their shares at or above the price they paid for such shares or at all.

Certain shareholders have significant influence over us and their interests might conflict with or differ from your interests as a shareholder.

In connection with the completion of the Restructuring and pursuant to the Schemes, the Scheme Creditors, as part of the consideration for their claims to our indebtedness, acquired a significant ownership interest in our common shares. In particular, affiliates of Elliott International Capital Advisors Inc., BlueMountain Capital Management, LLC, Avenue Capital Group and Canyon Capital Advisors LLC beneficially own approximately 20.4%, 10.9%, 7.6% and 8.4%, respectively, of our common shares as of October 9, 2017. If such shareholders were to act as a group, such shareholders will have the ability to exert substantial influence on our policies and operations and will be in a position to control the outcome of certain actions requiring shareholder approval, including the election of directors, without the approval of other shareholders. The interests of these shareholders may conflict with ours or yours in the future, and this concentration of ownership could also facilitate or hinder a negotiated change in our control and, consequently, have an adverse effect upon the market price of our common shares.

Certain of the Scheme Creditors also acquired certain governance rights pursuant to the Governance Agreements entered into in connection with the completion of the Restructuring and will acquire additional governance rights under the Second Amended and Restated Memorandum and Articles of Association expected to be adopted at the EGM on November 3, 2017. Upon the adoption of our Second Amended and Restated Memorandum and Articles of Association, our board of directors will increase in size to consist of seven directors, of which three Lender Directors will be appointed by the Lender Appointing Persons. See "Risks Relating to the Completion of the Restructuring—In connection with the Restructuring and pursuant to the Schemes, the composition of our board of directors will change significantly." The Second Amended and Restated Memorandum and Articles of Association will also provide that, until the later of the fifth anniversary of the Restructuring Effective Date and the day immediately preceding the fifth Annual General Meeting held after the Restructuring Effective Date, unless such provision is earlier terminated, or the Termination Date, the right to remove a director will be limited to the persons entitled to designate such director or for cause by either the affirmative vote of at least two-thirds of the board of directors or at least two of the Lender Directors. Under the terms of the Governance Agreements, the shareholders party thereto have agreed to vote against any proposal to amend the Second Amended and Restated Memorandum and Articles of Association or our winding-up unless such proposal is approved by the board of directors, including a majority of the Lender Directors. The Second Amended and Restated Memorandum and Articles of Association will also provide that we will not take certain actions without the approval of the majority of the Lender Directors, including future issuances of our common shares or other securities, the payment of dividends, if any, on our common shares, the incurrence or modification of debt by us, amendments to our Second Amended and Restated Memorandum and Articles of Association, the entering into of certain extraordinary transactions and our engagement in certain other Major Actions, as defined in the Second Amended and Restated Memorandum and Articles of Association. The Lender Directors will retain these approval rights until the Termination Date. Furthermore, until the three Lender Directors have been appointed following the adoption of the Second Amended and Restated Memorandum and Articles of Association, we will not be permitted to take any action if such action would otherwise require the approval of the Lender Directors. See "Description of Share Capital—Directors—Major Action Approval Rights." These approval rights provide the Lender Directors with significant influence over our operations and strategy, and the Lender Directors may support proposals and actions with which you may disagree or which are not in your interests.

Sales of substantial amounts of our common shares by existing shareholders, or the perception that these sales may occur, may cause our share price to decline.

In connection with the Restructuring and pursuant to the Schemes, we issued an aggregate of 90,651,603 common shares, of which 82,126,810 common shares were issued (together with 895,404 Class B common shares to be subsequently issued) to Scheme Creditors or their nominees, representing 90.68% of the post-Restructuring equity of the Company, and an additional 8,524,793 common shares were issued to Prime Cap pursuant to the Management Services Agreement, which shares are subject to vesting over four years and represent 9.31% of the post-Restructuring equity of the Company. All of the shares issued to Scheme Creditors pursuant to the Schemes were issued pursuant to the exemption from registration under Section 3(a)(10) of the Securities Act and, upon such issuance, these shares were freely tradeable in the public market subject to certain restrictions in the case of shares held by persons deemed to be our affiliates for the purpose of Rule 144 under the Securities Act. Under the Governance Agreements, certain significant holders of these shares received customary "demand" and "piggyback" registration rights, pursuant to which the registration statement of which this prospectus forms a part is being filed. See "Description of Capital Stock—Governance Agreements—Registration Rights." We may be required pursuant to the Governance Agreements to file and have declared effective additional registration statements with respect to these shares. In addition, an additional 895,404 common shares may be issued upon the conversion of Class B common shares that will be issued to certain Scheme Creditors pursuant to the Schemes upon the adoption of the Second Amended and Restated Memorandum and Articles of Association, and such shares may also be registered for resale pursuant to the terms of the Governance Agreements. Upon any such registration, such common shares will be available for resale immediately in the public market without restriction.

Up to 35,260,089 common shares may be sold pursuant to this prospectus by the selling shareholders, which represent approximately 38.9% of our outstanding common shares as of September 27, 2017. We cannot predict the timing or amount of future sales of our common shares by the selling shareholders pursuant to this prospectus, but such sales, or the perception that such sales could occur, may adversely affect prevailing market prices for our common shares. Moreover, continuous sales into the market of a number of shares in excess of the typical trading volume for our common shares, or even the availability of such a large number of shares, could depress the trading market for our common shares over an extended period of time. In addition, sales of these common shares could impair our future ability to raise capital through an offering of equity securities, should we wish to do so.

Future issuances of our common shares could have an adverse effect on our share price.

In order to finance the currently contracted and future growth of our fleet, we will have to incur substantial additional indebtedness and possibly issue additional equity securities. Future common share issuances, directly or indirectly through convertible or exchangeable securities, options or warrants, will generally dilute the ownership interests of our existing common shareholders, including their relative voting rights, and could require substantially more cash to maintain the then existing level, if any, of our dividend payments to our common shareholders, as to which no assurance can be given. Preferred shares, if issued, will generally have a preference on dividend payments, which could prohibit or otherwise reduce our ability to pay dividends to our common shareholders. Indebtedness, if incurred, will be senior in all respects to our common shares, will generally include financial and operating covenants with which we must comply and will include acceleration provisions upon defaults thereunder, including our failure to make any debt service payments, and possibly under other indebtedness. Because our decision to issue equity securities or incur debt in the future will depend on a variety of factors, including market conditions and other matters that are beyond our control, we cannot predict or estimate the timing, amount or form of our capital raising activities in the future, but such activities could cause the price of our common shares to decline significantly.

As of October 9, 2017, we had a total of 90,660,578 common shares issued and outstanding, of which our Chairman and Chief Executive Officer, Mr. George Economou, was deemed to beneficially own 8,525,596 common shares, including 8,524,793 shares issued to Prime Cap, a company affiliated with Mr. Economou, pursuant to the Schemes, or approximately 9.3% of the outstanding common shares, and our President and Chief Financial Officer, Mr. Anthony Kandylidis, was deemed to beneficially own 182 common shares. The shares issued to Prime Cap on September 22, 2017, under the terms of the Management Services Agreement and pursuant to the Schemes are subject to vesting in equal tranches on each of the first four anniversaries of the issuance date, subject to certain Lender Director approvals. In addition, an additional 895,404 common shares may be issued upon the conversion of Class B common shares that will be issued to certain Scheme Creditors pursuant to the Schemes upon the adoption of the

Second Amended and Restated Memorandum and Articles of Association.

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The common shares beneficially owned by our affiliates, as that term is defined under Rule 144 under the Securities Act, including Mr. Economou and our other directors and executive officers, are "control securities" (including "restricted securities" that are control securities) within the meaning of Rule 144 and may not be transferred unless they have been registered under the Securities Act or an exemption from registration is available. Rule 144 permits the public sale of restricted and control securities if the applicable manner of sale provisions, including volume limitations, are met. We have filed the registration statement of which this prospectus forms a part in accordance with the Governance Agreements in order to permit the selling shareholders named in this prospectus to offer the shares covered by this prospectus for resale or transfer from time to time as set forth below in "Plan of Distribution." We may be required pursuant to the Governance Agreement to file and have declared effective additional registration statements with respect to the registrable securities held by the shareholders holding such registration rights. See "Description of Share Capital—Governance Agreement." If our common shares become eligible for sale under Rule 144, or if our shareholders holding registration rights pursuant to the Governance Agreement exercise their registration rights, the volume of sales of our common shares, or the perceived availability of such a large number of shares for sale, on applicable securities markets may increase, which could reduce the market value of our common shares. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

We do not anticipate paying dividends on our common shares in the near future.

We have not paid any dividends on our common shares since the year ended December 31, 2015, and we do not currently anticipate paying any cash dividends on our common shares in the foreseeable future. We currently intend to retain all future earnings to fund the development and growth of our business. Furthermore, we are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to satisfy our financial obligations or pay dividends depends on our subsidiaries and their ability to distribute funds to us. Any future determination relating to our dividend policy will be at the discretion of our board of directors, which approval must include at least two Lender Directors, and will depend upon our financial condition, earnings and other factors, including the covenants contained in our and our subsidiaries debt agreements, if any, deemed relevant by our board. We are also restricted in our ability to pay dividends under the New Credit Agreement.

Anti-takeover provisions contained in our organizational documents could make it difficult for our shareholders to change the composition of our board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our securities.

Several provisions of our current amended and restated memorandum and articles of association and the Second Amended and Restated Memorandum and Articles of Association to be adopted at the EGM scheduled to be held on November 3, 2017, could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

authorizing our board of directors to issue "blank check" preferred shares without shareholder approval;

limiting the persons who may call special meetings of shareholders; and

establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings.

Under the Second Amended and Restated Memorandum and Articles of Association, the right to remove a director will be limited to the persons entitled to designate such director or for cause by either the affirmative vote of at least two-thirds of the board of directors or at least two of the Lender Directors until the Termination Date. Following the Termination Date, the Second Amended and Restated Memorandum and Articles of Association will authorize the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of the outstanding Class A common shares entitled to vote generally in the election of directors. Further, upon the Termination Date, the board of directors will be divided into three classes with staggered, three-year terms and cumulative voting in the election of directors will be prohibited.

In addition, prior to the Termination Date, if we are approached by or otherwise receive an Acquisition Proposal, as defined in the Second Amended and Restated Memorandum and Articles of Association, from one or more potential purchasers or any of their respective representatives:

we and TMS Offshore Services Ltd., our manager, will be required to deliver such Acquisition Proposal (or, in the case of an Acquisition Proposal provided orally, a written summary thereof) to the Lender Directors, and all amendments, modifications and supplements thereto, in each case promptly, and in no event later than two business days, following its receipt thereof;

the Lender Directors will have the power and authority to direct us and the board of directors to, as promptly as practicable, bring such Acquisition Proposal to a vote of the shareholders, without any recommendation to reject such proposal from us, the board of directors or any other person unless approved by the Lender Directors; and if such Acquisition Proposal is approved by the affirmative vote of holders of a majority of the then-outstanding shares, we will be required to use commercially reasonable efforts to pursue and consummate such Acquisition Proposal and all shareholders will become subject to certain drag-along rights to be held by the Lender Directors. See "Description of Share Capital—Description of Common Shares—Drag-Along Rights."

