



Q4 2022 Presentation

February 21, 2023



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Q4 2022 Highlights

- Revenue**
 - \$29.5 million including reimbursables
 - Clean day rate⁽¹⁾ of \$28,006
- Utilization**
 - 99.3% utilization
 - One rig transitioned from one client to another during the quarter without downtime
 - DiamondBack acquired Firebird Energy
- EBITDA**
 - \$11.4 million including non cash cost of \$0.4 million
 - Operating and maintenance expenses in line with expectations
- Net income**
 - \$9.3 million
- Backlog**
 - Backlog at the end of Q4 was \$39.0 million

1) Clean day rate excludes add on revenue from additional services, manning and other reimbursables

Recent Events and Outlook

Dividends

- Three consecutive monthly distributions, totaling USD13.1m or NOK 3.05 per share

Positive day rate momentum

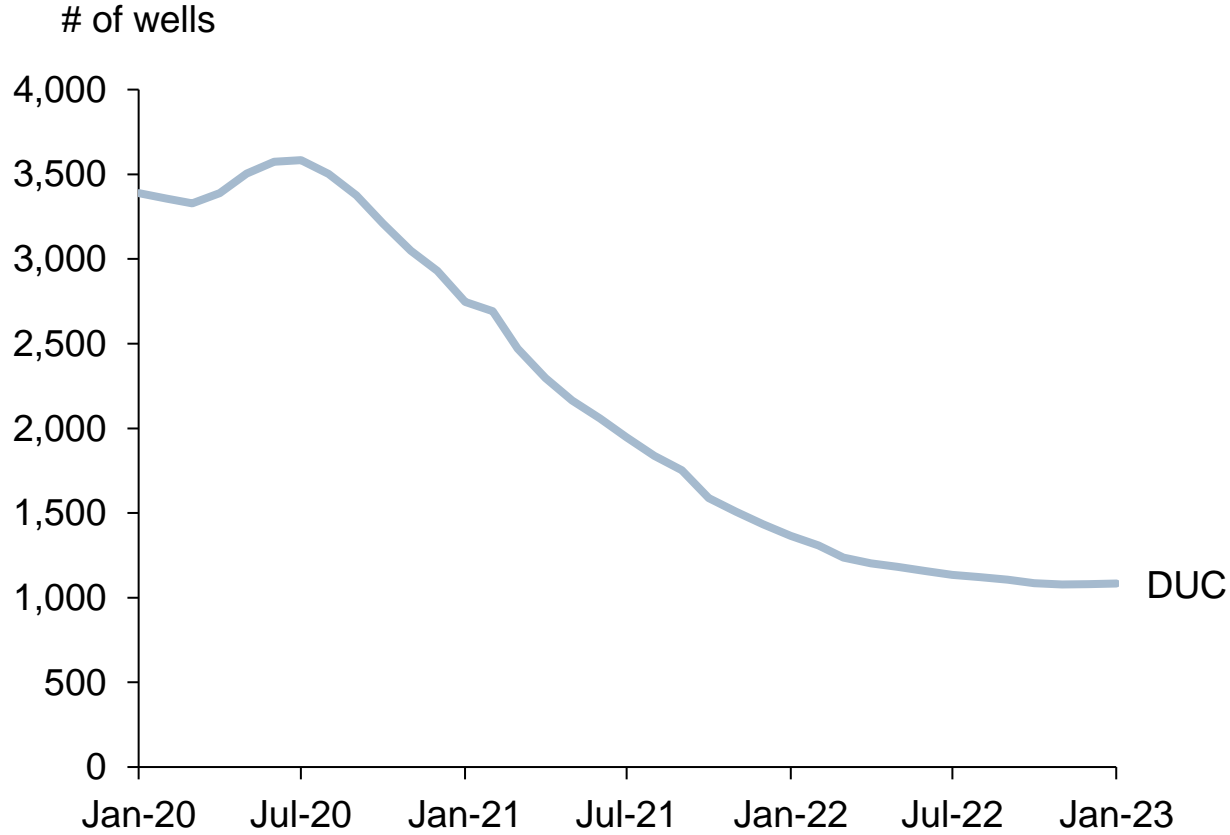
- One contract signed in January at higher rig rate than end of last year
- Current renewal discussions are at higher rates than Q4 2022

