

# CHANGE OF CONTROL OFFER TO PURCHASE AND SOLICITATION OF CONSENTS



## Trinidad Drilling Ltd.

### Offer to Purchase for Cash Any and All of Its Outstanding, and Solicitation of Consents for Proposed Amendments to the Indenture Governing, 6% Senior Notes due 2025 (the "Notes") (144A CUSIP No. 896356AE2; Reg S CUSIP No. C9196PAB2)

Pursuant to the terms of the Change of Control Offer and the Consent Solicitation (as each term is defined below), Holders of the Notes have the option to:

- (1) deliver Consents (as defined below) at or prior to the Consent Deadline (as defined below) and tender Notes at or prior to the Expiration Time (as defined below), to receive the Total Consideration (as defined below);
- (2) tender Notes at or prior to the Expiration Time without delivering Consents at or prior to the Consent Deadline, to receive the Change of Control Payment (as defined below); or
- (3) deliver Consents at or prior to the Consent Deadline without tendering the related Notes, to receive the Consent Only Payment (as defined below).

To be eligible to receive the Total Consideration, you must (a) validly tender your Notes, at or prior to 11:59 p.m., New York City time, on February 11, 2019, unless extended as described herein (such time and date, as the same may be extended, the "Expiration Time") (and not validly withdraw your Notes at or prior to the Withdrawal Time (as defined below)), and (b) deliver (and not validly revoke) a Consent to the Proposed Amendments (as defined below), at or prior to 5:00 p.m., New York City time, on January 15, 2019, unless extended or earlier terminated by the Issuer in its sole discretion (such time and date, as the same may be extended or earlier terminated, the "Consent Deadline"). The Total Consideration is equal to the sum of the Change of Control Payment and the Consent Only Payment (each as described below).

To be eligible to receive the Change of Control Payment, you must validly tender your Notes, at or prior to the Expiration Time (and not validly withdraw your Notes at or prior to the Withdrawal Time) without delivering a Consent at or prior to the Consent Deadline.

To be eligible to receive the Consent Only Payment, you must validly deliver (and not validly revoke) a Consent, at or prior to the Consent Deadline, without tendering the related Notes.

Tendered Notes may be withdrawn in accordance with the terms of the Change of Control Offer at any time at or prior to 5:00 p.m., New York City time, on February 12, 2019, unless extended as described herein (such time and date, as the same may be extended, the "Withdrawal Time"). Consents may be revoked in accordance with the terms of the Consent Solicitation at any time at or prior to the Consent Deadline, but not thereafter, subject to applicable law.

NOTICE IS HEREBY GIVEN by Trinidad Drilling Ltd. (the "Issuer," "Trinidad," "we," "us" and "our"), an oilfield services company organized under the laws of the province of Alberta, Canada, that it is conducting a Change of Control Offer (the "Change of Control Offer") pursuant to the indenture, dated as of February 8, 2017 (the "Indenture"), among the Issuer, the guarantors from time to time party thereto (the "Guarantors") and Wells Fargo Bank, N.A., as trustee (the "Trustee"), governing the Notes, to purchase any and all of the outstanding Notes. In conjunction with the Change of Control Offer, the Issuer is soliciting consents ("Consents") from Holders to amend certain provisions of the Indenture (the "Consent Solicitation"). The proposed amendments to the Indenture (the "Proposed Amendments") would eliminate or modify substantially all of the restrictive covenants as well as certain events of default and other provisions contained therein. However, the Proposed Amendments will not amend the covenant to pay principal of, premium, if any, and accrued and unpaid interest on, the Notes when due.

Upon the terms and subject to the conditions of the Change of Control Offer and the Consent Solicitation, the Issuer will pay on the Settlement Date (as defined below) (1) the "Total Consideration," which is the sum of the Change of Control Payment and the Consent Only Payment, to each Holder who validly tenders its Notes at or prior to the Expiration Time (and does not validly withdraw such Notes at or prior to the Withdrawal Time) and validly delivers (and does not validly revoke) a Consent at or prior to the Consent Deadline, (2) the "Change of Control Payment," which refers to an amount in cash equal to 101% of the principal amount of the Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to but excluding the Settlement Date, to each Holder who validly tenders its Notes at or prior to the Expiration Time (and does not validly withdraw such Notes at or prior to the Withdrawal Time) without delivering a Consent at or prior to the Consent Deadline, and (3) the "Consent Only Payment," which refers to an amount in cash equal to US\$5.00 per US\$1,000 principal amount of Notes, to each Holder who validly delivers (and does not validly revoke) a Consent at or prior to the Consent Deadline without tendering its related Notes, if and when the Notes are accepted for purchase and the Consents are accepted for payment. Holders that have validly delivered their Consents at or prior to the Consent Deadline but have not tendered their Notes by such time may still receive the Total Consideration if (after the Notes as to which the Consent was delivered are released by the Tender Agent) they subsequently validly tender to the Tender Agent, after the Consent Deadline and at or prior to the Expiration Time, their Notes (and do not validly withdraw such Notes at or prior to the Withdrawal Time). If the Consent Solicitation is not consummated by the Issuer for any reason, the Consents will not be accepted and the only payment that will be made on the Settlement Date will be the Change of Control Payment to Holders that have validly tendered (and not validly withdrawn) Notes in the Change of Control Offer. Unless the Issuer defaults in the payment of the Total Consideration or Change of Control Payment, as applicable, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Settlement Date. Any Notes not tendered in the Change of Control Offer will continue to accrue interest as provided in the Indenture.

The following table summarizes the material pricing terms for the Change of Control Offer and the Consent Solicitation:

Title Security	CUSIP Number	Outstanding Principal Amount <sup>(1)</sup>	Change of Control Payment <sup>(2)</sup>	Consent Only Payment <sup>(2)</sup>	Total Consideration <sup>(2)(3)</sup>
6% Senior Notes due 2025	896356AE2 (144A); C9196PAB2 (Reg S)	US\$350,000,000	US\$1,010.00	US\$5.00	US\$1,015.00

(1) As of December 27, 2018.

(2) Consideration in the form of cash per U.S.\$1,000 principal amount of Notes that are validly tendered and not validly withdrawn, plus, as part of the Change of Control Payment, accrued and unpaid interest from the last interest payment date to but excluding the Settlement Date.

(3) Total Consideration is the sum of the Change of Control Payment and the Consent Only Payment.

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The Dealer Manager and Solicitation Agent for the Change of Control Offer and the Consent Solicitation is:

**BMO Capital Markets**  
December 27, 2018

This Change of Control Offer relates to the tender offer commenced by Ensign Holdings Inc., a wholly-owned subsidiary of Ensign Energy Services Inc. (“**Ensign**”), on August 30, 2018 to acquire all of the issued and outstanding common shares of the Issuer for C\$1.68 per share in cash (the “**Transaction**”). The tender offer related to the Transaction initially expired on November 27, 2018, was extended for the statutory mandatory extension period to December 10, 2018, and was extended a final time to December 21, 2018. On November 27, 2018, Ensign replaced the Trinidad board of directors with five Ensign nominees, which may have constituted a “Change of Control” as defined under the Indenture, requiring this Change of Control Offer. On November 29, 2018, Ensign announced its control of approximately 66.73% of the outstanding common shares of Trinidad. As of December 21, 2018, Ensign owned or controlled, directly or indirectly, 89.3% of the common shares of Trinidad.

We will conduct the Change of Control Offer in compliance with Rule 14e-1 of the Securities Exchange Act of 1934, as amended, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the Change of Control Offer.

The Change of Control Payment will only be payable to the registered holders of the outstanding Notes (each a “**Holder**” and, collectively, the “**Holders**”) who validly tender (and do not validly withdraw) their Notes and whose Notes are accepted for purchase in the Change of Control Offer. No tenders will be valid if submitted after the Expiration Time. Any Holder of Notes, or any Holder that exercises investment discretion with respect to Notes (a “**Beneficial Owner**”), desiring to tender all or any portion of such Holder’s Notes must comply with the procedures for tendering Notes set forth herein in “Procedures for Tendering Notes and Delivering Consents.”

Upon the terms set forth herein, we will accept for purchase, on the Settlement Date, all Notes validly tendered pursuant to the Change of Control Offer (or defectively tendered, if we waive such defect) prior to the Expiration Time and not validly withdrawn at or prior to the Withdrawal Time. The Tender Agent (as defined below) is acting as the Paying Agent (as such term is defined in the Indenture). Ensign does not have any current intention to redeem any Notes that remain outstanding following the Change of Control Offer. Ensign currently intends to continue operating the Issuer in a manner that complies with the Indenture and expects to implement certain arrangements for the coordinated operation of the businesses Ensign and Trinidad if the requisite consents in the Consent Solicitation are not obtained.

The “**Settlement Date**” will be a date no earlier than 30 days and no later than 60 days from the date of this Change of Control Offer to Purchase and Consent Solicitation Statement (as amended or supplemented from time to time, this “**Statement**”). The Settlement Date for the Change of Control Offer and the Consent Solicitation (if such Consent Solicitation is consummated) is expected to be February 14, 2019, the third business day immediately following the Expiration Time. If the Issuer extends the Expiration Time, the Issuer will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture.

The Proposed Amendments must be consented to by the Holders of a majority in principal amount of the Notes then outstanding (excluding any Notes held by us or our affiliates) (the “**Requisite Consents**”). Assuming receipt of the Requisite Consents, the Issuer expects to execute a supplemental indenture (the “**Supplemental Indenture**”), to be entered into by and among the Issuer, the Guarantors and the Trustee, promptly after the Consent Deadline. The Supplemental Indenture will become effective upon its execution and delivery by the Issuer, the Guarantors and the Trustee, but the Proposed Amendments will not become operative until the Settlement Date after we have paid in full the Total Consideration or Consent Only Payment, as applicable. We will publicly announce that the Requisite Consents have been received by press release. If the Consent Solicitation is terminated or withdrawn with respect to the Notes, the Supplemental Indenture will not become operative with respect to the Notes, and no related Consent Only Payment (or Total Consideration) will be paid with respect to the Notes. Holders that have validly tendered (and not validly withdrawn) Notes in the Change of Control Offer will still be entitled to the Change of Control Payment on the Settlement Date.

In the event that Notes remain outstanding following the Change of Control Offer and the Proposed Amendments are not adopted, the Issuer and its subsidiaries will be permitted to incur a significant amount of indebtedness under the Indenture’s existing covenants. There can be no assurance that the Issuer will not incur the maximum amount of indebtedness permissible under the Indenture.

**Pursuant to the terms of the Change of Control Offer and the Consent Solicitation, Holders have the option to (1) tender Notes at or prior to the Expiration Time and deliver Consents at or prior to the Consent Deadline, (2) tender Notes at or prior to the Expiration Time without delivering Consents at or prior to the Consent Deadline or (3) deliver Consents at or prior to the Consent Deadline without tendering Notes.**

See “**Risk Factors**” and “**Certain Canadian Federal Income Tax and U.S. Federal Income Tax Consequences**” for discussions of certain factors that should be considered in evaluating the Change of Control Offer and the Consent Solicitation.

**NONE OF THE ISSUER, THE GUARANTORS, ENSIGN, THE TRUSTEE, THE INFORMATION AGENT, THE TENDER AGENT, THE TABULATION AGENT, THE DEALER MANAGER AND SOLICITATION AGENT OR DTC (IN EACH CASE, AS DEFINED HEREIN) MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT THE HOLDERS SHOULD TENDER THEIR NOTES AND/OR DELIVER CONSENTS PURSUANT TO THE CHANGE OF CONTROL OFFER AND THE CONSENT SOLICITATION.**

## NOTICE TO HOLDERS

All of the outstanding Notes are held in book-entry form through the facilities of The Depository Trust Company (“DTC”). Consequently, if you desire to tender your Notes in the Change of Control Offer and/or deliver a Consent in the Consent Solicitation, you must tender or deliver through DTC’s Automated Tender Offer Program (“ATOP”), for which the Change of Control Offer and the Consent Solicitation will be eligible, and follow the procedures for book-entry transfer described under “Procedures for Tendering Notes and Delivering Consents.” By using the ATOP procedures to tender Notes, you will be deemed to have complied with the requirements of the Indenture regarding surrendering the Notes and the form entitled “Option of Holder to Elect Purchase” on the reverse of the Notes to the paying agent.

Beneficial Owners whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Notes and/or deliver Consents. **Beneficial Owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Change of Control Offer and the Consent Solicitation. Accordingly, Beneficial Owners wishing to participate in the Change of Control Offer or the Consent Solicitation should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate.** Direct participants in DTC tendering Notes or delivering Consents must give authority to disclose their identities to the Trustee, Tabulation Agent or Tender Agent.

Holders who wish to deliver Consents without tendering the related Notes must deposit such Notes as to which the Consents are delivered pursuant to the DTC book-entry deposit procedures described herein. **A HOLDER WHO DELIVERS ELECTRONIC INSTRUCTIONS TO CONSENT WITHOUT TENDERING THE RELATED NOTES SHOULD UNDERSTAND THAT THE NOTES AS TO WHICH SUCH CONSENT IS DELIVERED WILL BE BLOCKED FROM TRADING AND THAT THE HOLDER WILL BE REQUIRED TO DEPOSIT THE RELATED NOTES WITH THE TENDER AGENT UNTIL THE EARLIEST OF (I) THE CONSENT DEADLINE, (II) THE DATE ON WHICH THE DTC PARTICIPANT REVOKES ITS CONSENT AT OR PRIOR TO THE CONSENT DEADLINE AND (III) THE CONSENT SOLICITATION IS TERMINATED.**

BMO Capital Markets Corp. is acting as dealer manager and solicitation agent for the Change of Control Offer and the Consent Solicitation (the “**Dealer Manager and Solicitation Agent**”). D.F. King & Co., Inc. is acting as (i) the Information Agent (in such capacity, the “**Information Agent**”) for the Change of Control Offer and the Consent Solicitation, (ii) the Tender Agent (in such capacity, the “**Tender Agent**”) for the Change of Control Offer and (iii) the Tabulation Agent (in such capacity, the “**Tabulation Agent**”) for the Consent Solicitation.

The Guarantors have fully and unconditionally guaranteed the due and punctual payment of the principal of, premium, if any, and interest on the Notes, when and as the same shall become due and payable (the “Guarantees”). To the extent any Notes remain outstanding following the Change of Control Offer, the Guarantees will remain effective regardless of the outcome of the Change of Control Offer and the Consent Solicitation.

Any questions regarding the terms of the Change of Control Offer and the Consent Solicitation may be directed to the Dealer Manager and Solicitation Agent. Requests for additional copies of documentation related to the Change of Control Offer and the Consent Solicitation, requests for copies of the Indenture and any questions or requests for assistance in tendering may be directed to the Information Agent, Tender Agent and Tabulation Agent. Their respective contact information appears on the back cover page of this Statement. Any Beneficial Owner may also contact its brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Change of Control Offer and the Consent Solicitation.

You should rely only upon the information contained in this Statement. None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent and the Trustee has authorized any other person to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent and the Trustee is making an offer to purchase the Notes or soliciting Consents in any jurisdiction where the offer or purchase or such solicitation is not permitted. You should assume the information appearing in this Statement is accurate only as of the date on the front cover page and the delivery of this Statement shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof. Our, and/or the Guarantors’, business, financial condition, results of operations and prospects may have changed since that date.

**THIS DOCUMENT HAS NOT BEEN FILED WITH OR REVIEWED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY STATE, PROVINCIAL OR FOREIGN SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THIS STATEMENT CONTAINS IMPORTANT INFORMATION THAT SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE CHANGE OF CONTROL OFFER AND THE CONSENT SOLICITATION.**

This Statement is based on information provided by us and other sources we believe to be reliable. None of the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent, or the Trustee makes any representation or warranty that this information is accurate or complete, and none of them is responsible for this information. We have summarized portions of the Indenture and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of what we discuss in this document. In making a decision whether or not to participate in the Change of Control Offer and the Consent Solicitation, you must rely on your own examination of our, and the Guarantors', business and the terms of the Change of Control Offer and the Consent Solicitation as well as the Notes and the Guarantees, including the merits and risks involved.

