Shelf Drilling Q2 2023 Results Highlights

9 August 2023

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

Due to the forward-looking nature of Adjusted EBITDA, management cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measure. Accordingly, the company is unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measure to the most directly comparable forward-looking GAAP financial measure without unreasonable effort.

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Q2 2023 Highlights

SHELF DRILLING

5 extensive out of service projects completed in Q2 ahead of new contract commencements

Significant (100+%) sequential improvement in EBITDA

Backlog provides strong visibility
→ *35 of 36 jack-ups contracted*

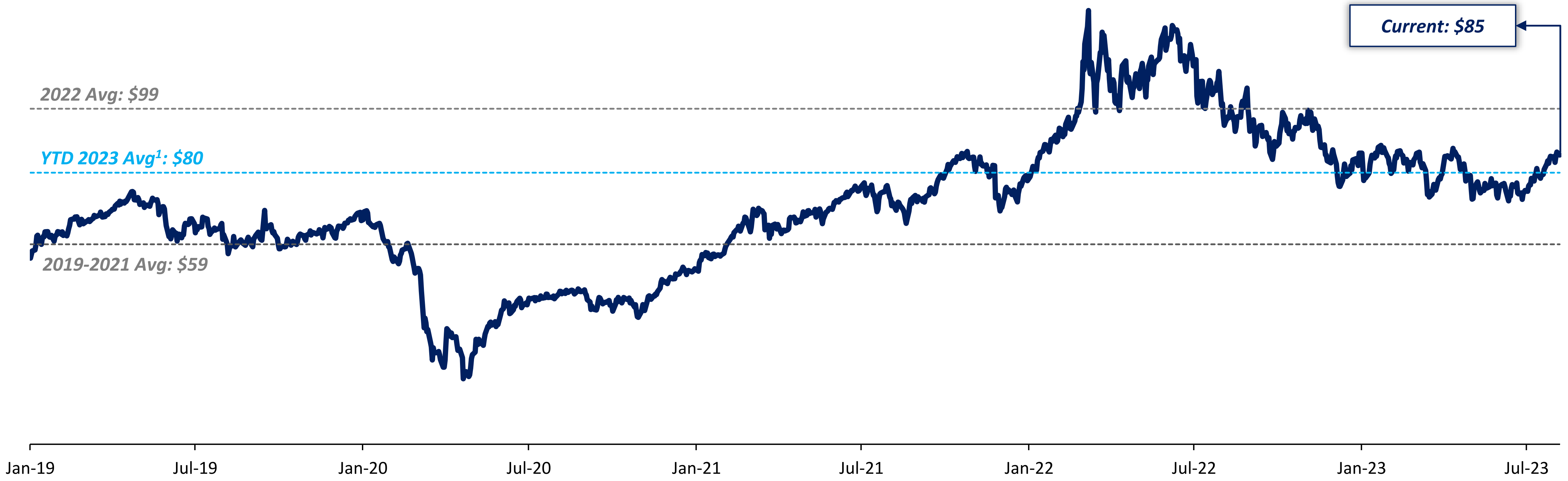
Full Year 2023 financial guidance remains unchanged

0.14 YTD TRIR[1]	**98.7%** Uptime
$73 MM Adjusted EBITDA	**34%** Adjusted EBITDA Margin
$2.6 BN Backlog[2]	**97%** Marketed Utilization[2]

Note (1): Total Recordable Incident Rate, per 200,000 manhours, year-to-date as of 30 June 2023.
Note (2): Backlog and Marketed Utilization are as of 30 June 2023.

Oil Prices Remain Supportive of Improving Activity Levels

Brent Oil Price ($/bbl)



Commodity prices remain elevated and constructive for further E&P investments in rebuilding productive capacity

OPEC+ has shown an increasing willingness to intervene in the commodities market by flexing production

Lack of upstream investments in the past decade has resulted in severe supply constraints

Oil demand expected to increase further in second half of 2023

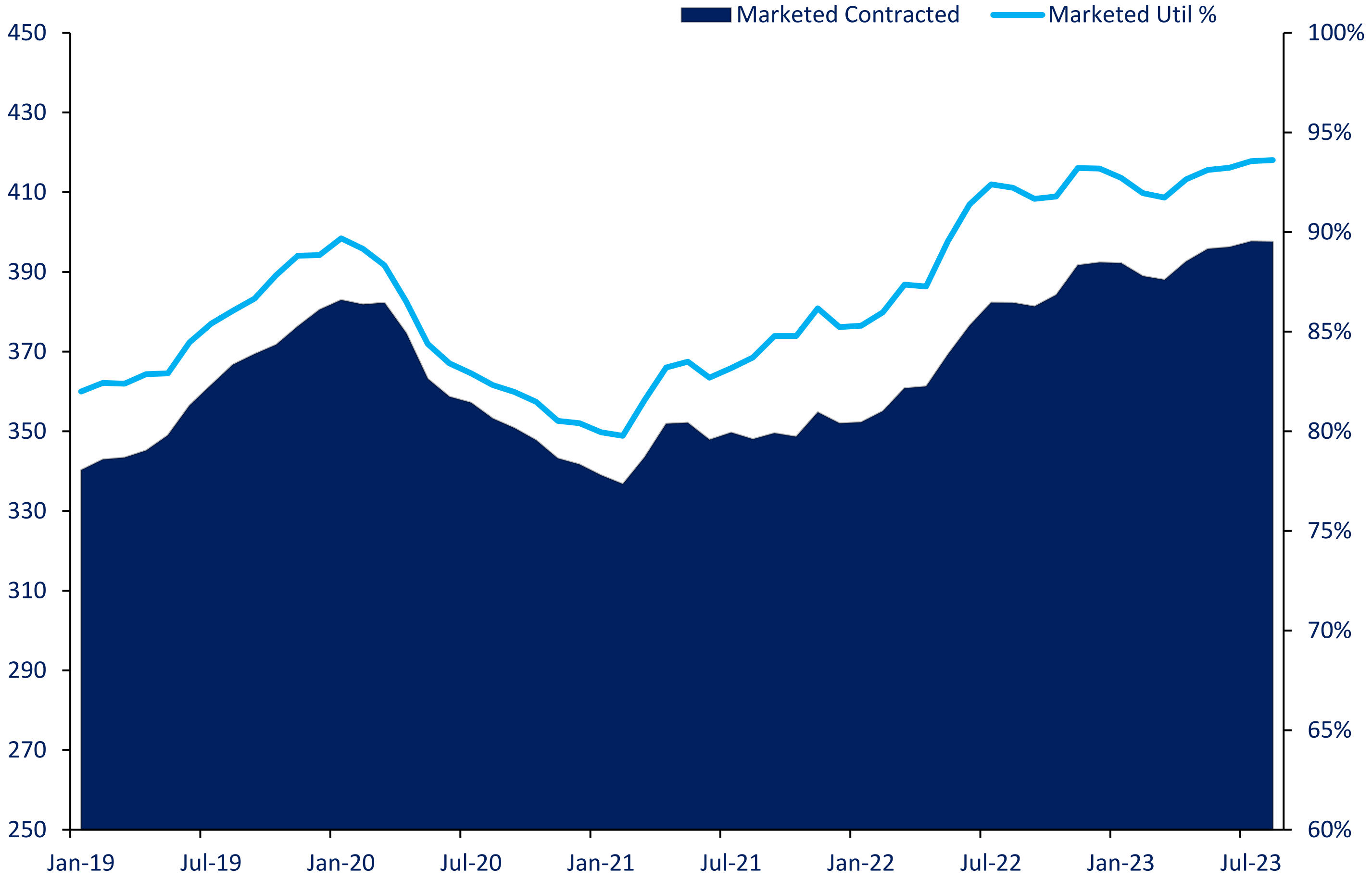
Source: Bloomberg, as of 8 August 2023.
Note (1): YTD 2023 Average Brent oil price based on 1 January 2023 to 7 August 2023.

