



# Q1 2023 Presentation

May 24, 2023



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# Q1 2023 Highlights

- Revenue**
  - \$32.7 million including reimbursables
  - Clean day rate<sup>(1)</sup> of \$30,846
- Utilization**
  - 99.3% utilization
  - Excludes 11 days of rig upgrades related to contracts
- EBITDA**
  - Adj. EBITDA of \$15.0 million including \$1.4 million ERTC refund
  - Operating and maintenance expenses in line with expectations
- Net income**
  - \$9.6 million
  - EPS of \$0.22
- Backlog**
  - Backlog of \$25.1 million as of May 23, 2023

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

# Recent Events and Outlook

## Dividends

- Six consecutive monthly distributions, totaling USD27.2m or NOK 6.48 per share

## Slowing day rate momentum

- US rig count recently declining in response to lower nat gas prices
- Recent renewal discussions somewhat lower than Q1 levels

## Stable Permian rig count

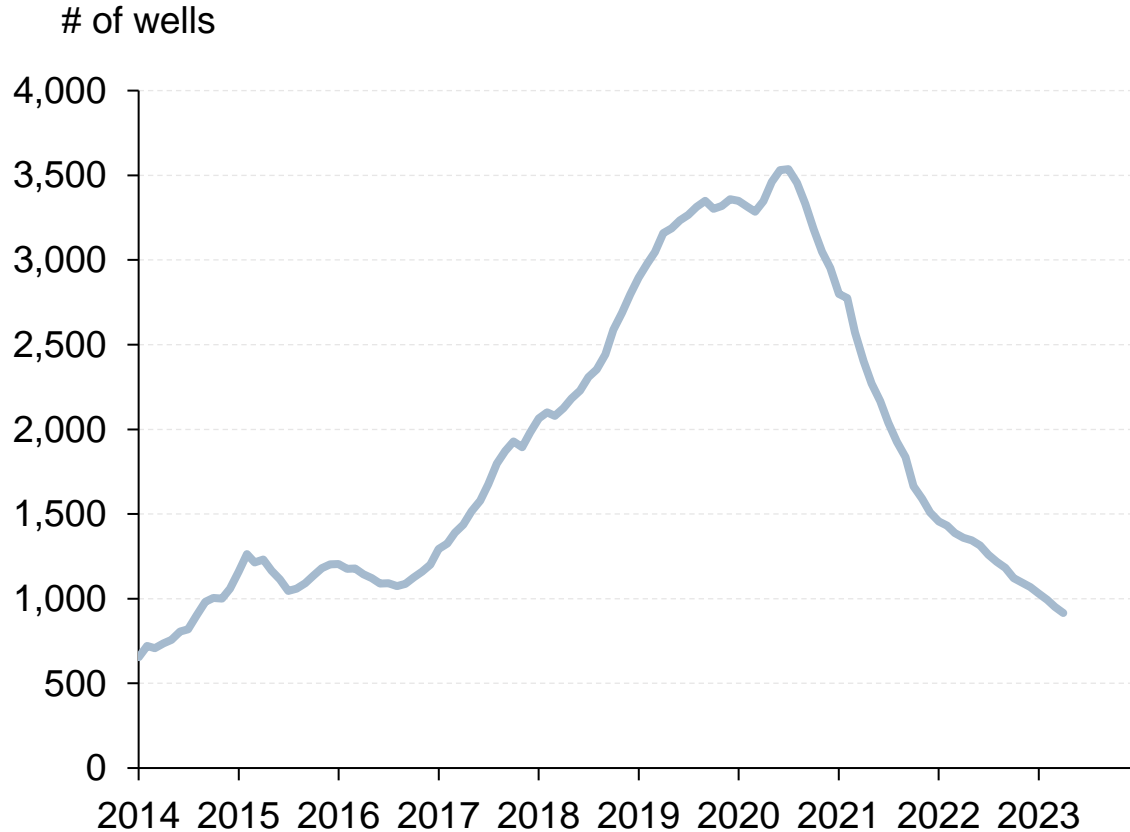
- Permian rig count stable despite a few transitory rig arriving from gas basins:
  - Dec 31, 2022: US total 762 / Permian basin 353
  - Mar 31, 2023: US total 739 / Permian basin 353
  - May 19, 2023: US total 697 / Permian basin 349

