Shelf Drilling Q4 2023 Results Highlights

4 March 2024

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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.

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2023 Key Performance Indicators

TRIR[1] of 0.12 show further step improvement over 2022 level of 0.16, vs. IADC average of 0.51

Adj. EBITDA reflects 21% YoY increase in earned dayrates

New $1.095 billion principal amount, 9.625% Senior Secured Notes due in 2029[2]

Backlog provides strong visibility
→ 77 rig years across 35 contracted rigs

0.12
TRIR[1]

98.8%
Uptime

$311 MM
Adjusted EBITDA

35%
Adjusted EBITDA Margin

$2.3 BN
Backlog[3]

97%
Marketed Utilization[3]

Note (1): Total Recordable Incident Rate, per 200,000 manhours, full year 2023.
Note (2): Issued in October 2023
Note (3): Backlog and Marketed Utilization are as of 31 December 2023.

Oil Prices 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

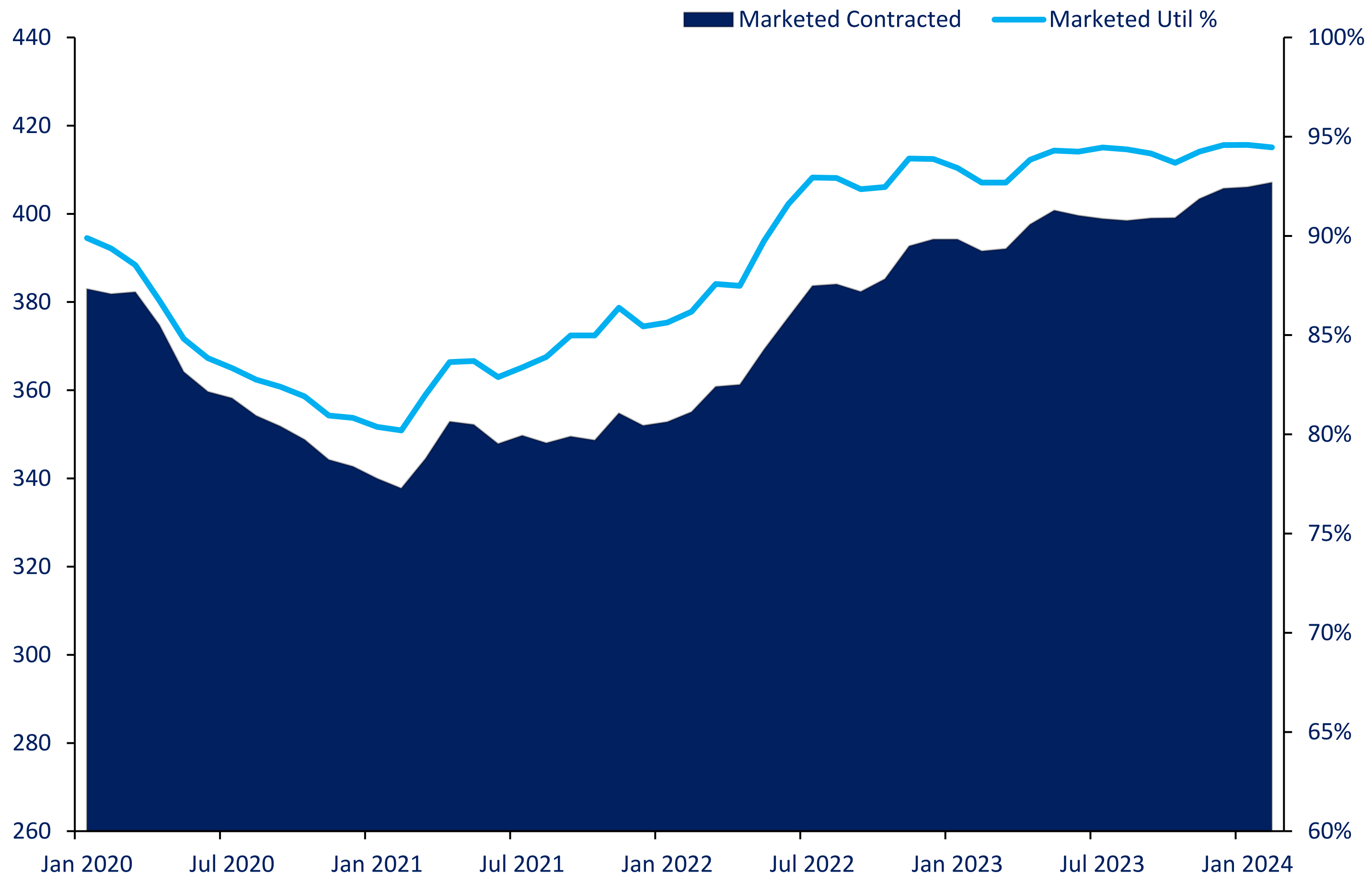
Offshore capex in proven reservoirs expected to increase to offset declining onshore productive capacity

Source: Bloomberg, as of 29 February 2023.
Note (1): YTD 2024 Average Brent oil price based on 1 January 2024 to 28 February 2023.

Continued Growth in Global Jack-up Demand

- Global number of contracted jack-ups increased from 390 in January 2023 to 407 in February 2024, exceeding 400 units for the first time since 2015
  - Positive dayrate momentum continues in most regions on both standard and premium rigs as marketed utilization reaches 95%
- Both OPEC and non-OPEC producers have invested heavily in recent quarters to rebuild productive capacity
  - NOCs in the Middle East have deployed the majority of ~50 incremental jack-up rigs, and NOCs elsewhere are seeking more rigs but have received limited interest due to tight supply of rigs
  - IOCs and independents have also found limited success in contracting rigs for their shallow water programs around the world, are expected to continue tendering for additional rig capacity
- Demand for jack-up services expected to be resilient despite recent macroeconomic headwinds and geopolitical conflicts
  - Anticipate rig count increases in India and Southeast Asia in 2024

Number of Contracted Jack-ups[1]



Note (1): Independent legs and cantilever units only, excludes mat-supported rigs.
Source: IHS Petrodata, as of 29 February 2024.

