

ARCHER LIMITED

(an exempted limited company incorporated under the laws of Bermuda)

Listing of 84,000,000 Shares, issued in a Private Placement

Offering and listing of up to 16,800,000 Shares in a Subsequent Offering to Eligible Shareholders

The information contained in this prospectus (the “**Prospectus**”) relates to (i) the listing on Oslo Børs (the “**Oslo Stock Exchange**”) of 84,000,000 shares in Archer Limited (the “**Company**”), taken together with its consolidated subsidiaries the “**Group**”), each with a par value of USD 0.01 (the “**Private Placement Shares**”), already issued in a private placement directed towards certain institutional investors for gross proceeds of NOK 840.0 million, or approximately USD 100.0 million (the “**Private Placement**”) and (ii) a subsequent offering (the “**Subsequent Offering**”) and listing of up to 16,800,000 shares in the Company, each with a par value of USD 0.01 (the “**Offer Shares**”) for gross proceeds of up to NOK 168.0 million, or approximately USD 20.0 million, pursuant to the terms and conditions set out in this Prospectus. For the purposes of arriving at the abovementioned USD figures, amounts in NOK have been translated to USD on the basis of a USD/NOK exchange rate of 8.4.

Subsequent Offering, offer size..... 16,800,000 Offer Shares.

Subscription Price NOK 10.00 per Offer Share.

Subscription Period From 09:00 hours (CET) on 3 April 2017 to 16:30 hours (CET) on 19 April 2017
(the “**Subscription Period**”)

In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Offer Shares to subscribers who were registered as holders of shares in the Company (“**Shares**”) in the Company’s register of shareholders with the Norwegian Central Securities Depository (Nw. *Verdipapirsentralen*) (the “**VPS**”) as of expiry of 2 March 2017 (the “**Record Date**”) and who did not participate in the Private Placement (each such shareholder an “**Eligible Shareholder**”, and collectively, “**Eligible Shareholders**”). For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be entitled to allocation of approximately 0.312973 subscription rights (the “**Subscription Right(s)**”), rounded down to the nearest whole Subscription Right. One (1) Subscription Right will give the right to subscribe for one (1) Offer Share. The Shares of the Company began trading exclusive of Subscription Rights from and including 1 March 2017. Hence, the last day of trading inclusive of Subscription Rights was 28 February 2017. For the purposes of determining eligibility to Subscription Rights, the Company will, however, look solely to its register of shareholders as of expiry of the Record Date, which will show shareholders as of expiry of 28 February 2017 (and potentially shareholders that have purchased Shares thereafter with non-standard settlement cycle). Oversubscription and subscription without Subscription Rights will not be allowed. The Subscription Rights will not be tradable. The Eligible Shareholders who do not use their Subscription Rights will experience a significant dilution, see Section 6.2 “Use of Proceeds; Reasons for the Equity Raise—Dilution”. The Subscription Rights would normally have an economic value if the shares trade above the Subscription Price during the Subscription Period. Upon expiry of the Subscription Period, the Subscription Rights will expire and have no value.

Notifications of allocation in the Subsequent Offering are expected to be issued on or about 20 April 2017. The due date for payment of allocated Offer Shares is 24 April 2017 (the “**Payment Due Date**”). Delivery of the Offer Shares to investors’ VPS accounts is expected to take place on or about 27 April 2017. Trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 27 April 2017 under the trading symbol “ARCHER”.

For the definitions of capitalised terms used throughout this Prospectus, see Section 22 “Definitions”. Investing in the Shares involves risks; see Section 2 “Risk Factors” beginning on page 14.

Joint Bookrunners and Managers:

ABG Sundal Collier ASA
DNB Markets, a part of DNB Bank ASA
Skandinaviska Enskilda Banken AB (publ)

Arctic Securities AS
Nordea Markets, a part of Nordea Bank AB (publ)

The date of this Prospectus is 31 March 2017.

IMPORTANT INFORMATION

This Prospectus has been prepared in order to provide information about the Company and its business in relation to the Subsequent Offering and listing of the Private Placement Shares and the Offer Shares and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the “**Prospectus Directive**”) as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereafter “**EC Regulation 809/2004**”). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the “**Norwegian FSA**”) has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not verified or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of verification or approval relating to corporate matters described in or referred to in this Prospectus. The Norwegian FSA approved the Prospectus on 31 March 2017.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Offer Shares between the time when this Prospectus is approved and the date of listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor any sale of Offer Shares made hereunder, shall under any circumstances create any implication that there has been no change in the Company’s affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Private Placement or Subsequent Offering other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or any of ABG Sundal Collier ASA, Arctic Securities AS, DNB Markets (a part of DNB Bank ASA), Nordea Markets (a part of Nordea Bank AB (publ)) and Skandinaviska Enskilda Banken AB (publ) (the “**Joint Bookrunners**” or the “**Managers**”) or by any of the affiliates, advisors or selling agents of any of the foregoing.

In making an investment decision, each investor must rely on his or her own examination, and analysis of, and enquiry into the Company and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult with its own advisors as to the legal, tax, business, financial and other aspects of a subscription or purchase of the Offer Shares.

The distribution of this Prospectus and the offering and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Private Placement and the Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. For further information on the manner of distribution of the Offer Shares and the selling and transfer restrictions to which they are subject, see Section 19 “Selling and Transfer Restrictions”.

THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

THIS PROSPECTUS HAS NOT BEEN APPROVED NOR REVIEWED BY THE US SECURITIES AND EXCHANGE COMMISSION AND IS NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES. FOR CERTAIN SELLING AND TRANSFER RESTRICTIONS SEE SECTION 19 “SELLING AND TRANSFER RESTRICTIONS”.

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

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1. SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A- E (A.1 - E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Company, it is possible that no relevant information can be given regarding the relevant Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A—Introduction and Warnings		
A.1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Warning	Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the shares.
Section B—Company		
B.1	Legal and Commercial Name	Archer Limited.
B.2	Domicile and Legal Form, Legislation and Country of Incorporation	The Company was incorporated on 31 August 2007, with registration number 40612, as an exempted limited company and is organized and exists under the laws of Bermuda.
B.3	Current Operations, Principal Activities and Markets	<p>The Company is a global oilfield services company helping customers produce more oil and gas by building better wells. Employing 5,000 people, the Group comprises the combination of several well specialist companies, oil tool providers, drilling service companies and other complementary businesses.</p> <p>The Group’s drilling services include:</p> <ul style="list-style-type: none"> - platform drilling, where the Group supplies experienced personnel and processes for drilling and other technical operations on 46 offshore platforms predominantly in the North Sea - land drilling, through the Group’s fleet of 77 rigs, including 32 drilling rigs and 45 service rigs operating in Argentina and Bolivia, and - modular drilling, through the Group’s 2 modular offshore drilling rigs. <p>The Group also provides engineering services covering detailed design, construction, commissioning and maintenance of drilling facilities, mechanical wireline and logging services and proprietary well integrity and wellbore cleaning products.</p> <p>The Group primarily operates in the North Sea, Argentina and the United States.</p>
B.4a	Significant Recent Trends	The Group has not experienced any changes or trends that are significant to the Group between December 31, 2016, and the date of

		<p>this Prospectus.</p> <p>The Group is not aware of any known trends or changes that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.</p>
B.5	Description of the Group	The Company is the parent company of the Group and the operations of the Company are carried out through its operating subsidiaries.
B.6	Interests in the Company and Voting Rights.....	<p>Shareholders owning 5% or more of the Company's shares will have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Each of the Company's shares carries one vote.</p> <p>None of the major shareholders has different voting rights than the other shareholders in the Company.</p> <p>The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.</p>
B.7	Selected Historical Key Financial Information.....	The table below sets out a summary of the Group's unaudited consolidated income statement for the three months and year ended 31 December 2016 and 2015, and the Group's audited consolidated financial statements for the years ended 31 December 2015, 2014 and 2013.

<i>USD millions</i>	For the Three Months Ended 31 December (unaudited)		For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
					2014 (changes, unaudited)		2014 (previously reported)	
	2016	2015	2016	2015	2014 (restated)			2013
<i>Operating revenues</i>								
Operating revenues ...	207.6	258.4	817.6	1,233.2	1,478.1	(655.9)	2,134.0	1,944.3
Reimbursable revenues	13.8	24.1	66.2	87.9	119.6	—	119.6	97.0
Total operating revenues	221.4	282.5	883.8	1,321.1	1,597.7	(655.9)	2,253.6	2,041.3
<i>Operating expenses</i>								
Operating expenses ...	186.9	235.7	737.5	1,074.1	1,230.1	(595.9)	1,826.0	1,739.1
Reimbursable expenses.....	12.7	20.5	58.7	79.2	114.5	—	114.5	93.7
Depreciations and amortisation	18.1	19.7	72.6	79.2	72.1	(73.8)	145.9	161.4
Net gain/(loss) on sale of assets.....	(1.7)	(1.0)	(0.2)	(4.2)	(2.8)	(2.8)	—	—
Impairment of goodwill and noncurrent assets ...	-	50.2	17.7	50.2	22.8	(37.6)	60.4	423.7
General and administrative expenses.....	7.8	14.6	38.5	55.1	76.6	(4.3)	80.9	61.3
Total operating expenses	223.8	339.7	924.8	1,333.6	1,513.3	(714.4)	2,227.7	2,479.2
Operating (loss)/income	(2.4)	(57.2)	(41.0)	(12.5)	84.4	58.5	25.9	(437.9)
<i>Financial items</i>								
Interest income	0.3	0.7	1.9	2.5	3.0	—	3.0	1.3
Interest expense.....	(16.6)	(12.2)	(63.0)	(50.2)	(45.7)	0.4	(46.1)	(51.8)
Share of results in associated	(20.1)	(5.4)	(68.7)	(5.6)	(7.6)	—	(7.6)	(1.6)

<i>USD millions</i>	For the Three Months Ended 31 December (unaudited)		For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2016	2015	2014 (restated)	2014 (changes, unaudited)	2014 (previously reported)	2013
companies								
Other financial items .	(14.8)	(7.2)	9.2	(53.7)	(54.8)	—	(54.8)	(21.6)
Total financial items .	(51.2)	(24.1)	(120.6)	(107.0)	(105.1)	0.4	(105.5)	(73.7)
Loss from continuing operations before income taxes	(53.6)	(81.3)	(161.6)	(119.5)	(20.7)	58.9	(79.6)	(511.6)
Income tax benefit/(expense)	5.1	(4.9)	(0.9)	(3.7)	(17.5)	—	(17.5)	2.6
Loss from continuing operations	(48.5)	(86.2)	(162.5)	(123.2)	(38.2)	58.9	(97.1)	(509.0)
Loss from discontinued operations, net of tax	(1.6)	(157.9)	(3.4)	(236.1)	(61.5)	(58.9)	(2.6)	(9.6)
Net loss	(50.1)	(244.1)	(165.9)	(359.3)	(99.7)	—	(99.7)	(518.6)
<i>Loss per share (USD)</i>								
- from continuing operations	(0.83)	(1.48)	(2.80)	(2.12)	(0.66)	(0.49)	(0.17)	(0.92)
- from discontinued operations	(0.03)	(2.73)	(0.06)	(4.08)	(1.06)	(1.06)	—	(0.02)
Weighted average number of shares outstanding (thousands)	58,165	57,916	58,121	57,916	57,916	521,244	579,160	549,468

The table below sets out a summary of the Group's unaudited consolidated balance sheet information as of 31 December 2016, and audited consolidated balance sheet information as of 31 December 2015, 2014 and 2013.

<i>USD millions</i>	As of 31 December (unaudited)		As of 31 December (audited)				
	2016	2015	2014 (restated)	2014 (changes unaudited)	2014 (previously reported)	2013	
Assets							
<i>Current assets</i>							
Cash and cash equivalents	27.3	20.5	28.9	—	28.9	49.5	
Restricted cash	7.6	8.0	15.8	—	15.8	16.5	
Accounts receivables, net of allowance for doubtful accounts of 2.3, 1.4, 1.6 and 3.4 respectively	150.5	193.3	386.2	—	386.2	386.1	
Inventories	61.8	83.5	97.5	—	97.5	65.2	
Deferred tax	-	—	—	(9.2)	9.2	5.6	
Other current assets	39.9	57.6	93.8	(3.2)	97.0	76.9	
Total current assets	287.1	362.9	622.2	(12.4)	634.6	599.8	
<i>Noncurrent assets</i>							
Investments in associates	94.9	148.1	0.2	—	0.2	0.6	
Loans to associates	11.0	4.7	6.1	—	6.1	9.3	
Property, plant and equipment	476.4	554.5	870.3	—	870.3	800.0	

<i>USD millions</i>	As of 31 December (unaudited)		As of 31 December (audited)			
	2016	2015	2014 (restated)	2014 (changes unaudited)	2014 (previously reported)	2013
Deferred tax.....	12.2	13.3	21.8	9.2	12.6	16.2
Goodwill	172.6	174.2	207.8	—	207.8	294.1
Other intangible assets	3.3	4.8	53.9	—	53.9	65.5
Other noncurrent assets	2.8	4.9	7.7	(7.4)	15.1	9.4
Total noncurrent assets	773.2	904.5	1,167.8	1.8	1,166.0	1,195.1
Total assets	1,060.3	1,267.4	1,790.0	(10.6)	1,800.6	1,794.9
<i>Liabilities and shareholders' equity</i>						
<i>Current liabilities</i>						
Current portion of interest-bearing debt	131.1	95.0	61.0	(3.2)	64.2	150.9
Other current liabilities	182.0	224.3	381.1	—	381.1	325.0
Total current liabilities.....	313.1	319.3	442.1	(3.2)	445.3	475.9
<i>Noncurrent liabilities</i>						
Long-term interest-bearing debt	567.1	657.6	689.8	(7.4)	697.2	613.9
Subordinated related party loan .	125.0	50.0	50.0	—	50.0	—
Deferred tax.....	9.7	9.3	11.4	—	11.4	11.6
Other noncurrent liabilities	15.8	33.9	53.9	—	53.9	58.9
Total noncurrent liabilities	717.6	750.8	805.1	(7.4)	812.5	684.4
<i>Shareholders' equity</i>						
Common shares of par value USD 0.01 per share; 1.0 billion shares authorized; 57,915,716 outstanding shares at 31 December 2016 (31 December 2014: 579,159,787 shares of USD 1.00 par value. 31 December 2013: 366,659,120 shares of USD 2.00 par value and 600,000,000 shares authorised.)	0.6	0.6	579.2	—	579.2	579.2
Additional paid-in capital	823.7	823.3	821.1	—	821.1	816.1
Accumulated deficit	(1,527.1)	(1,361.2)	(1,001.9)	—	(1,001.9)	(902.2)
Accumulated other comprehensive loss	(7.7)	(5.5)	(17.1)	—	(17.1)	(20.0)
Contributed surplus	740.1	740.1	161.5	—	161.5	161.5
Total shareholders' equity.....	29.6	197.3	542.8	—	542.8	634.6
Total liabilities and shareholders' equity.....	1,060.3	1,267.4	1,790.0	(10.6)	1,800.6	1,794.9

The table below sets out a summary of the Group's unaudited consolidated cash flow information as of the year ended 31 December 2016 and audited consolidated cash flow information as of 31 December 2015, 2014 and 2013.

<i>USD millions</i>	For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2014 (restated)	2014 (changes unaudited)	2014 (previously reported)	2013
<i>Cash flows from operating activities</i>						
Net loss	(165.9)	(359.3)	(99.7)	—	(99.7)	(518.6)

USD millions	For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2014 (restated)	2014	2014	2013
				(changes unaudited)	(previously reported)	
Net loss discontinued operations	3.4	236.1	61.5	61.5	—	—
<i>Adjustments to reconcile net loss to net cash provided by operating activities</i>						
Depreciation and amortisation	72.6	79.2	72.1	(77.2)	149.3	159.1
Depreciation - reported in discontinued operations	-	—	—	—	—	23.0
Share-based compensation expenses ..	0.4	2.7	4.3	(0.7)	5.0	1.1
(Gain)/loss on property, plant and equipment disposals	(0.2)	(4.2)	(2.4)	1.1	(3.5)	3.0
(Gain) on disposal of assets in discontinued operations	-	—	—	—	—	(9.7)
Impairment charges	17.7	50.2	22.8	(37.6)	60.4	423.7
Impairment charges - reported in discontinued operations	-	—	—	—	—	7.2
Equity in loss of unconsolidated affiliates	68.7	5.6	7.6	—	7.6	1.6
Amortisation of loan fees and senior note premium	4.6	3.3	5.9	—	5.9	9.4
Deferred income taxes	(6.5)	(0.6)	(18.0)	(11.1)	(6.9)	(11.0)
Unrealised foreign currency gain	(11.6)	49.4	57.4	—	57.4	20.6
Decrease/(increase) in trade accounts receivable and other short-term receivables	63.3	97.2	(60.4)	(7.2)	(53.2)	1.3
Decrease / (Increase) in inventories...	13.5	(3.6)	(31.6)	3.3	(34.9)	(0.2)
(Decrease)/increase in trade accounts payable and other short-term liabilities	(24.9)	(85.2)	73.6	(2.3)	75.9	(36.0)
Change in other operating assets and liabilities, net	2.4	(23.1)	(25.8)	0.1	(25.9)	(2.9)
Cash (used in)/provided by operating activities of discontinued operations	(3.4)	(8.3)	70.1	70.1	—	—
Net cash provided by operating activities	34.1	39.4	137.4	—	137.4	71.6
<i>Cash flows from investing activities</i>						
Additions to property, plant and equipment	(6.5)	(88.8)	(214.6)	41.7	(256.3)	(117.5)
Additions to property, plant and equipment for discontinued operations	-	—	—	—	—	(2.1)
Proceeds from sale of property, plant and equipment	1.8	11.0	12.9	(6.2)	19.1	9.0
Proceeds from sale of discontinued operations, net	-	—	—	—	—	253.9
Loans to / investment in associates ...	(21.4)	(4.6)	(7.3)	—	(7.3)	(9.3)
Net change in restricted cash	0.7	6.4	(1.4)	—	(1.4)	(5.5)
Cash used in investing activities of discontinued operations	-	(12.8)	(35.5)	(35.5)	—	—
Net cash used in investing activities	(25.4)	(88.7)	(245.9)	—	(245.9)	128.5
<i>Cash flows from financing activities</i>						
Borrowings under revolving facilities ..	148.2	77.3	29.9	29.9	—	26.3
Repayments under revolving	(189.6)	(22.9)	(34.9)	(30.0)	(4.9)	(53.5)

USD millions		For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
		2016	2015	2014 (restated)	2014 (changes unaudited)	2014 (previously reported)	2013
facilities							
Proceeds from related party debt		75.0	—	50.0	—	50.0	10.0
Repayment of related party debt		-	—	—	—	—	(65.0)
Proceeds from debt		-	4.1	58.4	—	58.4	43.7
Repayment of debt.....		(20.9)	(24.3)	(21.0)	0.5	(21.5)	(463.0)
Debt issuance costs		(2.0)	(1.1)	(6.2)	—	(6.2)	(6.6)
Proceeds from issuance of equity, net.....		-	—	—	—	—	247.9
Cash used in the financing activities of discontinued operations.....		-	(0.2)	(0.5)	(0.5)	—	—
Net cash provided by/(used in) financing activities		10.7	32.9	75.8	—	75.8	(206.7)
Effects of exchange rate changes on cash and cash equivalents.....		(12.6)	8.0	12.1	—	12.1	(2.1)
Net decrease in cash and cash equivalents		6.8	(8.4)	(20.6)	—	(20.6)	(8.7)
Cash and cash equivalents at the beginning of the year		20.5	28.9	49.5	—	49.5	58.2
Cash and cash equivalents at the end of the year		27.3	20.5	28.9	—	28.9	49.5
Interest paid		(47.4)	(40.0)	(35.0)	—	(35.0)	(47.0)
Taxes paid		(10.6)	(15.7)	(9.3)	—	(9.3)	(13.6)
B.8	Selected Key Pro Forma Financial Information	Not applicable. No pro forma financial information is included in this Prospectus.					
B.9	Profit Forecast or Estimate	Not applicable. No profit forecast or estimate is included in this Prospectus.					
B.10	Audit Report Qualification	Not applicable. No audit report qualification is included in the audit report for the audited financial statements included in this Prospectus.					
B.11	Working Capital	As of the date of this Prospectus, the Company is of the opinion that the Group’s working capital is sufficient for its present requirements and for at least the next twelve months from the date of this Prospectus.					
Section C—Securities							
C.1	Type and Class of Securities Being Offered and Admitted to Trading and Identification Number.....	The Company has one class of shares in issue, and all shares in that class have equal rights in the Company. The Shares have been issued under the Bermuda Companies Act of 1981 (the “Bermuda Companies Act”), and are registered with the Norwegian Central Securities Depository (Nw. <i>Verdipapirsentralen</i>) under ISIN BMG 0451H1170. (The Private Placement Shares were registered on a separate ISIN pending listing.)					
C.2	Currency of Issue	The shares are issued in USD but will be quoted and traded in NOK on the Oslo Stock Exchange.					
C.3	Number and Shares in Issue and Par Value	As of the date of this Prospectus, the Company’s issued share capital is USD 1,423,567.16, divided on 142,356,716 Shares, each having a par value of USD 0.01.					
C.4	Rights Attaching to the Securities	All Shares provides equal rights in the Company in accordance with					

		the Bermuda Companies Act. The Bye Laws of the Company and the Bermuda Companies Act do not provide a shareholder of the Company with any pre-emptive rights to subscribe for additional issues of the Company's shares.
C.5	Restrictions on Transfer.....	The Bye Laws do not provide for a right of first refusal on transfer of shares. Share transfers are not subject to approval by the Board of Directors. However, the Board of Directors may decline to register any transfer in certain circumstances described in the Bye-Laws.
C.6	Admission to Trading	The Company currently expects commencement of trading in the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange on or around 3 April 2017 and 27 April 2017, respectively under the trading symbol "ARCHER".
C.7	Dividend Policy	The Company has not formalized a dividend policy. Such policy may be implemented in the future if the Company is in a position to declare cash dividends to the shareholders.
Section D—Risks		
D.1	Key Risks Specific to the Company or its Industry	<p><i>Key risks relating to the Group's debt financing</i></p> <ul style="list-style-type: none"> • The Company may not obtain the required lender approval or be able to complete an alternative arrangement to accomplish the refinancing of its revolving credit facility, which could have significant consequences for its business, financial condition and cash flow. • No assurance can be given that the Company's refinancing of its revolving credit facility will be sufficient and that the Group will not require additional funding to fund operations and capital expenditure or for other purposes. <p><i>Key risks Relating to the Group and the Industry in which the Group Operates</i></p> <ul style="list-style-type: none"> • The Group's business depends on the level of activity of oil and natural gas exploration, development and production in the North Sea and internationally. The significant decline in exploration, development and production activity during the last years, e.g. associated with depressed oil and natural gas prices, has adversely affected, and may continue to adversely affect the demand for the Group's services. • Legal requirements, conservation measures and technological advances could reduce demand for oil and natural gas, which may adversely affect the Group's business, financial condition, results of operations and cash flows. • The Group is experiencing continued challenges in its Argentina operations, and is in part dependent on finding solutions with its customers. • The Group does business in jurisdictions whose political and regulatory environments and compliance regimes differ. • Employee and customer labor problems could adversely affect the Group. • The Group is subject to numerous governmental laws and regulations, some of which may impose significant liability on the Group for environmental and natural resource damages. • A small number of customers account for a significant portion of the Group's total operating revenues, and the loss of, or a decline in the creditworthiness of, one or more of these customers could adversely affect the Group's financial condition and results of

		<p>operations.</p> <ul style="list-style-type: none"> • If the Group is unable to renew or obtain new and favourable contracts for rigs whose contracts are expiring or are terminated, the Group's revenues and profitability could be materially reduced. • The Group's investment in Quintana Energy Services L.P. might be negatively impacted due to the negative market conditions or other adverse circumstances. • A significant portion of the Group's business is conducted in the North Sea. The mature nature of this region could result in less drilling activity in the area, thereby reducing demand for the Group's services. • The macroeconomic and political situation in Argentina and changes to regulations affecting the Group's Argentinian business could have a material adverse effect on the Group's business, financial condition and results of operations.
D.3	Key Risks Specific to the Securities	<p><i>Key risks related to the Shares</i></p> <ul style="list-style-type: none"> • The price of the Shares has been, and may continue to be, volatile. • Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares. • Seadrill Limited currently control a substantial ownership stake in us and such interests could conflict with those of the Company's other shareholders.
Section E—Offer		
E.1	Proceeds and Estimated Expenses.....	<p>The gross proceeds from the Private Placement were NOK 840.0 million, or approximately USD 100.0 million. Assuming the Subsequent Offering is fully subscribed, the gross proceeds from the Subsequent Offering will amount to NOK 168.0 million, or approximately USD 20.0 million.</p> <p>The Company estimates that the total expenses in connection with the Private Placement and the Subsequent Offering will amount to NOK 20.0 million.</p> <p>The net proceeds from the Private Placement and the Subsequent Offering will accordingly amount to approximately NOK 988 million if the Subsequent Offering is fully subscribed.</p>
E.2a	Reasons for the Offering	<p>The Company intends to apply the net proceeds from the Private Placement and the Subsequent Offering for general corporate purposes.</p>
E.3	Terms and Conditions for the Offer	<p>The Subsequent Offering consists of up to 16,800,000 Offer Shares in the Company for gross proceeds of up to NOK 168.0 million, or approximately USD 20.0 million.</p> <p>In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Offer Shares to subscribers who were registered as holders of Shares in the Company's register of shareholders with the VPS as of expiry of 2 March 2017 (the Record Date) and who did not participate in the Private Placement (each such shareholder an Eligible Shareholder, and collectively, Eligible Shareholders). For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be entitled to allocation of approximately 0.312973 Subscription Rights, rounded down to the nearest whole Subscription Right. One (1) Subscription</p>

		<p>Right will give the right to subscribe for one (1) Offer Share, subject to the selling and transfer restrictions set out in Section 19 “Selling and Transfer Restrictions”.</p> <p>For the purposes of determining eligibility to Subscription Rights, the Company will look solely to its register of shareholders as of expiry of the Record Date, which will show shareholders as of expiry of 28 February 2017, and potentially shareholders that have purchased Shares thereafter with non-standard settlement cycle.</p> <p>The Subscription Rights will not be tradable. Oversubscription and subscription without Subscription Rights will not be allowed.</p> <p>The Subscription Price in the Subsequent Offering is NOK 10.00 per Offer Share. The Subscription Price is equal to the per Share subscription price that applied to the Private Placement, which was set on the basis of a book-building.</p> <p>The Subscription Period will commence on 09:00 a.m. CET on 3 April 2017, and expire at 16:30 p.m. CET on 19 April 2017. Allocation of Offer Shares will take place on or about 20 April 2017.</p> <p>Notifications of allocation in the Subsequent Offering are expected to be issued on or about 20 April 2017. The due date for payment of allocated Offer Shares is 24 April 2017 (the Payment Due Date). Delivery of the Offer Shares to investors' VPS accounts is expected to take place on or about 27 April 2017. Trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 27 April 2017 under the trading symbol “ARCHER”.</p>
E.4	Material and Conflicting Interests	<p>The Managers or their affiliates has provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company.</p> <p>Further, in connection with the Subsequent Offering, each of the Managers, its employees and any affiliate acting as an investor for its own account may be entitled to be allocated Offer Shares in the Subsequent Offering (if they were registered as shareholders of the Company as of expiry of the Record Date) and may exercise their right to take up such Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares (or other investments) for its own account and may offer or sell such Offer Shares (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.</p> <p>In accordance with market practice, the Managers receive a certain percentage of the proceeds from the Private Placement and the Subsequent Offering.</p> <p>Beyond the abovementioned, the Company is not aware of any interest of natural and legal persons involved in the Private Placement or the Subsequent Offering.</p>
E.5	Selling Shareholders and Lock-Up Agreements	<p>Not applicable. There are no selling shareholders in the Subsequent Offering and there are no lock-up agreements entered into for the Offer Shares.</p>
E.6	Dilution	<p>The Private Placement resulted in a dilution of the then existing shareholders of the Company of approximately 59%.</p> <p>Taken together with the dilution resulting from the Private Placement, the Subsequent Offering will, assuming that it is fully subscribed, result in a dilution of the shareholders of the Company</p>

		prior to the Private Placement, to the extent such shareholders elect not to participate in the Subsequent Offering, of approximately 63.3%.
E.7	Estimated Expenses Charged to Investors	Not applicable. The expenses related to the Subsequent Offering will be paid by the Company.

2. RISK FACTORS

An investment in the Shares involves inherent risks. An investor should consider carefully all information set forth in this Prospectus and, in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow, which may affect the ability of the Group to pay dividends and cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The information in this Section is as of the date of this Prospectus.

2.1 Risks relating to the Group's debt financing

The Company may not obtain the required lender approval or be able to complete an alternative arrangement to accomplish the refinancing of its revolving credit facility, which could have significant consequences for its business, financial condition and cash flow.

The Company has agreed to amend its USD 625.0 million revolving credit facility (the "RCF") with lenders representing 94% of the exposure (the "Consenting Lenders"). However, the current terms of the RCF require the consent of all the lenders to effect the amendments. Currently, one lender, representing 6% of the exposure, is withholding its consent. The Company has initiated preparations for a Bermuda law scheme of arrangement, under which the proposed amendments are capable of being effected with the consent of lenders representing 75% of the exposure under the RCF. The Consenting Lenders have confirmed that they are supportive of a scheme of arrangement to effect the proposed amendments. In the unlikely event that the scheme of arrangement is not successful, the Consenting Lenders have committed to continue to be bound by their agreement to the proposed amendments, and to negotiate in good faith with a view to effecting the amendments by other means. In order to secure the Company sufficient time to effect the amendments by either a scheme or other means, the Consenting Lenders have, subject to relevant credit committee approvals, agreed to waive repayment of principal due to the Consenting Lenders and replace the financial covenants applicable under the current terms of the RCF with the amended financial covenants contemplated by the refinancing, in each case until and including 30 September 2017. There can be no assurance that the required lender approval will be obtained or, alternatively, that a scheme of arrangement will be achieved. One of the conditions for the refinancing is that Seadrill is released from its guarantees of the RCF against a payment of part of the guaranteed amount. If Seadrill Limited enters into a Chapter 11, bankruptcy, insolvency or other similar proceedings this could lead to a claw-back of the payments made relating to the termination of the guarantees. In addition, if a scheme of arrangement is not obtained, and the Consenting Lenders do not support the proposed amendments, or if the termination payments from Seadrill Limited are subject to claw-back, the Group will be required to repay the loan in full and its business, financial condition and cash flow may suffer. Further, under the terms of the refinancing, the Company has an obligation to agree amendments to the EUR 24.0 million facility financing the rig Archer Topaz on substantially the same terms as the proposed amendments to the RCF by May 2017. Archer and the lenders under the Archer Topaz facility have concluded negotiations for an agreement in principle, subject to relevant credit committee approvals. The Consenting Lenders have indicated that they are supportive of the principle agreement in respect of the Archer Topaz Facility.

No assurance can be given that the Company's refinancing of its RCF will be sufficient and that the Group will not require additional funding to fund operations and capital expenditure or for other purposes.

To the extent the Company does not generate sufficient cash from operations together with the cash proceeds from the Private Placement, the Company and its subsidiaries may need to raise additional funds through public or private debt or equity financing, or refinance its debt facilities. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed, and the Company may not be able to refinance its debt facilities on acceptable terms and conditions or at all.

The Group has a significant level of debt, and could incur additional debt in the future, which could have significant consequences for its business and future prospects.

As of 31 December 2016, the Group had total outstanding interest-bearing debt of USD 828.5 million. This debt represented 78.1% of the Group's total assets. Even if the Company is able to refinance its outstanding debt, the Group would have total outstanding interest-bearing debt of USD 695 million. The Group's debt and the limitations imposed on the Group by its existing or future debt agreements could have significant consequences for the Group's business and future prospects, including the following:

- *The Group may not be able to obtain necessary financing in the future for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;*
- *The Group will be required to dedicate a substantial portion of its cash flow from operations to payments of principal and interest on its debt;*

- The Group could be more vulnerable during downturns in its business and be less able to take advantage of significant business opportunities and to react to changes in the Group's business and in market or industry conditions; and
- The Group may have a competitive disadvantage relative to its competitors that have less debt.

The Group's RCF imposes financial covenants and restrictions on the Group that may limit the discretion of management in operating the Group's business and that, in turn, could impair the Group's ability to meet its obligations.

The Group's existing credit facility contains various restrictive covenants that limit management's discretion in operating its business. In particular, these covenants limit its ability to, among other things:

- make certain types of loans and investments;
- incur or guarantee additional indebtedness;
- pay dividends, redeem or repurchase stock, prepay, redeem or repurchase other debt or make other restricted payments;
- use proceeds from asset sales, new indebtedness or equity issuances for general corporate purposes or investment into its business;
- invest in joint ventures;
- create or incur liens;
- enter into transactions with affiliates;
- sell assets or consolidate or merge with or into other companies; and
- enter into new lines of business.

The credit facility also imposes additional covenants and restrictions.

If the Company is able to refinance its debt it would provide the Group with covenant relief compared to the terms and conditions of its current financing facilities. However, there can be no assurance that the Group would be able to meet the new financial covenants or other obligations.

These covenants could materially and adversely affect the Group's ability to finance its future operations or capital needs. Furthermore, they may restrict the Group's ability to expand, to pursue its business strategies and otherwise to conduct its business. A breach of these covenants could result in a default under the Group's credit facility. If there were to be an event of default under the credit facility, the affected creditors could cause all amounts borrowed under the facility to be due and payable immediately. Additionally, if the Group fails to repay indebtedness under its credit facility when it becomes due, the lenders under the credit facility could proceed against the assets which the Group has pledged as security. The Group's assets and cash flow might not be sufficient to repay its outstanding debt in the event of a default.

2.2 Risks Relating to the Group and the Industry in which the Group Operates

The Group's business depends on the level of activity of oil and natural gas exploration, development and production in the North Sea and internationally. The significant decline in exploration, development and production activity during the last years, e.g. associated with depressed oil and natural gas prices, has adversely affected, and may continue to adversely affect the demand for the Group's services.

The Group's business depends on the level of activity of oil and natural gas exploration, development and production in the North Sea and internationally, and in particular, the level of exploration, development and production expenditures of the Group's customers. Demand for the Group's drilling and well services is adversely affected by declines in exploration, development and production activity associated with depressed oil and natural gas prices. Even the perceived risk of a decline in oil or natural gas prices often causes exploration and production companies to reduce their spending. Oil and natural gas prices began a rapid and substantial decline in the fourth quarter of 2014 which continued to decline or remain depressed in 2015 and 2016. The continuous decline in oil and natural gas prices caused a reduction in drilling, completion and other production activities of the Group's customers and related spending on the Group's products and services. The Group incurred net losses during 2015 and 2016. If industry conditions do not improve, it may continue to suffer net losses and negative cash flows from operations. These effects could have a material adverse effect on the Group's financial condition, results of operations and cash flows. In addition, higher prices do not necessarily

translate into increased drilling activity since clients' expectations about future commodity prices typically drive demand for the Group's services. Oil and natural gas prices are extremely volatile.

Oil and natural gas prices are affected by numerous factors, including the following:

- the demand for oil and natural gas;
- the cost of exploring for, developing, producing and delivering oil and natural gas;
- uncertainty in capital and commodities markets;
- political, economic and weather conditions, as well as natural disasters, in Europe, the United States and elsewhere;
- advances in exploration, development and production technology;
- the ability of the Organization of Petroleum Exporting Countries, ("OPEC"), to set and maintain oil production levels and pricing;
- the level of production in non-OPEC countries;
- domestic and international tax policies and governmental regulations in jurisdictions where the Group operates;
- the development and exploitation of alternative fuels, and the competitive, social and political position of natural gas as a source of energy compared with other energy sources;
- the policies of various governments regarding exploration and development of their oil and natural gas reserves;
- the worldwide military and political environment and uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities or other crisis in the Middle East, West Africa and other significant oil and natural gas producing regions; and
- acts of terrorism or piracy that affect oil and natural gas producing regions, especially in Nigeria, Libya, Syria and Iraq, where armed conflict, civil unrest and acts of terrorism have recently increased.

Legal requirements, conservation measures and technological advances could reduce demand for oil and natural gas, which may adversely affect the Group's business, financial condition, results of operations and cash flows.

Environmental and energy matters have been the focus of increased scientific and political scrutiny and are subject to various legal requirements. International agreements, national laws, state laws and various regulatory schemes limit or otherwise regulate energy-related activities, such as emissions of greenhouse gasses, and additional restrictions are under consideration by governmental entities. These legal requirements as well as fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas. The Group cannot predict the impact of the changing demand for oil and gas services and products, and any major changes may have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group is experiencing continued challenges in its Argentina operations, and is in part dependent on finding solutions with its customers.

Land drilling activity in Argentina fell significantly in late 2015 and throughout 2016 leading to excess or idle personnel on hand. The reduction of personnel in significant quantities requires the cooperation of unions, employees, government ministry and the customer. The Group is working closely with our clients and unions in order to find appropriate solutions to match personnel levels to operational requirements, but to the extent that the Group is unable to reach a satisfactory agreement with its clients and unions, the Company anticipate that the revenue and operational performance could be negatively impacted.

Global political, economic and market conditions influence, and could negatively impact, the Group's business.

The Group's operations are affected by global political, economic and market conditions. A worldwide economic downturn could reduce the availability of liquidity and credit to fund business operations worldwide. This could adversely affect the operations of the Group's customers, suppliers and lenders which in turn could affect demand for the Group's services. In addition, an economic downturn could reduce demand for oilfield services negatively and impact the Group's activity levels and pricing of its services and thus adversely affect the Group's financial condition and results of operations. A decline in energy consumption following a downturn will materially and adversely affect the Group's results of operations. Continued hostilities in the Middle East and West Africa and the occurrence or threat of terrorist attacks

against the United States or other countries could contribute to a downturn in the economies of countries in which the Group operates. A sustained or deep recession could further limit economic activity and thus result in an additional decrease in energy consumption, which in turn could cause the Group's revenues and margins to decline and limit the Group's future growth prospects.

The Group does business in jurisdictions whose political and regulatory environments and compliance regimes differ.

Risks associated with the Group's operations in various jurisdictions across the world include, but are not limited to:

- political, social and economic instability, war and acts of terrorism;
- potential seizure, expropriation or nationalization of assets;
- inflation;
- damage to the Group's equipment or violence directed at its employees, including kidnappings and piracy;
- increased operating costs;
- complications associated with repairing and replacing equipment in remote locations;
- repudiation, modification or renegotiation of contracts, disputes and legal proceedings in international jurisdictions;
- limitations on insurance coverage, such as war risk coverage in certain areas;
- import-export quotas or restrictions;
- confiscatory taxation;
- work stoppages or strikes;
- unexpected changes in regulatory requirements;
- wage and price controls;
- imposition of trade barriers;
- imposition or changes in enforcement of local content laws;
- the inability to collect or repatriate currency, income, capital or assets;
- foreign currency fluctuations and devaluation;
- challenges in staffing and managing international operations;
- increased governmental ownership and regulation of the economy in markets in which the Group operates;
- potential submission of disputes to the jurisdiction of a court or arbitration panel in one of the Group's local operating countries; and
- other forms of government regulation and economic conditions that are beyond the Group's control.

Part of the Group's strategy is to prudently and opportunistically acquire businesses and assets that complement the Group's existing products and services, and to expand the Group's geographic footprint. If the Group makes acquisitions in other countries, the Group may increase its exposure to the risks outlined above.

The Group's operations are subject to various laws and regulations in countries in which the Group operates, including laws and regulations relating to currency conversions and repatriation, oil and natural gas exploration and development, taxation of offshore earnings and earnings of expatriate personnel, the use of local employees and suppliers by foreign contractors and duties on the importation and exportation of supplies and equipment. Governments in some foreign countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and natural gas and other aspects of the oil and natural gas industries in their countries. In some areas of the world, this governmental activity has adversely affected the amount of exploration and

development work done by major oil and natural gas companies and may continue to do so. Operations in developing countries can be subject to legal systems which are not as predictable as those in more developed countries, which can lead to greater risk and uncertainty in legal matters and proceedings.

In some jurisdictions the Group is subject to foreign governmental regulations favouring or requiring the awarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These regulations may adversely affect the Group's ability to compete. Additionally, the Group's operations in some jurisdictions may be significantly affected by union activity and general labour unrest. In Argentina and Brazil, labour organizations have substantial support and have considerable political influence. The demands of labour organizations in Argentina have increased in recent years as a result of the general labour unrest and dissatisfaction resulting from the disparity between the cost of living and salaries in Argentina as a result of the devaluation of the Argentine Peso. There can be no assurance that the Group's operations in Argentina will not face labour disruptions in the future or that any such disruptions will not have a material adverse effect on the Group's financial condition or results of operations.

The risks described above could cause the Group to curtail or terminate operations, result in the loss of personnel or assets, disrupt financial and commercial markets and generate greater political and economic instability in some of the geographic areas in which the Group operates.

Employee and customer labor problems could adversely affect the Group.

The Company and its subsidiaries are parties to collective bargaining agreements material to the Group's operations in Argentina, Brazil, the United Kingdom and Norway. We have experienced strikes, work stoppages or other slowdowns in the past. A prolonged strike, work stoppage or other slowdown by our employees or by the employees of our customers could cause us to experience a disruption of our operations, which could adversely affect our business, financial condition and results of operations.

The Group is subject to numerous governmental laws and regulations, some of which may impose significant liability on the Group for environmental and natural resource damages.

