UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION AND RISKS RELATED TO THE ACQUISITION

Dated March 13, 2018

As used herein, the "**Company**" refers to KCA Deutag Alpha Limited, and the "**Group**", "**we**", "**us**" and "**our**" refer to the Company and its subsidiaries.

The "**Acquisition**" refers to the proposed acquisition of certain Omani, Saudi Arabian and other subsidiaries and assets of land drilling contractor Dalma Energy LLC ("**Dalma**", and such subsidiaries and assets, the "**Target**") from Al Qahtani Investments LLC ("**AQI**") and Gulfcap Energy LLC ("**Gulfcap**", and together with AQI, the "**Sellers**").

The "**Financing**" refers to the proposed financing of the Acquisition with (i) $425 million in debt financing, (ii) cash on balance sheet and (iii) Class A ordinary shares of KCAD Holdings I Limited. The Acquisition and the Financing are together referred to as the "**Transactions**".

Presentation of the unaudited pro forma condensed combined financial information

The unaudited pro forma condensed combined financial information of the Group includes: (i) the unaudited pro forma condensed combined balance sheet as of December 31, 2017 with the related explanatory notes thereto (the "**Unaudited Pro Forma Condensed Combined Balance Sheet**") and (ii) the unaudited pro forma condensed combined income statement for the year ended December 31, 2017 with the related explanatory notes thereto (the "**Unaudited Pro Forma Condensed Combined Income Statement**" and, together with the Unaudited Pro Froma Condensed Combined Balance Sheet, the "**Unaudited Pro Forma Condensed Combined Financial Information**"). The Unaudited Pro Forma Condensed Combined Financial Information has been prepared to illustrate the impact of the Transactions on the Group as if they had been completed on the dates and for the periods indicated below.

The Unaudited Pro Forma Condensed Combined Balance Sheet has been prepared giving effect to the Transactions as if they had been completed on December 31, 2017. The Unaudited Pro Forma Condensed Combined Income Statement has been prepared giving effect to the Transactions as if they had been consummated on January 1, 2017.

The Unaudited Pro Forma Condensed Combined Financial Information have been derived from and should be read together with the Company Consolidated Financial Statements and the consolidated financial statements of Dalma (the "**Dalma Consolidated Financial Statements**") as of and for the year ended December 31, 2017 included elsewhere on the Company's website.

The Dalma Consolidated Financial Statements include certain businesses and assets of Dalma, which will not be included as part of the Acquisition and do not constitute part of the Target. In particular, the Target differs in the following respects from the businesses and assets included in the Dalma Consolidated Financial Statements:

- the Target will not include the Algerian and Indian operations of Dalma; and
- the Target will include the minority interests in the share capital of Dalma's direct subsidiaries, which are currently held by Dalma's shareholder AQI.

As such the financial results of the Target for the periods presented differ from the financial results presented in the Dalma Consolidated Financial Statements. For more detail on the unaudited carve-out adjustments to the Dalma Consolidated Financial Statements for 2017 relating to the businesses and assets of Dalma that are not acquired as part of the Acquisition, see the Unaudited Pro Forma Condensed Combined Financial Information included below.

The Unaudited Pro Forma Condensed Combined Financial Information is presented in millions of U.S. dollars ($).

The Unaudited Pro Forma Condensed Combined Financial Information as of and for the year ended December 31, 2017 includes unaudited pro forma adjustments that are based on assumptions that we believe are factually supportable and give effects to events that are directly attributable to the Transactions. In addition, with respect to the Unaudited Pro Forma Condensed Combined Income Statement, the unaudited pro forma adjustments are expected to have a continuing impact on the consolidated results of the Group.

The Unaudited Pro Forma Condensed Combined Financial Information is not prepared in the ordinary course of the Company's or the Target's financial reporting and has not been reviewed or audited in accordance with generally accepted auditing standards. In addition, the Unaudited Pro Forma Condensed Combined Financial Information is not necessarily representative of the Group's results of operations for any future period.

