



Q4 2023 Presentation

February 23, 2024



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Q4 2023 Highlights

- Revenue**
 - \$24.0 million including reimbursables
 - Clean day rate⁽¹⁾ of \$26,900, down 11% from Q3
- Utilization**
 - 82.3% utilization, up from 77.3% in Q3
 - Two rigs reactivated during the quarter
- EBITDA**
 - Adj. EBITDA of \$5.4 million
 - Operating and maintenance expenses in line with expectations
- Net results**
 - Profit before tax of \$0.8 million
 - Non cash tax expense of \$3.0 million
- Backlog**
 - Backlog of \$27.6 million as of February 22, 2024

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

Recent Events and Outlook

Monthly cash distributions

- 15 consecutive monthly distributions, totaling \$51m or NOK ~12.4 per share
- Latest distribution of \$0.05/sh implies 16% dividend yield p.a.⁽¹⁾

Fleet status

- Two idle rig reactivated in October and November, only one idle rig left
- OPEX reduction of ~30% on the stacked rig
- Expect two rigs to be released upon ending current contracts ending later in Q1 and early Q2 driven by operator consolidation

Stable near term outlook

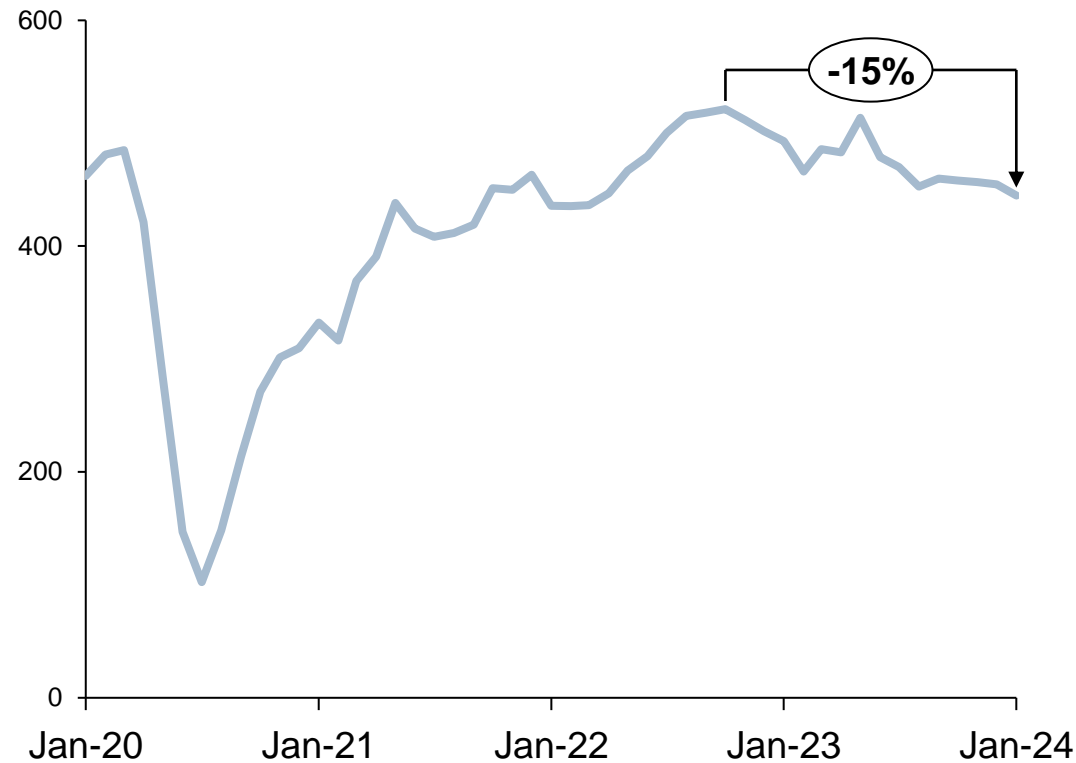
- Stable outlook before modest increase in activity expected in 2H 2024
- Rig rates nearing bottom
- Hope to secure employment for one or more idle rigs later in 1H 2024