Continued Growth in Global Jack-up Demand

SHELF DRILLING

- Following incremental requirements in Saudi Arabia and UAE in 2022, circa 50 jack-ups have or will mobilize to the Middle East
- Global number of contracted jack-ups increased from 390 in January 2023 to 398 in August 2023, with marketed utilization climbing higher above 90%
  - Positive dayrate momentum continues in most regions as we observe progressively higher rates for new fixtures on both standard and premium rigs
- Lack of upstream investments in the recent decade has severely constrained oil and natural gas supply, and virtually all producers are looking offshore to replenish declining onshore capacity
  - NOCs, having ramped up their shallow activity levels in the last twelve months, are now focused on putting their incremental rigs to work, and are expected to tender for more rigs by year end
  - IOCs resuming shallow water programs around the world are actively seeking rig capacity
- Demand for jack-up services expected to be resilient despite recent macroeconomic headwinds
  - Anticipate rig count increases in India and Southeast Asia in 2023 and 2024

Number of Contracted Jack-ups[1]



Note (1): Independent legs and cantilever units only, excludes mat-supported rigs.
Source: IHS Petrodata, as of 8 August 2023.

Excess Jack-up Supply has Disappeared

Middle East rig count continues to set records

- Further increases expected in years ahead

Other markets (West Africa, SE Asia, North Sea and Mexico) still well below prior peaks

- Increasing number of market inquiries by customers, particularly in SE Asia

China rig count continues to climb, absorbing previously stranded newbuilds

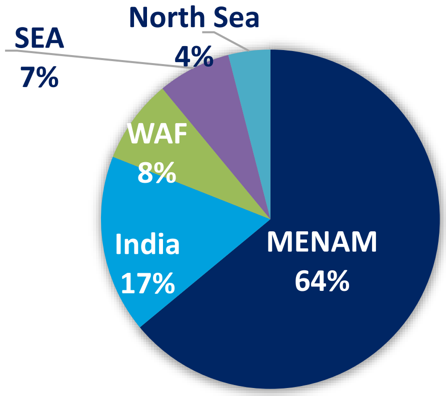
Material reduction in supply over last decade

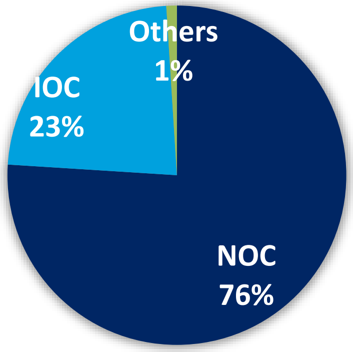
Regions	Contracted Jack-ups		Change Since Prior Peak
	Apr-14	Aug-23	
Middle East	127	169	42
India	32	35	3
West Africa	20	14	-6
SE Asia	67	37	-30
North Sea	46	27	-19
Mexico	50	32	-18
US GOM	15	4	-11
China	30	60	30
Sub-Total	387	378	-9
Total Under Contract	429	398	-31
Available	24	27	3
Total Active Supply	453	425	-28
% Marketed Utilization	95%	94%	0
Under Construction	141	20	-121

Source: IHS Petrodata, as of 8 August 2023.
Note (1): Includes rigs known to be committed to future contracts, i.e., 2 ordered by ARO and 2 purchased by ADNOC Drilling.

High Utilization and Strong Backlog

Total Backlog - $2,617 Million





Backlog and Rig Years figures as of 30 June 2023

Fleet Status Summary (As of 9 August 2023)

	Contracted	Available	Total	% Contracted
MENAM	**14**	0	**14**	**100%**
Gulf Region[1]	10	0	10	100%
NAF/Med[2]	4	0	4	100%
India	**9**	0	**9**	**100%**
West Africa	**6**	0	**6**	**100%**
SE Asia	**3**	0	**3**	**100%**
North Sea	**3**	1	**4**	**75%**
Total	**35**	**1**	**36**	**97%**

Backlog by Asset Type

	Rigs	Backlog (million)	Dayrate (thousand)	Rig Years
Standard 1 *(IN, EG)*	11	$437	$54	22.3
Standard 2 *(ME, Med, WAF)*	11	$1,217	$82	40.5
Premium *(excl SDNS)*	9	$740	$99	20.4
Shelf Drilling *(excl SDNS)*	**31**	**$2,394**	**$79**	**83.2**
SDNS	5	$223	$114	5.4
TOTAL	**36**	**$2,617**	**$81**	**88.6**