The Acquisition has been accounted for by recognizing the Target's assets and liabilities at book value and goodwill for the amount of consideration received in excess of the Target's net book value. As of the date hereof, in respect of the Acquisition, the Unaudited Pro Forma Condensed Combined Financial Information is based on the consideration transferred, calculated as described in note 3 under "Notes to unaudited pro forma condensed combined balance sheet" and allocated to the consolidated assets acquired, liabilities assumed and goodwill. The acquisition method of accounting was not used as of the date hereof, in respect of the Acquisition. The Group has not performed the valuation studies necessary to estimate the fair values of the identifiable assets acquired and liabilities assumed and the related allocation of the purchase price. A purchase price allocation has not been completed, and in respect of the Acquisition may result in significant adjustments to the historical values of property, plant and equipment and intangible assets and other assets, liabilities and provisions, resulting in a significant increase in depreciation and amortization expense. As a result, purchase price adjustments will change the allocation of the consideration transferred, which will affect the fair value assigned to the assets and liabilities and will result in a change compared to the amounts presented in the Unaudited Pro Forma Condensed Combined Financial Information.

The Unaudited Pro Forma Condensed Combined Financial Information has not been prepared in accordance with the requirements of Regulation S X of the U.S. Securities Act, the Prospectus Directive or any generally accepted accounting standards. The unaudited pro forma adjustments are based upon available information and certain assumptions that the Group believes are reasonable under the circumstances. The Unaudited Pro Forma Condensed Combined Financial Information is presented for informational purposes only, it is not intended to show how the Group would have actually performed if the Transactions actually occurred on the dates indicated, nor do they purport to project the Group's results of operations or financial position for any future period or as at any future date. Neither the assumptions underlying the pro forma adjustments nor the resulting Unaudited Pro Forma Condensed Combined Financial Information have been audited or reviewed in accordance with any generally accepted auditing standards.

Unaudited pro forma condensed combined financial information

The following tables present Unaudited *Pro Forma* Condensed Combined Financial Information and has been prepared to reflect the effects of the Transactions on our financial information as of and for the year ended December 31, 2017. Such information is based on certain assumptions that management currently believes are directly attributable to these transactions, factually supportable and, with respect to the income statement, expected to have a continuing impact on our consolidated results.

The unaudited *pro forma* condensed combined balance sheet has been prepared giving effect to the Transactions as if they had been completed on December 31, 2017. The unaudited *pro forma* condensed combined income statement has been prepared giving effect to the Transactions as if they had been consummated on January 1, 2017. See "*Risks Related to the Acquisition*" below.

The Unaudited *Pro Forma* Condensed Combined Financial Information is provided for informational purposes only. The Unaudited *Pro Forma* Condensed Combined Financial Information does not purport to represent what our results of operations or financial condition would have been had the Transactions actually occurred on the dates indicated and does not purport to project our results of operations or financial condition for any future period or as of any future date. In addition, the Unaudited *Pro Forma* Condensed Combined Financial Information has not been adjusted to reflect any matters not directly attributable to implementing the Transactions. No adjustment, therefore, has been made for actions that may be taken once the Transactions close, such as any of our integration plans related to the Target. As a result, the actual amounts recorded in the consolidated financial statements of the combined group may differ from the amounts reflected in the Unaudited *Pro Forma* Condensed Combined Financial Information, and the differences may be material.

There can be no assurance that we will consummate the Acquisition. In the event that the Acquisition is not consummated for any reason, the below *pro forma* information would no longer be relevant.