This Statement does not constitute an offer to purchase any Notes or a solicitation of any Consents in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities or "blue sky" or other laws. In those jurisdictions where the securities, blue sky or other laws require the Change of Control Offer or the Consent Solicitation to be made by a licensed broker or dealer, the Change of Control Offer and the Consent Solicitation will be deemed to be made on the Issuer's behalf by the Dealer Manager and Solicitation Agent or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

In connection with the Change of Control Offer and the Consent Solicitation, our directors and officers may solicit tenders and Consents by use of the mails, personally or by telephone, facsimile, telegram, electronic communication or other similar methods. These directors and officers will not be specifically compensated for these services. We will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Statement and related documents to the Beneficial Owners of the Notes and in handling or forwarding tenders of Notes and Consents by their customers.

The Change of Control Offer and the Consent Solicitation are being made to all Holders. The Issuer is not aware of any jurisdiction in which the Change of Control Offer and the Consent Solicitation are not in compliance with applicable law. If the Issuer becomes aware of any jurisdiction in which the Change of Control Offer or the Consent Solicitation would not be in compliance with applicable law, the Issuer may make a good faith effort to comply with any such law. If, after any such good faith effort, the Issuer cannot comply with any such law, the Change of Control Offer and the Consent Solicitation, as the case may be, will not be offered to (nor will tenders of Notes be accepted from or on behalf of) the owners of Notes residing in such jurisdiction.

**The Issuer expressly reserves the absolute right, in its sole discretion, subject to applicable law, at any time and from time to time, to purchase or offer to purchase any Notes after the consummation of the Change of Control Offer, through open market or privately negotiated transactions, one or more additional tender or exchange offers, by redemption under the terms of the Indenture or otherwise, in each case upon terms that may or may not differ materially from the terms of the Change of Control Offer. See "Risk Factors—Subsequent Acquisitions of Notes; Redemption."**

## IMPORTANT DATES AND TIMES

Holders should take note of the following important dates and times in connection with the Change of Control Offer and the Consent Solicitation. Holders should note that the times and dates below are subject to change.

<b>Date</b>	<b>Calendar Date and Time</b>	<b>Event</b>
<b>Launch Date:</b>	December 27, 2018	Commencement of the Change of Control Offer and the Consent Solicitation.
<b>Consent Deadline:</b>	5:00 p.m., New York City time, on January 15, 2019, unless extended or earlier terminated by the Issuer in its sole discretion, subject to applicable law.	<p>The last date and time for Holders to deliver their Consents in order to be eligible to receive the Total Consideration or the Consent Only Payment, as applicable, on the Settlement Date.</p> <p>Holders may validly revoke Consents that have been previously delivered at any time at or prior to the Consent Deadline. If the Consent Deadline is extended by the Issuer in its sole discretion, Holders will be able to validly revoke Consents that have been previously delivered at any time at or prior to the newly extended Consent Deadline.</p> <p>If a Holder validly revokes its Consent, it will no longer be eligible to receive the Total Consideration or the Consent Only Payment, as applicable, on the Settlement Date (unless such Holder validly redelivers such Consent at or prior to the Consent Deadline).</p> <p>The Issuer will not be required to extend the Consent Deadline, or to reinstate revocation rights, in the event that the Issuer, in its sole discretion, waives one or more General Conditions (as defined herein) to the Consent Solicitation.</p>
<b>Expiration Time:</b>	11:59 p.m., New York City time, on February 11, 2019, unless extended by the Issuer in its sole discretion, subject to applicable law and the terms of the Indenture.	<p>The date and time by which Holders must tender Notes in order to be eligible to receive payment of the Change of Control Payment on the Settlement Date.</p> <p>If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture.</p>
<b>Withdrawal Time:</b>	5:00 p.m., New York City time, on February 12, 2019, unless extended by the Issuer in its sole discretion, subject to applicable law and the terms of the Indenture.	<p>The last date and time for Holders to validly withdraw tenders of Notes.</p> <p>If tenders are validly withdrawn at or before this time, the Holder will no longer be eligible to receive the Total Consideration or the Change of Control Payment, as applicable, on the</p>

Date	Calendar Date and Time	Event
<b>Settlement Date:</b>	The third business day following the Expiration Time, which is expected to be February 14, 2019.	<p data-bbox="919 138 1354 226">Settlement Date (unless such Holder validly retenders such Notes at or prior to the Expiration Time).</p> <p data-bbox="919 260 1354 926">The Issuer will deposit with DTC the amount of cash necessary to pay (i) the Total Consideration to each Holder who validly tendered its Notes at or prior to the Expiration Time (and did not validly withdraw such Notes at or prior to the Withdrawal Time) and delivered (and did not validly revoke) its Consent at or prior to the Consent Deadline, (ii) the Change of Control Payment to each Holder who validly tendered its Notes at or prior to the Expiration Time (and did not validly withdraw such Notes at or prior to the Withdrawal Time), without delivering its Consent at or prior to the Consent Deadline and (iii) the Consent Only Payment to each Holder who validly delivered (and did not validly revoke) Consents at or prior to the Consent Deadline, without tendering the related Notes at or prior to the Expiration Time.</p> <p data-bbox="919 961 1354 1234">If the Consent Solicitation is not consummated by the Issuer for any reason, the Consents will not be accepted and the only payment that will be made on the Settlement Date will be the Change of Control Payment to Holders that have validly tendered (and not validly withdrawn) Notes in the Change of Control Offer.</p> <p data-bbox="919 1270 1354 1476">Unless the Issuer defaults in in the payment of the Total Consideration or Change of Control Payment, as applicable, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Settlement Date.</p>

## TABLE OF CONTENTS

	Page
<u>Summary</u> .....	1
<u>Available Information; Documents Incorporated by Reference</u> .....	8
<u>Service of Process and Enforcement of Civil Liberties</u> .....	10
<u>Cautionary Statement Regarding Forward-Looking Statements</u> .....	11
<u>Purpose and Background of the Change of Control Offer and the Consent Solicitation</u> .....	13
<u>The Change of Control Offer and the Consent Solicitation</u> .....	14
<u>Risk Factors</u> .....	17
<u>Procedures for Tendering Notes and Delivering Consents</u> .....	20
<u>Acceptance of Notes for Purchase; Payment for Consent and Notes</u> .....	26
<u>Withdrawal of Tender; Revocation of Consent</u> .....	28
<u>Conditions to Consummation of the Consent Solicitation</u> .....	30
<u>Proposed Amendments</u> .....	32
<u>Certain Canadian Federal Income Tax and U.S. Federal Income Tax Consequences</u> .....	34
<u>Dealer Manager; Solicitation Agent; Information Agent; Tender Agent; and Tabulation Agent</u> .....	38
<u>Representations, Warranties and Agreements by Tendering Holders and Consenting Holders</u> .....	39

## SUMMARY

*The following summary is provided solely for your convenience. This summary is not intended to be complete and is qualified in its entirety by reference to the full text and more specific details contained elsewhere in this Statement, including the exhibit hereto and any amendments or supplements that are made in the future. You are urged to read this Statement (including the exhibit hereto) and all other documents to which it refers in their entirety. Each of the capitalized terms used in this summary and not defined herein has the meaning set forth elsewhere in this Statement.*

<b>The Issuer:</b>	Trinidad Drilling Ltd.
<b>The Guarantors:</b>	The Notes are fully and unconditionally guaranteed on a senior unsecured basis by all of the Issuer's current and future restricted subsidiaries that guarantee indebtedness under the Issuer's existing and any future credit facility. To the extent any Notes remain outstanding following the Change of Control Offer, the Guarantees will remain effective regardless of the outcome of the Change of Control Offer and the Consent Solicitation.
<b>The Notes:</b>	6½% Senior Notes due 2025, of which US\$350 million in aggregate principal amount is outstanding as of the date hereof.
<b>Purpose of the Change of Control Offer and the Consent Solicitation:</b>	<p>The purpose of the Change of Control Offer is to comply with the Issuer's obligations under the Indenture and the Notes to offer to purchase the Notes following the purported occurrence of a Change of Control.</p> <p>Ensign does not have any current intention to redeem any Notes that remain outstanding following the Change of Control Offer. Ensign currently intends to continue operating the Issuer in a manner that complies with the Indenture and expects to implement certain arrangements for the coordinated operation of the businesses Ensign and Trinidad if the requisite consents in the Consent Solicitation are not obtained.</p> <p>The purpose of the Consent Solicitation is to eliminate or modify substantially all of the restrictive covenants as well as certain events of default and other provisions contained in the Indenture. However, the Proposed Amendments will not amend the covenant to pay principal of, premium, if any, and accrued and unpaid interest on, the Notes when due.</p> <p>See "Purpose and Background of the Change of Control Offer and the Consent Solicitation."</p>
<b>Election Options:</b>	<p>Pursuant to the terms of the Change of Control Offer and the Consent Solicitation, Holders of the Notes have the option to:</p> <ul style="list-style-type: none"><li>• deliver Consents at or prior to the Consent Deadline and tender Notes at or prior to the Expiration Time, to receive the Total Consideration;</li><li>• tender Notes at or prior to the Expiration Time without delivering Consents at or prior to the Consent Deadline, to receive the Change of Control Payment; or</li><li>• deliver Consents at or prior to the Consent Deadline without tendering the related Notes, to receive the Consent Only Payment.</li></ul>
<b>The Change of Control Offer:</b>	We are offering to purchase for cash, upon the terms set forth in this Statement, any and all of the outstanding Notes validly tendered at or prior to



the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Time).

**Holders may validly tender their Notes without delivering Consents.**

If we make a material change to the terms of the Change of Control Offer or the information concerning the Change of Control Offer, we will disseminate additional offering materials and extend the Expiration Date to the extent required by law and permitted by the Indenture.

Each Holder should read the discussion in the section entitled “The Change of Control Offer and the Consent Solicitation” for further information regarding the Change of Control Offer.

**Expiration Time:**

The Change of Control Offer will expire at 11:59 p.m., New York City time, on February 11, 2019, unless extended by us. We have the right to extend the Change of Control Offer one or more times in our sole discretion, subject to applicable law and the terms of the Indenture, which, among other things, requires the repurchase date in the Change of Control Offer (which refers to the Settlement Date) be no earlier than 30 days and no later than 60 days from the date of this Statement. If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture.

**The Consent Solicitation:**

Upon the terms and subject to the conditions described herein, we are soliciting Consents from the Holders to the Proposed Amendments to the Indenture at or prior to the Consent Deadline.

**Holders may validly deliver Consents without tendering the related Notes.**

Each Holder should read the discussion in the section entitled “The Change of Control Offer and the Consent Solicitation” for further information regarding the Consent Solicitation.

**Consent Deadline:**

Consents must be delivered at or prior to 5:00 p.m., New York City time, on January 15, 2019, unless extended or earlier terminated by us. We have the right to extend the Consent Deadline one or more times in our sole discretion, subject to applicable law.

**Total Consideration:**

If we accept Consents in the Consent Solicitation, the Total Consideration for each US\$1,000 principal amount of Notes validly tendered at or prior to the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Time) and in respect of which Consents are delivered (and not validly revoked) at or prior to the Consent Deadline is an amount in cash equal to the sum of the Change of Control Payment and the Consent Only Payment.

Upon the terms and subject to the conditions of the Change of Control Offer and the Consent Solicitation, such payment will be made on the Settlement Date.

**Change of Control Payment:**

The Change of Control Payment for each US\$1,000 principal amount of Notes validly tendered at or prior to the Expiration Time (and not validly withdrawn

at or prior to the Withdrawal Time) is US\$1,010.00 plus accrued and unpaid interest, if any, to but excluding the Settlement Date.

Upon the terms of the Change of Control Offer, such payment will be made on the Settlement Date.

**Consent Only Payment:**

If we accept Consents in the Consent Solicitation, the Consent Only Payment for each US\$1,000 principal amount of Notes in which a Consent is validly delivered (and not validly revoked) by the Consent Deadline is US\$5.00.

Upon the terms and subject to the conditions of the Change of Control Offer and the Consent Solicitation, such payment will be made on the Settlement Date.

**Proposed Amendments:**

The Proposed Amendments would eliminate or modify substantially all of the restrictive covenants as well as certain events of default and other provisions contained in the Indenture. However, the Proposed Amendments will not amend the covenant to pay principal of, premium, if any, and accrued and unpaid interest on, the Notes when due. For additional information respecting the Proposed Amendments, see “Proposed Amendments—Amendments to the Indenture.”

The Proposed Amendments will be contained in the Supplemental Indenture to the Indenture.

**Effect of Proposed Amendments on Unpurchased Notes:**

Any Notes not purchased pursuant to the Change of Control Offer will remain outstanding. If the Proposed Amendments become operative, Holders whose Notes are not purchased pursuant to the Change of Control Offer for any reason will be bound by the Proposed Amendments, whether or not such Holders delivered Consents or otherwise affirmatively object to the Proposed Amendments. Non-consenting Holders of Notes, although bound by the Proposed Amendments, will not be entitled to any Consent Only Payment. Non-consenting Holders of the Notes (whether or not they affirmatively object to the Proposed Amendments) will not be entitled to any rights of appraisal or similar rights of dissenters (whether pursuant to the Indenture or the Issuer’s organizational instruments) with respect to the adoption of the Proposed Amendments and the execution of the Supplemental Indenture.

See “Risk Factors—Effect of the Proposed Amendments on Unpurchased Notes.”

**Requisite Consents;  
Supplemental Indenture:**

If we have received the Requisite Consents in respect of the Notes, the Issuer, the Guarantors and the Trustee will execute the Supplemental Indenture promptly after the Consent Deadline. The Supplemental Indenture will become effective upon its execution and delivery by the Issuer, the Guarantors and the Trustee, but the Proposed Amendments will not become operative until the Settlement Date after we have paid in full the Total Consideration or the Consent Only Payment, as applicable. If the Consent Solicitation is terminated or withdrawn with respect to the Notes, the Supplemental Indenture will not become operative with respect to the Notes, and no related Consent Only Payment (or Total Consideration) will be paid with respect to the Notes. Holders that have validly tendered (and not validly withdrawn) Notes in the Change of Control Offer will still be entitled to the Change of Control Payment on the Settlement Date.

Each Holder should read the discussion under “Proposed Amendments.”

**Conditions, Termination and Amendments to the Consent Solicitation:**

Our obligations to complete the Consent Solicitation and to accept and pay for Consents are subject to and conditioned upon the satisfaction of (i) the Requisite Consents Condition and (ii) the General Conditions, although we may waive any of the General Conditions in our sole discretion.

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, at any time (i) to waive any General Condition (as defined herein) to the Consent Solicitation, (ii) to amend any of the terms of the Consent Solicitation, (iii) to terminate the Consent Solicitation or (iv) to modify the Total Consideration (as it relates to the Consent Only Payment portion only) or the Consent Only Payment.

If the Consent Solicitation is amended at or prior to the Consent Deadline in a manner determined by us to constitute a material change to Holders, we will promptly give oral (to be confirmed in writing) or written notice of such amendment to the Tabulation Agent and Information Agent, disseminate additional Consent Solicitation materials and, if necessary, extend such Consent Solicitation for a period that we deem to be adequate and in accordance with applicable law to permit Holders to deliver or revoke their Consents. If any such amendment occurs after the Consent Deadline, the Proposed Amendments will not become operative, and we may solicit Consents for such revised amendments to the Indenture. We will not be required to extend the Consent Deadline, or to reinstate revocation rights, in the event we, in our sole discretion, waive one or more General Conditions to the Consent Solicitation.

**General Conditions:**

For a description of the General Conditions, see “Conditions to the Consummation of the Consent Solicitation.”

**Procedures for Tendering Notes and Delivering Consents:**

Each Holder who wishes to accept the Change of Control Offer or to Consent to the Proposed Amendments must comply with the procedures for tendering Notes and/or delivering Consents described under “Procedures for Tendering Notes and Delivering Consents.”

**There are no guaranteed delivery provisions provided for by us in conjunction with the Change of Control Offer or the Consent Solicitation.** Holders who wish to deliver Consents without tendering the related Notes must deposit such Notes as to which the Consents are delivered pursuant to the DTC book-entry deposit procedures described herein.

