

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

<hr/>		X
In re	:	Chapter 11
	:	
PACIFIC DRILLING S.A., <i>et al.</i> , ¹	:	Case No. ____-____ (___)
	:	
Debtors.	:	Joint Administration Pending
	:	
<hr/>		X

**DECLARATION OF PAUL T. REESE
PURSUANT TO RULE 1007-2 OF THE LOCAL BANKRUPTCY RULES
FOR THE SOUTHERN DISTRICT OF NEW YORK IN SUPPORT OF
CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS AND APPLICATIONS**

I, Paul T. Reese, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information and belief:

1. I am the Chief Executive Officer of Pacific Drilling S.A., a Luxembourg public limited liability company (*société anonyme*) (“PDSA”). PDSA and 21 of its direct and indirect subsidiaries are debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”). I joined PDSA in October, 2008 as Vice President and Controller, was promoted to serve as Chief Financial Officer in February, 2014, and was promoted to my current position as Chief Executive Officer in August, 2017. I am familiar with the Debtors’ day-to-day operations, books and records, and business and financial affairs.

2. I submit this declaration (this “Declaration”) pursuant to rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”) in

¹ The Debtors in these chapter 11 cases and, if applicable, the last four digits of their U.S. taxpayer identification numbers are: Pacific Drilling S.A., Pacific Drilling (Gibraltar) Limited, Pacific Drillship (Gibraltar) Limited, Pacific Drilling, Inc. (1524), Pacific Drilling Finance S.à r.l., Pacific Drillship SARL, Pacific Drilling Limited, Pacific Sharav S.à r.l. (2431), Pacific Drilling VII Limited, Pacific Drilling V Limited, Pacific Drilling VIII Limited, Pacific Scirocco Ltd. (0073), Pacific Bora Ltd. (9815), Pacific Mistral Ltd., Pacific Santa Ana (Gibraltar) Limited, Pacific Drilling Operations Limited (9103), Pacific Drilling Operations, Inc. (4446), Pacific Santa Ana S.à r.l. (6417), Pacific Drilling, LLC (7655), Pacific Drilling Services, Inc. (5302), Pacific Drillship Nigeria Limited (0281) and Pacific Sharav Korlátolt Felelősségű Társaság.

support of the Debtors' petitions (the "Petitions") for relief under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), filed on November 12, 2017 (the "Petition Date"), and the Debtors' related requests for initial relief in the form of motions and applications (the "First Day Motions"). I understand that the Debtors are also submitting the *Declaration of James A. Mesterharm in Support of First Day Motions and Applications* (the "Mesterharm Declaration") in further support of the Petitions and First Day Motions.

3. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, my discussions with members of the Debtors' senior management and other professionals, and my opinion based upon experience, knowledge and information concerning the Debtors' operations and their industry as a whole.

4. On the Petition Date, the Debtors commenced reorganization cases in this Court pursuant to chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). The Debtors intend to operate their business in the ordinary course during the Chapter 11 Cases. I have reviewed the Debtors' business plan and projected financial information. The Debtors anticipate that cash on hand and revenue earned from postpetition operations will be sufficient to fund all payments contemplated by the Debtors' First Day Motions and their postpetition operating and restructuring-related expenses.

5. In addition to supporting the relief requested in the First Day Motions, this Declaration is intended to provide a summary overview of the Debtors and their business. Specifically, Part I provides an overview of the Debtors' business. Part II describes the organizational structure and capitalization. Part III addresses the circumstances leading to the

filing of the Chapter 11 Cases. Part IV contains information required by Local Rule 1007-2 to the extent not otherwise provided herein.

I. Company Overview

A. The Company's Business

6. The Debtors and their non-Debtor subsidiaries (collectively, "Pacific Drilling" or the "Company") operate an international offshore drilling business that specializes in ultra-deepwater and complex well construction services. Pacific Drilling employs a fleet of high-specification drillships, specialized management and technical teams, and proprietary technology and business processes. Drilling services are provided on a "dayrate" contract basis: Pacific Drilling charges its customer a fixed operating service fee for drillship, crew and shore-based and overhead support services. The customer, not Pacific Drilling, bears substantially all of the ancillary costs of constructing the well and supporting drilling operations, as well as the economic risk and reward relative to the success of the well.

7. Pacific Drilling owns all of its drillships. The Pacific Drilling fleet is comprised of seven high-specification floating rigs: the *Pacific Bora*, the *Pacific Mistral*, the *Pacific Scirocco*, the *Pacific Santa Ana*, the *Pacific Khamsin*, the *Pacific Sharav* and the *Pacific Meltem*. All drillships are of the latest generations, delivered between 2010 and 2014, with a combined historical acquisition cost exceeding \$5.0 billion.

8. The drillships are long-lived assets. The average useful life of a drillship exceeds 25 years. During its useful life, the economic value of a drillship to Pacific Drilling can be expected to fluctuate up and down based on market circumstances, chiefly the supply of and demand for drillships with similar well construction capabilities. These supply and demand factors will be more important than the nominal age of the vessel in determining the economic value of the drillships to Pacific Drilling over the next decade. Based on the young age and

advanced technical characteristics of the drillships, if Pacific Drilling continues operations in the ordinary course, I do not expect a decline during the next twelve months in Pacific Drilling's ability to use any of its drillships to generate revenue, other than as a result of an adverse change in general market circumstances.

9. Unlike some of its peers, Pacific Drilling does not rely on an outside company to manage its fleet or provide well construction services. Instead, dedicated teams provide management and corporate services through wholly-owned subsidiaries, chiefly Pacific Drilling Services, Inc. ("PDSI"), a Debtor in these Chapter 11 Cases. Employees of the Debtors provide sales, management, legal, financial, accounting, administrative, technical, client service, safety leadership and oversight, and other support services for Pacific Drilling from its operational headquarters in the United States and other offices around the world. The Debtors' employees implement a complex management system of policies, procedures and processes in order to ensure a safe and efficient execution of drilling operations. The system allows the company to coordinate the complex web of interdependent activities involved in deepwater offshore drilling, including streamlined coordination and communication between the onshore and offshore teams. Because the Company believes the management system is critical and necessary to its success, it spent more than \$150 million to create the system prior to first revenues.

10. Pacific Drilling operates in a global marketplace for offshore drilling services. Currently, the Debtors' drillships are contracted for wells in the deepwater regions of the U.S. Gulf of Mexico, the Federal Republic of Nigeria and the Islamic Republic of Mauritania, some of the most active deepwater basins in the world.

11. The Debtors' clients are large national, major or independent oil and gas companies, and have included Chevron, Total S.A. Group and Petroleo Brasileiro S.A. Deepwater exploration and production is a capital-intensive and high-risk industry, with substantial investment required to effectively conduct operations. It also can be immensely lucrative. Offshore production is an important component of the business of the largest production companies in the world and a major contributor to their profitability. The Debtors' high-specification drillships are specifically designed to meet the requirements of these large, sophisticated customers.

12. The deepwater drilling market is highly cyclical. It is affected by swings in oil price as well as the supply and demand for offshore drilling rigs. Typically, these cycles have lasted five to ten years, with fluctuations in rig utilization from below 60% up to 99% and dayrates swinging from breakeven costs (which I would estimate to be currently \$130,000-\$180,000) upwards to \$700,000 per day.

13. A critical part of the Debtors' business and competitive advantage is its superior ability to weather a downturn in the market and be ready and available to redeploy in the future when prices recover. With a uniformly modern and mobile fleet, the Debtors have led the market in developing sophisticated processes and procedures to "stack" drillships while not active. The Debtors' proprietary "Smart Stacking" process utilizes, among other things, economies of scale and a single reduced workforce, to maintain drillships at the lowest cost possible while preserving the ability to redeploy the vessel in a timely and cost effective manner.

14. The Debtors also change drillship contracting strategy based on market conditions. Generally, when demand and rates are high, the Debtors seek long-term contracts for

their drillships. When demand and rates are low, the Debtors keep their drillships active on short-term contracts or, if needed, stack their drillships.

15. Currently, the Debtors have one long-term contract for the *Pacific Sharav*, commencing in August, 2014 and expiring in August, 2019 at a dayrate of \$550,000. Current long-term contract opportunities are limited, and would yield little profit for Pacific Drilling. Rather than contract its fleet for the long-term at low current prices, which would restrict Pacific Drilling’s chance to profit immediately from a market recovery, Pacific Drilling currently maintains the bulk of its fleet committed only in the short term or uncontracted. This strategy has meant that Pacific Drilling today will have more or less complete flexibility with respect to its contracting choices as prices begin to recover.

16. As of the Petition Date, the Debtors’ fleet status is as follows:

Drillship	Customer	Location	Contractual Dayrate	Availability / Expected Availability
Under Contract				
<i>Pacific Bora</i>	Erin	Nigeria	\$150,000	February 2018
<i>Pacific Santa Ana</i>	Petronas	Mauritania	\$265,000	May 2018
<i>Pacific Sharav</i>	Chevron	USGoM	\$550,000	September 2019
Smart Stacked				
<i>Pacific Mistral</i>	---	Tenerife	---	Immediate
<i>Pacific Scirocco</i>	---	Tenerife	---	Immediate
<i>Pacific Khamsin</i>	---	Tenerife	---	Immediate
<i>Pacific Meltem</i>	---	Tenerife	---	Immediate

17. The revenue earned from operation of each drillship currently contracted is at least sufficient to pay the operating costs of such drillship. When a drillship is operating, Pacific Drilling also avoids the cost of stacking the drillship.

18. For a drillship that is not operating, with its modified Smart Stacking process, Pacific Drilling is able to stack each of its available drillships less expensively than I believe any third party could stack such drillship at a corresponding level of readiness.

Generally, safely stacking any of the drillships less expensively than Pacific Drilling's modified Smart Stack process would involve 'cold-stacking' the drillships, which entails shutting down the drillship and all its systems in full, as well as reducing manning of the drillship to the minimum level needed to safeguard the drillship against theft or vandalism. Cold-stacking could achieve lower monthly costs eventually, but only after substantial upfront cash costs to ready the drillship for cold-stacking. Furthermore, a cold-stacked drillship is removed from marketable supply and not ready for deployment in the future (whether by Pacific Drilling or a subsequent owner) without substantial incremental reactivation costs. Pacific Drilling continues to assess its stacking strategy from time to time.

19. As a "pure-play" deepwater driller, the Debtors have a number of competitive strengths. *First*, the Debtors' fleet is comprised of some of the newest and most technologically advanced drillships in the world. Each drillship can drill deeper, faster and more efficiently, and move more quickly between locations, than older units in the market. *Second*, the uniformity of Pacific Drilling's drillships enables streamlined labor, maintenance, supply chain and operational support systems. Dedicated support systems allow the Debtor to maintain corporate overhead at competitive levels, manage the drillships more efficiently and build and leverage concentrated relationships with key vendors and suppliers. *Third*, the consistent technical specifications of the Debtors' drillships and equipment means that spare parts and maintenance processes are interchangeable, reducing the capital requirements associated with keeping spare parts in stock and leading to lower maintenance and supply chain costs. *Fourth*, the Debtors have recruited talented, experienced ship-based crews and provided a comprehensive training program. As a result, in 2016 the Company did not have a single reportable safety incident and its fleet has averaged greater than 98% uptime over the last two years.

20. The highly specific nature of the Debtors' business also has attracted significant interest from investors over the Debtors' history. Since 2006, over \$1.6 billion of equity capital has been invested by the Quantum Pacific Group to build the Debtors' business and support growth and fleet expansion, and all of this capital remains invested. In addition, the entire net proceeds of a subsequent equity placement followed by a successful initial public offering of Pacific Drilling in 2011, or approximately \$650 million, were contributed to Pacific Drilling as well. Pacific Drilling listed on the New York Stock Exchange in connection with this initial public offering, and in 2013 had a peak market-implied equity value of approximately \$2.7 billion and enterprise value exceeding \$5 billion.

21. My view in light of over 20 years in the industry is that recovery in the market for drilling contracts is a question of "when" not "if". Pacific Drilling continues to have advantages over competitors with older fleets, as high-specification drilling units are generally better suited to meet the requirements of customers for drilling in deepwater, complex geological formations with challenging well profiles or remote locations. Furthermore, the uniformity and mobility of the Company's fleet allow a Smart Stacking strategy that will continue to yield cost savings and flexibility if the downturn is prolonged.