Unaudited pro forma condensed combined income statement for the year ended December 31, 2017

	The Group [1]	The Target [2]	*Pro Forma* Group combined before financing	*Pro Forma* Group financing adjustments [3]	*Pro Forma* condensed combined Total
(in $ millions)					
Revenue	1,169.5	305.0	1,474.5	-	1,474.5
Cost of Sales	(1033.3)	(240.8)	(1,274.1)	-	(1,274.1)
Gross profit	**136.2**	**64.2**	**200.4**	-	**200.4**
Administrative expenses	(48.1)	(27.6)	(75.7)	-	(75.7)
Amortization of intangible assets	(14.5)	-	(14.5)	-	(14.5)
Share of results of associates	0.2	-	0.2	-	0.2
Operating profit (loss) before exceptional items	**73.8**	**36.7**	**110.5**	-	**110.5**
Exceptional items, net operating costs	(15.0)	-	(15.0)	-	(15.0)
Operating profit	**58.8**	**36.7**	**95.5**	-	**95.5**
Finance costs	(206.7)	(23.7)	(230.4)		
Finance income	11.7	0.2	11.9		
Foreign exchange gain (loss)	-	-	-	-	-
Other income	-	-	-	-	-
Profit (loss) before taxation	**(136.2)**	**13.2**	**(123.0)**		
Add back:					
Depreciation	133.2	65.7	198.9	-	198.9
Amortization of intangible assets	14.5	-	14.5	-	14.5
Exceptional items, net operating costs[4]	15.0	-	15.0	-	15.0
Other	-	7.2	7.2	-	7.2
Finance costs	206.7	23.7	230.4		
Finance income	(11.7)	(0.2)	(11.9)		
EBITDA before exceptional items	**221.5**	**109.6**	**331.1**		

(1) The historical financial information of the Company for the year ended December 31, 2017 has been derived from the Company Consolidated Financial Statements as of and for the year ended December 31, 2017, which are prepared in accordance with IFRS, including interpretations of the IFRIC and included elsewhere on the Company's website.

(2) The following adjusted carve-out information of the Target for the year ended December 31, 2017 is derived from the Dalma Consolidated Financial Statements as of and for the year ended December 31, 2017 which are prepared in accordance with IFRS, the Articles of Association of Dalma Energy LLC and applicable requirements of the UAE Commercial Companies Law of 2015 (as amended) and included elsewhere on the Company's website. The following table presents the historical financial information of the Target and the impact of adjustments made in order to present it on a basis that is consistent with the Company's accounting policies and presentation:

	Dalma Energy LLC and its subsidiaries Year ended December 31, 2017 [a]	Target adjustments[b]	Target Year ended December 31, 2017
(in $ millions)			
Revenue	327.5	(22.5)	305.0
Depreciation (direct charge)	(70.4)	70.4	-
Other direct costs	(188.6)	188.6	-
Cost of Sales	-	(240.8)	(240.8)
Gross profit	**68.4**	**(4.2)**	**64.2**
Depreciation (indirect charge)	(0.5)	0.5	-
Administrative expenses	(30.7)	3.1	(27.6)
Amortization of intangible assets	-	-	-
Share of results of associates	-	-	-
Operating profit before exceptional items	**37.3**	**(0.6)**	**36.7**
Exceptional items, net	-	-	-

operating costs			
Operating profit	**37.3**	**(0.6)**	**36.7**
Finance costs	(23.9)	0.2	(23.7)
Finance income	0.2	-	0.2
Foreign exchange gain (loss)	0.1	(0.1)	-
Other income	1.2	(1.2)	-
Share of profit (loss) of an associate	0.0	-	0.0
Profit (loss) before taxation	**15.0**	**(1.7)**	**13.2**
Add back:			
Depreciation	70.9	(5.2)	65.7
Amortization of intangible assets	-	-	-
Exceptional items, net operating costs	-	-	-
Other[(c)]	7.2	-	7.2
Finance costs	23.9	(0.2)	23.7
Finance income	(0.2)	-	(0.2)
EBITDA before exceptional items	**116.8**	**(7.1)**	**109.6**

(a) Dalma Energy LLC and its subsidiaries' financial information for the year ended December 31, 2017 has been derived from the Dalma Consolidated Financial Statements as of and for the year ended December 31, 2017 included elsewhere on the Company's website.