These provisions may discourage or impede transactions involving actual or potential changes in our control, including transactions that otherwise could involve payment of a premium over prevailing market prices to holders of our common shares.

#### Risks Relating to Our Industry

The current downturn in activity in the oil and gas drilling industry has had and is likely to continue to have an adverse impact on our business and results of operations.

The oil and gas drilling industry is currently in the midst of a severe and prolonged downcycle. Crude oil prices have fallen during the past years. The price of crude oil has fallen from over \$100 per barrel in March 2014, to approximately \$50 per barrel in September 2017. The significant decrease in oil and natural gas prices is expected to continue to reduce many of our customers' demand for our services in 2017 onwards. In fact, in response to the recent decrease in the prices of oil and gas, a number of our oil and gas company customers have announced significant decreases in budgeted expenditures for offshore drilling. Declines in capital spending levels, coupled with additional newbuilding supply, have and are likely to continue to put significant pressure on dayrates and utilization. The decline and the perceived risk of a further decline in oil and/or gas prices could cause oil and gas companies to further reduce their overall level of activity or spending, in which case demand for our services may further decline and revenues may continue to be adversely affected through lower drilling unit utilization and/or lower dayrates.

Historically, when drilling activity and spending decline, utilization and dayrates also decline and drilling has been reduced or discontinued, resulting in an oversupply of drilling units. The recent oversupply of drilling units is exacerbated by the entry of a large number of newbuilding drilling units into the market. The supply of available uncontracted units has and is likely to further intensify price competition as scheduled delivery dates occur and additional contracts terminate without renewal and lead to a reduction in dayrates as the active fleet grows.

In general, drilling unit owners are bidding for available work extremely competitively with a focus on utilization over returns, which has and will likely continue to drive rates down to or below cash breakeven levels. To maintain the continued employment of our units, we may also accept contracts at lower dayrates or on less favorable terms due to market conditions. In addition, customers have and may in the future request renegotiation of existing contracts to lower dayrates. In an over-supplied market, we may have limited bargaining power to renegotiate on more favorable terms. Lower utilization and dayrates have and will adversely affect our revenues and profitability.

In the current environment our customers may seek to cancel or renegotiate our contracts for various reasons, including adverse conditions, resulting in lower dayrates. Since 2014, six of our clients have decided to terminate the drilling contracts for six of our operating units. The effects of the down-cycle may have other impacts on our business as well. In addition, as the market value of our drilling units decreases, and if we sell any drilling unit at a time when prices for drilling units have fallen, such a sale may result in a loss, which would negatively affect our results of operations.

We cannot predict the future level of demand for our services or future conditions of the oil and gas industry. Any decrease in exploration, development or production expenditures by oil and gas companies could reduce our revenues and materially harm our business and results of operations. There can be no assurance that the current demand for drilling units will not further decline in future periods. The continued or future decline in demand for drilling units would adversely affect our financial position, operating results and cash flows.

Our business depends on the level of activity in the offshore oil and gas industry, which is significantly affected by, among other things, volatile oil and gas prices and may be materially and adversely affected by a decline in the offshore oil and gas industry.

The offshore contract drilling industry is cyclical and volatile. Our business depends on the level of activity in oil and gas exploration, development and production in offshore areas worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments affect customers' drilling programs. Oil and gas prices and market expectations of potential changes in these prices also significantly affect this level of activity and demand for drilling units.

Oil and gas prices are extremely volatile and are affected by numerous factors beyond our control, including the following:

- worldwide production and demand for oil and gas and any geographical dislocations in supply and demand;
- the cost of exploring for, developing, producing and delivering oil and gas;
- expectations regarding future energy prices;
- advances in exploration, development and production technology;
- the ability of the Organization of Petroleum Exporting Countries, or OPEC, to set and maintain levels and pricing;
- the level of production in non-OPEC countries;
- government regulations;
- local and international political, economic and weather conditions;
- domestic and foreign tax policies;
- development and exploitation of alternative fuels;

the policies of various governments regarding exploration and development of their oil and gas reserves; and the worldwide military and political environment, including uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities, insurrection or other crises in the Middle East or other geographic areas or further acts of terrorism in the United States, or elsewhere.

In addition to oil and gas prices, the offshore drilling industry is influenced by additional factors, including: the availability of competing offshore drilling vessels and the level of newbuilding activity for drilling vessels; the level of costs for associated offshore oilfield and construction services; oil and gas transportation costs; the discovery of new oil and gas reserves; the cost of non-conventional hydrocarbons, such as the exploitation of oil sands; and regulatory restrictions on offshore drilling.

Any of these factors could reduce demand for our services and adversely affect our business and results of operations. Continuation of the recent worldwide economic downturn could have a material adverse effect on our revenue, profitability and financial position.

Although there are signs that the economic recession has abated in many countries, there is still considerable instability in the world economy, due in part to uncertainty related to continuing discussions in the United States regarding the federal debt ceiling and in the economies of Eurozone countries, and most recently in China. Further decrease in global economic activity would likely reduce worldwide demand for energy and result in an extended period of lower crude oil and natural gas prices. In addition, continued hostilities and insurrections in the Middle East and North Africa and the occurrence or threat of terrorist attacks against the United States or other countries could adversely affect the economies of the United States and of other countries. Any prolonged reduction in crude oil and natural gas prices would depress the levels of exploration, development and production activity. Moreover, even during periods of high commodity prices, customers may cancel or curtail their drilling programs, or reduce their levels of capital expenditures for exploration and production for a variety of reasons, including their lack of success in exploration efforts. These factors could cause our revenues and margins to decline, decrease daily rates and utilization of our drilling units and limit our future growth prospects. Any significant decrease in daily rates or utilization of our drilling units could materially reduce our revenues and profitability. In addition, any instability in the financial and insurance markets, as experienced in the recent financial and credit crisis, could make it more difficult for us to access capital and to obtain insurance coverage that we consider adequate or is otherwise required by our drilling contracts. An extended period of deterioration in outlook for the world economy could reduce the overall demand for our services and could also adversely affect our ability to obtain financing on terms acceptable to us or at all.

The current state of global financial markets, current economic conditions and our completion of the Restructuring may adversely affect our ability to obtain additional financing on acceptable terms, which may hinder or prevent us from expanding our business.

Global financial markets and economic conditions have been, and continue to be, volatile. In recent years, the debt and equity capital markets have been severely distressed for companies in our sector. These issues, along with the re-pricing of credit risk and uncertain economic conditions, and our completion of the Restructuring, may make it difficult to obtain additional financing. The current state of global financial markets and current economic conditions, together with limitations on our engaging in certain corporate actions under the Second Amended and Restated Memorandum and Articles of Association that will be adopted at the EGM scheduled to be held on November 3, 2017, and the Governance Agreements, might adversely affect our ability to issue additional equity at prices which will not be dilutive to our existing shareholders or preclude us from issuing equity at all.

Also, as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that additional financing will be available if needed and to the extent required, on acceptable terms or at all. If additional financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to enhance our existing business, complete additional drilling unit acquisitions or otherwise take advantage of business opportunities as they arise.

The offshore drilling industry is highly competitive with intense price competition and, as a result, we may be unable to compete successfully with other providers of contract drilling services that have greater resources than we have.

The offshore contract drilling industry is highly competitive with several industry participants, none of which has a dominant market share, and is characterized by high capital and maintenance requirements. Drilling contracts are traditionally awarded on a competitive bid basis. Price competition is often the primary factor in determining which qualified contractor is awarded the drilling contract, although drilling unit availability, location and suitability, the quality and technical capability of service and equipment, reputation and industry standing are key factors which are considered. Mergers among oil and natural gas exploration and production companies have reduced, and may from time to time further reduce the number of available customers, which would increase the ability of potential customers to achieve pricing terms favorable to them.

Many of our competitors are significantly larger than we are and have more diverse drilling assets and significantly greater financial and other resources than we have. In addition, because of our relatively small fleet, we may be unable to take advantage of economies of scale to the same extent as some of our larger competitors. Given the high capital requirements that are inherent in the offshore drilling industry, we may also be unable to invest in new technologies or expand in the future as may be necessary for us to succeed in this industry, while our larger competitors with superior financial resources may be able to respond more rapidly to changing market demands and compete more efficiently on price for drilling units employment. We may not be able to maintain our competitive position, and we believe that competition for contracts will continue to be intense in the future. Our inability to compete successfully may reduce our revenues and profitability.

An over-supply of drilling units may lead to a reduction in dayrates and therefore may materially impact our profitability.

During the prior period of high utilization and high dayrates, industry participants increased the supply of drilling units by ordering the construction of new drilling units. This resulted in an over-supply of drilling units and has caused a subsequent decline in utilization and dayrates when the drilling units enter the market, sometimes for extended periods of time until the units have been absorbed into the active fleet. According to industry sources, the worldwide fleet of floating rigs as of the end of August 2017 consisted of 276 units, comprised of 120 drillships and 156 semi-submersible drilling rigs. An additional 31 drillships and 14 semi-submersible drilling rigs were under construction or on order as of the end of August 2017, which would bring the total fleet to 34 floating rigs. The entry into service of these new, upgraded or reactivated drilling units will increase supply and has already led to a reduction in dayrates as drilling units are absorbed into the active fleet. In addition, the new construction of high-specification drilling units, as well as changes in our competitors' drilling unit fleets, could require us to make material additional capital investments to keep our fleet competitive. Lower utilization and dayrates could adversely affect our revenues and profitability. Prolonged periods of low utilization and dayrates could also result in the recognition of impairment charges on our drilling units if future cash flow estimates, based upon information available to management at the time, indicate that the carrying value of these drilling units may not be recoverable. For example, as a result of the impairment review for the year ended December 31, 2016, it was determined that the carrying amount of eight of our drilling units was not recoverable and, therefore, an impairment loss of \$3,658.8 million was recognized, the impairment of the total advances and related costs provided to the yard, amounting to \$92.4 million for the Ocean Rig Amorgos, and impairment of \$25.2 million relating to the cashflow hedges for interest capitalized on vessels impaired included in "Impairment loss" in the consolidated statement of operations contained in our consolidated financial statements and related notes incorporated by reference in this prospectus. The amount of any further impairment could be significant and could have a material adverse effect on our reported financial results for the period in which the charge is taken.



Consolidation of suppliers may increase the cost of obtaining supplies, which may have a material adverse effect on our results of operations and financial condition.

We rely on certain third parties to provide supplies and services necessary for our operations, including, but not limited to, drilling equipment suppliers and catering and machinery suppliers. Recent mergers have reduced the number of available suppliers, resulting in fewer alternatives for sourcing key supplies. Such consolidation, combined with a high volume of drilling units under construction, may result in a shortage of supplies and services, thereby increasing the cost of supplies and/or potentially inhibiting the ability of suppliers to deliver on time, or at all. These cost increases, delays or unavailability could have a material adverse effect on our results of operations and result in drilling unit downtime and delays in the repair and maintenance of our drilling units.