The Group is subject to various local and foreign laws and regulations, including those relating to the energy industry in general and the environment in particular, and may be required to make significant capital expenditures to comply with laws and the applicable regulations and standards of governmental authorities and organizations. Moreover, the cost of compliance could be higher than anticipated. The Group's operations are subject to compliance with international conventions and the laws, regulations and standards of other countries in which the Group operates, including anti-bribery regulations. It is also possible that existing and proposed governmental conventions, laws, regulations and standards, including those related to climate and emissions of "greenhouse gases," may in the future add significantly to the Group's operating costs or limit the Group's activities or the activities and levels of capital spending by the Group's customers.

In addition, many aspects of the Group's operations are subject to laws and regulations that relate, directly or indirectly, to the oilfield services industry, including laws requiring the Group to control the discharge of oil and other contaminants into the environment or otherwise relating to environmental protection. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and even criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that may limit or prohibit the Group's operations. Laws and regulations protecting the environment have become more stringent in recent years and may, in certain circumstances, impose strict liability, rendering the Group liable for environmental and natural resource damages without regard to negligence or fault on its part. These laws and regulations may expose the Group to liability for the conduct of, or conditions caused by, others or for acts that were in compliance with all applicable laws at the time the acts were performed. The application of these requirements, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploration and production activity could materially limit the Group's future contract opportunities; materially increase the Group's costs or both.

If new laws or regulations that significantly restrict hydraulic fracturing, or other equipment or procedures used by the Group, are adopted, such laws could make it more difficult or costly for the Group to perform its services at a competitive price. Such legislative changes could also cause the Group to incur substantial compliance costs, and compliance or the consequences of any failure to comply by the Group could have a material adverse effect on the Group's financial condition and results of operations.

The Group's industry is highly competitive, with intense price competition. The Group's inability to compete successfully may reduce its profitability.

The Group's industry is highly competitive. The Group's contracts are traditionally awarded on a competitive bid basis, with pricing often being the primary factor in determining which qualified contractor is awarded a job, although each contractor's technical capability, product and service quality and availability, responsiveness, experience, safety performance record and reputation for quality can also be key factors in the determination.

Several other oilfield service companies are larger than the Group and have resources that are significantly greater than the Group's resources. Furthermore, the Group competes with several smaller companies capable of competing effectively on a regional or local basis. These competitors may be able to better withstand industry downturns, compete on the basis of price, and acquire new equipment and technologies, all of which could affect the Group's revenues and profitability. These competitors compete with the Group both for customers and for acquisitions of other businesses. This competition may cause the Group's business to suffer. The Group's management believes that competition for contracts will continue to be intense in the foreseeable future.

In addition, some exploration and production companies have begun performing hydraulic fracturing and directional drilling on their wells using their own equipment and personnel. Any increase in the development and utilization of in-house fracturing and directional drilling capabilities by the Group's customers could decrease the demand for the Group's services and have a material adverse impact on the Group's business.

A small number of customers account for a significant portion of the Group's total operating revenues, and the loss of, or a decline in the creditworthiness of, one or more of these customers could adversely affect the Group's financial condition and results of operations.

The Group derives a significant amount of its total operating revenues from a few energy companies. In the year ended, 31 December 2016, Pan American, YPF, Statoil and ConocoPhillips accounted for approximately 26.3%, 13.3%, 12.6% and 8.2% of the Group's total operating revenues from continuing operations, respectively. During the year ended 31 December 2015, contracts from Pan American Energy, YPF, Statoil, and ConocoPhillips accounted for 30%, 7%, 12% and 9% of the Group's total operating revenues, respectively. The Group's financial condition and results of operations will be materially adversely affected if these customers interrupt or curtail their activities, terminate their contracts with the Group, fail to renew their existing contracts or refuse to award new contracts to the Group, and the Group is unable to enter into contracts with new customers at comparable dayrates. The loss of any significant customer could adversely affect the Group's financial condition and results of operations.

Additionally, this concentration of customers may increase the Group's overall exposure to credit risk. The Group's customers will likely be similarly affected by changes in economic and industry conditions. The Group's financial condition and results of operations will be materially and adversely affected if one or more of its significant customers fails to pay the Group or ceases to contract with the Group for its services on terms that are favourable to the Group or at all.

Many customers' activity levels, spending for the Group's services and payment patterns have been and may continue to be impacted by the significant market decline.

Many of the Group's customers finance their activities through cash flow from operations, the incurrence of debt or the issuance of equity. During 2008, there was a significant decline in the credit and equity markets, adversely impacting the availability of capital. The Group believes that since March 2009, the credit and equity markets have improved. However, the sudden decline in the price of oil has a profound impact on the ability of the Group's customers' profitability and as such their ability to have access to financing. This deterioration has a material adverse impact on the customers' willingness and ability to require and pay for the Group's services. A consequential reduction in demand has a material adverse effect on the Group's operations. Further deterioration in the equity or debt capital markets or in the oil and natural gas markets could have a material adverse impact on the willingness or ability of the Group's customers to require and pay for the Group's services.

In addition, while historically the Group's customer base has not presented significant credit risks, the same factors that may lead to a reduction in the spending of the Group's customers may also increase the Group's exposure to the risks of nonpayment and nonperformance by the Group's customers. A significant reduction in the liquidity of the Group's customers may result in a decrease in their ability to pay or otherwise perform on their obligations to the Group. Any increase in the nonpayment of and nonperformance by the Group's counterparties, either as a result of recent changes in financial and economic conditions or otherwise, could have an adverse impact on the Group's operating results and could adversely affect the liquidity.

The Group's business depends upon its ability to obtain specialized equipment and parts from third party suppliers and the Group may be vulnerable to delayed deliveries and future price increases.

The Group purchases specialized equipment and parts from third party suppliers and affiliates. There are a limited number of suppliers that manufacture the equipment the Group uses. Should the Group's current suppliers be unable or unwilling to provide the necessary equipment and parts or otherwise fail to deliver the products timely and in the quantities required, any resulting delays in the provision of the Group's services could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. In addition, future price increases for this type of equipment and parts could negatively impact the Group's ability to purchase new equipment to update or expand the existing fleet or to timely repair equipment in the existing fleet.

The Group can provide no assurance that its current backlog will be ultimately realized.

As of 31 December 2016, the Group's total backlog was approximately USD 1.03 billion. The USD amount of the Group's backlog does not necessarily indicate actual future revenue or earnings related to the performance of that work. Management calculates its contract revenue backlog, as the contract dayrate multiplied by the number of days remaining on the contract, assuming expected utilization and excluding revenues for contract preparation and customer reimbursable for the fixed duration contracts and expected work under frame agreements for the engineering, wireline and oiltools divisions. The Group may not be able to perform under its contracts due to various operational factors, including unscheduled repairs, maintenance, operational delays, health, safety and environmental incidents, weather events in the North Sea and elsewhere and other factors (some of which are beyond the Group's control), and the Group's customers may seek to cancel or renegotiate the Group's contracts for various reasons, including a financial downturn or falling commodity prices. In some of the contracts, the Group's customer has the right to terminate the contract without penalty and in certain instances, with little or no notice. The Group's inability or the inability of its customers to perform their respective contractual obligations may have a material adverse effect on the Group's financial position, results of operations and cash flows.

The Group will experience reduced profitability if its customers reduce activity levels or terminate or seek to renegotiate their contracts or if the Group experiences downtime, operational difficulties, or safety-related issues.

Currently, the Group's drilling services contracts with major customers are both dayrate contracts, pursuant to which the Group charges a fixed charge per day regardless of the number of days needed to drill the well, and footage based contracts, where a fixed rate per foot drilled is charged regardless of the time it takes to drill. Likewise, under the Group's current well services contracts, the Group charges a fixed daily fee. During depressed market conditions, a customer may no longer need services that are currently under contract or may be able to obtain comparable services at a lower daily rate. As a result, customers may seek to renegotiate the terms of their existing platform drilling contracts or avoid their obligations under those contracts. In addition, the Group's customers may have the right to terminate, or may seek to renegotiate, existing contracts if the Group experiences downtime, operational problems above the contractual limit or safety-related issues or in other specified circumstances, which include events beyond the control of either party.

Some of the Group's contracts with its customers include terms allowing the customer to terminate the contracts without cause, with little or no prior notice and without penalty or early termination payments. In addition, under some of its existing contracts, the Group could be required to pay penalties if such contracts are terminated due to downtime, operational problems or failure to perform. Some of the Group's other contracts with customers may be cancellable at the option of the customer upon payment of a penalty, which may not fully compensate the Group for the loss of the contract. Early termination of a contract may result in the Group's employees being idle for an extended period of time. The likelihood that a customer may seek to terminate a contract is increased during periods of market weakness. If the Group's customers cancel or require the Group to renegotiate some of its significant contracts, and the Group is unable to secure new contracts on substantially similar terms, or if contracts are suspended for an extended period of time, the Group's revenues and profitability would be materially reduced.

If the Group is unable to renew or obtain new and favourable contracts for rigs whose contracts are expiring or are terminated, the Group's revenues and profitability could be materially reduced.

The Group has a number of contracts that will expire. The Group's ability to renew these contracts or obtain new contracts and the terms of any such contracts will depend on market conditions. The Group may be unable to renew its expiring contracts or obtain new contracts for the rigs, and the dayrates under any new contracts may be substantially below the existing dayrates, which could materially reduce the Group's revenues and profitability.

An oversupply of comparable rigs in the geographic markets in which the Group competes could depress the utilization rates and dayrates for its rigs and materially reduce its revenues and profitability.

Utilization rates, which are the number of days a rig actually works divided by the number of days the rig is available for work, and dayrates, which are the contract prices customers pay for rigs per day, are also affected by the total supply of comparable rigs available for service in the geographic markets in which the Group competes. Improvements in demand in a geographic market may cause the Group's competitors to respond by moving competing rigs into the market, thus intensifying price competition. Significant new rig construction could also intensify price competition. In the past, there have been prolonged periods of rig oversupply with correspondingly depressed utilization rates and dayrates largely due to earlier, speculative construction of new rigs. Improvements in dayrates and expectations of longer-term, sustained improvements in utilization rates and dayrates for drilling rigs may lead to construction of new rigs. These increases in the supply of rigs could depress the utilization rates and dayrates for the rigs and materially reduce the Group's revenues and profitability.

The loss of the services of key executives of the Group's management companies could hurt the Group's operations.

The Group is dependent upon the efforts and skills of certain directors of the Group and executives employed by the Group's management companies to manage the Group's business, identify and consummate additional acquisitions and obtain and retain customers.

The Group's failure to attract and retain skilled workers and key personnel could hurt the Group's operations.

The Group is dependent upon its ability to retain key personnel employed by past and future acquisitions to ensure the successful integration of the operations of its acquisitions with its existing operations as well as the acquired business' successful development.

In addition, the Group and its competitors are dependent upon the available labour pool of skilled employees. The Group's development and expansion will require additional experienced management and operations personnel. No assurance can be given that the Group will be able to identify and retain these employees. The Group competes with other oilfield services businesses and other employers to attract and retain qualified personnel with the technical skills and experience required to provide the Group's customers with the highest quality service. A shortage of skilled workers, increases in wage rates or changes in applicable laws and regulations, could make it more difficult for the Group to attract and retain personnel and could require the Group to enhance its wage and benefits packages. There can be no assurance that labour costs will not increase. Any increase in the Group's operating costs could cause its business to suffer.

Severe weather conditions could have a material adverse impact on the Group's business.

The Group's business could be materially and adversely affected by severe weather in the areas where it operates. Repercussions of severe weather conditions may include:

- curtailment of services;
- weather-related damage to facilities and equipment resulting in suspension of operations;
- inability to deliver materials to job sites in accordance with contract schedules; and
- loss of productivity.

A substantial portion of the Group's revenue from operations is generated from work performed in the North Sea. Adverse weather conditions during the winter months in the North Sea usually result in low levels of offshore activity. Further, in Brazil, where the Group also generates a portion of revenue from operations, adverse weather conditions affect the Group's results of operations. Optimal weather conditions offshore Brazil normally exist only from October to April and most offshore operations in this region are scheduled for that period. Additionally, during certain periods of the year, the Group may encounter adverse weather conditions such as tropical storms. Adverse seasonal weather conditions limit the Group's access to job sites and its ability to service wells in affected areas. These constraints and the resulting shortages or high costs could delay the Group's operations and materially increase the Group's operating and capital costs in general or for the affected regions.

A terrorist attack or armed conflict could harm the Group's business.

Terrorist activities, anti-terrorist efforts and other armed conflicts in, or involving any region of the Group's activities or other oil producing nation may adversely affect local and global economies and could prevent the Group from meeting their financial and other obligations. If any of these events occur, the resulting political instability and societal disruption could reduce overall demand for oil and natural gas, potentially putting downward pressure on demand for the Group's services and causing a reduction in the Group's revenues. Oil and natural gas related facilities could be direct targets of terrorist attacks, and the Group's operations could be adversely impacted if infrastructure integral to the Group's customers' operations is destroyed or damaged. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all.

The Group has recorded substantial goodwill as the result of its acquisitions and goodwill is subject to periodic reviews of impairment.

The Group performs purchase price allocations to intangible assets when it makes acquisitions. The excess of the purchase price after allocation of fair values to tangible assets is allocated to identifiable intangibles and thereafter to goodwill. The Group conducts periodic reviews of goodwill for impairment in value. Any impairment would result in a non-cash charge against earnings in the period reviewed, which may or may not create a tax benefit, and would cause a corresponding decrease in shareholders' equity. In the event that market conditions deteriorate or there is a prolonged downturn, the Group may be required to record an impairment of goodwill, and such impairment could be material.

The Group's results of operations may be adversely affected by currency fluctuations.

Due to its international operations, the Group may experience currency exchange losses when revenues are received and expenses are paid in nonconvertible currencies or when the Group does not hedge an exposure to a foreign currency. The Group may also incur losses as a result of an inability to collect revenues because of a shortage of convertible currency available to the country of operation, controls over currency exchange or controls over the repatriation of income or capital. The Group attempts to limit the risks of currency fluctuation and restrictions on currency repatriation where possible by obtaining contracts providing for payment of a percentage of the contract indexed to the U.S. dollar exchange rate. To the extent possible, the Group seeks to limit its exposure to local currencies by matching the acceptance of local currencies to the Group's local expense requirements in those currencies. The Group may not be able to take these actions in the future, thereby exposing it to foreign currency fluctuations that could cause the Group's results of operations, financial condition and cash flows to deteriorate materially.

This risk is in particular present in Argentina, where at the end of 2015 the Argentinean Peso devalued by more than 30% against the US Dollar, negatively impacting the financial results of the Group.

The Group's investment in Quintana Energy Services L.P. might be negatively impacted due to the negative market conditions or other adverse circumstances.

On 31 December 2015 the Group contributed its North American Pressure Pumping, Pressure Control, Directional Drilling and Wireline divisions with Quintana Energy Services LP, an unrelated third party in exchange for 42% of the combined entity's share capital. Based on a combination of both internal and external valuations this investment has been valued at USD 148.1 million as of 31 December 2015. The original value of USD 148.1 million was based on a valuation report compiled by an independent appraiser, and represents the average of a range of values presented in the report, which were derived from estimated future cash flows, EBITDA multiples and by comparison with similar market transactions.

During 2016 using the equity method of accounting, the carrying value of the Company's investment has been reduced by USD 62.9 million representing the Company's share of losses incurred by QES during 2016. In December 2016 the Company invested an additional USD 5 million by way of a term loan, bringing the carrying value of our investment, at 31 December 2016 to USD 90.1 million.

As the valuation depends on expected future market developments it is highly judgmental and can fluctuate significantly based on immediate and future market conditions and there can be no assurance that the Group will be able to realize the value of its investment.

In the event that market conditions deteriorate or other circumstances arise which result in changes to the Group's original estimates and assumptions, Quintana Energy Services L.P. may be required to record impairments to their assets, which would, in turn, result in the Group recording significant losses as share of results of its associated companies.

The Group has operated at a loss in the past and recently, and there is no assurance of its profitability in the future.

Historically, the Group has experienced periods of low demand for its services and has incurred operating losses. In the future, it may not be able to reduce its costs, increase its revenues, or reduce its debt service obligations sufficient to achieve or maintain profitability and generate positive operating income. Under such circumstances, the Group may incur further operating losses and experience negative operating cash flow.

The Group may be subject to litigation if another party claims that the Group has infringed upon its intellectual property rights.

Third parties could assert that the tools, techniques, methodologies, programs and components the Group uses to provide its services infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs and may distract management from running the Group's core business. Additionally, if any of these claims were to be successful, developing non-infringing technologies and/or making royalty payments under licenses from third parties, if available, would increase the Group's costs. If a license were not available the Group might not be able to continue to provide a particular service or product, which could adversely affect the Group's financial condition, results of operations and cash flows.

The Group could be adversely affected if it fails to keep pace with technological changes and changes in technology could have a negative result on the Group's market share.

The Group provides drilling and well services in increasingly challenging onshore and offshore environments. To meet its clients' needs, the Group must continually develop new, and update existing, technology for the services it provides. In addition, rapid and frequent technology and market demand changes can render existing technologies obsolete, requiring substantial new capital expenditures, and could have a negative impact on the Group's market share. Any failure by the Group to anticipate or to respond adequately to changing technology, market demands and client requirements could adversely affect the Group's business and financial results.

The Group may be subject to claims for personal injury and property damage, which could materially adversely affect the Group's financial condition and results of operations.

Substantially all of the Group's operations are subject to hazards that are customary for exploration and production activity, including blowouts, reservoir damage, loss of well control, cratering, oil and gas well fires and explosions, natural disasters, pollution and mechanical failure. Any of these risks could result in damage to or destruction of drilling equipment, personal injury and property damage, suspension of operations, or environmental damage. The Group may also be subject to property, environmental and other damage claims by oil and natural gas companies and other businesses operating offshore and in coastal areas. Litigation arising from an accident at a location where the Group's products or services are used or provided may cause the Group to be named as a defendant in lawsuits asserting potentially large claims. Generally, the Group's contracts provide for the division of responsibilities between the Group and its customer, and consistent with standard industry practice, the Group's clients generally assume, and indemnify the Group against, some of these risks. In particular, contract terms generally provide that the Group's customer, the operator, will retain liability and indemnify the Group for (i) environmental pollution caused by any oil, gas, or other fluids and pollutants originating from below the seabed, (ii) damage to customer and third-party equipment and property including any damage to the sub-surface and reservoir and (iii) personal injury to or death of customer personnel, unless resulting from the Group's gross negligence or willful misconduct. There can be no assurance, however, that these clients will necessarily be financially able to indemnify the Group against all risks. Also, the Group may be effectively prevented from enforcing these indemnities because of the nature of the Group's relationship with some of its larger clients. Additionally, from time to time the Group may not be able to obtain agreement from its customers to indemnify the Group for such damages and risks.

To the extent that the Group is unable to transfer such risks to customers by contract or indemnification agreements, the Group generally seeks protection through customary insurance to protect its business against these potential losses. However, the Group has a significant amount of self-insured retention or deductible for certain losses relating to general liability and property damage. There is no assurance that such insurance or indemnification agreements will adequately protect the Group against liability from all of the consequences of the hazards and risks described above. The occurrence of an event for which the Group is not fully insured or indemnified against, or the failure of a customer or insurer to meet its indemnification or insurance obligations, could result in substantial losses.

The Group's insurance coverage may become more expensive, may become unavailable in the future, and may be inadequate to cover the Group's losses.

The Group's insurance coverage is subject to certain significant deductibles and levels of self-insurance, does not cover all types of losses and, in some situations, may not provide full coverage for losses or liabilities resulting from the Group's operations. In addition, the Group is likely to continue experiencing increased costs for available insurance coverage, which may impose higher deductibles and limit maximum aggregated recoveries. Insurers may not continue to offer the type and level of coverage that the Group currently maintains, and its costs may increase substantially as a result of increased premiums, potentially to the point where coverage is not available on economically manageable terms. Should liability limits be increased via legislative or regulatory action, it is possible that the Group may not be able to insure certain activities to a desirable level. If liability limits are increased and/or the insurance market becomes more restricted, the Group's business, financial condition and results of operations could be materially adversely affected.

Insurance costs may also increase in the event of ongoing patterns of adverse changes in weather or climate. The Group may not be able to obtain customary insurance coverage in the future, thus putting the Group at a greater risk of loss due to severe weather conditions and other hazards. Moreover, the Group may not be able to maintain adequate insurance in the future at rates management considers reasonable or be able to obtain insurance against certain risks.

A significant portion of the Group's business is conducted in the North Sea. The mature nature of this region could result in less drilling activity in the area, thereby reducing demand for the Group's services.

The North Sea is a mature oil and natural gas production region that has experienced substantial seismic survey and exploration activity for many years. Because a large number of oil and natural gas prospects in this region have already been drilled, additional prospects of sufficient size and quality could be more difficult to identify. Oil and natural gas companies may be unable to obtain financing necessary to drill prospects in this region. The decrease in the size of oil and natural gas prospects, the decrease in production or the failure to obtain such financing may result in reduced drilling activity in the North Sea and reduced demand for the Group's services.

The macroeconomic and political situation in Argentina and changes to regulations affecting the Group's Argentinian business could have a material adverse effect on the Group's business, financial condition and results of operations.

In December 2015, Argentina elected a new government and the Group cannot predict what new legislation this new government will implement and how it will affect its customers or its business. Some changes could have a material adverse effect on the capital spending and activity levels of its customers, and impact the Group's business, financial condition and its results of operations.

In the past Argentina has implemented a strict currency control regulation, which made it very difficult to have access to foreign currencies. These restrictions imposed difficulties in settling invoices from foreign suppliers, whether third party or intercompany or to pay dividends to its shareholder outside the country. While the new government lifted most exchange controls, shortly after being sworn into office, some controls still exist and access to international financial markets is still limited.

The Group is a holding company, and as a result is dependent on dividends from its subsidiaries to meet its obligations.

The Group is a holding company and does not conduct any business operations of its own. The Group's principal assets are the equity interests it owns in its operating subsidiaries, either directly or indirectly. As a result, the Group is dependent upon cash dividends, distributions or other transfers it receives from its subsidiaries to repay any debt it may incur, and to meet its other obligations. The ability of the Group's subsidiaries to pay dividends and make payments to the Group will depend on their operating results and may be restricted by, among other things, applicable corporate, tax and other laws and regulations and agreements of those subsidiaries. For example, the corporate laws of some jurisdictions prohibit the payment of dividends by any subsidiary unless the subsidiary has a capital surplus or net profits in the current or immediately preceding fiscal year. Payments or distributions from the Group's subsidiaries also could be subject to restrictions on dividends or repatriation of earnings under applicable local law, and monetary transfer restrictions in the jurisdictions in which the Group's subsidiaries operate. The Group's subsidiaries are separate and distinct legal entities. Any right that the Group has to receive any assets of or distributions from any subsidiary upon the bankruptcy, dissolution, liquidation or reorganization of such subsidiary, or to realize proceeds from the sale of the assets of any subsidiary, will be junior to the claims of that subsidiary's creditors, including trade creditors.

The Group's tax liabilities could increase as a result of adverse tax audits, inquiries or settlements.

The Group's operations are, and may in the future become, subject to audit, inquiry and possible re-assessment by different tax authorities. In accordance with applicable accounting rules relating to contingencies, management provides for taxes in the amounts that it considers probable of being payable as a result of these audits and for which a reasonable estimate may be made. Management also separately considers if taxes payable in relation to filings not yet subject to audit may be higher than the amounts stated in the Group's filed tax return, and makes additional provisions for probable risks if appropriate. As forecasting the ultimate outcome includes some uncertainty, the risk exists that adjustments will be recognized to the Group's tax provisions in later years as and when these and other matters are finalized with the appropriate tax authorities.

The Group's failure to comply with anti-bribery laws may have a negative impact on its ongoing operations.

The Group operates in countries known to experience governmental corruption. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that its employees or agents or those of its affiliates may take actions that violate legislation promulgated by a number of countries pursuant to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other applicable anti-corruption regulations which generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Any failure to comply with the anti-bribery laws could subject the Group to fines, sanctions and other penalties against it which could have a material adverse impact on the Group's business, financial condition and results of operations.

Cyber attacks could adversely affect the Group's business.

The Group's operations are subject to the risk of cyber-attacks. If the Group's systems for protecting against cybersecurity risks are circumvented or breached, this could result in the loss of the Group's intellectual property or other proprietary information, including customer data, and disruption of its business operations, which could adversely affect the Group's financial condition and results of operation.

The Group's operations are subject to a significant number of tax regimes, and changes in legislation or regulations in any one of the countries in which the Group operates could negatively and adversely affect the Group's results of operations.

The Group's operations are carried out in several countries across the world, and the Group's tax filings are therefore subject to the jurisdiction of a significant number of tax authorities and tax regimes, as well as cross-border tax treaties between governments. Furthermore, the nature of the Group's operations means that the Group routinely has to deal

with complex tax issues (such as transfer pricing, permanent establishment or similar issues) as well as competing and developing tax systems where tax treaties may not exist or where the legislative framework is unclear. In addition, the Group's international operations are taxed on different bases that vary from country to country, including net profit, deemed net profit (generally based on turnover) and revenue based withholding taxes based on turnover.

The Group's management determines its tax provision based on its interpretation of enacted local tax laws and existing practices and uses assumptions regarding the tax deductibility of items and recognition of revenue. Changes in these assumptions and practices could impact the amount of income taxes that the Group provides for in any given year and could negatively and adversely affect the result of the Group's operations.

The Group is, and may in the future be, subject to litigation that could have an adverse effect on it.

The Group is from time to time involved in litigation. The numerous operating hazards inherent in the Group's business increase the Group's exposure to litigation, which may involve, among other things, contract disputes, personal injury, environmental, employment, tax and securities litigation, and litigation that arises in the ordinary course of business. Management cannot predict with certainty the outcome or effect of any claim or other litigation matter. Litigation may have an adverse effect on the Group because of potential negative outcomes, the costs associated with defending the lawsuits, the diversion of the Group's management's resources and other factors.

The oilfield service industry is highly cyclical and lower demand and pricing could result in declines in the Group's profitability.

Historically, the oilfield service industry has been highly cyclical, with periods of high demand and favourable pricing often followed by periods of low demand and sharp reduction in pricing power. Periods of decreased demand or increased supply intensify the competition in the industry. As a result of the cyclicity of the Group's industry, management expects the Group's results of operations to be volatile and to decrease during market declines.

2.3 Risks Relating to the Shares

The price of the Shares has been, and may continue to be, volatile.

The trading price of the Shares has historically fluctuated significantly and will most likely continue to fluctuate in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares.

It is possible that the Company may decide to offer additional shares or other securities in the future in order to finance new capital-intensive investments, develop new products or services, respond to competitive pressures, repay debt, respond to a difficult market climate, cover unanticipated liabilities or expenses, or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

The Company is a Bermuda company and being a shareholder of a Bermuda company involves different rights and privileges than being a stockholder of a corporation registered in Norway.

The rights of shareholders of the Company are governed by the law of Bermuda, by the Company's memorandum of association and its amended and restated Bye-laws. Bermuda law extends to shareholders certain rights and privileges that may not exist under Norwegian law and, conversely, does not extend rights and privileges extended by Norwegian law.

There are certain risks connected to beneficial interests in the Shares being registered in the Norwegian Central Securities Depository (Nw. Verdpapirsentralen) ("VPS").

The Shares are for the purpose of Bermuda company law, registered in the Company's register of members in the name of Nordea Bank AB (publ), Norwegian branch (the "VPS Registrar"), which holds the shares as a nominee on behalf of the beneficial owners. For the purpose of enabling trading of shares on the Oslo Stock Exchange, the Company maintains a

register in the VPS, where the beneficial ownership interests in the Shares and transfer of such beneficial ownership interests are recorded.

The Company has entered into a registrar agreement with the VPS Registrar where the VPS Registrar is appointed as registrar and nominee, in order to provide for the registration of each investor's beneficial ownership in the Shares in the VPS on investors' individual VPS accounts.

In accordance with market practice in Norway and system requirements of the VPS, the beneficial ownership of investors is registered in the VPS under the name of a "share" and the beneficial ownership is listed and traded on the Oslo Stock Exchange as "shares" in the Company. Investors who purchase Shares (although recorded as owners of the shares in the VPS) will have no direct rights against the Company.

Each VPS-registered share represents evidence of beneficial ownership of one of the Shares for the purposes of Norwegian law, however such ownership would not necessarily be recognized by a Bermuda or other court. The VPS-registered shares are freely transferable with delivery and settlement through the VPS-system. Investors must look solely to the VPS Registrar for the payment of dividends, for the exercise of voting rights attached to the Shares and for all other rights arising in respect of the Shares.

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) will also need to look to their nominees for the payment of dividends, for the exercise of voting rights attached to the Shares and for all other rights arising in respect of the Shares. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement, should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

Investors may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or officers.

The Company is incorporated under the laws of Bermuda. Some of its current directors and executive officers are outside the United States. Furthermore, most of the Company's assets and most of the assets of the Company's directors and executive officers are located outside the United States. As a result, investors may be unable to effect service of process on the Company or its directors and executive officers or enforce judgments obtained in the United States (including judgments predicated upon the civil liability provisions of the federal securities laws of the United States).

The transfer of the Shares is subject to restrictions under the securities laws of the United States and other jurisdictions.

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

The Shares are currently traded in NOK and shareholders outside Norway are subject to exchange risk.

The Shares listed are priced in NOK, and any future payments of dividends on the Shares listed on the Oslo Stock Exchange will be paid in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency as the foreign currency equivalent of any dividends paid on the Shares listed on the Oslo Stock Exchange or price received in connection with sale of such Shares could be materially adversely affected.

Seadrill Limited currently control a substantial ownership stake in us and such interests could conflict with those of the Company's other shareholders.

Seadrill Limited ("Seadrill") currently holds 23,105,324 shares of the Company's issued and outstanding common shares, representing approximately 16.2% as of 31 March 2017.

As a result of this substantial ownership interests in the Company, Seadrill has the ability to exert significant influence over certain actions requiring shareholder approval including, but not limited to, increasing or decreasing the authorized share capital of the Company's common shares, the election of directors, the appointment of management and other policy decisions. While transactions with a controlling shareholder could benefit the Group, the interests of these significant shareholders could, at times, conflict with the interests of other holders of the Company's common shares. Although the Group has in the past sought, and continue to seek, to conclude all related party transactions on an arm's-length basis, and has adopted procedures for entering into transactions with related parties, conflicts of interest may arise between the Group and the Company's principal shareholders or their respective affiliates, resulting in the

conclusion of transactions on terms not determined by market forces. Any such conflicts of interest could adversely affect the Group's business, financial condition and results of operations and, therefore, the value of the Company's shares.

The Company depends on directors who are associated with affiliated companies, which may create conflicts of interest.

Seadrill Limited and Lime Rock Partners L.P. are large shareholders in the Company. Two of the Company's directors, Ørjan Svanevik and Kate Blankenship, may be deemed affiliated with Seadrill Limited. One of the Company's directors, John Reynolds, is affiliated Lime Rock Partners. The Company's directors owe fiduciary duties to both the Company and other related parties, and may have conflicts of interest in matters involving or affecting the Group and its customers. In addition, they may have conflicts of interest when faced with decisions that could have different implications for other related parties than they do for the Group. There can be no assurances that any of these conflicts of interest will be resolved in the Group's favour.

3. RESPONSIBILITY STATEMENT

The Board of Directors of Archer Limited accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 31 March 2017

The Board of Directors of Archer Limited

Ørjan Svanevik (Chairman)

Alf Ragnar Løvdal

John Reynolds

Kate Blankenship

Giovanni Dell' Orto

Dag Skindlo

4. GENERAL INFORMATION

This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Prospectus. You should read this information carefully before continuing.

4.1 Cautionary Note Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance; including, but not limited to, statements relating to the risks specific to the Company's business, future earnings, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Company's future business development and economic performance. These Forward-looking Statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These Forward-looking Statements are not historical facts. They appear in a number of places throughout this Prospectus; Section 7 "Business Overview", Section 8 "Industry Overview" and Section 14 "Dividend and Dividend Policy" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates may differ materially from those contained in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations that these forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumption prove to be incorrect, the Company's business, actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Shares.

Except as required according to Section 7-15 of the Norwegian Securities Trading Act, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the behalf of the Company are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.2 Presentation of Industry Data and Other Information

Sources of Industry and Market Data

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources as well as the Company's knowledge of the markets.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the

reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Prospectus. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Prospectus and estimates based on those data may not be reliable indicators of future results.

Financial Information – Alternative Performance Measures (Non-U.S. GAAP Measures)

The financial information included in this Prospectus includes some alternative performance measures which are not accounting measures within the scope of U.S. GAAP. As used in this Prospectus, the following terms have the following meanings:

“Capital expenditures” means investments in property and equipment irrespective of whether paid in the period, but excluding capitalized interest cost.

“EBIT excluding impairment and other charges/(income)” means operating profit (loss) before other charges/(income) and impairment and loss on sale of long term assets.

“EBITDA” means income (loss) before income tax expense before currency exchange gain (loss), other financial expense, write-off relating to term loan refinancing, other financial income, interest expense, income (loss) from associated companies, other charges/(income), impairment and loss on sale of long-term assets and depreciation and amortization.

“net debt” means long-term and short-term debt (including the current portion of long-term debt and gross of deferred loan costs) less cash and equivalents (other than restricted cash).

“net interest bearing debt” means long-term and short-term debt (including the current portion of long-term debt and gross of deferred loan costs) less cash and cash equivalents, restricted cash and interest bearing investments/receivables.

“Restricted cash” means the sum of current and long-term restricted cash balances.

“total liquidity reserve” means the sum of cash and cash equivalents and any undrawn part of revolving credit facilities.

“unrestricted cash” means cash and cash equivalents (excluding restricted cash).

“Working capital” means the sum of accounts receivable, accrued revenue and other receivables and other current assets minus the sum of accounts payable, accrued expenses and other current liabilities and income tax payables.

The Company has included EBITDA as a supplemental disclosure because the Company believes it provides useful information regarding the Group’s ability to service debt and to fund capital expenditures and provides investors with a helpful measure for comparing the Group’s operating performance with that of other companies. EBITDA, net debt, net interest bearing debt and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. The reader should exercise caution in comparing EBITDA, net debt and net interest bearing debt as reported by the Group to EBITDA, net debt and net interest bearing debt of other companies. None of EBITDA, net debt or net interest bearing debt is a measurement of performance under U.S. GAAP and the reader should not consider any of EBITDA, net debt or net interest bearing debt as an alternative to (a) operating profit or profit for the period (as determined in accordance with U.S. GAAP) as a measure of the Group’s operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Group’s ability to meet its cash needs or (c) any other measures of performance under generally accepted accounting principles. EBITDA has limitations as analytical tools, and the reader should not consider it in isolation, or as a substitute for an analysis of the Group’s results as reported under U.S. GAAP. Some of these limitations are:

- it does not reflect the Group’s cash expenditures or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Group’s working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on the Group’s debts;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA does not reflect any cash requirements that would be required for such replacements;
- some of the exceptional items that the Group's eliminate in calculating EBITDA reflect cash payments that were made, or will in the future be made; and
- the fact that other companies in the Group's industry may calculate EBITDA differently than the Company does, which limits their usefulness as comparative measures.

Other Information

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "EUR" are to the lawful currency of the EU and all references to "U.S. dollar", "US\$", "USD", or "\$" are to the lawful currency of the United States of America.

In this Prospectus all references to "EU" are to the European Union and its Member States as of the date of this Prospectus; all references to "EEA" are to the European Economic Area and its member states as of the date of this Prospectus; and all references to "US", "U.S." or "United States" are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

5. THE EQUITY RAISE AND THE REFINANCING

5.1 Raising of New Equity; Overview

On 28 February 2017, the Company announced an equity raise in the Company (the “Equity Raise”) comprising a Private Placement, and a Subsequent Offering to those shareholders of the Company as of the Record Date that did not participate in the Private Placement.

5.2 The Private Placement

On 28 February 2017, the Company announced the Private Placement of new Shares of a total of NOK 840 million, or approximately USD 100 million (on the basis of a USD/NOK exchange rate of 8.4). The Private Placement Shares were subscribed for at a subscription price of NOK 10 per Share.

On 28 February 2017, the Board of Directors resolved to increase the Company’s issued share capital from USD 583,567.16 to USD 1,423,567.16 by issue of the 84,000,000 Private Placement Shares. The Private Placement Shares were delivered on a delivery-versus-payment basis from 3 March 2017. Assuming that the Subsequent Offering is fully subscribed, the Private Placement Shares will constitute approximately 52.8% of the Company’s share capital following the implementation of the Subsequent Offering.

The Private Placement Shares were issued pursuant to the Bermuda Companies Act of 1981 (the “Bermuda Companies Act”) and were registered with the Company’s register of members and with an equivalent number of depository receipts in book-entry form with the VPS under a separate International Securities Identification Number (“ISIN”), BMG0451H1253. The shares were also registered on the NOTC-list from 3 March 2017 under the symbol “ARCHER”. The depository receipts will be registered under the regular ISIN, BMG 0451H1170, upon listing on the Oslo Stock Exchange. The Company’s register of shareholders with the VPS is administered by Nordea Bank AB (publ), Norwegian branch, Essendropsgate 7, 0107 Oslo, Norway. See Section 16.3 “Securities Trading in Norway—The VPS and Transfer of Shares”.

The Private Placement Shares carry full shareholder rights and rank in parity with all Shares in the Company. Each Private Placement Share has a par value of USD 0.01 and carries one vote per Share.

5.3 The Refinancing

The Company and its subsidiaries are currently parties to the following credit agreements:

- USD 625.0 million revolving credit facility with a syndicate of banks led by Danske Bank A/S (the “RCF”).
- Certain of the lenders under the RCF have provided the Group with separate overdraft and guarantee facilities.
- In addition, the Group has financed its two modular rigs under export credit facilities with BNP Paribas and Euler Hermes Kreditversicherungs-AG, one of which will be fully repaid on maturity in March.

As part of a planned refinancing, the overdraft and guarantee facilities will be replaced with new facilities provided under the framework of the RCF. The refinancing contemplates various amendments to the RCF and the remaining modular rig facility. The amendments include inter alia:

- Increase of total revolving facility commitments from MUSD 625 to MUSD 680 million.
- Inclusion of a new guarantee facility in the amount of MUSD 10 (in addition to the MUSD 680 revolving facilities).
- Extraordinary repayment under the RCF of USD 1.3 million.
- Maturity to be extended to 30 September 2020.
- Amortisation schedule to be replaced by cash sweep mechanism throughout 2019, to be distributed pro rata between the lenders.
- Fixed instalments, each in the amount of EUR 4,748,577.89, falling due on 30 March 2020 and 30 June 2020 subject to compliance with certain conditions.
- Quarterly reduction of total commitments under the RCF by USD 10 million per quarter starting 30 March 2020.
- Financial covenants to be amended to include:
 - Free Liquidity of minimum USD 30 million;

- 12 months rolling Nominal EBITDA of minimum 45 million in 2017, 55 million in 2018, 65 million in 2019 and 85 million in 2020. 12 months rolling reported EBITDA shall at all times be positive (above zero); and
 - Capital Expenditure of maximum USD 25 million in 2017, and maximum USD 40 million per annum thereafter. Any amount from the New Equity above USD 75 million to be added to the maximum thresholds.
- Granting of certain additional security.
 - Seadrill to be removed from the provisions concerning cross default, insolvency, insolvency proceedings etc.
 - Seadrill guarantees to be released in exchange for a cash payment of 10% of the principal amount guaranteed.
 - Seadrill to convert all subordinated loan and related claims to convertible bonds/loans in the amount of MUS\$ 45.

RCF lenders representing 94% of the exposure and the lenders under the remaining modular rig facility have agreed the above amendments subject to satisfactory documentation and customary conditions precedent. The current terms of the RCF require the consent of all the lenders to effect the amendments. The Company has initiated preparations for a Bermuda law scheme of arrangement, under which the proposed amendments may be capable of being effected with the consent of lenders representing 75% of the exposure under the RCF. The refinancing is further conditional on the equity issue in a minimum amount of USD 60 million (which was completed through the Private Placement) and the above described amendments with respect to Seadrill.

Refer to Section 2.1 for more information on the risks relating to the refinancing process.

5.4 The Subsequent Offering

To allow for participation in the Equity Raise by those shareholders as of the Record Date that did not participate in the Private Placement and such that these shareholders could reduce the dilution they experienced as a result of the Private Placement, the Board of Directors has resolved to launch the Subsequent Offering as documented by this Prospectus, see Section 18 “Terms of the Subsequent Offering”.

Assuming that the Subsequent Offering is fully subscribed, the Offer Shares in the Subsequent Offering will constitute approximately 10.6% of the Company's share capital following the implementation of the Subsequent Offering; see Section 6.2 “Use of Proceeds; Reasons for the Equity Raise—Dilution”.

5.5 Expenses

The Company estimates that the total expenses in connection with the Private Placement and the Subsequent Offering will amount to approximately NOK 20 million including fees to advisors, the Company's auditor and additional listing fees.

5.6 Interests of Natural Legal Persons Involved in the Private Placement

The Managers or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliates may currently own Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In accordance with market practice, the Managers receive a fee calculated as a certain percentage of the proceeds from the Private Placement and the Subsequent Offering.

Beyond the abovementioned, the Company is not aware of any interest of natural and legal persons involved in the Private Placement or the Subsequent Offering.

6. USE OF PROCEEDS; REASONS FOR THE EQUITY RAISE

The discussion about use of proceeds below only addresses the intentions of the Company as of the date of this Prospectus; and no assurance can be made that the proceeds actually will be applied to all or any of the purposes identified herein.

6.1 Use of Proceeds

The gross proceeds from the Private Placement were NOK 840.0 million, or approximately USD 100.0 million. Assuming the Subsequent Offering is fully subscribed, the Company estimates that the gross proceeds from the Subsequent Offering will be approximately NOK 168.0 million, or approximately USD 20.0 million.

The Company estimates that the total expenses in connection with the Equity Raise, will amount to approximately USD 2.5 million. Hence, the net cash proceeds from the Equity Raise, is estimated to amount to approximately USD 117.5 million assuming the Subsequent Offering is fully subscribed.