**A HOLDER WHO DELIVERS ELECTRONIC INSTRUCTIONS TO CONSENT WITHOUT TENDERING THE RELATED NOTES SHOULD UNDERSTAND THAT THE NOTES AS TO WHICH SUCH CONSENT IS DELIVERED WILL BE BLOCKED FROM TRADING AND THAT THE HOLDER WILL BE REQUIRED TO DEPOSIT THE RELATED NOTES WITH THE TENDER AGENT UNTIL THE EARLIEST OF (I) THE CONSENT DEADLINE, (II) THE DATE ON WHICH THE DTC PARTICIPANT REVOKES ITS CONSENT AT OR PRIOR TO THE CONSENT DEADLINE AND (III) THE CONSENT SOLICITATION IS TERMINATED.**

For help with tendering Notes or delivering Consents, contact the Information Agent at the telephone numbers set forth on the back cover page of this

Statement or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

For questions related to the terms of the Change of Control Offer and the Consent Solicitation, contact the Dealer Manager and Solicitation Agent at the telephone numbers set forth on the back cover page of this Statement.

Beneficial Owners whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Notes and/or deliver Consents. **Beneficial Owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Change of Control Offer and the Consent Solicitation. Accordingly, Beneficial Owners wishing to participate in the Change of Control Offer or the Consent Solicitation should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate.** Direct participants in DTC tendering Notes or delivering Consents must give authority to disclose their identities to the Trustee, Tabulation Agent or Tender Agent.

**Withdrawal Rights and  
Revocation of Consents:**

At any time at or prior to the Withdrawal Time, each Holder may withdraw its Notes that it has tendered by submitting a notice of withdrawal to the Tender Agent using ATOP procedures. In addition, each Holder that has previously delivered a Consent may revoke such Consent at or prior to Consent Deadline by submitting a notice of revocation to the Tabulation Agent using ATOP procedures.

If you have both tendered your Notes and delivered a Consent, prior to the Consent Deadline, your tender of Notes may not be withdrawn unless you also revoke your Consent. After the Consent Deadline, your tender of Notes may be withdrawn, however your Consent will remain valid. In addition, if you have both tendered your Notes and delivered a Consent, your Consent may not be revoked at or prior to the Consent Deadline unless you also withdraw your Notes from the Change of Control Offer.

If you withdraw your Notes, you will have the right to retender them at or prior to the Expiration Time in accordance with the procedures described herein. If you revoke a Consent, you will have the right to redeliver a Consent at or prior to the Consent Deadline in accordance with the procedures described herein.

We have the right to extend the Withdrawal Time and/or the Consent Deadline in relation to the Change of Control Offer and/or the Consent Solicitation in our sole discretion subject to applicable law (and the terms of the Indenture, in the case of the Change of Control Offer). If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture. If we extend the Consent Deadline, Holders will be able to validly revoke Consents that have been previously delivered at any time at or prior to the newly extended Consent Deadline.

**Settlement Date:**

With respect to Notes that are validly tendered at or prior to the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Time), and in respect of which a Consent was delivered (and not validly revoked), payment of the Total Consideration will be made on the Settlement Date, provided that

the conditions to the Consent Solicitation have been satisfied or waived and we accept Consents in the Consent Solicitation.

With respect to Notes that are validly tendered at or prior to the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Time), and in respect of which a Consent was not validly delivered (or not accepted by us), payment of the Change of Control Payment will be made on the Settlement Date.

With respect to Consents that are validly delivered (and not validly revoked) at or prior to the Consent Deadline, without tendering the related Notes at or prior to the Expiration Time, payment of the Consent Only Payment will be made on the Settlement Date, provided that the conditions to the Consent Solicitation have been satisfied or waived and we accept Consents in the Consent Solicitation.

The Settlement Date for the Change of Control Offer and the Consent Solicitation, as applicable, is expected to be February 14, 2019, the third business day following the Expiration Time. If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture.

**Acceptance of Notes and  
Consents and Delivery of Cash  
Payment:**

We will accept, at the Withdrawal Time, all of the Notes for purchase that, at such time, have been validly tendered (and not validly withdrawn) in the Change of Control Offer.

If all of the conditions to the Consent Solicitation are satisfied or waived and we accept the Consents in the Consent Solicitation, each Holder that has validly delivered (and not validly revoked) a Consent without tendering the related Notes at or prior to the Consent Deadline will receive the Consent Only Payment in respect of those Notes on the Settlement Date.

On the Settlement Date, we will deliver to DTC the aggregate Total Consideration, Change of Control Payment and Consent Only Payment, as applicable, for such purchased Notes and/or Consents.

**Source of Funds:**

The Total Consideration, the Change of Control Payment, the Consent Only Payment and the costs and expenses of the Change of Control Offer and the Consent Solicitation are expected to be paid with available borrowings under Ensign's existing revolving credit facility and/or proceeds from new indebtedness of Ensign or the Issuer.

**Accrued and Unpaid Interest:**

Accrued and unpaid interest on the Notes is included within the Total Consideration and Change of Control Payment.

Unless the Issuer defaults in the payment of the Total Consideration or Change of Control Payment, as applicable, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Settlement Date.

Any Notes not tendered in the Change of Control Offer will continue to accrue interest as provided in the Indenture.

**Tax Considerations:**

For a discussion of certain Canadian federal income tax and United States federal income tax considerations of the Change of Control Offer and the

Consent Solicitation, see “Certain Canadian Federal Income Tax and U.S. Federal Income Tax Consequences.”

**Risk Factors:**

For a discussion of certain factors that each Holder should consider in connection with the Change of Control Offer and the Consent Solicitation, see “Risk Factors.”

**Dealer Manager and Solicitation Agent:**

BMO Capital Markets Corp. is serving as Dealer Manager and Solicitation Agent for the Change of Control Offer and the Consent Solicitation. Its address and telephone number are set forth on the back cover page of this Statement.

**Information Agent, Tender Agent and Tabulation Agent:**

D.F. King & Co., Inc. is acting as Information Agent for the Change of Control Offer and the Consent Solicitation, Tender Agent for the Change of Control Offer and Tabulation Agent for the Consent Solicitation. Its address, telephone numbers and website are set forth on the back cover page of this Statement.

**Trustee for the Notes:**

Wells Fargo Bank, N.A. is the trustee under the Indenture.

**Fees and Expenses:**

Tendering Holders of Notes purchased in the Change of Control Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent or the Issuer or, except as indicated below in “Transfer Taxes,” to pay transfer taxes with respect to the purchase of their Notes; however, such Holders may be obligated to pay commissions to their own brokers or other agents.

**Transfer Taxes:**

We will pay all transfer taxes applicable to the tender and transfer of Notes pursuant to the Change of Control Offer, except in the case of deliveries of Notes for principal amounts that are held in the name of a person other than the registered or acting Holder of outstanding Notes tendered thereby, in which case, the amount of any transfer taxes (whether imposed on the registered Holder or such other person) payable on account of the transfer from such other person will be deducted from the payment unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

**Additional Documentation; Further Information:**

Any questions regarding the terms of the Change of Control Offer and the Consent Solicitation may be directed to the Dealer Manager and Solicitation Agent. Requests for additional copies of documentation related to the Change of Control Offer and the Consent Solicitation, requests for copies of the Indenture and any questions or requests for assistance in tendering may be directed to the Information Agent, Tender Agent and Tabulation Agent. Their respective contact information appears on the back cover page of this Statement. Beneficial Owners of Notes may also contact their brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Change of Control Offer and the Consent Solicitation.

## **AVAILABLE INFORMATION; DOCUMENTS INCORPORATED BY REFERENCE**

The Issuer files periodic reports and other information with the Canadian securities regulatory authorities (the “CSA”). The CSA maintains an internet website, the System for Electronic Document Analysis and Retrieval (“SEDAR”), that contains these reports and other information about issuers like us who file electronically with the CSA. Except as set forth below, the information contained on or that can be accessed through our website or SEDAR is not incorporated by reference in, and is not part of, this Statement, and you should not rely on any such information in connection with your decision to tender Notes.

The Issuer incorporates by reference into this Statement certain documents filed by it with the CSA, it files with securities commissions or similar authorities in Canada, which means that the Issuer can disclose important information to you by referring you directly to those documents. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Issuer at #400, 250 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 0C1 and are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

The following documents, filed with the CSA and available on SEDAR at [www.sedar.com](http://www.sedar.com), are specifically incorporated by reference into and form an integral part of this Statement :

- the audited consolidated financial statements of the Issuer for the years ended December 31, 2017 and 2016, together with the notes thereto and the auditors’ report thereon (filed on SEDAR on February 26, 2018);
- management’s discussion and analysis of the financial condition and results of operations of the Issuer dated February 26, 2018 for the fiscal year ended December 31, 2017 filed on SEDAR on February 26, 2018;
- the audited consolidated financial statements of the Issuer for the years ended December 31, 2016 and 2015, together with the notes thereto and the auditors’ report thereon (filed on SEDAR on March 1, 2017);
- the unaudited consolidated financial statements of the Issuer as at and for the three and nine months ended September 30, 2018 and 2017, together with the notes thereto (filed on SEDAR on November 9, 2018);
- the management’s discussion and analysis of the financial condition and results of operations of the Issuer dated November 9, 2018 for the three and nine months ended September 30, 2018 (filed on SEDAR on November 9, 2018);
- the annual information form of the Issuer dated March 29, 2018 for the year ended December 31, 2017 (filed on SEDAR on March 29, 2018);
- the management information circular of the Issuer dated March 7, 2018 for the annual meeting of shareholders of the Issuer held on May 8, 2018 (filed on SEDAR on March 22, 2018);
- the material change report of the Issuer dated April 17, 2018 in respect of the sale by the Issuer of its three remaining rigs located in Saudi Arabia owned by its international joint venture, Trinidad Drilling International (filed on SEDAR on April 17, 2018);
- the material change report of the Issuer dated July 4, 2018 in respect of the resignation of Michael (Mike) Heier as a director of the Issuer and the appointment of Ken Stickland as Chairman of the board of directors of the Issuer (filed on SEDAR on July 4, 2018);
- the material change report of the Issuer dated August 9, 2018 in respect of the conclusion of the Issuer’s strategic review process and the appointment of John R. Blocker Jr. to the board of directors of the Issuer (filed on SEDAR on August 9, 2018);

- the material change report of the Issuer dated October 10, 2018 in respect of the arrangement agreement entered into by the Issuer with Precision Drilling Corporation (the “**Arrangement Agreement**”) (filed on SEDAR on October 10, 2018); and
- the material change report of the Issuer dated December 6, 2018 in respect of the take-up of the common shares of the Issuer by Ensign Holdings Inc. pursuant to the Transaction, the termination of the Arrangement Agreement and the voluntary resignation of the directors and senior officers of the Issuer and replacement with Ensign appointees (filed on SEDAR on December 6, 2018).

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Statement to the extent that a statement contained herein or in any other subsequently filed document that is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Statement.

In addition, all similar documents to those listed above that the Issuer files with the CSA after the date hereof and prior to the Expiration Time will also be incorporated by reference into this Statement and the Letter of Transmittal. Such documents are considered to be a part of this Statement and the Letter of Transmittal, effective as of the date such documents are filed. In the event of conflicting information in these documents, the information in the latest filed document should be considered correct.

If the Proposed Amendments become operative, the Issuer will no longer be required under the Indenture to file with the SEC or otherwise make available financial statements of the Issuer or periodic reports relating to the Issuer. See “Proposed Amendments” and “Risk Factors—Effect of the Proposed Amendments on Future Reporting.”



## **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIBERTIES**

Trinidad is a corporation amalgamated under the laws of Alberta, Canada, and certain of the Guarantors are incorporated or otherwise organized under the laws of jurisdictions outside of the United States. In addition, substantially all of our directors, controlling persons and officers and the experts named in the documents incorporated by reference herein are residents of Canada, and a significant portion of our assets and all or a substantial portion of the assets of certain of the Guarantors as well as our directors, controlling persons and officers and the experts named in the documents incorporated by reference herein, are located outside of the United States. As a result, it may be difficult for Holders to effect service within the United States upon such persons who are not residents of the United States or to enforce against them, in the United States, judgments of courts of the United States predicated upon civil liability under U.S. federal or state securities laws or other laws of the United States.

We and the Guarantors have appointed Corporation Service Company, New York, New York, as agent to receive service of process under the Indenture in any suit or proceeding arising out of or relating to such Indenture, the Notes or the Guarantees issued thereunder that may be instituted under U.S. federal or state securities laws in any federal or New York state court located in The City of New York.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Statement, and certain documents incorporated by reference herein, contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as “**forward-looking statements**”). All statements other than statements of historical facts included in this Statement (including information incorporated by reference), as well as statements located elsewhere in this Statement (including information incorporated by reference) regarding the prospects of our industry and our prospects, plans, financial position and business strategy, may constitute forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate as well as beliefs and assumptions made by our management. Such statements include, in particular, statements about our plans, prospects, financial position and business strategies. Words such as “may,” “will,” “should,” “expect,” “continue,” “intend,” “aim,” “estimate,” “target,” “anticipate,” “plan,” “foresee,” “believe” or “seek” or the negatives of these terms or variations of them or similar terminology are intended to identify such forward-looking statements. In particular, these forward-looking statements include, but are not limited to, statements regarding:

- timing for completion of the Change of Control Offer and the Consent Solicitation;
- Ensign’s intentions with respect to any Notes that remain outstanding following the Change of Control Offer;
- Ensign’s intentions regarding its operating of the Issuer following the Change of Control Offer;
- Ensign’s control of us and the successful integration of the Ensign and Trinidad businesses following the Transaction;
- the possibility that the expected benefits of the Transaction will not be realized within the expected time frame or at all; and
- the effects on Ensign and Trinidad’s businesses resulting from the uncertainty surrounding the Transaction, including uncertainty for the companies’ relationship with customers, employees and other third parties or the diversion of management’s time and attention.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things, our anticipated business strategies and anticipated trends in our business. We can give no assurance that these estimates and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Some important risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in these forward-looking statements include, but are not limited to:

- the assumption that the Issuer’s customers will honor their long-term contracts, and the Issuer’s ability to sign future long-term contracts;
- future liquidity levels;
- fluctuations in the demand for the Issuer’s services;
- the ability for the Issuer to attract and retain qualified personnel, in particular field staff to crew the Issuer’s rigs;
- the Issuer’s ability to increase dayrates;
- the existence of competitors, technological changes and developments in the oilfield services industry;
- the existence of operating risks inherent in the oilfield services industry;
- assumptions respecting internal capital expenditure programs and expenditures by oil and gas exploration and production companies;
- assumptions regarding commodity prices, in particular oil and natural gas;

- assumptions respecting supply and demand for commodities, in particular oil and natural gas;
- assumptions regarding future expected cash flows and potential distributions from joint venture partners including Trinidad Drilling International;
- assumptions regarding foreign currency exchange rates and interest rates;
- assumptions around future general and administrative cost levels;
- the existence of regulatory and legislative uncertainties;
- the possibility of changes in tax laws; and general economic conditions including the capital and credit markets;
- assumptions made about our future banking covenants and liquidity; and
- assumptions made about future performance and operations of joint ventures and partnership arrangements.

We caution you that the above list of cautionary statements is not exhaustive. These and other factors could cause actual results to differ materially from our expectations expressed in the forward-looking statements included in this Statement (including information incorporated by reference). These forward-looking statements speak only as of the date of this Statement or as of the date specified in the documents incorporated by reference herein, as the case may be.

Undue reliance should not be placed on forward-looking statements. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks which could cause actual results to vary and in some instances to differ materially from those anticipated and described in the forward-looking statements.

Information on factors that could affect the Issuer's operations or financial results are included in the filings we make with SEDAR, which are incorporated by reference herein.

Forward-looking statements are based on the estimates and opinions of the Issuer's management at the time the information is presented. The Issuer assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change, except as required by law.

