INFORMATION DOCUMENT

NORAM DRILLING AS

(A private limited liability company incorporated under the laws of Norway)

Admission to trading of Shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by NorAm Drilling AS (the "**Company**" and, together with its consolidated subsidiaries, the "**Group**") solely for use in connection with the admission to trading of the Company's shares (the "**Admission**"), with ISIN NO 001 0360019, on Euronext Growth Oslo ("**Euronext Growth**"). The Company's shares (the "**Shares**") have been approved for trading on Euronext Growth, and the Shares will start trading on 7 October 2022 under the ticker symbol NORAM.

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a regulated market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a regulated market. Investors should take this into account when making investment decisions.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71. The present Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisor and Oslo Børs.

THIS INFORMATION DOCUMENT SERVES AS AN INFORMATION DOCUMENT ONLY, AS REQUIRED BY THE EURONEXT GROWTH ADMISSION RULES. THIS INFORMATION DOCUMENT DOES NOT CONSTITUE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States of America. The distribution of this Information Document may be restricted by law in certain jurisdictions. Accordingly, this Information Document may not be distributed or published in any jurisdiction where such distribution of publication would constitute a violation of applicable laws and regulations. Persons in possession of this Information Document are required by the Company and the Euronext Growth Advisor to inform themselves about and to observe any such restrictions.

Investing in the Company's Shares involves risks. Prospective investors should read the entire document and, in particular, Section 1 "Risk Factors" when considering an investment in the Shares.

Euronext Growth Advisors

Fearnley Securities

Pareto Securities

The date of this Information Document is 6 October 2022

IMPORTANT INFORMATION

This Information Document has been prepared by the Company in connection with the Admission. The purpose of the Information Document is to provide information about the Company and its business. This Information Document has been prepared solely in the English language.

For definitions of terms used throughout this Information Document, see Section 12 "Definitions and Glossary". The Company has engaged Fearnley Securities AS and Pareto Securities AS (the "**Managers**") as managers and Euronext Growth Advisors in connection with the Private Placement (as defined below) and the Admission. Employees of Pareto Securities AS holds 6,883 shares in the Company on an accumulated basis.

This Information Document has been prepared to comply with the admission rules that apply to Euronext Growth. The Information Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and has not been reviewed or approved by the Norwegian Financial Supervisory Authority or any other governmental authority.

All inquiries relating to this Information Document should be directed to the Company or the Managers. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Managers in connection with the Admission. If given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Managers.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Group subsequent to the date of this Information Document. Any material new information, material errors or material inaccuracies relating to the information included in this Information Document, which may affect the assessment of the Shares and which arises or is noted between the time when the Information Document is published and before the Admission will be published and announced promptly in accordance with Euronext Growth regulations. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Document in certain jurisdictions may be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Norwegian: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

STABILIZATION

In connection with the Private Placement (as defined herein) and Admission, the Stabilisation Manager (Pareto Securities AS) (as defined herein), or its agents, on behalf of the Managers, may, in the event of use of the Brownshoe Option (as defined below), engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 days from the commencement of trading of the Shares on Euronext Growth Oslo. Specifically, the Stabilization Manager may effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price (as defined below). However, stabilization action may not necessarily occur and may cease at any time. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Any stabilization action must be conducted by the Stabilization Manager in accordance with all applicable laws and rules and can be undertaken at the offices of the Stabilization Manager and on Oslo Børs. Stabilization may result in an exchange or market price of the Shares that is higher than what might otherwise prevail, and the exchange or market price may reach a level that cannot be maintained on a permanent basis.

Any stabilization activities will be conducted in accordance with Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR) and the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 as implemented into Norwegian law by Section 3-1 (3) of the Norwegian Securities Trading Regulation regarding buy-back programs and stabilization of financial instruments.

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APPENDICES

1. RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Information Document, including the financial statements and related notes. The risks and uncertainties described in this Section 1 "Risk Factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 1 "Risk Factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision.

If any of the following risks were to materialize, individually or together with other circumstances, this could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1.1. Risks related to the Group's rigs and drilling contracts

1.1.1. The Group's rig operations is concentrated in a limited geographical area, being the Permian Basin

All of the Group's rigs are currently operating in the Permian Basin. The Permian Basin is currently the most active area of drilling activity in the conterminous United States and currently has 48% of the total land drilling rigs currently operating in the United States. There can be no assurances that the Permian Basin remains the most active area in the United States going forward. The Group's drilling rigs are more than capable of operating in all areas of activity in the United States and have previously worked in Louisiana, New Mexico and Oklahoma. The costs of mobilizing a rig to another area could be cost prohibitive, the Group's rigs may have more capability than required and the Group could face competition from other contract drillers where Super Spec rigs are not required.

1.1.2. The Group is dependent on a limited number of rigs

The Group's business is dependent on a limited number of land-based drilling rigs. As of the date of this Information Document, the Group's fleet consists of 11 rigs and any operational downtime or any failure to secure employment at satisfactory rates will affect its results more significantly than a company with a larger fleet. Significant operational downtime may result from key equipment being lost or damaged, or other incidents.

1.1.3. All of the Group's operating rigs are operating under contracts with terms expiring during 2022 and 2023

Upon expiration of a drilling contract, the Group's customers typically have no obligation to extend the contract term or recontract the drilling rig, and may elect to release the rig. All existing contracts expire during 2022 and 2023. The Group cannot assure that a customer will continue to renew contracts as they expire or that any replacement contract can be obtained for any of its rigs operating in the spot-market or with terms expiring, and if obtained, that it would be on terms as favourable as those of the existing drilling contracts or at profitable levels. The failure to renew or timely replace one or more expiring contracts could have a material adverse effect on the Group's results of operations and financial condition.

1.1.4. Early termination rights

Under the drilling contracts the operators may have a right of early termination at convenience (without requirement of default on the part of the contractor/the Group). The early termination compensation payable to the Group may vary based on when the contract is terminated (for example prior to commencement of mobilization or after commencement) and the type of contract (well-by-well or for a time period). The Group may be obligated to make reasonable mitigation efforts to market the terminated rig with a new customer, which can lead to adjustment of the early termination compensation. The early termination rights can therefore affect the duration and completion of ongoing contracts and could have an adverse effect on the Group's results of operations and financial condition.

1.1.5. The Group's current estimated backlog of contract drilling revenue may not ultimately be realized.

As of August 31, 2022, the Group's estimated contract drilling backlog for future revenues under term contracts, which it defines as contracts with an original fixed term of six months or more, was approximately USD 28 million. All of this backlog expires in 2022 and 2023, which requires the Group to renew these expiring contracts as well as short term contracts under which a large number of its rigs operate. Although the Group historically has been successful in obtaining extensions or follow-on work for drilling rigs with expiring contracts, in periods of market decline or uncertainty such as the U.S. land contract drilling industry is experiencing, the Group cannot assure that it will obtain such renewals, or that such renewals will be on acceptable terms. Any failure to renew or find follow-on work for the Group's drilling rigs with expiring contracts, could have a material adverse effect on its operations and financial condition.

Fixed-term drilling contracts customarily provide for termination at the election of the customer, with an "early termination payment" to the Group if a contract is terminated prior to the expiration of the fixed term. Additionally, in certain circumstances, for example, destruction of a drilling rig that is not replaced within a specified period of time, the Group's bankruptcy, or a breach of its contract obligations, the customer may not be obligated to make an early termination payment. Additionally, customers may be unable to satisfy their contractual obligations or may seek to terminate, renegotiate or fail to honor their contractual obligations. In addition, the Group may not be able to perform under these contracts due to events beyond its control, and customers may seek to cancel or negotiate contracts for various reasons, including those described above. As a result, the Group may be unable to realize all of its current contract drilling backlog. In addition, the renegotiation or termination of fixed-term contracts without the receipt of early termination payments could have a material adverse effect on the Group's business, financial condition, cash flows and results of operations.

1.2. Risks relating to customer relationships and third-parties

1.2.1. Any loss of large customers could have a material adverse effect on the Group's financial condition and results of operations.

The Group's customer base consists of exploration and production ("**E&P**") companies that drill oil and natural gas wells in the United States in the regions where the Group markets its rigs. As of August 31, 2022, the Group had rigs operating or earning revenues from seven different customers, including two customers who had contracted three rigs each. A third customer is contracted to pick up a second rig in October 2022. Thereafter, three customers will have eight of the Group's eleven rigs, or 73%, of its contracted rigs. It is likely that the Group will continue to derive a significant portion of its revenue from a relatively small number of customers in the future. If a customer decided not to continue to use the Group's services or to terminate an existing contract, or if there is a change of management or ownership of a customer or a material adverse change in the financial condition of a customer, it could have a material adverse effect on the Group's revenues, cash flows, and financial condition.

1.2.2. The Group is dependent on goodwill, reputation and on maintaining good relationships with, inter alia, customers, partners, suppliers and employees

The Group depends on goodwill, reputation and on maintaining good relationships with customers, partners, suppliers and employees. Negative publicity related to the Group could, regardless of its truthfulness, adversely affect the Group's reputation and goodwill. Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control. No assurance can be given that such incidents will not occur in the future, which may cause negative publicity about the operations of the Group, which in turn could have a material adverse effect on the Group. Negative publicity could further jeopardize the Group's relationships with customers and suppliers or diminish the Group's attractiveness as a potential investment opportunity. In addition, negative publicity could cause any customers of the Group to purchase services from the Group's competitors, and thus decrease the demand for the Group's services. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships, may lead to a broader adverse effect in addition to any monetary liability arising directly from the damaging events by way of loss of business, goodwill, customers, partners and employees.

1.2.3. Risks related to third parties, including its partners, suppliers, etc.

The Group is dependent on partners, suppliers, and other third parties to supply certain products and services in order to successfully conduct its operations. Some of these have been in short supply from time to time. In addition, key rig components critical to the operation, construction or upgrade of the Group's rigs are either purchased from or fabricated by a limited number of vendors that may compete against the Group from time to time. Shortages could occur in these essential components due to an interruption of supply or increased demands in the industry. If the supply of such products and services is delayed, not given priority or does not meet the required quality, this could have a material adverse effect on the

Group's results, financial condition, cash flows and prospects. Further, there can be no assurance that the Group will be able to enter into or maintain satisfactory agreements with third party providers in the future.

1.2.4. The Group's customers may delay paying or fail to pay a significant amount of outstanding receivables

In most cases, the Group bills its customers for its services in arrears and is, therefore, subject to customers delaying or failing to pay invoices. In weak economic environments, the Group may experience increased delays and failures due to, among other reasons, a reduction in its customers' cash flow from operations and their access to the credit markets. If customers delay paying or fail to pay a significant amount of outstanding receivables, it could have a material adverse effect on the Group's liquidity, results of operations, and financial condition.

1.3. Risks related to the industry in which the Group operates

1.3.1. The Group's rig business is highly dependent on the level of activity in the oil and gas industry

By being an oil service company owning and operating land-based rigs, the Group's business depends significantly on the level of activity in oil and gas exploration, as well as the identification and development of oil and gas reserves and production in land-based areas worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development, political aspects and regulatory requirements all affect the Group's clients' levels of expenditure and drilling campaigns. In particular, changes in oil and gas prices and market expectations of potential changes in these prices could significantly affect the level of E&P activity by oil and gas companies. Oil and gas prices are volatile and cyclical and are affected by numerous factors beyond the Group's control, including, but not limited to:

- worldwide demand for oil and gas as well as industrial services and power generation and the competitive position of oil and gas as an energy source compared with alternative fuels;
- the cost of exploring for, developing, producing and delivering oil and gas;
- current oil and gas production, consumer capacity and price levels and expectations regarding future energy prices;
- the ability of the Organisation of Petroleum Exporting Countries ("**OPEC**") to set and maintain production levels and impact pricing, as well as the level of production in non-OPEC countries;
- political and economic conditions and incidents, including conflicts and natural disasters in oil producing countries; and
- major accidents in the industry, including major spills, blowouts and explosions, and any resulting changes to regulations or client safety requirements.

Prolonged reductions in oil and gas prices typically result in decreased levels of exploration and development activity by oil and gas companies. Any decreased levels of exploration and development activity, due to reduced oil and gas prices or other factors, could lead to downward pricing pressure on oil and gas drilling companies and, therefore, could adversely affect the Group's profitability.

In addition, changes in environmental requirements may adversely affect the level of exploration by oil and gas companies and, therefore, demand for the Group's services. For example, oil and gas E&P could decline as a result of environmental requirements (including policies responsive to environmental concerns or accidents). Because the business of the Group depends on the level of activity in the oil and gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a material adverse effect on the business, results of operations and financial condition of the Group if such laws, regulations, treaties or international agreements negatively affect global demand for oil and gas.

1.3.2. The Group face risks from increasing activism against and negative investor sentiment towards the oil and gas industry

Opposition towards oil and gas drilling and development activity has been growing globally and is particularly pronounced in the United States. Companies in the oil and gas industry have frequently been the target of activist efforts regarding environmental and safety matters as well as business practices but, in recent years, have been facing increasing scrutiny on its environmental, social and governance ("**ESG**") practices, which includes such areas as sustainability, human rights and environmental social justice. Furthermore, certain segments of the investor community have developed negative sentiment towards investing in the oil and gas industry, with some investors (including certain investment advisers, sovereign wealth funds, pension funds, university endowments and family foundations) having introduced policies to disinvest in the oil and gas sector for stated social and environmental considerations. Commercial and investment banks have also faced pressure to stop financing oil and gas production and related projects. Companies which do not adapt to or comply with investor or stakeholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected. Increasing attention to climate change, increasing societal expectations on companies to address climate change, and potential consumer use of substitutes to energy commodities may result in increased costs, reduced demand for the Group's customers' hydrocarbon products and our products and services, reduced profits, increased investigations and litigation, and negative impacts on our stock price and access to capital markets.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Currently, there are no universal standards for such scores or ratings, but the importance of sustainability evaluations is becoming more broadly accepted by investors and shareholders. Such ratings are used by some investors to inform their investment and voting decisions. Additionally, certain investors use these scores to benchmark companies against their peers and if a company is perceived as lagging, these investors may engage with companies to require improved ESG disclosure or performance. Moreover, certain members of the broader investment community may consider a company's sustainability score as a reputational or other factor in making an investment decision. Consequently, a low sustainability score could result in exclusion of our stock from consideration by certain investment funds, engagement by investors seeking to improve such scores and a negative perception of our operations by certain investors.

1.3.3. The Group faces competition from many competitors with greater resources and greater ability to rapidly respond to customer requirements and market conditions

The Group competes with large US and multi-national companies that have longer operating histories, grater financial, technical and other resources and greater name recognition than the Group has. Many of the Group's larger competitors are able to offer ancillary products and services with their contract drilling services, and recently, some of the larger competitors have begun integrating and offering contract drilling services in connection with directional drilling and other services that the Group does not offer. In this regard, large, diversified oilfield service companies have begun to marker bundled services, including contract drilling services in the United States. If any of these combined offerings gain acceptance within the United States market, it could place the Group at a competitive disadvantage that has an adverse impact on the Group's future results of operations and profitability.

Furthermore, some of the Group's competitors' greater capabilities in these areas may enable them to better withstand industry downturns, compete more effectively on the basis of price and technology, retain skilled rig personnel, and build new rigs or acquire and refurbish existing rigs so as to be able to place rigs into service more quickly than the Group in periods of high drilling demand.

1.3.4. Risks related to seasonality in the industry

Although seasonality has not significantly affected the overall operations of the Group in the past, the Group's drilling operations can be affected by severe winter storms of other weather-related events. Should such an event occur, the production capacity of one or more of the Group's rigs, and hence the Group's profitability, may be materially affected.

1.3.5. An oversupply of rigs could negatively affect the Group

Utilization rates, which are the number of days a rig actually works divided by the number of days the rig is available for work, and dayrates, which are the contract prices customers pay for rigs per day, are also affected by the total supply of comparable rigs available for service in the geographic markets in which the Group competes. Improvements in demand in a geographic market may cause the Group's competitors to respond by moving competing rigs into the market, thus intensifying price competition. Significant new rig construction could also intensify price competition.

In the past, there have been prolonged periods of rig oversupply with correspondingly depressed utilization rates and dayrates largely due to earlier, speculative construction of new rigs. Improvements in dayrates and expectations of longer-term, sustained improvements in utilization rates and dayrates for drilling rigs may lead to construction of new rigs. Such increases in the supply of rigs could depress the utilization rates and dayrates for the Group's rigs and materially reduce the Group's cash flow and profitability.

1.3.6. Risks relating to outbreak of wars (incl. the military invasion of Ukraine), pandemics (incl. COVID-19) and sanctions regimes

The Group's operations are subject to risks related to outbreaks of infectious diseases. The COVID-19 pandemic has already and may continue to negatively affect economic conditions, the Group's operations and the operations of the Group's customers, suppliers and other stakeholders. Governments in affected countries may continue to impose travel bans, quarantines and other emergency public health measures in 2022. Those measures may increase depending on developments in the virus' outbreak, mutation, and the vaccination program of affected countries. As a result of these measures, the Group's land drilling staff may be restricted from mobilization to well sites. The occurrence of such measures could materially adversely affect the Group's business, results of operations, cash flows, financial condition, and/or prospects.

Further, Russia launched on 24 February 2022 a military invasion of Ukraine. Following the military invasion, there has been ongoing battles on Ukrainian soil, creating significant uncertainties regarding global political and economic stability. Several countries have condemned the invasion by Russia, and severe sanctions have been imposed on banks, certain oligarchs, and the Russian state itself. The war has caused significant business disruption, volatility in international debt and equity markets and disruption to the global economy in the short term. There is significant uncertainty around the breadth and duration of all disruptions related to the invasion, as well as its impact on the global economy.

In addition, both in connection with the invasion of Ukraine and generally, economic sanctions can relate to the Group's business, including prohibitions on doing business with certain countries or governments, as well as prohibitions on dealings of any kind with entities and individuals that appear on sanctioned party lists issued by the United States, the EU, and other jurisdictions (and, in some cases, entities owned or controlled by such listed entities and individuals). Violation could result in fines or other penalties that could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Group. A failure to comply with applicable laws and regulations may result in reputational harm, administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations, which in turn could have an adverse effect on the Group's results.

Furthermore, the energy markets are heavily impacted by the invasion and the following sanctions, and oil and gas prices have spiked from an already high level since the invasion. There is still a significant uncertainty regarding how the invasion and the following sanctions will impact the access to energy, and the price of oil and gas and other commodities in the coming period.

1.3.7. The Group could be adversely affected if shortages of equipment or supplies occur

Increased or decreased demand among drilling contractors and the Group's customers for consumable supplies, including fuel, water and ancillary rig equipment, such as pumps, valves, drill pipe and engines, may lead to delays in obtaining these materials and inability to operate rigs in an efficient manner. The Group has periodically experienced increased lead times in purchasing ancillary equipment for its drilling rigs. To the extent there are significant delays in being able to purchase important components for the Group's rigs, certain of its rigs may not be available for operation or may not be able to operate as efficiently as expected, which could adversely affect the Group's results of operations and financial condition.

In addition, customers typically purchase the fuel and water for their operations, including fuel that runs the Group's drilling rigs, and thus bear the financial impact of increased prices. However, prolonged shortages in the availability of fuel or water to conduct drilling and completion activities could result in the suspension of the Group's contracts or reduce demand for its contract drilling services and have a material adverse effect on its financial condition and results of operations.

1.3.8. The effects of severe weather could adversely affect the Group's operations

Changes in climate due to global warming trends could adversely affect the Group's operations by limiting, or increasing the costs associated with, equipment or product supplies. In addition, coastal flooding and adverse weather conditions such as increased frequency and/or severity of hurricanes could impair the Group's ability to operate in affected regions of the country. Oil and natural gas operations of its customers located in Louisiana and parts of Texas may be adversely affected by hurricanes and tropical storms, resulting in reduced demand for its services. Repercussions of severe weather conditions may include curtailment of services; weather-related damage to facilities and equipment; suspension of operations; inability to deliver equipment, personnel and products to job sites in accordance with contract schedules; and loss of productivity. These constraints could delay our operations and materially increase the Group's operating and capital costs. Unusually warm winters also adversely affect the demand for its services by decreasing the demand for natural gas.

1.4. Risks related to the general business of the Group

1.4.1. The Group's operations involve operating hazards, which if not insured or indemnified against, could adversely affect its results of operations and financial condition.

The Group's operations are subject to the many hazards inherent in the drilling and well services industries, including the risks of personal injury and loss of life, blowouts, cratering, fires and explosions, loss of well control, collapse of the borehole, damaged or lost drilling equipment, and damage or loss from extreme weather and natural disasters.

Any of these hazards can result in substantial liabilities or losses to the Group from, among other things, suspension of operations, damage to, or destruction of, the Group's property and equipment and that of others, damage to producing or potentially productive oil and natural gas formations through which the Group drills, and environmental damage.

Although, the Group seeks to protect itself from some but not all operating hazards through insurance coverage, some risks are either not insurable or insurance is available only at rates that the Group considers uneconomical. Depending on competitive conditions and other factors, the Group attempts to obtain contractual protection against uninsured operating risk from its customers. However, customers who provide contractual indemnification protection may not in all cases maintain adequate insurance or otherwise have the financial resources necessary to support their indemnification obligations. In certain cases, the Group has also agreed indemnity provisions with its customers, where the Group shall indemnify the customer for certain types of loss, for example relating to pollution, contamination, bodily harm and property damage. The Group's insurance or indemnification arrangements may not adequately protect against liability or loss from all the hazards of its operations or indemnities given. The Group does not carry loss of business insurance for a rig being out of service.

The Group maintains insurance against some, but not all, of the potential risks affecting its operations and only in coverage amounts and deductible levels that it believes to be economical. The insurance coverage includes deductibles which must be met prior to recovery. Additionally, the Group's insurance is subject to exclusions and limitations, and there is no assurance that such coverage will adequately protect against liability from all potential consequences and damages. The occurrence of a significant event that the Group has not fully insured or indemnified against or the failure of a customer to meet its indemnification obligations could materially and adversely affect the Group's results of operations and financial condition. Furthermore, the Group may be unable to maintain adequate insurance in the future at reasonable rates. Incurring a liability for which the Group is not fully insured or indemnified could have a material adverse effect on its financial condition and results of operations.

1.4.2. The Group may not be able to successfully implement its strategies

Achieving the Group's objectives involves inherent costs and uncertainties. There is no assurance that the Group will be able to achieve its objectives within its expected timeframe or at all, that the costs related to any of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Group's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in its markets, the capital expenditure and investment by customers and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1.4.3. Failure in the Group's information technology systems may have an adverse impact on its operations

The Group relies on IT systems and is exposed to the risk of failure or inadequacy in these systems, related processes and/or interfaces. The Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business of the Group. Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Group's ability to effectively operate its business and increase its expenses and harm its reputation. These risks may in turn have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

1.4.4. The Group is exposed to the risk of cyber-crime

Due to its reliance on digital solutions and interfaces, the Group is exposed to the risk of cyber-crime in the form of, e.g., Trojan attacks, phishing and denial of service attacks. The nature of cyber-crimes is continually evolving. The Group relies in part on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential information. Despite the security measures in place, the Group's facilities and systems, and those of its third-party service providers, may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors which exposes the Group to cyber-crime and/or other similar events.

1.5. Risks related to laws, regulations and litigation

1.5.1. Risks related to all operating activities of the Group being carried out by the US Subsidiary and to its upstream capacity

All operating activities are carried out by the Company's subsidiary, NorAm Drilling Company, Texas Corporation, incorporated in the United States (the "**US Subsidiary**"). The US Subsidiary had tax losses carried forward of approximately USD 151 million as of December 31, 2021, to offset against future taxable income. When the current tax losses and any future tax losses generated are fully utilized, the US Subsidiary is expected to pay US corporate income tax on its net profits at the prevailing rate, which is currently 21%. Interest expenses on the intra group debt from the US Subsidiary to the Company is currently deductible when determining the US Subsidiary's taxable net profits, but no assurances can be given that this will be available to the Company or the US Subsidiary in the future. There are no significant restrictions or expirations on the current tax losses carried forward. The US Subsidiary's existing tax losses and any future tax losses generated by the US Subsidiary could be subject to limitations if the Company's stock ownership changes by more than 50% during any three-year period. The Company's future taxable income will determine when and to what extent any tax losses carried forward will be utilized and the Company cannot reasonably predict the timing of this utilization.

Free cash flow generated by the US Subsidiary is currently being paid out to the Company through servicing of interest and instalments on the US Subsidiary's intra group debt to the Company. As of December 31, 2021, the principal outstanding amount owed by the US Subsidiary to the Company was approximately USD 115 million. When the intra group debt has been fully settled, free cash flow will most likely be distributed from the US Subsidiary to the Company as dividends, which pursuant to current tax rules may be subject to 15% US withholding tax. Any future taxable income will determine when and to what extent the Group's intra group debt will be paid off and the Company cannot reasonably predict the timing of this repayment. The Company will investigate possibilities to mitigate the US withholding tax in the near future.

Repayments of loans and payment of dividends from the US Subsidiary to the Company will not be taxable for the Company under the tax rules currently applicable to the Company. Interest income on the intra group loan will be taxable for the Company, but is not expected to generate any material net taxable income on a consolidated basis since the interest expense is tax deductible for the US Subsidiary and the current corporate income tax rates applicable to the US Subsidiary (21%) and the Company (22%) are comparable based on current rules and regulations. Due to the market situation and the US Subsidiary's position, no interest was calculated or charged on the intra group loans in 2020 and 2021. The Company has disclosed this position to the Norwegian tax authorities, whom to date have not raised any concerns.

For further information on taxation of dividends from the Company, see Section 10.1 "Taxation of dividends", and on realization of shares in the Company, see Section 10.2 "Taxation upon realization of shares".

1.5.2. Risks related to litigation, disputes and claims

The Group may in the future be involved from time to time in litigation and disputes. The nature of the Group's and customers operations inherent in its rig business may expose the Group to, amongst other things, litigation, including personal injury litigation, contractual litigation, tax or securities litigation, as well as other litigation that arises in the ordinary course of business. No assurance can be given that the Group is not exposed to claims, litigation and compliance risks, which could expose the Group to losses and liabilities. Such claims, disputes and proceedings are subject to uncertainty, and their outcomes are often difficult to predict. Adverse regulatory action or judgment in litigation could result in sanctions of various types for the Group, including, but not limited to, the payment of fines, damages or other amounts, the invalidation of contracts, restrictions or limitations on the Group's operations, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

1.5.3. The Group is subject to environmental, health and safety laws and regulations that may expose the Group to significant liabilities for penalties, damages or costs of remediation or compliance.

The Group's operations are subject to federal, regional, state and local laws and regulations relating to protection of natural resources and the environment, health and safety aspects of its operations and waste management, including the transportation and disposal of waste and other materials. These laws and regulations may impose numerous obligations on the Group's operations, including the acquisition of permits to conduct regulated activities, the incurrence of capital expenditures to mitigate or prevent releases of materials from the Group's facilities, the imposition of substantial liabilities for pollution resulting from its operations and the application of specific health and safety criteria addressing worker protection. Failure to comply with these laws and regulations could result in investigations, restrictions or orders suspending well operations, the assessment of administrative, civil and criminal penalties, the revocation of permits and the issuance of corrective action orders, any of which could have a material adverse effect on the Group's business, results of operations and financial condition.

There is inherent risk of environmental costs and liabilities in the Group's business as a result of its handling of petroleum hydrocarbons and oilfield and industrial wastes, air emissions and wastewater discharges related to its operations, and historical industry operations and waste disposal practices. Some environmental laws and regulations may impose strict, joint and several liability, which means that in some situations, the Group could be exposed to liability as a result of its conduct that was without fault or lawful at the time it occurred or as a result of the conduct of, or conditions caused by, prior operators or other third parties. Clean-up costs and other damages arising as a result of environmental laws and costs associated with changes in environmental laws and regulations could be substantial and could have a material adverse effect on the Group's financial condition and results of operations.