Our international operations involve additional risks, which could adversely affect our business.

We operate in various regions throughout the world. Our drilling units, the Ocean Rig Corcovado, and the Ocean Rig Mykonos, are operating offshore Brazil, the Ocean Rig Skyros is operating offshore Angola, and the Leiv Eiriksson is operating offshore Norway. Our drilling units, the Eirik Raude, the Ocean Rig Olympia, the Ocean Rig Mylos, the Ocean Rig Paros, the Ocean Rig Apollo and the Ocean Rig Athena are cold stacked in Greece and the Ocean Rig Poseidon is currently uncontracted.

In the past, our drilling units have operated among other locations, in the Gulf of Mexico and offshore Canada, Norway, the United Kingdom, Ghana, West Africa, Ivory Coast, Greenland, Turkey, Ireland, west of the Shetland Islands, the Falkland Islands, Tanzania, the North Sea, Brazil, Senegal, Angola and Congo, respectively. As a result of our international operations, we may be exposed to political and other uncertainties, including risks of:

terrorist and environmental activist acts, armed hostilities, war and civil disturbances;

acts of piracy, which have historically affected ocean-going vessels trading in regions of the world such as the South China Sea and in the Gulf of Aden off the coast of Somalia and which have generally increased significantly in frequency since 2008, particularly in the Gulf of Aden and off the west coast of Africa;

significant governmental influence over many aspects of local economies;

seizure, nationalization or expropriation of property or equipment;

repudiation, nullification, modification or renegotiation of contracts;

limitations on insurance coverage, such as war risk coverage, in certain areas;

political unrest;

foreign and U.S. monetary policy, government debt downgrades and potential defaults and foreign currency fluctuations and devaluations;

the inability to repatriate income or capital;

complications associated with repairing and replacing equipment in remote locations;

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import-export quotas, wage and price controls, imposition of trade barriers; regulatory or financial requirements to comply with foreign bureaucratic actions; changing taxation policies, including confiscatory taxation; other forms of government regulation and economic conditions that are beyond our control; and governmental corruption.

In addition, international contract drilling operations are subject to various laws and regulations in countries in which we operate, including laws and regulations relating to:

the equipping and operation of drilling units; repatriation of foreign earnings; oil and gas exploration and development; taxation of offshore earnings and earnings of expatriate personnel; and use and compensation of local employees and suppliers by foreign contractors.

Some foreign governments favor or effectively require (i) the awarding of drilling contracts to local contractors or to drilling units owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may adversely affect our ability to compete in those regions. It is difficult to predict what governmental regulations may be enacted in the future that could adversely affect the international drilling industry. The actions of foreign governments, including initiatives by OPEC, may adversely affect our ability to compete. Failure to comply with applicable laws and regulations, including those relating to sanctions and export restrictions, may subject us to criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of assets.

Our business and operations involve numerous operating hazards.

Our operations are subject to hazards inherent in the drilling industry, such as blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, punch throughs, craterings, fires, explosions and pollution, including spills similar to the events on April 20, 2010 related to the Deepwater Horizon, in which we were not involved. Contract drilling and well servicing require the use of heavy equipment and exposure to hazardous conditions, which may subject us to liability claims by employees, customers and third parties. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. Our offshore fleet is also subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal drilling conditions, personnel shortages or failure of subcontractors to perform or supply goods or services.

Damage to the environment could also result from our operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in drilling operations, leaks and blowouts or extensive uncontrolled fires. We may also be subject to property, environmental and other damage claims by oil and gas companies. Our insurance policies and contractual indemnity rights with our customers may not adequately cover losses, and we do not have insurance coverage or rights to indemnity for all the risks to which we are exposed. Consistent with standard industry practice, our customers generally assume, and indemnify us against, well control and subsurface risks under dayrate drilling contracts, including pollution damage in connection with reservoir fluids stemming from operations under the contract, damage to the well or reservoir, loss of subsurface oil and gas and the cost of bringing the well under control. We generally indemnify our customers against pollution from substances in our control that originate from the drilling unit (e.g., diesel used onboard the unit or other fluids stored onboard the unit and above the water surface). However, our drilling contracts are individually negotiated, and the degree of indemnification we receive from the customer against the liabilities discussed above can vary from contract to contract, based on market conditions and customer requirements existing when the contract was negotiated. Notwithstanding a contractual indemnity from a customer, there can be no assurance that our customers will be financially able to indemnify us or will otherwise honor their contractual indemnity obligations. We maintain insurance coverage for property damage, occupational injury and illness, and general and marine third-party liabilities. However, pollution and environmental risks generally are not totally insurable. Furthermore, we have no insurance coverage for named storms in the Gulf of Mexico and while trading within war risks excluded areas.





The Deepwater Horizon oil spill in the Gulf of Mexico may result in more stringent laws and regulations governing deep-water drilling, which could have a material adverse effect on our business, operating results or financial condition.

On April 20, 2010, there was an explosion and a related fire on the Deepwater Horizon, an ultra-deep-water semi-submersible drilling unit that is not connected to us, while it was servicing the Macondo well in the Gulf of Mexico. This catastrophic event resulted in the death of 11 workers and the total loss of that drilling unit, as well as the release of large amounts of oil into the Gulf of Mexico, severely impacting the environment and the region's key industries. This event was investigated by several federal agencies, including the U.S. Department of Justice, and by the U.S. Congress, and was the subject of numerous lawsuits. On January 11, 2011, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling released its final report, with recommendations for new regulations.

We do not currently operate our drilling units in these regions, but we may do so in the future. In any event, changes to leasing and drilling activity requirements as a result of the Deepwater Horizon incident could have a substantial impact on the offshore oil and gas industry worldwide. All drilling activity in the U.S. Gulf of Mexico must be in compliance with enhanced safety requirements contained in the Notice to Lessees 2015-N01. Effective October 22, 2012 all drilling in the U.S. Gulf of Mexico must also comply with the Final Drilling Safety Rule as adopted on August 15, 2012, which enhances safety measures for energy development on the outer continental shelf. All drilling must also comply with the Workplace Safety Rule on Safety and Environmental Management Systems. Also the Bureau of Ocean Energy Management, or BOEM, proposed a rule increasing the limits of liability of damages for offshore facilities under OPA based on inflation which became effective in January 2015. In April 2015, it was announced that new regulations are expected to be imposed in the United States regarding offshore oil and gas drilling and the Bureau of Safety and Environmental Enforcement, or BSEE, announced a new Well Control Rule in April 2016. In December 2015, the BSEE announced a new pilot inspection program for offshore facilities. We continue to evaluate these requirements to ensure that our drilling units and equipment are in full compliance, where applicable. Additional requirements could be forthcoming based on further recommendations by regulatory agencies investigating the Macondo well incident.

We are not able to predict the extent of future leasing plans or the likelihood, nature or extent of additional rulemaking. Nor are we able to predict when the BOEM will enter into leases with our customers or when the BSEE will issue drilling permits to our customers. We are not able to predict the future impact of these events on our operations. The current and future regulatory environment in the Gulf of Mexico could impact the demand for drilling units in the Gulf of Mexico in terms of overall number of drilling units in operations and the technical specification required for offshore drilling units to operate in the Gulf of Mexico. It is possible that short-term potential migration of drilling units from the Gulf of Mexico could adversely impact dayrates levels and fleet utilization in other regions. In addition, insurance costs across the industry have increased as a result of the Macondo well incident and certain insurance coverage has become more costly, less available, and not available at all from certain insurance companies. Our insurance coverage may not adequately protect us from certain operational risks inherent in the drilling industry. Our insurance is intended to cover normal risks in our current operations, including insurance against property damage, occupational injury and illness, loss of hire, certain war risks and third-party liability, including pollution liability. For example, the amount of risk we are subject to might increase regarding occupational injuries because on January 12, 2012, the U.S. Supreme Court ruled that the Longshore and Harbor Worker's Compensation Act, whose provisions are incorporated into the U.S. Outer Continental Shelf Lands Act could cover occupational injuries.

Insurance coverage may not, under certain circumstances, be available, and if available, may not provide sufficient funds to protect us from all losses and liabilities that could result from our operations. We have also obtained loss of hire insurance which becomes effective after 45 days of downtime with coverage that extends for approximately one year. This loss of hire insurance is recoverable only if there is physical damage to the drilling unit or equipment which is caused by a peril against which we are insured. The principal risks which may not be insurable are various environmental liabilities and liabilities resulting from reservoir damage caused by our gross negligence. Moreover, our insurance provides for premium adjustments based on claims and is subject to deductibles and aggregate recovery limits. In the case of pollution liabilities, our deductible is \$10,000 per event and \$250,000 for protection and indemnity claims brought before any U.S. jurisdiction. Our aggregate recovery limit is \$500.0 million for all claims arising out of any event covered by our protection and indemnity insurance. Our deductible is \$1.5 million per hull and machinery insurance claim. In addition, insurance policies which are extended to cover physical damage claims due to a named windstorm in the Gulf of Mexico generally require additional premium and impose strict recovery limits. Our insurance coverage may not protect fully against losses resulting from a required cessation of drilling unit operations for environmental or other reasons. Insurance may not be available to us at all or on terms acceptable to us, we may not maintain insurance or, if we are so insured, our policy may not be adequate to cover our loss or liability in all cases. The occurrence of a casualty, loss or liability against, which we may not be fully insured against, could significantly reduce our revenues, make it financially impossible for us to obtain a replacement drilling unit or to repair a damaged drilling unit, cause us to pay fines or damages which are generally not insurable and that may have priority over the payment obligations under our indebtedness or otherwise impair our ability to meet our obligations under our indebtedness and to operate profitably.

If we enter into drilling contracts or engage in certain other activities with countries or government-controlled entities or customers associated with countries that are subject to restrictions imposed by the U.S. government, or engage in certain other activities, including entering into drilling contracts with individuals or entities in such countries that are not controlled by their governments or engaging in operations associated with such countries or entities pursuant to contracts with third parties unrelated to those countries or entities, our ability to conduct our business and access U.S. capital markets and our reputation and the market for our securities could be adversely affected.