## Growing oil production

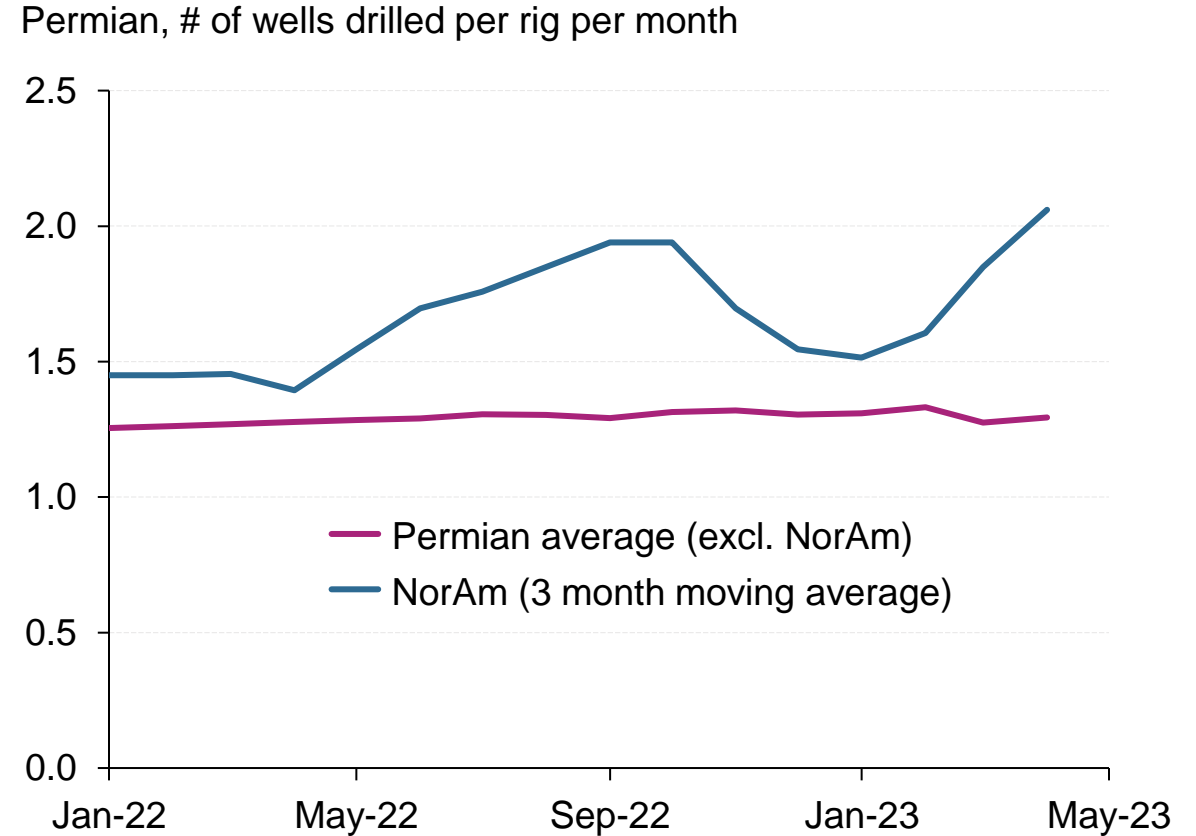
- Permian oil production grew 12% y/y to 5.7mbpd in Q1 2023
- Continued flat rig count and declining DUCs questions future production growth

# Outperforming In Strong Market Fundamentals

Drilled, Uncompleted Well Inventory To Lowest Level Since 2014<sup>(1)</sup>



NorAm continues to outperform in 2023<sup>(2)</sup>



Note: 1) Drilled, uncompleted wells in Permian as per EIA's latest drilling activity report. 2) Based on EIA's drilling activity report and NorAm company data

# Key Operational Figures

## Selected operational and financial data

<i>(All amounts in USD 1000s per day) unless noted</i>	1Q 2023	4Q 2022	3Q 2022	2Q 2022
Rig operating days	990	1,005	1,001	949
Rig utilization	99.3%	99.3%	98.9%	94.8%
Rig metrics per day:				
Dayrate (1)	30,846	28,006	25,201	21,477
Operating costs (2)	15,067	14,366	14,794	13,925
Direct margin	15,779	13,640	10,407	7,552
Operation and SG&A allocation (3)	1,812	1,936	1,920	2,072
Maintenance cap ex allocation (3)	103	203	430	81
Net cash flow	13,864	11,501	8,058	5,399
Reimbursements of "out-of-pocket" expenses	2,286	1,252	1,189	1,719

