ATWOOD OCEANICS INC
Form 424B2
June 19, 2013
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-187112

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee (1)
6 50% Senior Notes due 2020	$200,000,000	104.250%	$208,500,000	$28,440

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated March 7, 2013)

$200,000,000

Atwood Oceanics, Inc.

6.50% Senior Notes due 2020

We are offering $200,000,000 aggregate principal amount of our 6.50% Senior Notes due 2020. The notes offered hereby constitute an additional issuance of our 6.50% Senior Notes due 2020 issued on January 18, 2012 in an aggregate principal amount of $450,000,000 and form a single series with such notes (the existing notes and, unless the context requires otherwise, together with the notes offered hereby, the notes). The notes offered hereby will be issued under the same indenture, have the same CUSIP number and will trade interchangeably with the existing notes immediately upon settlement.

Interest on the notes will accrue from February 1, 2013 and will be payable semiannually on February 1 and August 1 of each year, with the next payment due on August 1, 2013. The notes will mature on February 1, 2020.

We may redeem all or part of the notes at any time on or after February 1, 2016 at the redemption prices set forth in this prospectus supplement. At any time prior to February 1, 2016, we may redeem all or part of the notes at any time at a make whole redemption price set forth in this prospectus supplement. In addition, before February 1, 2015, we may redeem up to 35% of the aggregate principal amount of the notes with an amount of cash not greater than the net cash proceeds of certain equity offerings if certain conditions are met.

The notes will be our senior unsecured obligations and will rank equal in right of payment with all of our other existing and future senior debt, senior in right of payment to any of our future subordinated debt and effectively subordinated to any of our secured debt, including all debt under our secured credit facility, to the extent of the value of the collateral securing that debt. The notes will not initially be guaranteed by any of our subsidiaries.

Investing in our notes involves risks. Please read Risk Factors beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying base prospectus and in the documents incorporated by reference herein. You should read this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein carefully before making an investment decision.

	Per Note	Total
Price to Public[(1)]	104.250%	$ 208,500,000
Underwriting Discounts	1.000%	$ 2,000,000
Proceeds to Atwood Oceanics, Inc., before Expenses[(1)]	103.250%	$ 206,500,000

(1) Plus accrued interest, if any, from February 1, 2013.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes. Affiliates of certain of the underwriters are lenders under our senior secured revolving credit facility and therefore may receive a substantial portion of the net proceeds of this offering. See Underwriting (Conflicts of Interest).

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the notes, in book-entry form, will be made on or about June 21, 2013 through The Depository Trust Company.

Joint Book-Running Managers

Barclays	**Wells Fargo Securities**	**Credit Suisse**
DNB Markets		**Goldman, Sachs & Co.**

Senior Co-Managers

Credit Agricole CIB	**Global Hunter Securities**	**HSBC**
ING	**Raymond James**	**SEB**

Prospectus Supplement dated June 18, 2013

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Prospectus Supplement

Prospectus

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters. The second part, the base prospectus, provides more general information about the various securities that we may offer from time to time, some of which information may not apply to the notes we are offering hereby. Generally when we refer to this prospectus, we are referring to both this prospectus supplement and the base prospectus combined. If any of the information in this prospectus supplement is inconsistent with any of the information in the base prospectus, you should rely on the information in this prospectus supplement. Before you invest in our notes, you should carefully read this prospectus supplement, along with the base prospectus, in addition to the information contained in the documents we refer to under the heading Where You Can Find Additional Information in the base prospectus.

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus or any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the notes offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information we have included in this prospectus supplement or the accompanying base prospectus is accurate only as of the date of this prospectus supplement or base

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prospectus, respectively, and that any information we have incorporated by reference herein is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since these dates. It is important for you to read and consider all information contained in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein in making your investment decision. You should also read and consider the additional information under the caption Where You Can Find Additional Information in the base prospectus.

We obtained the industry, market and competitive position data used in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein from our own research, internal surveys or studies conducted by third parties, independent industry or general publications and other publicly available information. Independent industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, neither we nor the underwriters have independently verified such data, and neither we nor the underwriters make any representations as to the accuracy of such information. Similarly, we believe that our internal research is reliable, but it has not been verified by any independent sources.

