



Pareto Conference Presentation

September 20, 2023



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NorAm Drilling – A Dividend Legend In The Making

NorAm Drilling in brief

11

Modernized Ultra Super Spec rigs

Fully upgraded with state-of-the-art walking systems and racking capacity, with a track record of drilling the longest wells in the Permian

100%

Permian focus

Strategically positioned to unlock untapped oil reserves by employing the latest horizontal drilling technology



Industry low cost break-even

Lean management team, skilled labor and low employee turnover leads to optimized costs and operations

>10
NOK

Debt free and full payout strategy

Monthly dividends with total cash distributions of more than NOK10 per share since December 2022. Latest monthly distribution implies annualized yield of 14%

Selected customers

ConocoPhillips

CROWNQUEST

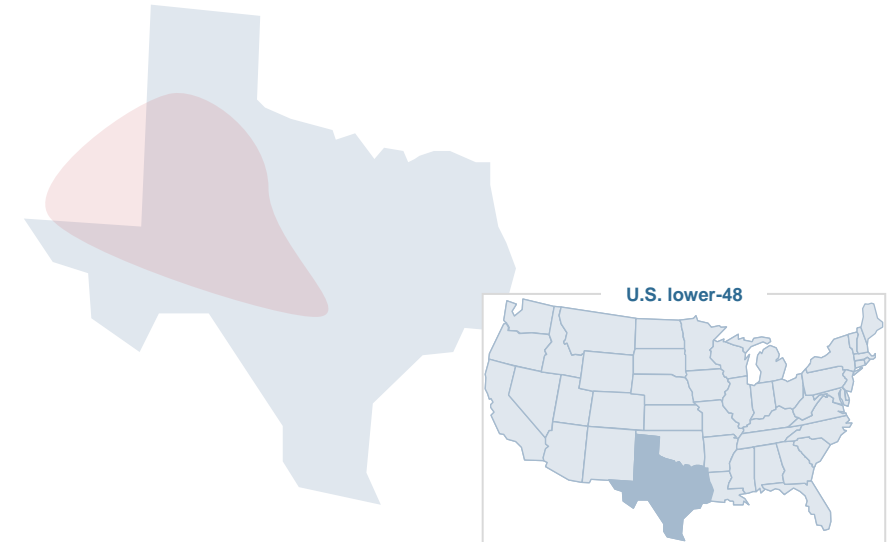
Vencer
Energy

DIAMONDBACK
ENERGY

DOUBLE EAGLE

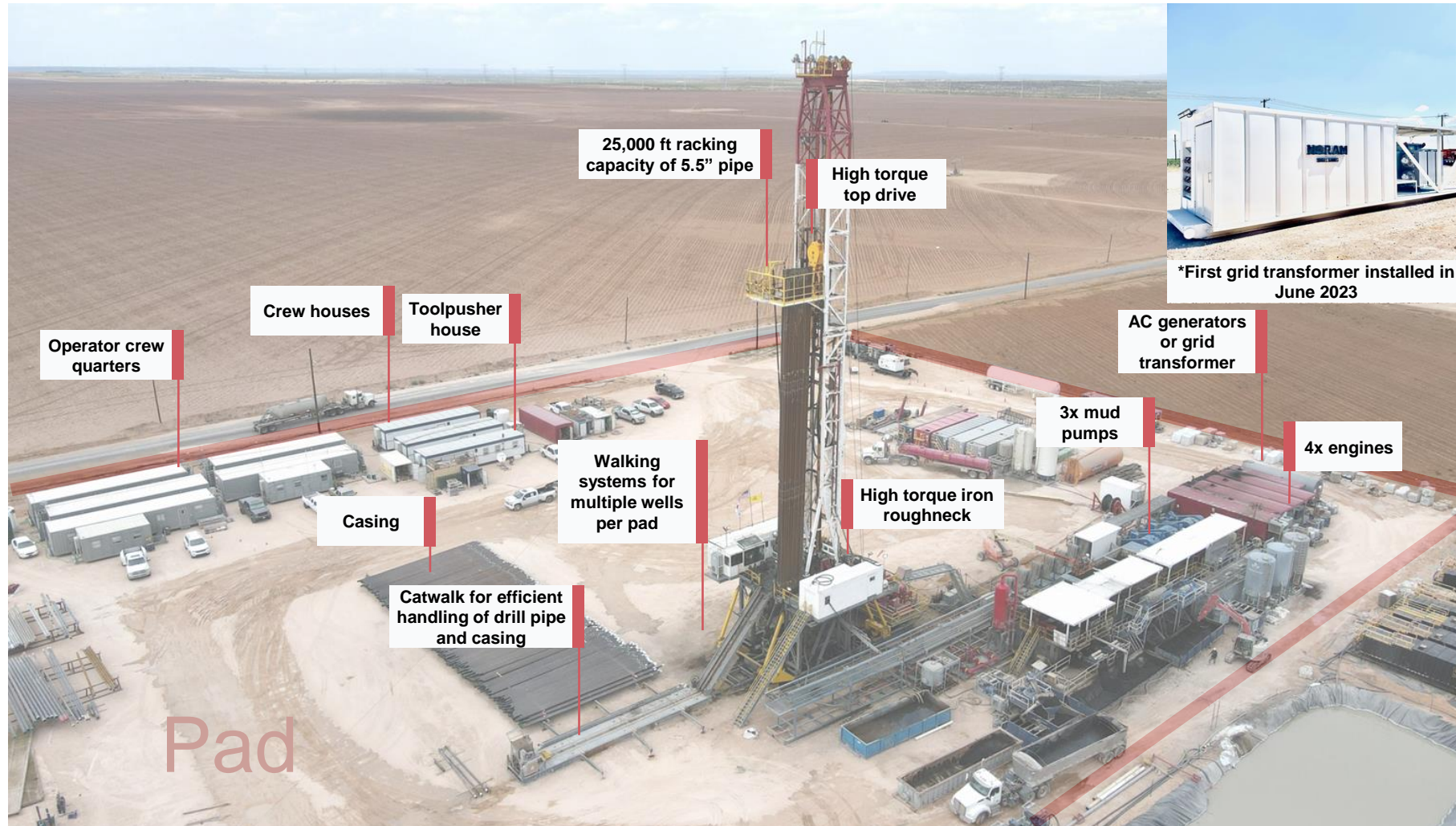
CALLON
PETROLEUM

Permian basin has the largest energy reserves in the U.S



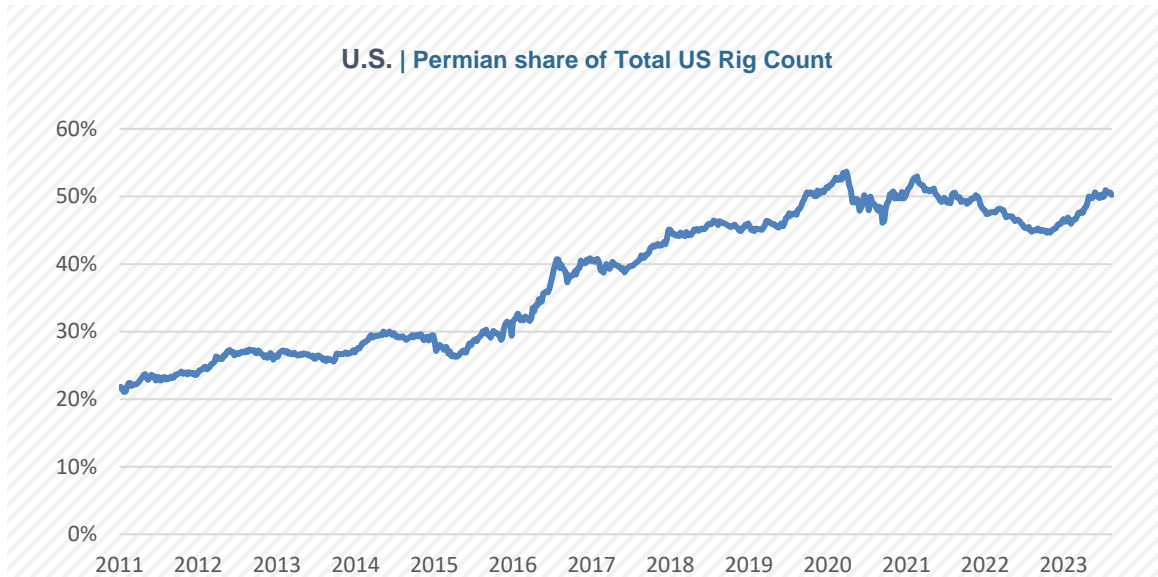
What Is A Ultra Super Spec Rig?

