

CLEARY GOTTLIB COUNSEL IN OCYAN'S \$2.7 BILLION RESTRUCTURING

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Cleary Gottlieb is representing an ad hoc group of bondholders holding approximately 61% of bonds issued by subsidiaries of **Ocyan** (formerly Odebrecht Óleo e Gas), a Brazilian oil and gas company providing drilling services and maintenance of offshore drilling rigs, in the restructuring of approximately \$2.7 billion of indebtedness.

The restructuring will occur by means of an extrajudicial reorganization plan and proceeding commenced on December 12, 2022 in the Bankruptcy and Reorganization Court in Rio de Janeiro, to be followed by a Chapter 15 filing in the United States. As a result of the restructuring, the existing bonds will be exchanged for a combination of consideration consisting of cash, equity in a new Luxembourg-domiciled holding company (LuxCo), and new senior secured notes issued by the LuxCo.

Bondholders will be able to elect among various options of consideration under the plan, including electing to contribute \$197 million of new money to LuxCo in exchange for new senior secured notes and LuxCo equity in the form of voting shares and non-voting shares. LuxCo shares will be allocated as 45% to bondholders that elect to contribute the new money, 42.5% to all bondholders on a pro rata basis, 6.5% to Ocyan, 1.5% to LuxCo management, and 4.5% to the backstop providers.

As part of this transaction, Ocyan's existing drilling business will be transferred to the LuxCo. Upon emergence, LuxCo will only have indebtedness of \$300 million, in the form of seven year, secured 7.5% notes. The restructuring is anticipated to close in the second quarter of 2023.

The Cleary corporate team is led by partner **Paco Cestero** (pictured left), associates Thomas Lopez, José Andres de Saro, and Sofia Falzoni, and international lawyers Tamiris Guimarães and João Guilherme Thiesi da Silva. Partner **Bill McRae** (pictured center left) and associates Kylie Barza and Karl Heiland are advising on tax matters. Partner **Chase Kaniecki** (pictured center), senior attorney Jim Corsiglia, and associate Samuel Chang are advising on compliance and sanctions matters. Partner **Luke Barefoot** (pictured center right) is advising on U.S. bankruptcy matters. Partner **Marcela Robledo** (pictured right) is advising on intellectual property and technology matters.