

## Press release

### **Telford Offshore announces execution of lock-up agreement and fully funded proposal with major senior bondholders and members of the Group for a balance sheet restructuring to substantially improve its balance sheet and liquidity**

**Dubai, UAE – 2 November 2022:** Telford Offshore Holdings Limited (**Telford Offshore** or the **Company**), together with certain of its subsidiaries (together the **Group**), have signed a binding lock-up agreement with the holders of approximately 95% of the senior secured bonds (**Major Senior Bondholders**) issued under a bond agreement dated 24 December 2019 (as amended and restated from time to time) (**Senior Bond Agreement**) to support a significant deleveraging and recapitalisation of the Group (the **Restructuring**).

The Restructuring, if implemented, will position Telford with ample liquidity and an improved balance sheet following a new money injection and substantial reduction in debt levels. Pro forma, Telford would be positioned for long-term success with a significant reduction in its senior debt, a dramatically simplified and strengthened capital structure, and a supportive financial sponsor. It is intended that current operations and ongoing commitments to vendors, employees, and clients will not be disrupted and shall be transitioned smoothly as part of the Restructuring.

Key features of the Restructuring include:

- a new money injection from entities affiliated with Merced Capital to provide short term liquidity during the implementation of the broader Restructuring;
- an enforcement process under a share mortgage (**Share Mortgage**) granted by Telford Offshore Limited (**TOL**), the issuer under the Senior Bond Agreement, involving a transfer of the shares in its immediate subsidiary Telford Offshore International Limited to a newly created entity (**NewCo**) which will be controlled by the holders of bonds issued under the Senior Bond Agreement (**Senior Bondholders**);
- a write down of more than half of amounts owing under the Senior Bond Agreement in exchange for the issuance of shares in Newco to Senior Bondholders;
- the reinstatement and maturity extension of the remaining portion of amounts owing under the Senior Bond Agreement previously issued by TOL and assumed by Newco; and
- a proposed offer of equity in Newco to the holders of junior PIK bonds (**Junior PIK Bondholders**) in exchange for the full amounts outstanding under a bond agreement dated 24 December 2019 (as amended and restated from time to time) (**Junior PIK Bond Agreement**). Information regarding this offer will be disseminated by the Bond Trustee appointed under the Junior PIK Bond Agreement to the Junior PIK Bondholders.

Fraser Moore, CEO, Telford Offshore, said: *“We are pleased to receive this fully funded solution to right our balance sheet in response to difficult trading conditions impacting the oil and gas services industry. The continued support and financial backstop offered by funds advised by Merced Capital, our largest creditor and equityholder since Telford’s initial formation, provides a stable platform for the ongoing trading and operations of the business whilst the transaction is implemented. A deleveraged balance sheet will enable the*

*Company to target growth and new customer opportunities with the benefit of a stable capital structure. We are also pleased to announce the appointment of Casey McDonald as an independent director of TOL. We would like to thank our investors and customers for their ongoing support of Telford's business."*

Telford Offshore is adaptable to client requirements and operates in the most challenging environments, delivering safe access to and support of offshore worksites.

[www.telfordoffshore.com](http://www.telfordoffshore.com)

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Notes to Editors:

Telford Offshore's fleet comprises five modern vessels, all built between 2007 and 2011: Telford 25, Telford 28, Telford 30, Telford 31 and Telford 34. Their DP3 capabilities and permanent walk-to-work systems allow them to benefit from safe and very high connectivity rates to fixed and mobile production installations, reducing downtime whilst on station. Their multi-purpose capabilities ensure that diverse operations can be undertaken by one vessel. Each vessel is able to provide accommodation services, to transport, lift and install subsea or topside components, lay pipe and carry out subsea construction.