Laws protecting the environment generally have become more stringent over time and are expected to continue to do so, which could lead to material increases in costs for future environmental compliance and remediation. The modification or interpretation of existing laws or regulations, or the adoption of new laws or regulations, could curtail exploratory or developmental drilling for oil and natural gas, could limit well servicing opportunities or impose unforeseen liabilities. The Group may not be able to recover some or any of its costs of compliance with these laws and regulations from insurance.

1.5.4. Climate change legislation or regulations restricting or regulating emissions of greenhouse gases could result in increased operating costs and reduced demand for the Group's field services.

In response to findings that emissions of carbon dioxide, methane and other greenhouse gases from industrial and energy sources contribute to increases of carbon dioxide levels in the earth's atmosphere and oceans and contribute to global warming and other environmental effects, the Environmental Protection Agency ("**EPA**") has adopted various regulations under the federal Clean Air Act addressing emissions of greenhouse gases that may affect the oil and natural gas industry.

During 2012, the EPA published rules that include standards to reduce methane emissions associated with oil and natural gas production. In May 2016, the EPA finalized regulations that set methane emission standards for new and modified oil and natural gas facilities, including production facilities. However, in September 2020, the EPA issued a final rule that removed the transmission and storage segment from the 2016 new source performance standards, rescinded VOCs and methane emissions standards for the transmission and storage segment, and rescinded methane emissions standards for the production and processing segments. Various states and industry and environmental groups are separately challenging the EPA's 2016 standards and its September 2020 final rule. Notwithstanding the current court challenges, on 20 January 2021, President Biden issued an executive order directing the EPA to consider publishing for notice and comment a proposed rule suspending, revising, or rescinding the September 2020 rule, which could result in more stringent methane emission rulemaking.

In addition, the United States has been involved in international negotiations regarding greenhouse gas reductions under the United Nations Framework Convention on Climate Change and was among the 195 nations that signed an international accord in December 2015 with the objective of limiting greenhouse gas emissions. The Paris Agreement (adopted at the conference) went into effect on 4 November 2016. While the U.S. withdrew from the Paris Agreement on 4 November 2020, President Biden issued an executive order on 20 January 2021 recommitting the United States to the Paris Agreement. And, on 27 January 2021, President Biden issued an executive order directing the Secretary of the Interior to pause approval of new oil and natural gas leases on federal lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and gas permitting and leasing practices and to consider whether to adjust royalties associated with oil and gas resources extracted from public lands and offshore waters to account for corresponding climate costs. Additionally, certain U.S. states and regional coalitions of states have adopted measures regulating or limiting greenhouse gases from certain sources or have adopted policies seeking to reduce overall emissions of greenhouse gases.

The adoption and implementation of any international treaty or of any federal or state legislation or regulations imposing reporting obligations on, or limiting emissions of greenhouse gases from, the Group's equipment and operations could require the Group to incur costs to comply with such requirements and possibly require the reduction or limitation of emissions of greenhouse gases associated with its operations and other sources within the industrial or energy sectors. Such legislation or regulations could adversely affect demand for the production of oil and natural gas and thus reduce demand for the services the Group provides to oil and natural gas producers as well as increase its operating costs by requiring additional costs to operate and maintain equipment and facilities, install emissions controls, acquire allowances or pay taxes and fees relating to emissions, which could adversely affect the Group's results of operations and financial condition.

Finally, it should be noted that some scientists have concluded that increasing concentrations of greenhouse gases may produce changes in climate or weather, such as increased frequency and severity of storms, floods and other climatic events, which if any such effects were to occur, could have adverse physical effects on the Group's operations, physical assets and field services to E&P operators.

1.5.5. Risks related to federal and state legislative and regulatory initiatives related to hydraulic fracturing

Hydraulic fracturing is a commonly used process that involves injection of water, sand and certain chemicals to fracture the hydrocarbon-bearing rock formation to allow flow of hydrocarbons into the wellbore. The adoption of any federal, state or local laws or the implementation of regulations or ordinances restricting or increasing the costs of hydraulic fracturing could potentially increase the Group's costs of operations and cause a decrease in drilling activity levels in the Permian Basin and an associated decrease in demand for the Group's rigs and service, any or all of which could adversely affect the Group's financial position, results of operations and cash flows.

Increased regulation and attention given to the hydraulic fracturing process could lead to greater opposition, including litigation, to oil and natural activities using hydraulic fracturing techniques. Additional legislation or regulation could also lead to operational delays or increased operating costs in the production of oil and natural gas, including from the developing shale plays, incurred by the Group's customers or could make it more difficult to perform hydraulic fracturing in the unconventional resource plays where the Group focuses its operations. Any such regulation that adversely affects the Group's customers' operations could materially impact demand for its contract drilling services which could adversely affect its financial position, results of operations and cash flows.

1.5.6. Risks related to regulatory compliance costs and restrictions and public permits

The operations of the Group's customers are subject to or impacted by a wide array of regulations in the jurisdictions in which they operate. As a result of changes in regulations and laws relating to the oil and natural gas industry, including land drilling, the Group's customers' operations could be disrupted or curtailed by governmental authorities. In most states, its customers are required to obtain permits from one or more governmental agencies in order to perform drilling and completion activities. Such permits are typically required by state agencies, but can also be required by federal and local governmental agencies. The requirements for such permits vary depending on the location where such drilling and completion activities will be conducted. As with all governmental permitting processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit to be issued, and the conditions which may be imposed in connection with the granting of the permit. Additionally, the high cost of compliance with applicable regulations may cause customers to discontinue or limit their operations or defer planned drilling, and may discourage companies from continuing development activities. As a result, demand for the Group's services could be substantially affected by regulations adversely impacting the oil and natural gas industry.

1.5.7. Risks related to tax legislation

The Group is and will be subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof, including in the U.S. where Group has its rig operations. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition. If any tax authority successfully challenges the Group's operational structure, pricing policies or if taxing authorities do not agree with the Group's assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

1.5.8. Risks related to endangered species

The designation of previously unidentified endangered or threatened species or the designation of previously unprotected areas as a critical habitat could cause oil and natural gas exploration and production operators to incur additional costs or become subject to operating delays, restrictions or bans in affected areas, which impacts could adversely reduce the amount of drilling activities in affected areas. The presence of protected species could impair the Group's customers' ability to timely complete well drilling and development and, consequently, adversely affect the amount of contract drilling services to such customers, which reduction of services could have a significant adverse effect on the Group's results of operations and financial position.

1.5.9. Any future implementation of price controls on oil and natural gas would affect the Group's operations.

Certain groups have asserted efforts to have the United States Congress impose some form of price controls on either oil, natural gas, or both. There is no way at this time to know what results these efforts may have. However, any future limits on the price of oil or natural gas, and resulting impacts on drilling activities, could have a material adverse effect on the Group's business, financial condition and results of operations.

1.6. Financial risks

1.6.1. The Group's current and future debt arrangements could limit its liquidity and flexibility and the Group's refinancing plans may be unsuccesful

Any current or future debt arrangements, including the Company's USD 80 million senior secured bonds with original ISIN NO0010711948 (the "**Bonds**"), which are intended to be redeemed as soon as practicably possible after the Admission, could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. The use of proceeds from the Private Placement is intended to be used to redeem the Bonds by way of a call option as part of a recapitalization. Further, the Group's future ability to recapitalize its capital structure, including to obtain new or amend current bank financing, including revolving credit facilities, or to access the capital markets for any future debt or equity offerings, may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Group's control. Failure by the Group to obtain funds for future capital expenditures could impact the Group's results, financial condition, cash flows and prospects.

1.6.2. A failure of any of our lenders to honor commitments or advance funds under our any debt instruments would have a material adverse effect on the Group's ability to fund its operations and business strategy.

The Group anticipates maintaining a level of liquidity of USD 11 million or USD 1 million per rig. Liquidity is the total of free cash and amounts available under any existing or new revolving credit facilities entered into in the future. The Group anticipates entering into a new revolving credit facility with a US Bank for the Company's US Subsidiary. The purpose of the revolving credit facility will be to fund working capital and capital expenditures, as needed. The borrowing will be subject to available accounts receivables, as defined.

If the lenders fail to honor their commitments or advance funds pursuant to such commitments, the Group may be unable to implement its strategic plans, make acquisitions or capital expenditures or otherwise carry out business plans, which would have a material adverse effect on its financial condition and results of operations.

1.6.3. The Group participates in a capital-sensitive busines, and adequate funding may not be available in the future

The contract drilling industry is capital intensive. The Group's cash flow from operations and the continued availability of credit are subject to a number of variables, including general economic conditions, conditions in the oil and natural gas market, and more specifically, our rig utilization rates, operating margins and ability to control costs and obtain contracts in a competitive industry. The Group's cash flow from operations and present borrowing capacity may not be sufficient to fund its anticipated capital expenditures and working capital requirements. The Group may from time to time seek additional financing, either in the form of bank borrowings, sales of debt or equity securities or otherwise. To the extent its capital resources and cash flow from operations are at any time insufficient to fund its activities or repay its indebtedness as it becomes due, the Group will need to raise additional funds through public or private financing or additional borrowings. The Group may not be able to obtain any such capital resources in the amount or at the time when needed. Based upon the significant downturn in market conditions, any new sources of debt capital would require substantially higher interest requirements, and any new sources of equity capital could be substantially dilutive to existing shareholders.

Any limitations on its access to capital or increase in the cost of that capital could significantly impair the Group's growth strategy. The Group's ability to maintain its targeted credit profile could affect its cost of capital as well as the ability to execute our growth strategy. In addition, a variety of factors beyond the Group's control could impact the availability or cost of capital, including domestic or international economic conditions, increases in key benchmark interest rates and/or credit spreads, the adoption of new or amended banking or capital market laws or regulations, the re-pricing of market risks and volatility in capital and financial markets. If the Group is at any time not able to obtain the necessary capital resources, its financial condition and results of operations could be materially adversely affected.

1.6.4. Counterparty risks

The ability of each counterparty to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control including, for example, factors such as:

- general economic conditions;
- the condition of the industry in which the counterparty operates; and
- the overall financial condition of the counterparty.

Should a counterparty fail to honour its obligations under its agreements with the Group, this could impair the Group's liquidity and cause significant losses, which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1.6.5. The Group's ability to use its existing net operating loss carryforwards or other tax attributes could be limited.

Utilization of any US subsidiary net operating losses ("**NOL**") carryforwards depends on many factors, including the Group's ability to generate future taxable income, which cannot be assured. In addition, Section 382 of the Internal Revenue Code of 1986, as amended ("**Section 382**"), generally imposes, upon the occurrence of an ownership change (discussed below), an annual limitation on the amount of its pre-ownership change NOLs the Group can utilize to offset its taxable income in any taxable year (or portion thereof) ending after such ownership change. The limitation is generally equal to the value of the Group's stock immediately prior to the ownership change multiplied by the long-term tax-exempt rate. In general, an ownership change occurs if there is a cumulative increase in the Group's ownership of more than 50 percentage points by one or more "5% shareholders" (as defined in the Internal Revenue Code of 1986, as amended) at any time during a rolling three-year period. In addition, future ownership changes or future regulatory changes could further limit the Group's ability to utilize its NOLs. If all or a substantial part of the Group's NOLs is lost or limited, it will result in recognizing a net deferred tax liability and associated expense during the period of limitation.

Currently, because the Group has not yet generated taxable income for federal income tax purposes, all of its NOL assets in excess of the amount that the Group is able to offset against other deferred tax liabilities have been reserved on its balance sheet. There are no significant current limitations on the utilization of the Group's existing NOLs.

1.7. Risks related to the Shares and the Admission

1.7.1. An active trading market for the Shares may not develop

Other than previous trading on Euronext NOTC ("**NOTC**"), being an unregulated over-the-counter exchange, the Shares have not previously been tradable on any stock exchange, regulated marketplace, multilateral trading facility or other marketplace. No assurance can be given that an active trading market for the Shares will develop on Euronext Growth, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the Admission.

1.7.2. The Company will incur increased costs as a result of being admitted to trading on Euronext Growth

As a company with its shares admitted to trading on Euronext Growth, the Company will be required to comply with the reporting and disclosure requirements that apply to companies admitted to trading on Euronext Growth. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with the aforementioned requirements and other rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares admitted to trading on Euronext Growth will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings and investor relations. In addition, the Board of Directors of the Company (the "**Board of Directors**" or "**Board**") and the Group's senior executive management team (the "**Management**") may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with shares admitted to trading on Euronext Growth, which may entail that less time and effort can be devoted to other aspects of the business.

1.7.3. The price of the Shares may fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Group's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Group operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Group, and such fluctuations may materially affect the price of the Shares. Further, major sales of shares by major shareholders could also negatively affect the market price of the Shares.

1.7.4. Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. Additionally, existing shareholders will not have the ability to subscribe for shares issued in connection with the Company's share options plan (as further described in Section 8.7 "Share incentive schemes"), under which the Group has already awarded 600,000 stock options to key employees. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

1.7.5. Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Company's articles of association (the "**Articles of Association**"). These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

1.7.6. Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (the "**VPS**"), being Euronext Securities Oslo, prior to any general meeting of the shareholders of the Company ("**General Meeting**"). There can be no assurances that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

1.7.7. Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

1.7.8. Shareholders outside of Norway are subject to exchange rate risk

All of the Shares will be traded and quoted in Norwegian Kroner (NOK), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

2. RESPONSIBILITY FOR THE INFORMATION DOCUMENT

This Information Document has been prepared by the Company in connection with the Admission.

The Board of Directors of the Company accepts responsibility for the information contained in this Information Document. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

6 October 2022

The Board of Directors of NorAm Drilling AS

Ole Bjarte Hjertaker *Chair*	Gunnar Winther Eliassen *Board member*

Christopher James Baker
Board member

3. GENERAL INFORMATION

3.1. Financial information

The Company has prepared consolidated financial statements for the Group as of and for the financial years ended 31 December 2021 and 31 December 2020 (the "**Financial Statements**"), included in Appendix B and C. The Financial Statements have been prepared in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**").

The Financial Statements for the years 2020 and 2021 have been audited by KPMG AS ("**KPMG**"), as set forth in their auditor's reports included in Appendix B. KPMG has not audited, reviewed or produced any other report on any other information in this Information Document. The auditor's reports do not contain any modifications or emphasis on matters.

Further, the Company has prepared unaudited consolidated financial statements for the six-month period ended 30 June 2022 with comparable figures for the same period in 2021, appended hereto as Appendix D (the "**Interim Financial Statements**").

The Company presents the Financial Statements in US Dollars (USD) (presentation currency).

3.2. Industry and market data

In this Information Document, the Company has applied industry and market data from independent industry publications, market research, and other publicly available information, unless otherwise is stated. Sources have been referenced to where used in this Information Document. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in the Information Document.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Information Document that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Information Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 "Risk Factors" and elsewhere in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the potential market in which it operates.

3.3. Key performance indicators (KPIs)

In this Information Document, the Company presents certain key performance indicators ("**KPIs**"), also known as alternative performance measures. The KPIs are not measurements of performance under NGAAP or other generally accepted accounting principles, and investors should not consider any such measures to be an alternative to (a) operating revenues or operating profit (as determined in accordance with NGAAP or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. Any KPIs presented herein or in the appendices appended hereto may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results.

The following KPIs are used by the Group in its financial reporting:

- EBITDA; Earnings Before Interest, Tax, Depreciation and Amortization.
- Profit (+) / Loss (-) before income tax
- Capital expenditures
- Average dayrate
- Current ratios
- Asset coverage ratio
- Equity to asset ratio

3.4. Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

4. DIVIDENDS AND DIVIDEND POLICY

4.1. Dividend policy

The Company anticipates distributing cash distributions to its shareholders periodically, however subject to a working capital buffer and its ability to fund identified capital expenditures. Currently, the Company estimates liquidity of USD 11 million or USD 1 million per rig to be sufficient. Liquidity is the total of free cash including amounts available under revolving credit facilities.

In deciding whether to propose a cash distribution and in determining the amount, the Board of Directors will take into account legal restrictions, as set out in Section 4.2 "Legal and contractual constraints and considerations relating to the distribution of dividends" below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

The Company has not distributed any dividends or other cash distributions to its shareholders for the financial years ended 31 December 2021 and 2020.

Investors are cautioned that the tax legislation of an investor's member state and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares. See Section 10 "Taxation". Further, tax legislation in U.S. may have implications on any future distribution of dividends (see Section 10 "Taxation")

4.2. Legal and contractual constraints and considerations relating to the distribution of dividends

4.2.1. General Norwegian law considerations

In deciding whether to propose a cash distribtion and in determining the distribution amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (the "**Norwegian Private Companies Act**"), the Company’s capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the distribution may place on its ability to pay dividends or other distributions and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends or other distributions paid may not exceed the amount recommended by the Board of Directors.

Distributions may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of taxation of dividends applicable to Norwegian resident shareholders and withholding tax on dividends applicable to non-Norwegian resident shareholders, see Section 10.1 "Taxation of dividends".

4.2.2. Other legal constraints and considerations relevant to distribution of dividends

All operating activities are carried out by the US Subsidiary. The US Subsidiary has tax losses carried forward of approximately USD 151 million, as of December 31, 2021, to offset against future taxable income. When the current tax losses and any future tax losses generated are fully utilized, the US Subsidiary is expected to pay US corporate income tax on its net profits at a rate of currently 21%. Interest expenses on the intra group debt from the US Subsidiary to the Company will, based on current rules and regulations, be deductible when determining the US Subsidiary's taxable net profits. There are currently no significant restrictions or expirations on the current tax losses carried forward. Any unutilized tax losses could be subject to limitations if the Company's stock ownership changes by more than 50% during any three-year period. Any future taxable income will determine when and to what extent any tax losses carried forward will be utilized.

Free cash flow generated by the US Subsidiary will be paid out to the Company through servicing of interest and instalments on the US Subsidiary's intra group debt to the Company. As of around the date of this Information Document, the principal outstanding amount owed by the US Subsidiary to the Company is approximately USD 115 million. When the intra group debt has been fully settled, free cash flow will be distributed from the US Subsidiary to the Company as dividends, which pursuant to current tax rules may be subject to 15% US withholding tax. Any future taxable income will determine when and to what extent any intra group debt will be paid off and the Company cannot reasonably predict the timing of this repayment.

Repayments of loans and payment of dividends from the US Subsidiary to the Company is not expected to be taxable for the Company under the tax rules currently applicable to the Company. Interest income on the intra group loans will be taxable for the Company, but is not expected to generate any material taxable income on a consolidated basis since the interest expense is tax deductible for the US Subsidiary and the current corporate income tax rates applicable to the US Subsidiary (21%) and the Company (22%) are comparable. Due to the market situation and the US Subsidiary's position, no interest has been calculated or charged on the intra group loans in 2020 and 2021.

4.3. Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through DNB Bank ASA as the Company's account operator in Euronext Securities Oslo (the "**VPS Registrar**"). Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining undistributed dividend will be returned from the VPS Registrar to the Company.

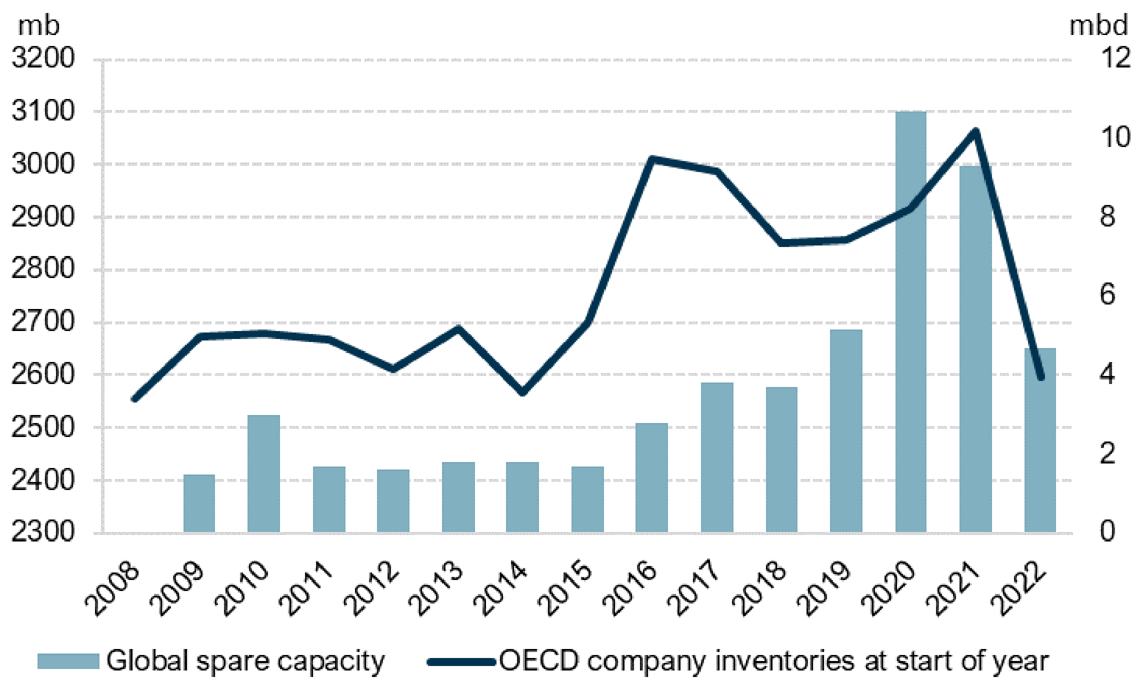
5. PRINCIPAL MARKETS

5.1. Oil service market overview

5.1.1. World oil market

There has been a strong recovery in global oil demand since the depressed demand seen during the COVID-19 pandemic, in particular the demand in 2020. Global demand continues to show a recovery to pre-pandemic levels although China's "zero-covid" policy continues to hit its domestic- and jet fuel demand, OPEC+ has since Easter 2020 stuck to a production agreement to help oil supply and demand balance, with adherence exceeding targets consistently. At the start of 2022, with OECD stock levels at lows seen only in 2007 and 2013-2014, the market has been increasingly concerned about whether OPEC+ will have sufficient spare production capacity in the event of a crisis after years of underinvestment in the industry globally, and whether US shale producers will continue to "break" the oil market with overproduction each time oil prices exceed breakeven prices. The oil market has also been affected by the rise of ESG concerns, increased investments in renewables and extreme oil price volatility during the pandemic. Russia's invasion of Ukraine has intensified concerns for adequate spare capacity as Russian barrels face increased sanctioning pressure by the US, Japan, and EU. While we expect Russian oil flows to continue – primarily to China, India, and Latin America – Western countries need secure oil supply for the future.

Figure 1 – OECD inventories (crude and products) and global spare capacity[1]



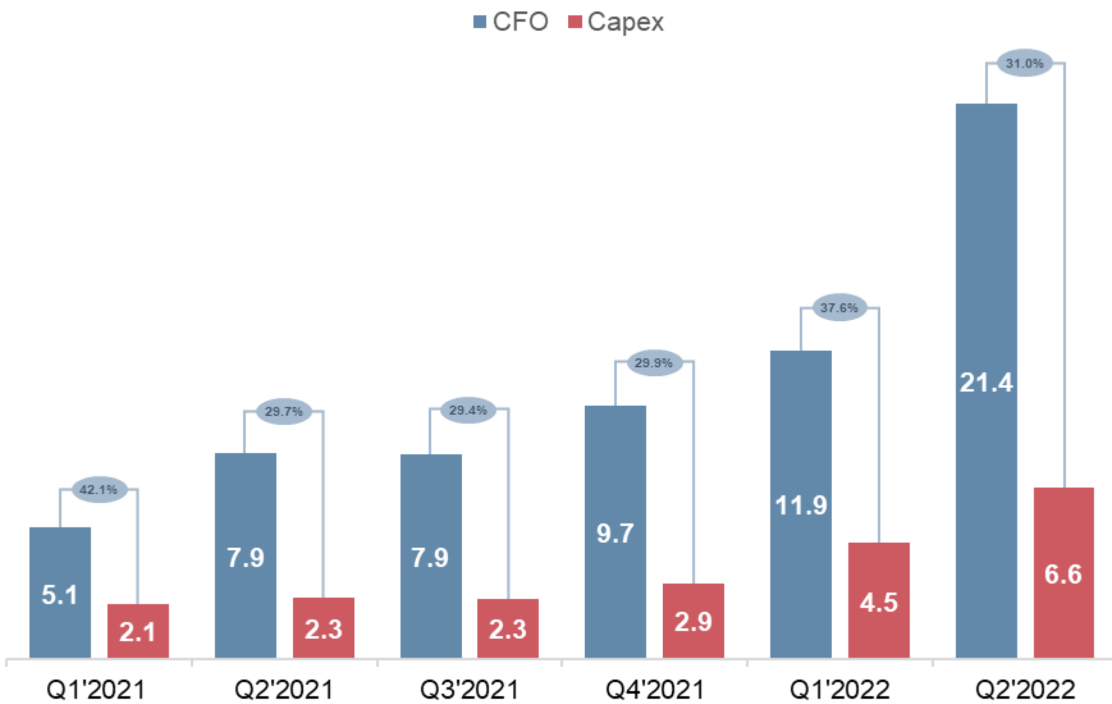
5.1.2. E&P capital expenditure

Despite record cash flows for E&P producers globally, super profits are primarily being spent in debt reduction and in returning cash to shareholders. As a result, year over year production increases – led by US shale – are much lower than history would suggest while global oil demand continues to grow as it recovers from the severe shock of H1'20 caused by the outbreak of the COVID-19 pandemic. In the latest Q2'22 reporting for listed shale oil producers, spending was up by 4.2% while production guidance has remained flat. Despite full-cycle breakeven prices remaining far below WTI (West Texas Intermediate) futures prices, US production outlooks have been revised lower over the course of the year as US shale producers maintain discipline and focus on repaying debt, returning capital to shareholders, and sticking to FY guidance numbers. Production forecasters – IEA, EIA, FGE, Rystad, Pareto Securities – had expected US oil production to rise further as crude prices remain strong, led by non-listed companies. Nevertheless, expectations have far exceeded results thus far,

[1] Source: Pareto Securities Research

and forecasts have been revised lower. US production growth in the near-term relies on shale developments, led by growth in the Permian Basin.