Rig count

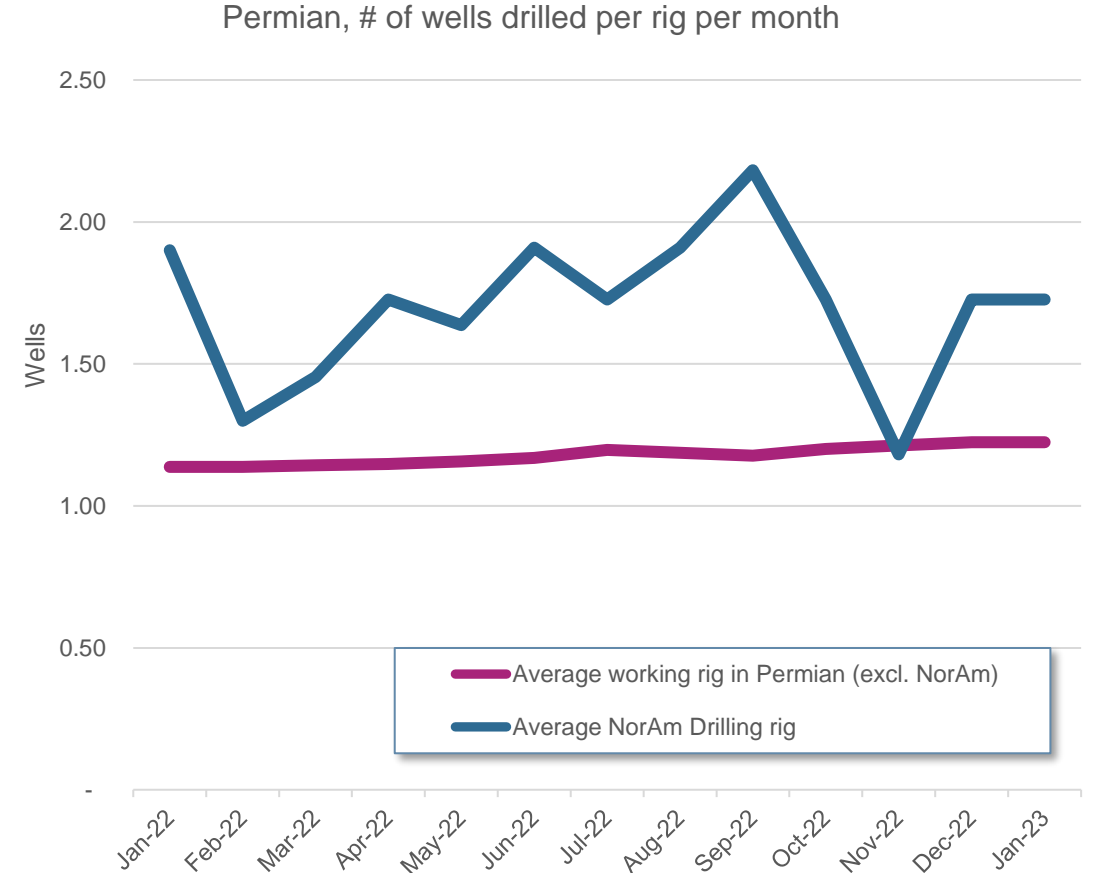
- Permian represents ~50% of US total
- Effectively sold out of warm 'Super Spec' rigs in Permian
- Lower gas prices could impact US rig count and Permian supply
- Financial discipline among operators

