

ROWAN COMPANIES INC  
Form POSASR  
March 16, 2012  
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As filed with the Securities and Exchange Commission on March 16, 2012

Registration No. 333-160579

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**POST-EFFECTIVE AMENDMENT NO. 1**  
**TO**  
**FORM S-3**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**Rowan Companies, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**75-0759420**  
(I.R.S. Employer  
Identification Number)

**2800 Post Oak Boulevard, Suite 5450**

**Houston, Texas 77056**

**(713) 621-7800**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

## **Rowan Companies Limited**

(Exact name of co-registrant as specified in its charter)

**England and Wales**  
(State or other jurisdiction of  
incorporation or organization)

**98-1023315**  
(I.R.S. Employer  
Identification Number)

**Rowan House Peterseat Drive**

**Altens Industrial Estate**

**Aberdeen, AB12 3HT**

**Scotland**

**+44 1224 216550**

(Address, including zip code, and telephone number, including area code, of co-registrant's principal executive offices)

**Melanie M. Trent**

**Senior Vice President, Chief Administrative Officer and Corporate Secretary**

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2800 Post Oak Boulevard, Suite 5450

Houston, Texas 77056

(713) 621-7800

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With a copy to:*

**Jonathan B. Newton**

**Baker & McKenzie LLP**

**Pennzoil Place, South Tower**

**711 Louisiana Street, Suite 3400**

**Houston, Texas 77002**

**(713) 427-5000**

**Approximate date of commencement of proposed sale to the public:** From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

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Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

## CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered/ Proposed Maximum Offering Price Per Unit/ Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Common Stock of Rowan Companies, Inc.		
Preferred Stock of Rowan Companies, Inc.		
Senior Debt Securities of Rowan Companies, Inc.		
Subordinated Debt Securities of Rowan Companies, Inc.		
Guarantees of Rowan Companies Limited		
Warrants of Rowan Companies, Inc.		
Units of Rowan Companies, Inc.		

- (1) An indeterminate aggregate amount and initial offering price of securities of each class is being registered hereunder, as may from time to time be offered, at indeterminate prices. Securities registered hereunder may be sold separately, together or as units with other securities registered hereunder. The indeterminate aggregate amount also includes such securities as may, from time to time, be issued upon conversion or exchange of securities registered hereunder, to the extent any such securities are, by their terms, convertible into or exchangeable for other securities.
- (2) In accordance with Rules 456(b) and 457(r) of the Securities Act of 1933, as amended, the registrants are deferring payment of all of the registration fee.

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**EXPLANATORY NOTE**

This Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (File No. 333-160579) is being filed pursuant to Rule 413(b) of the Securities Act of 1933, as amended, by Rowan Companies, Inc., a Delaware corporation ( **Rowan Delaware** ), and Rowan Companies Limited, an English private limited company and currently a wholly owned subsidiary of Rowan Delaware ( **Rowan UK** ), to add Rowan UK as a co-registrant and to add guarantees as additional securities that may be offered from time to time.

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**PROSPECTUS**

**COMMON STOCK**

**PREFERRED STOCK**

**SENIOR DEBT SECURITIES**

**SUBORDINATED DEBT SECURITIES**

**GUARANTEES**

**WARRANTS**

**UNITS**

We, Rowan Companies, Inc. ( **Rowan Delaware** ), may offer and sell from time to time in one or more offerings the following securities:

- (1) shares of common stock;
- (2) shares of preferred stock, in one or more series, which may be convertible into or exchangeable for debt securities or common stock;
- (3) senior debt securities, which may be convertible into or exchangeable for common stock or preferred stock;
- (4) subordinated debt securities, which may be convertible into or exchangeable for common stock or preferred stock;
- (5) warrants to purchase common stock, preferred stock, debt securities or units; and/or
- (6) units consisting of any combination of common stock, preferred stock, debt securities or warrants.

Rowan Companies Limited, an English private limited company ( **Rowan UK** ), may offer and sell from time to time guarantees of debt securities of Rowan Delaware, whether newly issued or outstanding.

This prospectus provides a general description of the securities we may offer. Supplements to this prospectus will provide the specific terms of the securities that we actually offer, including the offering prices. You should carefully read this prospectus, any applicable prospectus supplement and any information under the headings **Where You Can Find More Information** and **Incorporation by Reference** before you invest in any of these securities. This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement that describes those securities.

We may offer and sell these securities to or through underwriters, dealers, to other purchasers and/or through agents on a continuous or delayed basis. Supplements to this prospectus will specify the names of and arrangements with any underwriters or agents.