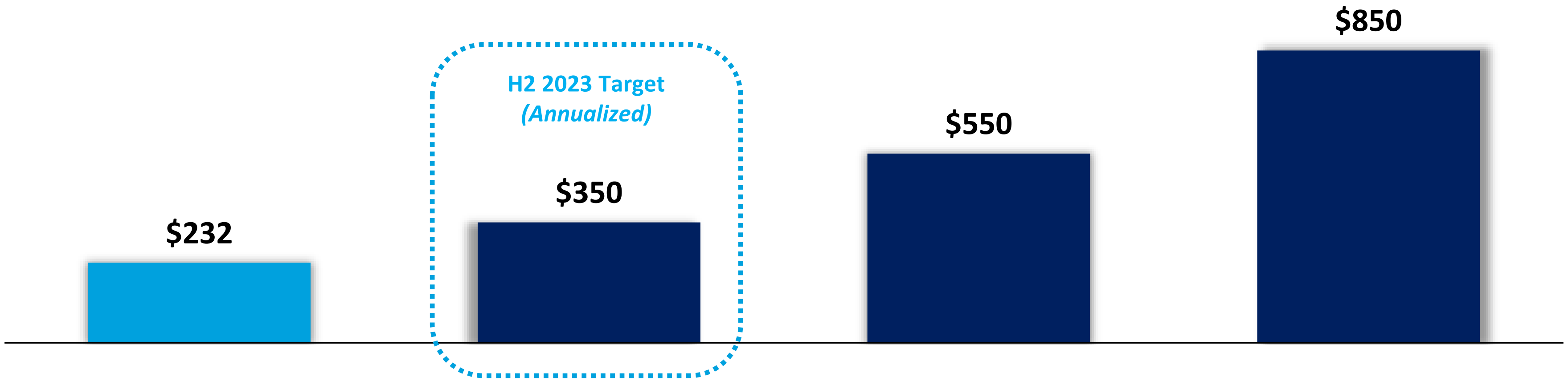
Recent Developments

- Shelf Drilling Fortress secured a two-well firm contract plus four optional wells with CNOOC in the UK. New contract is expected to commence September 2023.
- Shelf Drilling Perseverance completed a contract with IOG in the UK in July and is being marketed for multiple opportunities worldwide.
- Harvey H. Ward commenced new 5-year contract with Saudi Aramco in Saudi Arabia, and Shelf Drilling Scepter commenced new 2-year contract with Chevron in Nigeria, in June 2023.
- Shelf Drilling Resourceful commenced new 3-year contract in Italy, and Trident VIII commenced new 1-year contract with Chevron in Nigeria, in August 2023.
- Key Singapore completed a contract with Cairn in India in July and is undergoing contract preparation for an upcoming contract with ONGC expected to commence in October 2023.

Note (1): Gulf Region includes Saudi Arabia, Qatar, UAE, Bahrain and Oman.
Note (2): NAF/Med includes Egypt and Italy

Shelf Drilling Provides Attractive Exposure to a Tightening Market

Illustrative
Annual Adjusted EBITDA
($m)[1]



Excluding Shelf Drilling North Sea		2022	Illustrative Dayrate Scenarios		
Marketable Rigs[2] (#)		30	31	31	31
Effective Utilization[3]		83%	85%	85%	85%
Average Dayrate ($k/day)		$63	$80	$100	$130
Approximate Rates ($k/d)	**# of Rigs**				
Premium	9	~$85	~$105	~$135	~$175
Standard (ME/Med/WAF)	11	~$70	~$90	~$105	~$140
Standard (India/Egypt)	11	~$40	~$50	~$65	~$85

H1 2023 Fixtures

Source: Shelf Drilling public company filings. Note: FY end 31-Dec; analysis excludes Shelf Drilling North Sea.
(1) Other revenue 12% of Total Revenue in 2022; assumed to be 5% in other scenarios. O&M expenses based on Q4 2022 run-rate of ~$103m. G&A expenses of $50m annually in all scenarios. Excludes impact of Shelf Drilling North Sea.
(2) Marketable Rigs are defined as the total number of rigs operating or available to operate, excluding stacked rigs and rigs under contract for activities other than drilling or plug and abandonment services, as applicable.
(3) Effective Utilization is defined as the number of calendar days during which marketable rigs generate dayrate revenues divided by the maximum number of calendar days during which those rigs could have generated.

Key Milestones in the Past Year

SHELF DRILLING

1 Benefitting from Improved Market Fundamentals

- Tightening supply over the past decade: average global **jack-up rig utilization is currently above 90%**
- Middle East rig count has been **resilient** and **continues to grow** on the back of the GCC **National Oil Companies' long-term growth agendas**
- The **Middle East** has become **Shelf Drilling's largest region** (majority of backlog)

2 Diversified into New Markets and Augmented Fleet Capabilities

- Completed the acquisition of **5 contracted premium jack-up rigs** from Noble (October 2022)
- Access to the resilient and growing **Qatar offshore gas drilling** market and to the **North Sea** through highly-rated customers such as **Qatar Energy**, **TotalEnergies** and **Equinor**
- **Attractive valuation** levels (purchase consideration was ~23% of newbuild cost[1]) and **efficient financing** structure

3 Strengthened Footprint in Core Markets

- Awarded **contracts for two new rigs with Aramco** (5-year firm tenor + 2-year option), now both operational
- Secured **three new contracts** with **ONGC** in India (3-year tenor) in late 2022 / early 2023 at significantly higher dayrates
- Awarded **two new contracts** with **Eni** in the Adriatic Sea (3-year and 2-year tenors)
- Secured multiple other contract renewals and new contracts in Egypt, Nigeria and Angola

4 Growing EBITDA and Accelerating De-Leveraging

- **35 rigs contracted** (out of 36, as of June 2023), vs. 27 in September 2022
- High visibility on **incremental growth** during H2-2023, underpinned by **secured contracts in hand**
- **Adjusted EBITDA generated in Q2 2023 of ~$73m** (~$68m ex. SDNS); sequentially growing Adjusted EBITDA since Q2-2022[2] and expect to exceed ~$100m per quarter in H2-2023
- Clear path to achieve **run-rate leverage of ~3x[3] by late 2023**

Accelerating financial performance with Run-Rate Adjusted EBITDA now expected to exceed $350m target in H2-2023 (ex. SDNS)

Source: Shelf Drilling public company filings and company information. Note: "SDNS": Shelf Drilling North Sea; Adjusted EBITDA is computed as EBITDA plus one-time transaction costs and acquired rig reactivation costs.
(1) Based on purchase price of $375m and an estimated build cost of $1,640m (based on Petrodata and Noble estimates).
(2) With the exception of Q1 2023 when a few rigs where undergoing maintenance in preparation of the start of new contracts and therefore did not generate revenue.
(3) Computed as Net Debt / Run-Rate Adjusted EBITDA, excluding contribution from Shelf Drilling North Sea. Net Debt as of 30 June 2023 of $1,121m (based on $1,210m notes outstanding and $89m cash and cash equivalents).

