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NorAm Drilling Company AS – Private Placement successfully completed

23 September 2022

NorAm Drilling Company AS ("**NorAm**" or the "**Company**") refers to the announcement on 22 September 2022, regarding a contemplated private placement (the "**Private Placement**") of new shares in the Company.

The bookbuilding period for the Private Placement was successfully completed today on 23 September 2022, raising gross proceeds of the NOK equivalent of USD 75 million with a final offer price of NOK 40 per share (the "**Offer Price**"). The board of directors of the Company (the "**Board**") has resolved the conditional allocation and issuance of 19,670,000 new shares in the Private Placement (the "**Offer Shares**"). The Private Placement attracted strong interest from high-quality international institutional investors and was substantially oversubscribed.

The net proceeds from the Private Placement will, in combination with the Company's available cash balance, be used to redeem the Company's USD 80 million outstanding bond loan and facilitate significant dividend capacity going forward.

Pre-committing investors and primary insiders

The following pre-committing investors subscribed for and were allocated New 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, were allocated a total of 4,917,500 Offer Shares.
- Certain members of the Board and management (directly or indirectly), being primary insiders of the Company, were allocated a total of 91,608 Offer Shares.

Settlement

Notifications of allocation is expected to be sent to investors on 26 September 2022. The Offer Shares is expected to be settled by the Managers on a delivery-versus-payment basis (DvP) towards investors on or about 7 October 2022, subject to inter alia handling time with the Norwegian Register of Business Enterprises ("**BRREG**"). The Company and each of the Managers have entered into a pre-payment agreement in order to facilitate swift registration of the Offer Shares with the BRREG and the Norwegian Central Securities Depository (being Euronext Securities Oslo) and subsequent delivery of Offer Shares.

Following the issue of the Offer Shares, the Company will have a share capital of NOK 86,124,634 divided into 43,062,317 shares, each with a nominal value of NOK 2.

Listing

The Company has on 22 September 2022 applied for admission to trading of its shares on Euronext Growth Oslo (the "**Listing**"), a multilateral trading facility operated by Oslo Børs. Subject to approval of the application by Oslo Børs, the first day of trading on Euronext Growth Oslo is currently expected to take place on or about 7 October 2022.

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.

Completion of the Private Placement

Completion of the Private Placement is subject to (i) the Company's EGM resolving to allocate and issue the Offer Shares in line with the Board's proposal; (ii) registration of the new share capital pertaining to the Offer Shares in the BRREG; (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 Board has considered the structure of the contemplated Private Placement in light of the equal treatment obligations under the Norwegian Private Limited Companies Act, the Norwegian Securities Trading Act and the rules on equal treatment for companies listed on Euronext Growth Oslo and Oslo Børs' guidelines on the rule of equal treatment, and is of the opinion that the proposed Private Placement is in compliance with these requirements. By structuring the transaction as a private placement, the Company will be in a position to raise capital in an efficient manner, with a lower discount to the current trading price and with significantly lower completion risks compared to a rights issue. In addition, the Private Placement was subject to marketing through a publicly announced bookbuilding process following a period of pre-sounding conducted by the Managers, and a market-based offer price was thus achieved. Further, it is foreseen that a large portion of the Private Placement will be subscribed by investors not currently being shareholders of the Company, which will widen and strengthen the Company's shareholder base. On this basis and based on an assessment of the current equity markets, the Board has considered the Private Placement to be in the common interest of the Company and its shareholders. As a consequence of the private placement structure, the shareholders' preferential rights to subscribe for the Offer Shares will be deviated from.

Stabilization

On behalf of the Managers, a market stabilization agreement (the "**Brownshoe Agreement**") will be entered into as soon as practicably possible after completion of the Private Placement between Pareto Securities AS (in its capacity as stabilization manager, the "**Stabilization Manager**"), the Company and Geveran Trading Co. Ltd. (the "**Brownshoe Provider**"), the Stabilization Manager may (but will be under no obligation to), with a view to support the market price of the shares, 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 Offer Shares (the "**Stabilization Shares**").

Pursuant to the Brownshoe Agreement and subject to the conditions therein, the Stabilization Manager has a put option toward the Brownshoe Provider of all Stabilization Shares purchased by the Stabilization Manager in the Stabilization Period at the volume weighted average purchase price.

Advisors

Pareto Securities AS and Fearnley 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 the Private Placement and Listing.

About NorAm

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.

For more information visit www.noramdrilling.com.

The information in this announcement is considered to be inside information pursuant to the EU Market Abuse Regulation for SDS. This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. This stock exchange notice was published by Marius Furuly, Director of Investor Relations and Strategy, on 23 September 2022 at around 22:00 CEST.

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