



## NEWS RELEASE

### **McDermott International, Inc. Receives Court Approval of First Day Motions to Support Ongoing Operations**

*Operations to Continue in Normal Course During Restructuring Process*

*Obtains Interim Approval to Access \$2.81 Billion of DIP Financing*

**HOUSTON, January 23, 2020** – McDermott International, Inc. today announced that the U.S. Bankruptcy Court for the District of the Southern District of Texas has granted the Company approval for all of its first day motions related to its prepackaged Chapter 11 restructuring. The approved motions will immediately solidify the Company's liquidity position and help guarantee that McDermott continues operating its business in the normal course throughout its balance sheet restructuring.

The Court today granted McDermott access to \$2.81 billion of debtor-in-possession ("DIP") financing which, combined with cash generated by the Company, will support ongoing operations during the restructuring, enabling McDermott to maintain its commitments to its stakeholders, including customers, suppliers, joint venture partners, business partners and employees. All customer projects will continue uninterrupted on a global basis. McDermott will continue to pay employee wages and health and welfare benefits and will pay all suppliers in full.

"Approval of our first day motions is a key milestone in our financial restructuring, during which McDermott will operate its business in normal course and remain focused on delivering world-class service on our customer projects," said David Dickson, Chief Executive Officer of McDermott. "We remain dedicated to creating a sustainable capital structure that matches the strength of our operating business and emerging a stronger, more competitive company with a solid financial foundation on which to capitalize on the long-term opportunities ahead of us. I would like to reiterate my thanks to our customers, employees, suppliers and partners for their continued support as we work to complete our restructuring on an expedited timeline."

As previously announced, McDermott has received support from more than two-thirds of all its funded debt creditors for a restructuring transaction that will equitize nearly all the Company's funded debt, eliminating over \$4.6 billion of debt. The Company also secured exit financing of over \$2.4 billion in letter of credit facility capacity and will emerge from Chapter 11 with approximately \$500 million in funded debt. The confirmation of the prepackaged Chapter 11 Plan of Reorganization is expected within approximately two months from filing. McDermott anticipates emergence within approximately three months following the confirmation of the Plan.

For more information about McDermott's restructuring, including access to Bankruptcy Court documents, please visit <https://cases.primeclerk.com/McDermott> or contact Prime Clerk, the Company's noticing and claims agent, at 877-426-7705 (for toll-free domestic calls) and 917-994-8380 (for tolled international calls), or email [McDermottInfo@primeclerk.com](mailto:McDermottInfo@primeclerk.com).

Kirkland & Ellis LLP is serving as legal counsel to McDermott, Evercore Group L.L.C. is serving as the Company's financial advisor and AP Services, LLC, an affiliate of AlixPartners, is serving as operational advisor. Jackson Walker L.L.P. is serving as local legal counsel, Baker Botts L.L.P. is serving as corporate legal counsel, Arias, Fabrega & Fabrega is serving as Panamanian legal counsel and Prime Clerk is serving as administrative agent.

## **About McDermott**

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54 countries, McDermott's locally focused and globally integrated resources include more than 42,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit [www.mcdermott.com](http://www.mcdermott.com).

## **Forward-Looking Statements**

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, McDermott cautions that statements in this communication which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties. These forward-looking statements include, among other things, statements about improving McDermott's capital structure, McDermott's ability to effect its restructuring as expected, or at all, the inability of McDermott to execute on contracts in backlog successfully, intended use of proceeds from a transaction involving a sale of all or part of the Lummus Technology business and strengthening of McDermott's balance sheet. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: negotiations with third parties; regulatory and other approvals; adverse changes in the markets in which McDermott operates or credit or capital markets; and actions by lenders, other creditors, customers and other business counterparties of McDermott. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. You should not place undue reliance on forward-looking statements. For a more complete discussion of these and other risk factors, please see each of McDermott's annual and quarterly filings with the U.S. Securities and Exchange Commission, including McDermott's annual report on Form 10-K for the year ended December 31, 2018 and subsequent quarterly reports on Form 10-Q. This communication reflects the views of McDermott's management as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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