Investment Highlights

- Fit for Purpose Strategy Underpins Commitment to Sustainability
- Best in Class Operational Platform
- Strong Customer Relationships and Industry Leading Backlog
- Concentrated Exposure to Short Cycle, Low Cost, Low Carbon Activity
- Full Cycle Financial Resilience and Balance Sheet Management
- Well-Positioned to Benefit from Improving Jack-up Market

Financial Highlights

Shelf Drilling Q2 2023 Results Highlights

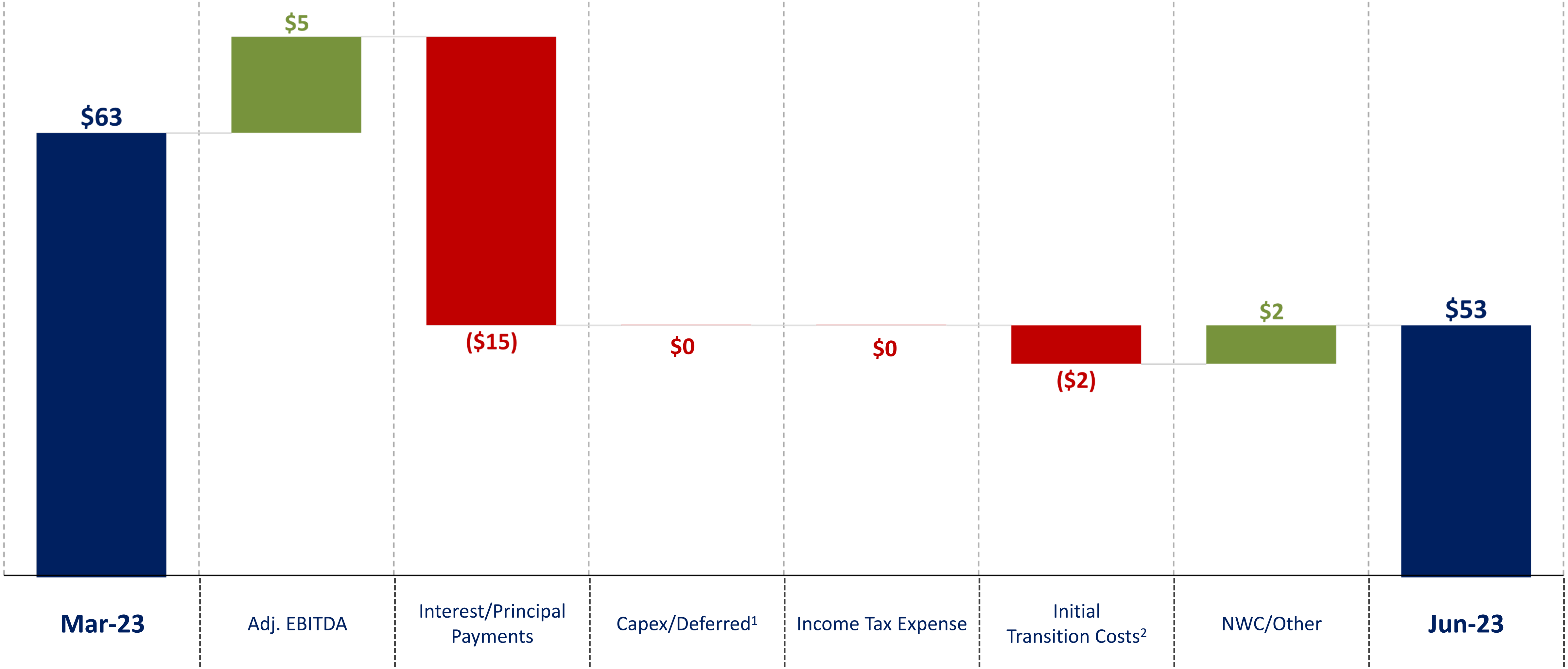
Q2 2023 Results Highlights

	SDL Consol.		SDNS		SDL Excl. SDNS	
	Q1 2023	Q2 2023	Q1 2023	Q2 2023	Q1 2023	Q2 2023
Adj. Revenue[1]	$180	$211	$33	$30	$147	$181
Adj. EBITDA[1]	$36	$73	$7	$5	$29	$68
Capex/Deferred	$83	$61	$3	$2	$80	$59
Cash	$144	$142	$63	$53	$81	$89