(b) Adjustments relate to the carve-out of the business and assets not acquired as part of the Acquisition and to conform the Target's income statement presentation to the Group's income statement presentation. There are no material differences identified between the accounting policies as applied by Dalma Energy LLC and its subsidiaries and IFRS as applied by the Group that require quantification or recalculation.
The carve-out adjustments relate to the elimination of the Algeria and India subsidiaries that are included in the Dalma consolidated income statement but are not acquired in the Acquisition and adding back revenue and expenses accounted for in the local UAE entity, which will be acquired as part of the Acquisition, namely in relation to rigs operating in Saudi Arabia. Allocation of relevant corporate costs has been apportioned to the carve-out on a revenue basis.

(c) An adjustment to revenue of $7.2 million was made in Dalma Energy LLC's income statement for the year ended December 31, 2017 to account for a customer claim for a discount relating to revenue for fiscal year 2016. Management is currently in discussions with the customer and pending the ultimate outcome of the matter, have recognised the discount claim in the financial statements as an adjustment to revenue in 2017. As this amount does not relate to the revenue for the year ended December 31, 2017 and is not expected to be re-occurring, this has been added back to profit (loss) before taxation to arrive at EBITDA before exceptional items.

(3) Adjustments to reflect the Financing are to be determined.

(4) The Company recognized a $15.0 million exceptional charge in 2017. Of the total exceptional charge $9.2 million was associated with the Group's cost reduction, restructuring and redundancy expenditure, along with professional fees associated with the Company's strategic activities looking at potential mergers and acquisitions. The remainder of the $4.7 million charge related to an adverse court decision in Mexico not to award repayment of funds paid under a standby letter of credit in 2014.

Unaudited pro forma condensed combined balance sheet as of December 31, 2017

(in $ millions)	**The Group [(1)]**	**The Target [(2)]**	***Pro forma* acquisition adjustments [(3)]**	***Pro forma* Group combined before financing**	***Pro forma* Group financing adjustments [(4)]**	***Pro forma* condensed combined total**
Assets						
Non-current assets						
Property, plant and equipment	753.0	370.1	-	1,123.1	-	1,123.1
Goodwill	550.9	0.4	285.3	836.6	-	836.6
Other intangible assets	90.5	-	-	90.5	-	90.5
Investments	2.7	0.6	-	3.3	-	3.3
Deferred tax assets	55.4	-	-	55.4	-	55.4
Derivative financial instruments	-	1.5	-	1.5	-	1.5
	1,452.5	372.5	285.3	2,110.3	-	2,110.3
Current assets						
Inventories and work in progress	107.8	26.8	-	134.6	-	134.6

	The Group [1]	The Target [2]	*Pro forma* acquisition adjustments [3]	*Pro forma* Group combined before financing	*Pro forma* Group financing adjustments [4]	*Pro forma* condensed combined total
Trade and other receivables	255.8	57.6	-	313.4	-	313.4
Amounts owed by parent company	3.9	-	-	3.9	-	3.9
Financial assets – derivative financial instruments	1.1	0.2	-	1.3	-	1.3
Cash, cash equivalents and other deposits	108.3	23.1	-	131.4		
	476.9	107.7	-	584.6		
Total Assets	**1,929.4**	**480.2**	**285.3**	**2,694.9**		
Liabilities						
Current liabilities						
Trade and other payables	(241.9)	(53.8)	-	(295.7)	-	(295.7)
Bank overdrafts	-	-	-	-	-	-
Tax liabilities	(34.2)	(8.4)	-	(42.6)	-	(42.6)
Financial liabilities – derivative financial instruments	(0.3)	-	-	(0.3)		
Financial liabilities – borrowings[5]	(27.5)	(71.5)	-	(99.0)		
Provisions and other payables	(1.6)	-	-	(1.6)	-	(1.6)
	(305.5)	(133.7)	-	(439.2)		
Non-current liabilities						
Deferred income	(17.1)	-	-	(17.1)	-	(17.1)
Financial liabilities - borrowings[5]	(1,258.2)	(280.6)	-	(1,538.8)		
Amounts owed to parent company	(216.7)	-	-	(216.7)	-	(216.7)
Deferred tax liabilities	(49.3)	(4.8)	-	(54.1)	-	(54.1)
Retirement benefit obligations	(133.3)	(13.8)	-	(147.1)	-	(147.1)
Provisions and other payables	(5.1)	-	-	(5.1)	-	(5.1)
	(1,679.7)	(299.1)	-	(1,978.8)		
Total liabilities	**(1,985.2)**	**(432.8)**	**-**	**(2,418.0)**		
Net Assets (liabilities)	**(55.8)**	**47.4**	**285.3**	**276.9**		
Capital and Reserves	**(55.8)**	**47.4**	**285.3**	**276.9**		