II. The Debtors' Organizational Structure and Prepetition Capitalization

A. Organizational Structure

22. The Company began operations in 2006 as Pacific Drilling Limited, organized in Liberia ("PD Limited"). With its business successes and acquisition of additional vessels, Pacific Drilling grew rapidly. On March 11, 2011, PDSA was formed as a new Luxembourg public limited liability company, and PD Limited became a wholly-owned subsidiary. The corporate structure chart attached hereto as Exhibit A (the "Structure Chart")

provides a general overview of the current corporate structure and the relationship among PDSA and its Debtor and non-Debtor subsidiaries.

23. As indicated on the Structure Chart, the Debtors are organized under the laws of several countries: the United States, Luxembourg, Liberia, Gibraltar and the British Virgin Islands. The Company maintains its principal executive office and registered office in Luxembourg and its operational headquarters in Houston, Texas. The Debtors have significant assets and operations around the world.

24. PDSA owns, directly or indirectly, all of the equity of its Debtor and non-Debtor subsidiaries, with the exception of four entities holding interests in the *Pacific Bora* and *Pacific Scirocco*. In order to keep these drillships eligible to operate in Nigeria, these four entities – Pacific Bora Ltd. (“PBL”), Pacific Scirocco Ltd. (“PSL”), Pacific Drillship Nigeria Limited (“PDNL”) and Pacific International Drilling West Africa Limited (“PIDWAL”) – are partly owned by a Nigerian business partner, Derotech Offshore Services Limited, a privately-held Nigerian registered limited liability company (“Derotech”). Despite partial ownership by Derotech, all four of these entities are guarantors of the Ship Group A Debt (as defined below) and PBL, PSL and PDNL are Debtors in these cases. PIDWAL – the non-operating holding company in which Derotech has made its direct investment – is a non-Debtor subsidiary.

B. The Debtors’ Prepetition Capitalization

25. As of the Petition Date, the Debtors’ principal non-contingent liabilities consist of outstanding funded debt under three credit facilities and two bond indentures in an aggregate outstanding principal amount of approximately \$3.0 billion (the “Prepetition Debt”). The Debtors have no other indebtedness for borrowed money. The following description of the Debtors’ Prepetition Debt is for informational purposes only and is qualified in its entirety by

reference to the documents setting forth the specific terms of such obligations and their respective related agreements (the “Prepetition Debt Instruments”).

26. All of the Prepetition Debt is an unsecured obligation of, or is guaranteed by, PDSA. As the parent holding company for Pacific Drilling, PDSA directly or indirectly wholly owns all other Debtor and non-Debtor subsidiaries (other than the subsidiaries partly owned by Derotech as discussed above). With respect to the operations of the Company, the most important Debtor subsidiaries that are *not* themselves guarantors of any Prepetition Debt include: (i) Pacific Drilling (Gibraltar) Limited, the Company’s consolidated cash pool leader (the “Pool Leader”), which holds approximately \$256 million in unencumbered cash as of the Petition Date, (ii) Pacific Drilling VIII Limited (the “PDVIII”) which is a party to the arbitration action described below, and (iii) PDSI, which holds substantially all of Pacific Drilling’s management and general corporate employee, vendor and customer relationships and intellectual property.² No drillship can be employed by Pacific Drilling without access to *both* the resources of these non-guarantor Debtor subsidiaries *and* the applicable Drillship Subsidiaries (as defined below) that have borrowed, issued or guaranteed the different facilities comprising the Prepetition Debt.

27. In addition to claims against PDSA, the various Prepetition Debt facilities have claims against various Debtor subsidiaries that own or charter the drillships (the “Drillship Subsidiaries”), as well as certain other Debtor subsidiaries that have issued guarantees or granted limited recourse share pledges. Claims against the Drillship Subsidiaries and certain of these

² Although PDSI is not a guarantor of any Prepetition Debt Instruments, it is held through an ownership chain that includes Pacific Drilling Limited, one of the guarantors on the Ship Group A Debt. The Pool Leader is held directly by PDSA. PDVIII is held by PDSA through a non-Debtor holding company with no third party liabilities.

guarantors under the Prepetition Debt Instruments purport to be secured by the drillships or other property. Because of cross-guarantees, the Prepetition Debt Instruments effectively give rise to secured claims against three separate groups of cross-collateralized Drillship Subsidiaries: “Ship Group A”, “Ship Group B” and “Ship Group C”, (each, a “Ship Group”). All Prepetition Debt is recourse to one – but not more than one – Ship Group.

i. The Ship Group A Debt

28. The \$1.9 billion of outstanding Prepetition Debt with claims against Ship Group A was entered into in June, 2013. It consists of a \$500 million revolving credit facility due June 3, 2018 (the “Revolving Credit Facility”), \$750 million in principal amount of 5.375% senior secured notes due June 1, 2020 (the “2020 Notes”), and a \$750 million senior secured term loan due June 3, 2018 (the “Term Loan B Credit Facility” and, together with the 2020 Notes and the Term Loan B Credit Facility, the “Ship Group A Debt”).

29. The Revolving Credit Facility is governed by that certain Credit Agreement, dated as of June 3, 2013 (as amended, restated, supplemented or otherwise modified, the “Revolving Credit Agreement”), by and among PDSA, as borrower, the various guarantor parties thereto, as guarantors (the “RCF Guarantors”), the lead arranger and bookrunner parties thereto, the banks and financial institutions party thereto, as lenders (the “RCF Lenders”), and Citibank, N.A., as administrative agent. As of the Petition Date, PDSA had borrowings of \$475 million outstanding under the Revolving Credit Facility, with no undrawn capacity, in addition to other obligations related thereto, including any accrued and accruing unpaid interest, costs and fees.

30. Borrowings under the Revolving Credit Facility bear interest, at PDSA’s option, at either (a) the London Interbank Offered Rate (“LIBOR”) *plus* a margin ranging from 3.25% to 3.75% based on PDSA’s leverage ratio, or (b) a rate of interest per annum equal to (i)

the prime rate for such day, (ii) the sum of the federal funds rate *plus* 0.5% or (iii) 1% per annum above the one-month LIBOR, whichever is the highest rate in each case, *plus* a margin ranging from 2.25% to 2.75% per annum based on PDSA's leverage ratio. Undrawn commitments accrue a fee ranging from 1.3% to 1.5% per annum based on PDSA's leverage ratio. Interest and commitment fees under the Revolving Credit Facility are payable quarterly.

31. The 2020 Notes were issued under that certain Indenture, dated as of June 3, 2013, by and among PDSA, as issuer, certain of PDSA's subsidiaries, as guarantors, and Deutsche Bank Trust Company Americas, as indenture trustee (in such capacity, the "2020 Indenture Trustee") for the noteholders thereunder.

32. The 2020 Notes bear interest at 5.375% per annum, payable semiannually on June 1 and December 1. As of the Petition Date, the outstanding indebtedness under the 2020 Notes is \$750 million in principal amount, *plus* any other obligations related thereto, including any accrued and accruing unpaid interest, costs and fees.

33. The Term Loan B Credit Facility is governed by that certain credit agreement, dated as of June 3, 2013 (as amended, restated, supplemented or otherwise modified, the "Term Loan Agreement"), by and among PDSA, as borrower, the various guarantor parties thereto, as guarantors, the lead arranger and bookrunner parties thereto, the banks and financial institutions party thereto (collectively, the "Term Loan Lenders"), as lenders, and the administrative agent thereunder (the "TLB Agent").

34. The Term Loan B Credit Facility bears interest, at PDSA's option, of either (a) LIBOR, which will not be less than a floor of 1%, *plus* a margin of 3.5% per annum, or (b) a rate of interest per annum equal to (i) the prime rate for such day, (ii) the sum of the federal funds rate *plus* 0.5% or (iii) 1% per annum above the one-month LIBOR, whichever is the

highest rate in each case, *plus* a margin of 2.5% per annum. Interest on the Term Loan B Credit Facility is payable quarterly. The Term Loan Agreement requires quarterly amortization payments of \$1.9 million. As of the Petition Date, PDSA owes approximately \$718 million in principal amount under the Term Loan B Credit Facility, *plus* any other obligations related thereto, including any accrued and accruing unpaid interest, costs and fees.

35. All Ship Group A Debt is recourse to the same Debtors. The RCF Guarantors, 2020 Note Guarantors and Term Loan B Guarantors are the same entities: PBL, Pacific Mistral Ltd., PSL and Pacific Santa Ana S.à r.l., (collectively, the “Ship Group A Drillship Subsidiaries”); PIDWAL, a non-Debtor; and the following additional Debtors on a secured or unsecured basis, depending on the Debtor: Pacific Drilling, Inc., Pacific Drilling Finance S.à r.l., Pacific Drillship SARL, Pacific Drilling Limited, Pacific Santa Ana (Gibraltar) Limited and PDNL. PDSA has guaranteed the Ship Group A Debt on an unsecured basis.

36. The Ship Group A Debt is secured, on an equal and ratable first-priority basis by, among other things, (a) liens on the *Pacific Bora*, the *Pacific Mistral*, the *Pacific Scirocco* and the *Pacific Santa Ana* (the “Ship Group A Vessels”) and by assignments of earnings and insurance proceeds with respect to the Ship Group A Vessels, and (b) a pledge of the capital stock of the Ship Group A Drillship Subsidiaries. The collateral securing the Debtors’ obligations under the Ship Group A Debt pursuant to the Revolving Credit Agreement, 2020 Senior Secured Notes Indenture, Term Loan Agreement and related documents is referred to herein as the “Ship Group A Collateral”. The pledge of the Ship Group A Collateral is subject to payment priorities and other intercreditor rights in favor of the RCF Lenders pursuant to an intercreditor agreement, dated as of June 3, 2013, by and among (i) Citibank, N.A., as collateral agent and administrative agent under the Revolving Credit Agreement, (ii) the TLB Agent,

(iii) 2020 Indenture Trustee and (iv) PDSA, which provides “first out” priority to the obligations under the Revolving Credit Facility Agreement ahead of the obligations under both the 2020 Notes and the Term Loan Agreement.

ii. Ship Group B Debt

37. The Prepetition Debt with claims against Ship Group B (the “Ship Group B Debt”) was incurred in February 2013, when Debtors Pacific Sharav S.à r.l. (“PSS”) and Pacific Drilling VII Limited (“PDVII”, and together with PSS, the “SSCF Borrowers”) entered into that certain Senior Secured Credit Facility Agreement, dated as of February 19, 2013 (as amended, restated, supplemented or otherwise modified, the “Senior Secured Credit Facility Agreement”), by and among the SSCF Borrowers, as borrowers, PDSA, as guarantor party thereto, the lead arranger and bookrunner parties thereto, the banks and financial institutions party thereto, as lenders (collectively, the “SSCF Lenders” and, together with the RCF Lenders, the Term Loan Lenders, holders of the Ship Group C Debt (as defined below) and holders of the 2020 Notes, the “Prepetition Lenders”), Garanti-Instituttet for Eksportkreditt (“GIEK”), Wilmington Trust, National Association (“Wilmington”), as successor administrative agent, GIEK facility agent, security agent, and account bank thereunder.

38. The Ship Group B Debt consists of two principal tranches: (a) a commercial tranche (the “Commercial Tranche”) in an initial amount of \$492.5 million provided by a syndicate of commercial banks and (b) a GIEK tranche (the “GIEK Tranche”) in an initial amount of \$492.5 million. The GIEK Tranche is guaranteed by GIEK and is comprised of two sub-tranches: (i) an Eksportkreditt Norge AS sub-tranche (the “EKN Sub-tranche”) in an initial amount of \$246.3 million and (ii) a bank sub-tranche in an initial amount of \$246.3 million. The Debtors have made substantial amortization payments and prepayments of the Ship Group B Debt prior to the Petition Date totaling \$323.5 million. As of the Petition Date, the outstanding

indebtedness under the Ship Group B Debt is \$661.5 million in principal amount, *plus* any other obligations related thereto, including any accrued and accruing unpaid interest, costs and fees.

39. Borrowings under (a) the Commercial Tranche bear interest at LIBOR *plus* a margin of 3.75%, (b) the EKN Sub-tranche bear interest, at the borrowers' option, at (i) LIBOR *plus* a margin of 1.5% (which margin may be reset on May 31, 2019) or (ii) at a Commercial Interest Reference Rate, as defined in the Senior Secured Credit Facility Agreement, of 2.37% and (c) the bank sub-tranche bear interest at LIBOR *plus* a margin of 1.5%.

