Shelf Drilling Presentation

Transaction Announcement

23 June 2022

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‘‘EBITDA’’ as used herein represents revenues less: operating expenses, selling, general and administrative expenses, provision for / (reversal of provision for) credit losses, net, share-based compensation expense, net of forfeitures, and other, net, and excludes interest expense and financing charges, interest income, income taxes, depreciation, amortization, loss on impairment and loss / (gain) on disposal of assets. ‘‘Adjusted EBITDA’’ as used herein represents EBITDA as adjusted for the exclusion of acquired rig reactivation costs and restructuring costs. These terms, as we define them, may not be comparable to similarly titled measures employed by other companies and are not a measure of performance calculated in accordance with U.S. GAAP. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or other income or cash flow statement data prepared in accordance with U.S. GAAP. We believe that EBITDA and Adjusted EBITDA are useful because they are widely used by investors in our industry to measure a company’s operating performance without regard to items such as interest, income tax expense, depreciation and amortization and other non-recurring expenses (benefits), which can vary substantially from company to company. EBITDA and Adjusted EBITDA have significant limitations, such as not reflecting our cash requirements for capital expenditures and deferred costs, contractual commitments, working capital, taxes or debt service. Our management uses EBITDA and Adjusted EBITDA for the reasons stated above. In addition, our management uses Adjusted EBITDA in presentations to our Board of Directors to provide a consistent basis to measure operating performance of management; as a measure for planning and forecasting overall expectations; for evaluation of actual results against such expectations; and in communications with equity holders, lenders, note holders, rating agencies and others concerning our financial performance.

“Capital expenditures and deferred costs” as used herein include rig acquisition and other fixed asset purchases, construction expenditures on newbuild rigs and certain expenditures associated with regulatory inspections, major equipment overhauls, contract preparation (including rig upgrades), mobilization and stacked rig reactivations. Capital expenditures are included in property and equipment. Deferred costs are included in other current assets and other long-term assets. This term, as we define it, may not be comparable to similarly titled measures employed by other companies and is not calculated in accordance with U.S. GAAP. Capital expenditures and deferred costs should not be considered in isolation or as a substitute for capital expenditures prepared in accordance with U.S. GAAP. We believe that Capital expenditures and deferred costs is a useful measure as it better represents the overall level of the Company’s capital investments. Capital expenditures and deferred costs as used herein is a non-U.S. GAAP measure defined and periodically reported in the Company’s financial statements on a consistent basis.

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Disclaimer (2/2)

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Management Team with Extensive Industry Experience

David Mullen
CEO

- 40+ years in the global oil and gas industry
- CEO of Wellstream Holdings PLC (formerly UK listed; sold to GE)
- CEO of Ocean Rig ASA (formerly Norway listed; acquired by DryShips)
- SVP of Global Marketing, Business Development and M&A, Transocean
- President of Oilfield Services for North and South America, Schlumberger

Kurt Hoffman
Executive VP & COO

- 40+ years in the global offshore drilling business
- COO of Seahawk Drilling
- 18 years at Noble Drilling
  - VP of Worldwide Marketing, Noble Drilling
  - VP of Western Hemisphere Operations, Noble Drilling
  - President of Triton Engineering Services, Noble's engineering services division

Ian Clark
Executive VP

- 40+ years in the global oil and gas industry
- 12 years with Transocean, including:
  - VP of Human Resources
  - Manager for operations in Nigeria and North East Asia
- 20 years with Schlumberger across Europe and Africa

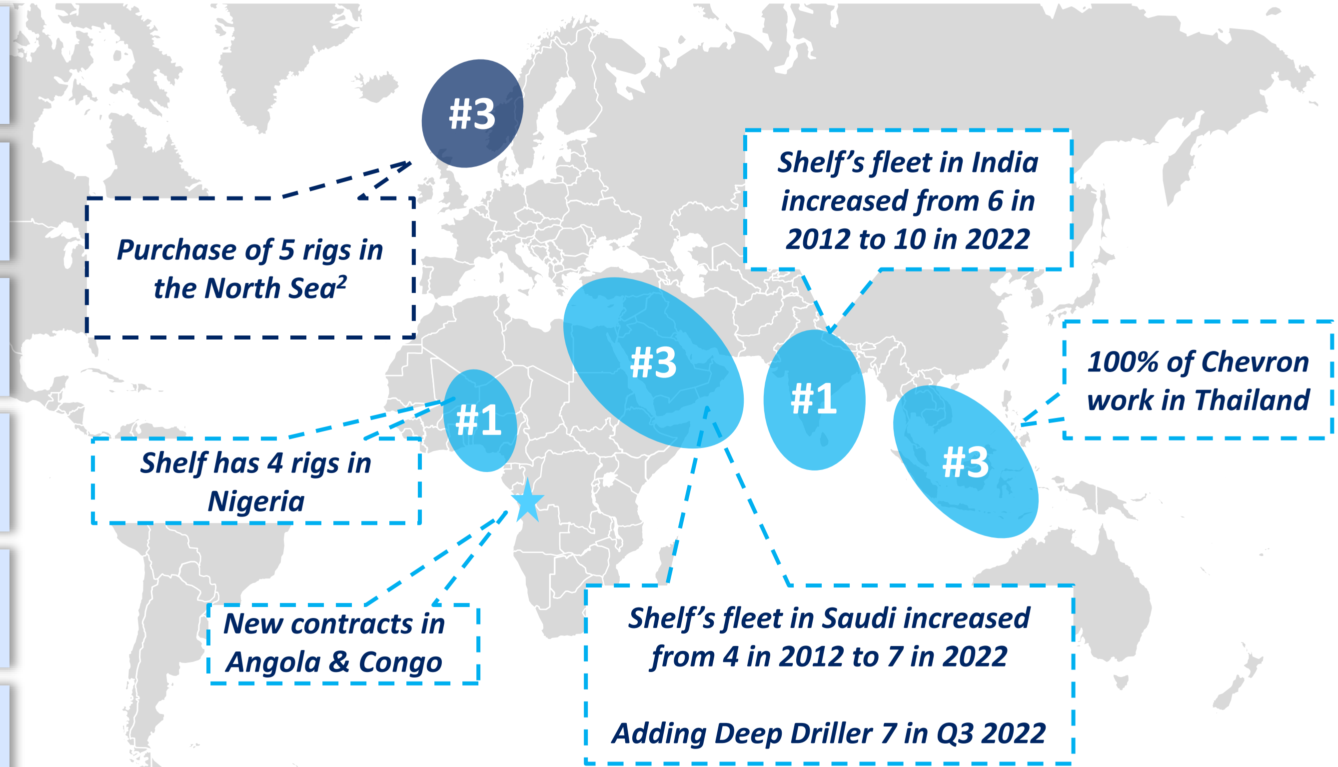
Greg O'Brien
Executive VP & CFO

- 12+ years in oil and gas corporate finance
- Previously in charge of corporate development at Shelf Drilling as Director, Strategic Planning
- 3 years with Lime Rock Partners, specializing in oilfield service and E&P investment opportunities
- Investment Banker with J.P. Morgan and SunTrust Robinson Humphrey

Post-transaction Shelf Drilling to Have World's Largest Active Jack-up Fleet

COMPANY OVERVIEW

- **Largest international "pure-play" jack-up drilling company with 36[1] ILC jack-up rigs**
- **Fit-for-purpose operations with sole focus on shallow water**
- **Headquarters centrally located in Dubai**
- **Top tier safety and operational performance**
- **Industry leading low-cost structure**
- **Robust full cycle financial results**
- **Strategy underpins our commitment to sustainability**

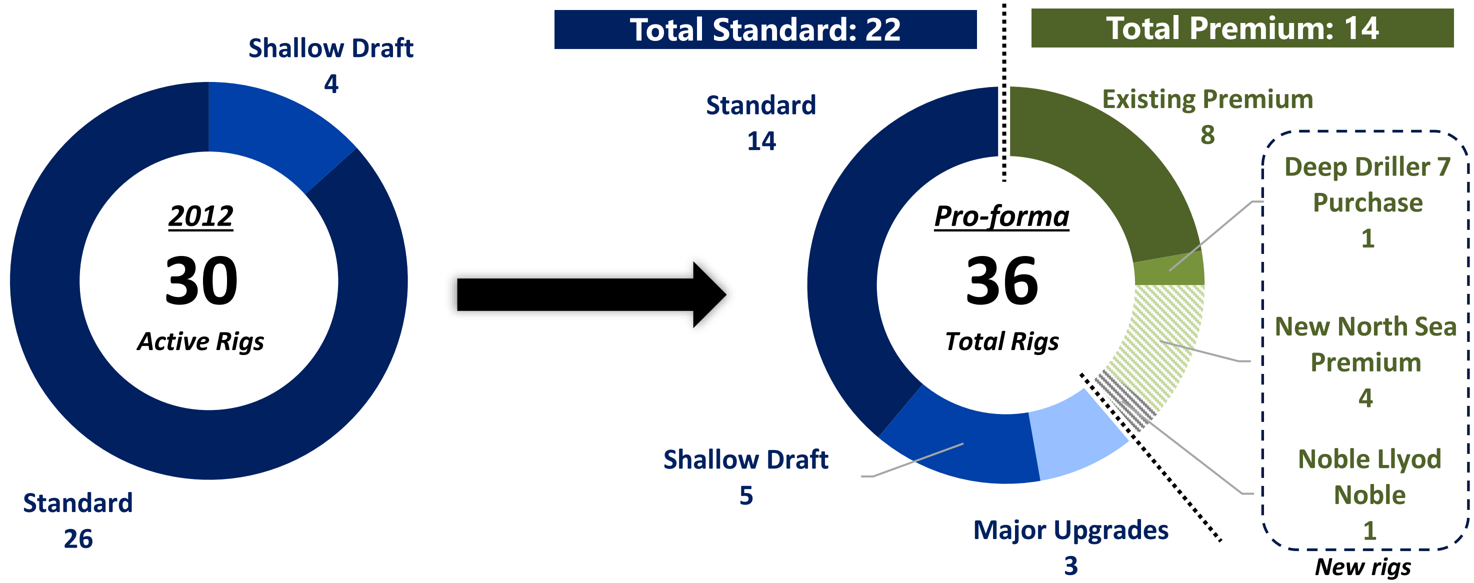


Operating with scale in the most attractive shallow water markets

Number (#) represents Shelf Drilling's operating position[3]

Note (1): Pro forma for the acquisition of Deep Driller 7 from Aban Offshore Limited and the five Noble rigs
Note (2): Houston Colbert is en route to the Middle East
Note (3): Operating positions based on number of active jack-up drilling rigs excluding those of state-owned companies, source: IHS Petrodata as of 18 June 2022

Strategic Evolution and Transformation of Jack-up Fleet



"Right Assets in Right Locations"

Blend of premium & standard jack-ups provides ideal match to customer requirements

92% Contracted Utilization Across 36 Jack-ups

13 x Premium

92% Utilization

Demonstrated ability to invest and deploy

- Acquisition of rigs from Noble[1]: 4
- Purchase of Deep Driller 7: 1
- Today's premium rigs: 8

22 x Standard[2]

91% Utilization

Cost efficient and well suited for brownfield activity

- Major upgrades: 3
- Shallow Draft: 5
- India, Egypt & Other Areas: 14

Lloyd Noble

World's Largest Jack-up Rig

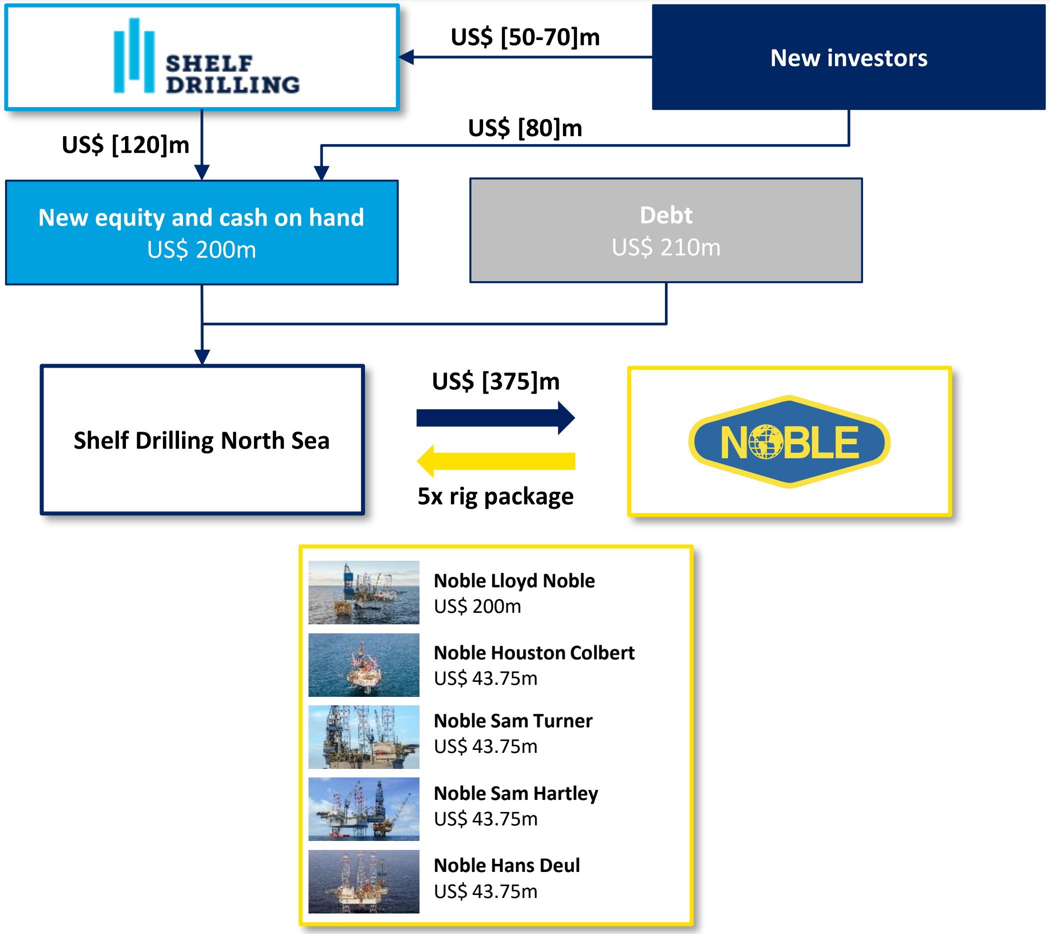
Uniquely suited for Norwegian operating environment

- Size enables deeper water depths and deeper well drilling than other rigs

Note (1): Excluding Noble Lloyd Noble
Note (2): Includes major upgrades and shallow draft, as well as standard rigs

Transaction to Opportunistically Add 5x Jack-ups at Attractive Low Prices

Transaction Structure



Sources & Uses

- Purchase agreement in place for the purchase of 5x rigs from Noble Corp. (subject to UK CMA[1] approval and certain other conditions)
- Rig purchase to be financed through US$ [200]m of new equity and existing cash, and US$ 200-225m of debt financing

Sources	
Equity Raise:	US$ [130-150]m
Cash on Hand:	US$ [50-70]m
Debt Issue:	US$ [210]m
Total Sources:	**US$ [410]m**

Uses	
5x Rig Purchase:	US$ [375]m
Working Capital and Other Transaction Costs[2]:	US$ [35]m
Total Uses:	**US$ [410]m**

Note (1): Competition and Markets Authority, UK competition regulator
Note (2): Includes assumed upfront transitional, financing, and capital spares related costs. Some costs may not be incurred immediately and may be deferred by up to 12 months following the closing

Indicative Transaction Timeline

Equity Placement and Signing of APA[1]

Proposed equity placement in Shelf Drilling and Shelf Drilling North Sea

Signing of Asset Purchase Agreement and payment of US$ 37.5m deposit by Shelf Drilling North Sea

Debt Placement

US$ 200-225m debt in Shelf Drilling North Sea to be placed following the equity placement

Expected around July/August 2022

The debt placement will be completed prior to the purchase of the 5x rigs from Noble Corp

CMA Decision

The UK CMA is expected to approve Shelf Drilling as a suitable purchaser of the 5x drilling rigs in July 2022

Settlement in Shelf Drilling North Sea

Settlement in Shelf Drilling North Sea following CMA approval and fulfillment of certain other conditions, and prior to payment & transfer of rigs

Payment / Transfer of Rigs

Closing of Noble/Maersk merger expected to be completed by September 2022

Transaction for the 5x rigs from Noble Corp. to be settled upon merger completion

Listing of Shelf Drilling North Sea

Shelf Drilling North Sea to be applied for listing as a publicly traded company on Euronext Growth / Euronext Expand,as soon as practically possible following the completion of the rig purchase

The 5x drilling rigs transaction to be fully financed, purchased and contemplated listed by September 2022

Note (1): Asset Purchase Agreement

Governance of Shelf Drilling North Sea: Main Principles for Bye-laws

General	The bye-laws will be based on a format considered standard for listed Cayman / Bermuda companies by Shelf Drilling North Sea's relevant counsel, with the amendments described below
Board	The Board shall consist of five directors, of whom two shall be independent board members
75% Special Majority Requirement	Approval of the matters listed below at the general meeting or an extraordinary/special general meeting shall require support from at least 75% of the attending and voting shares:
Related Party Transactions	All related party transactions shall be entered into on "arm's length" terms and this shall be confirmed annually by an independent third party or approval by the independent directors of Shelf Drilling North Sea[2]
Principle of Equal Treatment	All shareholders shall be treated equally unless there is just cause for different treatment

Matters requiring the 75% special majority:

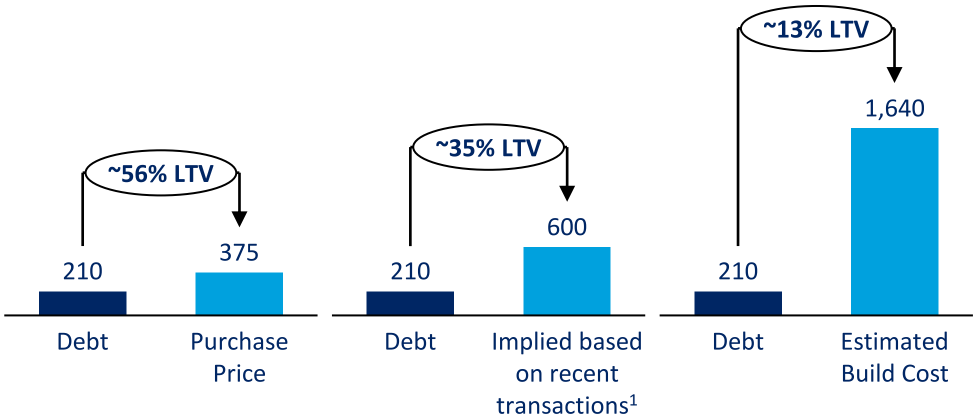
1. Increase of authorized share capital of the Company[1]
2. Merger or demerger, amalgamation or scheme of arrangement
3. Liquidation of the company
4. Amendment of the bye-laws
5. Replacement of Company auditor

Note (1): The authorized share capital of Shelf Drilling North Sea following completion of the Private Placement will not exceed the issued share capital by more than 20%

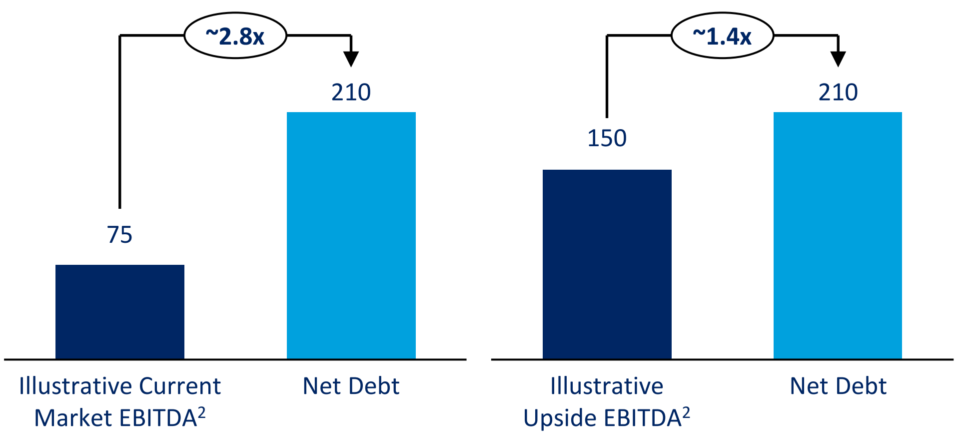
Note (2): For any related party transactions in any financial year pursuant to which the aggregate consideration payable by Shelf Drilling North Sea exceeds 2.5% of the total assets of SDNS and its subsidiaries pursuant to the last published consolidated balance sheet of SDNS.