The Company intends to apply the net proceeds of the Equity Raise for general corporate purposes.

For the purposes of arriving at the abovementioned USD figures, amounts in NOK have been translated to USD on the basis of a USD/NOK exchange rate of 8.4.

6.2 Dilution

The table below shows the percentage split of the Company's share capital following the Equity Raise; split by pre-Equity Raise share capital, share capital issued in the Private Placement and share capital issued in the Subsequent Offering, on the basis that the Subsequent Offering is fully subscribed:

Pre-Equity Raise share capital	36.7%
Private Placement share capital	52.8%
Subsequent Offering share capital	10.6% ⁽¹⁾

⁽¹⁾ Assuming the Subsequent Offering is fully subscribed.

The Private Placement resulted in a dilution of the then existing shareholders of the Company of approximately 59%. Taken together with the dilution resulting from the Private Placement, the Subsequent Offering, assuming that it is fully subscribed, will result in a dilution of the shareholders of the Company prior to the Private Placement, to the extent such shareholders elect not to participate in the Subsequent Offering, of approximately 63.3%.

7. BUSINESS OVERVIEW

This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates; see Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements". You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2 "Risk Factors".

7.1 Introduction

The Company is a global oilfield services company helping customers produce more oil and gas by building better wells. Employing 5,000 people, the Group comprises the combination of several well specialist companies, oil tool providers, drilling service companies and other complementary businesses. The Group was incorporated in Bermuda on August 31, 2007 and conducted operations as Seawell Ltd until 16 May 2011 when shareholders approved a resolution to change the name to Archer Limited.

The Group provides a broad range of services for the oil and gas industry with an aim to help its customers by delivering better wells to maximize production of hydrocarbons from their reservoirs.

The Group's services include platform drilling, where the Group supplies experienced personnel and processes for drilling and other technical operations on 46 offshore platforms predominantly in the North Sea; land drilling, through the Group's fleet of 77 land rigs, including 32 drilling rigs and 45 service rigs operating in Argentina and Bolivia; and 2 modular offshore drilling rigs. The Group also provides engineering services covering detailed design, construction, commissioning and maintenance of drilling facilities; mechanical wireline and logging services; rental equipment for both onshore and offshore operations; and proprietary well integrity, plug and abandonment and wellbore cleaning products are also a part of the Group's portfolio helping its customers in the well construction process.

The Group aims to improve well integrity and performance, extending the productive life of these vital assets, through leveraging experience and the right tools. The Company develops its own technology within its Oiltools and Wireline divisions. The Group's capabilities include a variety of wireline logging and intervention services, including supporting customers with the Group's proprietary technology to complete and maintain their wells. The Group's frac valve products support the Group's customers in well completion and intervention.

7.2 Strategies

The demand for the Group's products and services is driven by the price for hydrocarbons in the countries in which it operates. The rapid decline in the price of oil, which started in 2014 and continued throughout 2015, has led to a significant reduction in demand for the Group's services and to some extent an oversupply of oilfield services throughout the countries in which the Group operates. This challenging environment has a significant negative impact on the demand and the pricing for our services in the short and medium term.

The Group's primary focus is to continuously improve its service and product quality in order to secure the position as "supplier of choice" for drilling services, well integrity and intervention, plug and abandonment and decommissioning, recognized for people who demonstrate the Group's values and deliver excellence. This position may enable the Group to further expand its reach, both geographically and technically, and it can be the foundation to secure longer term profitable growth. The Group will continue to pursue opportunities to benefit from economies of scale and selectively strengthen its geographical footprint and develop technologies.

7.3 History and Development

The Company was established following the spin-off of Seadrill's well service division. Together with its wholly owned subsidiary, Seawell Holding UK, the Company acquired the shares in the entities comprising Seadrill's well service division in October 2007.

The Group's milestones since 2008

- In April 2008, the Group acquired Noble Corporation's North Sea platform drilling division for a purchase price of approximately NOK 268 million.
- In May 2008, the Group acquired Archer Oil Tools AS (formerly Peak Well Solutions AS) ("Oil Tools"), a Norwegian owned oil services company offering products and services for the upstream offshore oil and gas industry. Oil Tools performs development, engineering, assembly, testing, sales and operations, plugs and cementing technologies and services. The purchase price for the acquisition was NOK 409.9 million.
- In July 2008, the Group completed the acquisition of TecWel AS ("TecWel"). TecWel develops and manufactures proprietary ultrasound investigation tools and provides cased-hole services used to optimize production and secure well integrity for the global oil and gas industry. The purchase price for the acquisition was NOK 172.7 million.

- In May 2010, the Group acquired Viking Intervention Technology AS, a company developing an integrated carbon cable intervention system. The purchase price for the acquisition was NOK 50 million, plus an earn-out of up to NOK 25 million. The acquisition was the cornerstone in the establishment of C6 Technologies AS (“**C6 Technologies**”). 50% of the shares in C6 Technologies was sold to IKM Group in November 2010 under the same terms as the initial acquisition price of Viking Intervention Technology AS.
- In August 2010, the Group acquired the privately owned Singapore and Australia based Rig Inspection Services Limited for a purchase price of SGD 7.5 million, plus up to SGD 7.5 million through an earn out mechanism.
- In August 2010, the Group signed a merger agreement with Allis-Chalmers Energy, Inc. (“**Allis-Chalmers**”) for an enterprise value (initially calculated) of USD 890 million.
- In August 2010, the Group raised gross proceeds of USD 430 million through the issuance of 115.4 million shares at a subscription price of NOK 23.
- In November 2010 the Company listed its shares on the Oslo Stock Exchange.
- In December 2010 the Group acquired Gray Wireline Services Inc. for USD 157.5 million.
- In January 2011 the Group acquired Universal Wireline Inc. for USD 25.5 million.
- In February 2011 the Group closed the merger agreement with Allis-Chalmers in the USD 890 million transaction by issuing 97,071,710 shares and paying approximately USD 18 million to the former shareholders of Allis-Chalmers.
- In May 2011 the Company changed its name from Seawell Limited to Archer Limited.
- In August 2011 the Company entered into an agreement to acquire Great White Energy Services (“**Great White**”) for USD 742 million on a cash and debt free basis. Later the same month, the parties announced completion of the transaction and that the parties had, in light of recent developments in the financial markets, agreed to reduce the purchase price to USD 630 million on a cash and debt free basis.
- In August 2011 the Company raised gross proceeds of USD 82.8 million through the issuance of 12.7 million shares at NOK 35.
- In August 2011 the Company raised gross proceeds of USD 167 million through the issuance of 30.0 million shares at NOK 30.
- In April 2012 the Group acquired X-it Casing Exit Systems for USD 6.0 million.
- In February 2013 the Company raised gross proceeds of USD 250 million through the issuance of 208,334,000 shares at USD 1.20 and settled a USD 5 million underwriting commission to the Underwriters through the issuance of 4,166,667 shares in a private placement.
- In June 2013 the Group divested its North American Rental and Tubular division on a cash and debt free basis of USD 244 million.
- In October 2013 the Group divested its North American Underbalanced services assets for USD 34 million.
- In September 2015, a special general meeting of shareholders approved a capital reorganisation pursuant to which the Company’s authorised share capital was consolidated, so that 10 shares, of par value USD 1.00 became one share of par value USD 10.00. The Company’s issued share capital was then reduced by USD 9.99 per share, the par value of each consolidated share being thus reduced to USD 0.01 per share. Upon this capital reduction of the paid up share capital, all unissued USD 10 shares were subdivided into 1000 shares of par value USD 0.01 each. As a result of the capital re-organisation, an amount of USD 578.6 million in share capital was reclassified as contributed surplus.
- In December 2015, the Company completed a transaction with Quintana Energy Services LP (“**QES**”), whereby the Company contributed to QES the Group’s Pressure Pumping, Directional Drilling, Pressure Control and Wireline divisions which had previously been reported within the North American segment. The aggregate consideration paid by QES in exchange for the contribution of these entities consisted of QES common units constituting 42% of the total exchange units in QES on a fully diluted basis. From 2016 onwards, the Company’s interest in QES will be reported as an equity investment with and its share of results being included in share of results of associated companies.
- During 2016, the Group has reduced the number of office and warehouse locations it uses through a combination of co-locating of operations and reduction of operational presence. Furthermore, the workforce was reduced by around 900 people.
- On 4 January 2016 the Company announced the reorganisation of the Group’s remaining business lines into two reporting segments; Eastern Hemisphere and Western Hemisphere in order to improve focus on the business in the respective geographic areas, and to create opportunities for further synergies. Eastern Hemisphere includes the Drilling Facilities Engineering and Platform Drilling business components and Oiltools and International Wireline. Western Hemisphere includes American Well Control Frac Valves, Land Drilling and the ownership participation of QES.
- In April 2016 the Company entered into a joint venture agreement with Industrialization and Energy Services Company (TAQA) (“**TAQA-Archer JV**”). The joint venture company will cover wireline and mechanical intervention services for oil and gas wells.
- In December 2016 and in January 2017, the Company provided 25% of a total of USD 40 million in funding to QES. Included in the terms of the arrangement, the Company received penny warrants for 8.5% of the shares in QES.

which implies that the Company's fully diluted ownership in QES will be reduced from currently 42% to roughly 36% following this transaction.

- On 28 February 2017 the Company raised gross proceeds of NOK 840.0 through the issuance of 84,000,000 shares at NOK 10.00 in a private placement.

7.4 Business segments

As from 1 January 2016, the Group's operations have been managed through two business segments, Eastern Hemisphere and Western Hemisphere. Additionally, the group has three material non-consolidated entities, QES, C6 Technologies and TAQA-Archer JV.

As from 1 January 2012, the Group's operations were managed through four business segments, North America, Latin America, North Sea and Emerging Markets and Technologies. Before this, the Group's operations were managed through two business segments, drilling services and well services.

The Group's current two business segments and its three non-consolidated entities are described further in the following.

7.4.1 Eastern Hemisphere

Eastern Hemisphere includes the Drilling Facilities Engineering and Platform Drilling business components and Oiltools and International Wireline. It generated total revenues of USD 445.1 million, or 50.4% of total revenues, for the twelve months ended 31 December 2016, compared to USD 664.1 million, for the same period in 2015.

The firm order backlog of the Eastern Hemisphere was approximately USD 656 million (unaudited) at 31 December 2016.

Eastern Hemisphere operations currently include the following services:

Platform drilling

The Group conducts offshore drilling services on client owned fixed oil and gas installations, referred to as "platforms". The Group supplies experienced personnel for drilling and technical operations on fixed production platforms. The scope of services the Group provides is detailed in client-specific contracts, which are also used to govern the relationship between the Group and its clients. The Group's business requires a high volume of personnel who are employed offshore to provide the services on a structured work rotation cycle.

The Company and its predecessors have provided drilling and management services on fixed installations in the UK and Norwegian North Sea for 40 years. Since the award of the first platform drilling contract in the North Sea on the Heather platform in 1977, the Group has been a key player in the supply of drilling and maintenance personnel to fixed platforms. Since that time, the Group has continued to build on its early experience by increasing capabilities, developing unique supporting technologies, and extending the Group's global footprint. Currently, the Group offshore drilling crews operate over 47 fixed installations predominantly in the UK and Norway, in addition to one rig in Greece and two in Brazil, with responsibility for the operation and maintenance of all the equipment owned by clients. The Group has long-term relationships with a large number of major operators, including Apache, Aker BP, Chevron, ConocoPhillips, Fairfield Energy, Marathon Oil, Repsol Norge, Repsol Sinopec Resources UK and Shell in the North Sea, Energean Oil & Gas in Greece and Statoil in the North Sea and Brazil.

The Group also constructed and operates two modular drilling units, the Archer Emerald (2012) and the Archer Topaz (2014), to cost-effectively service the platform drilling industry. The rigs are designed to operate stand-alone and can be rigged up on certain offshore platforms to provide complete life-cycle drilling and work-over services from initial well delivery right through to decommissioning. Typical operations include conventional drilling/sidetrack operations, snubbing services, work-over services, through tubing rotary drilling, managed-pressure drilling and plug and abandonment activities. The modular rigs are currently not under contract and the Archer Emerald is being stored in Scotland and the Archer Topaz is being stored in Norway.

The Group supplies a range of conventional, premium and specialized rental equipment for offshore operations primarily in the North Sea. Standard equipment available for drilling, workover and decommissioning work includes drill pipe and tubing, heavy weight drill pipe, drill collars, blow out preventers, spools, valves and handling equipment. Specialized equipment includes heavy casing strings for deep-water applications, extreme-torque drill pipe for directional and extended reach applications and high-pressure blow out preventers,

Engineering

From projects on fixed and mobile installations, to asset management and consultancy, the Group provides engineering services encompassing conceptual solutions through detailed design and construction to final offshore and onshore commissioning. With the suite of engineering, procurement and management capability, the Group provides Engineering Procurement Construction services for drilling facility development, maintenance and operational support. The Group's Integrated Asset Management Services complement the broad expertise with a range of inspection, reliability and

integrity management services, maintenance management and asset management system support that enables facility performance improvement. Engineering clients are to a large extent similar to the clients in the Platform Drilling segment.

Oiltools

The Group's Oiltool division has developed a range of technology and tools to enhance safety and well integrity, from gas-tight stage tools and barrier plugs, to more traditional down-hole equipment. The solutions contribute to the efficient management and integrity of a well throughout its life. The Group's technologies provide solutions for a wide range of tasks during the design phase, through drilling, completion and well intervention, to abandonment. Notable technologies include: the gas-tight V0 rated LOCK® plug series and SPARTAN™ everyday (V3-V6) plugs, both which can be applied for innovative plug solutions, including the VAULT™, SPEARHEAD™ and HUNTER™; the Stronghold™ perforate, wash and cement systems; and Tornar® technology designed for successful and effective wellbore cleanup operations. The Oiltools portfolio also includes: Cflex® technology, which enables high-performance multistage cementing; and Tubing Conveyed Perforation (TCP) to improve well performance, particularly for plug and abandonment and remedial work during the lifetime of a well. In addition, Oiltools has engineered the X-it™ system, a single-trip casing exit technology designed to deliver reliable sidetracks in a wide range of settings. Oiltools' Integrated Operations (IO) has been developed to reduce operational costs, including persons on board (POB) for operations. Other Oiltools technologies include remote and wireless control cement heads. Oiltools' customers are predominantly large national and international oil and gas companies such as Statoil, Total, BP Aker and ENI, as well as large international oilservice companies such as Schlumberger and Halliburton, which operate offshore globally.

Wireline

Archer Wireline offers a full range of wireline intervention and cased hole logging services throughout the well lifecycle. Intervention by wireline allows for cost efficient diagnostics, maintenance and repair of oil and gas wells within the drilling, completion, production, workover and abandonment phases.

Archer Wireline has a portfolio of well integrity diagnostics services, in addition to offering a full range of production evaluation, perforating and other general cased hole services. The Point® system combines conventional and unique measurements with expert assessment and analysis to evaluate barrier performance and expose the precise location of leaks and flowpaths throughout well systems, without pulling the completion string. SPACE® is the Group's category-defining technology that uses ultrasound imaging to create high-definition, 3D visualizations and measurements of components or obstructions in the wellbore, even in opaque production fluids. The Group's clients in its wireline segment is predominantly large international oil and gas companies such as ConocoPhillips, Statoil, Repsol, Total and Aker BP in Norway, Maersk in Denmark and Petronas in Malaysia.

7.4.2 Western Hemisphere

The Group's Western Hemisphere business generated total revenues of USD 438.7 million (excluding western operations that were discontinued on 31 December 2015), or 49.9% of total revenues, for the twelve months ended 31 December 2016, compared to USD 657.0 million, for the same period in 2015.

Western Hemisphere operations currently include the following services:

American Well Control Frac valves (North America)

AWC Frac Valves ("AWC") manufactures and supplies high-integrity gate valves for safe and efficient hydraulic fracturing. The Group commercialized "ball-screw" operated frac valves over 10 years ago and in doing so enabled a step-change improvement in the efficiency and safety of hydraulic fracturing operations. AWC manufactures API 6A certified frac valves in their facility in the United States and are sour service ready, which means there is no need to special order them. AWC has a significant installed base, with over 8,000 frac valves installed over the last 10 years and provide support and service for the valves allowing customer to extend their asset's life cycle through an Original Equipment Manufacturer certified maintenance program. Focus on safety is paramount for AWC, and all their frac valves have an exclusive emergency upper and lower back-up stem packing assemblies. AWC's customers are typically smaller US oilfield service companies.

Land Drilling (Latin America)

Drilling and workover services in the oil and gas basins of Chubut and Santa Cruz provinces of Argentina are provided through the Company's wholly-owned subsidiary DLS Argentina Limited ("Land Drilling South"). The same services are provided by the Company's wholly owned subsidiary DLS Archer Ltd S.A. in the Neuquen, Rio Negro and Mendoza provinces of Argentina and in Bolivia through the Company's wholly owned subsidiary Archer DLS Corporation (jointly "Land Drilling North"). Collectively, the DLS group of companies has been providing drilling and workover services for more than 47 years to operators in Argentina and Bolivia. The DLS group currently operates a combined fleet of 77 rigs, including 32 drilling rigs and 45 service rigs.

Land Drilling South had an average of 40 active units during 2016, compared to 56 active units in 2015. Land Drilling South's largest customer is Pan American Energy in Argentina.

Land Drilling North had an average of 16.7 active rigs in 2016, compared to 15.7 active rigs in 2015. Land Drilling North's largest customers are YPF and Tecpetrol in Argentina and Total and Petrobras in Bolivia.

Drilling and Completion Fluids (Latin America)

The Company's wholly owned subsidiary Tanus S.A. provides a comprehensive range of drilling and completion fluid services and products. Tanus maintains its own in-house engineering capabilities, propriety products, and software. Tanus' on-site personnel deliver fluid systems that minimise operational costs and health, safety and environmental impact, whilst at the same time enhancing well productivity.

7.4.3 Quintana Energy Services LP

On 31 December 2015, the Company completed a transaction with Quintana Energy Services LP, whereby the Company transferred its pressure pumping, directional drilling, Pressure control and wireline divisions in the former North American segment in exchange for common units constituting 42% of the total common units in QES on a fully diluted basis. In December 2016 and in January 2017, the Company provided 25% of a total of USD 40.0 million in funding to QES. Included in the terms of the arrangement, the Company received penny warrants for 8.5% of the shares in QES which implies that the Company's fully diluted ownership in QES will be reduced from currently 42% to roughly 36% following this transaction.

7.4.4 C6 Technologies

C6 Technologies is an oilfield technology company offering new solutions for well intervention and conveyance utilizing composite materials. C6 Technologies uses the beneficial characteristics of composite materials versus conventional solutions, in terms higher strength to weight ratio, reduced friction and increased rigidity, to develop a suite of rods that will help address many of the key accessibility challenges for well interventions today, especially for extended reach horizontal wells and ultra-deep wells.

C6 Technologies is also developing a new generation of well tractor and associated tools for intervention. The tractor is being developed for high efficiency and reliability and the associated tools provide a flexible platform for cost effective well intervention and maintenance.

C6 Technologies was established in 2010 and is owned jointly by the Company and the IKM Group.

7.4.5 TAQA-Archer JV

A joint venture agreement was signed in March 2015, by the Industrialization & Energy Services Company (TAQA) at 49% ownership and the Company at 51% ownership, to set up the company TAQA Archer Services LLC to provide cased hole logging and conveyance services for onshore and offshore oil and gas fields in the Kingdom of Saudi Arabia. The company registration was issued in April 2016. Since June 2016 the joint venture has been performing proprietary technology demonstration trials and going through the qualification process for Saudi Aramco in support of future commercial deployments.

7.5 Principal markets

The principal markets for the Group's services include the North Sea, Argentina, Bolivia, Norway, the United States and the United Kingdom. In recent years the Group has expanded its operations into the Asia Pacific region, the Middle East and into West Africa. While the Group will continue its international expansion in the medium and longer term, it will focus on consolidating its presence in key markets in the short term.

The Group operates in Angola, Argentina, Australia, Bolivia, Brazil, Canada, Congo, Denmark, Indonesia, Malaysia, New Zealand, Nigeria, Norway, Qatar, Saudi Arabia, Singapore, United Arab Emirates, United Kingdom and the United States and has facilities and offices in Argentina, Australia, Bolivia, Brazil, Canada, Denmark, Hong Kong, Indonesia, Malaysia, Norway, Qatar, Singapore, the United Arab Emirates, the United Kingdom and the United States.

The following tables set forth the Group's total revenues by geographic market for the years ended 31 December 2016, 2015, 2014 and 2013.

(USD in millions)	For the Year ended 31 December			
	2016 (unaudited)	2015 (audited)	2014 (audited)	2013 (unaudited)
Norway	211.5	327.5	503.3	491.8
United Kingdom	149.6	212.0	250.0	201.2
United States	20.5	33.2	80.4	108.9*
Argentina	392.6	608.1	533.5	486.6
Other	109.6	140.3	230.5	154.2
Total	883.8	1,321.1	1,597.7	1,442.7*

* Excluding discontinued operations (QES)

7.6 Competitive position

The Group experiences significant competition in all areas of its business. In general, the markets in which the Group competes are highly fragmented, and a large number of companies offer services that overlap and are competitive with the Group's services and products. The Company's management believes that the principal competitive factors are technical and mechanical capabilities, management experience, past performance and price. While the Group has considerable experience, there are many other companies that have comparable skills. Many of the Group's competitors are larger and have greater financial resources than the Group does.

7.7 Seasonality

Adverse weather conditions in the North Sea during the winter months usually result in lower levels of activity and revenue for the Group, although this is less apparent than in the past due to technological advances. In the United States, winter weather conditions can impact QES' operations in Oklahoma, North Dakota, North Texas as well as in the north eastern states such as Pennsylvania and Ohio. The Group's business may also be affected from delays caused by adverse weather conditions such as hurricanes or tropical storms. Furthermore, in Brazil, where the Group also generates revenue from operations, adverse weather conditions affect the Group's results of operations. Optimal weather conditions offshore Brazil normally exist only from October to April and most offshore operations in this region are scheduled for that period. Therefore full-year results are not likely to be a direct multiple of any particular quarter or combination of quarters. During periods of curtailed activity due to adverse weather conditions, the Group continues to incur operating expenses.

7.8 Equipment

The equipment utilized in the Group's business is generally available new from manufacturers or at auction. However, the cost of acquiring new equipment to expand the Group's business could increase as demand for equipment in the industry increases.

7.9 Marketing

Marketing of the Group's services is performed through the Group's regional offices. The Group's marketing strategy is focused on ensuring that the Group is invited to bid on all proposed projects that are consistent with the Group's strategy, and where the Group has a competitive advantage on the basis of its capabilities, its engineering excellence or its technological specialization. The Group uses its industry know-how and relationships with its clients to find relevant projects in its markets that fit these criteria.

A significant portion of the Group's work is obtained through competitive tendering processes. When a target project, or "tender," is identified by the Group's marketing team, the decision to prepare and submit a competitive bid is taken by management in accordance with delegated authority limits. Cost estimates are prepared on the basis of a detailed standard cost manual, and the selling price and contract terms are based on the Group's commercial standards and market conditions. Before the tender package is submitted to the client, it is subject to a detailed review process by senior management of the Group.

The implementation of the Group's tendering policies has resulted in the information contained in tender review packages being uniform across the Group's organization, allowing the Group to weigh the risks and benefits of tendering for various projects. A larger proportion of tenders are reviewed centrally by the Group's management and the Group continues to place great emphasis on its standard contractual terms and conditions. With these policies in place, the Group devotes significant management time to the tendering process and is selective with respect to the initiation of new projects.

Once the Group has been awarded a project to provide oilfield services, the Group will enter into a project contract with its client. Typically, the Group enters into day-rate contracts; however, on rare occasions, lump-sum contracts may be entered into.

Where services are to be performed pursuant to a day-rate contract, the Group will enter into a framework agreement outlining the terms of the project, with individual project call-offs being utilized to provide the details of the specific

work the Group is to conduct. Under the terms of the Group's day-rate contracts, the Group receives payment based on the days its services are utilized. The Group's day-rate contracts typically include provisions for a reduced day-rate due to weather or equipment downtime.

The Group's contracts range from delivery of a product or service for a very limited time to multiyear contracts. Under the terms of the Group's contracts, the Group's clients usually have the right to terminate without cause upon written notification specifying the termination date. Where the client terminates without cause, the Group is entitled to payment for work performed in accordance with the contract, including the Group's reasonable costs. Typically the Platform Drilling, Wireline and some of the Land Drilling contracts are multiyear contracts whereas Oiltools has frame-agreements with limited firm scope. In Land Drilling South the vast majority of rig contracts are up for renewal in 2017, in Land Drilling North around half the rigs are working under contracts with less than 1 year remaining. Platform Drilling contracts have a fixed contract period and in addition an optional contract period which contractors can chose to exercise. For Platform Drilling UK there are multiple contracts where the fixed contracts are up for renewal in 2017, but the contractors do have options where they can choose to extend the current contract (Chevron, Marathon and Shell). Platform Drilling UK and Brazil have two contracts up for renewal in 2017 (Apache, Statoil).

7.10 Research and development, patents, licenses and critical contracts

The Group's research and development programs have concentrated on the requirements of its clients, who are constantly seeking to develop oil and gas reserves in more demanding environments, and on increasing the efficiency of the Group's equipment and operations. The Group has research and development programs aimed at developing new technologies and extending existing technologies for the provision of well integrity and well intervention services, mainly within the Wireline and Oiltools divisions. The Group's research and development activities are typically carried out internally using both dedicated research personnel and as part of specific projects. External research and development is performed either through strategic technological alliances or via joint industry collaborative projects, where appropriate.

As the revenue related to technology driven activities is relatively small, the Company believes that currently its business is not materially dependent on any research and development.

The table below sets forth information on the Group's research and development activities during the twelve months period ending on 31 December 2016 and the preceding last three years:

(USD in millions)	For the Year ended 31 December (unaudited)			
	2016	2015	2014	2013
Costs	3.9	4.8	6.5	6.5

The level of research and development going forward will most likely be between USD 3 million and USD 6 million pending market development and client requirements.

Intellectual property and critical processes

The Group owns or has a right to use a number of patents and trademarks, as well as software and other intellectual property to support its operational activities. A limited number of the Group's patents are held in common with other industrial partners. The Group also conducts some of its operations under licensing agreements allowing the Group to make use of specific techniques or equipment patented by third parties. However, in the opinion of the Group, the business is not materially dependent on any particular patents or licenses or on any specific manufacturing processes.

7.11 Material contracts

As described in more detail in Section 13 Seadrill has granted on-demand guarantees of USD 250 million in favour of the lenders under the revolving facility and the lenders of the overdraft facilities, securing the Company's obligations under these facilities. These guarantees have been critical for the Group's ability to obtain financing with competitive conditions.

On 22 December 2015, the Company entered into a fifth amendment and restatement agreement in respect of its main credit facility. The amended and restated main credit facility as described in detail in Section 11.10 is deemed to be critical for the Company. Refer to Sections 2.1 and 5.3 for more information on the refinancing plan.

Apart from the on demand guarantees granted by Seadrill and the main credit facility, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group.

7.12 Environmental regulations

The Group's operations are subject to federal, state and local laws and regulations of the jurisdictions in which it operates relating to the energy industry in general and the environment in particular. Environmental laws have in recent years become more stringent and have generally sought to impose greater liability on a larger number of potentially responsible parties. Because the Group provides services to companies producing oil and natural gas, which may cause damage to the environment, the Group may become subject to claims relating to the release of such substances into the environment. The Group strives to conduct its business activities in an environmentally sustainable manner that is achieved through the use of written processes and risk management procedures focused on the proactive assessment of environmental risks associated with the Group's operations. These risk assessments help facilitate a reduction of the environmental impact of the Group's activities and help prevent the accidental release of oil and natural gas into the environment. While the Group's management is not currently aware of any situation involving an environmental claim that would likely have a material adverse effect on the Group, it is possible that an environmental claim could arise that could cause the Group's business to suffer. The Group's management does not anticipate any material expenditure to comply with environmental regulations affecting the Group's operations.

Any change in environmental or other regulations for the oil and gas industry would affect the Group's business similarly to the other industry participants.

7.13 Other matters

Health, safety and environmental management

In the Group, line management is responsible for the implementation of systematic and preventive HSE work, as well as encouraging and promoting a sound health, environment and safety culture. In 2015 the Group introduced a companywide HSE plan targeting common areas for actions which included visible leadership, validation of process and strengthening of safety culture. The plan is subject to review by the HSE executive team on a quarterly basis to promote traction across the global organization.

In 2015, the Group recorded three environmental spills in the North American area, two related to the Pressure Pumping operations and the third within the Pressure Control operations. All three incidents were responded to with specialist assistance being provided by a third party who performed the clean-up operations. There were no spills recorded in 2016 or 2017.

The Group's Eastern Hemisphere management system, which includes the North Sea, remains certified in accordance with ISO 9001:2008, for Quality Management. In addition, the UK operations are also accredited to the ISO 14001:2004, for Environmental Management Standards.

The Group's Drilling and Workover operations in Argentina remain certified in accordance with ISO 14001:2004, OHSAS 18001:2007 and ISO 9001:2008. AWC Frac Valves, Inc., the North American frac valves manufacturing company, is certified in accordance with the ISO 9001:2008.

The Group is actively working to prevent damage to the environment as a result of the Group's operations. This includes the systematic registration of emissions and discharges and pre-emptive action in selecting chemicals that cause minimum harm to the environment. However, there are still risks of environmental damage and negative consequences for the Group. See Section 2 "Risk Factors" for more information.

Risks and insurance

The Group's operations are subject to all the risks normally associated with oilfield development and operations and could result in damage to, or loss of, property, suspension of operations or injury or death to employees or third parties. The Group's operations are conducted in hazardous environments where accidents involving catastrophic damage or loss of life could result, and litigation arising from such an event may result in the Group being named a defendant in lawsuits asserting large claims. As is customary in the oilfield services industry, the Group attempts to mitigate its exposure to some of these risks through indemnification arrangements and insurance policies.

The Group's service contracts generally contain contractual indemnities against liability for pollution, well and environmental damages, damages to equipment and property, and personal injury, consistent with industry practices. These indemnities provide that the Group's customer, the operator, will retain liability and indemnify the Group for:

- environmental pollution caused by any oil, gas, water or other fluids and pollutants originating from below the seabed;
- damage to customer and third-party equipment and property including any damage to the sub-surface and reservoir; and

- personal injury to or death of customer personnel.

The allocation of risk described above is not unique to the Group and is generally accepted in the oil and gas industry by and between service companies such as the Group, on the one hand, and operators and exploration and production companies, on the other. This allocation reflects the risk-reward model as defined in the industry for several decades.

The Group also carries insurance coverage for its operations and is partially self-insured for certain claims in amounts that management believes to be customary and reasonable. In line with industry practice, the Group maintains insurance worldwide for liability arising from its operations, and its insurance covers all of its material assets, including all capital items such as major equipment and real property. Among the risks insured are loss of, or damage to, third-party property, consequential interruptions in business, death or injury to employees and/or third parties, statutory workers' compensation protection and pollution.

The Group's insurance coverage is consistent with industry practices, including a policy for general third party and product liability insurance with AIG. The current policy expires 31 March 2017, and the Group currently anticipates that it will be able to renew its policy on commercially reasonable terms. The policy includes coverage of USD 25 million per occurrence for legal liability for damage caused to a third party (any party other than the insured, its affiliates and co-licensees and their respective employees). The Group also maintains a policy with If Property & Casualty Insurance for coverage of up to USD 5 million per occurrence with an annual aggregate limit of USD 10 million for professional liability as a result of faulty product design, feasibility studies, procurement, supervision, license agreements or sales of electronic data processing software and reservoir monitoring system.

The Group's general third party and product liability insurance policy does, however, expressly exclude coverage for certain types of environmental damages. In all locations the policy covers only environmental damages that are the direct and unavoidable consequences of a sudden, unforeseen and identifiable event and, in the case of recoverable pollution damage, the policy also covers clean-up related expenses imposed by public authorities.

Such insurance would cover claims made against the Group by or on behalf of individuals who are not the Group employees regardless of whether the Group held indemnity rights from its customer or another third party.

Management considers the Group's level of insurance coverage to be appropriate for the risks inherent in the Group's business. The determination of the appropriate level of insurance coverage is made on an individual asset basis taking into account several factors, including the age, market value, cash flow value and replacement value of the asset in hand. However, there can be no assurance that the amount of insurance the Group carries is sufficient to protect the Group fully in all events, and a successful liability claim for which the Group is underinsured or uninsured could have a material adverse effect on the Group. Additionally, insurance rates have in the past been subject to wide fluctuations, and changes in coverage could result in less coverage, increases in cost or higher deductibles and retentions (see Section 2 "Risk Factors").

7.14 Legal and Arbitration Proceedings

From time to time, the Group is involved in litigation, disputes and other legal proceedings arising in the normal course of business. The Group insures against the risks arising from these legal proceedings to the extent deemed prudent by its management and to the extent insurance is available, but no assurance can be given that the nature and amount of that insurance will be sufficient to fully indemnify the Group against liabilities arising out of pending and future legal proceedings. Many of these insurance policies contain deductibles or self-insured retentions in amounts the Group deems prudent and for which it is responsible for payment. If there is a claim, dispute or pending litigation in which the Group believes a negative outcome is probable and a loss by the Group can be reasonably estimated, it records a liability for the expected loss. As of 31 December 2016, the Company is not aware of any such expected loss which would be material to the Group's financial position and results of operations. In addition the Group has certain claims, disputes and pending litigation in which it does not believe a negative outcome is probable or for which the loss cannot be reasonably estimated.

Two of the Group's subsidiaries are the plaintiffs in the case of Archer Drilling LLC and Rig Inspection Services (US) LLC vs. Buccaneer Energy Limited et al., wherein the Group claimed USD 8.0 million from the defendants for the defendants' failure to pay for services provided. In response, the defendants raised counterclaims alleging that they are owed more than the amount the Group claimed in damages. On 31 May 2015, all but one of the defendants filed for Chapter 11 bankruptcy and in August 2015, the Group's subsidiaries removed the case to U.S. Bankruptcy Court. In December 2016, the Group's subsidiaries and the defendants settled all claims on a confidential basis. The Group's subsidiaries have no liability under the settlement and will receive a confidential sum from the bankruptcy estate.

Other than this, neither the Company nor any other company within the Group are involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the 12 months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

8. INDUSTRY OVERVIEW

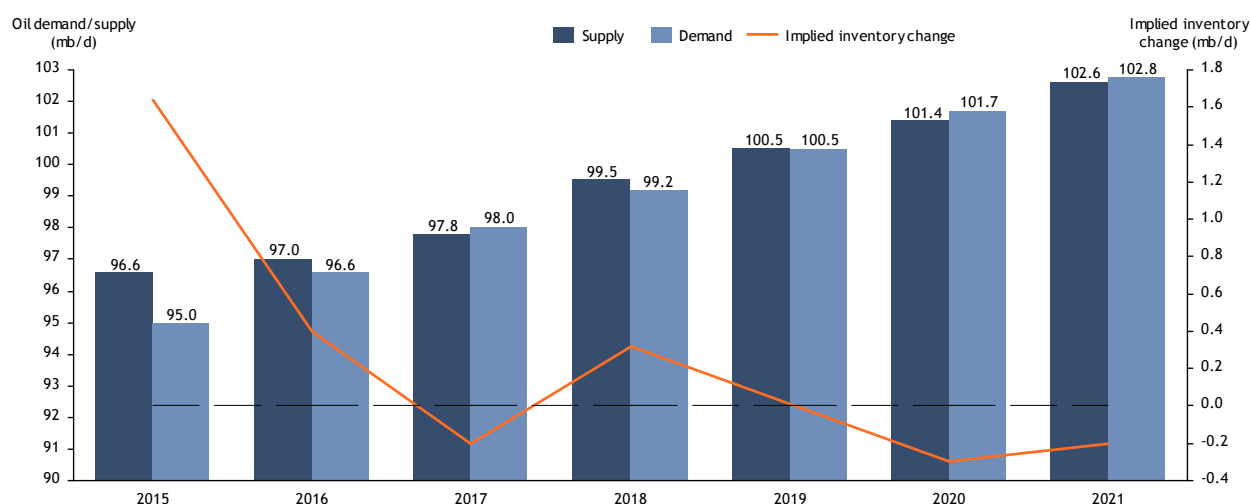
This Section discusses the industry and markets in which the Group operates. Certain of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources, and the Company's knowledge of the markets, see Section 4.2 "General Information—Presentation of Market Data and Other Information—Sources of Industry and Market Data". The following discussion contains Forward-looking Statements, see Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements". Any forecast information and other Forward-looking Statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 2 "Risk Factors" for further details.

8.1 Introduction

The activity in oil service industry is dependent upon the oil and gas companies' exploration and production ("E&P") spending, which is mainly driven by oil and gas price outlook and available funds for investments. Since late 2014 the oil price has been plunging from levels around USD 110 per barrel to below USD 30 per barrel and has in recent months been trading in the range USD 50-55 per barrel. Despite a significant focus on cost cutting among the oil and gas companies, their earnings have suffered, following lower oil and gas prices. The drop was mainly driven by strong growth in U.S. shale production, increasing non-OPEC supply and OPEC's determination not to cede market share. According to the International Energy Agency ("IEA") oil supply increased by 2.5 million barrels per day ("mb/d") in 2014 and 2.9 mb/d in 2015, thus exceeding demand by 0.7 mb/d in 2014 and by 1.6 mb/d in 2015.

A gradual adjustment process in both supply and demand gathered pace through 2015 and 2016 which improved the market balance. IEA estimates that world oil demand grew by 1.6 mb/d in 2016, while supply increased more moderately by 0.4 mb/d. While IEA expects demand to continue to grow, the rate of growth is expected to slow. On the supply side, non-OPEC supply, which rose by about 4.3 mb/d from 2013 to 2015, decreased in 2016 in response to the fall in E&P spending and the contraction of U.S. oil production. IEA forecasts that during 2017 global oil supply and demand will be close to aligned, however the significant stocks that have been accumulated over the recent years could act as a dampener on the oil price recovery in the years to come.

Figure 1: Global oil supply and demand (million barrels per day)



Source: IEA Oil Market Report (February 2017)

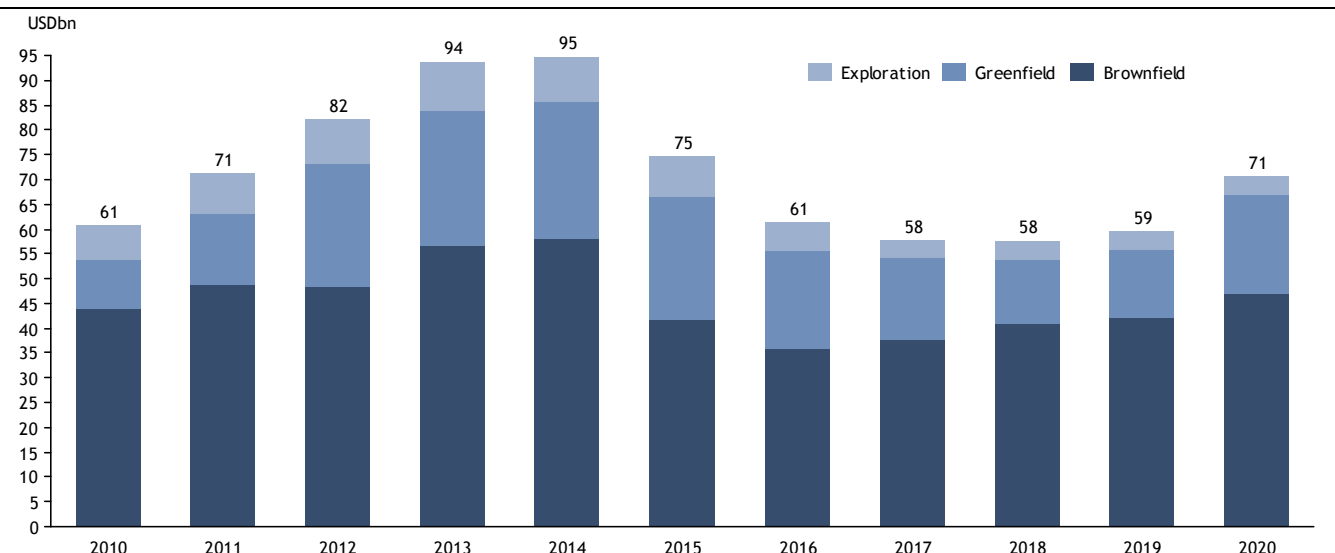
8.2 North Sea

Oil companies have reduced their upstream exploration and production spending as projects have become less profitable, forcing the whole industry to reduce costs and operate more efficiently. After a 21% drop in North Sea E&P spending in 2015, a further 18% decline is estimated for 2016¹. Offshore projects in general have the highest break-even oil prices and generally curbed more than onshore projects. Oil companies have taken advantage of the industry downturn to renegotiate contracts and commercial terms. Lower activity forces oil service companies to be more competitive and many of the projects that are close to completion are coming in at a discount compared to initial budgets. As an

¹ Source: Rystad Energy Demand Database (DCube)

example, Statoil reported in early 2016 the development cost for the Johan Castberg discovery had been cut by nearly 50% compared to estimates from 2013.

Figure 2: Total NCS and UKCS E&P spending



Source: Rystad Energy Demand Database (DCube)

Note: “Greenfield” includes development contracts for engineering, procurement, construction and installation (EPCI), subsea, rigs and well services. “Brownfield” include investments seeking to extend the economic producing life of the field.

Offshore drilling on a producing field may be carried out through the use of either mobile offshore drilling units or fixed or floating platforms with built-in drilling equipment. Such equipment also enables the production facility to conduct maintenance on existing wells without the use of additional mobile offshore drilling units. Platform drilling services relate to the provision of a specialised crew operating the drilling equipment on board fixed or floating platforms. This crew also maintains all the equipment relating to drilling operations.