Strong Market Fundamentals Driving Demand In Permian

Permian DUC inventory continues to decline⁽¹⁾



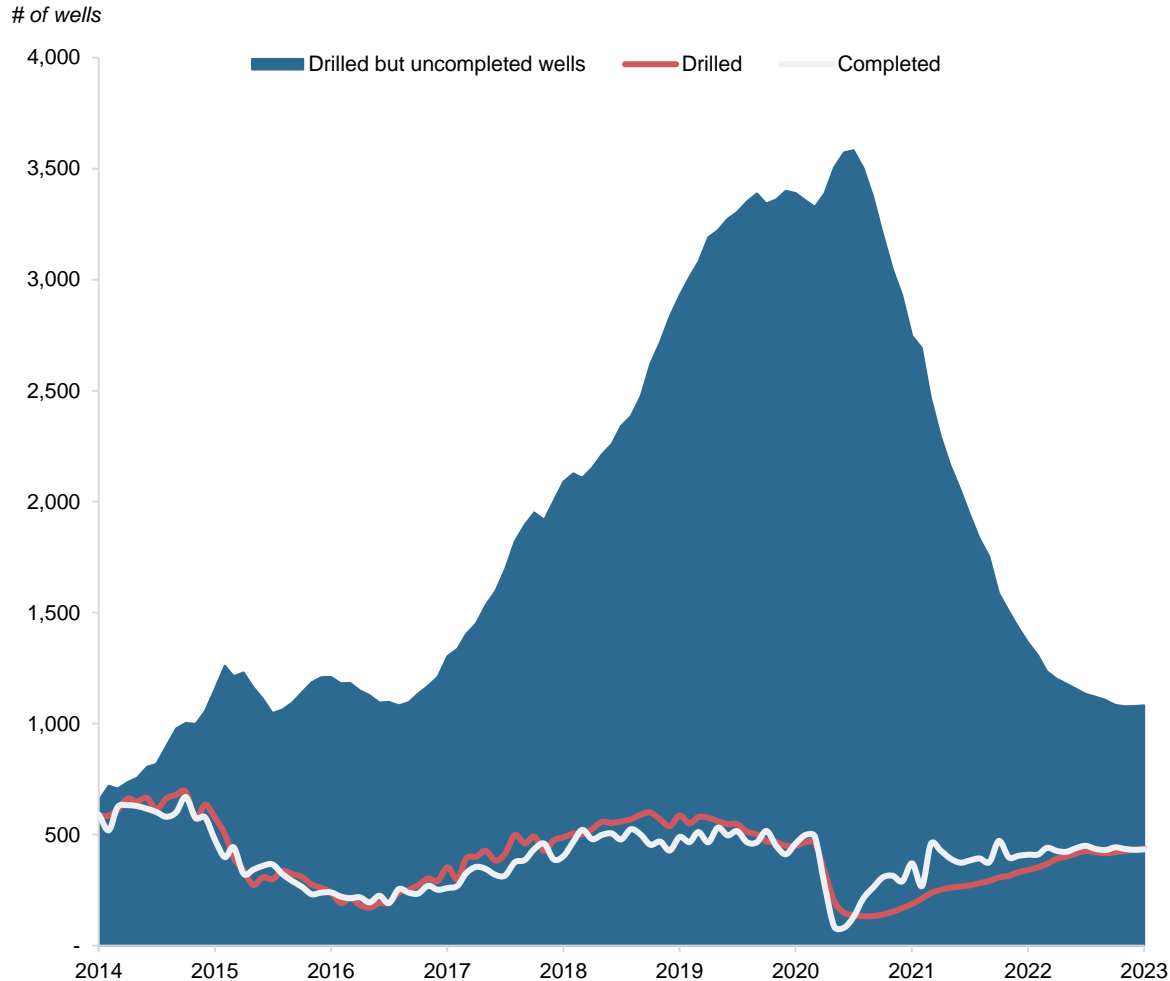
NorAm continues to outperform in 2023⁽²⁾



Note: 1) Source: EIA 2) Based on EIA's drilling activity report and NorAm company data

Permian basin is in need of increased drilling activity

Drilled wells in the Permian basin (2014 – January 2023)



Capex spending has been limited for the last 2 years and oil E&Ps have maintained production by completing drilled wells



As a result, DUCs¹ have drastically declined the past 2 years and operators are now forced to increase capex spending to maintain oil production



NorAm is in a unique position with all rigs reactivated, upgraded and in operation, whereas reactivation and new equipment is costly

Note: 1) Drilled wells but not completed
Source: U.S. Energy Information Administration

Key Operational Figures

Selected operational and financial data

<i>(All amounts in USD 1000s per day) unless noted</i>	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Rig operating days	1,005	1,001	949	785
Rig utilization	99.3%	98.9%	94.8%	79.3%
Rig metrics per day:				
Dayrate (1)	28,006	25,201	21,477	19,805
Operating costs (2)	14,366	14,794	13,925	13,443
Direct margin	13,640	10,407	7,552	6,362
Operation and SG&A allocation (3)	1,936	1,920	2,072	1,618
Maintenance cap ex allocation (3)	203	430	81	513
Net cash flow	11,501	8,058	5,399	4,231
Reimbursements of "out-of-pocket" expenses	1,252	1,189	1,719	1,462

(1) Per rig operating day and excludes reimbursements for "out-of-pocket" expenses.