Financial Position in Newco Provides Potential for Attractive Financing

Low LTV Ratio at Different Rig Values



Low Leverage Ratio Following Strong EBITDA



Newco as Attractive Debt Platform

High-quality asset base

- Shelf Drilling North Sea has an asset based which could be considered favorable by lenders and debt investors
- All acquired rigs transferred into Newco with contracts generating positive cash flow from day one
- Average contract plus option extension of approximately 2.4 years for the five rigs, providing visibility for debt holders
- Rigs operating for high quality clients adding further security

Favorable credit metrics

- Strong leverage position both on loan-to-value and leverage ratio basis
- Resilient LTV of 56% at purchase price and close to 35% on the five-rig package based on recent transactions
- Leverage ratio of 2.8x at todays market rates as a testament to the strong credit story in Shelf North Sea

Debt financing approach

- Shelf Drilling North Sea intends to raise US$ 200-225m in debt financing which, together with the equity contribution, will be used to fund the acquisition
- The debt financing is expected to be secured by the acquired rigs and all asset pledge of the borrower and to benefit from an unsecured guarantee from Shelf Drilling
- Shelf Drilling North Sea intends to complete the debt financing concurrent with the closing of the acquisition

Note (1): Assumes US$ 240m for Noble Lloyd Noble based on third party broker valuation and US$ 90m each for the four other jack-ups based on recent transactions
Note (2): Please refer to slide 18 for details

Key Transaction Highlights

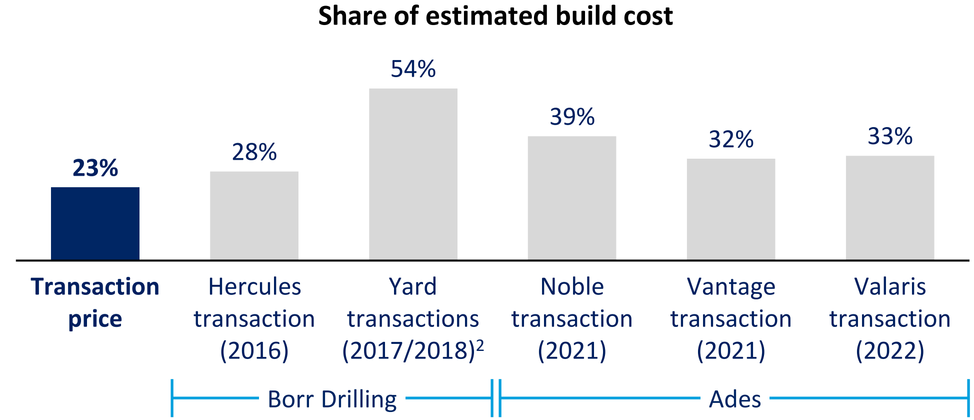
- **Unique Acquisition Opportunity at an Attractive Price Relative to the Current Rig Market**
- **High-specification and Well-Maintained Fleet With Unique Operating Platform**
- **Rigs Delivering Cash Flow Generation from Day One**
- **Strong Underlying Market Fueled by the Demand For Energy Security**
- **Attractive Pricing Providing Significant Value Uplift Potential**

Opportunistic Acquisition at Attractive Economics

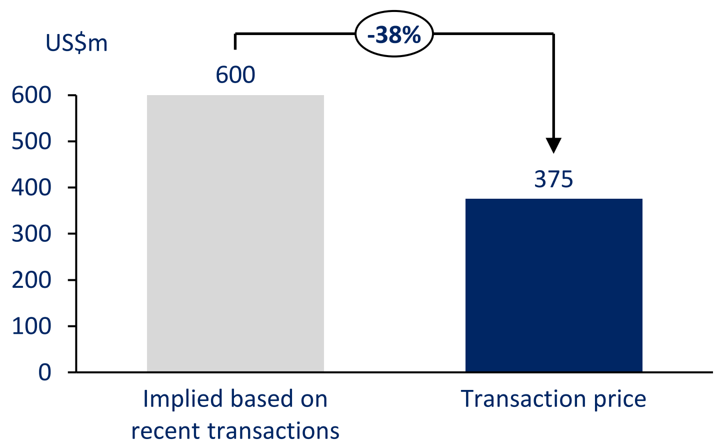
Securing High-quality Assets at an Attractive Price

1. Rapid sale of rigs warranted following CMA's decision and certain other closing conditions
2. All rigs are warm and contracted, with no reactivation costs
3. Few recent deliveries of harsh environment jack-ups, and at significantly higher costs
4. Implied transaction price significantly below build cost and estimated implied value
5. Asset price only ~2.7x estimated annual rig EBITDA, significantly below comparable transactions[1]

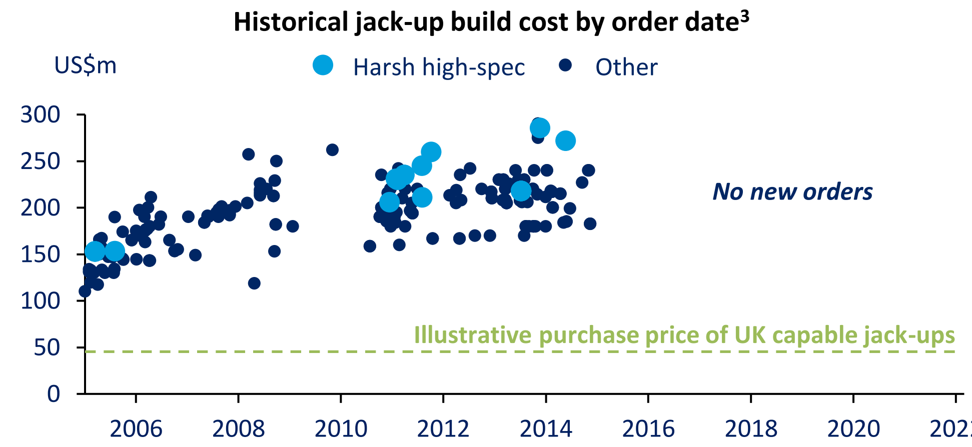
Higher Discount to Build Cost Than in Previous Deals



Significant Discount to Estimated Implied Value



No New Orders in Over 7 Years[3]



Note (1): Please refer to page 30 for further details
Note (2): Average of the Transocean, PPL and Keppel transactions
Note (3): Excludes CJ70 designs, N Class designs and non-competitive rigs
Source: Company, IHS Petrodata (underlying data), Rystad RigCube (underlying data), DNB Markets (further calculations)

Leading North Sea Set-Up with Unique Operational Experience

Experienced Platform Securing Strong Operations

1 Premium assets of similar design

- Modern and well-maintained premium rigs with proven high-specification design
- Fleet with limited maintenance capex
- All rigs are warm and contracted

2 Lean and uniform operation

- Strong potential synergy creation, all rigs able to operate in the same region with need for similar equipment and crew knowledge
- Operational knowhow

3 Experienced crew

- Highly experienced crew following the rigs providing operational security
- Important aspect to secure a seamless transfer of ownership and operations of the rig

4 Existing platform

- Aberdeen and Stavanger offices with onshore personnel, equipment, leading port facilities and highly experienced rig crews will be part of the fully fledged Shelf Drilling North Sea
- Safety case transition plan already developed

5 Large quality clients

- Rigs are contracted by large high-quality operators with detailed insights in the assets
- Strong references from leading operators in the North Sea

Strong Operational Know-how Following the Rigs

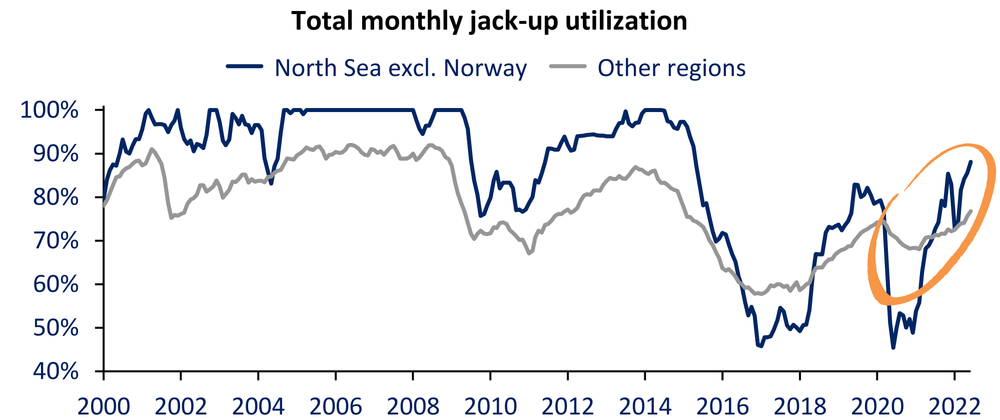
Note (1): Noble Houston Colbert has mobilized to Qatar for an upcoming contract

Improving Demand Driving Higher Utilization And Fixtures in the North Sea

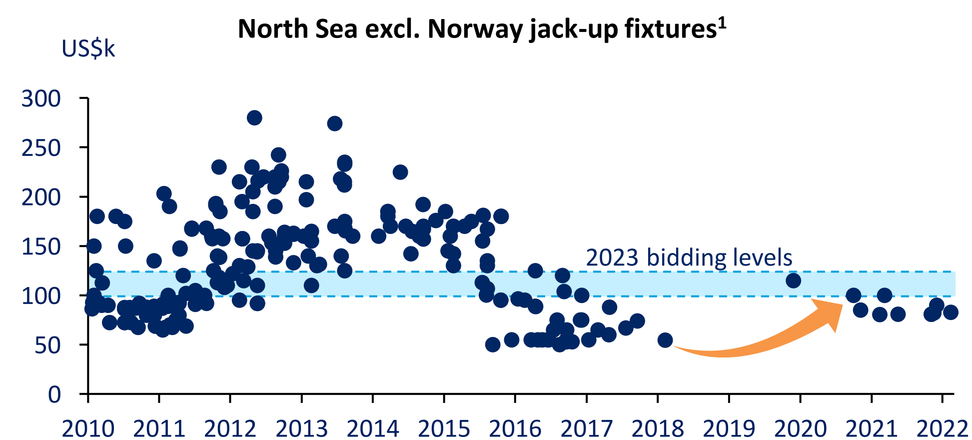
Strong Demand Drivers in the North Sea

Energy security	European energy security in focus following geopolitical environment and high oil and gas prices
Fields brought back	Several fields previously planned abandoned, such as the Cambo and Jackdaw fields, are reconsidered, with more field developments likely to follow
Strong utilization	Ramp up in the Middle East market is attracting rigs from the North Sea, resulting in a tighter market
High bidding levels	Bidding levels for 2023 observed higher, seeing dayrates at $100-120k

Utilization has Significantly Recovered



2023 Bidding Levels Seeing Dayrates at $100-120k



Note (1): Excludes CJ70 and N Class fixtures
Source: IHS Petrodata (underlying data), DNB Markets (further calculations), Rystad Energy

Five High-specification Harsh Environment Rigs in Excellent Condition

SHELF DRILLING

Tier 1 in Norway	Tier 1 in the North Sea and Middle East			Workhorse and attractive North Sea / Middle East rig





	Lloyd Noble	Houston Colbert	Sam Turner	Sam Hartley	Hans Deul
Build year:	2016	2014	2014	2014	2008
Rig design:	GustoMSC CJ70	F&G JU3000N	F&G JU3000N	F&G JU3000N	F&G JU2000E
Yard:	Jurong Shipyard	Jurong Shipyard	Jurong Shipyard	Jurong Shipyard	DSIC
Build cost:	US$ 770m	US$ 235m	US$ 235m	US$ 245m	US$ 153m
Flag:	Liberia	Liberia	Liberia	Liberia	Liberia
Water depth:	500 ft	400 ft	400 ft	400 ft	400 ft
Variable deck load	8,800 tons	7,150 tons	7,150 tons	7,150 tons	5,500 tons
Drilling depth:	32,000 ft	35,000 ft	35,000 ft	35,000 ft	30,000 ft
Hook load:	2,000 kips	2,500 kips	2,500 kips	2,500 kips	1,500 kips
Cantilever envelope:	110 ft x 74 ft	75 ft x 30 ft	75 ft x 30 ft	75 ft x 30 ft	75 ft x 30 ft
BOP rating:	15k psi	15k psi	15k psi	15k psi	15k psi
Quarters capacity:	140	150	150	150	118

Source: Noble Corp., IHS Petrodata

Lloyd Noble, the World's Largest Jack-up Rig, Provides Unique Value

SHELF DRILLING

One of the World's Most Sophisticated Jack-ups

Build year	2016
Rig Design:	GustoMSC CJ70
Yard:	Jurong Shipyard
Build cost:	US$ 770m
Water depth:	500 ft
Variable deck load	8,800 tons
Drilling depth:	32,000 ft
Hook load:	2,000 kips
Quarters capacity:	140

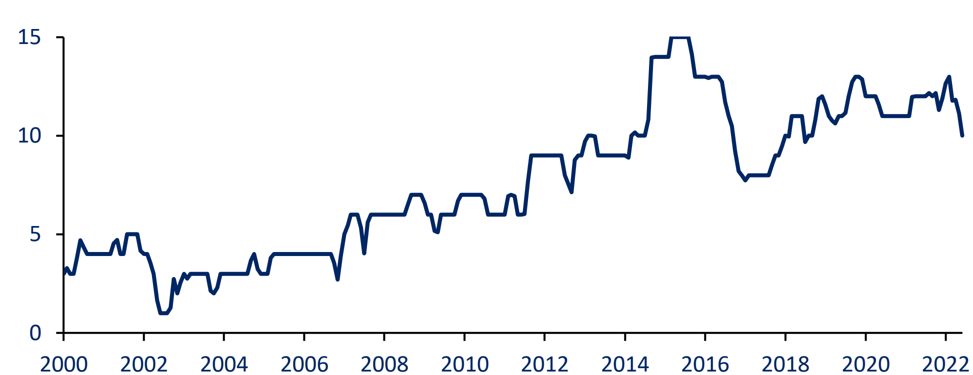
Size
Enables operation in deeper water depths compared to other rigs

High drilling efficiency
Significant reduction in days required per well compared to other jack-ups, reducing operators' total well cost

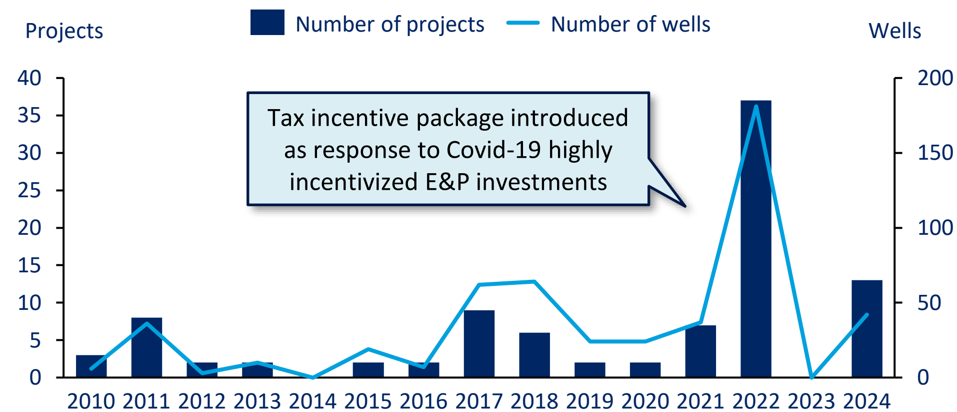
Purpose-built
Purpose-built for the Mariner field development with longer legs than any other CJ70

Norway-compliant
Meets the enhanced requirements necessary for all-year operations on the Norwegian continental shelf