NorAm Drilling has a fleet of fully upgraded rigs with a track record of drilling the longest wells (25,000+ feet) in the Permian



The Permian Basin Is “The Place To Be” For Onshore Drillers

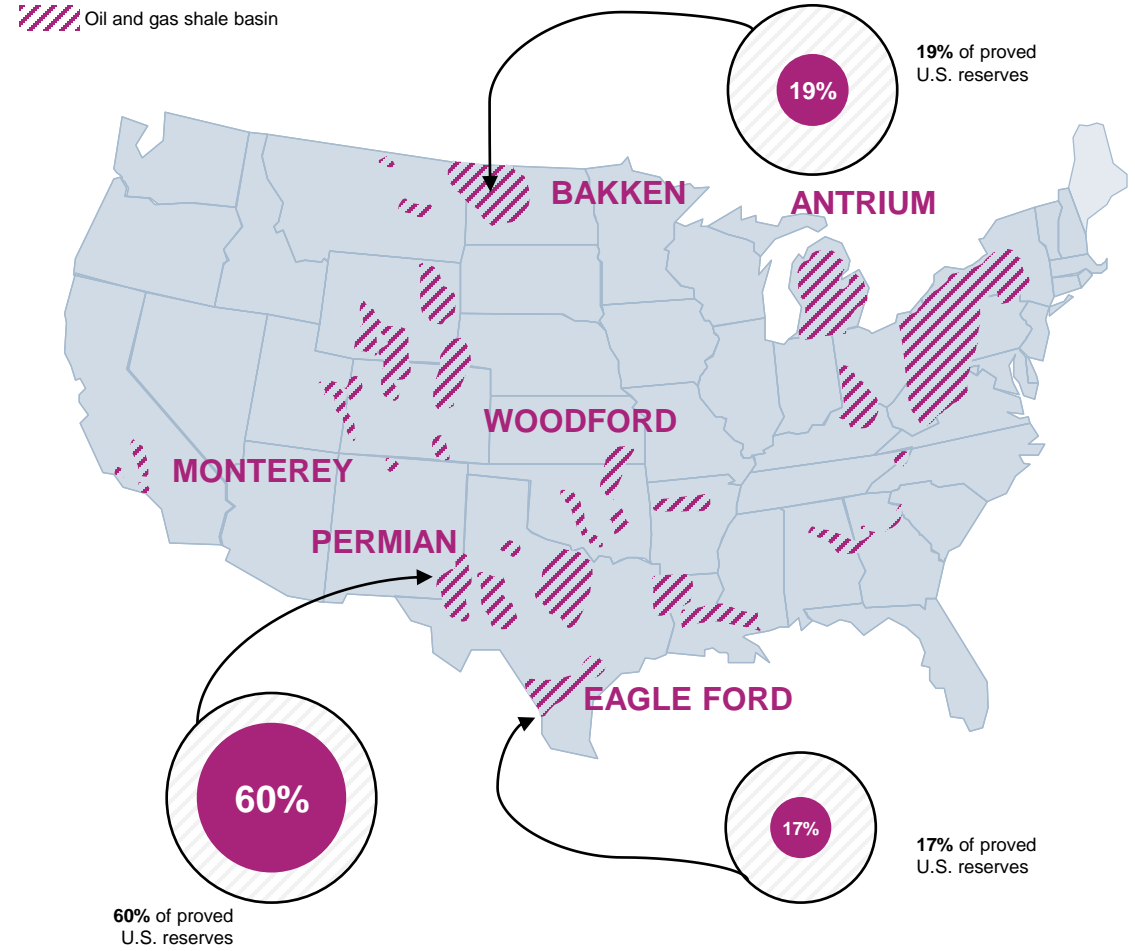
By far the most producing region in the US