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PROSPECTUS SUMMARY

This summary highlights information from this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein to help you understand our business and an investment in the notes offered hereby. You should read carefully this entire prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein for a more complete understanding of this offering. For more information about important risks that you should consider before making a decision to purchase notes in this offering, you should read the Risk Factors beginning on page S-10 of this prospectus supplement and page 3 of the accompanying base prospectus, as well as the Risk Factors appearing in our annual report on Form 10-K for the fiscal year ended September 30, 2012. Except in the Description of Notes section of this prospectus, and unless the context requires otherwise, references to Atwood Oceanics, Atwood, us, we and our mean Atwood Oceanics, Inc. together with its subsidiaries.

Atwood Oceanics, Inc.

Business Overview

We are a global offshore drilling contractor engaged in the drilling and completion of exploratory and developmental oil and gas wells. We currently own 13 mobile offshore drilling units located in the U.S. Gulf of Mexico, the Mediterranean Sea, offshore West Africa, offshore Southeast Asia and offshore Australia, and are constructing three ultra-deepwater drillships. We were founded in 1968 and are headquartered in Houston, Texas with support offices in Australia, Malaysia, Singapore and the United Kingdom.

During our 44 year history, the majority of our drilling units have operated outside of United States waters, and we have conducted drilling operations in most of the major offshore exploration areas of the world. At least 95% of our contract revenues were derived from foreign operations in each of the prior three fiscal years. However, as a result of our newest ultra-deepwater, semisubmersible drilling rig, the *Atwood Condor*, starting its initial contract in the U.S. Gulf of Mexico, we expect the percentage of our contract revenues derived from foreign operations for future fiscal years to decrease.

The following table presents our rig fleet as of May 31, 2013, all of which are wholly-owned by our subsidiaries:

Rig Name	Rig Type	Construction Completed/Last Upgraded (Calendar Year)	Water Depth Rating (feet)
Atwood Condor	Semisubmersible	construction completed 2012	10,000
Atwood Osprey	Semisubmersible	construction completed 2011	8,200
Atwood Eagle	Semisubmersible	upgraded 2002	5,000
Atwood Falcon	Semisubmersible	upgraded 2012	5,000
Atwood Hunter	Semisubmersible	upgraded 2001	5,000
Atwood Orca	Jackup	construction completed 2013	400
Atwood Mako	Jackup	construction completed 2012	400
Atwood Manta	Jackup	construction completed 2012	400
Atwood Beacon	Jackup	construction completed 2003	400
Atwood Aurora	Jackup	construction completed 2009	350
Vicksburg	Jackup	upgraded 1998	300
Atwood Southern Cross(1)	Semisubmersible	upgraded 2006	2,000
Seahawk(1)	Semisubmersible Tender Assist	upgraded 2006	1,800

(1) Currently cold-stacked and not actively marketed.

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In addition to our existing drilling rigs, we are in the process of constructing three additional drilling rigs. The following table presents our rigs under construction as of May 31, 2013:

Rig Name	Rig Type	Shipyard	Expected Delivery Date (quarter end)	Expected Cost (in millions)	Water Depth Rating (feet)
Atwood Advantage	Drillship	Daewoo Shipbuilding and Marine Engineering Co., Ltd. (DSME)	September 30, 2013	$ 635	12,000
Atwood Achiever	Drillship	DSME	June 30, 2014	$ 635	12,000
Atwood Admiral	Drillship	DSME	March 31, 2015	$ 635	12,000

As of March 31, 2013, the expected remaining costs for the three new drilling rigs under construction were approximately $1.3 billion.

We retain an option to build an additional ultra-deepwater drillship with DSME that expires June 30, 2013. Although we have not currently made a final determination, we expect that we will exercise this option prior to its expiration. In determining whether to exercise the option, we will consider several factors, including oil and natural gas prices, the magnitude of our contract drilling revenue backlog, current and prospective supply and demand dynamics of the ultra-deepwater drilling market, current ultra-deepwater contract day rates, newbuild drillship construction prices and our ability to access the debt capital markets to finance the construction contract.

