DIAMOND OFFSHORE DRILLING, INC.
Form 424B5
July 31, 2017
Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration No. 333-202618

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell the securities described herein, and we are not soliciting offers to buy such securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated July 31, 2017

PROSPECTUS SUPPLEMENT

(To Prospectus dated March 9, 2015)

Diamond Offshore Drilling, Inc.

$ % Senior Notes due 2025

We are offering $ aggregate principal amount of % senior notes due 2025, which we refer to as the notes.

The notes will bear interest at the rate of % per year and mature on , 2025. Interest on the notes is payable on and of each year, beginning on , 2018. Interest on the notes will accrue from , 2017.

We may redeem some or all of the notes at any time at the applicable redemption prices described in this prospectus supplement under the caption Description of Notes Optional Redemption. In each case, we will also pay accrued and unpaid interest, if any, to, but excluding, the redemption date.

The notes will be unsecured and will rank equally with all our other existing and future senior indebtedness.

The notes will be issued only in registered book-entry form, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes are a new issue of securities with no established trading market. We do not currently intend to apply for listing of the notes on any securities exchange or to be quoted on any automated quotation system.

Investing in the notes involves risks. See Risk Factors *beginning on page S-9 and the information incorporated by reference in this prospectus supplement for a discussion of important factors you should consider carefully before deciding to purchase the notes.*

The offering price set forth below does not include accrued interest, if any. Interest on the notes will accrue from , 2017 to the date of delivery.

	Per Note	Total
Public Offering Price	%(1)	$
Underwriting Discount and Commissions	%	$
Proceeds to Diamond Offshore (before expenses)	%	$

(1) Plus interest, if any, from , 2017 if settlement occurs after that date.

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

The underwriters expect to deliver the notes to investors on or about , 2017 in book-entry form through The Depository Trust Company for the account of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme.

Joint Physical Book-Running Managers

Barclays **J.P. Morgan**

Joint Book-Running Managers

Citigroup **HSBC** **MUFG**
SunTrust Robinson Humphrey **Wells Fargo Securities**

Co-Managers

RBC Capital Markets **Goldman Sachs & Co. LLC**

Prospectus Supplement dated , 2017.

Table of Contents

You should read this prospectus supplement along with the accompanying base prospectus carefully before you invest in the notes. These documents contain or incorporate by reference important information you should consider before making your investment decision. This prospectus supplement contains specific information about the notes being offered and the accompanying base prospectus contains a general description of the notes. This prospectus supplement may add, update or change information in the accompanying base prospectus. We have not, and the underwriters have not, authorized anyone else to provide any information other than that contained or incorporated by reference in this prospectus supplement and the accompanying base prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriters take responsibility for, or can provide assurance as to the reliability of, any other information that others may give you. You should not assume that the information contained in this prospectus supplement and the accompanying base prospectus, as well as the information incorporated by reference, is accurate as of any date other than the date on the front cover of this prospectus supplement, or the date of such incorporated information, as applicable. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

TABLE OF CONTENTS

Prospectus Supplement

Base Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to our business. The second part, the accompanying base prospectus, gives more general information, some of which does not apply to the notes we are offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined, including the information incorporated by reference in the prospectus. If the description of the notes in the prospectus supplement differs from the description in the base prospectus, the description in the prospectus supplement supersedes the description in the base prospectus and you should rely on the information in this prospectus supplement.

Before purchasing any notes, you should carefully read both this prospectus supplement and the accompanying base prospectus, together with the additional information described under the heading Where You Can Find More Information.

This prospectus supplement and the accompanying base prospectus do not constitute an offer to sell, or the solicitation of an offer to buy, any securities other than the registered securities to which they relate, nor do this prospectus supplement and the accompanying base prospectus constitute an offer to sell or a solicitation of an offer to buy these securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

In this prospectus supplement and the accompanying base prospectus, unless otherwise specified or the context otherwise requires, references to dollars and $ are to U.S. dollars. Unless otherwise specified or the context otherwise requires, when used in this prospectus supplement, the terms Diamond Offshore, we, our company, our and us r Diamond Offshore Drilling, Inc., a Delaware corporation, and its consolidated subsidiaries.