Figure 2 – Cash flow versus E&P investments for select North American operators[2]



5.1.3. Permian oil production

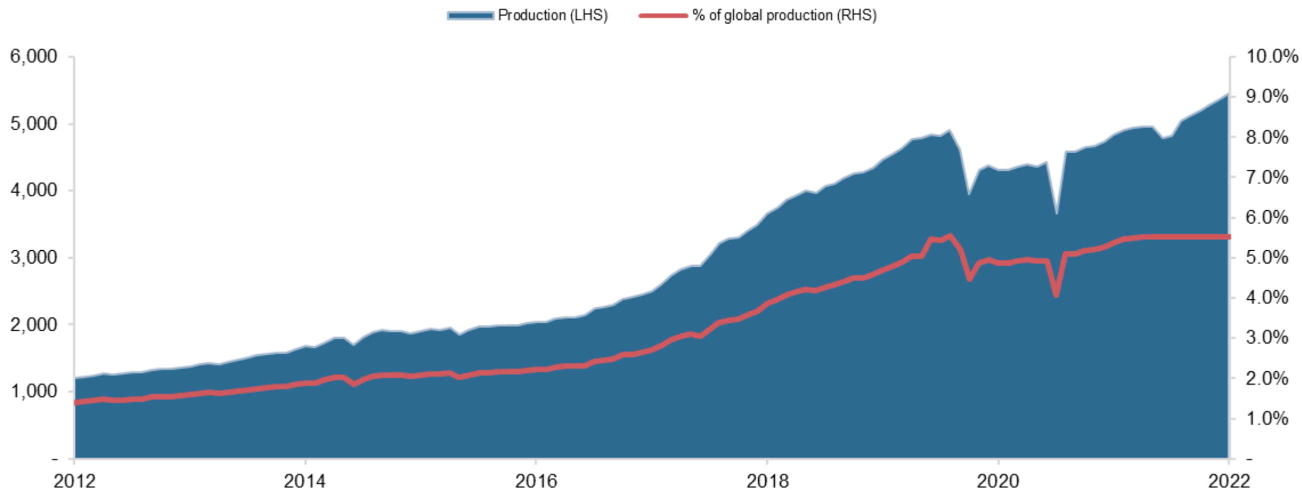
The U.S. shale boom has made the U.S. into the world's most producing oil major.[3] The key contributing factor to the U.S. shale oil boom, is the use of horizontal drilling combined with fracking. Fracking is a standard technique used in the oil and gas industry, which involves pumping high pressure water, chemicals and a proppant down a well in order for it to break open fractures in the reservoir for oil and gas to travel through channels. Horizontal drilling had been around since the 1980s, however, was first introduced in the 2000's in combination with fracking. It involved drilling vertically down to an oil or gas deposit, then turning horizontally to access a greater fraction of the deposit. U.S. oil production started to increase in 2008, followed by seven years fast that saw the fastest increase in U.S. oil production. The Permian basin, located in West Texas, is today the most productive oilfield in the U.S.[4]

[2] Includes Occidental Petroleum (Oxy), ConocoPhillips, Ovintiv. Cash from operations does not include change in working capital.

[3] Source: U.S. Energy Information Administration: International – Petroleum and other liquids (available at: https://www.eia.gov/international/data/world/petroleum-and-other-liquids/annual-petroleum-and-other-liquids-production?pd=5&p=0000000000000000000000000000000000vg&u=0&f=A&v=mapbubble&a=-&i=none&vo=value&t=C&g=00000000000000000000000000000000000000000000000001&l=249-ruvvvvvfvtvnvv1vrvvvvfvvvvvvfvvvou20evvvvvvvvvvnvvvs0008&s=94694400000&e=1640995200000 (accessed 08.09.2022))

[4] Source: U.S. Energy Information Administration: *Drilling Productivity Report* (available at: https://www.eia.gov/petroleum/drilling/, accessed at 08.09.2022)

Figure 3 – Permian oil production as a percent of global oil production[5]



5.2. Land drilling

In the U.S., there are seven major shale oil basins, as defined by the U.S. Energy Information Administration. The basins, being Anadarko, Appalachia, Bakken, Eagle Ford, Haynesville, Niobrara and Permian basin, produce a total of approximately 9 million barrels of oil daily, with the Permian basin being the largest oil producing basin by far.[6] Additionally, the aforementioned basins produce a total of approximately 93,000 million cubic feet of gas per day, with the Appalachia basin producing the most gas followed by the Permian basin. There are approximately 20 – 30 major E&P operators in the Permian basin, with the leading players being Oxy (Occidental Petroleum), Chevron, Apache, ExxonMobil and ConocoPhillips, and more or less all of the drilling companies in the Permian basin are getting the same rates.

5.2.1. Drilling activity in the US and in the Permian basin

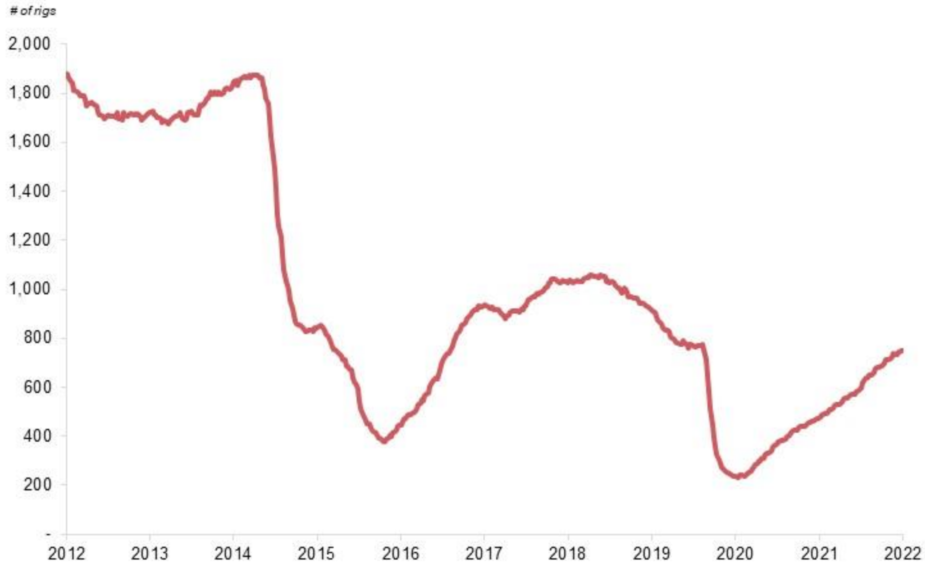
A frequently visited figure to measure the state of the U.S. shale oil market is the U.S. land rig count, a figure published monthly by the U.S. Energy Information Administration measuring the total number of operating land rigs in the U.S. Following the oil crisis in 2014, the land count has been at a significantly lower level with some variation. The land rig count is highly correlated with crude oil prices, implying that lower crude oil prices make it less worthwhile for E&P firms to allocate spending to drilling new wells. The current rig count according to U.S Energy Information Administration ("**EIA**").

Figure 4 U.S. land rig count[7]

[5] Source: U.S. Energy Information Administration: *Drilling Productivity Report* (available at: https://www.eia.gov/petroleum/drilling/) BP: *Statistical Review of World Energy (*available at*:* https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy/downloads.html*,* accessed 08.09.2022*)*

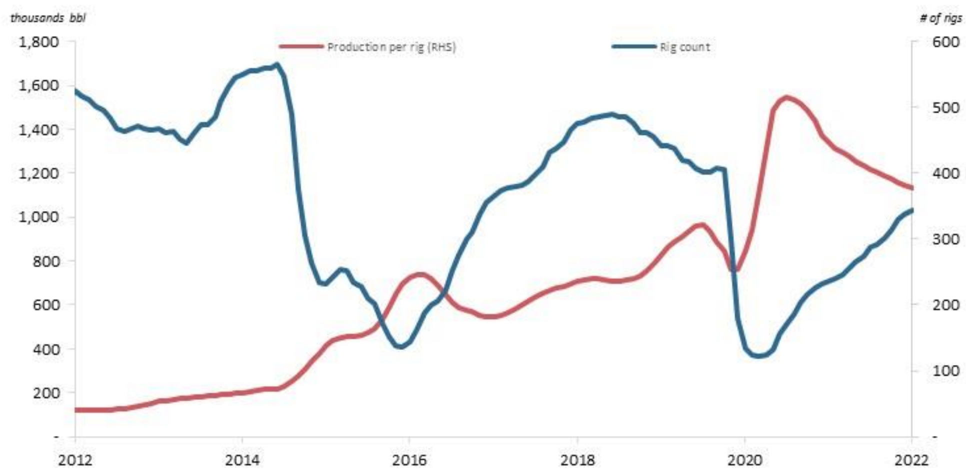
[6] U.S. Energy Information Administration: *Drilling Productivity Report*, (available at: https://www.eia.gov/petroleum/drilling/ (accessed 08.09.2022)) U.S. Energy Information Administration*: U.S. Crude Oil and Natural Gas Proved Reserves, Year-end 2020* (available at: https://www.eia.gov/naturalgas/crudeoilreserves/ (accessed 08.09.2022)).

[7] Source: Baker Hughes Land Rig Count



Similarly, the U.S. EIA publishes rig count figures on a basin level. The figure below shows the relationship between barrels produced per active rig and the current Permian rig count. Evidently, an inverse relationship between the production per rig and the number of active rigs is evident from figure 5.

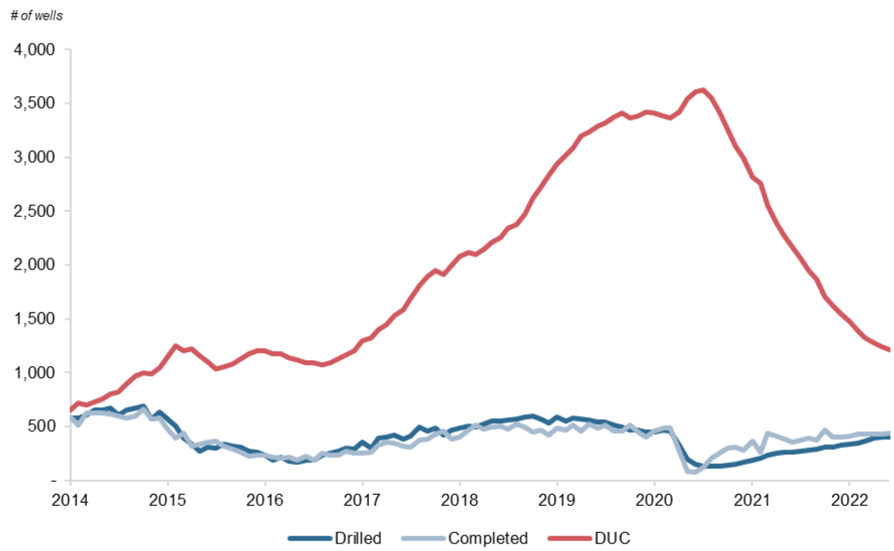
Figure 5 – Permian rig count versus production per rig[8]



Compared to the land rig count in figure 4, figure 6 shows that E&P firms have drawn production from drilled uncompleted wells the past ~2 years. The number of drilled wells is stable at around 500.

Figure 6 – Drilled uncompleted- versus completed- versus drilled wells[9]

[8] Source: Baker Hughes North America Rotary Rig Count, (available at: https://bakerhughesrigcount.gcs-web.com/na-rig-count, accessed 08.09.2022), U.S. Energy Information Administration: *Drilling Productivity Report* (available at: https://www.eia.gov/petroleum/drilling/, accessed 08.09.2022)
[9]Source: U.S. Energy Information Administration



5.2.2. Land rig supply

Land rig count has declined significantly since 2014, and its last peak in 2018. A common misconception is that these rigs are idle on the sideline waiting to be reactivated. That is not necessarily the case. Based on quarterly reports, company presentations and quarterly earnings transcripts from Helmerich & Payne, Nabors and Patterson-UTI, it is estimated that there are approximately 155 super-spec rigs and 100 other[10] rigs that can be reactivated, but with significant capital expenses required.

5.2.3. Competitive landscape

The US onshore drilling industry is largely dominated by four drilling rig companies, Nabors Industries Ltd., Helmerich & Payne Inc., Patterson-UTI Energy Inc. and Precision Drilling Corporation. In addition to operating the drilling rigs, the four drilling companies have allocated a sizeable working staff to perform rig related services and technologies. These services include tubular running services, wellbore placement solutions, directional drilling, measurement-while-drilling ("**MWD**"), logging-while-drilling ("**LWD**") systems and services, equipment manufacturing, rig instrumentation and optimization software. The four majors operate over 650 rigs in total in the Lower 48, also known as conterminous United States. The four drillers have between 50% to 80% of its fleet working, but have the opportunity to reactivate additional rigs if demand should increase. A scenario where the four major players have a 100% working fleet would imply reactivation of >150 rigs.

[10] Non super-spec rigs

6. BUSINESS OF THE GROUP

6.1. Introduction to the Group

Incorporated in 2007, the Company owns and finances companies operating onshore oil and gas drilling rigs. In 2016, the Company changed its name from Global Rig Company to NorAm Drilling Company, and in 2022, the Company changed its name from NorAm Drilling Company to NorAm Drilling. The parent company NorAm Drilling AS owns 100% of NorAm Drilling Company, Texas Corporation (US Subsidiary), a US-based drilling contractor, located in Houston, Texas.

The US Subsidiary owns all eleven rigs and is financed through a combination of equity investments and intercompany loans, at arm's length terms, from the Company, except for intercompany interest which was set to 0% based on the US Subsidiary's inability to pay due to the market conditions then present in 2020 and 2021.

The US Subsidiary is, in the view of the Company, staffed with competent and local personnel which performs all aspects of a contract drilling company. The Company consists mainly of shares in and loans to the US Subsidiary. The Management team is based in Houston, Texas, with administrative functions located both in Houston and Oslo, Norway.

6.2. Strategy and objectives

The Group owns and operates a high-quality rig portfolio of eleven "Super Spec" advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

The Group currently focuses solely on the US land drilling market and has established a solid foothold in the lower US, with significant operating experience in Louisiana, New Mexico, Oklahoma and Texas. All eleven rigs are currently operating in Texas in the Permian Basin.

The Group will continue its focus on operating its premium rig fleet and evaluate opportunities to build a larger US presence by further developing the US subsidiary. The foundation has been laid over the years, building strong inhouse drilling competences and safety records, a flat organization with focus on training and motivation of the drilling crews, effective corporate routines and strong client relationships. The Group has an ongoing dialogue with its existing customers as well as potential new customers about rig performance and contracts. The Board emphasizes the importance of modern, efficient rigs and trained personnel as a powerful combination for reaching the Groups drilling, safety and utilization targets and winning new contracts with quality clients.

A key driver for financial results going forward will ultimately be the continued price development of crude oil and natural gas prices which impacts capital spending by the US energy producers.

6.3. History and important events

The table below provides an overview of key events in the history of the Group:

Year	Event
2007	The Company was incorporated on February 29 2007 under the name Terra Rig Company ASA before changing to Global Rig Company ASA, operating three rigs. The Company's shares were registered on the NOTC trading platform.
2010	Took delivery of three rigs (rigs 21-23)
2011	Took delivery of three rigs (rigs 24-26)
2014	USD 120 million bond issued
2014	Rig 24 replaced with a new rig 30, and two more rigs (rigs 27-28) were delivered
2015	Took delivery of one rig (rig 29)
2016	The Company changed name from Global Rig Company ASA to NorAm Drilling Company AS
2018	Acquired two rigs which were upgraded to "Super spec" (rigs 32 and 34)
2017-2022	Significant upgrade program for all rigs

2022	Completion of USD 75 million Private Placement
2022	The Company changed name from NorAm Drilling Company AS to NorAm Drilling AS

6.4. Business operations

The Group owns and operates eleven rigs which it contracts on a day rate basis to E&P companies for a period typically ranging from just a few weeks for a single pad and up to several months, but term contracts of several years may also occur. The ratio of days operating on remunerated contracts relative to total days constitutes the rigs "utilization" rate, and is an important driver for the US Subsidiary's ability to generate earnings. The main operating costs to service these term contracts are personnel, insurance, materials and supplies for operations and maintenance, in addition to corporate overhead expenses.

Further, the drilling rigs must be "classed" by a classification society which certifies that the drilling rigs are "in-class", signifying that such drilling rig has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations. Maintenance of class certification requires expenditure of substantial sums and can require taking a drilling rig out of service from time to time or class surveys, for repairs or modifications to meet class requirements.

Marty Jimmerson has served as Chief Executive Officer and Chief Financial Officer since joining the Company in January 2017. Thomas Taylor has served as Chief Operating Officer since November 2014 and has been with the Company for over 14 years. Mr. Jimmerson and Mr. Taylor fulfil their roles for both the Company and the US Subsidiary.

The executive team is supported with a compliment of business development, safety, operations (including electricians, mechanics and equipment specialists) and accounting functions. Each rig is supported by crews that work on 2-week hitches. Each hitch is staffed with crews working 12-hour shifts. The rig is managed by a rig manager and each hitch is typically staffed with a minimum of a driller, derrickman, motorman and two floormen.

Global oil and gas prices have been historically and will likely continue to be volatile for the foreseeable future, impacted by a number of industrial, geopolitical and natural factors. The US land drilling market is strongly related to energy prices, and day rates and utilization levels of the Group's rigs correlate with the price of oil and gas. The Group's income is the most sensitive factor, and a reduction in either utilization or day rates compared to budget has clear negative effects on the result. Conversely, higher rates and utilization positively impacts the result. Cost levels will vary with constraints in the market for input factors.

Even though the Group targets blue-chip E&P clients with extensive operations, contracts may also be signed with smaller companies to increase utilization of the rigs. In such cases, a review of financial statements or payment references is performed to reduce risk of non-payment. Although the Group targets contracts with larger and financially solid partners, the contracts will be subject to uncertainty with regards to the supplier's or the client's ability to meeting their commitments, as they, to on a general basis also will be subject to market and financial risk. In addition, there could be stacking expenses during weak periods of demand for rigs resulting on loss of work. Such expenses are modest in terms of influence on the result.

6.5. Rig assets

Set out below is an overview of the eleven drilling rigs owned and operated by the Group in the Permian basin as of the date of this Information Document, including information on contract status (figure 10) and specifications (figure 11).

Figure 10 – Contract overview

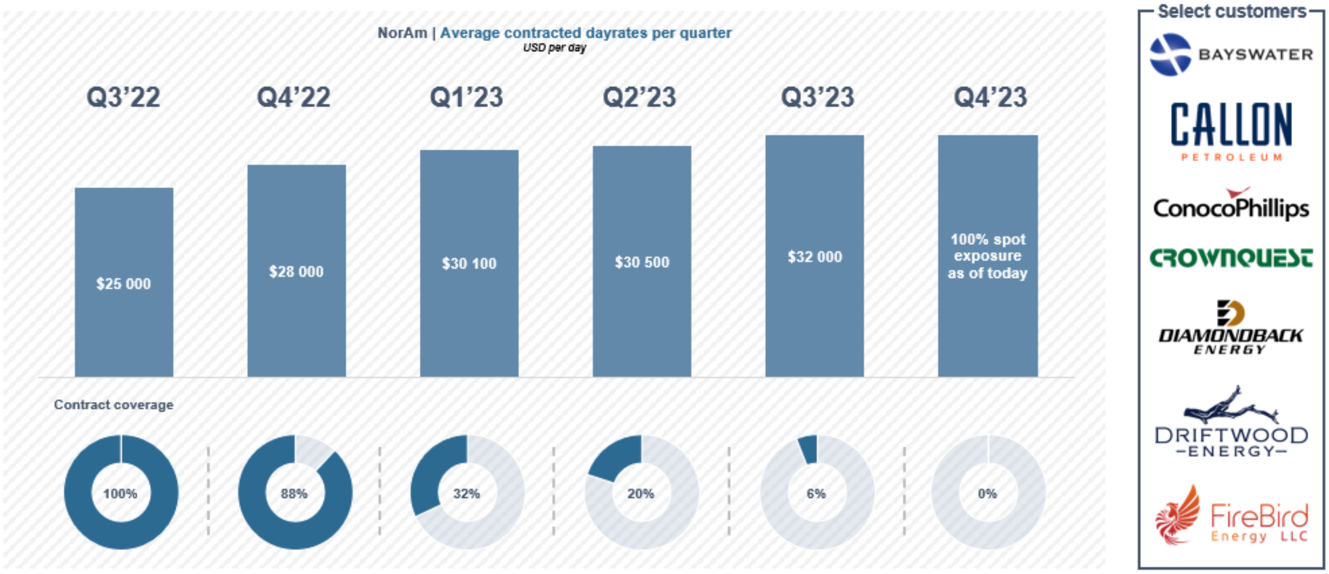


Figure 11 – Rig specifications

Base design	**IDE Sparta**	**Ideal[11]**	**SuperTech**
Number of units	2	6	3
Racking capacity	25,000	25,000	25,000
Height	142 ft	142 ft	142 ft
Hook load	750,000	750,000	750,000
Capacity rotary table	650 k	650 k	500 k
Drawwork	1,500 hp	1,500 hp	1,500 hp
Age	10 years	8 – 11 years	12 years
Last upgraded	2020-2021	2021-2022	2022

6.6. Legal proceedings

Neither the Company nor any member of the Group is, or has been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on

[11] Rig 25 has not yet been upgraded to racking capacity of 25,000. Estimated costs to complete the upgrade is USD 500,000.

the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

6.7. Material contracts outside the ordinary course of business

As at the date of this Information Document, the Company has not entered into any material contracts, outside those entered into in the ordinary course of its business, or, except as mentioned under Section 7.11 "Material financing arrangements" below, any other contracts entered into outside the ordinary course of business which contains any provision under which any Group company has any obligation or entitlement which is material to the Group.

6.8. Business critical contracts, licences, etc.

The Company has not entered into any business-critical contracts or hold any business-critical patents or licenses.

7. SELECTED FINANCIAL AND OTHER INFORMATION

7.1. Introduction

The following selected financial information has been extracted from the Group's audited annual financial statements for the years ended 31 December 2021 and 2020 as well as its unaudited consolidated interim financial statements for the six-month interim period ended 30 June 2022 with comparable figures for the same period in 2021. The Financial Statements for the years 2020 and 2021 have been audited by KPMG, as set forth in their auditor's reports included in Appendix B. The auditor's reports do not contain any modifications or emphasis on matters.

7.2. Income statement

The table below sets out selected data from the Group's consolidated income statement for the years ended 31 December 2021 and 2020 and for the six-month interim periods ended 30 June 2022 and 2021.

The table below sets out selected data from the consolidated income statements as derived from the Financial Statements.

Income Statement data	**Six month-period ended 30 June**		**Year ended 31 December**	
Amounts in USD 1,000	**2022**	**2021**	**2021**	**2020**
Sales	39,370	22,697	50,382	54,659
Other operating income	-	-	-	-
Total operating income	**39,370**	**22,697**	**50,382**	**54,659**
Payroll Expenses	13,946	8,251	19,751	18,758
Depreciation of tangible and intangible assets	9,340	9,124	18,307	18,041
Rig mobilization, service and supplies	12,615	6,658	16,388	14,662
Insurance rigs and employees	2,465	1,398	3,959	3,492
Other operating expenses	4,483	2,756	4,281	7,897
Total operating expenses	**42,848**	**28,187**	**62,687**	**62,851**
Operating profit (+)/loss (-)	**-3,478**	**-5,490**	**-12,305**	**-8,192**
Interest income from group companies	-	-	-	-
Other interest income	3	-	0	7
Other financial income	11	3	49	39
Other interest expenses	3,600	3,608	7,200	7,427
Other financial expenses	72	9	79	391
Net financial items	**-3,658**	**-3,614**	**-7,229**	**-7,772**
Profit (+)/Loss (-) before income tax	**-7,136**	**-9,104**	**-19,534**	**-15,964**
Income tax expense	**724**	**-859**	**-701**	**-2,385**

Net profit (+)/Loss (-)	**-7,860**	**-8,245**	**-18,834**	**-13,579**
Transferred to other equity	-7,860	-8,245	-18,834	

7.3. Balance sheet

The table below sets out selected data from the Group's consolidated balance sheet as of 31 December 2021 and 2020 and as of 30 June 2022.

Balance sheet data	**As of 30 June**		**As of 31 December**	
Amounts in USD 1,000	**2022**	**2021**	**2021**	**2020**
ASSETS				
Non-current assets				
Tangible assets				
Rigs and accessories	94,375	108,748	101,918	116,804
Vehicles and Office Equipment	312	114	170	215
Total tangible assets	94,687	108,862	102,087	117,019
Total Non-current Assets	**94,687**	**108,862**	**102,087**	**117,019**
Current assets				
Receivable				
Accounts receivable	9,395	4,627	6,143	4,423
Other receivable	1,748	1,745	1,060	1,191
Total receivable	11,144	6,372	7,203	5,614
Cash and cash equivalent				
Bank deposit/cash	10,449	17,648	12,782	16,337
Total cash and cash equivalents	10,449	17,648	12,782	16,337
Total current assets	**21,592**	**24,020**	**19,985**	**21,957**
TOTAL ASSETS	**116,279**	**132,882**	**122,073**	**138,971**
EQUITY & LIABILITIES				
Equity				

Owners equity				
Share capital	8,839	15,932	8,839	15,932
Share premium	94,860	94,860	94,860	94,860
Other paid in capital	369	369	369	369
Total owners equity	104,068	111,162	104,068	111,162
Accumulated profits				
Other equity	-78,199	-68,844	-70,339	-66,099
Total accumulated profits	-78,199	-68,844	-70,339	-66,099
Total equity	**25,869**	**42,318**	**33,729**	**45,062**
Liabilities				
Deferred tax	2,685	1,791	1,962	2,651
Total deferred tax	2,685	1,791	1,962	2,651
Non-current liabilities				
Bond loan	-	80,000	80,000	80,000
Other long term liabilities	-	2,000	0	5,718
Total non-current liabilities	**-**	**82,000**	**80,000**	**85,718**
Current liabilities				
Bond loan	80,000	-	-	-
Accounts payable	2,509	2,336	2,996	1,330
Tax payable	-	-	-	3
Public duties payable	149	150	151	150
Other current liabilities	5,066	4,288	3,236	4,055
Total current liabilities	87,724	6,774	6,382	5,539
Total liabilities	**90,410**	**90,565**	**88,344**	**93,908**
TOTAL EQUITY & LIABILITIES	**116,279**	**132,882**	**122,073**	**138,971**

7.4. Statement of cash flows

The table below sets out selected data from the Group's consolidated statement of cash flows for the years ended 31 December 2021 and 2020 and for the six-month periods ended 30 June 2022 and 2021.

Cash flow data	Six month-period ended 30 June		Year ended 31 December	
Amounts in USD 1,000	**2022**	**2021**	**2021**	**2020**
Profit (+)/Loss (-) before income tax	-7,136	-9,104	-19,534	-15,964
Tax paid for the period	-	-	425	-412
Depreciation of fixed assets	9,340	9,124	18,307	18,041
Change in accounts receivable	-3,252	-204	-1,720	9,583
Change in accounts payable	-487	1,006	1,665	-5,424
Change in other current balance sheet items	1,140	-325	-1,104	319
Net cash flow from operational activities	-394	497	-1,961	6,143
Purchase of tangible fixed assets	-1,939	-967	-3,376	-2,460
Net cash flow from investing activities	-1,939	-967	3,376	-2,460
Proceeds from issuance of long term debt	-	3,718	1,782	4,737
Net cash flow from financing activities	-	3,718	1,782	4,737
Net change in cash and cash equivalent	-2,333	-4,189	-3,555	8,420
Cash and cash equivalents opening balance	12,782	21,837	16,337	7,917
Cash and cash equivalents closing balance	10,449	17,648	12,782	16,337

7.5. Working capital statement

As of the date of this Information Document the Company is of the opinion that the working capital available to the Group is sufficient for its present requirement.

7.6. Operating and Financial Review

7.6.1. Six-month period ended 30 June 2022

The Group had revenue of USD 39.4 million during the first half of 2022 compared to USD 22.7 million during the first half of 2021. During the first half of 2022 the Group generated an operating loss of USD 3.5 million compared to an operating loss of USD 5.5 million in the first half of 2021. During the first half of 2022 the Group generated an EBITDA of USD 5.9 million compared to USD 3.6 million in the first half of 2021. The increase in operating profit and EBITDA is due to higher utilization and dayrates.

Capital expenditures were USD 1.9 million in the first half of 2022. As of 30 June 2022, the Group's cash position was USD 10.4 million, and it had USD 80 million of outstanding Bonds. As of 30 June 2022, the Group's RCF (as defined herein) had a maturity date on June 2023 and allowed for borrowings for financing capital expenditures. As of 30 June 2022, there were no borrowings outstanding under the RCF.

On 16 May 2022, the Group and holders of the Bond loan agreed to the following amendments: (i) extend the maturity date from 3 June 2022 to 3 June 2023; (ii) schedule a principal installment of USD 5 million on 3 December 2022; (iii) amend the prepayment structure to allow for partial prepayments at par value at a minimum of USD 5 million; and (iv) pay an amendment fee of USD 400,000.

