THIRD QUARTER 2023

EARNINGS CALL TRANSCRIPT

15 November 2023

Marius Furuly:

Dear everyone, welcome to NorAm Drilling's third quarter results presentation and conference call. My name is Marius Furuly and I am a Director of Investor Relations and Strategy in NorAm.

We will do this presentation through Teams and therefore I please ask everyone to mute their speaker phone during this session. After we have concluded the presentation, we will do a Q&A session where everyone can ask a question by using the "raise hand" function or simply use the chat function.

Before we begin, I ask you to pay proper attention to the disclaimer section on page 2 about forward looking statements. Statements made during this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including NorAm management's examination of historical operating trends, data contained in the Company's records and other data available from third parties.

Although NorAm believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, NorAm cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions. No representation or warranty (express or implied) is made as to any information contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements. The Company does not accept any liability whatsoever arising directly or indirectly from the use of the materials.

And with that, I'd like to welcome NorAm's CEO and CFO on the line from Houston, Texas, Marty L. Jimmerson.

Marty Jimmerson:

Thank you Marius and we appreciate those who have joined us today to review the 3rd quarter results for NorAm Drilling. We will highlight our 3Q financial results and also provide some commentary on current market trends and outlook.

Page 3: 3Q 2023 HIGHLIGHTS

Revenue was MUSD 26.6, down 24% from the previous quarter

The decline in revenue was primarily attributable to Permian rig counts declining 9% during the quarter

NorAm's fleet utilization was 77.3% compared to 98.9% in the previous quarter

We had 3 rigs hot stacked at the end of September and have subsequently reactivated one rig in mid-October

Our clean dayrate decreased by 4% to $30,300

Adjusted EBITDA, defined as earnings before interest, tax, depreciation and amortization plus non-cash stock option expense, was MUSD 6.9, down 52% from the previous quarter

We reported net income, after tax expense, of MUSD 2.0 or $0.05 per fully diluted share

Current revenue backlog of MUSD 17.4 as of November 14, 2023

Page 4: Recent Events and Outlook

During the third quarter of 2023, rig counts in the Permian Basin declined 29 or 9% primarily as a result of consolidation of private operator activity from previously announced M&A activity and disciplined production plans demonstrated by several E&Ps

Permian rig counts have held up better than the overall US rig count and has only declined 12% year to date.

As mentioned on our last quarterly earnings call, we started to see private operator activity decline in the Permian

As larger operators continue to be focused on maintaining budget and production discipline and also announced a few M&A transactions, rig demand started to decline during 2Q which impacted dayrates for renewals and any new opportunities.

Based upon current customer discussions and improved, we remain encouraged that market fundamentals are constructive and we believe “super spec” rigs will remain in high demand in the Permian basin

Natural gas prices have also stabilized and have now been trading above $3 most recently

Through the remainder of 2023 we expect Permian rig activity level to remain stable and remain optimistic that most customers are finalizing their 2024 budgets which could increase demand for “super spec” rigs in the Permian. As a matter of fact, we expect to reactivate one additional rig for a contract before year end

If natural gas prices continue above $3 or move higher that would further increase demand in our opinion.

We remain committed to pursuing opportunities that result in economics that justify operating our high-end Super Spec rigs.

We believe that most drillers are maintaining the same financial discipline as us on pricing and believe dayrates for renewals have stabilized

Page 5

Now let's turn to some strong fundamental market commentary

Our high-end quality "Super Spec" rigs continue demonstrate our efficient results and superior operating performance. As you can see on the chart on the left, we were the top US land driller in terms of average footage per day drilled in Q2 of this year. This is a testament to our model of having only ultra super spec rigs upgraded to the most efficient equipment in the market.
As DUC's have continued to decline we believe operators will need to increase drilling to maintain their production over time

We continue to be that our pure fleet of SS rigs will continue to be in high demand. And now, I'll put the word over to Marius.

Marius Furuly:

Thank you, Marty.

Sorry about this noise. I'll try to do this without showing the rest of the slides as the Teams function is not with us today unfortunately.

Page 6

In terms of P&L and operational metrics on page 6, the third quarter financial results were impacted by lower utilization, slightly lower dayrates, ordinary opex expenses while also maintaining our stacked rigs in hot status ready to return to work as we expect new opportunities in the near future.

Dayrates were down 4% quarter on quarter, and we achieved a utilization rate of 77.3% in the quarter. Ordinary operating expenses were in line with expectations and going forward we expect limited changes in our daily operating costs for our active rigs. We anticipate that our direct average hot stacked daily costs will average ~$12k per day all in.

Over to the Balance Sheet on page 7

Page 7

We had close to $15mm of cash on the balance sheet at the end of Q3. The Company is debt free and has a stated policy to distribute all operating cash flow exceeding our self declared minimum liquidity level of $11m, including undrawn amounts under a $4.5m revolving credit facility with a US bank.

At the end of the quarter, we had liquidity well above this threshold and we had no drawn amounts under the revolving credit facility.

With potential reactivation of rigs, the Company expects to use some of this excess liquidity to fund working capital requirements for putting the rigs back in the market without comprising on our strategy of paying monthly distributions to our shareholders.