Borrowings under both sub-tranches are also subject to a guarantee fee of 2% per annum and interest is payable quarterly. The Commercial Tranche of the Ship Group B Debt is due on May 31, 2019. Loans made with respect to the *Pacific Sharav* under the GIEK Tranche are due on May 12, 2026 and loans made with respect to the *Pacific Meltem* under the GIEK Tranche are due on November 24, 2026. The GIEK Tranche is subject to a put option exercisable if the Commercial Tranche is not refinanced or renewed on or before February 28, 2019, which if exercised would require the SSCF Borrowers to prepay, in full, the portion of all outstanding loans that relate to the GIEK Tranche, on or before May 31, 2019, without any premium, penalty or fees of any kind.

40. The Ship Group B Debt is guaranteed by the following Drillship Subsidiaries: Pacific Sharav S.à r.l., Pacific Drilling VII Limited and Pacific Drilling Operations, Inc. (collectively, the "Ship Group B Drillship Subsidiaries"). PDSA also has guaranteed the Ship Group B Debt on an unsecured basis.

41. The Debtors' obligations under the Ship Group B Debt are secured on a first-priority basis by, among other things, (a) liens on the *Pacific Sharav* and the *Pacific Meltem*, and assignments of internal charters, earnings, earnings accounts and insurance proceeds

with respect to the *Pacific Sharav* and the *Pacific Meltem*, and (b) all of the capital stock of the Ship Group B Drillship Subsidiaries.

iii. Ship Group C Debt

42. In November 2012, Pacific Drilling V Limited (“PDV”), an indirect, wholly-owned subsidiary of PDSA, issued \$500 million in principal amount of 7.25% senior secured notes due December 1, 2017 (the “Ship Group C Debt”). The Ship Group C Debt was issued pursuant to that certain Indenture, dated as of November 28, 2012 (as amended, supplemented or otherwise modified from time to time through the Petition Date, the “2017 Senior Secured Notes Indenture”), by and among PDV, as issuer, PDSA, as guarantor, and Deutsche Bank Trust Company Americas, as indenture trustee and as collateral agent for the noteholders thereunder.

43. During the year ended December 31, 2016, PDSA and PDV repurchased an aggregate principal amount of \$60.6 million of the Ship Group C Debt for a purchase price of \$23.6 million *plus* accrued interest. Prior to the Petition Date, \$2 million in principal amount of notes was cancelled. As of the Petition Date, \$21.7 million and \$36.9 million of the Ship Group C Debt is held by PDSA and PDV, respectively. The outstanding amount of Ship Group C Debt held by third parties—not including the Ship Group C Debt held by PDSA and PDV—is \$439.4 million, *plus* any other obligations related thereto, including any accrued and accruing unpaid interest, costs and fees. The Ship Group C Debt is due on December 1, 2017, and bear interest at 7.25% per annum, payable semiannually on June 1 and December 1.

44. PDSA has guaranteed the Ship Group C Debt on an unsecured basis. No other Debtor has guaranteed the Ship Group C Debt.

45. The Ship Group C Debt also is secured on a first-priority basis by liens on (a) the *Pacific Khamsin* and (subject to certain exceptions) substantially all of the other assets of

PDV, and by assignments of earnings and insurance proceeds related to the *Pacific Khamsin*, and (b) all of the capital stock of PDV held by Pacific Drillship (Gibraltar) Limited, a holding company that is the immediate owner of PDV.

iv. Equity Interests

46. PDSA listed on the New York Stock Exchange in connection with its initial public offering in 2011. It reached its peak market-implied equity value of approximately \$2.7 billion in 2013. Trading in PDSA's common shares on the New York Stock Exchange was suspended on September 12, 2017 due to its failure to meet the exchange's market capitalization requirement. On September 13, 2017, PDSA's common shares commenced trading in the over-the-counter market on the "Pink Market" (formerly the "Pink Sheets") of the OTC Markets Group, Inc under the ticker PACDF. PDSA's common shares were also listed on the Norwegian OTC from April, 2011 to October, 2016.

47. As of the Petition Date, the Quantum Pacific Group owned approximately 70.3% of Pacific Drilling's total outstanding common shares. The common shares owned by the Quantum Pacific Group are held by Quantum Pacific (Gibraltar) Limited, a wholly-owned subsidiary of Quantum Pacific International Limited, the indirect ultimate owner of which is a discretionary trust in which Mr. Idan Ofer is the primary beneficiary. Quantum Pacific Group controls a portfolio of businesses worldwide, particularly in the energy and natural resources value chain. I am not aware of any other holder of over 5% of Pacific Drilling's common stock as of the Petition Date.

v. Ship Group C Debt Held by Debtors

48. As mentioned above, the Debtors hold \$58.6 million of the Ship Group C Debt as of the Petition Date. Specifically, \$21.7 million and \$36.9 million of the Ship Group C Debt is held by PDSA and PDV, respectively.

vi. Cash

49. As of the Petition Date, the Debtors have approximately \$325 million of cash on hand, including \$256 million held by the Pool Leader in an unencumbered account, \$50 million held by PDVII in a pledged account at Wilmington and \$8.5 million held by PDSA in restricted accounts with Citibank to support letters of credit and banking products. Cash on hand also includes \$750,000 on account with Sullivan & Cromwell LLP in New York (held as a security retainer for the ratable account of all Debtors), \$30,000 on account with Jones Walker LLP in New Orleans (held as a security retainer for the ratable account of all Debtors), \$25,000 on account with Winston & Strawn LLP in Chicago (held as a security retainer for the ratable account of all Debtors), \$250,000 on account with AlixPartners in New York (held as a security retainer for the ratable account of all Debtors), \$35,000 on account with Prime Clerk, LLC in New York (held as a security retainer for the ratable account of all Debtors), \$50,000 on account with Evercore Partners International LLP in London (held as an expense reimbursement retainer for the ratable account of all Debtors), \$250,000 on account with Paul, Weiss, Rifkind, Wharton & Garrison LLP in New York (held as a security retainer for the ratable account of all Debtors) and £1,000,000 on account with Ince & Co in London (held as a security retainer for the ratable account of all Debtors). As of the Petition Date, substantially all cash is held in unencumbered accounts, other than the \$50 million held by PDVII and \$8.5 million held by PDSA.

C. The Zonda Arbitration

50. The Debtors are pursuing a cause of action against Samsung Heavy Industries Co., Ltd (“SHI”) in the amount of \$350 million, including interest and costs, and arbitration is proceeding. The Debtors’ claims arise out of a 2013 contract with SHI for the construction of a new drillship, the *Pacific Zonda* (the “Zonda”), which would have been the Debtors’ eighth. SHI failed to timely deliver the *Zonda* in accordance with the contractual

specifications and the Debtors exercised their right to rescind the construction contract (the “Construction Contract”) on October 29, 2015 and demanded that SHI refund the amount of their advance payments under the contract in the amount of approximately \$181 million, plus interest. SHI rejected the Debtors’ rescission, and on November 18, 2015, formally commenced an arbitration proceeding against the contracting Debtors in London under the Arbitration Act 1996, in accordance with the Construction Contract. The Debtors also made demand against Korea Eximbank under the third party refund guarantee accompanying the Construction Contract for the amount of their advance payments made under the Construction Contract. Any payment under the refund guarantee is suspended until an award under the arbitration is obtained.

51. In the arbitration, SHI claims that the Debtors wrongfully rejected its tendered delivery of the *Zonda*, and seeks the final installment of the purchase price under the Construction Contract of approximately \$350 million, including interest and costs. If SHI is successful, the contracting Debtors (PDVIII and, as guarantor, PDSI) may be liable for damages to SHI as a prepetition unsecured claim. PDVIII, on the other hand, claims that SHI is liable to the Debtors for the return of all installment amounts paid, plus interest, the return of certain owner-supplied equipment or its value, and certain other amounts. If PDVIII is successful, any recovery by PDVIII would be an unencumbered asset of its estate. A hearing for the arbitration proceeding has been set for February 5, 2018. As part of their first day relief detailed in the Mesterharm Declaration, the Debtors are seeking to lift the automatic stay to allow the arbitration with SHI to proceed.

III. Events Leading to the Commencement of the Debtors’ Chapter 11 Cases

A. Cyclical Decline and Cost Reductions

52. The offshore contract drilling industry in which the Debtors operate is cyclical and volatile and has been in significant decline since the substantial drop in oil prices

beginning in mid-2014. Demand for the Debtors' drillships is a function of the worldwide levels of offshore exploration and development spending by oil and gas companies, which has decreased or been delayed significantly as a result of the sustained weakness in oil prices. Although dayrates and utilization for modern drillships have in the past been less sensitive to short-term oil price movements than those of older or less capable drilling rigs, the current, sustained decline in oil prices has rendered many deepwater projects less attractive to the Debtors' customers in the near term and significantly impacted the number of projects available for modern drillships at the present time. As a result of the low commodity prices, over the preceding three years, the majority of exploration and production companies have announced capital expenditure budgets with significant reductions in capital spending from prior years. Additionally, multiple drilling rigs have completed contracts without signing new ones, leading to a current oversupply of drilling rigs.

53. In response to deteriorating market conditions, the Debtors implemented various initiatives to reduce costs and increase efficiency. The Debtors' total headcount for Pacific Drilling decreased more than 50% from 1,606 employees and contractors as of December 31, 2014, to 797 employees and contractors as of September 30, 2017. The Debtors also commenced reviews of rig maintenance costs, human resources and training costs, procurement and supply chain practices and IT contracts, among other expenditures. As a result, since the Fourth Quarter of 2014, total operating expenses have decreased by more than 52% from \$123.8 million to \$58.9 million in the Third Quarter of 2017. This has been achieved by both reducing daily rig operating costs for active rigs by more than 40% and generating significant savings for idle rigs by Smart Stacking them at less than \$30,000 per day per rig. In addition, corporate overhead support has been reduced by more than 25% over the same timeframe.

B. Discussions with Stakeholders

54. In addition to the cost saving measures described above, for more than a year prior to the filing of the Chapter 11 Cases, the Debtors attempted to explore various restructuring alternatives with their lenders and other stakeholders. The Debtors began restructuring discussions with the RCF Lenders and the SSCF Lenders (collectively, the “Bank Lenders”) in May 2016, with the goal of agreeing a holistic solution to the Debtors’ near term maturities. While the Debtors’ initial proposals to “amend and extend” certain of their debt instruments were met with resistance from the Bank Lenders, the Debtors were able to successfully negotiate amendments to the Revolving Credit Facility and the Ship Group B Debt in January, 2017. These amendments waived certain financial covenants for the fiscal quarters ending March 31, 2017 and June 30, 2017, providing the Debtors with additional runway to continue discussions with their various stakeholders.

55. The Debtors were hopeful that the additional runway gained through the credit facility amendments would enable them to negotiate a consensual, out-of-court restructuring. At the same time that the Debtors were negotiating with the Bank Lenders, the Debtors were also engaged in discussions with an ad hoc group of certain holders of the 2020 Notes, the Ship Group C Debt and the loans under the Term Loan Agreement (the “Ad Hoc Group”), which had been formed in October, 2016. The Debtors welcomed the organization of a single, cohesive group of these creditors from across two different Ship Groups, and viewed this development as an opportunity to advance discussions across their entire capital structure.

56. The Debtors agreed to reimburse the costs of legal counsel and financial advisors to the Ad Hoc Group beginning in October, 2016 and have had a constructive relationship with the Ad Hoc Group and its advisors during the subsequent period. During this

time, the Ad Hoc Group has consisted of a changing group of bondholders and Term Loan Lenders who generally sought to remain “unrestricted” and free to trade in the securities of the Debtors. Substantive discussions between the Debtors and the Ad Hoc Group have been limited to three specific periods of time when the principals for the Ad Hoc Group agreed to refrain from trading and received information that was potentially material non-public information for purposes of United States securities laws (including confidential restructuring proposals from the Debtors).