7.6.2. Year ended 31 December 2021

The Group had revenue of USD 50.4 million during the twelve months of 2021 compared to USD 54.7 million during the twelve months of 2020. During the twelve months of 2021, the Group generated an operating loss of USD 12.3 million compared to an operating loss of USD 8.2 million in the twelve months of 2020. During the twelve months of 2021, the Group generated EBITDA of USD 6 million compared to USD 9.8 million in the twelve months of 2020. The decrease in operating profit and EBITDA is primarily due to lower average dayrates and fleet utilization as well as costs incurred associated with warm stacking rigs to ensure reactivation costs would be minimized upon reactivations.

Capital expenditures were USD 3.4 million in the twelve months of 2021, compared to USD 2.5 million in 2020. As of 31 December 2021, the Group's cash position was USD 12.8 million and had USD 80 million of outstanding Bonds payable to third parties.

On a standalone basis, the Company had total operating income of USD 0.1 million in 2021, the same as for 2020. Operating expenses were reduced from USD 1.7 million in 2020, to USD 0.7 million in 2021, mainly due to bond amendment fees and cost saving initiatives. The Company had a net loss before tax of USD 7.8 million in 2021 compared to USD 9.3 million in 2020. The main driver for the negative result is due to interest expenses on the Bonds.

In May 2021, the Company entered into an amendment of the RCF (as defined herein) that (i) extends the maturity date to the earlier of June 2023 and the maturity date of the Bonds, and (ii) allows for borrowings for financing capital expenditures. As of year-end 2021, there were no borrowings outstanding under the RCF.

On 27 March 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act". On 5 May 2020, the Group entered into an unsecured loan in the aggregate principal amount of USD 5.5 million pursuant to the Paycheck Protection Program ("**PPP**") which is part of the CARES Act initiatives. This PPP loan was forgiven in full on 11 May 2021.

On 27 December 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill authorized another round of PPP loans. On 5 February 2021, the Group entered into a second PPP loan in the aggregate principal amount of MUSD 2.0 million. The second PPP loan was forgiven in full in October 2021. The debt forgiveness of 11 May 2021 and October 2021 have been recognized directly through equity.

7.6.3. Year ended 31 December 2020

The Group had revenue of USD 54.7 million for the year ended 31 December 2020 compared to USD 82.4 million during 2019. For the year ended 31 December 2020, the Group generated an operating loss of USD 8.2 million compared to an operating profit of USD 6.9 million in 2019. For the year ended 31 December 2020, the Group generated an EBITDA of USD 9.8 million compared to USD 24.1 million in 2019. The decrease in revenue, operating profit and EBITDA was a direct result of COVID-19 and reduced drilling activity.

Capital expenditures were USD 2.5 million for the year ending 31 December 2020. As of 31 December 2020, the Group's cash position was USD 16.3 million, the Group had USD 80 million of outstanding bonds payable to third parties and the Group had full availability of its USD 6 million RCF.

7.7. Investments

7.7.1. Historical investments

The table below sets out an overview of material investments made by the Group during the years ended 31 December 2019, 2020, 2021, the six-month period ended 30 June 2022 and up to the date of this Information Document.

USD actuals	**2019**	**2020**	**2021**	**H1 2022**
Rig Upgrades	12,884,471	1,688,207	3,006,688	1,629,674
Spare equipment	-	416,747	248,000	133,286

Drill Pipe	165,000	311,405	-	-
Crew Quarters	237,961	-	-	-
Vehicles	186,350	43,722	118 600	205,686
Total investments	**13,473,782**	**2,460,081**	**3,373,287**	**1,968,646**

7.7.2. Investments in progress or for which firm commitments have been made

There are no material investments of the Company that are in progress or for which firm commitments have been made.

7.8. Transactions with associated parties

The Company transacts certain business with related parties at arm's length, being companies in which Geveran Trading Co. Ltd. (a company indirectly controlled by trusts established by John Fredriksen for the benefit of his family), the Company's principal shareholder, and companies associated with Geveran Trading Co. Ltd have a significant interest. This includes a service agreement with Seatankers Management Co. Ltd, a company indirectly affiliated with Geveran Trading Co. Ltd., entered into 2 June 2020, pursuant to which Seatankers Management Co. Ltd provides certain services to the Company.

The Company has also provided an intra-group loan to its US Subsidiary, entered into on arm's length terms, except for intercompany interest which was set to 0% based on the US company's inability to pay due to the market conditions then present in 2020 and 2021. Intercompany interest was reinstated in 2022 at a rate of 13%.

The Company has a management services agreement with SFL Management AS, pursuant to which the latter will provide certain services, including IR services, to the Company. The Company has also entered into a management services agreement with the US Subsidiary to allow for certain management services from the US Subsidiary to the Group. The management services agreements are entered into on arm's length terms and not deemed material to the Company.

7.9. Significant changes

Except for the Private Placement (as defined herein), and the planned redemption of the Bonds as described in Section 7.11 "Material financing arrangements", there has since 30 June 2022, not been any significant changes to the Group's financial or trading position.

7.10. Likely future development

Subject to key risks and uncertainties mentioned in this Information Document, the Company currently expect continued demand for high end "super spec" drilling rigs. Subsequent to 30 June 2022, day-rates for high end "super spec" drilling rigs have continued to improve, primarily due to the lack of available rig supply, operator and drilling contractor financial discipline and supply chain constraints for both labor and supplies. Subsequent to 30 June 2022, the Group has signed 5 contracts with an average day-rate that is 33.1% higher than the average rate earned during the second quarter. As a result, the Group expects that its revenue and EBITDA will continue to improve in the remaining six months of 2022 compared to the first half of 2022.

Due to a lean organization focused on one region with a uniform fleet of only three rig designs, the Group has low operational overhead of approx. USD 6 million and corporate selling, general and administrative overhead costs of approx. USD 2.3 million per year. Spreading these costs on the 11 rigs implies an estimated fixed operating cost per rig of approximately USD 16,000 per day, excluding upgrades and maintenance capital expenditures. To ensure sufficient working capital to manage the rig operations, the Company anticipates maintaining a minimum level of liquidity of USD 11 million or USD 1 million per rig. Minimum liquidity is the total of free cash including amounts available under any new revolving credit facilities entered into in the future. The Company targets monthly dividend distributions of all post-tax cash flow of the Group in excess of estimated USD 16,000 of budgeted fixed cost per rig per day plus USD 700 per rig per day for budgeted maintenance capital expenditures over the next 12 months.

7.11. Material financing arrangements

7.11.1. Bond financing

The Company is the issuer of Bonds governed by a bond agreement, originally dated 3 June 2014, as amended and restated on 30 October 2015, as amended and restated on 30 November 2018 and as further amended by an amendment agreement dated 20 May 2020, entered into with Nordic Trustee AS (the "**Bond Agreement**")[12]. The outstanding amounts under the Bond Agreement mature on 3 June 2023. The Company shall maintain 100 per cent direct ownership over the shares in the US Subsidiary pursuant to the Bond Agreement. The Company will use the net proceeds from the Private Placement, together with cash at hand, to redeem all outstanding Bonds.

The following financial covenants are imposed on the Company pursuant to the Bond Agreement:

- Current ratio: The Company shall ensure that the Group maintains a Current Ratio of minimum 1:1, where "Current Ratio" is defined as the ratio of Current Assets to Current Liabilities.

- Asset Coverage Ratio: The Company shall ensure that the sum of the Account Amount and the Market Value of the Rigs at any time is minimum 130% of the total par value of the outstanding Bonds. "Account Amount" is defined as total cash amount on the accounts and "Market Value" of the rigs is defined as the fair market value of the Rigs (including installed equipment) in USD determined on the basis of independent valuations of the Rigs obtained form an independent and well-reputed sale and purchase broker familiar with the market for the Rigs appointed by the Company and approved by Nordic Trustee AS.

- Liquidity: The Company shall ensure that the Group maintains a minimum Liquidity of USD 5 million. Liquidity is defined as the consolidated aggregate book value of the Group's cash in accordance with GAAP including any cash in the Accounts.

7.11.2. Revolving credit facility

The Company is a borrower under a USD 6,000,000 revolving loan facilities agreement dated 3 July 2019 (as amended by a first supplemental agreement dated 13 January 2020 and as amended by a second supplemental agreement dated 25 May 2021, the "**RCF**") entered into with the Company as rig owner and DNB Bank ASA as inter alia agent, hedging bank and lender. The RCF also includes an incremental facility not exceeding USD 4,000,000. The amounts outstanding under the RCF mature on the earlier of 25 May 2023 and the maturity date for the bonds under the Bond Agreement. The Company has given notice to DNB Bank ASA of its intent to terminate the RCF.

The following financial covenants are imposed on the Group pursuant to the RCF:

- Liquidity at no less than USD 5,000,000.

- Book equity to total assets equal to or greater than 30 per cent.

- Favourable terms provision

The following constitute a change of control event pursuant to the RCF:

– Geveran Trading Co. Ltd. and/or other companies controlled directly or indirectly by the John Fredriksen Family cease to own and control (directly or indirectly) more than fifty per cent. (50%) of the voting shares in the Borrower;

– without the prior written approval of the Majority Lenders, any individual person or persons acting in concert, other than Geveran Trading Co. Ltd. and/or other companies controlled directly or indirectly by the John Fredriksen Family, becomes owners of 1/3 or more of the voting shares of the Borrower; or

– Geveran Trading Co. Ltd. and/or other companies controlled directly or indirectly by the John Fredriksen Family cease to own at least 2/3 of the voting rights under the Bonds (including any refinancing of the Bond).

The occurrence of the abovementioned change of control triggers mandatory prepayment, cf. clause 7.2 of the RCF agreement.

7.11.3. RCF and Bond Agreement - Distribution restrictions

Pursuant to the distribution restrictions set out in the Bond Agreement and RCF, the Company may not make any distributions, save for distributions limited to forty per cent. of the net profit after taxes (on a consolidated basis) in any

[12] The Bond Agreement is available at www.stamdata.com

calendar year (any unutilized portion may not be carried forward) without the prior written consent of the bondholders and lender.

7.11.4. Termination and replacement of RCF and redemption of Bonds

Redemption of Bonds

The Company will use the net proceeds from the Private Placement to redeem the outstanding Bonds, and as such, not be subject to the above restrictions on distribution of dividends after full redemption of the Bonds, expected to be carried out as soon as practicably possible after the Admission.

Termination and replacement of RCF

The Company expects to terminate the current RCF, and a notice of termination has been provided to DNB Bank ASA. It is further expected that a new revolving credit facility will be entered into by the US Subsidiary. The US Subsidiary has recently entered into a commitment letter with a US bank to provide a revolving credit facility of up to USD 4.5 million. Agreements are currently being drafted and expected to be finalized in due course. Any new revolving credit facility is not expected to contain any restrictions on distribution of dividends.

8. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

8.1. Introduction

The General Meeting is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Group is vested in the Board of Directors and the Group's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business, ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions prepared by the Board of Directors. Among other responsibilities, the Group's chief executive officer (the "**CEO**") is responsible for keeping the Group's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner.

8.2. The Board of Directors

8.2.1. Overview of the Board of Directors

The Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of six Board members elected by the Company's shareholders. The names and positions of the members of the Board of Directors at the date of this Information Document are set out below.

Name	Position	Served since	Term expires
Ole Bjarte Hjertaker	Chair	2015	2023
Gunnar Winther Eliassen	Board member	2022	2023
Christopher James Baker	Board member	2021	2023

The Company's registered office at Bryggegata 3, 0250 Oslo, serves as business address for the members of the Board in relation to their directorship of the Company.

8.2.2. Brief biographies of the Board members

Set out below are brief biographies of the Board members. The biographies include each Board member's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years.

Ole Bjarte Hjertaker, Chair

Mr. Hjertaker has served as Director of the Group since December 2015, and Chair since June 2018. Ole B. Hjertaker serves as Chief Executive Officer and Director of SFL Corporation Ltd., a U.S listed company with a large portfolio of vessels and drilling rigs employed on long-term contracts. Mr Hjertaker is also a Director of Frontline Ltd., a world leading provider of seaborne transportation of crude oil and refined products. Mr. Hjertaker holds a Master of Science degree from the Norwegian School of Economics and Business and has extensive corporate and investment banking experience prior to SFL Corporation, mainly within the Maritime and Transportation industries.

Directorships and senior management positions	
Current directorships and senior management positions	Directorships: SFL Management AS (Chair), SFL Corporation Ltd. and Frontline Ltd. Management position(s): SFL Management AS (CEO).
Previous directorships and senior management positions - last five years	Directorships: N/A Management position(s): N/A

Gunnar Winther Eliassen, Board member

Mr. Eliassen has since 2016 served as an Investment Director with Seatankers Services (UK) LLP where he is responsible for overseeing and managing various public and private investments. Mr. Eliassen currently also serves as a of Director Valaris Ltd and KLX Energy Services. Mr. Eliassen has served as the Chief Executive Officer of ST Energy Transition I Ltd. (NYSE: STET), a special purpose acquisition company targeting energy transition and clean energy technology, since 2021. Prior experience includes Director of Seadrill Ltd, Seadrill Partners Ltd, Northern Drilling Ltd Quintana Energy Services Inc, Deep Sea Metro Ltd as well as CEO of Northern Drilling Ltd. Prior to joining Seatankers, Mr. Eliassen was a Partner at Pareto Securities in New York. Mr. Eliassen brings extensive experience in public and private transactions with particular focus on oil field services. Mr. Eliassen holds a Master of Science from Norwegian School of Economics.

Directorships and senior management positions	
Current directorships and senior management positions	Directorships: Seatankers Consultancy Services, KLX Energy Services Inc., Valaris Ltd, Deep Sea Metro Golden Close Management position(s): ST Energy Transition Ltd
Previous directorships and senior management positions - last five years	Directorships: Seadrill Ltd, Seadrill Partners Ltd, Quintana Energy Services Inc. and Northern Drilling Ltd Management position(s): Northern Drilling Ltd (CEO)

Christopher James Baker, Board member

Mr. Baker has been a director of the Group since February 2022 and is the President and Chief Executive Officer of KLX Energy Services. Previously, Mr. Baker served as President and Chief Executive Officer and as member of the board of directors of QES from 2019 to 2020. Mr. Baker previously served as Executive Vice President and Chief Operating Officer of QES from its formation in 2017 to 2019 and served in the same role at QES LP since 2014. Mr. Baker previously served as Managing Director-Oilfield Services for Quintana private equity funds. Prior to joining Quintana, Mr. Baker served as an Associate with Citigroup Global Markets Inc.'s Corporate and Investment Bank where he conducted corporate finance and valuation activities focused on non-investment grade debt transactions.

Mr. Baker attended Louisiana State University, where he earned a B.S. in Mechanical Engineering, and Rice University, Jones School of Management, where he earned an M.B.A.

Directorships and senior management positions	
Current directorships and senior management positions	Directorships: N/A Management position(s): KLX Energy Services Inc.
Previous directorships and senior management positions - last five years	Directorships: Quintana Energy Services Inc. (Board member) Management position(s): Quintana Energy Services Inc. (CEO/President/COO)

8.3. Management

8.3.1. Overview

The Group's Management team consists of three individuals. The names of the members of Management and their respective positions, are presented in the table below.

Name	Position	Employed with the Group since
Marty L. Jimmerson	Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**")	January 2017
Thomas Taylor	Chief Operating Officer ("**COO**")	October 2008 - COO since January 2015
Marius Furuly	Investor Relations and Strategy Director	August 2022

The Company's registered office at Bryggegata 3, 0250 Oslo, Norway. serves as business address for the members of the Management in relation to their employment with the Group.

8.3.2. Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management. The biographies include the members of Management's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Marty Jimmerson, CEO and CFO

Mr. Jimmerson joined the Group in January 2017 as CEO and CFO, and has more than 25 years of experience in the Group's industy. Prior to NorAm Drilling, Mr. Jimmerson served as interim CEO of RigNet Inc. from January through June 2016, and senior vice president and CFO from November 2006 until January 2016. RigNet is a U.S listed and publicly traded company that provides remote telecommunication services to both offshore and onshore drilling contractors, operatores and service providers serving the oil & gas industry.

Mr. Jimmerson holds a bachelor's degree in accounting from Baylor University, from which he graduated in 1985. He has also taken an Emerging CFO: Strategic Financial Leadership Program at Stanford University Graduate School of Business.

Directorships and senior management positions	
Current directorships and senior management positions	Directorships: Target Hospitality Corp. Management position(s): N/A
Previous directorships and senior management positions - last five years	Directorships: N/A Management position(s): N/A

Thomas Taylor, COO

Prior to his position as COO, Mr. Taylor had served as Drilling Operation Manager for NorAm Drilling for six years, supervising new rig builds and managing all aspects of its drilling operations. Mr. Taylor is a Mechanical Engineer with more than 20 years experience in the oil and gas industry.

Prior to being employed by NorAm Drilling, Mr. Taylor was a Drilling Superintendent for Bronco Drilling in Libya, Africa, where he managed over 60 rigs. He also served as a Driller and Tool Pusher both onshore and offshore for Rowan Drilling Company.

Directorships and senior management positions	
Current directorships and senior management positions	Directorships: N/A Management position(s): N/A
Previous directorships and senior management positions - last five years	Directorships: N/A Management position(s): N/A

Marius Furuly, Investor Relations and Strategy Director

Mr. Furuly joined the Company in August 2022. Since 2019, he has served as a VP of Finance and Investor Relations at SFL, a role he will continue to hold while being employed by the Company. Mr. Furuly was previously a senior equity research analyst covering the shipping industry at Carnegie Investment Bank and was prior to that employed in the Carnegie's investment banking division focusing on shipping, oil service and offshore industries. Mr. Furuly holds a BBA degree with a specialisation in finance from BI Norwegian Business School.

Directorships and senior management positions	
Current directorships and senior management positions	Directorships: N/A Management position(s): SFL Management AS
Previous directorships and senior management positions - last five years	Directorships: Management position(s): N/A

8.4. Shareholdings of Board members and Management in the Company

The below table sets forth the number of Shares and options to acquire Shares held by the members of Management and Board members.

Name	No. of Shares	No. of options
Marty L. Jimmerson (through nominee)	52,812	150,000
Thomas Taylor (through nominee)	6,337	150,000
Marius Furuly	14,108	40,000
Ole Bjarte Hjertaker (through Splendini AS)	178,500	100,000
Gunnar Winther Eliassen	-	50,000
Christopher James Baker	-	50,000

8.5. Benefits upon termination

Mr. Jimmerson is entitled to a cash payment of 1.0 times his annual salary as well as an amount equal to the eligible annual bonus of up to 0.33 times his annual salary upon termination by the Company unless the reason for the termination is a material breach of the employment contract. The Company shall also pay Mr. Jimmerson's full premium required for continued group health insurance, and all unvested equity shares shall become immediately vested and exercisable by Mr. Jimmerson.

Upon termination by the Company for a reason other than a material breach of Mr. Taylor's employment contract, Mr. Taylor is entitled to a severance pay equal to 12 month's base salary and a sum equal to the cash bonus paid to Mr. Taylor in the year preceding the termination date pursuant to his employment contract.

As of the date of this Information Document, Mr. Furuly does not have any benefits upon termination of his employment.

8.6. Employees

On the date of this Information Document, the Group has a total of approximately 315 employees. The table below shows the development in the number of employees for the years ended 31 December 2021 and 2020. The increase in employees from 31 December 2021 to the date of this Information Document is mainly attributable to the COVID-19 pandemic which caused a reduction of rigs working in 2020. The market bottomed in the third quarter of 2020 and during the first half of 2022 the Company returned all of its rigs to work.

	As of 31 December 2021	As of 31 December 2020
Total	243	153

8.7. Share incentive schemes

On 28 February 2022 the Company issued a new option agreement with Marty Jimmerson (CEO and CFO) and Thomas Taylor (COO). The new agreement consist of 150,000 options for each, with vesting dates for 1/3 of the options on 28 February in 2023, 2024 and 2025. Initial strike price is NOK 9 per share. The option holder may, on certain conditions, exercise the vested portion of the Options at any time from the date of vesting and until 28 February 2027. Any Optlons not exercised by 28 February 2027 will automitically become void and lapse wlthout compensation to the option holder.

On 1 September 2022 the Board of Directors resolved to grant 300,000 additional stock options. Steve Scott (Director of Business Development) and Marius Furuly (Director of IR/Strategy) were awarded 60,000 and 40,000 options, respectively, Mr. Hjertaker (Chair of the Board of Directors) was awarded 100,000 options and the other two directors were awarded 50,000 options, each. All options were awarded with a 5 year term, with vesting 1/3 in September 2023, 1/3 in September 2024 and 1/3 in September 2025. The initial strike price of the options is NOK 40 per share.

As of the the date of this Information Document, the Company has granted a total amount of 600,000 options, and, should all options be exercised simultaneously this would entail a dilutive effect of approximately 1.4%.

8.8. Corporate governance

The Company is not subject to the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Corporate Governance Code**"), but the Company intends over time to implement the recommendations of the Corporate Governance Code and adopt a corporate governance policy.

As of the date of this Information Document, the Company does not have any Board committees.

8.9. Other information

Board member Mr. Eliassen was involved in the Chapter 11 proceedings concerning both Seadrill Ltd. And Seadrill Partners Ltd as part of the management of the respective companies. Mr. Eliassen is employed by Seatankers Services (UK) LLP which is an associated party of the Company's main shareholder, Geveran Trading Co. Ltd.

Other than set out above, during the last five years preceding the date of this Information Document, none of the Board members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been associated with any bankruptcies, receiverships or liquidations in his capacity as a member of the management or board of directors of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the board of directors, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

Other than as described herein, and to the Company's best knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

9. CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

9.1. Company corporate information

The Company's legal and commercial name is NorAm Drilling AS. The Company is a private limited liability company organised and registered under the laws of Norway pursuant to the Norwegian Private Companies Act. The Company was incorporated in Norway on 19 February 2007 (under the original name Terra Rig Company ASA). The Company's registration number in the Norwegian Register of Business Enterprises is 990 947 619 and its Legal Entity Identifier (LEI) is 549300YA98I8QIPGWZ72.

The Shares are registered in book-entry form with the VPS under ISIN NO 001 0360019. The Company's register of shareholders in the VPS is administrated by the VPS Registrar.

The Company's registered office is at Bryggegata 3, 0112 Oslo, Norway, and its main telephone number at that address is +47 23114000. The Group's website can be found at www.noramdrilling.com.

9.2. Legal structure

The Company is the ultimate parent company of the Group. The following table sets out information about the Company's subsidiaries:

Company	Country of incorporation	Holding (%)	Description
NorAm Drilling Company, Texas Corporation (US Subsidiary)	Houston, Texas, U.S.	100	Owner and contractor of all 11 rigs operated by the Group on the Permian Basin.

9.3. Share capital and share capital history

As at the date of this Information Document, the Company's share capital is NOK 86,124,634 divided on 43,062,317 Shares, each Share with a par value of NOK 2. The Company has one class of shares in issue. All of the Shares are ordinary shares of the Company, issued under the Norwegian Private Companies Act and carry full shareholder rights, including rights to dividends. All Shares rank *pari passu* with each other and are freely transferable.

As at the date of this Information Document, the Company holds no Shares as treasury shares.

The table below shows the development in the Company's share capital for the period covered by the historical financial information included herein and up to the date of this Information Document:

Date of registration	Type of change	Change in share capital (NOK)	Subscription price (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)
5 October 2022	Capital increase through issuance of shares in the Private Placement	39,340,000	40	2.00	43,062,317	86,124,634

9.4. The Private Placement

9.4.1. Details of the Private Placement

On 23 September 2022, the Company completed the NOK equivalent of a USD 75 million private placement (the "**Private Placement**") consisting of 19,670,000 new Shares (the "**New Shares**") at a subscription price of NOK 40 per Share (the "**Offer Price**") which was set by the Board based on an accelerated bookbuilding process.

The application period for the Private Placement took place from 22 September 2022 at 10:00 (CEST) to 23 September 2022 at 15:00 (CEST). Notifications of allocations to subscribers were issued on 26 October 2022.

The Private Placement resulted in an immediate dilution of approximately 45.7% for shareholders of the Company who did not participate in the Private Placement.

9.4.2. Shareholdings following the Private Placement

The share capital increase pertaining to the Private Placement was registered in the Norwegian Register of Business Enterprises on 5 October 2022. On 6 October 2022, the major shareholders of the Company were as set out in Section 9.5 "Ownership structure".

9.4.3. Costs and expenses

The gross proceeds to the Company from the Private Placement were approximately the NOK equivalent of USD 75 million, based on estimated total transaction costs of the NOK equivalent of USD 2 million.

9.4.4. Use of proceeds

The net proceeds from the Private Placement will, in combination with the Company's available cash balance, be used to redeem the Bonds and facilitate significant dividend capacity going forward.

9.4.5. Lock-up

Certain customary lock-up arrangements restricting the free disposal of shares have been entered into by the Company, members of the board and key management as well as certain major shareholders in connection with the Private Placement for a period of 6 months for members of the Board of Directors and key management and 6 months for certain major shareholders.

9.4.6. Pre-commitments by major shareholders and primary insiders in the Private Placement

As part of the Private Placement, major shareholder Geveran Trading Co. Ltd. pre-committed to subscribe for and was allocated a total of 4,917,500 New Shares.

In the Private Placement, the following members of the Management and Board of Directors have subscribed for and been allocated the number of New Shares as set out beside each person below:

- Ole B. Hjertaker, (through Splendini AS) Chair of the Board: 78,500
- Marius Furuly, Investor Relations and Strategy Director: 13,108

9.4.7. Stabilisation and over-allotment

On behalf of the Managers, and pursuant to a brownshoe agreement (the "**Brownshoe Agreement**"), Pareto Securities AS (in its capacity as stabilisation manager, the "**Stabilization Manager**") may, but will be under no obligation to, engage in stabilization activities during a 30-day stabilisation period commencing at the time of the Admission (the "**Stabilization Period**"), with a view to support the market price of the shares, through buying shares in the Company on Euronext Growth Oslo, at prices equal to or lower than (but not above) the final Offer Price, up to an amount equal to 10% of the final number of New Shares allocated in the Private Placement (the "**Stabilization Shares**"). Pursuant to the Brownshoe Agreement, Geveran Trading Co. Ltd. (the "**Brownshoe Provider**") has granted (subject to certain conditions) the Stabilization Manager a put option which entitles the Stabilization Manager to sell a number of existing shares in the Company, equal to the number of Stabilization Shares purchased in the Stabilization Period, to the Brownshoe Provider, at the volume weighted average purchase price of all Stabilization Shares purchased by the Stabilization Manager in the Stabilization Period.

Stabilization may result in a price of the shares that is higher than might otherwise prevail, and the price may reach a level that cannot be maintained on a permanent basis. Any stabilization activities will be conducted based on the same principles as set out in article 5(4) of the EU Market Abuse Regulation and chapter III of the supplemental rules set out in the Commission Delegated Regulation (EU) 2016/1052 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures.

9.5. Ownership structure

The table below indicates the total ownership or voting rights, both directly and indirectly, for the individual shareholder. As of 6 October 2022, the following shareholders hold 5% or more in the Company:

#	Shareholders	Number of Shares	Percent
1	Geveran Trading Co Ltd.	20,760,207	48.2%
2	Pactum AS	2,673,034	6.2%
3	Bank of America Merril Lynch	2,208,433	5.1%

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

9.6. Board authorisations

9.6.1. Authorisations to increase the share capital and to issue Shares

On the extraordinary general meeting held 3 October 2022, the Board were authorized to issue up to 1,000,000 shares in connection with, inter alia, (i) the current options plan (as further described in Section 8.7 "Share incentive schemes") and (ii) financing, acquisitions, mergers, etc. The authorization will expire on the annual general meeting in 2023 and no later than 30 June 2023.