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Our common stock is listed for trading on the New York Stock Exchange under the symbol RDC.

**Investing in our securities involves risks. Please read Risk Factors beginning on page 4 of this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is March 16, 2012.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the **SEC**) utilizing a shelf registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings from time to time. This prospectus provides you with a general description of the securities we may offer. Each time we offer to sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities offered by us in that offering. A prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information provided in the prospectus supplement. This prospectus does not contain all of the information included in the registration statement. The registration statement filed with the SEC includes exhibits that provide more details about the matters discussed in this prospectus. You should carefully read this prospectus, the related exhibits filed with the SEC and any prospectus supplement, together with the additional information described below under the headings **Where You Can Find More Information** and **Incorporation by Reference**.

**You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer of the securities covered by this prospectus in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus, any prospectus supplement and any other document incorporated by reference is accurate only as of the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.**

**Under no circumstances should the delivery to you of this prospectus or any exchange or redemption made pursuant to this prospectus create any implication that the information contained in this prospectus is correct as of any time after the date of this prospectus.**

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to **Rowan UK** mean Rowan Companies Limited, all references to **Rowan, we, us** and **our** mean Rowan Companies, Inc. and its wholly owned subsidiaries (including Rowan Companies Limited), and all references to **Rowan Delaware** mean Rowan Companies, Inc. and not any of its subsidiaries. In this prospectus, we sometimes refer to the senior debt securities and subordinated debt securities as **debt securities** and the common stock, preferred stock, debt securities, warrants, units and guarantees, collectively, as the **securities**.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement with the SEC under the Securities Act of 1933, as amended (the **Securities Act**), that registers the issuance and sale of the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus.

We file annual, quarterly, and other reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the **Exchange Act**). Our SEC filings are available to the public through the SEC's website at <http://www.sec.gov> and are also available free of charge through our web site at <http://www.rowancompanies.com> as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Other than the specific documents incorporated by reference, information on our web site is not incorporated into this prospectus or our other securities filings and does not form a part of this prospectus. You may also read and copy any materials we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

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**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus information that we file with them. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, other than any portions of the respective filings that were furnished (pursuant to Item 2.02 or Item 7.01 of current reports on Form 8-K or other applicable SEC rules) rather than filed:

our annual report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 28, 2012;

our current reports on Form 8-K, filed with the SEC on February 3, 2012, February 28, 2012 and March 15, 2012; and

the description of our common stock set forth in our registration statements filed pursuant to Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until our offerings hereunder are completed will be deemed to be incorporated by reference into this prospectus and will be a part of this prospectus from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus, except as modified or superseded.

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing), at no cost, by writing to us at the following address or calling the following number:

Rowan Companies, Inc.

2800 Post Oak Boulevard, Suite 5450

Houston, Texas 77056

(713) 621-7800

Attn: Investor Relations

**FORWARD-LOOKING STATEMENTS**

This prospectus, any accompanying prospectus supplement and other documents incorporated by reference herein and therein may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21(E) of the Exchange Act that are subject to a number of risks and uncertainties and are based on information as of the date hereof. Forward-looking statements include words such as anticipate, believe, expect, plan, intend, estimate, project, could, should, may, might or similar expressions. The forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions with respect thereto and with respect to future operations. Forward-looking statements also specifically include statements regarding expected financial performance; expected utilization, day rates, revenues, operating expenses, contract term, contract backlog, capital expenditures, insurance, financing and funding; the timing of availability, delivery, mobilization, contract commencement or relocation or other movement of rigs; future rig construction and costs (including construction in progress and completion thereof), enhancement, upgrade or repair and timing thereof; the suitability of rigs for future contracts; general market, business and industry conditions, trends and outlook; future operations; increased regulatory oversight; expected contributions from our rig fleet expansion program and our entry into the deepwater market; expense management; and the likely outcome of legal proceedings or insurance or other claims and the timing thereof.

Forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Among the factors that could cause actual results to differ materially are the following:

the failure of the merger agreement (as defined in The Companies Recent Developments ) to be adopted by our stockholders;

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the postponement or abandonment of the merger (as defined in The Companies Recent Developments ) by Rowan Delaware s Board of Directors at any time;

changes in foreign or domestic laws, including tax laws, that could effectively preclude us from completing the merger or reduce or eliminate the benefits we expect to achieve from our restructuring related to the merger;

any other inability to realize expected benefits from the merger or the occurrence of difficulties in connection with the merger;

any negative publicity resulting from the proposed merger having an adverse effect on our business;

an SEC stop order or other action or any other decree, order or injunction preventing Rowan UK s Registration Statement on Form S-4, which was declared effective by the SEC on March 5, 2012, relating to the merger from becoming or remaining effective or preventing Rowan Delaware from holding the special meeting for the adoption of the merger agreement by its stockholders or completing the merger;

an inability to satisfy all of the conditions to closing set forth in the merger agreement;

costs related to the merger, which could be greater than expected;

the continued impact of the Macondo well incident on offshore drilling operations, including current and future actual or de facto drilling permit and operations delays, moratoria or suspensions, new and future regulatory, legislative or permitting requirements (including requirements related to certification and testing of blow-out preventers and other equipment or otherwise impacting operations), changes in laws, rules and regulations that have or may impose increased financial responsibility, additional oil spill abatement contingency plan capability requirements and other governmental actions that may result in claims by our customers of force majeure or otherwise adversely affect our existing drilling contracts;

other governmental regulatory, legislative and permitting requirements affecting drilling operations, including limitations on drilling locations, such as the Gulf of Mexico during hurricane season;

changes in worldwide rig supply and demand, competition or technology, including as a result of delivery of newbuild drilling rigs;

future levels of drilling activity and expenditures, whether as a result of global capital markets and liquidity, prices of oil and natural gas or otherwise, which may cause us to idle or stack additional rigs;

downtime and other risks associated with offshore rig operations or rig relocations, including rig or equipment failure, damage and other unplanned repairs, the limited availability of transport vessels, hazards, self-imposed drilling limitations and other delays due to severe storms and hurricanes and the limited availability or high cost of insurance coverage for certain offshore perils, such as hurricanes in the Gulf of Mexico or associated removal of wreckage or debris;

possible cancellation or suspension of drilling contracts as a result of mechanical difficulties, performance or other reasons;

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risks inherent to shipyard rig construction, repair or enhancement, unexpected delays in equipment delivery and engineering or design issues following shipyard delivery, or changes in the dates our rigs will enter a shipyard, be delivered, return to service or enter service;

actual contract commencement dates;

environmental or other liabilities, risks or losses, whether related to storm or hurricane damage, losses or liabilities (including wreckage or debris removal) or otherwise;

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our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to competition from other contract drillers, labor regulations or otherwise;

governmental action and political and economic uncertainties, including uncertainty or instability resulting from civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or natural gas producing areas of the Middle East or other geographic areas, which may result in expropriation, nationalization, confiscation or deprivation of our assets or result in claims of a force majeure situation;

terrorism, piracy or military action impacting our operations, assets or financial performance;

the outcome of legal proceedings, or other claims or contract disputes, including any inability to collect receivables or resolve significant contractual or day rate disputes, any purported renegotiation, nullification, cancellation or breach of contracts with customers or other parties and any failure to negotiate or complete definitive contracts following announcements of receipt of letters of intent; and

potential long-lived asset or goodwill impairments.

The factors identified above are believed to be important factors (but not necessarily all of the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein could also have material adverse effects on us. All forward-looking statements included in this prospectus and any accompanying prospectus supplement are expressly qualified in their entirety by the foregoing cautionary statements. All forward-looking statements contained in this prospectus speak only as of the date of this document. We undertake no obligation to update or revise publicly any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this prospectus, or to reflect the occurrence of unanticipated events.

## **INDUSTRY AND MARKET DATA**

We have obtained some industry and market share data from third-party sources that we believe are reliable. In many cases, however, we have made statements in this prospectus (or in documents incorporated by reference in this prospectus) regarding our industry and our position in the industry based on estimates made based on our experience in the industry and our own investigation of market conditions. We believe these estimates to be accurate as of the date of this prospectus. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the industry and market data included or incorporated by reference in this prospectus, and estimates and beliefs based on that data, may not be reliable. We cannot, and the underwriters cannot, guarantee the accuracy or completeness of any such information.

## **RISK FACTORS**

The securities to be offered by this prospectus may involve a high degree of risk. When considering an investment in any of the securities, you should consider carefully all of the risk factors described under the caption "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2011 or any other document filed by us with the SEC after the date of this prospectus (including, but not limited to, subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, or amendments to such reports). If applicable, we will include in any prospectus supplement a description of those significant factors that could make the offering described in the prospectus supplement speculative or risky.

