













## Attachment 2

### FLOATEL

#### WARRANTS TERM SHEET

*Capitalised terms not otherwise defined herein, shall have the same meaning as defined in the summons to which this term sheet is attached and/or the 2L Bond Terms.*

<b>Issuer</b>	Floatel International Ltd (the “ <b>Issuer</b> ”) in the 5-Rig Transaction or Floatel Newco Limited (“ <b>Newco</b> ”) in the 4-Rig Transaction.																											
<b>Warrant Holders</b>	2L Bondholders (subject to them passing a resolution consenting to the Transaction)																											
<b>Warrant Shares</b>	Warrants (“ <b>Warrants</b> ”) issued to the 2L Bondholders to subscribe in aggregate for common shares in the Issuer or Newco in an amount representing 12% of the Issuer’s or Newco’s fully diluted common share capital as at the Completion Date (the “ <b>Common Shares</b> ”), subject to adjustment as, and on the terms, set out below.																											
<b>Issue Date</b>	The Warrants will be issued on completion of the Transaction (the “ <b>Completion Date</b> ”) to the Warrant Holders.																											
<b>Exercise Price</b>	<p>Exercise Price per warrant share calculated based on an equity value of the Issuer of \$424m, subject to the adjustments set out below (the “<b>Exercise Price</b>”). An illustrative example of the equity value calculation is below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="background-color: #d9e1f2;">Warrant strike equity value (\$m)</th> </tr> </thead> <tbody> <tr> <td>Cash payout</td> <td style="text-align: right;">7.50%</td> <td style="text-align: right;">\$30</td> </tr> <tr> <td>Reinstated 1L debt</td> <td style="text-align: right;">50.00%</td> <td style="text-align: right;">200</td> </tr> <tr> <td>Implied equity value for 100% recovery</td> <td style="text-align: right;">42.50%</td> <td style="text-align: right;">170</td> </tr> <tr> <td><b>Total 1L principal claim</b></td> <td style="text-align: right;"><b>100.00%</b></td> <td style="text-align: right;"><b>\$400</b></td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Implied equity value for 100% recovery for 1L Bonds (A)</td> <td></td> <td style="text-align: right;">\$170</td> </tr> <tr> <td>1L Bonds equity ownership (B)</td> <td></td> <td style="text-align: right;">40.08%</td> </tr> <tr> <td><b>"Strike" equity value (A / B)</b></td> <td></td> <td style="text-align: right;"><b>\$424</b></td> </tr> </tbody> </table>	Warrant strike equity value (\$m)			Cash payout	7.50%	\$30	Reinstated 1L debt	50.00%	200	Implied equity value for 100% recovery	42.50%	170	<b>Total 1L principal claim</b>	<b>100.00%</b>	<b>\$400</b>				Implied equity value for 100% recovery for 1L Bonds (A)		\$170	1L Bonds equity ownership (B)		40.08%	<b>"Strike" equity value (A / B)</b>		<b>\$424</b>
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<b>Exercise Period</b>	<p>All outstanding Warrants may be exercised, in full or in part, at any time prior to (i) the occurrence of an Exit Event or (ii) the tenth anniversary of the Completion Date, whichever is earlier, and shall lapse thereafter.</p> <p>The Issuer will give the Warrant Holders at least 10 Business Days’ notice of any Exit Event.</p> <p>“<b>Exit Event</b>” means a Change of Control of the Issuer, a sale of all or substantially all of the assets of the Issuer or an initial public offering of the Common Shares of the Issuer.</p> <p>“<b>Change of Control</b>” means, if (i) any person or group of affiliates/persons acting together gains control, directly or indirectly, over more than 50% (or in the case of Keppel Corporation and its affiliates, more than 60%) of the shares of the Issuer at any time, provided that in either case and for the avoidance of doubt, if such voting shares are held by a nominee then such shares are deemed to be held by the beneficial owners thereof.</p>																											
<b>Adjustments</b>	The number of Warrant Shares issuable will be subject to customary anti-dilution protection in the event of: (i) a subdivision, split, consolidation or redesignation of share capital; (ii) reduction, redemption or repurchase of share capital; or (iii) an issue of shares paid up by way of dividend or by a capitalisation of profits or reserves (or, in each case, any similar event) (each, an “ <b>Adjustment</b> ”																											