9.7. Financial instruments

Please see Section 8.7 "Share incentive schemes" for further information on the options granted to certain key employees.

9.8. Shareholder rights

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Shares carries one vote. The rights attached to the Shares are further described in Section 9.9 "The Articles of Association" and in Section 9.10 "Certain aspects of Norwegian corporate law".

9.9. The Articles of Association

The Articles of Association are set out in Appendix A to this Information Document. Below is a summary of certain of the provisions and aspects of the Articles of Association.

Company name

Pursuant to section 1 of the Articles of Association, the Company's name is NorAm Drilling AS, a private limited liability company.

Objective of the Company

Pursuant to section 3 of the Articles of Association, the Company's objective is to invest in, own, lease and operate drilling rigs as well as any related objectives.

Registered office

Pursuant to section 2 of the Articles of Association, the Company's registered office is in the muncipality of Oslo, Norway.

Share capital and nominal value

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 86,124,634 divided into 43,062,317 shares, each with a nominal value of NOK 2.

Board of Directors

Pursuant to section 5 of the Articles of Association, the Company's Board of Directors shall consist of between 3 and 6 shareholder elected Board members.

Restrictions on transfer of Shares

Pursuant to section 8 of the Articles of Association, its shares shall be freely transferable, and the Norwegian Private Companies Act's regulation on board's consent and pre-emptive rights for existing shareholders shall not apply in the event of a transfer of shares.

Change of control

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

General meetings

Pursuant to section 6 of the Articles of Association, the ordinary general meeting shall consider and decide the following matters:

- Approval of the annual accounts and directors' report
- Distribution of dividends
- Other matters which pursuant to the law or the Articles of association shall be resolved by the general meeting

Documents related to matters which shall be resolved by the general meeting, including documents which pursuant to the law shall be enclosed to the notice of general meeting, are not required to be sent to the shareholders if the documents are available on the Company's website, unless a shareholder demands to be sent such documents.

9.10. Certain aspects of Norwegian corporate law

9.10.1. General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

9.10.2. Voting rights

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

9.10.3. *Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

9.10.4. *Minority rights*

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

9.10.5. *Rights of redemption and repurchase of Shares*

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

9.10.6. Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

9.10.7. Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

9.10.8. Takeover bids and forced transfer of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

10. TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation ("**resident or Norwegian shareholders**") and holders that are not residents of Norway for such purposes ("**non-Norwegian or foreign shareholders**").*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Information Document. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Group (please see section 4.2.2 "Other legal constraints and considerations relevant to distribution of dividends" for a brief description of the Group's tax sitaution and upsteam capacity) and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent or disregarded entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-Norwegian shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

10.1. Taxation of dividends

10.1.1. Norwegian corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Norwegian: *"Fritaksmetoden").* However, 3% of such dividends are taxable as general income at a current rate of 22%, implying that dividends distributed from the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%. This does not apply to distributions classified as repayment of previously paid in capital, which is fully tax exempt.

10.1.2. Norwegian personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-exempt allowance (Norwegian: *"Skjermingsfradrag"*). The tax basis is upward adjusted with a factor of 1.60 before taxation, implying that dividends exceeding the tax free allowance are effectively taxed at a rate of 35.2%.This does not apply to distributions classified as repayment of previously paid in capital, which is fully tax exempt.

The tax-exempt allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. For 2021, the risk-free interest rate was 0.5%. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends / capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

10.1.3. Non-Norwegian shareholders

Dividends distributed from the Company to non-Norwegian shareholders are in general subject to Norwegian withholding tax at a rate of 25%, unless otherwise provided for in an applicable tax treaty or the recipient is corporate shareholder tax resident within the European Economic Area (the "**EEA**") (ref. Section 10.1.4 "Non-Norwegian shareholders tax resident within the EEA" below for more information on the EEA exemption). Norway has entered into tax treaties with approximate

80 countries. In most tax treaties the withholding tax rate is reduced to 15% or lower. This does not apply to distributions classified as repayment of previously paid in capital, which is fully exempt from Norwegian withholding tax.Shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Norwegian Tax Authoritiesfor a refund of the excess withholding tax.

If foreign shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian shareholders.

Foreign shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

10.1.4. Non-Norwegian shareholders tax resident within the EEA

Dividends distributed from the Company to non-Norwegian corporate shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and is genuinely established and performs genuine economic business activities within the EEA.

Dividends distributed from the Company to non-Norwegian personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25% after deduction of the tax-free allowance. Any excess allowance may be carried forward. Normally the tax treaty rate will be the lower and apply.

10.2. Taxation upon realization of shares

10.2.1. Norwegian corporate shareholders

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible.

10.2.2. Norwegian personal Shareholders

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as general income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for general income is currently 22%. The tax basis is adjusted upward with a factor of 1.60 before taxation/deduction, implying an effective taxation at a rate of 35.2%.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused allowance on a Share (see above) may be set off against capital gains on the same Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set of against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

10.2.3. Non-Norwegian shareholders

Gains from realization of Shares by non-Norwegian shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

10.3. Net wealth tax

10.3.1. Norwegian corporate shareholders

Norwegian corporate shareholders are not subject to net wealth tax.

10.3.1. Norwegian personal Shareholders

Norwegian personal shareholders are generally subject to Norwegian net wealth taxation at a current rate of 0.95% on net wealth exceeding NOK 1,700,000 and up to NOK 20,000,000 and 1.1% on net wealth exceeding NOK 20,000,000. The general rule is that the Shares will be included in the net wealth with 75% of their proportionate share of the Company's calculated wealth tax value as of 1 January in the income year.

10.3.1. Non-Norwegian shareholders

Non-Norwegian shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

10.4. Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

10.5. The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

11. ADDITIONAL INFORMATION

11.1. Admission to Euronext Growth

On 3 October 2022, Oslo Børs approved the Company's application for Admission to Euronext Growth. The first day of trading of the Shares on Euronext Growth will be on 7 October 2022. Although the Shares were previously trading over-the-counter at NOTC, they have not previously been listed on any other marketplace or regulated market, and no such listing has been applied for. As part of the Admission, the Shares were de-registered from NOTC on 6 October 2022 before the Admission on Euronext Growth.

11.2. Independent auditor

The Company's independent auditor is KPMG with registered business address Sørkedalsveien 6, 0369 Oslo, Norway. The Partners of KPMG are members of the Norwegian Institute of Public Accountants (Norwegian: *Den Norske Revisorforening*). KPMG has been the Company's auditor for the whole period covered by the historical financial information included in this Information Document.

11.3. Advisors

Fearnley Securities AS and Pareto Securities AS have acted as Managers and Euronext Growth Advisors in connection with the Private Placement and the Admission.

Advokatfirmaet Schjødt AS has acted as Norwegian legal counsel to the Company in connection with the Private Placement and Admission.

12. DEFINITIONS AND GLOSSARY

In the Information Document, the following defined terms have the following meanings:

Admission	The admission to trading of the Company's Shares on Euronext Growth
Articles of Association	The Company's articles of association
Asset coverage ratio	A financial metric that measures the company's ability to repay its debts by selling or liquidating its assets
Average dayrate	The average dayrates for all rigs utilized at a given time
Board of Directors or Board	The board of directors of the Company
Bond Agreement	Bond agreement with ISIN NO 001 0711948 – 9 per cent NorAm Drilling Company AS Senior Secured Callable Bond Issue 2014/2019, originally dated 3 June 2014, amended and restated in 2015, 2018, 2020 and 2022
Bonds	The Group's USD 80 million senior secured bonds with original ISIN NO0010711948, which is expected to be redeemed as soon as practicably possible following the Admission
Brownshoe Agreement	A market stabilization agreement entered into between the Stabilization Manager, the Company and the Brownshoe Provider
Brownshoe Provider	Geveran Trading Co. Ltd.
Capital expenditures	Capital used to acquire, upgrade and maintain physical assets
CEO	The Group's chief executive officer
CEST	Central European Summer Time
CFO	Chief financial officer
Company	NorAm Drilling AS
COO	Chief operating officer
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 14 October 2021
Current ratio	A liquidity ratio that measures a company's ability to pay short-term obliagtaions or those due within one year
Data Protection Laws	Laws and regulations regarding data protection and privacy
EBITDA	Earning Before Interest, Tax, Depreciation and Amortization
EEA	The European Economic Area
EIA	U.S Enegy Information Administration
EPA	Environmental protection agency
Equity to asset ratio	Measure a company's financial leerage calculated by dividing its equity by its total assets. It indicates the percentage of total assets that is financed by shareholders' equity.
ESG	Environmental, social and governance
EU	The European Union
Euronext Growth	Euronext Growth Oslo
Euronext Growth Advisors	Fearnley Securities AS and Pareto Securities AS in their capacity as Euronext Growth Advisors with respect to the Admission
Financial Statements	The consolidated financial statements for the Group as of and for the financial years ended 31 December 2021 and 31 December 2020
General Meeting	The Company's general meeting of shareholders
Group	The Company together with its consolidated subsidiaries
Information Document	This information document dated 6 October 2022
Interim Financial Statements	The unaudited consolidated interim financial statements for the six-month period ended 30 June 2022 with comparable figures for the same period in 2021
KPIs	Key performance indicators
KPMG	KPMG AS
LWD	Logging-while-drilling
Management	The senior executive management team of the Group
Managers	Fearnley Securities AS and Pareto Securities AS in their capacity as managers in the Private Placement

MWD	Measurement-while-drilling
New Shares	19,670,000 shares issued in the Private Placement
NGAAP	Norwegian Generally Accepted Accounting Principles
NOK	Norwegian Kroner, the lawful currency of Norway.
NOL	Net operating losses
Non-Norwegian or foreign shareholders	Shareholders that are not residents of Norway for purposes of Norwegian taxation
Norwegian Private Companies Act	Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44
NOTC	Euronext NOTC
OPEC	The Organisation of Petroleum Exporting Countries
PPP	Paycheck Protection Program
Private Placement	The private placement completed by the Company on 23 September 2022
RCF	The Company's USD 6 million revolving loan facilities agreement dated 3 July 2019, as amended by supplemental agreements dated 13 January 2020 and 25 May 2021
Resident or Norwegian shareholders	Shareholders that are residents of Norway for purposes of Norwegian taxation
Section 382	Section 382 of the internal revenue code of 1986, as amended
SFL	SFL Corporation Ltd.
Shares	The shares of the Company
Stabilization Manager	Pareto Securities AS
Stabilization Period	A 30-day stabilisation period
U.S. or United States	The United States of America
U.S. Securities Act	The U.S. Securities Act of 1933
USD	United States Dollars, the lawful currency of the United States
US Subsidiary	NorAm Drilling Company, Texas Corp
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*), being Euronext Securities Oslo.
VPS Registrar	DNB Bank ASA

APPENDIX A:

ARTICLES OF ASSOCIATION OF NORAM DRILLING AS

VEDTEKTER FOR NORAM DRILLING AS

Sist endret på ekstraordinær generalforsamling 3. oktober 2022.

1 Navn

Selskapets foretaksnavn er NorAm Drilling AS. Selskapet er et aksjeselskap.

2 Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

3 Virksomhet

Selskapet skal drive investering, eierskap, utleie og drift av borerigger, samt det som herved står i forbindelse.

4 Aksjekapital

Aksjekapitalen er kr 86 124 634,00,-, fordelt på 43 062 317 aksjer pålydende kr 2,-.

5 Styret

Styret skal ha minst 3 og høyst 6 medlemmer, etter generalforsamlingens beslutning til enhver tid.

6 Generalforsamling

Den ordinære generalforsamlingen skal behandle og avgjøre godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte, og andre saker som etter loven eller vedtektene hører under generalforsamlingen.
Dokumenter som gjelder saker som skal behandles på generalforsamlingen, derunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets hjemmeside. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

7 Signatur

Selskapets firma kan tegnes av styrets leder alene eller to styremedlemmer i fellesskap.

8 Omsettelighet og forkjøpsrett

Aksjene i selskapet er fritt omsettelige. Aksjelovens regler om styresamtykke og forkjøpsrett ved eierskifte skal ikke gjelde.

APPENDIX B:

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NorAm Drilling Company

Annual Report 2021

NorAm Drilling Company AS

Contents

General Information

This report contains forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements may be identified by the use of forward-looking terminology such as "believes", "experts", "predicts", "may", "will continue", "should", "would be", "seeks" or "anticipates" or similar expressions or comparable terminology, or by discussions of plans, intentions and strategy.

Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. The Company or its officers assumes no obligation that such expectations will prove to be correct. These forward-looking statements are subject to risks and uncertainties that could cause actual results to vary materially from such forward-looking statements.

Accounting and Auditing

NorAm Drilling Company AS is audited by KPMG Norway. The accounting is outsourced to Amesto Business Partner, Norway.

NorAm Drilling Company performs its own accounting.

Alternative Performance Measurement (APM)

In the report we refer to the APM EBITDA; Earnings Before Interest, Tax, Depreciation and Amortization.

THIS IS NORAM DRILLING GROUP

NorAm Drilling Company AS ("the Group", "NorAm" or "the Company") owns and operates a quality rig portfolio of "super spec" advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

Established in 2007, the Company owns and finances companies operating onshore oil and gas drilling rigs. At year-end 2021, the Group's fleet consisted of 11 "super spec" rigs located in the Permian Basin.

The Company Structure

The parent company NorAm Drilling Company AS owns 100% of NorAm Drilling Company, Texas Corp., a US-based drilling contractor, located in Houston, Texas.

NorAm Drilling Company owns all eleven rigs and is financed through a combination of equity investments and intercompany loans, at arm's length terms, from its parent. NorAm Drilling Company is staffed with competent, local personnel that perform all aspects of a contract drilling company. NorAm Drilling Company AS consists mainly shares in and loans to its US subsidiary.

Our Offices

NorAm Drilling Company AS head office is in Oslo, Norway. The office is located at Bryggegata 3, 0112 Oslo, Norway.

NorAm Drilling Company is headquartered in Houston, Texas. NorAm Drilling Company has yard facilities in Odessa, Texas.

Organization and Operations

Marty Jimmerson has served as Chief Executive Officer and Chief Financial Officer since joining the Company in January 2017. Thomas Taylor has served as Chief Operating Officer since November 2014 and has been with the Company for 13 years. Mr. Jimmerson and Mr. Taylor fulfil their roles for both NorAm Drilling Company AS and NorAm Drilling Company.

The executive team is supported with a compliment of business development, safety, operations (including electricians, mechanics and equipment specialists) and accounting functions. Each rig is supported by crews that work on 2-week hitches. Each hitch is staffed with crews working 12-hour shifts. The rig is managed by a rig manager and each hitch is typically staffed with a minimum of a driller, derrickman, motorman and two floormen.

Board of Director's Report

Nature of the business activities and where these are conducted

NorAm Drilling Company AS (herein called "Company") and its subsidiaries (herein called "Group") were established on February 19, 2007.

The Group's executive management team is based out of Houston, Texas with administrative functions located in both Houston and Oslo, Norway.

The Group consists of the Norwegian parent company NorAm Drilling Company AS and operating subsidiary NorAm Drilling Company, Texas Corporation. The Group invests, owns and operates eleven onshore oil and gas well drilling rigs currently operating in the Permian Basin in the United States. The Group has established a solid foothold in the lower US, with significant operating experience in Louisiana, New Mexico, Oklahoma and Texas.

The Group currently focuses solely on the US land drilling market. The Group has a rig portfolio of eleven advanced high-end AC-driven rigs tailored for the drilling of horizontal wells. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

2021 Developments

MARKET and CONTRACTS

As a result of the COVID – 19 pandemic, changes in global oil supplies and demand and the recent Russian invasion of Ukraine, oil prices remain volatile. Since August 2020, WTI oil prices and US land rig counts have steadily increased indicating that the US drilling industry bottomed in 3Q 2020.

Since October 2020, WTI has continued to improve. WTI began 2021 around $50 per barrel and finished 2021 near $75 per barrel. WTI is currently trading avove $100 per barrel.

As of May 20, 2022, the US land drilling active rig count and Permian rig count was 709 and 343, respectively. As of December 31, 2021, the US land drilling active rig count and Permian rig count was 570 and 293, respectively. In comparison, as of December 31, 2020, the US land drilling active rig count and Permian rig count was 332 and 175, respectively We currently have all eleven rigs under contract.

CARES ACT

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." On May 5, 2020, we entered into an unsecured loan in the aggregate principal amount of MUSD 5.5 pursuant to the Paycheck Protection Program which is part of the CARES Act Initiatives. This loan was forgiven in full on May 11, 2021.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill authorized another round of PPP loans ("second draw PPP loans"). On February 5, 2021, we entered into a second PPP loan in the aggregate principal amount of MUSD $2.0. This loan was forgiven in full in October 2021.

As a result of the COVID-19 pandemic, and as part of the Cares act, NorAm Drilling applied for support relating to the Employee Retention Tax Credit (ERTC) which is a payroll credit available from March 12, 2020 through September 30, 2021 for a total amount of approximately MUSD 4.0. The company has not received confirmation that the application is approved, nor received confirmation that they comply with the requirements for receiving the payroll credit. Due to this, there is significant uncertainty if the company will receive any support through this public system, hence no payroll credit has been recognized in the Annual Report for 2021.

BOND AMEDMENTS

On May 16, 2022, the Company and holders of the Bond loan agreed to the following amendments: (i) extend the maturity date from June 3, 2022, to June 3, 2023; (ii) schedule a principal installment of MUSD 5.0 on December 3, 2022; (iii) amend the prepayment structure to allow for partial prepayments at par value at a minimum of MUSD 5.0; and (iv) pay an amendment fee of USD 400,000.

COMPANY DEVELOPMENT, RESULTS and FINANCING

NorAm had revenue of MUSD 50.4 during the twelve months of 2021 compared to MUSD 54.7 during the twelve months of 2020. During the twelve months of 2021 we generated an operating loss of MUSD 12.3 compared to an operating loss of MUSD 8.2 in the twelve months of 2020. During the twelve months of 2021 we generated EBITDA of MUSD 6.0 compared to MUSD 9.8 in the twelve months of 2020. The decrease in operating profit and EBITDA is primarily due to lower average dayrates and fleet utilization as well as costs incurred associated with warm stacking rigs to ensure reactivation costs would be minimized upon reactivations.

Capital expenditures were MUSD 3.4 in the twelve months of 2021, compared to MUSD 2.5 in 2020. As of December 31, 2021, our cash position was MUSD 12.8, and we had MUSD 80.0 of outstanding bonds payable to 3rd parties.

The parent company NorAm Drilling Company AS had total operating income of MUSD 0.1 in 2021, the same as for 2020. Operating expenses were reduced from MUSD 1.7 in 2020, to MUSD 0.7 in 2021, mainly due to bond amendment fees and cost saving initiatives. The company had a net loss before tax of MUSD 7.8 in 2021, compared to MUSD 9.3 in 2020. The main driver for the negative result is due to interest expenses on the Bond Loan.

In May 2021, the Company entered into an amendment of its Revolving Credit Facility that (i) extends the maturity date to the earlier of June 2023 and the maturity date of the Bond Loan, and (ii) allows for borrowings for financing capital expenditures. As of yearend 2021, there were no borrowings outstanding under this facility.

KEY FINANCIAL FIGURES

MUSD	2021	2020
Revenue	50.4	54.7
Operating Profit	(12.3)	(8.2)
Net Profit before Tax	(19.5)	(16.0)
EBITDA	6.0	9.8

IMPAIRMENT ON FIXED ASSETS

Due to the uncertain market conditions, resulting from COVID-19 pandemic and oil production changes, we have reviewed assumptions for the carrying values of our assets. This includes assumptions for development in dayrates, OPEX and other critical inputs were adjusted. The development in dayrates and rig utilization during 2020 and early 2021 was considered as temporary setbacks, and not permanent changes, hence this is reflected in the company's impairment model.

There is significant uncertainty relating to the recovery of the market, and the key inputs are therefore uncertain. The conclusion on the impairment calculation, based on information available and that dayrates and utilization have been better than projected, is that there is no need for impairment charges during 2021 or as of December 31, 2021. As of May 2022, all of our rigs were under contract. The timing of our rig reactivations, actual dayrates and margins being earned on current contracts and the near term outlook as a result of oil prices are all favorable compared to the assumptions used in our impairment analysis. Management and the board of directors will continue to follow the developments in the market closely and assess impairment continuously if expected future market conditions change.

FINANCING

On the balance sheet, the Group has equity of MUSD 33.7 equivalent to an equity ratio of 27.6% at year-end 2021, compared to MUSD 45.1 of equity and a 32.4% equity ratio at year-end 2020.

The Company's balance sheet at year end 2021 had equity of MUSD 120.0 and an equity ratio of 58.7%, compared to MUSD 124.2 of equity and a 59.0% equity ratio at yearend 2020.

In Q4 2021 the parent company refinanced the US subsidiary by converting MUSD 51.2 from debt to equity to ensure better financing of the US subsidiary.

The Board considers the equity for both the Company and Group to be in compliance with the requirement for sufficient equity under the Norwegian Limited Liability Companies Act.

The Company and Group is financed through equity and a bond loan, see note 9 to the Financial Statement. The bond loan outstanding as of December 31, 2021, was MUSD 80.0. The bond loan agreement includes a set of covenants, that NorAm reports on. The Board of Directors confirm, based upon current market assumptions, that it is expected that the Company and Group will be compliant with all other covenants set out in the bond loan agreement through 2022.

On May 16, 2022, the Company and holders of the Bond loan agreed to the following amendments: (i) extend the maturity date from June 3, 2022, to June 3, 2023; (ii) schedule a principal installment of MUSD 5.0 on December 3, 2022; (iii) amend the prepayment structure to allow for partial prepayments at par value at a minimum of MUSD 5.0; and (iv) pay an amendment fee of USD 400,000.

CASH FLOW and LIQUIDITY

The Company and Group is financed through equity and a bond loan, see note 9 to the Financial Statement. The Bond Loan outstanding as of December 31, 2021, was MUSD 80.0.

The cash position for the Group decreased from MUSD 16.3 as of December 31, 2020, to MUSD 12.8 as of December 31, 2021, mainly attributable to the Group investing MUSD 3.4 in capital expenditures in 2021.

For the Norwegian parent company, the cash position increased from MUSD 1.0 to MUSD 1.4.

KEY RISKS and UNCERTAINITIES

The Group and the Company are exposed to a number of risk factors when performing its activities, such as market risk, operational risk, credit risk and liquidity risk. The Company's and the Group's key operational risks are comprised to a large extent of (i) oil and gas prices, (ii) number of rigs available for drilling in the US and the rig count (rigs employed), (iii) risk related to suppliers and clients, (iv) ability to recruit and retain employees and (v) ability to pass along increases in labor and rig expenses to our customers.

Global oil and gas prices have been historically and will likely continue to be volatile for the foreseeable future. Global demand and supply of oil; levels of exploration and production by oil and gas companies operating in the United States; worldwide political, regulatory, economic and military events as well as natural disasters have contributed to oil and gas volatility and are likely to continue to do so in the future. The US land drilling market is strongly related to energy prices. Day rates and utilization levels of the Group's rigs correlate with the price of oil and natural gas. An increase in oil price requires supply reductions or increases in demand. The Group's income is the most sensitive factor, and a reduction either in utilization or day rates compared to budget has clear negative effects on the result. Conversely, higher rates and utilization have very positive effects on our results. The cost level will vary with constraints in the market for input factors.

The client risk of the Group varies, and even though the Group targets blue-chip E&P clients with extensive operations, contracts may also be signed with smaller companies to increase utilization of the rigs. In such cases, a review of financial statements or payment references is performed to reduce risk of non-payment.

Supplier and client risks are also present in the market in which the Group is operating. Even if the Group targets contracts with larger and financially solid partners, the contracts will be subject to uncertainty with regards to the suppliers' or the clients' ability to meet their commitments, as they, too, on a general basis also will be subject to market and financial risk. Idle rigs will lead to significant loss of income.

In addition, there could be stacking expenses during weak periods of demand for rigs resulting on loss of work. Such expenses are modest in terms of influence on the result. The Group is also exposed to changes in the regulatory and fiscal frameworks in Norway and the USA.

BUSINESS OUTLOOK

The Group will continue its focus on operating its premium rig fleet and evaluate opportunities to build a larger US presence by further developing our US subsidiary. The foundation has been laid over the years, building strong inhouse drilling competences and safety records, a flat organization with focus on training and motivation of our drilling crews, effective corporate routines and strong client relationships.

By growing the Group's rig fleet from three rigs in 2009 to eleven "Super Spec" rigs by 2021, the Group has taken important steps forward to become an important player in the US onshore drilling industry.

The Group has an ongoing dialogue with its existing customers as well as potential new customers about rig performance and contracts. The Board emphasizes the importance of modern, efficient rigs and trained personnel as a powerful combination for reaching our drilling, safety and utilization targets and winning new contracts with quality clients.

A key driver for financial results in 2022 will ultimately be the continued price development of crude oil and natural gas prices which impacts capital spending by the US energy producers.

Key targets for 2022:

- Ensure continued high safety standard in line with our historical performance
- Continue to operate our rigs with an industry leading effectiveness and efficiency
- Scale our operations and overhead in response to the decline in rig activity, stacking our rigs in a manner that allows us to return to work without incurring substantial costs or delays when the market recovers
- Maintain and develop customer relationships in order to obtain higher dayrates contracts with reputable clients

FUTURE DEVELOPMENT

Dayrates and utilization outlook

All eleven rigs are currently located in the Permian Basin. Our current drilling contract status as of May 24, 2022 is as follows:

- Rig 21 – on contract pad-pad

- Rig 22 – on contract through July 2022

- Rig 23 – on contract pad-pad

- Rig 25 – on contract through November 2022

- Rig 26 – on contract through September 2022

- Rig 27 – on contract through August 2022

- Rig 28 – on contract through November 2022

- Rig 29 – on contract pad-pad

- Rig 30 – on contract pad-pad

- Rig 32 – on contract through September 2022

- Rig 34 – on contract through June 2022

We expect market conditions to remain volatile in the near term. Subject to key risks and uncertainties mentioned in this report we currently expect continued demand for high end "super spec" drilling rigs. Currently, dayrates for high end "super spec" drilling rigs continue to improve primarily due to the lack of available rig supply, operator and drilling contractor financial discipline and supply chain constraints for both labor and supplies.

The Board expects to maintain the Group's strong safety record and low TRIR consistent or better than industry averages.

Operating expenses

Combined with focus on our rig personnel staffing levels and effectively managing our other daily operating costs we were able to maintain rig operating costs during 2021 and in line with our historical performance. In response to the significant reduction in crude oil prices in 2020 and the resulting fall in demand for drilling services in North America, we took decisive action to quickly scale down our expenses and conserve liquidity including: (i) lowering our direct field level personnel as rigs are released, (ii) implemented wage reductions for all employees and Board of Director fees, (iii) suspended our employer 401K match, (iv) working with our vendor partners for best pricing on goods and services and (v) eliminated all non-essential capital expenditures.

During 2021, we reinstituted the wage reduction implemented in 2020. Additionally, we increased wages on January 1, 2022 in order to retain and recruit employees and remain competitive with other drilling contractors' pay rates. We have also experienced price increases during 2022 in other rig supplies as supply chain constraints have increased. We have successfully passed along these increases in labor and rig supplies to our customers. We expect costs could continue to increase in the near future. While our contracts generally allow us to pass along cost increases we can not be certain that any future increases in costs will not negatively impact our operating margins and/or rig activity.

RESEARCH and DEVELOPMENT ACTIVITIES

Neither the Company nor the Group had research and development expenses in 2021.