All figures in USD millions

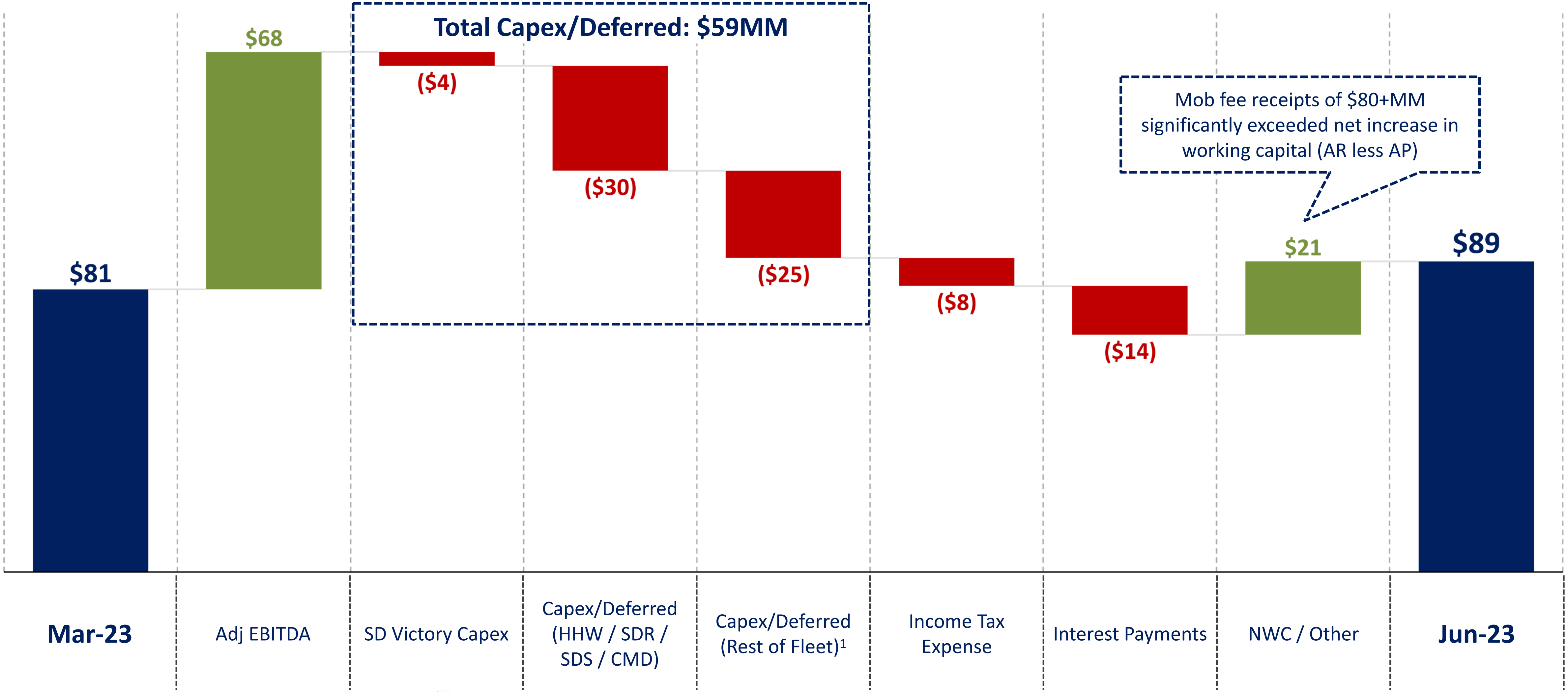
Note 1: Excludes amortization of intangible liability

Shelf Drilling North Sea: Q2 2023 Change in Cash



Note (1): Represents regulatory and capital maintenance. Excludes fleet spares, transition, and other costs (which are reflected in Initial Transition Costs).
Note (2): Includes one-time corporate transaction costs and fleet spares, transition costs and other capex. Cumulative amount of ~$10MM as of Jun-23 versus original guidance of ~$20MM over 12-18 month period

Shelf Drilling (excl. SDNS): Q2 2023 Change in Cash



Note (1): Excludes SDNS.

2023 Financial Guidance – Maintained

FY 2023 Adjusted EBITDA
$310 – $345 million

FY 2023 Capital Expenditures & Deferred Costs	
Total	**$220 – $245 million**
Less SDNS	$20 – $25 million
Less Mobilization Fees	~$100 million
Net Spending (excl. SDNS)	~$110 million

- Estimate range reflects Shelf Drilling on fully consolidated basis
  - Includes 100% of Shelf Drilling North Sea (“SDNS”)
- Q3 2023 Adjusted Revenues expected to increase 15-20% sequentially versus Q2 2023
  - Operating & Maintenance Expenses expected to increase modestly from H1 2023 average
- FY 2023 Adjusted EBITDA heavily weighted to the second half of the year, following commencement of contracts in Q2 and Q3 2023, including:
  - SD Victory and Harvey H. Ward in Saudi Arabia
  - Compact Driller in India
  - Adriatic I, SD Scepter and Trident VIII in West Africa
  - SD Resourceful in Mediterranean

- SDNS spending primarily for fleet spares and transition related activities
- Significantly higher than normal spending across rest of business expected in 2023 due to series of shipyard projects ahead of long-term contracts with new customers
  - Completion of SD Victory and Harvey H. Ward projects that commenced in the Middle East in H2 2022
  - Projects for Compact Driller, SD Scepter and SD Resourceful in H1 2023 and Key Singapore in H2 2023
- Expected mobilization fees of ~$100 million to be received during 2023 (average revenue recognition period of ~4 years)
  - Represent material offset to 2023 capital program
  - **Implied net spending for 2023 expected to be substantially in line with directional annual guidance of ~$100 million for 31-rig fleet**

Supplemental Financial Information

Shelf Drilling Q2 2023 Results Highlights

Results of Operations

(In millions USD)	Q1 2023	Q2 2023
Adjusted revenues	**$ 179.8**	**$ 211.0**
Amortization of intangible liability	3.6	3.2
Revenues	**183.4**	**214.2**
Operating costs & expenses		
Operating and maintenance	129.2	119.9
Depreciation	19.0	20.8
Amortization of deferred costs	12.0	13.3
General and administrative	15.5	15.0
Loss / (gain) on disposal of assets	0.1	(0.3)
Operating income	**7.6**	**45.5**
Other expense, net		
Interest expense and financing charges, net of interest income	(33.4)	(33.7)
Other, net	0.1	(3.7)
(Loss) / income before income taxes	**(25.7)**	**8.1**
Income tax expense	8.6	8.2
Net loss	**(34.3)**	**(0.1)**
Net loss attributable to non-controlling interest	(0.9)	(1.8)
Net (loss) / income attributable to controlling interest	**$ (33.4)**	**$ 1.7**

Revenue Summary (1/2)

- Marketable rigs increased marginally in Q2 2023 as compared to Q1 2023 due to the commencement of the Shelf Drilling Victory contract in Saudi Arabia in April 2023
- Average dayrate increased to $74.6 thousand in Q2 2023 from $69.7 thousand in Q1 2023
  - Dayrates re-set higher for five rigs in Saudi Arabia on long-term contracts with annual re-pricing mechanism
  - Higher dayrate for four rigs in Nigeria following new contract or extension awards
- Effective utilization increased to 82% in Q2 2023 from 75% in Q1 2023, mainly due to:
  - Commencement of seven new contracts or extensions throughout the quarter: three in India (C.E. Thornton, Compact Driller and Key Singapore), two in Saudi Arabia (Shelf Drilling Victory and Harvey H. Ward) and two in West Africa (Adriatic I and Shelf Drilling Scepter)
  - Partially offset by the full quarter of idle time in Q2 for one rig in the UK (Shelf Drilling Fortress)