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**THE COMPANIES**

We are a major provider of global contract drilling services. We provide contract drilling services utilizing a fleet of 31 self-elevating mobile offshore drilling platforms ( **jack-up rigs** ). Our primary focus is on high-specification and premium jack-up rigs, which our customers use for offshore exploratory and development drilling and, in certain areas, well workover operations. We also have three new ultra-deepwater drillships under construction that will be added to our fleet in 2013 and 2014.

Rowan Delaware was organized in 1947 as a Delaware corporation under the name Rowan Drilling Company, Inc. and is a successor to a contract drilling business conducted since 1923. The principal executive offices of Rowan Delaware in the U.S. are currently located at 2800 Post Oak Boulevard, Suite 5450, Houston, Texas 77056, and the telephone number is (713) 621-7800. Our Internet website is [www.rowancompanies.com](http://www.rowancompanies.com). The information contained on our web site or that can be accessed through our web site is not incorporated by reference into this prospectus, and you should not consider the information contained on our web site to be part of this prospectus.

Rowan UK is a newly formed English private limited company named **Rowan Companies Limited** and is a subsidiary of Rowan Delaware. Rowan UK does not have a significant amount of assets or liabilities and has not engaged in any business since its formation other than activities associated with its anticipated participation in the merger referred to below. The principal executive offices of Rowan UK are currently located at Rowan House, Peterseat Drive, Altens Industrial Estate, Aberdeen, AB12 3HT, Scotland, and the telephone number is +44 1224 216550.

**Recent Developments**

If approved by Rowan Delaware's stockholders at a special meeting scheduled for April 16, 2012, we plan to restructure our corporate entities, which would include changing the jurisdiction of incorporation of our parent company from Delaware to the United Kingdom, where we already have substantial and growing operations. Under the Agreement and Plan of Merger and Reorganization, dated as of February 27, 2012 (as amended, the **merger agreement** ), between Rowan Delaware and Rowan Mergeco, LLC, a newly formed Delaware limited liability company and wholly owned subsidiary of Rowan Delaware, subject to the satisfaction of the conditions stated therein, including stockholder approval, Rowan Mergeco, LLC will merge (the **merger** ) with and into Rowan Delaware, with Rowan Delaware surviving the merger as an indirect, wholly owned subsidiary of Rowan UK. Immediately before the effective time of the merger, Rowan UK will re-register as an English public limited company named **Rowan Companies plc** or a similar name. As a result of the merger, Rowan UK will become the parent company of the Rowan group of companies, including Rowan Delaware.

**USE OF PROCEEDS**

Unless otherwise specified in an accompanying prospectus supplement, we expect to use the net proceeds from the sale of the securities offered pursuant to this prospectus and any prospectus supplement for general corporate purposes. These purposes may include, but are not limited to:

reduction or refinancing of debt or other corporate obligations;

acquisitions;

capital expenditures; and

working capital.

The actual application of proceeds from the sale of any particular tranche of securities issued hereunder will be described in the applicable prospectus supplement relating to such tranche of securities. We may invest funds not required immediately for these purposes in marketable securities and short-term investments. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

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The following table sets forth our ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends on a consolidated basis for the periods shown. You should read these ratios of earnings to fixed charges in connection with our consolidated financial statements, including the notes to those statements, incorporated by reference into this prospectus.

	Year Ended December 31,				
	2011	2010	2009	2008	2007
Ratio of earnings to fixed charges (1)	2.0x	5.8x	14.4x	28.3x	20.2x

(1) The ratio of earnings to fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges for the periods presented because no shares of preferred stock were outstanding during these periods.

For these ratios, **earnings** means the sum of (a) pre-tax income from continuing operations, (b) fixed charges and (c) amortization of capitalized interest, minus interest capitalized. **Fixed charges** means the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses relating to indebtedness, and (c) an estimate of the portion of rental expense that represents an interest factor. Earnings for the years 2007 through 2010 have been adjusted to exclude income from our former manufacturing and land drilling businesses, which were sold in 2011.

**DESCRIPTION OF CAPITAL STOCK**

As used in this description, the words **we**, **us** and **our** refer to Rowan Delaware and not to any of its subsidiaries or affiliates. As of the date of this prospectus, we are authorized to issue up to 150,000,000 shares of common stock, \$0.125 par value per share, and up to 5,000,000 shares of preferred stock, \$1.00 par value per share. As of March 8, 2012, we had approximately 123,562,295 shares of common stock and no shares of preferred stock outstanding.