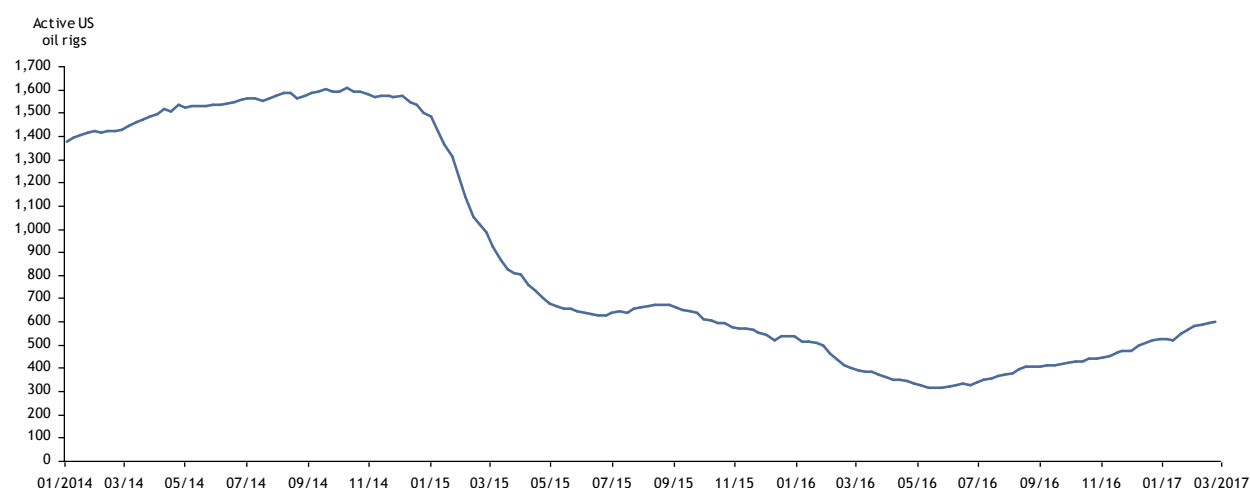
The demand for platform drilling services is directly linked to the number of active platform drilling contracts in the market. A stable oil price that will support the aim of oil and gas companies to maintain production on their existing fields and new technology that increases overall recovery rates are also important drivers for the platform drilling services industry. The market for platform drilling contracts on the United Kingdom Continental Shelf (“UKCS”) and Norwegian Continental Shelf (“NCS”) has weakened during the oil price drop in recent years, but there are signs of improvement with increasing number of active platform drilling contracts in the North Sea.

On the NCS and UKCS the platform drilling market is dominated by Odfjell Drilling, KCA Deutag and the Group. Outside the North Sea, the industry is serviced by several smaller companies, often with local focus. On a global scale, KCA Deutag is the world’s largest platform drilling company.

8.3 North America

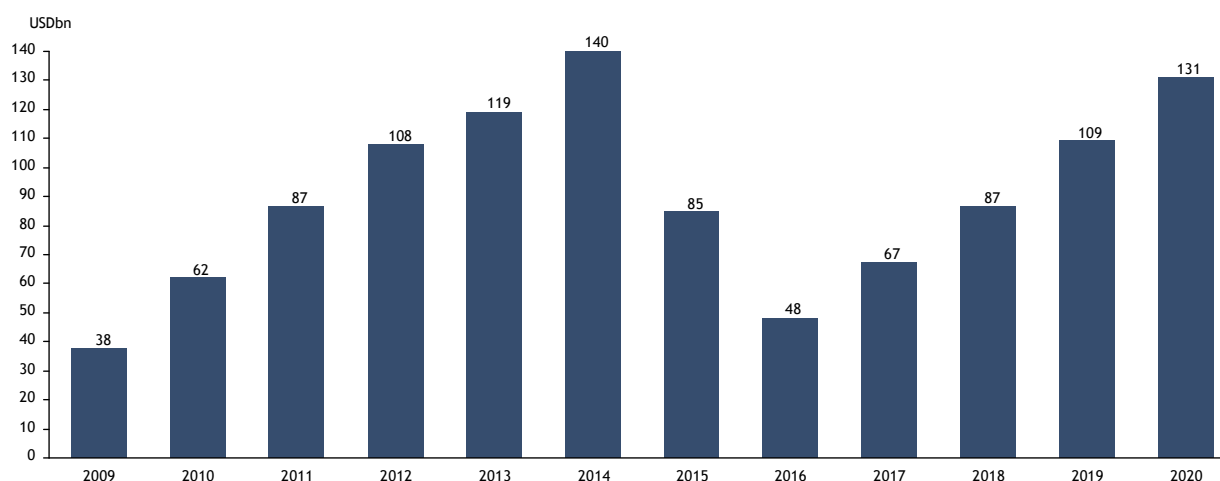
The U.S. market for well services is highly dependent on the development in drilling activity in onshore oil and gas regions, which are primarily producing from shale resources. Shale resources are predominantly produced through horizontal fracking wells. Horizontal fracking wells have substantially higher initial flow rates than vertical wells, which reduces the pay-back time of investment significantly and hence make shale wells more responsive to changes in oil price than conventional wells. Due to the rapid decline in production rate from horizontal fracking wells, drilling of new wells is required in order to maintain production levels. The U.S. oil rig count indicates the overall drilling activity, which has risen by 91% from May 2016 to the date of this prospectus.

Figure 3: US oil rig count development



Source: Rystad Energy Demand Database (DCube)

Figure 4: US onshore well capital expenditure



Source: Rystad Energy Demand Database (DCube)

The drilling activity is dependent on investment levels for E&P companies, which again is influenced by oil price and cost levels. Each drilled well requires investments of around USD 6.0 million, with drilling costs comprising approximately 40% and completion costs comprising approximately 60% of total well costs². In 2017, the US onshore well investments are expected to increase by 40% from 2016 levels. Longer term, U.S. onshore well investments are expected to grow 29% per year to 2020³.

8.4 Latin America

The Group's Latin American operation is concentrated in Bolivia and Argentina. Argentina has the second largest shale gas reserve in the world and the fourth largest shale oil reserve, with unproved, technically recoverable resources estimated to approximately 802 Tcf⁴ and 27 Bbbl⁴, respectively⁵. Despite substantial reserves, Argentina has been a net importer of natural gas since 2008. The decline in production has largely been attributed politics and government intervention in the country's oil and gas industry, where government control on exports, fixed energy prices and significant subsidies led to a decline in domestic production and reserve base⁶. International oil and gas companies have also been reluctant to invest in Argentina, especially after the renationalization of Argentine oil and gas company YPF through a forced takeover of Spanish E&P company Repsol's majority stake in the YPF.

² Source: EIA, *Trends in U.S. Oil and Natural Gas Upstream Costs* (retrievable at <https://www.eia.gov/analysis/studies/drilling/pdf/upstream.pdf>)

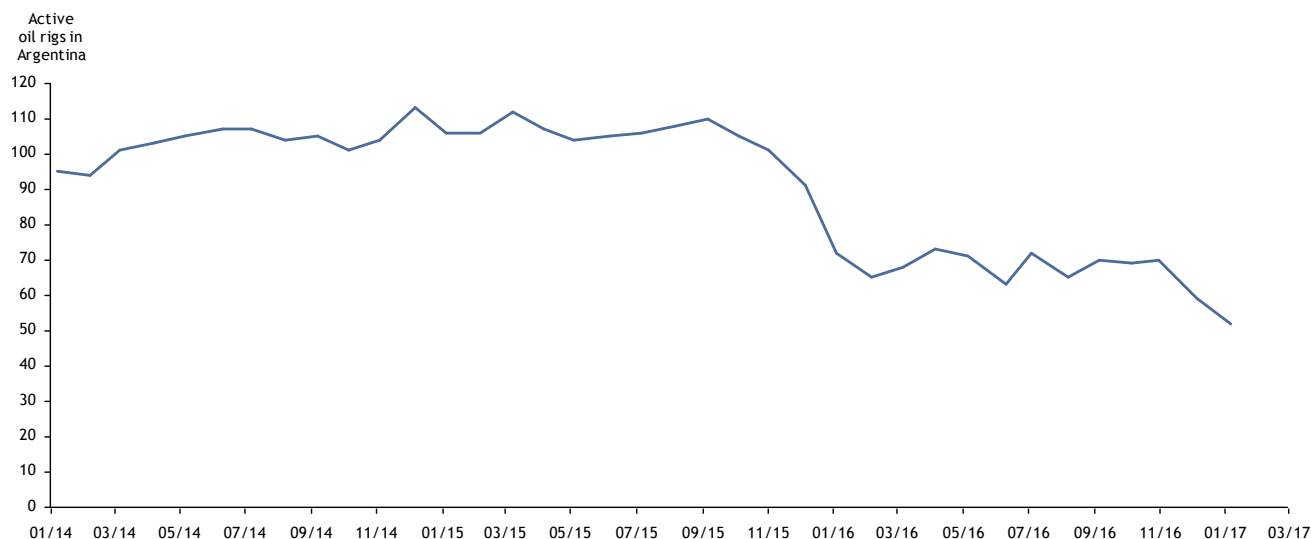
³ Source: Rystad Energy Demand Database (DCube)

⁴ Tcf = trillion cubic feet of natural gas, Bbbl = billion barrels of oil

⁵ Source: EIA

⁶ Source: Oxford Institute for Energy Studies, *Unconventional Gas in Argentina: Will it become a Game Changer* (retrievable at <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2016/10/Unconventional-Gas-in-Argentina-Will-it-become-a-Game-Changer-NG-113.pdf>)

Figure 5: Argentina oil rig count development



Source: Baker Hughes Rig Count (as of 24 February 2017)

Oil and gas production in Argentina fell further in 2016 after the government devaluated the Argentine peso in December 2015, which was previously fixed to U.S. Dollar. By end of 2016, the peso weakened 38% versus the U.S. Dollar at the time of devaluation. Argentina's oil rig count fell 53% from 91 in November 2015 to 43 in January 2017. Well costs in the country has declined during oil price drop, but are still substantially higher than for wells with similar geological properties in the U.S. due to import taxes, labor unions, local authorities and lack of infrastructure such as railways and pipelines for water transport⁷. EIA estimates the costs of drilling and completing a horizontal fracking well in the largest Argentine shale basin to USD 11.2 million, which is 40-70% more expensive than a similar well in the Eagle Ford shale formation⁸.

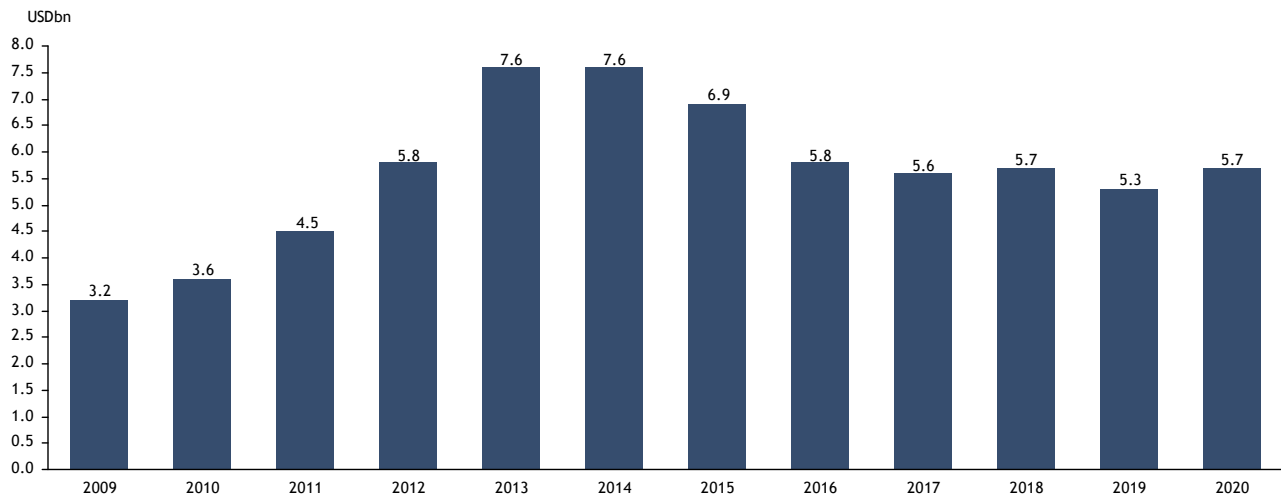
In January 2017, Argentina's government reached an agreement with international oil and gas companies Chevron and ExxonMobil to attract USD 5 billion in investments to the Vaca Muerta shale formation in the Neuquén province, which is one of the world's largest shale formations estimated to contain 308 Tcf of technically recoverable shale gas resources and 16.2 billion barrels of shale oil. The deal includes fixed, subsidized natural gas prices to 2020, stabilized taxes and relaxed contract structures from labor unions⁹. It remains uncertain whether the new policies will attract further investments, and Rystad Energy expects the investments in new wells to decrease slightly in 2017 and stabilize around that level to 2020.

⁷ Source: Rystad Energy (retrievable at <http://www.ogfj.com/articles/print/volume-13/issue-11/features/market-development-in-argentina.html>)

⁸ Source: EIA

⁹ Source: Reuters (retrievable at <http://www.reuters.com/article/us-argentina-gas-idUSKBN14V03N>)

Figure 5: Argentina onshore well capital expenditure



Source: Rystad Energy Demand Database (DCube)

9. CAPITALISATION AND INDEBTEDNESS

This Section provides information about (a) the Company's capitalisation and net financial indebtedness on an actual basis as of 31 December 2016 and has been based on the Group's unaudited interim financial information as of 31 December 2016, and (b) in the "As Adjusted" columns, the Company's capitalisation and net financial indebtedness on an adjusted basis to show the estimated effects of the following items only to the Company's capitalisation and net financial indebtedness:

- The Private Placement, which raised gross proceeds to the Company of NOK 840.0 million, or approximately USD 100.0 million. Upon receipt of the proceeds from the Private Placement, the net outstanding balance of USD 28.9 million on the overdraft facilities was repaid.

For the purposes of arriving at the USD figures in the "as adjusted" columns, a USD/NOK exchange rate of 8.4 has been applied.

No adjustments have been made for any proceeds from the Subsequent Offering.

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Selected Financial and Operating Information", Section 11 "Operating and Financial Review", and the Company's Financial Statements and the notes related thereto, which are incorporated by reference to this Prospectus, see Section 20 "Incorporation by Reference; Documents on Display".

9.1 Capitalisation

USD millions	As of 31 December 2016 (unaudited)		
	Actual	Adjustment	As Adjusted
Total current debt	134.7	(28.9)⁽³⁾	105.8
—Guaranteed ⁽¹⁾	85.0	—	85.0
—Secured ⁽²⁾	6.4	—	6.4
—Unguaranteed/unsecured	43.3	(28.9) ⁽³⁾	14.4
Total non-current debt (excluding current portion of long-term debt)	693.8	—	613.8
—Guaranteed ⁽¹⁾	565.0	—	565.0
—Secured ⁽²⁾	3.8	—	3.8
—Unguaranteed/unsecured	125.0	—	125.0
Total debt (A)	828.5	—	799.6
Shareholders' equity			
—Share capital	0.6	0.8	1.4
—Additional paid in capital	823.7	99.2 ⁽⁴⁾	922.9
—Contributed surplus	(794.7)	—	(794.7)
Total equity (B)	29.6	100.0⁽⁴⁾	129.6
Total capitalization (A)+(B)	858.1	71.1	929.2

⁽¹⁾ Guaranteed debt includes the Revolving Credit Facility and the financing of Archer Topaz which are guaranteed by Seadrill Limited.

⁽²⁾ The secured debt includes lease financing relating to Oiltools and debt financing of the modular rig Archer Emerald, which are secured by floating charges over the assets financed by the loans. The final instalment of the debt financing of the modular rig Archer Emerald was repaid on 30 March 2017.

⁽³⁾ Repayment of outstanding balance on overdraft facilities.

⁽⁴⁾ Proceeds from the private placement shown gross, not reduced by estimated expenses.

9.2 Net Interest Bearing Indebtedness

<i>USD millions</i>	As of 31 December 2016 (unaudited)		
	Actual	Adjustment	As Adjusted
A. Cash	27.3	71.1	98.4
B. Cash equivalents	-	-	-
C. Trading securities	-	-	-
D. Liquidity (A)+(B)+(C)	27.3	71.1	98.4
E. Current financial receivables	-	-	-
F. Current bank debt	43.3	(28.9)	14.4
G. Current portion of non-current debt ⁽¹⁾	91.4	-	91.4
H. Other current financial debt	-	-	-
I. Current financial debt (F)+(G)+(H)	134.7	(28.9)	105.8
J. Net current financial indebtedness (I)-(E)-(D) ⁽¹⁾	107.4	(100.0)	7.4
K. Non-current bank debt	693.9	-	693.9
L. Bonds issued	-	-	-
M. Other non-current financial debt	-	-	-
N. Non-current financial debt (K)+(L)+(M)	693.9	-	693.9
O. Net financial indebtedness (J)+(N)	801.3	(100.0)	701.3

⁽¹⁾ Excluding debt fees.

Indirect and Contingent Indebtedness

The Group does not have any indirect or contingent debt.

10. SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

The following selected financial information has been extracted from the Group's audited financial statements as of and for the years ended 31 December 2015, 2014 and 2013 and the Group's unaudited interim financial statements for the three months ended 31 December 2016 and 2015, which are incorporated by reference to this Prospectus, see Section 20 "Incorporation by Reference; Documents on Display". The financial information as of and for the year ended 31 December 2014 has been restated to show the results relating to the Group's North American business units, which were contributed to Quintana Energy Services LP on 31 December 2015 in exchange for 42% of the total common units in QES, as results from discontinued operations. The restated information has been extracted from the Group's audited financial statements as of and for the year ended 31 December 2015 and the previously reported information has been extracted from the Group's audited financial statements as of and for the year ended 31 December 2014. The audited financial statements have been prepared in accordance with U.S. GAAP. The selected financial included herein should be read in connection with such financial statements. This Section should be read together with Section 11 "Operating and Financial Review".

10.1 Selected Income Statement Information

The table below sets out a summary of the Group's audited income statement information for the years ended 31 December 2015, 2014 and 2013, the Group's unaudited income statement information for the year ended 31 December 2016 and the Group's unaudited income statement information for the three months ended 31 December, 2016 and 2015.

USD millions	For the Three Months Ended 31 December (unaudited)		For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2016	2015	2014 (restated)	2014 (changes, unaudited) ⁽¹⁾	2014 (previously reported)	2013
Operating revenues								
Operating revenues ...	207.6	258.4	817.6	1,233.2	1,478.1	(655.9)	2,134.0	1,944.3
Reimbursable revenues	13.8	24.1	66.2	87.9	119.6	—	119.6	97.0
Total operating revenues	221.4	282.5	883.8	1,321.1	1,597.7	(655.9)	2,253.6	2,041.3
Operating expenses								
Operating expenses ...	186.9	235.7	737.5	1,074.1	1,230.1	(595.9)	1,826.0	1,739.1
Reimbursable expenses	12.7	20.5	58.7	79.2	114.5	—	114.5	93.7
Depreciations and amortisation	18.1	19.7	72.6	79.2	72.1	(73.8)	145.9	161.4
Net gain/(loss) on sale of assets	(1.7)	(1.0)	(0.2)	(4.2)	(2.8)	(2.8)	—	—
Impairment of goodwill and noncurrent assets ...	-	50.2	17.7	50.2	22.8	(37.6)	60.4	423.7
General and administrative expenses	7.8	14.6	38.5	55.1	76.6	(4.3)	80.9	61.3
Total operating expenses	223.8	339.7	924.8	1,333.6	1,513.3	(714.4)	2,227.7	2,479.2
Operating (loss)/income	(2.4)	(57.2)	(41.0)	(12.5)	84.4	58.5	25.9	(437.9)
Financial items								
Interest income	0.3	0.7	1.9	2.5	3.0	—	3.0	1.3
Interest expense	(16.6)	(12.2)	(63.0)	(50.2)	(45.7)	0.4	(46.1)	(51.8)
Share of results in associated companies	(20.1)	(5.4)	(68.7)	(5.6)	(7.6)	—	(7.6)	(1.6)
Other financial items .	(14.8)	(7.2)	9.2	(53.7)	(54.8)	—	(54.8)	(21.6)
Total financial items .	(51.2)	(24.1)	(120.6)	(107.0)	(105.1)	0.4	(105.5)	(73.7)
Loss from	(53.6)	(81.3)	(161.6)	(119.5)	(20.7)	58.9	(79.6)	(511.6)

<i>USD millions</i>	For the Three Months Ended 31 December (unaudited)		For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2016	2015	2014 (restated)	2014 (changes, unaudited) ⁽¹⁾	2014 (previously reported)	2013
continuing operations before income taxes								
Income tax benefit/(expense)	5.1	(4.9)	(0.9)	(3.7)	(17.5)	—	(17.5)	2.6
Loss from continuing operations	(48.5)	(86.2)	(162.5)	(123.2)	(38.2)	58.9	(97.1)	(509.0)
Loss from discontinued operations, net of tax	(1.6)	(157.9)	(3.4)	(236.1)	(61.5)	(58.9)	(2.6)	(9.6)
Net loss	(50.1)	(244.1)	(165.9)	(359.3)	(99.7)	—	(99.7)	(518.6)
Loss per share (USD)								
- from continuing operations	(0.83)	(1.48)	(2.80)	(2.12)	(0.66)	(0.49)	(0.17)	(0.92)
- from discontinued operations	(0.03)	(2.73)	(0.06)	(4.08)	(1.06)	(1.06)	—	(0.02)
Weighted average number of shares outstanding (thousands)	58,165	57,916	58,121	57,916	57,916	521,244	579,160	549,468

⁽¹⁾ Changes represent the reclassification of results the business units contributed to QES in 2015, as discontinued operations.

10.2 Selected Balance Sheet Information

The table below sets out a summary of the Group's unaudited balance sheet information as of 31 December 2016 and the Group's audited balance sheet information as of 31 December 2015, 2014 and 2013.

USD millions	As of 31 December (unaudited)	As of 31 December (audited)				
	2016	2015	2014 (restated)	2014 (changes, unaudited) ⁽¹⁾	2014 (previously reported)	2013
Assets						
<i>Current assets</i>						
Cash and cash equivalents	27.3	20.5	28.9	—	28.9	49.5
Restricted cash	7.6	8.0	15.8	—	15.8	16.5
Accounts receivables, net of allowance for doubtful accounts of 2.3, 1.4, 1.6 and 3.4 respectively ⁽²⁾	150.5	193.3	386.2	—	386.2	386.1
Inventories	61.8	83.5	97.5	—	97.5	65.2
Deferred tax	-	—	—	(9.2)	9.2	5.6
Other current assets	39.9	57.6	93.8	(3.2)	97.0	76.9
Total current assets	287.1	362.9	622.2	(12.4)	634.6	599.8
<i>Noncurrent assets</i>						
Investments in associates	94.9	148.1	0.2	—	0.2	0.6
Loans to associates	11.0	4.7	6.1	—	6.1	9.3
Property, plant and equipment	476.4	554.5	870.3	—	870.3	800.0
Deferred tax	12.2	13.3	21.8	9.2	12.6	16.2
Goodwill	172.6	174.2	207.8	—	207.8	294.1
Other intangible assets	3.3	4.8	53.9	—	53.9	65.5
Other noncurrent assets	2.8	4.9	7.7	(7.4)	15.1	9.4
Total noncurrent assets	773.2	904.5	1,167.8	1.8	1,166.0	1,195.1
Total assets	1,060.3	1,267.4	1,790.0	(10.6)	1,800.6	1,794.9
Liabilities and shareholders' equity						
<i>Current liabilities</i>						
Current portion of interest- bearing debt	131.1	95.0	61.0	(3.2)	64.2	150.9
Other current liabilities	182.0	224.3	381.1	—	381.1	325.0
Total current liabilities	313.1	319.3	442.1	(3.2)	445.3	475.9
<i>Noncurrent liabilities</i>						
Long-term interest-bearing debt	567.1	657.6	689.8	(7.4)	697.2	613.9
Subordinated related party loan	125.0	50.0	50.0	—	50.0	—
Deferred tax	9.7	9.3	11.4	—	11.4	11.6
Other noncurrent liabilities	15.8	33.9	53.9	—	53.9	58.9
Total noncurrent liabilities	717.6	750.8	805.1	(7.4)	812.5	684.4
<i>Shareholders' equity</i>						
Common shares of par value USD 0.01 per share; 1.0 billion shares authorized; 57,915,716 outstanding shares at 31 December 2016 (31 December 2014: 579,159,787 shares of USD 1.00 par value. 31 December 2013: 366,659,120 shares of USD 2.00 par value and 600,000,000 shares	0.6	0.6	579.2	—	579.2	579.2

<i>USD millions</i>	As of 31 December (unaudited)	As of 31 December (audited)				
			2014 (restated)	2014 (changes, unaudited) ⁽¹⁾	2014 (previously reported)	2013
	2016	2015				
authorised.)						
Additional paid-in capital	823.7	823.3	821.1	—	821.1	816.1
Accumulated deficit	(1,527.1)	(1,361.2)	(1,001.9)	—	(1,001.9)	(902.2)
Accumulated other						
comprehensive loss	(7.7)	(5.5)	(17.1)	—	(17.1)	(20.0)
Contributed surplus	740.1	740.1	161.5	—	161.5	161.5
Total shareholders' equity.....	29.6	197.3	542.8	—	542.8	634.6
Total liabilities and						
shareholders' equity.....	1,060.3	1,267.4	1,790.0	(10.6)	1,800.6	1,794.9

⁽¹⁾ Changes made to the reported 2014 balance sheet are the reclassification of the following items due to changes in practice or policy in 2015;

- Capitalised debt fees, previously reported as assets reported as a reduction in the value of the relevant debt.
- Deferred tax assets and liabilities in the same tax jurisdiction are shown net.

⁽²⁾ Allowance for doubtful debts above are shown in millions of USD. Debts are provided for on a specific basis, based on historical trends, or known specific circumstances of particular debtors.

10.3 Selected Changes in Equity Information

The table below sets out a summary of the Group's audited changes in equity information for the years ended 31 December 2015, 2014 and 2013 and the Group's unaudited changes in equity statement information for the year ended 31 December, 2016.

USD millions

	Share capital	Additional paid-in-capital	(Accumulated deficit)/Retain ed earnings	Accumulated other comprehensive income/ (loss)	Contributed surplus/ (deficit)	Total shareholders' equity
Balance as of 31 December 2012.....	733.3	779.6	(383.6)	2.0	(205.1)	926.2
Recapitalisation	(366.6)	—	—	—	366.6	—
Private placement	212.5	35.4	—	—	—	247.9
Foreign currency translation differences ...	—	—	—	(6.5)	—	(6.5)
Pension - unrecognized gain	—	—	—	(15.5)	—	(15.5)
Share-based compensation.....	—	1.1	—	—	—	1.1
Net loss	—	—	(518.6)	—	—	(518.6)
Balance as of 31 December 2013.....	579.2	816.1	(902.2)	(20.0)	161.5	634.6
Foreign currency translation differences ...	—	—	—	6.1	—	6.1
Pension - unrecognized gain	—	—	—	(3.2)	—	(3.2)
Share-based compensation.....	—	5.0	—	—	—	5.0
Net loss	—	—	(99.7)	—	—	(99.7)
Balance as of 31 December 2014.....	579.2	821.1	(1,001.9)	(17.1)	161.5	542.8
Foreign currency translation differences ...	—	—	—	8.8	—	8.8
Pension - unrecognized gain	—	—	—	2.8	—	2.8
Adjustment to share par value	(578.6)	—	—	—	578.6	—
Shares purchased for RSUs	—	(0.5)	—	—	—	(0.5)
Share-based compensation.....	—	2.7	—	—	—	2.7
Net loss	—	—	(359.3)	—	—	(359.3)
Balance as of 31 December 2015.....	0.6	823.3	(1,361.2)	(5.5)	740.1	197.3
Foreign currency translation differences (unaudited).....	-	-	-	(25.3)	-	(25.3)
Pension - reversal of unrecognized gain (unaudited).....	-	-	-	23.1	-	23.1
Share-based compensation (unaudited)	-	0.4	-	-	-	0.4
Net loss (unaudited)	-	-	(165.9)	-	-	(158.9)
Balance as of 31 December 2016 (unaudited)	0.6	823.7	(1,527.1)	(7.7)	740.1	36.6

10.4 Selected Cash Flow Information

The table below sets out a summary of the Group's audited cash flow information for the years ended 31 December 2015, 2014 and 2013, the Group's unaudited cash flow information for the year ended 31 December 2016.

USD millions	For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2014 (restated)	2014 (changes, unaudited) ⁽¹⁾	2014 (previously reported)	2013
<i>Cash flows from operating activities</i>						
Net loss	(165.9)	(359.3)	(99.7)	—	(99.7)	(518.6)
Net loss discontinued operations	3.4	236.1	61.5	61.5	—	—
<i>Adjustments to reconcile net loss to net cash provided by operating activities</i>						
Depreciation and amortisation	72.6	79.2	72.1	(77.2)	149.3	159.1
Depreciation - reported in discontinued operations	-	—	—	—	—	23.0
Share-based compensation expenses ..	0.4	2.7	4.3	(0.7)	5.0	1.1
(Gain)/loss on property, plant and equipment disposals	(0.2)	(4.2)	(2.4)	1.1	(3.5)	3.0
(Gain) on disposal of assets in discontinued operations	-	—	—	—	—	(9.7)
Impairment charges	17.7	50.2	22.8	(37.6)	60.4	423.7
Impairment charges - reported in discontinued operations	-	—	—	—	—	7.2
Equity in loss of unconsolidated affiliates	68.7	5.6	7.6	—	7.6	1.6
Amortisation of loan fees and senior note premium	4.6	3.3	5.9	—	5.9	9.4
Deferred income taxes	(6.5)	(0.6)	(18.0)	(11.1)	(6.9)	(11.0)
Unrealised foreign currency gain	(11.6)	49.4	57.4	—	57.4	20.6
Decrease/(increase) in trade accounts receivable and other short-term receivables	63.3	97.2	(60.4)	(7.2)	(53.2)	1.3
Decrease / (Increase) in inventories...	13.5	(3.6)	(31.6)	3.3	(34.9)	(0.2)
(Decrease)/increase in trade accounts payable and other short- term liabilities	(24.9)	(85.2)	73.6	(2.3)	75.9	(36.0)
Change in other operating assets and liabilities, net	2.4	(23.1)	(25.8)	0.1	(25.9)	(2.9)
Cash (used in)/provided by operating activities of discontinued operations	(3.4)	(8.3)	70.1	70.1	—	—
Net cash provided by operating activities	34.1	39.4	137.4	—	137.4	71.6
<i>Cash flows from investing activities</i>						
Additions to property, plant and equipment	(6.5)	(88.8)	(214.6)	41.7	(256.3)	(117.5)
Additions to property, plant and equipment for discontinued operations	-	—	—	—	—	(2.1)
Proceeds from sale of property, plant and equipment	1.8	11.0	12.9	(6.2)	19.1	9.0
Proceeds from sale of discontinued operations, net	-	—	—	—	—	253.9
Loans to / investment in associates ...	(21.4)	(4.6)	(7.3)	—	(7.3)	(9.3)
Net change in restricted cash	0.7	6.4	(1.4)	—	(1.4)	(5.5)
Cash used in investing activities of	-	(12.8)	(35.5)	(35.5)	—	—

USD millions	For the Year Ended 31 December (unaudited)		For the Year Ended 31 December (audited)			
	2016	2015	2014 (restated)	2014 (changes, unaudited) ⁽¹⁾	2014 (previously reported)	2013
discontinued operations						
Net cash used in investing activities	(25.4)	(88.7)	(245.9)	—	(245.9)	128.5
<i>Cash flows from financing activities</i>						
Borrowings under revolving facilities ..	148.2	77.3	29.9	29.9	—	26.3
Repayments under revolving facilities	(189.6)	(22.9)	(34.9)	(30.0)	(4.9)	(53.5)
Proceeds from related party debt	75.0	—	50.0	—	50.0	10.0
Repayment of related party debt	-	—	—	—	—	(65.0)
Proceeds from debt	-	4.1	58.4	—	58.4	43.7
Repayment of debt	(20.9)	(24.3)	(21.0)	0.5	(21.5)	(463.0)
Debt issuance costs	(2.0)	(1.1)	(6.2)	—	(6.2)	(6.6)
Proceeds from issuance of equity, net	-	—	—	—	—	247.9
Cash used in the financing activities of discontinued operations	-	(0.2)	(0.5)	(0.5)	—	—
Net cash provided by/(used in) financing activities	10.7	32.9	75.8	—	75.8	(206.7)
Effects of exchange rate changes on cash and cash equivalents	(12.6)	8.0	12.1	—	12.1	(2.1)
Net decrease in cash and cash equivalents	6.8	(8.4)	(20.6)	—	(20.6)	(8.7)
Cash and cash equivalents at the beginning of the year	20.5	28.9	49.5	—	49.5	58.2
Cash and cash equivalents at the end of the year	27.3	20.5	28.9	—	28.9	49.5
Interest paid	(47.4)	(40.0)	(35.0)	—	(35.0)	(47.0)
Taxes paid	(10.6)	(15.7)	(9.3)	—	(9.3)	(13.6)

⁽¹⁾ Changes in represent the reclassification of cashflows of the business units contributed to QES in 2015, to cashflows of discontinued operations. In addition, with effect from 2015, cashflows from overdraft and revolving credit facilities are shown gross whereas previously borrowing and prepayments of these facilities were shown net.

10.5 Other Selected Financial and Operating Information

The tables below sets out certain other unaudited key financial and operating information for the Company on a consolidated basis.

USD millions

As of or for the Year Ended
31 December
2016
(unaudited)

NIBD ⁽¹⁾	795.9
Equity ratio ⁽²⁾	2.79%
Debt-to-equity ratio ⁽³⁾	34.8
Interest coverage ratio ⁽⁴⁾	—

(1) Net interest bearing debt, which is interest bearing debt less cash and cash equivalents.

(2) Total shareholders' equity divided by total assets, multiplied by 100.

(3) Total liabilities to shareholders equity.

(4) EBIT divided by net interest expense. As of 31 December 2016 the interest coverage ratio was negative (2.23).

USD millions

As of or for the Three Months
Ended
31 December
2016
(unaudited)

EBITDA ⁽¹⁾	14.0
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(1) The Company defines EBITDA as net income before depreciation, net interest expense, amortization of debt issue expenses and impairment charges.

10.6 Reconciliation of Certain Non-U.S. GAAP Measures

The following table is a summary of the components of working capital as of the end of the periods presented.

USD millions

For the Year Ended
31 December
(unaudited)

	2016	2015	2014	2013
Accounts receivables, net of allowance for doubtful accounts of 2.3, 1.4, 1.6 and 3.4 respectively	150.5	193.3	386.2	386.1
Inventories	61.8	83.5	97.5	65.2
Deferred tax	—	—	—	5.6
Other current assets	39.9	57.6	93.8	76.9
Other current liabilities	(182.0)	(224.3)	(381.1)	(325.0)
Working capital (unaudited)	70.2	110.1	196.4	208.8

The following table is a summary of the components of restricted cash as of the end of the periods presented.

USD millions

For the Year Ended
31 December
(unaudited)

	2016	2015	2014	2013
Deposit to secure temporary import of Rig to Bolivia	0.5	0.5	-	-
Deposits in Argentina re pending tax cases			6.4	4.9
Deposits in relation to Brazilian legal cases..	0.8	0.7	-	-
Various deposits made in ordinary course of business	0.3	0.4	0.2	0.2
Cash withheld from employee salaries for payment of employee taxes	6.0	6.4	9.2	11.5
Restricted cash	7.6	8.0	15.8	16.5

The following table is a summary of the components of net debt and net interest bearing debt as of the end of the periods presented.

USD millions

For the Year Ended
31 December
(unaudited)

	2016	2015	2014	2013
Cash (excluding restricted cash).....	(27.3)	(20.5)	(28.9)	(49.5)
Current portion of interest-bearing debt.....	131.1	95.0	61.0	150.9
Long-term interest-bearing debt	567.1	657.6	689.8	613.9
Subordinated related party loan.....	125.0	50.0	50.0	-
Capitalised debt fees ¹⁰	5.3	8.3	-	—
Net debt (unaudited).....	795.9	790.4	771.9	715.3
Restricted cash (current and long-term)	(7.6)	(8.0)	(15.8)	(16.5)
Net interest bearing debt (unaudited)	788.3	782.4	756.1	698.8

The following table reconciles income before income tax expense to EBITDA for the periods presented.

USD millions

For the Three Months Ended
31 December
(unaudited)

	2016	2015
Net loss	(50.1)	(244.1)
Depreciation, amortization and impairments	16.4	68.9
Net financial items	51.2	24.1
Taxes on income	(5.1)	4.9
Income/(loss) from discontinued operations, net of tax	1.6	157.9
EBITDA (unaudited).....	14.0	11.7
Restructuring costs	4.8	9.1
EBITDA before restructuring (unaudited)	18.8	20.8

The following tables reconcile operating profit (loss) to EBIT excluding impairment and other charges/(income) for the periods presented.

USD millions

For the Three Months
Ended
31 December
(unaudited)

For the Year Ended
31 December
(unaudited)

	2016	2015	2016	2015	2014	2013
Loss from continuing operations before income taxes.....	(53.6)	(81.3)	(161.6)	(119.5)	(20.7)	(511.6)
Interest expense	16.6	12.2	63.0	50.2	45.7	51.8
Impairment charges	-	50.2	17.7	50.2	22.8	423.7
EBIT excluding impairment and other charges/(income)	(37.0)	(18.9)	(80.9)	(19.1)	47.8	(36.1)

¹⁰ Reported in other assets until 31 December 2014 thereafter reported as a reduction of loan value

11. OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Selected Financial Information" and the financial statements which are incorporated by reference to this Prospectus, see Section 20 "Incorporation by Reference; Documents on Display". The following discussion contains Forward-looking statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences to these Forward-looking Statements include those discussed in Section 2 "Risk Factors", see also Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements".

11.1 Introduction

The Company is a global oilfield services company helping customers produce more oil and gas by building better wells. The Group provides a broad range of services for the oil and gas industry with an aim to help its customers by delivering better wells to maximize production of hydrocarbons from their reservoirs.

The Group was incorporated in Bermuda on August 31, 2007 and conducted operations as Seawell Ltd until May 16, 2011 when shareholders approved a resolution to change the name to Archer Limited.

The Group's services include platform drilling, where the Group supplies experienced personnel and processes for drilling and other technical operations on 46 offshore platforms predominantly in the North Sea; land drilling, through the Group's fleet of 77 rigs, including 32 drilling rigs and 45 service rigs operating in Argentina and Bolivia; and 2 modular offshore drilling rigs. The Group also provides engineering services covering detailed design, construction, commissioning and maintenance of drilling facilities; directional and underbalanced drilling operations; tubular services; rental equipment for both onshore and offshore operations; and hammer drill bits are also a part of the Group's portfolio helping its customers in the well construction process.

The main currency of the Company is USD and normally all revenues and expenses are in USD.

The Company prepares its consolidated financial statements in USD and in accordance with U.S. GAAP.

11.2 Principal Factors Affecting the Company's Financial Condition and Results of Operations

The business, financial condition, results of operations and cash flows, as well as the period-to-period comparability of the financial results of the Company, are affected by a number of factors, see Section 2 "Risk Factors". Some of the factors that have influenced the Company's financial condition and results of operations during the periods under review and which are expected to continue to influence the Company's business, financial condition, results of operations and cash flows, as well as the period-to-period comparability of the Company's financial results, are described in the following sections.

Business environment

The oilfield services industry is cyclical and volatile. The Group's business depends on the level of activity in oil and gas production in offshore areas worldwide. Given that the Group's customers are oil and gas companies, the strength of the market in which the Group operates is dependent on the level of exploration, development and production activities for oil and gas. The level of activity in the oilfield services industry and, consequently, its profitability are directly related to factors such as:

- **The prevailing prices of oil and gas.** Demand for the Group's products and services depend on the level of spending by oil and gas companies on hydrocarbon-resource exploration, field development, and production. The Oil and gas companies's spending levels are heavily influenced by oil and gas prices. Towards the end 2014, the oilprice started to fall, and fell to its lowest point in several years in beginning of 2016. The lower oil price as severaly reduced the demand for the Group's services as the oil companies has reduced their cost and their adaption to a lower oil price environment.
- **Expectations about future prices.** The demand for the Group's services is dependent on oil and gas companies' expectation about the price of oil and gas in the future. As there is a considerable lead time from when a project is implemented until you see the effect of the project through for instance increased oil and gas production, the expectation of the future price of hydrocarbon is influencing the oil and gas companies spending level and as such the demand for our services.
- **The cost of exploring for, producing and delivering oil and gas.**
- **The sale and expiration dates of offshore leases.**
- **The discovery rate of new oil and gas reserves.** The amount of new discoveries of new oil and gas reserves, in particular those markets the Group have a large presence in, will influence the demand for the Groups services.

The relatively low oil price environment has severely reduced the number of exploration wells that is being drilled which both in the short and long term reduce the demand for the Group's services.