Well-placed in the Norwegian Jack-up Market



Historically High Sanctioning Seen in 2022



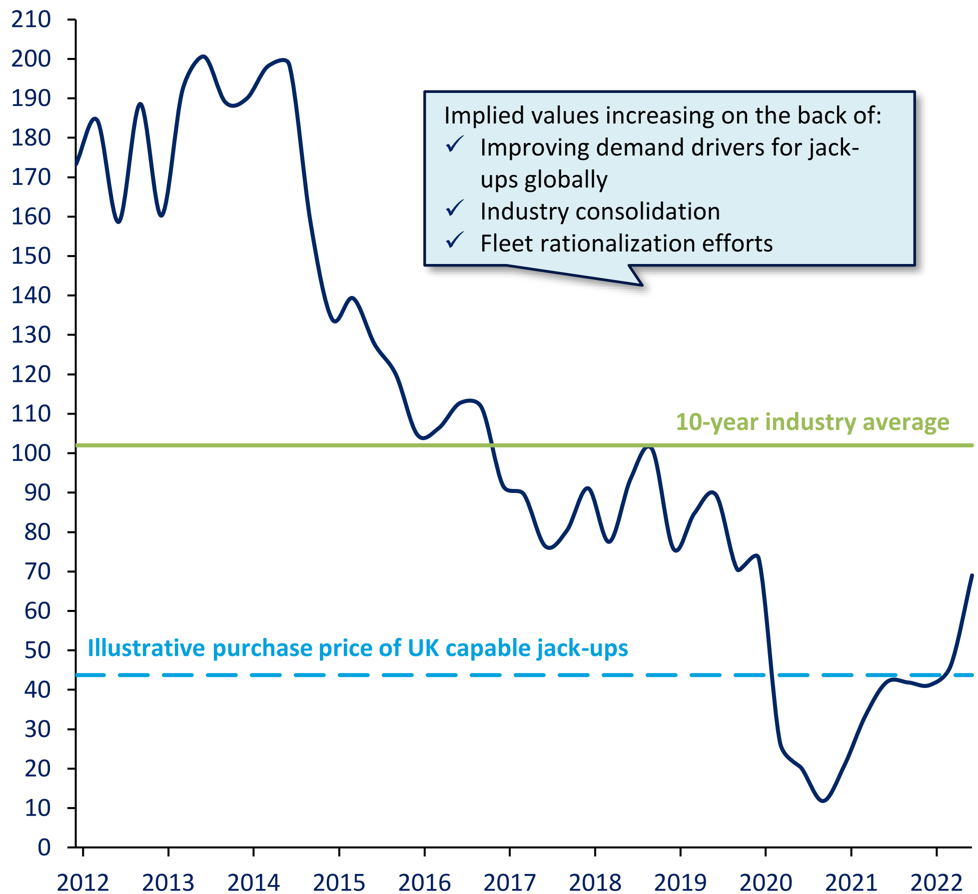
Source: IHS Petrodata, Rystad Energy, DNB Markets (further calculations)

Implied Purchase Price Providing Significant Support to Uplift Potential

SHELF DRILLING

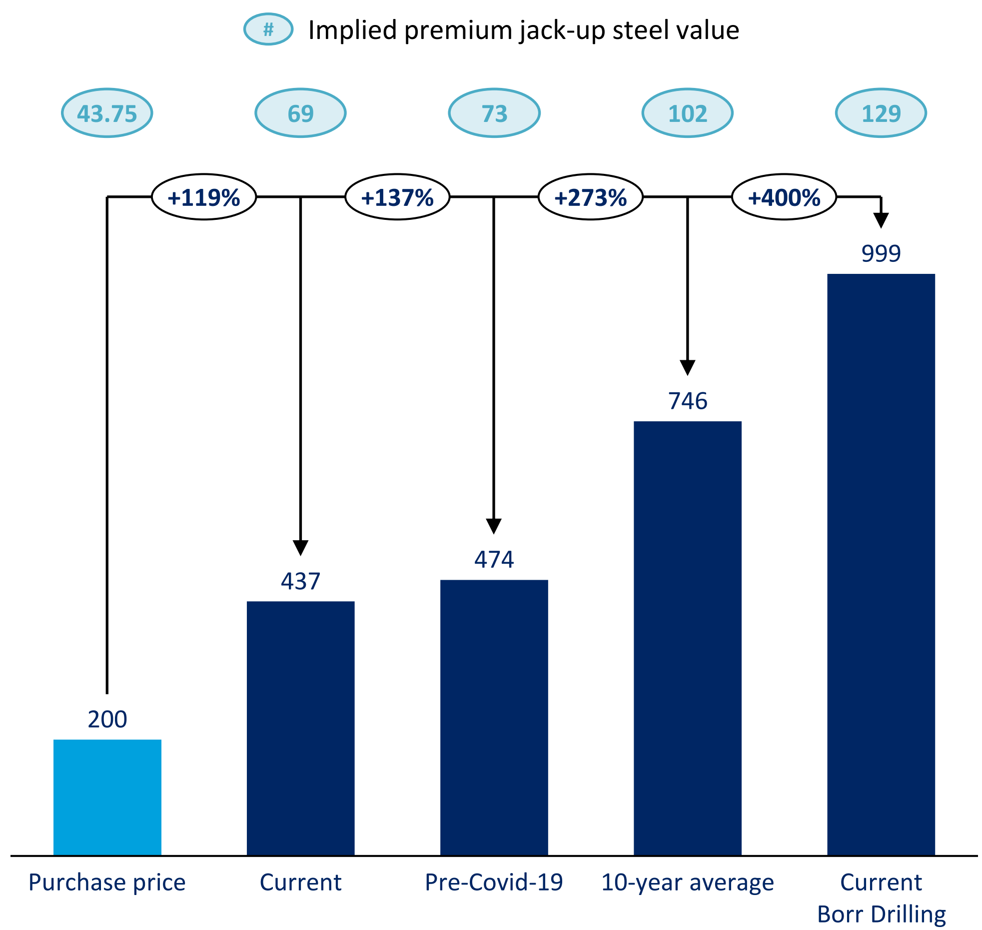
Increasing Implied Jack-up Valuations

US$m **Industry historical implied premium jack-up[1] steel values**



Significant Equity Value Uplift Potential

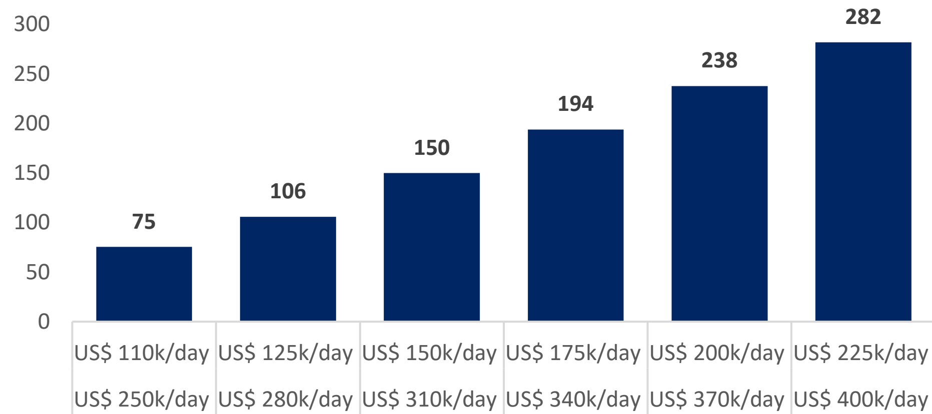
Equity value at different implied premium jack-up values[2,3]



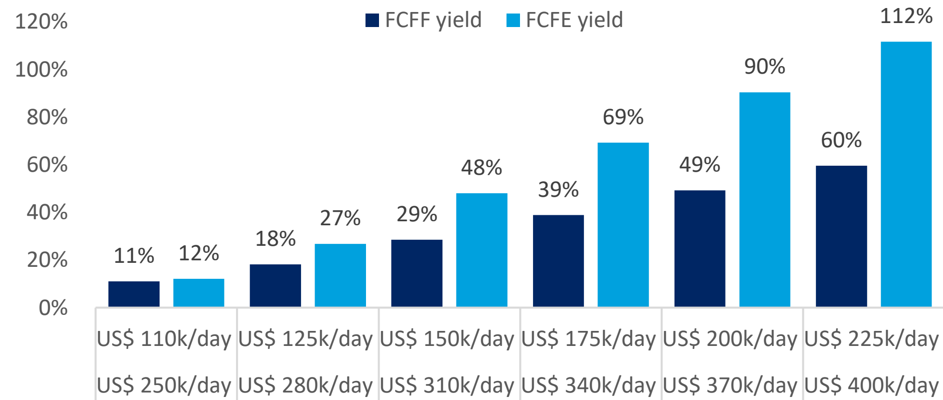
Note (1): Jack-ups delivered post-2000
Note (2): Assuming initial equity value of US$ 200m and net debt of US$ 210m
Note (3): All rig values are illustratively increased to the same degree as the UK capable jack-ups
Source: Bloomberg (underlying data), DNB Markets (further calculations)

Attractive Earnings Potential in an Increasing Dayrate Environment

Annual EBITDA Sensitivity (US$m)



Cash Flow Yield Sensitivity



Illustrative cash flow potential (90% utilization)	**4x F&G 1x CJ70**	**US$ 110k/day US$ 250k/day**	**US$ 125k/day US$ 280k/day**	**US$ 150k/day US$ 310k/day**	**US$ 175k/day US$ 340k/day**	**US$ 200k/day US$ 370k/day**	**US$ 225k/day US$ 400k/day**
5x rig package		90	121	165	209	253	297
G&A		(15)	(15)	(15)	(15)	(15)	(15)
Annual EBITDA potential		**75**	**106**	**150**	**194**	**238**	**282**
3.5% topline tax		(8)	(9)	(11)	(12)	(14)	(15)
Maintenance / SPS Capex		(22)	(22)	(22)	(22)	(22)	(22)
Annual FCFF potential		**45**	**75**	**117**	**160**	**202**	**244**
FCFF yield		*11%*	*18%*	*29%*	*39%*	*49%*	*60%*
Financing cost		(21)	(21)	(21)	(21)	(21)	(21)
Annual FCFE potential		**24**	**54**	**96**	**139**	**181**	**223**
FCFE yield		*12%*	*27%*	*48%*	*69%*	*90%*	*112%*
		Current market rate[1]					

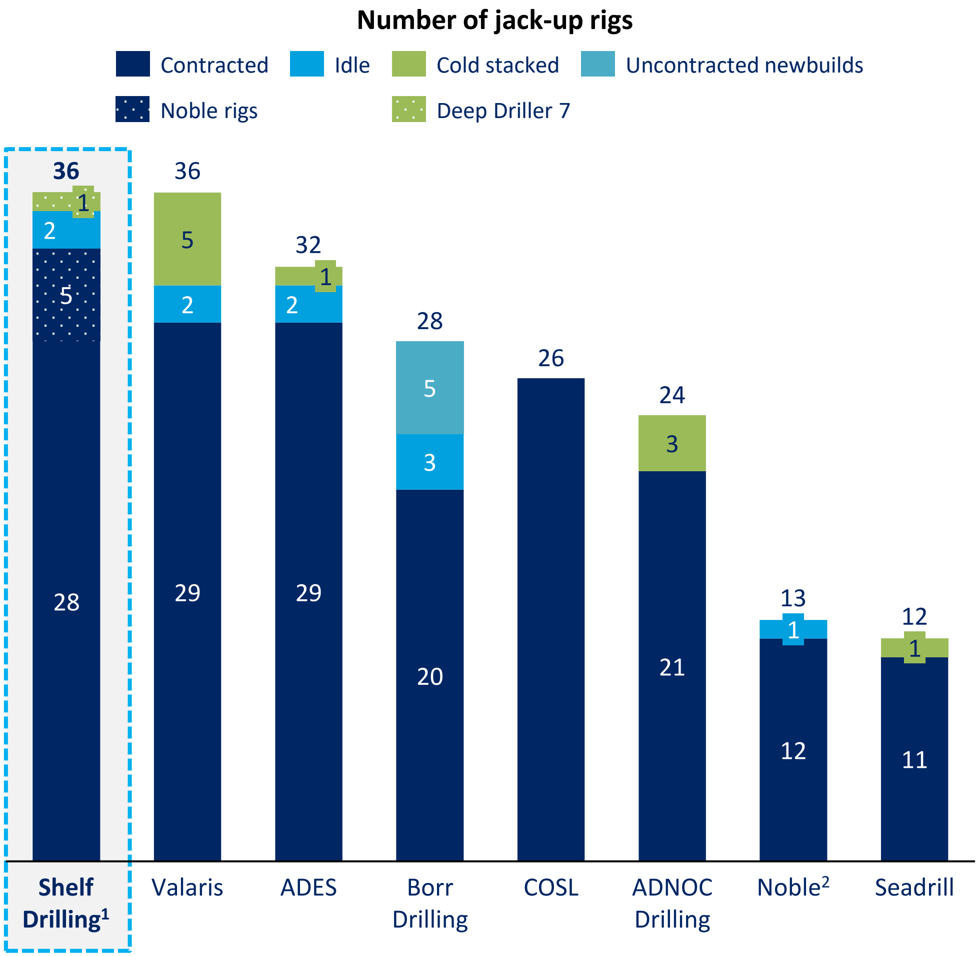
Note (1): Market rates based on current 2023 bidding levels (see page 14) and estimated market contract rates
Rig EBITDA based on an estimated average Opex ex. G&A of US$ 157k/day for Lloyd Noble and US$ 58.75k/day for the 4x F&G jack-ups. Assumes 3% other revenue. G&A estimated at an average of US$ 8k/rig/day
Assumes total cost of US$ 410m of which US$ 200m equity and US$ 210m of debt placed at a rate of 10%
No assumption made for working capital

Key Company Highlights

- Fit for Purpose Strategy Underpins Commitment to Sustainability
- First Class Operational Platform
- Strong Customer Relationships and Industry Leading Backlog
- Concentrated Exposure to Short Cycle, Low Cost, Low Carbon Activity
- Full Cycle Financial Resilience and Balance Sheet Management
- Well-Positioned to Benefit from Higher Commodity Prices

Large Jack-up Fleet Well-positioned to Drive Investor Returns

Largest Active Jack-Up Fleet Post-transaction



High-quality and Well-maintained Asset Base

Key fleet principles

- ✓ Standardization of equipment
- ✓ "Smart upgrades" based on long-term market trends and customer requirements
- ✓ Capturing best practices from operations around the world and building a truly performance-based culture
- ✓ Shelf Drilling brand visible across fleet

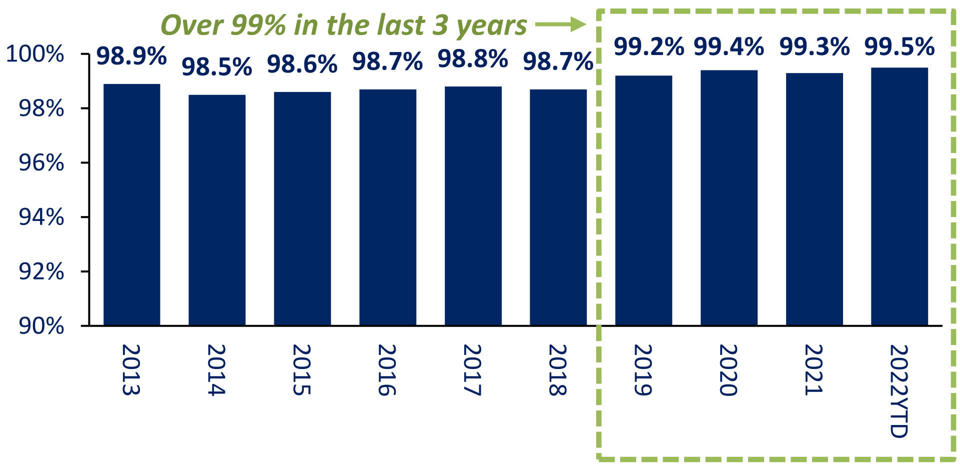
Investments

- ✓ Original fleet acquired at attractive valuation level
- ✓ Significant investments in fleet since inception which have enhanced fleet profile and helped grow business at attractive returns on capital
- ✓ Potential opportunities to add high-quality rigs at attractive price levels continuously monitored

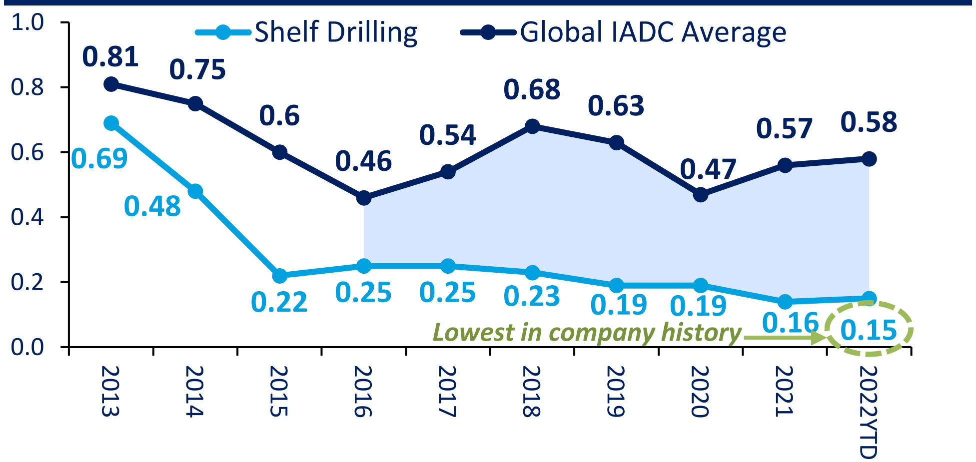
Note (1): Pro forma for the acquisition of Deep Driller 7 from Aban Offshore Limited
Note (2): Pro forma for Maersk Drilling merger and rig divestments
Source: IHS Petrodata, DNB Markets (further calculations)

Operating Platform Creates Differentiation

Average Fleet Uptime Track Record



Safety Track Record (TRIR[1])