57. After initial discussions about additional “amend and extend” alternatives, discussions between the Debtors and the Ad Hoc Group became focused on restructuring proposals that involved the full exchange of the Term Loan B Credit Facility, the 2020 Notes and the Ship Group C Debt (the “Debt to be Equitized”) for equity in Pacific Drilling, permitting the members of the Ad Hoc Group to benefit from the upside expected in a future recovery. Equitization of this Debt to be Equitized was expected to result in substantial dilution of existing stockholders. To assist with the negotiation of the terms of such equitization in a manner fair to stockholders, Pacific Drilling encouraged its largest stockholder, the Quantum Pacific Group, to take an active role in the negotiations with the Ad Hoc Group. Pacific Drilling agreed to reimburse the fees and expenses of counsel and financial advisor to the Quantum Pacific Group to facilitate these “triangular” confidential negotiations among Pacific Drilling, the representatives of a critical mass of the holders of its Prepetition Debt and the representatives of a majority of its equity. Pacific Drilling hoped that a consensus would form between the Ad Hoc Group and the Quantum Pacific Group, as proxies for the broader constituencies, and that this consensus could then form the basis of a fully consensual restructuring supported by Pacific Drilling’s other, public bondholders and stockholders.

58. When it appeared unlikely to the Debtors that a consensual deal would be reached prior to the impending December 1, 2017 maturity of the Ship Group C Debt, in July 2017 the Debtors announced the launch by PDV of a private consent solicitation to extend the maturity date of the Ship Group C Debt to June 1, 2018, in order to give the Debtors more time to negotiate a refinancing transaction or undertake a holistic restructuring with their creditors. The Debtors did not receive sufficient consents approving the maturity extension, and the solicitation expired in accordance with its terms on August 2, 2017. Still, the Debtors were hopeful that they could broker a deal prior to filing these Chapter 11 Cases, and they continued to negotiate with the Ad Hoc Group, on the one hand, and the Quantum Pacific Group on the other.

59. The last round of discussions with the Prepetition Lenders and the Ad Hoc Group ended on October 16, 2017, on which date the Debtors disclosed the material terms of the discussions on a Form 6-K. Attached as Exhibit N is a true and complete copy of this Form 6-K. Although the Debtors were disappointed consensus could not be achieved, I believe that all stakeholders negotiated in good faith throughout this process.

60. Pacific Drilling plans to use the centralized forum provided by chapter 11 to stabilize its business, establish sensible cash management arrangements, provide information to all interested creditors and stockholders, continue to pursue resolution of the *Zonda* dispute, and recommence balance sheet discussions as part of plan negotiations. Meanwhile, Pacific Drilling seeks to continue operations in the ordinary course and limit, to the full extent possible, cash expenditures in order to preserve value for all stakeholders.

C. Why Chapter 11 in the United States

61. Prior to the commencement of these Chapter 11 Cases in the Southern District of New York, I discussed with other members of the management team and legal advisors the various options available to the Debtors for financial reorganization under the laws of the many jurisdictions in which the Debtors operate or have property. Several of PDSA's subsidiaries (certain of which are also Debtors in these Chapter 11 Cases) are incorporated in the United States, including Pacific Drilling, LLC, which is incorporated under the laws of the State of New York. In addition, the Company conducts its business mainly in United States Dollars, the Company's operational headquarters are in the United States, all the Prepetition Debt Instruments (with the exception of certain security and ancillary documents) are governed by New York law and contemplate New York as a venue for disputes, and the Company's primary stakeholders, as of the Petition Date, already have engaged restructuring advisors based in New York City who are familiar with Chapter 11 and are ready to appear without undue expense to represent various interests fairly. Weighing the available options, the Debtors have determined in good faith that the United States Bankruptcy Court for the Southern District of New York is the venue in which the reorganization of the Debtors will best maximize the value of their operating business and protect the interests of their creditors, employees, current customers and other stakeholders.

VI. Information Required by Local Bankruptcy Rule 1007-2

62. Local Rule 1007-2 requires certain information related to the Debtors, which I have provided in the exhibits attached hereto as Exhibits A, B, C, D, E, F, G, H, I, J, K,

L, M and N. Specifically, these exhibits contain the following information with respect to the Debtors:³

- Exhibit A attached hereto provides the Debtors' up-to-date corporate structure chart.
- Pursuant to Local Rule 1007-2(a)(3), Exhibit B attached hereto provides, to the best of the Debtors' knowledge and belief, the names and addresses of the members of, and attorneys of, any committee organized prior to the Petition Date.
- Pursuant to Local Rule 1007-2(a)(4), Exhibit C attached hereto provides, to the best of the Debtors' knowledge and belief, the following information with respect to each of the holders of the Debtors' 30 largest unsecured claims on a consolidated basis, excluding claims of insiders: the creditor's name, address (including the number, street, apartment, or suite number, and zip code, if not included in the post office address) and telephone number; the name(s) of person(s) familiar with the Debtors' accounts; the nature and approximate amount of the claim; and an indication of whether the claim is contingent, unliquidated, disputed or partially secured. In each case, the claim amounts listed on Exhibit C are estimated and subject to verification. In addition, the Debtors reserve their rights to assert remedies, defenses, counterclaims, and offsets with respect to each claim.
- Pursuant to Local Rule 1007-2(a)(5), Exhibit D attached hereto provides the following information with respect to each of the holders of the five largest secured claims against the Debtors: the creditor's name, address (including the number, street, apartment, or suite number and zip code, if not included in the post office address); the amount of the claim; a brief description of the claim; an estimate of the value of the collateral securing the claim; and whether the claim or lien is disputed. In each case, the claim amounts listed on Exhibit D are estimated and subject to verification. In addition, the Debtors reserve their rights to assert remedies, defenses, counterclaims, and offsets with respect to each claim.
- Pursuant to Local Rule 1007-2(a)(6), Exhibit E attached hereto provides a summary of the Debtors' assets and liabilities.
- Pursuant to Local Rule 1007-2(a)(7), Exhibit F attached hereto provides information on the Debtors' outstanding publicly held securities.

³ The information contained in the Exhibits attached to this Declaration shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim listed herein is a disputed claim or debt, and to challenge the priority, nature, amount or status of any such claim or debt. The descriptions of the collateral securing the underlying obligations are intended only as brief summaries. In the event of any inconsistencies between the summaries set forth below and the respective corporate and legal documents relating to such obligations, the descriptions in the corporate and legal documents shall control.

- Pursuant to Local Rule 1007-2(a)(8), Exhibit G attached hereto provides the following information with respect to any property of the Debtors in possession of or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, or secured creditors, or agent for such entity: the name, address, and telephone number of such entity and the court in which any proceeding relating thereto is pending.
- Pursuant to Local Rule 1007-2(a)(9), Exhibit H attached hereto provides a list of the premises owned, leased or held under other arrangement from which the Debtors operate their business as of the Petition Date.
- Pursuant to Local Rule 1007-2(a)(10), Exhibit I attached hereto sets forth the location of the Debtors' substantial assets, the location of their books and records, and the nature, location and value of any assets held by the Debtors outside the territorial limits of the United States.
- Pursuant to Local Rule 1007-2(a)(11), Exhibit J attached hereto provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment against the Debtors or a seizure of their property may be imminent.
- Pursuant to Local Rule 1007-2(a)(12), Exhibit K attached hereto sets forth a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.
- Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), Exhibit L attached hereto provides the estimated amount of weekly payroll to the Debtors' Employees (not including officers, directors and stockholders) and the estimated amounts to be paid to officers, stockholders, directors, and financial and business consultants retained by the Debtors, for the 30-day period following the Petition Date.
- Pursuant to Local Rule 1007-2(b)(3), Exhibit M attached hereto provides a schedule for the 30-day period following the Petition Date, of estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, and any other information relevant to an understanding of the foregoing.
- Exhibit N attached hereto provides the Form 6-K filed by the Debtors on October 16, 2017.

I declare under penalty of perjury that the foregoing is true and correct.

Date: November 12, 2017

/s/ Paul T. Reese

Name: Paul T. Reese

Title: Chief Executive Officer

Exhibit A

Corporate Structure Chart



Pacific Drilling Group
As of September 30, 2017

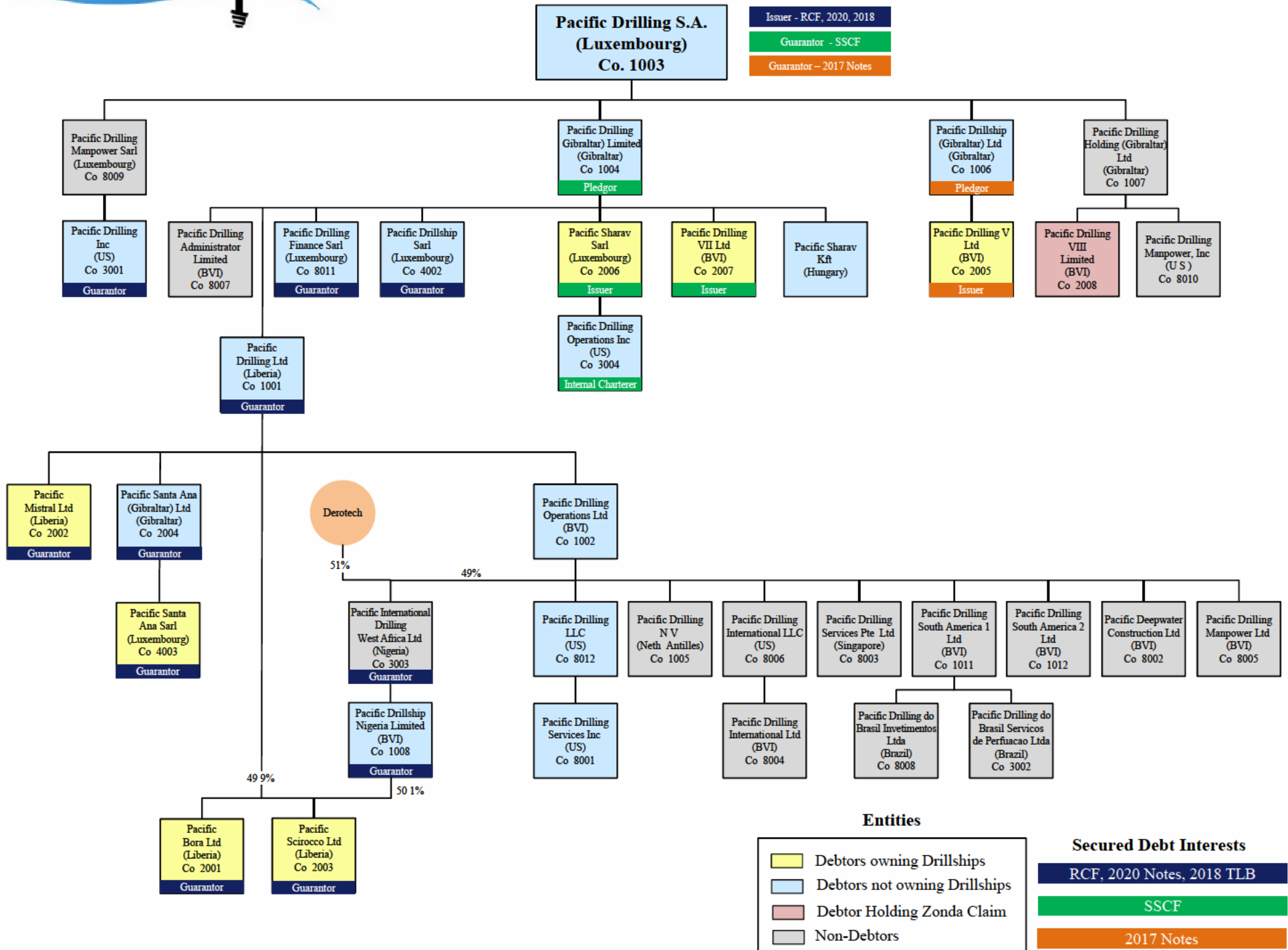


Exhibit B

Committees

Pursuant to Local Rule 1007-2(a)(3), to the best of the Debtors' knowledge and belief, the following committees have been formed prior to the Petition Date:

Type of Committee	Committee Members	Counsel for Committee
Ad Hoc Group	Various Holders of the Ship Group C Debt, 2020 Notes and Term Loan B	Paul, Weiss, Rifkind, Wharton & Garrison 1285 Avenue of the Americas New York NY 10019

Exhibit C

Consolidated List of 30 Largest Unsecured Creditors (Excluding Insiders)

Pacific Drilling S.A. et al.