(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>	1Q 2023	4Q 2022	3Q 2022	2Q 2022
<b>Total Operating Income</b>	<b>32,684</b>	<b>29,541</b>	<b>26,535</b>	<b>22,274</b>
Payroll Expenses	6,897	8,496	7,007	6,838
Depreciation of Tangible and Intangible Assets	4,759	4,771	4,769	4,700
Rig Mobilization, Service and Supplies	6,972	6,276	7,205	6,791
Insurance Rigs and Employees	1,644	1,617	1,750	1,579
Other Operating Expenses	2,391	1,721	2,101	2,917
<b>Total Operating Expenses</b>	<b>22,663</b>	<b>22,881</b>	<b>22,833</b>	<b>22,825</b>
<b>Operating Profit (+)/ Loss (-)</b>	<b>10,022</b>	<b>6,660</b>	<b>3,703</b>	<b>-551</b>
Net Financial Items	-49	1,544	-1,759	-1,855
<b>Profit (+)/Loss(-) before Income Tax</b>	<b>9,972</b>	<b>8,204</b>	<b>1,944</b>	<b>-2,406</b>
Income Tax Expense	393	-1,097	408	1,148
<b>Net Profit (+)/Loss (-)</b>	<b>9,579</b>	<b>9,301</b>	<b>1,536</b>	<b>-3,554</b>

- Stable operating expenses in line with expectations
- ERTC refund of \$1.4m reducing payroll expenses in Q1

# Balance Sheet And Cash Flow Statement

## Balance sheet

(All amounts in USD 1000s)	1Q 2023	4Q 2022	3Q 2022	2Q 2022
<i>Non current assets</i>				
Rigs and Accessories	83,521	86,312	90,132	94,375
Vehicles and Office Equipment	434	258	282	312
<i>Current assets</i>				
Accounts Receivable	14,402	14,802	10,636	9,395
Other Receivable	855	1,336	1,686	1,748
Bank Deposits/Cash	12,696	13,098	19,138	10,449
<b>Total Assets</b>	<b>111,908</b>	<b>115,806</b>	<b>121,873</b>	<b>116,279</b>
<i>Equity</i>				
Issued Capital	12,547	12,547	8,839	8,839
Share Premium	136,701	136,472	94,860	94,860
Other Shareholder Contribution	369	369	369	369
Other Equity	-57,877	-67,456	-76,663	-78,199
<b>Total Equity</b>	<b>91,740</b>	<b>81,932</b>	<b>27,405</b>	<b>25,869</b>
<i>Non current liabilities</i>				
Deferred Tax	2,139	1,746	3,093	2,685
<i>Current Liabilities</i>				
Bond Loan			80,000	80,000
Accounts Payable	4,138	4,607	3,807	2,509
Tax Payable	224	250		
Public Duties Payable	245	267	30	149
Other Current Liabilities	13,421	27,004	7,537	5,066
<b>Total Liabilities</b>	<b>20,168</b>	<b>32,128</b>	<b>94,468</b>	<b>90,410</b>
<b>Total Equity &amp; Liabilities</b>	<b>111,908</b>	<b>115,806</b>	<b>121,873</b>	<b>116,279</b>

## Cash flow statement

(All amounts in USD 1000s)	1Q 2023	4Q 2022	3Q 2022	2Q 2022
Net Profit (+)/Loss (-)	9,972	8,204	1,944	-2,406
Tax paid for the period	-26			
Depreciation of fixed assets	4,759	4,771	4,769	4,700
Change in accounts receivable	400	-4,166	-1,241	-1,910
Change in accounts payable	-469	800	1,298	46
Change in other current balance sheet items	257	-2,350	2,415	-852
Net cash flow from operational activities	14,894	7,258	9,185	-421
Purchase of tangible fixed assets	-2,144	-926	-496	-726
Net cash flow from investing activities	-2,144	-926	-496	-726
Repayment of long term debt		-80,000		
Issued capital		72,004		
Dividends	-13,152	-4,375		
Net cash flow from financing activities	-13,152	-12,371	0	0
Net change in cash and cash equivalent	-402	-6,040	8,689	-1,148
Cash and cash equivalents opening balance	13,098	19,138	10,449	11,596
Cash and cash equivalents closing balance	12,696	13,098	19,138	10,449



# Q&A