Saudi Aramco Announced Pause in Production Expansion Plans

Saudi Aramco Receives Directive to Maintain Production at 12 MMBD

- Saudi Aramco reduces planned oil production capacity from 13 mmbd to 12 mmbd, citing undisclosed reasons
- Production currently at 9 mmbd, down from 10.2 mmbd in early 2022
- Speculation suggests Aramco's decision aims to reduce capex/cost, mitigate supply chain strain, and increase oil price without further production cuts

Goldman Sachs

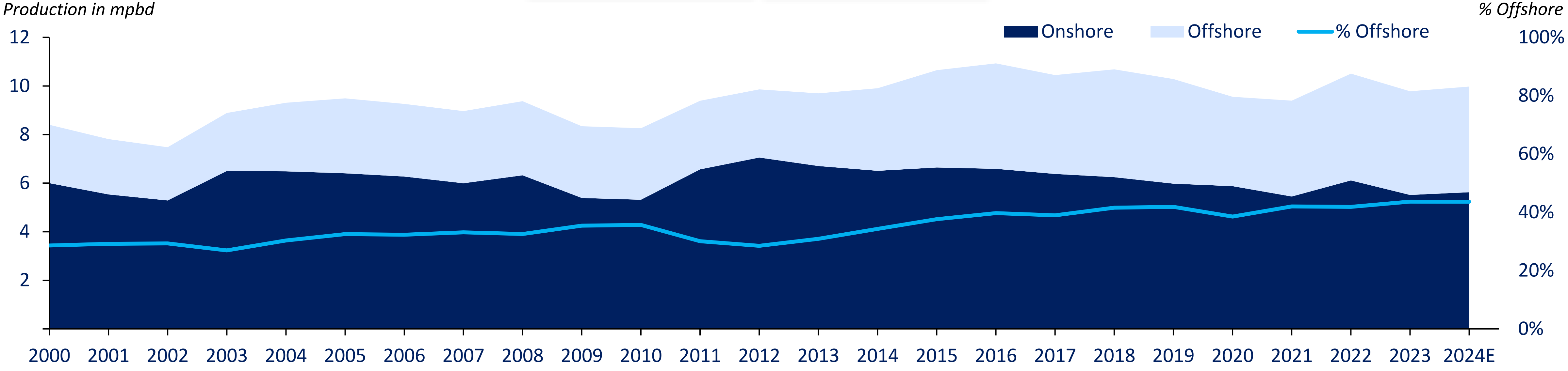
"Given the latest updates around Saudi's crude MSC target, we believe Safaniya's oilfield could be put on hold."

Schlumberger

"Announced that it is reaffirming its full-year 2024 financial guidance."

Saudi Historical Production

	Offshore	Onshore	Total	% Offshore
2004-2013	2.9	6.2	9.2	32%
2023	4.3	5.5	9.8	44%
Change (%)	45%	(12%)	6%	
Change (mbpd)	1.3	(0.7)	0.6	



Source: Saudi Aramco, Goldman Sachs, Schlumberger, & Rystad Energy (as of Feb-2024)

Limited Jack-up Supply in the Market Today

Middle East rig count continues to set records

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

- Increasing contracting activity in SE Asia and lengthening contract terms in West Africa

China rig count continues to climb, absorbing previously stranded newbuilds

Material reduction in supply over last decade

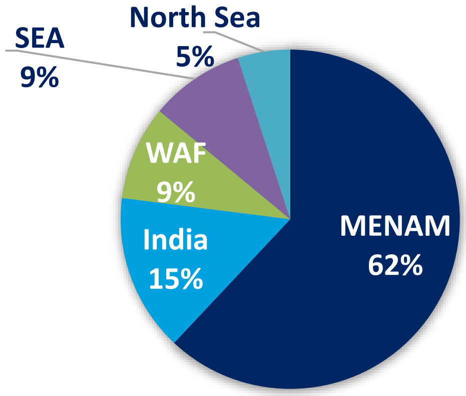
Regions	Contracted Jack-ups		Change Since Prior Peak
	Apr-14	Feb-23	
Middle East	127	181	54
India	32	36	4
West Africa	20	13	-7
SE Asia	67	35	-32
North Sea	46	30	-16
Mexico	50	32	-18
US GOM	15	4	-11
China	30	57	27
Sub-Total	387	**388**	1
Total Under Contract	429	**407**	-22
Available	24	**24**	0
Total Active Supply	453	**431**	-22
% Marketed Utilization	95%	**94%**	-1 ppt.
Under Construction	141	17[1]	-124

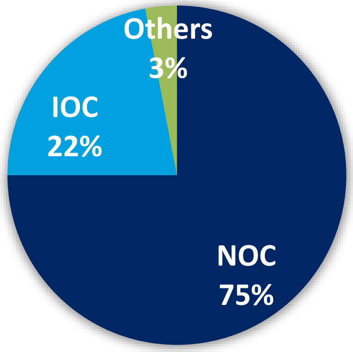
Source: IHS Petrodata, as of 29 February 2024.

Note (1): Includes rigs known to be committed to future contracts, i.e., 1 ordered by ARO and 2 purchased by COSL and CNPC.

High Utilization and Strong Backlog

Total Backlog - $2,340 Million





Backlog and Rig Years figures as of 31 December 2023

Fleet Status Summary (As of 4 March 2024)

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

Backlog by Asset Type

	Rigs	Backlog (million)	Dayrate (thousand)	Rig Years
Standard 1 *(IN, EG)*	11	$351	$56	17.2
Standard 2 *(ME, Med, WAF)*	11	$1,126	$83	37.1
Premium *(excl SDNS)*	9	$612	$100	16.7
Shelf Drilling *(excl SDNS)*	**31**	**$2,089**	**$81**	**71.1**
SDNS	5	$251	$119	5.8
TOTAL	**36**	**$2,340**	**$83**	**76.8**