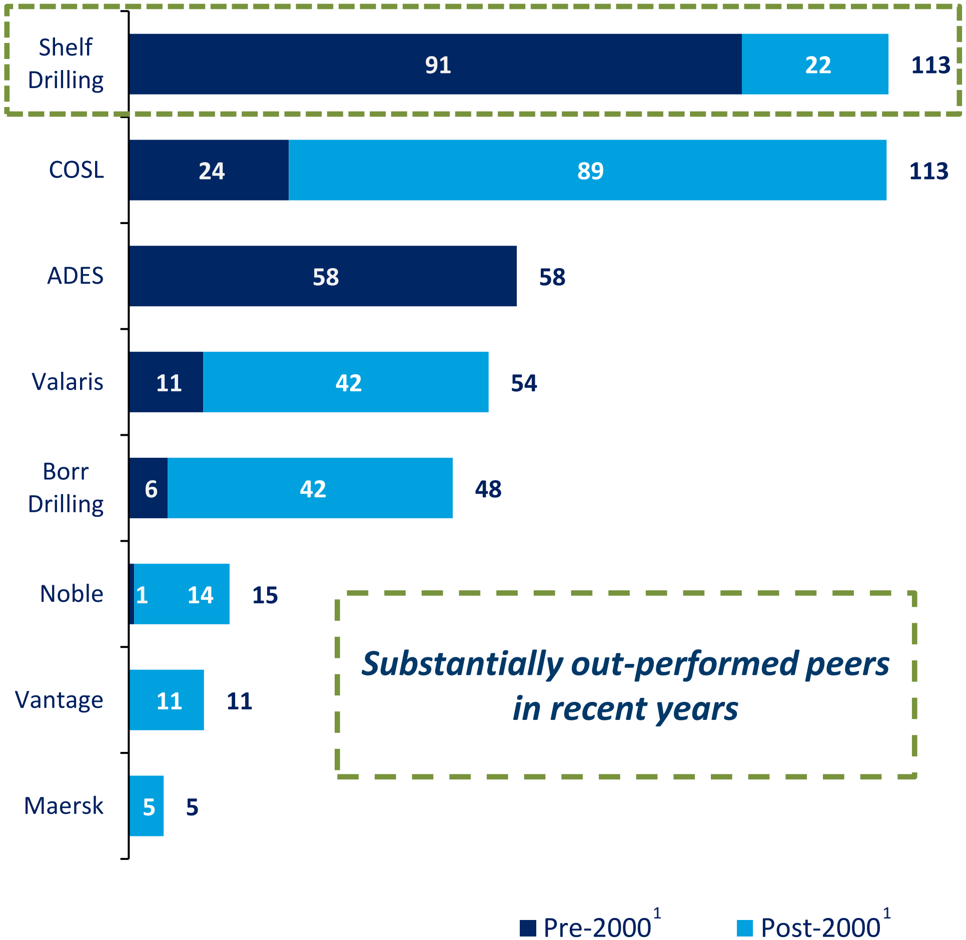
Operational excellence made possible through

1. High national content – 88%[2] across fleet
2. Centralized organization and oversight
3. Fit-for-purpose processes and systems
4. Lean and flat management structure

Note (1): Total recordable incident rate (incidents per 200,000 man-hours)
Note (2): For offshore employees, as of 31 December 2021. Excludes rigs working in UAE and Italy
Source: International Association of Drilling Contractors (IADC) information as of 31 March 2022 and Shelf Drilling data as of 31 May 2022

Contracting Outperformance Across Regions and Asset Classes

Jack-up Backlog Added 2019-2021 (Rig-Years)



Recent Notable Awards

SD Enterprise: acquisition & concurrent contract award (2020)

- 1+ year contract with Chevron Thailand
- Leverages prior asset retirement experience
- Well-positioned for future work in the region
- Disciplined capital spending and returns-oriented approach

SD Tenacious: technical innovation saving project costs (2021)

- Fit-for-purpose upgrade on Shelf Drilling Tenacious to install platform offshore Angola leading to 1 + 2-year contract with CABGOC
- Duplicating the proven offline activity
- Higher technical specifications and more marketable post contract

51-year contract extensions for 7 rigs with Aramco (2019-2022)

- High Island II, High Island IV, Main Pass I, and High Island IX – 10 years each; Main Pass IV – 5 years; High Island V – 3 years; SD Achiever – 3 years
- Long term contract extensions awarded on a performance basis
- ~$1.44 billion backlog addition; floating dayrates consistent with prevalent rates and Brent prices at the time

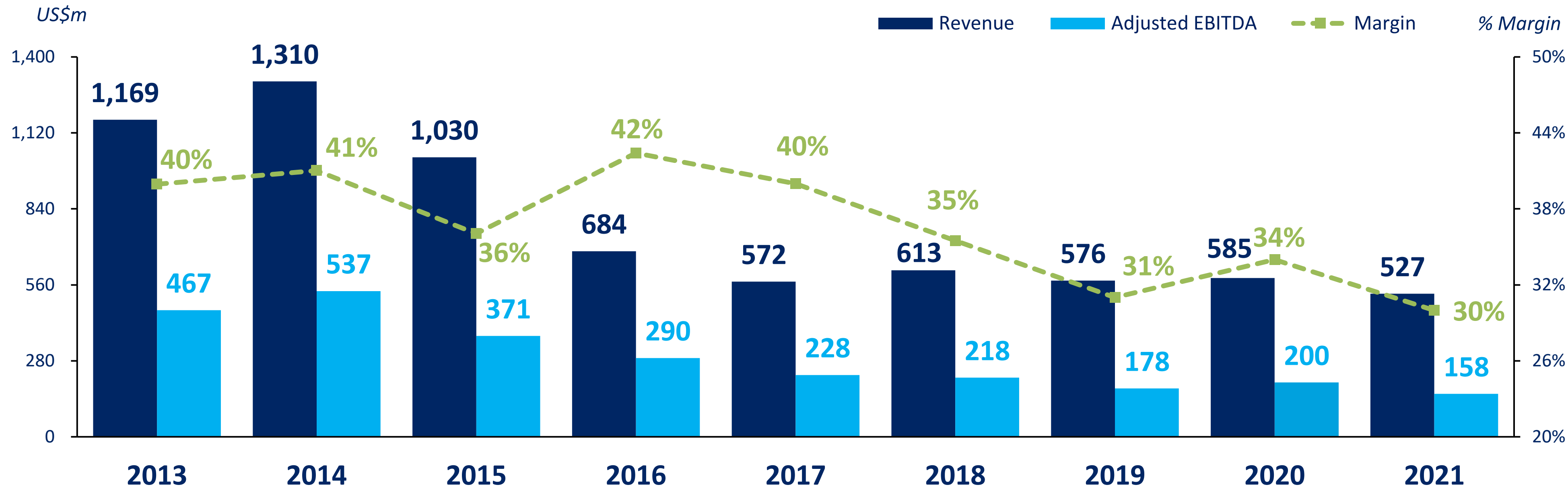
5x 3-year contract awards with ONGC India (2021-2022)

- Strengthens our long-term anchor position in India

Note (1): Original delivery year
Source: IHS Petrodata as of January 17, 2022, DNB Markets (further calculations)

Resilient Full-Cycle Financial Results and Cash Flow Generation

Revenue[1] & Adjusted EBITDA



- Strong financial performance since company inception
- Disciplined approach to financial planning and capital investment
- Adjusted EBITDA margins consistently above 30%
- Resilient cash flow generation throughout the cycle
- **Proactive balance sheet management evidenced by opportunistic asset sales and secured debt financing in 2021**

(US$m)	Average 2016-2021
Income Tax Expense	$17
Capital Expenditrues & Deferred Costs (excl. Acquisitions)	$79
Sub-Total	**$96**

Note (1): Revenues from 2013-2015 represent Adjusted Revenues

Shelf Drilling Provides Attractive Exposure to a Tightening Market

SHELF DRILLING

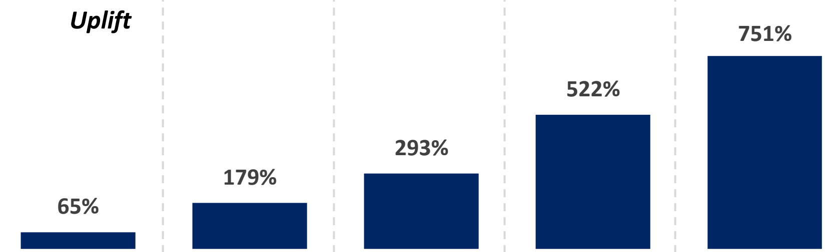
Potential Equity Uplift Based on a Day-rate Increase

Based on illustrative annual costs, the company's Q1 utilization of 85% and 30 rigs, consensus 2023 EBITDA estimate of US$ 223m implies an average day rate of US$ 66k/day

Addition of Deep Driller 7 not reflected in consensus EBITDA

US$m	Q1'22	Illustrative Annual Input	Deep Driller 7 Addition[1]
Opex	85	**376 (+10%)**	**15**
G&A	12	**50 (+4%)**	**2**

Current Shelf EV	1,234
Consensus '23 EBITDA estimate	223
EV/EBITDA	**5.5x**



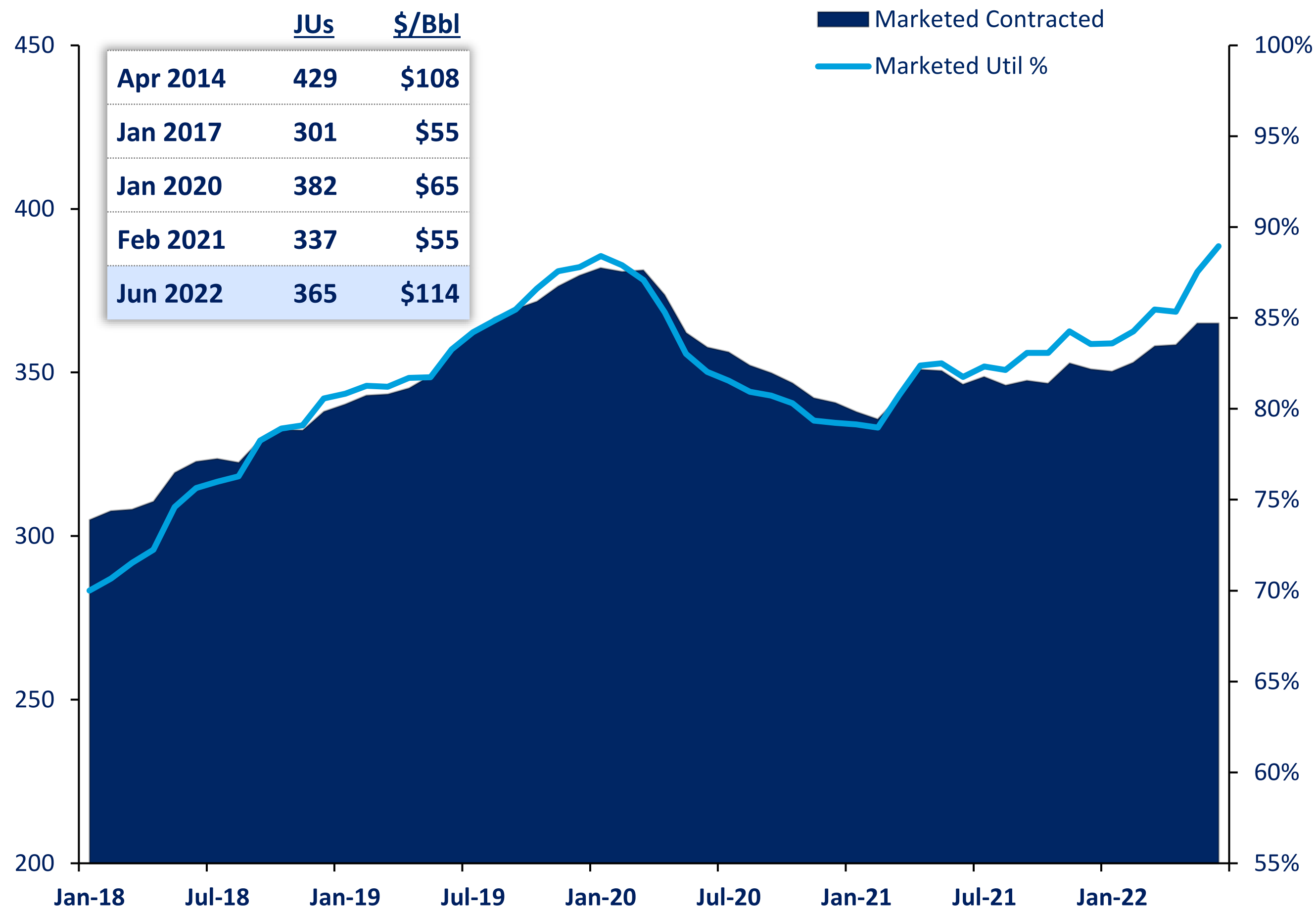
Assumptions						
Rigs (#)	30	31	31	31	31	31
Average day rate (US$k/d)	**66**	**70**	**75**	**80**	**90**	**100**
Utilization (%)	85%	85%	85%	85%	85%	85%
Earnings sensitivity (US$m)						
Rig revenue	618	673	721	769	866	962
Other revenue (5%)	31	34	36	38	43	48
Opex	(376)	(391)	(391)	(391)	(391)	(391)
G&A	(50)	(52)	(52)	(52)	(52)	(52)
EBITDA	**223**	**264**	**315**	**365**	**466**	**567**
EV/'23E EBITDA	**5.5x**	**5.5x**	**5.5x**	**5.5x**	**5.5x**	**5.5x**
Valuation (US$m)						
Current / Implied EV	1,234	1,461	1,740	2,019	2,577	3,136
Current / Adjusted NIBD[2]	(990)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)
Current / Implied Equity Value	244	402	681	960	1,518	2,076
Uplift (%)	**0%**	**65%**	**179%**	**293%**	**522%**	**751%**

Note (1): Assumes Opex US$ 40,000/day and SG&A of US$ 5k/day
Note (2): Assumes all-in cost of US$ 70m for Deep Driller 7
Source: Company Q1 2022 presentation, FactSet as of 17 June 2022

Recovery In Jack-up Demand Accelerating

- Global number of contracted jack-up rigs increased from 350 in January 2022 to 365 in June 2022
  - Marketed utilization improved from 83% to 89% during the same period
- Expect shallow water activity to show a significant increase in 2022, driven by rising oil prices and demand
- <u>Beginning to see significant upward dayrate momentum on new contracts</u>

of Contracted Jack-ups[1]



	JUs	$/Bbl
Apr 2014	429	$108
Jan 2017	301	$55
Jan 2020	382	$65
Feb 2021	337	$55
Jun 2022	365	$114

Note (1): Independent leg and cantilever (ILC) jack-up rigs only, excludes mat-supported
Source: IHS Petrodata, as of 06 June 2022, FactSet as of 17 June 2022

Key Developments Have Transformed the Global Jack-up Market in 2022

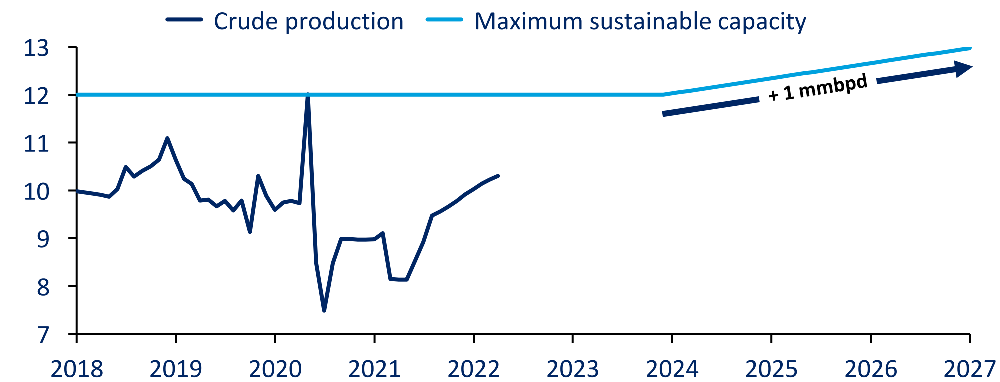
Substantial Increase in Middle East Jack-up Demand

Increased production	Increased production targets across Middle Eastern countries on the back of global energy security need
Shallow water production	Incremental barrels in the Middle East are generally in offshore shallow water
Incremental demand	Saudi Aramco has recently contracted ~25 incremental rigs and has two ongoing tenders for additional rigs
Shadow supply removal	Incremental rigs contracted are mostly rigs that were stacked, removing the sidelined capacity in the jack-up market

SHELF DRILLING **Key provider of jack-ups in the Middle East with strong client relationships**

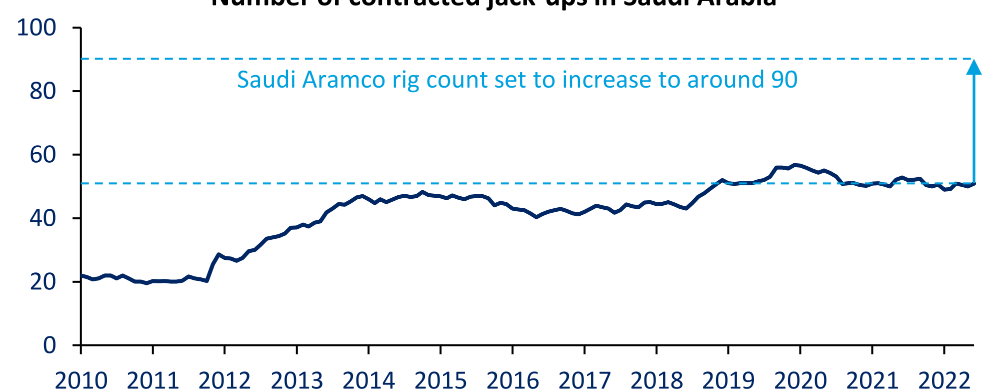
Saudi Aramco to Boost Production Capacity

Saudi Arabia crude production and capacity (mmbpd)



Considerable Fleet Increase from Saudi Aramco

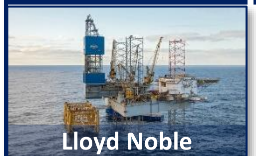
Number of contracted jack-ups in Saudi Arabia



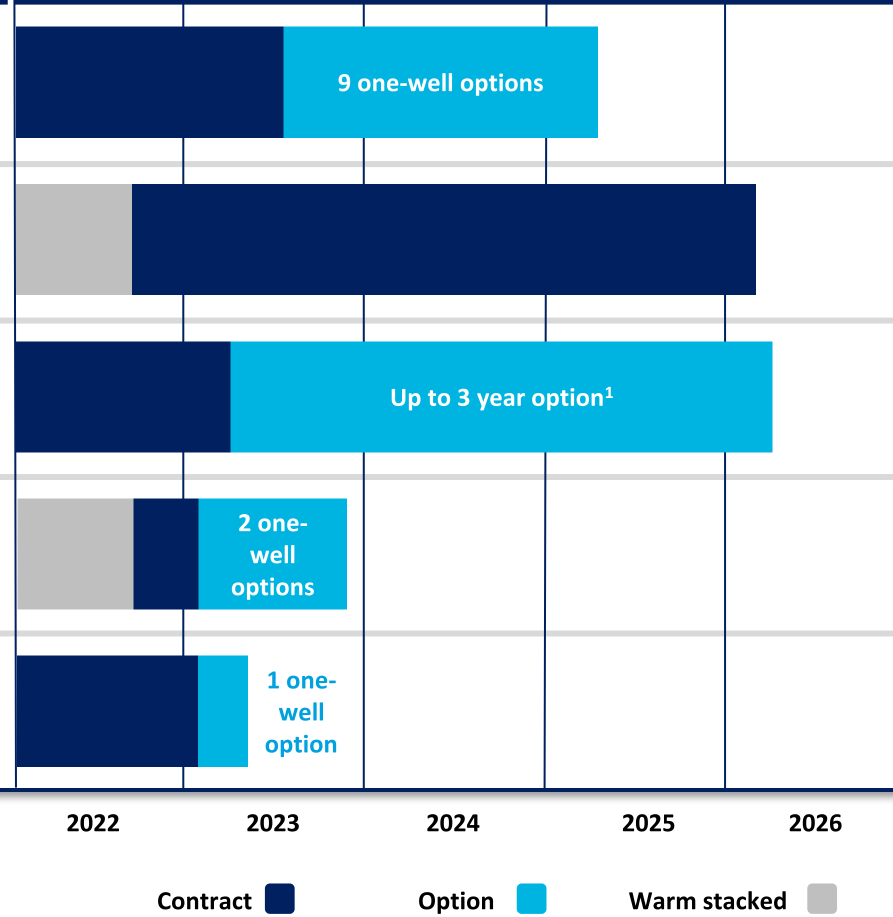
Source: Saudi Aramco, Joint Organisations Data Initiative, IHS Petrodata