This prospectus supplement and the accompanying base prospectus are based on information provided by us and by other sources that we believe are reliable. We cannot assure you that this information is accurate or complete. This prospectus supplement and the accompanying base prospectus summarize certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this prospectus supplement and the accompanying base prospectus. In making an investment decision, you must rely on your own examination of our company and the terms of the offering and the notes, including the merits and risks involved.

We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this prospectus supplement or the accompanying base prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission, or the Commission, a registration statement under the Securities Act of 1933, as amended, or the Securities Act, that registers the distribution of the notes. The registration statement, including the attached exhibits, contains additional relevant information about us and the securities we may offer. The rules and regulations of the Commission allow us to omit certain information included in the registration statement from this prospectus supplement and the accompanying base prospectus.

We file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any reports or other information that we file with the Commission at the Commission s

Public Reference Room located at 100 F Street, N.E., Washington D.C. 20549. You may also receive copies of these documents upon payment of a duplicating fee by writing to the Commission s Public Reference Room. Please call the Commission at 1-800-SEC-0330 for further information on the Public Reference Room. Our filings with the Commission are also available to the public from commercial document retrieval services, at our website (*www.diamondoffshore.com*) and at the Commission s website (*www.sec.gov*). Information on our website is not incorporated into this prospectus or our other filings with the Commission and is not a part of this prospectus or those filings.

The Commission allows us to incorporate by reference the information that we file with it into this prospectus supplement and the accompanying base prospectus. This means that we can disclose important information to you by referring you to other documents filed separately with the Commission, including our annual, quarterly and current reports. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying base prospectus, except for any information that is modified or superseded by information contained in this prospectus supplement or any other subsequently filed document that is incorporated by reference into this prospectus. The information incorporated by reference is an important part of this prospectus supplement and the accompanying base prospectus. All documents filed (but not those or portions thereof that are furnished) by us with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, between the date of this prospectus supplement and the termination or completion of the offering of the notes will be incorporated by reference into this prospectus and will automatically update and supersede the information in this prospectus supplement, the accompanying base prospectus and any previously filed document that is incorporated by reference into this prospectus.

The following documents have been filed by us with the Commission (File No. 1-13926) and are incorporated by reference into this prospectus:

Our annual report on Form 10-K for the fiscal year ended December 31, 2016;

Those portions of our definitive proxy statement on Schedule 14A filed on March 28, 2017 incorporated by reference into our annual report on Form 10-K for the fiscal year ended December 31, 2016;

Our quarterly reports on Form 10-Q for our fiscal quarters ended March 31, 2017 and June 30, 2017; and

Our current reports on Form 8-K filed January 31, 2017 and May 17, 2017.

You can obtain any of the documents incorporated herein by reference from us without charge (other than exhibits unless such exhibits are specifically incorporated by reference in this prospectus supplement). You may request a copy of these filings by writing or telephoning us at the following address or telephone number:

Diamond Offshore Drilling, Inc.

15415 Katy Freeway, Suite 100

Houston, Texas 77094

Attention: Investor Relations

Telephone: (281) 492-5300

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained or incorporated by reference in this prospectus supplement constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain or be identified

Table of Contents

by the words expect, intend, plan, predict, anticipate, estimate, believe, should, could, may, mig continue, will likely result, project, forecast, budget and similar expressions. In addition, any statement concernin future financial performance (including, without limitation, future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions taken by or against us, which may be provided by management, are also forward-looking statements as so defined. Statements that contain forward-looking statements include, but are not limited to, information concerning our possible or assumed future results of operations and statements about the following subjects:

- market conditions and the effect of such conditions on our future results of operations;
- sources and uses of and requirements for financial resources and sources of liquidity;
- contractual obligations and future contract negotiations;
- interest rate and foreign exchange risk;
- operations outside the United States;
- business strategy;
- growth opportunities;
- competitive position including, without limitation, competitive rigs entering the market;
- expected financial position;
- cash flows and contract backlog;
- future term of the Petróleo Brasileiro S.A. drilling contract for the *Ocean Valor* and the enforcement of our rights under the contract;
- idling drilling rigs or reactivating stacked rigs;
- declaration and payment of regular or special dividends;

financing plans;

market outlook;

tax planning;

debt levels and the impact of changes in the credit markets and credit ratings for our debt;

budgets for capital and other expenditures;

timing and duration of required regulatory inspections for our drilling rigs;

timing and cost of completion of capital projects;

delivery dates and drilling contracts related to capital projects or rig acquisitions;

plans and objectives of management;

scrapping retired rigs;

assets held for sale;

purchasing or constructing rigs;

asset impairments and impairment evaluations;

our internal controls and remediation of our material weakness in internal control over financial reporting;

performance of contracts;

outcomes of legal proceedings;

- purchases of our securities, including, without limitation, the Make-Whole Redemption (as defined below);
- compliance with applicable laws; and
- availability, limits and adequacy of insurance or indemnification.