Recent Developments

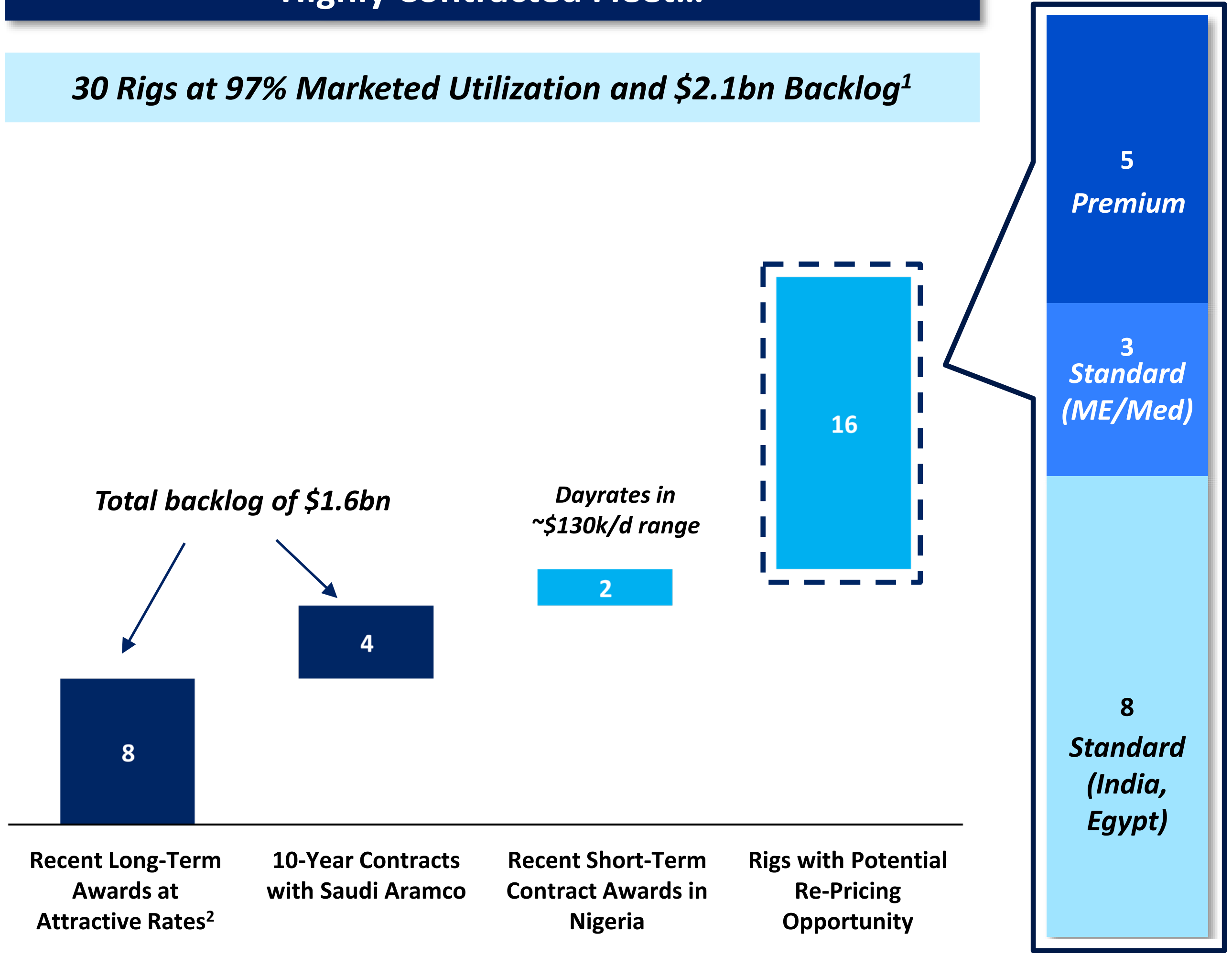
- SD Perseverance secured a 12-well contract with PEVP POC in Vietnam for a firm term of ~16 months with a contract value of ~$73 million. The rig is mobilizing from the UK and will undergo contract preparation in Singapore. Expected commencement date is July 2024.
- SD Barsk completed its contract with Equinor in Norway under bareboat charter and is undergoing contract preparation in Norway ahead of its new contract expected to commence in May 2024.
- Baltic secured a 3-well contract in Nigeria for a firm term of ~70 days at a total value of $10 million. Expected commencement date is April 2024.
- Trident 16 completed contract with Petrobel in Egypt in February 2024 and is now available and marketed for opportunities.

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

Strong Near-Term Visibility with Significant Medium-Term Upside

Highly Contracted Fleet…

30 Rigs at 97% Marketed Utilization and $2.1bn Backlog[1]



…With Material Upside & Downside Protection

- Substantial re-pricing opportunity between **early 2024 and mid 2026** (average remaining term of **1.3 years[3])**
- Weighted average backlog dayrate of **~$65k/d[3]** – well below leading edge levels providing **at the same time upside potential and downside protection in coming years**

Contracted Well Below Current Market Dayrates

	Dayrates ($k/d)		% Change
	Weighted Average Current Contracts	Selected Recent Awards	
5 Premium	~$85	~$140	*+65%*
3 Standard *(ME / Med)*	~$75	~$105	*+40%*
8 Standard *(India / Egypt)*	~$40	~$75	*+85%*

Note: Analysis excludes Shelf Drilling North Sea.
(1) SDL Excl. SDNS and Baltic breakdown as of Dec-2023. Baltic's previous contract completed late Sep-23, and recently secured new contract expected to commence Apr-24.
(2) Recent Long-Term Awards include for Shelf Drilling Resourceful, Trident II, Compact Driller, Key Singapore, Trident VIII, Shelf Drilling Scepter, Harvey H. Ward and Shelf Drilling Victory.
(3) Based on 16 rigs (5 premium, 3 standard (ME/Med) and 8 standard (India/Egypt))

Investment Highlights

- Operating Platform Creates Differentiation
- Strategic Revolution and Transformation of Our Jack-up Rig Fleet
- Sustainability Leader with a Focus on Low Carbon Intensity Region
- Strong Relationships with Blue-chip Customers and Top-tier Industry Backlog
- Robust Through the Cycle Margins with Accelerating Revenue
- Full Cycle Financial Resilience and Prudent Balance Sheet Management
- Well-Positioned to Benefit from Improving Jack-up Market

Financial Highlights

Shelf Drilling Q4 2023 Results Highlights

2023 Financial Guidance vs. Actuals

FY 2023 Adjusted EBITDA	FY 2023 Capital Expenditures & Deferred Costs
Guided: $310-$345 million **Actual: $311 million**	Guided: $220-245 million **Actual: $226 million**

- Variance between actual EBITDA for FY 2023 and upper portion of initial guidance range primarily driven by lower than expected revenue and margin contribution from two rigs in the UK
  - Extended idle time on both units during 2023
- As expected, significant improvement in Revenue and EBITDA during the second half of 2023 following commencement of new long-term contracts during Q2 and Q3 (Saudi Arabia, India, Nigeria, Italy)

- SDNS spending (~$11 million) below directional guidance in ~$20 million range – portion of planned investment in fleet spares deferred to 2024
- Significantly higher than normal spending across rest of business in 2023 due to series of shipyard projects ahead of long term contracts with new customers
  - Actual levels were in line with guidance provided in early 2023
  - Mobilization fees received represented material offset to 2023 capital program