The following summary of the rights, preferences and privileges of our capital stock and certificate of incorporation and bylaws does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our certificate of incorporation and bylaws.

**Common Stock**

Holders of common stock are entitled to one vote per share on all matters presented at any official meeting of Rowan stockholders. Because holders of common stock do not have cumulative voting rights, the holders of a majority of the shares of common stock can elect all of the members of the board of directors standing for election. Subject to the rights of holders of preferred stock, the holders of common stock are entitled to receive dividends in such amounts and at such times as may be declared by the board of directors out of funds legally available therefor. Upon our liquidation, dissolution or winding up, and subject to any prior rights of outstanding preferred stock, the holders of our common stock will be entitled to share pro rata in the distribution of all of our assets available for distribution to our stockholders after satisfaction of all of our liabilities and the payment of the liquidation preference of any preferred stock that may be outstanding. The common stock carries no preemptive rights and shares of common stock have no redemption, sinking fund or conversion privileges. All outstanding shares of common stock are duly authorized, validly issued, fully paid and non-assessable.

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### **Preferred Stock**

Shares of preferred stock may be issued from time to time in one or more series and the board of directors, without further approval of stockholders, is authorized to fix the dividend rates and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences and any other rights, preferences, privileges and restrictions applicable to each series of preferred stock. The following description of the terms of the preferred stock sets forth some of the general terms and provisions of our authorized preferred stock. If we offer preferred stock under this prospectus, the terms may include the following:

the series, the number of shares offered and the stated value of the preferred stock;

the price at which the preferred stock will be issued;

the dividend rate, if any, the dates on which the dividends will be payable and other terms relating to the payment of dividends on the preferred stock;

the liquidation preference of the preferred stock;

the voting rights of the preferred stock;

whether the preferred stock is redeemable, optionally or mandatorily, or subject to a sinking fund, and the terms of any redemption or sinking fund;

whether the preferred stock is convertible into, or exchangeable for, any other securities, and the terms of any conversion; and

any additional rights, preferences, qualifications, limitations and restrictions of the preferred stock.

The description of the terms of the preferred stock is not complete and will be subject to and qualified by the certificate of designation relating to any applicable series of preferred stock.

One of the effects of undesignated preferred stock may be to enable the board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise, and to thereby protect the continuity of our management. As a result, the issuance of shares of the preferred stock under the board of directors' authority described above may discourage bids for our common stock or may otherwise adversely affect the market price of our common stock or any other series of our preferred stock. The issuance of shares of preferred stock may also adversely affect the rights of the holders of common stock. For example, any preferred stock issued by us will rank prior to the common stock as to dividend rights and liquidation preference, and may have full or limited voting rights and may be convertible into shares of common stock or other securities.

### **Delaware Anti-Takeover Law**

As a Delaware corporation, we are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner.

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Section 203 defines a **business combination** as a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholders. Section 203 defines an **interested stockholder** as a person who, together with affiliates and associates, owns, or, in some cases, within three years prior, did own, 15% or more of the corporation's voting stock. Under Section 203, a business combination between us and an interested stockholder is prohibited unless:

our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder prior to the date the person attained the status;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

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the business combination is approved by our board of directors on or subsequent to the date the person became an interested stockholder and authorized at an annual or special meeting of the stockholders by the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding voting stock that is not owned by the interested stockholder.

This provision has an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging takeover attempts that might result in a premium over the market price for the shares of our common stock. With approval of our stockholders, we could amend our certificate of incorporation in the future to elect not to be governed by this anti-takeover law. This election would be effective 12 months after the adoption of the amendment and would not apply to any business combination between us and any person who became an interested stockholder on or before the adoption of the amendment.

## **Provisions of Our Certificate of Incorporation and Bylaws**

Our Certificate of Incorporation provides that directors are to be elected in three classes of as nearly an equal number as possible for a term of three years each. Our Board of Directors has resolved to seek a stockholder vote to approve the declassification of our Board of Directors at our 2012 annual meeting of stockholders. If the declassification is approved by our stockholders, beginning in 2013, all director nominees standing for election would be elected for a one-year term. Our Bylaws provide that the board of directors shall fix the number of directors. Our Certificate of Incorporation provides that any newly created directorship resulting from an increase in the number of directors or a vacancy on the board shall be filled by vote of a majority of the remaining directors of the class in which such vacancy occurs, or by the sole remaining director of that class if only one such director remains, or by the majority vote of the remaining directors of the other two classes if there be no remaining member of the class in which the vacancy occurs. A director elected to fill a vacancy shall be elected for the remainder of the then present term of office of the class to which the director was elected. Our Bylaws also provide that special meetings of the stockholders may only be called by our board of directors, its chairman, our president or our chief executive officer, and our Certificate of Incorporation provides that the stockholders may not act by written consent.