These types of statements are based on current expectations about future events and inherently are subject to a variety of assumptions, risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those expected, projected or expressed in forward-looking statements. These risks and uncertainties include, among others, the following:

- those described under Risk Factors in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016 and in this prospectus supplement beginning on page S-9;
- general economic and business conditions and trends, including recessions and adverse changes in the level of international trade activity;
- worldwide supply and demand for oil and natural gas;
- changes in foreign and domestic oil and gas exploration, development and production activity;
- oil and natural gas price fluctuations and related market expectations;
- the ability of the Organization of Petroleum Exporting Countries, commonly called OPEC, to set and maintain production levels and pricing, and the level of production in non-OPEC countries;
- policies of various governments regarding exploration and development of oil and gas reserves;
- inability to obtain contracts for our rigs that do not have contracts;
- the cancellation of contracts included in our reported contract backlog;
- advances in exploration and development technology;

the worldwide political and military environment, including, for example, in oil-producing regions and locations where our rigs are operating;

casualty losses;

operating hazards inherent in drilling for oil and gas offshore;

the risk that dividends may not be declared or paid;

the risk of physical damage to rigs and equipment caused by named windstorms in the U.S. Gulf of Mexico;

industry fleet capacity;

market conditions in the offshore contract drilling industry, including, without limitation, dayrates and utilization levels;

competition;

changes in foreign, political, social and economic conditions;

risks of international operations, compliance with foreign laws and taxation policies and seizure, expropriation, nationalization, deprivation, malicious damage or other loss of possession or use of equipment and assets;

risks of potential contractual liabilities pursuant to our various drilling contracts in effect from time to time;

customer or supplier bankruptcy, liquidation or other financial difficulties;

Table of Contents

the ability of customers and suppliers to meet their obligations to us and our subsidiaries;

collection of receivables;

foreign exchange and currency fluctuations and regulations, and the inability to repatriate income or capital;

risks of war, military operations, other armed hostilities, terrorist acts and embargoes;

changes in offshore drilling technology, which could require significant capital expenditures in order to maintain competitiveness;

regulatory initiatives and compliance with governmental regulations including, without limitation, regulations pertaining to climate change, greenhouse gases, carbon emissions or energy use;

compliance with and liability under environmental laws and regulations;

potential changes in accounting policies by the Financial Accounting Standards Board, the Commission or regulatory agencies for our industry which may cause us to revise our financial accounting and/or disclosures in the future, and which may change the way analysts measure our business or financial performance;

development and exploitation of alternative fuels;

customer preferences;

effects of litigation, tax audits and contingencies and the impact of compliance with judicial rulings and jury verdicts;

cost, availability, limits and adequacy of insurance;

invalidity of assumptions used in the design of our controls and procedures and the risk that the measures we have taken to remediate our material weakness in internal control over financial reporting will not be effective or that additional material weaknesses may arise in the future;

the results of financing efforts;

adequacy and availability of our sources of liquidity;

risks resulting from our indebtedness;

public health threats;

negative publicity;

impairments of assets; and

the availability of qualified personnel to operate and service our drilling rigs.

The risks and uncertainties listed above are not exhaustive. Other sections of this prospectus supplement and our other filings with the Commission include additional factors that could adversely affect our business, results of operations and financial performance. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or beliefs with regard to the statement or any change in events, conditions or circumstances on which any forward-looking statement is based. In addition, in this prospectus supplement and our other filings with the Commission incorporated by reference herein, we may refer to reports published by third parties that purport to describe trends or developments in energy production or drilling and exploration activity. While we believe that each of these reports is reliable, neither we nor the underwriters have independently verified the information included in such reports. We and the underwriters specifically disclaim any responsibility for the accuracy and completeness of such information and we undertake no obligation to update such information.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about our company and the offering and may not contain all of the information that is important to you. To better understand this offering, you should read this entire document carefully, as well as those additional documents to which we refer you. See Where You Can Find More Information.