- **Local and international political and economic conditions.** The Group is operating in several jurisdictions which acts and reacts to changes in the oil and gas prices environment in different ways. In particular, in Latin America, the initial impact of lower international oil prices was limited due to the continued promise of development of Argentina's shale resources and support of the oil price from the Argentine government. As time passed the Group experienced pressure on both pricing and on activity levels primarily in Southern Argentina. The falling oil price and its impact particularly on the portion of oil exported from Argentina caused severe pressure on operations culminating in the temporary shutdown of all of the Group's drilling rigs in Southern Argentina in December of 2015 and throughout 2016 the Group has seen an increased amount of our rigs being idled.
- **Local labor unions and labour legislation.** In certain jurisdictions where the Group operates, the labour unions and legislations are particularly strict and limit the possibility for the Group to right-size the employment base to the activity levels in an economical sensible manner. In particular in parts of the Argentine operations, the Group would have benefitted from a possibility to faster adapt, to reduced activity levels. As this has not been feasible, the Group has carried cost for personnel which have not been utilised.
- **Technological advances.** The significant downturn in the deep water drilling market as well as continued pricing pressure across our customer base contributed to a decline in the Oiltools and Wireline divisions. Over the course of 2015 and 2016 the Group expanded its product offering in order to broaden our revenue opportunities going forward.
- **The ability of oil and gas companies to generate funds for capital expenditures.** The liquidity sources for oil and gas companies are predominantly the equity and debt market in addition to cash generated from operations. The relative low oil and gas price, environment has limited the cash generation from operations. In addition the availability of both debt and equity funding has been reduced, which in turn has contributed to the lower demand for the Group's services.
- **The level of competition in the oilfield service sector.** The Group is a relatively small oilfield service company, but has a strong market position in certain segments. The level of competition varies, but the Group has seen that large oilfield service companies have to some extent been successful in increasing their market share in the downturn.

Utilization of personnel and equipment

The majority of the Group's contracts for the provision of drilling services and well services are day-rate contracts, the revenues of which depend on the utilization rate of the Group's personnel and equipment. The Group does not generate revenue under these contracts unless its personnel and/or equipment are being utilized and the majority of these contracts do not require a minimum level of utilization by the Group's customers.

Acquisitions

The Group has developed its current business historically through several strategic acquisitions. Some of these acquisitions have had a significant effect on the Group's financial condition and results of operations since its inception. The Group has not in the last three years made any strategic acquisitions.

Political, economical and other uncertainties

The Group's operations are subject to political, economic and other uncertainties. The Group's foreign operations are often subject to uncertainties of such nature that are not encountered in domestic operations, such as arbitrary taxation policies, onerous customs restrictions, unstable currencies, exchange rate fluctuations and the risk of asset expropriation due to foreign sovereignty over operating areas. Many aspects of the Group's operations are subject to governmental regulation in the areas of equipping and operating vessels, drilling practices and methods, and taxation. In addition many of the countries in which the Group operates have regulations relating to environmental protection and pollution control. The Group could become liable for damages resulting from pollution of offshore waters and may have to document financial responsibility in this regard.

As further described in Section 2 "Risk Factors", the political and economical situation in Argentina has raised certain specific uncertainties for the Group's operating activities in that country. Argentina took control over an oil company without providing immediate monetary compensation due to alleged failure from the old owner in investing sufficiently in Argentina. Argentina may continue to take such actions and this may affect the Group either directly, or indirectly through generally reduced activity levels in Argentina. Furthermore, Argentina has implemented a strict currency control regulation, which makes it difficult to have access to foreign currency. This imposes difficulties in settling invoices from foreign suppliers, whether third party or intercompany or to pay dividend to its shareholder outside the country.

Regulatory compliance has not materially affected capital expenditures, earnings or competitive position to date, although such measures do increase costs of operations and may adversely affect operations. Further regulations may reasonably be anticipated, but any effects on the Group's operations cannot be accurately predicted.

In addition to the domestic and foreign regulations that directly affect the Group's operations, regulations associated with the production and transportation of oil and gas affect the operations of the Group's customers and thereby could potentially impact demand for The Group's services.

11.3 Reporting Segments

Following a significant expansion of the business in 2011, the management structure of the Group was reorganised in 2012 with focus on four geographic and strategic areas: North America, Latin America, North Sea and Emerging Markets and Technologies.

The split of the organisation and aggregation of business into four segments was based on differences in management structure and reporting, location of regional management and assets, economic characteristics, customer base, asset class and contract structure. The accounting principles for the segments were the same as for the Group's consolidated financial statements.

Following the deconsolidation of the majority of the well services business units in North America the Group has reorganised its management structure and from 1 January 2016 onwards, the Group presented its results under two reporting segments, Eastern Hemisphere and Western Hemisphere. The Group has, in addition, following this transaction decided to report its corporate costs separately and not to allocate them to the segments. Corporate costs include costs for the corporate management team, director fees, corporate audit fees, stock-based compensation costs and other related costs which are centrally managed.

The comparative figures shown in the tables below for 2015, 2014 and 2013 have been adjusted to reflect the changes in reporting segments and presentation and are adjusted to exclude discontinued operations divested to QES.

(USD in millions)	For the Year Ended 31 December (unaudited)			
	2016	2015	2014	2013
Revenues				
Eastern Hemisphere	445.1	664.1	951.1	854.1
Western Hemisphere	428.7	657.0	646.6	1,187.2*
Total	883.8	1,321.1	1,597.7	2,041.3

* includes USD 598.6 million in revenues of discontinued operations (QES)

11.4 Recent Developments

Other than as discussed below, there has been no significant change in the Group's financial and trading position since 31 December 2016:

- On February 28 2017, the Company announced a comprehensive refinancing plan. The refinancing agreements are contingent on several conditions. Refer to Sections 2.1 and 5.3 for more information.
- On March 1, the Company announced the result of a private placement, raising gross proceeds of NOK 840 million.

11.5 Results of Operations

The following discussion and analysis of the Group's financial condition and results of operation refers to the unaudited financial statements for the three months and year ended 31 December, 2016, and the audited financial statements for the years ended 31 December 2015, 2014 and 2013, and should be read in conjunction with the financial statements incorporated by reference in Section 20.

Operating Results for the Three Months Ended 31 December 2016 Compared with Three Months Ended 31 December 2015

Total Revenues

Total revenues for the three months ended 31 December 2016 were USD 221.4 million compared to USD 282.5 million for the three months ended 31 December 2015, a 19.6% decrease which was primarily due to reduced activity in both segments as demand for the Group's services reduced considerably along with lower pricing in line with depressed market environment within oil field services. In addition to the reduction in number of active rigs, the project employing one of the modular rigs in 2015 completed in 2016.

Operating Expenses

Operating expenses for the three months ended 31 December 2016 were USD 186.9 million compared to USD 235.7 million for the three months ended 31 December 2015, a 20.7% decrease which was primarily due to lower activity levels, costs savings realised from various restructuring projects which included headcount reductions, facilities closures/mergers and changes to employees benefits plans. Moreover, the fourth quarter 2016 benefited from lower spending on restructuring initiatives.

Reimbursable Expenses

Reimbursable expenses for the three months ended 31 December 2016 were USD 12.7 million compared to USD 20.5 million for the three months ended 31 December 2015, a 38.0% decrease which was primarily due to significant reduction in platform drilling activity.

Depreciation and Amortisation

Depreciation and amortisation for the three months ended 31 December 2016 were USD 18.1 million compared to USD 19.7 million for the three months ended 31 December 2015, a 8.1% decrease which was primarily due to impairment adjustments made to assets during 2015.

Impairment of Goodwill and Noncurrent Assets

No impairment of goodwill and noncurrent assets was recorded for the three months ended 31 December 2016 compared to USD 50.2 million for the three months ended 31 December 2015. In 2016, the Group conducted its impairment testing during the third quarter and recorded an impairment loss of USD 12.0 million during the three months ended 30 September 2016, relating to its land drilling equipment in South America.

General Administrative Expenses

General administrative expenses for the three months ended 31 December 2016 were USD 7.8 million compared to USD 14.6 million for the three months ended 31 December 2015, a 45.9% decrease which was primarily due to the restructuring measures we have taken during 2016 in order to reduce the Group's cost base in response to the contracting market for its services.

Financial Profit/Loss

Total loss from financial items for the three months ended 31 December 2016 was USD 51.2 million compared to a loss of USD 24.1 million for the three months ended 31 December 2015, an 112% increase which was due to increased interest costs following our 2015 refinancing agreement with the Group's banks, higher losses from its associated companies, which included its 42% share in QES from January 2016, and higher exchange losses resulting from exchange rate fluctuations, mainly resulting from movements in the NOK/USD exchange rate.

Income Tax Expense

In the three months ended 31 December 2016 the Group recorded a tax benefits of USD 5.1 million compared to tax expenses of USD 4.9 million for the three months ended 31 December 2015. The tax benefit recorded in 2016 relates mainly to the recognition of tax assets in respect of operational losses in South America. In 2015 the tax expense included a valuation allowance made against the South American tax assets.

Discontinued Operations Profit/Loss

Total loss from discontinued operations for the three months ended 31 December 2016 was USD 1.6 million compared to a loss of USD 157.9 million for the year ended 31 December 2015. The 2015 figure represents the operating losses of the business units contributed to QES at 31 December 2015 (see Section 7.4.3). In 2016 the Group has reported some costs following the disposition which related to the costs of the transition of staff to QES and the closure of an office facility previously used by the contributed business units.

Net Profit/Loss

Net loss for the three months ended 31 December 2016 was USD 50.1 million compared to USD 244.1 million for the three months ended 31 December 2015. The 2015 figure included the total loss for 2015 for discontinued operations of USD 157.9 million, and impairment charge of USD 50.2 million, for which there were no comparable costs reported in the comparable period in 2016.

Operating Results for the Year Ended 31 December 2016 Compared with the Year Ended 31 December 2015

Total Revenues

Total revenues for the year ended 31 December 2016 were USD 883.8 million compared to USD 1,321.1 million for the year ended 31 December 2015, a 33.1% decrease. 2015 revenue included a USD 35.6 million one off contract cancellation

fees for Archer Emerald, in addition revenues have reduced overall compared to 2015 as a result of the severe down-turn in the oilfield sector generally which has resulted in a reduction in the demand for the Group's services and consequently a reduction in its activities.

Operating Expenses

Operating expenses for the year ended 31 December 2016 were USD 737.5 million compared to USD 1,074.1 million for the year ended 31 December 2015, a 31.3% decrease which was primarily due to the reduction in our activities discussed above.

Reimbursable Expenses

Reimbursable expenses for the year ended 31 December 2016 were USD 58.7 million compared to USD 79.2 million for the year ended 31 December 2015, a 34.9% decrease which also reflects the reduction in the Group's activities compared to 2016 in the prevailing down-turn.

Depreciation and Amortisation

Depreciation and amortisation for the year ended 31 December 2016 were USD 72.6 million compared to USD 79.2 million for the year ended 31 December 2015, a 8.3% decrease which was primarily due to impairment charges made late 2015, which reduced the Group's asset carrying values in continuing operations by USD 40.5 million.

Impairment of Goodwill and Noncurrent Assets

Impairment of goodwill and noncurrent assets for the year ended 31 December 2016 was USD 17.2 million compared to USD 50.2 million for the year ended 31 December 2015, a 65% decrease which was primarily due to fact that the market outlook in the Group's sector began to show improvements during late 2016. Although some impairments were made to the Group's drilling equipment in South America, where market conditions remained difficult through 2016, the outlook in North America and Eastern Hemisphere have recovered such that the Group's current estimated forecast support the carrying value of our assets in these areas.

General Administrative Expenses

General administrative expenses for the year ended 31 December 2016 were USD 38.5 million compared to USD 55.1 million for the year ended 31 December 2015, a 30.1% decrease which was primarily due to the restructuring measures the Group has taken during 2016 in order to reduce its cost base in response to the contracting market for its services.

Financial Profit/Loss

Total loss from financial items for the year ended 31 December 2016 was USD 120.6 million compared to a loss of USD 107.0 million for the year ended 31 December 2015, a 12.7% increase which was primarily due to the recognition of the Group's share of the results of QES in share of results of affiliates, following the contribution of the Group's North American business units to the partnership at 31 December 2015, partially off-set by net exchange gains recognised in 2016 compared to exchange losses recognised in 2015 which result primarily from fluctuations in the USD/NOK exchange rate.

Income Tax Expense

Income tax expense for the year ended 31 December 2016 was USD 0.9 million compared to USD 3.7 million for the year ended 31 December 2015, a 75.7% decrease which was primarily due to the reduction in taxable profits in Europe.

Discontinued Operations Profit/Loss

Total loss from discontinued operations for the year ended 31 December 2016 was USD 3.4 million compared to a loss of USD 236.1 million for the year ended 31 December 2015. The 2015 figure represents the operating losses of the business units contributed to QES at 31 December 2015 (see Section 7.3). In 2016 the Group has reported some costs following the disposition which related to the costs of the transition of staff to QES and the closure of an office facility previously used by the contributed business units.

Operating Results for the Year Ended 31 December 2015 Compared with the Year Ended 31 December 2014

Total Revenues

Operating revenues for the year ended 31 December 2015 were USD 1,321.1 million compared to USD 1,597.7 million for the year ended 31 December 2014, a decrease of 17.3% which was primarily due to lower activity levels and pricing pressure from the Group's clients resulting from the fall in oil prices, which resulted in lowers revenues from all the Group's business areas except Latin America, where revenues increased following the start-up of five new rigs during the year.

Operating Expenses

Operating expenses for the year ended 31 December 2015 were USD 1,074.1 million compared to USD 1,230.1 million for the year ended 31 December 2014, a decrease of 12.7% which was primarily due to decreased activity levels which resulted in a restructuring initiative aimed at reducing the Group's cost structure, which included significant head count reductions and adjustments of compensation levels.

Reimbursable Expenses

Reimbursable expenses for the year ended 31 December 2015 were USD 79.2 million compared to USD 114.5 million for the year ended 31 December 2014, a decrease which was primarily due to reduced activity levels.

Depreciation and Amortisation

Depreciation and amortisation for the year ended 31 December 2015 were USD 79.2 million compared to USD 72.1 million for the year ended 31 December 2014, an increase which was primarily due to capital expenditure of USD 88.7 million in 2015 for new land rigs for use in Argentina.

Impairment of Goodwill and Noncurrent Assets

Impairment of goodwill and noncurrent assets for the year ended 31 December 2015 was USD 50.2 million compared to USD 22.8 million for the year ended 31 December 2014, an increase which was primarily due to continued and increased loss in value of the Group's business units due to continued deterioration in the oil market conditions. The 2015 impairment charges relate mainly to impairment losses recognised in respect of the Group's two modular rigs.

General Administrative Expenses

General administrative expenses for the year ended 31 December 2015 were USD 55.1 million compared to USD 76.6 million for the year ended 31 December 2014, a decrease which was primarily due to decreased activity levels and cost reduction initiatives.

Financial Profit/Loss

Total loss from financial items for the year ended 31 December 2015 was USD 107.0 million compared to a loss of USD 105.1 million for the year ended 31 December 2014, primarily due to an increase in interest expense in 2015 compared to 2014 following USD 30 million additional drawings on our revolving credit facility.

Income Tax Expense

Income tax expense for the year ended 31 December 2015 was USD 3.7 million compared to USD 17.5 million for the year ended 31 December 2014, a decrease which was primarily due to a fall in tax expenses in Europe reflecting the reduced operating results due to reduced activities. In Latin America tax expense dropped from USD 5.1 million in 2014 to USD 0.4 million in 2015 due to tax losses incurred in 2015.

Discontinued Operations Profit/Loss

Total loss from discontinued operations for the year ended 31 December 2015 was USD 236.1 million compared to a loss of USD 61.5 million for the year ended 31 December 2014. The losses reported relate to the North American business units contributed to QES on 31 December 2015. The contributed businesses were adversely affected by the rapid decline in oil price in late 2014 which led to significant reduction in demand for the Group's services mainly in the United States.

Operating Results for the Year Ended 31 December 2014 Compared with the Year Ended 31 December 2013

Total Revenues

Operating revenues for the year ended 31 December 2014 were USD 1,597.7 million compared to USD 2,041.3 million for the year ended 31 December 2013, a decrease which was primarily due to the discontinued operations in 2015, which are removed from the 2014 comparable figures. The 2013 revenues contain USD 598.6 million which relate to the discontinued operations.

Operating Expenses

Operating expenses for the year ended 31 December 2014 were USD 1,230.1 million compared to USD 1,739.1 million for the year ended 31 December 2013, a decrease which was primarily due to the discontinued operations in 2015, which are removed from the 2014 comparable figures. The 2013 operating costs contain USD 565.3 million which relate to the discontinued operations.

Reimbursable Expenses

Reimbursable expenses for the year ended 31 December 2014 were USD 114.5 million compared to USD 93.7 million for the year ended 31 December 2013, an increase which was primarily due to increased activity in the North Sea area following a higher number of rigs operating in the U.K. and a full year of activity on an engineering project in the U.S. compared to 2013.

Depreciation and Amortisation

Depreciation and amortisation for the year ended 31 December 2014 were USD 72.1 million compared to USD 161.4 million for the year ended 31 December 2013, a decrease which was primarily due to the discontinued operations in 2015, which are removed from the 2014 comparable figures. 2013 depreciation and amortisation contains USD 91.4 which relate to the discontinued operations.

Impairment of Goodwill and Noncurrent Assets

Impairment of goodwill and noncurrent assets for the year ended 31 December 2014 was USD 22.8 million compared to USD 423.7 million for the year ended 31 December 2013, a decrease which was primarily due to significant impairment losses recognised in 2014 in respect of goodwill and assets relating to the Group's North American operations, which resulted from the loss in value of those reporting units following reduced pricing and low utilisation of equipment as a result of the oversupply of land based oilfield services in the U.S. during 2014.

General Administrative Expenses

General administrative expenses for the year ended 31 December 2014 were USD 76.6 million compared to USD 61.3 million for the year ended 31 December 2013, an increase which was primarily due to increased stock based compensation costs in 2014, and the recognition of proceeds from the settlement of a legal case which reduced the 2013 general administrative costs.

Financial Profit/Loss

Total loss from financial items for the year ended 31 December 2014 was USD 105.1 million compared to a loss of USD 73.7 million for the year ended 31 December 2013, an increase which was primarily due to foreign exchange losses resulting from adverse currency exchange movements in the NOK/USD exchange rate on the Group's exposure due to an internal loan of two billion NOK made by the Group's ultimate holding company Archer Ltd. to one of its Norwegian subsidiaries.

Income Tax Expense

Income tax expense for the year ended 31 December 2014 was USD 17.5 million compared to a tax benefit of USD 2.6 million for the year ended 31 December 2013, a change which was primarily due to the recording of a valuation allowance against some deferred tax assets in North America, Canada and Brazil. In addition the tax expenses recorded in respect of the Group's both North American and European operations increased due to true ups of prior year tax liabilities.

Discontinued Operations Profit/Loss

Total loss from discontinued operations for the year ended 31 December 2014 was USD 61.5 million compared to a loss of USD 9.6 million for the year ended 31 December 2013. The loss in 2013 relates to the sale of or North American Tubular, rental and underbalanced business, which were sold in June 2013. The 2014 losses relate to the remaining North American business units, which were larger units, and were contributed to QES on 31 December 2015. The 2014 reported results have been restated due to the results of the North American business units retrospectively being reclassified as discontinued operations.

11.6 Liquidity and Capital Resources

Overview; Sources and Uses of Funds

The Group operates in a capital intensive industry and has historically financed the purchase of its equipment through a combination of operational cash flow and third party borrowings from commercial banks.

In addition to buying equipment for its operations, the Company, as part of its strategy, has acquired other businesses and companies. Depending on the size of such acquisitions, financing is arranged through cash flow from operations, debt financing and the issuance of equity or a combination of all before mentioned sources.

As such the overall liquidity requirements of the Group relate to funding capital expenditures, mergers and acquisitions, working capital, servicing its debt obligations and maintaining cash reserves against fluctuations in operating cash flows.

The short-term liquidity requirements relate to funding operational expenses and working capital requirements, capital expenditures and servicing its debt requirements. Sources of short-term liquidity include cash balances, short-term investments, available amounts under overdraft and revolving credit facilities and collections from customers.

The Group does not have any binding long term capital investment plans and its working capital requirements, lease obligations, regular investments for the replacement of fixed assets and its obligations resulting from debt financing has no additional funding requirements.

The Group's historical sources of liquidity have been cash generated from operations, credit facilities provided by major financial institutions, equity issuances and shareholder loans. Cash generated from operations continues to be the Group's primary source of funds to finance operating needs, capital expenditures and debt service.

The Group had cash and cash equivalents excluding restricted cash of USD 27.3 million as of 31 December 2016, compared to USD 20.5 million at 31 December 2015. Cash and cash equivalents include cash on hand and on deposit at banking institutions as well as highly liquid short-term securities with original maturities of three months or less.

As of 31 December 2016, the Group's working capital, which is defined as current assets less current liabilities, totalled of USD 70.2 million, compared to USD 110.1 million, USD 196.4 million and USD 208.8 million for the years ended 31 December 2015, 2014 and 2013, respectively.

Subsequent to 31 December 2016 and to the date of this Prospectus the Company made the following significant payments and receipts:

- In March 2017, the Company received NOK 840.0 million reflecting the gross proceeds from the Private Placement, excluding associated professional fees and costs of approximately NOK 20 million. Upon receipt of the proceeds from the Private Placement, the net outstanding balance of USD 28.9 million on the overdraft facilities was repaid.

Borrowings

Multicurrency term and revolving facility agreement

On 11 November 2010, the Company entered into a multicurrency term and revolving facilities agreement.

On 22 December, 2015, the Company signed a fifth amendment and restatement agreement relating to its multicurrency revolving facility agreement, which matures in May 2018.

The total amount available under the multicurrency revolving facility is USD 625 million. In May 2017 quarterly instalments of USD 25 million commence. The interest payable on the facility is the aggregate of 1, 3 or 6 month NIBOR, LIBOR or EURIBOR, plus between 2.25% and 4.35% per annum, depending on the ratio of the net interest bearing debt to EBITDA.

As of 31 March 2017, a total of USD 625 million has been drawn under the agreement.

The facility is secured by pledges over shares in material subsidiaries and assignment over intercompany debt and guarantees issued by the material subsidiaries. In addition, Seadrill Limited, a related party, has granted on-demand guarantees of USD 250 million in favour of the lenders under the revolving facility and the lenders of the overdraft facilities, securing the Company's obligations under these facilities.

Following the execution of the fifth amendment and restatement agreement, the main financial covenants imposed by the facility are:

- From the third quarter of 2016 to first quarter of 2017 rolling EBITDA shall be at least USD 45.0 million.
- As at 30 June 2017, the Group's total consolidated net interest bearing debt shall not exceed 3.75x of the last twelve months EBITDA, with subsequent quarterly reduction of 0.25x until it reaches 3.0x.
- For each quarterly reporting date, up to and including 31 March 2017, the total equity of the Group shall be at least USD 100.0 million.
- As at 30 June 2017, the Company's minimum ratio of equity including subordinated debt and adjusted for certain revaluation effects, to total assets, shall be at least 30.0%.
- The Group must maintain the higher of USD 30.0 million and 5% of interest bearing debt in freely available cash including undrawn committed credit lines.

- We shall ensure that the capital expenditures, on a consolidated basis, for each financial year (measured at the end of the year) shall not exceed USD 70.0 million, plus any capital expenditure under specific carved out arrangements.

The revolving facility contains events of default which include payment defaults, breach of financial covenants, breach of other obligations, breach of representations and warranties, insolvency, illegality, unenforceability, curtailment of business, claims against an obligor's assets, appropriation of an obligor's assets, failure to maintain exchange listing, material adverse effect, repudiation and material litigation. In addition there are cross default clauses in the event of the obligor defaulting on other issued debt.

The revolving facility is subject to a refinancing process which is further described in Sections 2.1 and 5.3.

Related party subordinated loan

On 24 October 2014, the Company entered into a subordinated loan agreement with Metrogas Holdings Inc, a related party, for a loan of up to USD 50.0 million. The loan was drawn as at 31 December 2014 and is repayable in full at the maturity date. Interest of 7.5% per year, is being accrued over the term of the loan and is payable on the maturity date. The loan matures on 30 June 2018.

On 6 March 2015 Metrogas Holdings Inc. transferred the USD 50 million facility to Seadrill Limited. All terms and conditions under the facility remain unchanged.

In May 2016, Seadrill Limited provided new financing to the Company of USD 75 million, which was contributed in form of subordinated debt. The loan was drawn as at May 31, 2016 and is repayable in full at the maturity date. Interest of 10% per year is being accrued over the term of the loan and is payable on the maturity date. The loan matures on June 30, 2018.

The related party subordinated loans are subject to a refinancing process which is further described in Sections 2.1 and 5.3.

Hermes-covered term loan

On 6 December 2013 Archer Topaz Limited, a wholly owned subsidiary of the Company, signed a EUR 48.4 million Hermes covered term loan agreement for the modular rig, Archer Topaz. The facility is repayable in 10 semi-annual instalments. The interest rate is 1.45% above EURIBOR. At 31 December 2016, the equivalent of USD 25.0 million was outstanding under this facility. Seadrill Limited, a related party, has granted an on-demand guarantee for the outstanding amount in favour of the lender securing our obligations under this facility.

The Hermes covered term loan granted to Archer Topaz Limited is subject to a refinancing process which is further described in Sections 2.1 and 5.3.

On 18 January 2012 Archer Emerald (Bermuda) Limited, a wholly owned subsidiary of the Company, signed a EUR 29.5 million Hermes covered term loan agreement for the modular rig, Archer Emerald. The facility is repayable in semi-annual instalments in March and September through March 2017. The interest rate is 1.55% above EURIBOR. At 31 December 2016, the equivalent of USD 3.1 million was outstanding under this facility. The covenants relating to this loan have been aligned to the covenants under the multicurrency and revolving facility mentioned above. On March 30, 2017 the remaining outstanding balance on the loan was repaid and there are no outstanding amounts under this facility as per the date of this Prospectus.

Other loans and capital leases

The Group has two USD 41.7 million cash overdraft facilities and at 31 December 2016, net borrowings under these facilities were USD 28.7 million. The balance was repaid after the Private Placement and the credit is available for future drawings.

The overdraft facilities are subject to a refinancing process which is further described in Sections 2.1 and 5.3.

The Group has borrowed USD 10.4 million in Argentina and USD 4.0 million in Bolivia under local short term facilities as at 31 December 2016. The Group has also entered into capital leases relating to equipment leased by our Oiltools division. At 31 December 2016, the net balance due under these arrangements was USD 7.2 million.

Indirect or contingent debt

The Group does not have any indirect or contingent debt.

Maturity Overview

The table below shows the contractual maturities of interest bearing liabilities, including short term borrowing facilities, as of 31 December 2016.

USD millions Loan	Outstanding Principal	Payments Due by Period			
		2017	2018	2019	2020–
Multicurrency term and revolving facility agreement (fifth amendment)	625.0	75.0	550.0	-	-
Related party subordinated loan.....	125.0	-	125.0	-	-
Hermes-covered term loans.....	28.1	13.1	10.0	5.0	-
Short term borrowing facilities...	43.2	43.2	-	-	-
Financial leases.....	7.2	3.3	2.4	1.4	0.8
Total	828.5	134.7	690.4	6.4	0.8

The maturity profile is subject to a refinancing process which is further described in Sections 2.1 and 5.3.

11.7 Cash Flows

Cash flows from operating activities

Net cash provided by operating activities during the year ended 31 December 2016 was USD 34.1 million, compared to USD 39.4 million for the year ended 31 December 2015, USD 137.4 for the year ended 31 December 2014 and USD 71.6 million for the year ended 31 December 2013. Operating cash flows are affected primarily by EBITDA and movements in working capital. The decrease in operating cash flows over the period reflects the diminishing EBITDA as the Group's operations have reduced in response to the prolonged market deterioration in the oil and gas sector, with an additional significant decrease in 2015 compared to 2014 due to the contribution of the majority of the Group's North American business units to QES.

Cash flows from investing activities

Net cash flow used in investing activities for the year ended 31 December 2016 was USD 25.4 million, compared to USD 88.7 million for the year ended 31 December 2015, USD 245.9 for the year ended 31 December 2014 and USD 128.5 for the year ended 31 December 2013. Apart from investment in six new land drilling rigs for the Argentinian market during 2014 and 2015, and investment in new pressure pumping equipment in 2014, the Group's capital investment has been falling since 2014 as the Group implemented spending controls in response to the fall in oil price and the resultant decline in our customers' activities. In 2015 the Group had limited investment in equipment to essential maintenance only.

Financing Cash Flows

Net cash flow from financing activities was USD 10.7 million, USD 32.9 million, and USD 75.8 million for the years ended 31 December 2016, 2015 and 2014, respectively, compared to net cash out flow from financing activities of USD 207.6 million in the year ended 31 December, 2013.

In 2016 the Group obtained additional finance of USD 75.0 million in the form of subordinated debt from Seadrill Limited. Cash outflows in respect of financing comprised repayments of the Hermes loans and overdraft facilities and payment of USD 2.0 million costs in respect of amendments to the revolving credit facility.

The USD 32.9 million net cash in 2014, resulted mainly from USD 30.0 million drawn on the revolving credit facility, net drawings of USD 24.4 million on the short term overdraft facilities, offset by repayments of the Hermes loan, and lease finance facilities and the payment of fees in respect of the revolving credit facility of USD 1.1 million.

In 2014 the Group obtained additional finance of USD 50.0 million in the form of subordinated debt from Seadrill Limited. Also, additional finance was provided by existing arrangements, comprising USD 46.6 million drawn on the Hermes loan which financed the building of the second modular rig, the Archer Topaz, USD 15.0 million drawn on the revolving credit facility and USD 10.0 million in respect of finance leased equipment. Total cash inflows from financing were offset by the repayments of debt and finance leases totaling USD 39.0 million and payment of fees of USD 6.2 million relating to amendments to the revolving credit facility.

The net cash out flow from financing activities of USD 207.6 million in 2013 resulted from the net repayments of the revolving credit facility totalling USD 363.6 and repayment of USD 55.0 million of subordinated debt. Additional finance of USD 247.9 was obtained from a private placement of the Company's stock. USD 6.6 million fees were paid in connection with the repayment and amendment of the revolving credit facility.

11.8 Balance Sheet Data

Total Assets

As of 31 December 2016, the Group's total assets were USD 1,060.3 million compared to USD 1,267.4 million as of 31 December 2015, a decrease which was primarily due to depreciation and impairment charges during the year.

As of 31 December 2015, the Group's total assets were USD 1,267.4 million compared to USD 1,790.0 million as of 31 December 2014, a decrease which was primarily due to disposal of five North American business units to QES, whose assets are reflected in the 2015 figures but removed from the balance sheet as at 31 December 2015.

As of 31 December 2014, the Group's total assets were USD 1,790.0 million compared to USD 1,794.9 million as of 31 December 2013. In 2014 the Group invested around USD 250 million in equipment, mainly rigs including a second modular rigs. The increase in fixed assets was offset by depreciation of USD 140 million, impairment charges of USD 18 million and asset disposals and translation adjustments relating to assets held by Norwegian subsidiaries.

Total Equity

As of 31 December 2016, the Group's total equity was USD 29.6 million compared to USD 197.3 million as of 31 December 2015, a decrease which was primarily due to net losses reported in 2016.

As of 31 December 2015, the Group's total equity was USD 197.3 million compared to USD 542.8 million as of 31 December 2014, a decrease which was primarily due to net losses reported in 2015.

As of 31 December 2014, the Group's total equity was USD 542.8 million compared to USD 634.6 million as of 31 December 2013, a decrease which was primarily due to net losses reported in 2014.

Total Liabilities

As of 31 December 2016, the Group's total liabilities were USD 1,030.7 million compared to USD 1,070.1 million as of 31 December 2015, a decrease which was primarily due to a reduction in accounts payable and accrued expenses reflecting lower activity levels, repayments of debt, partially offset by an increase in the subordinated debt provided by Seadrill.

As of 31 December 2015, the Group's total liabilities were USD 1,070.1 million compared to USD 1,247.2 million as of 31 December 2014, a decrease which was primarily due to a reduction in accounts payable and accrued expenses reflecting lower activity levels and the exclusion of the liabilities relating to the North American discontinued operations in the 2015 liabilities.

As of 31 December 2014, the Group's total liabilities were USD 1,247.2 million compared to USD 1,160.3 million as of 31 December 2013, an increase which was primarily due to the provision of USD 50 million subordinated finance by Seadrill in 2014.

11.9 Restriction on Transfer of Funds

The existing financing agreements impose operating and financing restrictions on the Group which may significantly limit or prohibit, among other things, the ability to incur additional indebtedness, create liens, sell shares of subsidiaries, make certain investments, engage in mergers and acquisitions, transfer funds from subsidiary companies to the Company or pay dividends without the consent of the lenders. In addition, the lenders and lessors may accelerate the maturity of indebtedness under the financing agreements and foreclose upon the collateral securing the indebtedness upon the occurrence of certain events of default, including the failure to comply with any of the covenants contained in the financing agreements. The various debt and lease agreements of the Group contain covenants that require compliance with certain financial ratios. Such ratios include equity ratios, gearing ratios and EBITDA to net debt ratio covenants, capital expenditure restrictions and minimum free liquidity restrictions in respect of the subsidiaries and the Company. With regards to minimum levels of free cash the Group has covenanted to maintain at least USD 30.0 million in cash and cash equivalents including undrawn committed credit lines on a consolidated group basis.

Under the Group's existing bank financing agreements, material restrictions exist over the ability of the Company's subsidiaries to transfer funds to the Company in the form of cash dividends, loans or advances. However, these restrictions only arise upon the occurrence of a breach of debt and lease covenants. For further details on debt covenant compliance, see Section 2 "Risk Factors" and Section 11.6 "Liquidity and Capital Resources" included in this Prospectus.

In addition some of the debt is also collateralized through pledges of shares by guarantor subsidiaries of the Company and other security arrangements as further described in Section 11.6 "Liquidity and Capital Resources".

Restrictions to transfer cash from the subsidiaries to the parent company

The Group has operations in countries where there are restrictions to transfer cash from the subsidiary to the parent company, or another company in the group. Such constraints include exchange controls and taxation consequences of transfers. This is particularly an issue among the companies in the Group that are located in South America, where capital restrictions on international cash transfer are strict. These restrictions have not had an impact on the Company's ability to meet its obligations, but may have such an impact in the future.

11.10 Funding and Treasury Policies

The treasury activities in the Group are conducted within corporate financing and cash management policies. The overall objective outlined in these policies is to secure sufficient funding and keeping adequate liquidity reserves and available credit lines for the short and long term capital requirements, while generating satisfactory returns on excess funds. Cash and cash equivalents are held primarily in USD and NOK with some balances held in GBP, SGD, BRL, ARS and EUR.

11.11 Derivatives

The Group may from time to time use financial instruments to reduce the risk associated with fluctuations in interest rates foreign currency exchange rates.

The Group has currently entered in to two interest rate swap agreements, one securing the interest rate on NOK 500.0 million until May 2019, and a USD interest rate swap agreement securing the interest rate on USD 150.0 million until October 2017. The fair value of the swaps as at 31 December 2016 was a liability of USD 2.0 million and is included within other liabilities. The interest rate swaps are measured at their fair market value, estimated based on relevant quotes from active markets and quotes of comparable instruments. The Group is not currently applying hedge accounting to any of our financial instruments.

The Group has currently not entered into any foreign currency forward contracts, but may consider using these instruments to hedge currency fluctuation risk in the future.

11.12 Working Capital Statement

As of the date of this Prospectus, the Company is of the opinion that the Group's working capital is sufficient for its present requirements and for at least the next twelve months from the date of this Prospectus.

11.13 Investing Activities

Principal Investments for the years ended 2013, 2014, 2015 and 2016

The Company's principal investments for the year ended 31 December 2013 amounted to USD 136.4 million and comprised investment in drilling rigs and equipment of USD 127.1 million and additional investment of USD 9.3 million provided in the form of a loan to C6 Technologies, a joint venture consolidated using the equity method of accounting.

The Company's principal investments for the year ended 31 December 2014 amounted to USD 263.7 million and comprised investment in drilling rigs and equipment of USD 256.3 million and additional investment of USD 7.4 million provided in the form of a loan to C6 Technologies. In 2014, the Group made the first payments totalling USD 80 million for the acquisition of 6 new landdrilling rigs destined for Argentina. In addition, a total of USD 55 million was spent on the modular rig Archer Topaz.

The Company's principal investments for the year ended 31 December 2015 amounted to USD 259.1 million and comprised investment in drilling rigs and equipment of USD 106.4 million, additional investment provided in the form of a further loan of USD 4.6 million to C6 Technologies, and investment in 42% of the common units of Quintana Energy Services LP. The purchase consideration, of USD 148.1 million, was the fair value of the five North American business units contributed to the partnership in exchange for the 42% holding. In 2015, the final USD 40 million payments for the acquisition of the 6 new landdrilling rigs destined for Argentina was made.

The Company's principal investments for the year ended 31 December 2016 amounted to USD 27.9 million and comprised investment in drilling equipment of USD 6.6 million, additional investment of USD 4.1 million provided in the form of a loan to C6 Technologies and subscription to 51% of the shares in the TAQA-Archer JV, a Saudi based joint venture, for USD 12.2 million. The Company's 51% shareholding does not confer a controlling financial interest and TAQA-Archer JV is consolidated using the equity method of accounting. The Group has also invested an additional USD 5.0 million as part of a USD 40.0 million second lien loan obtained by QES. As part of this arrangement the Company received penny warrants for 8.5% of the shares in QES. In total QES issued warrants for 34% of its shares pursuant to the new loan. On the exercise of all the issued warrants the Company's share in QES would reduce from 42% to approximately 36%.

The Company has invested a further USD 5.0 million in January 2017, which fulfilled its total obligation under the USD 40.0 million loan to QES.

The table below sets forth information on the Group's investments in fixed assets by business segment during the last four fiscal years:

(USD in millions)	For the Year Ended 31 December (unaudited)			
	2016	2015	2014	2003
<i>Eastern Hemisphere</i>				
- Fixed assets	1.9	12.8	88.6	66.9
- Joint venture	16.3	4.6	7.4	9.3
<i>Western Hemisphere</i>				
- Fixed assets	4.7	93.6	167.7	60.2
- Joint venture	5.0	148.1	—	—
Total	27.9	259.1	263.7	136.4

As described in Section 7.3 the Group has carried out several acquisitions since its incorporation in August 2007. No significant acquisitions have been made during the years ended 31 December 2013 to 2016.

Principal Investments in Progress and Planned Principal Investments

There are no significant investments planned or in progress.

Apart from the above, the Group does not have any other investments in progress, firm commitments or obligations to make significant future investments.

11.14 Property, plant and equipment

As of 31 December 2016 and 31 December 2015 the Group owned the tangible asset described below.

Operational equipment

(In millions of USD)	Unaudited 31 December 2016	Unaudited 31 December 2015
Cost	866.2	1,007.6
Accumulated depreciation and impairment	(401.5)	(487.7)
Net book value	464.7	519.9

Depreciation expense related to operational equipment was USD 67.2 million and USD 72.1 million for the years ended 31 December 2016 and 2015, respectively.

Included in the cost of operational equipment was USD 24.7 million and USD 27.5 million in respect of assets held under capital leases for the years ended 31 December 2016 and 2015, respectively.

Operational equipment includes drilling rigs and equipment and well services equipment.

Other fixed assets

(In millions of USD)	Unaudited 31 December 2016	Unaudited 31 December 2015
Cost	32.3	30.6
Accumulated depreciation and impairment	(24.3)	(22.0)
Net book value	8.0	8.6

Depreciation expense related to other fixed assets was USD 3.9 million and USD 4.8 million for the years ended 31 December 2016 and 2015, respectively.

Other fixed assets include investments related to offices, warehouse, buildings and infrastructure as well as IT-systems, management system and furniture.

Assets under construction

	Unaudited 31 December 2016	Unaudited 31 December 2015
(In millions of USD)		
Cost	3.7	26.0

Property

Except for the modular rigs, the Archer Emerald and the Archer Topaz, no individual unit of equipment is material to the overall operation of the Group. Please see Section 11.6 for a description of financing terms for the Group's modular rigs and Section 7.4.1 for a description of the technical capabilities of the modular rigs. The Group operates and manages its business from a number of locations globally and no single location, owned or leased, is considered material to the Group.

The Group's principal operating locations are listed below in "Leased property" and "Owned property".

Owned property

As of 31 December 2016 the Group's owned real estate property described below:

Location	Function	Status
Conroe, Texas	Offices and warehouses	Owned
Odessa, Texas	Offices and warehouses	Owned

Leased property

As of 31 December 2016 the Group held under long-term leases the real estate property described below:

Location	Function	Status
Stavanger, Norway	Offices and warehouses	Leased
Bergen, Norway	Offices and warehouses	Leased
Aberdeen, Scotland	Offices and warehouses	Leased
Houston, Texas	Offices and warehouses	Leased
Esbjerg, Denmark	Offices and warehouses	Leased
Rio de Janeiro, Brazil	Offices	Leased
Corpus Christi, Texas	Offices and warehouses	Leased
Conroe, Texas	Offices and warehouses	Leased
Longview, Texas	Offices and warehouses	Leased
Pio Truncado, Santa Cruz, Argentina	Offices and warehouses	Leased
Rio Grande, Tierra del Fuego, Argentina	Offices and warehouses	Leased
Santa Cruz, Bolivia	Offices and warehouses	Leased
Macaé, Rio de Janeiro, Brazil	Offices and warehouses	Leased
Newfoundland and Labrador, Canada	Offices and warehouses	Leased
Muncy, Pennsylvania	Offices and warehouses	Leased
Singapore	Offices and warehouses	Leased
Perth, Australia	Offices	Leased
Buenos Aires, Argentina	Offices	Leased

Environmental risk factors that may affect the utilisation of the the Group's tangible fixed assets are described in Sections 7.12 and 7.13 and in Section 2 "Risk Factors".

There are no major encumbrances on neither of the above mentioned assets nor in relation to the property leases.

11.15 Significant Recent Trends

The Group has not experienced any changes or trends that are significant to the Group between December 31, 2016, and the date of this Prospectus.

The Group is not aware of any known trends or changes that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.

11.16 Off-Balance Sheet Arrangements

Historically, the Group has not used special-purpose vehicles or similar financing arrangements. In addition, the Group does not have any off-balance sheet arrangements with any of its affiliates or with any unconsolidated entities.

12. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

This Section provides summary information about the Board of Directors and the Executive Management of the Company and disclosures about their employment arrangements with the Company and other relations with the Company.

