



# Q3 2022 Presentation

November 22, 2022



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# Q3 2022 Highlights

- Revenue**
  - \$26.5 million including reimbursables
  - Clean day rate<sup>(1)</sup> of \$25,200
- Utilization**
  - 98.9% utilization
  - One rig transitioned from one client to another during the quarter without downtime
- EBITDA<sup>(2)</sup>**
  - EBITDA of \$8.5 million, up 104% from Q2
- Net income**
  - \$1.5 million
  - Tax expense of \$400k offset against carry loss forwards
- Backlog**
  - Backlog stands at \$49.0 million at the end of Q3
  - Five contracts at an average day rate of \$31,300 per day signed subsequent to Q3

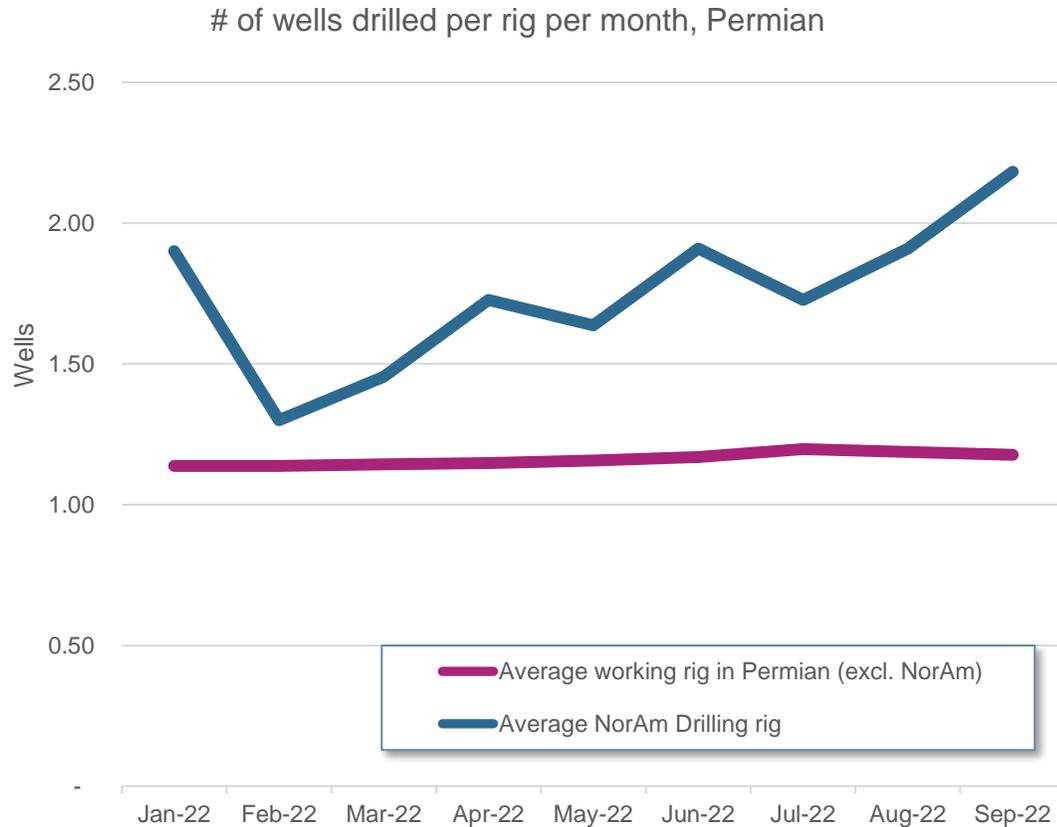
1) Clean day rate excludes add on revenue from additional services, manning and other reimbursables  
2) Earning Before Interest, Tax, Depreciation and Amortization