	Q1 2023	Q2 2023
Operating Data		
Average marketable rigs[1]		
Shelf Drilling excluding SDNS	30.0	30.7
Shelf Drilling North Sea	4.0	4.0
Total	**34.0**	**34.7**
Average dayrate (in thousands USD)[2]		
Shelf Drilling excluding SDNS	$ 68.9	$ 74.2
Shelf Drilling North Sea	75.8	78.6
Total	**$ 69.7**	**$ 74.6**
Effective utilization[3]		
Shelf Drilling excluding SDNS	75%	83%
Shelf Drilling North Sea	80%	74%
Total	**75%**	**82%**

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

Revenue Summary (2/2)

- $31.2 million, or 17%, sequential increase in Adjusted Revenues
  - Increased revenues for eight rigs, four rigs in India (Key Singapore, Compact Driller, C.E. Thornton and FG McClintock), two rigs in Saudi Arabia (Shelf Drilling Victory and Harvey H. Ward) and two rigs in West Africa (Adriatic I and Shelf Drilling Scepter)
  - Seven rigs operating at higher dayrates in the full quarter of Q2 2023: five rigs in Saudi Arabia (High Island IV, High Island II, Main Pass I, Main Pass I and High Island IX) and one rig each in the North Sea (Shelf Drilling Winner) and in West Africa (Shelf Drilling Mentor)
  - Partially offset by decreased revenues for one rig in West Africa (Trident VIII) preparing for a new contract expected to commence in Q3 2023
  - Decreased revenues for one rig that completed its contract in the United Kingdom (Shelf Drilling Fortress) in Q1 2023
  - Decrease in other revenues primarily due to lower contribution from the Shelf Drilling Barsk
- Revenues include non-cash amortization of intangible liability from contracts assumed from Noble

(In millions USD)	Q1 2023	Q2 2023
Shelf Drilling excluding SDNS		
Operating revenues - dayrate	$ 139.2	$ 171.9
Operating revenues - others	3.2	4.2
Other revenue	4.2	4.6
	$ 146.6	**$ 180.7**
Shelf Drilling North Sea		
Operating revenues - dayrate	$ 21.8	$ 21.3
Operating revenues - others	0.3	—
Other revenues	11.1	9.0
	33.2	**30.3**
Amortization of intangible liability	3.6	3.2
	$ 36.8	**$ 33.5**
Total		
Operating revenues - dayrate	$ 161.0	$ 193.2
Operating revenues - others	3.5	4.2
Other revenues	15.3	13.6
Adjusted Revenues	**179.8**	**211.0**
Amortization of intangible liability	3.6	3.2
Total Revenues	**$ 183.4**	**$ 214.2**

Operating & Maintenance Expenses Summary

- SDL excluding SDNS operating & maintenance expenses decreased by $7.8 million to $98.9 million in Q2 2023:
  - Lower shipyard and maintenance expenses mainly due to the commencement of new long-term contracts in Q2 2023 for one rig in India (Compact Driller), one rig in Saudi Arabia (Harvey H. Ward) and one rig in West Africa (Shelf Drilling Scepter)
  - Partially offset by higher operating costs for one rig in Saudi Arabia (Shelf Drilling Victory) that commenced operations in April 2023 and one rig in Italy (Shelf Drilling Resourceful) ahead of contract commencement in August 2023
- SDNS operating & maintenance expenses decreased by $1.5 million to $21.0 million in Q2 2023, primarily due to one rig (Shelf Drilling Fortress) that completed its contract in the United Kingdom in January 2023

(in millions USD)	Q1 2023	Q2 2023
Operating & maintenance expenses		
Rig operating expenses		
Shelf Drilling excluding SDNS	$ 96.7	$ 89.1
Shelf Drilling North Sea	20.1	18.5
	$ 116.8	**$ 107.6**
Shore-based expenses		
Shelf Drilling excluding SDNS	$ 10.0	$ 9.8
Shelf Drilling North Sea	2.4	2.5
	$ 12.4	**$ 12.3**
Total operating & maintenance expenses		
Shelf Drilling excluding SDNS	$ 106.7	$ 98.9
Shelf Drilling North Sea	22.5	21.0
	$ 129.2	**$ 119.9**

General & Administrative Expenses Summary

- General and administrative expenses were largely unchanged at $15.0 million in Q2 2023 as compared to $15.5 million in Q1 2023
- SDNS primarily includes management fees charged by a wholly-owned subsidiary of Shelf Drilling for corporate support services ($8k per rig per day)
- Transition and associated one-time costs substantially completed in April 2023 for all acquired rigs, except for the Shelf Drilling Barsk for which the transition is expected to take place after the completion of the current contract, currently estimated to be October 2023

(in millions USD)	Q1 2023	Q2 2023
General & administrative expenses		
Shelf Drilling excluding SDNS		
Corporate G&A	$ 10.6	$ 10.4
Reversal of provision for credit losses, net	(0.3)	(0.1)
Shared-based compensation	0.6	0.6
General & administrative	**$ 10.9**	**$ 10.9**
Shelf Drilling North Sea		
Corporate G&A	$ 3.8	$ 3.8
One-time corporate transaction costs [1]	0.8	0.3
General & administrative	**$ 4.6**	**$ 4.1**
Total		
Corporate G&A	$ 14.4	$ 14.2
Reversal of provision for credit losses, net	(0.3)	(0.1)
Shared-based compensation	0.6	0.6
One-time corporate transaction costs [1]	0.8	0.3
General & administrative	**$ 15.5**	**$ 15.0**

Note (1): "One-time corporate transaction costs" represents certain one-time third party professional services recorded at SDNS level.