## **PURPOSE AND BACKGROUND OF THE CHANGE OF CONTROL OFFER AND THE CONSENT SOLICITATION**

On August 30, 2018, Ensign Holdings Inc., a wholly-owned subsidiary of Ensign, commenced a tender offer to acquire all of the issued and outstanding common shares of Trinidad for C\$1.68 per share in cash (the “**Transaction**”). The tender offer related to the Transaction initially expired on November 27, 2018, was extended for the statutory mandatory extension period to December 10, 2018, and was extended a final time to December 21, 2018. On November 27, 2018, Ensign replaced the Trinidad board of directors with five Ensign nominees, which may have constituted a “Change of Control” as defined under the Indenture, requiring this Change of Control Offer. On November 29, 2018, Ensign announced its control of approximately 66.73% of the outstanding common shares of Trinidad. As of December 21, 2018, Ensign owned or controlled, directly or indirectly, 89.3% of the common shares of Trinidad. Trinidad has called a meeting of its shareholders for January 31, 2019 to consider, and approve, a going private subsequent acquisition transaction to permit Ensign to acquire the remaining Trinidad shares. As Ensign exercises control and direction over greater than 66 2/3% of the issued and outstanding common shares of Trinidad, the outcome of such shareholder meeting is assured and 100% of the common shares will be owned by Ensign after such subsequent acquisition transaction. Following the Transaction, Ensign will seek to delist the Trinidad shares from trading on the Toronto Stock Exchange.

The Indenture and the Notes do not prohibit consummation of the Transaction; however, the change in the Trinidad board of directors on November 27, 2019 may have constituted a Change of Control pursuant to the Indenture requiring this Change of Control Offer. This Change of Control Offer is being made to satisfy the Issuer’s obligation under Section 4.13 of the Indenture and Section 7 of the Notes to offer to purchase the Notes upon the occurrence of a Change of Control (as defined in the Indenture).

Ensign does not have any current intention to redeem any Notes that remain outstanding following the Change of Control Offer. Ensign currently intends to continue operating the Issuer in a manner that complies with the Indenture and expects to implement certain arrangements for the coordinated operation of the businesses Ensign and Trinidad if the requisite consents in the Consent Solicitation are not obtained. In addition, on or prior to consummation of the Change of Control Offer, Trinidad expects to terminate its existing credit agreement any repay any borrowings outstanding thereunder.

The purpose of the Consent Solicitation is to effect the Proposed Amendments, which would, among other things, eliminate or modify substantially all of the restrictive covenants as well as certain events of default and other provisions contained in the Indenture. However, the Proposed Amendments will not amend the covenant to pay principal of, premium, if any, and accrued and unpaid interest on, the Notes when due.

You must decide whether to tender Notes or furnish or withhold Consent, and the principal amount of Notes relating to such tender or delivery of Consent. You are urged to review carefully all of the information contained in this Statement before making a decision as to whether to tender Notes or provide your Consent to the Proposed Amendments.

**NONE OF THE ISSUER, THE GUARANTORS, ENSIGN, THE DEALER MANAGER AND SOLICITATION AGENT, THE INFORMATION AGENT, THE TENDER AGENT, THE TABULATION AGENT, THE TRUSTEE OR DTC MAKES ANY RECOMMENDATION IN CONNECTION WITH THE CHANGE OF CONTROL OFFER OR THE CONSENT SOLICITATION.**

## THE CHANGE OF CONTROL OFFER AND THE CONSENT SOLICITATION

*You should carefully consider the risks and uncertainties described below and other information included in this Statement before you decide to tender your Notes in the Change of Control Offer and/or deliver a Consent to the Proposed Amendments in the Consent Solicitation.*

We hereby offer, upon the terms and subject to the conditions set forth in this Statement, Holders of the Notes the following options:

- (1) deliver Consents at or prior to the Consent Deadline and tender Notes at or prior to the Expiration Time, to receive the Total Consideration;
- (2) tender Notes at or prior to the Expiration Time without delivering Consents at or prior to the Consent Deadline, to receive the Change of Control Payment; or
- (3) deliver Consents at or prior to the Consent Deadline without tendering the related Notes, to receive the Consent Only Payment.

### **Total Consideration, Change of Control Payment and Consent Only Payment**

Holders will be eligible to receive the Total Consideration if they (a) validly tender to the Tender Agent at or prior to the Expiration Time (and do not validly withdraw at or prior to the Withdrawal Time) their Notes and (b) validly deliver (and do not validly revoke) to the Tabulation Agent their Consents in respect of such tendered Notes at or prior to the Consent Deadline and such Consents are accepted for purchase pursuant to the Consent Solicitation. The Total Consideration is the sum of the Change of Control Payment and the Consent Only Payment (in each case, described below). Holders that have validly delivered their Consents at or prior to the Consent Deadline but have not tendered their Notes by such time may still receive the Total Consideration if (after the Notes as to which the Consent was delivered are released by the Tender Agent) they subsequently validly tender to the Tender Agent, after the Consent Deadline and at or prior to the Expiration Time, their Notes (and do not validly withdraw such Notes at or prior to the Withdrawal Time).

Holders will be eligible to receive the Change of Control Payment if they validly tender to the Tender Agent at or prior to the Expiration Time (and do not validly withdraw at or prior to the Withdrawal Time) their Notes without delivering Consents at or prior to the Consent Deadline. The Change of Control Payment is an amount in cash for each US\$1,000 principal amount of Notes validly tendered at or prior to the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Time) equal to US\$1,010.00 plus accrued and unpaid interest, if any, to but excluding the Settlement Date. **You may validly tender Notes at or prior to the Expiration Time without delivering Consents.**

Holders will be eligible to receive the Consent Only Payment if they validly deliver (and do not validly revoke) their Consents to the Tabulation Agent at or prior to the Consent Deadline without tendering the related Notes and such Consents are accepted for purchase pursuant to the Consent Solicitation. The Consent Only Payment is an amount in cash for each US\$1,000 principal amount of Notes in which a Consent is validly delivered (and not validly revoked) by the Consent Deadline equal to US\$5.00. **You may validly deliver a Consent to the Proposed Amendments at or prior to the Consent Deadline without tendering your Notes.**

If the Consent Solicitation is terminated or withdrawn with respect to the Notes, no related Consent Only Payment (or Total Consideration) will be paid with respect to the Notes. Holders that have validly tendered (and not validly withdrawn) Notes in the Change of Control Offer will still be entitled to the Change of Control Payment on the Settlement Date.

If you are not tendering your Notes and your Consent is not delivered at or prior to the Consent Deadline, you will not receive the Consent Only Payment, even though, assuming the Requisite Consents for the Proposed Amendments are obtained and the Supplemental Indenture is executed, such Proposed Amendments will be effective as to your Notes. See “Proposed Amendments.”

The Notes may be tendered and Consents may be delivered only in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof. **Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of US\$2,000 in principal amount or an integral multiple of US\$1,000 in excess thereof.**

No alternative, conditional or contingent tenders or Consents will be accepted. There are no guaranteed delivery procedures applicable to the Change of Control Offer or Consent Solicitation.

Tendering Holders of Notes purchased in the Change of Control Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent or the Issuer or, except as indicated in the next paragraph, to pay transfer taxes with respect to the purchase of their Notes; however, such Holders may be obligated to pay commissions to their own brokers or other agents. Holders should contact their brokers or other agents to learn what commissions may apply.

We will pay all transfer taxes applicable to the tender and transfer of Notes pursuant to the Change of Control Offer, except in the case of deliveries of Notes for principal amounts that are held in the name of a person other than the registered or acting Holder of outstanding Notes tendered thereby, in which case, the amount of any transfer taxes (whether imposed on the registered Holder or such other person) payable on account of the transfer from such other person will be deducted from the payment unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

We reserve the absolute right, in our sole discretion, subject to applicable law, at any time and from time to time, to purchase or offer to purchase any Notes after the consummation of the Change of Control Offer, through open market or privately negotiated transactions, one or more additional tender or exchange offers, by redemption or defeasance under the terms of the Indenture or otherwise, in each case upon terms that may or may not differ materially from the terms of the Change of Control Offer.

### **Withdrawal and Revocation**

Tenders of Notes made pursuant to the Change of Control Offer may be validly withdrawn at any time at or prior to the Withdrawal Time, and Consents delivered pursuant to the Consent Solicitation may be validly revoked at any time at or prior to the Consent Deadline, in each case, by following the procedures described herein. See “Withdrawal of Tender; Revocation of Consent.”

If you have both tendered your Notes and delivered a Consent, prior to the Consent Deadline, your tender of Notes may not be withdrawn unless you also revoke your Consent. After the Consent Deadline, your tender of Notes may be withdrawn, however your Consent will remain valid. In addition, if you have both tendered your Notes and delivered a Consent, your Consent may not be revoked at or prior to the Consent Deadline unless you also withdraw your Notes from the Change of Control Offer.

If you withdraw your Notes, you will have the right to retender them at or prior to the Expiration Time in accordance with the procedures described herein. If you revoke a Consent, you will have the right to redeliver a Consent at or prior to the Consent Deadline in accordance with the procedures described herein. See “Procedures for Tendering Notes and Delivering Consents.”

We have the right to extend the Withdrawal Time and/or the Consent Deadline in relation to the Change of Control Offer and/or the Consent Solicitation in our sole discretion subject to applicable law (and the terms of the Indenture, in the case of the Change of Control Offer). If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture.

### **Expiration Time; Extensions; Termination and Amendments of Consent Solicitation**

The Change of Control Offer will expire at 11:59 p.m., New York City time, on February 11, 2019, unless we extend the Expiration Time with respect to such Change of Control Offer in our sole discretion, subject to applicable law and the terms of the Indenture. The Indenture requires the repurchase date pursuant to a Change of

Control Offer (which refers to the Settlement Date) be no earlier than 30 days and no later than 60 days from the date of this Statement. If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture.

If we make a material change to the terms of the Change of Control Offer or the information concerning the Change of Control Offer, we will disseminate additional offering materials and extend the Expiration Date to the extent required by law and permitted by the Indenture.

The deadline to deliver Consents in the Consent Solicitation is 5:00 p.m., New York City time, on January 15, 2019, unless we extend the Consent Deadline with respect to the Consent Solicitation in our sole discretion or earlier terminate the Consent Solicitation. We expressly reserve the right to extend the Consent Solicitation from time to time or for such period or periods as we may determine in our sole discretion, subject to applicable law.

The terms “Expiration Time,” “Withdrawal Time,” “Consent Deadline” and “Settlement Date” with respect to such extended Change of Control Offer and/or Consent Solicitation shall mean the time and date on which the Change of Control Offer or Consent Solicitation (or their related withdrawal rights), as so extended, will expire.

If we make any such extension, we will give oral (to be confirmed in writing) or written notice of such extension to the Information Agent, Tender Agent and Tabulation Agent and make a subsequent public announcement by press release no later than 9:00 a.m., New York City time, on the business day following the previously scheduled Expiration Time.

During any extension of the Change of Control Offer, all Notes previously tendered and not accepted for purchase will remain subject to the Change of Control Offer unless validly withdrawn at or prior to the Withdrawal Time (as extended) and may, subject to the terms of the Change of Control Offer, be accepted for purchase by us on the Settlement Date. During any extension of the Consent Solicitation, all Consents to the Proposed Amendments validly delivered to the Tender Agent will remain effective unless validly revoked at or prior to the Consent Deadline (as extended).

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, at any time (i) to waive any General Condition to the Consent Solicitation, (ii) to amend any of the terms of the Consent Solicitation, (iii) to terminate the Consent Solicitation or (iv) to modify the Total Consideration (as it relates to the Consent Only Payment portion only) or the Consent Only Payment.

If the Consent Solicitation is amended at or prior to the Consent Deadline in a manner determined by us to constitute a material change to Holders, we will promptly give oral (to be confirmed in writing) or written notice of such amendment to the Tabulation Agent and Information Agent, disseminate additional Consent Solicitation materials and, if necessary, extend such Consent Solicitation for a period that we deem to be adequate and in accordance with applicable law to permit Holders to deliver or revoke their Consents. If any such amendment occurs after the Consent Deadline, the Proposed Amendments will not become operative, and we may solicit Consents for such revised amendments to the Indenture. We will not be required to extend the Consent Deadline, or to reinstate revocation rights, in the event we, in our sole discretion, waive one or more conditions to the Consent Solicitation.

In the event that we terminate the Consent Solicitation or the Consent Solicitation is otherwise not completed, the Total Consideration and the Consent Only Payment, as applicable, will not be paid or become payable to Holders of the Notes, and the Proposed Amendments will not become operative. Any Holders that validly tendered their Notes at or prior to the Expiration Time (and did not validly withdraw at or prior to the Withdrawal Time) will still be entitled to receive the Change of Control Payment on the Settlement Date.

### **No Appraisal or Similar Rights**

Neither the Indenture nor applicable law gives the Holders any appraisal or similar rights to request a court or other person to value their outstanding Notes in connection with the Change of Control Offer or the Consent Solicitation.

## **RISK FACTORS**

***You should consider carefully the following considerations, in addition to the other information in this Statement, before deciding whether to participate in the Change of Control Offer and/or the Consent Solicitation.***

### **Limited Trading Market and Reduced Liquidity as a Result of the Change of Control Offer**

Notes that are tendered and accepted in the Change of Control Offer will cease to be outstanding and will be cancelled. To the extent that Notes are purchased in the Change of Control Offer, the trading market for the remaining outstanding Notes would become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, market prices for Notes that are not purchased may be affected adversely by the reduced float. The reduced float may also tend to make market prices more volatile. Holders of Notes not purchased in the Change of Control Offer may attempt to obtain quotations for their Notes from their brokers; however, there can be no assurance that any trading market will exist for the Notes following consummation of the Change of Control Offer. The extent of the public market for the Notes following consummation of the Change of Control Offer will depend upon, among other things, the remaining outstanding principal amount of Notes after the Change of Control Offer, the number of Beneficial Owners remaining at such time and the interest in maintaining a market in such Notes on the part of securities firms and other factors. We cannot assure you that a market for any Notes that remain outstanding following consummation of the Change of Control Offer will exist or be sustained.

### **Subsequent Acquisitions of Notes; Redemption**

The Issuer or its affiliates may, at any time and from time to time, purchase or offer to purchase any Notes after the consummation of the Change of Control Offer, through open market purchases, privately negotiated transactions, tender offers, exchange offers, by redemptions under the Indenture or otherwise, upon such terms and conditions and at such prices as the Issuer or its affiliates may determine, which may be more or less than the prices to be paid pursuant to the Change of Control Offer and could be for cash or other consideration. The Issuer may also exercise its rights under the Indenture to defease or satisfy or otherwise discharge the Issuer’s obligations with respect to the Notes by depositing cash and/or securities with the Trustee in accordance with the terms of the Indenture. Any future purchases or redemptions may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Change of Control Offer. Any future purchases or redemptions will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Issuer or its affiliates will choose to pursue in the future.

### **Substantial Indebtedness Following Transaction**

In connection with the completion of the Transaction, Ensign, the parent entity to the Issuer, will significantly increase its level of indebtedness. Ensign has secured a \$1.25 billion revolving credit facility due 2021 with Bank of Montreal, as well as an up to \$700 million unsecured bridge facility, provided by BMO Capital Markets Corp. and Bank of Montreal. The Notes, whether or not the Consent Solicitation is consummated, do not limit the ability of Ensign and its subsidiaries (other than the Issuer and its subsidiaries) to incur additional indebtedness in the future. Ensign and the guarantors of such indebtedness will not be required to provide guarantees of the Notes.

In the event that Notes remain outstanding following the Change of Control Offer and the Proposed Amendments are not adopted, the Issuer and its subsidiaries will be permitted to incur a significant amount of indebtedness under the Indenture’s existing covenants. For instance, the Indenture permits the Issuer and its restricted subsidiaries to incur up to the greater of (i) US\$400.0 million and (ii) 30.0% of the Issuer’s consolidated tangible assets in the form of, among other things, a credit facility or additional notes, each of which may be secured. The Indenture also includes other carveouts to the limitation on indebtedness which would allow the Issuer and its restricted subsidiaries to incur further incremental debt. There can be no assurance that the Issuer will not incur the maximum amount of indebtedness permissible under the Indenture.