GOING CONCERN

The Board considers the Financial Statements for 2021 to represent a true and fair view of the development and results of the Company's and Group's operations and accounts as of December 31, 2021. The Board confirms that going concern assumptions are satisfied as to the standards set by the Norwegian Accounting Act and which has formed the basis for the financial statements presented herein for the Company and the Group. This is based on the Boards expectations relating to market conditions going forward, with increased dayrates and utilization expected to continue to gradually recover over the next few years and to at least same levels experienced before COVID-19.

WORKING ENVIRONMENT

As of December 31, 2021, the Group had an operational organization of 243 people including three working at the administration office in Houston.

The Board considers the working environment in the Company and the Group to be good.

Management consists of the Acting Chief Executive Officer / Chief Financial Officer and a Chief Operating Officer. Apart from these individuals, the Company uses external advisors for accounting, legal affairs and other professional services.

The absentee rate was minimal. There were no property damage incidents in 2021.

NorAm Drilling Company AS has no employees during 2021, hence no sick leave. No serious occupational accidents or incidents have been experienced over the year, whether in the parent company or in the subsidiaries.

EQUAL OPPORTUNTIES

The Group and the Company target to be an employer to promote equality for all employees' regardless of nationality, sex, skin color, language or religion. This is true for recruiting new people, for salary and bonus schemes, working relations, promotions and protection against harassment. Women will be encouraged to apply for posted available positions in order to increase the representation of both sexes in the organization. At the end of 2021, the Group had two women employed. There will be no discrimination between men and women regarding recruitment, salaries in relation to position/competence, or promotion, or any other aspect of the Group's activities.

The group has conducted a high-level salary analysis showing that on average, men has higher salary than women. The main reason for this is that the management group consist of only men, and management level has higher average salary than the employees working on the rigs. Among employees working on the rigs, there is no indication on significant differences in average salary between men and women with the same experience etc.

During 2021 the group has had no involuntary part-time employees, and no persons have been on leave of absence.

The NorAm Drilling Company AS Board consists of three men. NorAm Drilling Company Inc. has the same board as NorAm Drilling Company AS.

EXTERNAL ENVIRONMENT

NorAm Drilling Company AS has limited activity and does not pollute the external environment. The Group undertakes activities that are potentially polluting. The oil and gas well drilling business, by its very nature, can, if proper procedures are not followed adversely impact the environment. This can range from blowouts of wells or pollution of the area surrounding the drilling activities.

NorAm Drilling Company takes all reasonable precautions by assuring proper equipment and maintenance and that the rig personnel are all properly trained. Also, NorAm Drilling conducts standard procedures beyond regulations to ensure not to pollute. Other actions taken by NorAm Drilling includes converting engine systems into Dual Gas system, whereby our customers agree, allowing our engines to run on natural gas at a lower cost and generating less pollution.

NorAm Drilling has implemented Health, Environment and Safety services to support the company's activities and the rig crew is trained in Occupational Safety and Health Administration (OSHA) HSE regulations in the US. The focus is to train all site personnel in their daily routines to act safely and to prevent unwanted occurrences with the rigs.

NorAm Drilling complies with US state and federal regulations in its activities, including environmental protection regulation. The operator carries the main responsibility regarding the external environment when drilling a well under standard daywork drilling contracts.

Signature of the Board, May 24, 2022

Ole B. Hjertaker Chairman	Gunnar Eliassen Board member	Christopher Baker Board member

Marty Jimmerson
Chief Executive Officer

Signature of the Board, May 24, 2022

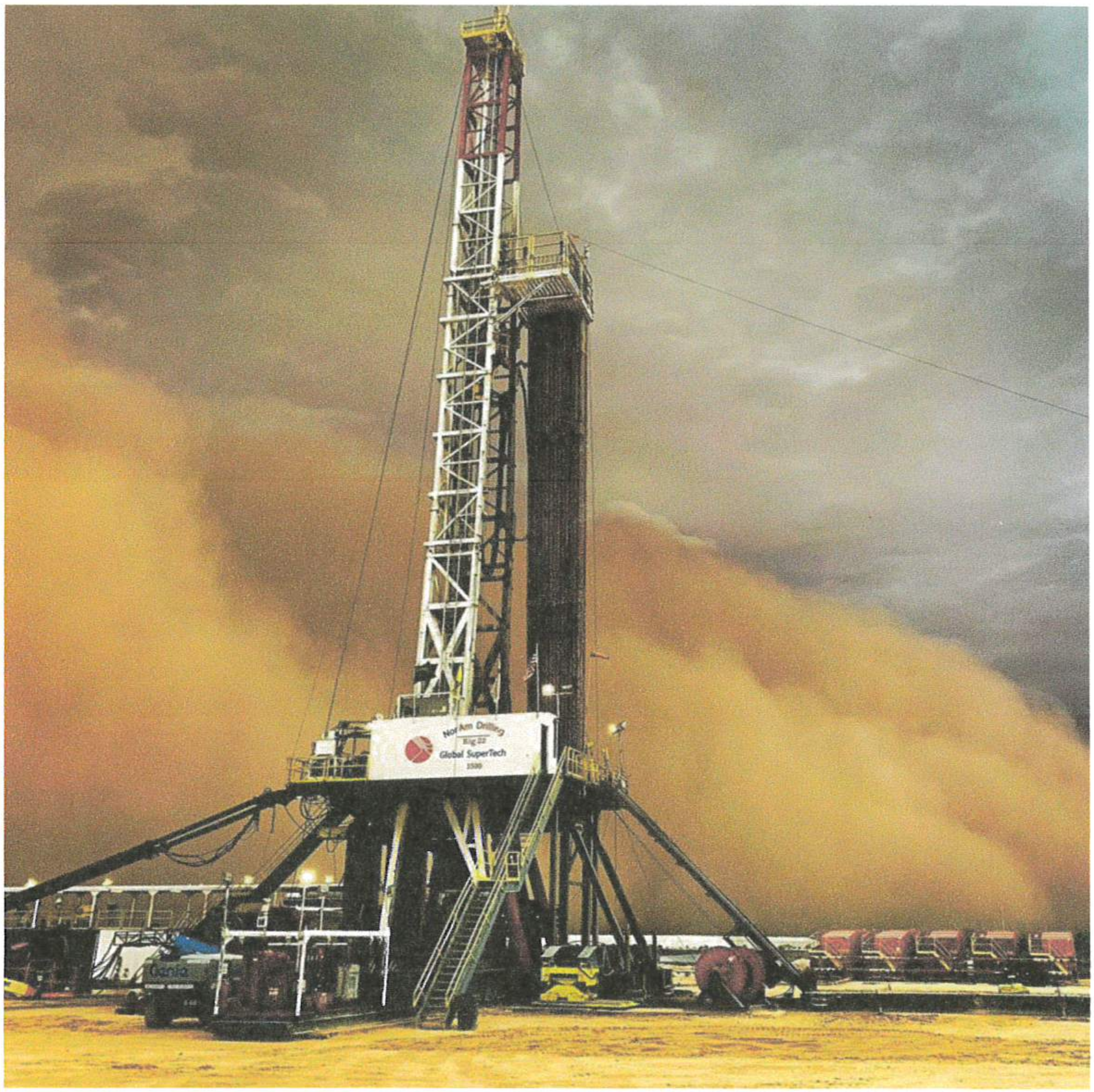
Ole B. Hjertaker
Chairman

Gunnar Eliassen
Board member

Christopher Baker
Board member

Marty Jimmerson
Chief Executive Officer

NorAm Drilling Company



Financial Statements 2021

For NorAm Drilling Company AS and Group

CONSOLIDATED 2021 REPORT

NorAm Drilling Company AS | INCOME STATEMENT | Noram Group

(Amounts in USD 1,000)

2021	2020	Note		Note	2021	2020
-	-	12	Sales	12	50 382	54 659
110	110		Other operating income		-	-
110	**110**		**Total operating income**		**50 382**	**54 659**
77	67	2	Payroll Expences	2	19 751	18 758
-	-		Depreciation of tangible and intangible assets	8	18 307	18 041
-	-		Rig mobilization, service and supplies		16 388	14 662
-	-		Insurance rigs and employees		3 959	3 492
575	1 609	2	Other operating expenses	2	4 281	7 897
652	**1 676**		**Total operating expenses**		**62 687**	**62 851**
					-	-
-542	**-1 567**		**Operating profit (+) / loss (-)**		**-12 305**	**-8 192**
-	-	6, 11	Interest income from group companies			
0	7	11	Other interest income	11	0	7
49	39	11	Other financial income		49	39
7 200	7 395	9, 11	Other interest expenses	9, 11	7 200	7 427
66	376	11	Other financial expenses	11	79	391
-7 217	**-7 725**		**Net financial items**		**-7 229**	**-7 772**
-7 759	**-9 291**		**Profit(+)/Loss(-) before income tax**		**-19 534**	**-15 964**
-686	**-2 520**	3	**Income tax expense**	3	**-701**	**-2 385**
-7 073	**-6 771**		**Net profit(+)/Loss(-)**		**-18 834**	**-13 579**
-7 073	**-6 771**	5	**Transferred to other equity**	5	**-18 834**	**-13 579**

CONSOLIDATED 2021 REPORT

NorAm Drilling Company

NorAm Drilling Company AS **BALANCE SHEET** **Group**

(Amounts in USD 1,000)

2021	2020	Note		Note	2021	2020
			ASSETS			
			Non-current assets			
			Intangible assets			
-	-		Total intangible assets		-	-
			Tangible assets			
-	-		Rigs and accessories	8	101 918	116 804
-	-		Other tangible assets	8	170	215
-	-		Total tangible assets		102 087	117 019
			Financial assets			
84 557	33 143	7	Investment in subsidiaries		-	-
118 307	166 326	6	Loan to group companies		-	-
202 864	199 468		Total financial assets		-	-
202 864	**199 468**		**Total Non-current Assets**		**102 087**	**117 019**
			Current assets			
			Receivable			
-	10 067	6	Accounts receivable		6 143	4 423
14	426		Other receivable		1 060	1 191
14	10 493		Total receivable		7 203	5 614
			Cash and cash equivalent			
1 445	969	4	Bank deposit/cash	4	12 782	16 337
1 445	969		Total cash and cash equivalents		12 782	16 337
1 458	**11 462**		**Total current assets**		**19 985**	**21 951**
204 322	**210 930**		**TOTAL ASSETS**		**122 073**	**138 971**

CONSOLIDATED 2021 REPORT

NorAm Drilling Company AS **BALANCE SHEET** (Amounts in USD 1,000) **Group**

2021	2020	Note		Note	2021	2020
			EQUITY & LIABILITIES			
			Equity			
			Owners equity			
8 839	15 932	5	Share capital	5	8 839	15 932
94 860	94 860	5	Share premium	5	94 860	94 860
439	439	2, 5	Other paid in capital	2, 5	369	369
104 138	111 232		Total owners equity		104 068	111 162
			Accumulated profits			
15 897	15 877	5	Other equity	5	-70 339	-66 099
15 897	15 877		Total accumulated profits		-70 339	-66 099
120 035	**127 108**		**Total equity**		**33 729**	**45 062**
			Liabilities			
1 314	1 988	3	Deferred tax	3	1 962	2 651
1 314	1 988		Total deferred tax		1 962	2 651
			Non-current liabilities			
80 000	80 000	9	Bond loan	9	80 000	80 000
0	0		Other long term liabilities	9	0	5 718
80 000	80 000		Total non-current liabilities		80 000	85 718
			Current liabilities			
2 160	51	6	Accounts payable		2 996	1 330
-	3	3	Tax payable	3	-	3
151	150		Public duties payable		151	150
662	1 631		Other current liabilities		3 236	4 055
2 973	1 835		Total current liabilities		6 382	5 539
84 287	**83 822**		**Total liabilities**		**88 344**	**93 908**
204 322	**210 930**		**TOTAL EQUITY & LIABILITIES**		**122 073**	**138 971**

Oslo, 24.05.2022

Ole Bjarte Hjertaker
Chairman

Christopher Baker
Board member

Gunnar Eliassen
Board member

Marty Jimmerson
CEO

CONSOLIDATED 2021 REPORT

NorAm Drilling Company AS — BALANCE SHEET (Amounts in USD 1,000) — Group

2021	2020	Note		Note	2021	2020
			EQUITY & LIABILITIES			
			Equity			
			Owners equity			
8 839	15 932	5	Share capital	5	8 839	15 932
94 860	94 860	5	Share premium	5	94 860	94 860
439	439	2, 5	Other paid in capital	2, 5	369	369
104 138	111 232		Total owners equity		104 068	111 162
			Accumulated profits			
15 897	15 877	5	Other equity	5	-70 339	-66 099
15 897	15 877		Total accumulated profits		-70 339	-66 099
120 035	127 108		**Total equity**		33 729	45 062
			Liabilities			
1 314	1 988	3	Deferred tax	3	1 962	2 651
1 314	1 988		Total deferred tax		1 962	2 651
			Non-current liabilities			
80 000	80 000	9	Bond loan	9	80 000	80 000
0	0		Other long term liabilities	9	0	5 718
80 000	80 000		Total non-current liabilities		80 000	85 718
			Current liabilities			
2 160	51	6	Accounts payable		2 996	1 330
-	3	3	Tax payable	3	-	3
151	150		Public duties payable		151	150
662	1 631		Other current liabilities		3 236	4 055
2 973	1 835		Total current liabilities		6 382	5 539
84 287	83 822		**Total liabilities**		88 344	93 908
204 322	210 930		**TOTAL EQUITY & LIABILITIES**		122 073	138 971

Oslo, 24.05.2022

Ole B Hjertaker

Ole Bjarte Hjertaker
Chairman

Gunnar W Eliassen

Gunnar Eliassen
Board member

Christopher Baker
Board member

Marty Jimmerson
CEO

CONSOLIDATED 2021 REPORT

NorAm Drilling Company

NorAm Drilling Company AS **STATEMENT OF CASH FLOW** **Group**

(Amounts in USD 1,000)

2021	2020		2021	2020
-7 759	-9 291	Pre-tax profit/loss	-19 534	-15 964
-	-	Tax paid for the period	425	-412
-	-	Depreciation of fixed assets	18 307	18 041
-1 028	-110	Change in accounts receivable	-1 720	9 583
2 109	-724	Change in accounts payable	1 665	-5 424
-546	993	Change in other current balance sheet items	-1 104	319
-7 224	-9 132	Net cash flow from operational activities	-1 961	6 143
-	-	Purchase of tangible fixed assets	-3 376	-2 460
7 700	8 875	Received payment on loans to group companies	-	-
7 700	8 875	Net cash flow from investing activities	-3 376	-2 460
-	-	Downpayments of long term debt	1 782	4 737
-	-	Net cash flow from financing activities	1 782	4 737
476	-257	Net change in cash and cash equivalent	-3 555	8 420
969	1 227	Cash and cash equivalents opening balance	16 337	7 917
1 445	969	Cash and cash equivalents closing balance	12 782	16 337

NorAm Drilling Company AS

Notes to Financial Statement

Note 1 - Accounting Principles

The Financial Statements include Profit and Loss statement, Balance Sheet, Cash Flow Statement and Note Disclosures. The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The Financial Statements are based on the basic principles, and the classification of Assets and Liabilities is according to the definitions of the Norwegian Accounting Act. In application of the accounting principles and presentation of transactions and other information, emphasis has been put not only on legal form, but on economic reality. Conditional losses that are probable and quantifiable are expensed. There have been no changes in the accounting principles used.

1-1 Basis for consolidation

The Group's consolidated financial statements comprise Noram Drilling Company AS and companies in which Noram Drilling Company AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between Group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

1-2 Use of estimates

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with Norwegian generally accepted accounting principles.

1-3 Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

1-4 Revenue recognition and operational costs

Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer.

NorAm Drilling Company Group revenue relates to rental of rig capacity and sale of drilling services from the US based subsidiary NorAm Drilling Company. Sales regarding rental of rig is invoiced and booked in line with actual contract and the period of delivering the services, while drilling services are invoiced and booked in the same period as the services has been provided.

Expenses are recognized with the income to which the expenses relate. Expenses that may not be related to income are recognized when accrued.

1-5 Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22%/21% (Norway/USA) of temporary differences and losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Temporary differences in juristrictions with other currency than USD, is caclulated using local currency and converted to USD at foreign exchange rate at the balance sheet.

1-6 Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items connected to the flow of goods. Other balance sheet items are classified as fixed assets / long-term liabilities.

Current assets are valued at the lower of cost and fair value. Short-term liabilities are recognized at nominal value at the time they incur.

Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognized at nominal value.

1-7 Property, plant and equipment
Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used. Operational leasing is expensed as ordinary rental expense and classified as an ordinary operating expense. Equipment leased on terms that transfer practically all economic rights and obligations to the company (financial leasing) is depreciated as a capital asset, and is included as a liability under interest bearing debt at the present value of minimum rental expense.

1-8 Subsidiaries
Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions are recognized in the same year as they are recognized in the subsidiary financial statement. If dividends / group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the investment in the balance sheet for the parent company.

1-9 Accounts receivable and other receivables
Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

1-10 Pension obligations and expenses
Noram Drilling Company AS has a deposit-based pension plan. Yearly payments to the insurance company are expensed as pension costs.

1-11 Cash Flow Statement
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

1-12 Functional Currency and Presentational Currency
Functional and presentation currency is for NorAm Drilling Company AS and the NorAm Drilling Group is USD. This is based on the following rationale;

NorAm Drilling Company AS
- All significant P/L transactions is denominated in USD (Interest income from group companies, Other interest expenses)
- All significant Balance Sheet items is denominated in USD (Loan to group companies, accounts receivables, Cash and Bond Loan)

NorAm Drilling Group
- All significant P/L transactions is denominated in USD (Sales, Payroll, Operating expenses from US subsidiary and Other interest expenses)
- All significant Balance Sheet items is denominated in USD (Fixed assets, Accounts receivables, cash, Bond Loan, Accounts Payable and other current liabilities)

Note 2 - Payroll expenses / Number of Employees / Remuneration/ Auditor's Fee

	2021		2020	
Payroll expenses etc. (in USD)	**NDC AS**	**Group**	**NDC AS**	**Group**
Salaries	67 520	18 328 595	59 302	17 223 539
Payroll tax/Social Security	9 520	1 422 897	7 979	1 324 994
Pension costs	-	-	-	209 700
Other benefits	-	-	-	-
Payroll expenses etc.	**77 041**	**19 751 492**	**67 281**	**18 758 233**
Number of man-labour years	0	218	0	215

Management Remuneration - Noram Drilling Company AS
(USD)

		2021			
Company officers	**Period**	**Salaries**	**Pensions**	**Other benefits**	**Total**
Marty Jimmerson	01.01 - 31.12	401 995		2 322	404 317
Board	**Period**	**Salaries**	**Pensions**	**Other benefits**	**Total**
Ole Bjarte Hjertaker (Board member/Chairman)	01.01 - 31.12	32 315			32 315
Hermann Refsum Flinder (Board member)**	01.01 - 31.12	32 835			32 835
Kristian Melhuus (Board member)	01.01 - 10.08	18 709			18 709
Gunnar Eliassen (Board member)	10.08 - 31.12	13 350			13 350
Christopher Baker (Board member)		-			-
Espen W. Marcussen (Deputy Board member)	01.01 - 31.12	5 669			5 669
Total Officers		**401 995**	**-**	**2 322**	**404 317**
Total Board		**102 879**	**-**	**-**	**102 879**
Total Remuneration Board and Management		**504 874**	**-**	**2 322**	**507 196**

*Marty Jimmerson received salary from US subsidiary Noram Drilling Company
** Herman R. Flinder has been paid board remuneration from the US subsidiary NorAm Drilling Company
Herman R. Flinder was replaced as board member 15 March 2022.

CEO Marty Jimmerson has a 1 year rolling basis for his employment agreement. In addition to a base salary he is also entitled to a bonus subject to the company's performance.

Mr. Jimmerson is entitled to (i) one-year base salary; (ii) annual cash bonus up to 33% of annual salary and (iii) group health coverage benefits for up to 18 months in the event of a change in control of if his employment contract is terminated for anything other than cause. The CEO is also entitled to a 3-month notice period prior to termination.

It has not been given loan or security for the CEO, CFO, COO, directors or shareholders

Management Remuneration - Group
(USD)

	2021			
Company officers	**Salary**	**Pension costs**	**Other**	**Total**
Noram Drilling Company AS		-		-
Subsidiaries	401 995		2 322	404 317
Board				
Noram Drilling Company AS	102 879	-	-	102 879
Subsidiaries				-
Total Officers	**401 995**	**-**	**2 322**	**404 317**
Total Board	**102 879**	**-**	**-**	**102 879**
Remuneration Board and Management (excl. Share based)	**504 874**	**-**	**2 322**	**507 196**

Noram Drilling Company AS Share-Based Payment
During the period ended 31.12.21, the Company had two share-based payment arrangement, which is described below.

Marty Jimmerson, CEO
Thomas Taylor, COO

Option Plan 2018-2021

Type of arrangement	Equity Based
Options granted 30.04.2018	50 000 for Jimmerson 50 000 for Taylor
Vesting conditions	The option vest as follow for both Jimmerson and Taylor: 1/3 on 15.02.19, 1/3 on 15.02.20 and 1/3 on 15.01.21

Fair value of granted options is calculated using the Black-Scholes-Merton option pricing model.
Recognized cost in 2021 relating the share options are USD 14 494.

Historical details for the option plans are as follows:

	01.01.2021 - 31.12.2021		01.01.2020 - 31.12.2020	
	Options	**Weighted Average Exercise Price**	**Options**	**Weighted Average Exercise Price**
Outstanding at the beginning of period	100 000	20,00	100 000	20,00
Granted			-	-
Exercised			-	-
Terminated			-	-
Forfeited			-	-
Expired			-	-
Outstanding at the end of period	100 000	20,00	100 000	20,00
Vested options	100 000	20,00	-	-

The Option Holder may exercise the vested portion of the options at any time from the date of vesting and until 15 February 2022. Any Options not exercised by 15 February 2022 will automatically become void and lapse without compensation to the Option Holder. As of 15 February 2022 no options were exercised.

New sharebased payment agreement 2022

On 28 February 2022 the Company issued a new option agreement with Marty Jimmerson and Thomas Taylor. The new agreement consist of 150.000 options for each, with vesting dates for 1/3 of the options on 28 February in 2023, 2024 and 2025. The option holder may, on certain conditions, exercise the vested portion of the Options at any time from the date of vesting and until 28 February 2027. Any Options not exercised by 28 February 2027 will automitically become void and lapse without compensation to the Option Holder.

Auditors remuneration (USD, excl. MVA (VAT))

	2021		2020	
	NCD AS	**Group**	**NCD AS**	**Group**
Ordinary audit	66 662	66 662	65 571	151 148
Other confirmation services	-	-	-	-
Tax advisory services	4 298	4 298	13 207	13 207
Other non audit services	33 434	33 434	31 294	31 294
Total	**104 394**	**104 394**	**110 072**	**195 649**

The ordinary audit expense includes fees for auditing the US subsidiary for the Group consolidated accounts.

Note 3 - Tax

(USD)	2021		2020	
	NDC AS	Group	NDC AS	Group
Tax base calculation				
Profit (+)/ Loss (-) before income tax	-7 758 983	-19 534 127	-9 291 378	-15 964 094
Permanent differences	2 911 548	2 911 548	-1 544 117	-1 544 117
Temporary differences	3 304 634	3 289 292	3 778 679	3 959 101
Losses carried forward	-	-	-	-
Tax refund 2019 COVID-19 effect	-	-	1 944 566	1 944 566
Foreign exchange differences	111 265	111 265	-557 192	-557 192
Tax base	**-1 431 536**	**-13 222 022**	**-5 669 442**	**-12 161 736**
Tax	-	-	-	-
Income Tax Payable this year	-	-	-	-
Income Tax Expense:				
Income Tax Payable this year	-	-	-	-45 190
Changes in deferred tax	-1 102 455	-1 117 797	-1 676 265	-1 495 775
Currency effects	-	-	-	-
Tax refund 2019 COVID-19 effect	-12 317	-12 317	-415 484	-415 484
Total Income Tax Expense	**-1 114 772**	**-1 130 114**	**-2 091 749**	**-1 956 449**
Deviation in FS 2020 due to error in NOL's carried forward	428 696	428 696	-428 696	-428 696
Total Income Tax Expense in P&L	**-686 076**	**-701 418**	**-2 520 445**	**-2 385 145**
Income Tax Payable:				
Income Tax Payable this year	-	-	-	-
AMT Credit Refund	-		-	
Prepaid tax	-	-	-	-
Total Income Tax Payable	-	-	-	-
Specification of Basis for Deferred Tax Asset:				
Differences to be balanced				
Fixed assets	-23 127	86 396 455	-29 881	95 053 003
Current assets	-	-	-	-
Deferred gain carried forward	12 911 476	12 911 476	16 682 411	16 682 411
Other differences	-	-	-	-
Total temporary differences	**12 888 349**	**99 307 931**	**16 652 530**	**111 735 414**
NOL's carried forward	-6 916 420	-158 224 728	-5 669 442	-147 890 832
Interest limitation carried forward	-1 618 044	-32 395 321	-1 672 489	-39 037 062
Basis for calculation of deferred tax asset/liability	4 353 885	-91 312 118	9 310 599	-75 192 481
Deferred tax asset (-) /liability (+)	957 855	-18 469 942	2 048 332	-14 895 890
Valuation allowance	355 970	20 431 914	367 948	17 975 658
Deferred tax asset (-) /liability (+) after valuation allowance	**1 313 824**	**1 961 971**	**2 416 279**	**3 079 768**
Deviation in FS 2020 due to error in NOL's carried forward			-428 696	-428 696
Deferred tax asset (-) /liability (+) in balance sheet	**1 313 824**	**1 961 971**	**1 987 583**	**2 651 072**
Deferred tax/tax asset not recorded in balance	355 970	20 431 914	367 948	17 975 658

Deferred tax/ deferred tax asset

Estimated deferred tax asset in subsidiary NorAm Drilling Company is not recorded in the balance sheet due to uncertainty related to valuation of this asset.