Appendix

Contracts with Reputable Counterparties Providing Immediate Cash Flows

Drilling Unit	Location	Operator	Dayrate
 Lloyd Noble	Norway	Equinor	Undisclosed
 Houston Colbert	United Kingdom *Qatar*	*Undisclosed*	*Undisclosed*
 Sam Turner	Denmark	TotalEnergies	Undisclosed
 Sam Hartley	United Kingdom *United Kingdom*	*TotalEnergies*	*$89,000*
 Hans Deul	United Kingdom	IOG	Undisclosed

Rig status



Note (1): Total has a choice between a 1/2/3-year option with a deadline to exercise on 4 Oct-22
Source: Noble Corp. Fleet Status Report dated 02 May 2022

Acquisition of Premium High-spec Jack-up Rig Deep Driller 7 for US$ 30m

Deep Driller 7 is a Premium High-spec Jack-up Rig

Build year:	2008
Rig Design:	Baker Marine Pacific Class 375
Yard:	PPL Shipyard
Current location:	UAE
Water depth:	375 ft
Variable deck load	3,318 tons
Drilling depth:	30,000 ft
Hook load:	1,600 kips
Cantilever length:	70 ft
BOP rating:	10k psi
Quarters capacity:	120

Transaction Highlights

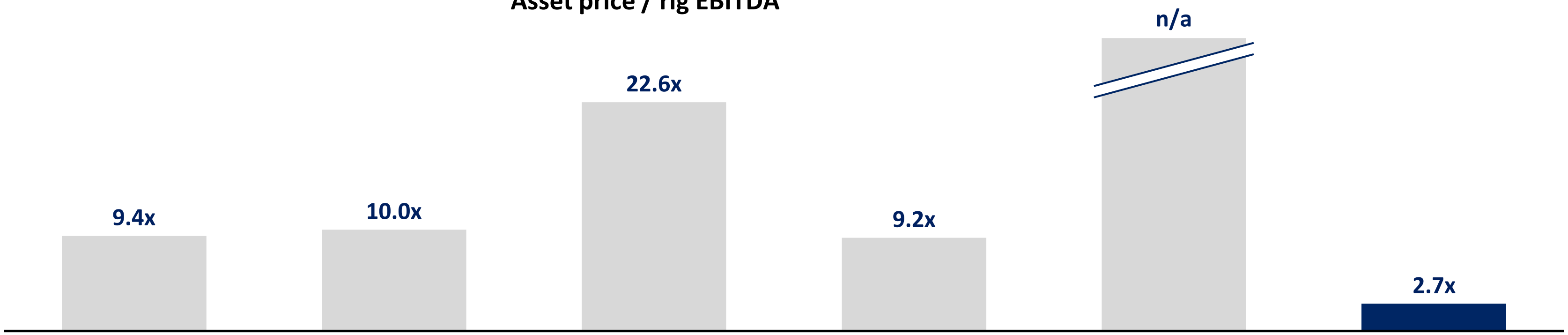
- ✓ Shelf Drilling has entered into an agreement with Aban Offshore Limited to purchase the Deep Driller 7 jack-up for US$ 30m
- ✓ Cash on hand is planned used to finance the transaction
- ✓ Transaction is subject to customary closing conditions, and the rig is expected to be delivered in July 2022
- ✓ Reactivation project to be completed at current location in UAE
- ✓ Well-suited for long term contract opportunities in the Middle East in 2023

Source: IHS Petrodata, Aban Offshore

Unique Relationship Between Price and Earnings

Significantly Better Earnings Economics Compared to Precedent Transactions

Asset price / rig EBITDA



	Borr Drilling Hercules transaction	Northern Ocean	Borr Drilling Yard transactions[1]	Odfjell Drilling Deepsea Nordkapp	Northern Drilling	JU3000s[2]
Date	December 2016	March 2017	2017/2018	April 2018	May 2018	Mid-2022
Asset type	UK capable premium jack-up	6G harsh semi	Benign premium jack-ups	6G harsh semi	7G UDW drillship	UK capable premium jack-ups
Asset price (US$m)	65	365	115	505	296	43.75
Ready-to-drill	✗	✗	✗	✗	✗	✓
Market dayrate (US$k)	70	250	65	300	140	100
Dayrate environment	↘	↘	→	→	→	↗

✓ Transaction price at 2.7x rig EBITDA given dayrate of $100k

✓ Improving dayrate environment creates potential to generate annual EBITDA of half the transaction price

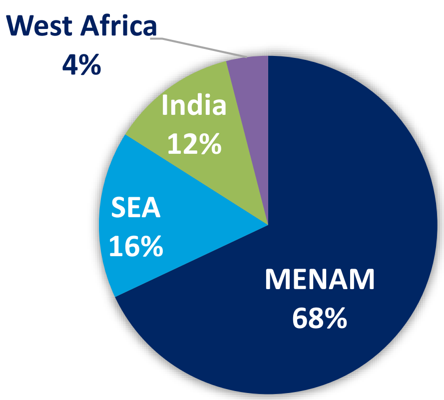
Note (1): Average of the Transocean, PPL and Keppel transactions
Note (2): Assuming opex per day of $55k and 100% utilization
Source: DNB Markets

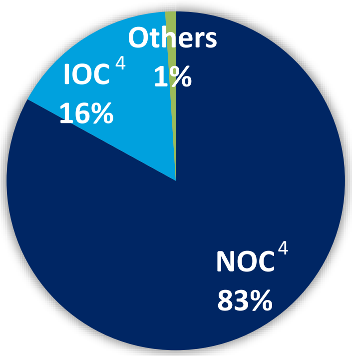
Differentiated Performance Leads to Strong Backlog

Fleet Status Summary *(As of 11 May 2022)*

	Contracted	Available	Total	% Contracted
MENAM[1]	**10**	**0**	**10**	**100%**
Arabian Gulf[2]	7	0	7	**100%**
NAF/Med[3]	3	0	3	**100%**
India	**9**	**1**	**10**	**90%**
West Africa	**5**	**1**	**6**	**83%**
SE Asia	**4**	**0**	**4**	**100%**
Total	**28**	**2**	**30**	**93%**

Total Backlog – $1,660m *(As of 31 Mar 2022)*





Key Backlog Metrics *(As of 31 Mar 2022)*

Total Backlog	**$1,660m**
Contracted Rigs	**28/30**
Weighted Average Backlog Dayrate	**$68k/day**
2022 Average Backlog Dayrate	**$62k/day**
2022 Days Coverage	**77%**

Note (1): Middle East, North Africa and Mediterranean
Note (2): Arabian Gulf includes Saudi Arabia, UAE, Bahrain and Oman.
Note (3): North Africa & Mediterranean include Italy, Tunisia and Egypt operations
Note (4): IOC: International Oil Company, NOC: National Oil Company

Fleet Status Report as of 12 May 2022

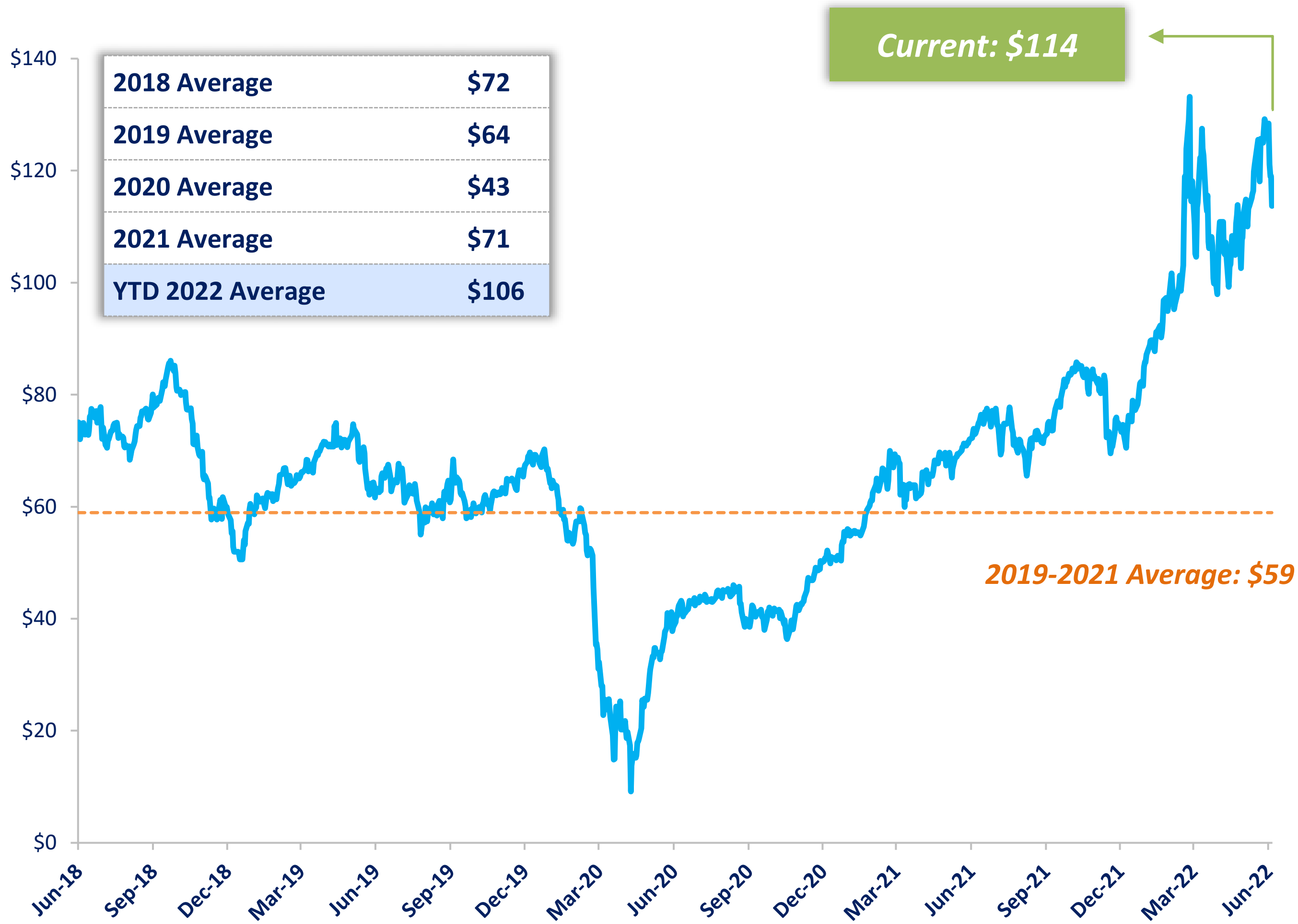
Rig Name	Rig Design[1]	Max Water Depth (Feet)	Customer	Location	Contract Start Date	Contract End Date[2]	Comments[3]
Middle East & Mediterranean							
Shelf Drilling Achiever	GustoMSC CJ46-X100-D	350	Saudi Aramco	Saudi Arabia	Dec 2019	Dec 2022	**Planned OOS in Q3 2022.**
High Island II	MLT 82-SD-C	270	Saudi Aramco[4]	Saudi Arabia	Mar 2020	Mar 2030	
High Island IV	MLT 82-SD-C	270	Saudi Aramco[4]	Saudi Arabia	Feb 2020	Jul 2030	
High Island V	MLT 82-SD-C	270	Saudi Aramco	Saudi Arabia	Apr 2019	**May 2025**	**Secured 3-year extension. Planned OOS in Q2/Q3 2022.**
High Island IX	MLT 82-SD-C	250	Saudi Aramco[4]	Saudi Arabia	Jun 2016	Jun 2031	
Main Pass I	F&G L-780 Mod II	300	Saudi Aramco[4]	Saudi Arabia	Feb 2020	Jan 2031	
Main Pass IV	F&G L-780 Mod II	300	Saudi Aramco[4]	Saudi Arabia	Mar 2020	Mar 2025	
Key Manhattan	MLT 116-C	350	ENI	Italy	Apr 2016	Aug 2023	
Rig 141	MLT 82-SD-C	250	Gempetco **PetroGulf**	Egypt	May 2021 Jun 2022	**May 2022** **Nov 2022**	 **Secured 6-month contract with PetroGulf. Customer has 6-month option.**
Trident 16	Modec 300-C38	300	Petrobel	Egypt	Feb 2019	Feb 2023	
South East Asia							
Shelf Drilling Chaophraya	LT Super 116 E	350	Chevron OOS Chevron	Thailand	Dec 2016 **Apr 2022** **Jul 2022**	**Apr 2022** **Jul 2022** **Dec 2025**	Planned OOS.
Shelf Drilling Krathong	LT Super 116 E	350	Chevron OOS Chevron	Thailand	Jun 2017 May 2022 Aug 2022	May 2022 Aug 2022 Aug 2025	Planned OOS.
Shelf Drilling Scepter	Keppel FELS Super B	350	Chevron **OOS** **CLJOC**	Thailand **Singapore** **Vietnam**	Dec 2019 **May 2022** **Jul 2022**	Apr 2022 **Jun 2022** **Sep 2022**	**Completed contract with Chevron.** **Contract preparation project.** **Secured new contract.**
Shelf Drilling Enterprise	BMC Pacific 375	375	Chevron OOS PTTEP	Thailand	Jan 2021 Apr 2022 Jul 2022	Apr 2022 Jul 2022 Jul 2025	**Completed contract with Chevron in Apr 2022.** Contract preparation project. Customer has 1-year option.
India							
Trident XII	BMC 300-IC	300	ONGC	India	Oct 2021	Oct 2024	
Harvey H. Ward	F&G L-780 Mod II	300	Available	India	-	-	
J.T. Angel	F&G L-780 Mod II	300	ONGC	India	Aug 2021	Aug 2024	
Ron Tappmeyer	MLT 116-C	300	ONGC OOS ONGC	India	May 2019 May 2022 **Nov 2022**	May 2022 **Oct 2022** **Oct 2025**	Planned OOS.
F.G. McClintock	MLT 53-SC	300	ONGC	India	Oct 2019	Oct 2022	
C.E. Thornton	MLT 53-SC	300	ONGC	India	Dec 2019	Dec 2022	
Trident II	MLT 84-SC Mod	300	ONGC	India	Mar 2020	Mar 2023	
Parameswara	BMC 300-IC	300	ONGC	India	Jan 2022	Jan 2025	
Compact Driller	MLT 116-C	300	Cairn	India	Nov 2021	**Jul 2022**	
Key Singapore	MLT 116-C	350	OOS Cairn	Malta/India India	Dec 2021 **Jun 2022**	**Jun 2022** **May 2023**	Contract preparation project. **Secured additional 6-month contract. Customer has options.**
West Africa							
Adriatic I	MLT 116-C	350	Conoil	Nigeria	Oct 2019	**Jun 2022**	
Baltic	MLT Super 300	375	Total	Nigeria	Jun 2021	Jul 2022	Customer has option to extend.
Shelf Drilling Resourceful	LT Super 116 C	350	Conoil	Nigeria	Apr 2021	**May 2022**	
Shelf Drilling Tenacious	BMC Pacific 375	375	CABGOC	Angola	Jan 2022	Jan 2023	Customer has multiple options.
Shelf Drilling Mentor	LT Super 116 E	350	Mercuria **TBA**	Congo **Nigeria**	Jan 2022 **Jun 2022**	**Jun 2022** **Feb 2023**	 **Secured 225-day contract with option for additional wells.**
Trident VIII	Modec 300-C35	300	Available	Nigeria	-	-	

Note (1): MLT: Marathon LeTourneau, LT: LeTourneau, F&G: Friede & Goldman, BMC: Baker Marine Corp
Note (2): The Contract End Date typically does not include the duration to complete the customer's last well if permitted under the "Well in Progress" clause in the rig contract
Note (3): OOS – Out of Service. Included if planned OOS duration is greater than 30 days
Note (4): Contract includes an annual rate adjustment linked to the Brent oil price

Brent Oil Price Supportive for Improved Activity

- Brent crude oil prices improved from an average of $71 per barrel in 2021 to $106 per barrel in 2022 YTD
- Global demand for oil and natural gas has increased significantly due to easing of COVID-19 restrictions, strong economic recovery and sanctions against Russia following the war in Ukraine
- 2022 upstream oil and gas spending is now projected to grow 16%[1] compared to 2021 as oil and gas producers around the world up their investment budgets to increase output
- Industry forecasts, including a recent forecast from the World Bank, indicate that oil and natural gas prices are expected to remain elevated during 2022 and into 2023 and 2024

Brent Oil Price ($/bbl)



Note (1): Source: Rystad Energy ServiceCube
Source: FactSet, as of 17 June 2022

Our Strategy Underpins Our Commitment to Sustainability

At Shelf Drilling, we define sustainability as achieving commercial profitability in a way that is consistent with our fundamental ethical values and with respect for individuals, the environment and society.