12.1 Overview

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Bermuda law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to the executive management of the Company (the “Executive Management”).

The Company's Executive Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the Executive Management is responsible for keeping the Company's accounts in accordance with existing Bermuda legislation and regulations and for managing the Company's assets in a responsible manner.

12.2 Board of Directors and Executive Management

Board of Directors

The Company's bye-laws provide that the Board of Directors shall consist of a minimum of two directors and the shareholders have approved a maximum of nine directors.

The Company's Board of Directors currently consists of the following members:

Name	Position	Served Since	Expiry of Term
Ørjan Svanevik ⁽¹⁾	Chairman	September 2015	Next annual general meeting of shareholders.
John Reynolds	Director	February 2011	Next annual general meeting of shareholders.
Kate Blankenship	Director	August 2007	Next annual general meeting of shareholders.
Alf Ragnar Løvdal	Director	August 2014	Next annual general meeting of shareholders.
Giovanni Dell' Orto	Director	February 2011	Next annual general meeting of shareholders.]
Dag Skindlo	Director	April 2016	Next annual general meeting of shareholders.

⁽¹⁾ Served on the Board of Directors since May 2015.

The Company's registered business address, Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda, serves as c/o address for the members of the Board of Directors in relation to their directorship of the Company.

Set out below are brief biographies of the directors of the Company, along with disclosures about the companies and partnerships of which each director has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and executive management positions in the Company or any of its subsidiaries.

Ørjan Svanevik, Chairman

Mr Svanevik has served as a Director since May 2015 and was elected as Chairman of the Board of Directors of the Company in September 2015. Mr Svanevik has served as a director of Seadrill Limited since October 2014 and as a director of North Atlantic Drilling Ltd., since May 2015. Mr Svanevik joined the Seatankers Group, a related company, in July 2014 and has a broad industry background, with special knowledge of oil and gas, maritime, shipbuilding, and engineering sectors. He has extensive experience from global operations, investment management and corporate finance. Mr Svanevik was previously Managing Director for the investment advisory firm Oavik Capital from October 2008 to July 2014. Prior to

this he was Head of M&A and a Partner at Aker ASA from 2005 to 2008, and COO and EVP of Kværner ASA from 2004 to 2005. Mr Svanevik also worked in corporate advisory and investment banking for Arkwright from 1994 to 2001. He started his career at Schlumberger, where he held various international financial management positions from 1991 to 1994. Mr Svanevik has an AMP from Harvard Business School and a MBA from Thunderbird. He is a Norwegian citizen and is resident in Norway.

Current other directorships and management positions Directorships: Seadrill Limited (Director); North Atlantic Drilling Ltd (Chairman); Oavik Capital AS (Chairman); C.W. Downer AS (Chairman); NorgesGruppen ASA (Director); Mesta AS (Director); Marine Harvest ASA (Director).

Management position(s): Oavik Capital AS (CEO); Seatankers Group (Director).

Previous directorships and management positions held

during the last five years..... Directorships: —.

Management position(s): —.

John Reynolds, Director

Mr Reynolds has served as a Director since February 2011 and as Chairman of the Board of Directors of the Company between July 2013 and September 2015. Mr Reynolds cofounded Lime Rock Partners in 1998 and is currently a managing director of Lime Rock Partners. He remains an active member of the Lime Rock Partners investment team, investigating and executing primarily energy service investment opportunities worldwide. Prior to cofounding Lime Rock Partners, Mr Reynolds worked at Goldman Sachs where he spent six years in the investment research department and had senior analyst responsibility for global oil service sector research and was one of the top-rated analysts in the sector. He currently serves on the board of directors of EnerMech Ltd., Revelation Energy Holdings LLC and Shelf Drilling Ltd. Previously, he served on the board of directors of Tercel Oilfield Products, Hercules Offshore Inc., Eastern Drilling ASA, IPEC Ltd., Noble Rochford Drilling Ltd., Patriot Drilling, Roxar ASA, Sensa Ltd., Tesco Corporation, Torch Offshore Inc., and VEDCO Holdings Inc. Mr Reynolds is a U.S. citizen, resident in the United States.

Current other directorships and management positions Directorships: EnerMech Ltd.; Revelation Energy Holdings LLC; Shelf Drilling Ltd.

Management position(s): Lime Rock Partners (Managing Director).

Previous directorships and management positions held

during the last five years..... Directorships: Hercules Offshore Inc.; Eastern Drilling ASA; IPEC Ltd.; Noble Rochford Drilling Ltd.; Patriot Drilling; Roxar ASA, Sensa Ltd.; Tesco Corporation; Torch Offshore Inc.; VEDCO Holdings Inc.; Tercel Oilfield Products.

Management position(s): —.

Kate Blankenship, Director

Kate Blankenship has served as a Director since the Company's incorporation in August 2007. Mrs Blankenship has also served as a director of Frontline Ltd. since 2003. Mrs Blankenship joined Frontline in 1994 and served as its Chief Accounting Officer and Company Secretary until October 2005. She has been a director of Ship Finance International Limited since October 2003, Seadrill Limited since 2005, Seadrill Partners since June 2012, North Atlantic Drilling Limited since February 2011, Independent Tankers Corporation Limited, or Independent Tankers, since February 2008, Golden Ocean Group Limited since November 2004 and Avance Gas Holding Ltd since October 2013. She served as a director of Golar LNG Limited from July 2003 until September 2015 and Golar LNG partners from September 2007 until September 2015. She is a member of the Institute of Chartered Accountants in England and Wales. Mrs Blankenship is a British citizen, resident in the United Kingdom.

Current other directorships and management positions Directorships: Ship Finance International Limited (Director); Seadrill Limited (Director); Seadrill Partners LLC (Director); North Atlantic Drilling Limited (Director); Independent Tankers Corporation Limited (Director); Golden Ocean Group Limited (Director); Avance Gas Holding Ltd (Director); Frontline Ltd (Director).

Management position(s): —.

Previous directorships and management positions held

during the last five years..... Directorships: Golar LNG Limited (Director); Golar LNG partners (Director).

Management position(s): —.

Alf Ragnar Løvdal, Director

Mr Løvdal has served as a Director since August 2014. Mr Løvdal is Chief Executive Officer of North Atlantic Management AS since January 2013 and has served as Senior Vice President for Seadrill in the Asia Pacific region from 2009 until 2013. He was previously Chief Executive Officer of Seawell Ltd. from 2007 to 2009. Mr Løvdal has 35 years of experience in the oil and gas industry, 10 years of which he was responsible for the well services business for the drilling contractor Smedvig, which Seadrill acquired in early 2006. At Smedvig, Mr Løvdal held several senior positions including general manager of operations for mobile drilling units. Prior to his employment with Smedvig and Seadrill, Mr Løvdal held various positions in different oil service companies, including five years of field experience with Schlumberger. He has a degree in mechanical engineering from Horten Engineering Academy in Norway. Mr Løvdal is a Norwegian citizen, resident in Norway.

Current other directorships and management positions Directorships: North Atlantic Norway/North Atlantic Crew AS (Director).

Management position(s): North Atlantic Management AS (CEO).

Previous directorships and management positions held

during the last five years..... Directorships: Seawell Ltd. (Director).

Management position(s): Smedvig AS (Executive Vice President); Seadrill Ltd. (Executive Vice President); Seadrill, Asia Pacific (Senior Vice President); Seawell Ltd. (CEO).

Giovanni Dell' Orto, Director

Giovanni Dell' Orto was appointed as a Director in February 2011. Mr Dell' Orto was president and chief executive officer of DLS Drilling, Logistics and Services from 1994 to August 2006. He is a member of the board of directors of Energy Developments and Investments Corporation (EDIC), supervising EDIC's gas marketing activities in Europe and other upstream projects in North Africa. He is also a nonexecutive member of the board of directors of Gas Plus S.p.a., an Italian company listed on the Milan Stock Exchange. Mr Dell' Orto has served as chairman and chief executive officer of Saipem and was a board member of AGIP and SNAM. He is an Argentinean citizen, resident in Argentina.

Current other directorships and management positions Directorships: DLS Corporation (Director); Energy Developments and Investments Corporation (Director); Gas Plus S.p.a (Director).

Management position(s): —.

Previous directorships and management positions held

during the last five years..... Directorships: Saipem (Chairman); ENI (Director); AGIP (Director); SNAM (Director).

Management position(s): ENI (Director for Institutional Relations).

Dag Skindlo, Director

Dag Skindlo has served as a Director since April 2016, in addition to being the Chief Financial Officer and Executive Vice President Strategy. Mr Skindlo has been the Chief Financial Officer and Executive Vice President Strategy since April 2016. Before joining Archer, Mr Skindlo is a business-oriented executive with 24 years in the Oil and Gas industry. He joined Schlumberger in 1992 where he held various financial and operational positions before he joined the Aker Group of companies in 2005. His experience from Aker Kværner, Aker Solutions and Kværner includes both global CFO roles and Managing Director roles for several large industrial business divisions. Mr Skindlo comes from his role as CEO for Aquamarine Subsea, a HitecVision owned company. He brings with him extensive international experience including working for more than twelve years in countries like the US, Indonesia, Scotland, and China. Mr Skindlo is a Norwegian

citizen with a Master of Science in Economics and Business Administration from the Norwegian School of Economics and Business Administration (NHH).

Current other directorships and management positions Directorships: Dream Invest AS (Chairman); C6 Technologies AS (Director); Quintana Energy Services LP (Director).

Management position(s): —.

Previous directorships and management positions held

during the last five years..... Directorships: Dream Invest AS (Chairman); Cashmira AS (Director); Vestby (Director).

Management position(s): Aquamarine Subsea (CEO); Kværner (Senior Vice President).

Executive Management

The Company's Executive Management comprises of the following members:

Name	Position	Employed From
John Lechner	CEO	April 2016
Max Bouthillette	President, Western Hemisphere, General Counsel and Executive Vice President	May 2010
Dag Skindlo	CFO and Executive Vice President Strategy	April 2016

The Company's registered business address, Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda, serves as c/o address for the members of the Executive Management in relation to their management of the Company.

Set out below are brief biographies of the members of the Executive Management, along with disclosures about the companies and partnerships of which each member of the Executive Management has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and Executive Management positions in the Company or its subsidiaries.

John Lechner, CEO

John Lechner was appointed to the position of Chief Executive officer in April 2016. Mr Lechner had served as President, Eastern Hemisphere and Executive Vice President North Sea Region & EVP since January 2016 and previously held the position as President, Eastern Hemisphere and Executive Vice President.

Mr Lechner has over 32 years of oilfield experience, comprising assignments in the European, African, Russian, North American, Middle Eastern and Far Eastern markets during employment with Schlumberger, Parker Drilling and OilSERV, prior to joining the Company.

A graduate of the University of Notre Dame, he started his career as a wireline field engineer and later switched his technical focus to drilling. For the past 20 years he held operations and business development roles in contract drilling and integrated project management.

Mr Lechner is a U.S. citizen and resides in Stavanger, Norway.

Current other directorships and management positions Directorships: C6 Technologies AS (Director); TAQA-Archer JV (Director); Rawabi Archer JV (Director).

Management position(s): —.

Previous directorships and management positions held

during the last five years..... Directorships: Archer Norge AS (Director); C6 Technologies AS (Director); TAQA-Archer JV (Director); Rawabi Archer JV (Director).

Management position(s): Archer EH (President); Archer North Sea (Vice President), Archer EMT BDM; OilSERV IOS (Vice President).

Max Bouthillette, President, Western Hemisphere, General Counsel and Executive Vice President

Max Bouthillette has served as President, Western Hemisphere, General Counsel and Executive Vice President since January 2016. Mr Bouthillette previously served as the General Counsel and Executive Vice President since August 2010. Mr. Bouthillette was previously employed with BJ Services, Schlumberger Limited and the U.S. law firm of Baker Hostetler LLP.

His professional experience includes serving as chief compliance officer and associate general counsel for BJ Services from 2006 to 2010, as a partner with Baker Hostetler LLP from January 2004 to 2006 and in several positions with Schlumberger in North America, Asia and Europe from 1998 to December 2003.

Mr Bouthillette holds a degree in Accounting from Texas A&M University and a Juris Doctorate from the University of Houston Law Center.

Mr Bouthillette is a U.S. citizen, and resides in the Woodlands, Texas.

Current other directorships and management positions Directorships: Quintana Energy Services (Director).

Management position(s): —.

Previous directorships and management positions held

during the last five years..... Directorships: —.

Management position(s): —.

Dag Skindlo, Chief Financial Officer and Executive Vice President Strategy

Mr Skindlo has been the Chief Financial Officer and Executive Vice President Strategy since April 2016.

Mr Skindlo is a business-oriented executive with 24 years of experience in the oil and gas industry. He joined Schlumberger in 1992 where he held various financial and operational positions before he joined the Aker Group of companies in 2005. His experience from Aker Kværner, Aker Solutions and Kværner includes both global CFO roles and Managing Director roles for several large industrial business divisions. Mr Skindlo comes from his role as CEO for Aquamarine Subsea, a HitecVision owned company. He brings with him extensive international experience including working for more than twelve years in countries like the US, Indonesia, Scotland, and China.

Mr Skindlo is a Norwegian citizen with a Master of Science in Economics and Business Administration from the Norwegian School of Economics and Business Administration (NHH).

Mr Skindlo was in April 2016 appointed as Director in the Company.

Current other directorships and management positions Directorships: Dream Invest AS (Chairman); C6 Technologies AS (Director); Quintana Energy Services LP (Director).

Management position(s): —.

Previous directorships and management positions held

during the last five years..... Directorships: Dream Invest AS (Chairman); Cashmira AS (Director); Vestby (Director).

Management position(s): Aquamarine Subsea (CEO); Kværner (Senior Vice President).

12.3 Remuneration and Benefits

Board of Directors and executive Management

The limit of the remuneration payable to the Company's Board of Directors is determined on an annual basis by the shareholders of the Company at the Annual General Meeting.

The compensation for the members of the Board of Directors and Executive Management of the Company for the financial year 2016 was USD 1.6 million. Certain members of management are entitled to severance pay from the Company from eighteen to 24 months upon termination of their management of the Company.

Shares and Options held by Members of the Board of Directors and Executive Management

The table below sets forth the number of Shares beneficially owned by each of the Company's members of the Board of Directors and Executive Management as of the day of this Prospectus.

	Position	Shareholding	Options	RSUs
Ørjan Svanevik ¹	Chairman	-	-	-
John Reynolds ²	Director	-	-	-
Kate Blankenship	Director	3,000	-	-
Alf Ragnar Løvda	Director	-	-	-
Giovanni Dell' Orto	Director	1,437	-	-
Dag Skindlo	Director/ CFO and EVP Strategy	106,000	600,000	-
John Lechner	CEO	115,000	696,200	15,000
Max L. Bouthillette	President, Western Hemisphere, General Counsel and EVP	32,500	120,000	15,000

¹ Ørjan Svanevik entered into a total return swap agreement (TRS) with exposure to 1,040,000 underlying shares. The expiry date of the TRS is 16 May 2017 and the TRS price is NOK 10.0757 per share.

² John Reynolds is affiliated with Lime Rock Partners which holds 6,593,520 shares in the Company and Lime Rock Management LP which holds 41,665 shares in the Company.

Loans and Guarantees

As of the date of this Prospectus, the Company has not provided any guarantees or granted any loans or other similar commitments to any member of the Board of Directors or the Executive Management.

12.4 Disclosure of Conflicts of Interests

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and members of the Board of Directors or Executive Management, including any family relationships between such persons as of the date of this Prospectus. Two of the Company's directors, Ørjan Svanevik and Kate Blankenship, may be deemed affiliated with the Company's largest shareholder, Seadrill. Please refer to section 12.8 for more information about the independence of the Company's Board of Directors.

12.5 Disclosure About Convictions in Relation to Fraudulent Offences

During the last five years preceding the date of this Prospectus, no member of the Board of Directors or the Executive Management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

12.6 Nomination Committee

As permitted under Bermuda law and the Company's Bye-Laws, the Company does not have a nomination committee. The Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees.

12.7 Audit Committee

The Company has an audit committee, the members of which as of the date of this Prospectus are Kate Blankenship and John Reynolds, both members of the Board of Directors. The primary purpose of the audit committee is to assist the Board of Directors in fulfilling its oversight responsibility by overseeing and evaluating:

- the conduct of the Company's accounting and financial reporting process and the integrity of its financial statements;
- the functioning of the Company's systems of internal accounting and financial controls;

- the performance and independence of the Company's internal audit function; and
- the engagement, compensation, performance, qualifications and independence of the Company's independent auditors.

The independent auditors have unrestricted access and report directly to the audit committee. The audit committee meets privately with, and has unrestricted access to, the independent auditors and all of the Company's personnel.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations. Both Kate Blankenship and John Reynolds have relevant qualifications within accounting/auditing.

12.8 Corporate Governance

The Company's corporate governance principles are based on, and comply with, the Norwegian Code of Practice of 30 October 2014 (the "Norwegian Code of Practice"), with the following exceptions:

- In accordance with normal practice for Bermuda companies, the Company's bye-laws do not include a specific description of its business. According to the memorandum of association, the objects for which the Company was formed and incorporated are unrestricted. As a Bermuda incorporated company, the Company has chosen to establish the constitutional framework in compliance with the normal practice of Bermuda and accordingly deviate from section 2 of the Norwegian Code of Practice.
- The Company's equity capital is at a level appropriate for its objectives, strategy, and risk profile. In accordance with Bermuda law, the Board of Directors is authorised to require its own shares to be held as treasury shares, and to issue any unissued shares within the limits of the authorised share capital. These authorities are neither limited to specific purposes nor to a specific period as recommended in section 3 of the Norwegian Code of Practice. While the Company aims at providing competitive long-term return on the investments of its shareholders, it does not currently have a formal dividend policy.
- In accordance with the company laws of Bermuda, the shareholders can resolve an amount of authorised capital within which the Board of Directors may decide to increase the issued capital at its discretion without further shareholder approval. There is no legal framework providing for specific time-limited or purpose-limited authorisations to increase the share capital. The Board of Directors will propose to the shareholders that they consider and, if necessary, resolve to increase the authorised capital of the Company that will allow the Board of Directors some flexibility to increase the number of issued shares without further shareholder approval. As such, the Company may deviate from the recommendation in the Norwegian Code of Practice section 4 to limit such authorisation to 10% of the issued share capital. Any increase of the authorised capital is, however, subject to approval by the shareholders by simple majority of the votes cast.
- Neither the Company's by-laws nor Bermuda company laws include regulation of pre-emptive rights for shareholders in connection with share capital increases. The Company's bye-laws provide for the Board of Directors in its sole discretion to direct a share issue to existing shareholders at par value or at a premium price. The Company is subject to the general principle of equal treatment of shareholders under the Norwegian Securities Trading Act section 5-14. The Board of Directors will, in connection with any future share issues, on a case-by-case basis, evaluate whether deviation from the principle of equal treatment is justified. The Board of Directors will consider and determine on a case-by-case basis whether independent third party evaluations are required if entering into agreements with close associates in accordance with the Norwegian Code of Practice section 5. The Board of Directors may decide, however, due to the specific agreement or transaction, to deviate from this recommendation if the interests of the shareholders in general are believed to be maintained in a satisfactory manner through other measures.
- As a Bermuda registered company, the general meetings of the Company can be conducted through proxy voting. The VPS registered shareholders are holders of interests in the shares and thus represented by the VPS Registrar in the general meetings and not through their own physical presence. This is in line with the general practice of other non-Norwegian companies listed on the Oslo Stock Exchange. The Company complies in all other respects with the recommendations for general meetings as set out in of the Norwegian Code of Practice.
- The Company has not established a nomination committee as recommended by the Norwegian Code of Practice section 7. In lieu of a nomination committee comprised of independent directors, the Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees.
- The Chairman of the Company's six-member Board of Directors has been elected by the Board of Directors and not by the shareholders as recommended in the Norwegian Code of Practice. This is in compliance with normal procedures under Bermuda law. The Company is not fully in compliance with section 8 of the Norwegian Code of

Practice with respect to independence of board members. The Norwegian Code of Practice recommends that the board should not include executive personnel and the majority of the shareholder-elected board members should be independent of the company's executive personnel and material business contacts. The Norwegian Code of Practice also recommends that at least two of the members of the board should be independent of the company's main shareholders. Dag Skindlo, a director of the Company, also holds the position as CFO and Executive Vice President Strategy in the Company. One of the Company's six directors, Giovanni Dell' Orto, is independent of the Company's two largest shareholders, Lime Rock Partners L.P. ("**Lime Rock Partners**") and Seadrill Limited ("**Seadrill**"). Two of the Company's directors, Ørjan Svanevik and Kate Blankenship, may be deemed affiliated, under the Norwegian Code of Practice, with the Company's largest shareholder, Seadrill. One of the Company's directors, John Reynolds, is affiliated with the Company's second largest shareholder, Lime Rock Partners. The Company accordingly deviates from section 8 of the Norwegian Code of Practice.

- There is no obligation to present the guidelines for remuneration of the Board of Directors to the shareholders of a Bermuda incorporated company. The Company will provide information to its shareholders regarding remuneration of the Board of Directors in compliance with United States generally accepted accounting principals ("**US GAAP**") but will not implement procedures that are not generally applied under Bermuda law. The Company therefore deviates from this part of section 11 of the Norwegian Code of Practice. There are no service contracts between the Company and any of its directors providing for benefits upon termination of their service.
- There is no obligation to present the guidelines for remuneration of the executive management to the shareholders of a Bermuda incorporated company. The Company provides information to its shareholders regarding remuneration of the executive management in compliance with US GAAP, but will not implement procedures that are not generally applied under Bermuda law. In the view of the Company there is sufficient transparency and simplicity in the remuneration structure and information provided through the annual report and financial statements are sufficient to keep shareholders adequately informed. The Company therefore deviates from this part of section 12 of the Norwegian Code of Practice.

12.9 Employees

Employees

Below is an overview of the employees of the Group as of 31 December 2016, 2015 and 2014, respectively.

	Year			
	2016	2015	2014	2013
Employees, at period end	5,000	5,900	7,100 ¹	8,100

¹ As reported. Includes divested entities.

Long Term Incentive Plan

The Company has established a long term incentive plan (LTIP) under which employees, directors and officers of the Group may be allocated options and/or restricted stock units ("**RSUs**") which entitles the grantees to subscribe for new shares in the Company and/or receive shares upon the fulfilment of the conditions of employment under the RSUs grant.

The fair value of the share options issued under the Company's employee share option plans is determined at grant date, taking into account the terms and conditions upon which the options are granted and using a valuation technique that is consistent with generally accepted valuation methodologies for pricing financial instruments, and that incorporates all factors and assumptions that knowledgeable, willing market participants would consider in determining fair value. The fair value of the share options is recognised as personnel expenses with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options.

In September 2015 the Company concluded a share consolidation of its authorised and issued shares in the proportion 10:1. All share options and RSUs were similarly consolidated. The fair value, determined as the grant date quoted price of the Company's shares is recognised over the vesting periods.

Options

As per 31 December 2013, a total of 12,557,606 options had been granted and was outstanding. In 2014 the Board of Directors granted options to members of the Company's executive management team. The total number of options issued in 2014 was 10,550,000. In September 2015 the Company concluded a share consolidation of its authorised and issued shares in the proportion 10:1. All share options and RSUs were similarly consolidated. The fair value, determined as the grant date quoted price of the Company's shares is recognised over the vesting periods. No options were granted in 2015 or in 2016. In 2017 the Board of Directors granted 1,200,000 options to the Executive Management of the Group,

Shares	Weighted average exercise price (NOK)	Number of options
Outstanding at January 1, 2014	12,36	12,557,606
Options granted		10,550,000
Options exercised		—
Options forfeited		(1,428,749)
Outstanding at December 31, 2014	9.57	21,678,857
Outstanding at January 1, 2015	9.57	21,678,857
Options granted		—
Options exercised		—
Options forfeited		(2,378,877)
Effect of share consolidation		(17,519,470)
Outstanding at December 31, 2015	86.66	1,780,510
Outstanding at January 1, 2016	86.66	1,780,510
Options granted		—
Options exercised		—
Options forfeited		(1,058,877)
Outstanding at December 31, 2016	101.12	721,633
Outstanding at January 1, 2017	101.12	721,633
Options granted	10.00	1,200,000
Options exercised		—
Options forfeited		(132,200)
Outstanding at the date of this Prospectus		1,789,433

RSUs

In 2014 the Board of Directors granted RSUs to members of the Company's management team. The RSUs vest, 25% on 1 March 2015 and 25% on 1 March for each of the subsequent three years. A further grant of RSUs was made in May 2015, the units also vesting in four equal annual tranches commencing March 2016. The total number of RSUs issued in 2014, 2015 and 2016 were 6,405,000, 8,795,000 and 10,000 respectively.

RSUs	Number of RSUs
Outstanding at January 1, 2014	—
RSUs granted	6,455,000
RSUs exercised	—
RSUs forfeited	(510,000)
Outstanding at December 31, 2014	5,945,000
Outstanding at January 1, 2015	5 945 000
RSUs granted	8,745,000
RSUs exercised	(1,382,500)
RSUs forfeited	(940,000)
Effect of share consolidation	(11,363,625)
Outstanding at December 31, 2015	1,003,875
Outstanding at January 1, 2016	1,003,875
RSUs granted	10,000
RSUs exercised	(252,625)
RSUs forfeited	(209,250)
Outstanding at December 31, 2016	552,000
Outstanding at January 1, 2017	552,000
RSUs granted	-
RSUs exercised	(191,750)
RSUs forfeited	(41,500)
Outstanding at the date of this Prospectus	318,750

Compensation cost in respect of share options and RSUs is initially recognised based upon grants expected to vest with appropriate subsequent adjustments to reflect actual forfeitures. National insurance contributions will arise from such incentive programs in some tax jurisdictions. The Company accrues for estimated contribution over the vesting periods of the relevant instruments.

13. RELATED PARTY TRANSACTIONS

This Section provides information on certain transactions which the Company is, or has been, subject to with its related parties during the three years ended 31 December 2016, 2015 and 2014 and up to the date of this Prospectus.

Transactions with Seadrill

The Company was established at the end of the third quarter of 2007, as a spin-off of Seadrill Limited's Well Service division. The Company acquired the shares in the Seadrill Well Service division entities on 1 October 2007 for USD 449.1 million. The acquisition has been accounted for as a common control transaction with the assets and liabilities acquired recorded by the Company at the historical carrying value of Seadrill Limited, or Seadrill. The excess consideration over the net assets and liabilities acquired has been recorded as adjustment to equity of USD 205.1 million. Seadrill currently owns approximately 16% of the Company's shares.

During the twelve months ended 31 December 2014, 2015 and 2016, the Company supplied Seadrill Limited and affiliates with services amounting to USD 1.4 million, USD 2.2 million and USD 3.6 million respectively, including reimbursable material.

On 14 October 2014, the Company signed a subordinated loan agreement with Metrogas Holdings Inc., a related party, for a loan of up to USD 50 million. In March 2015 the loan, and any accrued interest/fees, was sold to Seadrill Limited. The loan was drawn in full as at 31 December 2015. Accrued interest of 7.5% is payable on the loan, and will be accumulated and paid on the maturity date. The loan matures on 30 June 2018.

In May 2016, Seadrill Limited provided new financing to the Company in an aggregate amount of up to USD 75.0 million, which was contributed in form of subordinated debt. The loan was drawn in full as at 31 May 2016 as is repayable in full at the maturity date. Interest of 10% per year is being accrued over the term of the loan and is payable on the maturity date. The loan matures on 31 December 2018.

At 31 December 2016, Seadrill has provided the following guarantees on behalf of the Group:

- a guarantee of EUR 23.7 million, equivalent to USD 24.9 million, to the lenders of the Company's Hermes covered term loan agreement for the modular rig, Archer Topaz. Annual guarantee fees are charged at 1.25% of the guaranteed amount.
- a guarantee of USD 250.0 million to the lenders of the Company's revolving facility. Annual guarantee fees are charged at 1.25% of the guaranteed amount.
- A guarantee totalling USD 2.6 million was provided to various insurance companies on behalf of Archer Well Company Inc.
- a performance guarantee up to the value of NOK 66 million, or USD 7.6 million.

The Group is accruing fees of 1.25% on the amounts guaranteed in respect of these guarantees. As at 31 December 2015, the Group has accrued total guarantee fees of USD 9.9 million which are due at the end of the guarantee periods. The guarantee fees are being accrued over the guarantee period.

The subordinated loan agreements and guarantees issued by Seadrill Limited are subject to a refinancing process which is further described in Sections 2.1 and 5.3.

Transactions with C6 Technologies AS

The Company owns 50% of C6 Technologies, an oilfield technology company offering new solutions for well intervention and conveyance utilizing composite materials. The Company does not control this entity and as a result the Company has consolidated its financial results using the equity method of accounting since its creation in 2010. During 2014 the Company sold its fully owned subsidiary Wellbore Solutions AS for an amount of NOK 25 million. The settlement of the purchase price was through a loan agreement amounting to NOK 10 million and the balance will be settled in the form of royalties contingent on the successful commercialisation of the tools being developed by C6 Technologies. As at 31 December 2015, the Company has a receivable balance of USD 6.0 million due from C6 Technologies under an interest bearing loan agreement.

In 2012, we have purchased two ComTrac units from C6 Technologies for a total of NOK 20.0 million (approximately USD 2.3 million). The ComTrac units are newly developed equipment kits for use in well intervention.

Transactions with TAQA-Archer JV

TAQA-Archer JV, a new joint venture in which the Company holds a 51% shareholding began operations in 2016. The carrying value of our investment has been reduced, under the equity method of accounting, by the Company's share of the entity's start-up costs. In 2016 we sold one of the two ComTrac units, purchased from C6 Technologies to TAQA-Archer JV for of NOK 18.2 million (USD 2.1 million), resulting in a net gain of USD 0.5 million being reported in gain on sale of assets.

Transactions with QES

Since the Company's acquisition of our 42% holding in QES in return for the contribution of the Group's North American pressure pumping and wireline businesses, the Group has been providing transitional services to QES. In addition the Group have invoiced QES for items which it has paid on their behalf following the sale, such as benefits and insurance claims. The Group has invoiced QES a total of USD 2.3 million. This amount is reported as a receivable balance in the trade accounts receivable as at 31 December 2016.

During the December 2016 the Company signed a refinancing agreement with QES under which it has provided loan finance of USD 5 million to QES in December 2016, and a further USD 5 million has been provided during January 2017.

14. DIVIDEND AND DIVIDEND POLICY

This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Norwegian Public Limited Liability Companies Act (Nw. allmennaksjeloven). Any future dividends declared by the Company will be paid in NOK as this is the currency that currently is supported by the VPS. The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates; see Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements".

14.1 Dividend Policy

The Company has not formalized a dividend policy. Such policy may be implemented in the future if the Company is in a position to declare cash dividends to the shareholders.

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Company's Board of Directors will take into account legal restrictions, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

14.2 Dividend History

The Company has not paid any dividend to its shareholders in the period from 2013 to the date of this Prospectus.

14.3 Legal Constraints on the Distribution of Dividends

Under the Bermuda Companies Act, a company may, subject to its bye-laws and by resolution of the directors, declare and pay a dividend, or make a distribution out of contributed surplus, provided there are reasonable grounds for believing that after any such payment (a) the company will be solvent and (b) the realizable value of its assets will be greater than its liabilities.

Pursuant to the Bye-Laws, the Board of Directors of the Company may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the shareholders according to their rights and interests including such interim dividends as appear to the Board of Directors to be justified by the position of the Company. The Board of Directors may fix any date as the record date for any such dividend.

The Board of Directors may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company in the opinion of the Board of Directors, justifies such payment.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (i) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of the Bye-Laws as paid-up on the share;
- (ii) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

The Board of Directors may deduct from any dividend, distribution or other moneys payable to a shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the mail addressed to the holder at his address in the shareholder register or, as the case may be, the VPS, or, in the case of joint holders, addressed to the holder whose name stands first in the register or, as the case may be, the VPS, in respect of the shares at his registered address as appearing in the shareholder register or, as the case may be, the VPS, or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the shareholder register or, as the case may be, the VPS, in respect of such shares, and shall be sent at his or their risk, and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint

holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend or proceeds of share repurchase or distribution out of contributed surplus unclaimed for a period of three years from the date of declaration of such dividend or proceeds of share repurchase or distribution shall be forfeited and shall revert to the Company and the payment by the Board of Directors of any unclaimed dividend, distribution, interest or proceeds of share repurchase or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

The Board of Directors may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board of Directors may settle it as it thinks expedient, and in particular, may authorize any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any shareholders upon the footing of the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board of Directors.

15. CORPORATE INFORMATION; SHARES AND SHARE CAPITAL

The following is a summary of certain corporate information and other information relating to the Group, the Shares and share capital of Company, summaries of certain provisions of the Company's Memorandum of Association and Bye Laws and applicable Bermuda law in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Company's Memorandum of Association and Bye Laws and applicable Bermuda law.

15.1 Incorporation; Registration Number; Registered Office and Other Company Information

The legal and commercial name of the Company is Archer Limited. The Company was incorporated on 31 August 2007, with registration number 40612, as an exempted limited company and is organized and exists under the laws of Bermuda and the Bermuda Companies Act.

The Company's registered office is at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda and the office of Archer Management Limited (UK) is in Room 607, Capital Tower, 91 Waterloo Road, London, SE1 8RT, telephone: +44 207 590 1590 and telefax: +44 207 590 1589. Archer has offices in Norway, Argentina, Australia, Brazil, Singapore, United Kingdom and United States. Archer's web site is www.archerwell.com.

15.2 Legal Structure

The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Group. The Company's main function is to provide financing to the other Group entities by way of equity or shareholder loans.

15.3 Information on Holdings

The following table sets out information about the entities in which the Company, as of the date of this Prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included).

Name	Country of Incorporation	Holding	Field of Activity
Archer (UK) Limited Abu Dhabi (Branch)	Abu Dhabi	100%	Drilling and well service operations
DLS-Archer Ltd. S.A.	Argentina	100%	Land drilling operations
DLS Argentina Ltd. Argentina (Branch)	Argentina	100%	Land drilling operations
DLA Argentina Fluidos S.A.	Argentina	100%	Provides fluids services
Archer Well Company (Australia) Pty Ltd	Australia	100%	Well service operations
Archer Well Company International Azerbaijan (Branch)	Azerbaijan	100%	Oiltools services
Archer Emerald (Bermuda) Limited	Bermuda	100%	Owns and operates modular rig
Archer Topaz Limited	Bermuda	100%	Owns and operates modular rig
Archer DLS Corporation Bolivia (Branch)	Bolivia	100%	Land drilling operations
Archer do Brazil Servicos de Petroleo Ltda	Brazil	100%	Guarantor company
BCH Energy do Brasil Servicos de Petroleo Ltda	Brazil	100%	Drilling service operations
Archer DLS Corporation	BVI	100%	Holding company
DLS Argentina Limited	BVI	100%	Land drilling operations
Archer BCH (Canada) Ltd	Canada	100%	Oiltools services and land rigs owner
Archer Oil Tools AS Congo (Branch)	Congo	100%	Oiltools services
Archer Offshore Denmark AS	Denmark	100%	Well service operations
Archer (UK) Limited Dubai (Branch)	Dubai	100%	Drilling and well service operations
Archer (UK) Limited France (Branch)	France	100%	Oiltools services
Archer Services Limited	Hong Kong	100%	Provides international personnel services
PT Archer	Indonesia	95%	Well service operations
Archer Well Company (M) SDN BHD	Malaysia	100%	Well service operations
Archer AS	Norway	100%	Drilling and well service operations
Archer Consulting AS	Norway	100%	Provides engineering and crew services
Archer Norge AS	Norway	100%	Drilling and well service management
Archer Oil Tools AS	Norway	100%	Oiltools services
Bergen Technology Center AS	Norway	100%	Research and development

C6 Technologies AS	Norway	50%	Research and development
Rawabi Archer Company	Saudi Arabia	50%	Oiltools services
TAQA Archer Services LLC	Saudi Arabia	51%	Provides Wireline Services
Archer Well Company (Singapore) Pte Ltd	Singapore	100%	Well service operations
Archer (UK) Limited Jebel Ali Free Zone (Branch)	UAE	100%	Well service operations
Archer (UK) Limited	UK	100%	Drilling and well service operations
Archer Assets UK Limited	UK	100%	Holding company
Archer Consulting Resources Limited	UK	100%	Provides crew services
Archer Management Limited	UK	100%	Provides management services
Survey and Inspection Limited	UK	100%	Performs rig inspections
Archer Well Company International Ltd	UK	100%	Well service operations
Limay Drilling Rigs Ltd	UK	100%	Land rig owning company
Archer Drilling LLC	USA	100%	Platform drilling and engineering
Archer Holdco LLC	USA	100%	Holding Company
Archer Oiltools LLC	USA	100%	Oiltools services
Archer Survey and Inspection LLC	USA	100%	Performs rig inspections
Archer Well Company Inc.	USA	100%	Holding and management company
AWC Frac Valves Inc.	USA	100%	Sells and services frac valves
Quintana Energy Services GP LLC	USA	50%	Management Services
Quintana Energy Services LP	USA	36,05%*	Drilling and well service operations

*36.05% represents the fully diluted ownership pursuant to the exercise of penny warrants. (Current ownership is 42%)

15.4 Share Capital and Share Capital History

As of the date of this Prospectus, the Company's issued share capital is USD 1,423,567.16 divided into 142,356,716 Shares, fully paid and each Share having a par value of USD 0.01. The Company's authorised share capital is USD 10.0 million represented by an authorised number of shares of 1,000,000,000 shares having a par value of USD 0.01 each.

As of the date of this Prospectus, the Company holds 9,125 treasury shares, primarily to be able to satisfy the exercise of options granted under the employee option programs, and to satisfy the long term incentive plan. The par value of such treasury shares is the same as the Company's ordinary shares, USD 0.01 per share.

The table below shows the development in the share capital of the Company since 1 January 2013 and up to the date of this Prospectus.

	Date	Capital Increase (USD)	Share Capital After Change (USD)	Par Value of Shares (USD)	Sub- scription Price per Share	New Shares	Total Number of Outstanding Shares
As at 1 January 2013 ..	1 January 2013	n/a	733,318,240	2.00	n/a	n/a	366,659,120
Write down of par value.....	Feb. 2013	n/a	366,659,120	1.0	n/a	n/a	366,659,120
Private placement.....	Feb. 2013	208,334,000	574,993,120	1.0	USD 1.20	208,334,000	574,993,120
Underwriting commission	Feb. 2013	4,166,667	579,159,787	1.0	n/a	4,166,667	579,159,787
Consolidation.....	Sep. 2015	n/a	579,157.16	0.01	n/a	n/a	57,915,716
RSU vesting	Mar. 2016	2,492.50	581,649.66	0.01	NOK 2.64	249,250	58,164,966
RSU vesting	Mar. 2017	1,917.50	583,567.16	0.01	NOK 12.72	191,750	58,356,716
Private placement.....	Mar. 2017	840,000	1,423,567.16	0.01	NOK 10.00	84,000,000	142,356,716

Assuming the Subsequent Offering is subscribed in full, the issued share capital of the Company will be increased by USD 168,000.00, resulting in a total issued share capital of up to USD 1,591,567.16, comprising of up to 159,156,716 Shares, each with a par value of USD 0.01.

15.5 Authorisation to Increase the Share Capital and to Issue Shares and Other Financial Instruments

The Company's memorandum of association authorizes the issuance of up to 1,000,000,000 common shares, each with a par value of USD 0.01 per share.

15.6 Share Classes; Rights Conferred by the Shares

The Company has a single share class and all shares carry the same rights. At the Company's General Meetings, each share carries one vote.

15.7 Disclosure on Notifiable Holdings

As of 31 March 2017, which was the latest practicable date prior to the date of this Prospectus, and insofar as known to the Company, the following persons had, directly or indirectly, interest in 5% or more of the issued share capital of the Company (which constitutes a notifiable holding under the Norwegian Securities Trading Act):

	%
Seadrill Limited.....	16.25
Hemen Holding Limited.	8.53
DNB Bank ASA.....	5.18

None of the major shareholders have different voting rights than the other shareholders of the Company.

The Company is not aware of any arrangements, the operation of which may at a date subsequent to the date of this Prospectus result in a change of control in the Company.

15.8 Memorandum of Association and Bye Laws and Certain Aspects of Bermuda Company Law

The Company's Memorandum of Association and Bye-Laws are set out in Appendix A—"Memorandum of Association" and Appendix B—"Bye-Laws" to this Prospectus.

Objective

Pursuant to Item 6 of its Memorandum of Association, the objects for which the Company is formed and incorporated are unrestricted.

Registered Office

The Company's registered office is at Par la Ville Place, 14 Par la Ville Road, Hamilton HM 08, Bermuda.

Board of Directors, Management and Supervisory Bodies

It follows from the Bye-Laws section 86 that the Company's Board of Directors shall consist of not less than two members.

The Company's shareholders may determine the minimum and maximum number of directors by the vote of shareholders representing a majority of the total number of votes which may be cast at any annual or special general meeting, or by written resolution. Each director is elected at an annual general meeting of shareholders for a term commencing upon election and expiring on the date of the next scheduled annual general meeting of shareholders or until his or her successor is. The Bye-Laws do not permit cumulative voting for directors.

Share Class

The Company has one class of common shares and the holders of the shareholders are entitled to one vote per share on each matter requiring the approval of the holders of the common shares. At any annual or special general meeting of shareholders where there is a quorum, a simple majority vote will generally decide any matter, unless a different vote is required by express provision of the Bye-Laws or Bermuda law. In general, only shareholders registered in the company's Register of Shareholders are entitled to vote on the shares.

No Restrictions on Transfer of Shares

The Bye-Laws do not provide for a right of first refusal on transfer of shares. Share transfers are not subject to approval by the Board of Directors, however, the Board of Directors may decline to register any transfer in certain circumstances described in the Bye-Laws. Such circumstances include, where the transfer might breach any law or requirement of any authority or listing exchange.