About Diamond Offshore Drilling, Inc.

We provide contract drilling services to the energy industry around the globe with a fleet of 19 offshore drilling rigs, excluding five semisubmersible rigs that we plan to retire and scrap in the near future. These retired units, which are currently cold stacked, include the *Ocean Baroness*, *Ocean Alliance*, *Ocean Vanguard*, *Ocean Nomad* and *Ocean Princess*. Our current fleet consists of four drillships, 14 semisubmersibles and one jack-up rig. The *Ocean Monarch*, which had been in a shipyard for a survey and contract modifications since the first quarter of 2017, began operating under the first of three contracts in Australia late in the second quarter of 2017. Of our current fleet, as of July 31, 2017, three ultra-deepwater and three deepwater semisubmersible rigs were cold stacked, in addition to the five rigs to be scrapped.

We drill in the waters of North America, South America, Europe, Africa, Asia, the Middle East and Australia. We offer comprehensive drilling services to the global energy industry.

Our principal executive offices are located at 15415 Katy Freeway, Houston, Texas 77094, and our telephone number at that location is (281) 492-5300.

Recent Developments

We intend to call for redemption all of the outstanding aggregate principal amount of our 5.875% Senior Notes due May 1, 2019, or the 2019 Notes, at a make-whole premium price calculated by the Quotation Agent (as defined in the governing indenture) in accordance with the 2019 Notes and the indenture governing the 2019 Notes, which we refer to as the Make-Whole Redemption. As of June 30, 2017, $500.0 million aggregate principal amount of the 2019 Notes was outstanding. The indenture governing the 2019 Notes permits us to redeem all or a portion of the 2019 Notes for cash at any time at a redemption price equal to the greater of (1) 100% of the principal amount of the 2019 Notes to be redeemed and (2) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on such 2019 Notes (not including any portion of any payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate (as defined in the governing indenture) plus 45 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the 2019 Notes redeemed to the date of redemption. This prospectus supplement does not constitute a notice of redemption of the 2019 Notes.

We intend to use the net proceeds from this offering, together with cash on hand, to fund the Make-Whole Redemption and the payment of any related fees and expenses and any remaining proceeds for general corporate purposes. This offering is not conditioned upon the consummation of the Make-Whole Redemption. See Use of Proceeds.

Table of Contents

The Offering

Issuer	Diamond Offshore Drilling, Inc.
Notes offered	$ aggregate principal amount of % Senior Notes due 2025.
Maturity date	, 2025.
Interest rate	% per year.
Interest payment dates	and of each year, beginning on , 2018. Interest on the notes will accrue from , 2017.
Ranking	The notes will be our senior unsecured obligations and will rank equally in right of payment to all our existing and future senior indebtedness. The notes will be structurally subordinated to all existing and future obligations of our subsidiaries, which will not guarantee the notes. As of June 30, 2017, Diamond Offshore Drilling, Inc. had approximately $2.0 billion aggregate principal amount of total indebtedness outstanding, none of which was secured. As of June 30, 2017, our subsidiaries had no third party indebtedness outstanding. See Capitalization.
Optional redemption	We may redeem some or all of the notes at any time prior to , 2025 (the date that is three months prior to the scheduled maturity date of the notes) at the make-whole redemption price discussed under the caption Description of Notes Optional Redemption. We may redeem some or all of the notes at any time on or after , 2025 (the date that is three months prior to the scheduled maturity date of the notes) at a price equal to 100% of the principal amount of the notes being redeemed. In each case, we will also pay accrued and unpaid interest, if any, to, but excluding, the redemption date. For a more complete description of the optional redemption provisions of the notes, please read Description of Notes Optional Redemption.

Certain covenants	The indenture governing the notes, which we refer to as the indenture, will contain covenants that limit, among other things, subject to certain exceptions, our ability to:

- consolidate with or merge into another entity or convey or transfer our properties and assets substantially as a whole;
- create liens; and
- enter into a sale and lease-back transaction covering a drilling rig or drillship.