	<p><b>Event</b>”). No Adjustment Event will occur upon a bona fide issue of new equity at fair market value; Warrant Holders will not be entitled to participate in such a capital raise.</p> <p>If there is an Adjustment Event whilst any of the Warrants are outstanding, the number of Warrant Shares to be, or capable of being, subscribed on any subsequent exercise of the Warrants and the Exercise Price will be adjusted in such manner to be necessary in order that, after such adjustment:</p> <ol style="list-style-type: none"> <li>1. the total number of Warrant Shares to be, or capable of being, subscribed on any subsequent exercise of the rights conferred by the Warrants: <ol style="list-style-type: none"> <li>a. will carry as nearly as possible (and in any event not less than) the same proportion (expressed as a percentage of the total number of votes exercisable in respect of all the Common Shares) of the votes; and</li> <li>b. will carry the same entitlement (expressed as a percentage of the total entitlement conferred by all the Common Shares) to participate in the profits and assets of the Issuer,</li> </ol> <p style="margin-left: 40px;">as would the total number of Warrant Shares which could have been subscribed pursuant to the rights conferred by the Warrants had there been no such Adjustment Event; and</p> </li> <li>2. the aggregate Exercise Price payable in order to subscribe for all the outstanding Warrant Shares will be the same as it was prior to such adjustment.</li> </ol>
<b>Voting and Governance Rights</b>	None.
<b>Transfers restrictions</b>	Transfers of Warrants are freely permitted, subject to the transferees not being (i) subject to sanctions; or (ii) a competitor in relation to the business of the Issuer or Newco and their subsidiaries without the prior written consent of the Issuer or Newco; or (iii) a competitor in relation to the vessel building/repair business of Keppel and its affiliates without the prior written consent of Keppel.
<b>Approvals</b>	The Issuer will maintain the necessary approvals and authorities it requires to issue the Warrants Shares upon exercise of the Warrants.
<b>Variation</b>	The terms and conditions of the Warrants held by the Warrant Holder(s) may be modified only with the prior sanction of the Issuer and the consent in writing of the Warrant Holder(s) entitled to the right to subscribe for at least 50 per cent. of the Warrant Shares which may be issued pursuant to such Warrants, save that modifications which are of a purely formal, minor or technical nature or made to correct a manifest error may be effected by way of deed poll executed by the Issuer.
<b>Governing law and legal effect</b>	<p>This term sheet is not intended to, nor is it to be construed as, giving rise to any legally binding obligations on any party, with the exception of the obligations set out in this section.</p> <p>This term sheet and all matters (including, without limitation, any contractual or non-contractual matters) arising from, or connected with, it are governed by, and will be construed in accordance with English law and the parties irrevocably submit to the jurisdiction of the English courts in respect of any disputes arising out of this term sheet.</p>

# Key Commercial Terms of the Transaction

All capitalised terms used, but not defined herein, shall have the same meaning assigned to them in the “Notice of a Written Resolution” in respect of the 2L Bonds dated 3 February 2021 (the “**Notice**”)

