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Form 425

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EnSCO NetRoadShow Presentation (March 7, 2011)

The following is the transcript of oral comments of Jay Swent, Senior Vice President and Chief Financial Officer of EnSCO plc, accompanying the foregoing slide presentation.

1. Hello this is Jay Swent with EnSCO plc and I would like to thank you for joining us today to discuss our Senior Notes offering
 2. Before we start I'd refer you to our forward looking statements page and I'd ask that you read this page carefully before proceeding
 3. The offering that we are talking about today, the purpose of it, is to fund our acquisition of Pride International. We expect this transaction to close at some time in the second quarter and at this point we feel there is a very high probability that we will close and there is very limited exposure to regulatory issues as we see it at this point in time. EnSCO plc will be the issuer and I would remind you that EnSCO plc will remain a UK company and will be headquartered in London and we will be acquiring all of the assets of Pride and ultimately those assets will be owned under the EnSCO plc legal entity structure. The offering format will be an SEC registered offering. The maturities will be 5- and 10-years and the Notes will be redeemed at a special mandatory redemption price equal to 101% if the merger is terminated within 6-months of the issue date, or 102% if the merger is terminated after 6-months from the issue date. The use of proceeds will be to fund a portion of the cash consideration for the pending merger with Pride. Our bookrunners will be Citi, Deutsche Bank Securities and Wells Fargo. The bonds will be listed on the New York Stock Exchange shortly after they are issued.
 4. Moving now to the merged entity highlights, first and foremost this acquisition positions ENSCO as the second largest offshore driller. We will have a combined rig count of 77 rigs, which includes seven rigs under construction. We will have a very diversified portfolio with an excellent blend of premium jackups, mid-water, and ultra deepwater capabilities. This is going to significantly increase our deepwater exposure and it will create a market leader in the ultra-deepwater segment, now with 13 rigs, and I will talk more about these rigs on slide 6 in just a few minutes. We will be the leading ultra deepwater driller in the growing Brazil market. This will give us excellent geographic diversification that will expand our footprint in Brazil and West Africa, which are the key markets for us if we are going to expand in the deep water market. We will have complementary geographic footprints with relatively minimal overlap across the world, and we will diversify our deepwater and shallow water focus across regions. This will give us significant scale enhancement. The combined entity will have a backlog of \$10 billion dollars and both we and the Pride management believe scale is even more important in our now post Macondo world. It expands our customer base and an excellent example of that would be the kind of exposure that we get to Petrobras immediately as a result of this acquisition. This will give us the best in class asset base. We are going to have a focus on premium jack-ups and ultra deep water semis and drill ships. The pro form company will have 5 ultra deep-water new builds and we will have a superior safety and performance record.
 5. Moving now to the acquisition overview, let's talk about some of the high level aspects of the acquisition. The offer price will be \$15.60 cash per share plus .4778 newly issued EnSCO shares. This was priced when we entered into the transaction on February 4 to produce \$41.60 of total consideration, a
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21% premium to Pride's then closing price. The financing will be approximately \$2.8 billion dollars of a cash component financed through existing cash and new debt facilities, and I would make the point here that we have bridge financing in place today with both Citi and Deutsche Bank for \$2.75 billion and we also have an existing \$700 million revolver. We feel very confident about our ability to achieve this level, and we think there are also opportunities for addition revenue synergies as well. In terms of the leadership team Dan Rabun will be Chairman and President and CEO of the new entity. I will remain as Senior Vice President and CFO of the remaining entity. The rest of the management team and the organization structure is currently being discussed and will be announced as soon as finalized.

6. The next several charts that I will speak to cover many of the benefits of this acquisition and I hope by the time I have completed with these you will see why we are so excited by the possibilities of this acquisition. The first point I would make on the chart talking about the second largest offshore drilling company is that this acquisition really puts us in the second position in this industry. In the world of jackups we will be the clear number two player in terms of total assets. As many of you know this asset class has a number of rigs that are very old and cold-stacked throughout the world. And when you look at the active fleet, we actually have largest active fleet today with 40 rigs in our active fleet when we combine with Pride and that would compare with 38 active rigs for RIG, and 37 active rigs for Noble. In the world of floaters we will have the third largest number of floaters with 27 in total. The point I would make here is that we will have the second youngest fleet of any of our competitors with the exception of Seadrill. If you segment the floaters into rigs that are capable of drilling in 7,500 feet of water or greater we are also number 3 there with 13 rigs. I here again would make the point that our 13 rigs will be the youngest fleet in the industry with an average age of two years.

7. Moving to the next chart which looks at our customer base we have excellent relationships with the major integrated oil companies, the independents, and the national oil companies. For all of these customers safety and operating excellence are of absolute importance and both EnSCO and Pride have historically done excellent work for all of these customers. Key point to make here is that post-transaction there will be no abnormal customer concentration that might lead to negative revenue synergies. We will really be putting two companies together that have very little overlap with their existing customer

8. Moving on to the geographic footprint of the company, we will have a very diverse footprint and the combined companies will have operations in every major oil and gas basin in the world, and in most cases we will be either the number 1 or 2 player in each of these markets

9. Let's talk now about the diversification of our revenue stream. If you look at EnSCO on this next chart, prior to the acquisition we had a great deal of exposure to the jackup business with 72% of our revenue in jackups, 28% in deepwater. Pride had a very different mix as you can see. When you put the two companies together you get really almost an ideal revenue blend with about 60% in the deepwater markets and about 40% in the jackup business. That we think makes us the best diversified driller that is out there today.

10. Moving now to balance sheet strength, I'd say that Ensco has historically had an under-levered balance sheet which has led to some investor criticism in the past. This transaction will put us right in line with the rest of our major competitors with about a 30% leverage ratio, which will make for a much more efficient balance and will lower our weighted offer cost of capital by a significant amount.

11. Let me make a couple of points about our financial policy overall and some of the key considerations that you ought to think about with respect to this acquisition. As I have said a couple of times this puts us into a leading market position and it gives us a state of the art rig fleet. We will be a full service provider to a diversified best in class customer base. We will have increased scale and diversification, and as I said this is more important than ever in a post-Macondo world. We expect that industry conditions will continue to necessitate an increase in drilling activity and this will be driven by a need to offset depletion as well as the need to meet demand growth in the future. We will have a robust \$10 billion backlog with highly visible cash flows and as I said earlier excellent revenue coverage in 2011 and 2012. We will have a strong pro-forma balance sheet but also with a path towards significant deleveraging in the near term. The combined company will have a strong management team with exceptional experience managing through multiple business cycles and dealing prudently with risks that are inherent in the business today. We will continue to high-grade our fleet by selective asset sales over time. We will maintain our commitment to our investment grade rating. Finally, we will maintain our commitment to paying down a meaningful portion of the acquisition debt as soon as possible.

In closing, I hope that as I have said you will get a sense of our excitement for this transaction and the amount of stability that it puts into the company in terms of stability of revenue, the diversification that it will create for us in terms of geographic diversification, customer diversification, market diversification and also rig type. We are starting the integration process between the two companies there is a lot of work to do, but we feel very confident in our ability to integrate the two companies, to maintain the high quality of operations that both companies have had for their customers in the past, and to not lose focus on the financial footing that we need to put in place, and maintaining our conservative profile relative to managing our balance sheet.

With that I thank you very much for joining us, and if there are any further questions I would direct you to contacting any one of our bookrunners. Thank you very much for joining us today.