Table of Contents

	See Description of Notes Limitation on Merger, Consolidation and Certain Sale of Assets and Description of Notes Certain Covenants of the Company.
	The indenture does not limit the amount of unsecured debt that we or our subsidiaries may incur.
Form and denomination	The notes will be issued in fully registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Further issues	We may from time to time, without the consent of the holders of the notes, issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as the notes offered hereby, except for the issue date and offering price and, in some cases, the first interest payment date. See Description of Notes Further Issues.
Use of proceeds	We intend to use the net proceeds from this offering, together with cash on hand, to fund the Make-Whole Redemption and the payment of any related fees and expenses and any remaining proceeds for general corporate purposes. Pending their application, we may invest the net proceeds in short term investments. See Use of Proceeds. Certain of the underwriters or their affiliates may hold the 2019 Notes and, to the extent we use proceeds from this offering to fund the Make-Whole Redemption, may receive proceeds from this offering. See Underwriting Other Relationships.
Risk factors	You should carefully consider the specific factors set forth under Risk Factors, beginning on page S-9 of this prospectus supplement as well as the other information and data included elsewhere or incorporated by reference in this prospectus supplement and the accompanying base prospectus, before making an investment decision.
Governing law	The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.
Trustee	The Bank of New York Mellon Trust Company, N.A.

Table of Contents

RISK FACTORS

An investment in the notes involves risks. Before making a decision to purchase the notes, and in consultation with your own financial and legal advisors, you should consider carefully the following matters, in addition to the other information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying base prospectus, including under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Risks Relating to the Notes and Our Indebtedness

Our holding company structure results in substantial structural subordination and may affect our ability to make payments on the notes.

The notes are obligations exclusively of Diamond Offshore Drilling, Inc. We are a holding company, and substantially all operations are conducted by our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes offered hereby, is dependent upon the earnings of our subsidiaries. In addition, our ability to service our debt is dependent on the distribution of earnings, loans or other payments by our subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon their earnings, cash flows and business considerations.

Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of the notes to participate in the profits or a distribution of those assets, will be structurally subordinated to the claims of that subsidiary s creditors, including trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

Our debt agreements allow us to incur significantly more debt, which, if incurred, could exacerbate the other risks described in this prospectus supplement.

The terms of our debt instruments permit us to incur additional indebtedness. The incurrence of such debt may be necessary to comply with regulatory obligations to maintain our assets, to satisfy regulatory service obligations, to adequately respond to competition or for financial reasons alone. Incremental borrowings or borrowings at maturities that impose additional financial risks to our various efforts to improve our financial condition and results of operations would exacerbate the other risks described in this prospectus supplement and the documents incorporated by reference into the accompanying base prospectus.

Servicing our debt requires a significant amount of cash, and we may not be able to generate sufficient cash flow from our business to meet our debt obligations.

Our earnings and cash flow may vary significantly from time to time due to the cyclical nature of our industry. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our future cash flow may be insufficient to meet our debt obligations and commitments, including the notes. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Table of Contents

As of June 30, 2017, our total indebtedness was approximately $2.0 billion. Furthermore, as of such date, we had $1.5 billion in undrawn borrowing capacity under our senior revolving credit facility. All borrowings under our senior revolving credit facility rank equally in right of payment to the notes. Our debt could have important consequences to you. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities, or to otherwise realize the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow from operations to payments of interest and principal on our debt or to comply with any restrictive terms of our debt;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- impair our ability to obtain additional financing in the future; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

In addition, if we fail to comply with the covenants or other terms of any agreements governing our debt, our lenders will have the right to accelerate the maturity of that debt and foreclose upon the collateral, if any, securing that debt. Realization of any of these factors could adversely affect our financial condition.

Other than covenants limiting liens, certain sale and leaseback transactions and certain corporate transactions, the indenture will not contain restrictive covenants.

The indenture governing the notes does not contain restrictive covenants that would protect you from many kinds of transactions that may adversely affect you. In particular, the indenture does not contain covenants limiting any of the following:

- the incurrence of additional indebtedness by us or our subsidiaries;
- the issuance of stock of our subsidiaries;
- the payment of dividends and certain other payments by us and our subsidiaries;
- our creation of restrictions on the ability of our subsidiaries to make payments to us; or

our ability to enter into certain transactions with affiliates.

There is currently no trading market for the notes and an active trading market for the notes may not develop.