Revolving credit facilities	<ul style="list-style-type: none"> <li>○ New \$100.0m revolving credit facility secured by substantially same security package as existing Revolving Credit Facilities over four rigs (in a 4 Rig Transaction) or over five rigs (in a 5 Rig Transaction) (“<b>New RCF</b>”)</li> <li>○ Credit support provided to New RCF lenders by Keppel through a risk participation agreement</li> </ul>
1L Bonds	<ul style="list-style-type: none"> <li>○ Existing 1L Bonds (claims in respect of principal as well as interest which fell due under the 1L Bonds on 11 April 2020 and 11 October 2020) are exchanged for (i) reinstated 1L Bonds and (ii) post-restructuring equity as set out below</li> <li>○ \$230.0m of existing 1L Bonds reinstated as two separate bonds:             <ul style="list-style-type: none"> <li>• \$115.0m 1L cash-pay bonds (“<b>Cash Bond</b>”)                 <ul style="list-style-type: none"> <li>- 6.00% annual cash interest</li> <li>- Maturity: 5.5 years from completion of the restructuring</li> </ul> </li> <li>• \$115.0m 1L PIK bonds (“<b>PIK Bond</b>”)                 <ul style="list-style-type: none"> <li>- 10.00% PIK interest per annum</li> <li>- Maturity: 5.5 years from completion of restructuring</li> </ul> </li> </ul> </li> <li>○ Post closing, the Cash Bond and PIK Bond will receive an aggregate cash payment of \$30.0m, reducing each to \$100.0m</li> <li>○ Remaining 1L Bonds equitized into 40.08% post-restructuring equity, subject to dilution from Warrants</li> </ul>
Covenants	<ul style="list-style-type: none"> <li>○ 1.30x minimum asset coverage ratio for Permitted Investments incurrence test only</li> <li>○ \$10.0m minimum liquidity covenant in 2023 and \$15.0m from Q1-2024</li> </ul>
Bank Vessel Facilities (“BVF”)	<ul style="list-style-type: none"> <li>○ BVF claims released upon receipt of the \$46.0m settlement sum (the “<b>Settlement Sum</b>”) in accordance with terms of Collateral Discharge Agreement (as defined in the announcement made by Floatel International Ltd on 9 January 2021)</li> <li>○ Completion of the Collateral Discharge Agreement is conditioned upon securing and satisfying all conditions precedent to the New RCF which will be drawn to fund the Settlement Sum to the BVF lenders</li> <li>○ If the Collateral Discharge Agreement conditions are not satisfied, the Issuer would work towards a 4 Rig Transaction</li> </ul>
2L Bonds	<ul style="list-style-type: none"> <li>○ To receive 10.0-year warrants for 12.00% of post-restructuring equity, strike price based on an equity value of USD 424.0m (“<b>2L Warrants</b>”) on the condition that the 2L Bondholders pass a resolution approving the 2L Exchange</li> </ul>
Keppel Subordinated Loan	<ul style="list-style-type: none"> <li>○ No recovery</li> </ul>
Equity	<ul style="list-style-type: none"> <li>○ Keppel receives 49.92% of post-restructuring common equity in recognition of credit support to New RCF, subject to dilution from Warrants</li> <li>○ Management receives 10% of post-restructuring common equity, subject to dilution from Warrants</li> <li>○ Existing shareholders (other than Keppel) to receive 10.0-year warrants for 5.00% of post-restructuring equity, strike price based on an equity value of USD 625.0m (the “<b>Shareholder Warrants</b>”, and together with the 2L Warrants, the “<b>Warrants</b>”)</li> </ul>

# Implementation

- In all cases, the 2L Warrants offer is contingent upon 2L Bondholders passing a resolution in support of the 2L Exchange
- Key conditions to completion are finalising and satisfying customary conditions precedent for the New RCF in a timely manner
- The 2L Warrants offer remains the same regardless of whether a 4 Rig Transaction or a 5 Rig Transaction is concluded and the proposal in the Summons covers both a 5 Rig Transaction and a 4 Rig Transaction
- As at the date of the Summons, the Issuer is working to complete a 5 Rig Transaction with the benefit of the Collateral Discharge Agreement

## 5 Rig Transaction with 2L Support

- The 5 Rig Transaction is implemented via a series of consensual agreements and resolutions to complete the transaction
- Warrants and debt are issued by the Issuer
- No corporate reorganization required

## Any other transaction (i.e. 5 Rig Transaction without 2L Support or a 4 Rig Transaction with or without 2L support)

- Corporate reorganisation required and all relevant assets transferred to Floatel Newco Limited (“**Newco**”)
  - Bond Issue Collateral being transferred as part of 1L Bondholder-instructed enforcement if 2L Bondholders do not approve the 2L Exchange
- Additional steps to address BVF interest in Common Collateral may be required only if Collateral Discharge Agreement is terminated and a 4 Rig Transaction is required
- Shareholder Warrants and debt are issued by Newco
- 2L Warrants issued by Newco if 2L Exchange is approved
  - Absent such approval 2L Bonds remain outstanding at the Issuer following the 1L Bondholder-instructed security enforcement