The provisions of our Bylaws and Certificate of Incorporation as described in the previous paragraph may not be amended without the approval of holders of a majority of the outstanding shares of capital stock entitled to vote in the election of directors.

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**DESCRIPTION OF DEBT SECURITIES**

As used in this description, the words **we**, **us** and **our** refer to Rowan Delaware and not to any of its subsidiaries or affiliates. Any debt securities that we offer under a prospectus supplement will be direct, unsecured general obligations. The debt securities will be either senior debt securities or subordinated debt securities. The debt securities will be issued under one or more separate indentures between us and U.S. Bank National Association, as trustee. Senior debt securities will be issued under a senior indenture and subordinated debt securities will be issued under a subordinated indenture. Together, the senior indenture and the subordinated indenture are called **indentures**. The indentures will be supplemented by supplemental indentures, the material provisions of which will be described in a prospectus supplement.

We have summarized some of the material provisions of the indentures below. This summary does not restate those agreements in their entirety. A form of senior indenture and a form of subordinated indenture have been filed as exhibits to the registration statement of which this prospectus is a part. We urge you to read each of the indentures because each one, and not this description, defines the rights of holders of debt securities.

Capitalized terms defined in the indentures have the same meanings when used in this prospectus.

**General**

The debt securities issued under the indentures will be our direct, unsecured general obligations. The senior debt securities will rank equally with all of our other senior and unsubordinated debt. The subordinated debt securities will have a junior position to all of our senior debt.

The following description sets forth the general terms and provisions that could apply to debt securities that we may offer to sell. A prospectus supplement relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following, among others:

the title and type of the debt securities;

the total principal amount of the debt securities;

the percentage of the principal amount at which the debt securities will be issued and any payments due if the maturity of the debt securities is accelerated;

the dates on which the principal of the debt securities will be payable;

the interest rate which the debt securities will bear and the interest payment dates for the debt securities;

any conversion or exchange features;

any optional redemption periods;

any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem some or all of the debt securities;

any provisions granting special rights to holders when a specified event occurs;



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any changes to or additional events of default or covenants;

any special tax implications of the debt securities, including provisions for original issue discount securities, if offered; and

any other terms of the debt securities.

Neither of the indentures will limit the amount of debt securities that may be issued. Each indenture will allow debt securities to be issued up to the principal amount that may be authorized by us and may be in any currency or currency unit designated by us.

Debt securities of a series may be issued in registered or global form.

**Covenants**

Under the indentures, we:

will pay the principal of, and interest and any premium on, the debt securities when due;

will maintain a place of payment;

will deliver a certificate to the trustee each fiscal year reviewing our compliance with our obligations under the indentures;

will preserve our corporate existence; and

will segregate or deposit with any paying agent sufficient funds for the payment of any principal, interest or premium on or before the due date of such payment.

**Mergers and Sale of Assets**

Each of the indentures will provide that we may not consolidate with or merge into any other Person or sell, convey, transfer or lease all or substantially all of our properties and assets (on a consolidated basis) to another Person, unless:

the Person formed by or surviving any such conversion, consolidation, amalgamation or merger (if other than us) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all of our obligations under such indenture and the debt securities governed thereby pursuant to agreements reasonably satisfactory to the trustee, which may include a supplemental indenture;

we or the successor will not immediately be in default under such indenture; and

we deliver an officer's certificate and opinion of counsel to the trustee stating that such consolidation, amalgamation, merger, conveyance, sale, transfer or lease and any supplemental indenture comply with such indenture and that all conditions precedent set forth in such indenture have been complied with.

Upon the assumption of our obligations under each indenture by a successor, we will be discharged from all obligations under such indenture.

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As used in the indenture and in this description, the word **Person** means any individual, corporation, company, limited liability company, partnership, limited partnership, joint venture, association, joint-stock company, trust, other entity, unincorporated organization or government or any agency or political subdivision thereof.

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**Events of Default**

**Event of default,** when used in the indentures with respect to debt securities of any series, will mean any of the following:

- (1) default in the payment of any interest upon any debt security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;
- (2) default in the payment of the principal of (or premium, if any, on) any debt security of that series at its maturity;