(1) The historical financial information of the Company as of December 31, 2017 has been derived via *pro forma* adjustments without material adjustment from the Company Consolidated Financial Statements as of and for the year ended December 31, 2017, which are prepared in accordance with IFRS, including interpretations of the IFRIC and included elsewhere on the Company's website.

(2) The following adjusted carve-out financial information of the Target as of December 31, 2017 is derived from the Dalma Consolidated Financial Statements as of and for the year ended December 31, 2017 which are prepared in accordance with IFRS, the Articles of Association of Dalma Energy LLC and applicable requirements of the UAE Commercial Companies Law of 2015 (as amended) and included elsewhere on the Company's website. The following table presents the historical financial information of the Target and the impact of adjustments made in order to present it on a basis that is consistent with the Company's accounting policies and presentation:

(in $ millions)	Dalma Energy LLC and its subsidiaries as of December 31, 2017 [(a)]	Target Adjustments [(b)]	Target condensed combined total as of December 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	387.2	(17.1)	370.1
Goodwill	0.4	-	0.4
Other intangible assets	-	-	-
Investments	-	0.6	0.6

	Dalma Energy LLC and its subsidiaries as of December 31, 2017 [(a)]	Target Adjustments [(b)]	Target condensed combined total as of December 31, 2017
Investment in an associate	0.6	(0.6)	-
Available for sale investment	-	-	-
Deferred tax assets	0.0	-	0.0
Derivative financial instruments	1.5	-	1.5
	389.6	(17.1)	372.5
Current assets			
Inventories and work in progress	28.9	(2.1)	26.8
Trade and other receivables	159.7	(102.1)	57.6
Amounts owed by parent company	-	-	-
Financial assets – derivative financial instruments	0.2	-	0.2
Other deposits	0.7	(0.7)	-
Cash, cash equivalents and other deposits	24.6	(1.5)	23.1
	214.1	(106.4)	107.7
Total Assets	**603.7**	**(123.5)**	**480.2**
Liabilities			
Current liabilities			
Trade and other payables	(63.2)	9.4	(53.8)
Bank overdrafts	-	-	-
Tax liabilities	(10.5)	2.1	(8.4)
Financial liabilities – derivative financial instruments	-	-	-
Financial liabilities – borrowings	(71.5)	-	(71.5)
Provisions and other payables	-	-	-
	(145.2)	11.5	(133.7)
Non-current liabilities			
Deferred income	-	-	-
Financial liabilities - borrowings	(280.6)	-	(280.6)
Amounts owed to parent company	-	-	-
Deferred tax liabilities	(4.8)	-	(4.8)
Retirement benefit obligations	(14.2)	0.5	(13.7)
Provisions and other payables	-	-	-
	(299.6)	0.5	(299.1)
Total liabilities	**(444.8)**	**12.0**	**(432.8)**
Net Assets	**158.8**	**(111.5)**	**47.4**
Capital and Reserves	**158.8**	**(111.5)**	**47.4**

(a) Dalma Energy LLC and its subsidiaries financial information as of December 31, 2017 has been derived from the Dalma Consolidated Financial Statements as of and for the year ended December 31, 2017 included elsewhere on the Company's website.