If the Proposed Amendments become operative, the Indenture will not limit the Issuer and its subsidiaries from incurring or guaranteeing any indebtedness. The Ensign revolving credit facility requires the Issuer and certain of its subsidiaries to guarantee that facility if the Proposed Amendments become operative. Additionally, the Issuer



and its subsidiaries may guarantee other indebtedness incurred by Ensign, including debt incurred to refinance any Notes tendered in the Change of Control Offer.

### **Effect of the Proposed Amendments on Unpurchased Notes**

If the Proposed Amendments become operative, Holders whose Notes are not purchased pursuant to the Change of Control Offer for any reason will be bound by the Proposed Amendments, whether or not such Holders delivered Consents or otherwise affirmatively object to the Proposed Amendments. Non-consenting Holders of Notes, although bound by the Proposed Amendments, will not be entitled to the Total Consideration, the Change of Control Payment or the Consent Only Payment. Non-consenting Holders of the Notes (whether or not they affirmatively object to the Proposed Amendments) will not be entitled to any rights of appraisal or similar rights of dissenters (whether pursuant to the Indenture or the Issuer's organizational instruments) with respect to the adoption of the Proposed Amendments and the execution of the Supplemental Indenture.

If the Issuer obtains the Requisite Consents and the Proposed Amendments become operative, substantially all of the restrictive covenants in the Indenture would be eliminated or modified as well as certain events of default and other provisions contained in the Indenture. As so amended, the Indenture will continue to govern the terms of the Notes that remain outstanding after the consummation of the Change of Control Offer and the Consent Solicitation. See "Proposed Amendments."

### **Effect of the Proposed Amendments on Future Reporting**

If the Proposed Amendments become operative, the Issuer will no longer be required under the Indenture to file with the SEC or otherwise make available financial statements of the Issuer or periodic reports relating to the Issuer. See "Proposed Amendments." If the Proposed Amendments become operative, financial statements of the Issuer or periodic reports relating to the Issuer will not be made available to Holders under the Indenture.

### **Tax Matters**

See "Certain Canadian Federal Income Tax and U.S. Federal Income Tax Consequences" for a discussion of certain Canadian federal income tax and United States federal income tax consequences of the Change of Control Offer and the Consent Solicitation.

Holders should consult their own tax, accounting, financial, legal and professional advisers as they may deem appropriate regarding the tax, accounting, financial and legal consequences of participating or declining to participate in the Change of Control Offer or Consent Solicitation. Holders are urged to consult their own professional advisers regarding any tax consequences under the laws of any relevant jurisdictions. Holders are liable for their own taxes and have no recourse to the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent or the Information Agent, Tender Agent and Tabulation Agent with respect to taxes arising in connection with the Change of Control Offer or Consent Solicitation.

None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent or the Information Agent, Tender Agent and Tabulation Agent (nor any director, officer, employee, agent or affiliate of any such person) is acting for any Holder or will be responsible to any Holder for providing any protections which might be afforded to its clients or for providing advice in relation to the Change of Control Offer or Consent Solicitation, and accordingly none of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent or the Information Agent, Tender Agent and Tabulation Agent (nor any director, officer, employee, agent or affiliate of any such person) makes any recommendation whether Holders should tender or refrain from tendering Notes in the Change of Control Offer or delivering Consents in the Consent Solicitation.

### **Conditions of the Consummation of the Consent Solicitation**

The closing of the Consent Solicitation is subject to the satisfaction or waiver of certain conditions. See "Conditions to the Consummation of the Consent Solicitation." In addition, we may terminate the Consent Solicitation at any time and for any reason. There can be no assurance that the Consent Solicitation will be consummated or that

any failure to consummate the Consent Solicitation will not have a negative effect on the market price and liquidity of the Notes.

### **Compliance with Procedures**

Holders are responsible for complying with all of the procedures for tendering Notes and delivering Consents. Holders who wish to tender their Notes for purchase should allow sufficient time for timely completion of the relevant submission procedures. None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent or the Information Agent, Tender Agent and Tabulation Agent (or any of their respective directors, employees or affiliates) assumes any responsibility for informing Holders of irregularities with respect to any such Holder's tendered Notes or Consent or for notifying the Holder of any failure to follow the proper procedure.

If Notes are held through a broker, dealer, commercial bank, trust company or other nominee, such entity may require the relevant Holder to take action with respect to the Change of Control Offer and/or the Consent Solicitation a number of days before the Expiration Time or the Consent Deadline in order for such entity to tender for purchase the relevant Notes on the relevant Holder's behalf at or prior to the Expiration Time or the Consent Deadline, as applicable.

### **No Total Consideration or Consent Only Payment for Consents Delivered After Consent Deadline**

On the Settlement Date, the Issuer will pay the Total Consideration to Holders who validly tender their Notes at or prior to the Expiration Time (and do not validly withdraw at or prior to the Withdrawal Time) and validly deliver (and do not validly revoke) Consents at or prior to the Consent Deadline and the Consent Only Payment to Holders who validly deliver (and do not validly revoke) Consents at or prior to the Consent Deadline and do not also tender the related Notes. If a Holder does not validly deliver a Consent at or prior to the Consent Deadline, or such Holder validly revokes such Consent at or prior to the Consent Deadline and does not validly redeliver such Consent at or prior to the Consent Deadline, such Holder will not be eligible to receive the Total Consideration or Consent Only Payment, as applicable.

### **Transfers Blocked for Notes for which Consents are Delivered**

The Note position of the DTC participant that delivers a valid Consent through ATOP without also tendering the related Notes will be held under a temporary CUSIP number ("**Contra CUSIP number**"), established by DTC during the period beginning at the time the DTC participant electronically delivers a Consent and ending on the earliest of (i) the Consent Deadline, (ii) the date on which the DTC participant revokes its Consent at or prior to the Consent Deadline and (iii) the Consent Solicitation is terminated.

**During the period that such Notes are held under such Contra CUSIP number, such Notes will not be freely transferable to third parties and will be blocked.** Therefore, Holders may be unable to promptly transfer or sell their Notes or timely react to adverse trading conditions and could suffer losses as a result of these restrictions on transferability.

**A HOLDER WHO DELIVERS ELECTRONIC INSTRUCTIONS TO CONSENT WITHOUT TENDERING THE RELATED NOTES SHOULD UNDERSTAND THAT THE NOTES AS TO WHICH SUCH CONSENT IS DELIVERED WILL BE BLOCKED FROM TRADING AND THAT THE HOLDER WILL BE REQUIRED TO DEPOSIT THE RELATED NOTES WITH THE TENDER AGENT UNTIL THE EARLIEST OF (I) THE CONSENT DEADLINE, (II) THE DATE ON WHICH THE DTC PARTICIPANT REVOKES ITS CONSENT AT OR PRIOR TO THE CONSENT DEADLINE AND (III) THE CONSENT SOLICITATION IS TERMINATED.**

## PROCEDURES FOR TENDERING NOTES AND DELIVERING CONSENTS

Holders have the option to (1) deliver Consents at or prior to the Consent Deadline and tender Notes at or prior to the Expiration Time, (2) tender Notes at or prior to the Expiration Time without delivering Consents at or prior to the Consent Deadline or (3) deliver Consents at or prior to the Consent Deadline without tendering the related Notes.

### General

Pursuant to the Change of Control Offer, Holders of Notes will be entitled to receive the Change of Control Payment if they validly tender their Notes pursuant to the Change of Control Offer at or prior to the Expiration Time (and do not validly withdraw such Notes at or prior to the Withdrawal Time) and such Notes are accepted for purchase by us. We will not be required to pay for Notes not validly tendered or tendered after the Expiration Time. The tender of Notes pursuant to the Change of Control Offer and in accordance with the procedures described below will constitute a valid tender of Notes. Any Notes tendered and validly withdrawn at or prior to the Withdrawal Time will be deemed not to have been validly tendered.

If all of the conditions to the Consent Solicitation are satisfied or waived and we accept the Consents in the Consent Solicitation, we will not be required to pay the Total Consideration or the Consent Only Payment to any Holder unless Consents are validly delivered (and not validly revoked) at or prior to the Consent Deadline by such Holder.

We will be able to retain Notes that have been tendered and Consents that have been delivered if you do not validly comply with the procedures to withdraw the Notes and revoke the Consents. We will have the right to decide whether a tender, delivery, withdrawal or revocation was made validly pursuant to the terms of this Statement and our decision will be final. You should note the following with respect to the Change of Control Offer and the Consent Solicitation:

- If we determine you have not validly tendered your Notes or delivered your Consent, or have not validly complied with the procedures to withdraw Notes previously tendered or to revoke your Consent to the Proposed Amendments, you will have to correct the problem at or prior to the Expiration Time or Withdrawal Time (in the case of the tender of Notes) or the Consent Deadline (in the case of the Consents).
- None of us, Ensign, the Tender Agent, the Information Agent or the Tabulation Agent is under any obligation to advise you of any defect in your tender, delivery, withdrawal or revocation.
- We have the right, in our sole discretion, to waive any defect in the tender or withdrawal of Notes or the delivery or revocation of Consents, and we may waive a defect with respect to one Holder and not another.

If we determine you have not validly tendered your Notes and we determine not to waive such defective tender, they will be returned to you at our expense via a credit to the appropriate DTC account promptly following the Expiration Time and you may not receive the Total Consideration or the Change of Control Payment, as applicable. If we determine you have not validly delivered your Consent and we determine not to waive such defective delivery, your Consent may be rejected and you may not receive the Total Consideration or the Consent Only Payment, as applicable.

Subject to applicable law and the terms of the Indenture, the Issuer has the right to extend the Change of Control Offer in its sole discretion. The Indenture requires, among other things, that the repurchase date for a Change of Control Offer (which refers to the Settlement Date) be no earlier than 30 days and no later than 60 days from the date of this Statement. If we extend the Expiration Time, we will similarly extend the Withdrawal Time and the Settlement Date in order to comply with the Indenture. Accordingly, payment of the Change of Control Payment or Total Consideration, as applicable, may be delayed. If we make a material change to the terms of the Change of

Control Offer or the information concerning the Change of Control Offer, we will disseminate additional offering materials and extend the Expiration Date to the extent required by law and permitted by the Indenture.

The Issuer, subject to applicable law, also has the right to extend or terminate the Consent Solicitation in its sole discretion at any time and for any reason, including for failure to satisfy any condition to the Consent Solicitation. The Consent Deadline may not occur on the schedule described in this Statement, if at all. Accordingly, Holders of Notes that deliver an electronic Consent, to the extent not validly revoked prior to the Consent Deadline, may have to wait longer than expected for the Consent Deadline, during which time such Holders will not be able to effect transfers or sales of their Notes to third parties until the Tabulation Agent or Tender Agent returns such Notes as described above.

The tender of Notes and delivery of a Consent by a Holder pursuant to the procedures set forth below, and the subsequent acceptance of the tendered Notes and Consents by us, will constitute a binding agreement between the Holder and us in accordance with the terms and subject to the conditions set forth in this Statement, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

Beneficial Owners whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Notes and/or deliver Consents. Beneficial Owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Change of Control Offer and the Consent Solicitation. Accordingly, Beneficial Owners wishing to participate in the Change of Control Offer or the Consent Solicitation should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate. Direct participants in DTC tendering Notes or delivering Consents must give authority to disclose their identities to the Trustee, Tabulation Agent or Tender Agent.

If you need help in tendering your Notes or delivering a Consent, or have questions regarding the terms of the Change of Control Offer or the Consent Solicitation, please contact the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent or the Tabulation Agent, whose addresses and telephone numbers are listed on the back cover page of this Statement.

#### **Procedures for Holders Electing to Both Tender Notes in the Change of Control Offer and Deliver Consents in the Consent Solicitation**

Holders should follow the procedures described in this subsection if they wish to be eligible to receive the Total Consideration. *Terms defined in this subsection shall only be defined as such for this subsection.*

All of the Notes were issued in book-entry form, and all of the Notes are currently represented by one or more global certificates registered in the name of a nominee of DTC (each a “**Global Note**”). We have confirmed with DTC that the Notes may be tendered and the Consents delivered using ATOP procedures instituted by DTC. DTC participants may electronically transmit their acceptance of the Change of Control Offer and the Consent Solicitation by causing DTC to transfer their outstanding Notes to the Tender Agent using the ATOP procedures.

In connection with each book-entry transfer of Notes to the Tender Agent, DTC will send an “Agent’s Message” to the Tender Agent, which, in turn, will confirm its receipt of the book-entry transfer (as used in this subsection, a “**book-entry confirmation**”). The term “**Agent’s Message**” (with respect to tendered Notes) means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the book-entry confirmation, stating that DTC has received an express acknowledgement from the participant in DTC tendering Notes that such participant has received and agrees to be bound by the terms of the Change of Control Offer and that the Issuer may enforce such agreement against the participant. The term “**Agent’s Message**” (with respect to Consents) means a message transmitted by DTC, received by the Tabulation Agent, and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgment from the DTC participant delivering a Consent which is the subject of such book-entry confirmation that such DTC participant (i) has received and agrees to be bound by the terms of the Consent Solicitation as set forth in this Statement and that the Issuer may enforce such agreement against such participant, and (ii) consents to the Proposed Amendments and the execution and delivery of the Supplemental Indenture as described in this Statement. After submitting an Agent’s Message, the consenting Holder’s

Note position cannot be sold or transferred, unless such Holder validly revokes its Consent prior to the Consent Deadline.

In order to be valid, tenders of Notes and deliveries of Consent may only be made in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof. Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of US\$2,000 in principal amount or an integral multiple of US\$1,000 in excess thereof.

By using the ATOP procedures to tender Notes and to deliver a Consent, you will be deemed to have complied with the requirements of the Indenture regarding surrendering the Notes and the form entitled “Option of Holder to Elect Purchase” on the reverse of the Notes to the paying agent. However, you will be bound by its terms just as if you had signed it. If you hold your Notes through Clearstream Banking, société anonyme (“**Clearstream**”) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), you must also comply with the applicable procedures of Clearstream or Euroclear, as applicable, in connection with a tender of Notes and a delivery of a Consent. Both Clearstream and Euroclear are indirect participants in the DTC system.

The Tabulation Agent will establish and maintain one or more accounts with respect to the Notes at DTC (the “**Book-Entry Transfer Facility**”) promptly after the date of this Statement (to the extent such arrangements have not been made previously by the Tabulation Agent), and any financial institution who is a DTC participant and whose name appears on a security position listing as the DTC participant with respect to such Notes may make book-entry delivery and surrender of Notes into one of the Tabulation Agent’s accounts in accordance with the Book-Entry Transfer Facility’s procedures for such transfer. The confirmation of a book-entry transfer of Notes into one of the Tabulation Agent’s accounts at DTC as described above is referred to in this subsection as a “**book-entry confirmation**.”

You must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC to tender your Notes or to deliver a Consent.

It is your responsibility to validly tender your Notes and deliver your Consents should you decide to participate in the Change of Control Offer and Consent Solicitation.

The Issuer will resolve all questions as to the validity, form, eligibility (including time of receipt), acceptance, withdrawal and revocation of Notes and/or Consents, and those determinations will be binding. The Issuer reserves the right with respect to any Notes to reject any or all Notes or Consents and withdrawals or revocations not validly given or any Consents the Issuer’s acceptance of which could, in the opinion of the Issuer’s counsel, be unlawful. The Issuer also reserves the right to waive any conditions, defects or irregularities in connection with tenders or deliveries or to require a cure of such irregularities before the Expiration Time, Withdrawal Time or Consent Deadline, as applicable. None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tabulation Agent, the Trustee, or any other person will have any duty to give notification of any such waiver, defects or irregularities, nor will any of them incur any liability for failure to give such notification. Tendere of Notes, deliveries of Consents or notices of withdrawal or revocation will be deemed not to have been made until such irregularities have been cured or waived.