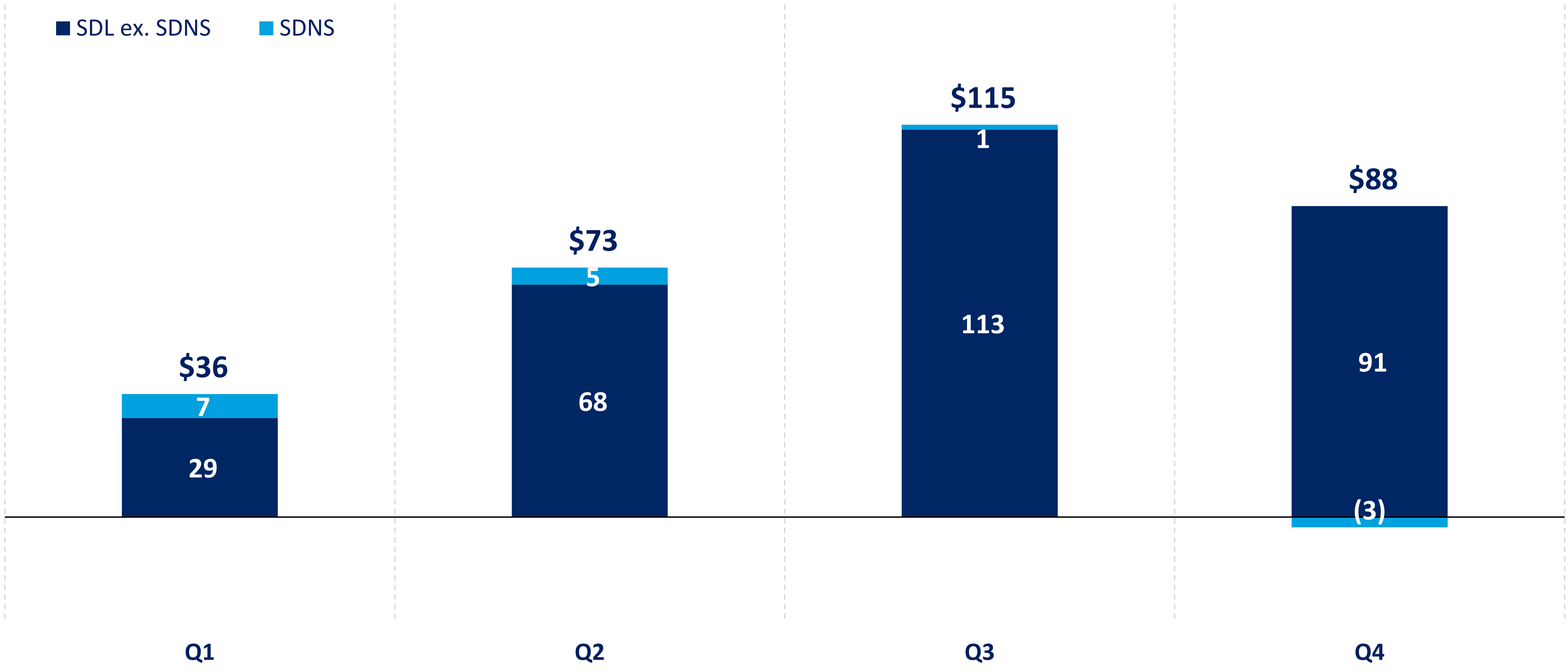
Q4 2023 Results Highlights

SHELF DRILLING

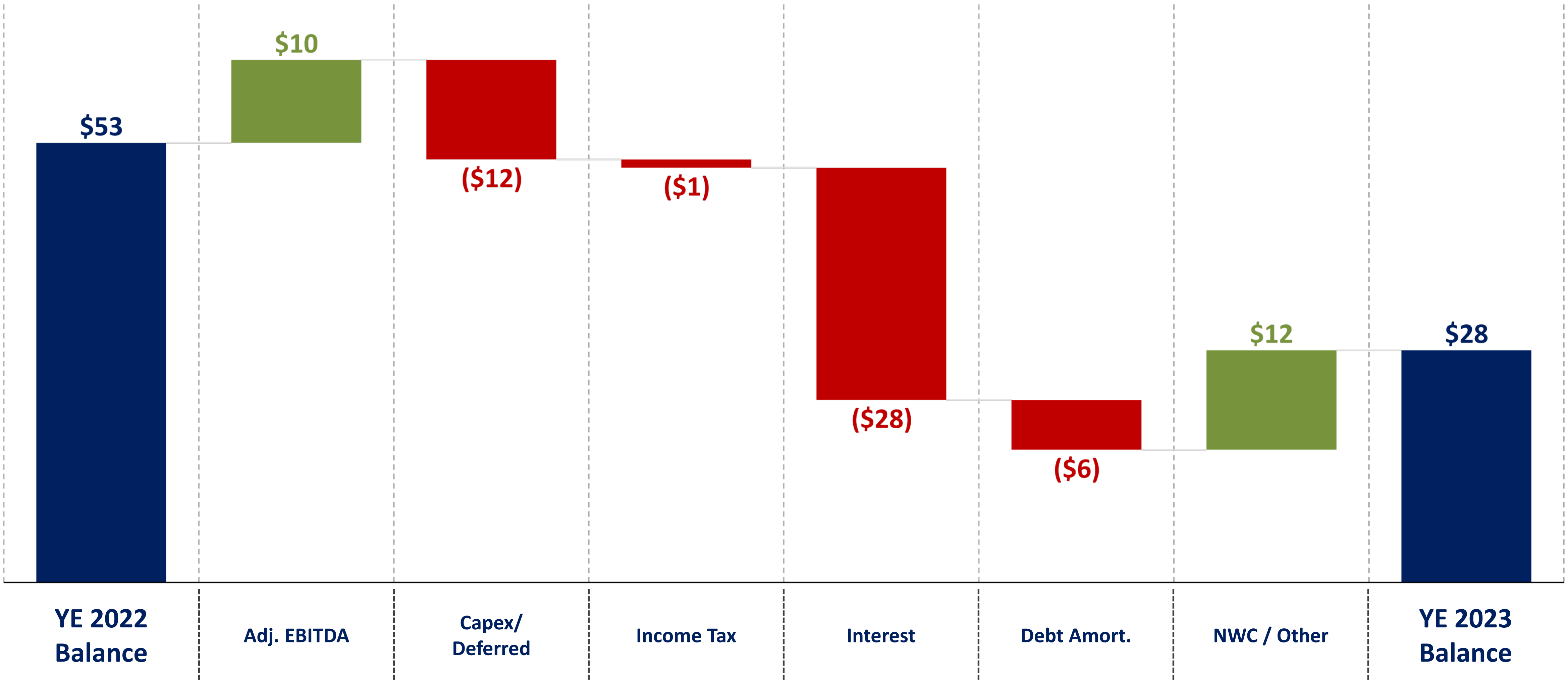
	SDL Consol.		SDNS		SDL Excl. SDNS	
	Q3 2023	Q4 2023	Q3 2023	Q4 2023	Q3 2023	Q4 2023
Adj. Revenue[1]	$264	$239	$32	$27	$232	$212
Adj. EBITDA[1]	$115	$88	$1	($3)	$113	$91
Capex/Deferred	$35	$48	$3	$4	$32	$44
Cash	$145	$98	$47	$28	$98	$70

All figures in USD millions
Note 1: Excludes amortization of intangible liability