Note: (1) Based on the closing price of NOK 39.6 as of February 22, 2024

We Expect Rig Count To Increase Later In 2024

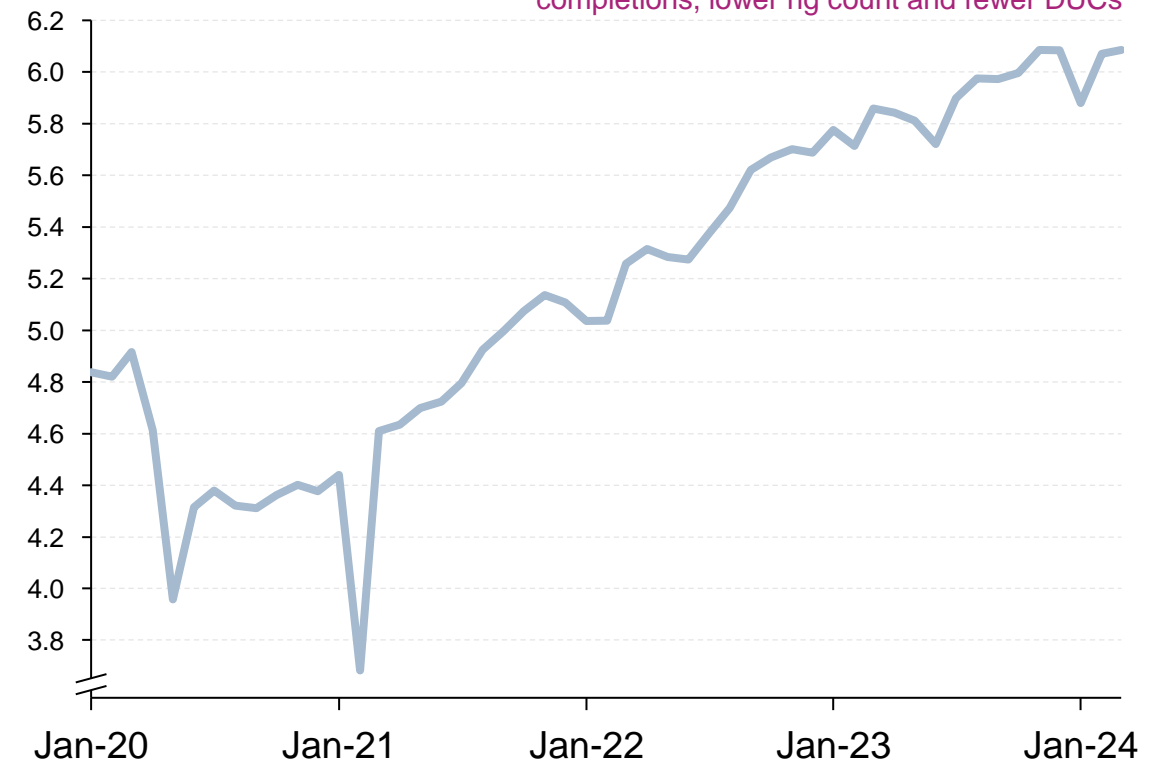
Well completions are dropping in Permian...

of wells completed per month, 3-month moving average



Leading to lower Permian oil production growth

Million barrels of oil per day



Key Operational Figures

Selected operational and financial data

<i>(All amounts in USD 1000s per day) unless noted</i>	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Available rig days	1,012	1,012	1,004	990
Rig utilization (1)	82.3%	77.3%	98.9%	99.3%
Rig metrics per day:				
Dayrate (2)	26,875	30,302	31,567	30,846
Operating costs (3)	14,278	14,157	14,463	15,067
Direct margin	12,597	16,145	17,104	15,779
Operation and SG&A allocation	2,218	2,046	1,765	1,812
Maintenance cap ex allocation	559	186	180	103
Net cash flow	9,820	13,913	15,159	13,864
Cash break even, working rigs (3)	17,055	16,389	16,408	16,982
Direct stacked cost per day	9,698	10,453		
Reimbursements of "out-of-pocket" expenses (000's)	930	2,645	3,962	2,286

(1) Excludes 10 days of downtime in Q1 2023 related to rig upgrades

(2) Excludes reimbursements for "out-of-pocket" expenses.

(3) Excludes reimbursements for "out-of-pocket" expenses. Excludes operating costs of rigs not active

- Dayrate down 11% Q/Q, net
- Stacked cost of ~\$9,700 p.d. on idle rigs during Q4
- No major inflation in costs expected for 2024 as of today

Income statement

<i>(All amounts in USD 1000s)</i>	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Total Operating Income	24,034	26,609	34,966	32,684
Payroll Expenses	8,124	8,039	8,423	6,897
Depreciation of Tangible and Intangible Assets	4,796	4,711	4,671	4,759
Rig Mobilization, Service and Supplies	6,540	7,678	7,317	6,972
Insurance Rigs and Employees	1,819	1,347	1,441	1,644
Other Operating Expenses	2,237	2,792	3,550	2,391
Total Operating Expenses	23,519	24,568	25,402	22,663
Operating Profit (+)/ Loss (-)	515	2,041	9,564	10,022
Net Financial Items	258	3	148	-49
Profit (+)/Loss(-) before Income Tax	773	2,044	9,712	9,972
Income Tax Expense	2,990		200	393
Net Profit (+)/Loss (-)	-2,216	2,044	9,512	9,579