Although none of our drilling units have operated during the year ending December 31, 2016 in countries subject to sanctions and embargoes imposed by the U.S. government and other authorities or countries identified by the U.S. government or other authorities as state sponsors of terrorism, including Iran, Sudan and Syria, in the future our drilling units may operate in these countries from time to time on our customers' instructions. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which amended the Iran Sanctions Act. Among other things, CISADA introduced limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. In 2012, President Obama signed Executive Order 13608 which prohibits foreign persons from violating, attempting to violate, or causing a violation of any sanctions in effect against Iran or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. Any person found to be in violation of Executive Order 13608 will be deemed a foreign sanctions evader and will be banned from all contacts with the United States, including conducting business in U.S. dollars. Also in 2012, President Obama signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012, or the Iran Threat Reduction Act, which created new sanctions and strengthened existing sanctions. Among other things, the Iran Threat Reduction Act intensifies existing sanctions regarding the provision of goods, services, infrastructure or technology to Iran's petroleum or petrochemical sector. The Iran Threat Reduction Act also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the Iran Sanctions Act, as amended, on a person the President determines is a controlling beneficial owner of, or otherwise owns, operates, controls or insures a vessel that was used to transport crude oil from Iran to another country and if the person (1) is a controlling beneficial owner of the vessel and had actual knowledge the vessel was so used or (2) otherwise owns, operates, controls, or insures the vessel and knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from U.S. capital markets, exclusion from financial transactions subject to U.S. jurisdiction, and exclusion of that person's vessels from U.S. ports for up to two years.



On July 14, 2015, the P5+1 and the EU announced that they reached a landmark agreement with Iran titled the Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran's Nuclear Program (the "JCPOA"), which is intended to significantly restrict Iran's ability to develop and produce nuclear weapons for 10 years while simultaneously easing sanctions directed toward non-U.S. persons for conduct involving Iran, but taking place outside of U.S. jurisdiction and not involving U.S. persons. On January 16, 2016 ("Implementation Day"), the United States joined the EU and the UN in suspending a significant number of their nuclear-related sanctions on Iran following an announcement by the International Atomic Energy Agency ("IAEA") that Iran had satisfied its respective obligations under the JCPOA.

U.S. sanctions prohibiting certain conduct that is now permitted under the JCPOA have not actually been repealed or permanently terminated at this time. Rather, the U.S. government has implemented changes to the sanctions regime by: (1) issuing waivers of certain statutory sanctions provisions; (2) committing to refrain from exercising certain discretionary sanctions authorities; (3) removing certain individuals and entities from OFAC's sanctions lists; and (4) revoking certain Executive Orders and specified sections of Executive Orders. These sanctions will not be permanently "lifted" until the earlier of "Transition Day," set to occur on October 18, 2023, or upon a report from the IAEA stating that all nuclear material in Iran is being used for peaceful activities.

OFAC has acted several times in 2017 to add Iranian individuals and entities to its list of Specially Designated Nationals whose assets are blocked and with whom U.S. persons are generally prohibited from dealing. In addition, OFAC announced on January 13, 2017, an amendment to the Sudanese Sanctions Regulations ("SSR") to authorize all transactions prohibited by the SSR and Executive Orders 13067 and 13412, and to unblock certain property in which the Government of Sudan has an interest. On July 11, 2017, President Trump issued Executive Order 13804, extending until October 12, 2017, a review by the U.S. government of criteria for the revocation of certain sanctions on Sudan and the Government of Sudan.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Moreover, our customers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our drilling units, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into drilling contracts with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments. Investor perception of the value of our common shares may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

The instability of the euro or the inability of Eurozone countries to refinance their debts could have a material adverse effect on our ability to fund our future capital expenditures or refinance our debt.

As a result of the credit crisis in Europe in recent years, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility, or the EFSF, and the European Financial Stability Mechanism, or the EFSM, to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism, or the ESM, which was activated by mutual agreement, and entered into force in 2013, and assumed the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries.

Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the overall stability of the euro. An extended period of adverse development in the outlook for European countries could make it difficult for current or potential lenders in the Eurozone to provide new loan facilities we may need to fund our future capital expenditures.

Governmental laws and regulations, including environmental laws and regulations, may add to our costs or limit our drilling activity.

Our business is affected by laws and regulations relating to the energy industry and the environment in the geographic areas where we operate. The offshore drilling industry is dependent on demand for services from the oil and gas exploration and production industry, and, accordingly, we are directly affected by the adoption of laws and regulations that, for economic, environmental or other policy reasons, curtail exploration and development drilling for oil and gas. We may be required to make significant capital expenditures to comply with governmental laws and regulations. It is also possible that these laws and regulations may, in the future, add significantly to our operating costs or significantly limit drilling activity. Our ability to compete in international contract drilling markets may be limited by foreign governmental regulations that favor or require the awarding of contracts to local contractors or by regulations requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Governments in some countries are increasingly active in regulating and controlling the ownership of concessions, the exploration for oil and gas, and other aspects of the oil and gas industries. Offshore drilling in certain areas has been curtailed and, in certain cases, prohibited because of concerns over protection of the environment. For example, on December 20, 2016, the former U.S. President invoked a law to ban offshore oil and gas drilling in large areas of the Arctic and the Atlantic Seaboard. A ban on new drilling in Canadian Arctic waters was announced simultaneously. However, in April 2017, the U.S. President signed an executive order regarding the environment. This order, among other directives, called upon the appropriate entities to review and consider revising, or rescinding, the Well Control Rule and Arctic Drilling Rule. Moreover, operations in less developed countries can be subject to legal systems that are not as mature or predictable as those in more developed countries, which can lead to greater uncertainty in legal matters and proceedings.

To the extent new laws are enacted or other governmental actions are taken that prohibit or restrict offshore drilling or impose additional environmental protection requirements that result in increased costs to the oil and gas industry, in general, or the offshore drilling industry, in particular, our business or prospects could be materially adversely affected. The operation of our drilling units will require certain governmental approvals, the number and prerequisites of which cannot be determined until we identify the jurisdictions in which we will operate on securing contracts for the drilling units. Depending on the jurisdiction, these governmental approvals may involve public hearings and conditions that result in costly undertakings on our part. We may not obtain such approvals or such approvals may not be obtained in a timely manner. If we fail to timely secure the necessary approvals or permits, our customers may have the right to terminate or seek to renegotiate their drilling contracts to our detriment. The amendment or modification of existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas could have a material adverse effect on our business, operating results or financial condition. Future earnings may be negatively affected by compliance with any such new legislation or regulations.

We are subject to complex laws and regulations, including environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our drilling units. These regulations include, but are not limited to, the International Maritime Organization, or IMO, International Convention for the Prevention of Pollution from Ships of 1973, as from time to time amended and generally referred to as MARPOL, including designation of Emission Control Areas, or ECAs, thereunder, the IMO International Convention on Civil Liability for Oil Pollution Damage of 1969, as from time to time amended and generally referred to as CLC, the International Convention on Civil Liability for Bunker Oil Pollution Damage, or Bunker Convention, the IMO International Convention for the Safety of Life at Sea of 1974, as from time to time amended and generally referred to as SOLAS, the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, or ISM Code, the IMO International Convention on Load Lines of 1966, as from time to time amended,

the International Convention for the Control and Management of Ships' Ballast Water and Sediments of February 2004, or the BWM Convention, the U.S. Oil Pollution Act of 1990, or OPA, requirements of the U.S. Coast Guard, or USCG, and the U.S. Environmental Protection Agency, or EPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, the U.S. Clean Water Act, or CWA, the U.S. Clean Air Act, or CAA, the U.S. Outer Continental Shelf Lands Act, the U.S. Maritime Transportation Security Act of 2002, or the MTSA, European Union regulations, and Brazil's National Environmental Policy Law (6938/81), Environmental Crimes Law (9605/98) and Law (9966/2000) relating to pollution in Brazilian waters.

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Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of our vessels. Moreover, the manner in which these laws are enforced and interpreted is constantly evolving. We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil in U.S. waters, including the 200-nautical mile exclusive economic zone around the United States. Limitations on liability might apply in certain circumstances. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as third-party damages. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents and our insurance may not be sufficient to cover all such risks. As a result, claims against us could result in a material adverse effect on our business, results of operations, cash flows and financial condition.

Although our drilling units are separately owned by our subsidiaries, under certain circumstances a parent company and all of the ship-owning affiliates in a group under common control engaged in a joint venture could be held liable for damages or debts owed by one of the affiliates, including liabilities for oil spills under OPA or other environmental laws. Therefore, it is possible that we could be subject to liability upon a judgment against us or any one of our subsidiaries.

Our drilling units could cause the release of oil or hazardous substances, especially as our drilling units age. Any releases may be large in quantity, above our permitted limits or occur in protected or sensitive areas where public interest groups or governmental authorities have special interests. Any releases of oil or hazardous substances could result in fines and other costs to us, such as costs to upgrade our drilling units, clean up the releases, and comply with more stringent requirements in our discharge permits. Moreover, these releases may result in our customers or governmental authorities suspending or terminating our operations in the affected area, which could have a material adverse effect on our business, results of operation and financial condition.

If we are able to obtain from our customers some degree of contractual indemnification against pollution and environmental damages in our contracts, such indemnification may not be enforceable in all instances or the customer may not be financially able to comply with its indemnity obligations in all cases. In addition, we may not be able to obtain such indemnification agreements in the future.

Our insurance coverage may not be available in the future or we may not obtain certain insurance coverage. If it is available and we have the coverage, it may not be adequate to cover our liabilities. Any of these scenarios could have a material adverse effect on our business, operating results and financial condition.



Regulation of greenhouse gases and climate change could have a negative impact on our business.

Currently, emissions of greenhouse gases from ships involved in international transport are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016. The Paris Agreement does not directly limit greenhouse gas emissions from ships. On June 1, 2017, the U.S. President announced that it was withdrawing from the Paris Agreement. The timing and effect of such action has yet to be determined.

As of January 1, 2013, all ships (including drilling units) must comply with mandatory requirements adopted by the Marine Environment Protection Committee, or the MEPC, in July 2011 relating to greenhouse gas emissions. Currently operating ships are now required to develop and implement the Ship Energy Efficiency Management Plans, or SEEMPs, and the new ships to be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index, or EEDI. Also, under these measures, by 2025 all new ships built will be 30% more efficient than those built in 2014. These requirements could cause us to incur additional compliance costs. The IMO is also considering the implementation of market-based mechanisms to reduce greenhouse gas emissions from ships. In April 2015, a regulation was adopted requiring that large ships (over 5,000 gross tons) calling at European Union ports from January 2018 collect and publish data on carbon dioxide emissions and other information. The European Union also recently proposed a plan where, if IMO discussions are not successful, emissions from ships will be included in its trading system by 2023. In the U.S., the EPA has issued a finding that greenhouse gases endanger public health and safety and has adopted regulations to limit greenhouse gas emissions from certain mobile sources and large stationary sources. The EPA enforces both the CAA and the international standards found in Annex VI of MARPOL concerning marine diesel engines, their emissions, and the sulphur content in marine fuel. Moreover, in the U.S., individual states can also enact environmental legislation. For example, California introduced caps on greenhouse gas emissions and recently signaled it may take additional action regarding climate change. Any passage of climate control legislation or other regulatory initiatives by the IMO, European Union, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol, or the Paris Agreement, that restrict emissions of greenhouse gases could require us to make significant financial expenditures, including capital expenditures to upgrade our vessels, which we cannot predict with certainty at this time.

Because our business depends on the level of activity in the offshore oil and gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on our business if such laws, regulations, treaties or international agreements reduce the worldwide demand for oil and gas. In addition, such laws, regulations, treaties or international agreements could result in increased compliance costs or additional operating restrictions, which may have a negative impact on our business.