Our contract backlog at March 31, 2013 was approximately $2.4 billion, representing an approximate 50% increase compared to our contract backlog of $1.6 billion at March 31, 2012. Our revenue, EBITDA and net income for fiscal year 2012 were $787.4 million, $390.0 million and $272.2 million, respectively. Our revenue, EBITDA and net income for the six months ended March 31, 2013 were $498.3 million, $248.4 million and $158.4 million, respectively. We believe EBITDA provides useful information to investors because it is a basis upon which we measure our operations and efficiency. Please see Summary Consolidated Financial Data for a definition of EBITDA and a reconciliation to net income, the most directly comparable financial measure under U.S. generally accepted accounting principles (GAAP).

Recent Developments

Recent Drilling Contracts

In May 2013, we were awarded a one-year drilling services contract for the *Atwood Aurora* to be performed offshore Cameroon at a dayrate of approximately $193,000 (inclusive of the 15% Cameroon withholding tax) or $164,000 (exclusive of the 15% Cameroon withholding tax), depending on the well location. Contract commencement is expected to be in February 2014 in direct continuation of current contractual commitments. In addition, we were awarded a two-year drilling services contract for the *Atwood Eagle* to be performed offshore Australia at a day rate of approximately $460,000. Contract commencement is expected to occur in June 2014 in direct continuation of present operations. In June 2013, we were awarded a 39-month drilling services contract for the *Atwood Condor* to be performed in the U.S. Gulf of Mexico at a day rate of approximately $555,000. The contract is expected to begin in late August 2013 and will supersede the remainder of the existing contract for the *Atwood Condor*. In addition, in June 2013, we were awarded a three-year drilling services contract for the *Atwood Achiever* to be performed initially in Morocco at a day rate of approximately $595,000. The contract will begin upon delivery from the shipyard in South Korea, which is estimated to be in June 2014.

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Stock Repurchase

On May 23, 2013, we entered into a stock purchase agreement with Helmerich & Payne International Drilling Co. (H&P), which was amended on June 13, 2013. Under the agreement, we agreed to repurchase 2,000,000 shares of our common stock from H&P and to make a payment at closing to H&P of $107.3 million (the share repurchase). The closing of the share repurchase is subject to the continued accuracy of the parties representations and warranties and the absence of legal prohibitions preventing the share repurchase, and is expected to occur on June 27, 2013.

Based on an amendment to H&P s Schedule 13D, H&P has sold an additional 2,000,000 shares of our common stock in a block sale to a financial institution. Following the consummation of the share repurchase and assuming no other sales by H&P, H&P will own 4,000,000 shares of our common stock, or approximately 6.3% of the issued and outstanding shares of common stock of the Company. H&P is a wholly-owned subsidiary of Helmerich & Payne, Inc., a publicly-traded energy-oriented company primarily engaged in contract drilling of oil and gas wells both in the United States and internationally. Hans Helmerich, who has served on our board of directors since February 1989, serves as the President and Chief Executive Officer, as well as a director, of Helmerich & Payne, Inc.

Principal Executive Offices and Internet Address

Our principal executive offices are located at 15835 Park Ten Place Drive, Houston, Texas 77084, and our telephone number is (281) 749-7800. Our website is located at *www.atwd.com*. We make available our periodic reports and other information filed with or furnished to the Securities and Exchange Commission, the SEC, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the Commission. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus supplement or the accompanying base prospectus.

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Organizational Structure

The following diagram depicts a condensed version of our organizational structure:

(1) Atwood Offshore Worldwide Limited is the borrower under our senior secured revolving credit facility.

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The Offering

The following is a brief summary of some of the terms of this offering. Certain of the terms described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms of the notes.

Issuer	Atwood Oceanics, Inc.
Notes Offered	$200,000,000 aggregate principal amount of our 6.50% senior notes due 2020. The notes offered hereby constitute an additional issuance of our 6.50% Senior Notes due 2020 issued on January 18, 2012 in an aggregate principal amount of $450,000,000 (the existing notes and, unless the context requires otherwise, together with the notes offered hereby, the notes) and form a single series with such notes. The notes offered hereby will be issued under the same indenture, have the same CUSIP number and will trade interchangeably with the existing notes immediately upon settlement.
Issue Price	104.250% plus accrued interest, if any, from February 1, 2013.
Interest	6.50% per year (calculated using a 360-day year).
Interest Payment Dates	Each February 1 and August 1, with the next payment due on August 1, 2013.
Maturity Date	February 1, 2020.
Ranking	The notes will be our senior unsecured obligations. Accordingly, they will rank:

- equal in right of payment with all of our existing and future senior unsecured indebtedness;
- effectively subordinate in right of payment to all of our existing and future secured indebtedness, including indebtedness under our senior secured revolving credit facility, to the extent of the value of the assets securing such indebtedness;
- effectively subordinate in right of payment to all of our existing and future indebtedness and other liabilities, including trade payables, of our subsidiaries that do not guarantee the notes (other than indebtedness and other liabilities owed to us); and
- senior in right of payment to all of our future subordinated indebtedness.

As of March 31, 2013, after giving effect to this offering and the application of the net proceeds therefrom (excluding the accrued interest paid by the purchasers) as described under Use of Proceeds, we would have had approximately $1,034.9 million of total indebtedness, of which $384.9 million would have been senior secured indebtedness and none would have been subordinate in right of payment to the notes, and approximately $365.1 million would have been available for borrowings under our senior secured revolving credit facility.

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Subsidiary Guarantees

The notes will not initially be guaranteed by any of our subsidiaries. The notes contain covenants which may require certain of our subsidiaries in the future to guarantee the payment obligations under the notes simultaneously with its guarantee of our other indebtedness (except indebtedness under our senior secured revolving credit facility). See Description of Notes Certain Covenants Limitation on Issuances of Guarantees of Indebtedness.

The subsidiary guarantee of each guarantor subsidiary, if any, will be a senior unsecured obligation of such guarantor subsidiary. Accordingly, each subsidiary guarantee will rank:

- equal in right of payment with all existing and future senior unsecured indebtedness of the guarantor subsidiary;
- effectively subordinate in right of payment to all existing and future secured indebtedness of the guarantor subsidiary, including its guarantee of indebtedness under our senior secured revolving credit facility, to the extent of the value of the assets securing such indebtedness;
- effectively subordinate in right of payment to all existing and future indebtedness and other liabilities, including trade payables, of any subsidiaries of such guarantor subsidiary that do not guarantee the notes (other than indebtedness owed to such guarantor subsidiary); and
- senior in right of payment to any future subordinated indebtedness of the guarantor subsidiary.

Our subsidiaries, all of whom currently are non-guarantors, generated all of our consolidated operating revenues for fiscal year 2012 and held all of our consolidated assets as of September 30, 2012.

Optional Redemption

At any time prior to February 1, 2015, we may, on any one or more occasions, redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings at the redemption price set forth under Description of Notes Optional Redemption, if at least 65% of the aggregate principal amount of the notes originally issued under the indenture (including the notes offered hereby and any additional notes, but excluding notes held by us and our subsidiaries) remains outstanding immediately after such redemption and the redemption occurs within 90 days of the closing date of such equity offering.

At any time prior to February 1, 2016, we may, on any one or more occasions, redeem the notes, in whole or in part, at a make whole redemption price set forth under Description of Notes Optional Redemption.

On and after February 1, 2016, we may, on any one or more occasions, redeem the notes, in whole or in part, at the redemption prices set forth under Description of Notes Optional Redemption.

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Change of Control

If a change of control occurs as described under Description of Notes Repurchase at the Option of Holders, each holder of notes may require us to repurchase all or a portion of its notes for cash at a price equal to 101% of the aggregate principal amount of such notes, plus any accrued and unpaid interest to, but not including, the date of repurchase.

Certain Covenants

The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur, assume or guarantee additional indebtedness or issue certain preferred stock;
- pay dividends or make distributions on capital stock or redeem, repurchase or retire our capital stock or subordinated indebtedness;
- transfer or sell assets;
- make investments;
- create certain liens;
- enter into agreements that restrict dividends or other payments from our restricted subsidiaries to us;
- consolidate or merge with or into, or transfer all or substantially all of the assets of our company to, another person;
- engage in transactions with affiliates;
- create unrestricted subsidiaries; and
- enter into new lines of business.

These covenants are subject to important exceptions and qualifications as described under Description of Notes Certain Covenants.