(b) Adjustments relate to the carve-out of the business and assets not acquired as part of the Acquisition and to conform the Target's balance sheet presentation to the Group's balance sheet presentation. There are no material differences identified between the accounting policies as applied by Dalma Energy LLC and its subsidiaries and IFRS as applied by the Group that require quantification or recalculation.
The carve-out adjustments relate to the elimination of the Algeria and India subsidiaries that are included in the Dalma consolidated balance sheet but are not acquired in the Acquisition and adding back assets and liabilities accounted for in the local UAE entity, which will be acquired as part of the Acquisition, namely in relation to rigs operating in Saudi Arabia. Allocation of relevant corporate costs has been apportioned to the carve-out on a revenue basis.

(3) The adjustment to goodwill of $285.3 million represents the recognition of *pro forma* acquisition goodwill as an intangible asset in the unaudited *pro forma* condensed combined balance sheet. The total acquisition goodwill recognized in the *pro forma* goodwill is calculated as follows:

	$ millions
Consideration	332.7

Less net assets/ liabilities acquired	47.4
Pro forma acquisition goodwill	285.3

The Acquisition has been accounted for by recognizing the Target's assets and liabilities at book value and goodwill for the amount of consideration received in excess of the Target's net book value. The acquisition method of accounting has not been used, and therefore a fair value exercise will be completed post Acquisition, which will result in a different allocation to acquisition goodwill.

(4) Adjustments to reflect the Financing are to be determined.
(5) The allocation of *pro forma* group combined before financing borrowings are as follows:

(in $ millions)	**Pro Forma Group combined before the Financing**	**Pro Forma Condensed Combined**
Current Borrowings		
Finance lease liabilities	2.8	2.8
Term Loan B Facility	1.9	1.9
Oman Term Loan	22.8	22.8
Bank loans – derivative liability	(0.2)	(0.2)
Revolving Credit Facility	-	-
Target term loans	71.5	-
Non-current Borrowings		
Oman Term Loan	25.2	25.2
Term Loan B Facility	356.5	356.5
2021 Notes	375.0	375.0
2022 Notes	535.0	535.0
Bank loans – derivative liability	(1.2)	(1.2)
Target term loans	285.6	-
Capitalized arrangement fees	(38.8)	(38.8)
Debt financing	-	425.0
Total Borrowings	**1,636.1**	**1,704.0**

Risks related to the Acquisition

We may face unexpected difficulties and costs in integrating the Target.

We will need to integrate the Target with the Group. The integration presents various challenges which may be difficult and costly to overcome and could prevent us from realizing the expected benefits of the Acquisition. We may experience difficulties and costs in integrating the assets of the Target in our operations. For example, we expect to incur $17.2 million of integration costs in 2018, including personnel and training costs of $6.7 million, IT costs and capital expenditure of $3.5 million and other costs of $7 million. The expected benefits of the Acquisition, and in particular, the anticipated synergies and growth opportunities, may not be realized in full (or at all) or may take longer to realize than planned. Further, the integration of the Target may require management capacity which is not available for the further development of our business. In addition, we may lose employees who are instrumental for the integration and further development of our combined business as well as customers, suppliers and agents. Finally, the integration of the business may cost materially more than we expect. Any of these risks could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The Target is subject to risks related to its business, industry and the markets in which it operates.

The Target is subject to the same or similar business risks as the Company. The Target may also be subject to certain additional risks, or heightened risks, given the nature of its business or the markets in which it operates.

The Target operates in developing economies in the Middle East with a higher perceived risk of corruption. Although the Target is committed to doing business in accordance with all applicable anti-corruption laws, the Target is subject to the risk that the Target, its affiliated entities or its or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws. Furthermore, prospective investors should consider in particular the geopolitical risks in the Middle East. Many countries in the Middle East have suffered from political or security instability in recent years. There can be no assurance that the economic and political conditions in those countries or other countries may not have a negative impact on the Target's business, prospects, financial condition, results of operations and cash flows. Additionally, the imposition of sanctions against individuals or entities in the Middle East could impact the Target if it, or any of its business partners, were to become the subject of such sanctions. The occurrence of any of these events in markets served by the Target and any resulting instability may materially adversely affect the Target's business and results of operations.

