

Restructuring

Best Restructuring – Overall Weatherford

Described by one of the *IJInvestor Awards* judging panel as a “remarkably complex, cross-border restructuring”, the \$8.6 billion Weatherford deal is a worthy winner of the Best Restructuring trophy across two categories – oil and gas and the overall international winner.

Another of the independent panel of judges saluted the restructure of one of the world’s largest oil and natural gas service companies as “a credit to all parties involved to have achieved such an impressive restructure in a tough market”.

Billed as the largest US O&G bankruptcy by liabilities in 2019, Weatherford involved a massive restructure in its Chapter 11 case involving more than \$8.6 billion in debt with collateral spanning the globe.

Restructuring various tranches of debt poses a challenge under any circumstance, however Weatherford’s corporate structure made these challenges unique.

It had 255 direct and indirect subsidiaries, of which 41 were liable on their debt obligations located in 25 different foreign jurisdictions. Moreover, many of these

jurisdictions do not have restructuring laws similar to the US, but instead are focused on liquidations.

Faced with the maturity of more than \$2 billion of debt in 2020, Weatherford retained a host of advisers to guide the company’s restructuring.

Because of public filing requirements and its international footprint, Weatherford needed swiftly to develop business and restructuring plans and engage with multiple groups of debtholders – both secured and unsecured, domestic and foreign.

Latham & Watkins orchestrated the restructure through a two-month, pre-packaged insolvency filed in Houston, followed by proceedings in Ireland and Bermuda. It structured the deal such that only Weatherford’s parent entities filed in Delaware, Ireland, and Bermuda, leaving all other entities in the client’s corporate structure unaffected with operations around the world running smoothly.

The reorganization plan eliminated about \$5.85 billion in debt, allowing bondholders to recover some 63% of what they were owed.

George Davis, partner and global chair of Latham & Watkins’ restructuring and special situations practice, says: “This matter was extremely challenging as it incorporated multiple entities across several jurisdictions around the world.

“We were able to tap Latham’s global platform to form an exceptional team of experienced and resourceful lawyers that collaborated seamlessly across numerous practice areas and countries to bring this restructuring to an efficient conclusion.” ■

Parties:

Weatherford International
Latham & Watkins
Matheson
Hunton Andrews Kurth
Lazard Freres & Co
Alvarez & Marsal
Conyers Dill & Pearman

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