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## **NorAm Drilling Company AS – Contemplated private placement and admission to trading on Euronext Growth Oslo**

On 22 September 2022, NorAm Drilling Company AS ("**NorAm Drilling**" or the "**Company**", and together with its subsidiary, the "**Group**") announces today the launch of a contemplated private placement (the "**Private Placement**") and its intention to subsequently list all of its shares on Euronext Growth Oslo (the "**Listing**").

The Private Placement will consist of a private placement of the NOK equivalent of approx. USD 75 million in new shares (the "**Offer Shares**"), directed towards certain new and existing investors of the Company as further described below. The final Offer Price (as defined below) and the number of Offer Shares will be set through an accelerated bookbuilding process. The net proceeds from the Private Placement will be used, in combination with the Company's existing cash balance, to redeem the Company's USD 80 million outstanding bond loan and facilitate significant dividend capacity going forward.

### About NorAm Drilling

Through a wholly owned US-based subsidiary, NorAm Drilling owns and operates a high quality portfolio of eleven «Super Spec» advanced drilling rigs in the US market. These rigs have been upgraded to maximize drilling efficiency in the Permian Basin, which is the largest oil producing region in North America. Due to the modern high specification rigs and a track record with high drilling efficiency and safe operation for the customers, NorAm Drilling was among the first land-drilling companies to have all rigs reactivated after the market disruption caused by Covid in 2020.

NorAm Drilling has in its 15-year history established a solid foothold in US drilling market, with significant operating experience in Louisiana, New Mexico and Oklahoma but is now primarily focusing on the Permian Basin in Texas, where approximately 60% of the proven reserves in the U.S is located.

Marty Jimmerson (CEO of NorAm Drilling) commented:

“With our fleet of premium drilling rigs and through safe and efficient operations, we've established NorAm Drilling as a leading driller in the Permian region and we see strong and increasing demand for our services. We are focused on maintaining industry-leading margins and have already upgraded our rigs to ensure we can drill the longest and most efficient horizontal wells in the Permian region. This, combined with our experienced drilling crews, has enabled us to materially outperform other drilling contractors, and year to date, our rigs have completed approximately 58% more wells per rig compared to the average in the Permian according to Energy Information Administration (EIA). Charter rates for high-end rigs have increased significantly this year, and we expect a tightening market going forward as the market is essentially sold out of warm and available rigs.”

Ole B. Hjertaker (Chair of NorAm Drilling) commented:

“After becoming part of the Seatankers group in 2014, NorAm Drilling has strengthened its position as a high efficiency drilling company with upgraded premium rigs, hands-on management and capital discipline. Through this contemplated transaction we aim to create a unique proposition for investors – a virtually debt free company with industry leading margins, limited capex and a full pay-

out strategy, targeting monthly or quarterly cash distributions of virtually all free cash flows in a raising market.”

### The Private Placement

The price per Offer Share in the Private Placement will be between NOK 40 and NOK 45, and the final price will be determined by the Company's Board of Directors (the “**Board**”) after an accelerated bookbuilding process (the “**Offer Price**”).

The application period will start on 22 September 2022 at 10:00 CEST and end on 23 September 2022 at 16:30 CEST. The Managers and NorAm Drilling may, however, at any time, and at their sole discretion, resolve to close or extend the bookbuilding period without prior notice. If the bookbuilding period is shortened or extended, other dates referred to in this notice may be adjusted accordingly. Notification of allocation is expected to be distributed on or about 26 September 2022.

Allocation of Offer Shares will be determined by the Board, at its sole discretion and in consultation with the Managers, subject, however, to the extraordinary general meeting's resolution to issue new shares in accordance with the Board's proposal. The extraordinary meeting is expected to be held on or about 3 October 2022. The Company and Managers have entered into a pre-payment agreement in order to facilitate swift registration of the Offer Shares with the Norwegian Register of Business Enterprises (“**BRREG**”) and the Norwegian Central Securities Depository (being Euronext Securities Oslo) and subsequent delivery of Offer Shares. The share capital increase is expected to be registered in the BRREG on or about 6 October 2022 and the Offer Shares are expected to be settled with investors on a delivery-versus-payment basis on or about 7 October, all subject to inter alia handling times in BRREG.

In connection with the Listing, the shares currently trading on Euronext NOTC will be automatically delisted, and last day of trading on Euronext NOTC is expected to be on 6 October 2022.

### Pre-Commitments

Further, the following companies and persons have pre-committed to subscribe for, and will be allocated, Offer Shares in the Private Placement:

- Geveran Trading Co Ltd, a company indirectly controlled by trusts established by John Fredriksen for the benefit of his family, has pre-committed to subscribe for approx. 25% of the Private Placement. However, in the case of strong demand, their allocation may be scaled back to 10% of the Private Placement in order to improve the overall free float in the Company.
- Certain members of the Board of Directors and management (directly or indirectly) has pre-committed to subscribe for USD 0.3 million

In addition, the Company intends to issue shares to certain US members of management at prices equal to the final Offer Price for a total amount of up to USD 0.3 million subsequent to the Listing.