Additional Amounts

Any payments made by us under or with respect to the notes will be made without withholding or deduction for taxes unless required by law. If we are succeeded by a successor company in a permitted foreign jurisdiction as permitted by the covenant described under Description of Notes Certain Covenants Merger, Consolidation or Sale of Assets and we are required by law to withhold or deduct for taxes in any relevant taxing jurisdiction with respect to a payment to the holders of notes, we will pay the additional amounts necessary so that the net amount received by the holders of notes after the withholding will equal the amount that they would have received in the absence of the withholding, subject to certain exceptions. See Description of Notes Additional Amounts.

Optional Redemption for Tax Reasons

If, as a result of certain developments in respect of taxes, we are required to pay additional amounts, we may redeem the notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See Description of Notes Redemption for Changes in Taxes.

Use of Proceeds

We estimate that the net proceeds (excluding the accrued interest paid by the purchasers) from this offering, after deducting underwriting discounts and commissions and estimated offering expenses, will be approximately $205.1 million. We intend to use the net proceeds from this offering for general corporate purposes, including funding our newbuild program. Pending ultimate use, we may use net proceeds to reduce outstanding borrowings under our senior secured revolving credit facility.

Conflicts of Interest

Affiliates of certain of the underwriters are lenders under our credit facility and, accordingly, may receive a portion of the proceeds from this offering in the form of the repayment of borrowings under such facility.

Because affiliates of certain of the underwriters are lenders under our credit facility and may receive more than 5% of the net proceeds of this offering due to such repayment, this offering will be conducted in accordance with Rule 5121 of the Financial Industry Regulatory Authority, Inc., which requires, among other things, that a qualified independent underwriter has participated in the preparation of, and has exercised the usual standards of due diligence with respect to, the registration statement and this prospectus. Barclays Capital Inc. has agreed to act as qualified independent underwriter for the offering. See Use of Proceeds and Underwriting (Conflicts of Interest) Conflicts of Interest.

Market for the Notes

The notes offered hereby will trade interchangeably with the existing notes and will not be listed on any securities exchange or included in any automated quotation system. The underwriters have advised us that they intend to make a market in the notes. The underwriters are not obligated, however, to make a market in the notes, and any such market-making activities may be discontinued by the underwriters in their discretion at any time without notice. See Underwriting (Conflicts of Interest).

Risk Factors

You should consider carefully the information set forth in the section entitled Risk Factors beginning on page S-10 of the prospectus supplement and page 3 of the accompanying base prospectus and all other information contained or incorporated by reference in this prospectus before deciding to invest in the notes.

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SUMMARY CONSOLIDATED FINANCIAL DATA

We have derived the selected consolidated financial information as of and for the fiscal years ended September 30, 2012, 2011 and 2010 from our audited consolidated financial statements. We have derived the selected consolidated financial information as of and for six months ended March 31, 2013 and 2012 from our unaudited consolidated financial statements. You should read the summary historical financial data below in conjunction with our historical financial statements and the accompanying notes, which are incorporated by reference into this prospectus supplement. You should also read the sections entitled Risk Factors elsewhere in this prospectus supplement and the accompanying base prospectus and Management s Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors included in our annual report on Form 10-K for the year ended September 30, 2012 and our quarterly report on Form 10-Q for the period ended March 31, 2013, each of which is incorporated by reference into this prospectus supplement.

	For the Years Ended September 30,			For the Six Months Ended March 31,	
(in thousands, except ratios)	**2012**	**2011**	**2010**	**2013**	**2012**
Statement of Operations Data					
Operating revenues	$ 787,421	$ 645,076	$ 650,562	$ 498,254	$ 356,293
Contract drilling costs	(347,179)	(223,565)	(252,427)	(219,389)	(157,686)
Depreciation	(70,599)	(43,597)	(37,030)	(56,060)	(30,769)
General and administrative	(49,776)	(44,407)	(40,620)	(30,489)	(25,646)
Other, net	(457)	(4,847)	1,855	(13)	863
Operating income	319,410	328,660	322,340	192,329	141,329
Other (expense) income	(6,106)	(3,813)	(2,361)	(10,810)	94
Income tax provision	(41,133)	(53,173)	(62,983)	(23,169)	(16,489)