#### **Procedures for Holders Electing to Tender Notes in the Change of Control Offer Without Delivering Consents**

Holders should follow the procedures described in this subsection if they wish to tender their Notes without delivering Consents and be eligible to receive the Change of Control Payment. *Terms defined in this subsection shall only be defined as such for this subsection.*

All of the Notes were issued in book-entry form, and all of the Notes are currently represented by one or more global certificates registered in the name of a nominee of DTC (each a “**Global Note**”). We have confirmed with DTC that the Notes may be tendered using ATOP procedures instituted by DTC. DTC participants may electronically transmit their acceptance of the Change of Control Offer by causing DTC to transfer their outstanding Notes to the Tender Agent using the ATOP procedures.

In connection with each book-entry transfer of Notes to the Tender Agent, DTC will send an “Agent’s Message” to the Tender Agent, which, in turn, will confirm its receipt of the book-entry transfer (as used in this subsection, a “**book-entry confirmation**”). The term “**Agent’s Message**” means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the book-entry confirmation, stating that DTC has received an express acknowledgement from the participant in DTC tendering Notes that such participant has received and agrees to be bound by the terms of the Change of Control Offer and that the Issuer may enforce such agreement against the participant.

In order to be valid, tenders of Notes may only be made in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof. Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of US\$2,000 in principal amount or an integral multiple of US\$1,000 in excess thereof.

By using the ATOP procedures to tender Notes, you will be deemed to have complied with the requirements of the Indenture regarding surrendering the Notes and the form entitled “Option of Holder to Elect Purchase” on the reverse of the Notes to the paying agent. However, you will be bound by its terms just as if you had signed it. If you hold your Notes through Clearstream Banking, société anonyme (“**Clearstream**”) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), you must also comply with the applicable procedures of Clearstream or Euroclear, as applicable, in connection with a tender of Notes. Both Clearstream and Euroclear are indirect participants in the DTC system.

The Tender Agent will establish and maintain one or more accounts with respect to the Notes at DTC (the “**Book-Entry Transfer Facility**”) promptly after the date of this Statement (to the extent such arrangements have not been made previously by the Tender Agent), and any financial institution who is a DTC participant and whose name appears on a security position listing as the DTC participant with respect to such Notes may make book-entry delivery and surrender of Notes into one of the Tender Agent’s accounts in accordance with the Book-Entry Transfer Facility’s procedures for such transfer. The confirmation of a book-entry transfer of Notes into one of the Tender Agent’s accounts at DTC as described above is referred to in this subsection as a “**book-entry confirmation.**”

You must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC to tender your Notes.

It is your responsibility to validly tender your Notes should you decide to participate in the Change of Control Offer.

The Issuer will resolve all questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of Notes, and those determinations will be binding. The Issuer reserves the right with respect to any Notes to reject any or all Notes and withdrawals not validly given or any Notes the Issuer’s acceptance of which could, in the opinion of the Issuer’s counsel, be unlawful. The Issuer also reserves the right to waive any conditions, defects or irregularities in connection with tenders or to require a cure of such irregularities before the Expiration Time or the Withdrawal Time, as applicable. None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tabulation Agent, the Trustee, or any other person will have any duty to give notification of any such waiver, defects or irregularities, nor will any of them incur any liability for failure to give such notification. Tenders of Notes or notices of withdrawal will be deemed not to have been made until such irregularities have been cured or waived.

#### **Procedures for Holders Electing to Deliver Consents in the Consent Solicitation Without Tendering Related Notes**

Holders should follow the procedures described in this subsection if they wish to deliver Consents without tendering the related Notes and be eligible to receive the Consent Only Payment. *Terms defined in this subsection shall only be defined as such for this subsection.*

All of the Notes were issued in book-entry form, and all of the Notes are currently represented by one or more global certificates registered in the name of a nominee of DTC (each a “**Global Note**”). We have confirmed with

DTC that the Consents may be delivered using ATOP procedures instituted by DTC. DTC participants may electronically transmit their acceptance of the Consent Solicitation by causing DTC to transfer their outstanding Notes to the Tabulation Agent using the ATOP procedures.

In connection with each book-entry transfer of Notes to the Tabulation Agent, DTC will send an “Agent’s Message” to the Tabulation Agent, which, in turn, will confirm its receipt of the book-entry transfer (as used in this subsection, a “**book-entry confirmation**”). The term “**Agent’s Message**” means a message transmitted by DTC, received by the Tabulation Agent, and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgment from the DTC participant delivering a Consent which is the subject of such book-entry confirmation that such DTC participant (i) has received and agrees to be bound by the terms of the Consent Solicitation as set forth in this Statement and that the Issuer may enforce such agreement against such participant, and (ii) consents to the Proposed Amendments and the execution and delivery of the Supplemental Indenture as described in this Statement. After submitting an Agent’s Message, the consenting Holder’s Note position cannot be sold or transferred, unless such Holder validly revokes its Consent prior to the Consent Deadline.

In order to be valid, deliveries of Consent may only be made in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof.

If you hold your Notes through Clearstream Banking, société anonyme (“**Clearstream**”) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), you must also comply with the applicable procedures of Clearstream or Euroclear, as applicable, in connection with a delivery of Consent. Both Clearstream and Euroclear are indirect participants in the DTC system.

The Tabulation Agent will establish and maintain one or more accounts with respect to the Notes at DTC (the “**Book-Entry Transfer Facility**”) promptly after the date of this Statement (to the extent such arrangements have not been made previously by the Tabulation Agent), and any financial institution who is a DTC participant and whose name appears on a security position listing as the DTC participant with respect to such Notes may make book-entry delivery and surrender of Notes into one of the Tabulation Agent’s accounts in accordance with the Book-Entry Transfer Facility’s procedures for such transfer. The confirmation of a book-entry transfer of Notes into one of the Tabulation Agent’s accounts at DTC as described above is referred to in this subsection as a “**book-entry confirmation**.”

The Note position of the DTC participant that delivers a valid Consent without also tendering the related Notes will be held under a Contra CUSIP number, established by DTC during the period beginning at the time the DTC participant electronically delivers a Consent and ending on the earliest of (i) the Consent Deadline, (ii) the date on which the DTC participant revokes its Consent at or prior to the Consent Deadline and (iii) the Consent Solicitation is terminated.

The Tabulation Agent will send DTC notice to release the positions as soon as practical but no later than three (3) business days after the Consent Deadline and not exceeding forty-five (45) business days from the launch of the above-specified event. Thereafter, the Notes will be transferred back to the DTC participants and will trade under their original CUSIP numbers. During the period that Notes are held under such Contra CUSIP number or numbers, such Notes will not be freely transferable to third parties. If the Consent Solicitation is consummated, on the Settlement Date, the Consent Only Payment will be paid directly to DTC for payment to DTC participants that held a Contra CUSIP Number on the Consent Deadline.

You must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC to deliver a Consent.

It is your responsibility to validly deliver your Notes should you decide to participate in the Consent Solicitation.

The Issuer will resolve all questions as to the validity, form, eligibility (including time of receipt), acceptance and revocation of Consents, and those determinations will be binding. The Issuer reserves the right with respect to any Notes to reject any or all Consents and revocations not validly given or any Consents the Issuer’s acceptance of which

could, in the opinion of the Issuer's counsel, be unlawful. The Issuer also reserves the right to waive any conditions, defects or irregularities in connection with deliveries or to require a cure of such irregularities prior to the Consent Deadline. None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tabulation Agent, the Trustee, or any other person will have any duty to give notification of any such waiver, defects or irregularities, nor will any of them incur any liability for failure to give such notification. Deliveries of Consents or notices of revocation will be deemed not to have been made until such irregularities have been cured or waived.

#### **No Guaranteed Delivery**

There are no guaranteed delivery provisions provided for by the Issuer in connection with the Change of Control Offer under the terms of this Statement. There are also no guaranteed delivery procedures provided by the Issuer in connection with the Consent Solicitation. Holders wishing to participate in the Change of Control Offer must validly tender Notes in accordance with the procedures set forth under this section at or prior to the Expiration Time.



## **ACCEPTANCE OF NOTES FOR PURCHASE; PAYMENT FOR CONSENT AND NOTES**

Upon the terms set forth herein, we will accept for purchase, on the Settlement Date, all Notes validly tendered pursuant to the Change of Control Offer (or defectively tendered, if we waive such defect) prior to the Expiration Time and not validly withdrawn at or prior to the Withdrawal Time.

If the conditions to the Consent Solicitation are satisfied, or if we waive all of the General Conditions that have not been satisfied, and we accept the Consents in the Consent Solicitation, we will accept, on the Settlement Date, (a) all Notes validly tendered pursuant to the Change of Control Offer (or defectively tendered, if we waive such defect) prior to the Expiration Time and not validly withdrawn at or prior to the Withdrawal Time, and (b) all Consents validly delivered pursuant to the Consent Solicitation (or defectively delivered, if we waive such defect) and not validly revoked before the Consent Deadline. If the conditions to the Consent Solicitation are not satisfied or waived or we do not otherwise accept the Consents in the Consent Solicitation, we will accept, on the Settlement Date, all Notes validly tendered pursuant to the Change of Control Offer (or defectively tendered, if we waive such defect) prior to the Expiration Time and not validly withdrawn at or prior to the Withdrawal Time.

We will accept such Notes for purchase or Consents for payment, as applicable, by notifying the Tender Agent and the Tabulation Agent of our acceptance, whereupon the Total Consideration, Change of Control Payment or Consent Only Payment, as applicable, will become payable by us on the Settlement Date. The notice may be oral if we promptly confirm it in writing. If any tendered Notes are not accepted for purchase for any reason pursuant to the terms and conditions of the Change of Control Offer, such Notes will be returned to the tendering Holder via a credit to an account maintained at DTC, designated by the DTC participant who so delivered such Notes to the Tender Agent, promptly following the Expiration Time. Any such returned Notes will remain outstanding without expense to such Holder.

We will pay for Notes and Consents that we have accepted for purchase by wiring to DTC on the Settlement Date funds sufficient to pay the full amount of the Total Consideration (if applicable), the Change of Control Payment (if applicable) or Consent Only Payment (if applicable) that we then owe to the Holders. We will not be responsible for any mistakes or delays made by DTC or its participants in distributing the Total Consideration, the Change of Control Payment or the Consent Only Payment on the Notes to the persons entitled to them, and no additional interest will be payable because of any such mistake or delay.

We intend to pay (a) the Total Consideration or the Change of Control Payment, as applicable, on the Settlement Date for Notes validly tendered at or prior to the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Time) pursuant to the Change of Control Offer and (b) the Consent Only Payment on the Settlement Date for any Consents validly delivered (and not validly revoked) at or prior to the Consent Deadline pursuant to the Consent Solicitation. If the conditions to the Consent Solicitation are not satisfied or waived or we do not otherwise accept the Consents in the Consent Solicitation, we intend to pay the Change of Control Payment on the Settlement Date for Notes validly tendered at or prior to the Expiration Time (and do not validly withdraw at or prior to the Withdrawal Time) pursuant to the Change of Control Offer.

For purposes of the Change of Control Offer, we will be deemed to have accepted for purchase, and thereby purchased, Notes validly tendered to us as, if and when we give notice to the Tender Agent of our acceptance for purchase of such notes.

We reserve the right to transfer or assign, in whole at any time or in part from time to time, to one or more of our affiliates, the right to purchase any Notes tendered pursuant to the Change of Control Offer and pay for any Consents delivered pursuant to the Consent Solicitation, but any such transfer or assignment will not relieve us of our obligations under the Change of Control Offer or the Consent Solicitation or prejudice the rights of Holders to receive the Total Consideration, the Change of Control Payment or the Consent Only Payment, as applicable, pursuant to the Change of Control Offer and the Consent Solicitation.

Tendering Holders of Notes purchased in the Change of Control Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent or the Issuer or, except as indicated in the next paragraph, to pay transfer taxes with respect to the

purchase of their Notes; however, such Holders may be obligated to pay commissions to their own brokers or other agents. Holders should contact their brokers or other agents to learn what commissions may apply.

We will pay all transfer taxes applicable to the tender and transfer of Notes pursuant to the Change of Control Offer, except in the case of deliveries of Notes for principal amounts that are held in the name of a person other than the registered or acting Holder of outstanding Notes tendered thereby, in which case, the amount of any transfer taxes (whether imposed on the registered Holder or such other person) payable on account of the transfer from such other person will be deducted from the payment unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

Notwithstanding anything herein to the contrary, the payments to Holders will be made net of any withholding tax or backup withholding that is required to be imposed pursuant to applicable law. See “Certain Canadian Federal Income Tax and U.S. Federal Income Tax Consequences.”

Brokers, dealers, commercial banks and trust companies will be reimbursed by the Issuer for customary mailing and handling expenses incurred by them in forwarding material to their customers. The Issuer will not pay any fees or commissions to any broker, dealer or other person in connection with tenders of Notes pursuant to the Change of Control Offer or the solicitation of deliveries of Consents pursuant to the Consent Solicitation.

## **WITHDRAWAL OF TENDER; REVOCATION OF CONSENT**

All questions as to the validity, form and eligibility (including time of receipt) of withdrawal of tenders or notices of revocation of Consents will be determined by us, in our sole discretion (which determination shall be final and binding). None of the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal of tenders or revocation of Consents, or incur any liability for failure to give any such notification.

### **Procedures for Withdrawal of Notes or for Revocation of Consent, in the Event that the Holder Has Both Tendered Notes in the Change of Control Offer and Delivered a Consent in the Consent Solicitation**

You may withdraw Notes that you have tendered for purchase at any time at or prior to the Withdrawal Time but not thereafter, and you may revoke your Consent at any time at or prior to the Consent Deadline. Prior to the Consent Deadline, your tender of Notes may not be withdrawn unless you also revoke your Consent in the Consent Solicitation. After the Consent Deadline, your tender of Notes may be withdrawn, however your Consent will remain valid. Your Consent may not be revoked at or prior to the Consent Deadline unless you also withdraw your Notes from the Change of Control Offer.

For a withdrawal of a tender of Notes (and the concurrent revocation of Consent (in the case of a withdrawal prior to the Consent Deadline)) to be effective, a notice of withdrawal in the form of a “Request Message” transmitted through ATOP must be received by the Tender Agent at or prior to the Withdrawal Time. Any such notice of withdrawal must (i) specify the name of the person as to which the Notes are to be withdrawn (the “**Depositor**”), the name of the participant in DTC whose name appears on the security position listing as the DTC participant with respect to such Notes, if different from that of the Depositor, (ii) include a statement that such Holder is withdrawing his election to have the Notes purchased and (iii) otherwise comply with ATOP procedures. Any Notes validly withdrawn will be deemed to be not validly tendered for purposes of the Change of Control Offer.

For a revocation of a Consent (and the concurrent withdrawal of Notes) to be effective, a revocation request message must be transmitted to the Tabulation Agent for return to DTC or through DTC’s ATOP procedures at or prior to the Consent Deadline in the form described below under “—Procedures for Revocation of Consents That Were Previously Delivered in the Consent Solicitation Without Tendering the Related Notes.”

If you withdraw your Notes, you will have the right to retender them at or prior to the Expiration Time in accordance with the procedures described above for tendering outstanding Notes. If you revoke a Consent, you will have the right to redeliver a Consent at or prior to the Consent Deadline in accordance with the procedures described above for delivering Consent. If the Consent Deadline is extended by the Issuer in its sole discretion, Holders will be able to validly revoke Consents that have been previously delivered at any time at or prior to the newly extended Consent Deadline.

You must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC to withdraw your Notes or revoke your Consent.

### **Procedures for Withdrawal of Notes That Were Previously Tendered in the Change of Control Offer Without Delivery of a Consent**

You may withdraw Notes that you have tendered for purchase at any time at or prior to the Withdrawal Time but not thereafter.

For a withdrawal of a tender of Notes to be effective, a notice of withdrawal in the form of a “Request Message” transmitted through ATOP must be received by the Tender Agent at or prior to the Withdrawal Time. Any such notice of withdrawal must (i) specify the name of the person as to which the Notes are to be withdrawn (the “**Depositor**”), the name of the participant in DTC whose name appears on the security position listing as the DTC participant with respect to such Notes, if different from that of the Depositor, (ii) include a statement that such Holder

is withdrawing his election to have the Notes purchased and (iii) otherwise comply with ATOP procedures. Any Notes validly withdrawn will be deemed to be not validly tendered for purposes of the Change of Control Offer.