- Total operating income affected by lower day rates and lower reimbursables
- Non cash income tax expense of \$3.0 million related to provisions against future projected taxable income

Balance Sheet And Cash Flow Statement

Balance sheet

<i>(All amounts in USD 1000s)</i>	4Q 2023	3Q 2023	2Q 2023	1Q 2023
<i>Non current assets</i>				
Rigs and Accessories	72,061	76,089	79,304	83,521
Vehicles and Office Equipment	553	611	669	434
<i>Current assets</i>				
Accounts Receivable	11,297	9,867	17,260	14,402
Other Receivable	1,367	1,564	2,185	855
Bank Deposits/Cash	12,139	15,321	11,894	12,696
Total Assets	97,418	103,452	111,311	111,908
<i>Equity</i>				
Issued Capital	12,547	12,547	12,547	12,547
Share Premium	112,765	118,818	124,314	136,701
Other Shareholder Contribution	369	369	369	369
Other Equity	-48,538	-46,321	-48,365	-57,877
Total Equity	77,143	85,414	88,866	91,740
<i>Non current liabilities</i>				
Deferred Tax	5,055	2,139	2,139	2,139
<i>Current Liabilities</i>				
Bond Loan				
Accounts Payable	4,388	6,293	3,927	4,138
Tax Payable	326	254	254	224
Public Duties Payable	268	266	268	245
Other Current Liabilities	10,237	9,087	15,857	13,421
Total Liabilities	20,275	18,039	22,446	20,168
Total Equity & Liabilities	97,418	103,452	111,311	111,908

Cash flow statement

<i>(All amounts in USD 1000s)</i>	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Net Profit (+)/Loss (-)	773	2,044	9,512	9,972
Tax paid for the period			30	-26
Depreciation of fixed assets	4,796	4,711	4,671	4,759
Change in accounts receivable	-1,697	7,393	-2,858	400
Change in accounts payable	-1,904	2,365	-211	-469
Change in other current balance sheet items	840	-1,820	2,981	257
Net cash flow from operational activities	2,807	14,693	14,126	14,894
Purchase of tangible fixed assets	-711	-1,438	-689	-2,144
Net cash flow from investing activities	-711	-1,438	-689	-2,144
Repayment of long term debt				
Issued capital				
Dividends	-5,279	-9,828	-14,239	-13,152
Net cash flow from financing activities	-5,279	-9,828	-14,239	-13,152
Net change in cash and cash equivalent	-3,182	3,427	-802	-402
Cash and cash equivalents opening balance	15,321	11,894	12,696	13,098
Cash and cash equivalents closing balance	12,139	15,321	11,894	12,696

- Working capital increase due to idle rigs being reactivated

NorAm Drilling - Summary

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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

>16%

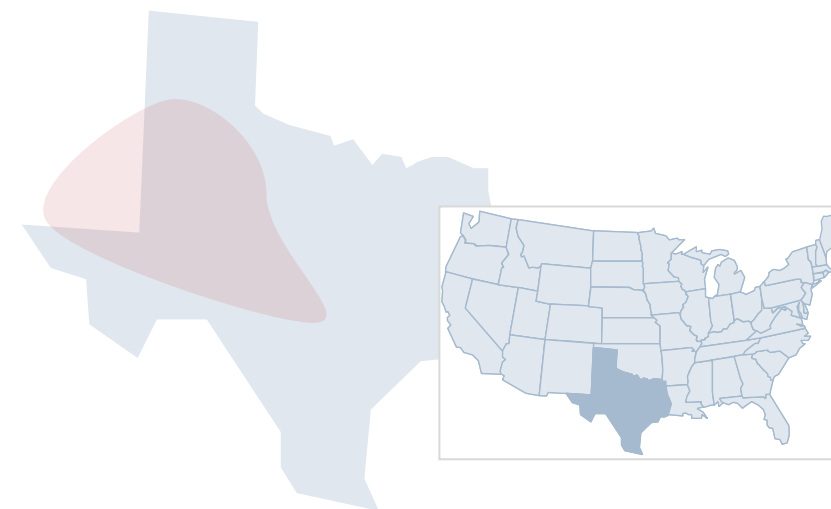
Debt free and full payout strategy

Monthly dividends with total cash distributions of ~NOK12.4 per share since December 2022. Latest monthly distribution implies annualized yield of 16%

Top quality customer portfolio



The Permian holds the largest energy reserves in the U.S





Q&A

Please MUTE your speaker. Thanks