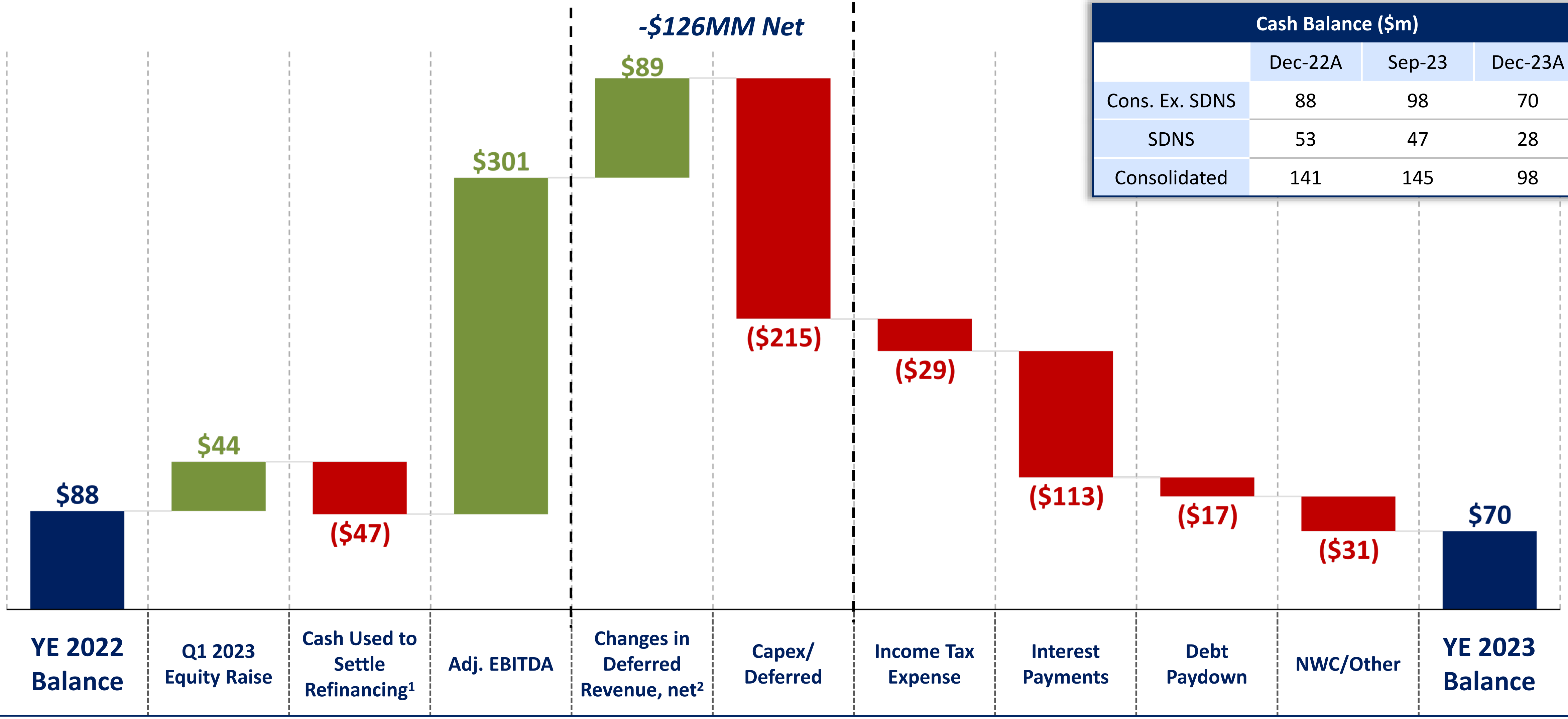
2023 Adjusted EBITDA by Quarter



Shelf Drilling North Sea: Full Year 2023 Change in Cash



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



Cash Balance ($m)			
	Dec-22A	Sep-23	Dec-23A
Cons. Ex. SDNS	88	98	70
SDNS	53	47	28
Consolidated	141	145	98

Note (1): Excludes $23MM release of restricted cash that was also used as a partial source of funding for the refinancing.
Note (2): Mobilization fees received less amortization of mobilization revenue during the year.

2024 Financial Guidance

FY 2024 Adjusted EBITDA	FY 2024 Capital Expenditures & Deferred Costs
$375-420 million	**$145-170 million**

- SDNS FY 2024 contribution estimated in $25 – 30 million range
  - ~($15) million EBITDA anticipated in Q1 2024 with 2 rigs preparing for new contracts
- Shelf Drilling excluding SDNS
  - Q1 2024 Adjusted Revenues expected to be directionally in line with Q4 2023
  - Q1 2024 Operating & Maintenance Expenses expected to increase modestly from Q4 2023

- SDNS spending expected in the $40 – 45 million range
  - Mobilization and contract preparation for SD Perseverance is largest contributor
  - Includes $10+ million investment in fleet spares originally contemplated for 2023
- Shelf Drilling excluding SDNS
  - No further mobilization of rigs to new locations currently contemplated for 2024
  - Includes ongoing investment in fleet spares of ~$15 million
  - 3 rigs in Saudi Arabia scheduled for equipment recertification projects in H1 2024 (High Island II, Main Pass I, and High Island IX)
  - 3 major out-of-service projects in India during 2024 (Trident II near completion, J.T. Angel and Trident XII contemplated in H2 2024 if awarded new 3-year contracts in ongoing tender)

Supplemental Financial Information

Shelf Drilling Q4 2023 Results Highlights

Results of Operations

(In millions USD)	Q3 2023	Q4 2023
Adjusted revenues	**$ 264.2**	**$ 238.8**
Amortization of intangible liability	4.2	3.2
Revenues	**268.4**	**242.0**
Operating costs & expenses		
Operating and maintenance	128.9	134.9
Depreciation	21.7	21.8
Amortization of deferred costs	18.3	17.9
General and administrative	20.2	13.6
Loss on disposal of assets	0.5	1.8
Operating income	**78.8**	**52.0**
Other expense, net		
Interest expense and financing charges, net of interest income[1]	(33.6)	(64.6)
Other, net	(0.3)	(2.2)
Income / (loss) before income taxes	**44.9**	**(14.8)**
Income tax expense	6.5	6.4
Net income / (loss)[1]	**38.4**	**(21.2)**
Net loss attributable to non-controlling interest	(2.5)	(4.4)
Net income / (loss) attributable to controlling interest	**$ 40.9**	**$ (16.8)**

Note (1): This includes $27.7 million loss on debt extinguishment in Q4 2023.