General Meetings

Under the Bermuda Companies Act, an annual general meeting of the shareholders shall be held for the election of directors on any date or time as designated by or in the manner provided for in the bye-laws and held at such place within or outside Bermuda as may be designated in the bye-laws. Any other proper business may be transacted at the

annual general meeting. The Bye-Laws provide that the Board of Directors may fix the date, time and place of the annual general meeting.

Under the Bermuda Companies Act, any meeting that is not the annual general meeting is called a special general meeting, and may be called by the board of directors or by such persons as authorized by the company's bye-laws. Additionally, as required by the Bermuda Companies Act, at least 10% of the issued and outstanding shares entitled to vote are allowed to call for a special general meeting to effectuate change at the Company. At such special general meeting, only business that is related to the purpose set forth in the required notice may be transacted. Additionally, under Bermuda law, a company may, by resolution at a special general meeting, elect to dispense with the holding of an annual general meeting for (a) the year in which it is made and any subsequent year or years; (b) for a specified number of years; or (c) indefinitely.

The Bye-Laws provide that special general meetings may be called by the Board of Directors and when required by the Bermuda Companies Act, i.e., by holders of one-tenth of a company's issued common shares through a written request to the board.

Under the Bermuda Companies Act, notice of any general meeting must be given not less than five days before the meeting and shall state the place, date and hour of the meeting and, in the case of a special general meeting, shall also state the purpose of such meeting and the that it is being called at the direction of whoever is calling the meeting. Under Bermuda law, accidental failure to give notice will not invalidate proceedings at a general meeting.

Under the Bye-Laws, quorum at any general meeting shall be constituted by at least two shareholders, or in the event that there is only one Shareholder, one Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them).

Disclosure of Shareholdings

There are no disclosure requirements under the Bye-laws.

Share Capital

The Memorandum of Association of the Company provides for an authorized share capital of USD 10,000,000.00, divided into 1,000,000,000 common shares, each with a par value of USD 0.01 per share.

The Company's Memorandum of Association and Bye-Laws contain an authorization of up to 1,000,000,000 common shares with potential voting powers, designations, preferences and other rights as may be provided for by the Board of Directors and no provision allowing for cumulative voting in the election of directors.

The Bye-Laws section 49 provides that the Company may from time to time by simple majority of votes cast at a general meeting of the Company:

- (a) divide the Company's shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (b) consolidate and divide all or any of the Company's share capital into shares of larger amount than its existing shares;
- (c) sub-divide the Company's shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (d) make provision for the issue and allotment of shares which do not carry any voting rights;
- (e) cancel shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (f) change the currency denomination of its share capital.

Treasury Shares

The Bye-Laws section 52 permit the Company to have the option, but not the obligation, to repurchase from any shareholder all fractions of shares, and all holdings of fewer than 100 shares. Such repurchase shall be on such terms and conditions as the Company's board of directors may determine, provided that in any event, the repurchase price shall be not less than the closing market price per share quoted on any stock exchange or quotation system upon which any of the shares of the Company are listed on the effective date of the repurchase.

Amendments to the Memorandum of Association and Bye-Laws

Subject to the Bermuda Companies Act, all or any of the special rights attached by the Company's Board of Directors to any class of shares may only be altered or abrogated with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. Additionally, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

Under Bermuda law, a company may, by resolution passed at an annual or special general meeting of shareholders, alter the provisions of the memorandum of association. An application for alteration can only be made by (i) holders of not less in the aggregate than 20% in par value of a company's issued share capital, (ii) by holders of not less in the aggregate that 20% of the company's debentures entitled to object to alterations to the memorandum, or (iii) in the case a company that is limited by guarantee, by not less than 20% of the shareholders.

The Bye-Laws may be amended in the manner provided for in the Bermuda Companies Act, provided that such amendment should only become operative to the extent that it has been confirmed by resolution passed at an annual or special general meeting of shareholders by a simple majority vote.

Additional Issuances and Pre-Emptive Rights

The Bye-Laws do not provide a shareholder of the Company with any pre-emptive rights to subscribe for additional issues of the Company's shares.

Rights of Redemption and Conversion of Shares

The Bye-Laws do not provide for any shareholder rights of conversion or redemption of the common shares in the Company.

Shareholder Vote on Certain Reorganizations

Under the Bermuda Companies Act, any plan of merger or amalgamation must be authorized by the resolution of a company's shareholders and must be approved by a majority vote of 3/4 of those shareholders voting at such special general meeting. A quorum of two or more persons holding or representing more than 1/3 of the issued and outstanding common shares of the company on the record date of such special general meeting must be in attendance in person or by proxy at such special general meeting.

However, the Bye-laws section 67 permits the Board, with the sanction of a resolution of the company's shareholders passed by a simple majority vote, to amalgamate the Company with another company (whether or not the Company is the surviving company and whether or not such an amalgamation involves a change in the jurisdiction of the Company).

Liability of Directors

Under Bermuda law, directors and officers shall discharge their duties in good faith and with that degree of diligence, care and skill which reasonably prudent people would exercise under similar circumstances in like positions. In discharging their duties, directors and officers may rely upon financial statements of the company represented to them to be correct by the president or the officer having charge of its books or accounts or by independent accountants.

The Bermuda Companies Act provides that a company's bye-laws may include a provision for the elimination or limitation of liability of a director to the corporation or its shareholders for any loss arising or liability attaching to him by virtue of any rule of law in respect to any negligence, default, breach of any duty or breach of trust of which the director may be guilty of; provided that such provision shall not eliminate or limit the liability of a director for any fraud or dishonesty he may be guilty of.

Indemnification of Directors and Officers

Bermuda law permits the bye-laws of a Bermuda company to contain a provision indemnifying the company's directors and officers for any loss arising or liability attaching to him or her by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the officer or person may be guilty, save with respect to fraud or dishonesty. Bermuda law also grants companies the power generally to indemnify directors and officers of a company, except in instances of fraud and dishonesty, if any such person was or is a party or threatened to be made a party to a threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director and officer of such company or was serving in a similar capacity for another entity at such company's request.

The Bye-Laws section 136 provide that each director, officer of the Company or member of a committee to which the board of directors has delegated any of its powers in accordance with the Bye-Laws or who is or was a director or officer of any of the Company's subsidiaries shall be indemnified out of the funds of the Company against all civil liabilities, loss,

damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him or her as such director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries. The indemnity contained in the Bye-Laws does not extend to any matter that would render the same void pursuant to the Bermuda Companies Act. In addition, each such person shall be indemnified out of the assets of the Company against all liabilities incurred in defending any proceedings, whether civil or criminal, in which judgment is given in such person's favor, or in which he or she is acquitted.

Distribution of Assets on Liquidation

Upon a liquidation, dissolution or winding up, the shareholders of the Company will be entitled under Bermuda law to receive, pro rata, the net assets available after the payment of all of the Company's debts and liabilities and any preference amount owed to any preference shareholders. The rights of shareholders, including the right to elect directors, are subject to the rights of any series of preference shares the Company may issue in the future.

16. SECURITIES TRADING IN NORWAY

The following is a summary of certain information in respect of trading and settlement of shares on the Oslo Stock Exchange, securities registration in Norway and certain provisions of applicable Norwegian securities law, including the Norwegian Securities Trading Act, in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Norwegian law.

16.1 Trading and Settlement

The Oslo Stock Exchange comprise two separate trading markets for trading in equities, Oslo Børs, a stock exchange operated by Oslo Børs ASA, and Oslo Axess, a regulated market operated by Oslo Børs ASA.

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 9:00 a.m. CET and 16:30 p.m. CET each trading day, with pre-trade period between 08:15 a.m. CET and 9:00 a.m. CET, a closing auction from 16:20 p.m. CET to 16:25 p.m. CET, and a post-trade period from 16:25 p.m. CET to 17:30 p.m. CET.

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

16.2 Information, Control and Surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and the bond markets in Norway.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or is subject to the application for listing on such market, must promptly release any inside information (that is, precise information about financial instruments, the issuer thereof or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

16.3 The VPS and Transfer of Shares

In order to facilitate registration of the beneficial interests in the shares with the VPS, the Company has entered into a registrar agreement with the VPS Registrar, who will operate the Company's VPS share register. Pursuant to the registrar agreement, the VPS Registrar is registered as holder of the shares in the register of members that the Company maintains pursuant to Bermuda law. The VPS Registrar will register the beneficial interests in the shares in book-entry form with the VPS. Therefore, it is not the shares in registered form issued in accordance with the Bermuda Companies Act, but the beneficial interests in such shares in book-entry form that are registered with the VPS.

The beneficial interests in the shares are registered in book-entry form with VPS under the category of a "share" and it is such interest in the shares that is registered and traded on the Oslo Stock Exchange. Each such share registered with the VPS will represent beneficial ownership of one Share. The beneficial interests registered with the VPS are freely transferable, with delivery and settlement through the VPS system.

The VPS is the Norwegian paperless centralised securities register. It is a computerised bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Oslo Stock Exchange VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered

shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.4 Shareholder Register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote in General Meetings on behalf of the beneficial owners.

16.5 Foreign Investment in Shares

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

16.6 Disclosure Obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or Company in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

16.7 Insider Trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

16.8 Mandatory Offer Requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange, in its capacity as Take-over Authority of Norway, before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a General Meeting of the Company's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian company listed on a Norwegian regulated market is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated Company through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated Company through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated Company sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated Company that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

16.9 Compulsory Acquisition

Under Bermuda law, an acquiring party is generally able to acquire compulsorily the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, comprising in the aggregate a majority in number representing at least 75% in value of the shareholders (excluding shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court may then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.
- Where an acquiring party makes an offer in a scheme or contract for shares or class of shares in a company and the acquiring party receives acceptances, pursuant to the offer, for not less than 90% of the shares in issue (other than those already held by the acquiring party, its subsidiary or by a nominee for the acquiring party or its subsidiary as at the date of the offer) the acquiring party may, at any time within two months from the date the acceptance was obtained, give notice to any dissenting shareholder that it wishes to acquire his shares on the same terms as the original offer. The dissenting shareholders could be compelled to transfer their shares unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.
- The holder(s) of not less than 95% of the shares or any class of shares of a company may give a notice to the remaining shareholders of the intention to acquire the shares of such remaining shareholders on the terms set out in the notice. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

16.10 Foreign Exchange Controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian company who are not residents in Norway to dispose of their shares and receive the proceeds

from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

17. TAXATION

This section describes certain tax rules in Bermuda and Norway applicable to shareholders in the Company who are resident in Norway for tax purposes (“Norwegian Shareholders”) and for shareholders who are not resident in Norway for tax purposes (“Non-Norwegian Shareholders”). The statements herein regarding taxation are based on the laws in force in Bermuda and Norway as of the date of this Prospectus and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of shares in the Company. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares in the Company. The statements only apply to shareholders who are beneficial owners of shares in the Company. Please note that for the purpose of the summary below, references to Norwegian Shareholders and Non-Norwegian Shareholders refers to the tax residency rather than the nationality of the shareholder.

17.1 Norwegian Shareholders

Taxation of Dividends

Dividends distributed by companies resident in Bermuda for tax purposes, including dividends from the Company, received by Norwegian corporate shareholders (i.e. limited liability companies and similar entities) (“Norwegian Corporate Shareholders”) are taxable as ordinary income in Norway for such shareholders at a flat rate of 24%.

Dividends distributed to Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian Corporate Shareholders) (“Norwegian Individual Shareholders” and taken together with Norwegian Corporate Shareholders “Norwegian Shareholders”) are taxable under the “shareholder model”. According to the shareholder model, dividends distributed to individual shareholders are multiplied with a factor of 1.24 before taken to taxation at the ordinary income rate of 24% (resulting in an effective tax rate of 29.76%) to the extent the dividend exceeds a basic tax-free allowance. The tax-free allowance shall be computed for each individual shareholder on the basis of the cost price of each of the shares multiplied by a risk-free interest rate. The risk-free interest rate will be calculated every income year and is allocated to the shareholder owning the share on 31 December of the relevant income year. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the share (“unused allowance”) may be carried forward and set off against future dividends received on (or gains upon realisation of, see below) the same share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same share the following year.

Taxation of Capital Gains

Sale, redemption or other disposal of shares is considered as a realisation for Norwegian tax purposes.

Norwegian Corporate Shareholders are taxable in Norway for capital gains on the realisation of shares in the Company, and have a corresponding right to deduct losses. This applies irrespective of how long the shares have been owned by the Norwegian Corporate Shareholders and irrespective of how many shares that are realized. The taxable gain or deductible loss is calculated per share, as the difference between the consideration received and the tax value of the share. The tax value of each share is based on the Norwegian Corporate Shareholders cost price of the share. Costs incurred in connection with the acquisition or realisation of the shares may be deducted in the year of sale. Any capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of 24%.

Norwegian Individual Shareholders are taxable in Norway for capital gains on the realisation of shares, and have a corresponding right to deduct losses. This applies irrespective of how long the shares have been owned by the individual shareholder and irrespective of how many shares that are realized. Gains are taxable as ordinary income in the year of realisation, and losses can be deducted from ordinary income in the year of realisation. Any gains or losses are also multiplied with a factor of 1.24 before taken to taxation at the tax rate for ordinary income of 24%. Under current tax rules, gain or loss is calculated per share, as the difference between the consideration received and the tax value of the share. The tax value of each share is based on the individual shareholder's purchase price for the share. Costs incurred in connection with the acquisition or realisation of the shares may be deducted in the year of sale. Unused tax-free allowance connected to a share may be deducted from a capital gain on the same share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance may not be set off against gains from realisation of the other shares.

If Norwegian Shareholders realizes shares acquired at different times, the shares that were first acquired will be deemed as first sold (the “first in first out”-principle) upon calculating taxable gain or loss.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

Controlled Foreign Corporation (CFC) taxation

Norwegian Shareholders in the Company will be subject to Norwegian taxation according to the Norwegian Controlled Foreign Corporations regulations (the “**Norwegian CFC-regulations**”) if Norwegian Shareholders directly or indirectly own or control (together referred to as “**Control**”) the shares of the Company.

Norwegian Shareholders will be considered to Control the Company if:

- Norwegian Shareholders Control 50% or more of the shares or capital in the Company at the beginning of and at the end of a tax year; or
- If Norwegian Shareholders Controlled the Company the previous tax year, the Company will also be considered Controlled by Norwegian Shareholders in the following tax year unless Norwegian Shareholders Control less than 50% of the shares and capital at both the beginning and the end of the following tax year; or
- Norwegian Shareholders Control more than 60% of the shares or capital in the Company at the end of a tax year.

If less than 40% of the shares or capital is Controlled by Norwegian Shareholders at the end of a tax year, the Company will not be considered Controlled by Norwegian Shareholders for Norwegian tax purposes.

Under the Norwegian CFC-regulations Norwegian Shareholders are subject to Norwegian taxation on their proportionate part of the taxable net income generated by the Company, calculated according to Norwegian tax regulations, regardless of whether or not any dividends are distributed from the Company.

Net Wealth Tax

The value of shares is taken into account for net wealth tax purposes in Norway. The marginal tax rate is currently 0.85%. Norwegian limited liability companies and similar entities are exempted from net wealth tax.

Shares listed on the Oslo Stock Exchange are valued at 90% of their quoted value at 1 January in the assessment year.

Norwegian Corporate Shareholders are not subject to net wealth tax.

VAT and Transfer Taxes

No VAT, stamp duty or similar duties are currently imposed in Norway on the transfer or issuance of shares.

Inheritance Tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17.2 Non-Norwegian Shareholders

Taxation of dividends

Dividends received by Non-Norwegian Shareholders from shares in Non-Norwegian companies are not subject to Norwegian taxation unless the Non-Norwegian Shareholders holds the shares in connection with the conduct of a trade or business in Norway.

Taxation of Capital Gains

Capital gains generated by Non-Norwegian Shareholders are not taxable in Norway unless the Non-Norwegian Shareholders holds the shares in connection with the conduct of a trade or business in Norway.

Net Wealth Tax

Non-Norwegian Shareholders are generally not subject to Norwegian net wealth tax. Non-Norwegian personal shareholders may, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

VAT and transfer taxes

No VAT, stamp duty or similar duties are currently imposed in Norway on the transfer or issuance of shares.

Inheritance Tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17.3 Bermuda Withholding Tax

There is no Bermudian withholding tax on dividends paid from a Bermuda resident company.

18. TERMS OF THE SUBSEQUENT OFFERING

This Section provides important information on the terms of the Subsequent Offering. Investing in the Offer Shares involves inherent risks. In making an investment decision, each investor must rely on their own examination, and analysis of, and enquiry into the Company and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares. You should read this Section in conjunction with the other parts, in particular Section 2 “Risk Factors”.

18.1 The Subsequent Offering

The Subsequent Offering consists of up to 16,800,000 Offer Shares, each with a par value of USD 0.01, offered by the Company at a Subscription Price of NOK 10.00 per Offer Share (equal to the per Share subscription price that applied to the Private Placement), for gross proceeds of up to approximately NOK 168.0 million, or approximately USD 20.0 million (on the basis of a USD/NOK exchange rate of 8.4).

The table below provides certain indicative key dates for the Subsequent Offering, subject to change.

	Date
Last day of trading in the Company’s Shares inclusive of Subscription Rights.....	28 February 2017
Record Date for determination of Eligible Shareholders	2 March 2017
Commencement of the Subscription Period.....	3 April 2017, at 09:00 a.m. CET
Expiry of the Subscription Period.....	19 April 2017, at 16:30 p.m. CET
Allocation of Offer Shares	On or about 20 April 2017
Distribution of allocation letters	On or about 20 April 2017
Payment Due Date.....	On or about 24 April 2017
Date of issuance of the Offer Shares.....	On or about 26 April 2017
Delivery of the Offer Shares to investors VPS’ accounts	On or about 27 April 2017
Commencement of trading in the Offer Shares on the Oslo Stock Exchange	On or about 27 April 2017

The Company will use the information system of the Oslo Stock Exchange to publish information with respect to the Subsequent Offering, such as changes to the indicative dates set out in the table above and the results of the Subsequent Offering. Such information will be published under the trading symbol for the Shares of the Company, “ARCHER”, and also be made available on the Company's web-site: www.archerwell.com.

The Subsequent Offering is not underwritten, and will be consummated regardless of whether or not it is fully subscribed.

18.2 Resolution to Issue the Offer Shares

The Board of Directors of the Company resolved to issue the Offer Shares pursuant to the authorized share capital of the Company of USD 10,000,000 consisting of 1,000,000,000 common shares with a par value of USD 0.01 each. There has been no shareholders’ resolution authorising the issue of Offer Shares since this is not required.

The Board of Directors of the Company resolved to issue the Offer Shares on 28 February 2017.

18.3 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 10.00 per Offer Share. The Subscription Price is equal to the per Share subscription price that applied to the Private Placement, which was set after end of trading on 28 February 2017 on the basis of a book-building process. The market share price at the end of trading on 28 February 2017 was NOK 11.50, constituting a difference of 13.0% between the market share price and the Subscription Price.

18.4 Subscription Period

The Subscription Period will commence at 09:00 a.m. CET on 3 April 2017 and expire at 16:30 p.m. CET on 19 April 2017.

18.5 Eligibility for Participation in the Subsequent Offering

In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Offer Shares to subscribers who (i) were registered as holders of Shares in the Company's register of shareholders with the VPS as of expiry of 2 March 2017 (the Record Date), (ii) did not participate in the Private Placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (each such shareholder an “Eligible Shareholder”, and collectively, “Eligible Shareholders”). For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be entitled to allocation of approximately 0.312973 Subscription Rights. One (1) Subscription Right will

give the right to subscribe for one (1) Offer Share, subject to the selling and transfer restrictions set out in Section 19 “Selling and Transfer Restrictions”.

The Shares of the Company began trading exclusive of Subscription Rights from and including 1 March 2017. Hence, the last of trading inclusive of Subscription Rights was 28 February 2017. For the purposes of determining eligibility to Subscription Rights, the Company will, however, look solely to its register of shareholders as of expiry of the Record Date, which will show shareholders as of expiry of 28 February 2017 (and potentially shareholders that have purchased Shares thereafter with non-standard settlement cycle).

The Subscription Rights will not be tradable, but will be visible as credited the individual Eligible Shareholder's investor account with the VPS. The Eligible Shareholders who do not use their Subscription Rights will experience a significant dilution, see Section 6.2 “Use of Proceeds; Reasons for the Equity Raise—Dilution”. The Subscription Rights would normally have an economic value if the shares trade above the Subscription Price during the Subscription Period. Upon expiry of the Subscription Period, the Subscription Rights will expire and have no value.

Oversubscription and subscription without Subscription Rights will not be allowed.

18.6 Subscription Office; Subscription Procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form to the subscription office during the Subscription Period or, for Norwegian citizens, made online as further described below.

Correctly completed subscription forms must be received by the subscription office set out below, or, in the case of online subscriptions, online subscriptions must be registered, by no later than 16.30 p.m. CET on 19 April 2017:

ABG Sundal Collier ASA
P.O Box 1444 Vika
0115 Oslo
Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 60
E-mail: subscription@abgsc.no
www.abgsc.com

Arctic Securities AS
P.O. Box 1833 Vika
0123 Oslo
Norway
Tel: +47 21 01 31 00
Fax: +47 21 01 31 36
E-mail: subscription@arctic.com
www.arctic.com/secno

Norwegian citizens may subscribe for Offer Shares through the VPS online subscription system by following the link on the following internet pages: www.abgsc.com; and www.arctic.com/secno (which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian citizens by entering their national identity number (Nw. *personnummer*).

Neither the Company nor the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the relevant subscription office. Subscription forms received after the end of the Subscription Period and/or incomplete or incorrect subscription forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the relevant subscription office, or in the case of applications through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information entered on the subscription form, or in the case of applications through the VPS online subscription system, the online subscription registration. By signing and submitting a subscription form, or by registration of a subscription with the VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum or maximum subscription amount for subscriptions in the Subsequent Offering.

Multiple subscriptions (i.e., subscriptions on more than one subscription form) are allowed. Please note, however, that two separate subscription forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both subscription forms will only be counted once unless otherwise explicitly stated in one of the subscription forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a subscription form and through the VPS online subscription system, all subscriptions will be counted.

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of a subscription form to the subscription office or through the VPS online subscription system.

18.7 Financial Intermediaries

Persons or entities holding Shares in the Company through financial intermediaries (i.e., brokers, custodians and nominees) should read this Section. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to subscription of Offer Shares on the basis of Eligible Shareholders' Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder. The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

If an Eligible Shareholder holds Shares registered through a financial intermediary as of expiry of the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding their interests through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Eligible Shareholders who hold their interests through a financial intermediary and who are ineligible for participation in the Subsequent Offering due to the selling restrictions set forth in Section 19 "Selling and Transfer Restrictions" below, will not be entitled to be allocated Offer Shares in the Subsequent Offering.

The time by which notification of instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their interests through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to such deadline.

Eligible Shareholders who are not ineligible for participation in the Subsequent Offering and who wish to subscribe for Offer Shares in the Subsequent Offering, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the shareholders and for informing the Managers for the Subsequent Offering of their subscription instructions.

Eligible Shareholders who hold their interests through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Offer Shares must be made no later than the Payment Due Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Due Date.

18.8 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 20 April 2017. Allocation will, subject to applicable securities laws, be made in accordance with the following allocation mechanism:

- Each Eligible Shareholder will be allocated approximately 0.312973 Subscription Right for each Share recorded as held in the VPS as of expiry of the Record Date, rounded down to the nearest whole Subscription Right. One (1) Subscription Right will give the right to subscribe for one (1) Offer Share, subject to the restrictions set out in Section 19 "Selling and Transfer Restrictions". Subscriptions on the basis of Subscription Rights can be rounded down in the event the aggregate number of exercised Subscription Rights exceeds the aggregate number of Offer Shares, and in such case the Eligible Shareholders that do not receive full allocation on the basis of their Subscription Rights will be determined on a random basis by using the VPS's automated simulation procedures and/or other random allocation mechanism.

Oversubscription and subscription without Subscription Rights will not be allowed. No fractional Offer Shares will be allocated.

The result of the Subsequent Offering is expected to be published on or about 20 April 2017 in the form of a stock exchange notice by the Company through the information system of the Oslo Stock Exchange and at the Company's website. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 20 April 2017. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 12:00 p.m. (CET) on 20 April 2017. Subscribers who do not have access to investor services through their VPS account manager may contact the relevant Manager to obtain information about the number of Offer Shares allocated to them.

18.9 Payment

Payment Due Date

The payment for the Offer Shares allocated to a subscriber falls due on 24 April 2017.

Subscribers Who Have a Norwegian Bank Account

Subscribers who have a Norwegian bank account must, and will by signing the subscription form, or registering a subscription through the VPS online subscription system, provide each of the Managers, or someone appointed by them, with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber. The specified bank account is expected to be debited on or after the Payment Due Date. The Managers, or someone appointed by them, are only authorized to debit such account once, but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Due Date. The subscriber furthermore authorizes each of the Managers, or someone appointed by them, to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting - Securities Trading", which are set out on page 2 of the subscription form, will apply, provided, however, that subscribers by signing the subscription form, or registering a subscription through the VPS online subscription system, provide each of the Managers, or someone appointed by any of them), with a one-time irrevocable authorization to directly debit the specified bank account for the entire subscription amount.

Subscribers Who Do Not Have a Norwegian Bank Account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact either of the Managers for further details and instructions.

Overdue Payments

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.50% p.a. If a subscriber fails to comply with the terms of payment, the Offer Shares will not be delivered to the subscriber.

18.10 Delivery; VPS Registration; Admission to Trading

The Company expects, subject to full payment being received, that the share capital increase pertaining to the Subsequent Offering will be carried out on or about 26 April 2017 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about 27 April 2017.

The Offer Shares will be registered in the VPS under ISIN BMG 0451H1170. Trading in the Offer Shares on the Oslo Stock Exchange is expected to commence under the trading symbol "ARCHER" from on or about 27 April 2017.

The Company's registrar with the VPS is Nordea Bank AB (publ).

18.11 Rights Conferred by the Offer Shares

The Offer Shares issued through the Subsequent Offering will be common shares in the Company having a par value of USD 0.01 each and will be registered with the VPS in book-entry form. The Offer Shares will rank pari passu in all respects with the existing Shares of the Company (including the Private Placement Shares) and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Subsequent Offering; and be created pursuant to the Bermuda Companies Act. The Offer Shares will be eligible for any dividends which the Company may declare after said registration. See Section 15 "Corporate Information; Shares and Share Capital" for a discussion of the rights attaching to the Company's Shares.

18.12 Participation of Members of the Management and the Board of Directors in the Subsequent Offering

The Company does not know whether members of the Executive Management and Board of Directors who are Eligible Shareholders will participate in the Subsequent Offering.

The following shares have been granted to the Management and the Board of Directors pursuant to vesting of RSUs (which are not made against cash contribution) since 1 March 2016:

- John Lechner, CEO was allocated 7,500 shares on 4 March 2016 and a further 7,500 shares on 1 March 2017.
- Max Bouthillette, President Western Hemisphere, General Counsel and Executive Vice President was allocated 7,500 shares on 4 March 2016 and a further 7,500 shares on 1 March 2017.

Certain members of the Management and the Board of Directors have also been granted share options and purchased shares in the Private Placement with purchase/strike price of of NOK 10.00 in the previous year.

18.13 Interests of Natural and Legal Persons Involved in the Subsequent Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. Each of the Managers, its employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, each of the Managers, its employees and any affiliate acting as an investor for its own account may be entitled to be allocated Offer Shares in the Subsequent Offering (if they were recorded as shareholders of the Company as of expiry of the Record Date) and may exercise its right to take up such Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares (or other investments) for its own account and may offer or sell such Offer Shares (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In accordance with market practice, the Managers receive a certain percentage of the proceeds from the Private Placement and the Subsequent Offering.

Other than as set out above, the Company is not aware of any interest of natural and legal persons involved in the Private Placement or the Subsequent Offering.

18.14 Governing Law and Jurisdiction

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

19. SELLING AND TRANSFER RESTRICTIONS

This Prospectus does not constitute an offer of, or an invitation to purchase any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

19.1 General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights and the offer of unsubscribed Offer Shares to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory other than Norway, such investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer the Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Offer Shares being offered in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the Offer Shares; (ii) this Prospectus may not be sent to any person in any jurisdiction in which it would not be permissible to offer the Offer Shares; and (iii) the crediting of Subscription Rights to an account of an holder or other person who is a resident of any jurisdiction in which it would not be permissible to offer the Offer Shares does not constitute an offer to such persons of the Offer Shares. Holders of Subscription Rights who are resident in any jurisdiction in which it would not be permissible to offer the Offer Shares may not exercise Subscription Rights.

If an investor exercises Subscription Rights to obtain Offer Shares, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- (a) the investor is not located or residing in a jurisdiction in which it would not be permissible to offer the Offer Shares;
- (b) the investor is not a person to which the Subsequent Offering cannot be unlawfully made;
- (c) the investor is not acting, and has not acted, for the account or benefit of an a person to which the Subsequent Offering cannot be unlawfully made;
- (d) the investor acknowledges that the Company is not taking any action to permit a public offering of the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway; and
- (e) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company, the Managers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or

representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Managers. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise or otherwise deal in or subscribe for Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights and subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in a jurisdiction in which the Subsequent Offering cannot be lawfully made, or who is unable to represent or warrant that such person is not located or residing in such jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

Neither the Company nor the Managers, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before subscribing for Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

19.2 United States

The Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

Pursuant to this Prospectus, the Offer Shares are being offered and sold (i) in the United States only to qualified institutional buyers ("QIBs"), as defined in Rule 144A of the U.S. Securities Act, who have executed and returned an investor letter prior to exercising any Subscription Rights, in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; (ii) in the United States in a transaction otherwise not subject to, or in reliance on an exemption from, the registration requirements of the US Securities Act and applicable state securities laws; and (iii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act. The Company and the Managers reserve the right to reject any instruction sent by or on behalf of any account holder with a registered address in the United States in respect of the Subscription Rights and/or the Offer Shares.

Until 40 days after the commencement of the Subsequent Offering, any offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Subsequent Offering) may violate the registration requirements of the U.S. Securities Act. Each purchaser of the Offer Shares within the United States acknowledge, represent and agree that:

- (a) Offers and sales of the Offer Shares in the United States will only be made by the Company to "qualified institutional buyers" who have executed and returned an investor letter. In accordance with the investor letter, each person to

which Offer Shares are offered or sold by the Company in the United States, by its subscription of the Offer Shares, will be deemed to have represented, warranted, agreed and acknowledged to the Company, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares, as the case may be, that it is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act, it is not purchasing Offer Shares with a view to their distribution in the United States within the meaning of U.S. federal securities laws, and, if it is subscribing for the Offer Shares as a fiduciary or agent for one or more accounts, each such account is a qualified institutional buyer, with full investment discretion with respect to each such account, and the full power and authority to make (and does make) the acknowledgements, representations, warranties and agreements in the investor letter on behalf of each such account;

- (b) it acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and cannot be resold or otherwise transferred unless they are registered under the U.S. Securities Act or unless an exemption from such registration is available as set out in the investor letter; and
- (c) it understands and acknowledges that the foregoing representations, agreements and acknowledgements are requirements in connection with United States and other securities laws and that the Company, its affiliates and others are entitled to rely on the truth and accuracy of the representations, agreements and acknowledgements contained herein. It agrees that if any of the representations, agreements and acknowledgements made herein and are no longer accurate, it will promptly notify the Company.

Each person to which Subscription Rights and/or Offer Shares are distributed, offered or sold pursuant to this Prospectus (other than persons who have executed and delivered an investor letter pursuant to the foregoing paragraph) will be deemed, by its subscription for Offer Shares, to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares, as the case may be, that:

- (a) the purchaser is, and the person, if any, for whose account or benefit the purchaser is exercising the Subscription Rights or acquiring the Offer Shares is, outside the United States at the time the exercise or buy order for the Subscription Rights or the Offer Shares is originated and continues to be located outside the United States, and the person, if any, for whose account or benefit the purchaser is exercising the Subscription Rights or acquiring the Offer Shares reasonably believes that the purchaser is outside the United States, and neither the purchaser nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States;
- (b) the Subscription Rights and Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States; and
- (c) it acknowledges that the Company, the Managers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Managers.

19.3 United Kingdom

Each Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

19.4 European Economic Area

In relation to each Member State of the EEA which has implemented Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the "Prospectus Directive") (a "Relevant Member State"), the Subsequent Offering is not made in any such Relevant Member State (other than in Norway) except that the Subsequent Offering may be made at any time in such Relevant Member State under the following exemptions under the Prospectus Directive, if they have been implemented in the Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending the Prospectus Directive (the "PD

Amending Directive"), 150, natural or legal persons natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

- (d) in any other circumstances, not requiring the publication of a prospectus as provided under Article 3(2) of the Prospectus Directive, provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

Further, each person in a Relevant Member State other than, in the case of paragraph (a) below, persons receiving offers contemplated in this Prospectus in Norway who receives any communication in respect of, or who acquires any Offer Shares under, the offer contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) such Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer" in relation to any of the Offer Shares or Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares or Shares to be offered so as to enable an investor to decide to purchase or subscribe for such Offer Shares or Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

19.5 Additional Jurisdictions

The Offer Shares in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Australia, Hong Kong, Switzerland or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

20. INCORPORATION BY REFERENCE; DOCUMENTS ON DISPLAY

The Norwegian Securities Trading Act and the Norwegian Securities Trading Regulations, implementing the EC Regulation 809/2004 and the Prospectus Directive regarding incorporation by reference and publication of such prospectuses and dissemination of advertisements, allow the Company to incorporate by reference information into this Prospectus that has been previously filed with the Oslo Stock Exchange or the Norwegian Financial Supervisory Authority in other documents. The Company's consolidated financial statements as of and for the years ended 31 December 2015, 2014 and 2013 and the audit reports in respect of these financial statements, and the Company's consolidated interim financial statements as of and for the three months and year ended 31 December 2016 are by this reference incorporated as a part of this Prospectus. Accordingly, this Prospectus is to be read in conjunction with these documents.

Cross Reference Table

The information incorporated by reference in this Prospectus should be read in connection with the following cross-reference table. References in the table to "Annex" and "Items" are references to the disclosure requirements as set forth in the Norwegian Securities Trading Act cf. the Norwegian Securities Trading Regulations by reference to such Annex (and Item therein) of the EC Regulation 809/2004.

Minimum Disclosure Requirement for Prospectuses (Annex I)		Reference Document	Page of Reference Document
Item 20.1	Audited historical financial information	Annual Report 2015: http://archerwell.com/content/uploads/2016/03/Archer_Annual_Report_2015.pdf	37
		Annual Report 2014: http://archerwell.com/content/uploads/2015/04/annual-report-2014_1.pdf	35
		Annual Report 2013: http://archerwell.com/content/uploads/2014/10/annual-report-2013_1.pdf	35
Item 20.3	Audit reports	Audit Report 2015: http://archerwell.com/content/uploads/2016/03/Archer_Annual_Report_2015.pdf	38
		Audit Report 2014: http://archerwell.com/content/uploads/2015/04/annual-report-2014_1.pdf	36
		Audit Report 2013: http://archerwell.com/content/uploads/2014/10/annual-report-2013_1.pdf	37
Item 20.6	Interim financial information	Fourth Quarter Report 2016: http://archerwell.com/content/uploads/2017/03/2016-Q4-Results.pdf	7

Documents on Display

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday through Friday each week (except public holidays):

- The Memorandum of Association and the Bye-Laws of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.
- The Group's financial statements as of and for the years ending 31 December 2015, 2014 and 2013, and the related auditor reports thereto.
- The Company's interim financial statements as of and for the three months and year ended 31 December 2016.
- The historical financial statements of the subsidiaries of the Company as of and for the years ended 31 December 2015 and 2014.
- This Prospectus.

21. ADDITIONAL INFORMATION

21.1 Independent Auditors

The Company's independent auditors are PricewaterhouseCoopers LLP which has their registered address at 1 Embankment Place, London WC2N 6RH, United Kingdom, was elected as the Company's independent auditors in 2011. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

21.2 Joint Bookrunners

ABG Sundal Collier ASA, Arctic Securities AS, DNB Markets (a part of DNB Bank ASA), Nordea Markets (a part of Nordea Bank AB (publ)) and Skandinaviska Enskilda Banken AB (publ) are the Joint Bookrunners for the Subsequent Offering.

21.3 Legal Advisors

Advokatfirmaet BA-HR DA is acting as legal adviser (as to Norwegian law) to the Company in connection with the Equity Raise and admission to trading of the Shares on the Oslo Stock Exchange.

MJM Limited is acting as legal advisor (as to Bermuda law) to the Company in connection with the Equity Raise.

21.4 VPS Registrar

The Company's VPS registrar is Nordea Bank AB (publ), Norwegian branch, which has their registered address at Essendrops gate 7, 0368 Oslo.

22. DEFINITIONS

Capitalised terms used throughout this Prospectus shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.

Allis-Chalmers	Allis-Chalmers Energy, Inc.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, taken together.
AWC.....	AWC Frac Valves.
Bermuda Companies Act	The Bermuda Companies Act of 1981.
C6 Technologies.....	C6 Technologies AS
Company	Archer Limited.
Consenting Lenders.....	Lenders representing 94% of the exposure under the RCF.
E&P	Exploration and production.
EC Regulation 809/2004	The Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the format, incorporation by reference and publication of prospectuses and dissemination of advertisements, as amended.
Eligible Shareholders	Subscribers who were registered as holders of Shares in the VPS as of expiry of the Record Date and who did not participate in the Private Placement.
Equity Raise.....	The equity raise in the Company comprising of the Private Placement and the Subsequent Offering.
EU	European Union.
EU Regulation 809/2004	Commission Regulation (EC) no. 809/2004 regarding information to be contained in prospectuses.
Executive Management	The members of the Company's Executive Management.
Foreign Corporate Shareholders	Foreign corporate shareholders (i.e. limited liability companies and similar).
Foreign Individual Shareholders	Foreign individual shareholders (i.e. other foreign shareholders than Foreign Corporate Shareholders).
Forward-looking Statements	Has the meaning ascribed to it in Section 4.1.
FSMA	The Financial Services and Markets Act 2000.
Great White.....	Great White Energy Services.
Group.....	The Company together with its consolidated subsidiaries.
IAS.....	International Accounting Standards.
IEA	International Energy Agency.
IFRS	International Financial Reporting Standards as adopted by the EU.
ISIN	International Securities Identification Number.
Joint Bookrunners.....	ABG Sundal Collier ASA, Arctic Securities AS, DNB Markets (a part of DNB Bank ASA), Nordea Markets (a part of Nordea Bank AB (publ)) and Skandinaviska Enskilda Banken AB (publ).
Land Drilling North	DLS Archer Ltd S.A.
Land Drilling South	DLS Argentina Limited.
Lime Rock Partners	Lime Rock Partners L.P.
Managers	ABG Sundal Collier ASA, Arctic Securities AS, DNB Markets (a part of DNB Bank ASA), Nordea Markets (a part of Nordea Bank AB (publ)) and Skandinaviska Enskilda Banken AB (publ) .
Mb/d	Million barrels per day.
NCF	The Norwegian Continental Shelf.
Non-Norwegian Shareholders.....	Shareholders who are not resident in Norway for tax purposes.
Norwegian CFC-regulations.....	Norwegian Controlled Foreign Corporations regulation.
Norwegian Code of Practice.....	The Norwegian Corporate Governance Code of 30 October 2014.
Norwegian Corporate Shareholders	Norwegian corporate shareholders (i.e. limited liability companies and similar).
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw. <i>Finanstilsynet</i>)
Norwegian Individual Shareholders.....	Norwegian individual shareholders (i.e. other Norwegian shareholders than Norwegian corporate shareholders).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
Norwegian Shareholders	Norwegian Corporate Shareholders taken together with Norwegian Individual Shareholders.
Offer Shares	Up to 16,800,000 Shares offered in the Subsequent Offering.
Oil Tools.....	Archer Oil Tools AS.
OPEC	The Organization of Petroleum Exporting Countries.
Oslo Stock Exchange.....	Oslo Børs (a stock exchange operated by Oslo Børs ASA), or as the case may

	be, Oslo Axess (a regulated market place operated by Oslo Børs ASA).
p.a.	per annum.
Payment Due Date	The due date for payment of Offer Shares, subject to change.
Private Placement	The private placement of 84,000,000 Shares in the Company.
Private Placement Shares.....	Shares issued in the Private Placement.
Prospectus	This prospectus dated 31 March 2017.
Prospectus Directive.....	Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, regarding information contained in prospectuses.
QES.....	Quintana Energy Services LP
QIB	Qualified Institutional Buyer, as defined in the U.S. Securities Act.
RCF.....	The Group's USD 625.0 million revolving credit facility.
Record Date	2 March 2016.
Regulation S	Regulation S of the U.S. Securities Act.
Relevant Member State	Each member state of the EEA which has implemented the Prospectus Directive.
RSU.....	Restricted Stock Unit.
Rule 144A	Rule 144A of the U.S. Securities Act.
Seadrill	Seadrill Limited.
Shares	The shares of the Company, each with a nominal value of USD 0.01.
Subscription Period	The subscription period for the Subsequent Offering from 9:00 a.m. CET on 3 April 2016 to 16:30 p.m. CET on 19 April 2017.
Subscription Price.....	The subscription price in the Subsequent Offering of NOK 10.00 per Offer Share.
Subscription Rights	Subscription Rights which entitles Eligible Shareholders to subscribe for Offer Shares.
Subsequent Offering.....	The subsequent offering of up to 16,8000,000 Offer Shares by the Company, pursuant to the terms and conditions of this Prospectus.
TAQA-Archer JV	The joint venture entered into between the Company and Industrialization and Energy Services Company (TAQA).
TecWel	TecWel AS.
UKCF.....	The United Kingdom Continental Shelf.
US GAAP.....	United States generally accepted accounting principals.
U.S. Securities Act.....	The United States Securities Act of 1933, as amended.
VPS	The Norwegian Central Securities Depository (Nw. <i>Verdipapirsentralen</i>).