Though, we may have temporary working capital effects reducing free cash flow between months in case of simultaneous reactivation of the two idle rigs

During the quarter we paid $1.5m of capex related to the final ultra super spec rig upgrades. As for the full year 2023, we expect total capex of $4.6-5m

We paid MUSD 9.8 or NOK 2.37 per share in monthly dividends to our shareholders in the third quarter of 2023. And subsequent to quarter end we have paid two additional monthly dividends of a total of 8 cents per share.

And because I am unfortunately not able to share my screen, we will jump immediately into Q&A.

Q&A

Will M: Hey guys, Will M at Greenlight here, can you hear me? Alright, I have a question, hopefully an easy one: I appreciate you guys being disciplined not accepting low rates, but to help us bound with the downside of what could be to rates - if you were to instead take a strategy of trying to get utilization back up – what do you think the rate is that you could achieve today if you wanted to get all of your rigs back working in a measured manner, with not necessarily waiting for thing to improve? Thanks

Marty: Great question, we remain confident that there is only a small amount of contract drillers that are at the bottom end of the day rate range. We continue to believe that the clean day rate is the mid 20,000s dollar range. We are confident that it is the mid 20s to upper 20s for new both new opportunities and contract renewals.

And I remain encouraged that this strategy will results in us getting all of our rigs back to work within the next 30 to 60 days, maybe even 90 days, but I think 30 to 60 days.

Will M: Thanks Marty.

Andreas Stubsrud (Pareto): Hey Marty! Good afternoon, what do you think about the DUCs? I mean why are dayrates so low? We have had a declining oil price – that's fine – but still you know it should still be good economics? Why is it just decreasing and decreasing. Is it something wrong with the statics or is it just the E&P companies holding back and waiting for 2024 budgets?

Marty: Thanks, Andreas. I think it is really a function of two factors – you know the DUC count continues to decline which leads you to believe that most of the more economical DUCs have already been completed and so you are getting a deterioration and expected economics for the remaining DUCs. We have always said that we always believe that a good portion of the DUCs may not be economically viable. Then you couple as you suggested – the operational and financial discipline that most operators are living by and they are not committing any capital to completing those wells. So I do believe that it is a combination of both, I don't foresee any near term any significant production resulting from completing these DUCs and operators are going to continue to drill to maintain production.

Andreas: Okay. And a follow up Marty and Marius – you had a nice working capital release, I think it was like nine million dollars this quarter. What do you think about the next quarter? Is it going to be a little bit the other way or is it going to be flat?

Marty: Yeah. Marius, I'll take a crack at it. I think it is going to be flat, Andreas. We reactivated one rig. You know, first of all, our revenues have come down a little bit so we have benefited from the cash collections from that run off. Revenues have as we see it are flat. Our accounts payable and capex is normal so I would expect working capital, despite needing to tie up some working capital as we reactivate rigs should be fairly normal.

Andreas: Okay. Thank you. Hope there are more questions as the noise is gone now.

Marius: Yeah. Sorry about that. It is unfortunately a lag in Teams. Hopefully it is gone now. I would encourage - if there was someone who had a questions earlier in this session that was not answered due to this sound – please feel free to ask again and sorry about that.

Will: I suppose I'll ask one more. Will at Greenlight. Any chance you could give us whatever color you got on the rate of inbound calls and if there has been change over the last month or two – in either direction.

Marty: Yeah Will. Good to catch up again. So, I would say that the inbound calls that we have received have changed in characteristics over the last kind of two weeks. Most operators have already kind of completed their plans for 2023 and most inquiries are now related to 2024 but we still do have some inbounds for 2023 activity, but most people are looking into 2024. I would say near term, probably the next 30-45 days, any new opportunities are probably more associated with high grading, [i.e. replacing] of underperforming rigs, where they see ultra super spec rig opportunities like ours. But as we get into 2024, we are hearing more, albeit being kind of modest at this point until the 2024 budgets are finalized, more [demand] associated with incremental rig additions as we move forward.

Will: Thanks. That's all from me guys.

Marius: Alright. Okay. Here is another one from Tom. Please unmute.

Tom: Yes hello. I just had a quick question. Did I understand you correctly when you said that the two last rigs would be operational within the 30 to 60 days window from now? And, if that was the case, could you just say does that turnover-wise has the same equal as you have on the other nine rigs?

Marty: Yes. So, we currently have two stacked rigs. They are hot stacked. We are actively marketing them. They are crewed and ready to go. I do expect that we will return one of the rigs to work before year end under contract and we have active discussions ongoing for the reaming rig for early 2024 opportunities. We believe the current day rate opportunities are anywhere from the mid to the upper 20 thousand dollar range so it would be virtually in line with our current average dayrate, maybe slightly lower, but not significantly.

Tom: Okay. Perfect. Thank you so much.

Marty: Thank you, Tom.

Marius: Alright. There seems like there are no further questions. In that case, I would like to thank you all for attending and sorry for the technical difficulties we experienced during the call. I encourage you to reach out to us after this call for any follow up questions and if there was anything unclear during the presentation we are happy to give you more color. And feel free to reach out to ir@noramdrilling.com or our investor relations hotline.

And I would like to extend a thank you to all the NorAm Drilling family of workers and people onshore for all the efforts made during the quarter. And thank you - I hope to see all of you again for our fourth quarter results in February. Thank you.