Revenue Summary (1/2)

- Marketable rigs increased marginally in Q4 2023 compared to Q3 2023 primarily due to the completion of bareboat charter agreement for Shelf Drilling Barsk in December 2023. As of December 31, 2023, there were 36 marketable rigs.
- Average dayrate decreased to $80.2 thousand in Q4 2023 from $81.5 thousand in Q3 2023 primarily due to lower revenues for two rigs in West Africa in Q4 2023
- Effective utilization decreased to 85% in Q4 2023 from 90% in Q3 2023, mainly due to:
  - Idle time for two rigs in West Africa (Adriatic I and Baltic) in Q4 2023
  - Planned shipyard for one rig in India (Trident II) and planned out of service for two rigs in Saudi Arabia (Main Pass IV and High Island IV)
  - Partially offset by three rigs that commenced new contracts in mid Q3 2023 in Nigeria (Trident VIII), United Kingdom (Shelf Drilling Fortress) and Italy (Shelf Drilling Resourceful)
  - Commencement of a new contract in India (Key Singapore) in Q4 2023

	Q3 2023	Q4 2023
Operating Data		
Average marketable rigs[1]		
Shelf Drilling excluding SDNS	31.0	31.0
Shelf Drilling North Sea	4.0	4.2
Total	**35.0**	**35.2**
Average dayrate (in thousands USD)[2]		
Shelf Drilling excluding SDNS	$ 80.6	$ 78.4
Shelf Drilling North Sea	91.6	96.6
Total	**$ 81.5**	**$ 80.2**
Effective utilization[3]		
Shelf Drilling excluding SDNS	93 %	87 %
Shelf Drilling North Sea	62 %	69 %
Total	**90 %**	**85 %**

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)

- SDL excluding SDNS Adjusted Revenues decreased by $20.5 million to $211.6 million in Q4 2023
  - Decreased revenues for two rigs in West Africa (Adriatic I and Shelf Drilling Mentor) which started new contracts in Q4 2023 and one rig that was idle in Q4 2023 in West Africa (Baltic) after completing its contract in September 2023
  - Planned out of service for two rigs in Saudi Arabia (High Island IV and Main Pass IV), which returned to operations in November 2023 and January 2024, respectively
  - Planned shipyard for one rig in India (Trident II) preparing for a new 3-year contract expected to start in March 2024
  - Partially offset by increased revenues in West Africa (Trident VIII), India (Key Singapore), and Italy (Shelf Drilling Resourceful) for rigs commencing new contracts in Q3 2023 or early Q4 2023
- SDNS Adjusted Revenues decreased by $4.9 million to $27.2 million primarily due to decreased revenues for one rig in Norway (Shelf Drilling Barsk) that completed its bareboat charter contract in December 2023 and is preparing for its new contract expected to start in May 2024, partially offset by increased revenues for one rig in the United Kingdom (Shelf Drilling Fortress)
- Revenues include non-cash amortization of intangible liability from contracts assumed by SDNS from Noble

(In millions USD)	Q3 2023	Q4 2023
Shelf Drilling excluding SDNS		
Operating revenues - dayrate	$ 214.3	$ 194.6
Operating revenues - others	10.3	11.1
Other revenue	7.5	5.9
	$ 232.1	**$ 211.6**
Shelf Drilling North Sea		
Operating revenues - dayrate	$ 20.9	$ 25.8
Operating revenues - others	0.4	0.4
Other revenues	10.8	1.0
	32.1	**27.2**
Amortization of intangible liability	4.2	3.2
	$ 36.3	**$ 30.4**
Total		
Operating revenues - dayrate	$ 235.2	$ 220.4
Operating revenues - others	10.7	11.5
Other revenues	18.3	6.9
Adjusted Revenues	**264.2**	**238.8**
Amortization of intangible liability	4.2	3.2
Total Revenues	**$ 268.4**	**$ 242.0**

Operating & Maintenance Expenses Summary

- SDL excluding SDNS operating & maintenance expenses increased by $4.2 million to $109.3 million in Q4 2023:
  - Higher shipyard costs for one rig in India (Trident II) ahead of its new contract commencement expected in March 2024
  - Higher demobilization costs for two rigs in West Africa: one rig (Baltic) that completed its contract in September 2023 and one rig (Adriatic I) that commenced a new contract in October 2023
  - Partially offset by lower expenses for fleet spares
- SDNS operating & maintenance expenses increased by $1.8 million to $25.6 million in Q4 2023
  - Higher demobilization and maintenance costs for one rig in Norway (Shelf Drilling Barsk) which completed its contract in Q4 2023
  - Partially offset by lower maintenance costs for one rig in the United Kingdom (Shelf Drilling Fortress) that started a new contract in August 2023

(in millions USD)	Q3 2023	Q4 2023
Operating & maintenance expenses		
Rig operating expenses		
Shelf Drilling excluding SDNS	$ 96.0	$ 99.6
Shelf Drilling North Sea	21.0	23.0
	$ 117.0	**$ 122.6**
Shore-based expenses		
Shelf Drilling excluding SDNS	$ 9.1	$ 9.7
Shelf Drilling North Sea	2.8	2.6
	$ 11.9	**$ 12.3**
Total operating & maintenance expenses		
Shelf Drilling excluding SDNS	$ 105.1	$ 109.3
Shelf Drilling North Sea	23.8	25.6
	$ 128.9	**$ 134.9**

General & Administrative Expenses Summary

SHELF DRILLING

- General and administrative expenses of $13.6 million in Q4 2023 decreased by $6.6 million from Q3 2023
  - Corporate G&A of $13.7 million in Q4 2023 was largely unchanged versus Q3 2023
  - Net decrease in provision for credit losses following a $5.7 million expense in Q3 2023, primarily at SDNS
- SDNS primarily includes management service fees charged by a wholly-owned subsidiary of Shelf Drilling for corporate support services ($8k per rig per day)

(in millions USD)	Q3 2023	Q4 2023
General & administrative expenses		
Shelf Drilling excluding SDNS		
Corporate G&A	$ 9.9	$ 10.0
Provision for / (reversal of provision for) credit losses, net	2.4	(0.7)
Share-based compensation	0.6	0.6
General & administrative	**$ 12.9**	**$ 9.9**
Shelf Drilling North Sea		
Corporate G&A	$ 4.0	$ 3.7
Provision for credit losses, net	3.3	0.1
One-time corporate transaction costs [1]	—	(0.1)
General & administrative	**$ 7.3**	**$ 3.7**
Total		
Corporate G&A	$ 13.9	$ 13.7
Provision for / (reversal of provision for) credit losses, net	5.7	(0.6)
Share-based compensation	0.6	0.6
One-time corporate transaction costs [1]	—	(0.1)
General & administrative	**$ 20.2**	**$ 13.6**

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)	Q3 2023	Q4 2023
Net income / (loss)	**$ 38.4**	**$ (21.2)**
Add back		
Interest expense and financing charges, net of interest income [1]	33.6	64.6
Income tax expense	6.5	6.4
Depreciation	21.7	21.8
Amortization of deferred costs	18.3	17.9
Loss on disposal of assets	0.5	1.8
Amortization of intangible liability	(4.2)	(3.2)
EBITDA	**114.8**	**88.1**
One-time corporate transaction costs	—	(0.1)
Adjusted EBITDA	**114.8**	**88.0**
Allocated as:		
Shelf Drilling excluding SDNS	113.4	91.0
Shelf Drilling North Sea	1.4	(3.0)
	$ 114.8	**$ 88.0**
Adjusted EBITDA margin	**43%**	**37%**

Note (1): "Interest expense and financing charges, net of interest income'' is defined as interest expense, amortization of debt issuance costs and loss on debt extinguishment, partially offset by interest income. This includes $27.7 million loss on debt extinguishment in Q4 2023.