Top 30 Unsecured Creditors

#	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (e.g., trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim as of the Petition Date
					Unsecured claim (\$'s)
1	Samsung Heavy Industries c/o DLA Piper Hong Kong, 15 Queens Road Hong Kong - Central Hong Kong	Nicholas Mallard +852 2103 0808 Nicholas.Mallard@dlapiper.com	Arbitration	Contingent, Unliquidated, Disputed	Undetermined
2	National Oilwell Varco 10000, Richmond Avenue Houston TX 77042 US	Kevin Chapman (713) 935 8103 kevin.chapman@nov.com	Trade	No	\$1,643,988
3	World Fuel Services, Inc. 9800 NW 41st Street Miami FL 33178-2980 US	MIKE DIPASQUALE (908) 601-3998 MDipasqu@wfsocorp.com	Trade	No	\$507,336
4	Control Un on Testing and Inspection Paleiskade 100 Den Helder 08 1781 AR NL	C.R. Winands +31 6538 90910 rwinands@controlunion.com	Trade	No	\$402,675
5	VMS Group A/S Havnepladsen 12 Frederikshavn 9900 DK	Ole Lund Pedersen 45 9622 1100 olp@vms.dk	Trade	No	\$396,393
6	U.S. Bolt Manufacturing, Inc. 12895, S Main St Houston TX 77035 US	Deisy Espinosa 713-351-6712 despinosa@usbolt.com	Trade	No	\$365,360
7	EM&I (Trading) Ltd Level 2 38 Emanuel Schembri Street Birkirkara BKR 1810 MT	Alexander Constantinis 44 1625 548 603 danny.constantinis@emialliance.com	Trade	No	\$170,126
8	FenderCare IMS Enterprise House Harveys Lane Norfolk NR15 1EN GB	Claire Forder + 44 1508482691 Claire.Forder@fendercare.com	Trade	No	\$152,100
9	ABB AS 3700 W. Sam Houston Parkway SOUTH Houston TX 33025 US	Trond Hammeraas 954-874-4700 trond.hammeraas@us.abb.com	Trade	No	\$147,352
10	BP Lubricants USA, dba Castrol 501 Westlake Park Blvd. Houston TX 77079 US	Chad Heins (281)-886-6948 Chad.Heins@bp.com	Trade	No	\$142,103
11	Nord-Sud Shipping, Inc. 1940 Jefferson Hwy. Lutcher LA 70071 US	Jeff Bertholet 225-869-7450 jeff@nordsudshipping.com	Trade	No	\$140,566
12	Rolloos Oil and Gas Radarstraat 12 Capelle aan den Yssel 2901 AV NL	Arie Rolloos, Bram Masselink +31 10 - 4500 500 bram.masselink@rolloos.com	Trade	No	\$130,312
13	Dickerman Overseas Contracting Co L Unit 3 Adam Business Centre Henso Northants NN16 8PX UK	Andrew Sharp + 44 (0) 1536 525131 info@dickermangroup.com	Trade	No	\$129,684

Pacific Drilling S.A. et al.

Top 30 Unsecured Creditors

#	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (e.g., trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim as of the Petition Date
					Unsecured claim (\$'s)
14	Gates E & S, NA 134 44th Street Corpus Christi TX 78405 US	Michael Ray, Managing Director 303-744-1911	Trade	No	\$118,684
15	Gulf Copper & Manufacturing Corp 7200 Highway 87 East Port Arthur TX 77642 US	Will Wilson, Zayd Riley 713-907-1546 zriley@gulfcopper.com	Trade	No	\$109,061
16	KD International B.V. Woestduinstraat 109 Amsterdam 08 1059 SP NL	Dennis Swaan +31(0) 20 771 0061 d.swaan@kdinternational.nl	Trade	No	\$96,982
17	Bridon International Lim ted B1+B175Icon Building, Ground Floor Doncaster YS DN4 5JQ GB	MATTHEW HOGAN 44 (191) 234 7509 Matthew.Hogan@br don-bekaert.com	Trade	No	\$80,545
18	Rolls Royce Marine 1880, S. Dairy Ashford Ste 545 HOUSTON TX 77070 US	Randall Nunmaker (281) 902-3344 randall.nunmaker@rolls-royce.com	Trade	No	\$78,853
19	Dammers Shipagencies Inc. 11, Kaya Flamboyan, PO Box 3018 Willemstad AN 3018 AN	Robert van Heulen (5999) 7370600 operations@dammers-group.com	Trade	No	\$76,684
20	GAC Brokerage 16200, Central Green Boulevard Houston TX 77032 US	Jana Rodriguez 713-660-1650 jana.rodriguez@gac.com	Trade	No	\$71,935
21	Norsafe Marine & Offshore Serv ces, 1301, Edwards Avenue, Suite C Jefferson LA 70123 US	Courtney Hardaway 504-733-0100 SERVICE@NORSAFEMARINE.COM	Trade	No	\$71,155
22	Expert Riser Solutions, LLC 101 Ashland Way Madisonville LA 70447 US	Bill Burt 985-801-4040 bburt@expertep.com	Trade	No	\$67,084
23	MURPHY SHIPPING and COMMERCIAL US 1812 PEACHLEAF STREET HOUSTON TX 77039-1232 US	Terry Kobs 281-590-2193 Terrykobs@murphyship.com	Trade	No	\$66,755
24	Kongsberg Mar time, Inc NO-3601 Kongsberg NO	Rune Haukom, Bobby Mahoney 713-329-5580 bobby.mahoney@kongsberg.com	Trade	No	\$66,008
25	GEV Offshore Lim ted Unit 23 Priory Tec Park, Saxon Way, Hull HU13 9PB GB	Andrew Allman 44 (0) 1482 300640 andrew.allman@gevgroup.com	Trade	No	\$51,530
26	MAN Diesel & Turbo North America In 1600A, Brittmoore Rd Houston TX 77043 US	Carolina Sosa (832) 209-3007 carolina.sosa@us.man.eu	Trade	No	\$49,514

Pacific Drilling S.A. et al.

Top 30 Unsecured Creditors

#	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (e.g., trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim as of the Petition Date
					Unsecured claim (\$'s)
27	Next Mar time 0, Via August 2 Tarragoma 0 43033 ES	Francesc Diane +34 977 234 777 francescdiane@nextmaritime.com	Trade	No	\$47,052
28	Hiller Offshore Services 209, Stanton Road Broussard LA 70518 US	Bob Richardson, James Gu dry 337-837-3388 jguidry@hillercompanies.com	Trade	No	\$46,892
29	Sm th Internat onal Inc. 1310, Rankin Road Houston TX 77073 US	John Grandon 281-687-7576 jgrandon@slb.com	Trade	No	\$46,812
30	Alimak HEK Inc 12552, Old Galveston Rd. Suite A160 Webster TX 77598 US	G. Jeff Stewart, Karen Leeper 713-640-8500 karen.leeper@alimakhek.com	Trade	No	\$43,767

Exhibit D

Holders of Five Largest Secured Claims Against the Debtors on a Consolidated Basis

Pursuant to Local Rule 1007-2(a)(5), to the best of the Debtors’ knowledge and belief, the following is a list of creditors holding the 5 largest secured claims against the Debtors, on a consolidated basis, excluding claims of insiders as defined in 11 U.S.C. § 101.

The information contained herein shall not constitute an admission of liability, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt. The descriptions of the collateral securing the underlying obligations are intended only as brief summaries. In the event of any inconsistencies between the summaries set forth below and the respective corporate and legal documents relating to such obligations, the descriptions in the corporate and legal documents shall control. This list has been prepared from the books and records of the Debtors for filing in the Debtors’ Chapter 11 Cases. The exhibit estimates outstanding claim amounts (including principal and interest) as of the Petition Date.

Creditor	Contact, Mailing Address, Telephone/Fax Number, Email	Amount of Claim	Description of Security Interest	Estimate Value of Collateral	Whether Claim or Lien is Disputed
Deutsche Bank Trust Company Americas, (2020 Notes)	Deutsche Bank National Trust Company Trust & Agency Services 100 Plaza One 6 th Floor Jersey City, NJ 07311-3901 Attention: Chris Niesz Manager – Pacific Drilling V Limited Facsimile: (732) 578-4635 Email: Chris.niesz@db.com	\$768,140,625	Ship Group A Collateral	Undetermined	
Citibank, N.A. (Term Loan Agreement)	Citibank 1516 Brett Road, Ops III, New Castle, DE 19720 Attention: Citigroup Global Loans Fax: (212) 994-0961 Email: global.loans.support@citi.com	\$724,932,227	Ship Group A Collateral	Undetermined	

Creditor	Contact, Mailing Address, Telephone/Fax Number, Email	Amount of Claim	Description of Security Interest	Estimate Value of Collateral	Whether Claim or Lien is Disputed
Wilmington Trust National Association (Ship Group B Debt)	Wilmington Trust, National Association 50 South Sixth Street, Suite 1290 Minneapolis, MN 55402 Attention: Meghan McCauley Tel: (612) 217-5647 Fax: (612) 217-5651 Email: MMcCauley@WilmingtonTrust.com	\$671,145,272	Ship Group B Collateral	Undetermined	
Citibank, N.A. (Revolving Credit Facility)	Citibank 1516 Brett Road, Ops III, New Castle, DE 19720 Attention: Citigroup Global Loans Fax: (212) 994-0961 Email: global.loans.support@citi.com	\$476,232,639	Ship Group A Collateral	Undetermined	
Deutsche Bank Trust Company Americas (Ship Group C Debt)	Deutsche Bank National Trust Company Trust & Agency Services 100 Plaza One 6 th Floor Jersey City, NJ 07311-3901 Attention: Chris Niesz Manager – Pacific Drilling V Limited Facsimile: (732) 578-4635 Email: Chris.niesz@db.com	\$453,698,251	Ship Group C Collateral	Undetermined	

Exhibit E

Summary of the Debtors' Assets and Liabilities

The amounts reflected below were derived by totalling the indicated amounts reflected in each Debtor's books and records. The following financial data shall not constitute an admission of liability by the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt or challenge the priority, nature, amount or status of any claim or debt.

(in thousands) (unaudited)

	As of
	<u>September 30, 2017</u>
Assets:	
Cash and cash equivalents	\$ 344,073
Restricted cash	8,500
Accounts receivable, net	36,350
Intercompany receivable	91,450
Materials and supplies	89,331
Deferred costs, current	11,168
Prepaid expenses and other current assets	9,959
Total current assets	<u>590,831</u>
Property and equipment, net	4,717,287
Long-term receivable	202,575
Intercompany loan receivable	27,021
Other assets	40,371
Investment in subsidiary	55
Total assets	<u>\$ 5,578,140</u>
Liabilities and shareholders' equity:	
Accounts payable	\$ 11,482
Intercompany payable	61,807
Accrued expenses	17,624
Long-term debt, current	3,043,967
Accrued interest	32,990
Deferred revenue, current	20,811
Total current liabilities	<u>3,188,681</u>
Deferred revenue	17,966
Other long-term liabilities	33,320
Total long-term liabilities	<u>51,286</u>
Shareholders' equity	2,338,173
Total liabilities and shareholders' equity	<u>\$ 5,578,140</u>

Exhibit F

The Debtors' Securities

Pursuant to Local Rule 1007-2(a)(7), to the best of the Debtors' knowledge and belief, the Debtors have the below publicly traded stock, debentures, or securities:

Common shares, \$0.01 par value per share, 5,000,000,000 shares authorized, 22,551,076 shares issued and 21,336,635 shares outstanding as of September 30, 2017.

Common Shares Held by Officers and Directors

No officer or director holds more than one percent of the common shares outstanding.

Exhibit G

Debtors' Property Not in the Debtors' Possession

Local Rule 1007-2(a)(8) requires the Debtors to list property that is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity. The Debtors are working to confirm that no other such party is in possession of any of the Debtors' property and reserves the right to supplement this exhibit if additional property is identified. The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to challenge the priority, nature, amount or status of any claim or debt.