Adjusted EBITDA Reconciliation

(In millions USD)	Q1 2023	Q2 2023
Net loss	**$ (34.3)**	**$ (0.1)**
Add back		
Interest expense and financing charges, net of interest income [1]	33.4	33.7
Income tax expense	8.6	8.2
Depreciation	19.0	20.8
Amortization of deferred costs	12.0	13.3
Loss / (gain) on disposal of assets	0.1	(0.3)
Amortization of intangible liability	(3.6)	(3.2)
EBITDA	**35.2**	**72.4**
One-time corporate transaction costs	0.8	0.3
Adjusted EBITDA	**36.0**	**72.7**
Allocated as:		
Shelf Drilling excluding SDNS	29.3	67.7
Shelf Drilling North Sea	6.7	5.0
	$ 36.0	**$ 72.7**
Adjusted EBITDA margin	**20%**	**34%**

Note (1): "Interest expense and financing charges, net of interest income'' is defined as interest expenses incurred and accrued on our debt and the amortization of debt issuance fees and costs over the term of the debt, net of interest income.

Capital Expenditures and Deferred Costs Summary

(In millions USD)	Q1 2023	Q2 2023
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$ 27.2	$ 21.3
Contract preparation [2]	26.8	32.0
Fleet spares, transition costs and others [3]	5.6	3.7
	59.6	57.0
Rig acquisitions [4]	22.9	3.9
Total Capital Expenditures and Deferred Costs	**$ 82.5**	**$ 60.9**
Allocated as:		
Shelf Drilling excluding SDNS	$ 79.9	$ 58.7
Shelf Drilling North Sea [5]	2.6	2.2
Total Capital Expenditures and Deferred Costs	**$ 82.5**	**$ 60.9**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$ 19.4	$ 45.8
Net change in advances and accrued but unpaid additions to PP&E	24.2	(26.3)
Total capital expenditures	43.6	19.5
Changes in deferred costs, net	26.9	28.1
Add: Amortization of deferred costs	12.0	13.3
Total deferred costs	38.9	41.4
Total Capital Expenditures and Deferred Costs	**$ 82.5**	**$ 60.9**

Note: (1): "Regulatory and capital maintenance" includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures.
Note: (2): "Contract preparation" includes specific upgrade, mobilization and preparation costs associated with a customer contract.
Note: (3): "Fleet spares, transition costs and others" includes: (i) acquisition and certification costs for the rig fleet spares pool which is allocated to specific rig expenditures as and when required by that rig, which will result in an expenditure charge to that rig and a credit to fleet spares, (ii) costs related to recently acquired rigs and (iii) office and infrastructure expenditures.
Note: (4): "Rig acquisitions" includes capital expenditures and deferred costs associated mainly with the Shelf Drilling Victory acquisition and readiness projects.
Note: (5): "Shelf Drilling North Sea" includes the acquisition and transition and other costs for the five rigs acquired from Noble in 2022.

SDNS – Capital Expenditures and Deferred Costs Summary

- Capital Expenditures and Deferred Costs for SDNS totaled $2.2 million in Q2 2023 down from $2.6 million in Q1 2023.
- Year-to-date capital spending primarily related to transition related costs and investment in fleet spares ($4.0 million of $4.8 million total).

(In millions USD)	Q1 2023	Q2 2023
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$ 0.5	$ 0.3
Fleet spares, transition costs and others [2]	2.1	1.9
Total Capital Expenditures and Deferred Costs	**$ 2.6**	**$ 2.2**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$ 2.9	$ 1.4
Net change in advances and accrued but unpaid additions to PP&E	(0.4)	0.6
Total capital expenditures	2.5	2.0
Changes in deferred costs, net	0.1	0.2
Total deferred costs	0.1	0.2
Total Capital Expenditures and Deferred Costs	**$ 2.6**	**$ 2.2**

Note: (1): "Regulatory and capital maintenance" includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures.
Note: (2): "Fleet spares, transition costs and others" mainly includes: (i) acquisition and certification costs for the rig fleet spares pool which is allocated to specific rig expenditures as and when required by that rig, which will result in an expenditure charge to that rig and a credit to fleet spares, (ii) costs related to recently acquired rigs and (iii) office and infrastructure expenditures.

SDL excluding SDNS - Capital Expenditures and Deferred Costs Summary

- Capital Expenditures and Deferred Costs totaled $58.7 million in Q2 2023, lower by $21.2 million from Q1 2023 primarily as a result of:
  - Lower spending for two rigs in Saudi Arabia (Shelf Drilling Victory and Harvey H. Ward), one rig in India (Compact Driller) and one rig in Nigeria (Shelf Drilling Scepter) which started operations in Q2 2023
  - Lower spending on fleet spares
  - Partially offset by higher contract preparation expenditures for one rig each in Italy (Shelf Drilling Resourceful), India (Key Singapore) and West Africa (Trident VIII) expected to commence new contracts in Q3 / Q4 2023
- Total spending in Q2 2023 of $40.0 million on the seven rigs starting new contracts or extensions mentioned above

(In millions USD)	Q1 2023	Q2 2023
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$ 26.7	$ 21.0
Contract preparation [2]	26.8	32.0
Fleet spares, transition costs and other [3]	3.5	1.8
	57.0	54.8
Rig acquisitions [4]	22.9	3.9
Shelf Drilling excluding SDNS	**$ 79.9**	**$ 58.7**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$ 16.5	$ 44.4
Net change in advances and accrued but unpaid additions to PP&E	24.6	(26.9)
Total capital expenditures	41.1	17.5
Changes in deferred costs, net	26.8	27.9
Add: Amortization of deferred costs	12.0	13.3
Total deferred costs	38.8	41.2
Total Capital Expenditures and Deferred Costs	**$ 79.9**	**$ 58.7**

Note: (1): “Regulatory and capital maintenance” includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures.
Note: (2): “Contract preparation” includes specific upgrade, mobilization and preparation costs associated with a customer contract.
Note: (3): “Fleet spares, transition costs and others” mainly includes: (i) acquisition and certification costs for the rig fleet spares pool which is allocated to specific rig expenditures as and when required by that rig, which will result in an expenditure charge to that rig and a credit to fleet spares and (ii) office and infrastructure expenditures.
Note: (4): “Rig acquisitions” primarily includes capital expenditures and deferred costs associated with the acquisition and readiness project for the Shelf Drilling Victory acquired in July 2022.