Failure to comply with the U.S. Foreign Corrupt Practices Act and anti-bribery and anti-corruption regulations in other jurisdictions in which we operate could result in fines, criminal penalties, drilling contract terminations and an adverse effect on our business.

We currently operate, and historically have operated, our drilling units outside of the United States in a number of countries throughout the world, including some with developing economies. Also, the existence of state or government-owned shipbuilding enterprises puts us in contact with persons who may be considered "foreign officials" under the U.S. Foreign Corrupt Practices Act of 1977, or the FCPA. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the FCPA. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA and anti-corruption and anti-bribery laws in other jurisdictions in which we operate such as Brazil and the U.K. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.



Acts of terrorism and political and social unrest could affect the markets for drilling services, which may have a material adverse effect on our results of operations.

Acts of terrorism and political and social unrest, brought about by world political events or otherwise, have caused instability in the world's financial and insurance markets in the past and may occur in the future. Such acts could be directed against companies such as ours. In addition, acts of terrorism and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services and result in lower dayrates. Insurance premiums could increase and coverage may be unavailable in the future. U.S. government regulations may effectively preclude us from actively engaging in business activities in certain countries. These regulations could be amended to cover countries where we currently operate or where we may wish to operate in the future. Increased insurance costs or increased cost of compliance with applicable regulations may have a material adverse effect on our results of operations.

Military action, other armed conflicts, or terrorist attacks have caused significant increases in political and economic instability in geographic regions where we operate and where our newbuilding drilling units are being constructed. Military tension involving North and South Korea, the Middle East, Africa and other attacks, threats of attacks, terrorism and unrest, have caused instability or uncertainty in the world's financial and commercial markets and have significantly increased political and economic instability in some of the geographic areas where we operate and where we have contracted with Samsung, to build our two newbuilding drilling units. Acts of terrorism and armed conflicts or threats of armed conflicts in these locations could limit or disrupt our operations, including disruptions resulting from the cancellation of contracts or the loss of personnel or assets. In addition, any possible reprisals as a consequence of ongoing military action in the Middle East, such as acts of terrorism in the United States or elsewhere, could materially and adversely affect us in ways we cannot predict at this time.

Acts of piracy could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean, off the coast of West Africa and in the Gulf of Aden off the coast of Somalia. Although sources report the frequency of sea piracy decreased during 2016, sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea. If these piracy attacks result in regions in which our drilling units are deployed being characterized as "war risk" zones by insurers, or Joint War Committee "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including due to employing onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, any detention hijacking as a result of an act of piracy against our drilling units, or an increase in cost, or unavailability, of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

The U.S. government recently imposed legislation concerning the deteriorating situation in Somalia, including acts of piracy offshore Somalia. On April 13, 2010, the President of the United States issued an Executive Order, which we refer to as the Order, prohibiting, among other things, the payment of monies to or for the benefit of individuals and entities on the list of Specially Designated Nationals, or SDNs, published by U.S. Department of the Treasury's Office of Foreign Assets Control. Certain individuals associated with piracy offshore Somalia are currently designated persons under the SDN list. The Order is applicable only to payments by U.S. persons and not by foreign entities, such as Ocean Rig UDW Inc. Notwithstanding this fact, it is possible that the Order, and the regulations promulgated thereunder, may affect foreign private issuers to the extent that such foreign private issuers provide monies, such as ransom payments to secure the release of crews and ships in the event of detention hijackings, to any SDN for which they seek reimbursement from a U.S. insurance carrier. While additional regulations relating to the Order may be promulgated by the U.S. government in the future, we cannot predict what effect these regulations may have on our operations.

Hurricanes may impact our ability to operate our drilling units in the Gulf of Mexico or other U.S. coastal waters, which could reduce our revenues and profitability.

Hurricanes Ivan, Katrina, Rita, Gustav and Ike caused damage to a number of drilling units unaffiliated with us in the U.S. Gulf of Mexico. Drilling units that moved off their locations during the hurricanes damaged platforms, pipelines, wellheads and other drilling units. BOEM and the BSEE, the U.S. organizations that issue a significant number of relevant guidelines for the drilling units' activities, had guidelines for tie-downs on drilling units and permanent equipment and facilities attached to outer continental shelf production platforms, and moored drilling unit fitness during hurricane season. These guidelines effectively imposed requirements on the offshore oil and natural gas industry in an attempt to increase the likelihood of survival of offshore drilling units during a hurricane. The guidelines also provided for enhanced information and data requirements from oil and natural gas companies that operate properties in the Gulf of Mexico region of the Outer Continental Shelf. BOEM and BSEE may issue similar guidelines for future hurricane seasons and may take other steps that could increase the cost of operations or reduce the area of operations for our ultra-deepwater drilling units, thereby reducing their marketability. Implementation of new guidelines or regulations that may apply to ultra-deepwater drilling units may subject us to increased costs and limit the operational capabilities of our drilling units. Our drilling units do not currently operate in the Gulf of Mexico or other U.S. coastal waters but may do so in the future.

Any failure to comply with the complex laws and regulations governing international trade could adversely affect our operations.

The shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Import activities are governed by unique customs laws and regulations in each of the countries of operation. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting our operations. Shipments can be delayed and denied export or entry for a variety of reasons, some of which are outside our control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime. Any failure to comply with applicable legal and regulatory trading obligations also could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import and export privileges.

New technologies may cause our current drilling methods to become obsolete, resulting in an adverse effect on our business.

The offshore contract drilling industry is subject to the introduction of new drilling techniques and services using new technologies, some of which may be subject to patent protection. As competitors and others use or develop new technologies, we may be placed at a competitive disadvantage and competitive pressures may force us to implement new technologies at substantial cost. In addition, competitors may have greater financial, technical and personnel resources that allow them to benefit from technological advantages and implement new technologies before we can. We may not be able to implement technologies on a timely basis or at a cost that is acceptable to us.

#### Risks Relating to Our Company

Despite our reduced levels of indebtedness post-Restructuring, we may incur substantial additional indebtedness, which could adversely affect our financial health.

Following the completion of our Restructuring, on a consolidated basis, we had \$450 million in aggregate principal amount of indebtedness outstanding under the New Credit Agreement. Notwithstanding the Restructuring, we may incur additional indebtedness in the future. The New Credit Agreement and New Intercreditor Agreement permit us to incur up to \$200 million in additional senior secured debt, which shall be senior to the New Credit Agreement.

Our indebtedness could have significant adverse consequences for an investment in us and on our business and future prospects, including the following:

we may not be able to satisfy our financial obligations under our indebtedness, including under the New Credit Agreement, and our contractual and commercial commitments, which may result in possible defaults on and acceleration of such indebtedness;

we may not be able to obtain financing in the future for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;

we may not be able to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service the debt;

we could become more vulnerable to general adverse economic and industry conditions, including increases in interest rates;

our ability to refinance indebtedness, including the New Credit Agreement, may be limited or the associated costs may increase;

less leveraged competitors could have a competitive advantage because they have lower debt service requirements and, as a result, we may not be better positioned to withstand economic downturns;

we may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than our competitors and our management's discretion in operating our business may be limited;

and

we may be unable to raise the funds necessary to repay the New Credit Agreement if there is a change of control or event of loss or in connection with an asset sale offer, which would constitute a default under the New Credit Agreement.

Each of these factors may have a material and adverse effect on our financial condition and viability. Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating income is not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt or seeking additional equity capital. Any or all of these actions may be insufficient to allow us to service our debt obligations. Further, we may not be able to effect any of these remedies on satisfactory terms, or at all.

Additionally, we may incur additional indebtedness in the future. Although the terms of our New Credit Agreement, and any future debt agreements we enter into, will limit our ability to incur additional debt, these terms may not prohibit us from incurring substantial amounts of additional debt for specific purposes or under certain circumstances. There can be no assurances that the value of the collateral securing such additional indebtedness will be sufficient to repay such indebtedness. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify and could further exacerbate the risks associated with our existing leverage.

We have estimated remaining total construction payments for two drilling units under construction with Samsung of approximately \$0.9 billion in aggregate as of June 30, 2017. We expect to finance the remaining delivery payments of these seventh generation drilling units with cash on hand, operating cash flow, equity financing and additional bank debt. In the event of a default, we may also incur additional costs and liability to the shipyards, which may pursue claims against us for damages under our newbuilding construction contracts and retain and sell our seventh generation drilling units to third parties.

Our annual report on Form 20-F for the year ended December 31, 2016 discloses, and the report of our independent registered public accounting firm that accompanies our audited consolidated financial statements therein contains, an explanatory paragraph regarding the substantial doubt about our ability to continue as a going concern. See Note 3 to our consolidated financial statements. We were previously forced to take actions to restructure and refinance our indebtedness and there can be no assurances that we will be able to meet our scheduled debt service obligations in the future. Following the conclusion of the Restructuring, we expect to be in compliance with all of our debt covenant requirements and will have liquidity sufficient to meet all of our obligations over the next year.

The agreements and instruments governing our indebtedness contain restrictions and limitations that could significantly impact our ability to operate our business.

The New Credit Agreement imposes, and future financial obligations may impose, certain operating and financial restrictions on us. These restrictions may prohibit or otherwise limit our ability to, among other things:

enter into other financing arrangements;

incur or guarantee additional indebtedness;

create or permit liens on our assets;

consummate a merger, consolidation or sale of our drilling units or the shares of our subsidiaries;

make investments;

change the general nature of our business;

pay dividends, redeem capital stock or subordinated indebtedness or make other restricted payments;

incur dividend or other payment restrictions affecting our restricted subsidiaries under the New Credit Agreement;

change the management and/or ownership of our drilling units;

enter into transactions with affiliates;

transfer or sell assets;

amend, modify or change our organizational documents;

make capital expenditures; and

effectively compete with our competitors to the extent they are subject to less onerous restrictions.

Any future credit agreement or amendment of debt instruments we enter into may contain requirements that we maintain specified financial ratios or financial covenants. Events beyond our control, including changes in the economic and business conditions in the deepwater offshore drilling market in which we operate, may affect our ability to comply with these ratios and covenants. Our ability to maintain compliance will also depend substantially on the value of our assets, our dayrates, our ability to obtain drilling contracts, our success at keeping our costs low and our ability to successfully implement our overall business strategy. We cannot guarantee that we would be able to obtain our lenders' waiver or consent with respect to any noncompliance with the specified financial ratios and financial covenants under our future financial obligations or that we would be able to refinance any such indebtedness in the event of default.