Property	Entity Holding Property
Various Bank Accounts	Certain of the Debtors' bank accounts may be subject to control agreements or claims of setoff by certain of the Debtors' lenders under the Prepetition Debt.
Various Security Deposits	Certain of the Debtors' lessors, utility companies, regulatory agencies and others.
Various Other Assets	In the ordinary course of business, on any given day, property of the Debtors (including security deposits or other collateral with counterparties to certain commercial relationships) is likely to be in the possession of various third parties, including maintenance providers, shippers, common carriers, materialmen, custodians, public officers, secured creditors, or agents, where the Debtors' ownership interest is not affected. Because of the constant movement of this property, providing a comprehensive list of the persons or entities in possession of the property, their addresses and telephone numbers, and the location of any court proceeding affecting the property would be impractical.
Drillship Equipment	The Debtors own \$75 million of purchased equipment for the <i>Pacific Zonda</i> , a majority of which remains on board the <i>Pacific Zonda</i> subject to return by Samsung Heavy Industries Co., Ltd. The equipment includes tubular equipment, tubular handing equipment, the marine drilling riser, lubricants, tools and other equipment.

Exhibit H

Debtors' Premises

Pursuant to Local Rule 1007-2(a)(9), the following lists the premises owned, leased, or held under other arrangement from which the Debtors operate their businesses as of the Petition Date.

Debtor/Lessee	Address	Type of Interest
Pacific Drilling Services, Inc.	11700 Katy Freeway Suite 175 Houston Texas 77079	Lease
Pacific Drilling S.A.	8-10 Avenue de la Gare Luxembourg, L – 1610 Luxembourg	Lease
Pacific Drilling Services, Inc.	16200 Central Green Blvd. Houston, Texas 77032	Lease
Pacific Sharav Korlátolt Felelősségű Társaság	Ady Endre utca 15, Ujlengyel, 2724 Hungary	Lease

Exhibit I

Location of Debtors' Assets, Books, and Records

Pursuant to Local Rule 1007-2(a)(10), the following lists the locations of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States as of the Petition Date.

Location of Debtors' Substantial Assets

As described in this Declaration, the Debtors' substantial assets are seven drillships located as follows:

Vessel	Location
Pacific Bora	The Federal Republic of Nigeria
Pacific Sharav	Gulf of Mexico, United States
Pacific Santa Ana	In transit from Gulf of Mexico to Islamic Rep. of Mauritania
Pacific Meltem	Tenerife, Spain
Pacific Mistral	Tenerife, Spain
Pacific Khamsin	Tenerife, Spain
Pacific Scirocco	Tenerife, Spain

Books and Records

The Debtors maintain their books and records on one information technology system. The system and physical records are operated and maintained from the Debtors' corporate offices located at 11700 Katy Freeway, Houston, TX 77079. In addition, financial records of the Luxembourg legal entities are maintained at 8-10 Avenue de la Gare, L-1610 Luxembourg, Luxembourg.

Exhibit J

Litigation

Pursuant to Local Rule 1007-2(a)(11), the following lists material actions and proceedings pending or threatened against the Debtors or their properties where a judgment against the Debtors or a seizure of their property may be imminent as of the Petition Date.

To the best of the Debtors' knowledge, information and belief, there is no action or proceeding, pending or threatened against the Debtors or their properties where a judgment against the Debtors or a seizure of their property may be imminent.

Exhibit K

Senior Management

Paul Reese, CEO

Mr. Reese joined Pacific Drilling in October 2008 and was appointed Chief Executive Officer in August 2017. From February 2014 until August 2017 he served as Chief Financial Officer, and previously served as Vice President and Controller. Mr. Reese has been in the oilfield services and E&P space for more than 20 years. Prior to joining Pacific Drilling, he was Controller for the Global Exploration and Development divisions at BHP Billiton Petroleum. From 1995 to 2007, Mr. Reese served in various financial management roles at Transocean, including Finance Director for the North and South America Business Unit, Assistant Vice-President for Audit and Advisory Services and Finance Manager for the Asia & Australia and South America Regions, with international posts in Asia and Central and South America. Prior to joining Transocean, Mr. Reese was an auditor in the Houston offices of Arthur Andersen LLP.

Mr. Reese holds a Bachelor of Arts in Economics and Managerial Studies and a Masters of Accounting from Rice University.

Cees van Diemen, EVP and COO

Mr. Van Diemen joined Pacific Drilling in 2009. He was appointed Executive Vice President in February 2015, and has served as Chief Operating Officer since August 2013. Prior to that, Mr. Van Diemen was Vice President of Operations. Mr. Van Diemen has over 39 years of experience in the mobile offshore drilling industry and began his career offshore with Sedneth (now Transocean Ltd.) in 1977. His extensive industry experience includes 25 years at Noble Drilling Corporation, and its predecessor Neddrill, where he held various management positions of increasing responsibility working with jack-ups, semi-submersibles and drillships, with international posts in Europe, North and South America and West Africa.

Mr. Van Diemen concluded his national service duty as a first lieutenant in the army, and holds a Bachelor of Science in Automotive Engineering from the University of Apeldoorn in the Netherlands.

Michael Acuff, SVP Commercial

Mr. Acuff joined Pacific Drilling in June 2014 as Senior Vice President of Sales and Business Development and was appointed Senior Vice President Commercial in November 2016. Michael is responsible for management and administration of sales and contract acquisition, strategic planning activities and procurement and supply chain. Mr. Acuff has more than 17 years of industry experience and most recently was Senior Vice President of Contracts and Marketing at Diamond Offshore, where he worked from 2010 to 2013. From 1999 to 2010 Mr. Acuff held various management positions of increasing responsibility in Marketing, Corporate Planning, Operations and Human Resources with Transocean Ltd. Prior to joining Transocean Ltd., Mr. Acuff served in the U.S. Army from 1993 to 1997 as Battery Executive Officer, Battalion Personnel Officer and Platoon Leader.

Mr. Acuff holds a Bachelor of Science in Civil Engineering from the University of Tennessee and an MBA in Finance from Rice University.

John Boots, SVP and CFO

Mr. Boots joined the Company in December 2009 as Vice President and Treasurer, and was appointed Senior Vice President and Chief Financial Officer in August 2017. Mr. Boots is responsible for the Company's global treasury, financing, insurance, audit, tax and investor relations activities. From June 2016 to August 2017, Mr. Boots served as Senior Vice President of Finance and Treasurer. Mr. Boots has over 25 years of experience in public and private U.S. and European companies in the international oil service sector. Before joining Pacific Drilling, Mr. Boots served as corporate treasurer at Global Industries for four years, and spent 14 years at Noble Corp. and its predecessor Neddrill in various financial management roles, including treasury, corporate planning, accounting and internal audit. Prior to Noble, he worked in the shipping and transportation industry for several years in various operational management roles.

Mr. Boots holds a Bachelor of Science degree in Business Economics from the University of Alkmaar, the Netherlands, and completed the Executive Advanced Management Program at the INSEAD Business School.

Lisa Manget Buchanan, SVP and General Counsel

Ms. Buchanan joined Pacific Drilling in August 2015 as Senior Vice President, General Counsel and Secretary. Ms. Buchanan has over 30 years of legal experience, most recently serving as Executive Vice President, General Counsel and Secretary and Chief Administrative Officer at Cal Dive International, Inc. from June 2006 to July 2015. From 1987 to 2006, she was an attorney at the law firm of Jones Walker LLP, first as an associate and then, commencing January 1994, as a partner.

Ms. Buchanan holds a Bachelor of Science degree in commerce from the University of Virginia and a Juris Doctorate from Louisiana State University Law Center.

Richard Tatum, SVP and Chief Accounting Officer

Mr. Tatum joined Pacific Drilling in October 2010 as Director of Financial Reporting and was appointed Senior Vice President and Chief Accounting Officer in August 2017. Mr. Tatum served as Vice President Controller from March 2014 until August 2017. Mr. Tatum has over 15 years of experience in offshore drilling and public accounting. Prior to joining Pacific Drilling, Mr. Tatum served at Frontier Drilling from 2009 until its merger with Noble Drilling Corporation in 2010. Mr. Tatum began his career as an auditor with Grant Thornton LLP where he held a variety of roles with increasing responsibilities, his most recent position being a Manager in Grant Thornton's National Professional Standards Group.

Mr. Tatum received his Bachelor of Business Administration and Master in Professional Accounting degrees from the University of Texas at Austin and is a CPA.

Exhibit L

Payroll

Pursuant to Local Rule 1007-2(b)(1)-(2)(A) and (C), the following provides the estimated amount of weekly payroll to the Debtors' employees (not including officers, directors and stockholders) and the estimated amount to be paid to officers, stockholders, directors, and financial and business consultants retained by the Debtors for the 30-day period following the Petition Date. (\$000's)

Payments to Employees	\$5,900
Payments to Officers, Directors and Stockholders	\$325
Payments to Financial and Business Consultants	\$0

Exhibit M

**Cash Receipts and Disbursements,
Net Cash Gain or Loss, Unpaid Obligations and Receivables**

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the Petition Date, the estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees. (\$000's)

Cash Receipts	\$16,569
Cash Disbursements	\$29,076
Net Cash Gain	\$(12,507)
Unpaid Obligations	\$7,036
Uncollected Receivables	\$23,196

Exhibit N

Form 6-K

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report: October 16, 2017

Commission File Number 001-35345

PACIFIC DRILLING S.A.

**8-10, Avenue de la Gare
L-1610 Luxembourg
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form, is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Background

In September 2017, Pacific Drilling S.A. (the “Company” and, together with its subsidiaries, the “Companies”, “we” or “our”) executed non-disclosure agreements (“NDAs”) with certain unaffiliated beneficial holders (collectively, the “Creditors”) of the 7.25% Senior Secured Notes due 2017 issued by Pacific Drilling V Ltd, an indirect, wholly-owned subsidiary of the Company (“2017 Notes”), the Term Loan B maturing 2018 borrowed by the Company (“2018 TLB”) and the 5.375% Senior Secured Notes due 2020 issued by the Company (“2020 Notes” and, together with the 2017 Notes and 2018 TLB, the “Indebtedness”) to facilitate discussions with the Creditors concerning the restructuring of the Companies’ capital structure (the “Restructuring”).

Pursuant to the NDAs, the Company agreed to disclose publicly after a specified period, if certain conditions were met, that the Company and the Creditors had engaged in discussions concerning the Companies’ capital structure and information regarding such discussions.

To facilitate ongoing discussions, the Creditors previously agreed to a one-week extension of their NDAs, but as of the date hereof, the extended discussion period has elapsed and the Creditors have not agreed to any further extensions. The information included in this Form 6-K is being furnished, in part, to satisfy the Company’s public disclosure obligations under the NDAs.

Filed as Exhibit 99.1 to this Form 6-K is a presentation (the “Company Presentation”) containing certain confidential information concerning the Companies that the Companies provided to the Creditors. Filed as Exhibit 99.2 to this Form 6-K is a summary chart of the proposals and counterproposals between the Company and the Creditors (the “Proposal Summary”).

As more fully described in the Company Presentation and the Proposal Summary, in connection with discussions regarding a potential Restructuring, on September 6, 2017, the Company proposed to (i) extend the maturity of (a) the Revolving Credit Facility borrowed by the Company (the “RCF”) from 2018 to 2023 and (b) the Senior Secured Credit Facility borrowed by Pacific Sharav S.à r.l. and Pacific Drilling VII Ltd., both indirect, wholly-owned subsidiaries of the Company (the “SSCF”), from 2019 to 2024 and (ii) equitize all of the Indebtedness and approximately 55% of the indebtedness owed under the SSCF. Under this proposal, the Company’s current common shareholders would retain approximately 17.5% of the post-reorganization equity of the Company and obtain warrants to purchase approximately an additional 10% of the equity of the Company.

In response to the Company’s proposal, the Creditors proposed that the Creditors receive approximately 97.25% of the post-reorganization equity of the Company, with the current equity-holders to retain approximately 2.75% of the post-reorganization equity and receive warrants to purchase approximately 10% of the equity of the Company. The Creditors’ counterproposal included an extension of the maturities of the RCF and the SSCF to 2023 and 2024, respectively, but did not include any equitization of the obligations under the SSCF.