(2) Per active rig available and excludes reimbursements for "out-of-pocket" expenses. Excludes operating costs of rigs not active.

(3) Per available days

- Full utilization and efficient operating structure generating record contributions
- Maintenance capex comprises of spares, trucks, drill pipe etc.

Income statement

<i>(All amounts in USD 1000s)</i>	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Total Operating Income	29,541	26,535	22,274	17,096
Payroll Expenses	8,496	7,007	6,838	7,108
Depreciation of Tangible and Intangible Assets	4,771	4,769	4,700	4,639
Rig Mobilization, Service and Supplies	6,276	7,205	6,791	5,824
Insurance Rigs and Employees	1,617	1,750	1,579	887
Other Operating Expenses	1,721	2,101	2,917	1,566
Total Operating Expenses	22,881	22,833	22,825	20,024
Operating Profit (+)/ Loss (-)	6,660	3,703	-551	-2,927
Net Financial Items	1,544	-1,759	-1,855	-1,803
Profit (+)/Loss(-) before Income Tax	8,204	1,944	-2,406	-4,730
Income Tax Expense	-1,097	408	1,148	-425
Net Profit (+)/Loss (-)	9,301	1,536	-3,554	-4,305

- Stable operating expenses
- Net financial income of \$1.5m after paying down the bond in November driven by interest and FX gains

Balance Sheet And Cash Flow Statement

Balance sheet

(All amounts in USD 1000s)	4Q 2022	3Q 2022	2Q 2022	1Q 2022
<i>Non current assets</i>				
Rigs and Accessories	86,312	90,132	94,375	98,420
Vehicles and Office Equipment	258	282	312	241
<i>Current assets</i>				
Accounts Receivable	14,802	10,636	9,395	7,486
Other Receivable	1,336	1,686	1,748	694
Bank Deposits/Cash	13,098	19,138	10,449	11,596
Total Assets	115,806	121,873	116,279	118,436
<i>Equity</i>				
Issued Capital	12,547	8,839	8,839	8,839
Share Premium	159,115	94,860	94,860	94,860
Other Shareholder Contribution	369	369	369	369
Other Equity	-67,456	-76,663	-78,199	-74,647
Total Equity	104,576	27,405	25,869	29,421
<i>Non current liabilities</i>				
Deferred Tax	1,746	3,093	2,685	1,962
Bond Loan				80,000
<i>Current Liabilities</i>				
Bond Loan		80,000	80,000	
Accounts Payable	4,607	3,807	2,509	2,463
Tax Payable	250			
Public Duties Payable	267	30	149	146
Other Current Liabilities	4,361	7,537	5,066	4,867
Total Liabilities	11,230	94,468	90,410	89,015
Total Equity & Liabilities	115,806	121,873	116,279	118,436

Cash flow statement

(All amounts in USD 1000s)	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Net Profit (+)/Loss (-)	8,204	1,944	-2,406	-4,730
Tax paid for the period				
Depreciation of fixed assets	4,771	4,769	4,700	4,639
Change in accounts receivable	-4,166	-1,241	-1,910	-1,342
Change in accounts payable	800	1,298	46	-533
Change in other current balance sheet items	-2,350	2,415	-852	1,993
Net cash flow from operational activities	7,258	9,185	-421	27
Purchase of tangible fixed assets	-926	-496	-726	-1,213
Net cash flow from investing activities	-926	-496	-726	-1,213
Repayment of long term debt	-80,000			
Issued capital	72,004			
Dividends	-4,375			
Net cash flow from financing activities	-12,371	0	0	0
Net change in cash and cash equivalent	-6,040	8,689	-1,148	-1,186
Cash and cash equivalents opening balance	19,138	10,449	11,596	12,782
Cash and cash equivalents closing balance	13,098	19,138	10,449	11,596



Q&A