Permian | Major E&P operators



Permian sitting on the largest proved reserves¹

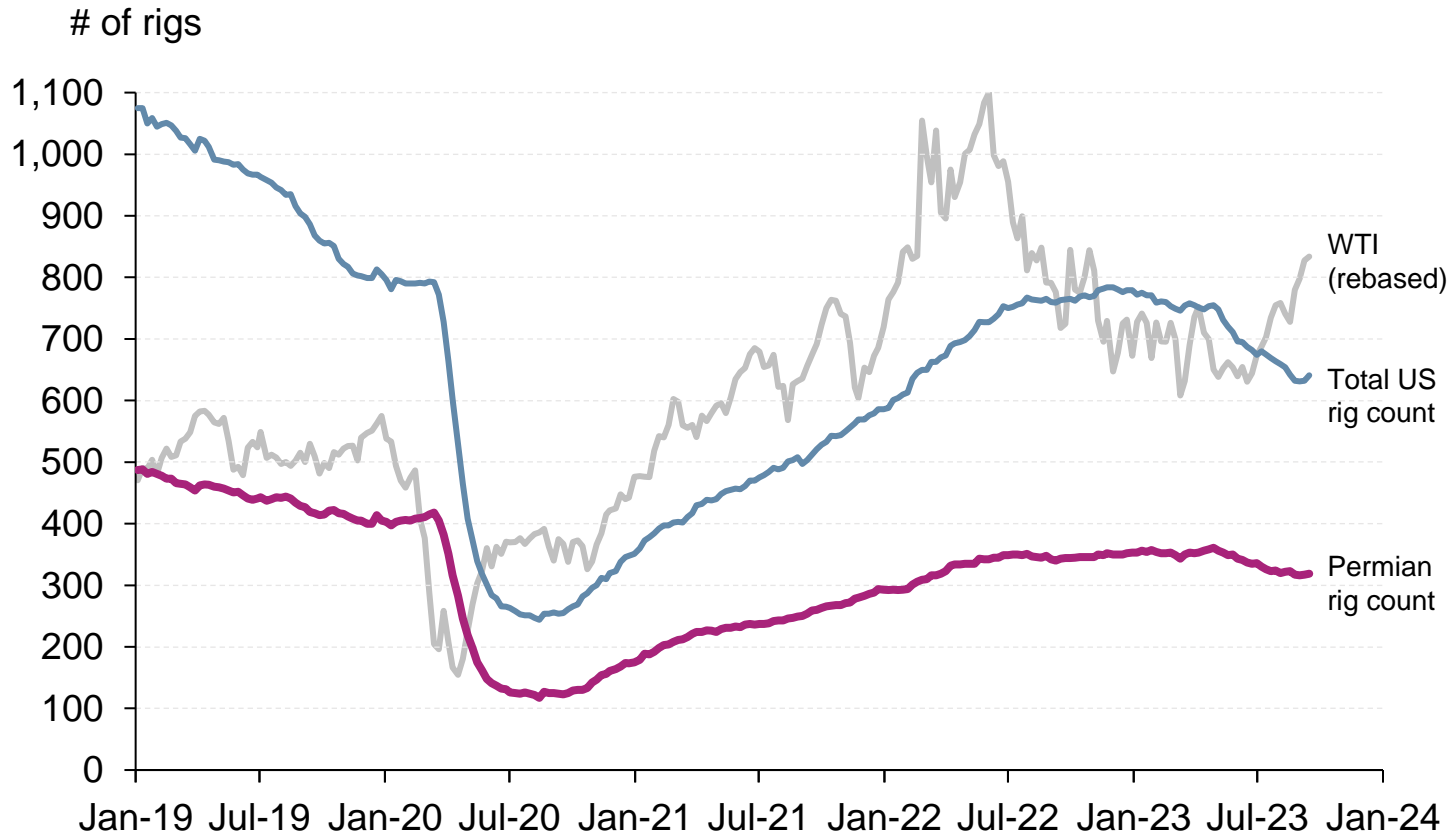


Note: 1) Crude oil and lease condensate proved reserves
 Source: U.S. Energy Information Administration, S&P Global, Bloomberg