These restrictions, ratios and financial covenants in our debt agreements could limit our ability to fund our operations or capital needs, make acquisitions or pursue available business opportunities, which in turn may adversely affect our financial condition. A violation of any of these provisions could result in a default under our future debt agreements which could allow all amounts outstanding thereunder to be declared immediately due and payable. An acceleration thereunder would likely in turn trigger cross-acceleration and cross-default rights under the terms of our indebtedness outstanding at such time. If the amounts outstanding under our indebtedness were to be accelerated or were the subject of foreclosure actions, we cannot assure you that our assets would be sufficient to repay in full the money owed to the lenders or to our other debt holders. Furthermore, if our assets are foreclosed upon, we will not have any income-producing assets left, and as such, we may not be able to generate any cash flow in the future. We were previously forced to take actions to restructure and refinance our indebtedness and there can be no assurances that we will be able to meet our scheduled debt service obligations in the future.

We may not be able to generate sufficient cash flow to meet our debt service and other obligations due to events beyond our control.

Our ability to make scheduled payments on the New Credit Agreement and other outstanding indebtedness will depend on our ability to generate cash from operations in the future. Our future financial and operating performance will be affected by a range of economic, financial, competitive, regulatory, business and other factors that we cannot control, such as general economic and financial conditions in the offshore drilling industry or the economy generally. In particular, our ability to generate steady cash flow will depend on our ability to service existing drilling contracts and secure additional drilling contracts at acceptable rates. Assuming no exercise of any options to extend the terms of our existing drilling contracts, the contracts of our four operating drilling units expire between the fourth quarter of 2017 and the third quarter of 2021. We cannot guarantee that we will be able to secure employment for our uncontracted operating drilling units. We also cannot guarantee that we will be able to secure employment for our newbuilding drilling units, the Ocean Rig Santorini and the Ocean Rig Crete, which are now scheduled for delivery in June 2018 and January 2019, respectively.

Furthermore, our financial and operating performance, and our ability to service our indebtedness, is also dependent on our subsidiaries' ability to make distributions to us, whether in the form of dividends, loans or otherwise. The timing and amount of such distributions will depend on our earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our various debt agreements, the provisions of the laws of various jurisdictions in which our subsidiaries operate which affect the payment of dividends and other factors. If our operating cash flows are insufficient to service our debt and to fund our other liquidity needs, we may be forced to take actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness, seeking additional capital, or any combination of the foregoing. We cannot assure you that any of these actions could be effected on satisfactory terms, if at all, or that they would yield sufficient funds to make required payments on our outstanding indebtedness and to fund our other liquidity needs. Also, the terms of existing or future debt agreements may restrict us from pursuing any of these actions. Furthermore, reducing or delaying capital expenditures or selling assets could impair future cash flows and our ability to service our debt in the future.

We may be unable to secure ongoing drilling contracts, including for our uncontracted stacked drilling units and our ultra-deepwater newbuilding drilling units, due to strong competition, and the contracts that we enter into may not provide sufficient cash flow to meet our debt service obligations with respect to our indebtedness.

Assuming no exercise of any options to extend the terms of our existing drilling contracts, the contracts of our four operating drilling units expire between the fourth quarter of 2017 and the third quarter of 2021.

Our ability to renew our existing drilling contracts or obtain new drilling contracts for our drilling units, including the six uncontracted stacked drilling units and the seventh generation drilling units under construction for which we have not yet secured employment will depend on prevailing market conditions. We cannot guarantee we will be able to enter into new drilling contracts upon the expiration or termination of the contracts we have in place or at all or that there will not be a gap in employment between our current drilling contracts and subsequent contracts. In particular, if the price of crude oil is low, or it is expected that the price of crude oil will decrease in the future, at a time when we are seeking to arrange employment contracts for our drilling units, we may not be able to obtain employment contracts at attractive rates or at all.

If the rates we receive for the reemployment of our drilling units upon the expiration or termination of our existing drilling contracts are lower than the rates under our existing contracts, we will recognize less revenue from the operations of our drilling units. In addition, delays under existing drilling contracts could cause us to lose future contracts if a drilling unit is not available to start work at the agreed date. Our ability to meet our cash flow obligations will depend on our ability to consistently secure drilling contracts for our drilling units at sufficiently high dayrates. We cannot predict the future level of demand for our services or future conditions in the oil and gas industry. If the oil and gas companies do not continue to increase exploration, development and production expenditures, we may have difficulty securing drilling contracts, including for the seventh generation drilling units under construction, or we may be forced to enter into drilling contracts at unattractive dayrates. Either of these events could impair our ability to generate sufficient cash flow to make principal and interest payments under our indebtedness and meet our capital expenditure and other obligations.

Construction of drilling units is subject to risks, including delays and cost overruns, which could have an adverse impact on our available cash resources and results of operations.

We have entered into contracts with Samsung for the construction of three seventh generation drilling units, which were previously scheduled for delivery in 2017, 2018 and 2019, respectively. As part of renegotiations, the delivery of the Ocean Rig Santorini and the Ocean Rig Crete were postponed to June 2018 and January 2019, respectively, certain installments were rescheduled and the total construction costs were increased to \$694.8 million and \$709.6 million, respectively. With respect to the Ocean Rig Amorgos, we agreed to suspend its construction with an option, subject to our option, to bring it back into force within a period of 18 months after the date of the addendum. From time to time in the future, we may undertake additional new construction projects and conversion projects. In addition, we may make significant upgrade, refurbishment, conversion and repair expenditures for our fleet from time to time, particularly as our drilling units become older. Some of these expenditures are unplanned. These projects together with our existing construction projects and other efforts of this type are subject to risks of cost overruns or delays inherent in any large construction project as a result of numerous factors, including the following:

shipyard unavailability;

shortages of equipment, materials or skilled labor for completion of repairs or upgrades to our equipment;

unscheduled delays in the delivery of ordered materials and equipment or shipyard construction;

financial or operating difficulties experienced by equipment vendors or the shipyard;

unanticipated actual or purported change orders;

local customs strikes or related work slowdowns that could delay importation of equipment or materials;

engineering problems, including those relating to the commissioning of newly designed equipment;

design or engineering changes;

latent damages or deterioration to the hull, equipment and machinery in excess of engineering estimates and assumptions;



work stoppages;  
client acceptance delays;  
weather interference, storm damage or other events of force majeure;  
disputes with shipyards and suppliers;  
shipyard failures and difficulties;  
failure or delay of third-party equipment vendors or service providers;  
unanticipated cost increases; and  
difficulty in obtaining necessary permits or approvals or in meeting permit or approval conditions.

These factors may contribute to cost variations and delays in the delivery of our ultra-deepwater newbuilding drilling units. Delays in the delivery of these newbuilding drilling units or the inability to complete construction in accordance with their design specifications may, in some circumstances, result in a delay in drilling contract commencement, resulting in a loss of revenue to us, and may also cause customers to renegotiate, terminate or shorten the term of a drilling contract for the drilling unit pursuant to applicable late delivery clauses. In the event of termination of one of these contracts, we may not be able to secure a replacement contract on as favorable terms or at all. Additionally, capital expenditures for drilling unit upgrades, refurbishment and construction projects could materially exceed our planned capital expenditures. Moreover, our drilling units that may undergo upgrade, refurbishment and repair may not earn a dayrate during the periods they are out of service. In addition, in the event of a shipyard failure or other difficulty, we may be unable to enforce certain provisions under our newbuilding contracts such as our refund guarantee, to recover amounts paid as installments under such contracts. The occurrence of any of these events may have a material adverse effect on our results of operations, financial condition or cash flows. In the event of a default, we may also incur additional costs and liability to the shipyards, which may pursue claims against us for damages under our newbuilding construction contracts and retain and sell our seventh generation drilling units to third parties. As our current operating fleet is comprised of 11 drilling units of which four drilling units are currently operating, we rely heavily on a small number of customers and the loss of a significant customer could have a material adverse impact on our financial results.

As of December 31, 2016, we had three customers for our current total fleet of 11 drilling units. We are subject to the usual risks associated with having a limited number of customers for our services. Our three largest customers represented 31%, 20% and 18% of our revenues during the fiscal year ended December 31, 2016, respectively. If our customers terminate, suspend or seek to renegotiate the drilling contracts for drilling units, as they are entitled to do under various circumstances, or cease doing business, our results of operations and cash flows could be adversely affected. We expect that a limited number of customers will continue to generate a substantial portion of our revenues for the foreseeable future.

Currently, our revenues depend on 11 drilling units, which are designed to operate in harsh environments. The damage or loss of any of our drilling units could have a material adverse effect on our results of operations and financial condition.

Our revenues are dependent on the operation of our 11 drilling units, of which four drilling units are operating under employment contracts and seven drilling units are currently without contracts (including six units that are currently cold stacked). There is no guarantee that we will find employment contracts that are on favorable terms for the seven drilling units that are currently without contracts, including the six units that are currently cold stacked. Additionally, we may incur significant costs in the process of converting our cold stacked drilling units into operational units which may adversely affect our results of operations and financial condition.

Our drilling units may be exposed to risks inherent in deepwater drilling and operating in harsh environments that may cause damage or loss. The drilling of oil and gas wells, particularly exploratory wells where little is known of the subsurface formations involves risks, such as extreme pressure and temperature, blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, punch throughs, craterings, fires, explosions, pollution and natural disasters such as hurricanes and tropical storms.

In addition, offshore drilling operations are subject to perils peculiar to marine operations, either while on-site or during mobilization, including capsizing, sinking, grounding, collision, marine life infestations, and loss or damage from severe weather. The replacement or repair of a drilling unit could take a significant amount of time, and we may not have any right to compensation for lost revenues during that time. As long as we have only four drilling units in operation, loss of or serious damage to one of the drilling units could materially reduce our revenues for the time that drilling unit is out of operation. In view of the sophisticated design of the drilling units, we may be unable to obtain a replacement unit that could perform under the conditions that our drilling units are expected to operate, which could have a material adverse effect on our results of operations and financial condition.

Our future contracted revenue for our fleet of drilling units may not be ultimately realized.

As of October 9, 2017, the future contracted revenue for our fleet of operating drilling units, or our contract backlog, was approximately \$1.2 billion under firm commitments. We may not be able to perform under our drilling contracts due to events within or beyond our control, and our customers may seek to cancel or renegotiate our drilling contracts for various reasons, including adverse conditions, resulting in lower daily rates. For example, since 2014, six of our customers have terminated six of our drilling contracts. Our inability or the inability of our customers, to perform under the respective contractual obligations may have a material adverse effect on our financial position, results of operations and cash flows.

We are subject to certain risks with respect to our counterparties, including under our drilling contracts, and failure of these counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.

We enter into drilling services contracts with our customers, newbuilding contracts with shipyards, interest rate swap agreements and forward exchange contracts, and have employed and may employ our drilling units and newbuild drilling units on fixed-term and well contracts. Our drilling contracts, newbuilding contracts, and hedging agreements subject us to counterparty risks. The ability of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the offshore contract drilling industry, the overall financial condition of the counterparty, the dayrates received for specific types of drilling units and various expenses. In addition, in depressed market conditions, our customers may no longer need a drilling unit that is currently under contract or may be able to obtain a comparable drilling unit at a lower dayrate. As a result, customers may seek to renegotiate the terms of their existing drilling contracts or avoid their obligations under those contracts. Should a counterparty fail to honor its obligations under an agreement with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Most of our offshore drilling contracts may be terminated early due to certain events.