Note 4 - Restricted bank accounts

(USD)	2021 Noram Drilling Company AS	2021 Group	2020 Noram Drilling Company AS	2020 Group
Restricted cash related to debt service on Bond loan	759 314	759 314	759 314	759 314
Employees tax deduction, deposited in a separate bank account	5 799	5 799	5 033	5 033
Secure deposit office leasing and credit cards	15 090	15 090	15 090	15 090
Total	**780 203**	**780 203**	**779 437**	**779 437**

Note 5 - Equity and Shareholder Information

Share Capital Noram Drilling Company AS and the Group

	2021 No. of shares	2021 Face value NOK	2021 Book value NOK	2020 No. of shares	2020 Face value NOK	2020 Book value NOK
Ordinary shares	23 392 317	2,00	46 784 634	23 392 317	2,00	46 784 634
Total	23 392 317		46 784 634	23 392 317		46 784 634

Equity (USD) **Noram Drilling Company AS**	**Share Capital**	**Share Premium**	**Other paid in capital**	**Other Equity**	**Total**
Equity 31.12.2020	15 932 262	94 860 376	438 907	15 876 734	127 108 279
Adjustment prior period error*	-7 093 307	-	-	7 093 307	-
Restated equity 31.12.2020	8 838 955	94 860 376	438 907	22 970 040	127 108 279
Profit (+)/Loss (-)				-7 072 908	-7 072 908
Equity 31.12.2021	**8 838 955**	**94 860 376**	**438 907**	**15 897 132**	**120 035 371**

Equity **Group**	**Share Capital**	**Share Premium**	**Other Equity Contributed**	**Other Equity**	**Total**
Equity 31.12.2020	15 932 262	94 860 376	369 053	-66 099 197	45 062 494
Adjustment prior period error*	-7 093 307	-	-	7 093 307	
Restated equity 31.12.2020	8 838 955	94 860 376	369 053	-59 005 890	45 062 494
Debt forgiveness				7 500 000	7 500 000
Profit (+)/Loss (-)				-18 833 585	-18 833 585
Equity 31.12.2021	**8 838 955**	**94 860 376**	**369 053**	**-70 339 475**	**33 728 909**

* Adjustment prior period error relates to a classifisation error between share capital and other equity. The error occured due to translation differences from NOK to USD after a capital reduction on 2016. The net effect on equity is 0. Therefor the error is deemed not material and comparable numbers in the balance sheet is not restated.
Issued capital consists only of ordinary shares

10 Largest Shareholders as per 31.12.2021 — **Noram Drilling Company AS and Group**

	Number of shares	Share (%):
Geveran Trading Ltd	15 842 707	67,7 %
Pactum AS	2 673 034	11,4 %
SFL Corporation Ltd.	1 266 225	5,4 %
Camaca AS	537 112	2,3 %
Thabo Energy AS	450 000	1,9 %
Prima Green Investment AS	321 593	1,4 %
Jahrmann AS	264 590	1,1 %
Robert Wood Johnson Foundation	235 385	1,0 %
Naeringslivets Hovedorganisasjon	197 301	0,8 %
MMP Invest AS	150 000	0,7 %
Other	1 454 370	6,2 %
Total	**23 392 317**	**100 %**

Note 6 Intercompany Balances

(USD)	2021	2020
Noram Drilling Company AS		
Loan to NorAm Drilling Company (subsidiary)	118 306 926	166 325 630
Loan from NorAm Drilling Company (subsidiary)		
Accounts payable to NorAm Drilling Company (subsidiary)	2 162 639	50 832
NorAm Drilling Company AS receivables from NorAm Drilling Company (subsidiary)	-	10 067 167

Due to the difficulties in the market following COVID-19, Noram Drilling Company AS has given it's subsidiary a temporary relief of any interest on intercompany loan.

Note 7 Shares in Subsidiaries

(USD) Company	Book value	Shares	Share of voting rights	Equity 2021	Result 2021	Main Office
NorAm Drilling Company	84 556 593	100 %	100 %	-1 749 859	-11 760 677	Houston

On December 23, 2021, the parent company converted part of its debt against it US Subsidiary NorAm Drilling Corp. The capital increase is done by issuance of 218.000 shares to a total amount of USD 51 413 737.

Impairment trigger analysis and impairment assessment for investments in subsidiaries
Book value of investment in subsidiary exceeds booked value of equity in the subsidiary. Based on this, management has tested shares in subsidiaries for impairment. The test is based on value in use test for fixed assets in the subsidiaries, adjusted for net interest bearing debt. See note 8. No impairment is recognized in 2021.

The changes in the impairment calculations has not resulted in any impairment expenses as of year-end 2021, and the headroom is in line with 2020.

There are always uncertainty relating to future changes in the market, hence the result of the calculation could change with other inputs. The most sensitive inputs to the impairment calculations is expected dayrates, OPEX, utilization and discount rate. Based on a small headroom in calculated NPV, small adjustment on key inputs, would lead to an impairment in shares.

For changes in estimated due to events after the reporting day, please see note 14

Note 8 Tangible assets

Group

Property, plant and equipment **(USD)**	Rigs and accessories	Vehicles and Office Equipment	Land	Total
Acquisition cost at 01.01	196 730 386	2 135 326	-	198 865 712
Additions	3 375 729	-		3 375 729
Disposals				
Acquisition cost at 31.12	200 106 115	2 135 326	-	202 241 441
Accumulated depreciation 31.12	98 188 493	1 965 552	-	100 154 045
Net carrying value at 31.12	101 917 622	169 774	-	102 087 396
Depreciation for the year	18 262 379	45 015	-	18 307 394
Impairment loss for the year	-	-	-	-

Both the parent company and the group use linear depreciation for all tangible assets

The useful economic life is estimated to be:	Years
* Buildings and other real estate	20-50
* Machinery and equipment	3-15
* Land	Indefinite

Note 8 Tangible assets continues

Impairment trigger analysis and impairment assessment on tangible assets

Due to the uncertain market conditions, resulting from COVID-19 pandemic and oil production changes, we have reviewed assumptions for the carrying values of our assets. This includes assumptions for development in dayrates, OPEX and other critical inputs were adjusted. The development in dayrates and rig utilization during 2020 and early 2021 was considered as temporary setbacks, and not permanent changes, hence this is reflected in the company's impairment model

There is significant uncertainty relating to the recovery of the market, and the key inputs are therefore uncertain.

The conclusion on the impairment calculation, based on information available and that dayrates and utilization have been better than projected, is that there is no need for impairment charges during 2021 or as of December 31, 2021. As of May 2022, all of our rigs were under contract. The timing of our rig reactivations, actual dayrates and margins being earned on current contracts and the near term outlook as a result of oil prices are all favorable compared to the assumptions used in our impairment analysis. Management and the board of directors will continue to follow the developments in the market closely and assess impairment continuously if expected future market conditions change.

For changes in estimated due to events after the reporting day, please see note 15

Note 9 Liabilities

(USD)	2021 NDC AS	2021 Group	2020 NDC AS	2020 Group
Long term liabilities with maturity before 5 years				
Bond	80 000 000	80 000 000	80 000 000	80 000 000
Other long term liabilities	-	-	-	5 718 136
Total	80 000 000	80 000 000	80 000 000	85 718 136

Bond

03.06.2014 the Group issued a new Bond loan of USD 120 000 000 with 5 years maturity. This agreement has been amended at several occations, latest on 16 May 2022, please see further details in note 15.

The Group has a Bond loan as of 31.12.21

Outstanding as of 31.12.21	80 000 000
Maturity date on bond loan	03.06.2022
Repayment during 2021	-

The Bond Loan includes several financial covenants, including

- Liquidity – The Group's liquidity should be held at MUSD 5
- Current Ratio – Minimum 1:1
- Asset Coverage Ratio - The Issuer shall ensure that the sum of the Account Amount and the Market Value of the Rigs at any time is minimum 130% of the total par value of the Outstanding Bonds.

The Group complied with the financial covenants as of 31.12.2021.

Other long-term liabilities

Other long-term debt is related to NorAm Drilling Company's purchase of vehicles, yard and warehouse including offices. The debt has security in the assets.

	2021 NDC AS	2021 Group	2020 NDC AS	2020 Group
Secured debt:	80 000 000	80 000 000	80 000 000	85 718 136
Pledged assets:				
Assets in subsidiaries	101 917 622	101 917 622	116 804 272	116 804 272
Yard and vehicles	-	169 774	-	214 790
Total	101 917 622	102 087 396	116 804 272	117 019 061

Revolving Credit Facility

The company has an Revolving Credit Facility of MUSD 6 available for working capital and CAPEX upgrade purposes.

Note 10 - Earnings per share

	2021		2020	
(USD)	**NDC AS**	**Group**	**NDC AS**	**Group**
Result after income tax	-7 072 908	-18 833 585	-6 770 932	-13 578 948
Shares	23 392 317	23 392 317	23 392 317	23 392 317
Warrants	100 000	100 000	100 000	100 000
EPS	-0,30	-0,81	-0,29	-0,58
EPS (incl. Options)	-0,30	-0,80	-0,29	-0,58

Note 11 Net Financial Items

	2021		2020	
	NDC AS	**Group**	**NDC AS**	**Group**
Financial income				
Interest income from group companies	-	-	-	-
Other interest income				
Interest income bank	313	313	7 283	7 283
Other financial income				
Currency gains	49 232	49 232	38 950	38 950
Total financial income	49 545	49 545	46 233	46 233
Financial expenses				
Other interest expenses				
Interest expense bond loan	7 200 003	7 200 003	7 395 007	7 395 007
Other interest expenses	-	-		32 142
Other financial expenses				
Other financial expense	-	-	-	-
Write-down investments in subsidiaries	-	-	-	-
Currency losses	66 442	78 516	376 016	391 067
Total Financial expenses	7 266 445	7 278 519	7 771 023	7 818 217
Net financial items	**-7 216 900**	**-7 228 974**	**-7 724 790**	**-7 771 983**

Note 12 – Segment and Geographic Information

The Company does not operate in different market segments.

The Group owns and operates land-based oil & gas drilling rigs. All drilling operations in 2021 were in the US.

2021

(USD)	**Noram Drilling Company AS**	**Drilling service NorAm**	**Group**
Sales income from third parties	-	50 381 654	50 381 654
Sales income from other segments	109 688	-	-
Depreciation	-	18 307 394	18 307 394
Other operating expenses	651 770	43 727 642	44 379 413
Operating profit	**-542 082**	**-11 653 382**	**-12 305 152**
Financial expenses	7 266 445	12 074	7 278 519
Financial expenses other segments	-	-	-
Financial income	49 545	-	49 545
Financial income other segments		-	-
Net financial items	**-7 216 900**	**-12 074**	**7 228 974**
Taxes	-686 075	-14 467	-700 542
Non Current Assets	202 863 519	102 087 396	102 087 396
Interest bearing debt third parties	80 000 000	-	80 000 000
Interest bearing debt other segments		118 306 926	-

Note 12 – Segment and Geographic Information continues

2020

(USD)	**Noram Drilling Company AS**	**Drilling service NorAm**	**Group**
Sales income from third parties	-	54 658 764	54 658 764
Sales income from other segments	109 688	-	-
Depreciation	-	18 041 199	18 041 199
Other operating expenses	1 676 276	43 133 399	44 809 675
Operating profit	**-1 566 588**	**-6 515 834**	**-8 192 110**
Financial expenses	7 771 023	47 194	7 818 217
Financial expenses other segments	-	-	-
Financial income	46 233	-	46 233
Financial income other segments		-	-
Net financial items	**-7 724 790**	**-47 194**	**7 771 983**
Taxes	-2 520 446	135 300	-2 385 146
Non Current Assets	199 468 486	117 019 061	117 019 061
Interest bearing debt third parties	80 000 000	5 718 136	85 718 136
Interest bearing debt other segments		166 325 630	-

Note 13 – Contingent assets

As a result of the COVID-19 pandemic, and as part of the Cares act, NorAm Drilling has applied for support relating to the Employee Retention Tax Credit (ERTC), which is a payroll credit available from March 12, 2020 through September 30, 2021 for a total amount of approximately MUSD 4. As of year end 2021 the company has not received confirmation that the application is approved, nor received confirmation that they comply with the requirements for receiving payroll credit. Due to this, there is significant uncertainty if the company will receive any support through this public system, hence no payroll credit is recognized in the Annual Report for 2021.

Note 14 – Cares act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act". The CARES Act, among other things, includeds provisions relating to refundable payroll tax credit, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvements property.

On May 5, 2020 the company entered into an unsecured laon in the aggregate principal amount of MUSD 5,5 pursuant to the Paycheck Protection Program which is part of the CARES Act initiatives.

On October 16, 2020, we filed our final application for forgiveness requesting forgiveness of the entire MUSD 5.5 based upon the guidelines provided by the governing authorities. The loan was forgiven in full in May 2021.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill both materially changed existing PPP loans and authorized another round of PPP loans ("second draw PPP loans").

On February 5, 2021, we entered into a second draw PPP loan in the aggregate principal amount of MUSD 2. The loan was forgiven in full in October 2021.

Note 15 – Subsequent events

Market & Activities

As a result of the COVID – 19 pandemics, changes in global oil supplies and demand and the recent Russian invasion of Ukraine, oil prices remain volatile. Since August 2020, WTI oil prices and US land rig counts have steadily increased indicating that the US drilling industry bottomed in 3Q 2020. Since October 2020, WTI has continued to improve. WTI began 2021 around $50 per barrel and finished 2021 near $75 per barrel. WTI is currently trading above $100 per barrel.

As of May 20, 2022, the US land drilling active rig count and Permian rig count was 709 and 440, respectively. As of December 31, 2021, the US land drilling active rig count and Permian rig count was 570 and 293, respectively. In comparison, as of December 31, 2020, the US land drilling active rig count and Permian rig count was 332 and 175, respectively We currently have all eleven rigs under contract.

Outlook

As of May 27, 2022, all of our rigs were under contract. The timing of our rig reactivations, actual dayrates and margins being earned on current contracts and the near term outlook as a result of oil prices are all favorable to our forecast.
We expect market conditions to remain volatile in the near term. The extent of a continued recovery in the US drilling industry cannot be reasonably predicted and is subject to many variables including, but not limited to:

i. global oil demand
ii. OPEC+ maintaining and complying with appropriate supply targets
iii. Russian / Ukraine war
iv. economic recovery as the COVID – 19 pandemic is mitigated
v. possible economic recession in the US and around the globe
vi. operator and drilling contractor discipline
vii. labor and supply chain constraints
viii. any possible regulatory changes issued by the US government

Subject to key risks and uncertainties mentioned above we currently expect continued demand for high end "super spec" drilling rigs. Currently, dayrates for high end "super spec" drilling rigs continue to improve primarily due to the lack of available rig supply, operator and drilling contractor financial discipline and supply chain constraints for both labor and supplies.

Bond amendments

On May 16, 2022, the Company and holders of the Bond loan agreed to the following amendments: (i) extend the maturity date from June 3, 2022, to June 3, 2023; (ii) schedule a principal installment of MUSD 5.0 on December 3, 2022; (iii) amend the prepayment structure to allow for partial prepayments at par value at a minimum of MUSD 5.0; and (iv) pay an amendment fee of USD 400,000.

New sharebased payment agreement 2022

On 28 February 2022 the Company issued a new option agreement with Marty Jimmerson and Thomas Taylor. For further information on the option agreement, see note 2.

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To the General Meeting of Noram Drilling Company AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Noram Drilling Company AS, which comprise:

- The financial statements of the parent company Noram Drilling Company AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Noram Drilling Company AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 25 May 2022
KPMG AS

Ståle Christensen
State Authorised Public Accountant

APPENDIX C:

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NorAm Drilling Company

Annual Report 2020

NorAm Drilling Company AS

Contents

General Information

This report contains forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements may be identified by the use of forward-looking terminology such as "believes", "experts", "predicts", "may", "will continue", "should", "would be", "seeks" or "anticipates" or similar expressions or comparable terminology, or by discussions of plans, intentions and strategy.

Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. The Company or its officers assumes no obligation that such expectations will prove to be correct. These forward-looking statements are subject to risks and uncertainties that could cause actual results to vary materially from such forward-looking statements.

Accounting and Auditing

NorAm Drilling Company AS is audited by KPMG Norway. The accounting is outsourced to Amesto Business Partner, Norway.

NorAm Drilling Company performs its own accounting.

Alternative Performance Measurement (APM)

In the report we refer to the APM EBITDA; Earnings Before Interest, Tax, Depreciation and Amortization.

THIS IS NORAM DRILLING GROUP

NorAm Drilling Company AS ("the Group", "NorAm" or "the Company") owns and operates a quality rig portfolio of "super spec" advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

Established in 2007, the Company owns and finances companies operating onshore oil and gas drilling rigs. At year-end 2020, the Group's fleet consisted of 11 "super spec" rigs located in the Permian Basin.

The Company Structure

The parent company NorAm Drilling Company AS owns 100% of NorAm Drilling Company, Texas Corp., a US-based drilling contractor, located in Houston, Texas.

NorAm Drilling Company owns all eleven rigs and is financed through a combination of equity investments and intercompany loans, at arm's length terms, from its parent. NorAm Drilling Company is staffed with competent, local personnel that perform all aspects of a contract drilling company. NorAm Drilling Company AS consists mainly shares in and loans to its US subsidiary.

Our Offices

NorAm Drilling Company AS head office is in Oslo, Norway. The office is located at Bryggegata 3, 0112 Oslo, Norway.

NorAm Drilling Company is headquartered in Houston, Texas. NorAm Drilling Company has yard facilities in Odessa, Texas.

Organization and Operations

Marty Jimmerson has served as Chief Executive Officer and Chief Financial Officer since joining the Company in January 2017. Thomas Taylor has served as Chief Operating Officer since November 2014 and has been with the Company for 10 years. Mr. Jimmerson and Mr. Taylor fulfil their roles for both NorAm Drilling Company AS and NorAm Drilling Company.

The executive team is supported with a compliment of business development, safety, operations (including electricians, mechanics and equipment specialists) and accounting functions. Each rig is supported by crews that work on 2-week hitches. Each hitch is staffed with crews working 12-hour shifts. The rig is managed by a rig manager and each hitch is typically staffed with a minimum of a driller, derrickman, motorman and two floormen.

Board of Director's Report

Nature of the business activities and where these are conducted

NorAm Drilling Company AS (herein called "Company") and its subsidiaries (herein called "Group") were established on February 19, 2007.

The Group's executive management team is based out of Houston, Texas with administrative functions located in both Houston and Oslo, Norway.

The Group consists of the Norwegian parent company NorAm Drilling Company AS and operating subsidiary NorAm Drilling Company, Texas Corporation. The Group invests, owns and operates eleven onshore oil and gas well drilling rigs currently operating in the Permian Basin in the United States. The Group has established a solid foothold in the lower US, with significant operating experience in Louisiana, New Mexico, Oklahoma and Texas.

The Group currently focuses solely on the US land drilling market. The Group has a rig portfolio of eleven advanced high-end AC-driven rigs tailored for the drilling of horizontal wells. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

2020 Developments

Market and contracts

Reduced demand for crude oil and refined products related to the COVID – 19 pandemic, combined with production increases from OPEC+, led to a significant reduction in crude oil prices and demand for drilling services in North America during 2020.

More recently, as a result of improved optimism for increased global oil demand as vaccines are being administered related to COVID – 19 and OPEC+ controlling its production, crude oil prices and demand for drilling services in North America started to improve in late 2020.

Oil prices remain volatile, as the closing price of US West Texas Intermediate (WTI) crude reached a first quarter 2020 high of $63.27 per barrel on January 6, 2020 and a low of negative $37.63 per barrel on April 20, 2020. WTI increased steadily from late April 2020 and remained relatively stable near $40 per barrel through October 2020. Since October 2020, WTI improved and is currently trading near $65.00 per barrel.

As of May 21, 2021, the US land drilling active rig count and Permian rig count was 440 and 231, respectively. As of December 31, 2020, the US land drilling active rig count and Permian rig count was 332 and 175, respectively. As of December 31, 2019, the US land drilling active rig count and Permian rig count was 781 and 405, respectively.

As of March 31, 2020, all eleven of our rigs were under contract and operating in the Permian Basin. Our rig count started to decline in late April, and we were operating 4 rigs in Q3 2020. We reactivated a 5th rig in Q4 2020 and reactivated a 6th and 7th rig in Q1 2021. We currently have seven rigs under contract.

As a result of the COVID – 19 pandemic we initiated several steps at our rig sites and operational service centers to ensure the safety of our employees, customers and 3rd party partners. To date, our staffing and rig operations have not experienced any significant disruption as a result of COVID – 19.

In response to the significant reduction in crude oil prices and the resulting fall in demand for drilling services in North America during 2020, we initiated decisive actions to quickly scale down our expenses and conserve liquidity including: (i) lowering our direct field level personnel as rigs were released, (ii) implemented wage reductions for all employees and Board of Director fees, (iii) suspended our employer 401K match, (iv) work with our vendor partners for best pricing on goods and services and (v) eliminated all non-essential spending. Additionally, we are maintaining any stacked rig in a manner to ensure that we can reactivate these rigs in the most cost effective and efficient manner when demand for drilling services improves. We successfully reactivated three of our rigs and were reactivated in line with our expectations and performing well.

CARES ACT

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

On May 5, 2020, we entered into an unsecured loan in the aggregate principal amount of MUSD 5.5 pursuant to the Paycheck Protection Program which is part of the CARES Act Initiatives. This loan was forgiven in full on May 11, 2021.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This Bill authorized another round of PPP loans ("second draw PPP loans"). On February 5, 2021, we entered into a second PPP loan in the aggregate principal amount of MUSD $2.0.

BOND AMEDMENTS

On May 8, 2020, a bondholders' meeting was held and the following was approved including: (i) the principal installment scheduled for June 3, 2020 was waived; (ii) the equity covenant was waived through maturity date of June 3, 2021 and (iii) an amendment fee of $250,000 would be paid to the bondholders' within 10 business days of the meeting. NorAm paid the amendment fee on May 18, 2020.

On November 24, 2020, a bondholders' meeting was held and the following was approved: (i) the principal installment scheduled for December 3, 2020 was waived; (ii) the maturity date was extended to June 3, 2022 and (iii) an amendment fee of $400,000 will be paid to the bondholders' within 10 business days of the meeting. No principal payments are due and the outstanding balance of MUSD 80.0 is due on June 3, 2022.

Company development, results and financing

NorAm had revenue of MUSD 54.7 for the year ending December 31, 2020 compared to MUSD 82.4 during 2019. For the year ending December 31, 2020 we generated an operating loss of MUSD 8.2 compared to an operating profit of MUSD 6.9 in 2019. For the year ending December 31, 2020 we generated an EBITDA of MUSD 9.8 compared to MUSD 24.1 in 2019.

Capital expenditures were MUSD 2.5 for the year ending December 31, 2020. As of December 31, 2020, our cash position was MUSD 16.3, we had MUSD 80.0 of outstanding bonds payable to 3rd parties and we had full availability of our MUSD 6.0 Revolving Credit Facility.

Key financial figures:

MUSD	2020	2019
Revenue	54.7	82.4
Operating Profit	(8.2)	6.9
Net Profit before Tax	(16.0)	-1.0
EBITDA	9.8	24.1

Impairment on fixed assets

An analysis done at year end 2019 concluded that there are no impairment triggers for the Group's fixed assets, hence no impairment analysis performed as of 31.12.19.

Due to the uncertain market conditions, resulting from COVID-19 pandemic and the production changes from OPEC+, the Board of Directors continued to follow this development closely. The uncertainty increased during Q1 2020 and determined that an impairment trigger had occurred. Management performed a subsequent impairment calculation as of end Q1 – Q4 2020. Managements quarterly impairment assessments has shown that key inputs in the impairment model for Q1 2020 has improved slightly quicker than expected, hence no impairment charged to the financial statement as of year-end 2020.

As input to the model expected assumptions prevailing for development in dayrates, OPEX and other critical inputs was adjusted. In the model, the long-term effects of COVID-19 and the change in oil prices is reflected as temporary setbacks on day-rates and utilization. Both are expected to gradually recover over the next 3 years, to the same levels used in the impairment model as of year-end 2019.

There is significant uncertainty relating to the recovery of the market, and the key inputs are therefore uncertain. The conclusion on the impairment calculation, based on information available and the prevailing estimates for recovery of oil prices etc, is that there is no need for impairment charges during 2020 or as of December 31, 2020, but management and the board of directors will follow the developments in the market closely and assess impairment continuously if expected future market conditions changes.

Financing

On the balance sheet, the Group has equity of MUSD 45.2 equivalent to an equity ratio of 32.5% at year-end 2020, compared to MUSD 58.6 of equity and a 37.5% equity ratio at year-end 2019.

The Company's balance sheet at year end 2020 had equity of MUSD 124.2 and an equity ratio of 59.0%, compared to MUSD 133.9 of equity and a 60.8% equity ratio at yearend 2019.

The Board considers the equity for both the Company and Group to be in compliance with the requirement for sufficient equity under the Norwegian Limited Liability Companies Act.

The Company and Group is financed through equity and a bond loan, see note 9 to the Financial Statement. The bond loan outstanding as of December 31, 2020 was MUSD 80.0.

The Group is financed through equity and a bond loan. On May 8, 2020, a bondholders' meeting was held and the following was approved including: (i) the principal installment scheduled for June 3, 2020 was waived; (ii) the equity covenant was waived through maturity date of June 3, 2021 and (iii) an amendment fee of $250,000 would be paid to the bondholders' within 10 business days of the meeting. NorAm paid the amendment fee on May 18, 2020.

On November 24, 2020, a bondholders' meeting was held and the following was approved: (i) the principal installment scheduled for December 3, 2020 was waived; (ii) the maturity date was extended to June 3, 2022 and (iii) an amendment fee of $400,000 will be paid to the bondholders' within 10 business days of the meeting. No principal payments are due and the outstanding balance of MUSD 80.0 is due on June 3, 2022.

The Board of Directors confirm, based upon current market assumptions, that it is expected that the Company and Group will be compliant with all other covenants set out in the bond loan agreement through 2021.

Cash flow and liquidity

The cash position for the Group improved from MUSD 7.9 as of December 31, 2019 to MUSD 16.3 as of December 31, 2020 mainly attributable to:

- MUSD 5.5 loan proceeds from the Cares Act mentioned above.
- Refinancing of the bond loan, ensuring that no payments on the bond loan are paid in 2020
- The Group implemented several cost saving initiatives
- The Group invested MUSD 2.5 in capital expenditures in 2020
- The Group also has a revolving credit facility of MUSD 6.0 available for capital expenditures

Key risks and uncertainties

The Group and the Company are exposed to a number of risk factors when performing its activities, such as market risk, operational risk, credit risk and liquidity risk. The Company's and the Group's key operational risks are comprised to a large extent of (i) oil and gas prices, (ii) number of rigs available for drilling in the US and the rig count (rigs employed), and (iii) risk related to suppliers and clients.

Global oil and gas prices have been historically and will likely continue to be volatile for the foreseeable future. Global demand and supply of oil; levels of exploration and production by oil and gas companies operating in the United States; worldwide political, regulatory, economic and military events as well as natural disasters have contributed to oil and gas volatility and are likely to continue to do so in the future. The US land drilling market is strongly related to energy prices. Day rates and utilization levels of the Group's rigs correlate with the price of oil and natural gas. An increase in oil price requires supply reductions or increases in demand. The Group's income is the most sensitive factor, and a reduction either in utilization or day rates compared to budget has clear negative effects on the result. Conversely, higher rates and utilization have very positive effects on our results. The cost level will vary with constraints in the market for input factors.

The client risk of the Group varies, and even though the Group targets blue-chip E&P clients with extensive operations, contracts may also be signed with smaller companies to increase utilization of the rigs. In such cases, a review of financial statements or payment references is performed to reduce risk of non-payment.

Supplier and client risks are also present in the market in which the Group is operating. Even if the Group targets contracts with larger and financially solid partners, the contracts will be subject to uncertainty with regards to the suppliers' or the clients' ability to meet their commitments, as they, too, on a general basis also will be subject to market and financial risk. Idle rigs will lead to significant loss of income.

In addition, there could be stacking expenses during weak periods of demand for rigs resulting on loss of work. Such expenses are modest in terms of influence on the result. The Group is also exposed to changes in the regulatory and fiscal frameworks in Norway and the USA.

Business outlook

The Group will continue its focus on operating its premium rig fleet and evaluate opportunities to build a larger US presence by further developing our US subsidiary. The foundation has been laid over the years, building strong inhouse drilling competences and safety records, a flat organization with focus on training and motivation of our drilling crews, effective corporate routines and strong client relationships.

By growing the Group's rig fleet from three rigs in 2009 to eleven "Super Spec" rigs by 2020, the Group has taken important steps forward to become an important player in the US onshore drilling industry.

The Group has an ongoing dialogue with its existing customers as well as potential new customers about rig performance and contracts. The Board emphasizes the importance of modern, efficient rigs and trained personnel as a powerful combination for reaching our drilling, safety and utilization targets and winning new contracts with quality clients.

A key driver for financial results in 2021 will ultimately be the continued price development of crude oil and natural gas prices which impacts capital spending by the US energy producers.