APPENDIX A—MEMORANDUM OF ASSOCIATION

gk.c.



BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES

Section 7(1) and (2)

MEMORANDUM OF ASSOCIATION

OF

Seawell Limited

(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

Name and Address	Bermudian Status (Yes or No)	Nationality	Number of Shares Subscribed
Peter D.A. Martin Thistle House 4 Burnaby Street Hamilton, Bermuda	Yes	British	1
Cynthia Williams Thistle House 4 Burnaby Street Hamilton, Bermuda	Yes	British	1

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be exempted as defined by the Companies Act 1981.

4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding NIL in all, including the following parcels:-

NIL

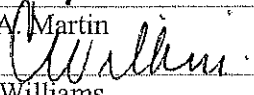
5. The authorised share capital of the Company is US\$100.00 divided into common shares of a par value of US\$1.00 each.

6. The objects for which the Company is formed and incorporated are unrestricted.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof:-

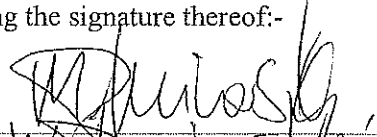


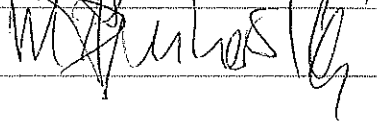
Peter D.A. Martin



Cynthia Williams

(Subscribers)





(Witnesses)

Subscribed this 31st day of August, 2007

APPENDIX B—BYE LAWS

AMENDED AND RESTATED

BYE - LAWS

of

ARCHER LIMITED

I HEREBY CERTIFY that the within-written Bye-laws are a true copy of the Bye-laws of **Archer Limited** (the "**Company**") as adopted by the sole Shareholder of the above Company on the 18th day of September 2007 and as amended by Resolution of the Shareholders dated September 23, 2016.


Secretary



INTERPRETATION

1. In these Bye-laws unless the context otherwise requires-

"**Associate**" means:

- (a) in respect of an individual, such individual's spouse, former spouse, sibling, aunt, uncle, nephew, niece or lineal ancestor or descendant, including any step-child and adopted child and their issue and step parents and adoptive parents and their issue or lineal ancestors;
- (b) in respect of an individual, such individual's partner and such partner's relatives (within the categories set out in (a) above);
- (c) in respect of an individual or body corporate, an employer or employee (including, in relation to a body corporate, any of its directors or officers);
- (d) in respect of a body corporate, any person who controls such body corporate, and any other body corporate if the same person has control of both or if a person has control of one and persons who are his Associates, or such person and persons who are his Associates, have control of the other, or if a group of two or more persons has control of each body corporate, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an Associate. For the purposes of this paragraph, a person has control of a body corporate if either (i) the directors of the body corporate or of any other body corporate which has control of it (or any of them) are accustomed to acting in accordance with his instructions or (ii) he is entitled to exercise, or control the exercise of, one-third or more of the votes attaching to all of the issued shares of the body corporate or of another body corporate which has control of it (provided that where two or more persons acting in concert satisfy either of the above conditions, they are each to be taken as having control of the body corporate);

"**Bermuda**" means the Islands of Bermuda;

"**Board**" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;

"**Branch Register**" means a branch of the Register maintained by the Registrar in the VPS pursuant to the terms of an agreement with the Company;

"**Business Day**" means a day on which banks are open for the transaction of general banking business in each of Oslo, Norway, New York, USA and Hamilton, Bermuda;

- **"Company"** means the company incorporated in Bermuda under the name of Seawell Limited;
- **"Companies Acts"** means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company;
- **"Electronic Transactions Act"** means the Electronic Transactions Act 1999 as amended from time to time;
- **"Extraordinary Resolution"** means a resolution passed by a majority of not less than two-thirds of the votes cast at a general meeting of the Company;
- **"Listing Exchange"** means any stock exchange or quotation system upon which any of the shares of the Company are listed from time to time;
- **"Ordinary Resolution"** means a resolution passed by a simple majority of votes cast at a general meeting of the Company;
- **"Oslo Stock Exchange"** means the Oslo Stock Exchange;
- **"paid up"** means paid up or credited as paid up;
- **"Register"** means the Register of Shareholders of the Company kept in physical form at the Registered Office;
- "Registered Office"** means the registered office for the time being of the Company;
- **"Registrar"** means Nordea Bank Norge ASA acting through its Registrar Department, or such other person or body corporate who may from time to time be appointed by the Board in place of Nordea Bank Norge ASA as registrar of the Company with responsibility to maintain the Branch Register under these By-laws;
- **"Registration Office"** means the place where the Board may from time to time determine to keep the Register and/or the Branch Register and where (except in cases where the Board otherwise directs) the transfer and documents of title are to be lodged for registration;
- **"Seal"** means the common seal of the Company and includes any duplicate thereof;
- **"Secretary"** includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

- **"Shareholder"** means a shareholder of the Company;
- **"Share Option Scheme"** means a scheme established pursuant to Bye-law 92 for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of: -
 - (a) the Directors and Officers of the Company (whether employees or not);
 - (b) the bona fide employees or former employees of the Company or any subsidiary of the Company; or
 - (c) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;
- **"these Bye-laws"** means these Bye-laws in their present form or as from time to time amended;
- **"Treasury Shares"** means any share of the Company that was acquired and held by the Company, or as treated as having been acquired and held by the Company which has been held continuously by the Company since it was acquired and which has not been cancelled;
- **"VPS"** means Verdipapirsentralen ASA, a Norwegian corporation maintaining a computerized central share registry in Oslo, Norway, and includes any successor registry;

For the purpose of these Bye-laws a body corporate shall be deemed to be present in person if its representative duly authorized pursuant to the Companies Acts is present;

Words importing the singular number also include the plural number and vice versa;

Words importing the masculine gender also include the feminine and neuter genders respectively;

Words importing persons also include companies and associations or bodies of persons, whether corporate or unincorporated;

References to writing shall include typewriting, printing, lithography, facsimile, photography and other modes of reproducing or reproducing words in a legible and non-transitory form including electronic transfers by way of e-mail or otherwise and shall include any manner permitted or authorized by the Electronic Transactions Act;

References to an "electronic record" shall be deemed to include any record created, stored, generated, received or communicated by electronic means and includes any electronic code or device necessary to decrypt or interpret such a record.

Unless otherwise defined herein, any words or expressions defined in the Companies Acts in force at the date when these Bye-laws or any part thereof are adopted shall bear the same meaning in these Bye-laws or such part (as the case may be);

Headings in these Bye-laws are inserted for convenience of reference only and shall not affect the construction thereof;

REGISTERED OFFICE

2. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

SHARE RIGHTS

3. Subject to the Companies Acts and any special rights conferred on the holders of any other share of class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Ordinary Resolution determine.
4. Subject to the Companies Acts, any preference shares may, with the sanction of an Ordinary Resolution, be issued on terms:
 - (a) that they are to be redeemed on the happening of a specified event or on a given date; and/or
 - (b) that they are liable to be redeemed at the option of the Company; and/or
 - (c) that they are liable to be redeemed at the option of the holder.

The terms and manner of redemption shall be either as the Company may determine by Ordinary Resolution or, in the event that the Company in general meeting may have so authorized, as the Board or any committee thereof may by resolution determine before the issuance of such shares.

5. At any time that the Company holds Treasury Shares, all of the rights attaching to the Treasury Shares shall be suspended and shall not be exercised by the Company. Without limiting the generality of the foregoing, if the Company holds Treasury Shares, the Company shall not have any right to attend and vote at a general meeting or sign written resolutions and any purported exercise of such a right is void.

6. Except where required by the Principal Act, Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital or shares of the Company.

MODIFICATION OF RIGHTS

7. Subject to the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy-five percent in nominal value of the issued shares of that class or with the sanction of a resolution passed by a majority of seventy-five percent of the votes cast at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-laws as to general meetings of the Company shall mutatis mutandis apply, but so that:
 - (a) the necessary quorum at any such meeting shall be two or more persons (or in the event that there is only one holder of the shares of the relevant class, one person) holding or representing by proxy in the aggregate at least one third in nominal value of the shares of the relevant class;
 - (b) every holder of shares of the relevant class present in person or by proxy shall be entitled on a poll to one vote for every such share held by him; and
 - (c) any holder of shares of the relevant class present in person or by proxy may demand a poll.
8. The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

POWER TO PURCHASE OWN SHARES

9. The Company shall have the power to purchase its own shares for cancellation.

10. The Company shall have the power to acquire its own shares to be held as Treasury Shares.
11. The Board may exercise all of the powers of the Company to purchase or acquire its own shares, whether for cancellation or to be held as Treasury Shares in accordance with the Principal Act.

SHARES

12. Subject to the provisions of these Bye-laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine. No shares in the Company shall be issued to any person who does not first provide the Company with an electronic address in accordance with Bye-law 133.
13. The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law.
14. Except as ordered by a court of competent jurisdiction, as required by law or as otherwise provided in these Bye-laws, no person shall be recognized by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognize (even when having notice thereon) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

15. The preparation, issue and delivery of certificates shall be governed by the Companies Acts. A person whose name is entered in the Register as the holder of any shares shall be entitled to receive within two months of a demand for same a certificate for such shares under the Seal of the Company as prima facie evidence of title of such person to such shares. In the case of a share held jointly by several persons, delivery of a certificate for such share to one of several joint holders shall be sufficient delivery to all.
16. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence, indemnity and payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

17. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by mechanical means or may be printed thereon or that such certificates need not be signed by any persons.

LIEN

18. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-law.
19. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment has been served on the holder for the time being of the share.
20. The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorize some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

21. The Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least seven days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
22. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
25. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

FORFEITURE OF SHARES

27. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which, and the place where, the payment required by the notice is

to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, reference in these Bye-laws to forfeiture shall include surrender.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
30. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
31. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and, at any time before a sale, re-allotment or disposition, the forfeiture may be canceled on such terms as the Board may think fit.
32. A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.
33. An affidavit in writing that the deponent is a Director or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorize some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

REGISTER OF SHAREHOLDERS

34. The Secretary shall establish and maintain the Register of Shareholders at the Registered Office in the manner prescribed by the Companies Acts. Unless the Board otherwise

determines, the Register of Shareholders shall be open to inspection in the manner prescribed by the Companies Acts between 10:00 a.m. and 12:00 noon on every working day. Unless the Board so determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register any indication of any trust or any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-law 14.

35. Subject to the Companies Act, the Company may establish the Branch Register, and the Board may make and vary such regulations as it determines in respect of the keeping of the Branch Register, including maintaining a Registration Office in connection therewith.

REGISTER OF DIRECTORS AND OFFICERS

36. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 10:00 a.m. and 12:00 noon on every working day.

TRANSFER OF SHARES

37. Subject to the Companies Acts and to such of the restrictions contained in these Bye-laws as may be applicable and to the provisions of any applicable United States securities laws (including, without limitation, the United States Securities Act, 1933, as amended, and the rules promulgated thereunder), any Shareholder may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve, provided that in each case the instrument of transfer shall include details of the transferee's electronic address for communication by the Company with the transferee by electronic means, and a statement that the transferee agrees to electronic communication with the Company.
38. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, where any share is not fully-paid, the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Should the Company be permitted to do so under the laws of Bermuda, the Board may, either generally or in any particular case, upon request by the transferor or the transferee, accept mechanically or electronically executed transfer and may also make such regulations with respect to transfer in addition to the provisions of these Bye-laws as it considers appropriate. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully-paid share. In addition :
 - (a) The Board shall decline to register the transfer of any share, and shall direct the Registrar to decline (and the Registrar shall decline) to register the transfer of any interest in any share held through the Branch Register, to a person where the

Board is of the opinion that such transfer might breach any law or requirement of any authority or any Listing Exchange until it has received such evidence as it may require to satisfy itself that no such breach would occur.

- (b) Without limiting the generality of the foregoing, the Board may also decline to register any transfer unless:-
 - (i) the instrument of transfer is duly stamped and lodged with the Company accompanied by the certificate for the shares to which it relates if any and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (ii) the instrument of transfer is in respect of only one class of share; and
 - (iii) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.
 - (c) Subject to any directions of the Board from time to time in force the Secretary may exercise the powers and discretion of the Board under this Bye-law and Bye-laws 37 and 39.
39. If the Board declines to register a transfer it shall, within sixty days after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.
40. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register and/or the Branch Register relating to any share.
41. The Company may dispose of or transfer Treasury Shares for cash or other consideration.

TRANSMISSION OF SHARES

42. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognized by the Company for the purpose of this Bye-law 42.

43. Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall signify his election by signing an instrument of transfer of such share in favor of that other person. All the limitations, restrictions and provisions of these Bye-laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer shared by such Shareholder.
44. A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.
45. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-laws 42, 43 and 44.

INCREASE OF CAPITAL

46. The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Ordinary Resolution shall prescribe.
47. The Company may, by the Ordinary Resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Act) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or make any other provision as to the issue of the new shares.
48. The new shares shall be subject to all the provisions of these Bye-laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

ALTERATION OF CAPITAL

49. The Company may from time to time by Ordinary Resolution:
- (a) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
 - (b) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;
 - (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by its memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (d) make provision for the issue and allotment of shares which do not carry any voting rights;
 - (e) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
 - (f) change the currency denomination of its share capital.

Where any difficulty arises in regard to any division, consolidation, or sub-division under this Bye-law, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and, for this purpose, the Board may authorize some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

50. Subject to the provisions of the Companies Act and to any confirmation or consent required by law or these Bye-laws, the Company may by Ordinary Resolution from time to time convert any preference shares into redeemable preference shares.
51. The Company may from time to time purchase its own shares on such terms and in such manner as may be authorized by the Board of Directors, subject to the rules, if applicable, of the Listing Exchange.

Any share so purchased shall be treated as cancelled, and the amount of the Company's issued share capital shall be diminished by the nominal value of the shares purchased, but such purchase shall not be taken as reducing the amount of the Company's authorized share capital.

52. Subject to the Companies Acts, the Company shall have the option, but not the obligation, to repurchase from any Shareholder or Shareholders all fractions of shares, and all holdings of fewer than 100 shares, registered in the name of said Shareholder or Shareholders. Such repurchase shall be on such terms and conditions as the Board may determine, provided that in any event, the repurchase price shall be not less than the closing market price per share quoted on the Listing Exchange on the effective date of the repurchase. Each Shareholder shall be bound by the determination of the Company to repurchase such shares or fractions thereof. If the Company determines to repurchase any such shares or fractions, the Company shall give written notice to each Shareholder concerned accompanied by a cheque or warrant for the repurchase price and the relevant shares, fractions and certificates in respect thereof shall thereupon be cancelled.

REDUCTION OF CAPITAL

53. Subject to the Companies Acts, its memorandum and any confirmation or consent required by law or these Bye-laws, the Company may from time to time by Ordinary Resolution authorize the reduction of its issued share capital or any capital redemption reserve fund or any share premium or contributed surplus account in any manner.
54. In relation to any such reduction the Company may by Ordinary Resolution determine the terms upon which such reduction is to be effected, including, in the case of a reduction of part only of a class of shares, those shares to be affected.

GENERAL MEETINGS

55. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts ("**Annual General Meetings**") at such times and places subject to the limitation set out below as the Board shall appoint. The Board may whenever it thinks fit, and shall when required by the Companies Acts, convene general meetings other than Annual General Meetings which shall be called "**Special General Meetings**".

NOTICE OF GENERAL MEETINGS

56. An Annual General Meeting and a Special General Meeting shall be called by not less than seven days notice in writing. The notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held and shall specify the place, day and time of the meeting, and in the case of a Special General Meeting, the general nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by Bye-laws 131,132 and 133 to all Shareholders. Notwithstanding that a meeting of the

Company is called by shorter notice than that specified in this Bye-law, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an Annual General Meeting by all the Shareholders entitled to attend and vote thereat;
- (b) in the case of any other meeting by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent in nominal value of the shares giving that right;

provided that notwithstanding any provision of these Bye-laws, no Shareholder shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the Shareholder (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the Secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Registered Office at least 48 hours before the time appointed for holding the general meeting or adjournment thereof.

- 57. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to or the non-receipt of notice of a meeting or such instrument of proxy by any person entitled to receive such notice shall not invalidate the proceedings at that meeting.
- 58. The Board may convene a Special General Meeting whenever it thinks fit. A Special General Meeting shall also be convened by the Board on the written requisition of Shareholders holding at the date of the deposit of the requisition not less than one tenth in nominal value of the paid-up capital of the Company which as at the date of the deposit carries the right to vote at a general meeting of the Company. The requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more of the requisitionists.

PROCEEDINGS AT GENERAL MEETING

- 59. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-laws, at least two Shareholders, or in the event that there is only one Shareholder, one Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them) shall be a quorum for all purposes.
- 60. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if

convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two Shareholders or, in the event that there is only one Shareholder, one Shareholder, present in person or by proxy (whatever the number of shares held by them) shall be a quorum. The Company shall give not less than five days notice of any meeting adjourned through want of a quorum and such notice shall state that two Shareholders or, in the event that there is only one Shareholder, one Shareholder, present in person or by proxy (whatever the number of shares held by them) shall be a quorum.

61. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such meeting shall constitute presence in person at such meeting.
62. Each Director and the Company's auditor and Secretary shall be entitled to attend and speak at any general meeting of the Company.
63. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every general meeting. If there is no such Chairman or President, or if at any general meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the general meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
64. The chairman of the general meeting may, with the consent of those present at any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the general meeting from time to time and from place to place but no business shall be transacted at any adjourned general meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned general meeting shall be given as in the case of an original general meeting.
65. Save as expressly provided by these Bye-laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

VOTING

66. Save where a greater majority is required by the Companies Acts or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by Ordinary Resolution. In any case where an Ordinary Resolution or an Extraordinary Resolution is to be put to the Company, each Shareholder shall be entitled to communicate such Shareholder's vote in the form of an electronic record.

67. The Board may, with the sanction of an Ordinary Resolution, amalgamate the Company with another company (whether or not the Company is the surviving company and whether or not such an amalgamation involves a change in the jurisdiction of the Company).
68. At any general meeting, a resolution put to the vote of the general meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:
- (a) the chairman of the general meeting; or
 - (b) at least three Shareholders present in person or represented by proxy; or
 - (c) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth of the total voting rights of all the Shareholders having the right to vote at such general meeting; or
 - (d) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such general meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all such shares conferring such right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, or by a count of votes received in the form of electronic records been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number of votes recorded for or against such resolution.

69. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
70. The demand for a poll shall not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the general meeting or the taking of the poll whichever is the earlier.
71. On a poll, votes may be cast either personally or by proxy.
72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

73. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the general meeting at which the poll is demanded.
74. In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such general meeting shall not be entitled to a second or casting vote.
75. Subject to the provisions of these Bye-laws and to any special rights or restrictions as to voting for the time being attached to any shares, every Shareholder who is present in person or by proxy or proxies shall have one vote for every share of which he is the holder.
76. In the case of joint holders of a share, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
77. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.
78. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
79. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the general meeting or adjourned general meeting on any resolution unless the same is raised or pointed out at the general meeting or, as the case may be, the adjourned general meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the general meeting and shall only vitiate the decision of the general meeting on any resolution if the chairman decides that the same may have affected the decision of the general meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES AND CORPORATE REPRESENTATIVES

80. A Shareholder may appoint one or more proxies to attend at a general meeting of the Company and to vote on his behalf and proxies appointed by a single Shareholder need not all exercise their vote in the same manner. Provided that for all purposes of these Bye-laws an instrument of proxy may with the sanction of the Board be in the form of an electronic record. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorized by him in writing or, if the appointor is a body corporate, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
81. Any Shareholder may appoint a standing proxy or (if a body corporate) representative by depositing at the Registered Office a proxy or (if a body corporate) an authorization and such proxy or authorization shall be valid for all general meetings and adjournments thereof until notice of revocation is received at the Registered Office. Where a standing proxy or authorization exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect of which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorization and the operation of any such standing proxy or authorization shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.
82. Subject to Bye-law 81, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office, at the place of the general meeting, or at such place as may be specified in the notice convening the general meeting or in any notice of any adjournment, or, in either case, in any document sent therewith, prior to the holding of the general meeting or adjourned general meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequent to the date of a general meeting or adjourned general meeting, before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
83. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any general meeting forms of instruments of proxy for use at that meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the general meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein be valid as well for any adjournment of the general meeting as for the general meeting to which it relates.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which it was executed, provided that no

intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office, the place of the meeting or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith before the commencement of the general meeting or adjourned general meeting, or the taking of the poll, at which the instrument of proxy is used.

85. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-laws related to proxies or authorizations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at general meetings.

APPOINTMENT AND REMOVAL OF DIRECTORS

86. The number of Directors shall be such number not less than two as the Company by Ordinary Resolution may from time to time determine and each Director shall hold office until the next annual general meeting following his election or until his successor is elected.
87. The Company shall at the Annual General Meeting and may, in a general meeting by Ordinary Resolution, determine the minimum and the maximum number of Directors and may by Ordinary Resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purposes of these Bye-laws. Without prejudice to the power of the Company in any general meeting in pursuance of any of the provisions of these Bye-laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy.
88. The Company may in a Special General Meeting called for that purpose remove a Director provided notice of any such Special General Meeting shall be served upon the Director concerned not less than fourteen days before the Special General Meeting and he shall be entitled to be heard at that Special General Meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at the Special General Meeting by the election of another person as Director in his place or, in the absence of any such election, by the Board.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

89. The office of a Director shall be vacated upon the happening of any of the following events:
- (a) if he resigns his office by notice in writing to the Company delivered to the Registered Office or tendered at a meeting of the Board;

- (b) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that he shall be removed from office;
- (c) if he becomes bankrupt or compounds with his creditors;
- (d) if he is prohibited by law from being a Director; or
- (e) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Bye-laws.

ALTERNATE DIRECTORS

90. (a) The Company may by Ordinary Resolution elect a person or persons qualified to be Directors to act as Directors in the alternative to any of the Directors of the Company or may authorize the Board to appoint such Alternate Directors and a Director may appoint and remove his own Alternate Director. Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal with the Secretary at the Registered Office, signed by such Director, and such appointment or removal shall become effective on the date of receipt by the Secretary. Any Alternate Director may be removed by Ordinary Resolution of the Company and, if appointed by the Board, may be removed by the Board. Subject as aforesaid, the office of Alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. An Alternate Director may also be a Director in his own right and may act as alternate to more than one Director.
- (b) A Director may at any time, by notice in writing signed by him delivered to the Registered Office or at a meeting of the Board, appoint any person (including another Director) to act as Alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director such appointment (unless previously approved by the Board) shall have effect only upon and subject to being so approved. The appointment of an Alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES

91. The amount, if any, of Directors' fees shall from time to time be determined by the Company by Ordinary Resolution and in the absence of a determination to the contrary in a general meeting, such fees shall be deemed to accrue from day to day. Each Director may be paid his reasonable traveling, hotel and incidental expenses properly incurred in attending and returning from meetings of the Board or committees constituted pursuant to

these Bye-laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.

DIRECTORS' INTERESTS

92. (a) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.
- (b) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (c) Subject to the provisions of the Companies Acts, a Director may, notwithstanding his office, be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, employed by, a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other body corporate held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other body corporate, or voting or providing for the payment of remuneration to the directors or officers of such other body corporate.
- (d) So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-laws allow him to be appointed or from any transaction or arrangement in which these Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

- (e) Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

POWERS AND DUTIES OF THE BOARD

93. Subject to the provisions of the Companies Acts and these Bye-laws and to any directions given by the Company in a general meeting, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. . To the extent permitted by the Companies Acts, the Board may agree that the Company shall not exercise, in whole or in part, any of the powers in the Companies Acts that are reserved to Shareholders. The powers given by this Bye-law shall not be limited by any special power given to the Board by these Bye-laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
94. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.
95. All checks, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
96. The Board may, subject to the provision of the Companies Act from time to time in force relating to financial assistance and dealings with Directors, establish and maintain a Share Option Scheme for the benefit of the Directors and the employees of the Company and its subsidiaries (the "**Scheme**").
97. The Board may from time to time appoint one or more of its body to be a managing director, joint managing director or an assistant managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Any person so

appointed shall receive such remuneration (if any, whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

DELEGATION OF THE BOARD'S POWERS

98. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such power, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may revoke or vary any such delegation of power, but no person dealing in good faith with such delegate without notice of such revocation or variation shall be affected by such revocation or variation.
99. The Board may entrust to and confer upon any Director or officer or, without prejudice to the provisions of Bye-law 101, any other individual any of the powers exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
100. The Board may delegate any of its powers, authorities or discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed upon it by the Board. The Board may revoke or vary any such delegation of its powers, authorities and discretions, but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

PROCEEDINGS OF THE BOARD

101. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes cast. In the case of an equality of votes the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.
102. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by post, courier, facsimile, transmission or other electronic means at his last known address or any other address given by him to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively.
103. (a) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Board present in person or by proxy. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(b) Subject to the provisions of Bye-law 93, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Companies Acts and these Bye-laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.
104. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.
105. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every meeting of the Board. If there is no such Chairman or President, or if at any meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
106. The meetings and proceedings of any committee consisting of two or more Directors shall be governed by the provisions contained in these Bye-laws for regulating the

meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

107. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.
108. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. A meeting of the Board or committee appointed by the Board held in the foregoing manner shall be deemed to take place at the place where the largest group of participating Directors or committee members has assembled or, if no such group exists, at the place where the chairman of the meeting participates.
109. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorized by the Board or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

OFFICERS

110. The officers of the Company shall include a President and a Vice-President who shall be Directors and shall be elected by the Board as soon as possible after the statutory meeting and each annual general meeting. In addition, the Board may appoint one of the Directors to be Chairman of the Board and any person whether or not he is a Director to hold such other office (including any additional Vice-Presidencies) as the Board may from time to time determine. Any person elected or appointed pursuant to this Bye-law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-laws, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Board.

MINUTES

111. The Directors shall cause minutes to be made and books kept for the purpose of recording:
- (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors and other persons (if any) present at each meeting of Directors and of any committee;
 - (c) all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of committees; and
 - (d) all proceedings of managers (if any).

SECRETARY

112. The Secretary shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary so appointed may be removed by the Board.

The duties of the Secretary shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.

113. A provision of the Companies Acts or these Bye-laws requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

114. (a) The seal of the Company shall be in such form as the Board may determine. The Board may adopt one or more duplicate seals for use outside Bermuda.
- (b) The seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or any person appointed by the Board for that purpose, provided that any Director, Officer or Resident Representative, may affix the seal of the Company attested by such Director, Officer or Resident Representative's signature to any authenticated copies of these Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director, Officer or Resident Representative.

DIVIDENDS AND OTHER PAYMENTS

115. The Board may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including interim dividends as appear to the Board to be justified by the position of the Company. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company in the opinion of the Board, justifies such payment.
116. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:
 - (a) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid and an amount paid up on a share in advance of calls may be treated for the purpose of this Bye-law as paid-up on the share;
 - (b) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.
117. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
118. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company unless otherwise provided by the rights attached to such share.
119. Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by electronic transfer, check or warrant sent through the mail addressed to the holder at his address in the Register or, as the case may be, the Branch Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register or, as the case may be, the Branch Register in respect of the shares at his registered address as appearing in the Register or, as the case may be, the Branch Register or addressed to such person at such address as the holder or joint holders may in writing direct. Any such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register or, as the case may be, the Branch Register in respect of such shares, and shall be sent at his or their risk, and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

120. Any dividend or proceeds of share repurchase or distribution out of contributed surplus unclaimed for a period of three years from the date of declaration of such dividend or proceeds of share repurchase or distribution shall be forfeited and shall revert to the Company, and the payment by the Board of any unclaimed dividend, distribution, interest or proceeds of share repurchase or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.
121. The Board may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures of any other body corporate, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions or may ignore fractions altogether and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

RESERVES

122. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

CAPITALIZATION OF PROFITS

123. The Company may, upon the recommendation of the Board, at any time and from time to time resolve by Ordinary Resolution to the effect that it is desirable to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund or to the credit of any contributed surplus account and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, provided that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted, distributed and credited as fully paid among such Shareholders, or partly in one way or partly in the other, and the Board shall give effect to such resolution, provided that for the purpose of this Bye-law, a

share premium account and a capital redemption reserve fund may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

124. Where any difficulty arises in regard to any distribution under the last preceding Bye-law, the Board may settle the same as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions, may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so, or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

RECORD DATES

125. Notwithstanding any other provision of these Bye-laws the Directors may fix any date as the record date for:
- (a) determining the Members entitled to receive any dividend or other distribution and such record date may be on, or not more than 30 days before or after, any date on which such dividend or distribution is declared;
 - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

ACCOUNTING RECORDS - INFORMATION

126. The Board shall cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs and to show and explain its transactions in accordance with the Companies Acts.
127. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit and shall at all times be open to inspection by the Directors; PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three-month period. No Shareholder (other than an officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as required by the Listing Exchange, by law, by regulations or as authorized by the Board or by Ordinary Resolution.

128. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall be sent to each person entitled thereto by sending it through the mail (by airmail where applicable) in a prepaid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address or by sending it by way of an electronic e-mail in accordance with the Electronic Transactions Act at the email address for such Shareholder as he shall have provided for this purpose for registration in the Register in accordance with the requirements of the Companies Acts.
129. The Company shall, at the request of any Shareholder requesting the same, provide a brief statement of the nature of the Company's business and the products and services it offers to such Shareholder in a timely fashion.

AUDIT

130. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine, save that the fees of the auditor shall be determined by Ordinary Resolution.

SERVICE OF NOTICES AND OTHER DOCUMENTS

131. Any notice or other document (including a share certificate) shall be in writing (except where otherwise expressly stated) and may be served on or delivered to any Shareholder by the Company either personally or by sending it through the mail (by airmail where applicable) in a prepaid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address or by sending it by way of an electronic e-mail in accordance with the Electronic Transactions Act at the email address for such Shareholder as he shall have provided for this purpose for registration in the Register. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document if sent by mail shall be deemed to have been served or delivered two Business Days after it was put in the mail; and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the mail. Any notice or document delivered in electronic record form shall be deemed to be served on delivery twenty-four hours after its dispatch and in proving service of delivery it shall be sufficient to prove that the notice or document was sent to the electronic mail address as appearing in the Register.
132. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder if it is sent to him by telecopier, electronic mail or other mode of

representing or reproducing words in a legible and non-transitory form at his postal or electronic address as appearing in the Register or any other address given by him to the Company for this purpose. The Shareholders are obliged to keep the Company advised of any change of postal address and e-mail address for service of notice and other documents.

133. (a) A Shareholder may provide to the Company an address or number for the purposes of communication with such Shareholder by electronic means (an "electronic address"), and in any case where a Shareholder has provided to the Company an electronic address, the Company may deliver to the Shareholder any notice or other document required to be provided to such Shareholder under the Companies Acts or these Bye-laws by the delivery of an electronic record of the notice or document, and such electronic record shall be deemed to have been delivered to a Shareholder when it is sent to the electronic address provided by such Shareholder.
- (b) Notwithstanding any other provision of these Bye-laws, any document required to be provided to a Shareholder by the Company may be provided by the Company sending to a Shareholder a notice pursuant to Bye-law 131 or Bye-law 133(a) notifying such Shareholder that the Company intends to publish such document on a website designated by the Company, and such document shall be deemed to have been provided to such Shareholder when it is published on such website.
- (c) By virtue of this Bye-law 133(c), each Shareholder shall be deemed to have agreed for all purposes of the Companies Acts and these Bye-laws that, subject to notification in each case pursuant to Bye-law 133(b), such Shareholder may be provided by the Company with all documents of any kind to be provided under the Companies Acts or these Bye-laws (including any documents accompanying any other document) by accessing such documents on a website designated by the Company for the purpose, instead of the documents being provided by any other means.
134. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has received notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

WINDING UP

135. If the Company shall be wound up, the liquidator may, with the sanction of an Extraordinary Resolution and any other sanction required by the Companies Acts, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

136. Subject to the proviso below every person who is or was a Director, officer of the Company or member of a committee constituted under Bye-law 100 (the "**Company Indemnatee**") or who is or was a director or officer of any of the Company's subsidiaries ("**Subsidiary Indemnatee**") shall be indemnified out of the funds of the Company against all civil liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries and the indemnity contained in this Bye-law shall extend to any person acting as a Director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election PROVIDED ALWAYS that the indemnity contained in this Bye-law shall not extend to any matter which would render it void pursuant to the Companies Acts.
137. Every Company Indemnatee or Subsidiary Indemnatee shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Company Indemnatee or Subsidiary Indemnatee in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.
138. To the extent that any Company Indemnatee or Subsidiary Indemnatee is entitled to claim an indemnity pursuant to these Bye-laws in respect of amounts paid or discharged by him, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge. The expenses incurred by the Company Indemnatee or Subsidiary Indemnatee pursuant to Bye-laws 130 and 131 in any threatened or pending legal suits or proceedings shall be paid by the

Company in advance upon the written request of the Company Indemnatee or Subsidiary Indemnatee upon proper documentation of such costs having been incurred. The same indemnity applies to expenses incurred in any proceedings where such Company Indemnatee or Subsidiary Indemnatee is a party or threatened to be made a party to any legal suits or proceedings by or in the rights of the Company or any of the Company's subsidiaries to procure a judgment in its favor by reason of the fact that the Company Indemnatee or Subsidiary Indemnatee is or was such Company Indemnatee or Subsidiary Indemnatee. Provided, however, that the Company Indemnatee or Subsidiary Indemnatee shall undertake to repay such amount to the extent that it is ultimately determined that the Company Indemnatee or Subsidiary Indemnatee is not entitled to indemnification.

139. Subject to the Companies Acts, the Company may purchase and maintain for any Company Indemnatee or Subsidiary Indemnatee, insurance against any liability arising in connection with his office with the Company or any of the Company's subsidiaries.

ALTERATION OF BYE-LAWS

140. These Bye-laws may be amended from time to time in the manner provided for in the Companies Act, provided that any such amendment shall only become operative to the extent that it has been confirmed by Ordinary Resolution.

APPENDIX C – SUBSCRIPTION FORM FOR SUBSEQUENT OFFERING

General information: For complete information on the terms and conditions of the Subsequent Offering by Archer Limited (the "Company"), please refer to the Prospectus dated 31 March 2017. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus. The Company's articles of association and annual accounts and annual reports for the last two years are available at the Company's registered office address Par-la-Ville Road, Hamilton HM 08, Bermuda and the Company's website www.archerwell.com. All announcements referred to in this Subscription Form will be made through Oslo Børs' information system under the Company's ticker ARCHER.

Subscription procedures: Correctly completed subscription forms must be received by one of the subscription offices set out below before the expiry of the Subscription Period, at 16:30 hours (CET) on 19 April 2017.

Subscription Offices:

ABG Sundal Collier ASA, P.O. Box 1444 Vika, 0115 Oslo, Norway, Tel.: +47 22 01 60 00, E-mail: subscription@abgsc.no, Fax: +47 22 01 60 60, www.abgsc.com

Arctic Securities AS, P.O. Box 1833 Vika, 0123 Oslo, Norway, Tel.: +47 21 01 31 00, Fax.: +47 21 01 31 36, E-mail: subscription@arctic.com, www.arctic.com/secno.

The subscriber is responsible for the correctness of the information filled in on the Subscription Form. Subscription forms that are incomplete or incorrectly completed, or that are received after the end of the Subscription Period, and any subscription that may be unlawful, may be disregarded at the discretion of the Managers on behalf of the Company. Subscribers who are Norwegian residents with a Norwegian personal identification number may also subscribe for Offer Shares through the VPS online subscription system by following the link on the following websites: www.abgsc.no and www.arctic.com/secno (which will redirect the subscriber to the VPS online subscription system). Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period. Neither the Company nor any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscriptions are irrevocable and binding upon receipt and cannot be withdrawn, cancelled or modified by the subscriber after having been received by a subscription office, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription.

Subscription Price: The Subscription Price in the Subsequent Offering is NOK 10.00 per Offer Share.

Subscription Rights/Allocation: In the Subsequent Offering, the Company will, subject to applicable securities laws, allocate the Subscription Rights to subscribers who were registered as holders of Shares in the Company's register of shareholders with the VPS as of expiry of 2 March 2017 (the Record Date), who were not allocated Shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus filing, registration or similar action (each such shareholder an Eligible Shareholder, and collectively, Eligible Shareholders), see Section 18.8 "Allocation of Offer Shares" of the Prospectus. For each Share recorded as held in the Company as of expiry of the Record Date, each Eligible Shareholder will be granted approximately 0.312973 Subscription Rights, rounded down to the nearest whole Subscription Right. Subscription Rights will not be granted for the Shares held in treasury by the Company. One (1) Subscription Right will give a preferential right to subscribe for, and be allocated, one (1) Offer Share at the Subscription Price, subject to the selling and transfer restrictions set out in Section 19 "Selling and Transfer Restrictions" of the Prospectus. Oversubscription and subscription without Subscription Rights will not be allowed. The Subscription Rights will not be tradable. Eligible Shareholders who do not use their Subscription Rights will experience a significant dilution, see Section 6.2 "Dilution" of the Prospectus. The Subscription Rights would normally have an economic value if the shares trade above the Subscription Price during the Subscription Period. Upon expiry of the Subscription Period, the Subscription Rights will expire and have no value.

Allocation of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights in accordance with the allocation criteria. The Company will not allocate fractional Offer Shares. Allocation of fewer Offer Shares than subscribed for does not impact on the subscriber's obligation to pay for the Offer Shares allocated. Notification of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber is expected to be distributed in a letter from the VPS on or about 20 April 2017. Subscribers who have access to investor services through an institution that operates the subscriber's VPS account should be able to see how many Offer Shares they have been allocated from 12:00 hours (CET) on or about 20 April 2017.

Payment: The payment for the Offer Shares allocated to a subscriber falls due on 24 April 2017. By completing this subscription form, or registering a subscription through the VPS online subscription system, subscribers authorise each of ABG Sundal Collier ASA and Arctic Securities AS, or anyone appointed by any of them, to debit the subscriber's Norwegian bank account for the total subscription amount payable for the Offer Shares allocated to the subscriber. Accounts will be debited on or about the Payment Date, 24 April 2017, and there must be sufficient funds in the stated bank account from and including the date falling two (2) banking days prior to the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Details and instructions can be obtained by contacting the each of the Managers. Each of ABG Sundal Collier ASA and Arctic Securities AS, or anyone appointed by any of them, is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 26 April 2017 if there are insufficient funds on the account on the Payment Date. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue Payments" below. **PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION**

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account:	Number of Subscription Rights:	Number of Offer Shares subscribed:	(For broker: consecutive no.):
		Subscription Price per Offer Share: NOK 10.00	Subscription amount to be paid: NOK

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 10.00).	(Norwegian bank account no.)
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I/we hereby irrevocably (i) confirm my/our request to subscribe for the number of Offer Shares specified above subject to the terms and conditions set out in this subscription form and in the Prospectus and authorise and instruct each of ABG Sundal Collier ASA and Arctic Securities AS or anyone appointed by any of them to subscribe on my/our behalf for such Offer Shares, (ii) authorise each of ABG Sundal Collier ASA and Arctic Securities AS or anyone appointed by any of them, to debit my/our bank account as set out in this subscription form for the amount payable for the Offer Shares allocated to me/us, and (iii) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein.

Place and date
must be dated in the Subscription Period

Binding signature
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be enclosed.

INFORMATION ON THE SUBSCRIBER - ALL FIELDS MUST BE COMPLETED

First name	
Surname/company	
Street address	
Post code/district/ country	
Personal ID number/ organisation number	
Nationality	

E-mail address	
Daytime telephone number	

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

Regulatory Matters: In accordance with the Markets in Financial Instruments Directive (“MiFID”) of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Managers must categorise all new clients in one of three categories: eligible counterparties, professional clients and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of one of the Managers will be categorised as non-professional clients. Subscribers can, by written request to a Manager, ask to be categorised as a professional client if the subscriber fulfills the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact either of the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of a decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to Section 19 “Selling and transfer restrictions” of the Prospectus. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Offer Shares will only be offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act and cannot be sold to U.S. persons as defined in Regulation S. The Offer Shares have not been registered under the U.S. Securities Act and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. This subscription form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. A subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions.

Execution Only: The Managers will treat the subscription form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of each of the Managers as well as between the relevant Manager and the other entities in the relevant Manager’s group. This may entail that other employees of the Managers or the relevant Manager’s respective group may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the relevant Manager will not have access to in its capacity as Manager for the Subsequent Offering.

Information Barriers: Each of the Managers is securities firm that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers’ corporate finance departments are kept confidential, the Managers’ other activities, including analysis and stock broking, are separated from the relevant Manager’s corporate finance department by information walls. Consequently the subscriber acknowledges that the relevant Manager’s analysis and stock broking activity may conflict with the subscriber’s interests with regard to transactions in the Shares, including the Offer Shares.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act of 6 March 2009 No. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 No. 302. Subscribers who are not registered as existing customers of the Managers must verify their identity to the relevant Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the subscription form are exempted, unless verification of identity is requested by a Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares. Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the subscription form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway.

Terms and Conditions for Payment by Direct Debiting; Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer’s bank the following standard terms and conditions apply:

- (a) The service “Payment by direct debiting - securities trading” is supplemented by the account agreement between the payer and the payer’s bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- (b) Costs related to the use of “Payment by direct debiting - securities trading” appear from the bank’s prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.
- (c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer’s bank account.
- (d) In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer’s bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- (e) The payer cannot authorise payment of a higher amount than the funds available on the payer’s account at the time of payment. The payer’s bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- (f) The payer’s account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary’s account between one and three working days after the indicated date of payment/delivery.
- (g) If the payer’s account is wrongfully charged after direct debiting, the payer’s right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payments: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.50% p.a. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Subscription Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

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