The notes are a new issue of securities with no established trading market, and we do not intend to list the notes on any securities exchange or automated quotation system. As a result, an active trading market for the notes may not develop, or if one does develop, it may not be sustained. If an active trading market fails to develop or cannot be sustained, you may not be able to resell your notes at their fair market value or at all.

Redemption may adversely affect your return on the notes.

The notes are redeemable at any time at our option, and therefore we may choose to redeem some or all of the notes, including at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the proceeds you receive from the redemption in a comparable security at an effective interest rate as high as the interest rate on your notes being redeemed. See Description of Notes Optional Redemption.

Our debt ratings have been downgraded recently. Any adverse rating of the notes may cause their trading price to fall.

In July 2017, Moody s Investor Services, or Moody s, downgraded our corporate family rating to Ba3 from Ba2, with a negative outlook. In January 2017, S&P Global Ratings, or S&P, downgraded our corporate credit rating to BB- from BB+, with a negative outlook. Both Moody s and S&P periodically review our credit ratings as well as the offshore drilling sector more generally, and have downgraded other offshore drilling companies based on concerns about general industry conditions. There can be no assurance that we will be able to maintain our credit ratings, and if there are further downgrades of our credit rating, or notices of potential downgrades, the trading prices of the notes could decline. If a rating agency were to lower its rating on the notes below the rating initially assigned to the notes or otherwise announce its intention to put the notes on credit watch, the trading price of the notes could decline.

We may not be able to fund a change of control offer.

If a change of control repurchase event occurs, we will be required, subject to certain conditions, to offer to purchase all outstanding notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase. We cannot assure you that we will have sufficient funds available or that we will be permitted by our other debt instruments to fulfill these obligations upon a change of control repurchase event in the future. See Description of Notes Change of Control Repurchase Event.

We may not consummate the Make-Whole Redemption, and this offering is not conditioned on the consummation of the Make-Whole Redemption.

We intend to use the net proceeds from this offering, together with cash on hand, to fund the Make-Whole Redemption and the payment of any related fees and expenses, as described under Summary Recent Developments. However, there can be no assurance that we will consummate the Make-Whole Redemption. This offering is not conditioned on the consummation of the Make-Whole Redemption. Therefore, upon the closing of this offering, you will become a holder of the notes regardless of whether the Make-Whole Redemption is consummated, delayed or terminated. If the Make-Whole Redemption is not consummated, we may use the net proceeds from this offering for general corporate purposes. See Use of Proceeds.

Table of Contents

USE OF PROCEEDS

We estimate the net proceeds to us from the sale of the notes, after deducting underwriting discounts and expenses payable by us, will be approximately $ million. We intend to use the net proceeds from this offering, together with cash on hand, to fund the Make-Whole Redemption and the payment of any related fees and expenses and any remaining proceeds for general corporate purposes. Pending their application, we may invest the net proceeds in short term investments. This offering is not conditioned upon the consummation of the Make-Whole Redemption. If the Make-Whole Redemption is not consummated, we may use the net proceeds from this offering for general corporate purposes. For more information on the Make-Whole Redemption, see Summary Recent Developments. Certain of the underwriters or their affiliates may hold the 2019 Notes and, to the extent we use proceeds from this offering to fund the Make-Whole Redemption, may receive proceeds from this offering. See Underwriting Other Relationships.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges for each of the periods shown is as follows:

	Six Months Ended June 30,	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Ratio of earnings to fixed charges	1.40x	(3.21)x(1)	(2.45)x(1)	4.64x	7.79x	11.11x

(1) The deficiency in our earnings available for fixed charges for the years ended December 31, 2016 and 2015 was $479.8 million and $388.9 million, respectively

For all periods presented, the ratio of earnings to fixed charges has been computed on a total enterprise basis. Earnings represent pre-tax income from continuing operations plus fixed charges. Fixed charges include (1) interest, whether expensed or capitalized, (2) amortization of debt issuance costs, whether expensed or capitalized, and (3) a portion of rent expense, which we believe represents the interest factor attributable to rent.

Table of Contents

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2017 and as adjusted as of such date after giving effect to the sale of the notes pursuant to this offering and the expected application of the net proceeds of this offering as described under Use of Proceeds to fund the Make-Whole Redemption. You should read this table in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement.

June 30, 2017