Capital Expenditures and Deferred Costs Summary

(In millions USD)	Q3 2023	Q4 2023
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$ 13.9	$ 27.0
Contract preparation [2]	11.1	7.0
Fleet spares, transition costs and others [3]	8.6	12.8
	33.6	46.8
Rig acquisitions [4]	1.2	0.8
Total Capital Expenditures and Deferred Costs	**$ 34.8**	**$ 47.6**
Allocated as:		
Shelf Drilling excluding SDNS	$ 31.6	$ 44.1
Shelf Drilling North Sea	3.2	3.5
Total Capital Expenditures and Deferred Costs	**$ 34.8**	**$ 47.6**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$ 20.4	$ 17.5
Net change in advances and accrued but unpaid additions to PP&E	(6.7)	3.0
Total capital expenditures	13.7	20.5
Changes in deferred costs, net	2.8	9.2
Add: Amortization of deferred costs	18.3	17.9
Total deferred costs	21.1	27.1
Total Capital Expenditures and Deferred Costs	**$ 34.8**	**$ 47.6**

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" primarily includes capital expenditures and deferred costs associated with the rig readiness project for the Shelf Drilling Victory acquired in July 2022.

SDNS – Capital Expenditures and Deferred Costs Summary

- Capital Expenditures and Deferred Costs for SDNS of $3.5 million in Q4 2023 increased by $0.3 million from Q3 2023, mainly related to:
  - Higher spending on regulatory and capital maintenance for one rig in Denmark (Shelf Drilling Winner) and one rig in Norway (Shelf Drilling Barsk)
  - Partially offset by lower spending on fleet spares and transition costs.
- FY 2023 capital spending of $11.5 million primarily related to $7.8 million of transition related costs and investment in fleet spares

(In millions USD)	Q3 2023	Q4 2023
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$ 0.6	$ 2.3
Fleet spares, transition costs and others [2]	2.6	1.2
Total Capital Expenditures and Deferred Costs	**$ 3.2**	**$ 3.5**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$ 2.8	$ 2.3
Net change in advances and accrued but unpaid additions to PP&E	(0.3)	—
Total capital expenditures	2.5	2.3
Changes in deferred costs, net	0.7	1.1
Add: Amortization of deferred costs	—	0.1
Total deferred costs	0.7	1.2
Total Capital Expenditures and Deferred Costs	**$ 3.2**	**$ 3.5**

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 $44.1 million in Q4 2023, up by 12.5 million from Q3 2023 primarily as a result of:
  - Higher spending for two rigs in Saudi Arabia (Main Pass IV and High Island IV) and one rig in India (Trident II) ahead of its long-term contract expected to start in March 2024
  - Higher spending on fleet spares in Q4 2023
  - Partially offset by lower contract preparation expenditures for one rig in Italy (Shelf Drilling Resourceful) and one rig in India (Key Singapore) which started their new contract in Q3 2023 or early Q4 2023
- FY 2023 capital spending of $214.3 million primarily related to contract preparation expenditures for five rigs, two rigs in India (Compact Driller and Key Singapore), and one rig each in Italy (Shelf Drilling Resourceful), Saudi Arabia (Harvey H. Ward) and West Africa (Shelf Drilling Scepter) and rig readiness expenditures for the Shelf Drilling Victory acquired in 2022

(In millions USD)	Q3 2023	Q4 2023
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$ 13.3	$ 24.7
Contract preparation [2]	11.1	7.0
Fleet spares, transition costs and other [3]	6.0	11.6
	30.4	43.3
Rig acquisitions [4]	1.2	0.8
Shelf Drilling excluding SDNS	**$ 31.6**	**$ 44.1**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$ 17.6	$ 15.2
Net change in advances and accrued but unpaid additions to PP&E	(6.4)	3.0
Total capital expenditures	11.2	18.2
Changes in deferred costs, net	2.1	8.1
Add: Amortization of deferred costs	18.3	17.8
Total deferred costs	20.4	25.9
Total Capital Expenditures and Deferred Costs	**$ 31.6**	**$ 44.1**

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 rig readiness project for the Shelf Drilling Victory acquired in July 2022.

Balance Sheet Summary

(In millions USD)	SDL		SDNS		SDHL Credit Group [1]	
	Q3 2023	Q4 2023	Q3 2023	Q4 2023	Q3 2023	Q4 2023
Cash and cash equivalents	$ 144.7	$ 98.2	$ 46.6	$ 27.7	$ 76.2	$ 65.6
Restricted cash	31.9	8.8	4.6	4.6	27.3	4.2
Accounts and other receivables, net	239.0	228.6	28.9	24.5	216.6	211.5
Property and equipment, net	1,490.6	1,487.1	407.3	404.4	1,083.5	1,082.7
Deferred costs	190.4	199.5	1.0	2.1	189.4	197.4
Other assets	145.0	76.5	5.4	8.7	207.8	196.1
Total assets	**$ 2,241.6**	**$ 2,098.7**	**$ 493.8**	**$ 472.0**	**$ 1,800.8**	**$ 1,757.5**
Accounts payable	$ 109.3	$ 115.7	$ 16.8	$ 21.1	$ 90.2	$ 94.9
Interest payable	30.6	28.0	10.7	4.2	19.9	23.8
Deferred revenue	110.2	100.5	0.2	—	110.0	100.5
Total debt	1,443.8	1,325.4	241.5	236.3	1,202.3	1,089.1
Other liabilities	124.7	126.8	32.9	29.8	92.5	97.6
Total liabilities	**1,818.6**	**1,696.4**	**302.1**	**291.4**	**1,514.9**	**1,405.9**
Total controlling interest shareholders' equity	348.3	332.0	191.7	180.6	285.9	351.6
Non-controlling interest	74.7	70.3	—	—	—	—
Total equity	**423.0**	**402.3**	**191.7**	**180.6**	**285.9**	**351.6**
Total equity and liabilities	**$ 2,241.6**	**$ 2,098.7**	**$ 493.8**	**$ 472.0**	**$ 1,800.8**	**$ 1,757.5**

Note: (1): This represents SDHL excluding unrestricted subsidiaries (including SDNS) in relation to the 9.625% Senior Secured Notes, Term Loan and the Credit Facility.