Under most of our current drilling contracts, our customers have the right to terminate the drilling contract upon the payment of an early termination or cancellation fee. However, such payments may not fully compensate us for the loss of the contract.

In addition, our drilling contracts permit our customers to terminate the contracts early without the payment of any termination fees under certain circumstances, including as a result of major non-performance, longer periods of downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to piracy or force majeure events beyond our control. In addition, during periods of challenging market conditions, our customers may no longer need a drilling unit that is currently under contract or may be able to obtain a comparable drilling unit at a lower dayrate. As a result, we may be subject to an increased risk of our clients seeking to renegotiate the terms of their existing contracts or repudiate their contracts, including through claims of non-performance. Our customers' ability to perform their obligations under their drilling contracts with us may also be negatively impacted by the prevailing uncertainty surrounding the development of the world economy and the credit markets. If our customers cancel some of our contracts, and we are unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time or if a number of our

contracts are renegotiated, it could adversely affect our consolidated statement of financial position, results of operations or cash flows.

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If our drilling units fail to maintain their class certification or fail any annual survey or special survey, that drilling unit would be unable to operate, thereby reducing our revenues and profitability and violating certain covenants under certain of our debt agreements.

Every drilling unit must be "classed" by a classification society. The classification society certifies that the drilling unit is "in-class," signifying that such drilling unit has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the drilling unit's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned. Three of our drilling units are certified as being "in class" by Det Norske Veritas, one of our drillings units is certified as being "in class" by Bureau Veritas while the remaining six are certified as being "in class" by American Bureau of Shipping. The Leiv Eiriksson was credited with completing its last Special Periodical Survey in June 2016 and the Eirik Raude completed the same in December 2012, while their next Special Periodical Survey is scheduled for 2021 and 2017, respectively. However, due to the fact that the Eirik Raude is stacked, class layup has been applied and therefore it will be done as part of its reactivation. Two of our sixth-generation operating drilling units are due for their second Special Periodical Surveys in 2021 while the third drilling unit is due in 2022. Our one operating seventh generation drilling unit is due for its' first Special Periodical Survey in 2018. The stacked drilling units are due for their next Special Periodical Surveys in 2018, 2019, 2020, however, they are class laid up and therefore will be done as part of their reactivation. If any drilling unit does not maintain its class and/or fails any annual survey or special survey, the drilling unit will be unable to carry on operations and will be unemployable and uninsurable. Any such inability to carry on operations or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Our drilling units, including our seventh generation drilling units under construction following their delivery to us, may suffer damage and we may face unexpected yard costs, which could adversely affect our cash flow and financial condition.

If our drilling units, including our seventh generation drilling units under construction following their delivery to us, suffer damage, they may need to be repaired at a yard. The costs of yard repairs are unpredictable and can be substantial. The loss of earnings while our drilling units are being repaired and repositioned, as well as the actual cost of these repairs, would decrease our earnings. We may not have insurance that is sufficient to cover all or any of these costs or losses and may have to pay dry docking costs not covered by our insurance.

We may not be able to maintain or replace our drilling units as they age.

The capital associated with the repair and maintenance of our fleet increases with age. We may not be able to maintain our existing drilling units to compete effectively in the market, and our financial resources may not be sufficient to enable us to make expenditures necessary for these purposes or to acquire or build replacement drilling units.

We may have difficulty managing our planned growth properly.

We intend to continue to grow our fleet. Our future growth will primarily depend on our ability to:

- locate and acquire suitable drilling units;
- identify and consummate acquisitions or joint ventures;
- enhance our customer base;
- locate and retain suitable personnel for our fleet;
- manage our expansion; and
- obtain required financing on acceptable terms.

Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional qualified personnel, managing relationships with customers and integrating newly acquired assets and operations into existing infrastructure. We may experience operational challenges as we begin operating our new drilling units which may result in low earnings efficiency and/or reduced dayrates compared to maximum dayrates. We may be unable to successfully execute our growth plans or we may incur significant expenses and losses in connection with our future growth which would have an adverse impact on our financial condition and results of operations.

The market value of our current drilling units, and any drilling units we may acquire in the future, including our seventh generation drilling units under construction upon their delivery to us, may decrease, which could cause us to incur losses if we decide to sell them following a decline in their values or accounting charges that may affect our ability to comply with certain covenants in the New Credit Agreement.

If the offshore contract drilling industry suffers further adverse developments in the future, the fair market value of our drilling units may further decline. The fair market value of the drilling units we currently own or may acquire in the future may increase or decrease depending on a number of factors, including:

prevailing level of drilling services contract dayrates;

general economic and market conditions affecting the offshore contract drilling industry, including competition from other offshore contract drilling companies;

types, sizes and ages of drilling units;

supply and demand for drilling units;

costs of newbuildings;

governmental or other regulations; and

technological advances.

In the future, if the market values of our drilling units deteriorate significantly, we may be required to record an impairment charge in our financial statements, which could adversely affect our results of operations. If we sell any drilling unit when drilling unit prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the drilling unit's carrying amount on our financial statements, resulting in a loss. Such a loss could materially and adversely affect our business prospects, financial condition, liquidity, and results of operations. For example, as a result of the impairment review for the year ended December 31, 2016, it was determined that the carrying amount of eight of our drilling units was not recoverable and, therefore, an impairment loss of \$3,658.8 million was recognized, the impairment of the total advances and related costs provided to the yard, amounting to \$92.4 million for the Ocean Rig Amorgos, and impairment of \$25.2 million relating to the cashflow hedges for interest capitalized on vessels impaired included in "Impairment loss" in the consolidated statement of operations contained in our consolidated financial statements and related notes incorporated by reference in this prospectus. The amount of any further impairment could be significant and could have a material adverse effect on our reported financial results for the period in which the charge is taken.

Because we generate most of our revenues in U.S. Dollars, but incur a significant portion of our employee salary and administrative and other expenses in other currencies, exchange rate fluctuations could have an adverse impact on our results of operations.

Our principal currency for our operations and financing is the U.S. Dollar. A substantial portion of the operating dayrates for the drilling units, our principal source of revenues, are quoted and received in U.S. Dollars; however, a portion of our revenue under our contracts is receivable in Brazilian Real and Angolan Kwanza. The principal currency for operating expenses is also the U.S. Dollar; however, a significant portion of employee salaries and administration expenses, as well as parts of the consumables and repair and maintenance expenses for the drilling units, may be paid in Norwegian Kroner (NOK), Great British Pounds (GBP), Canadian dollars (CAD), Euros (EUR) or other currencies depending in part on the location of our drilling operations. For the year ended December 31, 2016, approximately 57% of our expenses were incurred in currencies other than the U.S. Dollars. This exposure to foreign currency could lead to fluctuations in net income and net revenue due to changes in the value of the U.S. Dollar relative to the other currencies. Revenues paid in foreign currencies against which the U.S. Dollar rises in value can decrease, resulting in lower U.S. Dollar denominated revenues. Expenses incurred in foreign currencies against which the U.S. Dollar falls in value can increase, resulting in higher U.S. Dollar denominated expenses. We have in the past and may in the future employ derivative instruments in order to economically hedge our currency exposure; however, we may not be successful in hedging our future currency exposure and our U.S. Dollar denominated results of operations could be materially and adversely affected upon exchange rate fluctuations determined by events outside of our control.

We are dependent upon key management personnel.

Our operations depend to a significant extent upon the abilities and efforts of our key management personnel. The loss of our key management personnel's service to us could adversely affect our efforts to obtain employment for our drilling units and discussions with our lenders and, therefore, could adversely affect our business prospects, financial condition and results of operations. We do not currently, nor do we intend to, maintain "key man" life insurance on any of our personnel.

Failure to attract or retain key personnel, labor disruptions or an increase in labor costs could adversely affect our operations.

We require highly skilled personnel to operate and provide technical services and support for our business in the offshore drilling sector worldwide. As of December 31, 2016, we employed 1,367 employees, the majority of whom are full-time crew employed on our drilling units. Under certain of our employment contracts, we are required to have a minimum number of local crew members on our drilling units. We will need to recruit additional qualified personnel as we take delivery on our newbuilding drilling units. Competition for the labor required for drilling operations has intensified as the number of drilling units activated, added to worldwide fleets or under construction has increased, leading to shortages of qualified personnel in the industry and creating upward pressure on wages and higher turnover. If turnover increases, we could see a reduction in the experience level of our personnel, which could lead to higher downtime, more operating incidents and personal injury and other claims, which in turn could decrease revenues and increase costs. In response to these labor market conditions, we are increasing efforts in our recruitment, training, development and retention programs as required to meet our anticipated personnel needs. If these labor trends continue, we may experience further increases in costs or limits on our offshore drilling operations.

Currently, our employees in Brazil and Norway are covered by collective bargaining agreements. In the future, some of our employees or contracted labor may be covered by collective bargaining agreements in certain jurisdictions. As part of the legal obligations in some of these agreements, we may be required to contribute certain amounts to retirement funds and pension plans and have restricted ability to dismiss employees. In addition, many of these represented individuals could be working under agreements that are subject to salary negotiation. These negotiations could result in higher personnel costs, other increased costs or increased operating restrictions that could adversely affect our financial performance. Labor disruptions could hinder our operations from being carried out normally and if not resolved in a timely cost-effective manner, could have a material impact our business. If we choose to cease operations in one of those countries or if market conditions reduce the demand for our drilling services in such a country, we would incur costs, which may be material, associated with workforce reductions.

Our operating and maintenance costs with respect to our offshore drilling units will not necessarily fluctuate in proportion to changes in operating revenues, which may have a material adverse effect on our results of operations, financial condition and cash flows.

Operating revenues may fluctuate as a function of changes in supply of offshore drilling units and demand for contract drilling services, which, in turn, affect dayrates and the utilization and performance of our drilling units. However, costs for operating drilling units are generally fixed regardless of the dayrate being earned. Therefore, our operating and maintenance costs with respect to our offshore drilling units will not necessarily fluctuate in proportion to changes in operating revenues. In addition, should our drilling units incur idle time between contracts, we typically will not de-man those drilling units but rather use the crew to prepare the units for its next contract. During times of reduced activity, reductions in costs may not be immediate, as portions of the crew may be required to prepare drilling units for stacking, after which time the crew members are assigned to active drilling units or dismissed. In addition, as our drilling units are mobilized from one geographic location to another, labor and other operating and maintenance costs can vary significantly. In general, labor costs increase primarily due to higher salary levels and inflation. Equipment maintenance expenses fluctuate depending upon the type of activity the unit is performing and the age and condition of the equipment. Contract preparation expenses vary based on the scope and length of contract preparation required and the duration of the firm contractual period over which such expenditures are incurred. If we experience increased operating costs without a corresponding increase in earnings, this may have a material adverse effect on our results of operations, financial condition and cash flows.