Capital Structure Summary

SHELF DRILLING

(In millions USD)	YE 2021	YE 2022	Q1 2023	Q2 2023
Cash and cash equivalents	$ 232.3	$ 140.8	$ 143.6	$ 141.9
Restricted cash	20.9	36.5	31.0	32.1
Total long-lived assets [1]	1,165.7	1,621.2	1,671.9	1,698.1
Total assets	**$ 1,617.5**	**$ 2,046.3**	**$ 2,091.0**	**$ 2,146.6**
8.25% Senior unsecured notes due 2025 [2]	$ 893.1	$ 895.1	$ 895.6	$ 896.2
8.875% Senior secured notes due 2024 [3]	299.4	302.8	303.7	304.6
	$ 1,192.5	**$ 1,197.9**	**$ 1,199.3**	**$ 1,200.8**
10.25% Senior secured notes due 2025 [4]	—	238.8	239.7	240.6
Total debt	**$ 1,192.5**	**$ 1,436.7**	**$ 1,439.0**	**$ 1,441.4**
Net debt	$ 960.2	$ 1,295.9	$ 1,295.4	$ 1,299.5
Total equity attributable to controlling interest	**$ 213.7**	**$ 235.6**	**$ 246.9**	**$ 249.2**
Non-controlling interest	—	79.9	79.0	77.2
Total equity	**$ 213.7**	**$ 315.5**	**$ 325.9**	**$ 326.4**

- LTM Adjusted EBITDA of $250.1 million and Net Leverage ratio of 5.2x for SDL ($221.5 million and 5.0x for Shelf Drilling excluding SDNS)
- Cash and cash equivalents balance at SDNS at June 30, 2023 of $52.9 million ($89.0 million at SDL excluding SDNS)
- Restricted cash securing bank guarantees was $32.1 million as of June 30, 2023 compared to $31.0 million as of March 31, 2023, including $4.6 million at SDNS
- Total shares outstanding of 194.0 million as of June 30, 2023
  - Primary insiders: 67.2 million or 34.7%, consisting primarily of China Merchants: 26.8 million (13.8%), Castle Harlan: 19.9 million (10.2%) and Lime Rock: 17.4 million (8.9%)

Note (1): "Total long lived assets" are defined as property plant and equipment, right-of-use assets and short term and long term deferred costs. This excludes assets held for sale.
Note (2): Reflects carrying value. Principal value is $900.0 million.
Note (3): Reflects carrying value. Principal value is $310.0 million.
Note (4): Reflects carrying value. Principal value was $250.0 million.

Free Cash Flow Summary

- Q2 2023 Adjusted EBITDA increased to $72.7 million (adjusted EBITDA margin of 34%) primarily due to an increase in effective utilization and dayrates and lower operating expenditures
- Cash and cash equivalents decreased by $1.7 million to $141.9 million during Q2 2023, mainly due to:
  - Continued high level of capital expenditures and deferred costs totaling $60.9 million, primarily due to five rigs preparing for new long-term contracts (two in Saudi Arabia and one each in Nigeria, India and Italy)
  - Favorable impact from significant inflow of mobilization fees received during Q2 2023 (more than $80 million cash receipts) partially offset by changes in net working capital (increase in Accounts Receivable and decrease in Accounts Payable)
  - Increase in EBITDA in Q2 2023 as compared to Q1 2023

Quarterly Cash Flow Summary ($MM)	Q1 2023	Q2 2023
Adjusted EBITDA	**$ 36.0**	**$ 72.7**
Adjustments	(0.8)	(0.3)
EBITDA	**$ 35.2**	**$ 72.4**
Interest expense, net of interest income	(33.4)	(33.7)
Income tax expense	(8.6)	(8.2)
Capital expenditures and deferred costs [1]	(59.6)	(57.0)
Sub-total	**$ (66.4)**	**$ (26.5)**
Working Capital Impact		
Interest [2]	(3.7)	4.7
Other	51.7	24.3
Sub-total	**$ 48.0**	**$ 29.0**
Capex / deferred costs: Rig acquisitions	(22.9)	(3.9)
Net proceeds from issuance of common shares	44.4	(0.3)
Payments for the subsidiary shares issuance to non-controlling interest	(0.1)	—
Payments of debt issuance costs	(0.2)	—
Sub-total	**$ 21.2**	**$ (4.2)**
Net change in cash and cash equivalents	**$ 2.8**	**$ (1.7)**
Beginning Cash	140.8	143.6
Ending cash and cash equivalents	**$ 143.6**	**$ 141.9**

Note (1): Excludes rig acquisitions.
Note (2): Represents the difference between interest expense, net and cash interest payments during the period.

Free Cash Flow Summary

SHELF DRILLING

Quarterly Cash Flow Summary ($MM) - Q2 2023	Shelf Drilling excluding SDNS		Shelf Drilling North Sea		Total	
Adjusted EBITDA	**$**	**67.7**	**$**	**5.0**	**$**	**72.7**
Adjustments		—		(0.3)		(0.3)
EBITDA	**$**	**67.7**	**$**	**4.7**	**$**	**72.4**
Interest expense, net of interest income		(26.8)		(6.9)		(33.7)
Income tax expense		(7.9)		(0.3)		(8.2)
Capital expenditures and deferred costs [1]		(54.8)		(2.2)		(57.0)
Sub-total	**$**	**(21.8)**	**$**	**(4.7)**	**$**	**(26.5)**
Working Capital Impact						
Interest [2]		13.0		(8.3)		4.7
Other		21.3		3.0		24.3
Sub-total	**$**	**34.3**	**$**	**(5.3)**	**$**	**29.0**
Capex / deferred costs: Rig acquisitions		(3.9)		—		(3.9)
Net proceeds from issuance of common shares		(0.3)		—		(0.3)
Sub-total	**$**	**(4.2)**	**$**	**—**	**$**	**(4.2)**
Net change in cash and cash equivalents	**$**	**8.3**	**$**	**(10.0)**	**$**	**(1.7)**
Beginning cash		80.7		62.9		143.6
Ending cash and cash equivalents	**$**	**89.0**	**$**	**52.9**	**$**	**141.9**

Note (1): Excludes rig acquisitions.
Note (2): Represents the difference between interest expense, net and cash interest payments during the period.

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