

ROWAN COMPANIES PLC  
Form 8-K  
December 20, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 17, 2018

**Rowan Companies plc**

(Exact name of registrant as specified in its charter)

**England and Wales**

**1-5491**

**98-1023315**

(State or Other Jurisdiction of  
Incorporation or Organization)

(Commission File Number) (I.R.S. Employer

Identification Number)

**2800 Post Oak Boulevard**

**77056-6189**

**Suite 5450**

(Zip Code)

**Houston, Texas**

(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(713) 621-7800**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 7.01 Regulation FD

At a General Assembly Meeting held on December 17, 2018, the shareholders of ARO Drilling unanimously approved the capitalization of the shareholder commission (or interest) due in 2018 under each of the loan agreements to Mukamala Oil Field Services Limited, a wholly owned subsidiary of Saudi Aramco, and Rowan REX Limited, a wholly owned subsidiary of Rowan Companies plc, which was expected to be approximately \$12 million each. The capitalization results in an increase in the principal amount due under each of the loans. Resumption of interest paid in cash will be determined by the ARO Drilling board and shareholders, as applicable, in future meetings. Other decisions recently agreed upon by the joint venture, include:

- (i) the approval of the 2019 budget, which is consistent with the prior estimate of Rowan Companies plc (the “Company”) for ARO Drilling’s 2019 EBITDA of between \$160 to \$180 million. This estimate is based on the current accounting standard and does not reflect the new U.S. GAAP Lease Standard to be adopted in 2019, for which the impact is under assessment. The budget is also consistent with the Company’s prior estimate for 2019 lease payments from ARO Drilling to the Company of between \$85 to \$95 million; and
- (ii) the ordering of the initial two newbuilds is expected for the first quarter of 2019, as ARO Drilling continues to finalize details of the rig design and associated cost.

Statements herein that are not historical facts are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements as to the terms and conditions of the contracts between ARO Drilling, the Company, and Saudi Aramco, the budget of ARO Drilling, future interest payments by ARO Drilling, guidance for ARO Drilling and the timing of ARO Drilling’s newbuild projects. These forward-looking statements are based on our current expectations and are subject to numerous risks, assumptions, trends and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements. Among the factors that could cause actual results to differ materially include oil and natural gas prices and the impact of the economic climate; changes in the offshore drilling market, including fluctuations in supply and demand; variable levels of drilling activity and expenditures in the energy industry; changes in day rates; ability to secure future drilling contracts; cancellation, early termination or renegotiation by our customers of drilling contracts; customer credit and risk of customer bankruptcy; risks associated with fixed cost drilling operations; unplanned downtime; risks related to our joint venture with Saudi Aramco, including the timing and amount of future distributions from the joint venture or contributions to the joint venture and its ability to pay commissions (or interest) on the shareholder loans; cost overruns or delays in transportation of drilling units; cost overruns or delays in maintenance, repairs, or other rig projects; operating hazards and equipment failure; risks of collision and damage; casualty losses and limitations on insurance coverage; weather conditions in the Company’s operating areas; increasing costs of compliance with regulations; changes in tax laws and interpretations by taxing authorities; hostilities, terrorism, and piracy; impairments; cyber incidents; the outcomes of disputes, including tax disputes and legal proceedings; and other risks disclosed in the Company’s filings with the U.S. Securities and Exchange Commission. Each forward-looking statement speaks only as of the date hereof, and the Company expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.

The information in Item 7.01 of this Current Report is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 7.01 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filing.

**SIGNATURES**

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 hereunto duly authorized.

Dated: December 20, 2018 Rowan Companies plc

By: /s/ Mark F. Mai  
Mark F. Mai  
*Executive Vice President, General Counsel & Secretary*