In the event that Samsung does not perform under its agreements with us and we are unable to enforce certain refund guarantees, we may lose all or part of our investment, which would have a material adverse effect on our results of operations, financial condition and cash flows. Similarly failure by us to honor our commitments under these shipbuilding contracts would result in events of default under those contracts and affect our results of operations, financial condition and cash flows.

As of June 30, 2017, we had paid an aggregate of \$542.9 million to Samsung in connection with three of our seventh generation drilling units (the Ocean Rig Santorini, the Ocean Rig Crete and the Ocean Rig Amorgos). On August 11, 2016, we entered into agreements with Samsung to delay the delivery of the Ocean Rig Santorini and the Ocean Rig Crete to June 2018 and January 2019, respectively, and to postpone certain installment payments, in exchange for the increase in total construction costs to \$694.8 million and \$709.6 million, respectively. With respect to the Ocean Rig Amorgos, we agreed with Samsung to suspend its construction with an option, subject to our option, to bring it back into force within a period of 18 months after the date of the addendum. The estimated remaining total construction payments for our two drilling units under construction amounted to approximately \$0.9 billion in aggregate as of June 30, 2017.

In the event Samsung does not perform under its agreements with us and we are unable to enforce certain refund guarantees with third party bankers due to an outbreak of war, bankruptcy or otherwise, we may lose all or part of our investment, which would have a material adverse effect on our results of operations, financial condition and cash flows. Similarly failure by us to honor our commitments under these shipbuilding contracts would result in events of default and would require us to pay certain default payments plus interest, including charges and expenses incurred by the shipyard as a direct consequence of the default. Upon default, the shipyard would be entitled to retain installments already paid by us, the cost of supplies already delivered to the shipyard and other claims for damages. As such, events of default under the shipbuilding contracts for our newbuildings would adversely affect our results of operations, financial condition and cash flows.

Historically we have entered into, and in the future may enter into, derivative contracts that may not effectively hedge our exposure to fluctuations in interest rates.

In the past, we have entered into certain hedging transactions, such as interest rate swap agreements, to mitigate our exposure to adverse fluctuations in interest rates, and we may do so again in the future. As of June 30, 2017, we had no interest rate swap and cap and floor agreements. The New Credit Agreement bears interest at a fixed rate. However, we may incur indebtedness in the future with variable interest rates. If variable rate indebtedness is incurred, and we do not hedge our exposure to interest rate fluctuations under such financing arrangements, an increase in market interest rates would increase the cost of servicing such indebtedness and could materially reduce our profitability and cash flows. Any hedging activities we engage in may not effectively manage our interest rate

exposure or have the desired impact on our financial conditions or results of operations.

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A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and administration of our business. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and results of operations.

Recent action by the IMO's Maritime Safety Committee and U.S. agencies indicate that cyber-security regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cyber-security threats. This might cause companies to cultivate additional procedures for monitoring cyber-security, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is hard to predict at this time.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate could result in a higher tax rate on our worldwide earnings, which could result in a significant negative impact on our earnings and cash flows from operations.

We conduct our worldwide drilling operations through various subsidiaries. Tax laws and regulations are highly complex and subject to interpretation. Consequently, we are subject to changing tax laws, treaties and regulations in and between countries in which we operate. Our income tax expense is based upon our interpretation of tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, or in the valuation of our deferred tax assets, could result in a materially higher tax expense or a higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results. If any tax authority successfully challenges our operational structure, inter-company pricing policies or the taxable presence of our operating subsidiaries in certain countries; or if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure; or if we lose a material tax dispute in any country, particularly in the United States, Canada, the U.K., Brazil, Angola, Cyprus, Ghana, Netherlands, Ivory Coast, Tanzania, Falkland Islands, Ireland, Congo, Senegal, Equatorial Guinea or Norway, our effective tax rate on our worldwide earnings could increase substantially and our earnings and cash flows from our operations could be materially adversely affected.

Our subsidiaries are subject to taxation in the jurisdictions in which their offshore drilling activities are conducted. Such taxation results in decreased earnings available to our shareholders.

United States tax authorities may treat us as a "passive foreign investment company" for United States federal income tax purposes, which may have adverse tax consequences to U.S. shareholders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income". For purposes of these tests, "passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

We do not believe that we are currently a PFIC, although we may have been a PFIC for certain prior taxable years. Based on our current operations and future projections, we do not believe that we have been, are, or will be a PFIC with respect to any taxable year beginning with the 2009 taxable year.

However, no assurance can be given that the U.S. Internal Revenue Service, or IRS, or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we or one of our subsidiaries is a PFIC. Moreover, no assurance can be given that we or one of our subsidiaries would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of its operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders will face adverse U.S. tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, as discussed below under "Taxation—U.S. Federal Income Tax Considerations"), such shareholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of the common shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of the common shares. In the event that our shareholders face adverse U.S. tax consequences as a result of investing in our common shares, this could adversely affect our ability to raise additional capital through the equity markets. See "Taxation—U.S. Federal Income Tax Considerations" for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

We are, and may in the future be, subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.

We are, and may in the future be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business or relating to the Restructuring. In addition, companies that have experienced volatility in the market price of their securities have in the past been subject to securities class action litigation. On August 31, 2017, a lawsuit was filed in the High Court of the Republic of the Marshall Islands (Civil Action No. 2017-198) by certain of our creditors against, among others, two of our subsidiaries, two of our executive officers, our manager TMS Offshore Services Ltd. and other parties. The complaint alleges nine causes of action, including claims for avoidance and recovery of actual and/or constructive fraudulent conveyances under common law or 6 Del. Code §§ 1304(A)(1), 1305, 1307, and 1308; aiding and abetting fraudulent conveyances; and declaratory judgment under 30 MIRC § 202. We will respond to the complaint by the appropriate deadline to be set in the future. We and our management believe that the complaint is without merit and plan to vigorously defend ourselves against the allegations. We may be the target of this type of litigation in the future, which could result in substantial costs and divert our management's attention. We cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases, insurers may not remain solvent and policies may not be located.

Investor confidence may be adversely impacted if we are unable to comply with Section 404 of the Sarbanes-Oxley Act of 2002.

We have implemented procedures in order to meet the evaluation requirements of Rules 13a-15(c) and 15d-15(c) under the Securities Exchange Act of 1934, or the Exchange Act, for the assessment under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404. Section 404 requires us to include in our annual reports on Form 20-F (i) our management's report on, and assessment of, the effectiveness of our internal controls over financial reporting and (ii) our independent registered public accounting firm's attestation to and report on the effectiveness of our internal controls over financial reporting in our annual report. If we fail to maintain the adequacy of our internal controls over financial reporting, we will not be in compliance with all of the requirements imposed by Section 404. Any failure to comply with Section 404 could result in an adverse reaction in the financial marketplace due to a loss of investor confidence in the reliability of our financial statements, which ultimately could harm our business.

We are domiciled in the Cayman Islands and most of our subsidiaries are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, and as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States.

Our corporate affairs are governed by our amended and restated memorandum and articles of association and, upon adoption at the EGM scheduled to be held on November 3, 2017, our Second Amended and Restated Memorandum and Articles of Association (as may be amended from time to time), the Companies Law (2016 Revision) of the Cayman Islands (as may be amended from time to time), and the common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. It should be noted that because the Cayman Islands law has no legislation specifically dedicated to the rights of investors in securities, and thus no statutorily defined private causes of action to investors in securities such as those found under the Securities Act or the Exchange Act in the United States, it provides significantly less statutory protection to investors.

The corporate affairs of many of our subsidiaries are governed by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholders' rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

It may not be possible for investors to enforce U.S. judgments against us.

All but four of our subsidiaries are incorporated in jurisdictions outside the United States and a substantial portion of our assets and those of our subsidiaries are located outside the United States. In addition, as of October 9, 2017, all of our directors and officers reside outside the United States and a substantial portion of the assets of our directors and officers are located outside the United States. As a result, it may be difficult or impossible for U.S. investors to serve process within the United States upon us, our subsidiaries or our directors and officers or to enforce a judgment against us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries and directors and officers are located (i) would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries and directors and officers based upon the civil liability provisions of applicable U.S. federal and state securities laws or (ii) would enforce, in original actions, liabilities against us or our subsidiaries and directors and officers based on those laws. There is no statutory recognition in the Cayman Islands of judgments obtained in the U.S., although the courts of the Cayman Islands will generally recognize and enforce a monetary judgment of a foreign court of a competent jurisdiction without retrial on the merits, which: (a) is final; (b) is not in respect of taxes, a fine or a penalty; (c) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

We depend on officers and directors who are associated with affiliated companies which may create conflicts of interest.

Our officers and directors have fiduciary duties to manage our business in a manner which is in the best interests of us and our shareholders. Conflicts of interest exist and may arise between our directors, officers, affiliates and certain significant shareholders (including affiliates of the Lender Directors), on the one hand, and us and our public shareholders, on the other hand.

For example, as part of the Restructuring, Ocean Rig UDW and each of its vessel-owning subsidiaries entered into the Management Services Agreement on September 22, 2017, with TMS, a company affiliated with our Chairman of the Board and Chief Executive Officer, Mr. George Economou, pursuant to which TMS provides certain management services related to our drilling units, including but not limited to commercial, financing, legal and insurance services. The Management Services Agreement replaced the management services agreement we and our subsidiaries entered into with TMS on March 31, 2016. In addition, the Scheme Companies entered into a new management equity plan with TMS pursuant to the Management Services Agreement, under which we issued 8,524,793 common shares on September 22, 2017, to Prime Cap, subject to vesting over four years, equivalent to 9.31% of the post-Restructuring equity of the Company. Conflicts may arise as a result of the duties of TMS to act for the benefit of its owners, which may conflict with our interests and the interests of our public shareholders. If any of these conflicts of interest are not resolved in our favor, this could have a material adverse effect on our business.

Whenever a conflict arises between us, on the one hand, and any affiliated entities, on the other hand, the board of directors will resolve that conflict. Unless the resolution of a conflict is specifically provided for in the Second Amended and Restated Memorandum and Articles of Association, the board of directors may consider any factors they determine in good faith to consider when resolving a conflict and, prior to the Termination Date, the approval of the Lender Directors is required for the resolution of any such conflict. Consequently, the conflicts of interest discussed above may not be resolved in a manner satisfactory to some or all of our shareholders.

We are a "foreign private issuer", which could make our common shares less attractive to some investors or otherwise harm our stock price.

We are a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act. As a "foreign private issuer" the rules governing the information that we disclose differ from those governing U.S. corporations pursuant to the Exchange Act. We are not required to file quarterly reports on Form 10-Q or provide current reports on Form 8-K disclosing significant events within four days of their occurrence. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sales of our securities. Our exemption from the rules of Section 16 of the Exchange Act regarding sales of ordinary shares by insiders means that you will have less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act. Moreover, we are exempt from the proxy rules, and proxy statements that we distribute will not be subject to review by the SEC. Accordingly there may be less publicly available information concerning us than there is for other U.S. public companies. These factors could make our common shares less attractive to some investors or otherwise harm our stock price.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS