



Ventura Offshore Midco Ltd. 10.00% senior secured USD 185,000,000 bonds 2024/2027

Admission Document

This admission document (the "**Admission Document**") has been prepared by Ventura Offshore Midco Ltd. (the "**Issuer**") in connection with listing of the bonds (the "**Bonds**") issued under the Issuer's 10.00% senior secured USD 185,000,000 bonds 2024/2027 with ISIN NO0013187179 (the "**Bond Issue**"), including both the initial bonds issued on 19 April 2024 and the additional bonds issued on 22 July 2024. The Bond Issue is guaranteed by Ventura Petróleo S.A., a company incorporated under the laws of Brazil with company number 33.3.0028379-0 (the "**VP**") together with 4 directly or indirectly owned subsidiaries of the Issuer (the Issuer together with VP and its other subsidiaries, the "**Group**").

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75 (together with ancillary rules and regulations, the "**Prospectus Regulations**"), and has not been prepared to comply with the Prospectus Regulations. This Admission Document has been inspected by Nordic ABM as part of the Nordic ABM listing process, but has not been reviewed by or approved by the Norwegian Financial Supervisory Authority or any other public authority.

This Admission Document has been prepared solely for information purposes in connection with listing of the Bonds on the Nordic ABM, a list of registered bonds operated by Oslo Børs ASA and for which Oslo Børs ASA determines the rules (the "**ABM Rules**") in consultation with market participants. The Admission Document does not constitute or form part of any offer or other solicitation to subscribe for or purchase any bonds or other securities, and is not intended to form the basis of any investment decision.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may violate applicable securities legislation. Persons who become in possession of this Admission Document may be required to inform themselves about, and to observe, all such restrictions.

Neither the Issuer, VP nor any of their Affiliates (as defined in the bond terms attached hereto) shall be held responsible or liable for any violation of such restrictions by recipients of this Admission Document.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "US PERSON" EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document subsequent to such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*No. Oslo tingrett*) as legal venue.

This Admission Document is dated 23 September 2024.

1 RESPONSIBILITY STATEMENT

This admission document has been prepared by the Issuer in connection with the listing of the Bonds on Nordic ABM. The person responsible for the information given in this Prospectus is as follows:

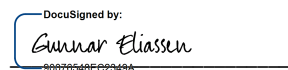
Ventura Offshore Midco Ltd.

Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda

The Issuer confirm that to the best of its knowledge the information contained in this admission document is in accordance with the facts and the document contains no omission likely to affect its import.

23 September 2024

Ventura Offshore Midco Ltd.

DocuSigned by:

90070040EC2349A

Name: Gunnar Eliassen

Title: Director and authorised signatory

2 REQUIREMENTS FOR THE ADMISSION DOCUMENT

This document has been prepared in accordance with the ABM Rules section 2.7 to address the additional requirements for the listing document set out in the ABM Rules section 2.7.2.3.

2.1 Business name, registered office, and head office if different from the registered office

The Issuer has its registered office at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, and its head office at the same address.

2.2 Date of incorporation

The Issuer was incorporated on 15 March 2024.

2.3 The legislation to which the Issuer is subject

The Issuer is incorporated under, and subject to, the laws of Bermuda.

2.4 Indication of the Issuer's objects and purposes as set out in its articles of association

The articles of association of the Issuer do not set out the objects and purposes of the Issuer, as this is not required under the laws of Bermuda. The Issuer's purposes is, however, to act as an intermediate holding company for the Group and issue the Bonds.

2.5 The Issuer's registration number

The Issuer's company number is 202403320.

2.6 The Issuer's equity capital and the distribution of this capital between distributable

The Issuer has issued 1 share of USD 0.01, USD 0.01 in total. The entire issued share capital is owned by Ventura Offshore Holding Ltd.

2.7 Information on the Issuer's borrowings and outstanding loans. Any loss trend must be summarised and commented on

Apart from the Bond Issue, the Issuer has the following borrowings and outstanding loans:

- (i) a revolving facility agreement and a guarantee facility agreement both dated 18 July 2024 entered into between the Issuer and DNB Bank ASA as lender and agent ("**DNB**"), whereby DNB has made available a revolving credit facility and a guarantee facility for a total aggregate amount of USD 30,000,000 (the "**Super Senior RCF**" and "**Guarantee Facility**"). As of the date of this Admission Document, the Issuer has drawn USD 9,875,000 on the Super Senior RCF. Pursuant to the Super Senior RCF, DNB shares the security package with Nordic Trustee AS (as the bond trustee) under the Bonds; and
- (ii) a subordinated loan agreement dated 4 May 2024 (as amended and restated on 17 July 2024 and as subsequently amended, novated or adjusted from time to time) entered into between the Issuer and Ventura Offshore Holding Ltd. (the "**Subordination Agreement**"), pursuant to which the Issuer has received a subordinated loan of USD 215,857,294 from Ventura Offshore Holding Ltd., for the purposes of financing the acquisition of Universal Energy Resources Inc., and SSV Catarina Overseas Inc. The maturity date is six (6) months after the maturity date of the Bonds and is both interest free and unsecured.

In addition to the above, there will from time to time be intragroup receivables in the Group, always pursuant to the Bond Terms.

2.8 If the Issuer belongs to a group, or to a group of undertakings that are interrelated through common ownership or common management, a brief description of the structure and ownership of the group and the Issuer's role within the group.

The Issuer, Ventura Offshore Midco Ltd, is a limited company. The Issuer is a newly incorporated entity, incorporated on 15 March 2024 with Ventura Offshore Holding Ltd. as owner of the entire share capital since the incorporation.

The Issuer is a subsidiary of Ventura Offshore Holding Ltd., which directly or indirectly holds a majority of the shares in all guarantors. The Issuer has no operational or financial history and has been incorporated to act as an intermediate holding company and the issuing entity in connection with the Bond Issue.

The guarantors for the Bond Issue comprise of:

- Ventura Petróleo S.A
- Universal Energy Resources, Inc.
- Carolina Marine Inc.
- Victoria Marine Inc.
- Commodore Marine LLP

The directors consider Ventura Offshore Holding Ltd, a company incorporated in Bermuda, to be the ultimate parent company. Ventura Offshore Holding Ltd is listed on Euronext Growth Oslo and is consequently owned by multiple shareholders:

2.9 The number, book value and nominal value of own shares owned by the Issuer or by a company in which the Issuer directly or indirectly owns more than 50% of the shares.

As of the date of this Admission Document, the Issuer is owned 100% of Ventura Offshore Holding Ltd. The issuer owns no own shares, and no company in which the Issuer directly or indirectly owns more than 50% of the shares owns shares in the Issuer.

The Issuer directly owns 100% of the shares in Universal Energy Resource Inc., and Catarina Overseas Inc. In addition, the Issuer also indirectly owns more than 50% of the shares in 10 subsidiaries. Please see Appendix 2 (Corporate Group Structure) for further details on the Issuers direct and indirect ownership of subsidiaries.

2.10 Description of the Issuer's principal activities, stating the main categories of products sold and/or services performed, as well as a description of the Issuer's corporate structure or organisational structure. If relevant, an indication of any significant new products and/or activities.

The Issuer has no principal activities, except for issuing the Bonds and acting as an intermediate holding company for the Group.

The Group was formed in May 2024 through the Issuer's acquisition of all of the shares in Universal Energy Resources, Inc., The Group is a deep water drilling contractor providing offshore drilling services to the oil and gas industry. The Group focuses on deep water drilling operations in water depths of up to 12,000 feet. The Group's core activities are focused in the Brazilian offshore oil and gas market. The Group has also demonstrated

its capability to operate in other key benign environment basins for deep water drilling rigs, including regions like West Africa and Southeast Asia.

For an overview of the Group's corporate structure, please refer to Appendix 2.

2.11 Information on turnover and operating results during the past two financial years.

The Issuer is a newly incorporated company and has no historical audited accounts. The Issuer has, however, prepared consolidated interim financial statements for the period from incorporation to 30 June 2024. The consolidated interim financial statement are unaudited and were published 30 August 2024.

The Issuer's parent company, Ventura Offshore Holding Ltd., has also prepared consolidated interim financial statements for the period from 24 February 2024 (its incorporation) to 30 June 2024, which includes relevant financial information about the Issuer and the Group. These are also unaudited and were also published 30 August 2024.

The consolidated unaudited interim financial statements for the Issuer and Venture Offshore Holding Ltd., are included in Appendix 1. Included are also the relevant financial statements that were included in the information document when Ventura Offshore Holding Ltd., was listed on Euronext Growth Oslo.

By providing the financial reports for the Issuer and Ventura Offshore Holding Ltd., all relevant available financial reports are provided, and it's the Issuer's view that investors and their advisers is in a position to make a well informed assessment of the Bond Issue.

2.12 Location and size of establishments accounting for more than 10% of the Issuer's turnover or production. A summary account of real estate of significance owned by the Issuer.

The Issuer has no establishments accounting for more than 10% of its turnover or production and owns no real estate of significance.

2.13 For mining, power production, petroleum extraction and similar activities a description of deposits, an estimate of economically exploitable reserves and expected period of lifetime must be provided where this information is of material importance.

No information of material importance.

2.14 Where the information given pursuant to 2.11 to 2.13. has been influenced by extraordinary factors, that fact shall be mentioned.

The Issuer is a newly incorporated entity, and there have been no subsequent events since incorporation other than the issuance of the Bonds. The Group, however, has completed a number of transactions since its inception. For further information regarding these transactions, please see 2.17 and 2.21 below.

2.15 Information on patents and licences, production, financing and sales agreements and on new production methods owned by the Issuer and on which the Issuer is dependent, where such factors are of significant importance to the Issuer's business.

Alongside the Bond, the combined Group financing facilities in place consist of the Super Senior RCF, the Guarantee Facility and the Subordination Agreement accounted for in 2.7 above. The Issuers parent company, Ventura Offshore Holding Ltd., has granted a parent company guarantee in favour of the Super Senior RCF only.

The Group has the following existing charter agreements:

- (i) a charter contract for utilisation of DS Carolina between Petróleo Brasileiro S.A. and Commodore Marine LLP with contract no. 5900.0119999.21.2, as amended from time to time;
- (ii) the charter contracts for utilisation of SSV Catarina between ENI East Sepinggan Ltd., ENI West Ganal Ltd., and ENI East Ganal Ltd. and the Target, as part of a consortium with local companies, with contract nos. 5000025025; 5000025026; 5000025028, as amended from time to time; and
- (iii) the charter contract for utilisation of SSV Victoria between Petróleo Brasileiro S.A. and Commodore Marine LLP with contract no. 5900.0120000.21.2, as amended from time to time

The Group does not have any other, patents and licenses, production, financing and sales agreements, or any new production methods, which it depends on and are of significant importance to its business.

2.16 Information on any legal disputes, arbitration proceedings, legal decisions, arbitration rulings or settlements not shown in the accounts appended to the admission document which have or may have a significant effect on the Issuer's financial position.

The Issuer is not subject to any legal disputes, arbitration proceedings, legal decisions, arbitration rulings or settlements not shown in the accounts appended to the admission document

2.17 Description, with figures, of the main investments made, including investment in shares, units, bonds etc., over the past three financial years and so far in the current financial year.

Investments 2024 as per the date of this Admission Document:

The Group has completed a number of transactions since its inception. The Group completed the acquisition of 100% of the shares in Universal Energy Resources Inc on 8 May 2024. As part of this acquisition the parent company raised gross proceeds of USD 170.0 million in a share offering, whereby USD 162.325 million was distributed to the Group through a subordinated loan to finance the acquisition, together with the bond loan of USD 130.0 million. On 23 July 2024, the Group acquired SSV Catarina for a consideration of USD 100.0 million in cash, USD 5.0 million worth of shares in the parent company, a 17.5% EBITDA profit-split for the first five years after delivery and certain other delivery related costs. The acquisition was financed through a tap bond issue of USD 55.0 million, a subordinated loan from the parent company of approx. USD 53.53 million and cash available.

Investments in 2023: Not applicable (Issuer was not incorporated).

Investments in 2022: Not applicable (Issuer was not incorporated).

Investments in 2021: Not applicable (Issuer was not incorporated).

2.18 Information concerning the principal investments being made with the exception of interests being acquired in other undertakings. Distribution of these investments geographically and by method of financing.

No principal investments are currently being made by the Issuer.

2.19 Information concerning any major future investments planned by the Issuer that have been approved by its corporate bodies.

There are no firm major investment decisions made by the Issuer's corporate bodies as at the date of this Admission Document.

2.20 Audited financial information in accordance with the accounting legislation to which the Issuer is subject for the two preceding financial years or for such shorter accounting period as the Issuer has been in existence. Interim reports shall be included if such reports have been published since the most recent annual report. It must be stated whether or not the interim report has been audited.

The Issuer was incorporated on 15 March 2024 and have no audited financial information. Please see Appendix 1 for the Issuer's and Ventura Offshore Holding Ltd.'s consolidated unaudited interim financial statement for the period from their incorporation to 30 June 2024.

2.21 General information on the development of the Issuer's activities since the end of the financial year covered by the last published annual accounts. Information on the most significant recent trends in production, sales and stocks and the state of the order book, and recent trends in costs and selling prices and other factors of material significance for operations. Oslo Børs ASA reserves the right to require that pro forma figures are included.

The Issuer is a newly incorporated entity. As mentioned above, The Group has completed a number of transactions since its inception. The Group completed the acquisition of 100% of the shares in Universal Energy Resources Inc on 8 May 2024. As part of this acquisition the parent company raised gross proceeds of USD 170.0 million in a share offering, whereby USD 162.325 million was distributed to the Group through a subordinated loan to finance the acquisition, together with the bond loan of USD 130.0 million. On 23 July 2024, the Group acquired SSV Catarina for a consideration of USD 100.0 million in cash, USD 5.0 million worth of shares in the parent company, a 17.5% EBITDA profit-split for the first five years after delivery and certain other delivery related costs. The acquisition was financed through a tap bond issue of USD 55.0 million, a subordinated loan from the parent company of approx. USD 53.53 million and cash available.

There are no other significant trends in the Group's activities or other trends of material significance for the Group's operations since the end of the financial year covered by the latest published annual accounts of the Group.

2.22 Names, addresses and functions in the issuing undertaking of the following persons, and an indication of the principal activities performed by them outside the Issuer where these are significant in relation to the Issuer: 1. Members of the administrative, management or supervisory bodies, 2. General partners if the Issuer is a limited partnership company.

The Group's members of the management	Function
Guilherme Coelho <i>Address:</i> R MARQ SAO VICENTE 226 BL B AP 702, 22451042, Rio de Janeiro, Brazil	Chief Executive Officer
Luis Mariano <i>Address:</i> Avenida das Acácias da Península, 150/802- Bloco 1, 22776000 Rio de Janeiro, Brazil	Chief Operating Officer
Marcelo Issa <i>Address:</i> Rua Timoteo da Costa 623 apto 1101, 22450130, Rio de Janeiro, Brazil	Chief Financial Officer
Mardonildo Filho	Chief Strategy Officer

<i>Address:</i> Avenida das Acácias da Península 607, bloco 3, apto 1302 , 22776000, Rio de Janeiro, Brazil	
Carlos Guimarães <i>Address:</i> Condomínio Green Park, Estrada da Cancela Preta, 581, casa 40, 27937050 Macae, Brazil	Engineering Director
José Maria Miranda <i>Address:</i> Rua Redentor 324 Apto 201 , 22421030 Rio de Janeiro, Brazil	Operations Support Director
Linneu Mello <i>Address:</i> Rua Araujo Porto Alegre 70 11o andar, 20030015, Rio de Janeiro, Brazil	Chief Legal Counsel

The Issuer's members of the board of directors	Function
Gunnar W. Eliassen <i>Address:</i> 28 Cathcart Road, SW10 9NN, London, UK	Chairperson
Børge Johansen <i>Address:</i> Strømstangveien 7H, 1367 Snarøya, Norway	Director
Michael Windeler <i>Address:</i> 612 Berry Rd, BC , V0N 1G1, Bowen Island, Canada	Director
Guilherme Coelho <i>Address:</i> R MARQ SAO VICENTE 226 BL B AP 702 , 22451042, Rio de Janeiro, Brazil	Director

The Issuer is not a limited partnership company with any general partners.

2.23 Identity of the parties who assisted the Issuer in the preparation of the admission document. Where the admission document has been prepared by a party other than the Issuer, this party's name must be provided. Where a party has prepared only parts of the admission document, the parts to which this applies must be specified.

Advokatfirmaet Thommessen AS has assisted the Issuer in the preparation of this Admission Document.

2.24 The name and address of the auditor who has audited the Issuer's annual report and accounts for the last three financial years. If the auditor has deemed that the accounts should not be adopted as they stand or has made comments, qualifications or reservations in the audit report, this must be stated together with the reasons given. If the Issuer has replaced the auditor during the past three years, or the auditor has stepped down and has given grounds for so doing,

this must be mentioned. If the auditor has audited information in the admission document, the admission document shall state which information was audited.

The Issuer's independent auditor is KPMG AS, with business registration number 935 174 627, and business address at Sørkedalsveien 6, 0369 Oslo, Norway. KPMG has been the auditor of the Issuer since 19 March 2024. KPMG is registered with the Norwegian FSA, and is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants).

KPMG has not yet audited any financial statements of the Issuer

2.25 Information on where the documents mentioned in the admission document in respect of the Issuer are available for inspection

This Admission Document, together with any appendices mentioned herein, may be inspected at the Group's registered offices at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda .

Appendices:

Appendix 1: Financial statements for the Issuer and Ventura Offshore Holdings Ltd., and the relevant financial statements that were included in the information document when Ventura Offshore Holding Ltd., was listed on Euronext Growth Oslo.

Appendix 2: Corporate Group Structure

Appendix 3: Articles of Association

APPENDIX 1

THE UNAUDITED FINANCIAL STATEMENTS FOR THE FOLLOWING:

- **Ventura Offshore Midco Ltd. (for the period from incorporation to 30 June 2024)**
- **Ventura Offshore Holding Ltd. (for the period from incorporation to 30 June 2024)**

THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOLLOWING:

- **Universal Energy Resources Inc. (as of and for the twelve month period ended 31 December 2023)
– Appendix B to the information document for the listing of Ventura Offshore Holding Ltd. on Euronext Growth Oslo.**

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOLLOWING:

- **Universal Energy Resources Inc. (for the financial years ended 31 December 2022 and 2021) –
Appendix D to the information document for the listing of Ventura Offshore Holding Ltd. on Euronext Growth Oslo.**

APPENDIX I

**UNAUDITED FINANCIAL STATEMENTS FOR VENTURA OFFSHORE MIDCO LTD.
(FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 2024)**



Ventura Offshore Midco Ltd.

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Ventura Offshore Midco Ltd.
Consolidated Statement of Operations (unaudited)
All figures in USD '000, except number of shares and per share amount

	Note	For the period February 24, 2024 – June 30, 2024
<i>Revenues</i>		
Operating Revenues	4	57,343
Management Fee Income		1,107
Total Revenues		58,450
<i>Operating Expenses</i>		
Rig Operating and Maintenance Expenses		(35,099)
Depreciation and Amortization Expenses	5	(3,731)
General and Administrative Expenses		(6,743)
Total Operating Expenses		45,573
Operating Income		12,877
Financial income (expenses)		
Interest Income		478
Interest Expenses	3	(2,786)
Total Financial Income (expenses), net		(2,308)
Net Income Before Income Taxes		10,569
Income Tax Expense	4	(1,463)
Net Income		9,106
Other Comprehensive Income / (Loss)		-
Total Comprehensive Income		9,106

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Midco Ltd.
Consolidated Balance Sheet (unaudited)

All figures in USD '000, except number of shares and per share amount

Assets	Note	As of June 30, 2024
Current Assets		
Cash and Cash Equivalents	11	26,511
Restricted Cash	10,11	18,170
Accounts Receivable, Net		28,293
Prepaid Expenses and Other Current Assets		7,296
Total Current Assets		80,270
Non-Current Assets		
Vessels and Equipment	5	398,620
Deferred Tax Assets	4	18,357
Intangible Assets	3	14,161
Right-of-Use Assets		8,514
Total Non-Current Assets		439,652
Total Assets		519,922
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable		25,585
Lease Liabilities	9	4,135
Other Current Liabilities		19,205
Unfavourable Contracts (current portion)	4	90,896
Current Portion of Long-Term Debt	6	21,456
Total Current Liabilities		161,277
Non-Current Liabilities		
Long-Term Debt	6	105,598
Subordinated Debt – Related Parties	8	162,325
Unfavourable Contracts	4	73,005
Lease Liabilities	9	4,379
Other Non-Current Liabilities		1,585
Total Non-Current Liabilities		346,892
Commitments and Contingencies		-
Shareholders' Equity		
Common Stock, par value \$0.01 per share		
1,000,000 authorized, 1 share issued and outstanding as of June 30, 2024	7	-
Additional Paid-In Capital		2,647
Retained Earnings (Accumulated Deficit)		9,106
Total Shareholders' Equity		11,753
Total Liabilities and Equity		519,922

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Midco Ltd.
Consolidated Statement of Shareholders' Equity (unaudited)
All figures in USD '000, except number of shares

	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Income) Loss	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
Balance as of February 24, 2024 (inception)	1	-	-	-	-	-
Net Income	-	-	-	-	9,106	9,106
Share Based compensation	-	-	2,647	-	-	2,647
Other Comprehensive (Income) Loss	-	-	-	-	-	-
Balance as of June 30, 2024	1	-	2,647	-	9,106	11,753

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Midco Ltd.
Consolidated Statement of Cash Flows (unaudited)
All figures in USD '000

	February 24, 2024 – June 30, 2024
Cash Flows from Operating Activities	
Net Income (Loss)	9,106
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by / (Used In) Operating Activities	
Amortization of Contract Liabilities	(13,199)
Share Based Compensation	2,647
Deferred Tax	1,463
Amortization of Deferred Financing Cost	186
Depreciation and Amortization Expense	3,731
<i>Changes in Assets and Liabilities:</i>	
Accounts Receivable and Accounts Payable	1,396
Prepaid Expenses, Other Current Assets and Other Current Liabilities	1,188
Net Cash Provided by / (Used In) Operating Activities	6,518
Cash Flows from Investing Activities	
Acquisition of business (net of cash acquired)	(250,120)
Additions to Vessels	(1,246)
Net Cash Used In Investing Activities	(251,366)
Cash Flows from Financing Activities	
Proceeds from Subordinated Loan, related parties	162,325
Proceeds from Borrowings, net	127,204
Net Cash Provided by Financing Activities	289,529
Net Increase / (Decrease) in Cash, Cash Equivalents and Restricted Cash	44,681
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	0
Effect of foreign exchange on Cash	-
Cash, Cash Equivalents and Restricted Cash at End of the Period	44,681
Supplementary Disclosure of Cash Flow Information	
Cash and Cash Equivalents	26,511
Restricted Cash	18,170
Total Cash, Cash Equivalents and Restricted Cash	44,681
Cash Paid for Interest	-
Cash Paid for Taxes	-

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Midco Ltd.

Notes to the Interim Consolidated Financial Statements

Note 1 General Information and Business Operations

Ventura Offshore Midco Ltd. was incorporated in Bermuda on March 15, 2024, under the name PS Marine Midco Ltd. On May 1, 2024, the name of the company was changed to Ventura Offshore Midco Ltd. The Company is a 100% owned subsidiary of Ventura Offshore Holding Ltd. The entity was formed with the intention of raising a bond loan together with funding from the parent company to acquire 100% of the shares of Universal Energy Resources Inc (the “UER Acquisition”). The Share Purchase Agreement was signed in early March 2024 and the transaction was completed on May 8, 2024.

Universal Energy Resources Inc (“UER”) was incorporated on April 25, 1984, and is a company providing contract drilling services. The Company’s main assets being the drillship DS Carolina and the semisubmersible drilling rig SSV Victoria, both currently operating in Brazil on long term time-charter contracts with the oil major Petrobras, in addition to operating the two vessels, SSV Catarina and DS Zonda owned by third-parties as of June 30, 2024. The Company announced on June 27, 2024, that it had entered into an agreement to acquire SSV Catarina and the delivery of the vessel took place on July 23, 2024.

Note 2 Basis of Preparation of Accounting Policies

Basis of Preparation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Amounts are presented in United States Dollars (“U.S. dollar or \$”), rounded to the nearest thousand, unless stated otherwise.

Principles of Consolidation

Entities in which the parent company has controlling financial interest are consolidated. Subsidiaries are consolidated from the date on which control is obtained. The subsidiaries’ accounting policies are in conformity with U.S. GAAP. All intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency

Foreign currency transaction gains or losses are credited or charged to income/expense as incurred. The Company and the majority of its subsidiaries use the United States dollar as their functional currency as their revenues and expenses are mostly denominated in U.S. dollars and U.S. dollars are also the reporting currency of the Company. For subsidiaries located in Brazil with reais as functional currency the accounts have been remeasured into U.S. dollars. These books and records have been translated using the monetary-nonmonetary method. Translation losses and gains have been included as a component of other comprehensive income. The assets and liabilities recorded in reais are primarily monetary and have been translated to U.S. dollars using the exchange rate in effect at the balance sheet date (R\$5.60 to U.S. \$1 for the period ended June 30, 2024). Results of operations have been translated using the average exchange rate during the period. The average exchange rate was R\$ 5.26 to U.S. \$1 for the reporting period ended June 30, 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments including certificate of deposits with original maturities when acquired of three months or less. Cash balances held on behalf of the owners of managed vessels to cover expenses and capital expenditure related to these vessels have been presented as restricted cash in the balance sheet, together with bank deposits that are used as collateral for guarantees and performance bonds issued by banks.

Receivables and Allowance for Doubtful Accounts

Accounts receivable and other receivables are presented net of allowance for expected credit losses. The Company determines an asset is impaired when, based on current information and events, it is probable that the Company will be unable to recover amounts due according to original contractual terms. No allowance has been made as of June 30, 2024.

Concentration of Credit Risk

Financial instruments which potentially subject to the Company to concentrations of credit risk consists primarily of cash and cash equivalents and accounts receivable. The Company's cash is primarily held in major banks. Accordingly, the Company believes the risk of any potential loss on deposits held in these institutions is remote. Concentrations of credit risk relative to accounts receivable are limited to our client base in the oil and energy industry that may be affected by changes in economic or other external conditions. The Company does not require collateral for its accounts receivable. For the period ending June 30, 2024, three customers accounted for 56.8%, 18.0% and 25.2% of the revenues, respectively.

Deferred Financing and Offering Costs

The costs associated with raising equity is charged to capital upon completion of the relevant offering or charged to operations if the offering is not completed. Financing costs, including fees, commissions and legal expenses are deferred and amortized over the term of the debt arrangement, which approximates the effective interest method. Incurred initial fees related to loans not yet drawn are presented as Other Current Assets. Unamortized deferred financing costs are deducted from the carrying value of the associated financial liability.

Vessels and Equipment

Vessels and equipment are stated at cost. Operating vessels and equipment are depreciated over the estimated useful lives of the assets of 30 years using the straight-line method from the construction date with an estimate for salvage value. Additions or improvements that increase the value or extend the life of an asset are capitalized and depreciated. Expenditures for normal maintenance and repairs are expensed as incurred. Disposals are removed from the accounts at cost less accumulated depreciation, and any gain or loss from disposition is reflected in operations.

Impairment of Long-Lived Assets

The Company periodically assesses the carrying value of its long-lived assets when events or circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is assessed by comparison of an asset's carrying value to the undiscounted estimated future cash flows expected to be generated by that asset. In the event that the Company determines that an asset's carrying value is not recoverable, the amount of impairment is measured based on the fair value of the asset as determined by broker estimates or discounted future cash flows. Management's assumptions are necessarily subjective and are an inherent part of our asset impairment evaluation, and the use of different assumptions could produce results that differ from those reported. Our methodology generally involves the use of significant unobservable inputs, representative of a Level 3 fair value measurement, which may include assumptions related to future dayrate revenue, costs and rig utilization, the long-term future performance of our rigs and future market conditions and management's expectations may not be indicative of actual future outcomes. Significant unanticipated changes to these assumptions could materially alter our analysis in testing an asset for potential impairment. For example, changes in market conditions that exist at the measurement date or that are projected by management could affect our key assumptions. Other events or circumstances that could affect our assumptions may include, but are not limited to, a further sustained decline in oil and gas prices, cancellations of our drilling contracts or contracts of our competitors, contract modifications, costs to comply with new governmental regulations, capital expenditures required due to advances in offshore drilling technology, growth in the global oversupply of oil and geopolitical events, such as lifting sanctions on oil-producing nations. Should actual market conditions in the future vary significantly from market conditions used in our projections, our assessment of impairment would likely be different. No impairment indicators were identified as of June 30, 2024.

Revenue Recognition

Contracts with customers provide for an offshore drilling rig and drilling services on a dayrate contract basis. The integrated services provided under our contracts primarily include (i) provision of an offshore drilling rig, the work crew and supplies of equipment and services necessary to operate the rig, (ii) mobilization and demobilization of the rig to and from the drill site and (iii) performance of rig preparation activities and/or modifications required for each contract.

Dayrate Drilling Revenue

Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted, restricted by equipment breakdowns, adverse environmental conditions, etc. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore recognized in line with the contractual rate billed for the services provided for any given hour.

Certain of our contracts contain performance-based incentives, whereby we may earn a bonus or incur penalties based on pre-established performance metrics. Consideration related to the performance incentive is generally recognized in the specific time period to which the performance criteria were attributed.

Mobilization/Demobilization Revenue

We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization and demobilization of our rigs. These activities are not considered to be distinct within the context of the contract, and therefore the associated revenue is allocated to the overall performance obligation. We record a contract liability for mobilization fees received and amortize such on a straight-line basis to contract drilling revenue as services are rendered over the term of the related drilling contract. Demobilization revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognized as contract drilling revenue on a straight-line basis over the term of the contract with an offset to an accretive contract asset.

In some contracts, there is uncertainty as to the likelihood and amount of expected demobilization revenue to be received. For example, contractual provisions may require that a rig demobilize a certain distance before the demobilization revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained, as described above, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on our past experience and knowledge of market conditions.

Contract Preparation Revenue

Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, the customer may compensate us for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract. We record a contract liability for contract preparation upfront fees received, which is amortized on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Capital Modification Revenue

From time to time, we may receive fees from our customers for capital improvements or upgrades to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). The activities related to these capital modifications are not considered to be distinct within the context of our contracts. We record a contract liability for the upfront fees received and recognize them on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Reimbursement Revenue

Some operating agreements for the vessels include revenue from reimbursements of expenses where the principal relationship exists between the Company and the service providers. The operating expenses are recorded in operating revenues.

Segment Reporting

A segment is a distinguishable component of the business that is engaged in business activities from which we earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker ("CODM"), and which are subject to risks and rewards that are different from those of other segments. We have identified two reportable segments being Operations of owned vessels and Operations of managed vessels.

Deferred mobilization costs

The Company incurs costs to prepare rigs for contract and deliver or mobilize rigs to drilling locations. The Company defers pre-operating contract preparation and mobilization costs and recognizes such costs on a straight-line basis over the estimated firm period of the drilling contract. Contract preparation and mobilization costs can include costs relating to equipment, labor and rig transportation costs (tugs, heavy lift vessel costs), that are directly attributable to our future performance obligation under each respective drilling contract. Costs incurred for the demobilization of rigs at contract completion are recognized as incurred during the demobilization process.

Intangibles

Intangible assets represent contractual rights for customer contracts obtained in connection with business acquisitions. Contract liabilities represent contractual rights obtained in connection with business acquisitions that have unfavorable contractual terms relative to market as of the acquisition dates. The intangibles have definite lives and are amortized to revenues over the period of the related contracts.

Leases

The Company has certain lease contracts for equipment and premises resulting in a right-of-use asset and a lease liability and the Company has applied an incremental borrowing rate as the discount rate to calculate the respective asset and liability. The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. Options to renew our lease terms are included in determining the ROU asset and lease liability when it is reasonably certain that options will be exercised. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. For operating leases, the right-of-use asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has elected not to recognize leases with an initial term of twelve months or less on the balance sheet. The are recognized on a straight-line basis and are recognized in the period as incurred.

Related Parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Fair Value of Financial Instruments

Carrying amounts of certain of the Company's financial instruments, including cash, cash equivalents and restricted cash and accounts receivable, approximate fair value because of their short maturities. For financial instruments subject to fair value valuation the Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

Share-based Compensation

The parent company grants stock options as incentive-based compensation to management and employees. The parent company has also issued equity settled warrants for certain services consummated by the Company. The Company measures the cost of such equity-classified awards using the grant date fair value of the award using representative Black-Scholes option pricing models and recognizes the cost over the vesting period. For awards without a vesting period the cost is recognized when the service is provided. Forfeitures are accounted for as they occur.

Income Taxes

The Company is a Bermuda registered entity and under current Bermuda law, the Company is not subject to corporate income taxes. The Company has several subsidiaries and branches in various jurisdictions subject to different tax regimes. The vessel owning entities are registered in British Virgin Islands, which is exempt from taxes. The Company's Brazilian operating company, Ventura Petroleo, is subject to Brazilian taxes and has incurred a significant net operating losses since its inception, and therefore has no tax liability nor recognized a deferred tax assets due to uncertainty related to utilization. Our income tax expense is based on the tax laws and statutory tax rates in effect in the various jurisdictions in which we operate.

Recently Adopted Accounting Standards and Recent Accounting Pronouncements

The FASB issues Accounting Standards Updates ("ASU") to communicate changes to the codification. The Company considers the applicability and impact of ASUs issued. As of June 30, 2024, no ASUs have been issued that are expected to have a material impact on these consolidated financial statements.

Note 3 Acquisition of shares in Universal Energy Resources Inc

On March 8, 2024, the Company entered into a Sale and Purchase agreement ("SPA") to acquire 100% of the shares in Universal Energy Resources Inc from Petroserve Marine Inc. for an enterprise value of \$280.0 million including net free cash of \$10 million and targeted net working capital of \$12.5 million. The purchase price was subject to certain adjustment mechanisms, and the actual purchase price payable to the Seller deviated depending on actual cash and net working capital as at the closing of the UER Acquisition. On May 8, 2024, the Company paid \$281.0 million for the shares in UER including cash and working capital (excluding items related to managed vessels) of \$23.5 million. Subsequent to June 30, 2024, a final closing balance for the transaction was agreed and resulted in a minor adjustment to the purchase price.

The transaction is considered as a business combination under ASC 805 and a provisional purchase price allocation ("PPA") has been performed to determine the fair value of the assumed assets and liabilities presented in the table below:

<i>in USD millions</i>	Preliminary Purchase Price Allocation
<i>Assets:</i>	
Cash and Cash Equivalents	15.3
Net Working Capital	8.0
Vessels and Equipment	402.1
Deferred Tax Assets, net	18.4
Intangible Assets	14.3
<i>Less liabilities:</i>	
Unfavourable Contract Liability	(177.1)
= Acquisition price paid	281.0

Acquired receivables are towards an oil major where the amount presented in the table above is the gross value and no allowance for credit losses has been made as the difference is expected to be immaterial. No adjustments have been made to lease liabilities and right-of-use assets as these contracts are of shorter duration and have been considered to be at market terms. Contingencies are included in the PPA analysis with \$0.8 million.

The acquired intangible assets are related to customer relationships for vessels owned by third parties and these intangibles are expected to be amortized over the life of the contracts that ranges from 1.3 years to 2.8 years. The

intangibles have been amortized with \$0.1 million in the period. Subsequent to June 30, 2024, the Company has acquired SSV Catarina, which was under management in the period up to June 30, 2024, and a net of \$1.7 million related to pre-existing relationships will be recorded in the third quarter of 2024 when accounting for the acquisition of SSV Catarina.

We refer to note 4 for information related to the Unfavourable contracts liability and associated deferred tax assets and note 5 for Vessels and equipment.

The Company did not have any operations prior to the acquisition of UER on May 8, 2024, and 100% of revenues, rig operating and maintenance expenses and depreciation and amortization relates to the acquired business. Included in general and administrative expenses of the Company are acquisition related cost of approximately \$3.8 million, of which \$2.6 million is a non-cash expense related to warrants issued. Interest expenses of \$2.8 million for the period ended June 30, 2024, is related to the borrowings described in note 6.

Note 4 Revenues and segment information

The Company's two owned rigs, DS Carolina and SSV Victoria, are chartered out on three-year contracts to Petrobras. The charter contracts include a day rate that is paid partly in US dollars and with an element that is paid in Brazilian reais that is adjusted for annual inflation. The three-year contracts commenced in 2023 and expire in the second quarter of 2026.

The Company has operating agreements for two vessels owned by third parties, SSV Catarina and DS Zonda. For DS Zonda, the Company has been awarded a three-year contract, plus optional three years, with Petrobras. Zonda is currently under construction and the vessel is expected to commence operations in Brazil in the first quarter of 2025. The operating and marketing agreements have been signed with the owners of Zonda for the operations of the vessel. Further, the owner of the vessel assumes the revenues and expenses under the contract period and the Company is expected to earn a management fee that is subject to the operational performance of the vessel during the period.

The second vessel, SSV Catarina, has been engaged on a contract in Vietnam in the second quarter of 2024 and the Company has earned management fees in this period. We refer to further information in note 3 and 12 regarding the Company's acquisition of this vessel in July 2024.

The acquisition of UER was effective as of May 8, 2024, and the below table includes operating revenues and expenses incurred in the period from May 8 to June 30, except for General and Administrative Expenses that is including costs incurred from the inception of the Company in February 2024.

<i>in USD thousands</i>	Operations of Owned Vessels	Operations of Managed Vessels	Unallocated items	Total
Operating Revenues	20,034	24,110	13,199	57,343
Management Fee Income	-	1,107	-	1,107
Sub-total revenues	20,034	25,217	13,199	58,450
Rig Operating and Maintenance Expenses	(10,837)	(24,262)	-	(35,099)
Depreciation and amortization	(3,592)	-	(139)	(3,731)
General and Administrative expenses	-	-	(6,743)	(6,743)
Operating Income	5,605	955	6,317	12,877

Unallocated general and administrative expenses of \$6.7 million in the table above, includes \$3.8 million in expenses related to the acquisition of UER that includes a non-cash expense of \$2.6 million related to warrants issued for services (we refer to note 7 for further information). Further, the Company has performed a preliminary purchase price allocation, see note 3, where an unfavourable contract liability has been identified as a result of current charter contracts being below the prevailing market rates for similar vessels. The unfavourable contract liability of \$177.1 million is amortized over the remaining duration of the contracts for the two owned rigs. For the financial period ending June 30, 2024, the Company has recognized a non-cash item of \$ 13.2 million related to this and the

amortization is presented in the reconciling items in the table above. Further, there is an associated deferred tax asset of \$19.8 million that has been recognized related to the unfavourable contract liability that is recognized in the same manner as the unfavourable contract liability, and the Company has recognized an income tax expense of \$1.5 million in the period ending June 30, 2024.

Note 5 Vessels and Equipment

Vessels and equipment consist of the cost price and capital expenditure in the period for the two owned vessels, SSV Victoria and DS Carolina, and accumulated depreciation. The two vessels were acquired in the acquisition of UER described in note 3 and the value of the vessels have been determined in a provisional Purchase Price Allocation. The valuation of the vessels has been based on a combination of broker estimates and a discounted cash flow valuation model using estimated market rates for the remaining useful life of the vessels on an “as is where is” basis. We refer to further information in note 3 related to the preliminary Purchase price Allocation that has been performed and note 4 regarding unfavourable contracts.

The carrying value of the two vessels as of June 30, 2024:

<i>in USD thousands</i>	
DS Carolina	224,150
SSV Victoria	174,242
Other property and Equipment	228
Total	398,620

Depreciation expense for the financial reporting period ending June 30, 2024, totalled \$3.6 million.

Note 6 Long-Term Debt

On April 19, 2024, the Company raised a senior secured bond loan with gross and net (of financing costs) proceeds of \$130.0 million and \$127.2 million, respectively, to partly fund the UER Acquisition. First-priority security is established in the rigs owned by Universal Energy Resources Inc Group, the shares in Ventura Offshore Midco Ltd. and all subsidiaries, together with assignment of earnings and insurances including bank account pledges. The loan is amortizing with \$30.0 million annually and with quarterly payments of incurred interest and instalments. The first interest payment is in the third quarter of 2024 and the first instalment of \$7.5 million payable in the fourth quarter 2024 together with incurred interest, carries a nominal interest per annum of 10.0%, and a remaining balance of \$55.0 million to be paid upon maturity in April 2027. The loan agreement contains financial covenants requiring a loan to value of maximum 60% and \$10.0 million in minimum liquidity.

Interest expenses consist of interest expense incurred of \$2.6 million on the senior secured bond loan and amortization of deferred financing cost of \$0.2 million.

The annual principal repayments required to be made under the outstanding bond loan as of June 30, 2024, is as follows:

<i>in USD thousands</i>	
2024	7,500
2025	30,000
2026	30,000
2027	62,500
2028	-
Total outstanding as of June 30, 2024	130,000

The above does not reflect changes to the borrowing facility executed subsequent to June 30, 2024. We refer to further information in note 12.

Note 7 Shareholders' Equity and Warrants

Authorized, issued and outstanding common shares roll-forward is as follows:

	Authorized Number of Shares	Issued and Outstanding Number of Shares	Common Stock
Balance as of February 24, 2024	-	-	-
Incorporation of the Company	1,000,000	1	\$0
Balance as of June 30, 2024	1,000,000	1	\$0

The authorized share capital of the Company is \$1,000,000 with a nominal amount of \$0.01 per share.

Warrants

The parent company has issued 4,250,000 warrants giving the right to subscribe for 1 new share at par value (\$0.01) in conjunction with the equity offering in the parent company of \$170.0 million to raise sufficient funding to acquire 100% of the shares in UER. The parent company lent \$162.3 million of the proceeds to the Company through a sub-ordinated loan.

A total of 1,700,000 of the warrants were issued to a group of key contributors for their contribution to complete the acquisition. The warrants issued are equity settled. The warrants have been considered as a service cost related to completing the acquisition of UER by the Company and 100 % of the calculated cost has been recognized in the period ending June 30, 2024, equalling \$2.6 million. The valuation of the warrants has been done through use of a modified Black-Scholes model and with an assumed volatility of 40.1 %, a risk-free interest rate of 4.54 % and duration of 3 years.

The warrants are exercisable within 3 years, if the share price of the parent company exceeds the following set of hurdles:

- 1/3 at 20% premium to the Offer Price of \$2.0 per Share over a period of five consecutive days.
- 1/3 at 40% premium to the Offer Price of \$2.0 per Share over a period of five consecutive days.
- 1/3 at 60% premium to the Offer Price of \$2.0 per Share over a period of five consecutive days.

Two thirds of the warrants have vested as of June 30, 2024, without being exercised.

Note 8 Subordinated Loan, related parties

The Company has borrowed \$162.3 million from its parent company through a sub-ordinated non-interest-bearing loan. The funds were applied to the acquisition of 100 % of the shares in UER.

Note 9 Leases

The Company's future minimum lease payments related to the operating leases are as follows:

<i>in USD thousands</i>	
2024	2,722
2025	4,934
2026	2,605
2027	22
2028	19
Total remaining lease payments as of June 30, 2024	10,302
Less: Imputed Interest	(1,788)
Present value of lease liabilities	8,514

The weighted average remaining lease term is 2.0 years and the average discount rate is 10.32%.

Note 10 Commitment and contingencies

The Company is holding \$18.2 million of cash, which is presented as restricted cash, on behalf of the owners of Catarina and Zonda for payment of capital expenditure and operating expenses for these vessels.

The Company is providing bank guarantees and performance bonds to counterparties as part of its regular operations. As of June 30, 2024, the Company has issued guarantees and performance bonds totalling \$3.3 million in relation to operation of the managed rigs. The restricted cash of \$18.2 million includes cash held as security for these guarantees and performance bonds.

In 2008, 2009, 2017 and 2023, the Company received tax assessments from the Brazilian Federal Revenue Service that remain unsettled as of June 30, 2024. Management and its legal counsel are defending the assessments and do not believe payment of the assessments is probable. Therefore, no provision has been provided for in the consolidated financial statements of the Company.

The Company could be subject to future review and examination by taxing agencies in the jurisdiction in which the Company operates, the results of which management does not believe would have a material adverse effect on the Company's consolidated financial position, operations or cash flows.

Note 11 Financial instruments

The Company's functional currency is United States dollars, and the majority of the Company's transactions, assets and liabilities are denominated in United States dollars. The Company's two rigs are operating in Brazil and the Company incurs certain operational costs in local currency, which would be subject to currency fluctuations. The Company has not entered into any derivatives to mitigate this risk, as the foreign currency risk is not assumed to have a material negative impact. The Company's interest-bearing loan has a fixed interest rate and the carrying value is assumed to equal its fair value as of June 30, 2024.

The Company uses valuation approaches for fair value measurements that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments and other financial assets.

- The carrying value of cash, cash equivalents and restricted cash is a reasonable estimate of fair value.
- The estimated fair value for the long-term debt is considered to be approximately equal to the carrying value, adjusted for deferred financing cost presented as a reduction of the nominal borrowing amounts due to no significant changes in the interest rate levels since inception.

The carrying value and estimated fair value of the Company's financial instruments at June 30, 2024 are as follows:

<i>in USD thousands</i>	Fair value hierarchy, level	Fair Value	Carrying Value
Cash and Cash Equivalents	1	26,511	26,511
Restricted Cash	1	18,170	18,170
Senior secured bond loan	2	130,000	127,054

Note 11 Subsequent events

On June 27, 2024, the parent company announced that it had signed a binding memorandum of agreement for the acquisition of SSV Catarina for a consideration of \$100.0 million in cash, \$5.0 million in new shares in the Company, certain costs associated with delivery of the vessel, plus a profit-sharing mechanism of 17.5% of the free cash flow generated by the vessel for the first five years after delivery.

The delivery of the vessel took place on July 23, 2024, during transit from Vietnam to Indonesia, where the vessel is commencing a well based drilling contract with an expected duration of about 300 days, plus an optional five wells that could extend the contract period into Q2 2026, if exercised. The vessel commenced the contract in Indonesia on August 17.

To finance the acquisition of the vessel, the Company has issued 17,833,333 new shares at NOK 30.0 per share through a private placement to raise NOK 535.0 million (about \$50.0 million) in gross proceeds, issued 1,766,050 shares at NOK 30.0 per share to the sellers to settle \$5.0 million of the purchase price, increased the existing bond loan by \$55.0 million from \$130.0 million to \$185.0 million and entered into a revolving credit agreement of \$30.0 million for working capital purposes. The revolving credit facility carries an interest of Secured Overnight Financing Rate plus a margin of 3.75% upon utilization and has a duration of up to two years.

As part of the increase of the bond loan, the loan amortization is increased from \$7.5 million to \$ 10.0 million per quarter and the liquidity covenant is increased from \$10.0 million to \$15.0 million. The free liquidity covenant allows for the unused portion of the RCF to be included as free liquidity. The financial covenants for the RCF are aligned with the covenants for the bond loan, plus certain standard market financial covenants.

Further, the parent company announced that the Board has resolved to establish a share incentive plan consisting of 1,500,000 stock options for the senior management and key employees of the Company. The stock options are vesting with equal portions over a period of three years from grant date and with a strike price of NOK 30.0, equal to the issue price in the private placement described above to finance the acquisition of SSV Catarina. The stock options are expected to be accounted for in the third quarter of 2024 and with the compensation cost to be expensed over the vesting period.

APPENDIX I

**UNAUDITED FINANCIAL STATEMENTS FOR VENTURA OFFSHORE HOLDING LTD.
(FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 2024)**



Ventura Offshore Holding Ltd.

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Ventura Offshore Holding Ltd.
Consolidated Statement of Operations (unaudited)

All figures in USD '000, except number of shares and per share amount

	Note	For the period February 24, 2024 – June 30, 2024
<i>Revenues</i>		
Operating Revenues	4	57,343
Management Fee Income		1,107
Total Revenues		58,450
<i>Operating Expenses</i>		
Rig Operating and Maintenance Expenses		(35,099)
Depreciation and Amortization Expenses	5	(3,731)
General and Administrative Expenses		(8,044)
Total Operating Expenses		(46,874)
Operating Income		11,576
Financial Income (Expenses)		
Interest Income		540
Interest Expenses	3	(2,786)
Total Financial Income (Expenses), net		(2,246)
Net Income Before Income Taxes		9,330
Income Tax Expense	4	(1,463)
Net Income		7,867
Other Comprehensive Income / (Loss)		-
Total Comprehensive Income		7,867
Basic Income per Share	8	0.23
Diluted Income per Share	8	0.22
Weighted Average Number of Common Shares Outstanding – Basic		33,143,146
Weighted-Average Number of Common Shares Outstanding – Diluted		35,826,129

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Holding Ltd.
Consolidated Balance Sheet (unaudited)

All figures in USD '000, except number of shares and per share amount

Assets	Note	As of June 30, 2024
Current Assets		
Cash and Cash Equivalents	11	30,633
Restricted Cash	10,11	18,170
Accounts Receivable, Net		28,293
Prepaid Expenses and Other Current Assets		7,317
Total Current Assets		84,413
Non-Current Assets		
Vessels and Equipment	5	398,620
Deferred Tax Assets	4	18,357
Intangible Assets	3	14,161
Right-of-Use Assets		8,514
Total Non-Current Assets		439,652
Total Assets		524,065
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable		26,025
Lease Liabilities	9	4,135
Other Current Liabilities		19,305
Unfavourable Contracts	4	90,896
Current Portion of Long-Term Debt	6,11	21,456
Total Current Liabilities		161,817
Non-Current Liabilities		
Long-Term Debt	6,11	105,598
Unfavourable Contracts	4	73,005
Lease Liabilities	9	4,379
Other Non-Current Liabilities		1,585
Total Non-Current Liabilities		184,567
Commitments and Contingencies		-
Shareholders' Equity		
Common Stock, par value \$0.01 per share		
170,000,000 authorized, 85,000,001 shares issued and outstanding as of June 30, 2024	7	850
Additional Paid-In Capital	7	168,964
Retained Earnings		7,867
Total Shareholders' Equity		177,681
Total Liabilities and Equity		524,065

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Holding Ltd.
Consolidated Statement of Shareholders' Equity (unaudited)
All figures in USD '000, except number of shares

	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Income) Loss	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
Balance as of February 24, 2024 (inception)	1	-	-	-	-	-
Net Income	-	-	-	-	7,867	7,867
Common Shares and Warrants Issued	85,000,000	850	166,317	-	-	167,167
Share Based Compensation	-	-	2,647	-	-	2,647
Balance as of June 30, 2024	85,000,001	850	168,964	-	7,867	177,681

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Holding Ltd.
Consolidated Statement of Cash Flows (unaudited)
All figures in USD '000

	February 24, 2024 – June 30, 2024
Cash Flows from Operating Activities	
Net Income	7,867
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Amortization of Contract Liabilities	(13,199)
Share Based Compensation	2,647
Deferred Tax	1,463
Amortization of Deferred Financing Cost	186
Depreciation and Amortization Expense	3,731
<i>Changes in Assets and Liabilities:</i>	
Accounts Receivable and Accounts Payable	1,836
Prepaid Expenses, Other Current Assets and Other Current Liabilities	1,266
Net Cash Provided by Operating Activities	5,797
Cash Flows from Investing Activities	
Acquisition of business (net of cash and restricted cash acquired)	(250,120)
Additions to Vessels	(1,246)
Net Cash Used In Investing Activities	(251,366)
Cash Flows from Financing Activities	
Proceeds from Share Offering, net	167,168
Proceeds from Borrowings, net	127,204
Net Cash Provided by Financing Activities	294,372
Net Increase / (Decrease) in Cash, Cash Equivalents and Restricted Cash	48,803
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	0
Effect of foreign exchange on Cash	-
Cash, Cash Equivalents and Restricted Cash at End of the Period	48,803
Supplementary Disclosure of Cash Flow Information	
Cash and Cash Equivalents	30,633
Restricted Cash	18,170
Total Cash, Cash Equivalents and Restricted Cash	48,803
Cash Paid for Interest	-
Cash Paid for Taxes	-

The accompanying notes are an integral part of these consolidated financial statements.

Ventura Offshore Holding Ltd.

Notes to the Interim Consolidated Financial Statements

Note 1 General Information and Business Operations

Ventura Offshore Holding Ltd. was incorporated in Bermuda on February 24, 2024, under the name PS Marine Holding Ltd. On May 1, 2024, the name of the company was changed to Ventura Offshore Holding Ltd. Further, the 100% owned subsidiary, Ventura Offshore Midco Ltd, was incorporated in March 2024. These two entities were formed with the intention of raising capital through equity and a bond loan to acquire 100% of the shares of Universal Energy Resources Inc (the “UER Acquisition”). The Share Purchase Agreement was signed in early March 2024 and the transaction was completed on May 8, 2024.

Universal Energy Resources Inc (“UER”) was incorporated on April 25, 1984, and is a company providing contract drilling services. The Company’s main assets being the drillship DS Carolina and the semisubmersible drilling rig SSV Victoria, both currently operating in Brazil on long term time-charter contracts with the oil major Petrobras, in addition to operating the two vessels, SSV Catarina and DS Zonda, owned by third-parties as of June 30, 2024. The Company announced on June 27, 2024, that it had entered into an agreement to acquire SSV Catarina and the delivery of the vessel took place on July 23, 2024.

Note 2 Basis of Preparation of Accounting Policies

Basis of Preparation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Amounts are presented in United States Dollars (“U.S. dollar or \$”), rounded to the nearest thousand, unless stated otherwise.

Principles of Consolidation

Entities in which the parent company has controlling financial interest are consolidated. Subsidiaries are consolidated from the date on which control is obtained. The subsidiaries’ accounting policies are in conformity with U.S. GAAP. All intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency

Foreign currency transaction gains or losses are credited or charged to income/expense as incurred. The Company and the majority of its subsidiaries use the United States dollar as their functional currency as their revenues and expenses are mostly denominated in U.S. dollars and U.S. dollars are also the reporting currency of the Company. For subsidiaries located in Brazil with reais as functional currency the accounts have been remeasured into U.S. dollars. These books and records have been translated using the monetary-nonmonetary method. Translation losses and gains have been included as a component of other comprehensive income. The assets and liabilities recorded in reais are primarily monetary and have been translated to U.S. dollars using the exchange rate in effect at the balance sheet date (R\$5.60 to U.S. \$1 for the period ended June 30, 2024). Results of operations have been translated using the average exchange rate during the period. The average exchange rate was R\$ 5.26 to U.S. \$1 for the reporting period ended June 30, 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consists of highly liquid investments including certificate of deposits with original maturities when acquired of three months or less. Cash balances held on behalf of the owners of managed vessels to cover expenses and capital expenditure related to these vessels have been presented as restricted cash in the balance sheet, together with bank deposits that are used as collateral for guarantees and performance bonds issued by banks.

Receivables and Allowance for Expected Credit Losses

Accounts receivable and other receivables are presented net of allowance for expected credit losses. The Company determines an asset is impaired when, based on current information and events, it is probable that the Company will be unable to recover amounts due according to original contractual terms. No allowance has been made as of June 30, 2024.

Concentration of Credit Risk

Financial instruments which potentially subject to the Company to concentrations of credit risk consists primarily of cash, cash equivalents, restricted cash and accounts receivable. The Company's cash is primarily held in major banks. Accordingly, the Company believes the risk of any potential loss on deposits held in these institutions is remote. Concentrations of credit risk relative to accounts receivable are limited to our client base in the oil and energy industry that may be affected by changes in economic or other external conditions. The Company does not require collateral for its accounts receivable. For the period ending June 30, 2024, three customers accounted for 56.8%, 18.0% and 25.2% of the revenues, respectively.

Deferred Financing and Offering Costs

The costs associated with raising equity is charged to capital upon completion of the relevant offering or charged to operations if the offering is not completed. Financing costs, including fees, commissions and legal expenses are deferred and amortized over the term of the debt arrangement, which approximates the effective interest method. Incurred initial fees related to loans not yet drawn are presented as Other Current Assets. Unamortized deferred financing costs are deducted from the carrying value of the associated financial liability.

Vessels and Equipment

Vessels and equipment are stated at cost. Operating vessels and equipment are depreciated over the estimated useful lives of the assets of 30 years using the straight-line method from the construction date with an estimate for salvage value. Additions or improvements that increase the value or extend the life of an asset are capitalized and depreciated. Expenditures for normal maintenance and repairs are expensed as incurred. Disposals are removed from the accounts at cost less accumulated depreciation, and any gain or loss from disposition is reflected in operations.

Impairment of Long-Lived Assets

The Company periodically assesses the carrying value of its long-lived assets when events or circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is assessed by comparison of an asset's carrying value to the undiscounted estimated future cash flows expected to be generated by that asset. In the event that the Company determines that an asset's carrying value is not recoverable, the amount of impairment is measured based on the fair value of the asset as determined by broker estimates or discounted future cash flows. Management's assumptions are necessarily subjective and are an inherent part of our asset impairment evaluation, and the use of different assumptions could produce results that differ from those reported. Our methodology generally involves the use of significant unobservable inputs, representative of a Level 3 fair value measurement, which may include assumptions related to future dayrate revenue, costs and rig utilization, the long-term future performance of our rigs and future market conditions and management's expectations may not be indicative of actual future outcomes. Significant unanticipated changes to these assumptions could materially alter our analysis in testing an asset for potential impairment. For example, changes in market conditions that exist at the measurement date or that are projected by management could affect our key assumptions. Other events or circumstances that could affect our assumptions may include, but are not limited to, a further sustained decline in oil and gas prices, cancellations of our drilling contracts or contracts of our competitors, contract modifications, costs to comply with new governmental regulations, capital expenditures required due to advances in offshore drilling technology, growth in the global oversupply of oil and geopolitical events, such as lifting sanctions on oil-producing nations. Should actual market conditions in the future vary significantly from market conditions used in our projections, our assessment of impairment would likely be different. No impairment indicators were identified as of June 30, 2024.

Revenue Recognition

Contracts with customers provide for an offshore drilling rig and drilling services on a dayrate contract basis. The integrated services provided under our contracts primarily include (i) provision of an offshore drilling rig, the work crew and supplies of equipment and services necessary to operate the rig, (ii) mobilization and demobilization of the rig to and from the drill site and (iii) performance of rig preparation activities and/or modifications required for each contract.

Dayrate Drilling Revenue

Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted, restricted by equipment breakdowns, adverse environmental conditions, etc. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore recognized in line with the contractual rate billed for the services provided for any given hour.

Certain of our contracts contain performance-based incentives, whereby we may earn a bonus or incur penalties based on pre-established performance metrics. Consideration related to the performance incentive is generally recognized in the specific time period to which the performance criteria were attributed.

Mobilization/Demobilization Revenue

We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization and demobilization of our rigs. These activities are not considered to be distinct within the context of the contract, and therefore the associated revenue is allocated to the overall performance obligation. We record a contract liability for mobilization fees received and amortize such on a straight-line basis to contract drilling revenue as services are rendered over the term of the related drilling contract. Demobilization revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognized as contract drilling revenue on a straight-line basis over the term of the contract with an offset to an accretive contract asset.

In some contracts, there is uncertainty as to the likelihood and amount of expected demobilization revenue to be received. For example, contractual provisions may require that a rig demobilize a certain distance before the demobilization revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained, as described above, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on our past experience and knowledge of market conditions.

Contract Preparation Revenue

Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, the customer may compensate us for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract. We record a contract liability for contract preparation upfront fees received, which is amortized on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Capital Modification Revenue

From time to time, we may receive fees from our customers for capital improvements or upgrades to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). The activities related to these capital modifications are not considered to be distinct within the context of our contracts. We record a contract liability for the upfront fees received and recognize them on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Reimbursement Revenue

Some operating agreements for the vessels include revenue from reimbursements of expenses where the principal relationship exists between the Company and the service providers. The operating expenses are recorded in operating revenues.

Segment Reporting

A segment is a distinguishable component of the business that is engaged in business activities from which we earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker ("CODM") (our Board of Directors), and which are subject to risks and rewards that are different from those of other segments. We have identified two reportable segments being Operations of owned vessels and Operations of managed vessels.

Deferred mobilization costs

The Company incurs costs to prepare rigs for contract and deliver or mobilize rigs to drilling locations. The Company defers pre-operating contract preparation and mobilization costs and recognizes such costs on a straight-line basis over the estimated firm period of the drilling contract. Contract preparation and mobilization costs can include costs relating to equipment, labor and rig transportation costs (tugs, heavy lift vessel costs), that are directly attributable to our future performance obligation under each respective drilling contract. Costs incurred for the demobilization of rigs at contract completion are recognized as incurred during the demobilization process.

Intangibles

Intangible assets represent contractual rights for customer contracts obtained in connection with business acquisitions. Contract liabilities represent contractual rights obtained in connection with business acquisitions that have unfavorable contractual terms relative to market as of the acquisition dates. The intangibles have definite lives and are amortized to revenues over the period of the related contracts.

Leases

The Company has certain lease contracts for equipment and premises resulting in a right-of-use asset and a lease liability and the Company has applied an incremental borrowing rate as the discount rate to calculate the respective asset and liability. The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. Options to renew our lease terms are included in determining the ROU asset and lease liability when it is reasonably certain that options will be exercised. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. For the operating leases, the right-of-use asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has elected not to recognize leases with an initial term of twelve months or less on the balance sheet. The are recognized on a straight-line basis and are recognized in the period as incurred.

Related Parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Fair Value of Financial Instruments

Carrying amounts of certain of the Company's financial instruments, including cash, cash equivalents and restricted cash and accounts receivable, approximate fair value because of their short maturities. For financial instruments subject to fair value valuation the Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

Share-based Compensation

The Company grants stock options as incentive-based compensation to management, employees and board members. The Company has also issued equity settled warrants for certain services. The Company measures the cost of such equity-classified awards using the grant date fair value of the award using representative Black-Scholes option pricing models and recognizes the cost over the vesting period. For awards without a vesting period the cost is recognized when the service is provided. Forfeitures are accounted for as they occur.

Income Taxes

The Company is a Bermuda registered entity and under current Bermuda law, the Company is not subject to corporate income taxes. The Company has several subsidiaries and branches in various jurisdictions subject to different tax regimes. The vessel owning entities are registered in British Virgin Islands, which is exempt from taxes. The Company's Brazilian operating company, Ventura Petroleo, is subject to Brazilian taxes and has incurred a significant net operating losses since its inception, and therefore has no tax liability nor recognized a deferred tax assets due to uncertainty related to utilization. Our income tax expense is based on the tax laws and statutory tax rates in effect in the various jurisdictions in which we operate.

Recently Adopted Accounting Standards and Recent Accounting Pronouncements

The FASB issues Accounting Standards Updates ("ASU") to communicate changes to the codification. The Company considers the applicability and impact of ASUs issued. As of June 30, 2024, no ASUs have been issued that are expected to have a material impact on these consolidated financial statements.

Note 3 Acquisition of shares in Universal Energy Resources Inc

On March 8, 2024, the Company entered into a Sale and Purchase agreement ("SPA") to acquire 100% of the shares in Universal Energy Resources Inc from Petroserv Marine Inc. for an enterprise value of \$280.0 million including net free cash of \$10 million and targeted net working capital of \$12.5 million. The purchase price was subject to certain adjustment mechanisms, and the actual purchase price payable to the Seller deviated depending on actual cash and net working capital as at the closing of the UER Acquisition. On May 8, 2024, the Company paid \$281.0 million for the shares in UER including cash and working capital (excluding items related to managed vessels) of \$23.5 million. Subsequent to June 30, 2024, a final closing balance for the transaction was agreed and resulted in a minor adjustment to the purchase price.

The transaction is considered as a business combination under ASC 805 and a provisional purchase price allocation ("PPA") has been performed to determine the fair value of the assumed assets and liabilities presented in the table below:

<i>in USD millions</i>	Preliminary Purchase Price Allocation
<i>Assets:</i>	
Cash and Cash Equivalents	15.3
Net Working Capital	8.0
Vessels and Equipment	402.1
Deferred Tax Assets, net	18.4
Intangible Assets	14.3
<i>Less liabilities:</i>	
Unfavourable Contract Liability	(177.1)
= Acquisition price paid	281.0

Acquired receivables are towards an oil major where the amount presented in the table above is the gross value and no allowance for credit losses has been made as the difference is expected to be immaterial. No adjustments have been made to lease liabilities and right-of-use assets as these contracts are of shorter duration and have been considered to be at market terms. Contingencies are included in the PPA analysis with \$0.8 million.

The acquired intangible assets are related to customer relationships for vessels owned by third parties and these intangibles are expected to be amortized over the life of the contracts that ranges from 1.3 years to 2.8 years. The

intangibles have been amortized with \$0.1 million in the period. Subsequent to June 30, 2024, the Company has acquired SSV Catarina, which was under management in the period up to June 30, 2024, and a net of \$1.7 million related to pre-existing relationships will be recorded in the third quarter of 2024 when accounting for the acquisition of SSV Catarina.

We refer to note 4 for information related to the Unfavourable contracts liability and associated deferred tax assets and note 5 for Vessels and equipment.

The Company did not have any operations prior to the acquisition of UER on May 8, 2024, and 100% of revenues, rig operating and maintenance expenses and depreciation and amortization relates to the acquired business. Included in general and administrative expenses of the Company are acquisition related cost of approximately \$3.8 million of which \$2.6 million is a non-cash expense related to warrants issued. Interest expenses of \$2.8 million for the period ended June 30, 2024, is related to the borrowings described in note 6.

Supplemental Pro Forma Information

The parent company in the group was incorporated in February 2024 and no comparative balance sheet or profit and loss figures have been presented. The acquired business, Universal Energy Resources Inc (“UER”), has had operating activities for many years. The unaudited pro forma financial information is prepared to illustrate how the acquisition would have affected the Group’s consolidated revenue and earnings for the six months period ending 30 June 2024 as if the acquisition had taken place with effect from 1 January 2024 and is compiled based upon the following information:

- 1) The unaudited consolidated management accounts for Universal Energy Resources Inc for the six months period ended 30 June 2024
- 2) The SPA for the acquisition of the shares in Universal Energy Resources Inc.;
- 3) The 10.00% interest Senior secured bond loan of USD 130.0 million agreement described in note 6 used to fund the transaction is assumed to be outstanding from January 1;
- 4) The preliminary PPA valuation for certain assets and liabilities including amortization of the unfavourable contract liability, intangible assets and associated deferred tax balances;
- 5) The reversal of recorded restructuring gains of \$52.8 million related to the previous owner of UER;
- 6) Other management prepared information regarding certain assets and liabilities

	UER January 1 – June 30	Pro Forma adjustments	Pro Forma figures Jan 1 – June 30
Revenues	112,209	42,101	154,310
Net Income	39,932	(2,834)	37,098

Because of its nature, the pro forma financial information addresses a hypothetical situation prepared for illustrative purposes only and, therefore, does not represent the Group’s actual financial position if the acquisition had in fact occurred on 1 January 2024 and is not representative of the results of operations for any future periods.

Note 4 Revenues and segment information

The Company’s two owned rigs, DS Carolina and SSV Victoria, are chartered out on three-year contracts to Petrobras. The charter contracts include a day rate that is paid partly in US dollars and with an element that is paid in Brazilian reais that is adjusted for annual inflation. The three-year contracts commenced in 2023 and expire in the second quarter of 2026.

The Company has operating agreements for two vessels owned by third parties, SSV Catarina and DS Zonda. For DS Zonda, the Company has been awarded a three-year contract, plus optional three years, with Petrobras. Zonda is currently under construction and the vessel is expected to commence operations in Brazil in the first quarter of 2025. The operating and marketing agreements have been signed with the owners of Zonda for the operations of the vessel. Further, the owner of the vessel assumes the revenues and expenses under the contract period and the Company is expected to earn a management fee that is subject to the operational performance of the vessel during the period.

The second vessel, SSV Catarina, has been engaged on a contract in Vietnam in the second quarter of 2024 and the Company has earned management fees in this period. We refer to further information in note 3 and 12 regarding the Company's acquisition of this vessel in July 2024.

The acquisition of UER was effective as of May 8, 2024, and the below table includes operating revenues and expenses incurred in the period from May 8 to June 30, except for General and Administrative Expenses that is including costs incurred from the inception of the Company in February 2024.

<i>in USD thousands</i>	Operations of Owned Vessels	Operations of Managed Vessels	Unallocated items	Total
Operating Revenues	20,034	24,110	13,199	57,343
Management Fee Income	-	1,107	-	1,107
Sub-total revenues	20,034	25,217	13,199	58,450
Rig Operating and Maintenance Expenses	(10,837)	(24,262)	-	(35,099)
Depreciation and amortization	(3,592)	-	(139)	(3,731)
General and Administrative expenses	-	-	(8,044)	(8,044)
Operating Income	5,605	955	5,016	11,576

Unallocated general and administrative expenses of \$8.0 million in the table above, includes expenses of about \$1.0 million associated with the stock exchange listing of the parent company and \$3.8 million in expenses related to the acquisition of UER that includes a non-cash expense of \$2.6 million related to warrants issued for services (we refer to note 7 for further information). Further, the Company has performed a preliminary purchase price allocation, see note 3, where an unfavourable contract liability has been identified as a result of current charter contracts being below the prevailing market rates for similar vessels. The unfavourable contract liability of \$177.1 million is amortized over the remaining duration of the contracts for the two owned rigs. For the financial period ending June 30, 2024, the Company has recognized a non-cash item of \$ 13.2 million related to this and the amortization is presented in the reconciling items in the table above. Further, there is an associated deferred tax asset of \$19.8 million that has been recognized related to the unfavourable contract liability that is recognized in the same manner as the unfavourable contract liability, and the Company has recognized an income tax expense of \$1.5 million in the period ending June 30, 2024.

Note 5 Vessels and Equipment

Vessels and equipment consist of the cost price and capital expenditure in the period for the two owned vessels, SSV Victoria and DS Carolina, and accumulated depreciation. The two vessels were acquired in the acquisition of UER described in note 3 and the value of the vessels have been determined in a provisional Purchase Price Allocation. The valuation of the vessels has been based on a combination of broker estimates and a discounted cash flow valuation model using estimated market rates for the remaining useful life of the vessels on an "as is where is" basis. We refer to further information in note 3 related to the preliminary Purchase price Allocation that has been performed and note 4 regarding unfavourable contracts.

The carrying value of the two vessels as of June 30, 2024:

<i>in USD thousands</i>	
DS Carolina	224,150
SSV Victoria	174,242
Other property and Equipment	228
Total	398,620

Depreciation expense for the financial reporting period ending June 30, 2024, totalled \$3.6 million.

Note 6 Long-Term Debt

On April 19, 2024, the Company's wholly owned subsidiary, Ventura Offshore Midco Ltd., raised a senior secured bond loan with gross and net (of financing costs) proceeds of \$130.0 million and \$127.2 million, respectively, to partly fund the UER Acquisition. First-priority security is established in the rigs owned by Universal Energy Resources Inc Group, the shares in Ventura Offshore Midco Ltd. and all subsidiaries, together with assignment of earnings and insurances including bank account pledges. The loan is amortizing with \$30.0 million annually and with quarterly payments of incurred interest and instalments. The first interest payment is in the third quarter of 2024 and the first instalment of \$7.5 million payable in the fourth quarter 2024 together with incurred interest, carries a nominal interest per annum of 10.0%, and a remaining balance of \$55.0 million to be paid upon maturity in April 2027. The loan agreement contains financial covenants requiring a loan to value of maximum 60% and \$10.0 million in minimum liquidity.

Interest expenses consist of interest expense incurred of \$2.6 million on the senior secured bond loan and amortization of deferred financing cost of \$0.2 million.

The annual principal repayments required to be made under the outstanding bond loan as of June 30, 2024, is as follows:

<i>in USD thousands</i>	
2024	7,500
2025	30,000
2026	30,000
2027	62,500
2028	-
Total outstanding as of June 30, 2024	130,000

The above does not reflect changes to the borrowing facility executed subsequent to June 30, 2024. We refer to further information in note 12.

Note 7 Shareholders' Equity and Warrants

Authorized, issued and outstanding common shares roll-forward is as follows:

	Authorized Number of Shares	Issued and Outstanding Number of Shares	Common Stock
Balance as of February 24, 2024	-	-	-
Incorporation of the Company	1,000,000	1	\$0
Share Offering	169,000,000	85,000,000	\$850,000
Balance as of June 30, 2024	170,000,000	85,000,001	\$850,000

The authorized share capital of the Company is \$1,700,000 with a nominal amount of \$0.01 per share.

The share offering of \$170.0 million, and registration of the shares was completed on May 10, 2024, in conjunction with completion of the UER Transaction resulting in 85.0 million new shares being issued at \$2.0 per share. In conjunction with this offering, the number of authorized shares was increased to 170,000,000. The Company incurred approximately \$2.8 million in transactions costs that has been recorded as a reduction of the share premium account. The Company's share premium fund as defined by Bermuda law is included in Additional Paid-in Capital.

Subsequent to June 30, 2024, the Company has raised new equity of NOK 535.0 million (about \$50 million) in gross proceeds through issuing 17,833,333 new shares at NOK 30 per share to finance the acquisition of SSV Catarina, described in note 3, 6 and 12 and further issued 1,766,050 shares at NOK 30 per share to settle \$5.0 million of the total consideration agreed with the sellers.

Warrants

A consortium of investors prepaid subscribed equity of \$28.0 million in March 2024 and allowed for this to be applied to a deposit of the same amount related to the SPA, signed in early March 2024, for acquisition of 100% of the shares in UER. The acquisition was completed on May 8, 2024. The amount of \$28.0 million was used to subscribe for shares in the equity offering of \$170.0 million, at \$2.0 per share, that was effectuated in conjunction with completion of the UER Acquisition.

Further, the Company issued a total of 4,250,000 warrants to the consortium with each warrant giving the right to subscribe for 1 new share at par value (\$0.01), where 2,550,000 warrants were issued in relation to the prepaid subscribed equity and the remaining 1,700,000 warrants were issued to the key contributors for their contribution to complete the acquisition. All warrants issued are equity settled. The warrants associated with the prepaid subscribed equity has been recorded as equity and the warrants issued to the key contributors have been considered as a service cost related to completing the acquisition and 100 % of the calculated cost has been recognized in the period ending June 30, 2024, equalling \$2.6 million. The valuation of the warrants has been done through use of a modified Black-Scholes model and with an assumed volatility of 40.1 %, a risk-free interest rate of 4.54 % and duration of 3 years.

The warrants are exercisable within 3 years, if the share price of the Company exceeds the following set of hurdles:

- 1/3 at 20% premium to the Offer Price of \$2.0 per Share over a period of five consecutive days.
- 1/3 at 40% premium to the Offer Price of \$2.0 per Share over a period of five consecutive days.
- 1/3 at 60% premium to the Offer Price of \$2.0 per Share over a period of five consecutive days.

Two thirds of the warrants have vested as of June 30, 2024, and are outstanding and unexercised. The warrants have a strike price of \$0.01 per share and the vested number of warrants have been included in the calculation of basic earnings per share for the period ending June 30, 2024.

The chairman of the board is holding, directly and indirectly, 987,607 warrants and two of the board members were granted a total of 100,000 stock options on June 5, 2024. The stock options are vesting with equal parts over a period of three years and has a strike price of \$2.0 per share.

Note 8 Earnings per Share

Basic earnings per share (“EPS”) are computed by dividing net income by the weighted-average number of common shares outstanding for the period. The basic EPS denominator includes warrants vested, where no or little consideration is required, and are included in the calculation from their vesting date.

Diluted EPS is computed by dividing net income by the weighted-average number of common shares and dilutive common stock equivalents (warrants) outstanding during the period. Dilutive common stock equivalents have been included from their issuance date.

<i>In USD thousands, except shares and per share data</i>	February 24, 2024 – June 30, 2024
<i>Numerator for earnings per share</i>	
Net Income (Loss)	\$7,867
<i>Denominator for earnings per share</i>	
Basic weighted average number of common shares	33,143,146
Diluted weighted average number of common shares	35,826,129
Income per share – basic	0.23
Income per share - diluted	0.22

Note 9 Leases

The Company's future minimum lease payments related to the operating leases are as follows:

<i>in USD thousands</i>	As of June 30, 2024
2024	2,722
2025	4,934
2026	2,605
2027	22
2028	19
Total remaining lease payments as of June 30, 2024	10,302
Less: Imputed Interest	(1,788)
Present value of lease liabilities	8,514

The weighted average remaining lease term is 2.0 years and the average discount rate is 10.32%.

Note 10 Commitment and contingencies

The Company is holding \$18.2 million of cash, which is presented as restricted cash, on behalf of the owners of Catarina and Zonda for payment of capital expenditure and operating expenses for these vessels.

The Company is providing bank guarantees and performance bonds to counterparties as part of its regular operations. As of June 30, 2024, the Company has issued guarantees and performance bonds totalling \$3.3 million in relation to operation of the managed rigs. The restricted cash of \$18.2 million includes cash held as security for these guarantees and performance bonds.

In 2008, 2009, 2017 and 2023, the Company received tax assessments from the Brazilian Federal Revenue Service that remain unsettled as of June 30, 2024. Management and its legal counsel are defending the assessments and do not believe payment of the assessments is probable. Therefore, no provision has been provided for in the consolidated financial statements of the Company.

The Company could be subject to future review and examination by taxing agencies in the jurisdiction in which the Company operates, the results of which management does not believe would have a material adverse effect on the Company's consolidated financial position, operations or cash flows.

Note 11 Financial instruments

The Company's functional currency is United States dollars, and the majority of the Company's transactions, assets and liabilities are denominated in United States dollars. The Company's two rigs are operating in Brazil and the Company incurs certain operational costs in local currency, which would be subject to currency fluctuations. The Company has not entered into any derivatives to mitigate this risk, as the foreign currency risk is not assumed to have a material negative impact. The Company's interest-bearing loan has a fixed interest rate and the carrying value is assumed to equal its fair value as of June 30, 2024.

The Company uses valuation approaches for fair value measurements that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments and other financial assets.

- The carrying value of cash, cash equivalents and restricted cash is a reasonable estimate of fair value.
- The estimated fair value for the long-term debt is considered to be approximately equal to the carrying value, adjusted for deferred financing cost presented as a reduction of the nominal borrowing amounts due to no significant changes in the interest rate levels since inception.

The carrying value and estimated fair value of the Company's financial instruments at June 30, 2024 are as follows:

<i>in USD thousands</i>	Fair value hierarchy, level	Fair Value	Carrying Value
Cash and Cash Equivalents	1	30,633	30,633
Restricted Cash	1	18,170	18,170
Senior secured bond loan	2	130,000	127,054

Note 12 Subsequent events

On June 27, 2024, the Company announced that it had signed a binding memorandum of agreement for the acquisition of SSV Catarina for a consideration of \$100.0 million in cash, \$5.0 million in new shares in the Company, certain costs associated with delivery of the vessel, plus a profit-sharing mechanism of 17.5% of the free cash flow generated by the vessel for the first five years after delivery.

The delivery of the vessel took place on July 23, 2024, during transit from Vietnam to Indonesia, where the vessel is commencing a well based drilling contract with an expected duration of about 300 days, plus an optional five wells that could extend the contract period into Q2 2026, if exercised. The vessel commenced the contract in Indonesia on August 17.

To finance the acquisition of the vessel, the Company has issued 17,833,333 new shares at NOK 30.0 per share through a private placement to raise NOK 535.0 million (about \$50.0 million) in gross proceeds, issued 1,766,050 shares at NOK 30.0 per share to the sellers to settle \$5.0 million of the purchase price, increased the existing bond loan by \$55.0 million from \$130.0 million to \$185.0 million and further entered into a revolving credit agreement of \$30.0 million for working capital purposes. The revolving credit facility carries an interest of Secured Overnight Financing Rate plus a margin of 3.75% upon utilization and has a duration of up to two years.

As part of the increase of the bond loan, the loan amortization is increased from \$7.5 million to \$ 10.0 million per quarter and the liquidity covenant is increased from \$10.0 million to \$15.0 million. The free liquidity covenant allows for the unused portion of the RCF to be included as free liquidity. The financial covenants for the RCF are aligned with the covenants for the bond loan, plus certain standard market financial covenants.

Further, the Company announced that the Board has resolved to establish a share incentive plan consisting of 1,500,000 stock options for the senior management and key employees. The stock options are vesting with equal portions over a period of three years from grant date and with a strike price of NOK 30.0, equal to the issue price in the private placement described above to finance the acquisition of SSV Catarina. The stock options are expected to be accounted for in the third quarter of 2024 and with the compensation cost to be expensed over the vesting period.

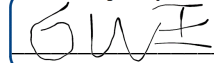
Responsibility statement

We confirm, to the best of our knowledge, the consolidated financial statements for the period from inception on February 24, 2024 to June 30, 2024, have been prepared in accordance with accounting principles generally accepted in the United States of America, and give a true and fair view of the assets, liabilities, financial position and results of the Company.

The Board of Directors of Ventura Offshore Holding Ltd.,

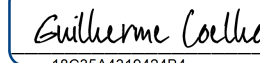
August 30, 2024

s/Gunnar W. Eliassen
DocuSigned by:



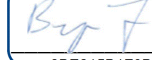
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Gunnar W. Eliassen, Chairperson

s/Guilherme Coelho
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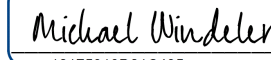
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Guilherme Coelho, CEO & Board member

s/Børge Johansen
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Børge Johansen, Board member

s/Michael Windeler
DocuSigned by:



12175910D21C435
Michael Windeler, Board member

APPENDIX I

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR UNIVERSAL ENERGY RESOURCES
INC.**

(AS OF AND FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023)

**ATTACHED AS APPENDIX B TO THE INFORMATION DOCUMENT FOR THE LISTING OF VENTURA OFFSHORE
HOLDING LTD., ON EURONEXT GROWTH OSLO**

Universal Energy Resources, Inc.

Consolidated Financial Statements

December 31, 2023

JON CORBELL & ASSOCIATES, P.C.
Certified Public Accountants

■ 16225 Park Ten Place
Suite 470
Houston, Texas 77084-5151

■ Phone: 281-492-8119
Fax: 281-579-1993
Web: www.corbellcpas.com

Accountant's Compilation Report

Board of Directors
Universal Energy Resources, Inc.

Management is responsible for the accompanying consolidated financial statements of Universal Energy Resources, Inc., which are comprised of the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of operations, comprehensive income, changes in stockholder's equity, and cash flows for the twelve months ended December 31, 2023, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Jon Corbell & Associates, P.C.

Houston, Texas
May 7, 2024

Universal Energy Resources, Inc. **Consolidated Balance Sheet** **December 31, 2023**

Assets

Current assets

Cash and cash equivalents	\$ 24,481,036
Accounts receivable	27,821,897
Prepaid expenses and other current assets	<u>11,116,244</u>
Total current assets	<u>63,419,177</u>

Vessels and equipment	1,325,690,427
Accumulated depreciation	(768,600,179)
Right-of-use assets	<u>10,719,020</u>
Total vessels and equipment, net	567,809,268

Deferred mobilization costs, net of accumulated amortization of \$2,983,527	12,962,730
Note receivable - affiliate	<u>10,366,103</u>

Total assets	<u>\$ 654,557,278</u>
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See Accountant's Compilation Report and Accompanying Notes

Universal Energy Resources, Inc. **Consolidated Balance Sheet** **December 31, 2023**

Liabilities and Stockholder's Equity

Current liabilities

Accounts payable	\$ 3,396,864
Accrued liabilities	26,550,998
Right-of-use liability	4,392,464
Accrued interest - related party - current portion	<u>15,650,000</u>
Total current liabilities	49,990,326

Deferred revenue 12,767,115

Right-of-use liability - non current 6,292,224

Total liabilities 69,049,665

Commitments and contingencies

Stockholder's equity

Capital stock, 900,000 shares authorized at \$1 Par Value; and 150,000 issued and outstanding	150,000
Additional paid-in capital	1,853,643,903
Accumulated other comprehensive income	1,421,174
Retained (deficit) earnings	<u>(1,269,707,464)</u>

Total stockholder's equity 585,507,613

Total liabilities and stockholder's equity \$ 654,557,278

See Accountant's Compilation Report and Accompanying Notes

Universal Energy Resources, Inc.
Consolidated Statement of Operations
For the Twelve Months Ended December 31, 2023

Revenue

Charter income	\$ 122,120,993
Services income	32,070,745
Management fee income	4,269,690
Interest and dividend income	447,659
Total revenue	<u>158,909,087</u>

Expenses

Crew expenses	45,130,820
Maintenance	79,978,272
Training expense	222,158
Insurance expense	2,686,959
Depreciation and amortization expense	70,224,381
Other	15,679,523
Gain on interest forgiveness - related party	(93,280,845)
Loss on asset impairment	340,123,127
Total expenses	<u>460,764,395</u>
Net loss	<u>\$ (301,855,308)</u>

See Accountant's Compilation Report and Accompanying Notes

Universal Energy Resources, Inc.
Consolidated Statement of Comprehensive Income
For the Twelve Months Ended December 31, 2023

Net loss	<u>\$ (301,855,308)</u>
Other comprehensive income	
Foreign currency translation adjustments	<u>468,392</u>
Other comprehensive income	<u>468,392</u>
Comprehensive loss	<u>\$ (301,386,916)</u>

See Accountant's Compilation Report and Accompanying Notes

Universal Energy Resources, Inc.
Consolidated Statement of Changes in Stockholder's Equity
For the Twelve Months Ended December 31, 2023

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Total Stockholder's Equity
Balances at December 31, 2022	150,000	975,765,549	952,782	(967,852,156)	9,016,175
Net loss	-	-	-	(301,855,308)	(301,855,308)
Settlement of related party notes		877,878,354	-	-	877,878,354
Other comprehensive income	-	-	468,392	-	468,392
Balances at December 31, 2023	<u>\$ 150,000</u>	<u>\$ 1,853,643,903</u>	<u>\$ 1,421,174</u>	<u>\$ (1,269,707,464)</u>	<u>\$ 585,507,613</u>

See Accountant's Compilation Report and Accompanying Notes

Universal Energy Resources, Inc.
Consolidated Statement of Cash Flows
For the Twelve Months Ended December 31, 2023

Cash flows from operating activities

Net loss	\$ (301,855,308)
Adjustments to reconcile net income to net cash provided by operating activities	
Amortization of deferred revenue	(2,992,885)
Depreciation and amortization expense	70,224,381
Gain on interest forgiveness - related party	(93,280,845)
Loss on asset impairment	340,123,127
Changes in operating assets and liabilities	
Accounts receivable	15,406,552
Accounts receivable - related party	54,261,256
Prepaid expenses and other current assets	(3,430,557)
Deferred mobilization costs	(15,946,257)
Accounts payable	(38,338,075)
Accrued liabilities	2,361,362
Deferred revenue	15,760,000
Other long term liabilities	(154,703)
Net cash provided by operating activities	<u>42,138,048</u>

Cash flows from investing activities

Purchase of vessel and equipment	<u>(48,417,916)</u>
Net cash used in investing activities	<u>(48,417,916)</u>

Cash flows from financing activities

Principal payment on long-term debt	(4,907,500)
Principal payment on long-term debt - related party	<u>(10,000,000)</u>
Net cash used in financing activities	<u>(14,907,500)</u>

Effect of foreign exchange rate changes	<u>(1,007,571)</u>
Decrease in cash and cash equivalents	(22,194,939)

Cash and cash equivalents

Beginning of year	<u>46,675,975</u>
End of year	<u>\$ 24,481,036</u>

-

See Accountant's Compilation Report and Accompanying Notes

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2023

NOTE 1 – ORGANIZATION

Universal Energy Resources, Inc. (“Universal” or the “Company”) was incorporated on April 25, 1984, as a holding company formed to own investments in operating companies serving the oil and gas industry. The Company is registered in the British Virgin Islands (“BVI”) and provides contract drilling services to the energy industry around the globe. All of the Company’s operations are conducted outside of the United States of America. The company is wholly owned by Petroserv Marine Inc. (“PMI” or “the Parent”). The Company has deemed the United States of America dollar to be its functional currency.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all highly liquid cash investments, including certificates of deposit, with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Carrying amounts of certain of the Company’s financial instruments, including cash and cash equivalents and accounts receivable, approximate fair value because of their short maturities. The fair value of long-term debt is based on estimated rates offered for debt of similar remaining maturities.

Allowance for Doubtful Accounts

The Company establishes an allowance for doubtful accounts on a case-by-case basis, considering changes in the financial position of the customer, when they believe the required payment of specific amounts owed is unlikely to occur. There was no allowance for doubtful accounts at December 31, 2023.

Vessels and Equipment

Vessels and equipment are stated at cost and include the vessels SSV Victoria and DS Carolina, and capital expenditures related to the conversion and construction of the vessels. Operating vessels and equipment are depreciated over the estimated useful lives of the assets (currently 30 years) using the straight-line method with an estimate for salvage value. Interest costs related to construction and conversion are capitalized and amortized over the estimated useful lives of the related assets once they are placed in service. Additions or improvements that increase the value or extend the life of an asset are capitalized and depreciated. Expenditures for normal maintenance and repairs are expensed as incurred. The Company schedules a major maintenance period every two years. Disposals are removed from the accounts at cost less accumulated depreciation, and any gain or loss from disposition is reflected in operations.

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2023

Impairment of Long-Lived Assets

The Company periodically assesses the carrying value of its long-lived assets when events or circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is assessed by comparison of an asset's carrying value to the undiscounted future cash flows expected to be generated by that asset. In the event that the Company determines that an asset's carrying value is not recoverable, the amount of impairment is measured based on the fair value of the asset as determined by market comparables or discounted future cash flows.

Management's assumptions are necessarily subjective and are an inherent part of our asset impairment evaluation, and the use of different assumptions could produce results that differ from those reported. Our methodology generally involves the use of significant unobservable inputs, representative of a Level 3 fair value measurement, which may include assumptions related to future dayrate revenue, costs and rig utilization, the long-term future performance of our rigs and future market conditions. Management's assumptions involve uncertainties about future demand for our services, dayrates, expenses and other future events, and management's expectations may not be indicative of future outcomes. Significant unanticipated changes to these assumptions could materially alter our analysis in testing an asset for potential impairment. For example, changes in market conditions that exist at the measurement date or that are projected by management could affect our key assumptions. Other events or circumstances that could affect our assumptions may include, but are not limited to, a further sustained decline in oil and gas prices, cancellations of our drilling contracts or contracts of our competitors, contract modifications, costs to comply with new governmental regulations, capital expenditures required due to advances in offshore drilling technology, growth in the global oversupply of oil and geopolitical events, such as lifting sanctions on oil-producing nations. Should actual market conditions in the future vary significantly from market conditions used in our projections, our assessment of impairment would likely be different. The impact of the assessment resulted in an impairment charge of \$340,123,127 in 2023.

Deferred Mobilization Costs

Mobilization costs incurred to mobilize a vessel from one geographical area to another are deferred and recognized on a straight-line basis over the term of the related charter contracts.

Revenue and Deferred Revenue Recognition

Contracts with customers provide for an offshore drilling rig and drilling services on a dayrate contract basis. The integrated services provided under our contracts primarily include (i) provision of an offshore drilling rig, the work crew and supplies of equipment and services necessary to operate the rig, (ii) mobilization and demobilization of the rig to and from the drill site and (iii) performance of rig preparation activities and/or modifications required for each contract.

Dayrate Drilling Revenue. Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted, restricted by equipment breakdowns, adverse environmental conditions, etc. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore recognized in line with the contractual rate billed for the services provided for any given hour.

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2023

Certain of our contracts contain performance-based incentives, whereby we may earn a bonus or incur penalties based on pre-established performance metrics. Consideration related to the performance incentive is generally recognized in the specific time period to which the performance criteria were attributed.

Mobilization/Demobilization Revenue. We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization and demobilization of our rigs. These activities are not considered to be distinct within the context of the contract, and therefore the associated revenue is allocated to the overall performance obligation. We record a contract liability for mobilization fees received and amortize such on a straight-line basis to contract drilling revenue as services are rendered over the term of the related drilling contract. Demobilization revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognized as contract drilling revenue on a straight-line basis over the term of the contract with an offset to an accretive contract asset.

In some contracts, there is uncertainty as to the likelihood and amount of expected demobilization revenue to be received. For example, contractual provisions may require that a rig demobilize a certain distance before the demobilization revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained, as described above, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on our past experience and knowledge of market conditions.

Contract Preparation Revenue. Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, the customer may compensate us for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract. We record a contract liability for contract preparation upfront fees received, which is amortized on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Capital Modification Revenue. From time to time, we may receive fees from our customers for capital improvements or upgrades to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). The activities related to these capital modifications are not considered to be distinct within the context of our contracts. We record a contract liability for the upfront fees received and recognize them on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Reimbursement Revenue. Some operating agreements for the vessels include revenue from reimbursements of expenses where the principal relationship exists between the Company and the service providers. The operating expenses are recorded in the income statement and the reimbursements of expenses are recorded in Charter Income.

Foreign Currency Transactions

Foreign currency transaction gains or losses are credited or charged to income/expense as incurred. These gains and losses are included in other expense.

Foreign Currency Translation

All of the Company's operations are conducted outside of the United States of America. The Company has deemed the United States dollar to be its functional currency. The books and records of Ventura are

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2023

maintained in Brazilian reais and have been remeasured into the U.S. dollar. These books and records have been translated using the monetary-nonmonetary method. Translation losses and gains have been included as a component of other comprehensive income. The assets and liabilities recorded in reais are primarily monetary and have been translated to U.S. dollars using the exchange rate in effect at the balance sheet date (R\$4.8407 to U.S.\$1 for the period ended December 31, 2023). Results of operations have been translated using the average exchange rate during the period. The average exchange rate was R\$4.9944 to U.S.\$1 for the twelve months ended December 31, 2023.

Income Taxes

The Company is a registered BVI corporation, which is exempt from BVI taxes according to the tax laws of the BVI. Carolina's, Commodore's, and Victoria's charter income is exempt from Brazilian taxes. Ventura is subject to Brazilian taxes. Ventura has incurred a significant net operating loss since its inception, and therefore has no tax liability. The deferred tax asset related to the net operating loss has been fully reserved as of December 31, 2023. Huron is subject to United Kingdom tax; however, for the twelve months ended December 31, 2023, Huron had no taxable income. The Company has no United States trade or business and therefore, is not subject to United States federal income taxes.

In 2007, 2008, 2009 and 2011, Ventura received tax assessments from the Brazilian Federal Revenue Service. The 2007 tax assessment was settled favorably for the Company. The 2008, 2009 and 2011 tax assessments remain unsettled. Management and its legal counsel are vigorously defending the assessments. Management believes payment of the assessments is not probable. Therefore, no provision has been provided for in the consolidated financial statements of the Company as of December 31, 2023.

The Company could be subject to future review and examination by taxing agencies in the jurisdiction in which the Company operates, the results of which management does not believe would have a material adverse effect on the Company's consolidated financial position, operations or cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 3 – CHARTER CONTRACTS

In August 2019, subsidiaries of the Company entered into a bareboat charter contract for the SSV Victoria. The primary terms of the contracts are for 2 years beginning from August 26, 2020, the time the SSV Victoria was placed into service. The time charter contract stipulates a day rate which is to be paid in United States dollars and the remainder in Brazilian reais, adjusted annually for inflation. In December 2021, a new time charter contract for 1,040 days was signed with Petrobras for the SSV Victoria. Operations under the new contracts began on July 6, 2023.

In August 2019, subsidiaries of the Company entered into a bareboat charter contract for the DS Carolina. The primary terms of the contracts are for 2 years beginning from August 10, 2020, the time the DS Carolina was placed into service. The time charter contract stipulates a day rate which is to be paid in United States dollars and the remainder in Brazilian reais, adjusted annually for inflation. In December

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2023

2021, a new time charter contract for 1,040 days was signed with Petrobras for the DS Carolina. Operations under the new contracts began May 29, 2023.

In May 2019, Universal signed a long-term charter contract with Eni East Sepinggan Limited (“ENI”) for the SSV Catarina. The SSV Catarina was accepted by ENI on July 29, 2019 with a contract commencement date of July 30, 2019. In February 2021, a Novation agreement was signed with ENI for extended services of the SSV Catarina. The charter contract ended in June 2021. In 2022, Universal was awarded a new contract with ENI for the charter of the SSV Catarina. In April 2022, the Company entered into a sales agreement for the sale of the SSV Catarina for approximately \$45 million and Universal signed an Operating Agreement with the new owner of the Catarina, UMAS 1 AS (“UMAS”), to operate the vessel.

In 2023, Commodore and Ventura were awarded contracts with Petrobras for the charter and services of a newbuild currently under construction named the Zonda. Operating and Marketing Agreements have been signed with Zonda Drilling AS, the owner of the Zonda, for the operation of the vessel to be chartered to Petrobras. Delivery of the vessel is expected in 2024.

NOTE 4 – VESSELS AND EQUIPMENT

Vessels and equipment consist of capital expenditures, including capitalized interest, related to the construction of the operating vessels SSV Victoria and DS Carolina.

Depreciation expense for the twelve months ended December 31, 2023, totaled \$66,991,198.

The carrying values of the DS Carolina and SSV Victoria at December 31, 2023 were as follows:

DS Carolina	\$ 258,733,417
SSV Victoria	298,042,532
Other Property and Equipment	314,299
	<u>\$ 557,090,248</u>

NOTE 5 – LEASES

The Company determines whether a contract contains a lease at inception. A lease is defined as a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and corresponding lease liability on the balance sheet upon commencement at the present value of the remaining lease payments over the lease term. As the implicit rate of the lease is not always readily determinable, the Company uses the incremental borrowing rate to calculate the present value of the lease payments based on information available at commencement date, such as the initial lease term. The Company presents right-of-use assets and right-of-use liabilities on the balance sheet.

The Company has elected not to recognize leases with an initial term of twelve months or less on the balance sheet. These are recognized on a straight-line basis, and are recognized in the period as incurred.

Universal Energy Resources, Inc. **Notes to Consolidated Financial Statements** **December 31, 2023**

The Company's lease assets and liabilities as of December 31, 2023 are as follows:

Right-of-use assets:	
Operating leases	\$ 10,719,020
Right-of-use liabilities:	
Current operating leases	4,392,464
Non-current operating leases	6,292,224
Total lease liabilities	<u>10,684,688</u>

Components of operating lease costs of \$2,554,420 and \$474,429 are reported in the income statement in Maintenance and Other expenses, respectively.

The weighted average remaining lease term is 2.49 years and the average discount rate is 10.32%.

The future minimum lease payments related to the operating leases are as follows:

2024	\$ 5,256,990
2025	4,934,461
2026	2,604,573
2027	22,311
2028	<u>18,592</u>
Total remaining lease payments at December 31, 2023	\$ 12,836,927
Less: interest	<u>(2,152,239)</u>
Total lease liabilities	\$ 10,684,688

Supplemental cash flow information and non-cash activity related to operating leases are as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	\$ 3,028,849
Operating lease assets obtained in exchange for new operating leases	12,271,204

NOTE 6 – SUPPLEMENTAL INFORMATION FOR STATEMENT OF CASH FLOWS

Cash paid for interest for the twelve months ended December 31, 2023 was \$6,423,218.

The following noncash transactions have been excluded from the statement of cash flows for the twelve months ended December 31, 2023:

Accrued capitalized expenses	\$ (5,909,102)
Reclassify interest from long-term debt - related party	(194,000,379)
Capital contributed by settlement of related party notes	877,878,354

Universal Energy Resources, Inc.
Notes to Consolidated Financial Statements
December 31, 2023

NOTE 7 – COMMITMENT AND CONTINGENCIES

Cash and cash equivalents of \$5,830,408 are held on behalf of UMAS to be used for operation of the SSV Catarina.

Under the terms of the PMI facility, Universal, VMI, Carolina, Commodore and certain other subsidiaries furnished guarantees in the form of first priority mortgages on the vessels SSV Victoria and DS Carolina (“the Rigs”), and first priority assignment of earnings and insurance on the Rigs.

NOTE 8 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains some of its cash in accounts at U.S. federally insured financial institutions and the balance exceeds the insured limits of \$250,000 from time to time. The Company also maintains some of its cash in uninsured non-U.S. accounts. The Company has not experienced any losses on such accounts. The Company does not require collateral for its receivables.

For the period ended December 31, 2023, the Company derived 57% of its charter income from one customer.

NOTE 9 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 7, 2024, the date the financial statements were available for issuance.

Effective December 2023, the Parent agreed to forgive approximately \$811,332,900 of borrowings allocated to the Company.

In March 2024, the Parent entered into an agreement to sell the Company to a consortium of financial investors. The transaction is expected to close in the second quarter of 2024.

APPENDIX I

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR UNIVERSAL ENERGY RESOURCES INC.
(FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2022 AND 2021)**

**ATTACHED AS APPENDIX D TO THE INFORMATION DOCUMENT FOR THE LISTING OF VENTURA OFFSHORE
HOLDING LTD., ON EURONEXT GROWTH OSLO**

Universal Energy Resources, Inc.
Consolidated Financial Statements
December 31, 2022 and 2021

Universal Energy Resources, Inc.
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December 31, 2022 and 2021

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Report of Independent Auditors

To the Board of Directors of Universal Energy Resources, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Universal Energy Resources, Inc., and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive loss, changes in stockholder’s equity and cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a



material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers LLP".

Houston, Texas
August 21, 2023

Universal Energy Resources, Inc.
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 46,675,975	\$ 37,812,862
Accounts receivable	43,040,408	17,256,243
Accounts receivable - related party	136,773,606	43,237,145
Prepaid expenses and other current assets	7,251,950	9,854,397
Total current assets	233,741,939	108,160,647
Vessels and equipment	1,610,800,531	2,556,143,827
Accumulated depreciation	(700,405,429)	(1,078,033,360)
Total vessels and equipment, net	910,395,102	1,478,110,467
Deferred mobilization costs, net of accumulated amortization of \$53,480,817 and \$36,510,328	-	16,970,484
Note receivable - affiliate	12,829,652	12,829,652
Other assets	249,655	249,655
Total assets	\$ 1,157,216,348	\$ 1,616,320,905
Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable	\$ 41,734,939	\$ 4,898,864
Accrued liabilities	19,203,505	13,251,003
Accrued interest - related party - current portion	-	5,239,597
Current portion of long-term debt - related party	31,015,436	41,051,775
Total current liabilities	91,953,880	64,441,239
Deferred revenue	-	2,801,301
Other long term liabilities	475,496	2,078,519
Long-term debt - related parties	1,055,770,797	839,437,542
Accrued interest - related party	-	55,601,973
Total liabilities	1,148,200,173	964,360,574
Commitments and contingencies		
Stockholder's equity		
Capital stock, 900,000 shares authorized at \$1 Par Value; and 150,000 issued and outstanding	150,000	150,000
Additional paid-in capital	975,765,549	975,765,549
Accumulated other comprehensive income (loss)	952,782	1,369,215
Retained (deficit) earnings	(967,852,156)	(325,324,433)
Total stockholder's equity	9,016,175	651,960,331
Total liabilities and stockholder's equity	\$ 1,157,216,348	\$ 1,616,320,905

The accompanying notes are an integral part of these consolidated financial statements.

Universal Energy Resources, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue		
Charter income	\$ 96,796,327	\$ 123,059,294
Services income	26,149,643	25,677,803
Management fee income	4,390,568	-
Interest and dividend income	250,879	245,142
Total revenue	<u>127,587,417</u>	<u>148,982,239</u>
Expenses		
Crew expenses	50,600,012	48,575,918
Maintenance	59,752,383	54,795,762
Training expense	277,910	1,087,317
Insurance expense	4,875,323	5,297,965
Interest expense	54,520,243	10,843,484
Depreciation and amortization expense	100,805,572	135,749,627
Other	12,117,045	26,241,132
Loss on sale of assets	487,166,652	-
Total expenses	<u>770,115,140</u>	<u>282,591,205</u>
Net loss	<u>\$ (642,527,723)</u>	<u>\$ (133,608,966)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Universal Energy Resources, Inc.
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2022 and 2021

	2022	2021
Net loss	<u>\$ (642,527,723)</u>	<u>\$ (133,608,966)</u>
Other comprehensive income (loss)		
Foreign currency translation adjustments	<u>(416,433)</u>	<u>(605,153)</u>
Other comprehensive income (loss)	<u>(416,433)</u>	<u>(605,153)</u>
Comprehensive loss	<u>\$ (642,944,156)</u>	<u>\$ (134,214,119)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Universal Energy Resources, Inc.
Consolidated Statements of Changes in Stockholder's Equity
For the Years Ended December 31, 2022 and 2021

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Stockholder's Equity
Balances at December 31, 2020	\$ 150,000	\$ 975,765,549	\$ 1,974,368	\$ (191,715,467)	\$ 786,174,450
Net loss	-	-	-	(133,608,966)	(133,608,966)
Other comprehensive loss	-	-	(605,153)	-	(605,153)
Balances at December 31, 2021	150,000	975,765,549	1,369,215	(325,324,433)	651,960,331
Net loss	-	-	-	(642,527,723)	(642,527,723)
Other comprehensive loss	-	-	(416,433)	-	(416,433)
Balances at December 31, 2022	<u>\$ 150,000</u>	<u>\$ 975,765,549</u>	<u>\$ 952,782</u>	<u>\$ (967,852,156)</u>	<u>\$ 9,016,175</u>

The accompanying notes are an integral part of these consolidated financial statements.

Universal Energy Resources, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Net loss	\$ (642,527,723)	\$ (133,608,966)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Amortization of deferred revenue	(2,801,301)	(5,073,733)
Amortization of deferred mobilization costs	16,970,482	28,565,274
Depreciation expense	83,835,090	107,184,359
Loss on asset sales	487,166,652	-
Changes in operating assets and liabilities		
Accounts receivable	(25,489,234)	21,012,108
Accounts receivable - related party	(93,536,461)	(36,757,865)
Prepaid expenses and other current assets	2,935,848	7,751,366
Accounts payable	37,095,576	108,399
Accrued liabilities	2,802,154	8,667,378
Accrued interest-related party	54,762,463	35,105,495
Other long term liabilities	(1,533,683)	949,898
Net cash provided by (used in) operating activities	<u>(80,320,137)</u>	<u>33,903,713</u>
Cash flows from investing activities		
Purchase of vessel and equipment	(49,929,959)	(12,228,342)
Proceeds from vessel disposition	50,219,950	-
Net cash provided by (used in) investing activities	<u>289,991</u>	<u>(12,228,342)</u>
Cash flows from financing activities		
Proceeds from issuance of long-term debt - related party	101,000,000	-
Repayment of long-term debt - related party	(10,307,117)	-
Net cash provided by financing activities	<u>90,692,883</u>	<u>-</u>
Effect of foreign exchange rate changes	<u>(1,799,624)</u>	<u>1,345,732</u>
Increase in cash and cash equivalents	8,863,113	23,021,103
Cash and cash equivalents		
Beginning of year	<u>37,812,862</u>	<u>14,791,759</u>
End of year	<u>\$ 46,675,975</u>	<u>\$ 37,812,862</u>

The accompanying notes are an integral part of these consolidated financial statements.

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

1. Organization

Universal Energy Resources, Inc. ("Universal" or the "Company") was incorporated on April 25, 1984, as a holding company formed to own investments in operating companies serving the oil and gas industry. The Company is registered in the British Virgin Islands ("BVI") and provides contract drilling services to the energy industry around the globe. All of the Company's operations are conducted outside of the United States of America. The company is wholly owned by Petroserv Marine Inc. ("PMI" or "the Parent"). The Company has deemed the United States of America dollar to be its functional currency.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all highly liquid cash investments, including certificates of deposit, with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents and accounts receivable, approximate fair value because of their short maturities. The fair value of long-term debt is based on estimated rates offered for debt of similar remaining maturities.

Allowance for Doubtful Accounts

The Company establishes an allowance for doubtful accounts on a case-by-case basis, considering changes in the financial position of the customer, when they believe the required payment of specific amounts owed is unlikely to occur. There was no allowance for doubtful accounts at December 31, 2022 and 2021.

Vessels and Equipment

Vessels and equipment are stated at cost and include the vessels SSV Louisiana, SSV Victoria, DS Carolina and SSV Catarina, and capital expenditures related to the conversion and construction of the vessels. Operating vessels and equipment are depreciated over the estimated useful lives of the assets (currently 30 years) using the straight-line method with an estimate for salvage value. Interest costs related to construction and conversion are capitalized and amortized over the estimated useful lives of the related assets once they are placed in service. Additions or improvements that increase the value or extend the life of an asset are capitalized and depreciated. Expenditures for normal maintenance and repairs are expensed as incurred. The Company schedules a major maintenance period every two years. Disposals are removed from the accounts at cost less accumulated depreciation, and any gain or loss from disposition is reflected in operations.

Impairment of Long-Lived Assets

The Company periodically assesses the carrying value of its long-lived assets when events or circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is assessed by comparison of an asset's carrying value to the undiscounted future cash flows expected to be generated by that asset. In the event that the Company determines that

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

an asset's carrying value is not recoverable, the amount of impairment is measured based on the fair value of the asset as determined by market comparables or discounted future cash flows.

Management's assumptions are necessarily subjective and are an inherent part of our asset impairment evaluation, and the use of different assumptions could produce results that differ from those reported. Our methodology generally involves the use of significant unobservable inputs, representative of a Level 3 fair value measurement, which may include assumptions related to future dayrate revenue, costs and rig utilization, the long-term future performance of our rigs and future market conditions. Management's assumptions involve uncertainties about future demand for our services, dayrates, expenses and other future events, and management's expectations may not be indicative of future outcomes. Significant unanticipated changes to these assumptions could materially alter our analysis in testing an asset for potential impairment. For example, changes in market conditions that exist at the measurement date or that are projected by management could affect our key assumptions. Other events or circumstances that could affect our assumptions may include, but are not limited to, a further sustained decline in oil and gas prices, cancellations of our drilling contracts or contracts of our competitors, contract modifications, costs to comply with new governmental regulations, capital expenditures required due to advances in offshore drilling technology, growth in the global oversupply of oil and geopolitical events, such as lifting sanctions on oil-producing nations. Should actual market conditions in the future vary significantly from market conditions used in our projections, our assessment of impairment would likely be different. No impairment losses were recorded in 2022 and 2021.

Deferred Mobilization Costs

Mobilization costs incurred to mobilize a vessel from one geographical area to another are deferred and recognized on a straight-line basis over the term of the related charter contracts.

Revenue and Deferred Revenue Recognition

Contracts with customers provide for an offshore drilling rig and drilling services on a dayrate contract basis. The integrated services provided under our contracts primarily include (i) provision of an offshore drilling rig, the work crew and supplies of equipment and services necessary to operate the rig, (ii) mobilization and demobilization of the rig to and from the drill site and (iii) performance of rig preparation activities and/or modifications required for each contract.

Dayrate Drilling Revenue. Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted, restricted by equipment breakdowns, adverse environmental conditions, etc. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore recognized in line with the contractual rate billed for the services provided for any given hour.

Certain of our contracts contain performance based incentives, whereby we may earn a bonus or incur penalties based on pre-established performance metrics. Consideration related to the performance incentive is generally recognized in the specific time period to which the performance criteria were attributed.

Mobilization/Demobilization Revenue. We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization and demobilization of our rigs. These activities are not considered to be distinct within the context of the contract, and therefore the associated revenue is allocated to the overall performance obligation. We record a contract liability for mobilization fees received and amortize such on a straight-line basis to contract drilling revenue as services are

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

rendered over the term of the related drilling contract. Demobilization revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognized as contract drilling revenue on a straight-line basis over the term of the contract with an offset to an accretive contract asset.

In some contracts, there is uncertainty as to the likelihood and amount of expected demobilization revenue to be received. For example, contractual provisions may require that a rig demobilize a certain distance before the demobilization revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained, as described above, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on our past experience and knowledge of market conditions.

Contract Preparation Revenue. Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, the customer may compensate us for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract. We record a contract liability for contract preparation upfront fees received, which is amortized on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Capital Modification Revenue. From time to time, we may receive fees from our customers for capital improvements or upgrades to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). The activities related to these capital modifications are not considered to be distinct within the context of our contracts. We record a contract liability for the upfront fees received and recognize them on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Foreign Currency Transactions

Foreign currency transaction gains or losses are credited or charged to income/expense as incurred. These gains and losses are included in other expense.

Foreign Currency Translation

All of the Company's operations are conducted outside of the United States of America. The Company has deemed the United States dollar to be its functional currency. The books and records of Ventura are maintained in Brazilian reais and have been remeasured into the U.S. dollar. These books and records have been translated using the monetary-nonmonetary method. Translation losses and gains have been included as a component of other comprehensive income. The assets and liabilities recorded in reais are primarily monetary and have been translated to U.S. dollars using the exchange rate in effect at the balance sheet date (R\$5.22 to U.S. \$1 and R\$5.58 to U.S. \$1 for the years ended December 31, 2022 and 2021, respectively). Results of operations have been translated using the average exchange rate during the years. The average exchange rate was R\$5.16 to U.S. \$1 and R\$5.40 to U.S. \$1 for the years ended December 31, 2022 and 2021, respectively.

Income Taxes

The Company is a registered BVI corporation, which is exempt from BVI taxes according to the tax laws of the BVI. Carolina's and Victoria's charter income is exempt from Brazilian taxes. Ventura is subject to Brazilian taxes. Ventura has incurred a significant net operating loss since its inception, and therefore has no tax liability. The deferred tax asset related to the net operating losses has been fully reserved as of December 31, 2022 and 2021. Huron is subject to United Kingdom tax; however, in 2022 and 2021, Huron had no taxable income. The Company has no United States trade or business and therefore, is not subject to United States federal income taxes.

Universal Energy Resources, Inc.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Universal's charter income for the SSV Louisiana (see Note 3) is subject to GST in India. The GST is paid by ONGC to Universal, in addition to the revenue. Universal is subject to a tax deducted at source income tax withholding (TDS liability) from gross revenue (inclusive of GST) in India of 4.368%. This TDS liability is withheld by ONGC. At December 31, 2022 and 2021, respectively; no provision or liability for income taxes has been included with the financial statements.

In 2007, 2008, 2009 and 2011, Ventura received tax assessments from the Brazilian Federal Revenue Service. The 2007 tax assessment was settled favorably for the Company. The 2008, 2009 and 2011 tax assessments remain unsettled. Management and its legal counsel are vigorously defending the assessments. Management believes payment of the assessments is not probable. Therefore, no provision has been provided for in the consolidated financial statements of the Company as of December 31, 2022 and 2021.

The Company could be subject to future review and examination by taxing agencies in the jurisdiction in which the Company operates, the results of which management does not believe would have a material adverse effect on the Company's consolidated financial position, operations or cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. Charter Contracts

In August 2019, subsidiaries of the Company entered into a bareboat charter contract for the SSV Victoria. The primary terms of the contracts are for 2 years beginning from August 26, 2020, the time the SSV Victoria was placed into service. The time charter contract stipulates a day rate which is to be paid in United States dollars and the remainder in Brazilian reais, adjusted annually for inflation. In December 2021, a new time charter contract for 1,040 days was signed with Petrobras for the SSV Victoria.

In August 2019, subsidiaries of the Company entered into a bareboat charter contract for the DS Carolina. The primary terms of the contracts are for 2 years beginning from August 10, 2020, the time the DS Carolina was placed into service. The time charter contract stipulates a day rate which is to be paid in United States dollars and the remainder in Brazilian reais, adjusted annually for inflation. In December 2021, a new time charter contract for 1,040 days was signed with Petrobras for the DS Carolina.

In May 2019, Universal signed a long-term charter contract with Eni East Sepinggan Limited ("ENI") for the SSV Catarina. The SSV Catarina was accepted by ENI on July 29, 2019 with a contract commencement date of July 30, 2019. In February 2021, a Novation agreement was signed with ENI for extended services of the SSV Catarina. The charter contract ended in June 2021. In 2022, Universal was awarded a new contract with ENI for the charter of the SSV Catarina. In April 2022, the Company entered into a sales agreement for the sale of the SSV Catarina for approximately \$45 million and Universal signed an Operating Agreement with the new owner of the Catarina, UMAS 1 AS ("UMAS"), to operate the vessel.

Universal Energy Resources, Inc.
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

LOI chartered the SSV Louisiana to the Oil and Natural Gas Corporation (“ONGC”) on June 22, 2017 in India. The SSV Louisiana was accepted by ONGC on May 3, 2018 and began operations under the signed three-year contract. In April 2021, ONGC granted to Universal a contract extension for 385 days for the SSV Louisiana. The contract ended in May 2022. In June 2022, the Company signed a Memo of Agreement to sell the SSV Louisiana for approximately \$5.2 million.

4. Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable and short and long-term investments. The Company maintains some of its cash in accounts at U.S. federally insured financial institutions and the balance exceeds the insured limits of \$250,000 from time-to-time. The Company also maintains some of its cash in uninsured non-U.S. accounts. The Company has not experienced any losses on such accounts. The Company does not require collateral for its receivables.

The Company derived 67% and 59% of its charter income from one customer in 2022 and 2021, respectively.

5. Supplemental Information for Statements of Cash Flows

Cash paid for interest in 2022 and 2021 was \$7,749 and \$0, respectively.

The following noncash transactions have been excluded from the statements of cash flows for the years ended December 31, 2022 and 2021:

	2022	2021
Accrued capitalized expenses and loan costs	\$ (3,470,025)	\$ (140,020)
Change in lease liability/asset	-	(4,107,711)
PIK interest capitalized to long-term debt-related party	(115,604,033)	-

6. Vessels and Equipment

At December 31, 2022, vessels and equipment consist of capital expenditures, including capitalized interest, related to the construction of the operating vessels, SSV Victoria and DS Carolina.

Depreciation expense for the years ended December 31, 2022 and 2021, totaled \$83,835,090 and \$107,184,359, respectively.

The carrying values of the SSV Catarina, DS Carolina, SSV Louisiana and SSV Victoria at December 31, 2022 and 2021 were as follows:

Universal Energy Resources, Inc.
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

	2022	2021
SSV Catarina	\$ -	\$ 530,901,288
DS Carolina	452,135,521	460,302,558
SSV Victoria	457,032,738	459,612,638
SSV Louisiana	-	25,767,283
Other Property and Equipment	1,226,843	1,526,700
	<u>\$ 910,395,102</u>	<u>\$ 1,478,110,467</u>

7. Long-Term Debt

Long-term debt at December 31, 2022 and 2021 consisted of the following:

	2022	2021
Note payable to PMI in U.S. dollars portions of which bear interest at the applicable SOFR rate plus a margin of 6.00% and 3.00%, the remaining portion bears interest at a fixed rate, collateralized by the DS Carolina, and the SSV Victoria, and guaranteed by the Company and certain affiliated entities. Principal payments will begin on July 31, 2023. Payments on all remaining principal will begin in July 2025. A portion of accrued interest is payable in monthly installments, the remaining portion of interest is PIK and payable on the final repayment date.	\$ 1,010,240,779	\$ 803,943,863
Note payable to an affiliate in U.S. dollars, payment is due and payable on June 30, 2027.	76,545,454	76,545,454
	1,086,786,233	880,489,317
Less: Current portion	(31,015,436)	(41,051,775)
	<u>\$ 1,055,770,797</u>	<u>\$ 839,437,542</u>

Scheduled principal maturities of long-term debt at December 31, 2022 are as follows:

Years Ending December 31,	
2023	\$ 31,015,436
2024	52,230,872
2025	31,015,436
2026	121,700,852
2027 and thereafter	850,823,637
	<u>\$ 1,086,786,233</u>

In December 2014, PMI entered into a long-term loan agreement with a bank syndicate group for \$1,700,000,000 ("PMI facility"). A portion of the PMI facility was allocated to Universal from PMI. Effective April 3, 2020, PMI completed the restructuring of its long-term debt with the bank syndicate group, resulting in an approximate \$463,000,000 and \$311,000,000 reduction in principal for Universal from PMI and affiliated note holders, respectively. The restructured PMI facility also included PIK interest and deferred principal payments until maturity. Effective June 28, 2022, PMI executed an amendment and restatement of the long-term debt with the bank syndicate group.

Universal Energy Resources, Inc.
Notes to Consolidated Financial Statements
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The amendment includes additional funds for upgrades to the SSV Victoria and DS Carolina, as well as maturity date extensions.

PMI and certain subsidiaries are subject to certain debt covenant restrictions under the PMI facility, the most restrictive of which limits the payment of dividends and the incurrence of certain liabilities.

8. Related-Party Transactions

The Company and the affiliates are related by common management control. It is the intent of management of the Company to settle related party receivables and payables. Repayment is dependent upon the financial ability of the group as a whole.

9. Commitments and Contingencies

Cash and cash equivalents of \$9,754,390 are held on behalf of UMAS to be used for operation of the SSV Catarina

Under the terms of the PMI facility, Universal, VMI, Carolina, Commodore and certain other subsidiaries furnished guarantees in the form of first priority mortgages on the vessels SSV Victoria and DS Carolina ("the Rigs"), and first priority assignment of earnings and insurance on the Rigs.

10. Subsequent Events

The Company has performed an evaluation of subsequent events through August 21, 2023, which is the date the financial statements were made available for issuance.

The SSV Victoria was accepted under the new contract with Petrobras on July 6, 2023.

The DS Carolina was accepted under the new contract with Petrobras on May 29, 2023.

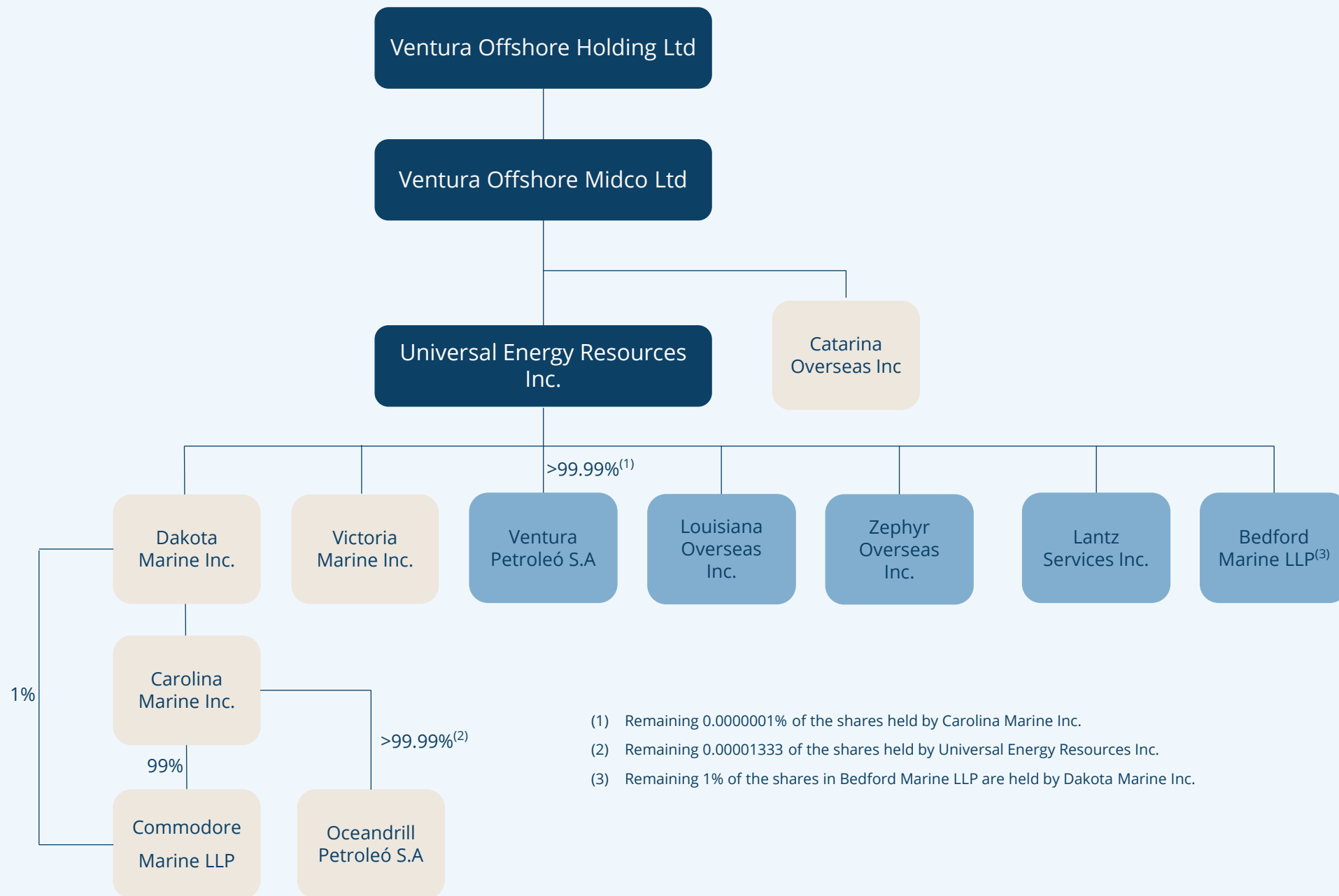
Events Subsequent to Original Issuance of Financial Statements (Unaudited)

In connection with the reissuance of the financial statements, the Company has evaluated subsequent events through May 24, 2024, the date the financial statements were available to be reissued.

Effective December 2023, the Parent agreed to forgive approximately \$811.3 million of borrowings allocated to the Company.

In March 2024, the Parent entered into an agreement to sell the Company to a consortium of financial investors. The transaction is expected to close in the second quarter of 2024.

APPENDIX 2
CORPORATE GROUP CHART



APPENDIX 3
THE ISSUER'S ARTICLES OF ASSOCIATION



GOVERNMENT OF BERMUDA
Registrar of Companies

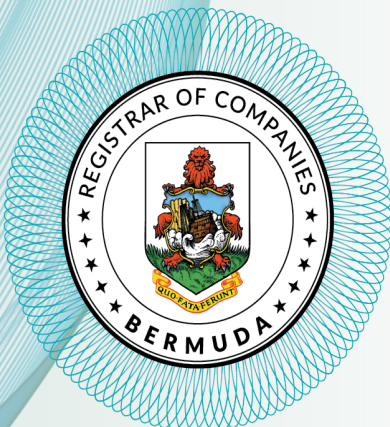
The Companies Act 1981

CERTIFICATE OF CHANGE OF NAME

I HEREBY CERTIFY that in accordance with section 10 of **the Companies Act 1981** PS Marine Midco Ltd. by resolution and with the approval of the Registrar of Companies has changed its name and was registered as Ventura Offshore Midco Ltd. on the 1st day of May 2024.

A handwritten signature in black ink, appearing to be 'KJ' with a flourish.

Kenneth Joaquin
Registrar of Companies
1st day of May 2024



BYE LAWS

of

PS Marine Midco Ltd.

A handwritten signature in black ink, appearing to read 'Jana Murray', is written over a solid horizontal line.

FOR AND ON BEHALF OF CONYERS CORPORATE SERVICES (BERMUDA) LIMITED

SECRETARY

ADOPTED: 18th March, 2024

Standard exempted company Bye-laws

CONYERS

Bye-laws of

PS Marine Midco Ltd.

Clarendon House, 2 Church Street

Hamilton HM 11, Bermuda

conyers.com

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INTERPRETATION

1. DEFINITIONS

1.1. - In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

“Act”	the Companies Act 1981;
“Alternate Director”	an alternate director appointed in accordance with these Bye-laws;
“Auditor”	includes an individual, company or partnership;
“Board”	the board of directors (including, for the avoidance of doubt, a sole director) appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
“Company”	the company for which these Bye-laws are approved and confirmed;
“Director”	a director of the Company and shall include an Alternate Director;
“Member”	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
“notice”	written notice as further provided in these Bye-laws unless otherwise specifically stated;
“Officer”	any person appointed by the Board to hold an office in the Company;
“Register of Directors and Officers”	the register of directors and officers referred to in these Bye-laws;
“Register of Members”	the register of members referred to in these Bye-laws;

“Resident Representative”	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
“Secretary”	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary; and
“Treasury Share”	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

- 1.2. In these Bye-laws, where not inconsistent with the context:
- (a) words denoting the plural number include the singular number and *vice versa*;
 - (b) words denoting the masculine gender include the feminine and neuter genders;
 - (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
 - (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
 - (e) a reference to a statutory provision shall be deemed to include any amendment or re-enactment thereof;
 - (f) the word "corporation" means a corporation whether or not a company within the meaning of the Act; and
 - (g) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.
- 1.3. In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4. Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. POWER TO ISSUE SHARES

- 2.1. Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe.
- 2.2. Subject to the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

3. POWER OF THE COMPANY TO PURCHASE ITS SHARES

- 3.1. The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.
- 3.2. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4. RIGHTS ATTACHING TO SHARES

- 4.1. Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws:
 - (a) be entitled to one vote per share;
 - (b) be entitled to such dividends as the Board may from time to time declare;
 - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
 - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 4.2. All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

5. CALLS ON SHARES

- 5.1. The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
- 5.2. The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.
- 5.3. The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

6. FORFEITURE OF SHARES

- 6.1. If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call

[Name of Company] (the "Company")

You have failed to pay the call of [amount of call] made on [date], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on [date], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [] per annum computed from the said [date] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [date]

[Signature of Secretary] By Order of the Board

- 6.2. If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Act.

- 6.3. A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.
- 6.4. The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

7. SHARE CERTIFICATES

- 7.1. Every Member shall be entitled to a certificate under the common seal (or a facsimile thereof) of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 7.2. The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 7.3. If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

8. FRACTIONAL SHARES

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

9. REGISTER OF MEMBERS

- 9.1. The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.
- 9.2. The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

10. REGISTERED HOLDER ABSOLUTE OWNER

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

11. TRANSFER OF REGISTERED SHARES

- 11.1. An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares

[Name of Company] (the "Company")

FOR VALUE RECEIVED..... [amount] , I, [name of transferor]
hereby sell, assign and transfer unto [transferee] of [address] , [number]
shares of the Company.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Signed by:

In the presence of:

Transferee

Witness

- 11.2. Such instrument of transfer shall be signed by (or in the case of a party that is a corporation, on behalf of) the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.
- 11.3. The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require showing the right of the transferor to make the transfer.
- 11.4. The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 11.5. The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share. The Board shall refuse to register a transfer unless all applicable

consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

- 11.6. Notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and regulations of such exchange.

12. TRANSMISSION OF REGISTERED SHARES

- 12.1. In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 12.2. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

[Name of Company] (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [date]

Signed by:

In the presence of:

Transferor

Witness

Signed by:

In the presence of:

Transferee

Witness

- 12.3. On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 12.4. Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

13. POWER TO ALTER CAPITAL

- 13.1. The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.
- 13.2. Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

14. VARIATION OF RIGHTS ATTACHING TO SHARES

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS AND CAPITALISATION

15. DIVIDENDS

- 15.1. The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.
- 15.2. The Board may fix any date as the record date for determining the Members entitled to receive any dividend.
- 15.3. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 15.4. The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

16. POWER TO SET ASIDE PROFITS

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

17. METHOD OF PAYMENT

- 17.1. Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or bank draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the Member may direct in writing, or by transfer to such account as the Member may direct in writing.
- 17.2. In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or bank draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may direct in writing, or by transfer to such account as the joint holders may direct in writing. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.
- 17.3. The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

18. CAPITALISATION

- 18.1. The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account

or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

- 18.2. The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

19. ANNUAL GENERAL MEETINGS

Subject to an election made by the Company in accordance with the Act to dispense with the holding of annual general meetings, an annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the president or the chairman of the Company (if any) or any two Directors or any Director and the Secretary or the Board shall appoint.

20. SPECIAL GENERAL MEETINGS

The president or the chairman of the Company (if any) or any two Directors or any Director and the Secretary or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary.

21. REQUISITIONED GENERAL MEETINGS

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

22. NOTICE

- 22.1. At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.
- 22.2. At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.
- 22.3. The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.
- 22.4. A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority

in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

- 22.5. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

23. GIVING NOTICE AND ACCESS

- 23.1. A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or
- (b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail; or
- (c) by sending it by courier to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or
- (d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or
- (e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

- 23.2. Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

- 23.3. In proving service under paragraphs 23.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

24. POSTPONEMENT OF GENERAL MEETING

The Secretary may postpone any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to the Members before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

25. ELECTRONIC PARTICIPATION IN MEETINGS

Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

26. QUORUM AT GENERAL MEETINGS

- 26.1. At any general meeting two or more persons present in person and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.
- 26.2. If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

27. CHAIRMAN TO PRESIDE AT GENERAL MEETINGS

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all general meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

28. VOTING ON RESOLUTIONS

- 28.1. Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.
- 28.2. No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.
- 28.3. At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.

- 28.4. In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.
- 28.5. At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 28.6. At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

29. POWER TO DEMAND A VOTE ON A POLL

- 29.1. Notwithstanding the foregoing, a poll may be demanded by any of the following persons:
- (a) the chairman of such meeting; or
 - (b) at least three Members present in person or represented by proxy; or
 - (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
 - (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.
- 29.2. Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 29.3. A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

- 29.4. Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

30. VOTING BY JOINT HOLDERS OF SHARES

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. INSTRUMENT OF PROXY

- 31.1. An instrument appointing a proxy shall be in writing in substantially the following form or such other form as the chairman of the meeting shall accept:

Proxy

[Name of Company] (the "Company")

I/We, [insert names here] , being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on [date] and at any adjournment thereof. [Any restrictions on voting to be inserted here.]

Signed this [date]

Member(s)

- 31.2. The instrument appointing a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.
- 31.3. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

- 31.4. The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

32. REPRESENTATION OF CORPORATE MEMBER

- 32.1. A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 32.2. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

33. ADJOURNMENT OF GENERAL MEETING

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

34. WRITTEN RESOLUTIONS

- 34.1. Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may be done without a meeting by written resolution in accordance with this Bye-law.
- 34.2. Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.
- 34.3. A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.
- 34.4. A resolution in writing may be signed in any number of counterparts.
- 34.5. A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

- 34.6. A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.
- 34.7. This Bye-law shall not apply to:
- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
 - (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.
- 34.8. For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

35. DIRECTORS ATTENDANCE AT GENERAL MEETINGS

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

36. ELECTION OF DIRECTORS

- 36.1. The Board shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose.
- 36.2. At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

37. NUMBER OF DIRECTORS

The Board shall consist of not less than one Director or such number in excess thereof as the Members may determine.

38. TERM OF OFFICE OF DIRECTORS

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

39. ALTERNATE DIRECTORS

- 39.1. At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

- 39.2. Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary.
- 39.3. Any person elected or appointed pursuant to this Bye-law shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 39.4. An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 39.5. An Alternate Director's office shall terminate -
- (a) in the case of an alternate elected by the Members:
 - (i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or
 - (ii) if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and
 - (b) in the case of an alternate appointed by a Director:
 - (i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's directorship; or
 - (ii) when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or
 - (iii) if the Alternate Director's appointor ceases for any reason to be a Director.

40. REMOVAL OF DIRECTORS

- 40.1. Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

- 40.2. If a Director is removed from the Board under this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

41. VACANCY IN THE OFFICE OF DIRECTOR

- 41.1. The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
- (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or dies; or
- (d) resigns his office by notice to the Company.

- 41.2. The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

42. REMUNERATION OF DIRECTORS

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them (or in the case of a director that is a corporation, by its representative or representatives) in attending and returning from Board meetings, meetings of any committee appointed by the Board or general meetings, or in connection with the business of the Company or their duties as Directors generally.

43. DEFECT IN APPOINTMENT

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

44. DIRECTORS TO MANAGE BUSINESS

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

45. POWERS OF THE BOARD OF DIRECTORS

The Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

46. REGISTER OF DIRECTORS AND OFFICERS

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

47. APPOINTMENT OF OFFICERS

The Board may appoint such Officers (who may or may not be Directors) as the Board may determine for such terms as the Board deems fit.

48. APPOINTMENT OF SECRETARY

The Secretary shall be appointed by the Board from time to time for such term as the Board deems fit.

49. DUTIES OF OFFICERS

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

50. REMUNERATION OF OFFICERS

The Officers shall receive such remuneration as the Board may determine.

51. CONFLICTS OF INTEREST

- 51.1. Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.
- 51.2. A Director who is directly or indirectly interested in a contract or proposed contract with the Company (an "Interested Director") shall declare the nature of such interest as required by the Act.
- 51.3. An Interested Director who has complied with the requirements of the foregoing Bye-law may:
 - (a) vote in respect of such contract or proposed contract; and/or
 - (b) be counted in the quorum for the meeting at which the contract or proposed contract is to be voted on,

and no such contract or proposed contract shall be void or voidable by reason only that the Interested Director voted on it or was counted in the quorum of the relevant meeting and the Interested Director shall not be liable to account to the Company for any profit realised thereby.

52. INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS

- 52.1. The Directors, Resident Representative, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "indemnified party"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.
- 52.2. The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 52.3. The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

53. BOARD MEETINGS

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

54. NOTICE OF BOARD MEETINGS

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

55. ELECTRONIC PARTICIPATION IN MEETINGS

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

56. REPRESENTATION OF CORPORATE DIRECTOR

56.1. A Director which is a corporation may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Director, and that Director shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

56.2. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at Board meetings on behalf of a corporation which is a Director.

57. QUORUM AT BOARD MEETINGS

The quorum necessary for the transaction of business at a Board meeting shall be two Directors, provided that if there is only one Director for the time being in office the quorum shall be one.

58. BOARD TO CONTINUE IN THE EVENT OF VACANCY

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction

of business at Board meetings, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

59. CHAIRMAN TO PRESIDE

- 59.1. Unless otherwise agreed by a majority of the Directors attending, the chairman or the president of the Company, if there be one, shall act as chairman of the meeting at all Board meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

60. WRITTEN RESOLUTIONS

A resolution signed by (or in the case of a Director that is a corporation, on behalf of) all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a Board meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by (or in the case of a Director that is a corporation, on behalf of) the last Director. For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

61. VALIDITY OF PRIOR ACTS OF THE BOARD

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

62. MINUTES

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, Board meetings, meetings of managers and meetings of committees appointed by the Board.

63. PLACE WHERE CORPORATE RECORDS KEPT

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

64. FORM AND USE OF SEAL

- 64.1. The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

- 64.2. A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.
- 64.3. A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

65. RECORDS OF ACCOUNT

- 65.1. The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
 - (b) all sales and purchases of goods by the Company; and
 - (c) all assets and liabilities of the Company.
- 65.2. Such records of account shall be kept at the registered office of the Company or, subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.
- 65.3. Such records of account shall be retained for a minimum period of five years from the date on which they are prepared.

66. FINANCIAL YEAR END

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

AUDITS

67. ANNUAL AUDIT

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

68. APPOINTMENT OF AUDITOR

- 68.1. Subject to the Act, the Members shall appoint an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.
- 68.2. The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

69. REMUNERATION OF AUDITOR

- 69.1. The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.
- 69.2. The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

70. DUTIES OF AUDITOR

- 70.1. The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.
- 70.2. The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

71. ACCESS TO RECORDS

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

72. FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT

- 72.1. Subject to the following Bye-law, the financial statements and/or the auditor's report as required by the Act shall
- (a) be laid before the Members at the annual general meeting; or
 - (b) be received, accepted, adopted, approved or otherwise acknowledged by the Members by written resolution passed in accordance with these Bye-laws; or
 - (c) in circumstances where the Company has elected to dispense with the holding of an annual general meeting, be made available to the Members in accordance with the Act in such manner as the Board shall determine.
- 72.2. If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

73. VACANCY IN THE OFFICE OF AUDITOR

The Board may fill any casual vacancy in the office of the auditor.

VOLUNTARY WINDING-UP AND DISSOLUTION

74. WINDING-UP

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, 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 the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

75. CHANGES TO BYE-LAWS

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Act and until the same has been approved by a resolution of the Board and by a resolution of the Members.

76. CHANGES TO THE MEMORANDUM OF ASSOCIATION

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a resolution of the Members.

77. DISCONTINUANCE

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

Memorandum of Association
The Companies Act 1981
Section 7(1) and (2)

PS Marine Midco Ltd. (202403320)

Filing Date 15-Mar-2024 17:20:31

General details

Type of company	Exempted
Company Name	PS Marine Midco Ltd.
Entity type	Company Limited By Shares

Objects and provisions

The objects for which the Company is formed and incorporated are unrestricted only

Yes

Provisions regarding the powers of the Company	The Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person, and – (i) pursuant to Section 42 of the Act, the Company shall have the power to issue preference shares which are, at the option of the holder, liable to be redeemed; (ii) pursuant to Section 42A of the Act, the Company shall have the power to purchase its own shares for cancellation; and (iii) pursuant to Section 42B of the Act, the Company shall have the power to acquire its own shares to be held as treasury shares.
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Subscribers

Subscriber 1

Name	Dawn C. GRIFFITHS
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Address	Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda
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Nationality	United Kingdom
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Has Bermudian status	Yes
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Number of shares	1
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Subscriber 2

Name	Christopher G. GARROD
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Address	Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda
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Nationality	United Kingdom
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Has Bermudian status	Yes
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Number of shares	1
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Subscriber 3

Name	Hana BREMAR
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Address	Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda
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Nationality	United Kingdom
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Has Bermudian status	Yes
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Number of shares	1
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Shareholdings

Currency	USD - United States Dollar
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Authorised share capital	10,000.00
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Declarations

The liability of the members of the Company	Yes
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is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

The subscribers listed in this application respectively agreed to take such number of shares of the Company as may be allotted to them respectively by the provisional directors of the Company, not exceeding the number of shares for which they have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to them respectively.

Yes

Submitted By

CONYERS CORPORATE SERVICES (BERMUDA) LIMITED
KAREN O'CONNOR
BERMUDA, CLARENDON HOUSE, 2 CHURCH STREET, HAMILTON,
PEMBROKE, HM11

Public filing document

[#202403320 - PS Marine Midco Ltd. - Details of classes of shares \(MOA\).pdf](#)