If you withdraw Notes, you will have the right to retender them at or prior to the Expiration Time in accordance with the procedures described above for tendering outstanding Notes.

You must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC to withdraw your Notes.

#### **Procedures for Revocation of Consents That Were Previously Delivered in the Consent Solicitation Without Tendering the Related Notes**

A Holder of Notes may revoke its Consent delivered without tendering the related Notes at any time at or prior to the Consent Deadline. Any notice of a revocation request received after the Consent Deadline will not be effective. If the Consent Deadline is extended by the Issuer in its sole discretion, Holders will be able to validly revoke Consents that have been previously delivered at any time at or prior to the newly extended Consent Deadline.

A DTC participant who wishes to exercise its right of revocation with respect to the Consent Solicitation in relation to a Consent delivered without tendering the related Notes must deliver a properly formatted and transmitted revocation request message to the Tabulation Agent for return to DTC or through DTC's ATOP procedures at or prior to the Consent Deadline. In order to be valid, a revocation request must (i) specify the name of the person as to which the Consent is to be revoked (the "**Depositor**"), the name of the participant in DTC whose name appears on the security position listing as the DTC participant with respect to such Notes, if different from that of the Depositor, (ii) include a description of the Notes to which the Consent revocation relates (including the principal amount of Notes) and (iii) otherwise comply with ATOP procedures.

A revocation of the Consent delivered without tendering the related Notes will be effective only as to the Notes listed on the revocation and only if such revocation complies with the provisions of this Statement. Only a Holder is entitled to revoke a Consent previously given. A Holder of Notes must arrange with its broker, dealer, commercial bank, trust company or other nominee company to execute and deliver on its behalf a revocation of any Consent already given with respect to such Notes.

A purported notice of revocation that is not received by the Tabulation Agent or through DTC's ATOP procedures at or prior to the Consent Deadline and accepted by the Issuer as a valid revocation will not be effective to revoke a Consent previously given.

A revocation of a Consent delivered without tendering the related Notes may only be rescinded by the execution and delivery of a new Consent in accordance with the procedures set forth in this Statement. A Holder who has delivered a revocation may after such revocation deliver a new electronic instruction at any time at or prior to the Consent Deadline.

You must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC to withdraw your Consent.

## CONDITIONS TO CONSUMMATION OF THE CONSENT SOLICITATION

Notwithstanding any other provision of the Consent Solicitation, our obligations to accept and pay for the Consents that are validly delivered (and not validly revoked) pursuant to the Consent Solicitation is conditioned upon the following having occurred or been satisfied or having been waived by us:

- (i) (A) the Consent of the Holders of (x) a majority in aggregate principal amount of the Notes (excluding Notes held by us or our affiliates) shall have been validly received and not validly revoked and (B) the Supplemental Indenture, which will implement the Proposed Amendments, shall have been executed and delivered by us, the Guarantors and the Trustee and shall be effective (the “**Requisite Consents Condition**”); and
- (ii) the following shall not have occurred, or if we shall have become aware of any of the following or if any of the following exists on the date of this Statement, we shall not have become aware of a material worsening (the “**General Conditions**”):
  - any instituted, threatened or pending legal or administrative action, proceeding or investigation (whether formal or informal) that could, in our reasonable judgment, adversely affect our ability to amend any provision of the Indenture as contemplated by the Consent Solicitation;
  - any event that, in our reasonable judgment, adversely affects our business or our ability to realize the contemplated benefits from the Consent Solicitation, including without limitation any actual or threatened legal impediment (such as a default under an agreement, indenture or other instrument or obligation to which the Issuer is bound) to the scope, validity or effectiveness of the Consents solicited hereby;
  - the enactment of any law, rule or court order that prohibits or delays the Consent Solicitation or that places material restrictions on the Consent Solicitation;
  - the Trustee under the Indenture objects to our ability to amend any provision of the Indenture or the Notes as contemplated by the Consent Solicitation, or the Trustee takes any other action that could, in our sole judgment, adversely affect the consummation of the Consent Solicitation;
  - any suspension of trading in securities in the U.S. or Canadian financial or capital markets;
  - any material change in the trading price of the Notes or the market for the Notes or the market for debt securities generally;
  - any banking moratorium or other suspension or limitation that, in our reasonable judgment, will affect the ability of banks to extend credit or receive payments; or
  - the commencement or escalation of a war or armed hostilities involving the United States or Canada (including acts of terrorism).

The foregoing conditions are for our sole benefit and may be asserted by us, in our sole discretion, in relation to the Consent Solicitation, regardless of the circumstances giving rise to any such condition (including any action or inaction on our part). We will have the right (but not the obligation) to waive any of the General Conditions, and to consummate the Consent Solicitation. We do not have the right to waive the Requisite Consents Condition. Neither you nor any other person who delivers a Consent will have the ability to prevent us from waiving a General Condition or will have the ability to revoke a Consent delivered if we waive any General Condition. We also have the right to determine whether or not any of the conditions were satisfied and to terminate or extend the Consent Solicitation if any condition of the Consent Solicitation was not satisfied. Our decision as to whether or not a condition was satisfied will be final and binding, and you will have no right to disagree with our conclusions. We will not be required to

extend the Consent Deadline, or to reinstate revocation rights, in the event that we, in our sole discretion, waive one or more of the General Conditions.

Notwithstanding any other provisions of the Consent Solicitation, subject to applicable law, we have the right, in our sole discretion, to terminate the Consent Solicitation, at any time and for any reason. In such event, we will provide notice by public announcement.

## **PROPOSED AMENDMENTS**

We are soliciting the Consents of Holders to the Proposed Amendments and to the execution and delivery by the Issuers, the Guarantors and the Trustee of the Supplemental Indenture to effect the Proposed Amendments.

Pursuant to the terms of the Indenture, the Proposed Amendments set forth below require the Consent of the Holders of a majority in principal amount of the Notes then outstanding (excluding any Notes held by us or our affiliates). If the Requisite Consents are received, we expect that the Issuer, the Guarantors and the Trustee will execute the Supplemental Indenture promptly following the receipt of the Requisite Consents and the expiration of the Consent Deadline. The Proposed Amendments will not become operative until the Settlement Date after we have paid in full the Total Consideration or the Consent Only Payment, as applicable. If we do not receive the Requisite Consents by the Consent Deadline, the Supplemental Indenture will not be executed and the Proposed Amendments will not become operative. All statements in this Statement regarding the substance of any provision of the Proposed Amendments and the Indenture are qualified in their entirety by reference to the Indenture and to the language set forth in the Supplemental Indenture. Capitalized terms used below that are not otherwise defined in this Statement shall have the meanings assigned to them in the Indenture. Copies of the Indenture are available upon request from the Information Agent and Tender Agent at the address and telephone numbers set forth on the last page of this Statement.

The Proposed Amendments will, among other things, eliminate or modify substantially all of the restrictive covenants as well as certain events of default and other provisions contained in the Indenture. However, the Proposed Amendments will not amend the covenant to pay principal of, premium, if any, and accrued and unpaid interest on, the Notes when due). The Proposed Amendments constitute a single proposal and a consenting Holder must consent to the Proposed Amendments as an entirety and may not consent selectively or conditionally.

If the Proposed Amendments are adopted, the Notes that are not tendered will remain outstanding but will be bound by the Proposed Amendments and the terms of the Indenture as modified by the Supplemental Indenture.

### **Amendments of the Indenture**

If the Requisite Consents are received, the Proposed Amendments would delete the covenants and certain other provisions listed below in the Indenture:

1. Section 4.03. Reports;
2. Section 4.04. Compliance Certificate;
3. Section 4.05. Taxes;
4. Section 4.06. Stay, Extension and Usury Laws;
5. Section 4.07. Restricted Payments;
6. Section 4.08. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;
7. Section 4.09. Incurrence of Indebtedness and Issuance of Preferred Stock;
8. Section 4.10. Asset Sales;
9. Section 4.11. Transactions with Affiliates;
10. Section 4.12. Liens;
11. Section 4.13. Offer to Repurchase Upon Change of Control;

12. Section 4.15. Additional Subsidiary Guarantees;
13. Section 4.17. Designation of Restricted and Unrestricted Subsidiaries;
14. Section 4.18. Termination of Covenants;
15. Section 5.01. Merger, Consolidation or Sale of Substantially All Assets; and
16. Clauses (c), (d), (e), (f) and (g) of Section 6.01. Events of Default.

*Amendments to Section 6.01.* The Proposed Amendments would also amend the provisions of clauses (i) and (j) of Section 6.01 (Events of Default) to only refer to bankruptcy and insolvency events relating to the Company.

*Conforming Changes.* In addition, certain conforming changes may be made to the Indenture, including the deletion of certain definitions, the Table of Contents, and all cross-references to the foregoing provisions and technical changes pursuant to Section 9.01 of the Indenture.

The Indenture can be found on SEDAR (under Trinidad's profile) at [www.sedar.com](http://www.sedar.com).

#### **When the Proposed Amendments Become Effective**

The Issuer intends to execute the Supplemental Indenture promptly after the Consent Deadline if we have received the Requisite Consents in respect of the Notes. The Supplemental Indenture will become effective immediately upon execution by the Issuer, the Guarantors and the Trustee. However, the Proposed Amendments will not become operative until the Settlement Date after we have paid in full the Total Consideration or Consent Only Payment, as applicable.



## **CERTAIN CANADIAN FEDERAL INCOME TAX AND U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following discussion is a summary of certain Canadian federal income tax and U.S. federal income tax consequences relating to the Change of Control Offer and the Consent Solicitation. We have not requested, and do not plan to request, any rulings from Canadian Revenue Agency (the “CRA”) or the U.S. Internal Revenue Service (the “IRS”) concerning the federal income tax consequences contained in this summary, and the statements set forth herein are not binding on the CRA, the IRS or a court. Thus, we can provide no assurance that the tax consequences contained in this summary will not be challenged by the CRA or the IRS or sustained by a court if so challenged.

### **Canadian Federal Income Tax Considerations**

The following is a general summary of the principal Canadian federal income tax considerations generally applicable in respect of the Change of Control Offer and the Consent Solicitation to a Holder of Notes who, for the purposes of the Income Tax Act (Canada) (the “Tax Act”) and at all relevant times, (i) is neither a resident nor a deemed resident of Canada, (ii) deals with the Issuer at arm’s length, (iii) is not a specified non-resident shareholder of the Issuer nor a non-resident person that does not deal at arm’s length with a specified shareholder of the Issuer, (iv) does not use or hold and is not deemed to use or hold the Notes in carrying on business in Canada, (v) is not an authorized foreign bank, (vi) is not an insurer that carries on an insurance business in Canada and elsewhere and (vii) does not receive any amount in respect of the Consent Only Payment in respect of services performed in Canada by any person (a “Non-Resident Holder”). This summary assumes that Holders are beneficial owners of the Notes and that no interest paid on the Notes will be in respect of a debt or other obligation to pay an amount to a person with whom the Issuer does not deal at arm’s length for purposes of the Tax Act.

The summary is based upon the current provisions of the Tax Act, the regulations thereunder in force as of the date hereof, the Issuer’s understanding of the current published administrative and assessing policies of the CRA and upon all specific proposals to amend the Tax Act and regulations announced or released by the Minister of Finance (Canada) prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular Non-Resident Holder. No representation with respect to the Canadian federal income tax consequences to any particular Non-Resident Holder is made herein. Accordingly, Non-Resident Holders should consult their own tax advisors with respect to their particular circumstances.

No representation or warranty is made as to the tax consequences to a Canadian resident Holder who tenders Notes to the Issuer pursuant to the Change of Control Offer or delivers a Consent. Canadian resident Holders are advised that tendering Notes to the Issuer or delivering a Consent may give rise to particular tax consequences affecting them. Accordingly, Canadian resident Holders are strongly encouraged to consult with their tax advisers prior to making any decision to tender their Notes or deliver a Consent.

### ***Consequences to Non-Resident Holders That Sell Notes Pursuant to the Change of Control Offer***

The Change of Control Payment (if applicable) and the Total Consideration (if applicable) received pursuant to the Change of Control Offer by a Non-Resident Holder and an amount equal to any accrued and unpaid interest from the applicable last interest payment date on the Notes to but excluding the Settlement Date paid or credited to a Non-Resident Holder in respect of Notes will be exempt from withholding tax under the Tax Act and no other tax on income or capital gains will be payable under the Tax Act in respect of such payments.

### ***Consequences of Receipt of the Consent Only Payment***

The Consent Only Payment received by a Non-Resident Holder will be exempt from withholding tax under the Tax Act and no other tax on income or capital gains will be payable under the Tax Act in respect of the Consent Only Payment.

### ***Consequences to Non-Resident Holders That Do Not Sell Notes Pursuant to the Change of Control Offer***

A Non-Resident Holder that does not tender its Notes pursuant to the Change of Control Offer will not be subject to tax under the Tax Act by reason only of the adoption of the Proposed Amendments.

### **U.S. Federal Income Tax Consequences**

The following discussion is a summary of certain U.S. federal income tax consequences to U.S. Holders (as defined below) with respect to the Change of Control Offer and the Consent Solicitation. This discussion is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder in light of the U.S. Holder's particular circumstances, or to certain types of U.S. Holders subject to special treatment under U.S. federal income tax laws (such as insurance companies, tax-exempt entities, regulated investment companies, real estate investment trusts, persons that have a "functional currency" other than the U.S. dollar, persons holding Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in securities or currencies, traders in securities that elect to apply a mark-to-market method of tax accounting, United States expatriates, S corporations, corporations that accumulate earnings to avoid U.S. federal income tax, tax-qualified retirement plans or persons that are required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement). In addition, this discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any U.S. federal tax considerations (e.g., estate or gift tax or the Medicare tax on certain investment income) other than U.S. federal income tax considerations that may be applicable to particular U.S. Holders. Further, this summary is limited to U.S. Holders who hold the Notes as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code") (generally, property held for investment).

This discussion does not consider the U.S. federal income tax consequences to an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes. If an entity or arrangement that is treated as a partnership holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A person or entity that is a partner of a partnership that holds Notes is urged to consult its own tax advisor.

This summary is based on the Code and applicable U.S. Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect.

As used herein, a "U.S. Holder" means a beneficial owner of a Note that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation created or organized under the laws of the United States, any state of the United States or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust that either (i) is subject to the primary supervision of a court within the United States and has one or more United States persons (as defined in the Code) with the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person. The term "non-U.S. Holder" means a beneficial owner of a Note (other than an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder. The rules governing U.S. federal income taxation of non-U.S. Holders are complex and no attempt will be made to provide a summary of such rules. Non-U.S. Holders should consult with their own tax advisors to determine the effect of U.S. federal income tax laws, as well as applicable treaties, if any, with regard to the Change of Control Offer and the Consent Solicitation.

This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to particular U.S. Holders in light of their particular circumstances. U.S. Holders are urged to consult their own tax advisors as to the particular tax consequences to them of the Change of Control Offer and the Consent Solicitation, including the effect of any federal, state, local, foreign and other tax laws.

### ***Sale of Notes Pursuant to the Change of Control Offer***

*General.* A U.S. Holder generally will recognize gain or loss on the sale of a Note pursuant to the Change of Control Offer in an amount equal to the difference, if any, between (i) the amount of cash received for such Note (subject to the discussion below under “—Treatment of Total Consideration”), excluding the portion of any cash received for such Note that is properly allocable to accrued and unpaid interest (which will be taxed as described below under “—Accrued and Unpaid Interest”) and (ii) the U.S. Holder’s “adjusted tax basis” in such Note at the time of sale. Generally, a U.S. Holder’s adjusted tax basis in a Note will be equal to the amount paid for the Note by such U.S. Holder (i) increased by any market discount previously included in income with respect to the Note (if the election described below under “—Market Discount” has been made) and (ii) decreased (but not below zero) by any bond premium which the U.S. Holder has previously amortized. Amortizable bond premium generally is the excess of a U.S. Holder’s tax basis in the Note immediately after its acquisition over the principal amount of such Note, subject to certain rules relating to the effect of the redemption provisions of such Note. Subject to the discussion below under “—Market Discount” and “—Treatment of Total Consideration,” any gain or loss recognized by a U.S. Holder will generally be U.S. source capital gain or loss (which may be relevant for foreign tax credit purposes) and will generally be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

*Market Discount.* An exception to the capital gain treatment described above may apply to a U.S. Holder that purchased a Note at a “market discount.” Subject to a statutory de minimis exception, in general, market discount is equal to the excess of a Note’s stated principal amount over the U.S. Holder’s tax basis in the Note immediately after its acquisition by such U.S. Holder. In general, unless the U.S. Holder has elected to include market discount in income currently as it accrues, any gain realized by a U.S. Holder on the sale of a Note having market discount in excess of a de minimis amount will be treated as ordinary income to the extent of any market discount that has accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) but has not yet been included in income while such Note was held by the U.S. Holder. Gain in excess of such accrued market discount will generally be subject to the capital gains treatment described above.