In response to the Creditors’ proposal, the Company made a counterproposal to the Creditors in which the Company, among other things, agreed to forego equitization of the SSCF obligations on the condition that the Company raise \$200 million in equity through two separate rights offerings for \$100 million each. The first rights offering would be made to current equity-holders and fully backstopped by the Company’s controlling shareholder at an agreed fixed price, while the second rights offering would be made to equitizing creditors with the option to provide a backstop commitment at the same agreed fixed price. In the event equitizing creditors did not wish to backstop the rights offering to creditors, the Company would raise the \$100 million in equity without a backstop at a market clearing price, with the rights offering price to existing equity-holders adjusted downward to match any lower subscription price achieved in the market. The Company’s counterproposal also provided that the Company’s current equity-holders would retain approximately 10% of the post-reorganization equity of the Company, which would include any potential structuring fees to the Company’s controlling shareholder and be subject to dilution. The counterproposal agreed with the Creditors’ proposal as to the amount and strike price of warrants to be given to the Company’s current equity-holders, but with a longer tenor and change of control protections.

The Company's counterproposal was subject to board approval by the Company, as well as the approval of the Company's controlling shareholder. Neither the counterproposal nor any other proposal discussed between the Company, the controlling shareholder and the Creditors is legally-binding or indicative of the terms of any Restructuring that may occur in the future.

There is no consensus currently between the Company, its controlling shareholder and the Creditors as to the terms of any Restructuring. The Company intends to make its management team and advisors available to continue discussions with the Creditors, other stakeholders and their respective representatives concerning a potential Restructuring, subject to satisfactory confidentiality assurances.

The information contained in this Form 6-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing. The filing of this Form 6-K shall not be deemed an admission as to the materiality of any information herein.

Disclosure Regarding Forward-Looking Statements

Certain statements and information contained herein constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are generally identifiable by the use of words such as "believe," "estimate," "expect," "forecast," "our ability to," "plan," "potential," "projected," "target," "would," or other similar words, which are generally not historical in nature. The forward-looking statements speak only as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Our forward-looking statements express our current expectations or forecasts of possible future results or events, including our future financial and operational performance; revenue efficiency levels; market outlook; forecasts of trends; future client contract opportunities; contract dayrates; our business strategies and plans and objectives of management; estimated duration of client contracts; backlog; our ability to repay our debt; expected capital expenditures and projected costs and savings.

Although we believe that the assumptions and expectations reflected in our forward-looking statements are reasonable and made in good faith, these statements are not guarantees and actual future results may differ materially due to a variety of factors. These statements are subject to a number of risks and uncertainties, many of which are beyond our control. Important factors that could cause actual results to differ materially from our expectations include: the global oil and gas market and its impact on demand for our services; the offshore drilling market, including reduced capital expenditures by our clients; changes in worldwide oil and gas supply and demand; rig availability and supply and demand for high-specification drillships and other drilling rigs competing with our fleet; costs related to the stacking of rigs; our ability to enter into and negotiate favorable terms for new drilling contracts or extensions; our substantial level of indebtedness; possible cancellation, renegotiation, termination or suspension of drilling contracts as a result of market changes or other reasons; our ability to obtain waivers of or amendments to our maximum leverage ratio covenant at the end of the third quarter of 2017 if necessary, or with respect to potential future debt covenant defaults; our ability to continue as a going concern and any potential bankruptcy proceeding; our ability to repay debt and the adequacy of and access to sources of liquidity; and the other risk factors described in the Company's filings with the SEC, including the Company's Annual Report on Form 20-F and Current Reports on Form 6-K.

These documents are available through the Company's website at www.pacificdrilling.com or through the website of the U.S. Securities & Exchange Commission at www.sec.gov.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Pacific Drilling S.A.
(Registrant)

Dated: October 16, 2017

By: /s/ Lisa Manget Buchanan
Lisa Manget Buchanan
SVP, General Counsel & Secretary

Index of Exhibits

31 of 65

Exhibit Number	Description of Exhibit
Exhibit 99.1	Company Presentation provided to the Creditors
Exhibit 99.2	Proposal Summary chart

PRIVILEGED AND CONFIDENTIAL SUBJECT TO FRE 408 AND ANALOGOUS STATE LAW
CONTAINS MATERIAL NON-PUBLIC INFORMATION



Discussion Materials

6 September 2017



Disclaimer

THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION. THIS PRESENTATION INCLUDES MATERIAL NON-PUBLIC INFORMATION WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS. THIS PRESENTATION IS NOT AN OFFER OR INVITATION TO BUY OR SELL SECURITIES IN ANY JURISDICTION.

For the purposes of this notice, "Presentation" means and includes this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed during the Presentation meeting. This Presentation is being provided to you solely for your information and you may not disclose this Presentation to any third party. It may not be copied, distributed, reproduced, published or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organization or firm) or published in whole or in part, by any medium or in any form for any purpose or under any circumstances. This Presentation is being delivered subject to the non-disclosure agreement with Houlihan Lokey dated as of October 17, 2016 and the non-disclosure agreements with each member of the Ad Hoc Group of creditors dated on or about the date of this Presentation.

This Presentation is offered in the nature of a settlement proposal in furtherance of settlement discussions, and is intended to be entitled to the protections of Federal Rule of Evidence 408 and any other applicable statutes or doctrines protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions. This Presentation is for discussion only, is a non-binding expression of intent, is intended as an outline only of certain material terms of the proposed transactions described herein, and does not represent a commitment to lend, invest or provide financing or to negotiate to do any of these things. This Presentation and the terms, conditions and assumptions contained herein are subject to the negotiation and execution of definitive documentation for the transactions described herein, which documentation shall be in all respects materially consistent with this Presentation. This Presentation is not an offer with respect to any securities or a solicitation of acceptances of a chapter 11 plan. Any such offer or solicitation will only be made in compliance with all applicable laws.

Forward-looking Statements

Certain statements and information contained in this Presentation constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are generally identifiable by the use of words such as "believe," "estimate," "expect," "forecast," "our ability to," "plan," "potential," "projected," "target," "would," or other similar words, which are generally not historical in nature. The forward-looking statements speak only as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Our forward-looking statements express our current expectations or forecasts of possible future results or events, including: future financial and operational performance; earnings expectations; revenue efficiency levels; market outlook; forecasts of trends; future client contract opportunities; contract dayrates; our business strategies and plans and objectives of management; estimated duration of client contracts; backlog; expected capital expenditures and projected costs and savings.

Although we believe that the assumptions and expectations reflected in our forward-looking statements are reasonable and made in good faith, these statements are not guarantees and actual future results may differ materially due to a variety of factors. These statements are subject to a number of risks and uncertainties, many of which are beyond our control.

Important factors that could cause actual results to differ materially from our expectations include: the global oil and gas market and its impact on demand for our services; the offshore drilling market, including reduced capital expenditures by our clients; changes in worldwide oil and gas supply and demand; rig availability and supply and demand for high-specification drillships and other drilling rigs competing with our fleet; costs related to stacking of rigs; our ability to enter into and negotiate favorable terms for new drilling contracts or extensions; our substantial level of indebtedness; possible cancellation, renegotiation, termination or suspension of drilling contracts as a result of mechanical difficulties, performance, market changes or other reasons; and our ability to obtain waivers or amendments to our maximum leverage ratio covenant at the end of the third quarter of 2017 if necessary, or with respect to other potential future debt covenant defaults; our ability to continue as a going concern and any potential bankruptcy proceeding; and our ability to repay debt and adequacy of and access to sources of liquidity; and the other risk factors described in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 20-F and Current Reports on Form 6-K. These documents are available through our website at www.pacificdrilling.com or through the SEC's website at www.sec.gov. The term "Adjusted EBITDA" used in this Presentation are non-GAAP financial measures, and the reconciliations to the most comparable GAAP financial measures are available on our website at www.pacificdrilling.com.

Contents

- I. Summary of Illustrative Scenarios
- II. Restructuring Proposal

Introduction

The Company continues to believe that a consensual restructuring transaction is in the best interest of all of its stakeholders

- Pacific Drilling S.A. (the “Company”) is well positioned to capitalize on commercial opportunities as the UDW drilling market recovers
- Nonetheless, in view of the current depressed state of the market and the anticipated timing of a market recovery, the Company believes that it is in the interest of all of its stakeholders to support a restructuring of the Company’s capital structure
- To facilitate a discussion amongst its stakeholders surrounding such a potential restructuring of the Company’s balance sheet, the Company has therefore included in this presentation the following materials
 - Two illustrative operating scenarios (“Scenario A” and “Scenario B”; together the “Scenarios”) which have been prepared by management
 - A revised restructuring proposal (the “Restructuring Proposal”)
- The Company believes that the successful implementation of the Restructuring Proposal would be more advantageous than the alternative all would face if no agreement can be reached
- The Company looks forward to working with all of its stakeholders and their advisors to advance the Restructuring Proposal and to achieve a consensual outcome

I. Summary of Illustrative Scenarios

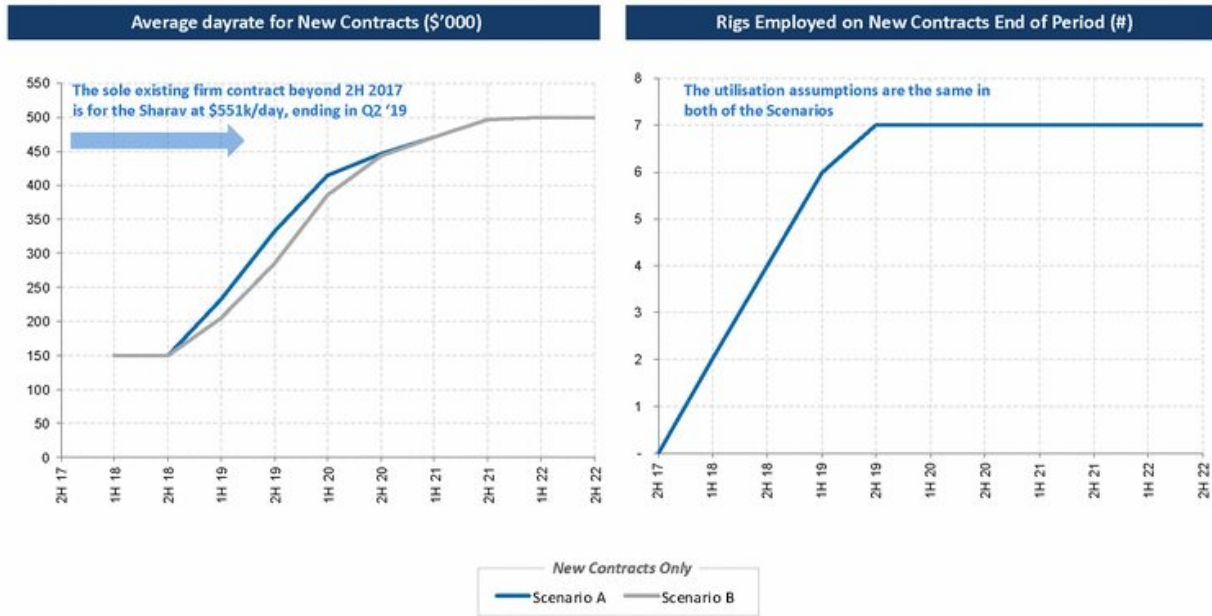


Illustrative Scenarios

- In connection with this presentation and discussions with certain of our creditors, we are providing information prepared by management without any independent verification relating to illustrative financial scenarios for our post restructuring financials through 2022. These are hypothetical scenarios only and do not reflect our business plan.
- This information is inherently unreliable as it presents scenarios and assumptions that may or may not occur long into the future and management does not necessarily forecast will or are likely to occur. Investors should also be aware that we are subject to a number of key risk factors, including a continued downturn in industry activity, the inability to complete a restructuring transaction, actions of existing and new competitors, general market risks and credit risk that could materially affect our future financial results.
- The following information was prepared for the particular purpose of undertaking discussions with creditors regarding a restructuring transaction and not for the purpose of assessing the value or investment merits of our debt or equity and so should not be used for that purpose.