### Lock-ups

Certain customary lock-up arrangements restricting the free disposal of shares have been entered into by the members of the board and key management as well as certain major shareholders (holding 5% or more of the shares in the Company pre-equity) in connection with the Private Placement for a period of 6 months. Approximately 85% of the shares outstanding in the Company prior to completion of the Private Placement have been locked up based on these agreements. The Managers may in their discretion decide to waive the lock-up restrictions on a case-by-case basis.

### Stabilization activities after the offering

On behalf of the Managers, and pursuant to a market stabilization agreement (the "**Brownshoe Agreement**") expected to be entered into after completion of the Private Placement between Pareto Securities AS (also known as the "**Stabilization Manager**"), the Company and Geveran Trading Co. Ltd. (the "**Brownshoe Provider**"), the Stabilization Manager may engage in stabilization activities during a 30-day period commencing at the time of the Listing (the "**Stabilization Period**"), through buying shares in the Company on Euronext Growth Oslo, at prices equal to or lower than the Offer Price, up to an amount equal to 10% of the final number of Offer Shares allocated in the Private Placement (the "**Stabilization Shares**").

Pursuant to the Brownshoe Agreement and subject to the conditions therein, the Stabilization Manager can in its sole opinion purchase shares in the market during the 30-day period and have a put option on the Brownshoe Provider for the volume weighted average purchase price of all Stabilization Shares purchased by the Stabilization Manager in the Stabilization Period.

#### Scope of Private Placement

The Private Placement will be directed towards certain Norwegian and international institutional investors subject to applicable exemptions from relevant prospectus requirements, (i) outside the United States in reliance on Regulation S under the US Securities Act of 1933, as amended (the "U.S. Securities Act") and (ii) in the United States to investors that are either "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the US Securities Act or institutional "accredited investors" within the meaning of Rule 501(a) under (1), (2) or (7) of the U.S. Securities Act. The minimum application and allocation amount has been set to the USD equivalent of EUR 100,000. However, the Company's Board may, at its sole discretion, allocate Offer Shares to applicants for an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to applicable regulations, including Regulation (EU) 2017/1129 on prospectuses for securities as well as the UK European Union (Withdrawal) Act 2018, are available.

#### Conditions for completion of the Private Placement

Completion of the Private Placement is subject to (i) all necessary corporate resolutions being validly made by the Company, including without limitation, the Board resolving to proceed with the Private Placement as well as the Company's EGM resolving to allocate and issue the Offer Shares; (ii) registration of the new share capital pertaining to the Offer Shares in the Norwegian Register of Business Enterprises; (iii) the issuance of the Offer Shares in Euronext Securities Oslo (formerly known as the VPS); (iv) the Oslo Stock Exchange resolving to approve the Listing; and (v) the pre-funding agreement remaining unmodified and in full force and effect.

The Company may, in its sole discretion, in consultation with the Manager, cancel and/or modify the terms of the Private Placement, at any time and for any reason, without any compensation to the applicants. Neither the Company nor the Manager will be liable for any losses incurred by applicants if the Private Placement is cancelled and/or modified, irrespective of the reason for such cancellation or modification.

#### The Listing

After the launch of the Private Placement, NorAm Drilling will apply for its shares to be registered on Euronext Growth Oslo. Subject to approval of such application by the Oslo Stock Exchange, the first day of listing is expected to be on or about 7 October 2022.

#### Advisors:

Fearnley Securities AS and Pareto Securities AS are acting as joint global coordinators and joint bookrunners in connection with the Private Placement (the "**Managers**") and as Euronext Growth

Advisors in relation to the Listing. Advokatfirmaet Schjødt AS is acting as legal advisor to the Company in the Private Placement and Listing and Ro Sommernes Advokatfirma DA is acting as legal advisor to the Managers in connection with the Private Placement and Listing.

For more information visit [www.noramdrilling.com](http://www.noramdrilling.com).

### **Important notice**

This announcement is not and does not form a part of any offer to sell, or a solicitation of an offer to purchase, any securities of the Company. Copies of this announcement are not being made and may not be distributed or sent into any jurisdiction in which such distribution would be unlawful or would require registration or other measures.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States. Any sale in the United States of the securities mentioned in this announcement will be made solely to "qualified institutional buyers" as defined in Rule 144A under the Securities Act.

In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 as amended (together with any applicable implementing measures in any Member State).

This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only for relevant persons and will be engaged in only with relevant persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "strategy", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict, and are beyond their control. Actual events may differ significantly from any anticipated development due to a number of factors, including without limitation, changes in public sector investment levels, changes in the general economic, political and market conditions in the markets in which the Company operates, the Company's ability to attract, retain and motivate qualified personnel, changes in the Company's ability to engage in commercially acceptable acquisitions and strategic investments, and changes in laws and regulation and the potential impact of legal proceedings and actions. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or

implied in this release by such forward-looking statements. The Company does not make any guarantee that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events. You should not place undue reliance on the forward-looking statements in this announcement.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement.

Neither the Managers nor any of their affiliates makes any representation as to the accuracy or completeness of this announcement and none of them accepts any responsibility for the contents of this announcement or any matters referred to herein.

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