Capital Structure Summary

(In millions USD)	YE 2021	YE 2022	Q3 2023	YE 2023
Cash and cash equivalents	$ 232.3	$ 140.8	$ 144.7	$ 98.2
Restricted cash	20.9	36.5	31.9	8.8
Total long-lived assets [1]	1,165.7	1,621.2	1,690.6	1,698.0
Total assets	**$ 1,617.5**	**$ 2,046.3**	**$ 2,241.6**	**$ 2,098.7**
9.625% Senior Secured Notes, due April 2029 [2]	$ —	$ —	$ —	$ 1,056.4
Term Loan, due June 2024 [3]	—	—	—	32.7
8.25% Senior unsecured notes due 2025	893.1	895.1	896.8	—
8.875% Senior secured notes due 2024	299.4	302.8	305.5	—
	1,192.5	**1,197.9**	**1,202.3**	**1,089.1**
10.25% Senior secured notes due 2025 [4]	—	238.8	241.5	236.3
Total debt	**1,192.5**	**1,436.7**	**1,443.8**	**1,325.4**
Net debt	$ 960.2	$ 1,295.9	$ 1,299.1	$ 1,227.2
Total equity attributable to controlling interest	**$ 213.7**	**$ 235.6**	**$ 348.3**	**$ 332.0**
Non-controlling interest	—	79.9	74.7	70.3
Total equity	**$ 213.7**	**$ 315.5**	**$ 423.0**	**$ 402.3**

- Full year 2023 Adjusted EBITDA of $311.5 million and Net Leverage ratio of 3.9x for SDL ($301.4 million and 3.4x for Shelf Drilling excluding SDNS)
- Cash and cash equivalents balance at SDNS at December 31, 2023 of $27.7 million ($70.5 million at SDL excluding SDNS)
- Restricted cash securing bank guarantees was $8.8 million as of December 31, 2023 compared to $31.9 million as of September 30, 2023, including $4.6 million at SDNS
  - $125.0 million revolving credit facility; $18.2 million utilized for surety bonds and guarantees as of December 31, 2023
  - On March 1, 2024, the Company executed an agreement related to the revolving credit facility that increases the total facility size from $125.0 million to $150.0 million.
- Total shares outstanding of 213.7 million as of December 31, 2023
  - In October 2023, the Company completed the issuance of 19.4 million common shares issued at NOK 33.0 per shares, resulting in $59.7 million of gross proceeds
  - Primary insiders: 50.9 million (23.8%), consisting primarily of China Merchants: 26.8 million (12.6%) and Castle Harlan: 20.4 million (9.6%). In October 2023, Lime Rock sold 17.2 million shares.

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 $1,095.0 million.
Note (3): Reflects carrying value. Principal value is $33.3 million.
Note (4): Reflects carrying value. Principal value is $243.8 million.

Free Cash Flow Summary

- Q4 2023 Adjusted EBITDA decreased to $88.0 million (adjusted EBITDA margin of 37%) primarily due to lower effective utilization and dayrates
- Cash and cash equivalents decreased by $46.5 million to $98.2 during Q4 2023, mainly due to:
  - Net cash outflows from debt refinancing in Q4 2023 of $69.7 million, including new term loan and new equity
  - Decrease in EBITDA during Q4 2023 as compared to Q3 2023
  - Partially offset by a significant decrease in working capital mainly due to a $23.0 million release of restricted cash following completion of debt refinancing, decrease in accounts receivables, and mobilization fees received during Q4 2023

Quarterly Cash Flow Summary ($MM)	Q3 2023	Q4 2023
Adjusted EBITDA	**$ 114.8**	**$ 88.0**
Adjustments	—	0.1
EBITDA	**$ 114.8**	**$ 88.1**
Interest expense, net of interest income	(33.6)	(64.6)
Income tax expense	(6.5)	(6.4)
Capital expenditures and deferred costs	(34.8)	(47.6)
Sub-total	**$ 39.9**	**$ (30.5)**
Working Capital Impact		
Interest [1]	(3.5)	27.1
Other	(32.9)	49.6
Sub-total	**$ (36.4)**	**$ 76.7**
Proceeds from issuance of long-term debt	—	1,075.1
Payment of debt issuance costs	(0.9)	(22.2)
Payment of long-term debt	—	(1,216.3)
Payment of debt extinguishment costs	—	(19.9)
Proceeds from term loan	—	50.0
Repayment of term loan	—	(16.7)
Net proceeds from issuance of common shares	0.2	57.3
Sub-total	**$ (0.7)**	**$ (92.7)**
Net change in cash and cash equivalents	**$ 2.8**	**$ (46.5)**
Beginning Cash	141.9	144.7
Ending cash and cash equivalents	**$ 144.7**	**$ 98.2**

Note (1): Represents the difference between interest expense (including loss on debt extinguishment), net of interest income and cash interest payments during the period.

Free Cash Flow Summary

Quarterly Cash Flow Summary ($MM) - Q4 2023	Shelf Drilling excluding SDNS	Shelf Drilling North Sea	Total
Adjusted EBITDA	**$ 91.0**	**$ (3.0)**	**$ 88.0**
Adjustments	—	0.1	0.1
EBITDA	**91.0**	**(2.9)**	**88.1**
Interest expense, net of interest income	(57.7)	(6.9)	(64.6)
Income tax expense	(6.6)	0.2	(6.4)
Capital expenditures and deferred costs	(44.1)	(3.5)	(47.6)
Sub-total	**(17.4)**	**(13.1)**	**(30.5)**
Working Capital Impact			
Interest [1]	33.0	(5.9)	27.1
Other	43.2	6.4	49.6
Sub-total	**76.2**	**0.5**	**76.7**
Proceeds from issuance of long-term debt	1,075.1	—	1,075.1
Payment of debt issuance costs	(22.2)	—	(22.2)
Payment of long-term debt	(1,210.0)	(6.3)	(1,216.3)
Payment of debt extinguishment costs	(19.9)	—	(19.9)
Proceeds from term loan	50.0	—	50.0
Repayment of term loan	(16.7)	—	(16.7)
Net proceeds from issuance of common shares	57.3	—	57.3
Sub-total	**(86.4)**	**(6.3)**	**(92.7)**
Net change in cash and cash equivalents	**(27.6)**	**(18.9)**	**(46.5)**
Beginning cash	98.1	46.6	144.7
Ending cash and cash equivalents	**$ 70.5**	**$ 27.7**	**$ 98.2**

Note (1): Represents the difference between interest expense (including loss on debt extinguishment), net of interest income and cash interest payments during the period.

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