- **TRIR: 0.16 for 2021** *Best safety performance in Company's history*
- **~3,100 employees** 44 Nationalities
- **25% females** (shore-based and corporate employees)
- **88%** National Content[1]
- Zero Tolerance for Corruption
- **New Sustainability Webpage** *Enhanced ESG Reporting*
- **Grade A-** ESG100 Rating[2]
- **Grade B-** CDP Climate Change Rating[3]
- Leading position in low CO_2 intensity regions
- Well placed to grow asset retirement business

Shelf positioned to manage the risks and opportunities associated with climate change

- Combination of shallow water drilling and being located in the Middle East → low CO_2 intensity[4]
- Increasing focus of operators on well decommissioning → Shelf well placed to grow asset retirement business

Note (1): For offshore employees, as of 31 December 2021. Excludes rigs working in UAE and Italy.
Note (2): Annual review of the sustainability reporting of the 100 largest companies by market value listed on the Oslo Stock Exchange. Based on publicly available information from websites, annual reports and sustainability reports. Companies assessed on transparency of 13 ESG factors .
Note (3): The Carbon Disclosure Project ("CDP") rated Shelf Drilling B- on climate change for calendar year 2021, a half grade improvement over C rating in 2020.
Note (4): Source: Rystad Energy

Sustainability Journey: 2020 – YTD 2022

2020

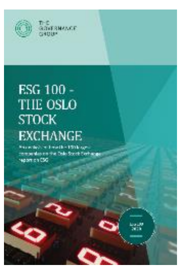
- Completed **TCFD[1] review**
- **Increased** scope of **emissions data capture** (updated Scope 1 and included Scope 2 and Scope 3 data)
- Launched **Sustainability Report 2019 & Webpage**
- Submitted disclosure to **Carbon Disclosure Project (CDP)**

2021

- Integrated TCFD[1] risks into **Enterprise Risk Management System** (ERM)
- **2021 Sustainability Goals**
  - Employee Awareness & Engagement
  - Reliable Data & Metrics
  - Power Management Plan & Fuel Consumption
  - Waste Management
- **Setting science-based emissions reduction targets for 2022+**

2022

- **Ambition of reducing 2021 average daily per rig Scope 1 emissions by 20% over the next 5 years**
- Target to reduce the average daily per rig Scope 1 emissions by 4% in the Q4 2022 compared to the 2021 average.
- **Other 2022 Sustainability Goals**
  - Scope 3 Data Capture
  - Human Rights Assessment
  - Launch CSR Program



ESG100 Rating 2021 (The Governance Group[2])

Grade "A-" / Score 3.07

Shelf Drilling's total ESG score ranks within the top 35 of the 100 largest companies[3] on the Oslo Stock Exchange

Carbon Disclosure Project (CDP)

Grade "B-"

Shelf Drilling's Climate Change rating for 2021

Note (1): Climate risk review to map the Company's climate risk management in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
Note (2): Annual review of the sustainability reporting of the 100 largest companies by market value listed on the Oslo Stock Exchange by The Governance Group
Note (3): By Market Cap
Note (4) The Carbon Disclosure Project ("CDP") rated Shelf Drilling B- on climate change for calendar year 2021, a half grade improvement over C rating in 2020

Building Momentum Into 2022 with Strong First Quarter

SHELF DRILLING

- 4.5% sequential increase in Revenues in Q4 2021, further increase of 14.5% in Q1 2022
  - Effective utilization up from 68% in Q3 2021 to 85% in Q1 2022
- **Q1 2022 EBITDA of $58.2m**
  - Margin of 37%
- Improvement driven primarily by start-up of new contracts in West Africa and India
- Capital expenditures and deferred costs also declined in Q1 2022 to more normalized run-rate level following completion of contract preparation projects (particularly two rigs mobilized to West Africa)

US$m, except dayrate figures	Q3 2021	Q4 2021	Q1 2022
Operating Data			
Average marketable rigs[1]	30.5	30.0	30.0
Average dayrate[2] ($000s)	$63.0	$62.9	$61.8
Effective utilization[3]	68%	74%	85%
Results of Operations			
Total Revenues	$130.3	$136.1	$156.0
Operating and Maintenance	84.5	83.5	85.5
General and Administrative	12.0	10.2	12.5
Adjusted EBITDA	**$33.9**	**$43.5**	**$58.2**
Adjusted EBITDA Margin	26%	32%	37%
Other			
Capital Expenditures and Deferred Costs	$36.2	$33.8	$22.9
Income Tax Expense	4.3	5.1	6.7
Net Debt (Period End)	$940.0	$960.2	$979.4
Market Capitalization (Period End)	70.4	130.6	209.4

Note (1): "Marketable rigs" are defined as the total number of rigs operating or available to operate, excluding: stacked rigs and rigs under contract for activities other than drilling or plug and abandonment services, as applicable.
Note (2): "Average dayrate" is defined as the average contract dayrate earned by marketable rigs over the reporting period excluding mobilization fees, contract preparation, capital expenditure reimbursements, demobilization, recharges, bonuses and other revenues.
Note (3): "Effective utilization" is defined as the number of calendar days during which marketable rigs generate dayrate revenues divided by the maximum number of calendar days during which those rigs could have generated dayrate revenues.

Risk Factors (1/9)

RISK FACTORS

An investment in the Securities involves inherent risk. Before making an investment decision with respect to the Securities, investors should carefully consider the risk factors and all information contained below, including the financial statements and related notes. The risks and uncertainties described below are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Securities. An investment in the Securities is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Securities. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value of the Company's shares and thus the value and trading price of the Securities, resulting in the loss of all or part of an investment in the same. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, results of operations, cash flows, financial condition and/or prospects. The risks mentioned herein could materialise individually, simultaneously or cumulatively.

Risk related to an investment in Shelf Drilling North Sea Ltd.

Risks related to Shelf Drilling North Sea Ltd in connection with the Acquisition and in general.

The Company's currently wholly owned subsidiary, Shelf Drilling North Sea Ltd ("SDNS"), has entered into an agreement with Noble Corporation (the "Rig Purchase Agreement") for the acquisition of five jack-up rigs, namely (i) “Noble Hans Deul”; (ii) “Noble Houston Colbert”; (iii) “Noble Lloyd Noble”; (iv) “Noble Sam Hartley”, and (v) “Noble Sam Turner” (jointly the "Rigs"), and related contracts and employees (the "Acquisition"). The purpose of the Private Placement is to finance part of the MUSD 375 purchase price for the Rigs.

SDNS has since its incorporation in 2013 been a dormant company without any business activity. SDNS has no financial or operational history, and it will not commence operations until completion of the Acquisition. Because SDNS does not have any financial or operating history, there is limited information available and uncertainty regarding the evaluation the Company's ability to achieve its business objectives through SDNS.

Following completion of the Acquisition, SDNS' operations will be dependent upon the Company, as its majority shareholder and key service provider of management services under a management agreement contemplated entered into with the Company. There can be no guarantee that SDNS' operations will be successful or that the Rigs will generate sufficient income to sustain SDNS contemplated operations. SDNS may require additional capital and resources in order to carry out the contemplated operations of SDNS.

Following the completion of the Acquisition the business of SDNS will be largely identical to the business of the Company. In relation to the risks related to Cayman Island related matters, these will also apply to SDNS, including if SDNS should be converted to a Bermuda incorporated entity.

Risks related to the completion of the Acquisition.

The completion of the Acquisition is conditional on the satisfaction of various conditions as further set out in the Rig Purchase Agreement, inter alia, approval from the Competition and Markets Authority in the United Kingdom of the Acquisition in accordance with section 73 of the Enterprise Act 2002, and other conditions which are dependent on a number of factors beyond the Company's control. There can be no guarantee that the Acquisition will be completed, or completed at the terms set out in the Rig Purchase Agreement.

Pursuant to the Rig Purchase Agreement, SDNS needs to procure approval from the relevant health and safety authorities in the United Kingdom, Denmark and Norway in connection with the safety cases for the rigs under the Rig Purchase Agreement. If the safety cases are not approved prior to completion of the Acquisition, SDNS will indemnify each seller party under the Rig Purchase Agreement for any losses incurred by virtue of a seller party being deemed to be the holder of the operation permit under the relevant regulations.

The completion of the Acquisition is also contingent on the merger between the Drilling Company of 1972 A/S ("Maersk Drilling") and Nobel Corporation being completed or announced unconditional, this includes that a sufficient number of shareholders of Maersk Drilling has approved the exchange offer for the merger.

Risks related to financing of the Rigs

In order to finance the purchase price of the Rigs, SDNS needs to raise around MUSD 200-225 in debt financing. There is no guarantee that SNDS will manage to obtain such financing, or that the financing will be on satisfactory terms in line with SDNS' business plan.

Furthermore, SDNS needs the MUSD 80 in equity capital from the investors in the Private Placement. Settlement of this part of the Private Placement is contemplated in September 2022, and there is an inherent risk that some of the investors in the Private Placement may be unable or unwilling to fulfil their obligation to subscribe for shares in SDNS at that time, in which case SDNS will not be able to complete the Acquisition.

Deposit

SDNS has paid a deposit of MUSD 37.5 under the Rig Purchase Agreement. SDNS, and indirectly the Company, may lose this deposit in case SDNS fails to complete the Rig Purchase Agreement.

Risks related to the Rigs under the Rig Purchase Agreements.

While the Company has conducted a due diligence on the Rigs, no assurance can be given that such diligence will surface all material issues or that factors outside of the Rigs and outside of the parties' control will not arise after the completion of the Acquisition. Accordingly, SDNS may after the completion of the Acquisition have to write-down or write-off assets, restructure operations, or incur impairment or other charges that could result in reporting losses.

Should any material issues related to the Rigs arise after the completion of the Acquisition, the Company may experience downtime on the rigs under the Rig Purchase Agreement, incur significant costs related to the rigs, which may have a material adverse impact on the Group's revenues, results of operations and cash flows.

Risk Factors (2/9)

The Oslo Stock Exchange may not list SDNS' shares from trading on Euronext Expand and/or Euronext Growth.

The shares of SDNS are intended to be listed on Euronext Expand/or Euronext Growth after the completion of the Acquisition. The Company cannot assure investors that the SDNS shares will be admitted to listing or that they will continue to be listed on Euronext Expand/or Euronext Growth in the future. If the SDNS is not admitted to listing on Euronext Expand/or Euronext Growth or delisted in the future, investors could be subject to significant material adverse consequences, including, but not limited to, limited availability of a liquid market for trading and pricing of the SDNS shares and reduced amount of information and analyst coverage.

The Company will control a substantial interest in SDNS after the completion of Acquisition.

Initially, 100% of the shares in SDNS are owned by the Company. Following settlement towards the Private Placement investors, the Company is expected to remain the largest shareholder of SDNS, holding 60% of the shares in SDNS. Accordingly, the Company will have the ability to significantly influence the outcome of matters submitted for the vote of SDNS' shareholders, including the election of Directors to the Board of Directors. The commercial goals of the Company as a shareholder, and those of SDNS, may not always be aligned and this concentration of ownership may not always be in the best interest of SDNS' other shareholders. For example, the Company could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, amalgamation, consolidation, takeover or other business combinations involving SDNS, or discourage a potential acquirer from attempting to obtain control of SDNS. Although it is expected that the Company will remain the major shareholder of SDNS, no assurance can be given that this will continue on a permanent basis. If the Company was no longer a major shareholder of SDNS, or if its commercial goals were not in the best interest of SDNS, this could have a material adverse effect on the market value of the shares in SDNS.

The Company may be prevented from making decisions that are in the best interest of the Company.

Pursuant to the bye-laws of SDNS, certain matters will require support from at least 75% of the shareholders of SDNS. Although the Company is expected to hold approximately 60% of the shares SDNS, the Company will not have control over all decisions. As the commercial goals of SDNS and the Company may not always be aligned, there is a risk that the Company will be prevented from making decisions that are in the best interest of the Company.

Risks related to the industry in which the Group operates

The Group's business depends on the level of activity in the shallow water offshore drilling industry.

The level of activity of the shallow water offshore drilling industry is cyclical, volatile and impacted by oil prices. Sustained periods of low oil prices typically result in reduced exploration, development and production activities because oil companies' capital expenditure budgets are dependent on cash flows from such activities and are therefore sensitive to changes in energy prices. The level of activity and spending in the oil and gas industry are highly affected by factors such as volatility in demand for and supply of oil, fluctuations in current and future oil prices, the number, size and locations of oil fields, the demand for and supply of alternative fuels or energy supply, especially renewable sources of energy, the prices of alternative fuels or energy supply, changes in capital expenditure by companies operating in the offshore oil and gas industry and general economic, social and political conditions. Because almost all of the Group's revenue is driven by the development and workover activities of the Group's customers, a future decline in the activity levels of the shallow water offshore oil industry could have a material adverse effect on the Group's business, financial condition and results of operations.

The shallow water drilling industry is highly competitive and has historically been cyclical and subject to price competition.

The shallow-water drilling industry in which the Group operates is extremely competitive with numerous industry participants, and contracts have traditionally been awarded on a competitive bid basis. Price competition is frequently a major factor in determining a contract award. Customers may also consider unit availability and location, operational and safety performance records and age, condition and suitability of equipment. In addition, if the Group's competitors enter into joint venture agreements with some of the Group's largest customers, this could make it more difficult for the Group to obtain additional contracts from these customers. Competition for offshore rigs is typically global, as drilling rigs are mobile and may be moved from areas of low utilization and dayrates to areas of greater activity and corresponding higher dayrates. Costs connected with relocating drilling rigs for these purposes are sometimes substantial and are generally borne by the contractor. The over-supply of marketed jack-up rigs, which can be increased by new rigs under construction or reactivation of stacked rigs, increases competition and can lead to lower dayrates. The inability to compete successfully with the Group's competitors could have a material adverse effect on the Group's revenues, results of operations and cash flows.

Further, the shallow water drilling industry has historically been cyclical with periods of high demand, limited supply and high dayrates alternating with periods of low demand, excess supply and low dayrates. Periods of low demand and excess supply intensify competition in the industry and may result in the Group's drilling rigs being stacked or earning substantially lower dayrates for long periods of time. The Group has previously idled and stacked rigs in response to market conditions and may idle and stack additional rigs in the future, and such rigs may not return to service in the near term or at all. In addition, the Group has in the past and may in the future enter into lower dayrate drilling contracts in response to market conditions which reduces the revenues the Group earns from such contracts. Prolonged periods of low utilization and dayrates, as well as extended periods when rigs are stacked, could reduce demand for the Group's services and materially adversely affect the Group's revenues, financial condition, results of operations or cash flows.

Public health issues, including epidemics and pandemics such as COVID-19 have had and may continue to have significant adverse consequences including significantly reduced demand for the Group's services.

The existence of the novel coronavirus (“COVID-19”) was confirmed in early 2020 and spread to countries worldwide, causing disruptions to businesses and economic activity globally. The collapse in the demand for oil caused by this unprecedented global health and economic crisis, coupled with oil oversupply, had a material adverse impact on the demand for the Group's services. These effects have included adverse effects on revenues and net income; disruptions to the Group's operations, including restrictions on crew change travel; customer shutdowns of oil and gas exploration, development and production; supply chain and vendor activity disruptions; employee impacts from illness, school closures and other community response measures, which may cause prolonged absences of personnel who may be difficult or impossible to replace; and temporary closures of the Group's facilities or the facilities of the Group's customers and suppliers. Several of the Group's contracts were early terminated, suspended, shortened or renegotiated which adversely impacted the Group's business.

Additionally, these market and industry conditions placed significant pressure on the liquidity and solvency of many offshore drilling contractors, leading them to pursue restructuring transactions or reorganizations under bankruptcy laws. These transactions could have a material impact on the capital structure and competitive dynamics among offshore drilling companies, which could negatively impact the Group's ability to compete in the industry.

Risk Factors (3/9)

The extent to which the Group's operating and financial results are affected by emerging or resurgent epidemic or pandemic diseases or viruses and continue to be affected by COVID-19 is dependent on various factors and consequences beyond the Group's control, such as the duration and scope of the health crisis and the related responses by businesses and governments, particularly within the geographic locations where the Group operates, as well as the speed and effectiveness of these responses, including the effectiveness and the timeliness of vaccinations and treatments. New versions of COVID-19, public health issues and the volatile global economic conditions stemming from such widespread health crisis, has aggravated and could continue to aggravate certain other risk factors affecting the Group's business.

The Russian invasion of Ukraine has affected, and may continue to affect, the oil and gas industry and, in turn, the Group's operations

Since Russia's invasion of Ukraine in the first quarter of 2022, the geopolitical situation in Eastern Europe has and is also expected to continue to have a significant impact on the oil and gas market in particular due to sanctions related to Russia and the export of Russian oil and gas. Oil and gas prices have surged to an all-time high during the first half of 2022 and further increased the volatility in the energy sector. There can be no guarantee that such prices will be maintained over time, or at all. Additionally, the Russia-Ukraine conflict is generating further shortages of materials and parts used in oilfield equipment, with the consequence of deteriorating the delivery time of such equipment and parts, and potentially impacting the Group's operations. At the same time, sourcing of available quality products and equipment has become more challenging and, when available, such products and equipment have become more expensive to acquire, which has adversely impacted the Group's operating costs. The long term effects of the supply chain disruptions resulting from the Russia-Ukraine conflict are unpredictable and could have a material adverse effect on the Group's revenues, financial condition, results of operations or cash flows.

Risks related to the business of the Group

The Group's future business performance depends on the Group's ability to renew contracts with existing customers and secure new contracts for the Group's fleet of rigs.

The Group's ability to secure contract renewals where the Group is the incumbent rig provider, and to win tenders for new contracts is affected by a number of factors both within and outside of the Group's control. Negotiations and tenders can be impacted by various factors including market conditions, rig specifications, safety record requirements, competition and governmental approvals required by customers. While the Group's preference is generally to renew contracts with its existing customers, if existing customers decide not to renew their contract, the Group must seek to secure a new customer contracts for its rigs. There can be no assurance that the Group will be able to renew or extend existing contracts or secure new arrangements before the original contracts lapse.

If the Group is unable to renew contracts or the Group is not selected for new contracts, or if the contracts entered into are delayed, workflow may be interrupted and the Group's business, financial condition and results of operations may be materially adversely affected.

If the Group is unable to renew its customer contracts, it could lead to a rig being stacked and/or having to enter into a new contract at lower dayrates, shorter terms or in other geographical areas and could materially adversely affect the Group's revenues, financial condition, results of operations and cash flows.

If customers reduce activity levels, terminate, suspend or seek to renegotiate contracts, or if market conditions dictate that the Group enters into contracts with unfavorable terms or increased risks, the Group may be materially adversely impacted.

During periods of unfavorable market conditions, including low oil and natural gas prices and over-supply of rigs, customers may seek to renegotiate, suspend or terminate their contracts. The Group is subject to an increased risk of its customers taking such actions. Certain of the Group's customers may have the right to suspend or terminate contracts without limitations. Additionally, certain contracts may contain clauses allowing for termination due to downtime or operational problems above the contractual limits, safety-related issues, if the drilling rig is not delivered to the customer within the specified time period or in other specified circumstances, which may include events beyond the Group's control. Some of these contracts may require the Group to pay penalties, which could be material. Certain of the Group's contracts provide for cancellation at the option of the customer upon payment of a penalty to the Group, which may not fully compensate the Group for the loss of the contract. Early termination of a contract may result in a drilling rig being idle for an extended period of time. Customers without favorable termination language may seek to renegotiate existing contracts, including for some of the termination reasons described above. During periods of unfavorable market conditions, a customer may no longer need a rig that is under contract or may be able to obtain a comparable rig at a lower dayrate. As a result, customers may seek to renegotiate the terms of their existing contracts to shorten the length of the contract or lower the dayrate or customers may seek to suspend, terminate or otherwise avoid their obligations under those contracts.

The Group's future contracted revenue, or contract backlog, for the Group's fleet of drilling rigs may not be ultimately realised

The contract backlog relating to the Group's rigs was approximately USD 1.7 billion as of 31 March 2022. The amount of contract backlog does not necessarily indicate future earnings, and the contract backlog may be adjusted up or down depending on various factors both within and outside of the Group's control. The contract drilling dayrate used in the calculation of contract backlog may be higher than the actual dayrate the Group ultimately receives. Actual dayrates earned may be lower than the standard operating dayrate, and may consist of alternative dayrates such as a waiting-on-weather rate, repair rate, standby rate, force majeure rate or moving rate. The contract drilling dayrate may also be higher than the actual dayrate earned because of factors resulting in lost dayrate revenue, including scheduled or unscheduled rig downtime or suspension of operations. Additionally, renegotiation of dayrates or contracts that provide for periodic adjustments of contract dayrates, including those linked to oil or natural gas prices, may cause a difference in actual revenues as compared to contract backlog.

Early cancellation of existing contracts (for which the Group may not be entitled to compensation or notice), failure by customers to complete existing contracts, unscheduled downtime, or the unavailability of rigs and equipment to fulfil a contract may result in a lower than expected number of contract days. Any changes in the dayrate and number of days used to calculate contract backlog could result in materially lower revenues than indicated by the contract backlog.

Risk Factors (4/9)

The Group relies on a relatively small number of customers for a substantial portion of future contracted revenue

The Group's customer base includes national oil companies ("NOCs") and international oil companies ("IOCs"), together with a small number of independent oil and gas companies. The Group's top three customers based on revenue accounted for 94% of contract backlog and 72% of revenues for the year ended 31 December 2021. The Group's business, financial condition, results of operations and cash flows could be materially and adversely affected if any of these customers were to reduce its contractual commitments to the Group, or suspend or withdraw its approval for the Group to provide services for them. The Group's growth is closely connected to the growth of its customers and the Group's results may be impacted if certain key customers were to significantly reduce their growth strategy. Furthermore, if any of the Group's major customers fails to compensate the Group for its services, terminates contracts, fails to renew existing contracts or refuses to enter into new contracts with the Group, or if a customer fails to perform due to liquidity, solvency or other reasons, and similar contracts with new customers are not forthcoming, the Group's business, financial condition, results of operations and cash flows would be materially and adversely affected.

The Group's purchase of existing jack-up rigs carries risks associated with the condition and quality of those rigs.

The Group has acquired, and may acquire in the future, existing jack-up rigs as a way of renewing and expanding the Group's fleet, including the Rigs. Unlike newbuild rigs, existing rigs typically do not carry warranties with respect to their condition. While the Group generally inspects any existing rig prior to purchase, such an inspection would normally not provide the Group with as much knowledge of its condition as if the rig had been built for the Group and operated by the Group during its life. Repairs and maintenance costs for existing rigs are difficult to predict and may be more substantial than for rigs that the Group has operated since they were built. In addition, the Group may not be able to obtain indemnification and warranties from the sellers for any rigs that the Group acquires. These costs could adversely affect the Group's results of operations and cash flows.

Acquisition of rigs and reactivation of stacked rigs, as well as upgrade, refurbishment and repair projects are subject to various risks.

In June 2022, the Group has entered into agreements for the acquisition of 6 jack-up rigs, and could in the future further increase the size of its fleet through purchase, lease or construction of rigs. In addition, the Group may choose to reactivate rigs which may be stacked in the future. The Group incurs upgrade, refurbishment and repair expenditures for the Group's fleet from time to time, including when upgrades are required by industry standards and/or by law. Such expenditures are also necessary in response to requests by customers, inspections, regulatory or certifying authorities or when a rig is damaged. The Group also regularly makes certain upgrades or modifications to the Group's drilling rigs to meet customer or contract specific requirements. The construction or outfitting of purchased newbuild rigs or reactivation of stacked rigs and upgrade, refurbishment and repair projects are subject to project management execution risks of delay and cost overruns inherent in any large construction project from numerous factors.

Delay or failure to complete a newbuild, acquisition, reactivation, upgrade, refurbishment or repair project on time may result in the delay, renegotiation or cancellation of an existing contract and could put at risk the planned arrangements to commence operations on schedule. Further, significant delays could have a negative impact on the Group's reputation and customer relationships. The Group could also be exposed to contract termination or penalties for failure to complete the project and commence operations in a timely manner. In addition, rigs undergoing upgrade, refurbishment or repair generally do not earn a dayrate during the period they are out of service. Significant cost overruns or delays, loss of reputation, penalties, and failure to minimize lost dayrates could all have a material adverse effect on the Group's revenues, financial condition, results of operations and cash flows. Further, the Group has in the past, and may in the future, choose to acquire a newbuild or existing rig, lease a rig or reactivate a stacked rig speculatively, without first obtaining a customer contract. Absent a firm customer contract, the Group may not be able to secure arrangements for these rigs in a timely manner on economically acceptable terms, if at all. Failure to obtain a customer contract could result in the impairment of certain long-lived assets or expensing of costs which would typically be deferred. Failure to contract such rigs on acceptable terms or in a timely manner could adversely affect the Group's business, financial position, results of operations and cash flows.

Climate change, the regulation of greenhouse gases and increasing development of renewable energy alternatives could have a negative impact on the Group's industry, business and/or reputation.

The scientific community has concluded that increasing concentrations of greenhouse gases in the Earth’s atmosphere are producing climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. Such events could have a materially adverse effect on the Group's operations, especially given that the Group's rigs may need to curtail operations or suffer damage during significant weather events. Current and future regulations relating to greenhouse gases and climate change may also result in increased compliance costs or additional operating restrictions on the Group's business. The negative impacts of greenhouse gases and climate change have resulted in adverse publicity for the oil and natural gas industry and could cause damage to the Group's reputation. In addition, because the Group's business depends on the level of activity in the offshore oil and natural gas industry, existing or future regulations or other agreements related to greenhouse gases and climate change, including carbon taxes or greenhouse gas fees or incentives to conserve energy or use renewable energy alternatives, could decrease the demand for oil and natural gas or decrease exploration activity. Any of the factors discussed above could materially adversely affect the Group's business, reputation, financial condition, results of operations and cash flows.

There may be limits to the Group's ability to mobilize drilling rigs between geographic areas, and the duration, risks and associated costs of such mobilizations may be material to the Group's business.

The offshore drilling market is generally a global market as drilling rigs may be moved from one area to another. However, the ability to mobilize drilling rigs can be impacted by several factors including, but not limited to, governmental regulation and customs practices, the significant costs and risk of damage related to moving a drilling rig, availability of suitable tow vessels to move the rigs, weather conditions, political instability, civil unrest, military actions and the technical capability of the drilling rigs to relocate and operate in various environments. Additionally, while a jack-up rig is being mobilized from one geographic market to another, the Group may not be paid for the time that the jack-up rig is out of service or be reimbursed for costs attributable to such relocation. Further, despite the ability to move rigs, not all of the Group's rigs are designed to work in all regions, in all water depths or over all types of seafloor conditions. The Group may relocate a rig to another geographic market without a customer contract, which could result in costs that are not reimbursable by future customers, which could have a material adverse effect on the Group's revenues, financial condition, results of operations and cash flows.

Risk Factors (5/9)

Supplier capacity constraints or shortages in parts or equipment, supplier production disruptions, supplier quality and sourcing issues or price increases could increase the Group's operating costs, decrease revenues and adversely impact the Group's operations.

The Group's reliance on third-party suppliers, manufacturers and service providers to secure equipment used in drilling operations exposes the Group to volatility in the quality, price and availability of such items. Certain specialized parts and equipment used in the Group's operations may be available only from a single or small number of suppliers. A disruption in the deliveries from such third-party suppliers, capacity constraints, production disruptions, price increases, defects or quality-control issues, recalls or other decreased availability or servicing of parts and equipment could adversely affect the Group's ability to meet its commitments to customers, resulting in uncompensated downtime, reduced dayrates or the cancellation or termination of contracts and could adversely impact operations and increase costs. Any of these impacts could have a material adverse effect on the Group's revenues, results of operations and cash flows.

The Group's labour costs and the operating restrictions that apply to the Group could increase as a result of collective bargaining negotiations and changes in labour laws and regulations.

Some of the Group's employees in Egypt and Nigeria are represented by unions and may, from time to time, work under collective bargaining agreements. Employees in other countries have in the past and may in the future be represented by labour unions. In addition, some of the Group's contracted labour works under collective bargaining agreements. As part of the legal obligations in some of these collective bargaining agreements, the Group is required to contribute certain amounts to retirement funds and is restricted in its ability to dismiss employees. In addition, where the Group's employees are represented by unions, the Group may be required to negotiate wages with union representatives. Efforts may be made from time to time to unionize additional portions of the Group's workforce. Negotiations with unions relating to collective bargaining agreements and other labour related matters could result in higher personnel costs, other increased costs or increased operating restrictions, or even labour stoppages, strikes or slowdowns. Labour cost changes due to unions and collective bargaining agreements and the costs of complying with labour laws and regulations could have a material adverse effect on the Company's financial condition, results of operations and cash flows

The Group's business involves numerous operating hazards, and the insurance and contractual indemnity rights may not be adequate to cover any losses resulting from accidents and other events and the Group's insurance may become more expensive or may become unavailable in the future.

The Group's operations are subject to the hazards inherent in the drilling, completion and operation of oil and natural gas wells. These hazards include, but are not limited to blowouts, punch through, loss of control of the well, abnormal drilling conditions, mechanical or technological failures, seabed cratering, fires and pollution and failure of the Group's employees to comply with internal HSE guidelines. Operations may be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform and personnel shortages.

In addition, the Group's operations are subject to perils peculiar to marine operations including capsizing, grounding, collision, sinking and loss or damage from severe weather, including monsoons. Severe weather could have a material adverse effect on the Group's operations, damaging rigs from high winds, turbulent seas, or unstable sea bottom conditions. Damage to the environment could result from the Group's operations, particularly through blowouts, oil spillage or extensive uncontrolled fires.

The occurrence of any of these events may result in the suspension of operations, loss of dayrate revenues, lower utilization rates, severe damage or destruction of property and equipment, injury or death to personnel, environmental damage, increased insurance costs, fines or penalties, personal injury and other claims by personnel, and claims or investigations by the operator, regulatory bodies and others affected by such events. The Group may also be subject to fines or penalties (for which indemnification may not be available) resulting from property, environmental, natural resources and other damage claims by governments, environmental organizations, oil and natural gas companies and other businesses operating offshore and in coastal areas, including claims by individuals living in or around coastal areas. Damage or destruction of the Group's property and equipment could potentially cause the Group to curtail operations for significant periods of time while repairs are completed. Any of which could have a material adverse impact on the Group's revenues, financial condition, results of operations and cash flows.

As is customary in the offshore drilling industry, the Group has undertaken to mitigate the risks of the Group's operations through insurance and contractual indemnities from the Group's customers. However, insurance policies have limits and exclusions and may not provide full coverage for, and, most of the Group's customer contracts do not fully indemnify the Group from, all losses or liabilities resulting from the Group's operations. If a significant accident or other event occurs, including but not limited to severe weather, terrorist acts, war, civil disturbances, pollution or environmental damage, that results in a loss which is not fully covered by insurance or a recoverable indemnity from a customer, it could adversely affect the Group's business, financial condition, results of operations and cash flows.

The Group's international operations in the shallow water drilling sector involve additional risks, which could adversely affect the Group's business.

The Group operates in various regions throughout the world and as a result the Group may be exposed to political and other uncertainties, including risks of corruption, terrorist acts, armed hostilities, geopolitical events, military actions, war and civil disturbances, including in the Middle East. Some governments favor or effectively require (i) the awarding of drilling contracts to local contractors or to rig owners that are majority-owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Furthermore, the Group's business operations require authorizations from various national and local government agencies. Obtaining these authorizations can be a complex, time-consuming process, and the Group cannot guarantee that the Group will be able to obtain or renew the authorizations required to operate the Group's business in a timely manner or at all. This could result in the suspension or termination of operations or the imposition of material fines, penalties or other liabilities. These factors may adversely affect the Group's ability to compete in those regions. The Group is unable to predict future governmental regulations which could adversely affect the international drilling industry. The actions of governments may adversely affect the Group's ability to compete effectively. As such, the Group may be unable to effectively comply with applicable laws and regulations, including those relating to sanctions and import/export restrictions, which may result in a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

If the Group or the Group's customers are unable to acquire or renew permits and approvals required for drilling operations, the Group may be forced to suspend or cease the Group's operations, which may adversely affect the Group's profitability.

Oil and natural gas exploration and production operations require numerous permits and approvals for the Group and the Group's customers from governmental agencies in the areas in which the Group operates. In addition, many governmental agencies have increased regulatory oversight and permit requirements in recent years. Obtaining and maintaining compliance with all necessary permits and approvals may require substantial expenditures and time. If the Group's customers are not able to obtain necessary permits and approvals in a timely manner, the Group's operations will be adversely affected. In addition, future changes to, or an adverse change in the interpretation of, existing permit and approval requirements may delay or curtail the Group's operations, require the Group to make substantial expenditures to meet compliance requirements, or create a risk of expensive delays or loss of value if a project is unable to function as planned, any of which could have a material adverse impact on the Group's revenues, financial condition, results of operations and cash flows.

Risk Factors (6/9)

The imposition by customers and/or governments in certain countries related to minimum local content, or local content programs or quotas may subject the Group to additional requirements and risks.

In Saudi Arabia, Saudi Aramco's In-Kingdom Total Value Add program sets goals for suppliers to meet, among other things, specified national content percentage targets. In the UAE, the implementation of the In-Country Value program in Abu Dhabi is also expected to increase local content requirements for all companies contracting with ADNOC. Compliance with these, or other similar existing or future programs, could increase the cost of doing business in such jurisdictions or could subject the Group to fines and penalties or loss of contracts, which could materially adversely affect the Group's revenues, financial condition, results of operations and cash flows.

Several countries in which the Group operates require foreign entities to comply with certain laws and regulations concerning minimum local content requirements. As a result, the Group may be required to enter into legally binding arrangements with local entities in those jurisdictions in order to conduct operations. In Indonesia, Malaysia, India, Nigeria, Angola and the UAE, the Group maintains a series of contractual and legal agreements with local partners and/or agents which are an integral part of the successful operation of the Group's business in these markets. In the future, the Group may enter into similar arrangements in other countries, either due to changing laws or regulations or due to operational requirements in additional markets. If the Group was to lose the support of these local participants and was unable to find suitable replacements, local regulators may curtail or terminate the Group's operations in those jurisdictions. In addition, the success of these local relationships depends on the reputation, creditworthiness, stability and continuity of the local partners and/or agents that the Group works with. If any of these local partners and/or agents were to become subject to bankruptcy/insolvency proceedings or other adverse regulatory or judicial proceedings, or lose the ability to carry out operations for any other reason, then the Group's business, financial condition, results of operations and cash flows could be materially and adversely impacted.

The Group is dependent on its senior management team, other key employees, skilled workers and the Directors of the Group's Board, and the business could be negatively impacted if the Group is unable to attract and retain personnel necessary for the Group's success.

The Group's performance is, to a large extent, dependent on highly qualified personnel, including management, other key employees and Directors of the Group's Board ("Key Personnel"), and the Group's continued ability to compete effectively, implement the Group's strategy and further develop the Group's business depends on the Group's ability to attract new and qualified Key Personnel and to retain and motivate existing Key Personnel. Attracting qualified personnel has proved increasingly important as the Group's industry has developed and become more advanced. An important factor contributing to the Group's leading position and global footprint has been the Group's ability to retain qualified employees throughout the Group's organizational structure. Further, the Group requires highly skilled personnel to operate and provide technical services and support for the Group's operations. Many of the Group's customers require specific minimum levels of experience and technical qualification for certain positions on rigs which they contract. Any loss of the services of management, skilled workers, other key employees, or Directors of the Group's Board, particularly to competitors could have a material adverse impact on the Group's business, financial condition, results of operations and cash flows.

Risks related to financial matters

The Group's existing indebtedness imposes significant operating and/or financial restrictions that may prevent the Group from pursuing certain business opportunities and restrict the Group's ability to operate the Group's business.

The level of the Group's indebtedness and the terms of the agreements governing the Group's existing and future indebtedness may contain covenants that restrict the Group's ability to take various actions. The Group's ability to comply with these covenants may be affected by many factors, both within and beyond the Group's control, including but not limited to the Group's future performance, falling oil and natural gas prices, prolonged periods of low dayrates, the possible termination or loss of contracts and reduced values of the Group's rigs. The Group may not satisfy these or other covenants in the Group's existing and future indebtedness. The Group's failure to comply with the obligations under the agreements governing the Group's existing and future indebtedness could result in an event of default under such agreements, which could result in the acceleration of the Group's indebtedness, in whole or in part. In addition, the Company's existing debt agreements contain, and the Group's future debt agreement may contain, cross-default provisions whereby acceleration or payment default by the Group under one of the Group's debt agreements, could allow creditors to declare the Company or the relevant debtor under such debt agreement in default of the Group's other existing debt or financing agreements. This could lead to an acceleration and enforcement of such agreements by all or substantially all of the Group's creditors. These debt covenants and restrictions could also limit the Group's ability to plan for, or react to, market conditions, meet capital needs, make distributions or otherwise restrict the Group's activities or business plans and adversely affect the Group's ability to finance the Group's operations, enter into acquisitions or to engage in other business activities that would be in the Group's interest.

The Group is dependent upon cash flows from the Group's operating subsidiaries to meet the Group's obligations, including repayment of the Group's debt.

The Group conducts operations through, and most of the Group's assets are owned by, the Group's operating subsidiaries. The Group's operating income and cash flows are generated by these subsidiaries, and as a result, the cash generated from the Group's subsidiaries is the principal source of funds necessary to meet the Group's obligations, including the Group's debt obligations. Contract provisions or laws, as well as the Group's subsidiaries' financial condition, operating requirements and debt requirements may limit the Group's ability to access cash from subsidiaries needed to pay expenses or to meet the Group's current or future debt service obligations. Applicable tax laws may also subject such payments by subsidiaries to further taxation.

Fluctuations in exchange rates and non-convertibility of currencies could result in losses to the Group.

The Group may experience realized currency exchange losses when cash is received or expenses are paid in currencies other than the Group's U.S. dollar functional currency, when the Group does not hedge the Group's exposure to such foreign currency or when the result of a hedge is a loss. The Group may also incur losses as a result of an inability to collect revenues due to a shortage of convertible currency available to the country of operation, controls over currency exchange or controls over the repatriation of income or capital.

Risks related to laws and regulations

If any part of the Group's business is moved outside of its current operative jurisdiction the Group's overall tax exposure may change, which may affect the Group's alleged compliance with applicable tax laws.

The Company and most of the Group's subsidiaries are incorporated in the Cayman Islands. The Group also has subsidiaries in various other jurisdictions. The Group's consolidated effective tax rate is dependent on where profits are earned and taxed or losses are generated, as different countries have different tax systems and statutory tax rates. Different jurisdictions also have different tax laws and interpretations thereof.

Risk Factors (7/9)

If the Group moves some of its operations into a new jurisdiction or acquire companies in jurisdictions in which the Group does not already operate, the Group's overall effective tax rate may be affected. Further, the Group may also become exposed to changes in tax policies and amendments to tax legislation, prospectively and/or retroactively, in such jurisdictions. There can be no assurance that the relevant tax authorities in the jurisdictions in which the Group operates will agree with the Group's tax calculations and judgements. If a relevant tax authority disputes the Group's assumptions, judgements or calculations, the Group may incur additional tax expense, interest and penalties. Any changes in the Group's tax exposure may affect the Group's alleged compliance with applicable tax law, and any non-compliance could have a material adverse impact on the Group's financial condition, results of operations and cash flows.

<u>Changes in tax laws, regulations, or treaties, and interpretations thereof, for any country in which the Group operates, earns income, generates losses or is considered to be a tax resident, and/or the loss of any major tax dispute, or a successful challenge to the Group's intercompany pricing policies or operating structures could have an adverse impact.</u>

The Group's business is incorporated in the Cayman Islands and operates through the Group's many subsidiaries in various countries throughout the world. The Group's income tax exposure is based upon the relevant tax laws, regulations and treaties that apply to the various countries in which the Group operates or earns income or is deemed to be a tax resident. Transactions taking place between a Group company and a related company must be carried out in accordance with arm's length principles in order to avoid adverse tax consequences. There can be no assurance that the tax authorities will conclude that the Group's transfer pricing policies are calculated using appropriate arm's length prices for intercompany transactions. Any changes in intercompany pricing could change the Group's taxable income or losses in various jurisdictions, which could change the Group's effective tax rate and tax expense. Any of the above factors could cause a significant change to the Group's local statutory tax rates and/or the Group's effective tax rate on worldwide earnings. In addition, if a local statutory tax rate changes, the Group may need to revalue the Group's deferred tax assets and liabilities or recalculate the Group's valuation allowances, liabilities for uncertain tax positions or other tax allowances and reserves relevant to that jurisdiction. Additionally, if the Group does not generate sufficient income in jurisdictions with tax loss carryforwards or other changes are made regarding their value or utilization, the Group may be required to reduce the value of these tax assets. Any of these changes could have a material adverse impact on the Group's financial position, results of operations and cash flows.

<u>Any failure to comply with the complex laws and regulations governing international trade, including import, export, anti-corruption, economic sanctions and embargoes could adversely affect the Group's operations.</u>

The shipment of equipment and materials required for shallow water drilling operations across international borders subjects the Group to extensive import and export laws and regulations governing the Group's assets, equipment and materials, including those enacted by the U.S. and/or countries in which the Group operates. Moreover, many countries control the export/import and re-export of certain goods, services and technology and may impose related export/import recordkeeping and reporting obligations. Governments also may impose economic sanctions and/or embargoes against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. Any failure to comply with applicable legal and regulatory international trade obligations could also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import/export privileges, which may have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. The Group operates drilling rigs in a number of countries, including in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption and where strict compliance with anti-corruption laws may conflict with local customs and practices. As a result, the Group may be subject to risks under the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010 and similar laws in other jurisdictions that generally prohibit companies and their intermediaries from making, offering or authorizing improper payments to government officials for the purpose of obtaining or retaining business. Any violation of these could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and the seizure of the Group's rigs and other assets and might, as a result, materially adversely affect the Group's business, financial condition, results of operations and cash flows.

<u>The Group is subject to complex laws and regulations, including environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.</u>

The Group's operations are subject to numerous stringent HSE laws and regulations in the form of international conventions and treaties, national, state and local laws and regulations in force in the jurisdictions in which the Group's drilling rigs operate or are registered, which can, directly or indirectly, significantly affect the ownership and operation of the rigs. These requirements include, but are not limited to, MARPOL, CLC, BUNKER and various international, national and local laws and regulations that impose compliance obligations and liability related to the use, storage, treatment, disposal and release of petroleum products, asbestos, polychlorinated biphenyls and other hazardous substances that may be present at, or released or emitted from, the Group's operations. Furthermore, the IMO, at the international level, or national or regional legislatures in the jurisdictions in which the Group operates, including the EU, may pass or promulgate new environmental laws or regulations. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful life of the Group's rigs. The Group is required to obtain HSE permits from governmental authorities for the Group's operations, and the Group may have difficulty in obtaining or maintaining such permits. Laws and regulations protecting the environment have generally become more stringent over time. In the event the Group was to incur additional costs to comply with existing or future laws or regulatory obligations, these costs could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. In addition, existing or future laws could increase costs for the Group's customers, the Group's vendors or the Group's service providers, which could result in lower demand for the Group's services, lower dayrates, or increasing costs. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of operations. Environmental laws often impose strict liability, which could subject the Group to liability without regard to negligence or fault. The Group's operations could cause the accidental release of oil or hazardous substances. Any releases may be large in quantity, above the permitted limits or occur in protected or sensitive areas where public interest groups or governmental authorities have special interests. Any releases of oil or hazardous substances could result in substantial fines and other costs and liabilities, such as costs to upgrade rigs, clean up the releases and comply with more stringent requirements in the Group's discharge permits, claims for natural resources, personal injury or other damages, and material adverse publicity. Although the Group's contracts generally provide for indemnification from the Group's customers for some of these costs, the inability or other failure of the Group's customers to fulfil any indemnification obligations they have, or the unenforceability of the Group's contractual protections could have a material adverse effect on the Group's financial condition, results of operation and cash flows. Moreover, these releases may result in customers or governmental authorities suspending or terminating the Group's operations in the affected area. If a major incident were to occur in the Group's industry, such as a catastrophic oil spill or other accident subject to international media attention, this could lead to an industry-wide regulatory response which may result in increased operating costs. Any changes to existing laws in the jurisdictions in which the Group operates prompted by such a future event could increase the Group's operating costs and future risk of liability. In addition, the Group may be required to post additional surety bonds to secure performance, tax, customs and other obligations relating to the Group's rigs in jurisdictions where bonding requirements are already in effect and in other jurisdictions where the Group may operate in the future. These requirements would increase the cost of operating in these countries. Any of the above could materially adversely affect the Group's business, reputation, financial condition, results of operations and cash flows.

Risk Factors (8/9)

Risks Related to the Company's Structure and Ownership of the Company's Common Stock

Certain of the Company's shareholders own a significant proportion of the Company's common shares, and their interests may conflict with those of the Company or other shareholders.

The Company's largest shareholders are affiliates of Castle Harlan, Inc., Lime Rock Partners. (together, the "Sponsors") and China Merchants Industry Holdings Company Limited ("China Merchants"). These shareholders beneficially hold, collectively, a significant part of the Company's common shares. The Company's Articles contain certain preferential governance rights for the Sponsors, including the right of the Sponsors to appoint and remove directors, subject to certain ownership thresholds being met. Additionally, as of 31 December 2021, China Merchants was the Company's largest shareholder and has representation on the Board of Directors. Accordingly, the Sponsors and China Merchants can exercise significant influence over the Company's affairs. If circumstances arise where the interests of the Sponsors or China Merchants conflict with the interests of other shareholders, the other shareholders could be disadvantaged by the ability of these large shareholders to influence actions contrary to the other shareholders' interests. Specifically, the level of voting influence of the Sponsors may impact other shareholders' ability as minority shareholders to have an influence on the result of special resolutions which shall be required for certain types of transactions, such as the increase or reduction of the Company's share capital, certain share transactions or the approval for a merger, or that involve an actual or potential change of control, including transactions in which shareholders might receive a premium for their shares over prevailing market prices.

The Company is exposed to regulatory and enforcement risks regarding taxes. U.S. tax authorities may treat the Company as a passive foreign investment company, causing potential adverse U.S. federal tax consequences to the Company's U.S. shareholders.

For U.S. federal income tax purposes, a foreign corporation will be treated as a Passive Foreign Investment Company ("PFIC"), if either (i) at least 75.0% of its gross income for any taxable year (including its proportionate share of the gross income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of such corporation's stock) consists of certain types of "passive" income or (ii) at least 50.0% of the average value of the corporation's assets (including its proportionate share of the assets of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of such corporation's stock) either produce or are held for the production of those types of "passive" income. The Company believes that it will not be treated as a PFIC for any relevant period as any income the Company receives from offshore drilling service contracts should be treated as "services income" rather than as passive income under the PFIC rules. In addition, the assets the Company owns and utilizes to generate this "services income" should not be considered passive assets. Although there is significant legal authority supporting the Company's position, including relevant statutory provisions, legislative history, case law and various pronouncements from the U.S. Internal Revenue Service ("IRS"), there is a possibility that the IRS may still characterize this income as "passive" income in light of a recent case characterizing income from the time chartering of vessels as rental income rather than services income for other tax purposes. If the Company was to be treated as a PFIC for any relevant period, the Company's U.S. shareholders may face adverse U.S. tax consequences. Under the PFIC rules, a U.S. shareholder would be liable to pay U.S. federal income tax at the highest applicable rates on ordinary income upon the receipt of certain "excess" distributions and upon any gain from the disposition of the Company's shares, plus certain interest and penalties. Although shareholders can make certain elections to mitigate the application of the PFIC rules, these elections can themselves cause other adverse tax consequences to the electing shareholder.

Subsequent to the Company's initial public offering in 2018, the Company is subject to both Cayman Islands regulatory requirements and the requirements applicable for Companies listed on the Oslo Stock Exchange.

From the time of the Company's 25 June 2018 initial public offering, the Company is subject to both the Cayman Islands regulatory requirements and the requirements applicable for companies listed on the Oslo Stock Exchange. These requirements affect the Company's financial statements, corporate governance, communications with shareholders, transactions involving the Company's common stock, such as dividends and stock repurchases, and other items as per the relevant laws and regulations. Any of these documents or actions may be subject to review by the relevant authorities. Compliance with these requirements and any subsequent changes in the requirements or the interpretation of requirements by relevant authorities could have a material adverse impact on the Company's business, financial condition, results of operations and cash flows.

Shareholder rights and responsibilities will be governed by Cayman Islands law and will differ in some respects from the rights and responsibilities of shareholders under other jurisdictions, including Norway and the U.S.

The Company's corporate affairs are governed by the Company's Articles of Association (the "Articles") and by the laws governing companies incorporated in the Cayman Islands. The rights of the Company's shareholders and the responsibilities of members of the Board of Directors under Cayman Islands law may not be as clearly established as under the laws of other jurisdictions. In addition, the rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by Cayman Islands law and the Company's Articles and differ from the rights of shareholders under other jurisdictions, including Norway and the U.S. The holders of the Company's common shares may have more difficulty in protecting their interests in the face of actions by the Board of Directors than if the Company was incorporated in the U.S. or Norway. Additionally, it could be difficult for a common shareholder to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in jurisdictions other than the Cayman Islands.

Future issuances of the Company's common shares or other securities could dilute the holdings of holders of the Company's common shares and could materially affect the price of the Company's common shares, and preemptive rights are not available to holders of the Company's common shares.

The Company may in the future decide to offer additional common shares or other securities in order, among other needs, to finance new capital-intensive projects, in connection with unanticipated liabilities, as currency in merger and acquisition transactions, for employee share-based awards, for regulatory requirements, to fund the Company's expenses or for any other corporate purposes.

There can be no assurance that the Company will not decide to conduct further offerings of securities in the future. Under Cayman Islands law and the Company's Articles, holders of the Company's common shares do not have preemptive rights that maintain their relative ownership percentages prior to the issuance of any new common shares. Without preemptive rights and depending on the structure of any future offering, certain common shareholders may not have the ability to purchase additional equity securities. Future issuances of common shares or other securities may result in substantial dilution in the ownership percentage of, and may have the effect of diluting the value of, holdings and voting interests of common shareholders. Additionally, such transactions could have an adverse effect on market value of the Company's common shares.

Risk Factors (9/9)

Future sales, or the possibility of future sales of a substantial number of the Company's common shares could affect the market price of the Company's common shares.

The Company cannot predict what effect, if any, future sales of the Company's common shares, or the availability of the Company's common shares for future sales, will have on the market price of the Company's common shares. Transaction volumes of the Company's common stock have historically been low, and therefore the Company's stock price may be significantly impacted by large transactions. Sales of substantial amounts of the Company's common shares in the public market, including by the Sponsors or China Merchants, who own a significant number of the Company's outstanding common stock, or the perception that such sales could occur, could adversely affect the market price of the Company's common shares, making it more difficult for the Company's common shareholders to sell their common shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. Additionally, all common shares owned by the Sponsors are unrestricted and thus are eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

Exchange rate fluctuations could adversely affect the value of the Company's common shares and dividends paid on the common shares, if any, for an investor whose principal currency is not U.S. dollars.

The Company's common shares are priced and traded in Norwegian Krone (“NOK”) on the Oslo Stock Exchange. Dividends declared by the Company's Board of Directors, if any, would likely be denominated in the Company's functional currency of U.S. dollars, and would be paid to the common shareholders through DNB Bank ASA (“DNB”), being the Company's VPS registrar (the “VPS Registrar”). Such payments would be transacted in the bank account currency of the relevant common shareholder’s account, as previously provided to the VPS Registrar. Common shareholders registered in the VPS who have not supplied their bank account details would not receive dividend payments unless and until they register their bank account details for their VPS account and inform the VPS Registrar. The exchange rate(s) applied when transacting payments of dividends to the relevant common shareholder's currency would be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of U.S. dollars would therefore affect the value of these dividends and distributions for investors whose account currency is not U.S. dollars. Further, the market value of the commons shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange rate fluctuations. This could affect the value of the common shares and of any dividends paid on the common shares for an investor whose principal currency is not U.S. dollars.

The transfer of the Company's common shares and their underlying assets is subject to restrictions under the securities laws of the U.S. and other jurisdictions.

The Company's common shares or underlying assets have not been registered under the Securities Exchange Act of 1934 in the U.S. or any U.S. state securities laws or any other jurisdiction outside of Norway and the Cayman Islands, and may not be registered in the future. As such, the Company's common shares or underlying assets may not be offered or sold in the U.S. except pursuant to an exemption from the registration requirements of the Securities Exchange Act of 1934 in the U.S. and other applicable securities laws. In addition, common shareholders residing or domiciled in the U.S. and/or other jurisdictions may not be able to participate in future capital increases.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than the Cayman Islands and Norway.

The Company is an exempted company, limited by shares and incorporated under the laws of the Cayman Islands. The Directors of the Board and members of the management reside in the U.S., Saudi Arabia, Australia, China, the U.K. and the UAE. As a result, it may be impossible for investors to effect service of process or to enforce judgments obtained in non-Cayman Islands or non- Norwegian courts against the Company, the Company's Board of Directors or the Company's management.

Investors may face additional risks related to the Company's common shares due to the VPS Registrar, the Registrar Agreement and the recently implemented EU Central Securities Depository Regulation.

In connection with the Company's initial public offering on 25 June 2018 on the Oslo Stock Exchange, the Company has established a facility for the registration of the Company's offered common shares in the VPS. The Company has appointed DNB as the Company's VPS Registrar in the VPS and entered into an agreement with DNB outlining their related responsibilities (the “Registrar Agreement”). Common shareholders must exercise their organizational and economic rights through the VPS Registrar and they are not able to exercise direct shareholder rights. There are no provisions under Cayman Islands law or under the Company's Articles that limit the common shareholders' in exercising their rights in respect of the common shares through the VPS Registrar. In order to exercise their rights, common shareholders must instruct the VPS Registrar as to the voting in the shares represented by their common shares. In order to exercise full shareholder rights, the common shareholders must transfer their holding in the VPS to a registered holding of shares in the Company's shareholders' register. The Company cannot guarantee that the VPS Registrar will be able to execute its obligations under the Registrar Agreement. Any such failure may, inter alia, limit the access for, or prevent, investors from exercising their organizational or economic rights attached to the underlying shares. The VPS Registrar may terminate the Registrar Agreement pursuant to a prior written notice of termination. Furthermore, the VPS Registrar may terminate the Registrar Agreement with immediate effect if the Company does not fulfil the Company's payment obligations to the VPS Registrar or commit any other material breach of the Registrar Agreement. In the event of a termination of the Registrar Agreement, there can be no assurance that it would be possible for the Company to enter into a new registrar agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, materially adversely affect the Company and the common shareholders. The VPS Registrar disclaims any liability for any loss attributable to circumstances beyond the VPS Registrar's control, including, but not limited to, errors committed by others. The VPS Registrar is liable for direct losses incurred as a result of the VPS Registrar's breach of contract. Accordingly, the Company and the Company's common shareholders may not be able to completely recover losses if the VPS Registrar does not perform its obligations under the Registrar Agreement. The EU Central Securities Depository Regulation (“CSDR”) has recently become effective under Norwegian law through provisions in the new Norwegian Central Securities Depository Act. As a consequence of CSDR, the Company's current set-up with depository receipts is no longer permitted. The Company a transitional period until December 31, 2022 to change the registration form in VPS (Euronext Securities Oslo). The Company has decided to seek a primary recording in VPS, with the consequence that all shareholders in the Company will be direct owners of common shares, and not depository receipts. Any failure by the Company to comply with the new CSDR regulation, including to change the Company's registration form before December 31, 2022, will result in the Company's securities being suspended from trading on the Oslo Stock Exchange.

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