

Information document



AWILCO DRILLING PLC

(A public limited liability company incorporated under the laws of England and Wales)

Admission to trading of depository receipts on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Awilco Drilling PLC, a public limited company incorporated under the laws of England and Wales (the "**Company**", and together with its subsidiaries, the "**Group**") solely for use in connection with the admission to trading of the Company's Depository Receipts (as defined below) on Euronext Growth Oslo ("**Euronext Growth**").

As of the date of this Information Document, the Company has issued 54,581,500 shares, each with a nominal value of GBP 0.0065 (upon completion of the Share Consolidation (as defined below) the Company will have issued 545,815 shares each with a nominal value of GBP 0.65. See Section 7.3.2 "Share Capital History" for further information on the Share Consolidation). The Company's shares in the form of Depository Receipts have been approved for trading on Euronext Growth and will start trading on or about 16 December 2022 under the ticker symbol "AWDR".

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

On Euronext Growth, the Company's shares will be traded in the form of depository receipts (Norwegian: *depotbevis*) (the "**Depository Receipts**") that represent the beneficial interests in the underlying shares (the "**Underlying Shares**"). Each Depository Receipt represents one Underlying Share and the number of Depository Receipts issued is equal to the number of Underlying Shares issued and each Depository Receipt will have the same par value as the Underlying Shares. As of the date of this Information Document, 54,581,500 Depository Receipts are issued, each with a nominal value of GBP 0.0065 (upon completion of the Share Consolidation 545,815 Depository Receipts will be issued each with a nominal value of GBP 0.65). The Depository Receipts are registered in Euronext Oslo Securities, the Norwegian Central Securities Depository, operated by Verdipapirsentralen ASA (the "**VPS**") in book-entry form and will be traded in NOK. Existing shareholders of the Company and new investors should note that only the Depository Receipts that have been registered in the VPS will be tradable on Euronext Growth. See Section 7.4 "The Depository Receipts" for further information.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71. The present Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisor and Oslo Børs.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Depository Receipts involves a high degree of risk. Prospective investors should read the entire document and in particular Section 1 "Risk factors" when considering an investment in the Company and its Depository Receipts.

Euronext Growth Advisor



The date of this Information Document is 15 December 2022

IMPORTANT INFORMATION

This Information Document has been prepared solely by the Company in connection with the admission to trading of the Depository Receipts on Euronext Growth Oslo. This Information Document has been prepared solely in the English language. For definitions of terms used throughout this Information Document, see Section 13 "Definitions and glossary".

The Company has engaged Clarksons Securities AS as its Euronext Growth Advisor (the "**Euronext Growth Advisor**") in connection with the admission to trading on Euronext Growth (the "**Admission**")

This Information Document has been prepared to comply with the Euronext Growth Market Rule Book as applicable to Euronext Growth Oslo (the "**Euronext Growth Rules**"). The Information Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**").

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisor. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisor in connection with the admission to trading, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisor.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Depository Receipts arising after the publication of this Information Document and before the admission to trading on Euronext Growth Oslo will be published and announced promptly in accordance with the Euronext Growth Rules. Neither the delivery of this Information Document nor the completion of the admission to trading on Euronext Growth Oslo at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Depository Receipts may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law.

The courts of Norway, with Oslo District Court (*Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Depository Receipts involves risks. Please refer to Section 1 "Risk factors" of this Information Document.

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1. RISK FACTORS

An investment in the Depository Receipts involves inherent risks. Before making an investment decision with respect to the Depository Receipts, investors should carefully consider the risk factors set forth below and all information contained in this Information Document, including the financial information and related notes. The risks and uncertainties described in this Section 1 are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are relevant to an investment in the Depository Receipts. An investment in the Depository Receipts 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.

The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.

If any of the risks were to materialise, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flows and/or prospects, which may cause a decline in the value of the Depository Receipts that could result in a loss of all or part of any investment in the Depository Receipts. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, financial condition, results of operations and cash flow. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 1 is as of the date of this Information Document.

1.1 Risk factors related to the Group's business

1.1.1 The Group is party to significant arbitration processes

As of the date of this Information Document, the Group's only operations are the two arbitration processes against the shipyard Keppel FELS Limited ("**Keppel FELS**") related to the Newbuilding Contracts (as defined below). The arbitration processes relate to termination rights and payment obligations under the Newbuilding Contracts entered into with Keppel FELS for the construction of newbuilding rigs. The Group has terminated the Newbuilding Contract 1 (as defined below), while Keppel FELS and the Group both have terminated the Newbuilding Contract 2 (as defined below). The Group has claimed recovery of instalments and variation order payments already paid to Keppel FELS under the Newbuilding Contracts in the total amount of USD 97.7 million plus accrued interest, of which USD 54.7 million relates to payments under Newbuilding Contract 1 and USD 43.0 million relate to payments under Newbuilding Contract 2. Keppel FELS claims recovery in the amount of approximately USD 440 million plus accrued interest under the Newbuilding Contract 1 and in the amount of approximately USD 269 million plus accrued interest under Newbuilding Contract 2. The Group has denied Keppel FELS entitlement to any such recovery claims and Keppel FELS termination of the Newbuilding Contract 2. See Sections 4.1 "Introduction" and 4.3.3 "Newbuilding Contracts with Keppel FELS" below for further details on the Newbuilding Contracts and Section 4.7 "Legal and arbitration proceedings" below for further details on the arbitration processes.

The outcome in respect of the said arbitration processes are uncertain, but any ruling which are unfavourably against the Group could subject the Group to make significant recovery payments and/or damages to Keppel FELS, which in turn would result in severe liquidity constraints for the Group and ultimately could lead to bankruptcy of the Company and its subsidiaries.

Further, the arbitration processes may be delayed and/or more costly than estimated by the Group, which would result in a loss for the Group, and which could require the Group to secure further financing in addition to the Group's planned equity issues to fund the arbitration processes, including by way of equity issues which could dilute existing shareholders.

1.1.2 Risks related to the Groups' liquidity and equity situation

As described above, the Group's only operations, as of the date of this Information Document, are the two arbitration processes against Keppel FELS. Thus, the Group currently does not generated cash from operations and does not expect to do so in the short-term and medium-term if no additional revenue generating investment is done. As of the date of this Information Document, the Company continues to evaluate new business opportunities, however, no such opportunities have yet materialised and any new opportunity would require additional funding. The Group expects to continue to incur significant expenses and losses related to the arbitration processes against Keppel FELS. As of the date of this Information Document, the Group has negative equity. Further, the Group will run out of cash early January 2023 if no new funding is secured and the Group therefore needs additional funding by year-end 2022. The Group has financing requirements of approximately USD 10 million for the period until year-end 2023. To secure its liquidity and strengthen its equity, the Group will carry out the Private Placement (as defined below) and intends to conduct the Subsequent Offering (as defined below) of new Depository Receipts raising total gross proceeds of approximately USD 10 million. See Section 5.11 "Working Capital Statement" for further details on the Group's working capital and Section 8 "Equity issues" for further details on the Private Placement and the Subsequent Offering. If further financing will be required, this is expected to be funded by new equity issues. Any equity issues could dilute existing shareholders, including the Private Placement and the Subsequent Offering. The failure by the Group to secure necessary capital and funding, including successfully complete the Private Placement and/or Subsequent Offering or by entering into loan arrangements with existing shareholders or third parties, would have a material adverse effect on the Group's business, financial condition, results of operations and future prospects, which in turn would result in severe liquidity constraints and continued negative equity for the Group and ultimately could lead to bankruptcy of the Company and its subsidiaries.

1.1.3 The Group currently does not own any rigs and does not conduct drilling service operations

As of the date of this Information Document, the Group does not own any drilling rigs nor conduct any drilling service operations. As described above, the Group's only operations are currently the arbitration processes against Keppel FELS related to the Newbuilding Contracts (see further description in Section 4.7 "Legal and arbitration proceedings" below). There is a risk that the Group will not carry out any revenue generating operations in the future, which would have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

If the Group was to re-commence drilling operations, it would be dependent on securing new rigs. There is a risk that the Group would then be unable to secure new rigs, at favourable terms or at all. Further, the costs for acquiring new rigs is significant, and acquisition of new rigs would require the Group to obtain new funding, and there is a risk that the Group would not be able to obtain such funding. Further, if the Group contemplates to re-commence drilling operations and is able to secure

new rigs, there is a risk that the new rigs will not be delivered according to the agreed delivery dates, which could be caused by a variety of factors beyond the control of the Group.

Further, as of the date of this Information Document, the Group has not entered into any drilling contracts. If the Group were to re-commence drilling operations and is able to secure new rigs, there is a risk that the Group would be unable to secure drilling contracts, at favourable terms or at all.

1.1.4 The Group has limited assets to cover any claims which the Group may have against it

As of 30 June 2022, the Group had USD 13,318 thousands in total assets. Thus, the Group has limited assets to cover any claims which the Group may have against it, including any recovery payments and/or damages to Keppel FELS in the case of an unfavourable ruling against the Group in the arbitration processes against Keppel FELS.

1.2 Risks related to laws, regulations and compliance

1.2.1 The Group's operations are subject to various laws and regulations and may be subject to litigation and disputes which could have a negative impact on Group's operations

The Group's operations are subject to a number of various laws and regulations and standards, including the laws of England and Wales and the laws of Norway. Such laws and regulations may be subject to change and interpretation. It may not be possible for the Group to detect or prevent every violation related to the Group's business operations. Any failure to comply with applicable laws and regulations now or in the future may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil and or criminal liability as well as negative publicity harming the Group's business and reputation. Further, changes in laws and regulations may impose more onerous obligations on the Group and limit its profitability, including increasing the costs associated with the Group's compliance with such laws and regulations. Failure to comply with laws and regulations, and changes in laws and regulations, may have a material adverse effect on the Group's business, revenue, profit and financial condition.

Further, the Group may from time to time be subject to commercial disagreements, contractual disputes, and, possibly, litigation with its counterparties. The Group cannot predict with certainty the outcome or effect of any future disagreement, dispute or litigation involving the Group. The ultimate outcome of any disagreement, dispute or litigation, and the potential costs, time and management focus associated with prosecuting or defending such, could have a material and adverse effect on the Group's business, financial condition and cash flows. In addition, the Group might suffer economical and reputational damage from involvement in claims or disputes, which could lead to material adverse change to the Group's financial condition, results of operation and liquidity, as well as the deterioration of existing customer relationships and the Group's ability to attract new customers.

1.2.2 Tax risks

The Group conducts its operations through Group companies in various countries. Tax laws and regulations are highly complex and subject to interpretation. Consequently, the Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates. The Group's income tax expense is based upon its interpretation of the tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, which is beyond the Group's control could result in a materially higher tax expense or a higher effective tax rate on its earnings.

In addition, the tax authorities in any applicable jurisdiction may disagree with the positions the Group has taken or intends to take regarding the tax treatment or characterization of any of its transactions. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of

any of the Group's transactions, it could result in the disallowance of deductions, the imposition of withholding taxes on deemed distributions or other consequences that could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.3 Risks related to the Depository Receipts and the admission to trading on Euronext Growth

1.3.1 Risks related to the Depository Receipts and shareholder rights

Holders of Depository Receipts do not hold the Underlying Shares directly. The Company will not treat a holder of a Depository Receipt as one of its shareholders, and a holder of Depository Receipts will not be able to exercise shareholder rights, except through Nordic Issuer Services AS ("**NIS**" or the "**VPS Registrar**") as permitted by the Registrar Agreement (as defined below).

The Company has entered into a registrar agreement (the "**Registrar Agreement**") with NIS to facilitate registration of the Depository Receipts in the VPS. In accordance with the Registrar Agreement, NIS is registered as the legal owner of the Underlying Shares for which Depository Receipts are issued. Under the Registrar Agreement, NIS registers the beneficial interests in the Underlying Shares in book-entry form in the VPS. Accordingly, it is not the Underlying Shares issued in accordance with English and Wales law that are registered in the VPS and may be traded on Euronext Growth, but the beneficial interests in the Underlying Shares (i.e. the Depository Receipts).

In accordance with market practice in Norway and system requirements of the VPS, the beneficial interests in the relevant Underlying Shares will be registered in the VPS. Although each Depository Receipt registered with the VPS will represent evidence of beneficial ownership of the Underlying Shares, such beneficial ownership will not necessarily be recognized by English court. As such, investors may have no direct rights against the Company and may be required to obtain the cooperation of NIS in order to assert claims against the Company. Also, investors investing in Depository Receipts have to look solely to NIS for the payment of any dividends, for exercise of voting rights attaching to the Underlying Shares and for other rights arising in respect of the Underlying Shares. Exercising such shareholder rights through NIS is subject to certain terms and conditions. The Company cannot guarantee that NIS will be able to execute its obligations under the Registrar Agreement, including that the beneficial owners of the Underlying Shares will receive the notice of a general meeting of the Company's shareholders in time to instruct NIS to either effect a re-registration of their Depository Receipts or otherwise vote for their Depository Receipts in the manner desired by such beneficial owners. Further, as the Underlying Shares are issued in accordance with English and Wales law and the Depository Receipts are issued in accordance with Norwegian law, any difference or discrepancy in the interpretation of, or recognition by the courts in England and Norway, related to the rights attached to the Underlying Shares and/or the Depository Receipts could negatively impact the holders of the Depository Receipts. For example, the laws of England and Wales could limit the shareholders and/or holders of Depository Receipts to take actions against the Group. Any such failure may, inter alia, limit the access for, delay or prevent, the beneficial shareholders being able to exercise the rights attaching to the Underlying Shares.

1.3.2 Risks related to termination of the Registrar Agreement

NIS may terminate the Registrar Agreement without cause by not giving less than three months' prior written notice. Further, NIS may terminate the Registrar Agreement with immediate effect in the event of material breach of the Registrar Agreement by the Company. Further, in the event of bankruptcy of NIS, the Registrar Agreement will be terminated. If the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for purposes of permitting the uninterrupted registration of the Depository Receipts in the VPS and the admission of

the Depository Receipts on Euronext Growth. There can be no assurance, however, that it would be possible to enter into such new agreements on substantially the same terms or at all. A termination of the Registrar Agreement could therefore have a material and adverse effect on the Company and its shareholders.

1.3.3 Risks related to limitation of NIS' liability under the Registrar Agreement

The Registrar Agreement limits NIS' liability for any loss suffered by the Company. NIS disclaims any liability for any loss attributable to circumstances beyond NIS' control, including, but not limited to, errors committed by others. NIS is liable for direct losses incurred as a result of events within the VPS. Thus, the Company may not be able to recover its entire loss if NIS does not perform its obligations under the Registrar Agreement.

1.3.4 An active trading market for the Depository Receipts may not develop

Although beneficial interest of the Underlying Shares have previously been traded on Oslo Børs, no assurance can be given that an active trading market for the Depository Receipts will develop on Euronext Growth, nor sustain if an active trading market is developed. The market value of the Depository Receipts could be substantially affected by the extent to which a secondary market develops for the Depository Receipts following completion of the admission on Euronext Growth.

1.3.5 Future issuances of Depository Receipts or other securities could dilute the holdings of shareholders and could materially affect the price of the Depository Receipts

The Company contemplates to issue new Depository Receipts in connection with the Private Placement and the Subsequent Offering and it may in the future decide to offer and issue new Depository Receipts or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses, in connection with the arbitration processes against Keppel FELS or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Depository Receipts and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings, including the Private Placement and the Subsequent Offering, reducing the market price of the Depository Receipts and/or diluting their shareholdings in the Company.

1.3.6 Exchange rate fluctuations could adversely affect the value of the Depository Receipts and any dividends paid on the Depository Receipts for an investor whose principal currency is not NOK.

The Company will pay dividends in NOK to NIS, which in turn will distribute the dividends to the holders of the Depository Receipts. Holders of Depository Receipts with a registered address outside of Norway who have registered their bank account in a currency other than NOK will receive payment in the currency of such bank account. The exchange rate(s) that is applied when paying any future payments of dividends to the relevant shareholder's currency will be NIS' exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Depository Receipts as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Depository Receipts and of any dividends paid on the Depository Receipts for an investor whose principal currency is not NOK.

2. STATEMENT OF RESPONSIBILITY

The Board of Directors of Awilco Drilling PLC accepts responsibility for the information contained in this Information Document. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information provided in this Information Document is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

15 December 2022

The Board of Directors of Awilco Drilling PLC

Sigurd E. Thorvildsen

*Non-Executive Director and
Chairperson*

John Simpson

Non-Executive Director

Henrik Fougner

Non-Executive Director

Daniel Gold

Non-Executive Director

Synne Syrrist

Non-Executive Director

3. GENERAL INFORMATION

3.1 Other important investor information

The Company has prepared the information in this Information Document. The responsibility for the accuracy and completeness of the information set forth in this Information Document lies with the Company.

In connection with the Company's application for Admission, legal advisor has been engaged to conduct limited due diligence investigations related to certain legal matters pertaining to the method of VPS registration, the Depository Receipts and the Registrar Agreement, including for the purposes of identifying relevant risk factors relating to such matters.

The Information Document has been reviewed by the Euronext Growth Advisor. The Euronext Growth Advisor disclaims, to the fullest extent permitted by applicable law, for the accuracy or completeness of the information in this Information Document.

Neither the Company nor the Euronext Growth Advisor, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Depository Receipts regarding the legality of an investment in the Depository Receipts. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Depository Receipts.

Investing in the Depository Receipts involves a high degree of risk. See Section 1 "Risk factors".

3.2 Presentation of financial information

The Group has prepared audited consolidated financial statements as of, and for the years ended 31 December 2021 and 2020 (the "**Audited Financial Statements**"). Post the UK leaving the EU, the Audited Financial Statements as of, and for the year ended, 31 December 2021 have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and International Financial Reporting Standards as adopted by the European Union (EU adopted IFRS). The Audited Financial Statements as of, and for the year ended, 31 December 2020 have been prepared in accordance with IFRS as adopted by the EU. The Audited Financial Statements have been audited by Ernst & Young LLP. The Audited Financial Statements for 2021 and 2020 are attached to this Information Document as Appendix B and C, respectively.

The Group has also prepared unaudited condensed interim financial statements as of and for the six month period ended 30 June 2022 with comparable figures for the same period in 2021 (the "**Interim Financial Statements**", and together with the Audited Financial Statements, the "**Financial Statements**") in accordance with IAS 34 "Interim financial reporting". The Interim Financial Statements are attached to this Information Document as Appendix D.

The Company presents the Financial Statements in USD (presentation currency).

In the auditor's report related to the Audited Financial Statements for the year ended 31 December 2021, the auditor has made the following remark related to emphasis of matter: "We draw attention to Note 2 in the financial statements which explains the Group are currently no longer performing operational activities and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified

in respect of this matter." The auditor's report is included in the Audited Financial Statements for the year ended 31 December 2021 attached hereto as Appendix B.

Further, in the auditor's report related to the Audited Financial Statements for the year ended 31 December 2020, the auditor has made a remark on material uncertainties related to going concern: "We draw attention to note 2 in the financial statements, which indicates that the conditions identified below may cast significant doubt on the Group's ability to continue as a going concern.

- There is uncertainty over whether the Group can secure work for the semi-submersible rig.
- There is uncertainty over the liquidity of the Group and Company. Should any unexpected operational risks occur in the near term there may be a need for additional funding to be secured to continue to be able to meet their financial obligations.
- There is a possible crystallisation of a contingent taxation liability. If the liability were to become payable in the going concern period, additional financing would need to be raised in order to settle the liability.

As stated in note 2, these events or conditions, indicate that material uncertainties exist that may cast significant doubt on the Group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter". The auditor makes the following conclusion related to going concern: "Based on the work we have performed, we have identified material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern over a period to 30 June 2022 from the date of approval of the financial statements". The auditor's report is included in the Audited Financial Statements for the year ended 31 December 2020 attached hereto as Appendix C.

3.3 Key performance indicators (KPIs)

In the Audited Financial Statements, the Company presents certain key performance indicators ("**KPIs**"). The KPIs are not measurements of performance under IFRS or other generally accepted accounting principles, and investors should not consider any such measures to be an alternative to (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The KPIs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. Further, the KPIs presented herein are unaudited, unless otherwise stated. Accordingly, undue reliance should not be placed on the KPIs presented herein.

The following KPIs are used by the Group in the Audited Financial Statements:

- *Revenue efficiency*: Revenue efficiency is actual contract revenue earned in the period that active rigs are working, compared with the maximum daily contract revenue available, multiplied by the number of days worked in the contracted period. For the year ended 31 December 2021, the revenue efficiency was 92.9% compared to 80.6% in the year ended 31 December 2020.
- *Operating margin*: Operating margin is total revenue less operating costs. For the year ended 31 December 2021 the operating margin was 185% loss compared to a 656% loss in the year ended 30 December 2020. The improvement in margin in the year ended 31 December 2021 was due to the increase in revenue during the year, decrease in general and administration expenses and the prior year included an impairment of new build assets.

The Company also had a number of operational KPIs that were used to manage the business on a day to day basis, some of which are detailed below:

- *Quality, Health, Safety and Environment (QHSE):*
 - Total recordable incident rate (TRIR): Number of incidents (lost time incident, restricted work case, medical treatment only) x 200,000 / Total number of man hours in the review period. Measured on a rolling 12-month basis.
 - Unplanned discharges Items that have been discharged to sea not covered under PON 15 which relate to allowable items. Some examples are Blow out Preventor (BOP) control fluid and hydraulic oil that are reportable under PON 1. (PON - Petroleum Operations Notices)
- *Operations*
 - Uptime: Total hours the rigs are working i.e. not on unplanned downtime / on contract time for the period.
 - Human Resources (HR): Personnel turnover Employee initiated leavers in the period as a percentage of total headcount (onshore and offshore) on a rolling 12-month basis.

Following the Group's disposal of both of its drilling rigs in June 2022, the Company is currently no longer performing operational activities. In future, the principal KPIs will be in respect of maintaining an adequate cash buffer to meet the ongoing obligations of the Company. Should the Company enter into new business such that operating activities recommence, KPIs will be set appropriate to that activity.

3.4 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Depository Receipts are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 **Error! Reference source not found.** "Risk Factors". These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

3.5 Other information

In this Information Document, all references to "**NOK**" and "**Norwegian kroner**" are to the lawful currency of Norway, all references to "**USD**", "**\$**" and "**U.S. dollars**" are to the lawful currency of the United States of America, all references to "**EUR**", "**€**" and "**euro**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. The Financial Statements are published in USD (presentation currency).

4. BUSINESS OVERVIEW

4.1 Introduction

Awilco Drilling PLC is a public limited company incorporated under the laws of England and Wales, and registered with the Companies House under the registration number 07114196. The Company was incorporated on 30 December 2009.

The Company was listed on Oslo Axess (now Oslo Expand) on 10 June 2011 and was transferred to the main list on Oslo Børs on 4 September 2018. The Company has been listed on Oslo Børs under the ticker code "AWDR" until the date when the Company was admitted to trading on Euronext Growth.

As of the date of this Information Document, the current principal business of the Group is the arbitration processes against Keppel FELS shipyard related to the Newbuilding Contracts as further described below. The Company's principal business has historically been to own offshore drilling rigs for use in offshore drilling operations, and to provide drilling services for oil and gas companies using these rigs. However, in June 2022, the Company concluded the sale of its only drilling rigs, WilPhoenix and WilHunter. Thus, currently, the Company do not own or operate any rigs, nor provide any drilling service operations.

The Group entered into two newbuilding contracts with Keppel FELS, for the construction of new semi-submersible drilling rigs; one in March 2018 regarding construction of the rig Nordic Winter (the "**Newbuilding Contract 1**") and one in March 2019 regarding construction of the rig Nordic Spring (the "**Newbuilding Contract 2**", and together the "**Newbuilding Contracts**"). The rigs were expected to be delivered in March 2021 and March 2022, respectively. In connection with entering into the Newbuilding Contract 1, the Group negotiated options to build up to a total of three additional drilling rigs. On 8 March 2019, the Group exercised the first option for the building of a new semi-submersible drilling rig, which was expected to be delivered in March 2022.

In June 2020, the Group notified Keppel FELS that it exercised its termination rights under the Newbuilding Contract 1 due to certain contract breaches by Keppel FELS relating to the project management, schedule, resourcing and compliance, and the Group claimed recovery of the instalments already paid by the Group under Newbuilding Contract 1 plus accrued interest. Later in June 2020, the Group received a notice from Keppel FELS disputing the Group's right to terminate the Newbuilding Contract 1 and the Group's claim for recovery. In the notice Keppel FELS was also purporting to terminate the Newbuilding Contract 1 for failure to pay the next instalment which was due as well as a notice of arbitration to resolve the disputes concerning termination of the Newbuilding Contract 1.

Further, in December 2020, the Group received a notice from Keppel FELS that purported to terminate the Newbuilding Contract 2. Keppel FELS also served the Group with a notice of arbitration related to the dispute concerning the Newbuilding Contract 2. Later in December 2020, the Group notified Keppel FELS that it had exercised its contractual termination right under the Newbuilding Contract 2 as a result of breaches under the contract by Keppel FELS and in the alternative, also gave notice of termination as a result of force majeure, and the Group claimed recovery of the instalments already paid by the Group under Newbuilding Contract 2 plus accrued interest.

Thus, the Group is subject to two arbitration processes regarding termination rights and payment obligations under the Newbuilding Contracts. The tribunal hearing related to Newbuilding Contract 1

took place in October and early November 2022 with ruling expected in Q2 2023, while the tribunal hearing related to Newbuilding Contract 2 is scheduled to commence in May 2023, with ruling expected in Q4 2023.

4.2 History and important events

Awilco Drilling was established by Awilco Offshore AS, a company in the Awilhelmsen Group which has fostered several companies previously listed on Oslo Børs.

Awilco Drilling was incorporated on 30 December 2009 for the purpose of acquiring the two semi-submersible drilling rigs WilPhoenix and WilHunter from subsidiaries of Transocean Ltd. The Company acquired the drilling rigs in January 2010. The purchase price was partly financed by equity, which was raised through a private placement in January 2010, after which the Company's shares were registered for trade on the Norwegian OTC market. At the time of the acquisition, WilPhoenix had been idle since 2008, while WilHunter was operative.

As part of the effort to bring WilPhoenix back into operation, the rig was upgraded. In addition, WilHunter was due for classification renewal in May 2011, and the rig also had an accommodation upgrade. As a consequence, the rigs were brought to the Remontowa yard in Poland in April 2010 and November 2010, respectively. The yard stays for both rigs were financed by a private placement raising USD 65 million in October 2010. Both rigs were redelivered from the yard in May 2011, and commenced operations throughout the remainder of 2011.

The Company was listed on Oslo Axess (now Oslo Expand) on 10 June 2011. In connection with the listing, the Company conducted a private placement raising USD 17.5 million.

Further, on 28 February 2018, the Company completed another private placement raising USD 65 million.

On 9 March 2018, the Company's wholly fully owned subsidiary Awilco Rig 1 Pte. Ltd. entered into the Newbuilding Contract 1 with Keppel FELS shipyard in Singapore for the building of a new semi-submersible drilling rig, Nordic Winter, which was expected to be delivered in March 2021. The rig had estimated costs of USD 425 million. In connection with entering into the contract, the Group also negotiated options to build up to three additional rigs.

On 18 June 2018, the Company completed a subsequent offering to the private placement conducted in February 2018, raising gross proceeds of USD 4.7 million.

On 9 September 2018, the shares in the Company were transferred from Oslo Axess (now Oslo Expand) to Oslo Børs.

On 8 March 2019, the Company's fully owned subsidiary Awilco Rig 1 Pte. Ltd. declared its option with Keppel FELS shipyard in Singapore for the building of one new CS60 ECO MW semi-submersible drilling rig.

On 11 March 2019, the Company completed a private placement raising approximately USD 20 million.

On 22 March 2019, Awilco Rig 2 Pte. Ltd. entered into the Newbuilding Contract 2 with Keppel FELS for the building of a new semi-submersible drilling rig, Nordic Spring, similar to the rig contracted by Awilco Rig 1 Pte. Ltd. The drilling rig was expected to be delivered in March 2022.

On 8 June 2020, Awilco Rig 1 Pte. Ltd. notified Keppel FELS that it had exercised its contractual termination right under the Newbuilding Contract 1 as a result of certain breaches under the contract relating to the project management, schedule, resourcing and compliance. The contract provides that on termination Awilco Rig 1 Pte. Ltd. will be entitled to recovery of the instalments paid to Keppel FELS of USD 54.7 million plus accrued interest.

On 22 June 2020, Awilco Rig 1 Pte. Ltd. received a notice from Keppel FELS that purported to terminate the Newbuilding Contract 1 for non-payment of the second instalment of USD 31.9 million. Awilco Rig 1 Pte. Ltd. also received a notice that Keppel FELS had commenced an arbitration process to resolve the disputes concerning the contract termination. Awilco Rig 1 Pte. Ltd. maintained its position that it had validly terminated the contract and maintains its entitlement to the already paid instalments.

On 4 December 2020, the Company announced that Awilco Rig 2 Pte. Ltd. had received a notice from Keppel FELS that purported to terminate the Newbuilding Contract 2. Keppel FELS also served Awilco Rig 2 Pte. Ltd. with a notice of arbitration. Awilco Rig 2 Pte. Ltd. denied the allegations by Keppel FELS and stated that it considered the Newbuilding Contract 2 to be intact.

On 28 December 2020, Awilco Rig 2 Pte. Ltd. notified Keppel FELS that it had exercised its contractual termination right under the Newbuilding Contract 2 as a result of breaches under the contract by Keppel FELS and in the alternative, also gave notice of termination as a result of force majeure. The contract provides that on termination Awilco Rig 2 Pte. Ltd. will be entitled to recovery of the instalments paid to Keppel FELS of USD 43.0 million plus accrued interest.

On 4 May 2022, the Company announced that its fully owned subsidiary Awilco Drilling Offshore (UK) Limited had signed a Memorandum of Agreement for the sale of the WilPhoenix rig to Well-Safe Solutions Ltd. The agreed purchase price was USD 15.5 million. The sale was concluded on 9 June 2022. The WilPhoenix rig completed its last contract in October 2021 and had been warm stacked until the sale of the rig.

Further, on 4 May 2022, the Company also announced that the Group's other semi-submersible rig, WilHunter, was in the process of being sold for environmentally responsible recycling. The rig was sold to Rota Shipping Inc. for recycling at the Aliaga Shipyard in Turkey. This sale was concluded on 22 June 2022. The WilHunter rig had not worked since July 2015 and was cold stacked from October 2016 until the sale of the rig.

On 15 December 2022, the Company was de-listed from the main list at Oslo Børs in connection with the Company's admission to trading on Euronext Growth, expected to commence on or about 16 December 2022.

4.3 Principal activities

4.3.1 Overview

The Company's principal business has traditionally been related to ownership of offshore drilling rigs for use in offshore drilling operations, and to provide drilling services for oil and gas companies using these rigs. As the Group does not own or operate any rigs as of the date of this Information Document, the current principal activity of the Group is to continue the arbitration processes against Keppel FELS shipyard. Any future revenue generating operations of the Group are dependent on the outcome of the arbitration processes against Keppel FELS.

4.3.2 Sale of the WilPhoenix and WilHunter rigs

As described in Sections 4.1 "Introduction" and 4.2 "History and important events" above, the Group concluded the sale of its two semi-submersible drilling rigs, WilPhoenix and WilHunter, in June 2022. The rigs were both standardised rigs used in the drilling of oil and gas wells and P&A work in the UK sector of the North Sea. See Section 4.2 "History and important events" above for further details regarding the sale of the rigs.

4.3.3 Newbuilding Contracts with Keppel FELS

On 9 March 2018, the Group entered into the Newbuilding Contract 1 with Keppel FELS shipyard in Singapore for the building of the new semi-submersible drilling rig Nordic Winter. The cost for the rig was estimated to USD 425 million and the rig was expected to be delivered in March 2021. The payment terms for the rig was: 10% deposit upon contract signature, which was paid in March 2018, 10% after 24 months and 80% upon delivery of the rig. The 10% deposit was financed through the Company's private placement completed on 28 February 2018. In connection with entering into the Newbuilding Contract 1, the Company also negotiated options to build up to three additional rigs of similar design.

On 8 March 2019, Group exercised one of these options for the building of one new semi-submersible drilling rig. The cost for the rig was estimated to USD 422 million and the rig was expected to be delivered in March 2022. The Group used the proceeds from the 2018 private placement to finance the initial 10% deposit for the building of this drilling rig. The payment terms for the rig was similar as the first drilling rig with 10% deposit upon contract signature, which was paid in March 2019, 10% after 24 months and 80% upon delivery of the rig.

On 22 March 2019, the Group entered into the Newbuilding Contract 2 with Keppel FELS, for the building of a new semi-submersible drilling rig, Nordic Spring, similar to the Nordic Winter rig contracted under the Newbuilding Contract 1. The drilling rig was expected to be delivered in March 2022.

Both Newbuilding Contracts with Keppel FELS have been terminated as further described in Sections 4.1 "Introduction" and 4.2 "History and important events" above. As a consequence, the Group and Keppel FELS are in ongoing arbitration processes regarding termination rights and payment obligations under the Newbuilding Contracts. For further details on the arbitration processes please see Section 4.7 "Legal and arbitration proceedings" below.

4.4 Strategy and objectives

The Group's current strategy and objectives are to continue the ongoing arbitration processes against Keppel FELS related to the Newbuilding Contracts, and to secure a decision in favour of the Group. Ruling in the second arbitration process is not expected until Q4 2023. The Group's main future challenge and prospects relate to whether any of the arbitration processes are ruled in favour or disfavour of the Group.

However, if an attractive opportunity arises, which complements the Company's financial and operational aspirations, the Company may consider to resume drilling operations again.

4.5 Principal markets

As described in Sections 4.1 "Introduction" and 4.3.1 "Overview" above, as of the date of this Information Document, the principal activity of the Group is to continue the arbitration processes against Keppel FELS shipyard. Thus, the Group does not have a principal market in which it competes as of the date of this Information Document.

4.6 Material contracts

Other than the Newbuilding Contracts entered into with Keppel FELS, which have been terminated, the Group has not entered into (i) any material contracts outside the ordinary course of business for the two years prior to the date of this Information Document, nor (ii) any other contracts outside the ordinary course of business which contains any provision under which any Group Company has any obligation or entitlement which is material to the Group as of the date of this Information Document.

4.7 Legal and arbitration proceedings

Arbitration processes against Keppel FELS

The Group is subject to two arbitration processes related termination rights and payment obligations under the two Newbuilding Contracts entered into with Keppel FELS.

On 8 June 2020, the Group notified Keppel FELS that it had exercised its contractual termination right under the Newbuilding Contract 1 with Keppel FELS due to certain breaches of contract by Keppel FELS relating to the project management, schedule, resourcing and compliance. Pursuant to the Newbuilding Contract 1, the Group is, in case of termination of contract, entitled to refund of the instalments paid by the Group to Keppel FELS, which amounts to USD 54.7 million plus accrued interest.

On 22 June 2020, the Group received a notice from Keppel FELS that purported to terminate the Newbuilding Contract 1 due to non-payment of the remaining part of the instalment by the Group, which amounted to USD 31.9 million. The Group also received a notice that Keppel FELS had commenced arbitration to resolve the disputes concerning termination of the contract. The Group has maintained its position that it has validly terminated the contract and is entitled to the instalments already paid by the Group.

On 4 December 2020, the Group received a notice from Keppel FELS that purported to terminate the Newbuilding Contract 2. Keppel FELS also served Awilco Rig 2 Pte. Ltd. with a notice of arbitration. Awilco Rig 2 Pte. Ltd. denied the allegations by Keppel FELS and considered the newbuilding contract to be intact.

On 28 December 2020, Awilco Rig 2 Pte. Ltd. notified Keppel FELS that it had exercised its contractual termination right under the Newbuilding Contract 2, as a result of breaches by Keppel FELS under the contract and in the alternative, also gave notice of termination as a result of force majeure. The contract provides that on termination Awilco Rig 2 will be entitled to recovery of the instalments paid to Keppel FELS of USD 43.0 million plus accrued interest.

The Group has claimed recovery of instalments and variation order payments already paid to Keppel FELS under the Newbuilding Contracts in the total amount of USD 97.7 million plus accrued interest, of which USD 54.7 million relates to payments under Newbuilding Contract 1 and USD 43.0 million relate to payments under Newbuilding Contract 2. Keppel FELS claims recovery in the amount of approximately USD 440 million plus accrued interest under the Newbuilding Contract 1 and in the amount of approximately USD 269 million plus accrued interest under Newbuilding Contract 2. The Group has denied Keppel FELS entitlement to any such recovery claims and Keppel FELS' termination of the Newbuilding Contract 2.

The tribunal hearing related to Newbuilding Contract 1 took place in October and early November 2022 with ruling expected in Q2 2023, while the tribunal hearing related to Newbuilding Contract 2 is scheduled to commence in May 2023, with ruling expected in Q4 2023.

HMRC tax case

Awilco Drilling's subsidiary company, WilHunter (UK) Ltd, was in regular contact with the UK His Majesty's Revenue and Customs ("**HMRC**") over the classification of an element of income booked in 2015. An appeal to the First Tier Tribunal was unsuccessful and an application to the Tribunal for the decision to be set aside and re-made was submitted in August 2021. The application was dismissed on 6 December 2021. The tax liability of GBP 6.8 million plus accrued interest was reflected in full in the subsidiary company and consequently was also reflected as a liability of the consolidated group for the year ended 31 December 2021. This is considered as a liability of the subsidiary and not the parent company. Awilco Drilling resolved that it was not in its best interests to provide funding for a further appeal by WilHunter (UK) Ltd. WilHunter (UK) Ltd was not in a position to fund a further appeal nor was it in a position to settle the tax liability that had fallen due. HMRC were advised of the position and WilHunter (UK) Limited appointed insolvency practitioners and the liquidation process commenced on 15 March 2022. As at the date of this Information Document, the liquidation process remains ongoing and is expected to take around a further six months to be completed. Any correspondence from HMRC regarding the matter is dealt with by the liquidator.

Other than the ongoing arbitration processes against Keppel FELS and the HMCR tax case, the Group is not currently, nor has it been during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability, and except as described below, the Company is not aware of any such proceedings that are pending or threatened.

5. SELECTED FINANCIAL INFORMATION

5.1 Introduction

Unless otherwise stated, the selected financial information set forth in this Section has been extracted from the Financial Statements. The selected financial information included in this Section should be read in connection with, and is qualified in its entirety by reference to the Financial Statements, attached as Appendix B, Appendix C and Appendix D to this Information Document.

5.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to section "Basis of preparation" of the Audited Financial Statements for the two years ended 31 December 2021 and 2020, included as Appendix B and Appendix C to this Information Document, respectively, and of the Interim Financial Statements for the six month period ended 30 June 2022, included as Appendix D to this Information Document.

5.3 Statement of comprehensive income

The table below sets out data from the Group's statements of comprehensive income for the three and six month period ended 30 June 2022 and 2021 as derived from the Interim Financial Statements:

	YTD		YTD	
	Q2 2022	30.06.2022	Q2 2021	30.06.2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>In USD thousands</i>				
Contract revenue	-	-	11,633	24,099
Reimbursables	-	-	308	463
Other revenue	-	-	17	36
	-	-	11,958	24,598
Rig operating expenses	2,463	5,07	6,280	11,442
Reimbursables	-	-	41	65
General and administrative expenses	5,458	9,083	2,675	6,437
Depreciation	17	35	1,417	3,901
Impairment	-	205	-	-
Net gain on disposal of property, plant and equipment	(2,872)	(2,872)	-	-
	5,067	11,525	10,413	21,845
Operating (loss)/profit	(5,067)	(11,525)	1,545	2,752
Interest income	5	5	-	-
Interest expense	(24)	(32)	(16)	(32)
Other financial items	8	(115)	1,545	2,752
Net financial items	(11)	(142)	24	96
(Loss)/Profit before tax	(5,007)	(11,666)	1,569	2,848
Tax expense	-	-	(1)	(2)
Net (loss)/profit	(5,007)	(11,666)	1,568	2,846

Total comprehensive (loss)/profit	(5,007)	(11,666)	1,568	2,846
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The table below sets out data from the Group's statements of income for the years ended 31 December 2021 and 2020 as derived from the Audited Financial Statements:

	Year ended 31 December	
	2021	2020
<i>In USD thousands</i>		
Revenue	33,077	25,602
Cost of sales	(33,986)	(33,460)
Impairment	(48,120)	
Gross Loss	(49,029)	(153,029)
General and administrative expenses	(12,235)	(14,887)
Operating Loss	(61,264)	(167,916)
Finance income	-	386
Finance expense	(1,441)	(35)
Other expense	(4)	-
Net loss on foreign exchange transactions	(254)	(131)
Loss before taxation	(62,963)	(167,696)
Income tax expense	(9,266)	(161)
Loss for the year attributable to equity shareholders	(72,229)	(167,857)

5.4 Statement of financial position

The table below sets out data from the Group's statements of financial position as of 30 June 2022 and 2021 as derived from the Interim Financial Statements.

	As of 30.06.2022	As of 30.06.2021
	(unaudited)	(unaudited)
<i>In USD thousands</i>		
Rigs, machinery and equipment	384	63,146
Right-of-use asset	-	936
Deferred tax asset	-	12
	384	64,094
Trade and other receivables	-	4,533
Prepayments and accrued revenue	2,844	4,522
Inventory	-	3,267
Cash and cash equivalents	10,474	15,373
	13,318	27,695
Total assets	13,702	91,789
Paid in capital	218,905	218,905
Retained earnings	(219,673)	(132,932)
	(768)	85,973

Trade and other creditors	959	1,456
Accruals and provisions	4,358	4,36
Current tax payable	9,153	-
	14,470	5,816
Total equity and liabilities	13,702	91,789

The table below sets out data from the Group's statements of financial position as of and for the years ended 31 December 2021 and 2020 as derived from the Audited Financial Statements.

	As of 31 December	
	2021	2020
<i>In USD thousands</i>		
Non-current assets		
Property, plant and equipment	15,764	66,800
Right-of-use asset	-	1,096
Deferred tax asset	-	16
	15,764	67,912
Current assets		
Inventory	115	3,026
Trade and other receivables	662	6,411
Cash and cash equivalents	9,685	14,738
	10,462	24,175
Total assets	26,226	92,087
Current liabilities		
Trade and other payables	4,550	6,294
Provisions	1,100	1,573
Current tax payable	9,251	66
	14,901	7,933
Non-current liabilities		
Trade and other payables	426	1,026
	426	1,026
Total liabilities	15,327	8,959
Net assets	10,899	83,128
Shareholders' Equity		
Called up share capital	525	525
Share premium account	218,381	218,381
Retained (deficit)/ earnings	(208,007)	(135,778)
Total Shareholders' Equity	10,899	83,128

5.5 Statement of cash flows

The table below sets out data from the Group's statements of cash flows for the six month ended 30 June 2022 and 2021 as derived from the Interim Financial Statements.

	YTD Q2 2022 (unaudited)	YTD Q2 2021 (unaudited)
<i>In USD thousands</i>		
<hr/>		
Cash flow from operating activities		
(Loss)/profit before tax	(11,666)	2,848
Depreciation	35	3,901
Net gain on disposal of property, plant and equipment	(2,872)	-
Impairment	205	-
Interest cost	(10)	32
Sharebased payment	-	(29)
Decrease in trade and other receivables	15	(53)
Decrease/(Increase) in stock	115	(240)
Decrease in prepayments and accrued revenue	(2,181)	(1,722)
Decrease/(increase) in trade and other payables	(569)	(3,61)
Interest paid	(32)	(32)
Interest received	5	-
Taxation paid	(98)	(65)
<hr/>		
Cash flow from investing activities		
Purchase of property, plant and equipment		(87)
Disposal of property, plant and equipment	(205)	-
- Proceeds from sale of property, plant and equipment	18,217	-
Net cash flow from investing activities	18,012	(87)
<hr/>		
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(167)	(308)
Net cash flow from financing activities	(167)	(308)
<hr/>		
Net increase/(decrease) in cash and cash equivalents	789	635
Cash and cash equivalents at beginning of the period	9,685	14,738
Cash and cash equivalents at the end of the period	10,474	15,373

The table below sets out data from the Group's statements of cash flows for the years ended 31 December 2021 and 2020 as derived from the Audited Financial Statements.

	Year ended 31 December	
	2021	2020
<i>In USD thousands</i>		
Operating activities		
Loss before taxation	(62,963)	(167,696)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of fixed assets and right of use assets	6,241	10,302
Impairment of fixed assets and right of use assets	48,120	145,171
Inventory write off	3,026	1,620
Net finance expense /(income)	1,441	(351)
Share-based payment	(114)	(532)
Working capital adjustments:		
Decrease in trade receivables	3,486	5,385
(Increase)/Decrease in inventory	(115)	300
Decrease / (increase) in prepayments and other receivables	2,249	(2,058)
(Decrease) / increase in trade and other payables	(3,605)	878
Interest paid	(53)	(35)
Interest received	-	386
Taxation paid	(65)	(74)
Net cash flows used in operating activities	(2,352)	(6,704)
Investing activities		
Purchase of property, plant and equipment	(2,229)	(19,316)
Disposal of property, plant and equipment	-	29
Net cash flow used in investing activities	(2,229)	(19,287)
Financing activities		
Payment of principal portion of lease liabilities	(472)	(520)
Net cash flows generated (used in)/from financing activities	(472)	(520)
Net decrease in cash and cash equivalents	(5,053)	(26,380)
Net foreign exchange difference	-	(131)
Cash and cash equivalents at beginning of year	14,738	41,249
Cash and cash equivalents at end of year	9,685	14,738

5.6 Statement of changes in equity

The table below sets out selected data from the Group's condensed statements of changes in equity for the period from 1 January 2021 to 30 June 2022, which has been extracted from the Interim Financial Statements.

For the period from 1 January 2021 to 30 June 2022

In USD Thousands

	Paid-in-equity	Other equity (retained earnings)	Total equity
Equity at 1 January 2021	218,905	(135,778)	83,127
Total comprehensive loss to 31 December 2021	-	(72,229)	(72,229)
Balance as at 31 December 2021	218,905	(208,007)	10,898
Total comprehensive loss to 30 June 2022	-	(11,666)	(11,666)
Balance as at 30 June 2022	218,905	(219,673)	(768)

The table below sets out selected data from the Group's consolidated statements of changes in equity for the year ended 31 December 2021, which has been extracted from the Audited Financial Statements.

For the year ended 31 December 2021				
In USD Thousands				
	Called Up Share Capital	Share Premium account	Retained Earnings/ (deficit)	Total shareholders' equity
At 1 January 2020	525	218,381	32,079	250,985
Total comprehensive loss for the year	-	-	(167,857)	(167,857)
At 31 December 2020	525	218,381	(135,778)	83,128
Total comprehensive loss for the year	-	-	(72,229)	(72,229)
At 31 December 2021	525	218,381	(208,007)	10,899

5.7 Operating and financial overview

5.7.1 Overview

The following is a discussion and review of the Group's results of operations and financial condition, based on the Audited Financial Statements and the Interim Financial Statements. This operating and financial review should be read together with Section 3 "General Information", Section 5 "Selected financial and other information" and the Audited Financial Statements and the Interim Financial Statements and related notes, included as Appendix B, C and D to this Information Document.

Post the UK leaving the EU, the Audited Financial Statements as of, and for the year ended, 31 December 2021 have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and International Financial Reporting Standards as adopted by the European Union (EU adopted IFRS). The Audited Financial Statements as of, and for the year ended, 31 December 2020 have been prepared in accordance with IFRS as adopted by the EU. The Interim Financial Statements as of, and for the six month period ended 30 June 2022 have been prepared in accordance with IAS 34.

This discussion and analysis may contain forward-looking statements. Please see further information in Section 3.4 "Cautionary note regarding forward-looking statements".

5.7.2 The Group's result of operations

Results of operations for the six month period ended 30 June 2022 compared to the six month period ended 30 June 2021

The table below sets forth selected comparative results of operations from the Interim Financial Statements:

	Six month ended 30 June	
	(unaudited)	
<i>USD thousands</i>	2022	2021
Total revenues	-	24,598
Total operating expenses.....	11,525	21,845
Operating profit/(loss)	(11,525)	2,752
Total comprehensive (loss)/profit for the period.....	(11,666)	2,846

Total revenues

Total revenues decreased by USD 24,598 thousands to USD 0 thousands in the six month period ended 30 June 2022 from USD 24,598 thousands in the six month ended 30 June 2021. This decrease was primarily due to that the Group did not have any contract revenue in the six month period ended 30 June 2022 as the Group's rigs were not employed in this period, compared to the six month period ended 30 June 2021 when the WilPhoenix rig was employed.

Total operating expenses

Total operating expenses decreased by USD 10,320 thousands to USD 11,525 thousands in the six month period ended 30 June 2022 from USD 21,845 thousands in the six month period ended 30 June 2021. This decrease was primarily due to reduction in rig operating expenses as the Group did not have any rigs employed in the six month period ended 30 June 2022.

Operating profit/(loss)

Operating profit decreased by USD 14,277 thousands to USD (11,525) thousands in the six month period ended 30 June 2022 from USD 2,752 thousands in the six month period ended 30 June 2021. This decrease was primarily due to that the Group did not have any rigs employed in the six month period ended 30 June 2022.

Profit/(loss) for the period

Profit for the period decreased by USD 14,512 thousands to USD (11,666) thousands in the six month period ended 30 June 2022 from USD 2,846 thousands in the six month period ended 30 June 2021. This decrease was primarily due to that the Group did not have any rigs employed in the six month period ended 30 June 2022.

Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020

The table below sets forth selected comparative results of operations from the Audited Financial Statements:

Year ended 31 December

USD thousands

	<u>2021</u>	<u>2020</u>
Revenue.....	33,077	25,602
Gross profit/(loss).....	(49,029)	(153,029)
Operating profit/(loss)	(61,264)	(167,916)
Profit/(loss) for the year.....	<u>(72,229)</u>	<u>(167,857)</u>

Revenues

Revenues increased by increased by USD 7,475 thousands to USD 33,077 thousands in the year ended 31 December 2021 from USD 25,602 thousands in the year ended 31 December 2020. This increase was primarily due to increased utilisation for drilling services from two major customers.

Gross profit/(loss)

Gross loss decreased by USD 104,000 thousands to USD (49,029) thousands in the year ended 31 December 2021 from USD (153,029) thousands in the year ended 31 December 2020. This decrease was primarily due to reduction of USD 97,051 thousands in impairment loss in the year ended 31 December 2021 compared to the year ended 31 December 2020. The high impairment loss in the year ended 31 December 2020 was primarily as a consequence of the termination of the Newbuilding Contracts with an impairment loss of USD 111,300 thousands.

Operating profit/(loss)

Operating loss decreased by USD 106,652 thousands to USD (61,264) thousands million in the year ended 31 December 2021 from USD (167,916) thousands in the year ended 31 December 2020. This decrease was primarily due to the decrease in gross loss due to reduced impairment costs.

Profit/(loss) for the period

Profit for the period decreased by USD 95,558 thousands to USD (72,229) thousands in the year ended 31 December 2021 from USD (167,857) thousands in the year ended 31 December 2020. This decrease was primarily due to the factors described above.

5.7.3 The Group's financial position

Financial position as of 30 June 2022 compared to 30 June 2021

The table below sets forth selected comparative figures from the statement of financial position derived from the Interim Financial Statements:

	<u>As of 30 June</u> (unaudited)	
	<u>2022</u>	<u>2021</u>
USD thousands		
Total non-current assets	384	64,094
Total current assets	13,318	27,695
Total assets.....	13,702	91,789
Total liabilities	14,470	5,816
Total equity and liabilities	13,702	91,789

Non-current assets

As of 30 June 2022, the Group's total non-current assets were USD 384 thousands, a decrease of USD 63,710 thousands compared to USD 64,094 thousands as of 30 June 2021. This decrease was primarily due to the Group's sale of its rigs WilPhoenix and WilHunter and impairment of a right of use asset.

Total current assets

As of 30 June 2022, the Group's total current assets were USD 13,318 thousands, a decrease of USD 14,377 thousands compared to USD 27,695 thousands as of 30 June 2021. This decrease was primarily due to the Group's sale of its rigs WilPhoenix and WilHunter, including the on board inventory.

Total assets

As of 30 June 2022, the Group's total assets were USD 13,702 thousands, a decrease of USD 78,087 thousands compared to USD 91,789 thousands as of 30 June 2021. This decrease was primarily due to the Group's sale of its rigs WilPhoenix and WilHunter.

Total liabilities

As of 30 June 2022, the Group's total liabilities were USD 14,470 thousands, an increase of USD 8,654 thousands compared to USD 5,816 thousands as of 30 June 2021. This increase was primarily due to the tax provision in respect of WilHunter (UK) Ltd.

Total equity and liabilities

As of 30 June 2022, the Group's total equity and liability were USD 13,702 thousands, a decrease of USD 78,087 thousands compared to USD 91,789 thousands as of 30 June 2021. This decrease was primarily due to the Group's sale of its rigs WilPhoenix and WilHunter in June 2022.

Financial position as of 31 December 2021 compared to the year ended 31 December 2020

The table below sets forth selected comparative figures from the statement of financial position derived from the Audited Financial Statements:

<i>USD thousands</i>	As of 31 December	
	2021	2020
Total non-current assets	15,764	66,800
Total current assets	10,462	24,175
Total assets.....	26,226	92,087
Total current liabilities	14,901	7,933
Total non-current liabilities	426	1,026
Total liabilities	15,327	8,959
Net assets.....	10,899	83,128

Total non-current assets

As of 31 December 2021, the Group's total non-current assets were USD 15,764 thousands, a decrease of USD 51,036 thousands compared to USD 66,800 thousands as of 31 December 2020. This decrease was primarily due to increased depreciation and impairment related to the Group's rigs WilPhoenix and WilHunter.

Total current assets

As of 31 December 2021, the Group's total current assets were USD 10,462 thousands, a decrease of USD 13,713 thousands compared to USD 24,175 thousands as of 31 December 2020. This decrease was primarily due to reduction of USD 5,053 thousands in cash at bank and reduction in inventory of USD 2,911 thousands.

Total assets

As of 31 December 2021, the Group's total assets were USD 26,226 thousands, a decrease of USD 25,287 thousands compared to USD 92,087 thousands as of 31 December 2020. This decrease was primarily due to the factors described above.

Total current liabilities

As of 31 December 2021, the Group's total liabilities were USD 14,901 thousands, an increase of USD 6,968 thousands compared to USD 7,933 thousands as of 31 December 2020. This increase was primarily due to increase in tax provision in respect of WilHunter (UK) Ltd.

Total non-current liabilities

As of 31 December 2021, the Group's total non-current liabilities were USD 426 thousands, a decrease of USD 600 thousands compared to USD 1,026 thousands as of 31 December 2020. This decrease was primarily due to reduction lease liabilities for the Group in the year ended 31 December 2021.

Total liabilities

As of 31 December 2021, the Group's total liabilities were USD 15,327 thousands, an increase of USD 6,368 thousands compared to USD 8,959 thousands as of 31 December 2020. This increase was primarily due to the factors described above, in particular the increased tax provision.

Net assets

As of 31 December 2021, the Group's net assets were USD 10,899 thousands, a decrease of USD 72,229 thousands compared to USD 83,128 thousands as of 31 December 2020. This decrease was primarily due to increased depreciation and impairment related to the Group's rigs WilPhoenix and WilHunter.

5.7.4 Cash flows

Cash flows for the six month period ended 30 June 2022 compared to the six month period ended 30 June 2021

The table below sets forth selected comparative figures from the statement of cash flow derived from the Interim Financial Statements:

	Six month ended 30 June	
	(unaudited)	
	2022	2021
<i>USD thousands</i>		
Net cash flow from operating activities.....	(17,055)	1,030
Net cash flow from investing activities	18,012	(87)
Net cash flow from financing activities	(167)	(308)
Cash and cash equivalents at the end of the period	<u>10,474</u>	<u>15,373</u>

Cash flow from operating activities

Cash flow from operations activities was USD (17,055) thousands for the six month period ended 30 June 2022, reflecting a decrease of USD 18,085 thousands compared to USD 1,030 thousands for the six month period ended 30 June 2021. This movement primarily was a result of that none of the Group's rigs were employed in the six month period ended 30 June 2022.

Cash flow from investing activities

Cash flow from investing activities was USD 18,012 thousands for the six month period ended 30 June 2022, reflecting an increase of USD 18,099 thousands compared to USD (87) thousands for the six month period ended 30 June 2021. This movement was primarily a result of the proceeds received from the Group's sale of its rigs WilPhoenix and WilHunter in June 2022.

Cash flow from financing activities

Cash flow from financing activities was USD (167) thousands for the six month period ended 30 June 2022, reflecting a decrease of USD (141) thousands compared to USD (308) thousands for the six month period ended 30 June 2021. This movement was primarily a result of reduction in the principal amount paid under lease liabilities in the six month period ended 30 June 2022.

Cash and cash equivalents at the end of the period

Cash and cash equivalents at the end of the period were USD 10,474 thousands for the six month period ended 30 June 2022, reflecting a decrease of USD (4,899) thousands compared to USD 15,373 thousands for the six month period ended 30 June 2021. This movement was primarily a result of that none of the Group's rigs were employed in the six month period ended 30 June 2022.

Cash flows for the year ended 31 December 2021 compared to the year ended 31 December 2020

The table below sets forth selected comparative figures from the statement of cash flow derived from the Audited Financial Statements:

	<u>Year ended 31 December</u>	
<i>USD thousands</i>	<u>2021</u>	<u>2020</u>
Cash flow from operations activities.....	(2,352)	(6,704)
Cash flow from investing activities	(2,229)	(19,287)
Cash flow from financing activities	(472)	(520)
Cash and cash equivalents at the end of the period	<u>9,685</u>	<u>14,738</u>

Cash flow from operation activities

Cash flow from operating activities was USD (2,352) thousands for the year ended 31 December 2021, reflecting an increase of USD 4,352 thousands compared to USD (6,704) thousands for the year ended 31 December 2020. The movement is primarily a result of reduced operating loss in the year ended 31 December 2021 due to increased utilisation for drilling services from two major customers.

Cash flow from investing activities

Cash flow from investing activities was USD (2,229) thousands for the year ended 31 December 2021, reflecting an increase of USD 17,058 thousands compared to USD (19,287) thousands for the year

ended 31 December 2020. The movement is primarily a result of payment of instalments under the Newbuilding Contracts in the year ended 31 December 2020.

Cash flow from financing activities

Cash flow from financing activities was USD (472) thousands for the year ended 31 December 2021, reflecting a decrease of USD 48 thousands compared to USD (520) thousands for the year ended 31 December 2020. The movement is primarily a result of reduction in the principal amount paid under lease liabilities.

Cash and cash equivalents at the end of the period

Cash and cash equivalents at the end of the period were USD 9,685 thousands for the year ended 31 December 2021, reflecting a decrease of USD 5,053 thousands compared to USD 14,738 thousands for the year ended 31 December 2020. The movement is primarily a result of the factors described above, in particular the instalments paid in the year ended 31 December 2020.

5.8 Investments

5.8.1 Material investments during the six months ended 30 June 2022 and the years ended 31 December 2021 and 2020

Since 1 January 2020 and up to the date of this Information Document, the Group has made the following investments: in 2020, the Company bought a mudpump with a buying price of USD 1.2 million, and in 2021 the Company spent USD 1.8 million on a partial Special Periodic Survey/recertification of the WilPhoenix rig.

5.8.2 Planned materials investments

No material investments have been made by the Company since 31 December 2021 and up to the date of this Information Document. Further, no investments are in progress and/or for which firm commitments have already been made.

5.9 Related party transactions

During the period from 1 January 2020 and up to the date of this Information Document, the Company has entered into transactions, in the ordinary course of business, with Awilhelmsen Offshore AS, which has an ownership of 37.1%¹ in the Company. The Company has entered into a management agreement with Awilhelmsen Management AS for corporate services and several management for hire contract for personnel from the Awilhelmsen group. The related party transactions with the Awilhelmsen group are carry out on an arms-length basis.

Sales and purchases between related parties are made at normal market prices. Outstanding balances are unsecured, interest free and cash settlement terms vary between 30 and 90 days. The Company has not provided or benefitted from any guarantees for any related party receivables or payables. Included are the amounts in respect of the interim CEO.

Transactions entered into and trading balances outstanding with Awilhelmsen AS and its subsidiaries as of 31 December 2021 are follows:

¹ As of 7 December 2022

	Year ended 31 December	
	(audited)	
	2021	2020
<i>In USD 1,000</i>		
Purchase of management services	918	2,195
Share based payment	-	-
Amount owed to Awilhelmsen AS and its subsidiaries	(264)	(236)

The Group's related party transactions and balances for the years ended 31 December 2021 and 2020 are included in the tables below.

	Year ended 31 December	
	(audited)	
	2021	2020
<i>In USD 1,000</i>		
<i>Transactions:</i>		
Amounts invoiced to Awilco Drilling Offshore (UK) Ltd in respect of services provided to the company	32,804	28,299
Amounts invoiced on behalf of Awilco Drilling Offshore (UK) Ltd	(36,384)	(24,247)
Invoiced to Awilco Drilling Pte. Ltd.	127	125
Transfer of funds to Awilco Drilling Pte. Ltd.	299	5,470
Amounts invoiced to Awilco Rig 1 Pte. Ltd. in respect of services provided to the company	-	12,335
Amounts invoiced to Awilco Rig 2 Pte. Ltd. in respect of services provided to the company	-	2,066
Amounts invoiced to Awilco Drilling Norge AS in respect of services provided to the company	3,431	8,030
Taxation paid on behalf of subsidiaries	68	74
	345	32,152
<i>Balances:</i>		
Amounts receivable from Awilco Drilling Offshore (UK) Ltd	86,674	90,254
Amounts payable to WilHunter (UK) Ltd	(100)	(100)
Amounts receivable from Awilco Drilling Pte. Ltd ...	6,473	5,979
Amounts receivable from Awilco Rig 1 Pte. Ltd	57,343	57,343
Amounts receivable from Awilco Rig 2 Pte. Ltd	44,298	44,298
Amounts receivable from Awilco Drilling Norge AS.	13,394	9,964
	208,082	207,738
Allowance for expected credit loss	(192,837)	(115,010)
	15,245	92,728

Set out below is the movement in the allowance for expected credit losses of intercompany receivables:

	Year ended 31 December	
	(audited)	
	2021	2020
<i>In USD 1,000</i>		
As at 1 January	(115,010)	(1,484)
Provision for expected credit loss	(71,199)	(113,526)
As at 31 December	(192,837)	(115,010)
Note: Expected credit loss was triggered due to lack of committed future contracting opportunities for the WilPhoenix rigs as well as due to expected non recoverability of amounts due from Awilco Drilling Norge AS and provision for amounts due from Awilco Drilling Pte. Ltd, Awilco Rig 1 Pte. Ltd. and Awilco Rig 2 Pte. Ltd.		

In May 2022, the Company, as borrower, entered into a short-term shareholder loan with its shareholders Awilhelmsen Offshore AS and QVT Family Office Fund LP ("**QVT**"), as lenders, for general working capital purposes. The loan amounted to a total of up to USD 4 million, structured as a draw-down facility, with interest rate of 10% per annum on the aggregated outstanding principal amount. In addition, an arrangement fee of 2% on the total amount was payable by the Company. The loan, along with the arrangement fee and accrued interest, was settled in full on 9 June 2022.

Further, in October 2022, the Company, as borrower, entered into a new short-term shareholder loan (the "**Shareholder Loan**") with its shareholders Awilhelmsen Offshore AS and QVT, as lenders, for general working capital purposes. The loan amounted to a total of up to USD 1.5 million, structured as a draw-down facility, with interest rate of 10% per annum on the aggregated outstanding principal amount. In addition, an arrangement fee of 2% of the total amount is payable by the Company.

5.10 Significant changes

Other than the Shareholder Loan entered into in October 2022 as described in Section 5.9 "Related party transactions" above, the Group has not experienced or has any significant change in its financial or trading position operations and principal activities or regulatory environment for the period following 30 June 2022 and until the date of this Information Document.

5.11 Working capital statement

As of the date of this Information Document, the Group does not have sufficient liquidity to continue its business activities in accordance with its planned scale of operation for at least 12 months from the planned date of Admission. The Group will run out of cash early January 2023 if no new funding is secured and the Group therefore needs additional funding by year-end 2022. The Group has financing requirements of approximately USD 10 million for the period until year-end 2023. In order to secure its liquidity, the Group plans to carry out the Private Placement (as defined below) and intends to carry out a Subsequent Offering (as defined below) of new Depository Receipts raising total gross proceeds of approximately USD 10 million.

The private placement will comprise of a private placement of new Depository Receipts to be carried out as soon as practically possible after the Admission (the "**Private Placement**"). The Company has received pre-commitments from the largest shareholder Awilhelmsen Offshore AS and QVT for a total of 46.7% of the proceeds to be raised in the Private Placement. Given that Awilhelmsen Offshore and QVT are pre-committing to participate with their relative share, this amount alone will give the Group sufficient liquidity to May 2023. If for some reason unknown as of the date of this Information Document it is not possible for the Company to carry out the Private Placement before January 2023, an alternative will be to get a new shareholder loan from its shareholders Awilhelmsen Offshore AS and

QVT as bridge financing. As they have already pre-committed to participate with amounts equal to their pro-rata share (46.7%) of USD 10 million in the Private Placement, a shareholder loan is expected to give the Company ample time to carry out the Private Placement.

Subject to completion of the Private Placement and certain other conditions, the Group intends to conduct a subsequent offering of new Depository Receipts (the "**Subsequent Offering**"). See Section 8 "Equity issues" for further details on the Private Placement and the Subsequent Offering. If additional financing will be required, this is expected to be funded by equity issues.

Upon completion of the Private Placement and the Subsequent Offering, the Group will have sufficient liquidity to continue its business activities in accordance with its planned scale of operation for 12 months as of the date of first day of trading on Euronext Growth.

If the Private Placement and/or Subsequent Offering are not fully subscribed, it is expected that Awilhelmsen Offshore and QVT will provide the capital needed. Reference is made to the statements made in the Interim Financial Statements where it was stated that Awilhelmsen Offshore and QVT remain committed to enable the Group to pursue the arbitration cases against Keppel FELS to their conclusion.

5.12 Borrowings and grants

Other than the Shareholder Loan (see further details in Section 5.9 "Related party transactions" above), the Company does not have any borrowing or grants as of the date of this Information Document.

6. THE BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

6.1 The Board of directors

6.1.1 Overview

The Company's Board of Directors comprises of the members set forth in the table below:

Name	Position(s)	Served since	Term expires
Sigurd E. Thorvildsen	Non-executive director and Chairperson	2009	June 2023
Henrik Fougner	Non-executive director	2010	June 2023
Daniel Gold	Non-executive director	2010	June 2023
John Simpson	Non-executive director	2011	June 2023
Synne Syrrist	Non-executive director	2011	June 2023

6.1.2 Brief biographies

Set out below are brief biographies of the members of the Board of Directors, including their relevant expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a director is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Sigurd E. Thorvildsen – Non-Executive Director and Chairperson

Mr. Thorvildsen is the CEO of the Awilhelmsen Group of companies. Mr. Thorvilsen has more than 30 years of experience from the shipping and offshore industry, and has previously held several senior positions, among them the position as CEO of Awilco AS, the Chairman of the Board of Directors of Awilco Offshore ASA and Awilco Heavy Transport ASA (later Ocean HeavyLift ASA). He holds an MBA from the Norwegian School of Management. Mr. Thorvildsen is a Norwegian citizen. Mr Thorvildsen's contact address (registered office) is at Awilhelmsen AS, Beddingen 8, 0250 Oslo, Norway.

Directorships and management positions	
Current	Previous (last 5 years)
Awilhelmsen AS	Awilco LNG ASA
Awilhelmsen Management AS	
Awilco AS	
Linstow AS	
AWC AS	
Integrated Wind Solutions ASA	
Awilco Invest AS	
Awilhelmsen Offshore AS	
Millenium Falcon AS	
Awilhelmsen Capital AS	
Awilhelmsen Capital II AS	

Henrik Fougner – Non-Executive Director

Mr. Fougner is the COO of the Awilhelmsen Group. Mr. Fougner has more than 30 years of experience from the shipping, offshore and banking industry, both in Norway and internationally, and has previously held several senior positions, among them the position as CEO of Awilco Offshore ASA and CFO of Awilco AS. He holds an MBA from the Norwegian School of Economics and Business Administration. Mr. Fougner is a Norwegian citizen. Mr. Fougner's contact address (registered office)

is at Awilhelmsen AS, Beddingen 8, 0250 Oslo, Norway.

Directorships and management positions	
Current	Previous (last 5 years)
Awilhelmsen Management AS	Awilco LNG ASA
Awilco AS	
Power International AS	
Linstow AS	
AWC AS	
Awilco Invest AS	
Awilhelmsen Capital AS	
Awilhelmsen Capital II AS	
Awilhelmsen Offshore AS	
AS Karibien	
AS Investa	
A/S Møllegaarden	
Beddingen 8 AS	

Daniel Gold – Non-Executive Director

Mr. Gold is the CEO of QVT Financial LP, an asset management company with offices in New York and New Delhi. QVT Financial, through its managed funds, is an experienced global investor in the shipping and offshore industries. Mr. Gold holds an AB in Physics from Harvard College. Mr. Gold is an American citizen. The business address of Mr. Gold is QVT Financial LP, 888 Seventh Avenue, 43rd Floor, New York, New York 10106.

Directorships and management positions	
Current	Previous (last 5 years)
QVT Overseas Ltd	-
QVT Financial LP and its affiliates	
Awilco Drilling PLC	
NAXS AB	
NAXS A/S	
NAXS AS	
NAXS Nordic Access Buyout AB	
MP Materials Corp	
Okeanis Eco Tankers Corp	
Gridpoint Inc.	
Kriya Therapeutics; (Observer)	
Divegen Cayman Holding Corporation	
Roivant Sciences Ltd.	
Integrated Wind Solutions ASA	

John Simpson – Non-Executive Director

Mr. Simpson has over 35 years of experience in banking and in shipping finance. Currently he is an Executive Director of Marine Capital Limited, a shipping fund management company. He also has a

number of non-executive director roles in the UK. Previously Mr. Simpson was CEO of DNB Bank in London and Regional Director of DNB Bank's Asia - Pacific operations. Mr. Simpson is authorised by the UK FCA. He holds an MSc from the London Business School and a BSc from the University of Southampton. Mr. Simpson is a British citizen. The business address of Mr. Simpson is Marine Capital Limited, Liberty House, 222 Regent Street, London W1B 5TR.

Directorships and management positions	
Current	Previous (last 5 years)
Leviathan Consultancy Ltd	West Horsley Place Trust
Marine Capital Ltd	Friends of the River Crane Environment (charity)
Paradigm Charitable Housing Association Limited and sub companies	
West Horsley Place Limited	
TPR Investments Limited	

Synne Syrrist – Non-Executive Director

Mrs. Syrrist has work experience as an independent consultant to Norwegian companies, and as a financial analyst in Elcon Securities ASA and First Securities ASA. She also has extensive non-executive experience from both listed and private companies. She holds a Master of Science from the Norwegian Institute of Technology. Mrs. Syrrist is a Norwegian citizen. Mrs Syrrist's contact address (registered office) is at Rundhaugveien 5A, 0495 Oslo, Norway.

Directorships and management positions	
Current	Previous (last 5 years)
Awilco Lng ASA	Eidesvik Offshore ASA
Ghilardi+Hellsten Arkitekter AS	Midt-Norge Bilbark AS
Østfold Logistikkbygg AS	Vestfold Logistikkbygg AS
Sørlandet Bilpark AS	Telemark Logistikkbygg AS
Bergen Kommnebygg AS	Østfold Etatbygg AS
Hafjell Helse- og Handelsbygg AS	Noram Drilling Company AS
Lillehammer Handelseiendom AS	0495 Grefsen AS
Njord Securities ASA	
ABL Group ASA	
NAXS AB	
Integrated Wind Solutions ASA	
Stavanger Handelsbygg AS	
Eiketangen AS	

6.1.3 Shareholdings and options held by the members of the Board

None of the members of the Board of Directors holds any Depository Receipts or stock options in the Company.

As of the date of this Information Document, no restrictions are agreed on the disposal of Depository Receipts by the Board of Directors.

6.2 Management

6.2.1 Overview

The Company's Management currently consists of two individuals. The description below sets out details of the members of the Company's Management, including their title, management expertise and experience and business address as of the date of this Information Document.

Name	Position
Eric D. Jacobs	Chief Executive Officer
Roddy Smith	MD UK/Chief Operating Officer

The interim CEO is employed in the Awilhelmsen Group and hired-in by the Company from the Awilhelmsen Group.

6.2.2 Brief biographies

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Eric D. Jacobs –Chief Executive Officer

Mr. Jacobs has served as Chief Executive Officer since 1 February 2021. Mr. Jacobs has more than 25 years of experience from the international shipping industry. He currently holds the position as General Counsel in the Awilhelmsen Group. Prior to joining Awilhelmsen in 2011, he held positions as EVP General Counsel in Skuld and General Counsel in Bona Shipholding Ltd. Mr. Jacobs is also a board member of the Norwegian Shipowner's Mutual War Risks Association. Mr. Jacobs holds a law degree from University of Oslo with specialisation in petroleum law, and is also a qualified lawyer in Norway. The business address of Mr. Jacobs is Awilhelmsen AS, Beddingen 8, 0250 Oslo, Norway.

Directorships and management positions	
Current	Previous (last 5 years)
Awilco AS	Integrated Wind Solutions ASA
Awilhelmsen Capital AS	IWS Fleet AS
Awilhelmsen Capital II AS	Awind 1 AS
Awilco Invest AS	Awind 2 AS
Awilco Technical Services AS	Awind 3 AS
Awilco Eco Tankers Holding AS	Awind 4 AS
Awilco Eco Tankers 4 AS	Awind 5 AS
Awilco Eco Tankers 5 AS	Awind 6 AS
Stiftelsen Christian Radich	
Christian Radich Drift AS	
DNK (Den Norske Krigsforsikring for Skip Gjensidig Forsikring)	
Sør-øst Eiendom AS	
Njård	

Roddy Smith – MD UK/Chief Operating Officer

Mr. Smith has served as Chief Operating Officer since 2010. Mr. Smith has more than 35 years of experience in the offshore and marine industries. During this time he has held a range of senior operational, management and executive positions. Mr. Smith holds a licence as a Master Mariner. Mr.

Smith is a British citizen. The business address of Mr. Smith is 2 Kingshill Park, Venture Drive, Arnhall Business Park, Westhill, Aberdeen, AB32 6FL, United Kingdom.

Directorships and management positions	
Current	Previous (last 5 years)

-

6.2.3 Shareholdings and options held by the members of the Management

None of the members of the Management hold any Depository Receipts in the Company. However, the members of the Management hold the following synthetic share options as the date of this Information Document:

Name	Number of synthetic share options
Eric D. Jacobs	-
Roddy Smith	150,000 ²

See Section 6.6 "Long Term Incentive Plan" for further information on the synthetic share options.

No restrictions are agreed on the disposal of the Managements' holdings in the Company's securities.

6.3 Board committees

The Company has established an audit committee, remuneration committee and nomination committee.

6.3.1 Audit committee

The members of the audit committee are Mr. Simpson (chair) and Mr. Fougner. The primary purpose of the audit committee is to act as a preparatory and advisory body for the Board and support the Board in the exercise of its responsibility for financial reporting, internal control and risk management.

6.3.2 Remuneration committee

The members of the compensation committee are Mr. Thorvildsen (chair), Mr. Gold and Mr. Fougner. The primary purpose of the compensation committee is to assist the Board in discharging its duty relating to determining the Company's Senior Management compensation. The Company's compensation committee reports and makes recommendations to the Board, but the Board retains responsibility for implementing such recommendations.

6.3.3 Nomination committee

The members of the nomination committee are Mr. Tom Furulund (chair) and Mr. Henrik Christensen. The primary purpose of the nomination committee is to present a recommendation to the Company's general meetings concerning directors to be elected by the Company's shareholders and the level of directors' fees. The nomination committee shall also present recommendations to the general meetings regarding nomination of members to the nomination committee and concerning fees for the members of the nomination committee.

² Upon completion of the Share Consolidation Mr. Smith will hold 1,500 synthetic share options.

6.4 Benefits upon termination

In the event of termination by the Company, where there is no basis for dismissal as a result of gross breach of duty or other material breach of the employment contract by the COO, or as a result of mutual agreement, the COO shall be entitled to six month severance pay.

Other than as described above, no member of the Board of Directors or Management has service contracts with the Group providing for benefits upon termination of employment.

6.5 Employees

As of the date of 30 June 2022, the Group had 12 employees which are based in Aberdeen. In addition, the Company's largest shareholder, Awilhelmsen Group, supply some support personnel via a management agreement with the Group.

6.6 Long Term Incentive Plan

A long term incentive plan for key management personnel for synthetic share options, with a total limit of up to 4% of the Company's issued share capital was approved at the Annual General Meeting on 26 June 2013. The awards for the years 2010, 2012, 2014 and 2016 have been fully exercised. A further award was issued in 2020 and a total limit of up to 4,000,000 shares was approved at the general meeting on 11 November 2019. As of the date of this Information Document, 475,000 synthetic share options are outstanding. Upon completion of the Share Consolidation the number of synthetic share options outstanding will be 4,750. The 2020 plan "vests" in two tranches linked to rig contract dates and expires after five years, with 50% of the share options vesting on each of 30 September 2023 and 30 September 2024, respectively.

The synthetic share options are not ordinary Depository Receipts in the Company and do therefore not provide any shareholder rights for the option holders. Accordingly, the synthetic Depository Receipts solely represent a potential economic interest in the Company for the option holders, which is affected by the market price of the Company's Depository Receipts. All share options and share awards are synthetic based and are cash settled. The awards have a strike price of NOK 30, meaning that price for the Depository Receipts must be in excess of NOK 30 for any settlement to be made i.e. if the price is NOK 35 per Depository Receipt, the settlement will be NOK 5 per Depository Receipt. Upon completion of the Share Consolidation the strike price per award will be NOK 3,000.

6.7 Corporate governance

The Board of Directors has a responsibility to ensure that the Company has sound corporate governance mechanisms. The Company is not listed on a regulated market and thus not subject to mandatory corporate governance codes. Trading in the Depository Receipts on Euronext Growth Oslo does not require implementation of a specific corporate governance code, such as the Norwegian Code of Practice for Corporate Governance (the "**Norwegian Code**"). Nonetheless, the Company intends to maintain a high level of corporate governance standard and the Company has resolved that it will relate to the Norwegian Code.

It should be noted, however, that the Company, as an English company, may resolve to follow the UK Code of Corporate Governance (the "**UK Code**"). The Company may in the future decide that it will relate to the UK Code instead of the Norwegian Code.

Since the Company is subject to English company law, which in several respects is different from Norwegian company law, it will to some extent deviate from certain recommendations of the Norwegian Code in order to comply with English law and practice.

Save as provided below, the Company is in compliance with the Norwegian Code:

- The business of the Company is not defined in its Articles of Association since this is not customary in the articles of association of English companies.
- The Company's auditor is not present during Board meetings that deals with the annual accounts, but the auditor attends audit committee meeting to discuss the annual reports and financial statements.
- The authorization given to undertake share capital increases has not been restricted to defined purposes, due to the scope of the Company's business. The Company believes that further consolidation of the oil service industry will take place and the Company intends to take part in this consolidation process.
- The Company does not have a Corporate Assembly.

6.8 Conflicts of interests

The directors of the Company's board of directors Mr. Thorvildsen and Mr. Fougner are employed by the Awilhelmsen group, holding the positions as chief executive officer and chief executive officer of the Awilhelmsen group, respectively. Further, the Company's CEO Mr. Jacobs is also employed by the Awilhelmsen group, holding the position as general counsel of the Awilhelmsen group. The Awilhelmsen group is the Company's largest shareholder through Awilhelmsen Offshore AS, with an ownership of 37.1%³ in the Company. In addition, companies in the Awilhelmsen Group are providing certain services to the Company.

Further, Mr. Gold, which is a director of the Company's board of directors, is the chief executive officer of QVT Financial LP, which is the third largest shareholder in the Company through QVT.

Other than as described above, to the Company's knowledge there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Company's Management or the Board of Directors. There are no family relationships between members of the Company's Management and the Board of Directors.

6.9 Convictions for fraudulent offences, bankruptcy etc.

None of the members of the Board of Directors or the Management have during the last five years preceding the date of this Information Document:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

³ As of 7 December 2022

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

7. CORPORATE INFORMATION

7.1 General corporate information

The Company's legal and commercial name is Awilco Drilling PLC. The Company is a public limited company organised and existing under the laws of England and Wales. The Company was incorporated on 30 December 2009 and its registration number is 07114196 and its Legal Entity Identifier ("LEI") is 213800GETNUFDN7CEI51.

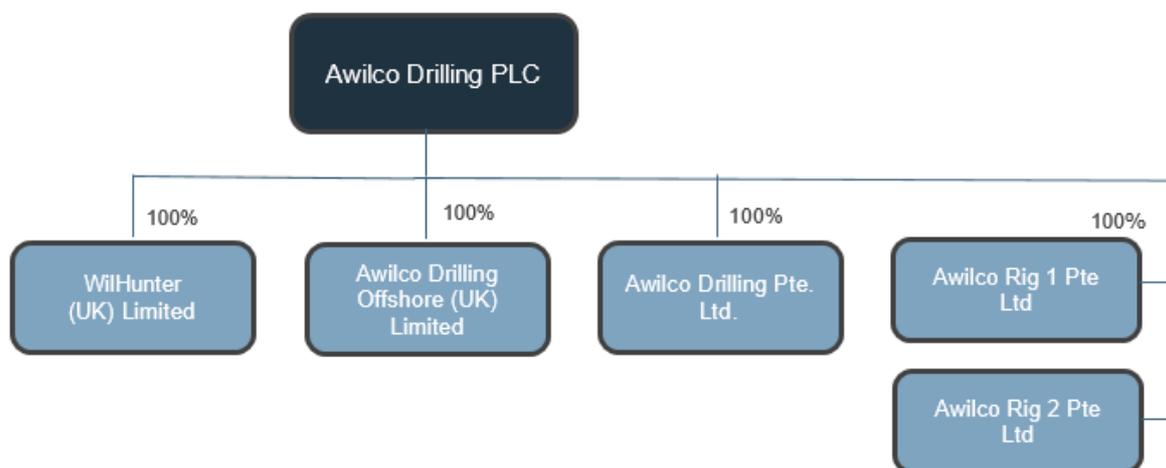
The Company's registered office is 7th Floor, 50 Broadway, London, SW1H, United Kingdom and its registered business address is 2 Kingshill Park, Venture Drive, Arnhall Business Park, Westhill, Aberdeen AB32 6FL, United Kingdom. The Company's telephone number is +44 1224 737900. The Company's website can be found at www.awilcodrilling.com. The content of this website is not incorporated by reference into or otherwise forms part of this Information Document.

Beneficial interests related to the Underlying Shares have previously been traded at Oslo Børs, but were deregistered from Oslo Børs immediately prior to the Admission.

7.2 Legal structure

Awilco Drilling is the holding company of the Group and the ultimate sole shareholder in the subsidiary companies.

The following chart shows the corporate structure of the Group as of the date of this Information Document:



Before the sale of the WilPhoenix and WilHunter rigs, Awilco Drilling Offshore (UK) Limited was the rig owning and operating company for these two rigs. WilHunter (UK) Limited, which is also registered in the UK, is under liquidation.

Awilco Drilling Pte. Ltd. is a Singapore-based company. Before the sale of the rigs, Awilco Drilling Pte. Ltd. provided drilling services to the UK operating group company

In 2018 and 2019, respectively, each of Awilco Rig 1 Pte Ltd. and Awilco Rig 2 Pte Ltd. entered into a (now terminated) Newbuilding Contract with Keppel FELS for the construction of one new semi-submersible drilling rig, each. These companies are also based in Singapore.

7.3 Share capital and share capital history

7.3.1 Overview

As of the date of this Information Document, the share capital of the Company is GBP 354,779.75 divided into 54,581,500 Underlying Shares of a nominal value of GBP 0.0065 each. Upon completion of the Share Consolidation in the ratio 1:100, expected occur on or about 21 December 2022, the Company's share capital will be GBP 354,779.75 divided into 545,815 Underlying Shares of a nominal value of GBP 0.65 each. See Section 7.3.2 "Share Capital History" below for further information on the Share Consolidation. The Underlying Shares are registered in the UK Companies House with NIS as the sole shareholder.

The Company has one class of Underlying Shares. Each Underlying Share carries one vote and all Underlying Shares carry equal rights in all respects, including rights to dividends. All the Underlying Shares are fully paid and validly issued in accordance with the laws of England and Wales. There are no Underlying Shares not representing capital in the Company.

The Depository Receipts representing the Underlying Shares have been admitted to trading on Euronext Growth and first day of trading will be on or about 16 December 2022 under the ticker "AWDR".

On Euronext Growth, the Underlying Shares will be traded in the form of Depository Receipts (Norwegian: *depotbevis*) that represent the beneficial interests in the Underlying Shares. The issuer of the Depository Receipts is NIS, and NIS also acts as the Company's VPS registrar. Thus, NIS holds the Underlying Shares. NIS has registered the beneficial interests representing the relevant Underlying Shares in the VPS, which reflect the beneficial shareholders, personally or through nominee registrations. As of the date of this Information Document, the Depository Receipts is registered in the VPS in book-entry form with ISIN NO0012740218 and will be traded on Euronext Growth in NOK in the form of Depository Receipts. In connection with the Share Consolidation the ISIN of the Depository Receipts will change to ISIN NO0012785098.

Each Depository Receipt represents one Underlying Share included in the Company's share register and the number of Depository Receipts issued is equal to the number of Underlying Shares issued, i.e. 54,581,500 Depository Receipts, and each Depository Receipt will have the same par value as the Underlying Shares, i.e. GBP 0.0065 each, as of the date of this Information Document. Upon completion of the Share Consolidation, expected to occur on or about 21 December 2022, there will be issued 545,815 Depository Receipts each with a nominal value of GBP 0.65

All Underlying Shares and Depository Receipts, are freely transferable, meaning that a transfer of Underlying Shares and/or Depository Receipts is not subject to the consent of the Board of Directors or any other corporate consents or rights of first refusal.

Existing shareholders of the Company and new investors should note that only Depository Receipts that have been registered in the VPS in the form of Depository Receipts will be tradable on Euronext Growth. Please see Section 7.4 "The Depository Receipts" for further information.

7.3.2 Share capital history

As of 1 January 2020 the Company had issued 54,581,500 Underlying Shares of a nominal value of GBP 0.0065 each.

On 8 December 2022, the general meeting of the Company resolved a reverse split to consolidate the Company's Underlying Shares in the ratio 1:100 (the "**Share Consolidation**"). Every 100 ordinary Underlying Shares with nominal value of GBP 0.0065 each in the capital of the Company was consolidated into one ordinary Underlying Share with nominal value of GBP 0.65 each. Upon completion of the Share Consolidation the Company will have issued 545,815 Underlying Shares. The Share Consolidation is expected to be completed on or about 21 December 2022.

Other than the said share consolidation, there have not been any changes in the Company's share capital for the period 1 January 2020 and up until the date of this Information Document.

7.4 The Depository Receipts

7.4.1 Introduction

NIS will issue and deliver the Depository Receipts to the holders of the Depository Receipts. Holders of Depository Receipts will not have direct shareholder rights as NIS will be the registered owner of the underlying financial instruments of the Depository Receipts, i.e. the relevant Underlying Shares.

The rights and obligations of NIS are described further in Section 7.4.7 "VPS registration of Depository Receipts" below.

7.4.2 Issuance

NIS will issue and deliver the Depository Receipts to the holders in the VPS, in accordance with the Norwegian Central Securities Depository Act 2019 of 15 March 2019 no. 6, as amended from time to time. All Depository Receipts will be issued and registered in book-entry form through the VPS and holders of Depository Receipts may obtain statements, showing the number of Depository Receipts held, online or through the VPS account operator who maintains the holder's VPS account.

7.4.3 Issuer

Nordic Issuer Services AS will issue and deliver the Depository Receipts. NIS is a Norwegian private limited liability company organised and existing under the laws of Norway. NIS was incorporated on 7 May 2015 and its registration number is 915 465 544 and its LEI is 6367005P4D1VRKCB0007. NIS' registered address is Billingstadsletta 13, 1396 Billingstad, Norway.

7.4.4 Record dates

The Company may fix a record date for the determination of the holders of Depository Receipts who will be entitled to receive any distribution, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such holders of Depository Receipts at such record date will be so entitled or obligated. NIS may fix the same.

7.4.5 Voting rights

Each Underlying Share carries one vote. Although the Depository Receipts do not carry voting rights, holders of Depository Receipts may instruct NIS to vote on the Underlying Shares underlying their Depository Receipts, subject to any applicable provisions of England and Wales law. The Company will furnish voting materials to NIS and NIS will notify the holders of Depository Receipts of the upcoming vote and arrange to deliver the Company's voting materials to the holders of Depository Receipts. Otherwise, holders of Depository Receipts will not be able to exercise the voting rights attached to the Underlying Shares unless the steps outlined in Section 7.4.7 "VPS registration of Depository Receipts" below are followed. NIS' notice will describe the information in the voting

materials and explain how holders of Depository Receipts may instruct NIS to vote the Underlying Shares.

NIS will only vote or attempt to vote as the holders of Depository Receipts instruct. NIS itself will not exercise any voting rights.

7.4.6 Change or alterations of the share capital

In the event of any change or alteration of the share capital of the Company all necessary amendments to the Depository Receipts shall be made in the VPS system. For example, in the event of a share capital increase by issuance of new Underlying Shares, an equal amount of Depository Receipts will be issued in the VPS system. Further, for example in the event of a consolidation of Underlying Shares and a related increase of the nominal value of each Underlying Share, the Depository Receipts will be consolidated in the same ratio as the Underlying Shares and the nominal value of each Depository Receipt will be increased correspondingly in the VPS system.

7.4.7 VPS registration of the Depository Receipts

Introduction

In order to facilitate registration of the Depository Receipts in the VPS, the Company has entered into the Registrar Agreement with NIS, which administrates the Company's VPS register.

Pursuant to the Registrar Agreement, NIS is registered as the holder of the Underlying Shares for which Depository Receipts are issued.

NIS registers the Depository Receipts in book-entry form in the VPS. Therefore, it is not the Underlying Shares, but the beneficial interests in such Underlying Shares in book-entry form, that are registered with the VPS. As of the date of this Information Document, the Depository Receipts have ISIN NO0012740218. In connection with the Share Consolidation the ISIN of the Depository Receipts will change to ISIN NO0012785098.

As of the date of this Information Document, there is one class of Depository Receipts.

The Registrar Agreement is subject to Norwegian law and, accordingly, the Depository Receipts will be established under Norwegian law. Each Depository Receipt registered with the VPS will represent the beneficial ownership of one Underlying Share. The Depository Receipts are freely transferable, with delivery and settlement through the VPS system. The Depository Receipts will be priced and traded in NOK on Euronext Growth.

The Registrar Agreement

Pursuant to the Registrar Agreement, NIS will register the Depository Receipts in the VPS. The holders of Depository Receipts must look solely to NIS for the payment of dividends, for the exercise of voting rights attached to the Underlying Shares underlying the Depository Receipts and for all other rights arising in respect of the Depository Receipts. In order to exercise any rights directly as shareholder, a holder of Depository Receipts must retire its Depository Receipts in the VPS in exchange for Underlying Shares and has the right to do so. NIS will upon request to e-mail: info@nordicissuer.com provide a standardized Awilco Drilling PLC cross border form. The form will include all information necessary in order to execute the exchange. Questions about the exchange process can also be directed to NIS at phone +47 66 77 37 30. Holders of Depository Receipts who wish to retire their Depository Receipts in the VPS are advised to contact a bank or a broker for further assistance.

The Company will pay dividends directly to NIS, which in turn has undertaken to distribute the dividends and other declared distributions to the holders of Depository Receipts in accordance with the Registrar Agreement. Please see Section 7.9.2 "Manner of dividend payment to holders of Depository Receipts" for further information.

NIS will not hold any right to share in profits and any liquidation surplus which are not passed on to the holders of the Depository Receipts. NIS shall not attend nor vote at a General Meeting, other than pursuant to an instruction from the holders of Depository Receipts.

NIS is only liable for any direct loss suffered by the Company as a result of breach of contract. Each of the Company and NIS may terminate the Registrar Agreement without cause subject to a minimum of three months' written notice, or immediately upon written notice of a material breach by the other party of the Registrar Agreement. In the event that the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for purposes of permitting the uninterrupted trading of the Depository Receipts on Euronext Growth.

The terms and conditions for the Depository Receipts, which forms a part of the Registrar Agreement, is attached to this Information Document as Appendix E.

Transfer of Depository Receipts

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered owner irrespective of any beneficial ownership. To give effect to such entries, the individual security holder must establish a VPS securities account with a Norwegian VPS account operator. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as VPS account operator.

The entry of a transaction in the VPS is prima facie evidence under Norwegian law in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The VPS is liable for any loss suffered as a result of faulty registration or amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian Financial Supervisory Authority on an ongoing basis, as well as any information that the Norwegian Financial Supervisory Authority requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

7.5 Ownership structure

As of 7 December 2022, the following shareholders hold more than 5% of the Company:

Shareholder	Shareholding (%)
Awilhelmsen Offshore AS	37.1%
Firefly Master Fund LP	19.8%

QVT Family Office Fund LP	9.8%
Akastor AS	5.6%

Although Awilhelmsen Offshore AS does not hold a majority of the votes in the Company, Awilhelmsen Offshore AS will be in a position to block the passing of any special resolution at any general meeting of the Company since special resolutions must be passed by a majority of not less than 75%. Awilhelmsen Offshore AS must exercise its rights as a shareholder in accordance with the Company's Articles of Association, applicable laws in England and Wales, and the rules of Oslo Børs. Reference is made to Appendix A for the Company's Articles of Association. Apart from the aforesaid, there are no specific measures in place regulating the existing significant shareholders in the Company.

As of the date of this Information Document, the Company does not hold any treasury Underlying Shares or Depository Receipts.

There are no arrangements known to the Company that may at a subsequent date result in a change of control in the Company.

7.6 Board authorisations

On 8 December 2022, the Company's extraordinary general meeting resolved to grant an authority to the Board of Directors to allot Underlying Shares in the Company or grant rights to subscribe for or to convert any security into Underlying Shares in the Company up to an aggregate nominal amount of GBP 7,000,000 in connection with one or more placing of Underlying Shares. The authority will expire on the date falling five years from the date of the general meeting.

7.7 Financial instruments

Other than the synthetic share options under the Group's long term incentive programme (see further information in Sections 6.2.3 "Shareholdings and options held by the members of the Management" and 6.6 "Long Term Incentive Programme" above), the Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Underlying Shares in the Company. Furthermore, the Company has not issued subordinated debt or transferable securities other than the Underlying Shares.

7.8 Articles of association

The Articles of Association as they read at the date of this Information Document are included as Appendix A to this Information Document. The Articles of Association contain provisions, inter alia, to the following effect:

(A) Share Rights

Dividends and unclaimed dividends

The Company may, by ordinary resolution, declare a dividend to be paid to members in accordance with the respective rights and interests of the members and no dividend shall exceed the amount recommended by the Board.

The Board may pay interim dividends if it appears to the Board to be justified by the financial position of the Company. The Board may also pay fixed rate dividends whenever the financial position of the Company, in the opinion of the Board, justifies the payment. Provided if the Board acts in good faith, none of the Directors shall incur any liability to the holders of Underlying Shares conferring preferred

rights for any loss they may suffer in consequence of the payment of an interim dividend on any Underlying Shares having deferred or non-preferred rights.

No dividend or other moneys payable by the Company on or in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share or by agreement made between the holder of the Underlying Shares and the Company.

All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend that remain unclaimed for 12 years from the date it becomes due for payment shall be forfeited and cease to remain owing by the Company.

Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any class of share in the Company, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

Disclosure of interests in shares

If, at any time, the Board is satisfied that any member or other person appearing to be interested in shares of the Company has been duly served with a notice under section 793 of the United Kingdom Companies Act 2006 (the "**Companies Act**") and is in default for 14 days after the section 793 notice has been given in supplying to the Company the information thereby required, then the Board may direct that, in respect of the shares in relation to which the default occurred:

- (i) if the default shares in which any one person is interested or appears to the Company to be interested represent less than 0.25 per cent. (in nominal value) of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or vote either personally or by proxy at any general meeting or annual general meeting of the Company; or
- (ii) if the default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25 per cent. (in nominal value) of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares: (i) to attend or vote either personally or by proxy at any general meeting or annual general meeting of the Company; or (ii) to receive any dividend or other distribution; or (iii) to transfer or agree to transfer any of those shares or any rights in them.

Transfer of shares

The instrument of transfer of a certificated share may be in any usual form or in any other form approved by the Board. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The Board may refuse to register any instrument of transfer of a share which is not fully paid. The Board may also refuse to register any transfer of a share unless it is made:

- (i) in respect of only one class of shares; or
- (ii) in favour of more than four transferees.

Changes in share capital

Subject to the Companies Act and to the rights conferred on the holders of any other shares, any share may be issued with, or have attached to it, such rights or restrictions as the Company may by ordinary resolution determine or, if no such resolution is in effect or so far as the resolution does not make specific provision, as the Board shall determine. Subject to the Companies Act, any share may be issued on terms that it is to be redeemed or, at the option of the Company or the holder, is liable to be redeemed. Subject to the provisions of the Companies Act, any resolution by the Company and the provisions in the Company's Articles of Association, the Board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares in the Company to such persons, at such times and generally on such terms as the Board may decide.

Subject to the Companies Act, any share may be issued on terms that it is to be redeemed or is liable to be redeemed at the option of the Company or the holder. The terms and conditions and manner of redemption may be determined by the Board provided that this is done before the Underlying Shares are allotted.

Variation of rights

Whenever the capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares in issue may from time to time whether or not the Company is being wound up be varied in such manner as those rights may provide, or (if no such provision is made) either:

- (i) with the written consent of the holders of three quarters in nominal value of the issued shares of that class; or
- (ii) with the authority of a special resolution passed at a separate general meeting or annual general meeting of holders of those shares.

Lien and forfeiture

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The Board may either generally or in any particular case declare any shares to be wholly or in part exempt from such lien.

Subject to the terms of allotment, the Board may make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal amount or premium). If that notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares which have not been paid before the forfeiture.

Untraced shareholders

The Company shall be entitled to sell, in such manner as the Board may decide and at the best price it considers reasonably obtainable at that time, the shares of a member or the shares to which a person is entitled by transmission if, among other, that during a period of 12 years at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with its Articles of Association;

- (i) during that period of 12 years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the

Company from the member or the person entitled by transmission to the share;

- (ii) on or after the expiry of that period of 12 years the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area in which the last known address of the member or person entitled by transmission to the share or the address at which notices may be given in accordance with the Articles of Association of the Company is located, in each case giving notice of its intention to sell the share; and
- (iii) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the member or the person entitled by transmission to the share.

The Company shall be obliged to account to the person entitled to the shares at the date of sale for an amount equal to the net proceeds and shall be deemed to be his debtor and not a trustee for him, in respect of them.

(B) Annual and General Meetings

Convening of Annual General Meeting and general meetings

The Board shall convene and the Company shall hold Annual General Meetings in accordance with the Companies Act.

The Board may convene an extraordinary general meeting whenever it thinks fit.

An Annual General Meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Companies Act. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members so entitled and also to the auditors (or, if more than one, each of them) and to each director.

(C) Directors

Number of Directors

The Directors shall be not less than five and not more than eleven in number. The Company may by ordinary resolution vary the minimum and/or maximum number of Directors.

Appointment of Directors

Directors may be appointed by the Company by ordinary resolution or by the Board.

Retirement of Directors

At every Annual General Meeting of the Company, any Director then in office who has been appointed by the Board since the previous Annual General Meeting shall retire from office but shall be eligible for re-appointment.

Removal of Directors

A Director may also be removed from office by giving him notice to that effect signed by or on behalf of all the other Directors (or their alternates)

Alternate Director

Any Director may appoint as an alternate other Director, or any person, approved by resolution of the Directors, to exercise that Director's powers, and carry out that Director's responsibilities, in relation

to the taking of decisions by the Directors in the absence of the appointing Director. An appointment or removal of an alternate Director must be effected by notice in writing to the Company signed by the appointing Director, or in any other manner approved by the Directors.

Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Notice of a Board meeting may be given to a Director personally or by word of mouth or given in writing or by electronic means to him at such address as he may from time to time specify for this purpose. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number not being less than two, shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

A Board meeting may consist of a conference between Directors some or all of whom are in different places provided that each Director may participate in the business of the meeting whether directly, by telephone or by other electronic means which enables him to hear each of the other participating Directors addressing the meeting and if he so wishes, to address all of the other participating Directors simultaneously. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and to be counted in the quorum.

Remuneration of Directors

The Directors are entitled to remuneration and fees for their services to the Company in relation to the performance of the office of Director as may be determined by the Company at a general meeting. However, Directors who are employed by the Company shall be entitled to such remuneration in respect of such employment as the Directors may determine.

Pensions and other benefits

The Board may exercise all the powers of the Company to pay, provide or procure, among other grant of pensions, allowances, gratuities or other disability benefits, to or in respect of that Director.

Restrictions on voting

No Director may vote (or be counted in the quorum) in relation to any resolution of the Board concerning his own appointment (including fixing or varying of its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Borrowing powers

The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the Companies Act, the Articles of Association and any ordinary resolution of the Company. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and, subject to the relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

7.9 Dividends and dividend policy

7.9.1 Dividend policy

The level of dividend payments will normally reflect the underlying financial position of the Company. The dividend payment, if any, will then be considered in light of the Company's liquidity, its debt covenants, and capital requirements for additional investment. The Company is currently not in

position to pay any dividends. However, the Company's intentions are to resume dividends if and when the Company again becomes cash-flow positive.

7.9.2 Manner of dividend payment to holders of Depository Receipts

Any future payments of dividends on the Depository Receipts will be paid by the Company to the VPS Registrar and subsequently be denominated in the currency of the bank account of the relevant holder of the Depository Receipts, and will be paid to the holders of Depository Receipts through the VPS Registrar. Holders of Depository Receipts who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the currency of the relevant holder of Depository Receipts will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the registered accounts of the holders of Depository Receipts, or in lieu of such registered account, at the time when the holder has provided the VPS Registrar with its bank account details, without the need for holders of the Depository Receipts to present documentation proving their ownership of the Depository Receipts. The right of holders of Depository Receipts to payment of dividend will lapse three years following the resolved payment date for those holders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7.10 Takeover bids and compulsory acquisitions

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise. The shares are, however, subject to the provisions on compulsory transfer of shares.

Under the Companies Act, if an offeror has, by virtue of acceptances of an offer, acquired or unconditionally contracted to acquire not less than 90% of the shares to which the offer relates, the offeror is entitled compulsorily to acquire the remaining shares. The consideration paid to the shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer. Equally, if an offeror has acquired or unconditionally contracted to acquire shares and by virtue of acceptances of the offer and any other acquisitions holds not less than 90% of all the shares in the Company, the remaining shareholders can compel the offeror to acquire their shares on the same terms.

7.11 Insider trading

In accordance with the Norwegian Securities Trading Act and the Market Abuse Regulation 596/2014 ("**MAR**"), subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a regulated market or a multilateral trading facility in the EEA, or incitement to such dispositions, must not be undertaken by anyone who has inside information. "Inside information" refers in accordance with article 7 in MAR to precise information about financial instruments issued by the company admitted to trading, about the company admitted trading itself or about other circumstances, which has not been made public, and which if it were made public would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial. Information which would be likely to have a significant effect on the prices of financial instruments shall be understood to mean information that a rational investor would probably make use of as part of the basis for his or her investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

8. EQUITY ISSUES

8.1 Introduction

As described in Section 5.11 "Working Capital Statement" above, the Company will after the Admission carry out a Private Placement and intends to carry out a Subsequent Offering raising total gross proceeds of approximately USD 10 million in order to secure the Group's liquidity. Further details on the Private Placement and Subsequent Offering are included in following sections.

8.2 Details on the Private Placement

After completion of the Admission, the Company will carry out the Private Placement by issuance of new Depository Receipts (the "**Offer Depository Receipts**").

The subscription price per Offer Depository Receipt (the "**Offer Price**") and the final number of Offer Depository Receipts to be issued in the Private Placement will be determined by the Company's board of directors based on a bookbuilding process.

The bookbuilding period for the Private Placement has not been concluded, but will be carried out as soon as practically possible after the Admission.

The Depository Receipts in the Private Placement are expected to be settled through the Euronext Growth Advisor based on agreement with NIS.

The Offer Depository Receipts pertaining to the Private Placement will be resolved issued by the board of directors of the Company pursuant to an authorization granted by the extraordinary general meeting of the Company on 8 December 2022. See Section 7.6 "Board authorizations" above for further details.

Completion of the Private Placement is expected to be subject to customary conditions for private placements.

The Company has received pre-commitments from the largest shareholder Awilhelmsen Offshore AS and QVT for a total of 46.7% of the proceeds to be raised in the Private Placement.

8.3 Details on the Subsequent Offering

Subject to completion of the Private Placement and certain other conditions, the Group intends to conduct the Subsequent Offering of new Depository Receipts at the same subscription price as the Offer Price in the Private Placement to existing shareholders in the Company as of the date of the launch of the Private Placement (as registered in the VPS two trading days thereafter) who were not offered Offer Depository Receipts in the Private Placement and are not resident in a jurisdiction where such offering would be unlawful or would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action. Non-tradable subscription rights is expected to be awarded.

The application period for the Subsequent Offering has not been concluded, but will not commence before in Q1 2023, at the earliest.

Completion of the Subsequent Offering is subject to approval by the board of directors of the Company, and the board may at its discretion decide not to proceed with or cancel any Subsequent Offering.

Completion of the Subsequent Offering is expected to be subject to customary conditions for subsequent offerings.

The Subsequent Offering is expected to be guaranteed by certain existing shareholders.

8.4 Use of proceeds and expenses

The net proceeds from the Private Placement and Subsequent Offering will be used to finance the Group's two arbitration cases against Keppel FELS to their conclusions which is expected to take place no earlier than Q2 2023 and Q4 2023 for the two rigs.

The Group's costs related to the Private Placement and Subsequent Offering are expected to be approximately USD 350,000.

8.5 Rights attached to the new Depository Receipts

The Depository Receipts to be issued in the contemplated Private Placement and Subsequent Offering will rank *pari passu* in all respects with other Depository Receipts and carry equal rights. See Section 7.4 "The Depository Receipts" for information on the rights attached to the Depository Receipts.

8.6 Dilution

Completion of the Private Placement and the Subsequent Offering will result in an immediate dilution for holders of Depository Receipts of the Company who did not participate in neither the Private Placement nor the Subsequent Offering. The level of dilution for holders of Depository Receipts will depend on the number of new Depository Receipts to be issued in each of the contemplated Private Placement and Subsequent Offering. The number of new Depository Receipts to be issued in the Private Placement will be determined on the basis of a bookbuilding process. If the authorization granted by the general meeting of the Company on 8 December 2022 to the Company's board of directors is fully utilized in connection with the Private Placement and Subsequent Offering, the board may issue a total of 10,769,231 new shares, which will correspond to a total dilution for the existing holders of Depository Receipts not participating in the Private Placement nor the Subsequent Offering of approximately 95%.

8.7 Lock-ups

No lock-ups are expected to be entered into in connection with the Private Placement and Subsequent Offering.

8.8 No stabilization measures

No stabilization measures are expected to be conducted in connection with the Private Placement and Subsequent Offering.

8.9 Advisers

See Section 12.3 "Advisers" below for information on the Company's advisers in connection with the Private Placement and Subsequent Offering.

9. TAXATION IN UK

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the shares.

The following information, which relates only to United Kingdom ("**UK**") taxation, is applicable only to persons who are resident (and, in the case of individuals, ordinarily resident and domiciled) solely in the UK and who beneficially own their ordinary shares in the Company as investments and not as securities to be realised in the course of a trade. The information in this Section relates only to certain UK tax consequences of the admission to trading of the shares on Euronext Growth, and not to the issue of new shares in connection with a private placement or otherwise.

The following statements are of a general nature and are intended to apply only as a general guide to the position under current or announced UK tax law and HM Revenue & Customs practice at the date of this Information Document of persons who are resident (and, in the case of individuals, ordinarily resident and domiciled) solely in the UK and who beneficially own their ordinary shares in the Company as investments and not as securities to be realised in the course of a trade. Investors should note that tax law and interpretation can change (possibly with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investments in the Company.

The information is not exhaustive and the holders of the Company's shares should consult their own professional tax advisers regarding the UK consequences of owning and disposing of the Company's shares. In particular, investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), 10% or more of the Company's shares;
- who are members of a special class of taxpayer, such as charities and pension funds;
- who are employees and/or officers of the Company (or any member of the group);
- who intend to acquire shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position,

should consult their professional tax advisers without delay.

Furthermore, the following information does not include consideration of the potential UK inheritance tax consequences of holding shares in the Company. Investors should consult their own professional tax advisers in relation to the potential UK inheritance tax consequences of holding shares.

9.1 The Company

It is the intention of the Directors to conduct the affairs of the Company so that it is solely resident in the UK for tax purposes and is not tax resident in any other jurisdiction. The Company is therefore expected to be subject to UK corporation tax on its worldwide profits and gains, subject to any tax reliefs that may be available in respect of non-UK taxes paid.

9.2 Shareholders

Dividends

The Company will not be required to withhold UK tax at source in respect of any dividends it pays on ordinary shares.

- UK resident individual shareholders** - Dividend income received by a UK tax resident individual shareholder will be subject to UK income tax and will constitute the top slice of that income. No UK income tax is payable on the first GBP 2,000 of dividend income for the tax year 2022-2023 (assuming proposal announced in the Autumn Statement on 17 November 2022 are duly enacted, reducing to GBP 1,000 for the tax year 2023-2024 and to GBP 500 for the tax year 2024-2025) (the "**Nil Rate Amount**"). UK income tax is payable on dividend income in excess of the Nil Rate Amount at a rate of:
 - 8.75%, to the extent that such amount falls below the threshold for the higher rate of UK income tax;
 - 33.75%, to the extent that such amount falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax; and
 - 39.35%, to the extent that such amount falls above the threshold for the additional rate of UK income tax.
- UK resident corporate shareholders** - A corporate shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company (at a rate of 19 percent for the tax year 2022-2023, increasing to a main rate of 25 percent for the tax year 2023-2024), unless the dividend falls within an exemption. It is anticipated that dividends paid on the shares to UK tax resident corporate shareholders would generally fall within one of the exemptions. However, it should be noted that the exemptions, whilst broad, are not comprehensive and are also subject to anti-avoidance rules. Each shareholder's position will depend on its own individual circumstances and appropriate professional tax advice should be sought where necessary.
- Non-UK resident shareholders** - Shareholders who are neither resident nor ordinarily resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the shares are connected will not normally be liable to UK taxation on dividends paid by the Company. However, such shareholders may be subject to foreign taxation on dividend income under local law.

Disposals of shares

- UK resident individual shareholders** - A UK tax resident individual shareholder is subject to capital gains tax at a flat rate of 10 percent (for basic rate UK income tax taxpayers) or 20 percent (for higher and additional rate UK income tax taxpayers) of any gain realised. Individuals may benefit from other reliefs and allowances including an annual tax-free allowance which, for the tax year 2022-2023, exempts from tax, depending on their circumstances, the first GBP 12,300 of gains (assuming proposal announced in the Autumn Statement on 17 November 2022 are duly enacted, reducing to GBP 6,000 for the tax year 2023-2024 and to GBP 3,000 for the tax year 2024-2025). Higher rates of tax can apply in certain circumstances, generally where gains are connected to UK land.
- UK resident corporate shareholders** - A disposal or deemed disposal of shares by a corporate shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its shares are held will, subject to any available relief or exemption and subject to personal circumstances, be taxed at the time of such sale, redemption or disposal as a chargeable gain or an allowable loss.
- Non-UK resident shareholders** - Generally, an individual shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of shares

during that period may be liable on their return to the UK to UK tax on any chargeable gain realised (subject to any available exemption or relief). If applicable, the tax charge will arise in the tax year that the individual returns to the UK. Shareholders who are neither resident, nor ordinarily resident, nor temporarily non-resident, and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the shares are connected, should not be subject to UK taxation on chargeable gains on a disposal of their Shares. In certain circumstances, non-UK resident shareholders, may be liable to UK tax on chargeable gains realised on a disposal of shares in a "property-rich" company, which generally means a company which derives at least 75% of its value directly or indirectly from UK land. The Company is not expected to be regarded as "property-rich" for these purposes.

Individual Savings Accounts (ISAs)

The Company's shares should be eligible for inclusion in a stocks and shares ISA.

Self-Invested Personal Pensions (SIPPs)

The eligibility of the Company's shares as investments in a SIPP will depend on the SIPP operator and the rules governing such SIPP.

9.2.1 Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply.

The following comments do not relate to the issue of new shares. The Company does not intend that shareholders will be able to hold the shares directly, but that shareholders will hold Depository Receipts. Therefore, this section does not cover the UK transfer tax treatment of transfers of any shares in certificated form.

Under applicable legislation, UK stamp duty and SDRT is in principle chargeable on any issue or transfer of shares to a clearance service or depositary or their nominee at a rate of 1.5% of their price (if issued), the amount of any consideration provided (if transferred on sale) or their value (if transferred for no consideration), although exemptions may be available in limited circumstances.

However, for UK tax purposes, a transfer of legal title in securities between two clearance services is usually exempt from the imposition of a 1.5% stamp duty and SDRT charge. This exemption also applies where there is a transfer of legal title in securities between two depositary receipt systems or between a clearance service and a depositary receipt system. A clearance service may however make an election under section 97A of the Finance Act 1986 for an alternative basis of charging to apply. Therefore, provided that the transfer of the legal title in the shares to register them in the name of the new VPS Registrar does not involve a transfer of any beneficial interest and the VPS has not made an election under section 97A, neither stamp duty nor SDRT should be chargeable.

Subsequent transfers in the book-entry form of the Depository Receipts within the VPS should generally fall within an exemption from the charge to SDRT. As at the date of this Information Document, the Company believes these conditions should be satisfied and hence no SDRT charge should arise on the transfer of Depository Receipts by shareholders. If at any future time any of the relevant conditions ceases to be satisfied, SDRT may arise on the transfer of Depository Receipts, generally at the rate of 0.5%, and is typically payable by the transferee. Subsequent transfers in the book-entry form of the Depository Receipts within the VPS should also not be liable to stamp duty,

provided that no document effecting such a transfer is either executed in the UK or, if executed outside the UK, is brought into the UK.

10. NORWEGIAN TAXATION

10.1 Introduction

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the shares.

The summary regarding Norwegian taxation set out in this Section 10 "Norwegian Taxation" is based on the laws in force in Norway as of the date of this Information Document, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of shares and/or Depository Receipts in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be residents in Norway for tax purposes (under domestic tax law or under tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

The below summary assumes that the holders of Depository Receipts in reality has the same rights and obligations as the shareholders of the Company, and thus, that the holders of Depository Receipts shall be treated as shareholders for Norwegian tax purposes. Holders of Depository Receipts who wish to clarify this position should consult with and rely upon their own tax advisers. Any reference to a share and to a shareholder below, should be read to include Depository Receipts and holders of Depository Receipts.

As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

10.2 Taxation of dividends

10.2.1 Norwegian Personal Shareholders

Dividends received by shareholders and/or holder of Depository Receipts who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22%, to the extent the dividends exceed a statutory tax-free allowance (Nw. *skjermingsfradrag*). The taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84% (22% x 1.72).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw. *statskasseveksler*) with three-month maturity plus 0.5 percentage points, after tax. The risk-free interest rate for 2021 was 0.5%. The risk-free interest rate for 2022 will be published in January 2023.

The tax-free allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed

on a share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share.

10.2.2 Norwegian Corporate Shareholders

Pursuant to the Norwegian participation exemption method (Nw. *fritaksmetoden*), shareholders and/or holders of Depositary Receipts who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are exempt from tax on dividends distributed from the Company if the Norwegian Corporate Shareholder has, during a consecutive period of two years (i) held at least 10% of the capital of the company; and (ii) has held 10% or more of the voting rights of the company, provided that the Company is not resident in a low-tax jurisdiction. However, unless the Norwegian Corporate Shareholder holds more than 90% of the shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder will in such case be taxable as ordinary income at a rate of 22%. This results in an effective tax rate of 0.66% (22% x 3%).

Norwegian Corporate Shareholders who does not fulfil the above criteria, will be subject to tax on dividends distributed from the Company at a rate of 22%.

For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax the effective rate of taxation for dividends is 0.75%, if comprised by the Norwegian participation exemption method, and 25% if not.

10.3 Taxation of capital gains on realization of shares

10.3.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realizations of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer Section 10.2.1 "Norwegian Personal Shareholders" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realizations of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

10.3.2 Norwegian Corporate Shareholders

Pursuant to the Norwegian participation exemption method (Nw. *fritaksmetoden*), Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares, if the Norwegian Corporate Shareholder has, during a consecutive period of two years (i) held at least 10% of the capital of the company; and (ii) held 10% or more of the voting rights of the company, provided that the Company is not resident in a low-tax jurisdiction. In such cases, corresponding losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

If the Norwegian Corporate Shareholders does not fulfil the above criteria, capital gains derived from the realization of shares are taxable at a rate of 22%, while corresponding losses are deductible.

10.3.3 Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

10.3.4 Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

10.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.95% of the value assessed (1% in 2023 for net wealth below NOK 20,000,000). For net wealth exceeding NOK 20,000,000, the marginal net wealth tax rate is 1.10%. The value for assessment purposes for listed shares is currently equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%). This rate will be increased to 80% for 2023.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

10.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

10.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

11. SELLING AND TRANSFER RESTRICTIONS

11.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Depository Receipts admitted to trading on Euronext Growth.

The Company is not taking any action to permit a public offering of the Depository Receipts in any jurisdiction. Receipt of this Information Document does not constitute an offer and this Information Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Information Document, the investor may not treat this Information Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Depository Receipts, unless, in the relevant jurisdiction, the Depository Receipts could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Information Document, the investor should not distribute or send the same, or transfer Depository Receipts, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

11.2 Selling restrictions

11.2.1 United States

The Depository Receipts have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Depository Receipts will be restricted and each purchaser of the Depository Receipts in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 11.3.1 "United States".

11.2.2 United Kingdoms

In the United Kingdom, the issue or sale of any Depository Receipts will only be communicated or caused to be communicated in circumstances in which Section 21 (1) of the Financial Services and Markets Act 2000 ("**FSMA**") does not apply to the Company and in accordance with all applicable provisions of the FSMA with respect to the Depository Receipts in, from or otherwise involving the United Kingdom.

11.2.3 European Economic Area

In no member state (each a "**Relevant Member State**") of the European Economic Area (the "**EEA**") have Depository Receipts been offered and in no Relevant Member State other than Norway will Depository Receipts be offered to the public pursuant to an offering, except that Depository Receipts may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- (a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Euronext Growth Advisors for any such offer; or
- (c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation; provided that no such offer of Depository Receipts shall result in a requirement for the Company or Euronext Growth Advisors to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Depository Receipts in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of an offering and the Depository Receipts to be offered, so as to enable an investor to decide to acquire any Depository Receipts.

This EEA selling restriction is in addition to any other selling restrictions set out in this Information Document.

11.2.4 Other jurisdictions

The Depository Receipts may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Switzerland, Japan, Canada, Australia or any other jurisdiction in which it would not be permissible to offer the Depository Receipts.

In jurisdictions outside the United States and the EEA where an offering would be permissible, the Depository Receipts will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

11.3 Transfer restrictions

11.3.1 United States

The Depository Receipts have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Depository Receipts outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Depository Receipts in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Depository Receipts have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring

the Depository Receipts, was located outside the United States at the time the buy order for the Depository Receipts was originated and continues to be located outside the United States and has not purchased the Depository Receipts for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Depository Receipts or any economic interest therein to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Depository Receipts from the Company or an affiliate thereof in the initial distribution of such Depository Receipts.
- The purchaser is aware of the restrictions on the offer and sale of the Depository Receipts pursuant to Regulation S described in this Information Document.
- The Depository Receipts have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Depository Receipts made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Depository Receipts as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Euronext Growth Advisors and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Depository Receipts within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Depository Receipts in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Depository Receipts have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Depository Receipts for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Depository Receipts, as the case may be.
- The purchaser is aware that the Depository Receipts are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Depository Receipts, or any economic interest therein, as the case may be, such Depository

Receipts or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Depository Receipts from the Company or an affiliate thereof in the initial distribution of such Depository Receipts. The purchaser will not deposit or cause to be deposited such Depository Receipts into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Depository Receipts are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Depository Receipts are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Depository Receipts, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Depository Receipts made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Depository Receipts as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Euronext Growth Advisors and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

11.3.2 **European Economic Area**

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Depository Receipts under, the offers contemplated in this Information Document will be deemed to have represented, warranted and agreed to and with the Euronext Growth Advisors and the Company that:

- (d) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- (e) in the case of any Depository Receipts acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Depository Receipts acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent

of the Euronext Growth Advisor has been given to the offer or resale; or (ii) where Depository Receipts have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Depository Receipts to it is not treated under the EU Prospectus Regulation as having been made to such persons. For the purpose of this representation, the expression an "offer to the public" in relation to any Depository Receipts in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Depository Receipts to be offered, so as to enable an investor to decide to acquire any Depository Receipts.

12. ADDITIONAL INFORMATION

12.1 Admission to trading on Euronext Growth

On 7 December 2022, the Company applied for admission to trading of its Depository Receipts on Euronext Growth, which was approved by Oslo Børs on 12 December 2022. The first day of trading on Euronext Growth will be on or about 16 December 2022.

The Company does not have, and has not applied to have, securities listed on any stock exchange or other regulated market place.

12.2 Auditor

The Company's independent auditor is Ernst & Young LLP, a limited liability partnership registered in England and Wales with registration number OC300001 and business registered address at 4th Floor, 2 Marischal Square, Broad Street, Aberdeen AB10 1BL, United Kingdom, and is a member firm of Ernst & Young Global Limited. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority (authorisation number 614947), the Financial Conduct Authority (registration number 196203) and other regulators.

Ernst & Young has been the Company's auditor since its incorporation and consequently throughout the period covering the Financial Statements.

Ernst & Young's audit reports on the Audited Financial Statements are included within the Audited Financial Statements which are attached hereto as Appendix A and B.

Except for the Financial Statements, Ernst & Young has not audited, reviewed or produced any report on any other information in this Information Document.

12.3 Advisers

Clarksons Securities AS, with registration number 942 274 238 and with its registered business address at Munkedamsveien 62C, 0270 Oslo, Norway, is acting as Euronext Growth Advisor in connection with the Admission and has been engaged to act as manager in the contemplated Private Placement and Subsequent Offering.

Advokatfirmaet Wiersholm AS, with registration number 981 371 593 and with its registered business address at Dokkveien 1, 0250 Oslo, Norway, is acting as Norwegian legal counsel to the Company in connection with the Admission and the contemplated Private Placement and Subsequent Offering.

12.4 Documents on display

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday to Friday each week (except public holidays) for a period of 12 months from the date of this Information Document:

- the Articles of Association of the Company;
- the Audited Financial Statements;
- the Interim Financial Statements; and
- this Information Document.

13. DEFINITIONS AND GLOSSARY

Admission.....	Admission to trading of the Depository Receipts on Euronext Growth.
Articles of Association.....	The Company's articles of association.
Audited Financial Statements.....	The Company's audited consolidated financial statements as of and for the years ended 31 December 2021 and 2020.
Board of Directors	The board of directors of the Company.
Company.....	Awilco Drilling PLC.
Depository Receipts	Depository receipts (Norwegian: <i>depotbevis</i>) that represent the beneficial interests in the Underlying Shares, registered in VPS in book-entry form.
EEA.....	The European Economic Area.
EU	The European Union.
Euronext Growth	Euronext Growth Oslo.
Euronext Growth Advisor	Clarksons Securities AS
Euronext Growth Oslo.....	A multilateral trading facility operated by Oslo Børs ASA.
Euronext Growth Rules.....	The Euronext Growth Market Rule Book as applicable to Euronext Growth Oslo.
Financial Statements	The Audited Financial Statements and the Interim Financial Statements.
FSMA	The Financial Services and Markets Act 2000.
Group	The Company together with its subsidiaries.
HMRC	His Majesty's Revenue and Customs
IFRS	The International Financial Reporting Standards, as adopted by the EU.
Information Document.....	This information document.
Interim Financial Statements	The Company's unaudited condensed financial statements for the six month period ended on 30 June 2022 and 2021.
ISIN	International Securities Identification Number.
IT	Information technology.
Keppel FELS.....	Keppel FELS Limited.
KPIs.....	Key performance indicators.
LEI.....	Legal Entity Identifier.
Management.....	The executive management of the Company.

MAR	The Market Abuse Regulation EU 596/2014
Member State	A member state of the European Economic Area.
Newbuilding Contract 1.....	The newbuilding contract entered into between the Group and Keppel FELS in March 2018 for the construction of a new semi-submersible drilling rig.
Newbuilding Contract 2.....	The newbuilding contract entered into between the Group and Keppel FELS in March 2019 for the construction of a new semi-submersible drilling rig.
Newbuilding Contracts	Newbuilding Contract 1 and Newbuilding Contract 2
NOK	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholders.....	Holders of Depository Receipts who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders.....	Holders of Depository Receipts that are not residents of Norwegian for purposes of Norwegian law.
Norwegian Code	The Norwegian Code of Practice for Corporate Governance.
Norwegian Corporate Shareholders.....	Holders of Depository Receipts who are limited liability companies (and certain other entities) that are residents of Norway for purposes of Norwegian taxation.
Norwegian Personal Shareholders.....	Holders of Depository Receipts that are natural persons and residents of Norway for purposes of Norwegian taxation.
Norwegian Securities Trading Act.....	The Norwegian Securities Trading Act of 28 June 2007, no. 75 (Norw.: verdipapirhandelloven).
Norwegian Securities Trading Regulation.....	The Norwegian Securities Trading Regulation of 29 June 2007 no. 876 (Norw.: verdipapirforskriften).
Prospectus Regulation.....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
QVT	QVT Family Office Fund LP
Registrar Agreement.....	The registrar agreement entered into between the Company and NIS.
UK Code.....	UK Code of Corporate Governance.
Underlying Share(s)	The shares of the Company underlying the Depository Receipts.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VPS	Euronext Oslo Securities, the Norwegian Central Securities Depository, operated by Verdipapirsentralen ASA.

VPS Registrar Nordic Issuer Services AS.

APPENDIX A – ARTICLES OF ASSOCIATON OF AWILCO DRILLING PLC

THE COMPANIES ACTS 1985 TO 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AWILCO DRILLING PLC

(As adopted by Special Resolution passed on 8 December 2022)

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms

In the articles, unless the context requires otherwise-

"**alternate**" or "**alternate director**" has the meaning given in article 26;

"**appointor**" has the meaning given in article 26;

"**these articles**" means these articles of association of the Company, as from time to time altered;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**board**" means the board of directors for the time being of the Company;

"**call**" has the meaning given in article 63;

"**certificate**" means a paper certificate (other than a share warrant) evidencing a person's title to specified shares or other securities;

"**certificated**" in relation to a share, means that it is not an uncertificated share or a share in respect of which a share warrant has been issued and is current;

"**Chairman**" has the meaning given in article 12;

"**Chairman of the meeting**" has the meaning given in article 34;

"**clear days**" means, in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"**Company**" means Awilco Drilling PLC;

"**director**" means a director for the time being of the Company;

"**distribution recipient**" has the meaning given in article 84;

"**document**" includes, unless otherwise specified, any document sent or supplied in electronic form;

"**electronic form**" has the meaning given in section 1168 of the Companies Act 2006;

"**fully paid**" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

"**hard copy form**" has the meaning given in section 1168 of the Companies Act 2006;

"**holder**" in relation to shares means the person whose name is entered in the register of members as the holder of the shares, or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant;

"**instrument**" means a document in hard copy form;

"**member**" has the meaning given in section 112 of the Companies Act 2006;

"**ordinary resolution**" has the meaning given in section 282 of the Companies Act 2006;

"**paid**" means paid or credited as paid;

"**participate**" in relation to a directors' meeting, has the meaning given in article 9;

"**partly paid**" in relation to a share means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company;

"**Proxy Notice**" has the meaning given in article 42;

"**Regulations**" means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and any modification thereof or any regulations in substitution therefore for the time being in force;

"**shares**" means shares in the Company;

"**Special Resolution**" has the meaning given in section 283 of the Companies Act 2006;

"**Statutes**" means the Companies Acts, as defined by section 2 of the 2006 Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies and affecting the Company; and

"**Subsidiary**" has the meaning given in section 1159 of the Companies Act 2006;

"**transmittee**" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

"**uncertificated**" in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate; and

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- (a) any other words or expressions defined in any of the Statutes (in each case as in force on the date of adoption of these articles) have the same meaning in these articles except that the word "company" includes any body corporate;
- (b) any reference elsewhere in these articles to any statute or statutory provision includes a reference to any modification or re-enactment of it for the time being in force;
- (c) words importing the singular number include the plural number and vice versa, words importing one gender include the other gender and words importing persons include bodies corporate and unincorporated associations;
- (d) any reference to writing includes a reference to any method of reproducing words in a legible form and documents and information sent or supplied in electronic form or made available on a website are in 'writing' for the purposes of these articles;
- (e) any reference to doing something by electronic means includes doing it by an electronic communication;
- (f) any reference to a signature or to something being signed or executed includes an electronic signature or other means of verifying the authenticity of an electronic communication which the board may from time to time approve, a signature printed or reproduced by mechanical or other means or any stamp or other distinctive marking made by or with the authority of the person required to sign the document to indicate it is approved by such person;

- (g) any reference to a document being sealed or executed under seal or under the common seal of any body corporate (including the Company) or any similar expression includes a reference to its being executed in any other manner which has the same effect as if it were executed under seal;
 - (h) any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person;
 - (i) any reference to a show of hands includes such other method of casting votes as the board may from time to time approve; and
 - (j) where the Company has a power of sale or other right of disposal in relation to any share, any reference to the power of the Company or the board to authorise a person to transfer that share to or as directed by the person to whom the share has been sold or disposed of shall, in the case of an uncertificated share, be deemed to include a reference to such other action as may be necessary to enable that share to be registered in the name of that person or as directed by him.
- (2) Subject to the Statutes, a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required.
- (3) Headings to these articles are inserted for convenience only and shall not affect construction.

PART 2

DIRECTORS

Directors' Powers and Responsibilities

2 Directors' general authority

Subject to these articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company but need not be a member of the Company.

3 Number of directors

The directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than five nor more than eleven in number.

4 Members' reserve power

- (1) The members may, by Special Resolution, direct the directors to take, or refrain from taking, specified action.
- (2) No such Special Resolution invalidates anything which the directors have done before the passing of the resolution.

5 Directors may delegate

- (1) Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles-
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

6 Committees

- (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from these articles if they are not consistent with them.

Decision-Making by directors

7 Directors to take decisions collectively

Decisions of the directors may be taken-

- (a) at a directors' meeting, or
- (b) in the form of a directors' written resolution.

8 Calling a directors' meeting

- (1) Any director may call a directors' meeting.
- (2) The Company secretary must call a directors' meeting if a director so requests.
- (3) A directors' meeting is called by giving notice of the meeting to the directors.
- (4) Notice of any directors' meeting must indicate-
 - (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (5) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (6) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

9 Participation in directors' meetings

- (1) Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when-

- (a) the meeting has been called and takes place in accordance with these articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
 - (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

10 Quorum for directors' meetings

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

11 Meetings where total number of directors less than quorum

- (1) This article applies where the total number of directors for the time being is less than the quorum for directors' meetings.
- (2) If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting or annual general meeting to do so.
- (3) If there is more than one director-
 - (a) a directors' meeting may take place, if it is called in accordance with the articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting or annual general meeting to do so, and
 - (b) if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting or annual general meeting to do so.

12 Chairing directors' meetings

- (1) The general meeting of the Company may by ordinary resolution appoint a director to chair the meetings of the directors. If the general meeting has not made such appointment, or the director so appointed ceases for any reason to be a director, the board may appoint a director to chair its meetings.
- (2) The person so appointed for the time being is known as the Chairman.
- (3) The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the Chairman's absence.
- (4) The directors may terminate the appointment of the Chairman, deputy or assistant Chairman at any time.
- (5) If neither the Chairman nor any director appointed generally to chair directors' meetings in the Chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

13 Voting at directors' meetings: general rules

- (1) Subject to the articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.
- (2) Subject to the articles, each director participating in a directors' meeting has one vote.
- (3) Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company-
 - (a) that director and that director's alternate may not vote on any proposal relating to it, but
 - (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

14 Chairman's casting vote at directors' meetings

- (1) If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the Chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

15 Alternates voting at directors' meetings

A director who is also an alternate director has an additional vote on behalf of each appointor who is-

- (a) not participating in a directors' meeting, and
- (b) would have been entitled to vote if they were participating in it.

16 Conflicts of interest

- (1) If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it for quorum and voting purposes.
- (3) This paragraph applies when-
 - (a) the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting;
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director's conflict of interest arises from a permitted cause.

- (4) For the purposes of this article, the following are permitted causes-
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) Subject to paragraph (6), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and conclusive.
- (6) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

17 Proposing directors' written resolutions

- (1) Any director may propose a directors' written resolution.
- (2) The Company secretary must propose a directors' written resolution if a director so requests.
- (3) A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.
- (4) Notice of a proposed directors' written resolution must indicate-

- (a) the proposed resolution, and
 - (b) the time by which it is proposed that the directors should adopt it.
- (5) Notice of a proposed directors' written resolution must be given in writing to each director.
- (6) Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

18 Adoption of directors' written resolutions

- (1) A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.
- (2) It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.
- (3) Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.
- (4) The Company secretary must ensure that the Company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

19 Telephone board meeting

- (1) A board meeting may consist of a conference between directors some or all of whom are in different places provided that each director may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him:
- (a) to hear each of the other participating directors addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating directors simultaneously.

- (2) A quorum is deemed to be present if at least the number of directors required to form a quorum, subject to the provisions of article 663, may participate in the manner specified above in the business of the meeting.
- (3) A board meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

20 Directors' discretion to make further rules

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Appointment of directors

21 Methods of appointing directors

Any person who is willing to act as a director, either to fill a vacancy or as an additional director, and is permitted by law to do so, may be appointed to be a director-

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

22 Retirement of directors by rotation

- (1) At the first annual general meeting all the directors must retire from office.
- (2) At every subsequent annual general meeting any directors-
 - (a) who have been appointed by ordinary resolution or the directors since the last annual general meeting, or
 - (b) who were not appointed or reappointed at one of the preceding two annual general meetings,

must retire from office and may offer themselves for reappointment by the members.

23 Termination of director's appointment

- (1) A person ceases to be a director as soon as-
 - (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
 - (f) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.
- (2) The Company by extraordinary resolution, or by ordinary resolution of which special notice has been given in accordance with the Statutes, may remove any director before his period of office has expired notwithstanding anything in these articles or in any agreement between him and the Company.
- (3) A director may also be removed from office by notice to that effect signed by or on behalf of all the other directors (or their alternates).

24 Directors' remuneration

- (1) Directors may undertake any services for the Company that the directors decide.
- (2) Subject to article 24(3) below, the directors are entitled to such remuneration and fees for their services to the Company in relation to the performance of the office

of director as may be determined by the Company in general meeting by ordinary resolutions-

- (3) Directors who are employed by the Company shall be entitled to such remuneration in respect of such employment as the directors may determine.
- (4) Subject to the articles, a director's remuneration may-
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (5) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (6) Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

25 Directors' expenses

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at-

- (a) meetings of directors or committees of directors,
- (b) general meetings or annual general meeting, or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Alternate directors

26 Appointment and removal of alternates

- (1) Any director (the "**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to-

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

- (2) Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- (3) The notice must-
 - (a) identify the proposed alternate, and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed

alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

27 Rights and responsibilities of alternate directors

- (1) An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- (2) Except as the articles specify otherwise, alternate directors-
 - (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and
 - (d) are not deemed to be agents of or for their appointors.
- (3) A person who is an alternate director but not a director-
 - (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and

- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

- (4) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

28 Termination of alternate directorship

- (1) An alternate director's appointment as an alternate terminates-
 - (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
 - (c) on the death of the alternate's appointor; or
 - (d) when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a annual general meeting and is then re-appointed as a director at the same general meeting.

29 Power to borrow money

- (1) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Secretary

30 Secretary

Subject to the Statutes, the secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it thinks fit, and the board may remove from office any person so appointed (without prejudice to any claim for damages for breach of any contract between him and the Company).

PART 3

DECISION-MAKING BY MEMBERS

Organisation of General Meetings

31 Members can call general meeting if not enough directors

If-

- (a) the Company has fewer than two directors, and
- (b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the Company secretary to do so) for the purpose of appointing one or more directors.

32 Attendance and speaking at general meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when-
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

33 Quorum for general meetings

No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum, save as herein otherwise provided, two members present in person or by proxy and entitled to vote shall be a quorum.

34 Chairing general meetings

- (1) The Chairman shall chair general meetings if present and willing to do so.
- (2) If no Chairman has been appointed prior to the meeting, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start-
 - (a) the directors present, or
 - (b) (if no directors are present), the general meeting,must appoint a director or member to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "**the Chairman of the meeting**".

35 Attendance and speaking by directors and non-members

- (1) directors may attend and speak at general meetings, whether or not they are members.
- (2) The Chairman of the meeting may permit other persons who are not-
 - (a) members of the Company, or
 - (b) otherwise entitled to exercise the rights of members in relation to general meetings,to attend and speak at a general meeting.

36 Adjournment

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the meeting must adjourn it.
- (2) The Chairman of the meeting may adjourn a general meeting at which a quorum is present if-
 - (a) the meeting consents to an adjournment, or
 - (b) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the Chairman of the meeting must-
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- (5) If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)-
 - (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at General Meetings

37 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

38 Errors and disputes

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the Chairman of the meeting whose decision is final.

39 Demanding a poll

- (1) A poll on a resolution may be demanded-
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by-

- (a) the Chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if-
- (a) the poll has not yet been taken, and
 - (b) the Chairman of the meeting consents to the withdrawal.

40 Procedure on a poll

- (1) Subject to the articles, polls at general meetings must be taken when, where and in such manner as the Chairman of the meeting directs.
- (2) The Chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.
- (3) The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- (4) A poll on-
 - (a) the election of the Chairman of the meeting, or
 - (b) a question of adjournment,must be taken immediately.
- (5) Other polls must be taken within thirty days of their being demanded.
- (6) A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- (7) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.

- (8) In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

41 Proxies

- (1) A proxy need not be a member of the Company and a member may appoint more than one proxy to attend on the same occasion. If he does so he shall specify the number of shares held by him in respect of which each proxy is entitled to exercise rights. References in these articles to an appointment of proxy include references to an appointment of proxy and include references to an appointment of multiple proxies. The member is entitled to appoint proxies to exercise all or any of his rights to attend and speak and vote at a meeting of the Company.
- (2) The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting at a show of hands or on the poll concerned. In the event that, and to the extent that, a member personally votes his shares, his proxy or proxies shall not be entitled to vote and any vote cast by a proxy in such circumstances shall be ignored.
- (3) The appointment of a proxy shall only be valid for the meeting mentioned in it and any adjournment of that meeting (including on any poll demanded at the meeting or any adjourned meeting).

42 Content of Proxy Notices

- (1) Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which-
 - (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

- (2) The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a Proxy Notice indicates otherwise, it must be treated as-
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

43 Delivery of Proxy Notices

- (1) Any notice of a general meeting must specify the address or addresses ("**proxy notification address**") at which the Company or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- (2) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- (3) Subject to paragraphs (4) and (5), a Proxy Notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.
- (4) In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- (5) In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be delivered-
 - (a) in accordance with paragraph (3), or

- (b) at the meeting at which the poll was demanded to the Chairman, secretary or any director.
- (6) An appointment under a Proxy Notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given to a proxy notification address.
- (7) A notice revoking a proxy appointment only takes effect if it is delivered before-
 - (a) the start of the meeting or adjourned meeting to which it relates, or
 - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.
- (8) If a Proxy Notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

44 Amendments to resolutions

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if-
 - (a) notice of the proposed amendment is given to the Company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.
- (2) A Special Resolution to be proposed at a general meeting may be amended by ordinary resolution, if-
 - (a) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

- (3) If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

Restrictions on Members' Rights

45 No voting of shares on which money owed to Company

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid.

Application of Rules to Class Meetings

46 Class meetings

The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

PART 4

SHARES AND DISTRIBUTIONS

Issue of Shares

47 Powers to issue different classes of share

- (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights (including preferred, deferred or other special rights) or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the directors may determine).
- (2) If as a result of any consolidation and division or sub division of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit. In particular, the board may:
 - (a) (on behalf of those members) aggregate and sell the shares representing the fractions to any person (including, subject to the Statutes, the Company)

and distribute the net proceeds of sale in due proportion among those members (except that any proceeds in respect of any holding less than a sum fixed by the board may be retained for the benefit of the Company); or

- (b) subject to the Statutes, first, allot to a member credited as fully paid by way of capitalisation of any reserve account of the Company such number of shares as rounds up his holding to a number which, following consolidation and division or sub division, leaves a whole number of shares.
- (3) The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares provided that this is done before the shares are allotted.
- (4) The directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the directors may think fit to impose.

48 Allotment at a discount

The shares of the Company shall not be allotted at a discount and save as permitted by the Statutes shall not be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium thereon.

49 Payment of commissions on subscription for shares

- (1) The Company may pay any person a commission in consideration for that person-
 - (a) subscribing, or agreeing to subscribe, for shares, or
 - (b) procuring, or agreeing to procure, subscriptions for shares.
- (2) Any such commission may be paid-
 - (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
 - (b) in respect of a conditional or an absolute subscription.

- (3) The Company may also on any issue of shares pay such brokerage as may be lawful.

Interests in Shares

50 Purchase of shares

Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares).

51 Financial assistance

The Company shall not give any financial assistance for the acquisition of shares in the Company except and in so far as permitted by the Statutes.

52 Power to reduce capital

Subject to the Statutes and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or redenomination reserve in any way.

53 Company not bound by less than absolute interests

Except as required by Statute or pursuant to the provisions of these articles, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by Statutes or these articles, the Company is not bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Shares not held in Certificated Form

54 Uncertificated shares

- (1) Any share or class of shares of the Company may be issued or held on such terms, or in such a way subject to these articles and the Regulations, that-
- (a) title to it or them is not, or must not be, evidenced by a certificate, or
 - (b) it or they may or must be transferred wholly or partly without a certificate.

- (2) The directors have power to take such steps as they think fit subject to these articles and the Regulations in relation to-
 - (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares) subject to the requirements of the relevant system concerned;
 - (b) the conversion of certificated shares into uncertificated shares; or
 - (c) the conversion of uncertificated shares into certificated shares.
- (3) If-
 - (a) these articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
 - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- (4) In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- (5) The Company shall enter on the Register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as required by the Regulations and the relevant system concerned. Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- (6) A class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these articles or the Regulations which applies only in respect of certificated or uncertificated shares.

- (7) The Company shall be entitled, in accordance with regulation 32(2)(c) of the Regulations, to require the conversion of an uncertificated share into certificated form to enable it to deal with that share in accordance with any provision in these articles.

Share Certificates

55 Share certificates to be issued except in certain cases

- (1) This article does not apply to-
 - (a) uncertificated shares;
 - (b) shares in respect of which a share warrant has been issued; or
 - (c) shares in respect of which the Statutes permit the Company not to issue a certificate.
- (2) Subject to these articles, every person (other than a recognized clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognized clearing house or of a recognized investment exchange (within the meaning of the Financial Services and Markets Act 2000) in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) upon becoming the holder of a certificated share and whose name is entered as a member on the Register shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the certificated shares registered in his name.
- (3) In the case of shares of more than one class being registered in a member's name, a separate certificate for each class of certificated shares so registered, and where a member (except such a clearing house or nominee) transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of certificated shares of that class retained by him.
- (4) In the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of the joint holders shall be sufficient delivery to all.

- (5) A share certificate may be issued under seal or signed by at least one director and the secretary or by at least two directors (which may include any signature being applied mechanically or electronically). A share certificate shall specify the number and class and the distinguishing number (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares, have affixed to them the Company's common seal and be otherwise executed in accordance with the Companies Acts. Any certificate so issued shall, as against the Company, be prima facie evidence of title of the person named in that certificate to the shares comprised in it.
- (6) A share certificate may be given to a member in accordance with the provisions of these articles on notices.
- (7) Except as otherwise specified in the articles, all certificates shall be issued free of charge but should a member require additional certificates, he shall pay for each additional certificate such reasonable sum (if any) as the directors may determine.
- (8) No certificate may be issued in respect of shares of more than one class.
- (9) In respect of certificated shares of one class held jointly by more than one person the Company shall not be bound to issue more than one certificate, and delivery of a certificate for such shares to one of the joint holders of such shares shall be sufficient delivery to all such holders.

56 Consolidated share certificates

- (1) A member may request the Company, in writing, to replace-
 - (a) the member's separate certificates with a consolidated certificate, or
 - (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.
- (2) When the Company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.
- (3) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the Company for cancellation.

57 Replacement share certificates

(1) If a certificate issued in respect of a member's shares is-

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

then upon proof thereof to the satisfaction of the directors and on such indemnity with or without security as the directors deem adequate being given, a new certificate in lieu thereof shall be given to such member.

(2) Every certificate issued under the last preceding Article shall be issued without payment, but there shall be paid to the Company such exceptional out-of-pocket expenses of the Company in connection with the request (including, without limiting the generality of the foregoing, the investigation of such request and the preparation and execution of any such indemnity or security) as the directors think fit.

58 Share warrants

(1) The directors may issue a share warrant in respect of any fully paid share.

(2) share warrants must be-

- (a) issued in such form, and
- (b) executed in such manner,

as the directors decide.

(3) A share represented by a share warrant may be transferred by delivery of the warrant representing it.

(4) The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.

(5) Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may-

- (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed;
- (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings;
- (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and
- (d) vary the conditions of issue of any warrant from time to time,

and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.

- (6) Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants.
- (7) The Company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.

Variation of Rights

59 Variation of class rights

- (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the provisions of the Statutes, whether or not the Company is being wound up, be abrogated or varied with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting or an annual general meeting of the holders of the shares of that class.

- (2) The provisions of chapter 3 of part 13 of the 2006 Act (save as stated in section 334(2) to (3)) and the provisions of these articles relating to general meetings and annual general meeting shall, mutatis mutandis, so far as applicable apply, subject to the following provisions, namely:
- (a) the necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons present holding at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares) For the avoidance of doubt, where a member has appointed several proxies only one such proxy shall count towards the quorum and he is treated as holding only the shares in respect of which those proxies are authorised to exercise voting rights;
 - (b) at an adjourned meeting one person present holding shares of the class in question or his proxy;
 - (c) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
 - (d) any holder of shares of the class in question present in person or by proxy may demand a poll.

60 Issues of further shares

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be abrogated or varied by the creation or issue of further shares ranking pari passu therewith.

Lien on Shares

61 Lien on partly paid shares

- (1) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The lien shall extend to every amount payable in respect of that share.

- (2) The directors may at any time either generally or in any particular case declare any share to be wholly or partly exempt from this article. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

62 Enforcement of lien

- (1) The Company may sell any share subject to a lien in such manner as the board may decide if an amount payable on the share is due and is not paid within fourteen clear days after a notice has been given to the holder or any person entitled by transmission to the share demanding payment of that amount and giving notice of intention to sell in default.
- (2) To give effect to any sale under this article, the board may authorise some person to transfer the share sold to, or as directed by, the purchaser. The purchaser shall not be bound to see to the application of the purchase money nor shall the title of the new holder to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale.
- (3) The net proceeds of the sale, after payment of the costs, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien for any amounts not presently due as existed on the share before the sale), on surrender of the certificate for the shares sold, be paid to the holder or person entitled by transmission to the share immediately before the sale.
- (4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied-
- (a) first, in payment of so much of the sum for which the lien exists as is presently payable,
 - (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent,
- to the lien over the shares before the sale for any money presently payable in respect of the shares at the date of sale.

- (5) A statutory declaration in writing that the declarant is a director or the Company Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy the Company's Lien on a date specified in the declaration:
 - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by these articles or by Statutes, constitutes a good title to the share and to the person to whom the share is sold, re-allotted or disposed of

Call on Shares

63 Calls

- (1) Subject to the terms of allotment, the directors may make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal amount or premium) and each member shall (subject to his receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide.
- (2) Any call may be made payable in one sum or by instalments and shall be deemed to be made at the time when the resolution of the board authorising that call is passed.
- (3) A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call is made.
- (4) The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share.

64 Interest on calls

If a call is not paid before or on the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate as the directors may decide, but the directors may waive payment of the interest, wholly or in part.

65 Sums treated as calls

A sum which by the terms of allotment of a share is payable on allotment, or at a fixed time, or by instalments at fixed times, shall for all purposes of these articles be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non payment, these articles shall apply as if that sum had become payable by virtue of a call.

66 Power to differentiate

On any issue of shares the directors may make arrangements for a difference between the allottees or holders of the shares in the amounts and times of payment of calls on their shares.

67 Payment of calls in advance

The directors may, if it thinks fit, receive all or any part of the moneys payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance and, on any moneys so paid in advance, may (until they would otherwise be due) pay interest at such rate as may be agreed between the directors and the member paying the sum in advance.

Forfeiture on Shares

68 Notice of unpaid calls

- (1) If the whole or any part of any call or instalment remains unpaid on any share after the due date for payment, the directors may give a notice to the holder requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest.
- (2) The notice shall state a further day, being not less than fourteen clear days from the date of the notice, on or before which, and the place where, payment is to be made and shall state that, in the event of non payment on or before the day and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.
- (3) The directors may accept a surrender of any share liable to be forfeited.

69 Forfeiture on non compliance with notice

- (1) If the requirements of a notice given under the preceding article are not complied with, any share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the directors. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
- (2) If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission, and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the register; but no forfeiture shall be invalidated by any omission to give such notice or to make such entry.

70 Power to annul forfeiture or surrender

The directors may, at any time before the forfeited or surrendered share has been sold, re allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due on or incurred in respect of the share and on such further conditions (if any) as it thinks fit.

71 Disposal of forfeited or surrendered shares

- (1) Every share which is forfeited or surrendered shall become the property of the Company and (subject to the Statutes) may be sold, re allotted or otherwise disposed of, upon such terms and in such manner as the directors shall decide either to the person who was before the forfeiture the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The directors may for the purposes of a disposal authorise some person to transfer the forfeited or surrendered share to, or in accordance with the directions of, any person to whom the same has been disposed of.
- (2) A statutory declaration by a director or the Company Secretary of the Company that a share has been forfeited or surrendered on a specified date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to the execution of any necessary transfer) constitute a good title to the share. The person to whom the share has been disposed of shall

not be bound to see to the application of the consideration for the disposal (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings connected with the forfeiture, surrender, sale, re allotment or disposal of the share.

72 Arrears to be paid notwithstanding forfeiture or surrender

A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered share and shall surrender to the Company for cancellation any certificate for the share forfeited or surrendered, but shall remain liable (unless payment is waived in whole or in part by the board) to pay to the Company all moneys payable by him on or in respect of that share at the time of forfeiture or surrender, together with interest from the time of forfeiture or surrender until payment at such rate as the board shall decide, in the same manner as if the share had not been forfeited or surrendered. He shall also be liable to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the share at the time of forfeiture or surrender. No deduction or allowance shall be made for the value of the share at the time of forfeiture or surrender or for any consideration received on its disposal.

Transfer and Transmission of Shares

73 Transfers of certificated shares

- (1) certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of-
 - (a) the transferor, and
 - (b) (if any of the shares is partly paid) the transferee.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The Company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

- (5) The directors may refuse to register the transfer of a share (whether a certificated or an uncertificated share) if-
- (a) the share is not fully paid;
 - (b) the transfer is not lodged at the Company's registered office or such other place as the directors have appointed;
 - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
 - (d) the transfer is in respect of more than one class of share; or
 - (e) the transfer is in favour of more than four transferees.
- (6) If the directors refuse to register a transfer they shall, in the case of certificated shares, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer or, in the case of uncertificated shares, notify such person as may be required by the Regulations and the requirements of the relevant system concerned.

74 Transfer of uncertificated shares

All transfers of uncertificated shares shall be made in accordance with and be subject to the provisions of the Regulations and the requirements of the relevant system.

75 Transmission of shares

- (1) If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- (2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

- (3) In relation to the transfer of any share (whether a certificated or an uncertificated share) the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

76 Transmittees' rights

- (1) A transmittee who produces such evidence of entitlement to shares as the directors may properly require-
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (2) But transmittees do not have the right to attend or vote at a general meeting or annual general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

77 Exercise of transmittees' rights

- (1) transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- (2) If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must-
 - (a) procure that all appropriate instructions are given to effect the transfer, or
 - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- (4) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect

of the share, and as if the event which gave rise to the transmission had not occurred.

78 Transmittees bound by prior notices

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

Disclosure of interest in shares

79 Disclosure of interests in shares

- (1) This article applies where the Company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 793 of the 2006 Act (a "section 793 notice").
- (2) If a section 793 notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non receipt of the copy by the holder shall not prejudice the operation of the following provisions of this article.
- (3) If the holder of, or any person appearing to be interested in, any share has been given a section 793 notice and, in respect of that share (a "**default share**"), has been in default for a period of 14 days after the section 793 notice has been given in supplying to the Company the information required by the section 793 notice, the restrictions referred to below shall apply. Those restrictions shall continue for the period specified by the board, being not more than seven days after the earlier of:
 - (a) the Company being notified that the default shares have been sold pursuant to an exempt transfer; or
 - (b) due compliance, to the satisfaction of the board, with the section 793 notice.

The board may waive these restrictions, in whole or in part, at any time.

- (4) The restrictions referred to above are as follows:

- (a) if the default shares in which any one person is interested or appears to the Company to be interested represent less than 0.25 per cent. (in nominal value) of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting or annual general meeting of the Company; or
- (b) if the default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25 per cent. (in nominal value) of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares:
 - (i) to attend or to vote, either personally or by proxy, at any general meeting or annual general meeting of the Company; or
 - (ii) to receive any dividend or other distribution; or
 - (iii) to transfer or agree to transfer any of those shares or any rights in them.

The restrictions in subparagraphs (a) and (b) above shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under an exempt transfer.

- (5) If any dividend or other distribution is withheld under paragraph (4)(b) above, the member shall be entitled to receive it as soon as practicable after the restriction ceases to apply.
- (6) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the Company allots, or procures to be offered, pro rata (disregarding fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on

which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer.

- (7) For the purposes of this article:
- (a) an "**exempt transfer**" in relation to any share is a transfer pursuant to:
 - (i) a sale of the share on a recognised investment exchange as defined in the Financial Services and Markets Act 2000 in the United Kingdom or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded; or
 - (ii) a sale of the whole beneficial interest in the share to a person whom the board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share; or
 - (iii) acceptance of a takeover offer (as defined for the purposes of Part 28 of the 2006 Act);
 - (b) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 793 notice is given; and
 - (c) a person shall be treated as appearing to be interested in any share if the Company has given to the member holding such share a section 793 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 793 notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share.
- (8) The provisions of this article are without prejudice to the provisions of section 794 of the 2006 Act and, in particular, the Company may apply to the court under section 794(1) of the 2006 Act whether or not these provisions apply or have been applied.

Consolidation of Shares

80 Fraction of shares

Subject to any direction by the Company in general meeting, whenever as the result of any consolidation or division of shares members of the Company are entitled to any issued shares of the Company in fractions, the directors may deal with such fractions as they shall determine and in particular may sell the shares to which members are so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) and pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sales thereof save for individual entitlements (net of expenses) not exceeding £3 which may be retained for the benefit of the Company.

81 Procedure for disposing of fractions of shares

- (1) This article applies where-
 - (a) there has been a consolidation or division of shares, and
 - (b) as a result, members are entitled to fractions of shares.
- (2) The directors may-
 - (a) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable;
 - (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - (c) distribute the net proceeds of sale in due proportion among the holders of the shares.
- (3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the laws of England and Wales, Scotland or Northern Ireland.
- (4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

- (5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

Distributions

82 Procedure for declaring dividends

- (1) The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with members' respective rights.
- (4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

83 Calculation of dividends

- (1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be-
 - (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

- (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

84 Payment of dividends and other distributions

- (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means-
 - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable-
 - (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

85 Deductions from distributions in respect of sums owed to the Company

- (1) If-
 - (a) a share is subject to a lien, and
 - (b) the directors are entitled to issue a enforcement notice in respect of it, they may, instead of issuing a enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a enforcement notice.
- (2) Money so deducted must be used to pay any of the sums payable in respect of that share.
- (3) The Company must notify the distribution recipient in writing of-
 - (a) the fact and amount of any such deduction;
 - (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
 - (c) how the money deducted has been applied.

86 No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by-

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the Company.

87 Unclaimed distributions

- (1) All dividends or other sums which are-
 - (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.
- (2) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- (3) If-
 - (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

88 Non-cash distributions

- (1) Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).
- (2) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated.
- (3) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution-
 - (a) fixing the value of any assets;

- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

89 Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if-

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

Record Dates

90 Fixing of record dates

- (1) Notwithstanding any other of these articles, but without prejudice to any rights attached to any shares, the Company or the board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- (2) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

Accounts

91 Accounting records

- (1) The board shall cause accounting records of the Company to be kept in accordance with the Statutes.

- (2) No member (as such) shall have any right of inspecting any account, book or document of the Company, except as conferred by law or authorised by the board or by any ordinary resolution of the Company.

Notices

92 Form of notices

- (1) Except where otherwise expressly stated, any notice to be given to or by any person under these articles shall be in writing or, to the extent permitted by the Statutes and subject to paragraph (2), contained in an electronic communication.
- (2) The board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as it thinks fit for verifying the authenticity or integrity of any such electronic communication. A notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the board.

93 Manner of giving notices

- (1) A notice in writing, document or other communication may be given or served by the Company to any member either personally or by sending it through the post addressed to the member at his registered address (or if the member has no registered address to the postal address, if any, supplied by him to the Company as his address for the service of notices) or by leaving it at that address.
- (2) Subject to the Statutes, a notice, document or other communication may be given by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a web site where:
 - (a) the Company and that member have agreed to the use of electronic communication for sending copies of documents to the member and:
 - (i) the documents are documents to which the agreement applies; and
 - (ii) copies of the documents are sent using electronic communication to such address (or to one of such addresses if more than one) as

may for the time being be notified by the member to the Company for that purpose; or

(iii) the Company and that member have agreed to that member having access to documents on a website (instead of documents being sent to him); and:

(aa) the member has agreed (generally or specifically) that the notice, document or other communication may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the member has been asked by the Company to agree that the Company may send or supply notices, documents and other communications generally, or the notice, document or other communication in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);

(bb) the member is sent a notification of the presence of the notice, document or communication on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("**notification of availability**");

(cc) in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual general meeting; and

(dd) the notice, document or communication continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the Statutes, or, if

no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the member, save that if the notice, document or communication is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

- (3) A member of the Company which is itself a company shall be deemed to have agreed that the Company may send a notice or other document in accordance with paragraph 2(a) above if the member is deemed by a provision in the Statutes to have agreed that the notice or document may be so sent.
- (4) In the case of joint holders of a share, any notice, document or other communication given or served by the Company in any manner permitted by these articles to the joint holder who is named first in the register in respect of the joint holding shall be deemed to be given to all other holders of the share. The agreement of the first named holder that notices, documents and other communications may be given, sent or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.
- (5) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom (not being an electronic address) at which notices may be given to him shall be entitled to have notices given to him at that address but, unless he does so, shall not be entitled to receive any notice from the Company.
- (6) For the avoidance of doubt, the provisions of this article 112 are subject to article 27.

94 Notice in event failure of postal services

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or any part of the United Kingdom, or of services for delivery by electronic means, the Company is unable in the opinion of the board effectively to convene a general

meeting or annual general meeting by notices sent through the post (or by notification by post as to the availability of the notice of meeting on a website) or (in the case of those members in respect of whom an address has for the time being been notified to the Company, in a manner specified by the board, for the purpose of giving notices by electronic means) by electronic means, the board may decide that the only persons to whom notice of the affected general meeting or annual general meeting must be sent are:

- (a) the board;
- (b) the Company's auditors;
- (c) those members to whom notice to convene the general meeting or annual general meeting can validly be sent by electronic means; and
- (d) those members to whom notice to convene the general meeting or annual general meeting can validly be sent by means of a website and to whom notification as to the availability of the notice of meeting on a website can validly be sent by electronic means.

In any such case the Company shall:

- (i) send confirmatory copies of the notice (or a confirmatory notification as to the availability of the notice on the Company's website in the case of those members to whom notice to convene the general meeting or annual general meeting can validly be sent by means of a website but to whom notification as to the availability of the notice of the meeting on a website cannot validly be sent by electronic means) by post or (as the case may be) by electronic means if, at least seven days prior to the date of the general meeting or annual general meeting, the posting of notices to addresses throughout the United Kingdom or (as the case may be) the sending of notices by electronic means again becomes, in the opinion of the board, practicable;
- (ii) advertise the notice of meeting in at least one national newspaper; and
- (iii) make the notice of meeting available on its website from the day the notice was sent until the conclusion of the meeting or any adjournment thereof.

95 When notice is deemed given

- (1) Any notice in writing, document or other communication, if sent by first class post, shall be deemed to have been given on the day following that on which the envelope containing it is put into the post, or, if sent by second class post, shall be deemed to have been given on the second day following that on which the envelope containing it is put into the post and in proving that a notice, document or other communication has been given it shall be sufficient to prove that the letter, envelope or wrapper containing the notice, document or other communication was properly addressed, prepaid and put into the post.
- (2) Any notice in writing, document or other communication not sent by post but left at a registered address or address at which a notice, document or other communication may be given shall be deemed to have been given on the day it was so left.
- (3) Any notice, document or other communication, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Proof that a notice, document or other information in electronic form was sent will be sufficient to prove that the notice, document or other information was properly addressed subject to the provisions of section 1147(4) of the 2006 Act as to deemed delivery of documents or information by means of a website.
- (4) Any notice, document or other communication that has been made available on a website shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website.
- (5) A member present, either in person or by proxy, at any meeting of the Company or class of members of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- (6) Every person who becomes entitled to a share shall be bound by every notice (other than a notice in accordance with section 793 of the 2006 Act) in respect of that

share which before his name is entered in the register was given to the person from whom he derives his title to the share.

96 Record date for giving notices

- (1) For the purposes of giving notices of meetings, documents or other communications, whether under the Statutes, a provision in these articles or any other instrument, the Company may determine that persons entitled to receive such notices, documents or other communications are those persons entered on the register at the close of business on a day determined by it.
- (2) The day determined by the Company under paragraph (1) above may not be more than fifteen days before the day that the notice of the meeting, document or other communication is given.

97 Notice to person entitled by transmission

Where a person is entitled by transmission to a share, any notice or other communication shall be given to him, as if he were the holder of that share and his address noted in the register were his registered address. In any other case, any notice or other communication given to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly given in respect of any share registered in the name of that member as sole or joint holder.

Untraced Members

98 Sale of shares of untraced members

- (1) The Company may sell, in such manner as the board may decide and at the best price it considers to be reasonably obtainable at that time, any share of a member, or any share to which a person is entitled by transmission if:
 - (a) during a period of twelve years at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with these articles;

- (b) during that period of twelve years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the member or the person entitled by transmission to the share;
 - (c) on or after the expiry of that period of twelve years the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area in which the last known address of the member or person entitled by transmission to the share or the address at which notices may be given in accordance with these articles is located, in each case giving notice of its intention to sell the share; and
 - (d) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the member or the person entitled by transmission to the share.
- (2) The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisement pursuant to subparagraph (1)(c) above, is issued in right of a share to which paragraph (1) applies (or in right of any share to which this paragraph applies) if the conditions set out in subparagraphs (1)(b) to (d) are satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).
- (3) To give effect to any sale, the board may authorise some person to transfer the share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

99 Application of proceeds of sale

- (1) The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- (2) Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company, if any) as the board may from time to time decide.
- (3) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

Capitalisation of Profits

100 Capitalisation of reserves

- (1) The board may, with the authority of an ordinary resolution of the Company:
 - (a) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account or retained earnings account not required for the payment of any preferential dividend (whether or not it is available for distribution); and
 - (b) appropriate that sum as capital to the holders of ordinary shares in proportion to the nominal amount of the ordinary share capital held by them respectively and apply that sum on their behalf in paying up in full any new shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by the resolution provided that the share premium account and the capital redemption reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up new shares to be allotted credited as fully paid up.

- (2) Where any difficulty arises in respect of any distribution of any capitalised reserve or other sum, the board may settle the difficulty as it thinks fit and in particular may make such provisions as it thinks fit in the case of shares or debentures becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than the members concerned) or ignore fractions and may fix the value for distribution of any fully paid up shares or debentures and may determine that cash payments be made to any members on the basis of the value so fixed in order to secure equality of distribution, and may vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as the board may think fit.
- (3) The board may also authorise any person to sign on behalf of the persons entitled to share in the distribution a contract for the acceptance by those persons of the shares or debentures to be allotted to them credited as fully paid under a capitalisation and any such contract shall be binding on all those persons.

101 Capitalisation of reserves – employees’ share schemes

- (1) This article (which is without prejudice to the generality of the provisions of the immediately preceding article) applies:
 - (a) where a person is granted pursuant to an employees’ share scheme a right to subscribe for shares in the Company in cash at a subscription price less than their nominal value; and
 - (b) where, pursuant to an employees’ share scheme, the terms on which any person is entitled to subscribe in cash for shares in the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value.
- (2) In any such case the board:
 - (a) shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares (the "**cash deficiency**") from the profits or reserves of the Company which are available for distribution and not required for the payment of any preferential dividend; and

- (b) (subject to paragraph (4) below) shall not apply that reserve account for any purpose other than paying up the cash deficiency upon the allotment of those shares.
- (3) Whenever the Company is required to allot shares pursuant to such a right to subscribe, the board shall (subject to the Statutes) appropriate to capital out of the reserve account an amount equal to the cash deficiency applicable to those shares, apply that amount in paying up the deficiency on the nominal value of those shares and allot those shares credited as fully paid to the person entitled to them.
- (4) If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the cash deficiency applicable to those shares.
- (5) No right shall be granted under any employees' share scheme under paragraph (1)(a) above and no adjustment shall be made as mentioned in paragraph (1)(b) above unless there are sufficient profits or reserves of the Company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this article of an amount sufficient to pay up the cash deficiency applicable to the shares concerned.

PART 5

MISCELLANEOUS PROVISIONS

Communications

102 Means of communication to be used

- (1) Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

- (3) A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

103 Failure to notify contact details

- (1) If-
 - (a) the Company sends two consecutive documents to a member over a period of at least 12 months, and
 - (b) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered,that member ceases to be entitled to receive notices from the Company.
- (2) A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again by sending the Company-
 - (a) a new address to be recorded in the register of members, or
 - (b) if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively.

Administrative Arrangements

104 Seal

- (1) The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the board.
- (2) The directors shall provide for the safe custody of every seal of the Company.
- (3) A seal shall be used only by the authority of the board or a duly authorised committee but that authority may consist of an instruction or approval given in writing or by electronic means by a majority of the directors or of the members of a duly authorised committee.

- (4) The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with.
- (5) Unless otherwise decided by the board:
 - (a) certificates for shares, debentures or other securities of the Company issued under seal need not be signed; and
 - (b) every other instrument to which a seal is applied shall be signed by at least one director and the Company Secretary of the Company or by at least two directors or by a director in the presence of a witness.
- (6) Where the Statutes so permit, any instrument signed by one director and the Company Secretary of the Company or by two directors or by a director in the presence of a witness who attests to the signature and expressed, in whatever words, to be executed by the company shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to be a deed without the authority of the directors or a committee authorised by the directors in that behalf. The directors may by resolution determine that such signatures or either of them shall be affixed by some mechanical or electronic method or system.

105 Destruction of documents

- (1) The Company is entitled to destroy-
 - (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;
 - (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
 - (c) all share certificates which have been cancelled from one year after the date of the cancellation;

- (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
 - (e) all Proxy Notices from one year after the end of the meeting to which the Proxy Notice relates.
- (2) If the Company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that-
- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
 - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
 - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
 - (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.
- (3) This article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- (4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

106 No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

107 Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

Change of Name

108 Change of name

The Company may change its name by means of a resolution of the directors made in accordance with the provisions of these articles. The provisions of section 79 of the Companies Act 2006 shall be complied with on any change of the Company's name pursuant to this article.

Directors' Indemnity and Insurance

109 Indemnity of directors

Subject to the Statutes, every person who is or was a director or other officer (excluding an auditor) of the Company or any associated company, directly or indirectly, shall be indemnified out of the assets of the Company against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office but:

- (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
- (b) the indemnity is subject to such officer taking all reasonable steps to effect such recovery, to the intent that the indemnity shall not apply where an alternative right of recovery is available and capable of being enforced.

110 Indemnity for qualifying pension scheme

Subject to the Statutes, the Company may indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by

him) against any liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme.

111 Funds incurred in officer's defence

Subject to the Statutes, the Company may at the discretion of the board provide every director or other officer (excluding an auditor) of the Company with funds to meet expenditure incurred or to be incurred by him (or to enable such director or officer to avoid incurring such expenditure) in defending any civil or criminal proceedings, any regulatory actions or investigations or in connection with any application under the provisions referred to in section 205(5) 2006 Act.

112 Limited Liability

The liability of the members is limited to the amount, if any, unpaid on the shares in the company respectively held by them.

113 Insurance

- (1) The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.
- (2) In this article 113-
 - (a) a "**relevant director**" means any director or former director of the Company or an associated Company,
 - (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated Company or any pension fund or employees' share scheme of the Company or associated Company, and
 - (c) companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate.

Winding Up

114 Distribution of assets

If the Company shall be wound up the liquidator may, subject to the Statutes, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities or other assets whereon there is any liability.

**APPENDIX B – AUDITED FINANCIAL STATEMENTS FOR AWILCO DRILLING PLC FOR THE
YEAR ENDED 2021**

Awilco Drilling PLC

Report and Financial Statements

31 December 2021

Directors

Sigurd Thorvildsen
Henrik Fougner
Daniel Gold
John Simpson
Synne Syrrist

Secretary

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Strategic report

Corporate Strategy and business model

Awilco Drilling PLC ('the Company')'s strategy is to create value through the provision of a quality, reliable and customer focused service to the mobile drilling rig market. The management team shall safely, efficiently and effectively deliver a high-quality service to customers, with a view to securing the most lucrative day rate contracts in conjunction with the highest achievable rig utilisation. The Company shall continue to evaluate opportunities which best complement its financial and operational aspirations.

During the year, the Company owned and operated two semi-submersible drilling rigs, the WilPhoenix and WilHunter, both standardised rigs used in the drilling of oil and gas wells and P&A work in the UK sector of the North Sea. The WilHunter has not worked since July 2015 and has been cold stacked in Invergordon since October 2016. The WilPhoenix completed a contract in October 2021 and has since been warm stacked in Invergordon prior to the sale of the rig.

Going Concern

Following the contractual arrangements to sell both rigs during Q2 2022, the Company is currently no longer performing operational activities. As a result of this, the financial statements have been prepared on a basis other than going concern. Cost saving measures have been initiated including reduction in headcount.

Principal activity

The principal activity of the Company and its subsidiaries ('the Group') prior to year-end was to operate the drilling rigs. During the year, the WilPhoenix was in drilling operations for its clients, Serica Energy and Ithaca Oil and Gas Energy. As noted above, since contractual arrangement to sell both rigs during Q2 2022, the principal activity of the Group is to continue the arbitration processes with Keppel FELS shipyard.

Business review and future developments

Following the disposal of both of the Company's drilling rigs, the Company is currently no longer performing operational activities. Although the main focus in the short term will be on the arbitration processes, minimising costs and thereby maximising returns to the shareholders, the Company shall also continue to evaluate new investment opportunities. If an attractive opportunity arises, which complements the Company's financial and operational aspirations, operations will resume once again.

Performance

The Group's financial performance during the year was as follows:

	2021	2020
	US\$000	US\$000
Revenue	33,077	25,602
Operating loss	(61,264)	(167,916)
Loss for the year attributable to equity shareholders	(72,229)	(167,857)
Operating loss margin %	(185%)	(656%)
Number of employees and contractors at year end	107	137

The total revenue for the year relates to contract income received from drilling operations. The increase is due to higher utilisation for the WilPhoenix compared with the prior year. The Group had rig operating expenses of US\$ 27.6 million (2020: US\$ 23.3 million) relating to rig operating costs included in cost of sales, which includes an impairment of onboard inventory of US\$ 3.0 million. General and administration expenses were US\$ 12.2 million (2020: US\$ 14.9 million). There was an impairment expense of US\$ 48.1 million (2020: US\$ 145.2 million). US\$ 47.3 million was rig impairment (including fleet capital spares), and US\$ 0.8 million in respect of right of use assets.

During the year, the key performance indicators (KPIs) set out below were reviewed on a regular basis by management and performance against them subsequently reported to the Board of Directors. Targets for the KPIs are set and, if performance falls short, the appropriate corrective action was implemented by management.

Strategic report (continued)

Business review and future developments (continued)

The Company's main financial KPIs were:

Revenue efficiency

Revenue efficiency is actual contract revenue earned in the period that active rigs are working, compared with the maximum daily contract revenue available, multiplied by the number of days worked in the contracted period. For the year ended 31 December 2021, the revenue efficiency was 92.9% (2020: 80.6%).

Operating margin

Operating margin is total revenue less operating costs. For the year ended 31 December 2021, operating margin was 185% loss. (2020: 656% loss). The improvement in margin is due to the increase in revenue during the year, decrease in general and administration expenses and the prior year included an impairment of new build assets.

The Company also has a number of operational KPIs that were used to manage the business on a day to day basis, some of which are detailed below:

Quality, Health, Safety and Environment (QHSE)

Total recordable incident rate (TRIR)	Number of incidents (lost time incident, restricted work case, medical treatment only) x 200,000 / Total number of man hours in the review period. Measured on a rolling 12-month basis.
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Unplanned discharges	Items that have been discharged to sea not covered under PON 15 which relate to allowable items. Some examples are Blow out Preventor (BOP) control fluid and hydraulic oil that are reportable under PON 1. (PON - Petroleum Operations Notices)
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Operations

Uptime	Total hours the rigs are working i.e. not on unplanned downtime / on contract time for the period.
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Human Resources (HR)

Personnel turnover	Employee initiated leavers in the period as a percentage of total headcount (onshore and offshore) on a rolling 12-month basis.
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Following the disposal of both of the Company's drilling rigs, the Company is currently no longer performing operational activities. In future, the principal KPIs will be in respect of maintaining an adequate cash buffer to meet the ongoing obligations of the Company. Should the Company enter into new business such that operating activities recommence, KPIs will be set appropriate to that activity.

Principal risks and uncertainties

The Company's primary risks during the year were those that impact utilisation rates for each of the rigs, QHSE issues associated with operations and exposure to liquidity, credit, and legal risk. Subsequent to year end, following the disposal of the rigs and no ongoing rig operations, the principal risks are now in respect of liquidity and legal risks.

QHSE (Quality, Health, Safety, Environment)

To mitigate any risk with regards to QHSE, the Group has in place a QHSE management plan which seeks to ensure that all operations are conducted within normal industry standards and procedures. The Group also seeks to ensure safe and efficient operations, with no accidents, injuries, environmental incidents or damage to assets. During the current Covid-19 outbreak, the Group is following industry guidelines to ensure the safety of the workforce.

Strategic report (continued)

Principal risks and uncertainties (continued)

QHSE (Quality, Health, Safety, Environment) (continued)

The Group achieved a high level of safety with no injuries or fatalities. There has been continued low frequency of dropped object and high potential incidents. The Corporate Annual QHSE objectives are implemented in departmental action plans. The zero total recordable incident rate (TRIR) reported in 2020 has been successfully maintained throughout 2021. There were no LTI incidents in 2021 and only a single first aid case. Our commitment to safe and reliable operations has seen this improvement and we continue to learn and improve. Post transfer of the rigs and termination of offshore personnel, this risk, in relation to operational activity, will no longer be considered relevant.

Liquidity

As described in Note 26 to the financial statements, the Group's objective is to maintain sufficient liquidity in order to support the needs of the business and meet liabilities as they fall due. The Group currently has no debt obligations and has obtained a shareholder loan facility to ensure an appropriate level of cash is available in the short to medium term. Further funding may be required in order to support the ongoing arbitration process.

Tax risks

The Company is committed to operating in a manner consistent with good industry practice and in accordance with all legislative requirements that are applicable in the different areas of jurisdiction in which it conducts business.

The Company has subsidiaries in other countries. Tax laws and regulations are highly complex and subject to interpretation. Consequently, the Company is subject to changing tax laws, treaties and regulations in and between countries in which it operates. The Company's tax expense is based upon its interpretation of the tax laws in effect in these countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations or in the interpretation thereof, which is beyond the Company's control, could result in a materially higher tax expense or a higher effective tax rate on the Company's earnings.

For 2021, the effective tax rate ("ETR") for the Company was negative 14.7% (2020: 0.1% negative). The current and prior year are negative figure due to the loss before tax. There was a tax charge in the year as a result of the current year movement in unrecognised deferred tax asset, reversal of a prior deferred tax asset and recognition of a tax liability of the subsidiary, WilHunter (UK) Ltd of US\$ 9.2 million. This was following an unsuccessful tax tribunal appeal. WilHunter (UK) Ltd does not have sufficient funds to meet this liability and the subsidiary company is currently undergoing a creditors voluntary liquidation. Going forward, with limited anticipated revenue, the tax risk will be significantly reduced.

Legal risks

The Group values its reputation and aims to carry out business in a fair and open manner. Despite this the Group may become subject to claims during the course of its business. In the previous year, the vessel construction contracts for two semi-submersible drilling rigs being built in Singapore, were terminated, see Note 23. The Group's subsidiary companies have entered into arbitration with the rig construction company. The rig construction contracts were entered into on a non-recourse basis to the parent company or wider group. In order to mitigate any possible risk of cash outflow, the Group has established a dedicated team and has engaged specialist legal advisors to support the actions taken.

Strategic report (continued)

Corporate Social Responsibility

The Company recognises its duty to stakeholders to operate the business in an ethical and responsible manner. It is committed to developing its Corporate Social Responsibility (CSR) agenda, recognising that it can play a major part in its operations. This report does not contain information about any policies of the Company in relation to social community and human rights issues since it is not considered necessary for an understanding of the development, performance or position of the Company's business activities. During the year, when operational activities were being performed, the following core values were applicable:

Core Values

Simple is Best – Our systems and procedures shall be clear, concise and effective, ensuring we deliver on our promises.

Engagement – We will be a company of choice, valuing our work force, listening and responding to employees, clients and partners.

Efficiency – We will consistently meet our clients' expectations by providing competent people, reliable equipment and smart systems.

Flexibility – We will encourage challenge and creativity in order to deliver optimised performance and continuous improvement.

Performance – We will get it right first time; consistently delivering success.

Anti-bribery and corruption

The Company requires its employees to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. The Company has a specific Anti-Bribery and Corruption policy to ensure compliance with all applicable anti-bribery and corruption regulations and to ensure the Company's business is conducted in a socially responsible manner. A risk assessment is undertaken by the senior members of the Company as part of the quarterly review of the Company's risk register.

Policy

The Company's employment policies and procedures are described in detail in the Staff Handbook, which is available to all employees via the Business Management System (BMS). The Company's Code of Conduct – Values and Ethics document sets out the basic principles to guide all employees and officers of the Company on how they must conduct themselves to seek to avoid even the appearance of improper behaviour. To help ensure compliance, the Company requires that employees, officers and directors review the policy and acknowledge their understanding and adherence in writing on an annual basis.

Equal opportunities and diversity

The Company is committed to equal opportunities and treats all employees with respect and dignity and ensures that decisions are taken without reference to irrelevant or discriminatory criteria. The Company does not tolerate any form of unlawful discrimination and is committed to promoting equality of opportunity and diversity for all personnel and will address any unlawful discrimination in every aspect of its operations.

As at 31 December 2021, the number of directors and employees was as follows:

	Male	Female
Directors	4	1
Senior Managers	3	-
Other staff – onshore	10	8
Other staff – offshore	86	-

Strategic report (continued)

Health and Wellbeing

It is important to the Company that it supports its employees in their health and wellbeing. The Company operates a flexible benefit scheme that is available to all members of staff and includes benefits such as leisure club membership, private medical and dental insurance, a health screening service and an Employee Assistance Programme. The Company has also achieved the Silver Healthy Working Lives Award. During the Covid-19 pandemic, where possible, all onshore employees were required to work from home in accordance with government guidance. Employees were encouraged to ensure they had adequate resources available, and support was offered where necessary.

Absence Management

The Group has an established absence management procedure, to support employees during periods of sickness absence whilst ensuring the efficient and effective running of the organisation.

	2021	2020
Group sick leave (as a percentage of total hours worked)	2.0%	1.7%

Health, Safety and Environment

The Company recognises that it has a corporate responsibility to carry out its operations in an ethical and responsible manner whilst minimising its impact on the environment. The Company upholds the relevant standards and retains its ISO14001 certification. ISO14001 is an internationally recognised environmental management system (EMS) standard, providing a model for companies to follow to create and achieve their policy. Focusing on the issues that really matter, it is designed to help companies achieve consistent environmental regulatory compliance whilst embedding the concept of continuous improvements in environmental performance. ISO14001 is a widespread benchmark for thousands of organisations around the world that want to communicate to the public and stakeholders that they are environmentally responsible. Additionally, the Company has achieved ISO 45001 certification following on from its previous BS OHSAS 18001 certification. This is an internationally applied Standard for occupational health and safety management systems. It exists to help organisations put in place demonstrably sound best practices by providing a framework for procedures and controls needed by the Company to achieve the best possible working conditions and workplace health and safety by eliminating hazards and minimize health and safety risks.

Section 172

The Board of Directors have taken account of stakeholder views when making key decisions that impact the company and its stakeholders. The following matrix provides some examples of how, during the year, consideration was given to key stakeholders, being employees, investors, customers, suppliers, regulators and society in general. In the future, if activity is not increased again, many of these issues may no longer be relevant.

Stakeholder	Strategic Issue	Engagement	Outcome	Key Decision
Employees	Fair compensation and benefits package for employees	Market analysis is performed to ensure compensation levels are competitive in prevailing market. See also commitment expressed by the Board in respect of “Health and Wellbeing” of employees on this page.	Pay levels for existing and new employees were considered to be fair and competitive within the industry.	Changes in compensation levels are proposed by the Remuneration Committee to the Board.

Strategic report (continued)

Section 172 (continued)

Stakeholder	Strategic Issue	Engagement	Outcome	Key Decision
Investors	Continue to seek growth opportunities that offer attractive returns to investors	<p>Information is shared with investors in the form of quarterly and annual financial reports and press release disclosures are required.</p> <p>Additionally, quarterly presentations held and available on the Company website. Regular one to one investor meetings are also held.</p>	No new outcomes in respect of investment opportunities at this time.	<p>Quarterly and annual financial reports are reviewed and approved by the Board.</p> <p>Termination of new build programme and cost savings initiated in respect of Norwegian shorebase.</p> <p>WilPhoenix rig was warm stacked in Invergordon whilst future options for the rig were considered. This resulted in headcount cost reduction.</p> <p>WilHunter recycling process was commenced.</p>
Customers	Customer Satisfaction	As part of the company's procedures to ensure customers are satisfied with performance and delivery of services contracted, the customers are requested to provide feedback on a variety of areas to ensure the company is performing in accordance with, or better than, customer expectations.	Customer surveys feedback is part of the company KPIs and scoring in this area has been more than satisfactory during the course of the year.	Directors agree key performance indicators with Management and monitor performance against KPIs during the course of the year. Results impact employee bonus awards at year end.

Strategic report (continued)

Section 172 (continued)

Stakeholder	Strategic Issue	Engagement	Outcome	Key Decision
Suppliers	Selection of key suppliers and high-level purchases. Ensure that vendors are paid on a timely manner.	Suppliers invited to tender and purchasing procedures require fair and transparent selection of vendors. Refer also paragraph on Investment Appraisal" on page 19 of the annual report.	Policies, procedures and scrutiny by the Board ensures vendor selection criteria is a robust process.	Board involved in selection of key vendors and Board approve the approval matrix on a regular basis. Any approvals above the matrix levels require Board approval. A Board member and chair of the Audit Committee approves the published payment practices report filed every six months.
Regulators	Accreditation and compliance with regulatory standards.	Details of standards achieved are detailed under "Health, Safety and Environment" on page 6 of the annual report.	Achievement and continued certification of compliance through external HSE audits ensures company operates at, or above, the standards required by the regulatory bodies that govern the industry.	The Board approves the direction followed by the CEO and management in pursuit of necessary accreditation and standards.
Society	Minimising harm to the environment in operational performance of the fleet.	KPIs are established to measure if any adverse consequence to the environment within the control of the company.	Achievement and compliance with environmental sustainability.	Operational KPIs are also reviewed on a regular basis by the Board.

By order of the Board of Directors



Sigurd Thorvildsen
25 May 2022

Directors' report

Registered No. 7114196

The Directors present their report and financial statements for the year ended 31 December 2021. These financial statements have been prepared under UK-adopted International Accounting Standards (UK-adopted IAS) and International Financial Reporting Standards as adopted by the European Union (EU adopted IFRS) as it applies to annual periods beginning 1 January 2021.

Results and dividends

The loss after taxation for the year amounted to US\$ 72.2 million (2020: US\$ 167.9 million loss). There were no dividends paid during the year. (2020: nil)

Future developments

See Strategic Report pages 2-8.

Directors

The directors who served the Company during the year were as follows:

Sigurd Thorvildsen
Henrik Fougner
Daniel Gold
John Simpson
Synne Syrrist

Financial instruments

The Group's financial risk management objectives and policies are discussed further in Note 26 on pages 71-73 of the financial statements.

Directors' liability

The Company insures its directors and officers against liability in respect of proceedings brought by third parties, subject to the conditions set out in the UK Companies Act 2006.

Directors and their interests

None of the directors listed above had any direct interest in the Company's shares.

Major interest in shares

The Company has been notified of the following interests representing 3% or more of the issued ordinary share capital of the Company as at 25 May 2022.

	<i>No of shares</i>	<i>Percentage holding</i>
Awilhelmsen Offshore AS	20,240,814	37.1%
Pershing LLC	11,089,012	20.3%
Akastor AS	3,049,673	5.6%
Euroclear Bank S.A. / N.V.	2,141,616	3.9%
Skandinaviska Enskilda Banken	2,000,000	3.7%
Citibank N.A.	1,834,536	3.4%

QVT Financial LP with affiliated and related parties owned 5,369,401 shares at 25 May 2022, a total of 9.8% of the Company's share capital.

FVP Master Fund LP with affiliated and related parties owned 10,817,527 shares at 25 May 2022 a total of 19.8% of the Company's share capital and has not notified the Company of any changes of ownership up to the date of signing the report and financial statements.

Directors' report (continued)

Corporate governance

The information given in the corporate governance statement is set out on pages 14-20.

Going concern

As noted in the Strategic report, the Group is currently no longer performing operational activities. Accordingly, the financial statements have been prepared on a basis other than going concern.

Asset impairment consideration

Management has performed an impairment test which resulted in an impairment of US\$ 47.3 million at year end. The valuation of the rig is based upon the fair value less cost to sell, and the final agreed selling price between both parties.

Greenhouse gas emissions

The Company's greenhouse gas emissions are categorised between two categories: direct emissions (from rig power generation and loss of refrigerants) and indirect emissions (from purchased electricity for onshore offices). All figures reported are in relation to energy consumed in the United Kingdom and offshore area.

All emissions from the facilities over which the Company has direct operational control were included. The Companies Act 2006 requires reporting on the following greenhouse gases:

- Carbon dioxide ("CO₂");
- Methane ("CH₄");
- Nitrous Oxide ("N₂O");
- Hydrofluorocarbons ("HFCs");
- Perfluorocarbons ("PFCs"); and
- Sulphur Hexafluoride ("SF₆").

PFCs and SF₆ are not emitted, and therefore not considered in this report.

Greenhouse gas emissions are reported in tonnes (t) carbon dioxide equivalents ("CO₂e"). Calculations are performed using the emission factors and global warming potential for each chemical compound, which are in accordance with the current guidance from the UK Government GHG Conversion Factors for Company Reporting 2021. The 2021 annual CO₂e emitted from operations was 6,977 t.

For the year ended 31 December 2021, the estimated carbon dioxide equivalent ("CO₂e") gas emissions were 6,489 tonnes as compared to 5,651 tonnes for the year ended 31 December 2020. When expressed as an intensity measure of tonnes of CO₂e gas emissions per days of contract from operations, the intensity measure for 31 December 2021 was 18.5 tonnes, changes in the previous year's disclosures is due to the changes of the operational context of the unit. Reduction in indirect emissions is largely due to reduced occupancy of the office due to the global pandemic.

There were 35kg of accumulated refrigerant losses during 2021 equivalent to 102.0 tonnes of CO₂e.

Directors' report (continued)

Greenhouse gas emissions (continued)

Greenhouse Gas Emissions	<i>2021</i>	<i>2020</i>
Direct emissions (owned rigs)	6,849	5,651
Indirect emissions (onshore offices)	26	31
Refrigerant emissions (offshore only)	102.0	230.5
Total emissions (CO ₂ e)	6,977	5,912.5
Direct CH ₄ emissions (owned rigs)	1.7	1.4
Direct N ₂ O emissions (owned rigs)	91.2	76.1

The Company's aim is to work on improving environmental sustainability by reducing the carbon footprint, eliminating waste, recycling and using alternative energy sources where possible. As the Company holds an ISO 14001 accredited Environmental Management System (EMS) this has already identified the risks to biodiversity the Company's activities may pose. The disposal of drill cutting was identified as the most significant risk to biodiversity. During 2021, zero drill cuttings were disposed to the environment from operations.

Assessment of Climate Change Impact

As a result of rig disposals, the Company is currently no longer performing operational activities so has no significant climate change impact to consider. The responsibility for minimising environmental impact in relation to the disposal of rigs has passed to the buyer.

Stakeholder relationships

The Directors recognise that business relationships with all stakeholders is beneficial to the well-being of the organisation. Feedback in terms of relationships with suppliers, customers, investors is discussed with management at board meetings.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Responsibility statement

The directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared under UK-adopted International Accounting Standards (UK-adopted IAS) and International Financial Reporting Standards as adopted by the European Union (EU adopted IFRS) as it applies to annual periods beginning 1 January 2021, give a true and fair view of the assets, liabilities, financial position, and profit of the parent company and undertaking included in the consolidation taken as a whole;
- That the annual report, including the strategic report, includes a fair review of the development and performance of the business, and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face: and.
- That they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Directors' report (continued)

Subsequent events

During March, the subsidiary company WilHunter (UK) Ltd was placed into liquidation. The affairs, business and property of the Company are being managed by the Joint Liquidators, Geoff Jacobs and Blair Nimmo of Interpath Advisory.

During March, the Company signed a Sale and Purchase Agreement with Rota Shipping Inc to recycle the WilHunter at the Aliaga Shipyard in Turkey. The sale is expected to be concluded no later than 15 June 2022.

During May, the Company signed a Memorandum of Agreement (MOA) for the sale of the WilPhoenix to Well-Safe Solutions Ltd for an agreed purchase price of USD 15.5 million. Expected delivery time of the rig is on or around 1 June 2022.

During May 2022, the Company signed a short-term shareholder loan with Awilhelmsen Offshore AS and QVT Family Office Fund LP. The loan is for a total of up to USD 4 million, structured as a draw-down facility, with interest rate of 10 percent per annum on the aggregated outstanding principal amount. In addition, there is an arrangement fee of 2 percent on the total amount. Maturity date for the loan is 1 July 2022. The loan shall be used for general working capital purposes.

As a result of the agreements to dispose of both rigs after the year end, it is considered that the Group is currently no longer performing operational activities and the financial statements have been prepared on a basis other than going concern. However, the Board shall continue to consider future opportunities and take the necessary action as required.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board of Directors



Sigurd Thorvildsen

25 May 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statement in accordance with applicable United Kingdom law and regulation.

Company Law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group financial statements in accordance with UK adopted international accounting standards (UK-adopted IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union and have prepared the Company financial statements in accordance with UK-adopted IAS, as applied in accordance with section 408 of the Companies Act 2006.

Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance;
- in respect of the group financial statements, state whether UK adopted international accounting standards (UK-adopted IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, UK-adopted IAS, as applied in accordance with section 408 of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and / or the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Corporate governance

Awilco Drilling PLC is committed to maintaining high standards of corporate governance.

The Company is listed on the Oslo Bors stock exchange. The Company has adopted the Norwegian Code of Practice for Corporate Governance of 14 October 2021 ('the Code'). A copy of the code can be found at www.nues.no

Adherence to the Code is based on a "comply or explain" principle, whereby companies are expected to comply with the recommendations or explain why they have chosen an alternative approach. Below is a summary of the departures from the Code with an explanation of how the Company's actual practices contribute to good corporate governance.

Code of Practice Compliance

The Company is required to state how it has applied the principles set out in Section 1 of the Code and which relate to its directors, remuneration, accountability and audit and relations with shareholders.

As of the date of this report, the Company is in compliance with the Code, except in relation to the following matters:

- Business – the Company's Articles of Association do not specifically define the Company's business. The Company is incorporated in England & Wales and this is in line with standard practice for a UK registered company. An overview of the Company's business can be found in this report.
- Equity and dividends – the authorisation given to undertake share capital increases has not been restricted to defined purposes, due to the scope of the Company's business. This is normal practice for a UK registered company.
- Auditor – the Auditor is not present during the Board meeting that considers the annual accounts; but the Auditor attends all Audit Committee meetings including discussions related to the Annual Report and financial statements.
- Corporate Assembly – the Company does not have a Corporate Assembly.

Business

During the year, the Company's principal business was to own offshore drilling rigs for use in offshore drilling operations, and to provide drilling services for oil and gas companies using these rigs. This was an intricate business which involved complex assets and high value equipment, and which required specialised and trained personnel to operate them efficiently and safely.

Further information about the Company's vision, mission and strategy statements is available in the Strategic Report.

Equity and dividends

Full details of the shares issued are detailed in Note 24. The Company considers its equity to be at a level appropriate to the Company's objectives, strategies, cash flow projections and risk profile.

As the Company is currently no longer performing operational activities, there will be no dividends distributed arising from operational activity.

Corporate governance (continued)

Equal treatment of shareholders

All issued shares of the Company are vested with equal shareholder rights in all respects. There is only one class of shares. The Articles of Association place no restrictions on voting rights. Each share represents one vote at the Company's General Meetings.

Equal opportunities and diversity

The Company is committed to ensuring that all employees are treated with respect and dignity and to ensure that decisions are taken without reference to irrelevant or discriminatory criteria. The Company will not tolerate any form of unlawful discrimination and is committed to promoting equality of opportunity and address unlawful discrimination in every aspect of its operations. The Company takes every possible step to ensure that decisions on recruitment, selection, training, conditions of work, pay and benefits, promotion, career, management, and every other aspect of employment are justifiable and based solely on objective criteria. During the year, there have been no incidents of non-compliance with this policy.

Transactions with close associates

The Company has entered into the agreements listed below with the following parties:

- A management agreement with Awilhelmsen Management AS (AWM) for corporate services;
- Management-for-hire contracts for personnel from the Awilhelmsen Group.

Awilhelmsen Offshore AS owns 37.1% of the ordinary shares in Awilco Drilling PLC.

Freely negotiable shares

The shares of the Company are freely negotiable.

Going concern

The Board regularly review the Company's financial projections to ensure resources are available to meet operational requirements and takes appropriate action if judged necessary. The Board shall continue to consider future opportunities and take the necessary action as required. However, at this current time, following the cessation of operational activity, these financial statements have been prepared on a basis other than going concern.

General Meetings

All shareholders of the Company are entitled to attend the general meetings of the Company. The Annual General Meeting (AGM) is to be held no later than 30 June each year. Notification for meetings are sent out at least 21 days in advance. The notice includes a reference to the Company's website where the notice for the General Meeting and other supporting documents required to allow shareholders to form a view on all matters to be considered at the meeting are made available. The deadline for registration is normally set two working days before the General Meeting, to ensure shareholders have as much time as possible to register. If a shareholder cannot attend a meeting in person it is possible to vote through proxy.

The minutes from the General Meetings are published on the Company's website www.awilcodrilling.com

The next AGM is scheduled for 22 June 2022.

Corporate governance (continued)

The Board of Directors

The Board considers that it is vital to ensure that there is an appropriate range of skills, knowledge and experience among its members, and that the objectivity and integrity of members should be exemplary. The Board currently consists of five non-executive Directors including the Chairman. The Board believes that the structure and size of the Board is appropriate and that no single individual or group dominates the decision making process. The names, skills, experience and expertise of each Director are shown in the Board of Directors section of the Company's website at www.awilcodrilling.com

The main responsibilities of the Board include but are not limited to:

- providing strategic direction for the Company;
- overseeing the Company's systems of internal control, governance and risk management;
- evaluating the performance of executive management; and
- monitoring and facilitating the activities of the Audit and Remuneration Committees.

Management is delegated the task of the detailed planning and implementation of the Company's strategy.

Directors receive timely, regular and appropriate management information to enable them to fulfil their duties and have access to the advice of the Company Secretary. The Board has agreed guidelines for Directors to obtain independent professional advice, if they seek it, at the Company's expense.

The Company has in place directors' and officers' liability insurance.

The Board includes two independent non-executive directors (John Simpson and Synne Syrrist) and three non-independent non-executive directors (Sigurd Thorvildsen, Henrik Fougner and Daniel Gold). All the non-executive Board members are viewed as being free from any relationship with the executive management which could result in any conflict or affect their judgement. None of the non-executive directors participates in the share option schemes or long-term incentive plan operated by the Company, and none are dependent on the fees received from the Company as their primary source of income.

Board Performance

The Board completes an annual process to evaluate the effectiveness of Board Committees and individual directors and has confirmed that it is satisfied that it and its Committees are operating effectively.

The performance of the Chief Executive Officer ("CEO") is reviewed annually by the Remuneration Committee in conjunction with his annual pay review and the payment of bonuses.

Directors are elected by shareholders at the first annual general meeting after their appointment and, after that, offer themselves for re-election by a vote of shareholders at least once every two years.

Corporate governance (continued)

The Board of Directors (continued)

Meetings and attendance

Board meetings are scheduled to be held at least five times a year, linked to key events in the Company's corporate reporting calendar. Additional ad-hoc meetings are held when deemed necessary.

It is expected that all directors attend Board and relevant committee meetings, unless they are prevented from doing so by prior commitments or travel restrictions. If directors are unable to attend meetings, they are given the opportunity to be consulted and comment in advance of the meeting.

Board Committees

The Board has established an Audit Committee, Remuneration Committee and a Nomination Committee. The Audit Committee and Nomination Committee have formal terms of reference governing their method of operation which reflect the provisions of the Code and which have been approved by the Board.

Audit Committee

The Audit Committee was chaired during the year by John Simpson and the other member of the Committee is Henrik Fougner. Only John Simpson is considered to be independent by the Board, which is acknowledged in the terms of reference of the Audit Committee. The Board is satisfied that John Simpson has recent and relevant financial experience, as the former CEO of Den norske Bank (now DNB Bank) in London and Regional Director for DNB's Asia-Pacific operations. Mr. Simpson is currently a director of Marine Capital Limited, as UK asset manager and classed as an approved person by the UK FCA. He has chaired audit committees of UK listed companies and public bodies since 1996.

The role of the Audit Committee is to ensure the integrity of the financial statements of the Company, including its annual and quarterly reports, preliminary results' announcements and any other formal announcements relating to its financial performance. It is responsible for reviewing the Company's internal financial control and risk management systems, advising the Board on the appointment of external auditors, overseeing the relationship with external auditors, reviewing the Company's whistleblowing procedures and considering the need for an internal audit function.

The Audit Committee monitors the relationship with the Company's external auditors relating to the provision of non-audit services to ensure auditor objectivity and independence is safeguarded. The Company will award non-audit work to the firm which provides the best commercial solution for the work in question taking into account the skills and experience of the firm involved and the fees payable for the work. In considering whether to award such work to the external auditors, attention is paid to the level of fees for non-audit services relative to the amounts of the audit fee and whether there are safeguards in place to mitigate to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from the provision of such services.

There is an opportunity at each meeting for the Audit Committee to discuss matters privately with the external auditors without any members of the executive management team present. In addition, the Chairman of the Committee is in regular contact with the external audit partner to discuss matters relevant to the Company.

The Audit Committee have also been extensively involved in ensuring the appropriate disclosures regarding Going Concern have been included in the financial statements.

Remuneration Committee

The Remuneration Committee was chaired during the year by Sigurd Thorvildsen and the other members of the Committee are Daniel Gold and Henrik Fougner.

The role of the Remuneration Committee is to establish and develop the remuneration policy for the Company's executives and key management and to determine a specific remuneration package for the CEO. No director or employee is involved in deciding their own remuneration. The Committee also approves all employee pay review proposals.

Details of the Company's policy on remuneration, service contracts and compensation payments are set out in the Director's remuneration report.

Corporate governance (continued)

The Board of Directors (continued)

Nomination Committee

The members of the Nomination Committee are Henrik Christensen and Tom Furulund.

The role of the Nomination Committee is to present a recommendation to the general meetings concerning directors to be elected by shareholders and the level of directors' fees. The Nomination Committee shall also present recommendations to the general meetings regarding nomination of members to the Nomination Committee and concerning fees for the members of the Nomination Committee.

The table below shows the frequency and attendance of directors and other members at Board and Committee meetings during 2021.

No of meetings in year	<i>Board Meetings</i>	<i>Remuneration Committee</i>	<i>Audit Committee</i>	<i>Nomination Committee</i>
Sigurd Thorvildsen	9		-	-
Henrik Fougner	10		3	-
Daniel Gold	9		-	-
John Simpson	10	-	3	-
Synne Syrrist	10	-	-	-
Henrik Christensen (1)	-	-	-	4
Tom Furulund (1)	-	-	-	4

(1) *Not members of the Board but members of the Nomination Committee only*

Internal controls and risk management

The Board acknowledges its responsibility for establishing and maintaining adequate internal controls and risk management systems to safeguard shareholders' investments and the Company's assets and performs an annual review of these areas. Such systems can only be designed to manage, and not to eliminate, the risk of failure to achieve business objectives. They can provide reasonable, but not absolute, assurance that the Company's assets are safeguarded and that the financial information used within the business for external reporting is reliable.

Operational and business activity risks

The Company's operational and business activity risks are controlled and mitigated by the implementation and use of its Business Management System (BMS). The Company's offshore activity risk is further controlled by the implementation and use of its Safety and Environmental Management System which is incorporated in the BMS.

Information and financial reporting systems

The Company's comprehensive planning and financial reporting procedures include annual detailed operational budgets which are reviewed and approved by the Board. Performance against budget is monitored throughout the year, through monthly reporting of management accounts and key performance indicators. The Board receives updated cash flow statements on a monthly basis and at each Board meeting and has close follow-up discussions with the management between meetings as required.

Corporate governance (continued)

Internal controls and risk management (continued)

With a centralised financial reporting system, transactions and balances are recognised and measured in accordance with prescribed accounting policies, and all relevant information is appropriately reviewed and reconciled as part of the reporting process.

Investment appraisal

There are clearly defined evaluation and approval processes for acquisitions and disposals, capital items and major expenditure. These include escalating levels of authority and post-completion reviews of all major projects to compare the actual outcome with the original plan. Certain transactions are reserved for approval by the Board and limits of delegated responsibility and areas of authority have been identified for employees.

External audit

The Audit Committee reports to the Board on matters discussed with the auditors during the course of the statutory audit.

Takeovers

The Company has adopted guidelines in relation to takeover bids. The guiding principles of the Board in a take-over situation will be to seek the best value for and the equal treatment of all shareholders. The Board recognises that the decision whether to accept or reject an offer lies with the shareholders and will refrain from any actions which may deny shareholders this choice. The Board will seek to provide shareholders with a recommendation as to whether shareholders should or should not accept an offer. This includes seeking external advice on valuation when appropriate. Any transaction that is in effect a disposal of the Company's activities will be submitted to a General Meeting for its approval. As the Company is incorporated in England and Wales and listed in Norway, any takeover bid for the Company would be governed by aspects of both English law and Norwegian law and regulations in accordance with the EU Takeover Directive.

Communication with shareholders

The Company is committed to maintain the highest of standards of disclosure ensuring that all investors and potential investors have the same access to high quality, relevant information in an accessible and timely manner to assist them in making informed decisions. The Investor Relations Department manages the flow of information to all investors and potential investors and regular presentations take place at the time of the quarterly results as well as during the rest of the year.

Any concerns raised by a shareholder in relation to the Company and its affairs are communicated to the Board.

The Company maintains a website which provides up-to-date, detailed information on the Company's operations, which includes a dedicated investor relations section. All Company announcements are available on the website, as are copies of slides used for presentations to investment analysts.

Shareholders will have the opportunity at the forthcoming AGM to put questions to the Board, including the Chairmen of the various Committees.

Remuneration of the Board of Directors

The Company operates in a highly competitive market and must attract, motivate and retain high quality directors capable of achieving the Company's objectives and thereby enhancing shareholder value.

The non-executive Board members receive annual remuneration, based on the Board's responsibilities, expertise, time invested and the complexity of the business. Their remuneration is not linked to the Company's performance.

The remuneration of the Board is disclosed in the Director's Remuneration Report on pages 21-34 of this report. None of the Board members have had any additional assignments for the Company and none of the non-executives participate in any incentive or share option programme.

Corporate governance (continued)

Remuneration of executive personnel

The Remuneration Committee reviews and advises on proposals made by the CEO with regard to the remuneration payable to executive personnel and presents them to the Board. The remuneration payable to executive personnel is determined on the basis of competence, experience and achieved results.

The Board decides the salary and other compensation for the CEO in a meeting. The remuneration and other compensation to the CEO and other executive employees are disclosed in the notes to the financial statements.

Auditor

In line with standard practice for a UK company, the auditor is not present during the Board meeting that deals with the annual accounts.

The auditor attends all meetings of the Audit Committee and presents to the Committee reviews of the Company's accounting principles, risk areas, internal control procedures, including identified weaknesses and proposals for improvement.

The auditor has a private meeting with the Audit Committee at the end of each of its meetings at which neither the CEO nor any other member from the management team is present.

By order of the Board of Directors



Sigurd Thorvildsen

25 May 2022

Directors' remuneration report

Information not subject to audit

Chairman of the Remuneration Committee's Annual Statement

Dear Shareholders,

I am pleased to present the directors' remuneration report for the financial year ended 31 December 2021, prepared in accordance with the Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

This report explains the Company's remuneration policy and provides details of the remuneration paid to executive and non-executive directors for services to the Company during the year. There have been no significant changes to the remuneration policy this year.

In determining remuneration levels, the Committee has taken account of market conditions, the performance of the Company, responsibility to shareholders and good corporate governance.

A resolution to approve the Directors remuneration report will be proposed at the AGM which is scheduled to be held on 22 June 2022.



Sigurd Thorvildsen
Chairman, Remuneration Committee
25 May 2022

Directors' remuneration report (continued)

Introduction

The Company's CEO is not an Executive Director of the Company but under UK company law, there is a requirement for quoted companies to treat the Chief Executive Officer, for the purposes of certain remuneration-related requirements, as if that person were a director of that quoted company. The current CEO was appointed following a proposal from the Board of Directors after the resignation of the previous CEO, acting on an interim basis. His services are provided to the Company under a management on hire agreement from a related party. The rates are per the management on hire agreement, which is currently NOK 2,751 per hour, and billing is based on an hours worked basis. This rate was not subject to review by the remuneration committee or approval by shareholders. The following remuneration report sets out the policy in respect of the components of remuneration which any future CEO employed directly by the company would receive.

Process for setting the Remuneration Policy

The Remuneration Committee (the "Committee") sets the remuneration policy based on the principles and framework outlined below. The Committee is briefed on and considers prevailing market conditions, the competitive environments and the positioning and relativities of pay and employment conditions across the wider Company workforce.

Following each meeting of the Committee, the Chair provides an update to the Board.

Although the Committee does not consult directly with employees on CEO or director remuneration, the Company conducts periodic employee engagement surveys that give employees an opportunity to provide feedback on a wide range of employee matters.

As part of the Company's commitment to good governance, the Committee also considers shareholder views when setting the remuneration policy. Feedback from shareholders and investors is shared with, and used as input into decision-making by, the Board and Committee in respect of the remuneration policy and its application. The Committee considers that this approach provides a robust mechanism to ensure its members are aware of matters raised, have a good understanding of current shareholders views, and can determine the Company's remuneration policy and make decisions as appropriate.

The remuneration policy is designed to avoid conflicts of interests between the Company and the interests of shareholders. In setting the remuneration policy, Committee members are subject to provisions designed to avoid or manage conflicts of interest, which are documented separately in the Company's compliance policies. None of the directors or CEO makes a decision relating to their own remuneration. Individual directors leave the meeting when their own remuneration is being discussed.

Remuneration policy

The Company operates in a highly competitive market and must attract, motivate and retain high quality directors and senior executives capable of achieving the Company's objectives and thereby enhancing shareholder value.

A significant proportion of the potential remuneration of the CEO and senior executives is performance-related with appropriately stretching targets, thus aligning their interests with those of shareholders and encouraging performance at the highest levels.

The Committee has considered whether there are any aspects of the remuneration policy which could inadvertently encourage the executives to take inappropriate risk and has concluded that the policy remains appropriate in this regard.

How the views of employees are taken into account

As referred to above, the Company, in line with market practice, does not actively consult with employees on executive remuneration. The Committee is made aware of overall pay and employment conditions in the wider work force when it sets the executive remuneration policy.

How the views of shareholders are taken into account

As referred to above, the Committee takes into account the view of the shareholders through open and transparent communication with shareholders. If there are significant changes proposed to the remuneration policy, the Committee will consult with major shareholders.

Directors' remuneration report (continued)

Remuneration Policy Table – Executive Directors and CEO

The table below summarises the remuneration policy for any Executive Directors and any future CEO employed directly by the Company.

Element	Purpose	Operation	Opportunity	Performance Measure
Annual Salary	To attract and retain key individuals and reflect their responsibilities, market value and expected performance level	Reviewed annually or when a change in responsibility occurs	There is no maximum salary opportunity	Not applicable
Benefits	To provide a market competitive reward package to the employee	<p>Benefits to be provided to Executive Directors or the CEO will be determined by the Committee taking into account such factors as it determines to be necessary, with the aim of creating a competitive overall package. The provision of benefits would not be expected to be performance related.</p> <p>Benefits may include, but are not limited to:</p> <ul style="list-style-type: none"> ➤ Car allowance ➤ Private health care ➤ Travel and housing allowance <p>Benefits may also be provided to reflect the jurisdiction in which an Executive Director or the CEO is recruited or to which an Executive Director or CEO is relocated for business reasons, including relocation costs, tax equalisation arrangements and arrangements to take into account exchange rates.</p> <p>Benefits may also include participation in any broad-based incentive plan operated by the Company from time to time, up to the relevant limit for participation as applies to such arrangement</p>	Car allowance is a fixed annual amount. There is no maximum for health/dental insurance as it will depend on the value of premiums paid in the year	Not applicable

Directors' remuneration report (continued)

Element	Purpose	Operation	Opportunity	Performance Measure
Performance-related bonus	To provide an incentive for superior work and to motivate executives toward even higher achievement and business results, to tie their goals and interests to those of the Company and its shareholders and to enable the Company to attract and retain highly qualified executives	Bonus payments are determined by the Remuneration Committee and awarded where justified by performance	The amount of bonus increases with the level of performance achieved, up to a maximum of 100% of salary	<p>Annual bonuses will be determined by reference to performance, in the normal course measured over one financial year. The performance measures, weightings and targets for the annual bonus will be set by the Committee on an annual basis</p> <p>The Committee shall have discretion to determine the terms and level at which annual bonuses may be granted, including the minimum performance required for an annual bonus to be payable</p> <p>In respect of an Executive Directors' or CEO's participation in annual bonus arrangements in any year, the Committee will have power to amend performance measures and targets after they have been set if events happen that mean they are no longer a fair test of performance</p>

Directors' remuneration report (continued)

Element	Purpose	Operation	Opportunity	Performance Measure
Pension	To provide a market competitive long-term retirement benefit	Eligibility to participate in a Defined Contribution scheme which has a maximum employer contribution of 12%	Up to 12% of salary	Not applicable
Long Term Incentive Plan (LTIP)	To motivate and incentivise executives to achieve key long-term incentives	<p>The Company has operated a historic LTIP arrangement for the former CEO with all awards being synthetic share options which are cash-settled</p> <p>In the event that the Company adopts a new long-term incentive plan (which may involve synthetic share options, cash or actual shares), the CEO would be eligible to participate in such plan, subject to the terms of, and the maximum levels of participation provided in, the rules of such plan.</p> <p>In respect of any performance-related long-term awards granted to the CEO, performance measures, weightings and targets would be set by the Committee</p> <p>Following grant of an award, the Committee would have power to amend performance measures and targets if events happen that mean they are no longer a fair test of performance</p> <p>The 2020 plan "vests" in 25% tranches linked to rig contract dates and expires after five years.</p>	Award of up to 100% of salary each calendar year	The awards are made at the discretion of the Board of Directors and are not guaranteed to be awarded each year

Notes to the Remuneration Policy Table

In considering the appropriate measures to apply to any performance-based awards, the Committee will seek to incentivise and reinforce delivery of the Company's strategic objectives achieving a balance between delivering annual returns to shareholders and ensuring long-term profitability and growth.

The performance targets set would be stretching and achievable, taking into account the Company's strategic priorities and the economic environment in which the Company operates.

Directors' remuneration report (continued)

Statement of consideration of employment conditions elsewhere in the Company

The Company's remuneration policies and practices are founded on a high degree of alignment and consistency across the organisation. Accordingly, remuneration for senior management is determined taking into account the remuneration principles that apply to the CEO, and similar principles also form the basis of the remuneration arrangements for the wider workforce.

The approach to salary reviews is consistent across the Company, with consideration given to the scope of the role, responsibility, individual performance and pay levels in the selected peer group. Retirement benefits, typically in the form of a pension, are provided based on local market practice. Other benefits provided to the wider employee population reflect local market practice and legislative requirements.

A high proportion of the wider employee population are eligible to participate in annual bonus arrangements. Opportunities and metrics which apply to these arrangements may vary by organisational level with functional performance indicators incorporated where appropriate.

Senior managers are eligible to participate in the LTIP, with opportunities varying across levels with the most senior managers having a bigger portion of their pay delivered under the LTIP.

The key difference between remuneration for the CEO and the wider employee population is the increased emphasis on long-term performance in respect of the CEO, with a greater percentage of their total remuneration being performance-related.

The Committee is regularly updated on the pay principles and practices in operation across the Company, in order to take these into account in setting the remuneration policy.

Other matters

In addition to the above, the Company is obliged to honour any contractual entitlement to compensation or benefits, and any incentive awards, which are held by: (i) any current or former Executive Director or CEO on the effective date of this policy; or (ii) an employee or officer of the Group on the date they are promoted to the role of Executive Director or CEO. Appropriate disclosure will be made of any compensation paid (or similar) to an Executive Director or CEO pursuant to any such arrangements.

The Company may reimburse all reasonable expenses incurred by an Executive Director or CEO in connection with their role. This will include expenses in attending Board or Board-committee meetings, or the Company may alternatively provide a travel allowance for such purpose. This may also include items which, for tax purposes, are treated as a taxable benefit, and in which case the Company may also pay any such tax on behalf of the Executive Director or CEO.

Approach to recruitment and promotions

In recruiting an Executive Director or CEO, including on promotion of an employee or officer from within the Group to the role of CEO, the Committee will offer the recruit a remuneration package that it believes is appropriate, taking into account the skills and experience of the individual and the need to recruit, retain and motivate individuals of the appropriate calibre. The remuneration package offered may include the components of remuneration described above in the Remuneration Policy Table.

For external hires, the Committee may determine that it would be appropriate to buy-out any existing incentive awards held by the individual that are forfeited as a result of the individual leaving their former employer. The Committee may also determine that it would be appropriate to grant recruitment-related awards. In the case of any buy-out of an equity based award, or the grant of any recruitment-related award, the award would normally be subject to such vesting and/or performance conditions as the Committee determines to be appropriate, either under a one-off arrangement or under the terms of the Company's incentive arrangements. In determining the terms of such awards, the Committee will take account of the vesting schedule and conditions attached to the forfeited awards (in the case of buy-out awards), but also other factors that it determines to be relevant, including the need to incentivise suitably and retain the individual during the initial years of their office.

The maximum level of variable remuneration (excluding any buy-out awards) that may be granted to any new Executive Director or CEO is 250% per annum of their salary.

Directors' remuneration report (continued)

Service contracts

The employment contract of the CEO is not of a fixed duration and therefore has no unexpired terms.

The notice period of the CEO's contract of employment is six months with the same notice period for the Company. The CEO's employment can be terminated in the six-month probationary period without notice in the case of wilful misconduct or gross negligence.

In the event of termination by the Company, where there is no basis for dismissal as a result of gross breach of duty or other material breach of the employment contract by the CEO, or as a result of mutual agreement, the CEO shall be entitled to twelve months' severance pay.

In the event of a change of control of the Company, the CEO can terminate the employment contract and would be entitled to twelve months' severance pay.

The CEO's service contract is available for inspection at the Company's registered office during normal hours of business.

The non-executive directors do not have service contracts but instead have letters of appointment.

Loss of office payments

Contractual entitlements

A departing Executive Director's or CEO's rights in respect of salary, retirement benefits and contractual benefits will be determined in accordance with his service contract.

Incentive plans

The terms of a departing Executive Director's or CEO's participation in any annual bonus or long-term incentive plans will be governed by the terms of such arrangements.

Corporate actions

The treatment of incentive awards in the event of a corporate action affecting the Company will be determined in accordance with the terms of such awards.

The Company may agree to pay reasonable legal fees on behalf of an Executive Director or CEO in respect of the effect of any corporate action on their personal position.

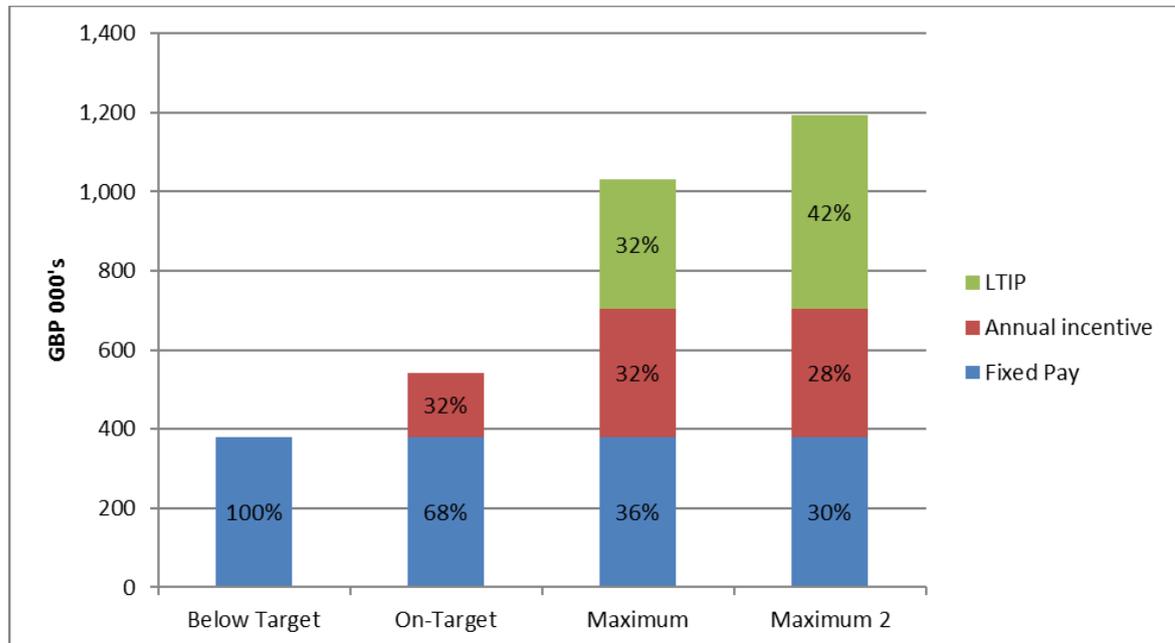
Other

The Company may enter into new contractual arrangements with a departing Executive Director or CEO in connection with the cessation of office or employment, including (but not limited to) in respect of settlement of claims, confidentiality, restrictive covenants and/or consultancy arrangements, where the Committee determines it necessary or appropriate to do so. The Company may pay reasonable legal fees on behalf of an Executive Director or CEO in connection with their cessation of office and employment. The Company may agree to provide other ancillary or non-material benefits, payments or similar to a departing Executive Director or CEO.

Directors' remuneration report (continued)

Reward Scenarios

The graph below shows how the total pay opportunities for any future CEO would vary under four performance scenarios. These have been prepared on the assumptions detailed below. The current interim CEO is on a fixed rate in accordance with a management on hire agreement and as a result no performance scenarios are applicable.



Below target = fixed pay only (base salary, benefits and pension)

On target = 50% payable of annual bonus, 0% LTIP award

Maximum = 100% payable of annual bonus, 100% LTIP award

Maximum 2 = 100% payable of annual bonus, 100% LTIP award and 50% share price increase over the performance period

The chart illustrates the potential rewards available under the remuneration policy on an annualised basis for the financial year 2021. The values (other than the Maximum 2 illustration) assume a constant share price and do not take into account dividend adjustments that may be received on the share awards. The potential awards available for "on-target" performance under the annual bonus and LTIP are provided for illustration only and do not reflect formal policy decisions that these amounts will be received. Maximum 2 illustration assumes a share price increase of 50% over the performance period but in all other respects is the same as the Maximum illustration. The figures used in the chart are provided for illustration only based on a theoretical grant over 100% of salary, being the maximum permitted under the policy table. The salary level (on which the bonus and LTIP elements of the package are calculated) are based on the previous salary level of GBP 325,000 based on the GBP/NOK year end exchange rate.

Directors' remuneration report (continued)

Remuneration policy table – non-executive directors

The remuneration policy for non-executive directors is set out in the table below. No non-executive directors participate in the Company's incentive arrangements or pension plan.

Component	Purpose	Operation
Fees	The basic fee is a fixed annual fee agreed after taking external advice and making market comparisons, and relate to the service of the directors in connection with the Company's business. The additional fees payable to the Chairman and members of the Board Committees reflects the additional time commitment in preparing and attending additional meetings.	The fees for non-executive directors (including the Chairman) are reviewed annually and approved in aggregate at the annual general meeting. The current level of fees is detailed below.

New appointments

The same principles as described above will be applied in setting the remuneration of a new non-executive director. Remuneration will comprise fees only and be paid in accordance with the prevailing rate at the time of the appointment. No variable remuneration will be paid and there will be no compensation for any loss of remuneration in a previous employment.

Letters of appointments

The Non-executive Directors' Letters of Appointment are available for inspection at the Company's registered office during normal hours of business.

Other matters

In addition to the above, the Company is entitled to honour any contractual entitlement to compensation or benefits, and any incentive awards, which are held by any current or former Non-Executive Director on the effective date of this policy. Appropriate disclosure will be made of any compensation paid (or similar) to a Non-Executive Director pursuant to any such arrangements.

The Company may reimburse all reasonable expenses incurred by a Non-Executive Director in connection with their role. This will include expenses in attending Board or Board-committee meetings, or the Company may alternatively provide a travel allowance for such purpose. This may also include items which, for tax purposes, are treated as a taxable benefit, and in which case the Company may also pay any such tax on behalf of the Non-Executive Director.

Fees for non-executive directors

The current level of fees paid for 2020 and those proposed for 2021 are as follows:

	2021	2020
	GBP	GBP
Chairman	46,375	46,375
Basic Fee	33,125	33,125
Chair of Audit Committee	5,000	5,000
Member of Audit, Remuneration or Nomination Committee	3,000	3,000

Fees to be paid in respect of 2021 will be decided at the next AGM which is scheduled for 22 June 2022.

Retirement and re-election of directors

All directors were required, under the Articles of Association of the Company, to retire at the first AGM. At each subsequent AGM, any directors who have been appointed by ordinary resolution or by the directors since the last AGM or who were not appointed or reappointed at one of the preceding two AGMs must retire from office and may offer themselves for reappointment by the members. After recommendation by the Nomination Committee, all directors were re-appointed at the AGM on 9th June 2021.

Directors' remuneration report (continued)

Audited information

Directors' remuneration

Single total figure of remuneration table

	<i>Basic Salary and Fees</i>	<i>Benefits (1)</i>	<i>Pension related benefits (2)</i>	<i>Total Fixed Remuneration</i>	<i>Performance Related bonus</i>	<i>Other (3)</i>	<i>Total Variable Remuneration</i>
	<i>GBP</i>	<i>GBP</i>	<i>GBP</i>	<i>GBP</i>	<i>GBP</i>	<i>GBP</i>	<i>GBP</i>
2021							
<i>Chief Executive Officer:</i>							
J E O Berge (4)	27,083	1,290	3,296	31,669	-	-	-
E D Jacobs (5)	170,337	-	-	170,337	-	-	-
	<u>197,420</u>	<u>1,290</u>	<u>3,296</u>	<u>202,006</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Non-executive Directors:</i>							
S E Thorvildsen	49,375	-	-	49,375	-	-	-
H Fougner	39,125	-	-	39,125	-	-	-
D A Gold	36,125	-	-	36,125	-	-	-
J N Simpson	38,125	-	-	38,125	-	-	-
S Syrrist	33,125	-	-	33,125	-	-	-
	<u>195,875</u>	<u>-</u>	<u>-</u>	<u>195,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
2020							
<i>Chief Executive Officer:</i>							
J E O Berge	325,000	15,789	39,552	380,341	-	-	-
	<u>325,000</u>	<u>15,789</u>	<u>39,552</u>	<u>380,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Non-executive Directors:</i>							
S E Thorvildsen	49,375	-	-	49,375	-	-	-
H Fougner	39,125	-	-	39,125	-	-	-
D A Gold	36,125	-	-	36,125	-	-	-
J N Simpson	38,125	-	-	38,125	-	-	-
S Syrrist	33,125	-	-	33,125	-	-	-
	<u>195,875</u>	<u>-</u>	<u>-</u>	<u>195,875</u>	<u>-</u>	<u>-</u>	<u>-</u>

(1) Includes non-cash benefits comprising car allowance and private health and dental care

(2) Contributions made during the year to the defined contribution scheme

(3) Cash-settled value of synthetic share options exercised during the year

(4) Resigned 1 February 2021

(5) Interim CEO, not employed by Company but provided under a management on hire agreement from a related party

Directors' remuneration report (continued)

Analysis of taxable benefits received

The Chief Executive Officer received the following taxable benefits:

	<i>2021</i>	<i>2020</i>
	<i>GBP</i>	<i>GBP</i>
<u>J E O Berge (1)</u>		
Car allowance	1,290	15,789
Total	1,290	15,789

(1) Resigned 1 February 2021

Annual bonus 2021

For the year under review, there was no bonus awarded to the Chief Executive Officer.

Annual bonus 2022

The criteria for the 2022 bonus has yet to be finalised by the Remuneration Committee but it is considered unlikely that a bonus for 2022 will be awarded.

Long Term Incentive Plan

A long term incentive plan for the CEO and other key management personnel, with a total limit of up to 4% of the Company's issued share capital was approved at the Annual General Meeting on 26 June 2013. The awards for the years 2010, 2012, 2014 and 2016 are now fully exercised. A further award was issued in 2020 and a total limit of up to 4,000,000 shares was approved at the general meeting on 11 November 2019.

The 2020 plan "vests" in 25% tranches linked to rig contract dates.

	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>		<i>Market</i>		<i>Market</i>
	<i>At 1</i>	<i>Granted</i>	<i>Shares</i>	<i>At 31</i>		<i>price</i>	<i>Interest</i>	<i>price</i>
	<i>January</i>	<i>in the</i>	<i>Exercised/Adjusted</i>	<i>December</i>	<i>Expiry</i>	<i>on</i>	<i>vested</i>	<i>on</i>
	<i>2021</i>	<i>year</i>	<i>in the year</i>	<i>2021</i>	<i>date</i>	<i>date of</i>	<i>in 2021</i>	<i>vesting</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>		<i>award</i>	<i>No.</i>	<i>date</i>
						<i>NOK</i>		<i>NOK</i>
J E O Berge	600,000	-	(600,000)	-	31 Dec 2025	14.30	-	-

There are no other directors who have any interests in shares.

Directors' remuneration report (continued)

Information not subject to audit:

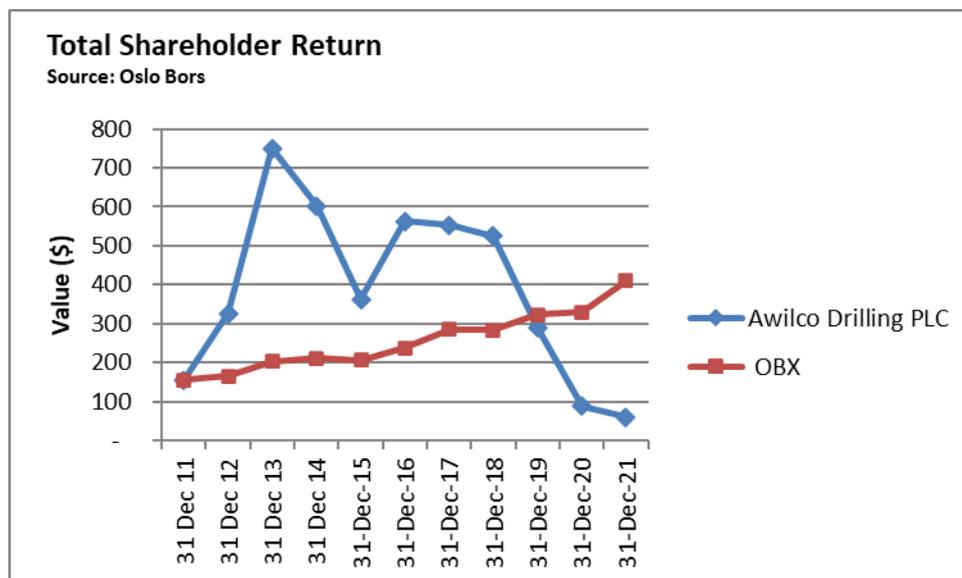
Relative importance of the spend on pay

The graph below shows the relative importance of the spend on pay (for all employees) compared with the returns distributed to shareholders (Note no dividends paid in 2020 or 2021).



Total shareholder return performance graph

The graph below shows the total shareholder return in terms of change in value of an initial investment of £100 on 10 June 2011 (and assuming dividends are re-invested) in a holding of the Company's shares against the corresponding total shareholder return in a hypothetical holding of shares in the OBX (an index on the Oslo Bors stock exchange). This was selected as it represents a broad equity market index in which the Company is a constituent member. The graph is a reporting requirement, however, the LTIP awards that are made to the Executive Director are not based on share performance.



Directors' remuneration report (continued)

Chief Executive Officer ('CEO') remuneration

Five-year comparison

The table below summarises the Chief Executive Officer (the Executive Director)'s single total figure of remuneration, annual and long-term variable performance-related remuneration (and the percentage of the maximum opportunity that these represent) in relation to the past five years.

Year	Chief Executive Officer	Single total figure of remuneration GBP	Annual variable element (actual award versus opportunity)	
			GBP	%
2021	E Jacobs (4)	170,337	-	-
2021	J E O Berge (3)	557,625	-	-
2020	J E O Berge	380,341	-	-
2019	J E O Berge (1)	417,591	162,500	50%
2019	J O S Bryce (2)	719,207	-	0%
2018	J O S Bryce	383,030	82,800	31%
2017	J O S Bryce	350,062	50,000	19%

(1) Appointed 1 May 2019

(2) Resigned 18 March 2019

(3) Resigned 1 February 2021

(4) Interim CEO, not employed by Company but provided under a management on hire agreement from a related party

Comparison of CEO remuneration to employee remuneration

	2021	2020	Change %	Employee remuneration change
	GBP	GBP		
Salary and fees	197,420	325,000	(39)%	4%
Termination payment	529,252	-	n/a	n/a
Taxable benefits	1,290	15,789	(92)%	0%
Annual variable performance related remuneration	-	-	0%	(22)%
Total Annual figure	727,962	380,341		
Single total figure of remuneration	727,962	380,341		

The above table shows the movement in remuneration for the Chief Executive Officer between the current and previous financial year compared with movement of the average remuneration (per head) for all Company employees.

Comparison of Directors remuneration to employee remuneration

	2021	2020	2019	2018	2017
	Change %				
S E Thorvildsen	0%	0%	0%	0%	0%
H Fougner	0%	0%	0%	0%	0%
D A Gold	0%	0%	0%	0%	0%
J N Simpson	0%	0%	0%	0%	0%
S Syrrist	0%	0%	0%	0%	0%
Employees	1.5%	2%	(3.8)%	(1.5)%	(2.8)%

The above table shows the movement in remuneration for the Directors for the past five years compared with the average movement in remuneration (per head) for all Company employees.

Directors' remuneration report (continued)

Implementation of remuneration policy for following financial year

Base salaries

Any future CEO's base salary will continue to be reviewed annually by the Remuneration Committee, based on performance and current market conditions. The Remuneration Committee will then make a recommendation to the Board of Directors. There is no change from the previous year.

Pension and benefits

The CEO would be eligible to participate in a defined contribution arrangement which the Company contributes a maximum of 12% of base salary. Additional benefits include private medical and dental insurance and company car allowance.

Annual performance related remuneration

The maximum bonus opportunity for the CEO would remain unchanged at 100% of base salary. The bonus opportunity will be set by the Committee with targets aligned with creating shareholder value.

Statement of shareholder voting

The table below sets out the voting by the Company's shareholders on the resolution to approve the Directors' remuneration report at the AGM held on 9 June 2021.

	Total number of votes	% of votes cast
For	24,299,726	98.4%
Total votes cast	24,704,241	100.0%

The Remuneration Committee is pleased to note that 98.4% of shareholders approved the 2020 Directors' remuneration report.

By order of the Board of Directors



Sigurd Thorvildsen
25 May 2022

Independent auditors' report

to the members of Awilco Drilling PLC

Opinion

In our opinion:

- ▶ Awilco Drilling plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- ▶ the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards and with International Financial Reporting Standards as adopted by the European Union;
- ▶ the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act; and
- ▶ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Awilco Drilling plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise:

Group	Parent company
Group statement of financial position	Company statement of financial position
Group statement of comprehensive income	Company statement of changes in equity
Group statement of changes in equity	Company statement of cash flows
Group statement of cash flows	Related notes 1 to 28 to the financial statements including a summary of significant accounting policies
Related notes 1 to 28 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and International Financial Reporting Standards as adopted by the European Union and, as regards to the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditors' report

to the members of Awilco Drilling PLC

Emphasis of Matter - financial statements prepared on a basis other than going concern

We draw attention to Note 2 in the financial statements which explains the Group are currently no longer performing operational activities and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in respect of this matter.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none">We performed an audit of the complete financial information of five components and audit procedures on specific balances for a further component.The components where we performed full or specific audit procedures accounted for 100% of Loss before tax, 100% of Revenue and 100% of Total assets.
Key audit matters	<ul style="list-style-type: none">Impairment of drilling rigs and right of use assets
Materiality	<ul style="list-style-type: none">Overall group materiality of \$330k which represents 0.75% of Operating Costs.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the six reporting components of the Group, we selected six components covering entities within Norway, Singapore and the United Kingdom which represent the principal business units within the Group.

Of the six components selected, we performed an audit of the complete financial information of five components ("full scope components") which were selected based on their size or risk characteristics. For the remaining component ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2020: 100%) of the Group's Loss before tax, 100% (2020: 100%) of the Group's Revenue and 100% (2020: 99%) of

Independent auditors' report

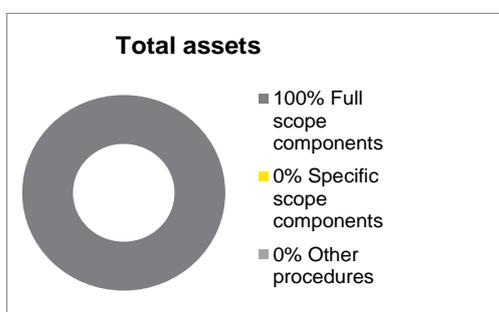
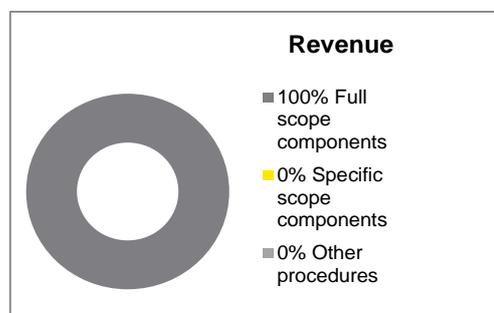
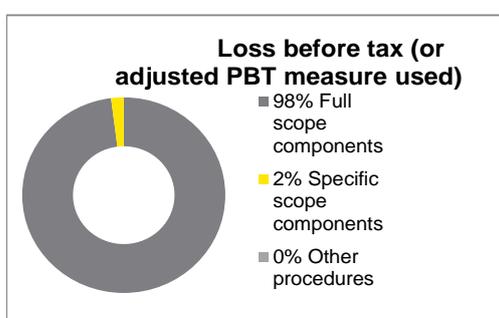
to the members of Awilco Drilling PLC

Tailoring the scope (continued)

the Group's Total assets. For the current year, the full scope components contributed 98% (2020: 94%) of the Group's Loss before tax, 100% (2020: 100%) of the Group's Revenue and 100% (2020: 100%) of the Group's Total assets. The specific scope component contributed 2% (2020: 6%) of the Group's Loss before tax, 0% (2020: 0%) of the Group's Revenue and 0% (2020: 1%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

The charts below illustrate the coverage obtained from the work performed by our audit teams.



Changes from the prior year

We have classified five entities as full scope and one as specific scope in the current year, compared to four entities as full scope and two as specific scope in the prior year. This is as a result of reduced materiality for the group.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Independent auditors' report

to the members of Awilco Drilling PLC

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Impairment</p> <p><i>Refer to the; Accounting policies (page 53); and Note 16 of the Consolidated Financial Statements (page 63)</i></p> <p>Under IAS 36, the group is required to assess annually whether any impairment indicators exist at the year-end and if such conditions exist, an impairment assessment is required.</p> <p>The risk has increased in the current year due to no future work lined up for the rig, and subsequent agreement to sell the rig post year end.</p> <p>Under IAS 10, the group is required to consider whether events after the reporting period should be adjusted in the financial statements.</p> <p>The WilHunter Rig is carried at nil NBV therefore there is no risk in relation to impairment.</p> <p>There is a risk that other assets are overstated.</p>	<p>We discussed with management whether any impairment triggers existed at year end and noted than no further contracts had been agreed with customers for the post year end period, and that this should be considered an impairment trigger.</p> <ul style="list-style-type: none"> - As a result of impairment triggers we requested Management consider obtaining independent third-party brokers' valuations of the WilPhoenix Rig - We assessed the competence of the brokers <p>Subsequent to the year end Board approval to sell the WilPhoenix Rig to a third party was agreed</p> <ul style="list-style-type: none"> - We obtained a copy of the post year end sale and purchase agreement for the WilPhoenix rig - We discussed and confirmed with management that the 	<p>Following the \$47.3m impairment charge to the WilPhoenix, we consider the carrying value of the drilling rig to be reasonable and that appropriate disclosures are made in the financial statements.</p> <p>Following the \$0.8m impairment charge, we consider the carrying value of the right of use asset to be reasonable and that appropriate disclosures are made in the financial statements.</p>

Independent auditors' report

to the members of Awilco Drilling PLC

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	<p>sale was not considered distressed</p> <ul style="list-style-type: none"> - We took into account all information received post year end to determine whether management were correct to recognise an additional impairment following the agreed sales price of the WilPhoenix Rig - We challenged management on whether the sales price could be determined as the fair value less cost to sell as at the year-end date - We discussed with the client whether it was appropriate to continue to recognise a value in the right of use asset of the building in which the head office operates, given no future economic benefit as there was no future trade foreseeable - We have confirmed that the appropriate disclosures have been made in the consolidated financial statements. <p>All procedures were performed by the Group team.</p>	

Independent auditors' report

to the members of Awilco Drilling PLC

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be \$330k (2020: \$950k) which is 0.75% (2020: 1%) of Operating Costs (2020: Equity). During 2021 the future prospects of the Group declined due to a lack of secured work and utilisation of the rigs. Operating Costs were considered a more appropriate materiality basis given the challenges faced by the group.

We determined materiality for the Parent Company to be \$2.1m (2020: \$3.3m), which is 5% (2020: 3%) of Equity.

During the course of our audit, we reassessed initial materiality and increased it due to the increase in Operating Costs.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely \$240k (2020: \$710k). We have set performance materiality at this percentage based on the history of past misstatements and lack thereof, our ability to access the likelihood of misstatements and the effectiveness of the internal control environment.

The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$72k to \$240k (2020: \$98k to \$710k).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$17k (2020: \$40k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

Independent auditors' report

to the members of Awilco Drilling PLC

The other information comprises the information included in the annual report set out on pages 2-12, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and

Independent auditors' report

to the members of Awilco Drilling PLC

fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (IFRS and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which Awilco operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices;
- We understood how Awilco Drilling PLC is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by considering the risk of fraud through management override and, in response, we carried out procedures such as testing of transactions back to source information, which were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business.

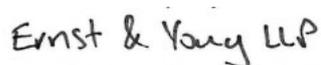
Independent auditors' report

to the members of Awilco Drilling PLC

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jamie Dixon (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Manchester
25 May 2022

Notes:

1. The maintenance and integrity of the Awilco Drilling PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Group statement of comprehensive income

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> <i>US\$000</i>	<i>2020</i> <i>US\$000</i>
Revenue	5	33,077	25,602
Cost of sales		(33,986)	(33,460)
Impairment	15, 16, 22	(48,120)	(145,171)
Gross Loss		(49,029)	(153,029)
General and administrative expenses		(12,235)	(14,887)
Operating Loss	6	(61,264)	(167,916)
Finance income	9	-	386
Finance expense	10	(1,441)	(35)
Other expense		(4)	-
Net loss on foreign exchange transactions	11	(254)	(131)
Loss before taxation		(62,963)	(167,696)
Income tax expense	12	(9,266)	(161)
Loss for the year attributable to equity shareholders		<u>(72,229)</u>	<u>(167,857)</u>

There is no comprehensive income other than the results for the year.

Basic and diluted loss per share (US\$ per share)	13	(1.32)	(3.08)
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Total comprehensive income for the year is attributable to the owners of the Company, as there is no minority interest.

Group statement of financial position

as at 31 December 2021

	Notes	2021 US\$000	2020 US\$000
Non-current assets			
Property, plant and equipment	15	15,764	66,800
Right-of-use asset	22	-	1,096
Deferred tax asset	12	-	16
		<u>15,764</u>	<u>67,912</u>
Current assets			
Inventory		115	3,026
Trade and other receivables	18	662	6,411
Cash and cash equivalents	19	9,685	14,738
		<u>10,462</u>	<u>24,175</u>
Total assets		<u>26,226</u>	<u>92,087</u>
Current liabilities			
Trade and other payables	20	4,550	6,294
Provisions	21	1,100	1,573
Current tax payable		9,251	66
		<u>14,901</u>	<u>7,933</u>
Non-current liabilities			
Trade and other payables	20	426	1,026
		<u>426</u>	<u>1,026</u>
Total liabilities		<u>15,327</u>	<u>8,959</u>
Net Assets		<u>10,899</u>	<u>83,128</u>
Shareholders' Equity			
Called up share capital	24	525	525
Share premium account	24	218,381	218,381
Retained (deficit) / earnings		<u>(208,007)</u>	<u>(135,778)</u>
Total Shareholders' equity		<u>10,899</u>	<u>83,128</u>

Signed on behalf of the Board of Directors



Sigurd Thorvildsen
Director
25 May 2022

Company statement of financial position

as at 31 December 2021

	<i>Notes</i>	<i>2021</i> <i>US\$000</i>	<i>2020</i> <i>US\$000</i>
Non-current assets			
Property, plant and equipment	15	419	489
Right of use assets	22	-	1,096
Investment in subsidiaries	17	75	279
Amount due from subsidiary undertakings	25	15,245	92,728
Deferred tax		-	16
		<u>15,739</u>	<u>94,608</u>
Current assets			
Trade and other receivables	18	2,305	3,830
Cash and cash equivalents	19	9,346	13,961
		<u>11,651</u>	<u>17,791</u>
Total assets		<u>27,390</u>	<u>112,399</u>
Current liabilities			
Trade and other payables	20	2,435	3,414
Non-current liabilities			
Trade and other payables	20	426	748
Total liabilities		<u>2,861</u>	<u>4,162</u>
Net assets		<u>24,529</u>	<u>108,237</u>
Shareholders' Equity			
Called up share capital	24	525	525
Share premium account	24	218,381	218,381
Retained (deficit) / earnings		<u>(194,377)</u>	<u>(110,669)</u>
Total Shareholders' equity		<u>24,529</u>	<u>108,237</u>

The loss recorded by the Company for the year was US\$ 83.7 million (2020: US\$ 114.0 million loss).

Signed on behalf of the Board of Directors



Sigurd Thorvildsen
Director
25 May 2022

Group statement of changes in equity

for the year ended 31 December 2021

	<i>Called Up Share Capital US\$000</i>	<i>Share Premium account US\$000</i>	<i>Retained Earnings/(deficit) US\$000</i>	<i>Total shareholders equity US\$000</i>
At 1 January 2020	525	218,381	32,079	250,985
Total comprehensive loss for the year			(167,857)	(167,857)
At 31 December 2020	525	218,381	(135,778)	83,128
Total comprehensive loss for the year	-	-	(72,229)	(72,229)
At 31 December 2021	525	218,381	(208,007)	10,899

Company statement of changes in equity

for the year ended 31 December 2021

	<i>Called Up Share capital US\$000</i>	<i>Share Premium account US\$000</i>	<i>Retained Earnings/(deficit) US\$000</i>	<i>Total shareholders equity US\$000</i>
At 1 January 2020	525	218,381	3,367	222,273
Total comprehensive profit for the year	-	-	(114,037)	(114,037)
At 31 December 2020	525	218,381	(110,669)	108,237
Total comprehensive loss for the year	-	-	(83,708)	(83,708)
At 31 December 2021	525	218,381	(194,377)	24,529

Group statement of cash flows

for the year ended 31 December 2021

		<i>Restated</i>
		2021
	<i>Notes</i>	2020
		US\$000
		US\$000
Operating activities		
Loss before taxation		(167,696)
		(62,963)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of fixed assets and right of use assets	15, 22	10,302
Impairment of fixed assets and right of use assets	15, 22	145,171
Inventory write off		1,620
Net finance expense /(income)		(351)
Share-based payment		(532)
Working capital adjustments:		
Decrease in trade receivables		5,385
(Increase)/Decrease in inventory		300
Decrease / (increase) in prepayments and other receivables		(2,058)
(Decrease) / increase in trade and other payables		878
Interest paid	10	(35)
Interest received	9	386
Taxation paid		(74)
		(65)
Net cash flows used in operating activities		<u>(6,704)</u>
		<u>(2,352)</u>
Investing activities		
Purchase of property, plant and equipment	15	(19,316)
Disposal of property, plant and equipment		29
		-
Net cash flow used in investing activities		<u>(19,287)</u>
		<u>(2,229)</u>
Financing activities		
Payment of principal portion of lease liabilities	22	(520)
		(472)
Net cash flows generated (used in)/from financing activities		<u>(520)</u>
		<u>(472)</u>
Net decrease in cash and cash equivalents		(26,380)
Net foreign exchange difference		(131)
		-
Cash and cash equivalents at beginning of year		<u>41,249</u>
		<u>14,738</u>
Cash and cash equivalents at end of year	19	<u>14,738</u>
		<u>9,685</u>

We have restated the movement in inventory, as was erroneously reported as a working capital adjustment at 31 December 2020. This has now been reclassified correctly to non-cash movements in the cashflow statement.

Company statement of cash flows

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> US\$000	<i>2020</i> US\$000
Operating activities			
Loss before taxation		(83,692)	(113,945)
Adjustments to reconcile (loss)/profit before tax to net cash flows:			
Depreciation of fixed assets and right of use assets	15, 22	390	384
Impairment of fixed assets and investments	17, 22	979	-
Net finance income		(1,907)	(357)
Share based payment		(114)	(532)
Working capital adjustments:			
(Increase) / Decrease in prepayments		(25)	110
Decrease in trade and subsidiary receivables	25	80,968	86,760
(Decrease) / increase in trade and other payables		(833)	312
Interest paid		(41)	(27)
Interest received		-	385
Net cash flows used in operating activities		<u>(4,275)</u>	<u>(26,910)</u>
Investing activities			
Purchase of property, plant and equipment	15	-	(21)
Disposal of property, plant and equipment	15	-	29
Net cash flows generated from / (used in) investing activities		<u>-</u>	<u>8</u>
Financing activities			
Payment of principal portion of lease liabilities	22	(340)	(340)
Net cash flows generated from / (used in) financing activities		<u>(340)</u>	<u>(340)</u>
Net increase / (decrease) in cash and cash equivalents		(4,615)	(27,242)
Cash and cash equivalents at beginning of year		13,961	41,203
Cash and cash equivalents at end of year	19	<u>9,346</u>	<u>13,961</u>

Notes to the financial statements

At 31 December 2021

1. General information

The Group and Company financial statements of Awilco Drilling PLC for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 25 May 2022. The Company is a public company limited by shares, incorporated in the United Kingdom (England and Wales) under the Companies Act 2006 and listed on the Oslo Bors stock exchange. The Company's registered number is 7114196 and the address of the registered office is given on page 1. The principal place of the business is 2 Kingshill Park, Westhill, Aberdeenshire, AB32 6FL. The nature of the Group's operations and its principal activities are set out in the Strategic report.

2. Basis of preparation

Statement of compliance

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and International Financial Reporting Standards as adopted by the European Union (EU adopted IFRS) as it applies to annual periods beginning 1 January 2021.

The Company financial statements are prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) as applied in accordance with section 408 of the Companies Act 2006.

Basis other than going concern

It is the responsibility of the directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume the Group will continue in business. The Group is currently no longer performing operational activities. Accordingly, they adopt the basis other than going concern in preparing these financial statements. There have been no departures from IFRS, and no adjustments to carrying values as a result of the basis of preparation.

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company. Under IFRS 10, control exists where the investor has: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies and prepared on a historical cost basis. The Group has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement. The loss recorded by the Company for the year was US\$ 83.7 million (2020: US\$114.0 million loss).

3. Significant accounting judgements, estimates and assumptions

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are discussed below.

Impairment

The carrying amount of the Group's rigs are reviewed at each balance sheet date to determine whether there is any indication of impairment, or more frequently if events or changes in circumstances indicate they might be impaired. Impairment indicators were identified at the year-end in respect of the WilPhoenix rig, and as a result, management performed an impairment test to assess the asset's recoverable amount. As a sale of the rig has been agreed post year end this has been assessed as providing an accurate recoverable amount based on fair value, less cost to sell. This resulted in an impairment of US\$ 47.3 million at year end. As there is an agreed price, there are no sensitives on the impairment calculation.

Notes to the financial statements

At 31 December 2021

3. Significant accounting judgements, estimates and assumptions (continued)

Contingent Liabilities

As detailed in Note 23, there is one item that is considered as a contingent liability. This is in connection with claims that have been submitted by Keppel FELS shipyard in respect of amounts it considers recoverable due to termination provisions in the contracts for Nordic Winter and Nordic Spring. The Group has applied judgement in evaluating them as contingent liabilities only and no provision has been made.

4. Accounting policies

New standards and interpretations

There were various standards effective for annual periods beginning on or after 1 January 2021 however none had any impact on these financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards and interpretations - not yet adopted

The following standards and amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting period beginning on or after 1 January 2022 or later periods, but the Group has not early adopted them:

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IFRS 17 Insurance contracts

It is not anticipated that the application of these standards and amendments will have any material impact on the Group's financial statements.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank.

Property, plant and equipment

Rigs and equipment are stated at cost less depreciation and impairment losses. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition. When it can be clearly demonstrated that subsequent expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of the assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of the asset. A component of an asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Components with a similar depreciation method and useful life are grouped together.

Depreciation is calculated using the straight-line method for each asset, after taking into account the estimated residual value, over its expected useful lives as follows:

Semi-submersible drilling rigs	–	20 years
Special purpose surveys	–	5 years
Other fixtures and equipment	–	3-5 years

Special purpose surveys are a five-yearly thorough inspection and recertification of the hull and main machinery components of the rig, which also include class and flag state renewal and verification. The carrying values of plant and equipment are reviewed for impairment if carrying value may not be recoverable, and are written down immediately to their recoverable amount.

Notes to the financial statements

At 31 December 2021

4. Accounting policies (continued)

Property, plant and equipment (continued)

Useful lives and residual values are reviewed annually and where adjustments are required, these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the statement of comprehensive income in the period of derecognition.

Assets under construction

Assets under construction are costs directly associated with constructing an asset. While the asset is being constructed, no depreciation is applied. Once an asset is ready for use, all associated costs are transferred to the relevant asset category and depreciated accordingly.

Inventories

Inventories of drilling equipment and spares for future integrated drilling service wells are stated at the lower of cost incurred and net realisable value. These inventory items include spare parts and supplies relating to the operation of the semi-submersible drilling rigs.

Revenue recognition

Revenue derived from charter-hire contracts or other service contracts is recognised in the period that services are rendered at rates established in the relevant contracts. Certain contracts include mobilisation fees payable at the start of the contract. In cases where the fee covers a general upgrade of a rig or equipment which increases the value of the rig or equipment beyond the contract period, the fee is recognised as revenue over the firm contract period whereas the investment is depreciated over the remaining lifetime of the asset.

In cases where the fee covers specific upgrades or equipment specific to the contract, the mobilisation fees are recognised as revenue over the firm contract period.

Cost of sales

Cost of sales includes rig operating costs and the depreciation cost for the two rigs.

Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of comprehensive income.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Notes to the financial statements

At 31 December 2021

4. Accounting policies (continued)

Taxation (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using United States Dollars (US\$) "the functional currency". The Group financial statements are presented in US\$, which is the Company's functional currency and presentation currency and all values are rounded to the nearest thousand dollars (US\$000) except when otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the statement of comprehensive income. The principal foreign currencies used by the Group are Pounds Sterling (£ or GBP), Euro (€) and Norwegian Kroner (NOK).

Earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group has taken the recognition exemption in respect of short-term leases and leases of low value assets, and instead recognises the expense associated with such leases in the income statement on a straight line basis.

For all other leases, the Group recognises lease liabilities representing lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the financial statements

At 31 December 2021

4. Accounting policies (continued)

Leases (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease and are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any incentives received. Right of use assets are depreciated on a straight-line basis over the remaining lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term, using the interest rate implicit to the lease, and if not readily determinable, at the incremental borrowing rate.

The lease liabilities are included in trade and other payables in Note 20.

Financial assets

Financial assets are recognised when the Group becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss, amortised cost, or fair value through other comprehensive income as appropriate. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial asset not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Group has neither transferred control nor retained substantially all the risks and rewards of the asset, but had transferred control of the asset, or
- The Group has transferred substantially all the risks and rewards of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in Note 18.

The Group recognises an allowance for expected credit loss (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the financial statements

At 31 December 2021

4. Accounting policies (continued)

Impairment of financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL)."

Trade and other receivables

Trade receivables and amounts due from subsidiary undertakings, which generally have 60-day terms, are recognised and subsequently carried at the original invoiced value net of expected credit loss. Where the time value of money is material, receivables are carried at amortised cost.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Share-based payment

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black-Scholes model, further details are given in Note 26. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in statement of comprehensive income for the period.

Pension

The pension plan in place is a defined contribution plan. Pension contributions are charged to the statement of comprehensive income as an expense in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a deduction in reporting of the related expense, on a systematic basis over the periods that the related costs for which it is intended to compensate are expensed.

5. Revenue

Revenue represents the invoiced amount of services provided after the deduction of rebates and retrospective discounts. All items are stated net of value added tax.

The Group only has one segment – providing drilling services in the UK. As a result, no further segmental information has been provided.

Information about major customers

Annual revenue from two major customer amounted to US\$ 25 million and US\$ 8 million arising from the provision of drilling services (2020: US\$ 14 million and US\$ 11 million from two major customers).

Notes to the financial statements

At 31 December 2021

6. Operating profit

This is stated after charging

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Depreciation (Note 15, 22)	6,241	10,307
Inventory recognised as an expense during the year	255	507
Write off of inventory	3,026	1,620
	<u>3,026</u>	<u>1,620</u>

7. Auditors' remuneration

The Group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Group.

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Audit of the financial statements	246	183
Local statutory audits of subsidiaries	23	52
Tax services - compliance	27	33
Tax services - advisory	-	43
	<u>296</u>	<u>311</u>

8. Staff costs

	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Wages and salaries	14,608	2,555	15,825	2,455
Directors Fees	277	277	282	282
Pension costs	649	120	921	110
Social security costs	1,877	457	2,121	341
Long term incentive plan	(19)	(19)	(407)	(407)
	<u>17,393</u>	<u>3,391</u>	<u>18,742</u>	<u>2,781</u>

The Company makes contributions to a defined contribution scheme for all eligible employees up to a maximum of 9% of salary. Contributions are charged to the income statement as incurred.

The average monthly number of employees during the year was made up as follows:

	<i>2021</i>	<i>2020</i>
	<i>No.</i>	<i>No.</i>
Onshore, including management (Company)	22	20
Offshore	96	104
	<u>118</u>	<u>124</u>

Notes to the financial statements

At 31 December 2021

9. Finance income

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Bank interest	-	386

10. Finance expense

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Interest on lease liabilities	53	35
Interest on taxation	1,388	-

11. Net (loss)/gain on foreign exchange transactions

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Gain on foreign exchange transactions	14	214
(Loss) on foreign exchange transactions	(268)	(345)
Net (loss) on foreign exchange transactions	(254)	(131)

12. Income tax

Income tax on profit on ordinary activities

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Foreign tax on the profit for the year	98	66
Total current income tax	98	66
Amounts under provided in previous years	9,152	3
Tax credit available to the UK	-	-
Total current income tax	9,250	69
Deferred income tax:		
Origination and reversal of temporary differences	16	92
Impact of changes in tax rates	-	-
Total deferred income tax	16	92
Income tax charge in the Group statement of comprehensive income	9,266	161

Notes to the financial statements

At 31 December 2021

12. Income tax (continued)

Reconciliation of the total income tax charge

	2021 US\$000	2020 US\$000
Loss from continuing operations	(62,963)	(167,696)
Tax calculated at UK standard rate of corporation tax of 19% (2019:19%)	(11,963)	(31,862)
Expenses not deductible/(income not taxable) for tax purposes	112	18,995
Effect of (lower)/higher taxes on overseas earnings	98	2,292
Unrecognised deferred tax asset	11,867	10,742
Tax (over)/under provided in previous years	9,152	3
Effect of tax rate differences	-	(9)
Income tax charge in the Group statement of comprehensive income	<u>9,266</u>	<u>161</u>

The income tax expense above is computed at loss before taxation multiplied by the effective rate of corporation tax in the UK of 19% (2020: 19%).

The corporate tax measures announced in the March 2021 Budget set out that corporation tax will increase from 19% to 25% from April 2023 for firms with annual profits greater than £250,000.

Deferred income tax

The deferred income tax included in the statement of financial position is as follows:

	2021 US\$000	2020 US\$000
Deferred tax asset		
As at 1 January	16	108
Share-based payment	(16)	(92)
As at 31 December	<u>-</u>	<u>16</u>

Unrecognised deductible temporary differences

The Group has total tax losses of US\$ 82.1 million which arose in the UK (2020: US\$ 69.3 million) that are available for offset against future deductible profits that are not part of the bareboat charter ring-fence arrangements. There are further deductible temporary differences relating to fixed assets of US\$ 59.4 million and US\$ 40.6 million of unutilised capital allowances. Deferred tax assets have not been recognised in respect of these losses or differences due to the uncertainty of future profits being at this level.

Notes to the financial statements

At 31 December 2021

13. Loss per share

The following reflects the income and share data used in the basic and diluted loss per share computations:

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Loss for the year attributable to equity share holders	<u>(72,229)</u>	<u>(167,857)</u>

	<i>2021</i>	<i>2020</i>
	<i>No.000</i>	<i>No.000</i>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>54,582</u>	<u>54,582</u>

Total earnings and weighted average number of shares outstanding during the year is the same as for diluted earnings per share.

14. Government grants

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
At 1 January	-	-
Received during the year	14	310
Released to the statement of profit or loss	<u>(14)</u>	<u>(310)</u>
At 31 December	<u>-</u>	<u>-</u>

The above Government grants received were in respect of the UK Coronavirus Job Retention Scheme.

Notes to the financial statements

At 31 December 2021

15. Property, plant and equipment

<i>Group</i>	<i>Semi-submersible drilling rigs</i>	<i>Assets under construction</i>	<i>Special purpose surveys</i>	<i>Other fixtures and equipment</i>	<i>Total</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cost:					
At 1 January 2020	337,029	92,608	16,159	2,025	447,821
Additions	623	18,672	-	21	19,316
Disposals	-	-	-	(29)	(29)
At 31 December 2020	<u>337,652</u>	<u>111,280</u>	<u>16,159</u>	<u>2,017</u>	<u>467,108</u>
Adjustment	247	-	(247)	-	-
Additions	722	-	1,507	-	2,229
At 31 December 2021	<u>338,621</u>	<u>111,280</u>	<u>17,419</u>	<u>2,017</u>	<u>469,337</u>
Depreciation and impairment:					
At 1 January 2020	(232,952)	-	(11,486)	(1,465)	(245,903)
Provided	(6,566)	-	(3,117)	(63)	(9,746)
Impairment	(33,379)	(111,280)	-	-	(144,659)
Disposals	-	-	-	-	-
At 31 December 2020	<u>(272,897)</u>	<u>(111,280)</u>	<u>(14,603)</u>	<u>(1,528)</u>	<u>(400,308)</u>
Adjustment	(578)	-	578	-	-
Provided	(4,295)	-	(1,555)	(70)	(5,920)
Impairment	(45,507)	-	(1,838)	-	(47,345)
At 31 December 2021	<u>(323,277)</u>	<u>(111,280)</u>	<u>(17,419)</u>	<u>(1,598)</u>	<u>(453,573)</u>
Net book value:					
At 31 December 2021	<u>15,345</u>	<u>-</u>	<u>-</u>	<u>419</u>	<u>15,764</u>
At 31 December 2020	<u>64,755</u>	<u>-</u>	<u>1,556</u>	<u>489</u>	<u>66,800</u>

Notes to the financial statements

At 31 December 2021

15. Property, plant and equipment (continued)

<i>Company</i>	<i>Other fixtures and equipment US\$000</i>
Cost:	
At 1 January 2020	2,025
Additions	21
Disposals	(29)
At 31 December 2020	<u>2,017</u>
Additions	-
Disposals	-
At 31 December 2021	<u>2,017</u>
Depreciation:	
At 1 January 2020	(1,465)
Provided	(63)
At 31 December 2020	<u>(1,528)</u>
Provided	(70)
At 31 December 2021	<u>(1,598)</u>
Net book value:	
At 31 December 2021	<u>419</u>
At 31 December 2020	<u>489</u>

16. Impairment

The Group considers annually whether there are indicators of impairment of its property, plant and equipment, and at the year-end identified that there were indicators the WilPhoenix rig may be impaired. In particular it was noted that there was no secured work for the rig, additional costs were expected to be needed to maintain the rig and the Group was contemplating disposing of the asset. As such, it was necessary to estimate the recoverable amount. Recoverable amount was assessed based on the rig's fair value less cost of disposal.

Post year end, a sale of the rig was agreed, and therefore the agreed sale price has been used as the basis for determining the fair value less cost of disposal of the rig. As a result, The Group has recognised US\$ 47.3 million as an impairment loss relating to the WilPhoenix rig. (2020: US\$ 33.4 million relating to WilPhoenix and WilHunter rigs).

The total impairment cost in the year is US\$ 48.1 million. This includes a current year impairment of US\$ 0.8 million in respect of a right of use asset which has been impaired in full due to lack of trading activities and the preparation of the financial statements on a basis other than going concern. (2020 : US\$ 144.7 million, including US\$111.3 million in respect of assets under construction, following the termination of the rig construction contracts)

Notes to the financial statements

At 31 December 2021

17. Investments

	<i>Company</i> 2021 US\$000	<i>Company</i> 2020 US\$000
<i>Company shares in subsidiary undertakings</i>		
At 1 January	279	279
Impairment of investment in WilHunter (UK) Ltd	(100)	-
Impairment of investment in Awilco Drilling Offshore (UK) Ltd	(100)	-
Impairment of investment in Awilco Drilling Norge AS	(4)	-
At 31 December	75	279

Details of the holdings are as follows, all 100% shareholdings:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Registered Address</i>
Awilco Drilling Offshore (UK) Ltd)	United Kingdom	11-12 St James's Square, London
WilHunter (UK) Ltd – in liquidation	United Kingdom	11-12 St James's Square, London
Awilco Drilling Pte. Ltd.	Singapore	8 Wilkie Road, Singapore
Awilco Rig 1 Pte. Ltd	Singapore	8 Wilkie Road, Singapore
Awilco Rig 2 Pte. Ltd	Singapore	8 Wilkie Road, Singapore
Awilco Rig 3 Pte. Ltd – dormant	Singapore	8 Wilkie Road, Singapore
Awilco Rig 4 Pte. Ltd - dormant	Singapore	8 Wilkie Road, Singapore
Awilco Drilling Norge AS – in liquidation	Norway	Verksgata IA, 4013 Stavanger

Notes to the financial statements

At 31 December 2021

18. Trade and other receivables

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Trade receivables	37	37	3,522	3,522
Prepayments and other receivables	542	236	768	308
Accrued revenue	-	-	2,121	-
Accrued interest	-	1,949	-	-
VAT receivable	83	83	-	-
	<u>662</u>	<u>2,305</u>	<u>6,411</u>	<u>3,830</u>

As at 31 December, the analysis of ageing of trade receivables is as follows:

Group

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2021	37	37	-	-

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2020	3,522	3,522	-	-

Company

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2021	37	37	-	-

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2020	3,522	3,522	-	-

Notes to the financial statements

At 31 December 2021

19. Cash and cash equivalents

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cash at bank	9,685	9,346	14,738	13,961

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Company has no restricted cash. (2020: nil)

20. Trade and other payables

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Trade and other payables:				
Lease Liabilities	315	315	616	327
Trade payables	885	763	1,257	1,744
Accruals and other liabilities	3,350	1,357	4,421	1,343
	<u>4,550</u>	<u>2,435</u>	<u>6,294</u>	<u>3,414</u>
Non-current:				
Lease Liabilities	424	424	1,017	739
Other liabilities	2	2	9	9
Total	<u>426</u>	<u>426</u>	<u>1,026</u>	<u>748</u>

21. Provisions

	<i>Redundancy</i>	<i>Onerous</i>	<i>Total</i>
	<i>US\$000</i>	<i>Contract</i>	<i>US\$000</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
At 1 January 2021	640	933	1,573
Utilised	(640)	(933)	(1,573)
Arising during the year	1,100	-	1,100
At 31 December 2021	<u>1,100</u>	<u>-</u>	<u>1,100</u>

The redundancy provision is in relation to Offshore personnel, which was subsequently settled post year end.

22. Leases

The Group has a lease contract in place for the office building at 2 Kingshill Park, Westhill, Aberdeenshire, AB32 6FL. During the year, the lease for the office building at 103 Løkkeveien, 4007 Stavanger, Norway was terminated. Also during the year, the remaining right of use asset for the office building in Aberdeen was impaired. Set out below is the carrying amount of the right-of-use assets recognised and the movements during the period:

	<i>Office Building</i>		<i>Office Building</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
As at 1 January	1,096	1,096	1,417	1,417
Additions	-	-	747	-
Depreciation Expense	(321)	(321)	(556)	(321)
Impairment	(775)	(775)	(512)	-
As at 31 December	<u>-</u>	<u>-</u>	<u>1,096</u>	<u>1,096</u>

Notes to the financial statements

At 31 December 2021

22. Leases (continued)

Set out below are the carrying amounts of lease liabilities (included under trade and other payables) and the movements during the period:

	2021	2021	2020	2020
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
As at 1 January	1,633	1,066	1,406	1,406
Additions	-	-	747	-
Accretion of interest	53	41	35	28
Payments	(505)	(368)	(555)	(368)
Remeasurement	(442)	-	-	-
As at 31 December	<u>739</u>	<u>739</u>	<u>1,633</u>	<u>1,066</u>
Current	315	315	616	327
Non-current	424	424	1,017	739

The maturity analysis of lease liabilities is disclosed in Note 26.

The following are the amounts recognised in profit or loss:

	2021	2021	2020	2020
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Depreciation expense of right-of-use assets	321	321	556	321
Interest expense on lease liabilities	53	41	35	28
Expense relating to leases of low-value assets (included in administrative expenses)	3	3	6	6
Total amount recognised in profit or loss	<u>377</u>	<u>365</u>	<u>597</u>	<u>355</u>

The Group has total cash outflows for leases of US\$ 0.5 million (2020: US\$ 0.6 million).

23. Commitments and contingencies

Capital commitments

There were capital commitments of US\$ 0.9 million at 31 December 2021 (2020: US\$ 0.1 million).

	2021	2020
	<i>US\$000</i>	<i>US\$000</i>
Amounts due within one year	<u>873</u>	<u>80</u>

Notes to the financial statements

At 31 December 2021

23. Commitments and contingencies (continued)

Contingent Liabilities

It is recognised that Keppel FELS has submitted claims in respect of amounts it considers recoverable due to termination provisions in the contracts for both Nordic Winter and Nordic Spring. Statement of claims have been received from Keppel FELS in the amount of Singapore Dollars 562.75 million (US\$ 424.9 million) for Awilco Rig 1 Pte. Ltd. and Singapore Dollars 356.18 million (US\$ 268.9 million) for Awilco Rig 2 Pte. Ltd. but these claims are strongly denied. Due to the non-recourse nature of the contracts, this is considered as a contingent liability only of the subsidiaries and not the parent company. No provision has been made. It is expected that the final arbitration outcome for Awilco Rig 1 Pte Ltd, including any appeal process, will be no earlier than Q4 2022. The arbitration process for Awilco Rig 2 Pte Ltd, was started six months later and also expected no earlier than Q4 2022.

Contingent Asset

Following the termination of Nordic Winter and Nordic Spring, the subsidiary companies, Awilco Rig 1 Pte. Ltd and Awilco Rig 2 Pte. Ltd. have entered arbitration with KFELS in respect of deposit and variation order payments. A total amount of USD 97.7 million is considered to be recoverable and is therefore disclosed as a contingent asset.

24. Share capital

Group and Company

	2021	2020
	<i>No.000</i>	<i>No.000</i>
Authorised		
Ordinary shares of £0.0065 each	54,582	54,582

Group and Company

	2021	2021	2020	2020
	<i>No.000</i>	<i>US\$000</i>	<i>No.000</i>	<i>US\$000</i>
Allotted called up and fully paid				
At 1 January	54,582	525	54,582	525
At 31 December	54,582	525	54,582	525

Group and Company

	2021	2020
	<i>Share premium account</i>	<i>Share premium account</i>
	<i>US\$000</i>	<i>US\$000</i>
At 1 January	218,381	218,381
At 31 December	218,381	218,381

Notes to the financial statements

At 31 December 2021

25. Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with Awilhelmsen Offshore AS, which is a major shareholder through its subsidiaries.

Transactions entered into and trading balances outstanding at 31 December 2021 with Awilhelmsen AS and its subsidiaries are as follows:

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Purchase of management services	918	2,195
Share based payment	-	-
Amounts owed to Awilhelmsen AS and its subsidiaries	(264)	(236)

Sales and purchases between related parties are made at normal market prices. Outstanding balances are unsecured, interest-free and cash settlement terms vary between 30 and 90 days. The Company has not provided or benefitted from any guarantees for any related party receivables or payables. Included are the amounts in respect of the interim CEO.

Directors and other key management personnel

The remuneration of directors and other key management personnel of the Group is as follows

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
Short-term employee benefits	1,437	1,759
Share-based payments	(112)	(534)
Termination benefits	529	-
Other long-term benefits	82	126

Included in the short-term employee benefits are director's emoluments of GBP 195,000 (2020: GBP 195,000). Five directors received remuneration in respect of their services to the Company during the year (2020: five). The highest paid director was Sigurd Thorvildsen - please refer to the Directors' remuneration report on page 30 for further details.

Notes to the financial statements

At 31 December 2021

25. Related party (continued)

Company

The Company entered into the following transactions and had the following balances with its wholly owned subsidiaries

	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
<i>Transactions:</i>		
Amounts invoiced to Awilco Drilling Offshore (UK) Ltd in respect of services provided to the company	32,804	28,299
Amounts invoiced on behalf of Awilco Drilling Offshore (UK) Ltd	(36,384)	(24,247)
Invoiced to Awilco Drilling Pte. Ltd.	127	125
Transfer of funds to Awilco Drilling Pte. Ltd.	299	5,470
Amounts invoiced to Awilco Rig 1 Pte. Ltd. in respect of services provided to the company	-	12,335
Amounts invoiced to Awilco Rig 2 Pte. Ltd. in respect of services provided to the company	-	2,066
Amounts invoiced to Awilco Drilling Norge AS in respect of services provided to the company	3,431	8,030
Taxation paid on behalf of subsidiaries	68	74
	<u>345</u>	<u>32,152</u>
	<i>2021</i>	<i>2020</i>
	<i>US\$000</i>	<i>US\$000</i>
<i>Balances:</i>		
Amounts receivable from Awilco Drilling Offshore (UK) Ltd	86,674	90,254
Amounts payable to WilHunter (UK) Ltd	(100)	(100)
Amounts receivable from Awilco Drilling Pte. Ltd.	6,473	5,979
Amounts receivable from Awilco Rig 1 Pte. Ltd	57,343	57,343
Amounts receivable from Awilco Rig 2 Pte. Ltd	44,298	44,298
Amounts receivable from Awilco Drilling Norge AS	13,394	9,964
	<u>208,082</u>	<u>207,738</u>
Allowance for expected credit loss	(192,837)	(115,010)
	<u>15,245</u>	<u>92,728</u>

The balances receivable from the subsidiary companies are considered long term. There are long term loan agreements in place with Awilco Rig 1 Pte. Ltd. and Awilco Rig 2 Pte. Ltd.

Notes to the financial statements

At 31 December 2021

25. Related party (continued)

Set out below is the movement in the allowance for expected credit losses of intercompany receivables:

	2021	2020
	US\$000	US\$000
As at 1 January	(115,010)	(1,484)
Provision for expected credit loss	(71,199)	(113,526)
As at 31 December	<u>(192,837)</u>	<u>(115,010)</u>

Expected credit loss triggered due to lack of committed future contracting opportunities for the WilPhoenix. Also due to expected non recoverability of amounts due from Awilco Drilling Norge AS and provision for amounts due from Awilco Drilling Pte. Ltd, Awilco Rig 1 Pte. Ltd. and Awilco Rig 2 Pte. Ltd.

Entity with significant influence over the Group

Awilhelmsen Offshore AS, owns 37.1% of the ordinary shares in Awilco Drilling PLC.

26. Capital management, financial risk management objectives and policies

The Group's and the Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, and cash and cash equivalents that arrive directly from its operations. Management has assessed the fair values of the financial instruments are approximates to their carrying values.

The Group and the Company are exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises foreign currency risk. Financial instruments affected by market risk are trade and other payables and accruals.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's and Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and Company's operating activities (when expenses are denominated in a different currency from the Company's functional currency).

Notes to the financial statements

At 31 December 2021

26. Capital management, financial risk management objectives and policies (continued)

Foreign currency risk (continued)

At the balance sheet date, the Group held GBP 0.9 million in trade and other payables (2020: GBP 1.3 million). A 5% strengthening or weakening of US\$ to GBP would have an effect of US\$ 0.1 million on the Group 2021 result (2020: US\$0.1 million). The Group has no other material currency exposures.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables). The Company has credit risk due to its trade and other receivables from subsidiary undertakings and from external clients.

Management assess the credit rating of new and existing clients and determine if any action is required to secure the financial security in respect of work performed.

Liquidity risk

The Group's objective is to maintain sufficient liquidity in order to support the needs of the business and meet the repayments of the debt and commitments as they fall due. In order to achieve this, the Group also has the prospect of issuing new equity or entering into new borrowing arrangements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

<i>Group</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1-5 years</i>	<i>Total</i>
Trade and other payables	5,335	-	2	5,337
Lease liabilities	-	368	522	890
31 December 2021	5,335	368	524	6,227
Trade and other payables	4,853	825	9	5,687
Lease liabilities	-	616	1,017	1,633
31 December 2020	4,853	1,441	1,026	7,320

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

<i>Company</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1-5 years</i>	<i>Total</i>
Trade and other payables	2,120	-	2	2,122
Lease liabilities	-	368	522	890
31 December 2021	2,120	368	524	3,012
Trade and other payables	3,087	-	9	3,096
Lease liabilities	-	327	739	1,066
31 December 2020	3,087	327	748	4,162

Notes to the financial statements

At 31 December 2021

26. Capital management, financial risk management objectives and policies (continued)

Capital management

Capital includes called up share capital, share premium and retained earnings / (deficit).

As the Company is currently no longer performing operational activities, there will be no dividends distributed arising from operational activity.

The Company's capital is monitored at a Group level. The Group monitors capital using a gearing ratio, which is net debt divided by total shareholders' funds plus net debt. The Group includes within net debt, bonds and loans less cash and cash equivalents.

	<i>Group</i> 2021 <i>US\$000</i>	<i>Group</i> 2020 <i>US\$000</i>
Cash and cash equivalents (note 19)	(9,685)	(14,738)
Net debt / (funds)	(9,685)	(14,738)
Capital	10,899	83,128
Capital and net debt	1,214	68,390
Gearing ratio	n/a	n/a

27. Share-based payments

Long Term Incentive Plan

A long term incentive plan for key management personnel, with a total limit of up to 4% of the Company's issued share capital was approved at the Annual General Meeting on 26 June 2013. The awards for the years 2010, 2012, 2014-2016 are now fully exercised. A further award was issued in 2020, and a total limit of up to 4,000,000 shares was approved at the general meeting on 11 November 2019.

The 2020 plan "vests" in 25% tranches linked to rig contract dates and expires after five years. The awards are options with a strike price of NOK 30.

All share options and share awards are synthetic based and are cash settled.

Notes to the financial statements

At 31 December 2021

27. Share-based payments (continued)

The following table list the inputs to the model used for these valuations (share prices are in NOK).

<i>Group and Company</i>	2021		2020	
	<i>2020 Plans</i>	<i>2016 Plans</i>	<i>2020 Plans</i>	
Exercise price	30.0	-	30.0	
Year-end Share price	3.20	4.65	4.65	
Expected life	0.56 years	-	3.25 years	
Volatility	0.18	-	0.67	
Risk free interest rate	0.34%	-	0.42%	
Model used	Black Scholes			

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options and awards during the year.

<i>Group</i>	2021		2020	
	<i>No.</i>	<i>WAEP (NOK)</i>	<i>No.</i>	<i>WAEP (NOK)</i>
Outstanding as at 1 January	1,247,284	25.86	364,425	-
Granted during the year	-	-	2,150,000	30.0
Exercised during the year	(172,284)	-	(192,141)	-
Forfeited during the year	(600,000)	30.0	-	-
Adjusted during the year	-	-	(1,075,000)	30.0
Outstanding at 31 December	475,000	30.0	1,247,284	25.86
Exercisable at 31 December	-	-	172,284	-

<i>Company</i>	2021		2020	
	<i>No.</i>	<i>WAEP (NOK)</i>	<i>No.</i>	<i>WAEP (NOK)</i>
Outstanding as at 1 January	1,247,284	25.86	364,425	-
Granted during the year	-	-	2,150,000	30.0
Exercised during the year	(172,284)	-	(192,141)	-
Forfeited during the year	(600,000)	30.0	-	-
Adjusted during the year	-	-	(1,075,000)	30.0
Outstanding at 31 December	475,000	30.0	1,247,284	25.86
Exercisable at 31 December	-	-	172,284	-

Notes to the financial statements

At 31 December 2021

27. Share-based payments (continued)

The estimated fair value of the granted share options and awards are reached on the basis of the “Black-Scholes option pricing model”. The model is applied utilising a risk-free discount rate and also taking into account the terms and conditions upon which the options and awards are granted as well as the performance conditions that are required to be satisfied before vesting. The weighted average remaining contractual life at 31 December 2021 is 0.56 years. The Group total share option and award credit amounted to US\$0.1 million (2020: US\$ 0.5 million credit). The carrying amount of the liability relating to the cash-settled options at 31 December 2021 is US\$ 0.1 million (2020: US\$ 0.1 million).

The table below summaries the carrying amount of the liability at 31 December 2021

<i>Group and Company</i>	<i>Less than 3</i>	<i>3 to 12 months</i>	<i>1 – 5 years</i>	<i>Total</i>
	<i>months</i>			
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Share options and awards 2021	-	-	2	2

The table below summaries the carrying amount of the liability at 31 December 2020

<i>Group and Company</i>	<i>Less than 3</i>	<i>3 to 12 months</i>	<i>1 – 5 years</i>	<i>Total</i>
	<i>months</i>			
Share options and awards	106	-	9	115
At 31 December 2019	106	-	9	115

28. Subsequent events

During March 2022, the subsidiary company WilHunter (UK) Ltd was placed into liquidation. The affairs, business and property of the Company are being managed by the Joint Liquidators, Geoff Jacobs and Blair Nimmo of Interpath Advisory.

During March 2022, the Company signed a Sale and Purchase Agreement with Rota Shipping Inc to recycle the WilHunter at the Aliaga Shipyard in Turkey. The sale is expected to be concluded no later than 15 June 2022.

During May 2022, the Company signed a Memorandum of Agreement (MOA) for the sale of the WilPhoenix to Well-Safe Solutions Ltd for an agreed purchase price of USD 15.5 million. Expected delivery time of the rig is on or around 1 June 2022.

During May 2022, the Company signed a short-term shareholder loan with Awillhelmsen Offshore AS and QVT Family Office Fund LP. The loan is for a total of up to USD 4 million, structured as a draw-down facility, with interest rate of 10 percent per annum on the aggregated outstanding principal amount. In addition, there is an arrangement fee of 2 percent on the total amount. Maturity date for the loan is 1 July 2022. The loan shall be used for general working capital purposes.

As a result of the agreements to dispose of both rigs after the year end, the Group is currently no longer performing operational activities and the financial statements have been prepared on a basis other than going concern. However, the Board shall continue to consider future opportunities and take the necessary action as required.

**APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR AWILCO DRILLING PLC FOR THE
YEAR ENDED 2020**



Awilco Drilling PLC

Report and Financial Statements

31 December 2020

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Strategic report

Corporate Strategy and business model

Awilco Drilling PLC ('the Company')'s strategy is to create value through the provision of a quality, reliable and customer focused service to the mobile drilling rig market. The management team shall safely, efficiently and effectively deliver a high-quality service to customers, with a view to securing the most lucrative day rate contracts in conjunction with the highest achievable rig utilisation. The Company shall evaluate growth opportunities which best complement its financial and operational aspirations.

The Company owns and operates two semi-submersible drilling rigs, the WilPhoenix and WilHunter, both standardised rigs used in the drilling of oil and gas wells and P&A work in the UK sector of the North Sea, although they can be used in other geographical locations.

Principal activity

The principal activity of the Company and its subsidiaries ('the Group') is to operate the drilling rigs as noted above. During the year, the WilPhoenix was in drilling operations for its clients, Petrofac Facilities Management and Serica Energy. The WilHunter is cold stacked and moored in Invergordon.

Business review and future developments

The performance of the UK Drilling contracts were largely unaffected by the impact of Covid-19.

During the year, the vessel construction contracts for two semi-submersible drilling rigs, Nordic Winter and Nordic Spring being built in Keppel FELS shipyard in Singapore were terminated. As a consequence, the Group's subsidiary companies have entered into an arbitration process. Cost reduction measures regarding the Norwegian shorebase were implemented which resulted in closure of the office.

Conventional UK drilling rig demand in 2021 remains somewhat limited but the ongoing attrition of previously marketed units is clearly supportive for the overall supply/demand balance. UK Plug & Abandonment demand continues to mature and rig contract awards for 2021 and 2022 commencement are anticipated in Q1 and Q2 of 2021. The longer-term UK Plug & Abandonment market continues to firm up as operators clarify the timing of future rig demand from 2022, 2023 and beyond.

Performance

The Group's financial performance during the year was as follows:

	2020	2019
	US\$000	US\$000
Revenue	25,602	38,136
Operating loss	(167,916)	(30,382)
Loss for the year attributable to equity shareholders	(167,857)	(30,592)
Operating loss margin %	(656%)	(80%)
Number of employees and contractors at year end	137	141

The total revenue for the year relates to contract income received from drilling operations. The decrease is due to lower utilisation for the WilPhoenix compared with the prior year. The Group had rig operating expenses of US\$ 23.3 million (2019: US\$24.8 million) relating to rig operating costs included in cost of sales, and general and administration expenses of US\$ 14.9 million (2019: US\$9.2 million). There was an impairment expense of US\$ 145.2 million (2019: US\$ 23 million). US\$ 111.3 million was the impairment of assets under construction, US\$ 0.5 million was the impairment of a right of use asset and US\$ 33.4 million rig impairment due to the continued cold stack status of the WilHunter and lack of visibility of contracting opportunities for the WilPhoenix.

The key performance indicators (KPIs) set out below are reviewed on a regular basis by management and performance against them subsequently reported to the Board of Directors. Targets for the KPIs are set and, if performance falls short, the appropriate corrective action is implemented by management.

Strategic report (continued)

Business review and future developments (continued)

The Company's main financial KPIs are:

Revenue efficiency

Revenue efficiency is actual revenue for the period compared with the maximum contract revenue multiplied by the number of available days in the contracted period. For the year ended 31 December 2020, the revenue efficiency was 80.6% (2019: 89.7%).

Operating margin

Operating margin is total revenue less operating costs. For the year ended 31 December 2020, operating margin was 656% loss. (2019: 80% loss). The deterioration in margin is due to the decrease in revenue during the year, increase in general and administration expenses and impairment of the new build assets, partially offset by the reduction in operating costs.

The Company also has a number of operational KPIs that are used to manage the business on a day to day basis, some of which are detailed below:

Quality, Health, Safety and Environment (QHSE)

Total recordable incident rate (TRIR)	Number of incidents (lost time incident, restricted work case, medical treatment only) x 200,000 / Total number of man hours in the review period. Measured on a rolling 12-month basis.
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Unplanned discharges	Items that have been discharged to sea not covered under PON 15 which relate to allowable items. Some examples are Blow out Preventor (BOP) control fluid and hydraulic oil that are reportable under PON 1. (PON - Petroleum Operations Notices)
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Operations

Uptime	Total hours the rigs are working i.e. not on unplanned downtime / on contract time for the period.
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Human Resources (HR)

Personnel turnover	Employee initiated leavers in the period as a percentage of total headcount (onshore and offshore) on a rolling 12-month basis.
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Principal risks and uncertainties

The Company's primary risks are those that impact utilisation rates for each of the rigs, QHSE issues associated with operations and exposure to liquidity, credit and legal risk.

Utilisation rates for the rigs

The Company has a small fleet of two rigs, one currently in operation and the other cold stacked, implying that downtime, failure or idle periods will have a relatively higher impact than if the Company had a larger and more diverse fleet. The risk to utilisation rates may arise through deferred commencement of drilling contracts either through delays incurred on shipyard project work or delays encountered by operators not able to commence drilling in accordance with plan. There is also the possibility of gaps and idle periods during the year due to the unpredictable nature of contract drilling operations and prevailing market conditions. This could also be impacted by the effects of Covid-19 and the current low oil price, however there is no indication of any effect on the current contracts and that future contracting opportunities would not go ahead as planned. Additionally, there is a utilisation risk associated with the possibility of mechanical and weather down time. The Group mitigates this risk through its operating, marketing and pricing strategies.

Strategic report (continued)

Principal risks and uncertainties (continued)

QHSE (Quality, Health, Safety, Environment)

To mitigate any risk with regards to QHSE, the Group has in place a QHSE management plan which seeks to ensure that all operations are conducted within normal industry standards and procedures. The Group also seeks to ensure safe and efficient operations, with no accidents, injuries, environmental incidents or damage to assets. During the current Covid-19 outbreak, the Group is following industry guidelines to ensure the safety of the workforce.

The Group achieved a high level of safety with no injuries or fatalities. There has been continued low frequency of dropped object and high potential incidents. The Corporate Annual QHSE objectives are implemented in departmental action plans. The total recordable incident rate (TRIR) has decreased from 1.07 in 2019 to zero at the end of 2020. There were no LTI incidents in 2020 and only a single first aid case. Our commitment to safe and reliable operations has seen this improvement and we continue to learn and improve.

Liquidity

As described in Note 26 to the financial statements, the Group's objective is to maintain sufficient liquidity in order to support the needs of the business and meet liabilities as they fall due. See Note 2 for consideration of liquidity of the Group in the going concern period. The Group currently has no debt obligations and has an appropriate level of cash.

Credit

Management assess the credit rating of new and existing clients and determines if any action is required to secure payment in respect of work to be performed.

Tax risks

The Company is committed to operating in a manner consistent with good industry practice and in accordance with all legislative requirements that are applicable in the different areas of jurisdiction in which it conducts business.

The Company has subsidiaries in other countries. Tax laws and regulations are highly complex and subject to interpretation. Consequently, the Company is subject to changing tax laws, treaties and regulations in and between countries in which it operates. The Company's tax expense is based upon its interpretation of the tax laws in effect in these countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations or in the interpretation thereof, which is beyond the Company's control, could result in a materially higher tax expense or a higher effective tax rate on the Company's earnings.

As described in Note 23, a tax position taken by a subsidiary company in 2015 has been disagreed with by HMRC and HMRC have issued a notice of amendment indicating additional tax and interest of about £7.7m is due for payment. The subsidiary company continues to maintain its position and an appeal has been submitted and a tribunal hearing is expected to be heard in June 2021. The subsidiary company has engaged with specialist legal advisors in the area of taxation in order to mitigate any risk of cash outflow.

For 2020, the effective tax rate ("ETR") for the Company was negative 0.1% (2019: 1.4% negative). The current and prior year are negative figure due to the loss before tax. There was a tax charge in the year as a result of the current year movement in unrecognised deferred tax asset, reversal of a prior deferred tax asset and also an adjustment in respect of the prior period. In future years, it is expected that the ETR may continue to diverge from the statutory UK rate of corporation tax due to significant unrecognised deferred tax assets.

Legal risks

The Group values its reputation and aims to carry out business in a fair and open manner. Despite this the Group may become subject to claims during the course of its business. During the year the vessel construction contracts for two semi-submersible drilling rigs being built in Singapore, have been terminated, see Note 23. The Group's subsidiary companies have entered into arbitration with the rig construction company. The rig construction contracts were entered into on a non-recourse basis to the parent company or wider group. In order to mitigate any possible risk of cash outflow, the Group has established a dedicated team and has engaged specialist legal advisors to defend the actions taken.

Strategic report (continued)

Principal risks and uncertainties (continued)

Volatility of the share price

The trading price of the Company's shares could fluctuate significantly in responses to quarterly variations in operating results, adverse business developments, interest rates, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors, changes to the regulatory environment in which the Company operates, or a variety of other factors outside the control of the Company.

Industry risk

The offshore contract drilling industry is cyclical and volatile. The Company's business depends on the level of activity of oil exploration, development, oil prices and production in the North Sea and internationally. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development, political concerns and regulatory requirements all affect customers' levels of activity and drilling campaigns. Demand for the Company's services may be adversely affected by declines in exploration, development and production activity associated with depressed oil prices.

Additionally, the perceived risk of depressed oil prices and changes in the UK North Sea tax regime often causes exploration and production companies to reduce their spending.

Commodity prices

The profitability and cash flow of the Company's operations will be dependent upon the market price of oil and gas, as the Company's customers are mainly oil companies. The price of oil and gas is known to fluctuate. Oil and gas prices are affected by numerous factors beyond the Company's control, including economic and political conditions, levels of supply and demand, the policies of the Organization of Petroleum Exporting Countries (OPEC), the level of production in non-OPEC countries, the cost of exploring for, developing, producing and delivering oil and gas, currency exchange rates and the availability of alternate energy sources and political and military conflicts in oil-producing and other countries.

If the price of oil and gas products should drop significantly, this could have a material adverse effect on the Company.

Brexit

Following the end of the transitional period on 31 December 2020, there remains continued uncertainty surrounding the future relationship of the UK with the EU. The Company has considered what impact this could potentially have on the business and after careful consideration, has concluded that any potential impact is low risk, however it continues to monitor the situation closely.

Corporate Social Responsibility

The Company recognises its duty to stakeholders to operate the business in an ethical and responsible manner. It is committed to developing its Corporate Social Responsibility (CSR) agenda, recognising that it can play a major part in its operations. This report does not contain information about any policies of the Company in relation to social community and human rights issues since it is not considered necessary for an understanding of the development, performance or position of the Company's business activities.

Core Values

Simple is Best – Our systems and procedures shall be clear, concise and effective, ensuring we deliver on our promises.

Engagement – We will be a company of choice, valuing our work force, listening and responding to employees, clients and partners.

Efficiency – We will consistently meet our clients' expectations by providing competent people, reliable equipment and smart systems.

Strategic report (continued)

Corporate Social Responsibility (continued)

Core Values (continued)

Flexibility – We will encourage challenge and creativity in order to deliver optimised performance and continuous improvement.

Performance – We will get it right first time; consistently delivering success.

Anti-bribery and corruption

The Company requires its employees to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. The Company has a specific Anti-Bribery and Corruption policy to ensure compliance with all applicable anti-bribery and corruption regulations and to ensure the Company’s business is conducted in a socially responsible manner. A risk assessment is undertaken by the senior members of the Company as part of the quarterly review of the Company’s risk register.

Policy

The Company’s employment policies and procedures are described in detail in the Staff Handbook, which is available to all employees via the Business Management System (BMS). The Company’s Code of Conduct – Values and Ethics document sets out the basic principles to guide all employees and officers of the Company on how they must conduct themselves to seek to avoid even the appearance of improper behaviour. To help ensure compliance, the Company requires that employees, officers and directors review the policy and acknowledge their understanding and adherence in writing on an annual basis.

Equal opportunities and diversity

The Company is committed to equal opportunities and treats all employees with respect and dignity and ensures that decisions are taken without reference to irrelevant or discriminatory criteria. The Company does not tolerate any form of unlawful discrimination and is committed to promoting equality of opportunity and diversity for all personnel and will address any unlawful discrimination in every aspect of its operations.

As at 31 December 2020, the number of directors and employees was as follows:

	Male	Female
Directors	4	1
Senior Managers	3	-
Other staff – onshore	20	9
Other staff – offshore	100	-

Health and Wellbeing

It is important to the Company that it supports its employees in their health and wellbeing. The Company operates a flexible benefit scheme that is available to all members of staff and includes benefits such as leisure club membership, private medical and dental insurance, a health screening service and an Employee Assistance Programme. The Company has also achieved the Silver Healthy Working Lives Award.

During the Covid-19 pandemic, where possible, all onshore employees were required to work from home in accordance with government guidance. Employees were encouraged to ensure they had adequate resources available, and support offered where necessary.

Strategic report (continued)

Absence Management

The Group has an established absence management procedure, to support employees during periods of sickness absence whilst ensuring the efficient and effective running of the organisation.

	2020	2019
Group sick leave	1.7%	4.3%

as a percentage of total hours worked

Health, Safety and Environment

The Company recognises that it has a corporate responsibility to carry out its operations in an ethical and responsible manner whilst minimising its impact on the environment. The Company upholds the relevant standards and retains its ISO14001 certification. ISO14001 is an internationally recognised environmental management system (EMS) standard, providing a model for companies to follow to create and achieve their policy. Focusing on the issues that really matter, it is designed to help companies achieve consistent environmental regulatory compliance whilst embedding the concept of continuous improvements in environmental performance. ISO14001 is a widespread benchmark for thousands of organisations around the world that want to communicate to the public and stakeholders that they are environmentally responsible. Additionally, the Company has achieved ISO 45001 certification following on from its previous BS OHSAS 18001 certification. This is an internationally applied Standard for occupational health and safety management systems. It exists to help organisations put in place demonstrably sound best practices by providing a framework for procedures and controls needed by the Company to achieve the best possible working conditions and workplace health and safety by eliminating hazards and minimize health and safety risks.

Section 172

The Board of directors have taken account of stakeholder views when making key decisions that impact the company and its stakeholders. The following matrix provides some examples of how consideration has been given to key stakeholders, being employees, investors, customers, suppliers, regulators and society in general.

Stakeholder	Strategic Issue	Engagement	Outcome	Key Decision
Employees	Fair compensation and benefits package for employees	Market analysis is performed to ensure compensation levels are competitive in prevailing market. See also commitment expressed by the Board in respect of “Health and Wellbeing” of employees on page 6.	Pay levels for existing and new employees were considered to be fair and competitive within the industry.	Changes in compensation levels are proposed by the Remuneration Committee to the Board.

Strategic report (continued)

Section 172 (continued)

Stakeholder	Strategic Issue	Engagement	Outcome	Key Decision
Investors	Continue to seek growth opportunities that offer attractive returns to investors	Information is shared with investors in the form of quarterly and annual financial reports and press release disclosures are required. Additionally, quarterly presentations held and available on the Company website. Regular one to one investor meetings are also held.	No new outcomes in respect of investment opportunities at this time.	Quarterly and annual financial reports are reviewed and approved by the Board. Termination of new build programme and cost savings initiated in respect of Norwegian shorebase.
Customers	Customer Satisfaction	As part of the company's procedures to ensure customers are satisfied with performance and delivery of services contracted, the customers are requested to provide feedback on a variety of areas to ensure the company is performing in accordance with, or better than, customer expectations.	Customer surveys feedback is part of the company KPIs and scoring in this area has been more than satisfactory during the course of the year.	Directors agree key performance indicators with Management and monitor performance against KPIs during the course of the year. Results impact employee bonus awards at year end.

Strategic report (continued)

Section 172 (continued)

Stakeholder	Strategic Issue	Engagement	Outcome	Key Decision
Suppliers	Selection of key suppliers and high-level purchases. Ensure that vendors are paid on a timely manner.	Suppliers invited to tender and purchasing procedures require fair and transparent selection of vendors. Refer also paragraph on "Investment Appraisal" on page 20 of the annual report.	Policies, procedures and scrutiny by the Board ensures vendor selection criteria is a robust process.	Board involved in selection of key vendors and Board approve the approval matrix on a regular basis. Any approvals above the matrix levels require Board approval. A Board member and chair of the Audit Committee approves the published payment practices report filed every six months.
Regulators	Accreditation and compliance with regulatory standards.	Details of standards achieved are detailed under "Health, Safety and Environment" on page 7 of the annual report.	Achievement and continued certification of compliance through external HSE audits ensures company operates at, or above, the standards required by the regulatory bodies that govern the industry.	The Board approves the direction followed by the CEO and management in pursuit of necessary accreditation and standards.
Society	Minimising harm to the environment in operational performance of the fleet.	KPIs are established to measure if any adverse consequence to the environment within the control of the company.	Achievement and compliance with environmental sustainability.	Operational KPIs are also reviewed on a regular basis by the Board.

By order of the Board of Directors



Sigurd Thorvildsen
28 April 2021

Directors' report

Registered No. 7114196

The Directors present their report and financial statements for the year ended 31 December 2020. These financial statements have been prepared under International Financial Reporting Standards in compliance with the Companies Act 2006.

Results and dividends

The loss after taxation for the year amounted to US\$ 167.9 million (2019: US\$ 30.6 million loss). There were no dividends paid during the year. (2019: nil)

Future developments

See Strategic Report pages 2-9.

Directors

The directors who served the Company during the year were as follows:

Sigurd Thorvildsen
 Henrik Fougner
 Daniel Gold
 John Simpson
 Synne Syrrist

Financial instruments

The Group's financial risk management objectives and policies are discussed further in Note 26 on pages 74-77 of the financial statements.

Directors liability

The Company insures its directors and officers against liability in respect of proceedings brought by third parties, subject to the conditions set out in the UK Companies Act 2006.

Directors and their interests

None of the directors listed above had any interest in the Company's shares.

Major interest in shares

The Company has been notified of the following interests representing 3% or more of the issued ordinary share capital of the Company as at 28 April 2021.

	<i>No of shares</i>	<i>Percentage holding</i>
Awilhelmsen Offshore AS	20,240,814	37.1%
Pershing LLC	10,874,509	19.9%
Akastor AS	3,049,673	5.6%
Euroclear Bank S.A./N.V.	2,140,309	3.9%
Citibank, N.A.	2,022,533	3.7%
Skandinaviska Enskilda Banken	2,000,000	3.7%

QVT Financial LP with affiliated and related parties owned 4,860,781 shares at 28 April 2021, a total of 8.9% of the Company's share capital.

FVP Master Fund LP with affiliated and related parties owned 10,817,527 shares at 28 April 2021 a total of 19.8% of the Company's share capital and has not notified the Company of any changes of ownership up to the date of signing the report and financial statements.

Directors' report (continued)

Corporate governance

The information given in the corporate governance statement is set out on pages 15-21.

Material Uncertainties over Going concern

At 31 December 2020 the Group had cash on hand of US\$ 14.7 million and no debt. Management has prepared cash flow forecasts covering a period until 30 June 2022 in order to assess whether the Group and Company are a going concern. There are several material uncertainties which may cast doubt on the Group's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the normal course of business. The following material uncertainties have been identified:

- There is uncertainty regarding the securing of additional revenue contracts that will cover the going concern period. A base case cash flow has been prepared with the scenario assuming the Group secures follow-on work subsequent to the existing contracts with Serica and Ithaca. This scenario assumes that no additional financing will be required to fund the Special Purpose Survey (SPS) for the WilPhoenix. Assuming the follow-on work for the WilPhoenix materialises and the SPS is self-funded, this gives sufficient positive cash flow during the going concern period. Management have also prepared an alternative cash flow scenario which assumes the Group secures no future work subsequent to the Serica and Ithaca contracts. In that scenario, it is assumed that all the necessary mitigating actions will be taken, including the cold stacking of the WilPhoenix upon completion of the contracted work. Neither scenario considers the potential crystallisation of the contingent taxation liability, see Note 23 and described below. Both scenarios also consider that there are no cash inflows or outflows aside from legal fees in respect of the arbitration with Keppel FELS, see Note 23, as the Directors believe there is a remote likelihood of any settlement in the review period. The Group has sufficient cash to offset declining cashflow through the going concern period and would seek to raise additional financing in order to pursue future opportunities and the ongoing arbitration process, should that be necessary. For avoidance of doubt there is a risk that if the group are unable to secure additional follow-on work in the near term, that the Group would cease drilling operations.
- There is uncertainty regarding the sufficiency of liquidity to cover the costs arising from any significant operational risks that may materialise during the going concern period. Should liquidity levels fall below the amount the directors consider necessary to cover operational risks, the Group would seek to raise additional financing. No such financing has yet been secured.
- There is uncertainty in relation to the possible crystallisation of a contingent taxation liability relating to a subsidiary company (Note 23). In the event that this contingency were to crystallise, and become payable, additional financing would be required in order to settle the liability. The initial tax appeal tribunal is scheduled for June 2021 and should the subsidiary company be unsuccessful in the initial appeal, the right of further appeal would remain available.

Based on their assessment of risks and financing options, the Directors believe there is a reasonable prospect of the Company and the Group continuing as a going concern for the period to 30 June 2022, However, the above listed material uncertainties may cast significant doubt upon the Group and Company's ability to continue as a going concern. The financial statements do not contain adjustments that would result if the Group and Company were unable to continue as a going concern.

Asset impairment consideration

Management has performed an impairment test which resulted in an impairment of US\$ 33.4 million at year end due to the continued cold stack status of the WilHunter rig and lack of visibility of contracting opportunities for the WilPhoenix rig. The impairment test was based on management's best estimate of forecast industry conditions and operations, expected utilisation, contract rates, operating expenses and capital requirements of the rigs. A pre-tax discount rate of 21.7% and post-tax discount rate of 17.8% has been applied.

Greenhouse gas emissions

The Company's greenhouse gas emissions are categorised between two categories: direct emissions (from rig power generation and loss of refrigerants) and indirect emissions (from purchased electricity for onshore offices).

Directors' report (continued)

Greenhouse gas emissions (continued)

All emissions from the facilities over which the Company has direct operational control were included. The Companies Act 2006 requires reporting on the following greenhouse gases:

- Carbon dioxide ("CO₂");
- Methane ("CH₄");
- Nitrous Oxide ("N₂O");
- Hydrofluorocarbons ("HFCs");
- Perfluorocarbons ("PFCs"); and
- Sulphur Hexafluoride ("SF₆").

PFCs and SF₆ are not emitted, and therefore not considered in this report.

Greenhouse gas emissions are reported in tonnes (t) carbon dioxide equivalents ("CO₂e"). Calculations are performed using the emission factors and global warming potential for each chemical compound, which are in accordance with the current guidance from the UK Government GHG Conversion Factors for Company Reporting 2020. The 2020 annual CO₂e emitted from operations was 5912.5 t.

For the year ended 31 December 2020, the estimated carbon dioxide equivalent ("CO₂e") gas emissions were 5651 tonnes as compared to 6543 tonnes for the year ended 31 December 2019. When expressed as an intensity measure of tonnes of CO₂e gas emissions per days of contract from operations, the intensity measure for 31 December 2020 and 31 December 2019 was 15.6 tonnes and 11.7 tonnes, respectively. This decrease is mainly due to the WilPhoenix undertaking plug and abandon and well workover from late spring in 2020 as opposed to plug and abandon over the entire year 2019.

There were 80kg of accumulated refrigerant losses during 2020 equivalent to 230.5 tonnes of CO₂e.

Greenhouse Gas Emissions	<i>2020</i>	<i>2019</i>
Direct emissions (owned rigs)	5,651	6,543
Indirect emissions (onshore offices)	31	36
Refrigerant emissions (offshore only)	230.5	0
Total emissions (CO ₂ e)	5,912.5	6,579
Direct CH ₄ emissions (owned rigs)	1.4	1.9
Direct N ₂ O emissions (owned rigs)	76.1	101

The Company's aim is to work on improving environmental sustainability by reducing the carbon footprint, eliminating waste, recycling and using alternative energy sources where possible. As the Company holds an ISO 14001 accredited Environmental Management System (EMS) this has already identified the risks to biodiversity the Company's activities may pose. The disposal of drill cutting was identified as the most significant risk to biodiversity. During 2020, zero drill cuttings were disposed to the environment from operations.

Stakeholder relationships

The Directors recognise that business relationships with all stakeholders is beneficial to the well-being of the organisation. Feedback in terms of relationships with suppliers, customers, investors is discussed with management at board meetings. A summary of the key decisions can be found in the table on pages 7-9.

Directors' report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Responsibility statement

Each of the directors listed on page 1 confirms that to the best of their knowledge:

- The financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position, financial performance and cash flows of the Group and the undertakings included in the consolidation taken as a whole; and
- The strategic report includes a fair review of the development and performance of the business, together with a description of the principal risks and uncertainties faced.

Subsequent events

During January, Jens Berge, Chief Executive Officer decided to leave the Company with effect from 1 February 2021 to pursue other opportunities. Eric Jacobs, General Counsel in the Awilhelmsen Group, will act as interim Chief Executive Officer until the Board of Directors appoints a permanent replacement.

During April, the Company signed a contract with Ithaca Oil and Gas Limited for the provision of WilPhoenix for a single exploration well at Fotla in Block 22/1b. The well will commence no earlier than 31st May 2021.

These subsequent events identified are non-adjusting events.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board of Directors



Sigurd Thorvildsen

28 April 2021

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company Law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the group and the parent company financial statements in accordance with International Financial Reporting Standards ('IFRSs') in conformity with the Companies Act 2006.

Under Company Law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing the group and the company financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance;
- in respect of the group financial statements, state whether IFRSs in conformity with the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the company financial statements, state whether IFRSs in conformity with the Companies Act 2006, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Corporate governance

Awilco Drilling PLC is committed to maintaining high standards of corporate governance.

The Company was previously listed on the Oslo Axxess stock exchange, but transferred over to the Oslo Bors stock exchange on 4 September 2018. The Company has adopted the Norwegian Code of Practice for Corporate Governance of 17 October 2018 ('the Code'). A copy of the code can be found at www.nues.no

Adherence to the Code is based on a "comply or explain" principle, whereby companies are expected to comply with the recommendations or explain why they have chosen an alternative approach. Below is a summary of the departures from the Code with an explanation of how the Company's actual practices contribute to good corporate governance.

Code of Practice Compliance

The Company is required to state how it has applied the principles set out in Section 1 of the Code and which relate to its directors, remuneration, accountability and audit and relations with shareholders.

As of the date of this report, the Company is in compliance with the Code, except in relation to the following matters:

- Business – the Company's Articles of Association do not specifically define the Company's business. The Company is incorporated in England & Wales and this is in line with standard practice for a UK registered company. An overview of the Company's business can be found in this report.
- Equity and dividends – the authorisation given to undertake share capital increases has not been restricted to defined purposes, due to the scope of the Company's business. This is normal practice for a UK registered company.
- Auditor – the Auditor is not present during the Board meeting that considers the annual accounts; but the Auditor attends all Audit Committee meetings including discussions related to the Annual Report and financial statements.
- Corporate Assembly – the Company does not have a Corporate Assembly.

Business

The Company's principal business is to own offshore drilling rigs for use in offshore drilling operations, and to provide drilling services for oil and gas companies using these rigs. This is an intricate business which involves complex assets and high value equipment, and which requires specialised and trained personnel to operate them efficiently and safely.

The Company's vision is to be a partner of choice, consistently "delivering the difference" to its customers.

Further information about the Company's vision, mission and strategy statements is available in the Strategic Report.

Equity and dividends

Full details of the shares issued are detailed in Note 24. The Company considers its equity to be at a level appropriate to the Company's objectives, strategies, cash flow projections and risk profile.

The Company's intention is to pay dividends in support of its main objective to maximise returns to shareholders. All of the Company's free cash flow is intended to be distributed subject to maintaining a robust cash buffer to support operational working capital requirements and planned capital expenditure. Consideration is also given to future market prospects. Dividend payments will resume when the Company again reaches an appropriate free cash flow situation.

Corporate governance (continued)

Equal treatment of shareholders

All issued shares of the Company are vested with equal shareholder rights in all respects. There is only one class of shares. The Articles of Association place no restrictions on voting rights. Each share represents one vote at the Company's General Meetings.

Equal opportunities and diversity

The Company is committed to ensuring that all employees are treated with respect and dignity and to ensure that decisions are taken without reference to irrelevant or discriminatory criteria. The Company will not tolerate any form of unlawful discrimination and is committed to promoting equality of opportunity and address unlawful discrimination in every aspect of its operations. The Company takes every possible step to ensure that decisions on recruitment, selection, training, conditions of work, pay and benefits, promotion, career, management, and every other aspect of employment are justifiable and based solely on objective criteria. During the year, there have been no incidents of non-compliance with this policy.

Transactions with close associates

The Company has entered into the agreements listed below with the following parties:

- A management agreement with Awilhelmsen Management AS (AWM) for corporate services;
- Management-for-hire contracts for personnel from the Awilhelmsen Group.

Awilhelmsen Offshore AS owns 37.1% of the ordinary shares in Awilco Drilling PLC.

Freely negotiable shares

The shares of the Company are freely negotiable.

Going concern

The Board regularly review the Company's financial projections to ensure resources are available to meet operational requirements and takes appropriate action if judged necessary.

General Meetings

All shareholders of the Company are entitled to attend the general meetings of the Company. The Annual General Meeting (AGM) is to be held no later than 30 June each year. Notification for meetings are sent out at least 21 days in advance. The notice includes a reference to the Company's website where the notice for the General Meeting and other supporting documents required to allow shareholders to form a view on all matters to be considered at the meeting are made available. The deadline for registration is normally set two working days before the General Meeting, to ensure shareholders have as much time as possible to register. If a shareholder cannot attend a meeting in person it is possible to vote through proxy.

The minutes from the General Meetings are published on the Company's website www.awilcodrilling.com

The next AGM is scheduled for 9 June 2021.

Corporate governance (continued)

The Board of Directors

The Board considers that it is vital to ensure that there is an appropriate range of skills, knowledge and experience among its members, and that the objectivity and integrity of members should be exemplary. The Board currently consists of five non-executive Directors including the Chairman. The Board believes that the structure and size of the Board is appropriate and that no single individual or group dominates the decision making process. The names, skills, experience and expertise of each Director are shown in the Board of Directors section of the Company's website at www.awilcodrilling.com

The main responsibilities of the Board include but are not limited to:

- providing strategic direction for the Company;
- overseeing the Company's systems of internal control, governance and risk management;
- evaluating the performance of executive management; and
- monitoring and facilitating the activities of the Audit and Remuneration Committees.

Management is delegated the task of the detailed planning and implementation of the Company's strategy.

Directors receive timely, regular and appropriate management information to enable them to fulfil their duties and have access to the advice of the Company Secretary. The Board has agreed guidelines for Directors to obtain independent professional advice, if they seek it, at the Company's expense.

The Company has in place directors' and officers' liability insurance.

The Board includes two independent non-executive directors (John Simpson and Synne Syrrist) and three non-independent non-executive directors (Sigurd Thorvildsen, Henrik Fougner and Daniel Gold). All the non-executive Board members are viewed as being free from any relationship with the executive management which could result in any conflict or affect their judgement. None of the non-executive directors participates in the share option schemes or long-term incentive plan operated by the Company and none are dependent on the fees received from the Company as their primary source of income.

Board Performance

The Board completes an annual process to evaluate the effectiveness of Board Committees and individual directors and has confirmed that it is satisfied that it and its Committees are operating effectively.

The performance of the Chief Executive Officer ("CEO") is reviewed annually by the Remuneration Committee in conjunction with his annual pay review and the payment of bonuses.

Directors are elected by shareholders at the first annual general meeting after their appointment and, after that, offer themselves for re-election by a vote of shareholders at least once every two years.

Corporate governance (continued)

The Board of Directors (continued)

Meetings and attendance

Board meetings are scheduled to be held at least five times a year, linked to key events in the Company's corporate reporting calendar. Additional ad-hoc meetings may be held.

It is expected that all directors attend Board and relevant committee meetings, unless they are prevented from doing so by prior commitments or travel restrictions. If directors are unable to attend meetings, they are given the opportunity to be consulted and comment in advance of the meeting.

Board Committees

The Board has established an Audit Committee, Remuneration Committee and a Nomination Committee. The Audit Committee and Nomination Committee have formal terms of reference governing their method of operation which reflect the provisions of the Code and which have been approved by the Board.

Audit Committee

The Audit Committee was chaired during the year by John Simpson and the other member of the Committee is Henrik Fougner. Only John Simpson is considered to be independent by the Board, which is acknowledged in the terms of reference of the Audit Committee. The Board is satisfied that John Simpson has recent and relevant financial experience, as the former CEO of Den norske Bank (now DNB Bank) in London and Regional Director for DNB's Asia-Pacific operations. Mr. Simpson is also classed as an approved person by the UK FCA and has chaired audit committees of UK listed companies and public bodies since 1996.

The role of the Audit Committee is to ensure the integrity of the financial statements of the Company, including its annual and quarterly reports, preliminary results' announcements and any other formal announcements relating to its financial performance. It is responsible for reviewing the Company's internal financial control and risk management systems, advising the Board on the appointment of external auditors, overseeing the relationship with external auditors, reviewing the Company's whistleblowing procedures and considering the need for an internal audit function.

The Audit Committee monitors the relationship with the Company's external auditors relating to the provision of non-audit services to ensure auditor objectivity and independence is safeguarded. The Company will award non-audit work to the firm which provides the best commercial solution for the work in question taking into account the skills and experience of the firm involved and the fees payable for the work. In considering whether to award such work to the external auditors, attention is paid to the level of fees for non-audit services relative to the amounts of the audit fee and whether there are safeguards in place to mitigate to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from the provision of such services.

There is an opportunity at each meeting for the Audit Committee to discuss matters privately with the external auditors without any members of the executive management team present. In addition, the Chairman of the Committee is in regular contact with the external audit partner to discuss matters relevant to the Company.

The Audit Committee have also been extensively involved in ensuring the appropriate disclosures regarding Covid-19 have been included in the financial statements.

Remuneration Committee

The Remuneration Committee was chaired during the year by Sigurd Thorvildsen and the other members of the Committee are Daniel Gold and Henrik Fougner.

The role of the Remuneration Committee is to establish and develop the remuneration policy for the Company's executives and key management and to determine a specific remuneration package for the CEO. No director or employee is involved in deciding their own remuneration. The Committee also approves all employee pay review proposals.

Details of the Company's policy on remuneration, service contracts and compensation payments are set out in the Director's remuneration report.

Corporate governance (continued)

The Board of Directors (continued)

Nomination Committee

The members of the Nomination Committee are Henrik Christensen and Tom Furulund.

The role of the Nomination Committee is to present a recommendation to the general meetings concerning directors to be elected by shareholders and the level of directors' fees. The Nomination Committee shall also present recommendations to the general meetings regarding nomination of members to the Nomination Committee and concerning fees for the members of the Nomination Committee.

The table below shows the frequency and attendance of directors and other members at Board and Committee meetings during 2020.

	<i>Board Meetings</i>	<i>Remuneration Committee</i>	<i>Audit Committee</i>	<i>Nomination Committee</i>
No of meetings in year				
Sigurd Thorvildsen	17	3	-	-
Henrik Fougner	17	3	5	-
Daniel Gold	17	3	-	-
John Simpson	17	-	5	-
Synne Syrrist	17	-	-	-
Henrik Christensen (1)	-	-	-	1
Tom Furulund (1)	-	-	-	1

(1) *Not members of the Board but members of the Nomination Committee only*

Internal controls and risk management

The Board acknowledges its responsibility for establishing and maintaining adequate internal controls and risk management systems to safeguard shareholders' investments and the Company's assets and performs an annual review of these areas. Such systems can only be designed to manage, and not to eliminate, the risk of failure to achieve business objectives. They can provide reasonable, but not absolute, assurance that the Company's assets are safeguarded and that the financial information used within the business for external reporting is reliable.

Operational and business activity risks

The Company's operational and business activity risks are controlled and mitigated by the implementation and use of its Business Management System (BMS). The Company's offshore activity risk is further controlled by the implementation and use of its Safety and Environmental Management System which is incorporated in the BMS.

Information and financial reporting systems

The Company's comprehensive planning and financial reporting procedures include annual detailed operational budgets which are reviewed and approved by the Board. Performance against budget is monitored throughout the year, through monthly reporting of management accounts and key performance indicators. The Board receives updated cash flow statements on a monthly basis and at each Board meeting and has close follow-up discussions with the management between meetings as required.

Corporate governance (continued)

Internal controls and risk management (continued)

With a centralised financial reporting system, transactions and balances are recognised and measured in accordance with prescribed accounting policies, and all relevant information is appropriately reviewed and reconciled as part of the reporting process.

Investment appraisal

There are clearly defined evaluation and approval processes for acquisitions and disposals, capital items and major expenditure. These include escalating levels of authority and post-completion reviews of all major projects to compare the actual outcome with the original plan. Certain transactions are reserved for approval by the Board and limits of delegated responsibility and areas of authority have been identified for employees.

External audit

The Audit Committee reports to the Board on matters discussed with the auditors during the course of the statutory audit.

Takeovers

The Company has adopted guidelines in relation to takeover bids. The guiding principles of the Board in a take-over situation will be to seek the best value for and the equal treatment of all shareholders. The Board recognises that the decision whether to accept or reject an offer lies with the shareholders and will refrain from any actions which may deny shareholders this choice. The Board will seek to provide shareholders with a recommendation as to whether shareholders should or should not accept an offer. This includes seeking external advice on valuation when appropriate. Any transaction that is in effect a disposal of the Company's activities will be submitted to a General Meeting for its approval. As the Company is incorporated in England and Wales and listed in Norway, any takeover bid for the Company would be governed by aspects of both English law and Norwegian law and regulations in accordance with the EU Takeover Directive.

Communication with shareholders

The Company is committed to maintain the highest of standards of disclosure ensuring that all investors and potential investors have the same access to high quality, relevant information in an accessible and timely manner to assist them in making informed decisions. The Investor Relations Department manages the flow of information to all investors and potential investors and regular presentations take place at the time of the quarterly results as well as during the rest of the year.

Any concerns raised by a shareholder in relation to the Company and its affairs are communicated to the Board.

The Company maintains a website which provides up-to-date, detailed information on the Company's operations, which includes a dedicated investor relations section. All Company announcements are available on the website, as are copies of slides used for presentations to investment analysts.

Shareholders will have the opportunity at the forthcoming AGM to put questions to the Board, including the Chairmen of the various Committees.

Remuneration of the Board of Directors

The Company operates in a highly competitive market and must attract, motivate and retain high quality directors capable of achieving the Company's objectives and thereby enhancing shareholder value.

The non-executive Board members receive annual remuneration, based on the Board's responsibilities, expertise, time invested and the complexity of the business. Their remuneration is not linked to the Company's performance.

The remuneration of the Board is disclosed in the Director's Remuneration Report on pages 22-35 of this report. None of the Board members have had any additional assignments for the Company and none of the non-executives participate in any incentive or share option programme.

Corporate governance (continued)

Remuneration of executive personnel

The Remuneration Committee reviews and advises on proposals made by the CEO with regard to the remuneration payable to executive personnel, and presents them to the Board. The remuneration payable to executive personnel is determined on the basis of competence, experience and achieved results.

The Board decides the salary and other compensation for the CEO in a meeting. The remuneration and other compensation to the CEO and other executive employees are disclosed in the notes to the financial statements.

Auditor

In line with standard practice for a UK company, the auditor is not present during the Board meeting that deals with the annual accounts.

The auditor attends all meetings of the Audit Committee and presents to the Committee reviews of the Company's accounting principles, risk areas, internal control procedures, including identified weaknesses and proposals for improvement.

The auditor has a private meeting with the Audit Committee at the end of each of its meetings at which neither the CEO nor any other member from the management team is present.

By order of the Board of Directors



Sigurd Thorvildsen

28 April 2021

Directors' remuneration report

Information not subject to audit

Chairman of the Remuneration Committee's Annual Statement

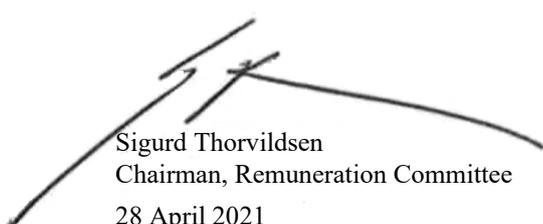
Dear Shareholders,

I am pleased to present the directors' remuneration report for the financial year ended 31 December 2020, prepared in accordance with the Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

This report explains the Company's remuneration policy and provides details of the remuneration paid to executive and non-executive directors for services to the Company during the year. There have been no significant changes to the remuneration policy this year.

In determining remuneration levels, the Committee has taken account of market conditions, the performance of the Company, responsibility to shareholders and good corporate governance.

A resolution to approve the Directors remuneration report will be proposed at the AGM which is scheduled to be held on 9 June 2021.



Sigurd Thorvildsen
Chairman, Remuneration Committee
28 April 2021

Directors' remuneration report (continued)

Introduction

The Company's CEO is not an Executive Director of the Company but under UK company law, there is a requirement for quoted companies to treat the Chief Executive Officer, for the purposes of certain remuneration-related requirements, as if that person were a director of that quoted company. As a result, the following sets out the policy in respect of the components of remuneration which the CEO currently receives.

Process for setting the Remuneration Policy

The Remuneration Committee (the "Committee") sets the remuneration policy based on the principles and framework outlined below. The Committee is briefed on and considers prevailing market conditions, the competitive environments and the positioning and relativities of pay and employment conditions across the wider Company workforce.

Following each meeting of the Committee, the Chair provides an update to the Board.

Although the Committee does not consult directly with employees on CEO or director remuneration, the Company conducts periodic employee engagement surveys that give employees an opportunity to provide feedback on a wide range of employee matters.

As part of the Company's commitment to good governance, the Committee also considers shareholder views when setting the remuneration policy. Feedback from shareholders and investors is shared with, and used as input into decision-making by, the Board and Committee in respect of the remuneration policy and its application. The Committee considers that this approach provides a robust mechanism to ensure its members are aware of matters raised, have a good understanding of current shareholders views, and can determine the Company's remuneration policy and make decisions as appropriate.

The remuneration policy is designed to avoid conflicts of interests between the Company and the interests of shareholders. In setting the remuneration policy, Committee members are subject to provisions designed to avoid or manage conflicts of interest, which are documented separately in the Company's compliance policies. None of the directors or CEO makes a decision relating to their own remuneration. Individual directors leave the meeting when their own remuneration is being discussed.

Remuneration policy

The Company operates in a highly competitive market and must attract, motivate and retain high quality directors and senior executives capable of achieving the Company's objectives and thereby enhancing shareholder value.

A significant proportion of the potential remuneration of the CEO and senior executives is performance-related with appropriately stretching targets, thus aligning their interests with those of shareholders and encouraging performance at the highest levels.

The Committee has considered whether there are any aspects of the remuneration policy which could inadvertently encourage the executives to take inappropriate risk and has concluded that the policy remains appropriate in this regard.

How the views of employees are taken into account

As referred to above, the Company, in line with market practice, does not actively consult with employees on executive remuneration. The Committee is made aware of overall pay and employment conditions in the wider work force when it sets the executive remuneration policy.

How the views of shareholders are taken into account

As referred to above, the Committee takes into account the view of the shareholders through open and transparent communication with shareholders. If there are significant changes proposed to the remuneration policy, the Committee will consult with major shareholders.

Directors' remuneration report (continued)

Remuneration Policy Table – Executive Directors and CEO

The table below summarises the remuneration policy for any Executive Directors and the CEO.

Element	Purpose	Operation	Opportunity	Performance Measure
Annual Salary	To attract and retain key individuals and reflect their responsibilities, market value and expected performance level	Reviewed annually or when a change in responsibility occurs	There is no maximum salary opportunity	Not applicable
Benefits	To provide a market competitive reward package to the employee	<p>Benefits to be provided to Executive Directors or the CEO will be determined by the Committee taking into account such factors as it determines to be necessary, with the aim of creating a competitive overall package. The provision of benefits would not be expected to be performance related.</p> <p>Benefits may include, but are not limited to:</p> <ul style="list-style-type: none"> ➤ Car allowance ➤ Private health care ➤ Travel and housing allowance <p>Benefits may also be provided to reflect the jurisdiction in which an Executive Director or the CEO is recruited or to which an Executive Director or CEO is relocated for business reasons, including relocation costs, tax equalisation arrangements and arrangements to take into account exchange rates.</p> <p>Benefits may also include participation in any broad-based incentive plan operated by the Company from time to time, up to the relevant limit for participation as applies to such arrangement</p>	Car allowance is a fixed annual amount. There is no maximum for health/dental insurance as it will depend on the value of premiums paid in the year	Not applicable

Directors' remuneration report (continued)

Element	Purpose	Operation	Opportunity	Performance Measure
Performance-related bonus	To provide an incentive for superior work and to motivate executives toward even higher achievement and business results, to tie their goals and interests to those of the Company and its shareholders and to enable the Company to attract and retain highly qualified executives	Bonus payments are determined by the Remuneration Committee and awarded where justified by performance	The amount of bonus increases with the level of performance achieved, up to a maximum of 100% of salary	<p>Annual bonuses will be determined by reference to performance, in the normal course measured over one financial year. The performance measures, weightings and targets for the annual bonus will be set by the Committee on an annual basis</p> <p>The Committee shall have discretion to determine the terms and level at which annual bonuses may be granted, including the minimum performance required for an annual bonus to be payable</p> <p>In respect of an Executive Directors' or CEO's participation in annual bonus arrangements in any year, the Committee will have power to amend performance measures and targets after they have been set if events happen that mean they are no longer a fair test of performance</p>

Directors' remuneration report (continued)

Element	Purpose	Operation	Opportunity	Performance Measure
Pension	To provide a market competitive long-term retirement benefit	Eligibility to participate in a Defined Contribution scheme which has a maximum employer contribution of 12%	Up to 12% of salary	Not applicable
Long Term Incentive Plan (LTIP)	To motivate and incentivise executives to achieve key long-term incentives	<p>The Company has operated a historic LTIP arrangement for the former CEO with all awards being synthetic share options which are cash-settled</p> <p>In the event that the Company adopts a new long-term incentive plan (which may involve synthetic share options, cash or actual shares), Executive Directors and the CEO would be eligible to participate in such plan, subject to the terms of, and the maximum levels of participation provided in, the rules of such plan.</p> <p>In respect of any performance-related long-term awards granted to Executive Directors or the CEO, performance measures, weightings and targets would be set by the Committee</p> <p>Following grant of an award, the Committee would have power to amend performance measures and targets if events happen that mean they are no longer a fair test of performance</p> <p>The 2020 plan "vests" in 25% tranches linked to rig contract dates and expires after five years.</p>	Award of up to 100% of salary each calendar year	The awards are made at the discretion of the Board of Directors and are not guaranteed to be awarded each year

Notes to the Remuneration Policy Table

In considering the appropriate measures to apply to any performance-based awards, the Committee will seek to incentivise and reinforce delivery of the Company's strategic objectives achieving a balance between delivering annual returns to shareholders and ensuring long-term profitability and growth.

The performance targets set would be stretching and achievable, taking into account the Company's strategic priorities and the economic environment in which the Company operates.

Directors' remuneration report (continued)

Statement of consideration of employment conditions elsewhere in the Company

The Company's remuneration policies and practices are founded on a high degree of alignment and consistency across the organisation. Accordingly, remuneration for senior management is determined taking into account the remuneration principles that apply to the CEO, and similar principles also form the basis of the remuneration arrangements for the wider workforce.

The approach to salary reviews is consistent across the Company, with consideration given to the scope of the role, responsibility, individual performance and pay levels in the selected peer group. Retirement benefits, typically in the form of a pension, are provided based on local market practice. Other benefits provided to the wider employee population reflect local market practice and legislative requirements.

A high proportion of the wider employee population are eligible to participate in annual bonus arrangements. Opportunities and metrics which apply to these arrangements may vary by organisational level with functional performance indicators incorporated where appropriate.

Senior managers are eligible to participate in the LTIP, with opportunities varying across levels with the most senior managers having a bigger portion of their pay delivered under the LTIP.

The key difference between remuneration for the CEO and any executive director and the wider employee population is the increased emphasis on long-term performance in respect of the CEO and executive directors, with a greater percentage of their total remuneration being performance-related.

The Committee is regularly updated on the pay principles and practices in operation across the Company, in order to take these into account in setting the remuneration policy.

Other matters

In addition to the above, the Company is obliged to honour any contractual entitlement to compensation or benefits, and any incentive awards, which are held by: (i) any current or former Executive Director or CEO on the effective date of this policy; or (ii) an employee or officer of the Group on the date they are promoted to the role of Executive Director or CEO. Appropriate disclosure will be made of any compensation paid (or similar) to an Executive Director or CEO pursuant to any such arrangements.

The Company may reimburse all reasonable expenses incurred by an Executive Director or CEO in connection with their role. This will include expenses in attending Board or Board-committee meetings, or the Company may alternatively provide a travel allowance for such purpose. This may also include items which, for tax purposes, are treated as a taxable benefit, and in which case the Company may also pay any such tax on behalf of the Executive Director or CEO.

Approach to recruitment and promotions

In recruiting an Executive Director or CEO, including on promotion of an employee or officer from within the Group to the role of Executive Director or CEO, the Committee will offer the recruit a remuneration package that it believes is appropriate, taking into account the skills and experience of the individual and the need to recruit, retain and motivate individuals of the appropriate calibre. The remuneration package offered may include the components of remuneration described above in the Remuneration Policy Table.

For external hires, the Committee may determine that it would be appropriate to buy-out any existing incentive awards held by the individual that are forfeited as a result of the individual leaving their former employer. The Committee may also determine that it would be appropriate to grant recruitment-related awards. In the case of any buy-out of an equity based award, or the grant of any recruitment-related award, the award would normally be subject to such vesting and/or performance conditions as the Committee determines to be appropriate, either under a one-off arrangement or under the terms of the Company's incentive arrangements. In determining the terms of such awards, the Committee will take account of the vesting schedule and conditions attached to the forfeited awards (in the case of buy-out awards), but also other factors that it determines to be relevant, including the need to incentivise suitably and retain the individual during the initial years of their office.

The maximum level of variable remuneration (excluding any buy-out awards) that may be granted to any new Executive Director or CEO is 250% per annum of their salary.

Directors' remuneration report (continued)

Service contracts

The employment contract of the CEO is not of a fixed duration and therefore has no unexpired terms.

The notice period of the CEO's contract of employment is six months with the same notice period for the Company. The CEO's employment can be terminated in the six-month probationary period without notice in the case of wilful misconduct or gross negligence.

In the event of termination by the Company, where there is no basis for dismissal as a result of gross breach of duty or other material breach of the employment contract by the CEO, or as a result of mutual agreement, the CEO shall be entitled to twelve months' severance pay.

In the event of a change of control of the Company, the CEO can terminate the employment contract and would be entitled to twelve months' severance pay.

The CEO's service contract is available for inspection at the Company's registered office during normal hours of business.

The non-executive directors do not have service contracts but instead have letters of appointment.

Loss of office payments

Contractual entitlements

A departing Executive Director's or CEO's rights in respect of salary, retirement benefits and contractual benefits will be determined in accordance with his service contract.

Incentive plans

The terms of a departing Executive Director's or CEO's participation in any annual bonus or long-term incentive plans will be governed by the terms of such arrangements.

Corporate actions

The treatment of incentive awards in the event of a corporate action affecting the Company will be determined in accordance with the terms of such awards.

The Company may agree to pay reasonable legal fees on behalf of an Executive Director or CEO in respect of the effect of any corporate action on their personal position.

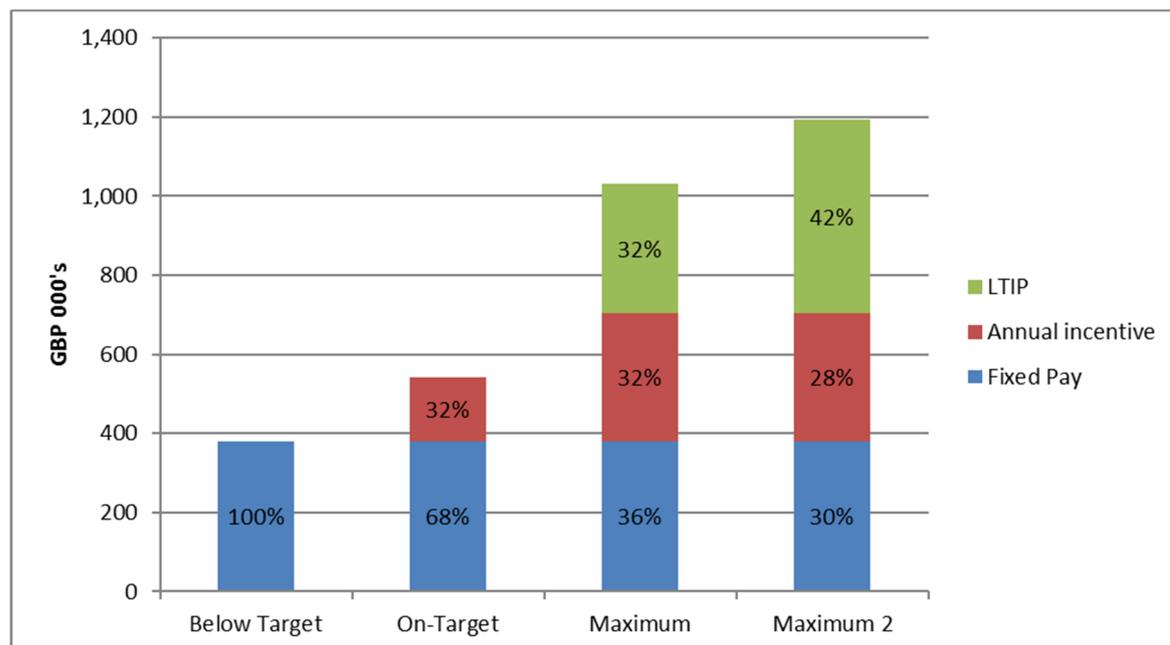
Other

The Company may enter into new contractual arrangements with a departing Executive Director or CEO in connection with the cessation of office or employment, including (but not limited to) in respect of settlement of claims, confidentiality, restrictive covenants and/or consultancy arrangements, where the Committee determines it necessary or appropriate to do so. The Company may pay reasonable legal fees on behalf of an Executive Director or CEO in connection with their cessation of office and employment. The Company may agree to provide other ancillary or non-material benefits, payments or similar to a departing Executive Director or CEO.

Directors' remuneration report (continued)

Reward Scenarios

The graph below shows how the total pay opportunities for the CEO vary under four performance scenarios. These have been prepared on the assumptions detailed below.



Below target = fixed pay only (base salary, benefits and pension)

On target = 50% payable of annual bonus, 0% LTIP award

Maximum = 100% payable of annual bonus, 100% LTIP award

Maximum 2 = 100% payable of annual bonus, 100% LTIP award and 50% share price increase over the performance period

The chart illustrates the potential rewards available under the remuneration policy on an annualised basis for the financial year 2020. The values (other than the Maximum 2 illustration) assume a constant share price and do not take into account dividend adjustments that may be received on the share awards. The potential awards available for "on-target" performance under the annual bonus and LTIP are provided for illustration only and do not reflect formal policy decisions that these amounts will be received. Maximum 2 illustration assumes a share price increase of 50% over the performance period but in all other respects is the same as the Maximum illustration. The figures used in the chart are provided for illustration only based on a theoretical grant over 100% of salary, being the maximum permitted under the policy table.

The salary level (on which the bonus and LTIP elements of the package are calculated) are based on current salary level of GBP 325,000 based on the GBP/NOK year end exchange rate.

Directors' remuneration report (continued)

Remuneration policy table – non-executive directors

The remuneration policy for non-executive directors is set out in the table below. No non-executive directors participate in the Company's incentive arrangements or pension plan.

Component	Purpose	Operation
Fees	The basic fee is a fixed annual fee agreed after taking external advice and making market comparisons, and relate to the service of the directors in connection with the Company's business. The additional fees payable to the Chairman and members of the Board Committees reflects the additional time commitment in preparing and attending additional meetings.	The fees for non-executive directors (including the Chairman) are reviewed annually and approved in aggregate at the annual general meeting. The current level of fees is detailed below.

New appointments

The same principles as described above will be applied in setting the remuneration of a new non-executive director. Remuneration will comprise fees only and be paid in accordance with the prevailing rate at the time of the appointment. No variable remuneration will be paid and there will be no compensation for any loss of remuneration in a previous employment.

Letters of appointments

The Non-executive Directors' Letters of Appointment are available for inspection at the Company's registered office during normal hours of business.

Other matters

In addition to the above, the Company is entitled to honour any contractual entitlement to compensation or benefits, and any incentive awards, which are held by any current or former Non-Executive Director on the effective date of this policy. Appropriate disclosure will be made of any compensation paid (or similar) to a Non-Executive Director pursuant to any such arrangements.

The Company may reimburse all reasonable expenses incurred by a Non-Executive Director in connection with their role. This will include expenses in attending Board or Board-committee meetings, or the Company may alternatively provide a travel allowance for such purpose. This may also include items which, for tax purposes, are treated as a taxable benefit, and in which case the Company may also pay any such tax on behalf of the Non-Executive Director.

Fees for non-executive directors

The current level of fees paid for 2019 and those proposed for 2020 are as follows:

	<i>2020</i>	<i>2019</i>
	<i>GBP</i>	<i>GBP</i>
Chairman	46,375	46,375
Basic Fee	33,125	33,125
Chair of Audit Committee	5,000	5,000
Member of Audit, Remuneration or Nomination Committee	3,000	3,000

Fees to be paid in respect of 2020 will be decided at the next AGM which is scheduled for 9 June 2021.

Retirement and re-election of directors

All directors were required, under the Articles of Association of the Company, to retire at the first AGM. At each subsequent AGM, any directors who have been appointed by ordinary resolution or by the directors since the last AGM or who were not appointed or reappointed at one of the preceding two AGMs must retire from office and may offer themselves for reappointment by the members. After recommendation by the Nomination Committee, all directors were re-appointed at the AGM on 13th June 2019.

Directors' remuneration report (continued)

Audited information

Directors' remuneration

Single total figure of remuneration table

2020	<i>Basic Salary and Fees GBP</i>	<i>Benefits (2) GBP</i>	<i>Pension related benefits (3) GBP</i>	<i>Total Fixed Remuneration GBP</i>	<i>Performance Related bonus GBP</i>	<i>Other (4) GBP</i>	<i>Total Variable Remuneration GBP</i>
<i>Chief Executive Officer:</i>							
J E O Berge (6)	325,000	15,789	39,552	380,341	-	-	-
	<u>325,000</u>	<u>15,789</u>	<u>39,552</u>	<u>380,341</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Non-executive Directors:</i>							
S E Thorvildsen	49,375	-	-	49,375	-	-	-
H Fougner	39,125	-	-	39,125	-	-	-
D A Gold	36,125	-	-	36,125	-	-	-
J N Simpson	38,125	-	-	38,125	-	-	-
S Syrrist	33,125	-	-	33,125	-	-	-
	<u>195,875</u>	<u>-</u>	<u>-</u>	<u>195,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
2019	<i>Basic Salary and Fees GBP</i>	<i>Benefits (2) GBP</i>	<i>Pension related benefits (3) GBP</i>	<i>Total Fixed Remuneration GBP</i>	<i>Performance Related bonus GBP</i>	<i>Other (4) GBP</i>	<i>Total Variable Remuneration GBP</i>
<i>Executive Director:</i>							
J O S Bryce (1)	66,250	2,845	5,963	75,058	-	644,150	644,150
<i>Non-executive Directors:</i>							
S E Thorvildsen	49,375	-	-	49,375	-	-	-
H Fougner	39,125	-	-	39,125	-	-	-
D A Gold	36,125	-	-	36,125	-	-	-
J N Simpson	38,125	-	-	38,125	-	-	-
S Syrrist	33,125	-	-	33,125	-	-	-
	<u>262,125</u>	<u>2,845</u>	<u>5,963</u>	<u>270,933</u>	<u>-</u>	<u>644,150</u>	<u>644,150</u>
<i>Chief Executive Officer:</i>							
J E O Berge (5)	218,150	10,387	26,554	255,091	162,500	-	162,500
	<u>218,150</u>	<u>10,387</u>	<u>26,554</u>	<u>255,091</u>	<u>162,500</u>	<u>--</u>	<u>162,500</u>

(1) Resigned 18 March 2019

(2) Includes non-cash benefits comprising car allowance and private health and dental care

(3) Contributions made during the year to the defined contribution scheme

(4) Cash-settled value of synthetic share options exercised during the year

(5) Appointed 1 May 2019, does not hold position of Executive Director

(6) Resigned 1 February 2021

Directors' remuneration report (continued)

Analysis of taxable benefits received

The Chief Executive Officer ('the Executive Director') received the following taxable benefits:

	2020 GBP	2019 GBP
<u>J O S Bryce</u>		
Car allowance	-	2,500
Private health insurance	-	345
Total	-	2,845

The Chief Executive Officer received the following taxable benefits:

	2020 GBP	2019 GBP
<u>J E O Berge</u>		
Car allowance	15,789	10,387
Total	15,789	10,387

Annual bonus 2020

For the year under review, there was no bonus awarded to the Chief Executive Officer.

Annual bonus 2021

The criteria for the 2021 bonus has yet to be finalised by the Remuneration Committee but is expected to follow a similar format to the current year metrics, subject to challenging strategic targets. The precise weightings are considered by the Company to be commercially sensitive so are not specified in detail. The areas that have been considered were company performance and also performance improvement from the prior year, measured against the Company's financial and operational KPIs whilst also taking into account the current market conditions.

Long Term Incentive Plan

A long term incentive plan for the CEO and other key management personnel, with a total limit of up to 4% of the Company's issued share capital was approved at the Annual General Meeting on 26 June 2013. The awards for the years 2010, 2012, 2014 and 2015 are now fully exercised. There are still outstanding amounts under the 2016 plans. A further award was issued in 2020, with a total limit of up to 4,000,000 shares at the general meeting on 11 November 2019.

The 2016 plan "vests" after four years and the exercise period is five years subject to the employee remaining employed by the Company. The 2020 plan "vests" in 25% tranches linked to rig contract dates.

	<i>Shares At 1 January 2020 No.</i>	<i>Shares Granted in the year No.</i>	<i>Shares Exercised/Adjusted in the year No.</i>	<i>Shares At 31 December 2020 No.</i>	<i>Expiry date</i>	<i>Market price on date of award NOK</i>	<i>Interest vested in 2020 No.</i>	<i>Market price on vesting date NOK</i>
J E O Berge	-	1,200,000	(600,000)	600,000	31 Dec 2025	14.30	-	-

There are no other directors who have any interests in shares.

Directors' remuneration report (continued)

Information not subject to audit:

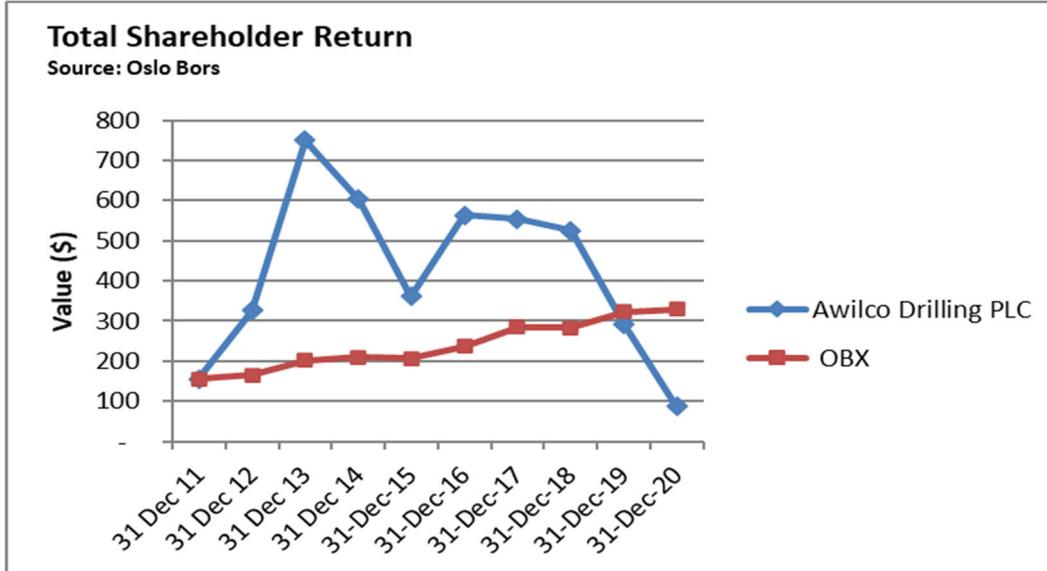
Relative importance of the spend on pay

The graph below shows the relative importance of the spend on pay (for all employees) compared with the returns distributed to shareholders (Note no dividends paid in 2019 or 2020).



Total shareholder return performance graph

The graph below shows the total shareholder return in terms of change in value of an initial investment of £100 on 10 June 2011 (and assuming dividends are re-invested) in a holding of the Company's shares against the corresponding total shareholder return in a hypothetical holding of shares in the OBX (an index on the Oslo Bors stock exchange). This was selected as it represents a broad equity market index in which the Company is a constituent member. The graph is a reporting requirement, however, the LTIP awards that are made to the Executive Director are not based on share performance.



Directors' remuneration report (continued)

Chief Executive Officer ('CEO') remuneration

Five-year comparison

The table below summarises the Chief Executive Officer (the Executive Director)'s single total figure of remuneration, annual and long-term variable performance-related remuneration (and the percentage of the maximum opportunity that these represent) in relation to the past five years.

Year	Chief Executive Officer	Single total figure of remuneration <i>GBP</i>	Annual variable element (actual award versus opportunity) <i>GBP</i>	%
2020	J E O Berge	380,341	-	-
2019	J E O Berge (1) (3)	417,591	162,500	50%
2019	J O S Bryce (2)	719,207	-	0%
2018	J O S Bryce	383,030	82,800	31%
2017	J O S Bryce	350,062	50,000	19%
2016	J O S Bryce	647,750	78,440	30%

(1) Appointed 1 May 2019

(2) Resigned 18 March 2019

(3) Resigned 1 February 2021

Comparison of CEO remuneration to employee remuneration

	2020 <i>GBP</i>	2019 <i>GBP</i>	Change %	Employee remuneration change
Salary and fees	325,000	325,000	-	-
Taxable benefits	15,789	15,475	2%	2%
Annual variable performance related remuneration	-	162,500	(100)%	(20)%
Total Annual figure	380,341	502,975		
Single total figure of remuneration	380,341	417,591		

The above table shows the movement in remuneration for the Chief Executive Officer between the current and previous financial year compared with movement of the average remuneration (per head) for all Company employees.

Comparison of Directors remuneration to employee remuneration

	2020 Change %	2019 Change %	2018 Change %	2017 Change %	2016 Change %
S E Thorvildsen	0%	0%	0%	0%	0%
H Fougner	0%	0%	0%	0%	0%
D A Gold	0%	0%	0%	0%	0%
J N Simpson	0%	0%	0%	0%	0%
S Syrrist	0%	0%	0%	0%	0%
Employees	0%	2%	0%	0%	0%

The above table shows the movement in remuneration for the Directors for the past five years compared with the average movement in remuneration (per head) for all Company employees.

Directors' remuneration report (continued)

Implementation of remuneration policy for following financial year

Base salaries

The CEO's base salary will continue to be reviewed annually by the Remuneration Committee, based on performance and current market conditions. The Remuneration Committee will then make a recommendation to the Board of Directors. There is no change from the previous year.

Pension and benefits

The CEO participates in a defined contribution arrangement which the Company contributes a maximum of 12% of base salary. Additional benefits include private medical and dental insurance and company car allowance.

Annual performance related remuneration

The maximum bonus opportunity for the CEO will remain unchanged at 100% of base salary. The bonus opportunity will be set by the Committee with targets aligned with creating shareholder value.

Statement of shareholder voting

The table below sets out the voting by the Company's shareholders on the resolution to approve the Directors' remuneration report at the AGM held on 3 June 2020.

	Total number of votes	% of votes cast
For	25,267,887	100.0%
Total votes cast	25,267,887	100.0%

The Remuneration Committee is pleased to note that 100% of shareholders approved the 2019 Directors' remuneration report.

By order of the Board of Directors



Sigurd Thorvildsen

28 April 2021

Independent auditors' report

to the members of Awilco Drilling PLC

Opinion

In our opinion:

- ▶ Awilco Drilling PLC's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- ▶ the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- ▶ the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with section 408 of the Companies Act; and
- ▶ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Awilco Drilling PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2020	Balance sheet as at 31 December 2020
Consolidated income statement for the year then ended 31 December 2020	Statement of changes in equity for the year then ended 31 December 2020
Consolidated statement of comprehensive income for the year then ended 31 December 2020	Statement of cash flows for the year then ended 31 December 2020
Consolidated statement of changes in equity for the year then ended 31 December 2020	Related notes 1 to 29 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended 31 December 2020	
Related notes 1 to 29 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards to the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements

Basis for opinion (continued)

in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditors' report

to the members of Awilco Drilling PLC

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties related to going concern

We draw attention to note 2 in the financial statements, which indicates that the conditions identified below may cast significant doubt on the Group's ability to continue as a going concern.

- There is uncertainty over whether the Group can secure work for the semi-submersible rig.
- There is uncertainty over the liquidity of the Group and Company. Should any unexpected operational risks occur in the near term there may be a need for additional funding to be secured to continue to be able to meet their financial obligations.
- There is a possible crystallisation of a contingent taxation liability. If the liability were to become payable in the going concern period, additional financing would need to be raised in order to settle the liability.

As stated in note 2, these events or conditions, indicate that material uncertainties exist that may cast significant doubt on the Group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

How we evaluated management's assessment

Risk assessment procedures

- We have obtained an understanding of management's basis for use of the going concern basis of accounting. To challenge the completeness of this assessment, we have independently identified factors that may indicate events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Events or conditions were identified and we have designed our audit procedures to evaluate the effect of these risks on the Group's ability to continue as a going concern.

Management's method

- In conjunction with our walkthrough of the Group's financial statement close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment;
- We obtained management's forecast cash flows covering the period of assessment from the date of signing to 30 June 2022. The Group has modelled both a most likely scenario and a worst-case scenario in their cash flow forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group;
- Using our understanding of the business, we evaluated whether the forecasting method adopted by management in assessing going concern was appropriate and observed that the method had not changed from the centrally prepared forecast used in the prior year assessment;
- We tested to ensure that the forecasts were mathematically accurate;
- We considered past historical accuracy of management's forecasting;
- We evaluated the potential impact of Coronavirus on the forecasts;

Independent auditors' report

to the members of Awilco Drilling PLC

How we evaluated management's assessment (continued)

Management's method (continued)

- We inquired of management as to its knowledge of events or conditions beyond the period of management's assessment and read industry analysis to challenge and corroborate management's macro assumptions used in the assessment. In doing so, we also considered the consistency of information obtained from other areas of the audit such as the forecasts used for impairment assessments.

Assumptions

- We evaluated the relevance and reliability of the underlying data used to make the assessment by corroborating underlying data to third party data;
- We determined whether there was appropriate evidence for the revenue and cost assumptions underlying the assessment through assessing management's future assumptions by comparing these to industry data, and historic costs and management reports;
- We evaluated management's assumptions by corroborating to third party data, assessing changes from the prior period and considering whether assumptions were consistent with each other and other areas of the business activities and considered whether there was any indication of management bias;
- We reviewed industry reports and market data for indicators of contradictory evidence to challenge the going concern assessment.

Stress testing and Management's plans for future actions

- We performed reverse stress testing on the forecasts to understand how severe the downside scenarios would have to be to result in the elimination of liquidity headroom;
- We assessed the plausibility of management's downside scenarios by evaluating the actual Covid-19 impact on the Group to date and reading industry analysis to consider the wider outlook for the industry as a whole;
- We evaluated management's plans for future actions within the control of the Group to reduce cash flow spend in the going concern period in order to determine whether such actions are feasible in the circumstances, corroborating where relevant to third party evidence;
- We evaluated the opinion from the client's legal representatives in regard to the contingent tax liability;
- We engaged with our tax subject matter experts to understand the possible cash out flows from the tax contingent liability which could crystallise in the future;
- We engaged with the Group's external legal advisors to obtain an updated position of the arbitration cases;
- We have made inquiries of a representative of the Group's largest shareholder regarding its commitments to the Group.

Disclosures

- We considered whether management's disclosures, in the Annual Report and financial statements, sufficiently and appropriately capture the impacts of Covid-19 on the going concern assessment and through consideration of relevant disclosure standards.

Independent auditors' report

to the members of Awilco Drilling PLC

Our key observations

- We have observed that the Group is experiencing the impact of the downturn in the oil and gas industry and the impact of the Covid-19 pandemic on the industry as a whole;
- The Group has not yet secured work which covers the whole of the going concern period;
- The Group has limited liquidity to cover unexpected operational issues;
- The contingent tax liability could be resolved at the tax tribunal scheduled for June 2021. In the event that this contingency was to crystallise, and become payable, additional financing would be required in order to settle the liability, such financing has not yet been secured;
- Management and their legal representatives have concluded that the likelihood of settlement of the arbitration process (See Note 23) in the going concern period is remote.

Conclusion

- Based on the work we have performed, we have identified material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern over a period to 30 June 2022 from the date of approval of the financial statements.
- Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of four components and audit procedures on specific balances for a further two components. • The components where we performed full or specific audit procedures accounted for 100% of Loss before tax, 100% of Revenue and 100% of Total assets.
Key audit matters	<ul style="list-style-type: none"> • Impairment of the drilling rigs
Materiality	<ul style="list-style-type: none"> • Overall group materiality of \$950k which represents 1% of Equity.

An overview of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the six reporting components of the Group, we selected six components covering entities within Norway, Singapore and the United Kingdom, which represent the principal business units within the Group.

Independent auditors' report

to the members of Awilco Drilling PLC

An overview of the parent company and group audits (continued)

Tailoring the scope (continued)

Of the six components selected, we performed an audit of the complete financial information of four components ("full scope components") which were selected based on their size or risk characteristics. For the remaining components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2019: 92%) of the Group's loss before tax, 100% (2019: 100%) of the Group's Revenue and 100% (2019: 100%) of the Group's Total assets.

Financial year	Full scope components		Specific scope components	
	2020	2019	2020	2019
% of Group's loss before tax	29%	92%	71%	0%
% of Group's Revenue	100%	100%	0%	0%
% of Group's Total Assets	95%	85%	5%	15%

Changes from prior year

We have classified four entities as full scope and two as specific scope in the current year, compared to three entities as full scope in the prior year. This is due to additional costs within the group as a result of the down manning of the Norwegian office.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainties related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent auditors' report

to the members of Awilco Drilling PLC

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Impairment of drilling rigs (NBV: 2020: \$75m 2019: \$196m)</p> <p><i>Refer to Accounting policies (page 55); Significant accounting estimates and assumptions (page 55) and Note 15 of the Consolidated Financial Statements (page 65)</i></p> <p>Under IAS 36, the group is required to assess annually whether any impairment indicators exist at the year-end and if such conditions exist, an impairment assessment is required.</p> <p>Lack of future work for the operational rig, coupled with the fact one semi-submersible drilling rig (WilHunter) remains un-utilised (no change to the rig's cold stacked status), along with the cancellation of the construction contracts for the rigs previously under construction are considered indicators of a likely impairment.</p> <p>Given the estimates and judgements involved in the impairment assessment, there is a risk of improper valuation of the semi-submersible drilling rigs.</p>	<p>We evaluated management's impairment assessment by verifying the methodology and assumptions, along with the value in use and suitability of sensitivities considered by management within, specifically:</p> <ul style="list-style-type: none"> • We have confirmed the mathematical accuracy of the impairment model; • Future contract day rates - we have compared forecasted day rates to historic day rates and industry trends, reviewing industry reports for potential contradictory evidence; • Rig Utilisation – we have compared forecast rig utilisations to historic performance of the group and current market trends, reviewing industry reports for potential contradictory evidence to confirm reasonableness of assumptions; • Long term growth rate – we compared the forecast contracted daily rates applied by management to available external rates; • We challenged the assumptions forming the basis of the cashflow. This included reviewing industry reports on forecast rates; • We have performed sensitivities over the assumptions used by management; 	<p>The assessment is impacted by several factors and is sensitive to both future operating activities and discount rates.</p> <p>In our view the day rates used by management are within reasonable ranges.</p> <p>Following the \$10m impairment charge (to WilHunter), we consider the carrying value of nil of the semi-submersible drilling rig to be reasonable and that appropriate disclosures are made in the financial statements.</p> <p>Following the \$23m impairment charge (to WilPhoenix), we consider the carrying value of the semi-submersible drilling rig to be reasonable and that appropriate disclosures are made in the financial statements.</p> <p>Following the \$11m impairment charge to the drillings rigs under construction, we consider the carrying value of nil to be reasonable and that appropriate disclosures are made in the financial statements.</p>

Independent auditors' report

to the members of Awilco Drilling PLC

	<ul style="list-style-type: none"> • Discount rates – we involved our valuations specialists in our evaluation of the discount rate to consider the appropriateness of the rates used. Our specialists performed a review of the methodology along with testing the inputs to the weighted average cost of capital to external sources including peer data. We assessed the discount rate used in the impairments model resulting in an increased rate being used in the final calculations; • Operating costs –the forecast operating costs are in line with audited current and prior year expenditure; • For the assets previously held under construction we have obtained copies of cancellation letters to the construction company; We have tested the calculation provided by management and agree it has been recorded correctly; and • We have confirmed that the appropriate disclosures have been made in the consolidated financial statements. <p>All procedures were performed by the Group team.</p>	
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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Independent auditors' report

to the members of Awilco Drilling PLC

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be \$950k (2019: \$2.0m), which was 1% of Equity (2019: 1% of Assets). During 2020 and 2019 there was a significant reduction in profitability due to reduced activity levels, resulting in losses for both years. Equity was considered a more appropriate materiality basis given the challenges faced by the group.

We determined materiality for the Parent Company to be \$3.3m (2019: \$4.4m), which is 3% of Equity (2019: 2%).

During the course of our audit, we reassessed initial materiality and reduced it due to the challenges faced by the group.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely \$710k (2019: \$1.5m). We have set performance materiality at this percentage based on the history of past misstatements and lack thereof, our ability to access the likelihood of misstatements and the effectiveness of the internal control environment.

The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$98k to \$700k (2019: \$30k to \$991k).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$40k (2019: \$100k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 2 to 35, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

to the members of Awilco Drilling PLC

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

to the members of Awilco Drilling PLC

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (IFRS and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which Awilco operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices;
- We understood how Awilco Drilling PLC is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by considering the risk of fraud through management override and, in response, we carried out procedures such as testing of transactions back to source information, which were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business;
- There was no identification of any instances of non-compliance with laws and regulations.

Independent auditors' report

to the members of Awilco Drilling PLC

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jamie Dixon (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Aberdeen
28 April 2021

Notes:

1. The maintenance and integrity of the Awilco Drilling PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Group statement of comprehensive income

for the year ended 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>US\$000</i>	<i>2019</i> <i>US\$000</i>
Revenue	5	25,602	38,136
Cost of sales		(33,460)	(36,365)
Impairment	15, 22	(145,171)	(23,000)
Gross Loss		(153,029)	(21,229)
General and administrative expenses		(14,887)	(9,153)
Operating Loss	6	(167,916)	(30,382)
Finance income	9	386	948
Finance expense	10	(35)	(14)
Other expense		-	(152)
Net (loss)/gain on foreign exchange transactions	11	(131)	(385)
Loss on forward contracts at fair value through profit and loss	28	-	(180)
Loss before taxation		(167,696)	(30,165)
Income tax expense	12	(161)	(427)
Loss for the year attributable to equity shareholders		(167,857)	(30,592)

There is no comprehensive income other than the results for the year.

Basic and diluted loss per share (US\$ per share)	13	(3.08)	(0.57)
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Total comprehensive income for the year is attributable to the owners of the Company, as there is no minority interest.

Group statement of financial position

as at 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>US\$000</i>	<i>2019</i> <i>US\$000</i>
Non-current assets			
Property, plant and equipment	15	66,800	201,918
Right-of-use asset	22	1,096	1,417
Deferred tax asset	12	16	108
		<u>67,912</u>	<u>203,443</u>
Current assets			
Inventory		3,026	4,946
Trade and other receivables	18	6,411	9,724
Cash and cash equivalents	19	14,738	41,249
		<u>24,175</u>	<u>55,919</u>
		<u>92,087</u>	<u>259,362</u>
Total assets			
Current liabilities			
Trade and other payables	20	6,294	7,240
Provisions	21	1,573	-
Current tax payable		66	71
		<u>7,933</u>	<u>7,311</u>
Non-current liabilities			
Trade and other payables	20	1,026	1,066
		<u>1,026</u>	<u>1,066</u>
		<u>8,959</u>	<u>8,377</u>
Total liabilities			
Net Assets			
		<u>83,128</u>	<u>250,985</u>
Shareholders' Equity			
Called up share capital	24	525	525
Share premium account	24	218,381	218,381
Retained (deficit) / earnings		(135,778)	32,079
		<u>83,128</u>	<u>250,985</u>
Total Shareholders' equity			

Signed on behalf of the Board of Directors



Sigurd Thorvildsen
Director
28 April 2021

Company statement of financial position

as at 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>US\$000</i>	<i>2019</i> <i>US\$000</i>
Non-current assets			
Property, plant and equipment	15	489	560
Right of use assets	22	1,096	1,417
Investment in subsidiaries	17	279	279
Amount due from subsidiary undertakings	25	92,728	174,101
Deferred tax		16	108
		<u>94,608</u>	<u>176,465</u>
Current assets			
Trade and other receivables	18	3,830	9,313
Cash and cash equivalents	19	13,961	41,203
		<u>17,791</u>	<u>50,516</u>
Total assets		<u>112,399</u>	<u>226,981</u>
Current liabilities			
Trade and other payables	20	3,414	3,642
Non-current liabilities			
Trade and other payables	20	748	1,066
Total liabilities		<u>4,162</u>	<u>4,708</u>
Net assets		<u>108,237</u>	<u>222,273</u>
Shareholders' Equity			
Called up share capital	24	525	525
Share premium account	24	218,381	218,381
Retained (deficit) / earnings		<u>(110,669)</u>	<u>3,367</u>
Total Shareholders' equity		<u>108,237</u>	<u>222,273</u>

The loss recorded by the Company for the year was US\$ 114.0 million (2019: US\$ 8.8 million profit).

Signed on behalf of the Board of Directors



Sigurd Thorvildsen
Director
28 April 2021

Group statement of changes in equity

for the year ended 31 December 2020

	<i>Called Up Share Capital US\$000</i>	<i>Share Premium account US\$000</i>	<i>Retained Earnings/(deficit) US\$000</i>	<i>Total shareholders equity US\$000</i>
At 1 January 2019	477	198,242	62,671	261,390
Equity issue as at 13 March 2019	48	20,547	-	20,595
Equity issue costs as at 13 March 2019	-	(408)	-	(408)
Total comprehensive loss for the year	-	-	(30,592)	(30,592)
At 31 December 2019	525	218,381	32,079	250,985
Total comprehensive loss for the year	-	-	(167,857)	(167,857)
At 31 December 2020	525	218,381	(135,778)	83,128

Company statement of changes in equity

for the year ended 31 December 2020

	<i>Called Up Share capital US\$000</i>	<i>Share Premium account US\$000</i>	<i>Retained Earnings/(deficit) US\$000</i>	<i>Total shareholders equity US\$000</i>
At 1 January 2019	477	198,242	(5,445)	193,274
Equity issue as at 13 March 2019	48	20,547	-	20,595
Equity issue costs as at 13 March 2019	-	(408)	-	(408)
Total comprehensive profit for the year			8,812	8,812
At 31 December 2019	525	218,381	3,367	222,273
Total comprehensive loss for the year	-	-	(114,037)	(114,037)
At 31 December 2020	525	218,381	(110,669)	108,237

Group statement of cash flows

for the year ended 31 December 2020

	Notes	2020 US\$000	2019 US\$000
Operating activities			
Loss before taxation		(167,696)	(30,165)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		10,302	11,586
Impairment	16	145,171	23,000
Net finance (income)/expense		(351)	(934)
Share-based payment		(532)	(2,112)
Working capital adjustments:			
Decrease in trade receivables		5,385	167
Decrease / (increase) in inventory		1,920	(138)
(Increase) / decrease in prepayments and other receivables		(2,058)	2,046
Increase/(decrease) in trade and other payables		878	2,295
Interest paid	10	(35)	(14)
Interest received	9	386	949
Taxation paid		(74)	(70)
Taxation refunded		-	340
Net cash flows (used in)/generated from operating activities		<u>(6,704)</u>	<u>6,950</u>
Investing activities			
Purchase of property, plant and equipment	15	(19,316)	(49,421)
Disposal of property, plant and equipment		29	-
Net cash flow used in investing activities		<u>(19,287)</u>	<u>(49,421)</u>
Financing activities			
Proceeds from issue of share capital		-	20,595
Equity issue costs		-	(408)
Payment of principal portion of lease liabilities	22	(520)	(332)
Net cash flows generated (used in)/from financing activities		<u>(520)</u>	<u>19,855</u>
Net decrease in cash and cash equivalents		(26,380)	(22,231)
Net foreign exchange difference	11	(131)	(385)
Cash and cash equivalents at beginning of year		<u>41,249</u>	<u>63,865</u>
Cash and cash equivalents at end of year	19	<u>14,738</u>	<u>41,249</u>

Company statement of cash flows

for the year ended 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>US\$000</i>	<i>2019</i> <i>US\$000</i>
Operating activities			
(Loss)/profit before taxation		(113,945)	9,166
Adjustments to reconcile (loss)/profit before tax to net cash flows:			
Depreciation		384	381
Net finance (income)/expense		(357)	(934)
Share based payment		(532)	(2,112)
Working capital adjustments:			
Decrease in prepayments		110	52
Decrease / (increase) in trade and subsidiary receivables	25	86,760	(50,016)
Increase/(decrease) in trade and other payables		312	346
Interest paid		(27)	(14)
Interest received		385	948
Taxation refunded		-	340
Net cash flows used in operating activities		<u>(26,910)</u>	<u>(41,843)</u>
Investing activities			
Purchase of property, plant and equipment	15	(21)	(116)
Disposal of property, plant and equipment	15	29	-
Net cash flows generated from / (used in) investing activities		<u>8</u>	<u>(116)</u>
Financing activities			
Proceeds from issue of share capital		-	20,595
Equity issue costs		-	(408)
Payment of principal portion of lease liabilities	22	(340)	(332)
Net cash flows generated from / (used in) financing activities		<u>(340)</u>	<u>19,855</u>
Net increase / (decrease) in cash and cash equivalents		(27,242)	(22,104)
Cash and cash equivalents at beginning of year		<u>41,203</u>	<u>63,307</u>
Cash and cash equivalents at end of year	19	<u><u>13,961</u></u>	<u><u>41,203</u></u>

Notes to the financial statements

At 31 December 2020

1. General information

The Group and Company financial statements of Awilco Drilling PLC for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 28 April 2021. The Company is incorporated in the United Kingdom under the Companies Act 2006 and listed on the Oslo Bors stock exchange. The address of the registered office is given on page 1. The principal place of the business is 2 Kingshill Park, Westhill, Aberdeenshire, AB32 6FL. The nature of the Group's operations and its principal activities are set out in the Strategic report.

2. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board in conformity with the requirements of the Companies Act as they apply to the financial statements of the Group and Company for the year ended 31 December 2020 and prepared in accordance with the provisions of the Companies Act 2006.

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies and prepared on a historical cost basis. The Group has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement. The loss recorded by the Company for the year was US\$ 114.0 million (2019: US\$8.8 million profit).

Material Uncertainties over Going concern

At 31 December 2020 the Group had cash on hand of US\$ 14.7 million and no debt. Management has prepared cash flow forecasts covering a period until 30 June 2022 in order to assess whether the Group and Company are a going concern. There are several material uncertainties which may cast doubt on the Group's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the normal course of business. The following material uncertainties have been identified:

- There is uncertainty regarding the securing of additional revenue contracts that will cover the going concern period. A base case cash flow has been prepared with the scenario assuming the Group secures follow-on work subsequent to the existing contracts with Serica and Ithaca. This scenario assumes that no additional financing will be required to fund the Special Purpose Survey (SPS) for the WilPhoenix. Assuming the follow-on work for the WilPhoenix materialises and the SPS is self-funded, this gives sufficient positive cash flow during the going concern period. Management have also prepared an alternative cash flow scenario which assumes the Group secures no future work subsequent to the Serica and Ithaca contracts. In that scenario, it is assumed that all the necessary mitigating actions will be taken, including the cold stacking of the WilPhoenix upon completion of the contracted work. Neither scenario considers the potential crystallisation of the contingent taxation liability, see Note 23 and described below. Both scenarios also consider that there are no cash inflows or outflows aside from legal fees in respect of the arbitration with Keppel FELS, see Note 23, as the Directors believe there is a remote likelihood of any settlement in the review period. The Group has sufficient cash to offset declining cashflow through the going concern period and would seek to raise additional financing in order to pursue future opportunities and the ongoing arbitration process, should that be necessary. For avoidance of doubt there is a risk that if the group are unable to secure additional follow-on work in the near term, that the Group would cease drilling operations.
- There is uncertainty regarding the sufficiency of liquidity to cover the costs arising from any significant operational risks that may materialise during the going concern period. Should liquidity levels fall below the amount the directors consider necessary to cover operational risks, the Group would seek to raise additional financing. No such financing has yet been secured.

Notes to the financial statements

At 31 December 2020

2. Basis of preparation (continued)

Material Uncertainties over Going concern (continued)

- There is uncertainty in relation to the possible crystallisation of a contingent taxation liability relating to a subsidiary company (Note 23). In the event that this contingency were to crystallise, and become payable, additional financing would be required in order to settle the liability. The initial tax appeal tribunal is scheduled for June 2021 and should the subsidiary company be unsuccessful in the initial appeal, the right of further appeal would remain available.

Based on their assessment of risks and financing options, the Directors believe there is a reasonable prospect of the Company and the Group continuing as a going concern for the period to 30 June 2022. However, the above listed material uncertainties may cast significant doubt upon the Group and Company's ability to continue as a going concern. The financial statements do not contain adjustments that would result if the Group and Company were unable to continue as a going concern.

3. Significant accounting judgements, estimates and assumptions

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are discussed below.

Impairment

The carrying amount of the Group's rigs are reviewed at each balance sheet date to determine whether there is any indication of impairment, or more frequently if events or changes in circumstances indicate they might be impaired. The impairment test is based on management's best estimate of forecast industry conditions and operations, expected utilisation, contract rates, operating expenses and capital requirements of the rigs. See note 15 and 16 for further information on carrying amounts and sensitivity analysis.

Contingent Liabilities

As detailed in Note 23, there are two items that are considered as contingent liabilities. The first is in connection with an ongoing tax tribunal with HMRC and the second in connection with claims that have been submitted by Keppel FELS shipyard in respect of amounts it considers recoverable due to termination provisions in the contracts for Nordic Winter and Nordic Spring. The Group has applied judgement in evaluating them as contingent liabilities only and no provision for either has been made.

4. Accounting policies

New standards and interpretations

There were various standards effective for annual periods beginning on or after 1 January 2020 however none had any impact on these financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards and interpretations - not yet adopted

The following standards and amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting period beginning on or after 1 January 2021 or later periods, but the Group has not early adopted them:

- Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

Notes to the financial statements

At 31 December 2020

4. Accounting policies (continued)

New standards and interpretations - not yet adopted (continued)

- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1

It is not anticipated that the application of these standards and amendments will have any material impact on the Group's financial statements.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are as defined above and net of outstanding bank overdrafts.

Property, plant and equipment

Rigs and equipment are stated at cost less depreciation and impairment losses. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition. When it can be clearly demonstrated that subsequent expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of the assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of the asset. A component of an asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. Components with a similar depreciation method and useful life are grouped together.

Depreciation is calculated using the straight-line method for each asset, after taking into account the estimated residual value, over its expected useful lives as follows:

Semi-submersible drilling rigs	–	20 years
Special purpose surveys	–	5 years
Other fixtures and equipment	–	3-5 years

Special purpose surveys are a five-yearly thorough inspection and recertification of the hull and main machinery components of the rig, which also include class and flag state renewal and verification. The carrying values of plant and equipment are reviewed for impairment if carrying value may not be recoverable, and are written down immediately to their recoverable amount.

Useful lives and residual values are reviewed annually and where adjustments are required, these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the statement of comprehensive income in the period of derecognition.

Assets under construction

Assets under construction are costs directly associated with constructing an asset. While the asset is being constructed, no depreciation is applied. Once an asset is ready for use, all associated costs are transferred to the relevant asset category and depreciated accordingly.

Inventories

Inventories of drilling equipment and spares for future integrated drilling service wells are stated at the lower of cost incurred and net realisable value. These inventory items include spare parts and supplies relating to the operation of the semi-submersible drilling rigs.

Revenue recognition

Revenue derived from charter-hire contracts or other service contracts is recognised in the period that services are rendered at rates established in the relevant contracts. Certain contracts include mobilisation fees payable at the start of the contract. In cases where the fee covers a general upgrade of a rig or equipment which increases the value of the rig or equipment beyond the contract period, the fee is recognised as revenue over the firm contract period whereas the investment is depreciated over the remaining lifetime of the asset.

Notes to the financial statements

At 31 December 2020

4. Accounting policies (continued)

Revenue recognition (continued)

In cases where the fee covers specific upgrades or equipment specific to the contract, the mobilisation fees are recognised as revenue over the firm contract period.

Cost of sales

Cost of sales includes rig operating costs and the depreciation cost for the two rigs.

Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of comprehensive income.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the financial statements

At 31 December 2020

4. Accounting policies (continued)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using United States Dollars (US\$) "the functional currency". The Group financial statements are presented in US\$, which is the Company's functional currency and presentation currency and all values are rounded to the nearest thousand dollars (US\$000) except when otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the statement of comprehensive income. The principal foreign currencies used by the Group are Pounds Sterling (£ or GBP), Euro (€) and Norwegian Kroner (NOK).

Earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Leases

Effective 1 January 2019, the Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

For all other leases, the Group recognises lease liabilities representing lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease and are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any incentives received. Right of use assets are depreciated on a straight-line basis over the remaining lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term, using the interest rate implicit to the lease, and if not readily determinable, at the incremental borrowing rate.

The lease liabilities are included in trade and other payables in Note 20.

Financial assets

Financial assets are recognised when the Group becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss, amortised cost, or fair value through other comprehensive income as appropriate. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial asset not at fair value through profit or loss, directly attributable transaction costs.

Notes to the financial statements

At 31 December 2020

4. Accounting policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but had transferred control of the asset, or
- The Company has transferred substantially all the risks and rewards of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in Note 18.

The Group recognises an allowance for expected credit loss (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Trade and other receivables

Trade receivables and amounts due from subsidiary undertakings, which generally have 60-day terms, are recognised and subsequently carried at the original invoiced value net of expected credit loss. Where the time value of money is material, receivables are carried at amortised cost.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Notes to the financial statements

At 31 December 2020

4. Accounting policies (continued)

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge certain foreign currency risks. The derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at the reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not designate any derivative financial instruments as hedges nor apply hedge accounting. Any gains or losses arising from changes in the fair value of derivatives are taken to the statement of comprehensive income.

Share-based payment

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black-Scholes model, further details are given in Note 26. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in statement of comprehensive income for the period.

Pension

The pension plan in place is a defined contribution plan. Pension contributions are charged to the statement of comprehensive income as an expense in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a deduction in reporting of the related expense, on a systematic basis over the periods that the related costs for which it is intended to compensate are expensed.

5. Revenue

Revenue represents the invoiced amount of services provided after the deduction of rebates and retrospective discounts. All items are stated net of value added tax.

The Group only has one segment – providing drilling services in the UK. As a result, no further segmental information has been provided.

Information about major customers

Annual revenue from two major customer amounted to US\$ 14 million and US\$ 11 million arising from the provision of drilling services (2019: US\$ 38 million from one major customer).

6. Operating profit

This is stated after charging

	2020	2019
	US\$000	US\$000
Depreciation (Note 15, 22)	10,307	11,586
Inventory recognised as an expense during the year	507	779
Write off of inventory	1,620	-

Notes to the financial statements

At 31 December 2020

7. Auditors' remuneration

The Group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Group.

	2020	2019
	US\$000	US\$000
Audit of the financial statements	124	128
Local statutory audits of subsidiaries	52	52
Tax services - compliance	33	32
Tax services - advisory	43	55
	<u>252</u>	<u>267</u>

8. Staff costs

	2020	2020	2019	2019
	Group	Company	Group	Company
	US\$000	US\$000	US\$000	US\$000
Wages and salaries	15,825	2,455	16,659	3,766
Directors Fees	282	282	255	255
Pension costs	921	110	974	241
Social security costs	2,121	341	1,947	453
Long term incentive plan	(407)	(407)	(422)	(329)
	<u>18,742</u>	<u>2,781</u>	<u>19,413</u>	<u>4,386</u>

The Company makes contributions to a defined contribution scheme for all eligible employees up to a maximum of 12% of salary. Contributions are charged to the income statement as incurred.

The average monthly number of employees during the year was made up as follows:

	2020	2019
	No.	No.
Onshore, including management (Company)	20	28
Offshore	104	115
	<u>124</u>	<u>143</u>

9. Finance income

	2020	2019
	US\$000	US\$000
Bank interest	<u>386</u>	<u>948</u>

10. Finance expense

	2020	2019
	US\$000	US\$000
Interest on lease liabilities	<u>35</u>	<u>14</u>

Notes to the financial statements

At 31 December 2020

11. Net (loss)/gain on foreign exchange transactions

	2020	2019
	US\$000	US\$000
Gain on foreign exchange transactions	214	168
(Loss) on foreign exchange transactions	(345)	(553)
Net loss on foreign exchange transactions	<u>(131)</u>	<u>(385)</u>

12. Income tax

Income tax on profit on ordinary activities

	2020	2019
	US\$000	US\$000
Foreign tax on the profit for the year	66	71
Total current income tax	<u>66</u>	<u>71</u>
Amounts under provided in previous years	3	4
Tax credit available to the UK	-	-
Total current income tax	<u>69</u>	<u>75</u>
Deferred income tax:		
Origination and reversal of temporary differences	92	352
Impact of changes in tax rates	-	-
Total deferred income tax	<u>92</u>	<u>352</u>
Income tax charge in the Group statement of comprehensive income	<u>161</u>	<u>427</u>

Reconciliation of the total income tax charge

	2020	2019
	US\$000	US\$000
Loss from continuing operations	<u>(167,696)</u>	<u>(30,165)</u>
Tax calculated at UK standard rate of corporation tax of 19% (2019:19%)	(31,862)	(5,733)
Expenses not deductible/(income not taxable) for tax purposes	18,995	(43)
Effect of (lower)/higher taxes on overseas earnings	2,292	71
Unrecognised deferred tax asset	10,742	6,128
Tax (over)/under provided in previous years	3	4
Effect of tax rate differences	(9)	-
Income tax charge in the Group statement of comprehensive income	<u>161</u>	<u>427</u>

The income tax expense above is computed at loss before taxation multiplied by the effective rate of corporation tax in the UK of 19% (2019: 19%).

The corporate tax measures announced in the March 2021 Budget set out that corporation tax will increase from 19% to 25% from April 2023 for firms with annual profits greater than £250,000.

Notes to the financial statements

At 31 December 2020

12. Income tax (continued)

Deferred income tax

The deferred income tax included in the statement of financial position is as follows:

	2020 US\$000	2019 US\$000
Deferred tax asset		
As at 1 January	108	461
Temporary differences relating to property plant and equipment	-	-
Share-based payment	(92)	(353)
As at 31 December	<u>16</u>	<u>108</u>

The main categories of deferred tax assets and liabilities recognised in the statement of financial position are as follows:

	Deferred tax asset US\$000	Deferred tax liability US\$000	Net recognised deferred tax asset/(liability) US\$000
Share-based payments	16	-	<u>16</u>

Unrecognised deductible temporary differences

The Group has total tax losses of US\$ 69.3 million which arose in the UK (2019: US\$ 56.2 million) that are available for offset against future taxable profits that are not part of the bareboat charter ring-fence arrangements. There are further taxable temporary differences relating to fixed assets of US\$ 24.6 million and US\$ 18.4 million of unutilised capital allowances. Deferred tax assets have not been recognised in respect of these losses or differences due to the uncertainty of future profits being at this level. The Group has identified future taxable profits at an appropriate level in support of the deferred tax asset of US\$16k as detailed in the above table.

Notes to the financial statements

At 31 December 2020

13. Earnings/(Loss) per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>
Loss for the year attributable to equity share holders	<u>(167,857)</u>	<u>(30,592)</u>

	<i>2020</i>	<i>2019</i>
	<i>No.000</i>	<i>No.000</i>
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>54,582</u>	<u>54,582</u>

Total earnings and weighted average number of shares outstanding during the year is the same as for diluted earnings per share.

14. Government grants

	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>
At 1 January	-	-
Received during the year	310	-
Released to the statement of profit or loss	<u>(310)</u>	-
At 31 December	<u>-</u>	<u>-</u>

The above Government grants received were in respect of the Coronavirus Job Retention Scheme.

Notes to the financial statements

At 31 December 2020

15. Property, plant and equipment

<i>Group</i>	<i>Semi-submersible drilling rigs</i>	<i>Assets under construction</i>	<i>Special purpose surveys</i>	<i>Other fixtures and equipment</i>	<i>Total</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cost:					
At 1 January 2019	336,526	44,384	16,159	1,909	398,978
Additions	1,081	48,224	-	116	49,421
Disposals	(578)	-	-	-	(578)
At 31 December 2019	337,029	92,608	16,159	2,025	447,821
Additions	623	18,672	-	21	19,316
Disposals	-	-	-	(29)	(29)
At 31 December 2020	337,652	111,280	16,159	2,017	467,108
Depreciation and impairment:					
At 1 January 2019	(202,442)	-	(8,369)	(1,405)	(212,216)
Provided	(8,088)	-	(3,117)	(60)	(11,265)
Impairment	(23,000)	-	-	-	(23,000)
Disposals	578	-	-	-	578
At 31 December 2019	(232,952)	-	(11,486)	(1,465)	(245,903)
Provided	(6,566)	-	(3,117)	(63)	(9,746)
Impairment	(33,379)	(111,280)	-	-	(144,659)
At 31 December 2020	(272,897)	(111,280)	(14,603)	(1,528)	(400,308)
Net book value:					
At 31 December 2020	64,755	-	1,556	489	66,800
At 31 December 2019	104,077	92,608	4,673	560	201,918

Notes to the financial statements

At 31 December 2020

15. Property, plant and equipment (continued)

<i>Company</i>	<i>Other fixtures and equipment US\$000</i>
Cost:	
At 1 January 2019	1,909
Additions	116
At 31 December 2019	<u>2,025</u>
Additions	21
Disposals	(29)
At 31 December 2020	<u>2,017</u>
Depreciation:	
At 1 January 2019	(1,405)
Provided	(60)
At 31 December 2019	<u>(1,465)</u>
Provided	(63)
At 31 December 2020	<u>(1,528)</u>
Net book value:	
At 31 December 2020	<u>489</u>
At 31 December 2019	<u>560</u>

16. Impairment

The Group has recognised US\$ 33.4 million (2019: US\$ 23 million) as an impairment loss relating to the WilPhoenix and WilHunter rigs. The recoverable amount for the WilPhoenix is estimated at US\$ 65.7 million and for WilHunter nil. This amount for the WilPhoenix does not include capital spares and other capital costs which are included in fixed assets (Note 15).

An additional impairment of US\$111.3 million in respect of assets under construction (Nordic Winter and Nordic Spring) was also recognised following the termination of the rig construction contracts. See Note 23.

A value in use assessment of the rigs has been performed which resulted in an impairment of US\$ 33.4 million. This was primarily due to the short term nature of the contract backlog and the continued uncertainty of future work prospects.

The analysis has been prepared on both rigs separately, as due to the cold stack status of the WilHunter, the cash inflows are forecast as being generated independently of each other. A pre-tax discount rate of 21.7% and post-tax discount rate of 17.8% has been applied. (2019: 13.7% and 10.1%)

The key assumptions used in the calculation are based on management's long-standing knowledge of the industry along with their best estimate of forecast industry conditions and operations, expected utilisation, contract rates, opex and capital requirements of the rigs. The assumptions used are subject to significant judgement and there is a certain amount of uncertainty to the outcome of these assumptions. Due to this uncertainty, the Group has performed a sensitivity analysis of the main assumptions for the WilPhoenix rig. The below table shows the resulting impairment values as a result of the changes.

Notes to the financial statements

At 31 December 2020

16. Impairment (continued)

Category	Sensitivity	Impairment US\$000
Post tax discount rate:	Increase by 3%	(7,029)
Revenue:	Decrease by 5%	(9,980)
Utilisation:	Decrease by 5%	(8,437)
Opex costs:	Increase by 10%	(10,447)

17. Investments

	Company 2020 US\$000	Company 2019 US\$000
<i>Company shares in subsidiary undertakings</i>		
At 1 January	279	277
Investment in year	-	23,080
Impairment of investment in year	-	(23,076)
Disposal in year	-	(2)
At 31 December	279	279

Details of the holdings are as follows, all 100% shareholdings:

Name	Country of Incorporation	Registered Address
Awilco Drilling Offshore (UK) Ltd)	United Kingdom	11-12 St James's Square, London
WilHunter (UK) Ltd	United Kingdom	11-12 St James's Square, London
Awilco Drilling Pte. Ltd.	Singapore	8 Wilkie Road, Singapore
Awilco Rig 1 Pte. Ltd	Singapore	8 Wilkie Road, Singapore
Awilco Rig 2 Pte. Ltd	Singapore	8 Wilkie Road, Singapore
Awilco Rig 3 Pte. Ltd	Singapore	8 Wilkie Road, Singapore
Awilco Rig 4 Pte. Ltd	Singapore	8 Wilkie Road, Singapore
Awilco Drilling Norge AS	Norway	Verksgata IA, 4013 Stavanger

Notes to the financial statements

At 31 December 2020

18. Trade and other receivables

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Trade receivables	3,522	3,522	8,908	8,908
Prepayments and other receivables	768	308	578	245
Accrued revenue	2,121	-	7	-
VAT receivable	-	-	231	160
	<u>6,411</u>	<u>3,830</u>	<u>9,724</u>	<u>9,313</u>

As at 31 December, the analysis of ageing of trade receivables is as follows:

Group

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2020	3,522	3,522	-	-

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2019	8,908	8,896	-	12

Company

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2020	3,522	3,522	-	-

	<i>Neither past due nor impaired</i>		<i>Past due but not impaired</i>	
	<i>Total</i>	<i><60 days</i>	<i>60-90 days</i>	<i>90+ days</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
2019	8,908	8,896	-	12

Notes to the financial statements

At 31 December 2020

19. Cash and cash equivalents

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cash at bank	14,738	13,961	41,249	41,203

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Company has no restricted cash. (2019: US\$ 1.0 million)

20. Trade and other payables

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Trade and other payables:				
Lease Liabilities	616	327	340	340
Trade payables	1,257	1,744	1,284	843
Accruals and other liabilities	4,421	1,343	5,616	2,459
	<u>6,294</u>	<u>3,414</u>	<u>7,240</u>	<u>3,642</u>
Non-current:				
Lease Liabilities	1,017	739	1,066	1,066
Other liabilities	9	9	-	-
Total	<u>1,026</u>	<u>748</u>	<u>1,066</u>	<u>1,066</u>

21. Provisions

	<i>Redundancy</i>	<i>Onerous</i>	<i>Total</i>
	<i>US\$000</i>	<i>Contract</i>	<i>US\$000</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
At 1 January 2020	-	-	-
Arising during the year	640	933	1,573
At 31 December 2020	<u>640</u>	<u>933</u>	<u>1,573</u>

The redundancy provision is in relation to Norway shorebase personnel and the onerous contract is in relation to a commitment for an ERP system. Both items were subsequently settled post year end.

22. Leases

The Group has a lease contract in place for the office building at 2 Kingshill Park, Westhill, Aberdeenshire, AB32 6FL and for the office building at 103 Løkkeveien, 4007 Stavanger, Norway. Set out below is the carrying amount of the right-of-use assets recognised and the movements during the period:

	<i>Office Building</i>		<i>Office Building</i>
	<i>Group</i>	<i>Company</i>	<i>Group/Company</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
As at 1 January	1,417	1,417	1,738
Additions	747	-	-
Depreciation Expense	(556)	(321)	(321)
Impairment	(512)	-	-
As at 31 December	<u>1,096</u>	<u>1,096</u>	<u>1,417</u>

The impairment is in relation to the lease for the office building in Norway.

Notes to the financial statements

At 31 December 2020

22. Leases (continued)

Set out below are the carrying amounts of lease liabilities (included under trade and other payables) and the movements during the period:

	2020 Group US\$000	2020 Company US\$000	2019 Group/Company US\$000
As at 1 January	1,406	1,406	1,738
Additions	747	-	-
Accretion of interest	35	28	14
Payments	(555)	(368)	(346)
As at 31 December	<u>1,633</u>	<u>1,066</u>	<u>1,406</u>
Current	616	327	340
Non-current	1,017	739	1,066

The maturity analysis of lease liabilities is disclosed in Note 26.

The following are the amounts recognised in profit or loss:

	2020 Group US\$000	2020 Company US\$000	2019 Group/Company US\$000
Depreciation expense of right-of-use assets	556	321	321
Interest expense on lease liabilities	35	28	14
Expense relating to leases of low-value assets (included in administrative expenses)	6	6	14
Total amount recognised in profit or loss	<u>597</u>	<u>355</u>	<u>349</u>

The Group has total cash outflows for leases of US\$0.6 million (2019: US\$ 0.4 million).

23. Commitments and contingencies

Capital commitments

There were capital commitments of US\$ 0.1 million at 31 December 2020 (2019: US\$ 769.9 million).

	2020 US\$000	2019 US\$000
Amounts due within one year	80	44,687
Amounts due greater than one year	-	725,216
	<u>80</u>	<u>769,903</u>

Contingent Liabilities

The Group's subsidiary company, WilHunter (UK) Ltd, has been in regular contact with HMRC over the classification of an element of income booked in 2015. This company has maintained its position that the income was such that accumulated losses could be utilised against the income resulting in a reduction in its tax liability for the year. HMRC have disagreed with this position and issued a notice of amendment indicating additional tax and interest due of about GBP 7.7 million. WilHunter (UK) Ltd are of the opinion that HMRC are incorrect in their assessment of the facts and an appeal has been submitted and a tribunal hearing is expected to be held in June 2021. This is considered as a contingent liability only of the subsidiary and not the parent company. No provision has been made.

Notes to the financial statements

At 31 December 2020

23. Commitments and contingencies (continued)

Contingent Liabilities (continued)

It is recognised that Keppel FELS has submitted claims in respect of amounts it considers recoverable due to termination provisions in the contracts for both Nordic Winter and Nordic Spring. Statement of claims have been received from Keppel FELS in the amount of Singapore Dollars 562.75 million (US\$ 424.9 million) for Awilco Rig 1 Pte. Ltd. and Singapore Dollars 356.18 million (US\$ 268.9 million) for Awilco Rig 2 Pte. Ltd. but these claims are strongly denied. Due to the non-recourse nature of the contracts, this is considered as a contingent liability only of the subsidiaries and not the parent company. No provision has been made. It is expected that the final arbitration outcome for Awilco Rig 1 Pte Ltd, including any appeal process, will be no earlier than Q4 2022. The arbitration process for Awilco Rig 2 Pte Ltd, was started six months later and also expected no earlier than Q4 2022.

Contingent Asset

Following the termination of Nordic Winter and Nordic Spring, the subsidiary companies, Awilco Rig 1 Pte. Ltd and Awilco Rig 2 Pte. Ltd. have entered arbitration with KFELS in respect of deposit and variation order payments. A total amount of USD 97.7 million is considered to be recoverable and is therefore disclosed as a contingent asset.

24. Share capital

Group and Company

	2020	2019
<i>Authorised</i>	<i>No.000</i>	<i>No.000</i>
Ordinary shares of £0.0065 each	54,582	54,582

Group and Company

	2020	2020	2019	2019
<i>Allotted called up and fully paid</i>	<i>No.000</i>	<i>US\$000</i>	<i>No.000</i>	<i>US\$000</i>
At 1 January	54,582	525	49,032	477
Issued on 14 March 2019	-	-	5,550	48
At 31 December	54,582	525	54,582	525

Group and Company

	2020	2019
	<i>Share premium account</i>	<i>Share premium account</i>
	<i>US\$000</i>	<i>US\$000</i>
At 1 January	218,381	198,242
Share premium on shares issued on 14 March 2019	-	20,139
At 31 December	218,381	218,381

Notes to the financial statements

At 31 December 2020

25. Related party transactions

Group

The financial statements include the financial statements of the Group and the subsidiaries listed below:

<i>Name</i>	<i>Country of Incorporation</i>	<i>% Interest</i>
Awilco Drilling Offshore (UK) Ltd	United Kingdom	100
WilHunter (UK) Ltd	United Kingdom	100
Awilco Drilling Pte. Ltd.	Singapore	100
Awilco Rig 1 Pte. Ltd	Singapore	100
Awilco Rig 2 Pte. Ltd	Singapore	100
Awilco Rig 3 Pte. Ltd	Singapore	100
Awilco Rig 4 Pte. Ltd	Singapore	100
Awilco Drilling Norge AS	Norway	100

During the year the Group entered into transactions, in the ordinary course of business, with Awilhelmsen Offshore AS, which is a major shareholder through its subsidiaries.

Transactions entered into and trading balances outstanding at 31 December 2020 with Awilhelmsen AS and its subsidiaries are as follows:

	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>
Purchase of management services	2,195	1,746
Share based payment	-	(72)
Amounts owed to Awilhelmsen AS and its subsidiaries	(236)	(212)

Sales and purchases between related parties are made at normal market prices. Outstanding balances are unsecured, interest-free and cash settlement terms vary between 30 and 90 days. The Company has not provided or benefitted from any guarantees for any related party receivables or payables.

Directors and other key management personnel

The remuneration of directors and other key management personnel of the Group is as follows

	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>
Short-term employee benefits	1,759	1,774
Share-based payments	(534)	(845)
Other long-term benefits	126	105

Included in the short-term employee benefits are director's emoluments of GBP 195,000 (2019: GBP 262,000). Five directors received remuneration in respect of their services to the Company during the year (2019: five). The highest paid director was Sigurd Thorvildsen - please refer to the Directors' remuneration report on page 32 for further details.

Notes to the financial statements

At 31 December 2020

25. Related party (continued)

Company

The Company entered into the following transactions and had the following balances with its wholly owned subsidiaries

	2020	2019
	US\$000	US\$000
<i>Transactions:</i>		
Amounts invoiced to Awilco Drilling Offshore (UK) Ltd in respect of services provided to the company	28,299	32,015
Amounts invoiced on behalf of Awilco Drilling Offshore (UK) Ltd	(24,247)	(40,754)
Settlement of balance with WilHunter (Malta) Ltd		2
Invoiced to Awilco Drilling Pte. Ltd.	125	143
Transfer of funds to Awilco Drilling Pte. Ltd.	5,470	2,992
Amounts invoiced to Awilco Rig 1 Pte. Ltd. in respect of services provided to the company	12,335	1,752
Amounts invoiced to Awilco Rig 2 Pte. Ltd. in respect of services provided to the company	2,066	42,232
Amounts invoiced to Awilco Drilling Norge AS in respect of services provided to the company	8,030	1,933
Taxation paid on behalf of subsidiaries	74	71
Dividends received from WilPhoenix (UK) Ltd	-	33,070
Increase in investment in WilHunter (UK) Ltd	-	(23,076)
	<u>32,152</u>	<u>50,380</u>
	2020	2019
	US\$000	US\$000
<i>Balances:</i>		
Amounts receivable from Awilco Drilling Offshore (UK) Ltd	90,254	109,278
Amounts payable to WilHunter (UK) Ltd	(100)	(23,176)
Amounts receivable from Awilco Drilling Pte. Ltd.	5,979	310
Amounts receivable from Awilco Rig 1 Pte. Ltd	57,343	45,008
Amounts receivable from Awilco Rig 2 Pte. Ltd	44,298	42,232
Amounts receivable from Awilco Drilling Norge AS	9,964	1,933
	<u>207,738</u>	<u>175,585</u>
Allowance for expected credit loss	(115,010)	(1,484)
	<u>92,728</u>	<u>174,101</u>

The balances receivable from the subsidiary companies are considered long term. There are long term loan agreements in place with Awilco Rig 1 Pte. Ltd. and Awilco Rig 2 Pte. Ltd.

Notes to the financial statements

At 31 December 2020

25. Related party (continued)

Set out below is the movement in the allowance for expected credit losses of intercompany receivables:

	2020	2019
	US\$000	US\$000
As at 1 January	(1,484)	(1,279)
Provision for expected credit loss	(113,526)	(205)
As at 31 December	<u>(115,010)</u>	<u>(1,484)</u>

Expected credit loss triggered due to lower contract rates and an idle period in the year for the WilPhoenix. Also due to expected non recoverability of amounts due from Awilco Drilling Norge AS and provision for amounts due from Awilco Rig 1 Pte. Ltd. and Awilco Rig 2 Pte. Ltd.

Entity with significant influence over the Group

Awilhelmsen Offshore AS, owns 37.1% of the ordinary shares in Awilco Drilling PLC.

26. Capital management, financial risk management objectives and policies

The Group's and the Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, and cash and cash equivalents that arrive directly from its operations.

Management has assessed the fair values of the financial instruments are generally approximate to the carrying values except foreign exchange contracts which are carried at fair value.

The Group and the Company are exposed to market risk, credit risk and liquidity risk.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. The level applicable to the Group is Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises foreign currency risk. Financial instruments affected by market risk are trade and other payables and accruals.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's and Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and Company's operating activities (when expenses are denominated in a different currency from the Company's functional currency).

Notes to the financial statements

At 31 December 2020

26. Capital management, financial risk management objectives and policies (continued)

The Group manages its foreign currency risk by holding cash in the foreign currency required to settle foreign current liabilities, unless the Group has insufficient cash resources available, in which case, it enters into hedging transactions for significant foreign currency commitments.

At the balance sheet date, the Group held GBP 1.3 million in trade and other payables (2019: GBP 1.5 million). A 5% strengthening or weakening of US\$ to GBP would have an effect of US\$ 0.1 million on the Group 2020 result (2019: US\$0.1 million). The Group has no other material currency exposures.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables). The Company has credit risk due to its trade and other receivables from subsidiary undertakings and from external clients.

Management assess the credit rating of new and existing clients and determine if any action is required to secure the financial security in respect of work performed.

Liquidity risk

The Group's objective is to maintain sufficient liquidity in order to support the needs of the business and meet the repayments of the debt and commitments as they fall due. In order to achieve this, the Group also has the prospect of issuing new equity or entering into new borrowing arrangements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

<i>Group</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1-5 years</i>	<i>Total</i>
Trade and other payables	4,853	825	9	5,687
Lease liabilities	-	616	1,017	1,633
31 December 2020	4,853	1,441	1,026	7,320
Trade and other payables	4,771	2,130	-	6,901
Lease liabilities	-	368	1,258	1,626
31 December 2019	4,771	2,498	1,258	8,527

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

<i>Company</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1-5 years</i>	<i>Total</i>
Trade and other payables	3,087	-	9	3,096
Lease liabilities	-	327	739	1,066
31 December 2020	3,087	327	748	4,162
Trade and other payables	3,039	263	-	3,302
Lease liabilities	-	368	1,258	1,626
31 December 2019	3,039	631	1,258	4,928

Notes to the financial statements

At 31 December 2020

26. Capital management, financial risk management objectives and policies (continued)

Fair value of financial assets and financial liabilities

The table below summaries the carrying amounts and fair values of the Group's financial assets and liabilities.

<i>Group</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
	<i>Book Value</i>	<i>Book Value</i>	<i>Fair Value</i>	<i>Fair Value</i>
Financial assets				
<i>Amortised Cost</i>				
Trade receivables	3,522	8,908	3,522	8,908
Other receivables	195	578	195	578
Accrued revenue	2,120	7	2,120	7
VAT receivable	-	231	-	231
Current tax receivable	-	-	-	-
Cash and cash equivalents	14,738	41,249	14,738	41,249
Total financial assets	20,575	50,973	20,575	50,973
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
	<i>Book Value</i>	<i>Book Value</i>	<i>Fair Value</i>	<i>Fair Value</i>
Financial liabilities				
<i>Amortised Cost</i>				
Trade and other payables	8,879	8,306	8,879	8,306
VAT payable	14	-	14	-
Current tax payable	66	71	66	71
<i>Fair value through profit and loss</i>				
Foreign exchange contracts	-	180	-	180
Total financial liabilities	8,959	8,557	8,959	8,557

The table below summaries the carrying amounts and fair values of the Company's financial assets and liabilities.

<i>Company</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
	<i>Book Value</i>	<i>Book Value</i>	<i>Fair Value</i>	<i>Fair Value</i>
Financial assets				
<i>Amortised Cost</i>				
Trade receivables	3,522	8,908	3,522	8,908
VAT receivable	-	160	-	160
Cash and cash equivalents	13,961	41,203	13,961	41,203
Amounts due from subsidiary undertakings	92,728	174,101	92,728	174,101
Total financial assets	110,211	224,372	110,211	224,372

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the financial statements

At 31 December 2020

26. Capital management, financial risk management objectives and policies (continued)

Fair value of financial assets and financial liabilities (continued)

	2020	2019	2020	2019
	US\$000	US\$000	US\$000	US\$000
	<i>Book Value</i>	<i>Book Value</i>	<i>Fair Value</i>	<i>Fair Value</i>
Financial liabilities				
Trade and other payables	4,148	4,708	4,148	4,708
VAT payable	14	-	14	-
<i>Fair value through profit and loss</i>				
Foreign exchange contracts	-	180	-	180
Total financial liabilities	<u>4,162</u>	<u>4,888</u>	<u>4,162</u>	<u>4,888</u>

Capital management

Capital includes called up share capital, share premium and retained earnings / (deficit).

The Company's intention is to pay dividends in support of its main objective to maximise returns to shareholders. All of the Company's free cash flow is intended to be distributed subject to maintaining a robust cash buffer to support operational working capital requirements and planned capital expenditure. Consideration is also given to future market prospects. Dividend payments are currently

suspended and will resume when the Company again reaches an appropriate free cash flow situation.

The Company's capital is monitored at a Group level. The Group monitors capital using a gearing ratio, which is net debt divided by total shareholders' funds plus net debt. The Group includes within net debt, bonds and loans less cash and cash equivalents.

	<i>Group</i>	<i>Group</i>
	2020	2019
	US\$000	US\$000
Cash and cash equivalents (note 19)	<u>(14,738)</u>	<u>(41,249)</u>
Net debt / (funds)	(14,738)	(41,249)
Capital	<u>83,128</u>	<u>250,985</u>
Capital and net debt	<u>68,390</u>	<u>209,736</u>
Gearing ratio	n/a	n/a

27. Share-based payments

Long Term Incentive Plan

A long term incentive plan for key management personnel, with a total limit of up to 4% of the Company's issued share capital was approved at the Annual General Meeting on 26 June 2013. The awards for the years 2010, 2012, 2014 and 2015 are now fully exercised. There are still outstanding amounts under the 2016 plan. A further award was issued in 2020, with a total limit of up to 4,000,000 shares approved at the general meeting on 11 November 2019.

The 2016 plan "vests" after four years and the exercise period is five years subject to the employee remaining employed by the Company. The 2020 plan "vests" in 25% tranches linked to rig contract dates and expires after five years.

All share options and share awards are cash settled.

Notes to the financial statements

At 31 December 2020

27. Share-based payments (continued)

The following table list the inputs to the model used for these valuations (share prices are in NOK).

<i>Group and Company</i>	2020		2019	
	<i>2016 Plans</i>	<i>2020 Plans</i>	<i>2015 Plans</i>	<i>2016 Plans</i>
Exercise price	-	30.0	-	-
Share price	4.65	4.65	15.5	15.5
Expected life	-	3.25 years	-	0.88 years
Volatility	-	0.67	-	-
Risk free interest rate	-	0.42%	-	1.20%
Model used	Black Scholes			

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options and awards during the year.

<i>Group</i>	2020	2020	2019	2019
	<i>No.</i>	<i>WAEP (NOK)</i>	<i>No.</i>	<i>WAEP (NOK)</i>
Outstanding as at 1 January	364,425	-	879,017	-
Granted during the year	2,150,000	30.0	-	-
Exercised during the year	(192,141)	-	(514,592)	-
Forfeited during the year	-	-	-	-
Adjusted during the year	(1,075,000)	30.0	-	-
Outstanding at 31 December	1,247,284	-	364,425	-
Exercisable at 31 December	172,284	-	192,141	-

<i>Company</i>	2020	2020	2019	2019
	<i>No.</i>	<i>WAEP (NOK)</i>	<i>No.</i>	<i>WAEP (NOK)</i>
Outstanding as at 1 January	364,425	-	825,306	-
Granted during the year	2,150,000	30.0	-	-
Exercised during the year	(192,141)	-	(460,881)	-
Forfeited during the year	-	-	-	-
Adjusted during the year	(1,075,000)	30.0	-	-
Outstanding at 31 December	1,247,284	-	364,425	-
Exercisable at 31 December	172,284	-	192,141	-

Notes to the financial statements

At 31 December 2020

27. Share-based payments (continued)

The estimated fair value of the granted share options and awards are reached on the basis of the “Black-Scholes option pricing model”. The model is applied utilising a risk-free discount rate and also taking into account the terms and conditions upon which the options and awards are granted as well as the performance conditions that are required to be satisfied before vesting. The weighted average remaining contractual life at 31 December 2020 is 3.25 years. The Group total share option and award credit amounted to US\$0.5 million (2019: US\$ 2.1 million credit). The carrying amount of the liability relating to the cash-settled options at 31 December 2020 is US\$ 0.1 million (2019: US\$ 0.6 million).

The table below summaries the carrying amount of the liability at 31 December 2020

<i>Group and Company</i>	<i>Less than 3</i>	<i>3 to 12 months</i>	<i>1 – 5 years</i>	<i>Total</i>
	<i>months</i>			
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Share options and awards 2020	106	-	9	115

The table below summaries the carrying amount of the liability at 31 December 2019

<i>Group and Company</i>	<i>Less than 3</i>	<i>3 to 12 months</i>	<i>1 – 5 years</i>	<i>Total</i>
	<i>months</i>			
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Share options and awards	385	263	-	648
At 31 December 2019	385	263	-	648

28. Derivative Financial Instruments

	<i>2020</i>	<i>2019</i>
	<i>US\$000</i>	<i>US\$000</i>
Foreign exchange contracts	-	(180)

The foreign currency forwards were entered into in order to minimise the Company’s exposure to losses resulting from fluctuations in foreign currency exchange rates. The fair value of the forward exchange contracts, as shown above, is recorded as other payables in the statement of financial position. The changes in the fair value are then recorded in the statement of comprehensive income. Forward currency exchange contracts fair value was determined using quoted forward exchange rates matching the maturities of the contracts. There were no outstanding currency forwards at 31 December 2020.

Fair value hierarchy

All are Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

29. Subsequent events

During January 2021, Jens Berge, Chief Executive Officer decided to leave the Company with effect from 1 February 2021 to pursue other opportunities. Eric Jacobs, General Counsel in the Awilco Group, will act as interim Chief Executive Officer until the Board of Directors appoints a permanent replacement.

During April 2021, the Company signed a contract with Ithaca Oil and Gas Limited for the provision of WilPhoenix for a single exploration well at Fotla in Block 22/1b. The well will commence no earlier than 31st May 2021.

These subsequent events identified are non-adjusting events.

**APPENDIX D – UNAUDITED INTERIM FINANCIAL STATEMENTS FOR AWILCO DRILLING PLC
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022**



SECOND QUARTER 2022

Awilco Drilling PLC is a North Sea Drilling Contractor listed at the Oslo Stock Exchange under the ticker code AWDR.

Q2 Report – Main Events

- Awilco Drilling had no rig operations during the quarter
- The sale of the WilHunter for recycling was concluded
- The sale of the WilPhoenix to Well-Safe Solutions Ltd. was concluded
- The short-term shareholder loan with Awilhelmsen Offshore AS and QVT Family Office Fund LP was redeemed
- Preparations for the arbitration cases against Keppel FELS continued

Key financial figures:

In USD million, except EPS

USD million	Q2 2022	Q1 2022	Q4 2021	2021
Contract revenue	-	-	1.0	33.1
Operating expenses	2.5	2.6	8.8	27.6
EBITDA	(7.9)	(6.2)	(10.4)	(6.9)
Net loss	(5.1)	(6.6)	(61.1)	(72.2)
EPS (loss)	(0.09)	(0.12)	(1.12)	(1.32)
Total assets	13.7	18.6	26.2	26.2
Total equity	(0.8)	4.3	10.9	10.9

Financial Results – Quarter 2, 2022

Comprehensive Income Statement

Awilco Drilling ('the Company') reports total comprehensive loss for the second quarter 2022 of USD 5.1 million.

There was no revenue earned in the second quarter.

In the second quarter Awilco Drilling had rig operating expenses of USD 2.5 million. General and administration expenses were USD 5.5 million. There was a gain on disposal of property, plant and equipment of USD 2.9 million.

EBITDA for the second quarter was USD 7.9 million loss while the operating loss was USD 5.1 million.

Loss before tax was USD 5.1 million. There was no tax expense for the quarter resulting in a net loss of USD 5.1 million. EPS (loss) for the second quarter was USD (0.09).

Statement on financial position

As of 30 June 2022, total assets amounted to USD 13.7 million. At the same date, Awilco Drilling had USD 10.5 million in cash and cash equivalents.

Rig Sales

WilPhoenix

The WilPhoenix rig was delivered to Well-Safe Solutions Ltd. on 8 June 2022.

WilHunter

The sale of WilHunter for environmentally responsible recycling in Turkey was concluded on 22 June 2022.

Funding Requirements

The Company has a cash balance at the end of the second quarter of USD 10.5 million and no outstanding debt. The short-term shareholder loan with Awilhelmsen Offshore AS and QVT Family Office Fund LP of USD 4 million was redeemed on 9 June. The remaining arbitration costs may exceed the Company's current cash balance if both cases run to their current timetable. If new funding is necessary, this is expected to be required by October 2022. Potential financing alternatives are being explored. Awilhelmsen Offshore AS and QVT Family Office Fund LP remain committed to enable Awilco Rig 1 Pte. Ltd and Awilco Rig 2 Pte. Ltd to pursue the arbitration cases to their conclusion.

Organisation

At the end of Q2 2022, Awilco Drilling's Aberdeen based employees numbered 12. The Awilhelmsen Group continues to supply some support personnel via a management agreement.

Contingent Liability

It is recognised that Keppel FELS has submitted claims in respect of amounts it considers recoverable due to termination provisions in the contracts for both Nordic Winter and Nordic Spring. Statement of claims have been received from Keppel FELS in the amount of Singapore Dollars 562.75 million (USD 424.9 million) for Awilco Rig 1 Pte. Ltd. and Singapore Dollars 356.18 million (USD 268.9 million) for Awilco Rig 2 Pte. Ltd. but these claims are strongly denied. Due to the non-recourse nature of the contracts, this is considered as a contingent liability only of the subsidiaries and not the parent company. No provision has been made. It is expected that the final arbitration outcome for Awilco Rig 1 Pte Ltd will be no earlier than Q4 2022. It is also expected that the arbitration outcome for Awilco Rig 2 Pte Ltd will be no earlier than Q2 2023.

Contingent Asset

Following the termination of Nordic Winter and Nordic Spring, the subsidiary companies, Awilco Rig 1 Pte. Ltd and Awilco Rig 2 Pte. Ltd. have entered arbitration with Keppel FELS in respect of deposit and variation order payments. A total amount of USD 97.7 million is considered to be recoverable and is therefore disclosed as a contingent asset.

Reporting Schedule

Due to the nature of the Company's remaining business, i.e. the arbitration cases, the Board of Directors has resolved that the Company from now and onwards will provide half-yearly financial reporting to the market. Reference is made to the Oslo Stock Exchange's Oslo Rule Book II – Issuer Rules dated 1 March 2022, Chapter 4.3.1 Annual Reports and Half-Yearly Reports, and Sections 5-5 and 5-6 of the Securities Trading Act.

Statement of Responsibility

We confirm that, to the best of our knowledge, the condensed set of financial statements for the second quarter of 2022, which has been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Aberdeen, 8 August 2022

The Board of Directors of Awilco Drilling PLC

CEO:

Eric Jacobs

Phone: + 44 1224 737900

Investor Relations:

Cathrine Haavind

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Company background

Awilco Drilling was incorporated in December 2009 and listed on the Oslo Stock Exchange (Oslo Axess) in June 2011 under ticker code AWDR. The Company transferred to the Oslo Stock Exchange main list early September 2018. Awilco Drilling's headquarters are located in Aberdeen, UK.

The total number of outstanding shares of Awilco Drilling at the date of this report is 54,581,500.

www.awilcodrilling.com

Forward Looking Statements

This Operating and Financial Review contains certain forward-looking statements that involve risks and uncertainties. Forward-looking statements are sometimes, but not always, identified by such phrases as “will”, “expects”, “is expected to”, “should”, “may”, “is likely to”, “intends” and “believes”. These forward-looking statements reflect current views with respect to future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. These statements are based on various assumptions, many of which are based, in turn, upon further assumptions, including Awilco Drilling’s examination of historical operating trends. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including the competitive nature of the offshore drilling industry, oil and gas prices, technological developments, government regulations, changes in economical conditions or political events, inability of the Company to obtain financing on favourable terms, changes of the spending plan of our customers, changes in the Company’s operating expenses including crew wages, insurance, dry-docking, repairs and maintenance, failure of shipyards to comply with delivery schedules on a timely basis and other important factors mentioned from time to time in our report.

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q2 2022 (unaudited)	YTD 30.06.22 (unaudited)	Q2 2021 (unaudited)	YTD 30.06.21 (unaudited)
Contract revenue	-	-	11,633	24,099
Reimbursables	-	-	308	463
Other revenue	-	-	17	36
	-	-	11,958	24,598
Rig operating expenses	2,463	5,073	6,280	11,442
Reimbursables	-	-	41	65
General and administrative expenses	5,458	9,083	2,675	6,437
Depreciation	17	35	1,417	3,901
Impairment	-	205	-	-
Net gain on disposal of property, plant and equipment	(2,872)	(2,872)	-	-
	5,067	11,525	10,413	21,845
Operating (loss)/profit	(5,067)	(11,525)	1,545	2,752
Interest income	5	5	-	-
Interest expense	(24)	(32)	(16)	(32)
Other financial items	8	(115)	40	128
Net financial items	(11)	(142)	24	96
(Loss)/Profit before tax	(5,077)	(11,666)	1,569	2,848
Tax expense	-	-	(1)	(2)
Net (loss)/profit	(5,077)	(11,666)	1,568	2,846
Total comprehensive (loss)/profit	(5,077)	(11,666)	1,568	2,846
Attributable to shareholders of the parent	(5,077)	(11,666)	1,568	2,846
Basic and diluted (loss)/profit per share	(0.09)	(0.21)	0.03	0.05

Condensed statement of financial position

in USD thousands

	<u>30.06.2022</u>	<u>30.06.2021</u>
	(unaudited)	(unaudited)
Rigs, machinery and equipment	384	63,146
Right-of-use asset	-	936
Deferred tax asset	-	12
	<u>384</u>	<u>64,094</u>
Trade and other receivables	-	4,533
Prepayments and accrued revenue	2,844	4,522
Inventory	-	3,267
Cash and cash equivalents	10,474	15,373
	<u>13,318</u>	<u>27,695</u>
Total assets	<u><u>13,702</u></u>	<u><u>91,789</u></u>
Paid in capital	218,905	218,905
Retained earnings	(219,673)	(132,932)
	<u>(768)</u>	<u>85,973</u>
Trade and other creditors	959	1,456
Accruals and provisions	4,358	4,360
Current tax payable	9,153	-
	<u>14,470</u>	<u>5,816</u>
Total equity and liabilities	<u>13,702</u>	<u>91,789</u>

**Condensed statement of changes in equity for the period from
1st January 2021 to 30 June 2022**

in USD thousands

	Paid-in-equity	Other equity (retained earnings)	Total equity
Equity at 1 January 2021	218,905	(135,778)	83,127
Total comprehensive loss to 31 December 2021	-	(72,229)	(72,229)
Balance as at 31 December 2021	218,905	(208,007)	10,898
Total comprehensive loss to 30 June 2022	-	(11,666)	(11,666)
Balance as at 30 June 2022	218,905	(219,673)	(768)

Condensed statement of cash flow for the period

in USD thousands

	YTD Q2 2022 (unaudited)	YTD Q2 2021 (unaudited)
Cash flow from operating activities		
(Loss)/profit before tax	(11,666)	2,848
Depreciation	35	3,901
Net gain on disposal of property, plant and equipment	(2,872)	-
Impairment	205	-
Interest cost	(10)	32
Sharebased payment	-	(29)
Decrease in trade and other receivables	15	(53)
Decrease/(Increase) in stock	115	(240)
Decrease in prepayments and accrued revenue	(2,181)	(1,722)
Decrease/(increase) in trade and other payables	(569)	(3,610)
Interest paid	(32)	(32)
Interest received	5	-
Taxation paid	(98)	(65)
Net cash flow from operating activities	(17,055)	1,030
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(87)
Disposal of property, plant and equipment	(205)	-
Proceeds from sale of property, plant and equipment	18,217	-
Net cash flow from investing activities	18,012	(87)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(167)	(308)
Net cash flow from financing activities	(167)	(308)
Net increase/(decrease) in cash and cash equivalents	789	635
Cash and cash equivalents at beginning of the period	9,685	14,738
Cash and cash equivalents at the end of the period	10,474	15,373

SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of preparation

These unaudited interim condensed financial statements have been prepared in accordance with IAS 34 “Interim financial reporting”.

Significant accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual audited financial statements for the year ended December 31, 2021. This interim report should be read in conjunction with the audited 2021 financial statements, which include a full description of the Group’s significant accounting policies.

Notes

Note 1 - Rigs, machinery and equipment

in USD thousands

	Semi submersible drilling rigs/SPS	Assets Under Construction	Other fixtures and equipment	Total
Cost				
Opening balance 1 January 2022	310,189	111,280	2,016	423,485
Additions	205	-	-	205
Disposals	(310,394)	(111,280)	-	(421,674)
Closing balance	-	-	2,016	2,016
Depreciation				
Opening balance 1 January 2022	(294,844)	(111,280)	(1,597)	(407,721)
Depreciation charge	-	-	(35)	(35)
Impairment	(205)	-	-	(205)
Disposals	295,049	111,280	-	406,329
Accumulated depreciation per ending balance	-	-	(1,632)	(1,632)
Net carrying amount at end of period	0	0	384	384
Expected useful life	5-20 years		3-10 years	
Depreciation rates	5% - 20%		10% - 33%	
Depreciation method	Straight line		Straight line	

Note 2 - Related party transactions

in USD thousands

Transactions with Awilhelmsen are specified as follows:

	YTD Q2 2022
Purchases	(433)
Payables	(218)

Note 3 - Segment information

The company has had no rig operations during the year.

Note 4 - Corporation taxes

Corporation tax provision is based on the tax laws and rates in the countries where the rigs were formerly operated. During Q2 the average tax rates have been applied consistent with the prevailing average tax rate for the year.

Note 5 - Capital commitments

There were no outstanding Capital Commitments as at the end of Quarter 2

Note 6 - Share capital

As of 30 June 2022 total outstanding shares in the Company was 54,581,500 with a nominal value per share of GBP 0.0065. The share capital and share premium reserve below are expressed in USD at the exchange rate at time of conversion from USD to GBP.

	Shares	Par value per share	Share capital	Share premium reserve
Share capital per 30 June 2022	54,581,500	£0.0065	524,699	218,380,597
Basic/diluted average number of shares, 1 January - 30 June	54,581,500			
Basic/diluted average number of shares, YTD	54,581,500			

Ranking	Shares	Ownership
AWILHELMSSEN OFFSHORE AS	20,240,814	37.1%
Pershing LLC	11,089,012	20.3%
AKASTOR AS	3,049,673	5.6%
Euroclear Bank S.A./N.V.	2,142,616	3.9%
Skandinaviska Enskilda Banken AB	2,000,000	3.7%
Citibank, N.A.	1,834,536	3.4%
State Street Bank and Trust Comp	1,566,179	2.9%
Bank of America, N.A.	888,330	1.6%
Northern Trust Global Services SE	848,319	1.6%
Avanza Bank AB	748,734	1.4%
CLEARSTREAM BANKING S.A.	520,069	1.0%
Citibank, N.A.	510,457	0.9%
TVECO AS	500,000	0.9%
Merrill Lynch Professional Clearin	453,091	0.8%
Nordnet Bank AB	446,902	0.8%
BNP Paribas	417,057	0.8%
NORDNET LIVSFORSIKRING AS	353,427	0.6%
CAMACA AS	330,051	0.6%
Danske Bank A/S	319,385	0.6%
DZ Privatbank S.A.	209,272	0.4%
Other	6,113,576	11.2%
	<u>54,581,500</u>	<u>100.00%</u>

APPENDIX E – TERMS AND CONDITIONS FOR THE DEPOSITORY RECEIPTS

SCHEDULE 2 TERMS AND CONDITIONS

Awilco Drilling PLC, a company existing and operating under the laws of the United Kingdom, with company registration no. 07114196 (the "**Company**") has entered into an account operator and SNDR issuer agreement (the "**Agreement**") with Nordic Issuer Services AS, a company existing and operating under the laws of Norway, with company registration no. 915 465 544 ("**NIS**") pursuant to which NIS has agreed to act as (i) the issuer of sponsored Norwegian depository receipts ("**SNDRs**") to be registered in Euronext Securities Oslo ("**ES-OSL**") (previously referred to as "VPS"), the Norwegian Central Securities Depository operated by Verdipapirsentralen ASA ("**Verdipapirsentralen**"), representing the common Shares issued by the Company (the "**Shares**"), (ii) account operator of the SNDRs in all matters relating to ES-OSL and thereby as the connecting link between Verdipapirsentralen, the holders of SNDRs (the "**Holders**"), NIS and the Company and (iii) record keeper on behalf of the Holders whose SNDRs are registered in ES-OSL.

The SNDRs shall be issued and maintained in accordance with ES-OSL's updated service description for Norwegian depository receipts. The following provides a high-level description of the SNDRs and certain rights and arrangements relating thereto.

Please note that this description does not purport to be complete and is qualified in its entirety by the Agreement and applicable legislation.

Overview of the SNDRs and related arrangements:

- (i) **SNDRs:** The SNDRs, registered with ES-OSL, are beneficial interests pertaining to underlying Shares issued by the Company, issued by NIS on the requests of the Company pursuant to the Agreement.
- (ii) **Underlying Shares:** The underlying Shares have been issued pursuant to the laws of the United Kingdom and are registered in the Company's Shareholders' register kept and maintained by Burness Paull LLP.
- (iii) **Issuer of the SNDRs:** NIS has issued and delivered the SNDRs, each of which is registered in book-entry form in ES-OSL and represents one underlying Share registered in the Company's Shareholder register. NIS have sufficient operational capacity, competency, and systems in place to ensure it may comply with its obligations as the issuer of the SNDRs.
- (iv) **Reconciliation of Shares and SNDRs:** NIS will continuously ensure and document that the number of issued SNDRs reconciles with the number of Shares and, on a regular basis, collect a copy of the updated local register of Shareholders from the Company and reconcile NIS' holding in such register with the number of SNDRs issued in ES-OSL.
- (v) **Holder of underlying Shares:** NIS is the holder of the underlying Shares in the Company. NIS is recorded as the Shareholder in the Company's Shareholder register.
- (vi) **Exercise of rights:** The Holders are not able to exercise direct Shareholder rights in the Company. Holders must exercise their organisational and economic rights through NIS and subject to the terms set out in the Agreement. NIS will ensure that the Holders are able to exercise their rights in the Shares and mirror all corporate events as close as possible in ES-OSL.

- (vii) **No limitations of rights under the United Kingdom law and bye-laws:** There are no provisions under the United Kingdom law or under the Company's bye-laws as amended on 13 April 2011 that limit the Holders in exercising their rights in respect of the SNDR through NIS.
- (viii) **Rights and votes attaching to the Shares:** The Company has one Share class and all Shares carry equal rights in the Company. Each Share carries one vote.
- (ix) **Rights and votes attaching to the depositary receipts:** Each SNDR represents one Share as registered in the Company's Shareholder register and is registered in the name of NIS. All SNDRs carry the same rights as the underlying Shares and each SNDR will thus carry one vote.
- (x) **Voting:** The Holders may instruct NIS to vote for the underlying Shares, subject to any applicable provisions of the United Kingdom law. NIS will notify the Holders of any upcoming vote and arrange to deliver the Company's voting materials to the Holders.
- (xi) **Dividends:** The Company will pay dividends in NOK to NIS, which in turn will distribute the dividends to the Holders. If requested by the Company, NIS may also assist with the currency conversion of the dividend amount to NOK. NIS has undertaken to distribute the dividends and other declared distributions to the Holders in accordance with the Agreement. To Holders who maintain a Norwegian address and/or have supplied ES-OSL with details of their Norwegian kroner account such dividend will be paid in Norwegian kroner. With respect to Holders registered in ES-OSL whose address is outside Norway and who have not supplied ES-OSL with details of any Norwegian kroner account, payments of dividends will be denominated in the currency of the bank account of the relevant investor. Investors registered in ES-OSL who has not supplied their account operator in ES-OSL with details of their bank account, will not receive payment of dividends unless they register their bank account details on their ES-OSL account, and thereafter inform NIS about said account. Dividends will be credited automatically to the ES-OSL registered investors accounts, or in lieu of such registered account, at the time when the investor has provided NIS with their bank account details, without the need for investors to present documentation proving their ownerships. Investors' right to payment of dividend will lapse three years following the payment date for those investors who have not registered their bank account details with NIS within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from NIS to the paying company;
- (xii) **Exercise of rights by NIS:** NIS will only vote or attempt to vote as the Holders instruct and will not in itself exercise any voting discretion. NIS will not hold any right to Share in profits and any liquidations surplus which are not passed on to the Holders.
- (xiii) **Transfer:** The SNDRs are freely transferrable, with delivery and settlement through the ES-OSL settlement system.
- (xiv) **Access to information:** NIS as issuer of the SNDRs has the right to access information regarding the Holders from ES-OSL and NIS as issuer of the SNDRs shall under the Agreement provide the Company with certain information from ES-OSL, such as

information on Holders. The right of access to information from ES-OSL is set out in Section 8-3 of the Norwegian Act of 15 March 2019 no. 6 on Central Securities Depositories and Securities Settlement etc, administrative regulations thereunder and ES-OSL's supplementary rules.

- (xv) **Termination:** Each of NIS and the Company may terminate the arrangement for issuance and registration of the SNDRs with a minimum of three months prior written notice or immediately upon written notice in the event of a material breach of the Agreement. Further, NIS may immediately terminate the Agreement in the event that the Company becomes unable to pay its debts. In the event that the Agreement is terminated, the Company will use its reasonable best efforts to enter into a new agreement to replace the Agreement for purposes of permitting the uninterrupted trading of the SNDRs on the Euronext NOTC. If the Agreement is terminated and no new arrangement for issuance and registration is put in place, the Company must give written notice to the Holders of the termination and the de-registration from ES-OSL, and the Holders will receive the underlying Shares. Pursuant to the Agreement, the Company must also allow a time period of minimum two months from the business day on which the written information notice is distributed to the holders of the SNDRs until termination is executed and effective in the ES-OSL system.
- (xvi) **CounterParty risk:** SNDR issued in ES-OSL have certain limitations and risks. In the event of bankruptcy of NIS, the Agreement will be terminated and the Company will use its reasonable best efforts to enter into a new agreement to replace the Agreement for purposes of permitting the uninterrupted trading of the SNDRs on the Oslo Stock Exchange. If the Agreement is terminated and no new arrangement for issuance and registration is put in place, the Company must give written notice to the Holders of the termination and the de-registration from ES-OSL, and the Holders will receive the underlying Shares.
- (xvii) **Governing law and jurisdiction:** The SNDRs are established under Norwegian law and are subject to the jurisdiction of Norwegian courts, with Oslo District Court as legal venue.