# Recent Events and Outlook

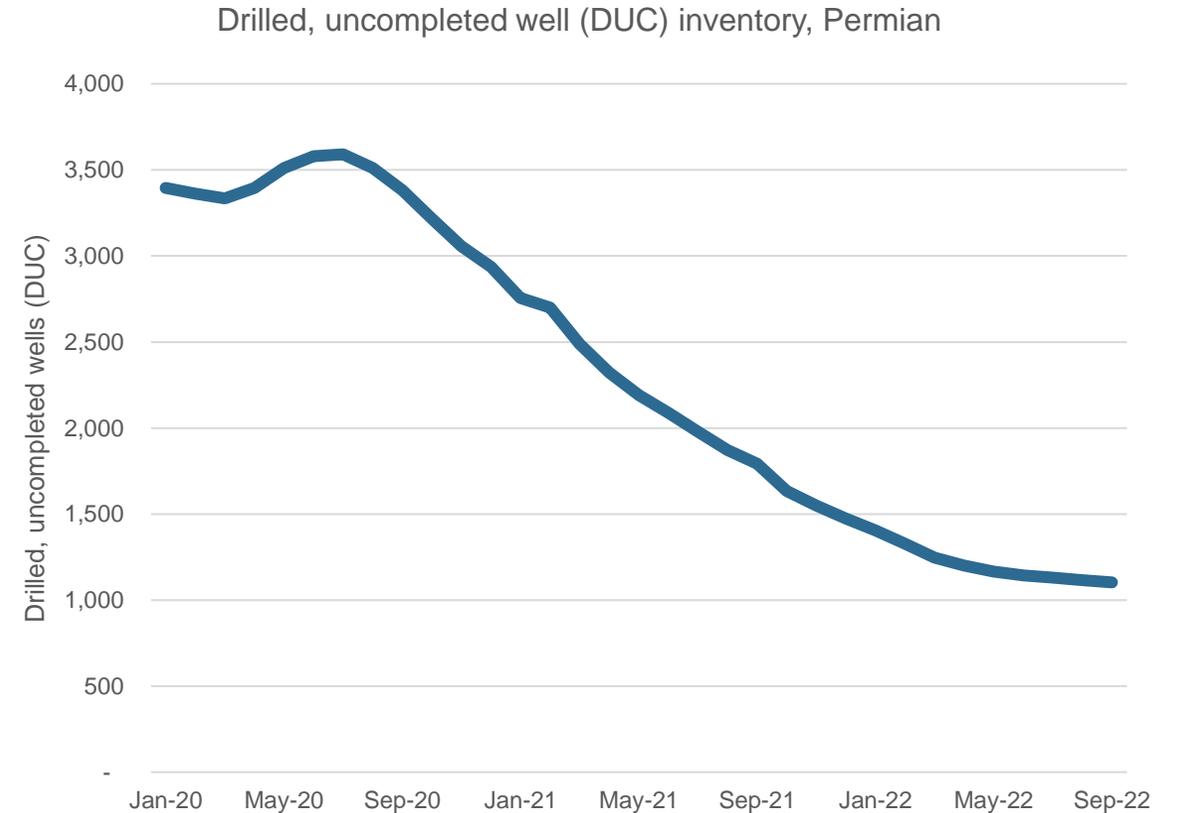
- Euronext listing**
  - \$75 million private placement
  - Shareholder base grown from 125 to >1000 as of November 19
- Repayment of bond**
  - \$83.2 million paid down including accrued interest paid November 14
- New RCF**
  - \$4.5 million RCF signed with a US bank
  - Reducing liquidity need
- Customer consolidation**
  - Diamondback acquisition of Firebird Energy scheduled to close November 2022
  - Four rigs currently on contract to the combined entity
  - Two rigs subsequently contracted to transition to another client
- Dividends**
  - First dividend announcement expected in December 2022

# Strong Operational Performance and DUCs Continue to Decline

## NorAm continues to outperform<sup>(1)</sup>



## DUCs continue to decline



Source: EIA, Baker Hughes

1) Based on EIA, Baker Hughes and NorAm company data

# Key Operational Figures

<i>(All amounts in USD 1000s per day) unless noted</i>	3Q 2022	2Q 2022	1Q 2022	4Q 2021
Rig operating days	1,001	949	785	731
Rig utilization	98.9%	94.8%	79.3%	72.2%
Rig metrics per day -				
Dayrate (1)	25,201	21,477	19,805	18,511
Operating costs (2)	14,794	13,925	13,443	12,931
Direct margin	10,407	7,552	6,362	5,580
Operation and SG&A allocation (3)	1,920	2,072	1,618	1,711
Maintenance cap ex allocation (3)	430	81	513	117
<b>Net cash flow</b>	<b>8,058</b>	<b>5,399</b>	<b>4,231</b>	<b>3,752</b>
Reimbursements of "out-of-pocket" expenses	1,189	1,719	1,462	1,463

(1) Per rig operating day and excludes reimbursements for "out-of-pocket" expenses

(2) Per active rig available and excludes reimbursements for "out-of-pocket" expenses. Excludes operating costs of rigs not active

(3) Per available days

- Full utilization and efficient operating structure generating record contributions
- Maintenance capex comprises of spares, trucks, drill pipe etc.

# Income Statement

<i>(All amounts in USD 1000s)</i>	3Q 2022	2Q 2022	1Q 2022	4Q 2021
<b>Total Operating Income</b>	<b>26,535</b>	<b>22,274</b>	<b>17,096</b>	<b>14,564</b>
Payroll Expenses	7,007	6,838	7,108	6,170
Depreciation of Tangible and Intangible Assets	4,769	4,700	4,639	4,614
Rig Mobilization, Service and Supplies	7,205	6,791	5,824	4,953
Insurance Rigs and Employees	1,750	1,579	887	1,431
Other Operating Expenses	2,101	2,917	1,566	444
<b>Total Operating Expenses</b>	<b>22,833</b>	<b>22,825</b>	<b>20,024</b>	<b>17,612</b>
<b>Operating Profit (+)/ Loss (-)</b>	<b>3,703</b>	<b>-551</b>	<b>-2,927</b>	<b>-3,048</b>
Net Financial Items	-1,759	-1,855	-1,803	-1,803
<b>Profit (+)/Loss(-) before Income Tax</b>	<b>1,944</b>	<b>-2,406</b>	<b>-4,730</b>	<b>-4,852</b>
Income Tax Expense	408	1,148	-425	598
<b>Net Profit (+)/Loss (-)</b>	<b>1,536</b>	<b>-3,554</b>	<b>-4,305</b>	<b>-5,450</b>

- Net profit after tax of \$1.5m
- CARES Act credit of \$1.6m in Q3 offset by transaction fees and various expense accruals
- Tax expense of \$400k offset against carry loss forwards

# Balance Sheet

(All amounts in USD 1000s)	3Q 2022	2Q 2022	1Q 2022	4Q 2021
<i>Non current assets</i>				
Rigs and Accessories	90,132	94,375	98,420	101,918
Vehicles and Office Equipment	282	312	241	170
<i>Current assets</i>				
Accounts Receivable	10,636	9,395	7,486	6,143
Other Receivable	1,686	1,748	694	1,060
Bank Deposits/Cash	19,138	10,449	11,596	12,782
<b>Total Assets</b>	<b>121,873</b>	<b>116,279</b>	<b>118,436</b>	<b>122,073</b>
<i>Equity</i>				
Issued Capital	8,839	8,839	8,839	8,839
Share Premium	94,860	94,860	94,860	94,860
Other Shareholder Contribution	369	369	369	369
Other Equity	-76,663	-78,199	-74,647	-70,339
<b>Total Equity</b>	<b>27,405</b>	<b>25,869</b>	<b>29,421</b>	<b>33,729</b>
<i>Non current liabilities</i>				
Deferred Tax	3,093	2,685	1,962	1,962
Bond Loan			80,000	80,000
<i>Current Liabilities</i>				
Bond Loan	80,000	80,000		
Accounts Payable	3,807	2,509	2,463	2,996
Public Duties Payable	30	149	146	151
Other Current Liabilities	7,537	5,066	4,867	3,236
<b>Total Liabilities</b>	<b>94,468</b>	<b>90,410</b>	<b>89,015</b>	<b>88,344</b>
<b>Total Equity &amp; Liabilities</b>	<b>121,873</b>	<b>116,279</b>	<b>118,436</b>	<b>122,073</b>

- Increase in receivables due to higher rig rates
- AR averages 30-35 days
- Capital expenditures primarily related to upgrades
- \$75 million of equity raised after quarter end
- Bond and accrued interest of \$83.2 million paid down on November 14, 2022



# Q&A

# NorAm – pure play operator of Ultra Super Spec rigs in Permian basin

## NorAm Drilling in brief

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### Modernized Ultra Super Spec rigs

Fully upgraded with state-of-the-art walking systems and racking capacity, with a track record of drilling the longest wells in the Permian

100%

### Permian focus

Strategically positioned to unlock untapped oil reserves by employing the latest horizontal drilling technology

15+

### Years of operations

Knowledgeable management team and low employee turnover leads to optimized costs and operations

20+

### Different longstanding customer relationships

Consistent repeat business from customers ranging from large supermajors to independents

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### Years with strong ownership support from the Seatankers Group

Extensive track record of successful investments in the energy sector with deep insights of drilling operations

## Selected customers

ConocoPhillips

CROWNQUEST

FireBird  
Energy LLC

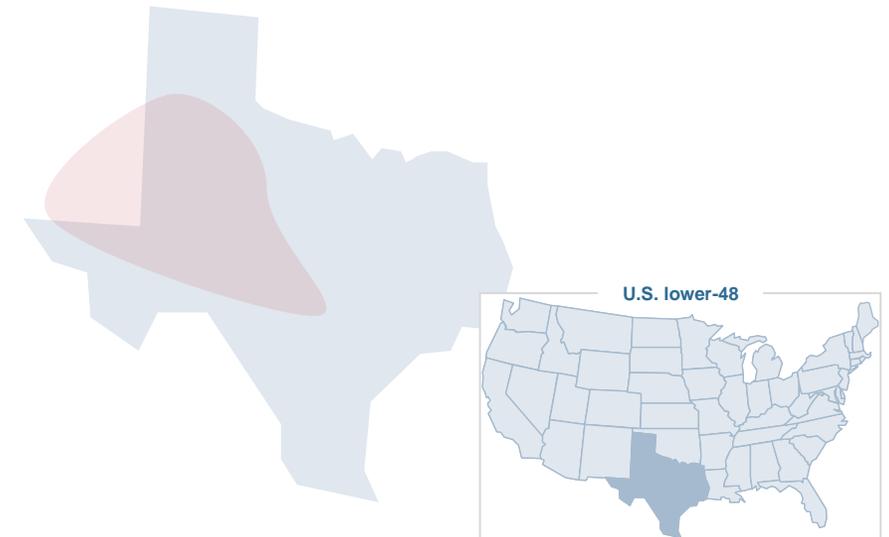
DIAMONDBACK  
ENERGY

DRIFTWOOD  
-ENERGY-

BlackSwan  
OIL & GAS

CALLON  
PETROLEUM

## Permian basin has the largest energy reserves in the U.S



# What Is A Ultra Super Spec Rig?

NorAm Drilling has a fleet of fully upgraded rigs with a track record of drilling the longest wells (25,000+ feet) in the Permian