*Treatment of Total Consideration.* In the case of a U.S. Holder that receives the Total Consideration in exchange for a Note pursuant to the Change of Control Offer, there is uncertainty as to the proper U.S. federal income tax treatment of the receipt of that portion of the Total Consideration which represents an amount equal to the Consent Only Payment. Although not free from doubt, we intend to take the position (to the extent required to do so) that such portion should be treated as additional consideration in exchange for the Note, in which case such portion would be taken into account in determining the amount of any gain or loss on the exchange (as provided in the discussion above under “—General”). Alternatively, that portion may be treated as a separate fee, interest, a payment of principal or some other type of income. No assurance can be given that our position, if challenged by the IRS, would be sustained. U.S. Holders are urged to consult their tax advisors regarding the proper U.S. federal income tax treatment of that portion of the Total Consideration which represents an amount equal to the Consent Only Payment.

*Accrued and Unpaid Interest.* The amount of cash received in the Change of Control Offer that is attributable to accrued and unpaid interest on a Note will be taxable as ordinary interest income to the extent not previously included in income by the U.S. Holder.

### ***Consent Solicitation and Receipt of the Consent Only Payment***

*General.* The U.S. federal income tax consequences to non-tendering U.S. Holders of the adoption of the Proposed Amendments and the payment of the Consent Only Payment (if applicable) will depend upon whether those transactions are treated (either individually or in the aggregate) as a “significant modification” that results in a deemed exchange of the existing Notes for “new” Notes. Such deemed exchange would be a taxable event unless a non-recognition provision of the Code were to apply.

A significant modification of a debt instrument occurs if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively (other than certain specified changes), the legal rights or obligations that are altered and the degree to which they are altered are economically significant. Applicable U.S. Treasury regulations provide that a modification that results in a de minimis increase in the yield of a debt instrument (defined as a change in yield not in excess of the greater of (x) 1/4 of one percent (25 basis points) or (y) five percent of the annual yield on the unmodified debt instrument (determined as of the date of the modification)) is not a

significant modification. Applicable U.S. Treasury regulations also provide that a modification to a debt instrument that adds, deletes, or alters customary accounting or financial covenants is not a significant modification, although it is not clear what constitutes such customary accounting or financial covenants.

The change in yield on the Notes resulting from the receipt of the Consent Only Payment will not be sufficient to cause a significant modification of the Notes under the U.S. Treasury regulations. Although the issue is not free from doubt, we intend to take the position (to the extent required to do so) that the adoption of the Proposed Amendments also will not constitute a significant modification of the Notes. Assuming our position is correct, non-tendering U.S. Holders should not recognize any gain or loss for U.S. federal income tax purposes with respect to the Notes as a result of the adoption of the Proposed Amendments (regardless of whether the U.S. Holder consents to the adoption of the Proposed Amendments), payment of the Consent Only Payment (except as described below under “— Consent Only Payment”), or a combination thereof, and should continue to have the same adjusted tax basis and holding period in the Notes.

The foregoing characterization of the adoption of the Proposed Amendments is not binding upon the IRS, and the IRS might assert that such transaction results in a significant modification of the Notes. If the adoption of the Proposed Amendments and/or payment of the Consent Only Payment were treated as a significant modification of the Notes, the tax consequences may differ materially from those described herein and non-tendering U.S. Holders would be treated as if they had exchanged their Notes for “new” Notes that reflect the adoption of the Proposed Amendments. Depending on the circumstances, such treatment could result in a U.S. Holder recognizing taxable gain or loss on the exchange (unless the deemed exchange qualifies as a recapitalization for U.S. federal income tax purposes, which qualification is unclear). U.S. Holders are urged to consult their own tax advisors regarding the potential tax consequences of not tendering their Notes pursuant to the Change of Control Offer.

*Consent Only Payment.* The U.S. federal income tax treatment of the Consent Only Payment is unclear. Assuming the adoption of the Proposed Amendments and payment of the Consent Only Payment is not a significant modification as described above, the Consent Only Payment paid to a non-tendering U.S. Holder may be treated as a fee for consenting to the Proposed Amendments, which would generally be taxable as ordinary income at the time it accrues or is received in accordance with such U.S. Holder’s method of accounting for U.S. federal income tax purposes. Alternatively, the Consent Only Payment may be considered a payment on the Notes (which would generally first be treated as a payment of any accrued and unpaid interest and then as a payment of principal) or some other type of income. Although not free from doubt, we intend to take the position (to the extent required to do so) that the Consent Only Payment is a fee for consenting to the Proposed Amendments. No assurance can be given that our position, if challenged by the IRS, would be sustained. U.S. Holders are urged to consult their tax advisors regarding the proper U.S. federal income tax treatment of the Consent Only Payment.

### ***Information Reporting and Backup Withholding***

A U.S. Holder may be subject to information reporting and backup withholding (currently at a rate of 24%) on payments received with respect to the Change of Control Offer or the Consent Solicitation unless (a) such U.S. Holder falls within certain exempt categories (such as corporations) and demonstrates this fact when required, or (b) in the case of backup withholding, such U.S. Holder provides a correct U.S. taxpayer identification number, certifies that such U.S. Holder is exempt from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Each U.S. Holder may provide such U.S. Holder’s correct taxpayer identification number and certify that such U.S. Holder is not subject to backup withholding by completing an IRS Form W-9.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder may be refunded or credited against the U.S. Holder’s U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

**DEALER MANAGER; SOLICITATION AGENT;  
INFORMATION AGENT; TENDER AGENT; AND TABULATION AGENT**

We have engaged BMO Capital Markets Corp. to act as the Dealer Manager and Solicitation Agent in connection with the Change of Control Offer and the Consent Solicitation. In this capacity, the Dealer Manager and Solicitation Agent may contact Holders or Beneficial Owners of the Notes regarding the Change of Control Offer and the Consent Solicitation and may ask brokers, dealers, commercial banks and others to mail this document and other materials to Beneficial Owners of the Notes.

We have retained D.F. King & Co., Inc. as Information Agent, Tender Agent and Tabulation Agent for the Change of Control Offer and the Consent Solicitation, as applicable. We will pay the Information Agent, Tender Agent and Tabulation Agent customary fees for its services and reimburse it for its reasonable expenses. We have also agreed to indemnify the Information Agent, Tender Agent and Tabulation Agent for liabilities it may incur in its capacity as such.

At any given time, the Dealer Manager and Solicitation Agent may trade the Notes or any other securities of ours for its own account, or for the accounts of its customers, and accordingly, may hold a long or short position in the Notes or those other securities. The Dealer Manager and Solicitation Agent is not obligated to make a market in the Notes or to deliver any Consents or to tender in the Change of Control Offer any Notes that it or its affiliates may own.

We have agreed to reimburse the reasonable expenses that the Dealer Manager and Solicitation Agent may incur for their services as Dealer Manager and Solicitation Agent, and we have also agreed to indemnify the Dealer Manager and Solicitation Agent and their affiliates for liabilities they may incur as a result of acting as the Dealer Manager and Solicitation Agent, including liabilities to which they may be subject under securities laws.

The Dealer Manager and Solicitation Agent and its affiliates have engaged, and may in the future engage, in investment banking and other commercial banking transactions with, and may perform services for, us or our affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealer Manager and Solicitation Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Dealer Manager and Solicitation Agent or its affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealer Manager and Solicitation Agent or its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Dealer Manager and Solicitation Agent and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Any Holder that has questions concerning the terms of the Change of Control Offer or the Consent Solicitation may contact the Dealer Manager and Solicitation Agent at the addresses and telephone numbers set forth on the back cover of this Statement. Requests for additional copies of documentation related to the Change of Control Offer and the Consent Solicitation, requests for copies of the Indenture and any questions or requests for assistance in tendering may be directed to the Information Agent, Tender Agent and Tabulation Agent. Their respective contact information appears on the back cover page of this Statement. Any Beneficial Owner may also contact its brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Change of Control Offer and the Consent Solicitation.

## **REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY TENDERING HOLDERS AND CONSENTING HOLDERS**

By tendering Notes in the Change of Control Offer in accordance with DTC's ATOP procedures and/or by delivering a Consent in respect of the Notes, the Holder is deemed to represent, warrant and undertake to the Issuer, the Guarantors, the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent and the Trustee, as applicable, that:

- (1) the Holder has received and reviewed this Statement and understands that the Holder is tendering its Notes and/or consenting to the Proposed Amendments with respect to such Notes, upon the terms and subject to the conditions set forth in this Statement;
- (2) the Holder is the Beneficial Owner of, or a duly authorized representative of one or more Beneficial Owners of, the Notes in respect of which it has tendered in connection with the Change of Control Offer and/or delivered a Consent in connection with the Consent Solicitation, and it has full power and authority to tender such Notes and/or deliver such Consent;
- (3) to the extent such Holder has tendered Notes, the Notes being tendered in connection with the Change of Control Offer were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and the Issuer will acquire good, indefeasible and unencumbered title to such Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when the Issuer accepts the same;
- (4) the Holder will not sell, pledge, hypothecate or otherwise encumber or transfer any Notes tendered in connection with the Change of Control Offer from the date of tender, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- (5) the Holder is not a person to whom it is unlawful to make an invitation to participate in, or solicit a tender or Consent pursuant to the Change of Control Offer or the Consent Solicitation, as applicable, under applicable securities laws;
- (6) the tendering of Notes in connection with the Change of Control Offer or the delivery of a Consent pursuant to the Consent Solicitation shall constitute an undertaking by the Holder to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions set forth in this Statement;
- (7) if the Notes are assets of (i) an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to Title I of ERISA, (ii) a "plan" as defined in Section 4975 of the Code, (iii) a "governmental plan" as defined in Section 3(32) of ERISA or any other plan that is subject to a law substantially similar to Title I of ERISA or Section 4975 of the Code, or (iv) an entity deemed to hold plan assets of any of the foregoing, any tender of Notes will not result in a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or any substantially similar applicable law;
- (8) the Holder, if delivering a Consent, acknowledges that the Holder consents to the Proposed Amendments as described in this Statement and authorizes, directs and requests the execution and delivery of the Supplemental Indenture; the Holder acknowledges that the delivery of a Consent in accordance with DTC's ATOP procedures constitutes the Holder's written Consent in the Consent Solicitation;
- (9) the Holder acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the Holder and the Consent given by the Holder in respect of such Notes, if applicable, will be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Holder and will not be affected by, and shall survive, the death or incapacity of the Holder;

- (10) except as described under “Certain Canadian Federal Income Tax and U.S. Federal Income Tax Consequences,” no information has been provided to the Holder, the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent or the Trustee, as applicable, with regard to the tax consequences to Holders of the Notes arising from the receipt of the Total Consideration, Change of Control Payment or Consent Only Payment, as applicable, or from the participation in the Change of Control Offer or the Consent Solicitation, and the Holder acknowledges that the Holder is solely liable for any taxes and similar or related payments imposed on the Holder under the laws of any applicable jurisdiction as a result of the Holder’s participation in the Change of Control Offer or the Consent Solicitation and agrees that the Holder will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent, the Tabulation Agent, the Trustee or any other person in respect of such taxes and payments, as applicable;
- (11) the Holder does hereby release and forever discharge the Trustee, its employees, officers, directors, affiliates, and agents, predecessors and successors, of and from any and all manner of actions, causes of actions, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever in law or in equity arising from and relating to the execution of the Supplemental Indenture to give effect to the Proposed Amendments and any transactions contemplated in connection with the Consent and the Consent Solicitation;
- (12) the Holder, if delivering a Consent, authorizes, directs and requests that the Trustee enter into the Supplemental Indenture to give effect to the Proposed Amendments;
- (13) the Holder, if delivering a Consent, empowers, authorizes, and requests the Trustee to do all such other things as may be necessary or expedient to carry out and give effect to the Consent or the Consent Solicitation;
- (14) the Holder declares and acknowledges that the Trustee will not be held responsible for any liabilities or consequences arising as a result of acts taken by it or pursuant to the terms of the Change of Control Offer, the Consent Solicitation or this Statement and the Holders further declare that the Trustee has no responsibility for the terms of the Change of Control Offer, the Consent Solicitation or this Statement or the payment of any Total Consideration, Change of Control Payment or Consent Only Payment;
- (15) the Holder declares and acknowledges that the Trustee or any of its directors, officers, employees, agents or affiliates makes no recommendation as to whether a Holder of the Notes should tender its Notes in the Change of Control Offer or consent to the Proposed Amendments;
- (16) this Statement and the transactions contemplated hereby will not be deemed to be investment advice or a recommendation as to a course of conduct by the Trustee or any of its officers, directors, employees or agents;
- (17) in evaluating the Change of Control Offer and the Consent Solicitation and in making its decision whether to participate in the Change of Control Offer by tendering Notes or in the Consent Solicitation by delivering a Consent, the Holder has made its own independent appraisal of the matters referred to in this Statement and it is not relying on any statement, representation or warranty, express or implied, made to it by the Issuer, the Guarantors, Ensign, the Dealer Manager and Solicitation Agent, the Information Agent, the Tender Agent or the Tabulation Agent, other than those contained in this Statement, as amended or supplemented through the Expiration Time; and
- (18) the Holder has such knowledge and experience in financial and business matters, that it is capable of evaluating the merits and risks of participating in the Change of Control Offer and/or the Consent Solicitation and that it, and any accounts for which it is acting, are each able to bear the economic risks of its, or their, investment.

The representations, warranties and agreements of each Holder tendering Notes or delivering a Consent shall be deemed to be repeated and reconfirmed on and as of the Consent Deadline, the Expiration Time and the Settlement Date.

*The Tender Agent for the Change of Control Offer and the Tabulation Agent for the Consent Solicitation is:*

**D.F. King & Co., Inc.**

*By Mail, Hand or Overnight Courier:*

48 Wall Street  
New York, NY 10005  
Attention: Andrew Beck

*By Facsimile (for Eligible Institutions only):*

(212) 709-3328

*Confirmation:*

trinidaddrilling@dfking.com

*The Information Agent for the Change of Control Offer and the Consent Solicitation is:*

**D.F. King & Co., Inc.**

48 Wall Street  
New York, NY 10005  
Attention: Andrew Beck  
Banks and brokers: (212) 269-5550  
Toll free: (888) 288-0951  
Email: trinidaddrilling@dfking.com  
Website: www.dfking.com/trinidaddrilling

*The Dealer Manager and Solicitation Agent for the Change of Control Offer and the Consent Solicitation is:*

**BMO Capital Markets**

3 Times Square, Floor 25  
New York, NY 10036  
Attention: Liability Management  
Tel: +1 212-702-1840  
Toll free: 1-833-418-0762  
Email: LiabilityManagement@bmo.com

Any questions regarding the terms of the Change of Control Offer and the Consent Solicitation may be directed to the Dealer Manager and Solicitation Agent. Requests for additional copies of documentation related to the Change of Control Offer and the Consent Solicitation, requests for copies of the Indenture and any questions or requests for assistance in tendering may be directed to the Information Agent, Tender Agent and Tabulation Agent. Beneficial Owners of Notes may also contact their brokers, dealers, commercial banks or trust companies for assistance concerning the Change of Control Offer and the Consent Solicitation.