Projected Utilization / Dayrates by Rig

The Scenarios contain the following contracting assumptions for the Company's fleet



Note: For illustrative purposes, does not include any cash flows associated with resolution of the SHI arbitration



Other Operating Assumptions

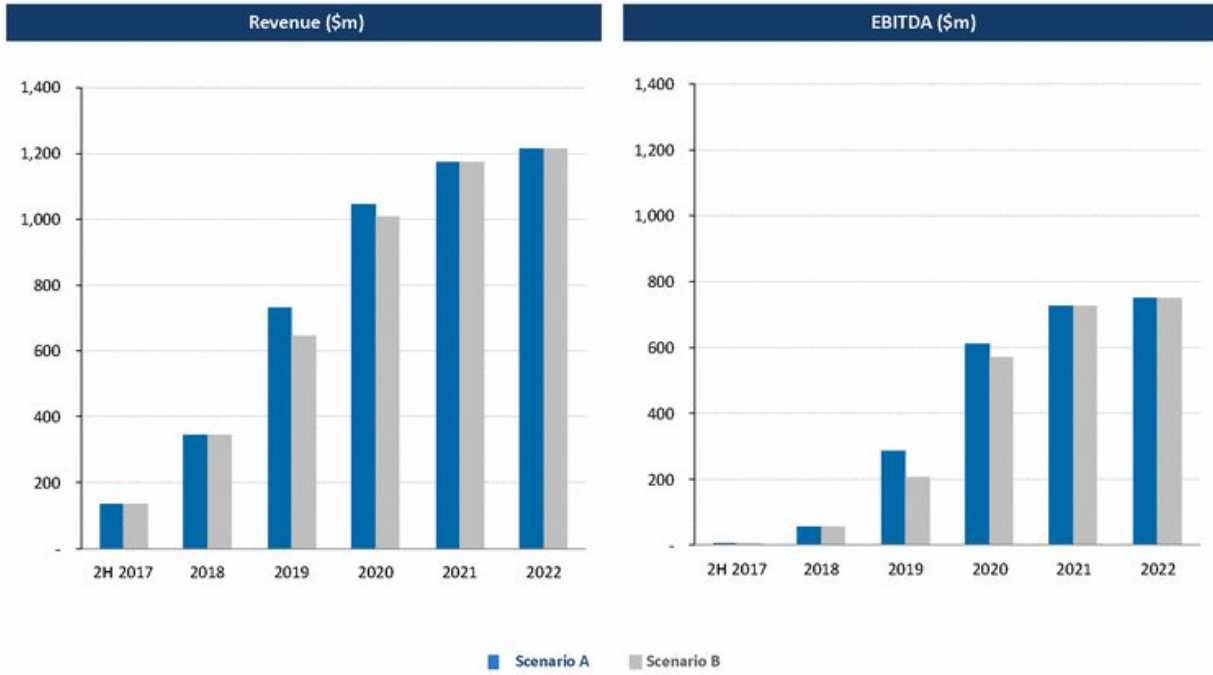
Other key operating cost and cash flow drivers in the Scenarios include the following

Category	Assumption
Revenue efficiency	<ul style="list-style-type: none"> 95%
Fleet Opex	<ul style="list-style-type: none"> Contracted rigs: Between \$110k/day and \$130k/day, adjusted for inflation from 2020 onwards Stacked rigs: Between \$8k/day¹ and \$30k/day
Other Cash Expenses	<ul style="list-style-type: none"> Shore-Based Expenses: \$1.7m in 2H'17 and thereafter between \$34m/year and \$39m/year SG&A: \$30m in 2H'17 and thereafter between \$51m/year and \$54m/year 5-year Deferred Maintenance Costs: \$4m in 2H'17 and thereafter between \$5m/year and \$12m/year depending on level of utilisation
Capital Expenditures	<ul style="list-style-type: none"> \$27m in 2H'17 Beyond 2017, between \$6m/year and \$12m/year depending on level of utilisation
Working Capital	<ul style="list-style-type: none"> Accounts receivable: 55 – 60 days outstanding Accounts payable and accrued expenses days: 60 – 75 days outstanding
Tax Rate	<ul style="list-style-type: none"> Between 1% and 6% of contract drilling revenue
SHI / Zonda	<ul style="list-style-type: none"> For illustrative purposes, does not include any cash flows associated with resolution of the SHI arbitration

⁽¹⁾ Management has identified a new stacking solution by positioning a cluster of rigs in a common location, thus reducing costs while maintaining the option to reactivate the rigs on short notice

Summary Imputed Earnings

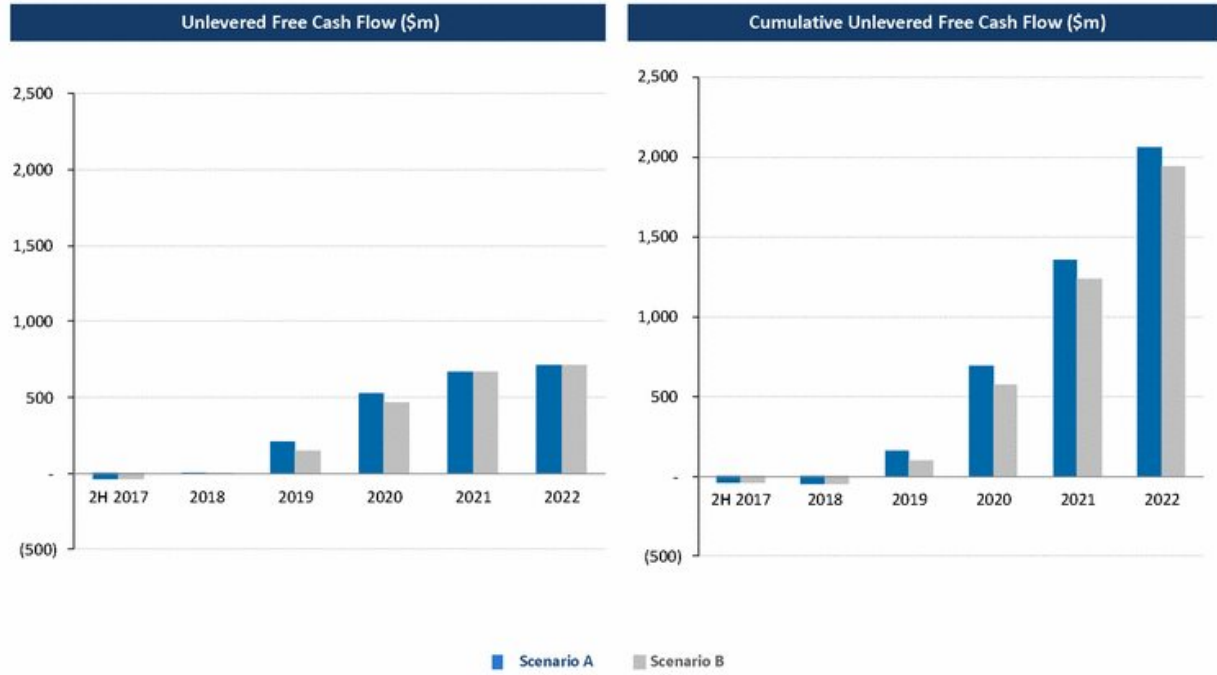
The Scenarios project increasing revenue and EBITDA during the period 2019 through 2022



Note: For illustrative purposes, does not include any cash flows associated with resolution of the SHI arbitration

Summary Imputed Unlevered Free Cash Flow

Projected unlevered free cash flow is expected to reflect the positive pattern beginning in 2019, similar to that of projected EBITDA



Note: For illustrative purposes, does not include any cash flows associated with resolution of the SHI arbitration

II. Restructuring Proposal



Restructuring Proposal – Key Terms

The Company has prepared the Restructuring Proposal with the objective of achieving a transaction that is in the best interest of all of its stakeholders

Summary of Key Terms	
Equitization of Debt	<ul style="list-style-type: none"> ▪ 55% of the SSCF (\$361 million) <ul style="list-style-type: none"> ▶ \$300 million remains outstanding pro forma for the transaction (the "Residual SSCF") ▪ 100% of 2017 SSN ▪ 100% of 2018 TLB ▪ 100% of 2020 SSN
Maturity Extension	<ul style="list-style-type: none"> ▪ RCF to 2023 ▪ Residual SSCF to 2024
Consideration to Existing Shareholders	<ul style="list-style-type: none"> ▪ 17.5% of common stock ▪ Warrants exercisable for 10% ownership in the Company <ul style="list-style-type: none"> ▶ Strike price reflects a recovery by creditors of par plus accrued interest through the petition date
Corporate Governance	<ul style="list-style-type: none"> ▪ QP to nominate two of the seven directors
Management Incentive Plan	<ul style="list-style-type: none"> ▪ TBD
Implementation	<ul style="list-style-type: none"> ▪ Pre-packaged or pre-arranged Chapter 11 filing

Restructuring Proposal – Pro Forma Capital Structure

Pro Forma Capital Structure				
(\$ in millions)	30-Jun-2017 Book Value	Transaction Adjustment	Pro Forma Book Value	Pro forma Maturity
\$500m senior secured RCF due 2018	475.0	-	475.0	2023
\$750m senior secured term loan B due 2018	719.3	(719.3)	-	NA
\$750m senior secured note due 2020	750.0	(750.0)	-	NA
Subtotal	1,944.3	(1,469.3)	475.0	
\$1bn senior secured credit facility	661.5	(361.5)	300.0	2024
\$500m senior secured note due 2017	439.1	(439.1)	-	NA
Total debt	3,044.9	(2,270.0)	775.0	
Total debt / LTMA adjusted EBITDA	15.6x		4.0x	
Memo				
LTM Adjusted EBITDA	195.3			

Settlement Communication / Subject to F.R.E. 408

	Company Proposal (9/6/17)	Ad Hoc Group Counter (9/26/17)	Company Proposal* (10/13/17)
Debt Equitization	<ul style="list-style-type: none"> ▪ 100% of 2017 SSN ▪ 100% of 2018 TLB ▪ 100% of 2020 SSN ▪ ~55% of SSCF (~\$361 million) <ul style="list-style-type: none"> ▪ \$300 million remains outstanding ("Residual SSCF") 	<ul style="list-style-type: none"> ▪ 100% of 2017 SSN ▪ 100% of 2018 TLB ▪ 100% of 2020 SSN 	<ul style="list-style-type: none"> ▪ Assumption of full SSCF agreed, subject to raising \$200 million in two equity rights offerings <ul style="list-style-type: none"> ▪ \$100 million offering to stockholders backstopped by QP at agreed fixed price ▪ \$100 million offering to creditors backstopped by interested creditors on same terms as QP ▪ If creditors do not wish to backstop rights offering at fixed price, the \$100 million is raised without a backstop at market clearing price. If the resulting subscription price is lower than the fixed price for stockholders, the price to stockholders (and backstop price) is adjusted to match. ▪ Backstop consideration paid in stock
Maturity Extension	<ul style="list-style-type: none"> ▪ RCF from 6/3/18 to 2023 ▪ Residual SSCF from 5/31/19 to 2024 	<ul style="list-style-type: none"> ▪ RCF from 6/3/18 to 2023 ▪ SSCF from 5/31/19 to 2024 	<ul style="list-style-type: none"> ▪ Agreed, subject to discussions with RCF and SSCF
Equity to Existing Equity	<ul style="list-style-type: none"> ▪ 17.5% of reorganized equity pre-warrants and pre-MIP 	<ul style="list-style-type: none"> ▪ 2.75% of reorganized equity pre-warrants and pre-MIP 	<ul style="list-style-type: none"> ▪ 10% in total (subject to dilution), including any structuring fees for QP but excluding backstop fees
Warrants to Existing Equity	<ul style="list-style-type: none"> ▪ Exercisable for 10% ownership of reorganized company on a fully diluted basis ▪ Strike price reflects recovery of creditors (Ad Hoc Group and SSCF) of par plus accrued interest through the petition date ▪ Tenor: not addressed 	<ul style="list-style-type: none"> ▪ Exercisable for 10% ownership of reorganized company on a fully diluted basis ▪ Strike price reflects recovery of Ad Hoc Group of par plus accrued interest through the petition date ▪ Tenor: 4 years 	<ul style="list-style-type: none"> ▪ Amount and strike price agreed ▪ Tenor: 7 years with change of control protection (converts to warrants of a qualifying public buyer, otherwise Black-Scholes)
Governance	<ul style="list-style-type: none"> ▪ QP to nominate two of the seven directors 	<ul style="list-style-type: none"> ▪ Equitizing creditors to nominate all directors 	<ul style="list-style-type: none"> ▪ Five member board, with one director appointed by existing board, two by equitizing creditors and one by each of the two largest backstop parties
MIP	<ul style="list-style-type: none"> ▪ MIP terms TBD 	<ul style="list-style-type: none"> ▪ MIP terms TBD 	<ul style="list-style-type: none"> ▪ MIP terms TBD

* Subject to board approval.