Oil Price Too High To Ignore For E&Ps Going Forward

WTI always the leading indicator for rig counts

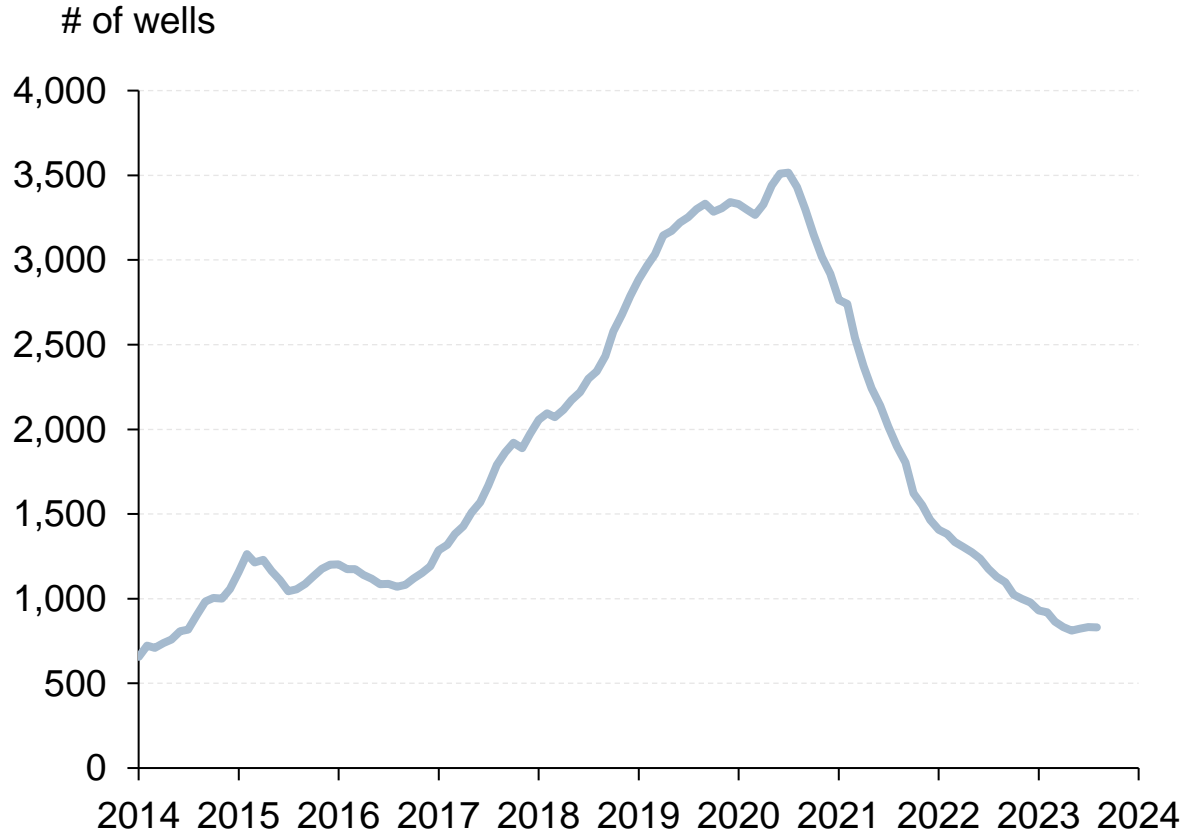
Key fundamentals



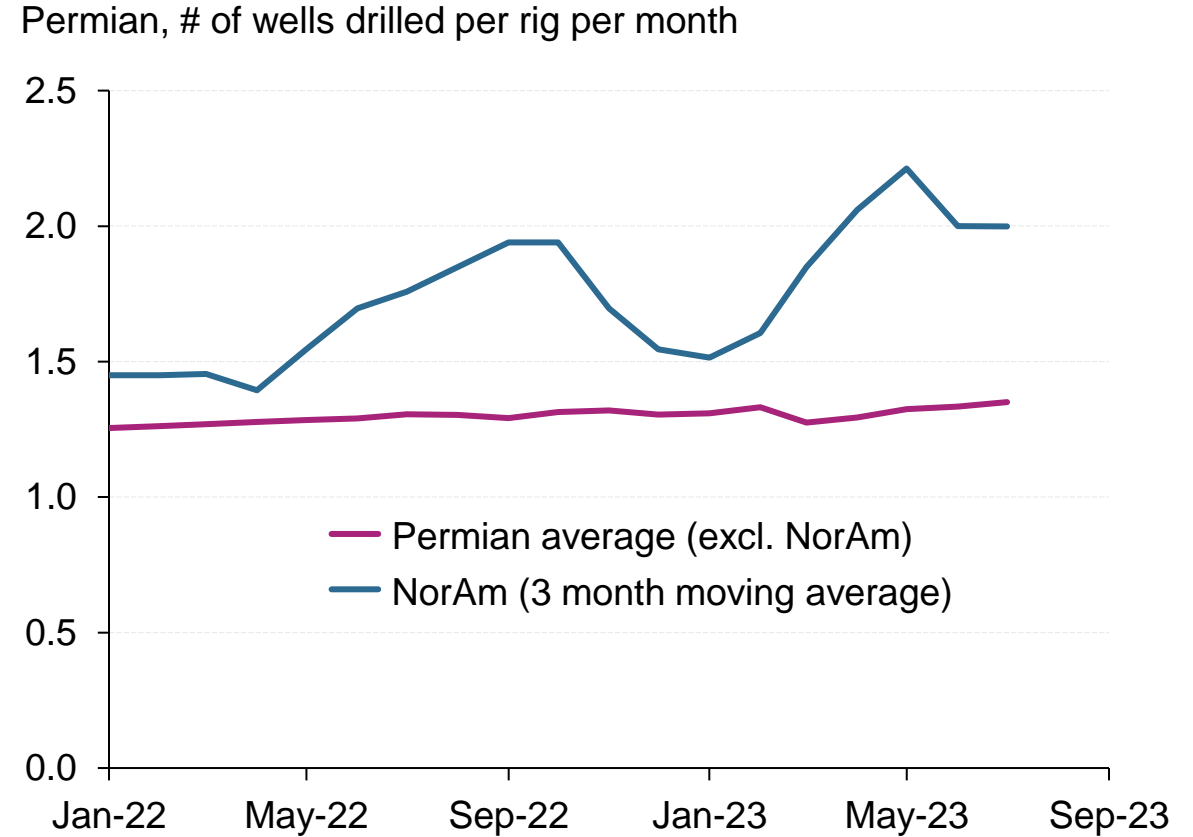
1. Strong discipline by both major E&Ps and public drillers
2. Firmly believe rig counts have bottomed
3. US shale production in decline
4. WTI >\$90/bbl
5. Natural gas prices have stabilized around \$3/MMBtu

Outperforming The Competition

DUCs has hit a floor at the lowest level since 2014⁽¹⁾



NorAm continues to outperform in 2023⁽²⁾



Note: 1) DUC means drilled, uncompleted well. Data from EIA's latest drilling activity report. 2) Based on EIA's drilling activity report and NorAm company data

Recent Events and Outlook

Dividends

- Ten consecutive monthly distributions, totaling USD42m or >NOK 10 per share
- Latest distribution of \$0.05/sh implies 14% dividend yield p.a.⁽¹⁾

Fleet status

- 8 of 11 rigs employed with an average contract length to end of 2023
- OPEX reduction of ~30% on stacked rigs
- Working capital requirement upon re-entry to market to normalize after two months of operation
- In active discussion and negotiations to reactive three stacked rigs in Q4

Note (1): Based on the closing price of NOK 47.8 as of September 18, 2023