The Target is dependent on its contracts with its two principal clients, Saudi Aramco ("**Aramco**") and Petroleum Development Oman ("**PDO**"), which are large national oil and gas companies ("**NOCs**") with substantial negotiating power. The negotiating power of these clients has in the past, and may in the future, result in the Target offering services at a discounted rate. In addition, if the Target's principal clients experience a general decline in demand due to economic or other forces, or if its clients are not satisfied with the services provided by the Target, such client may reduce the number of service orders it has with the Target, terminate its relationship with the Target or opt not to renew its contractual relationship with the Target upon expiration. As a result of these or other factors, if principal clients choose to cease using the Target's services or reduce their usage, or if principal clients negotiate lower price terms (including on a retroactive basis), it could have a material adverse impact on the Target's business, prospects, financial condition, results of operations and cash flows.

The Target is also subject to risks relating to its workforce, such as in relation to (i) its ability to secure talented expatriates despite visa restrictions in Oman and Saudi Arabia and (ii) the technical competency of its workforce. For example, in Oman, the Target engaged a third party company to carry out technical competence assessments on rig crews employed by the Target. The assessments were carried out from October 2017 and are still ongoing. To date, 220 members of the rig crews have been assessed. The results of such assessments to date show that 52 of the rig crews require further training to carry out their job functions. While the Target is in the process of conducting training sessions for the rig crews in light of these assessments, there can be no assurance that the Target's rig crews will become fully competent or that the Target will be able to cultivate a sufficiently skilled workforce. This could result in an interruption in the services the Target provides, failure to meet its operational requirements or damage to the Target's reputation.

The Target may face unexpected risks, burdens and operational challenges which could diminish the value of the Acquisition.

The information on the Target contained herein has been derived from various sources and includes information provided to us by the Sellers. As we do not currently control the Target, we have not been able to verify the unaudited information as independently, accurately or as completely as we would have if we had control over the Target in the period covered by such information. Instead, we have relied on the information that the Sellers provided to us in the due diligence process in presenting the financial and other information about the Target herein.

The value of the Target may be below our expectations and may be subject to contingent or current liabilities that we are not aware of. Further, customer churn may be higher than expected and the maturity profile of important customer contracts or the content of additional material contracts different than represented.

Certain of the Target's contracts may contain change of control provisions, which may allow their counterparties to terminate the contract under circumstances such as the Acquisition.

Certain of the Target's contracts may contain "change of control" provisions that require the Target to notify the counterparty of any change of control prior to the completion of the Acquisition. In some cases, such contracts may allow the counterparty to terminate the contract in the event of a change of control. The Target may not be able to notify all of the counterparties that would be contractually required to be notified prior to the completion date of the Acquisition, and the Target may not be able to seek a formal consent from every counterparty that might have a termination right under a change of control provision. In particular, as the Target is party to certain existing finance agreements containing change of control provisions, completion of the Acquisition will or may enable the relevant lenders to accelerate certain existing finance agreements and request immediate repayment of the outstanding amounts thereunder. It is currently contemplated that these existing finance arrangements will be repaid contemporaneously with the Acquisition.

In the event that counterparties seek to terminate their contracts following the Acquisition, the Group may be required to enter into new contracts. There is no assurance that the Group would be able to secure replacement contracts, or that the Group may be able to secure replacement contracts on favorable terms. Any of these events could have a material adverse effect on the Target's business, financial condition and results of operations.

The Target may have liabilities that are not known to us and the indemnities we have negotiated in the sale and purchase agreement may not adequately protect us.

We acquired the Target with its liabilities, including certain end of service benefits liabilities and certain tax liabilities ($22.4 million as of December 31, 2017). There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the Target. The due diligence performed prior to the signing of the sale and purchase agreement was limited in time and scope. Any such undiscovered liabilities of the Target, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. In addition, such liabilities may not be recoverable against the representations and warranties given by the Sellers under the sale and purchase agreement. As we further integrate the Target into our business, we may learn additional information about the Target that adversely affects our business, prospects, financial condition, results of operations and cash flows, such as unknown or contingent liabilities and issues relating to compliance with applicable laws.

The completion of the Acquisition is subject to uncertainties and risks.

On March 4, 2018, we entered into a sale and purchase agreement to acquire the Target. The consummation of the Acquisition is subject to certain conditions precedent being met including, among others, the grant of a foreign investment licence by the Saudi Arabian General Investment Authority ("**SAGIA**") to permit the share capital of Dalma Gulf Drilling Company to be held by a foreign shareholder and the receipt of a certificate of no-objection, clearance or other similar approval from the Oman Ministry of Manpower. The satisfaction of all the required conditions could delay the completion of the Acquisition for a certain period of time. Any delay in completing the Acquisition could imply that we do not realize some or all the benefits that we expect to achieve if the Acquisition is successfully completed within its expected timeframe or may require us to spend additional amounts or incur additional fees.

If the Acquisition is not completed, or if there are significant delays in completing the Acquisition, our future business and financial results could be negatively affected subject to several risks, including negative reactions from the financial markets or certain significant costs. In addition, if the Acquisition does not occur, we will not benefit from the expenses we have incurred in the pursuit of the Acquisition, including legal, accounting, financial advisory and other costs. The fees and expenses may be significant and could have an adverse impact on our results of our operations. Furthermore, the attention of our management will have been diverted to the Acquisition rather than to our own operations and pursuit of other opportunities that could have been beneficial to us.

The Acquisition will result in an increase in our financial indebtedness.

The Acquisition will result in a significant increase in our financial indebtedness. The increase in our indebtedness will increase our interest expense. The increase in our indebtedness would also exacerbate the risks to our financial profile. As a result, the increased financial indebtedness and interest expenses could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We do not currently control the Target and will not control the Target until completion of the Acquisition.

The Target is ultimately controlled by the Sellers. We will not obtain control of the Target until the completion of the Acquisition. The Sellers may not operate the business of the Target during the interim period in the same way that we would. The information contained herein has been derived from industry publications and from surveys or studies conducted by third-party sources and, in the case of historical information relating to the Target, has been provided to us by the Sellers as well as members of management of the Target, and we have relied on such information supplied to us in its preparation.

Furthermore, the Acquisition has required, and will likely continue to require, substantial time and focus from management, which could adversely affect their ability to operate the business. Likewise, other employees may be uncomfortable with the Acquisition or feel otherwise affected by it, which could have an impact on work quality and retention. The integration process could distract our management or disrupt our ongoing business, which could in turn adversely affect our ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the acquisition, or could otherwise adversely affect our business, results of operations or financial condition.

Our actual financial position and results of operations may differ materially from the Unaudited Pro Forma Condensed Combined Financial Information included herein.

The Unaudited *Pro Forma* Condensed Combined Financial Information contained herein is presented for illustrative purposes only and may not be an indication of what our financial position or results of operations would have been had the Acquisition been completed on the dates indicated. The Unaudited *Pro Forma* Condensed Combined Financial Information has been derived from the audited financial statements of the Company and of the Target included elsewhere on the Company's website, and certain *pro forma* adjustments and assumptions have been made in the preparation of such unaudited *pro forma* financial information. Our future reported results of operations and balance sheet data may therefore differ from those that might be expected based on the Unaudited *Pro Forma* Condensed Combined Financial Information set forth herein.

In addition, the assumptions used in preparing the unaudited *pro forma* combined condensed financial information may not prove to be accurate, and other factors may affect our financial condition or results of operations. Any potential decline in the combined company's financial condition or results of operations may have a material adverse effect on our ability to service and ultimately repay its indebtedness.

We have relied on representations and warranties that the Sellers have provided to us under the sale and purchase agreement.

In connection with the Acquisition, the Sellers have given certain customary representations and warranties related to the Target under the sale and purchase agreement. We have relied on these representations and warranties about the Target's business in connection with the Acquisition. If these representations and warranties are not true and correct in all material aspects, we may suffer losses or be unable to perform to expectations. In such an event, there can be no assurance that we will be able to recover damages from the Sellers relating to any such breaches in an amount sufficient to fully compensate us for our losses or underperformance.