Key targets for 2021:

- Ensure continued high safety standard in line with our historical performance
- Continue to operate our rigs with an industry leading effectiveness and efficiency
- Scale our operations and overhead in response to the decline in rig activity, stacking our rigs in a manner that allows us to return to work without incurring substantial costs or delays when the market recovers
- Maintain and develop customer relationships in order to obtain higher dayrates contracts with reputable clients

Future development

Dayrates and utilization outlook

Today, all eleven rigs are currently located in the Permian Basin. Our current drilling contract status is as follows:

- Rig 21 – on contract pad-pad

- Rig 22 – on contract through July 2021

- Rig 23 – on contract pad-pad

- Rig 25 – on contract through June 2021

- Rig 26 – on contract through July 2021

- Rig 27 – on contract through August 2021

- Rig 28 – available

- Rig 29 – available

- Rig 30 – on contract pad-pad

- Rig 32 – available

- Rig 34 – available

We expect market conditions to remain volatile in the near term until demand improves for crude oil and refined products.

The Board expects to maintain the Group's strong safety record and low TRIR consistent or better than industry averages.

Operating expenses

Combined with focus on our rig personnel staffing levels and effectively managing our other daily operating costs we were able to maintain rig operating costs during 2020 and in line with our historical performance. In response to the significant reduction in crude oil prices and the resulting fall in demand for drilling services in North America, we have taken decisive action to quickly scale down our expenses and conserve liquidity including: (i) lowering our direct field level personnel as rigs are released, (ii) implemented wage reductions for all employees and Board of Director fees, (iii) suspended our employer 401K match, (iv) working with our vendor partners for best pricing on goods and services and (v) eliminated all non-essential capital expenditures. Additionally, we are maintaining any stacked rig in a manner to ensure that we can reactivate any rig in the most cost effective and efficient manner when demand for drilling services improves.

Liquidity/Cash flow

The Company and Group is financed through equity and a bond loan, see note 9 to the Financial Statement. The Bond Loan outstanding as of December 31, 2020 was MUSD 80.0.

Additionally, in July 2019 Noram secured a MUSD $6.0 Revolving Credit Facility with a bank. The committed facility provides for borrowings for purposes of financing capital expenditures and general working capital purposes. The faciality terminates on June 30, 2021. On May 27, 2021 the Company entered into an amendment agreement of this facility whereby it (i) extends the maturity to May 2023 or maturity of the Bond Loan, and (ii) makes the facility available for capital expenditures.

Impairment fixed assets

Due to the uncertain market conditions, resulting from COVID-19 pandemic and the production changes from OPEC+, the Board of Directors continued to follow this development closely. The uncertainty increased during Q1 2020 and determined that an impairment trigger had occurred. Management performed a subsequent impairment calculation as of end Q1 – Q4 2020. As input to the model expected assumptions prevailing for development in dayrates, OPEX and other critical inputs was adjusted. There is significant uncertainty relating to the recovery of the market, and the key inputs are therefore uncertain. The conclusion on the impairment calculation, based on information available and the prevailing estimates for recovery of oil prices etc, is that there is no need for impairment charges during 2020 or as of December 31, 2020, but management and the board of directors will follow the developments in the market closely and assess impairment continuously if expected future market conditions changes.

Research and development activities

Neither the Company nor the Group had research and development expenses in 2020.

Going concern

The Board considers the Financial Statements for 2020 to represent a true and fair view of the development and results of the Company's and Group's operations and accounts as of December 31, 2020. The Board confirms that going concern assumptions are satisfied as to the standards set by the Norwegian Accounting Act and which has formed the basis for the financial statements presented herein for the Company and the Group. This is based on the Boards expectations relating to market conditions going forward, with increased dayrates and utilization expected to continue to gradually recover over the next few years and to at least same levels experienced before COVID-19.

Working environment

As of December 31, 2020, NorAm Drilling Company had an operational organization of 153 people including three working at the administration office in Houston.

The Board considers the working environment in the Company and the Group to be good.

Management consists of the Acting Chief Executive Officer / Chief Financial Officer and a Chief Operating Officer. Apart from these individuals, the Company uses external advisors for accounting, legal affairs and other professional services.

The absentee rate was minimal. There were no property damage incidents in 2020.

The Company has no employees during 2020, hence no sick leave. No serious occupational accidents or incidents have been experienced over the year, whether in the parent company or in the subsidiaries.

Equal opportunities

Women will be encouraged to apply for posted available positions in order to increase the representation of both sexes in the organization. At the end of 2019, the Group had three women employed. There will be no discrimination between men and women regarding recruitment, salaries in relation to position/competence, or promotion, or any other aspect of the Group's activities.

The NorAm Drilling Company AS Board consists of three men. NorAm Drilling Company Inc. has the same board as NorAm Drilling Company AS.

Non-discrimination and accessibility

The Group and the Company target to be an employer to promote equality for all employees' regardless of nationality, sex, skin color, language or religion. This is true for recruiting new people, for salary and bonus schemes, working relations, promotions and protection against harassment.

External environment

NorAm Drilling Company AS has limited activity and does not pollute the external environment. The Group undertakes activities that are potentially polluting. The oil and gas well drilling business, by its very nature, can, if proper procedures are not followed adversely impact the environment. This can range from blowouts of wells or pollution of the area surrounding the drilling activities.

NorAm Drilling Company takes all reasonable precautions by assuring proper equipment and maintenance and that the rig personnel are all properly trained. Also, NorAm Drilling conducts standard procedures beyond regulations to ensure not to pollute. Other actions taken by NorAm Drilling includes converting engine systems into Dual Gas system, whereby our customers agree, allowing our engines to run on natural gas at a lower cost and generating less pollution.

NorAm Drilling has implemented Health, Environment and Safety services to support the company's activities and the rig crew is trained in Occupational Safety and Health Administration (OSHA) HSE regulations in the US. The focus is to train all site personnel in their daily routines to act safely and to prevent unwanted occurrences with the rigs.

NorAm Drilling complies with US state and federal regulations in its activities, including environmental protection regulation. The operator carries the main responsibility regarding the external environment when drilling a well under standard daywork drilling contracts.

Signature of the Board, May 28, 2021

Ole B. Hjertaker Chairman	Kristian Melhuus Board member	Herman Flinder Board member

Marty Jimmerson
Chief Executive Officer

External environment

NorAm Drilling Company AS has limited activity and does not pollute the external environment. The Group undertakes activities that are potentially polluting. The oil and gas well drilling business, by its very nature, can, if proper procedures are not followed adversely impact the environment. This can range from blowouts of wells or pollution of the area surrounding the drilling activities.

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Signature of the Board, May 28, 2021

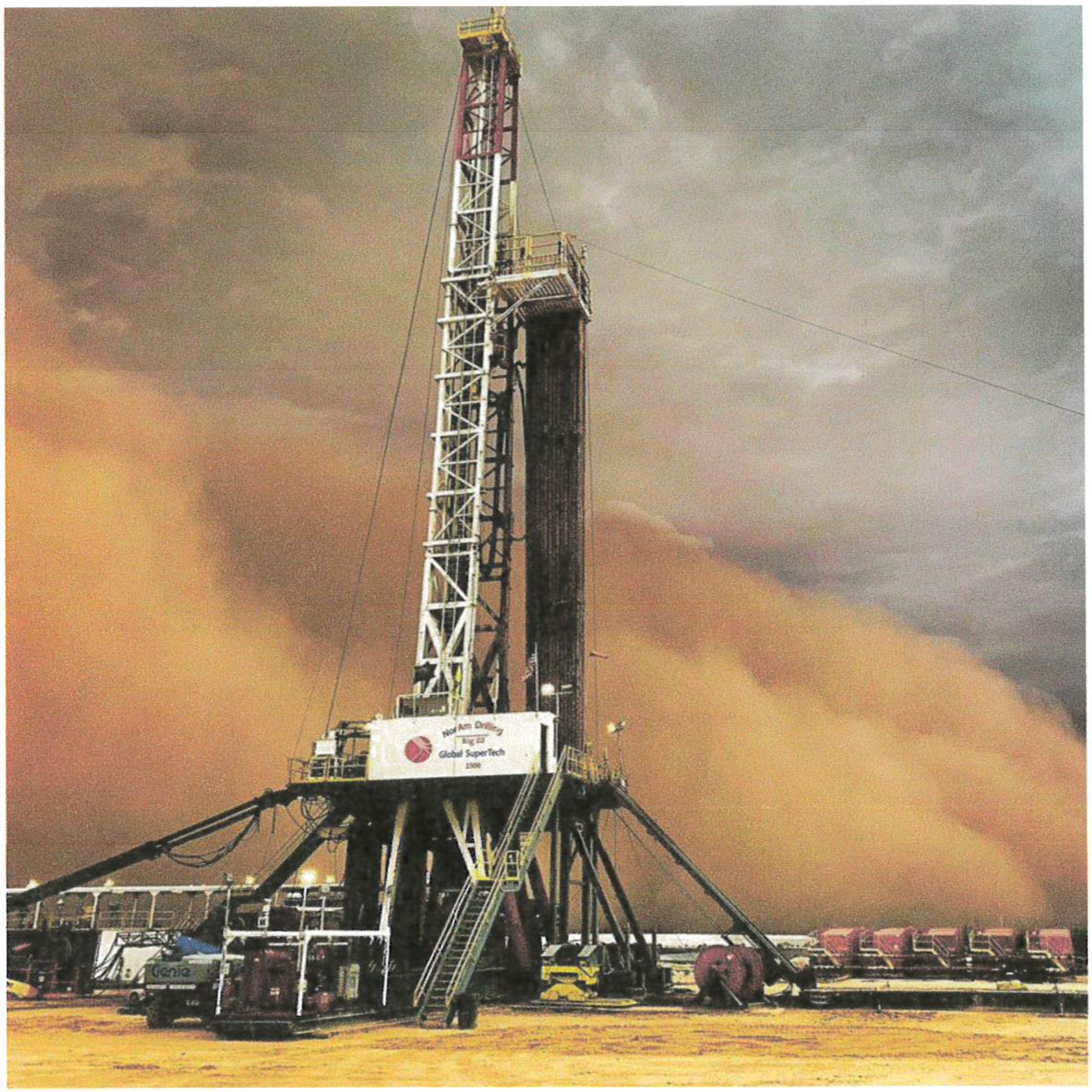
Ole B. Hjertaker
Chairman

Kristian Melhuus
Board member

Herman Flinder
Board member

Marty Jimmerson
Chief Executive Officer

NorAm Drilling Company



Financial Statements 2020

For NorAm Drilling Company AS and Group

CONSOLIDATED 2020 REPORT

NorAm Drilling Company

NorAm Drilling Company AS — INCOME STATEMENT — Noram Group

(Amounts in USD 1,000)

2020	2019	Note		Note	2020	2019
-	-	12	Sales	12	54 659	82 382
110	109		Other operating income		-	-
110	**109**		**Total operating income**		**54 659**	**82 382**
67	66	2	Payroll Expences	2	18 758	27 276
-	-		Depreciation of tangible and intangible assets	8	18 041	17 214
-	-		Rig mobilization, service and supplies		14 662	18 898
-	-		Insurance rigs and employees		3 492	3 975
1 609	744	2	Other operating expenses	2	7 897	8 132
1 676	**810**		**Total operating expenses**		**62 851**	**75 495**
					-	-
-1 567	**-701**		**Operating profit (+) / loss (-)**		**-8 192**	**6 887**
-	14 507	6, 11	Interest income from group companies			
7	49	11	Other interest income	11	7	49
39	259	11	Other financial income		39	259
7 395	7 845	9, 11	Other interest expenses	9, 11	7 427	7 900
376	263	11	Other financial expenses	11	391	260
-7 725	**6 707**		**Net financial items**		**-7 772**	**-7 852**
-9 291	**6 006**		**Profit(+)/Loss(-) before income tax**		**-15 964**	**-965**
-2 520	**834**	3	**Income tax expense**	3	**-2 385**	**1 378**
-6 771	**5 172**		**Net profit(+)/Loss(-)**		**-13 579**	**-2 343**
-6 771	**5 172**	5	**Transferred to other equity**	5	**-13 579**	**-2 343**

CONSOLIDATED 2020 REPORT

NorAm Drilling Company

NorAm Drilling Company AS BALANCE SHEET **Group**

(Amounts in USD 1,000)

2020	2019	Note		Note	2020	2019
			ASSETS			
			Non-current assets			
			Intangible assets			
-	-		Total intangible assets		-	-
			Tangible assets			
-	-		Rigs and accessories	8	116 804	132 118
-	-		Other tangible assets	8	215	482
-	-		Total tangible assets		117 019	132 600
			Financial assets			
33 143	33 143	7	Investment in subsidiaries		-	-
166 326	175 201	6	Loan to group companies		-	-
199 468	208 343		Total financial assets		-	-
199 468	**208 343**		**Total Non-current Assets**		**117 019**	**132 600**
			Current assets			
			Receivable			
10 067	9 957	6	Accounts receivable		4 423	14 007
426	384		Other receivable		1 191	1 627
10 493	10 342		Total receivable		5 614	15 634
			Cash and cash equivalent			
969	1 227	4	Bank deposit/cash	4	16 337	7 917
969	1 227		Total cash and cash equivalents		16 337	7 917
11 462	**11 569**		**Total current assets**		**21 951**	**23 551**
210 930	**219 912**		**TOTAL ASSETS**		**138 971**	**156 151**

CONSOLIDATED 2020 REPORT

NorAm Drilling Company AS BALANCE SHEET (Amounts in USD 1,000) — **Group**

2020	2019	Note		Note	2020	2019
			EQUITY & LIABILITIES			
			Equity			
			Owners equity			
15 932	15 932	5	Share capital	5	15 932	15 932
94 860	94 860	5	Share premium	5	94 860	94 860
439	439	2, 5	Other paid in capital	2, 5	369	369
111 232	111 232		Total owners equity		111 162	111 162
			Accumulated profits			
15 877	22 648	5	Other equity	5	-66 099	-52 520
15 877	22 648		Total accumulated profits		-66 099	-52 520
127 108	**133 879**		**Total equity**		**45 062**	**58 641**
			Liabilities			
1 988	4 093	3	Deferred tax	3	2 651	4 576
1 988	4 093		Total deferred tax		2 651	4 576
			Non-current liabilities			
80 000	80 000	9	Bond loan	9	80 000	80 000
0	0		Other long term liabilities	9	5 718	981
80 000	80 000		Total non-current liabilities		85 718	80 981
			Current liabilities			
51	775		Accounts payable		1 330	6 754
3	415	3	Tax payable	3	3	415
150	150		Public duties payable		150	150
1 631	600		Other current liabilities		4 055	4 633
1 835	1 940		Total current liabilities		5 539	11 953
83 822	**86 033**		**Total liabilities**		**93 908**	**97 509**
210 930	**219 912**		**TOTAL EQUITY & LIABILITIES**		**138 971**	**156 151**

Oslo, 28.05.2021

Ole B. Hjertaker

Ole Bjarte Hjertaker
Chairman

Kristian Melhuus
Board member

Hermann Refsum Flinder
Board member

Marty Jimmerson
CEO

CONSOLIDATED 2020 REPORT

NorAm Drilling Company AS | BALANCE SHEET (Amounts in USD 1,000) | Group

2020	2019	Note		Note	2020	2019
			EQUITY & LIABILITIES			
			Equity			
			Owners equity			
15 932	15 932	5	Share capital	5	15 932	15 932
94 860	94 860	5	Share premium	5	94 860	94 860
439	439	2, 5	Other paid in capital	2, 5	369	369
111 232	111 232		Total owners equity		111 162	111 162
			Accumulated profits			
15 877	22 648	5	Other equity	5	-66 099	-52 520
15 877	22 648		Total accumulated profits		-66 099	-52 520
127 108	133 879		Total equity		45 062	58 641
			Liabilities			
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1 988	4 093		Total deferred tax		2 651	4 576
			Non-current liabilities			
80 000	80 000	9	Bond loan	9	80 000	80 000
0	0		Other long term liabilities	9	5 718	981
80 000	80 000		Total non-current liabilities		85 718	80 981
			Current liabilities			
51	775		Accounts payable		1 330	6 754
3	415	3	Tax payable	3	3	415
150	150		Public duties payable		150	150
1 631	600		Other current liabilities		4 055	4 633
1 835	1 940		Total current liabilities		5 539	11 953
83 822	86 033		**Total liabilities**		93 908	97 509
210 930	219 912		**TOTAL EQUITY & LIABILITIES**		138 971	156 151

Oslo, 28.05.2021

Ole Bjarte Hjertaker
Chairman

Hermann Refsum Flinder
Board member

Kristian Melhuus
Board member

Marty Jimmerson
CEO

CONSOLIDATED 2020 REPORT

NorAm Drilling Company

NorAm Drilling Company AS **STATEMENT OF CASH FLOW** **Group**

(Amounts in USD 1,000)

2020	2019		2020	2019
-9 291	6 006	Pre-tax profit/loss	-15 964	-965
-	-	Tax paid for the period	-412	-
-	-	Depreciation of fixed assets	18 041	17 214
-110	-109	Change in accounts receivable	9 583	-2 642
-	283	Change in accounts payable	-5 424	4 790
9 868	3 244	Change in other current balance sheet items	319	-479
-257	9 424	Net cash flow from operational activities	6 143	17 918
	-			-
-	-	Proceeds from the sale of tangible fixed assets	-	-
-	-	Purchase of tangible fixed assets	-2 460	-13 474
-	-	Investment in subsidiaries	-	-
-	-	Net cash flow from investing activities	-2 460	-13 474
	-			-
-	-	Proceeds from issuance of short term debt	-	-
-	-10 000	Change in long term debt	4 737	-10 000
-	-	Issue of share capital	-	-
-	-10 000	Net cash flow from financing activities	4 737	-10 000
	-			-
-257	-576	Net change in cash and cash equivalent	8 420	-5 555
	-			-
1 227	1 803	Cash and cash equivalents 01.01.2019	7 917	13 473
	-			-
969	1 227	Cash and cash equivalents 31.12.2019	16 337	7 917

NorAm Drilling Company AS

Notes to Financial Statement

Note 1 - Accounting Principles

The Financial Statements include Profit and Loss statement, Balance Sheet, Cash Flow Statement and Note Disclosures. The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The Financial Statements are based on the basic principles, and the classification of Assets and Liabilities is according to the definitions of the Norwegian Accounting Act. In application of the accounting principles and presentation of transactions and other information, emphasis has been put not only on legal form, but on economic reality. Conditional losses that are probable and quantifiable are expensed. There have been no changes in the accounting principles used.

1-1 Basis for consolidation

The Group's consolidated financial statements comprise Noram Drilling Company AS and companies in which Noram Drilling Company AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between Group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

1-2 Use of estimates

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with Norwegian generally accepted accounting principles.

1-3 Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

1-4 Revenue recognition and operational costs

Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer.

NorAm Drilling Company Group revenue relates to rental of rig capacity and sale of drilling services from the US based subsidiary NorAm Drilling Company. Sales regarding rental of rig is invoiced and booked in line with actual contract and the period of delivering the services, while drilling services are invoiced and booked in the same period as the services has been provided.

Expenses are recognized with the income to which the expenses relate. Expenses that may not be related to income are recognized when accrued.

1-5 Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22%/21% (Norway/USA) of temporary differences and losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Temporary differences in juristrictions with other currency than USD, is caclulated using local currency and converted to USD at foreign exchange rate at the balance sheet.

1-6 Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items connected to the flow of goods. Other balance sheet items are classified as fixed assets / long-term liabilities.

Current assets are valued at the lower of cost and fair value. Short-term liabilities are recognized at nominal value at the time they incur.

Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognized at nominal value.

1-7 Property, plant and equipment
Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used. Operational leasing is expensed as ordinary rental expense and classified as an ordinary operating expense. Equipment leased on terms that transfer practically all economic rights and obligations to the company (financial leasing) is depreciated as a capital asset, and is included as a liability under interest bearing debt at the present value of minimum rental expense.

1-8 Subsidiaries
Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions are recognized in the same year as they are recognized in the subsidiary financial statement. If dividends / group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the investment in the balance sheet for the parent company.

1-9 Accounts receivable and other receivables
Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

1-10 Pension obligations and expenses
Noram Drilling Company AS has a deposit-based pension plan. Yearly payments to the insurance company are expensed as pension costs.

1-11 Cash Flow Statement
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

1-12 Functional Currency and Presentational Currency
Functional and presentation currency is for NorAm Drilling Company AS and the NorAm Drilling Group is USD. This is based on the following rationale;

NorAm Drilling Company AS

- All significant P/L transactions is denominated in USD (Interest income from group companies, Other interest expenses)
- All significant Balance Sheet items is denominated in USD (Loan to group companies, accounts receivables, Cash and Bond Loan)

NorAm Drilling Group

- All significant P/L transactions is denominated in USD (Sales, Payroll, Operating expenses from US subsidiary and Other interest expenses)

NorAm Drilling Company AS
Notes to Financial Statement

Note 2 - Payroll expenses / Number of Employees / Remuneration/ Auditor's Fee

	2020		2019	
Payroll expenses etc. (in USD)	**NDC AS**	**Group**	**NDC AS**	**Group**
Salaries	59 302	17 223 539	58 160	24 748 793
Payroll tax/Social Security	7 979	1 324 994	8 201	2 103 150
Pension costs	-	209 700	-	409 894
Other benefits	-	-	-	14 494
Payroll expenses etc.	**67 281**	**18 758 233**	**66 360**	**27 276 330**
Number of man-labour years	0	215	1	288

Management Remuneration - Noram Drilling Company AS
(USD)

		2020			
Company officers	**Period**	**Salaries**	**Pensions**	**Other benefits**	**Total**
Marty Jimmerson	01.01 - 31.12	325 769	-	4 308	330 077
Board	**Period**	**Salaries**	**Pensions**	**Other benefits**	**Total**
Ole Bjarte Hjertaker (Board member/Chairman)	01.01 - 31.12	29 651	-	-	29 651
Hermann Refsum Flinder (Board member)**	01.01 - 31.12	30 838	-	-	30 838
Kristian Melhuus (Board member)	01.01 - 31.12	29 651	-	-	29 651
Espen W. Marcussen (Deputy Board member)	01.01 - 31.12	-	-	-	-
Total Officers		**325 769**	**-**	**4 308**	**330 077**
Total Board		**90 140**	**-**	**-**	**90 140**
Total Remuneration Board and Management		**415 909**	**-**	**4 308**	**420 217**

*Marty Jimmerson received salary from US subsidiary Noram Drilling Company
** Herman R. Flinder has been paid board remuneration from the US subsidiary NorAm Drilling Company

CEO Marty Jimmerson has a 1 year rolling basis for his employment agreement. In addition to a base salary he is also entitled to a bonus subject to the company's performance.

Mr. Jimmerson is entitled to (i) one-year base salary; (ii) annual cash bonus up to 33% of annual salary and (iii) group health coverage benefits for up to 18 months in the event of a change in control of if his employment contract is terminated for anything other than cause. The CEO is also entitled to a 3-month notice period prior to termination.

It has not been given loan or security for the CEO, CFO, COO, directors or shareholders

Management Remuneration - Group
(USD)

	2020			
Company officers	**Salary**	**Pension costs**	**Other**	**Total**
Noram Drilling Company AS	-	-	-	-
Subsidiaries	325 769	4 307	-	330 076
Board				
Noram Drilling Company AS	90 140	-	-	90 140
Subsidiaries	-	-	-	-
Total Officers	**325 769**	**4 307**	**-**	**330 076**
Total Board	**90 140**	**-**	**-**	**90 140**
Remuneration Board and Management (excl. Share based)	**415 909**	**4 307**	**-**	**420 216**

Noram Drilling Company AS Share-Based Payment
During the period ended 31.12.20, the Company had two share-based payment arrangement, which is described below.

Marty Jimmerson, CEO
Thomas Taylor, COO

Option Plan 2018-2021

Type of arrangement	Equity Based
Options granted 30.04.2018	50 000 for Jimmerson 50 000 for Taylor
Vesting conditions	The option vest as follow for both Jimmerson and Taylor: 1/3 on 15.02.19, 1/3 on 15.02.20 and 1/3 on 15.01.21

Fair value of granted options is calculated using the Black-Scholes-Merton option pricing model.
Recognized cost in 2020 relating the share options are USD 14 494

Historical details for the option plans are as follows:

	01.01.2020 - 31.12.2020		01.01.2019 - 31.12.2019	
	Options	**Weighted Average Exercise Price**	**Options**	**Weighted Average Exercise Price**
Outstanding at the beginning of period	100 000	20,00	100 000	20,00
Granted	-	-	-	-
Exercised	-	-	-	-
Terminated	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of period	100 000	20,00	100 000	20,00
Vested options	-	-	-	-

Auditors remuneration (USD, excl. MVA (VAT))

	2020		2019	
	NCD AS	**Group**	**NCD AS**	**Group**
Ordinary audit	65 571	151 148	68 191	138 429
Other confirmation services	-	-	6 110	6 110
Tax advisory services	13 207	13 207	8 701	8 701
Other non audit services	31 294	31 294	50 035	50 035
Total	**110 072**	**195 649**	**133 037**	**203 275**

The ordinary audit expense includes fees for auditing the US subsidiary for the Group consolidated accounts.

Note 3 - Tax

(USD)	**2020**		**2019**	
	NDC AS	**Group**	**NDC AS**	**Group**
Tax base calculation				
Profit (+)/ Loss (-) before income tax	-9 291 378	-15 964 094	6 006 186	-965 277
Permanent differences	-1 544 117	-1 544 117	1 024 963	1 548 969
Temporary differences	3 778 679	3 959 101	5 056 931	-2 134 377
Losses carried forward	-	-	-9 674 157	-9 674 157
Foreign exchange differences	-560 667	-560 667	-525 358	
Tax base	**-7 617 483**	**-14 109 777**	**1 888 565**	-
Tax	-	-	415 484	415 484
Income Tax Payable this year	-	-	**415 484**	**415 484**
Income Tax Expense:				
Income Tax Payable this year	-	-45 190	415 484	369 320
Changes in deferred tax	-2 104 892	-1 924 402	418 733	1 008 691
Currency effects	-	-	-	
Tax refund 2019 COVID-19 effect	-415 484	-415 484		
Total Income Tax Expense	**-2 520 376**	**-2 385 076**	**834 218**	**1 378 012**
Income Tax Payable:				
Income Tax Payable this year	-	-	415 484	415 484
AMT Credit Refund	-		-	-46 164
Prepaid tax	-	-	-	-
Total Income Tax Payable	-	-	**415 484**	**369 320**
Specification of Basis for Deferred Tax Asset:				
Differences to be balanced				
Fixed assets	-29 881	95 053 003	-36 296	84 969 745
Current assets	-	-	-	-
Deferred gain carried forward	16 682 411	16 682 411	20 264 019	20 264 019
Other differences	-	-	-	-
Total temporary differences	**16 652 530**	**111 735 414**	**20 227 723**	**105 233 764**
NOL's carried forward	-7 617 747	-142 221 390	-	-119 426 836
Interest limitation carried forward	-1 672 489	-39 037 062	-1 625 250	-45 083 217
Basis for calculation of deferred tax asset/liability	7 362 294	-77 140 785	18 602 474	-59 276 289
Deferred tax asset (-) /liability (+)	315 163	-16 679 059	4 092 544	-13 268 791
Valuation allowance	1 672 489	19 330 131	-	17 844 333
Deferred tax asset (-) /liability (+)	**1 987 652**	**2 651 072**	**4 092 544**	**4 575 542**
Deferred tax/tax asset not recorded in balance	1 672 489	19 330 131	-	17 844 333

Deferred tax/ deferred tax asset

Estimated deferred tax asset in subsidiary NorAm Drilling Company is not recorded in the balance sheet due to uncertainty related to valuation of this asset.

Note 4 - Restricted bank accounts

(USD)	2020 Noram Drilling Company AS	2020 Group	2019 Noram Drilling Company AS	2019 Group
Restricted cash related to debt service on Bond loan	759 314	759 314	757 222	757 222
Employees tax deduction, deposited in a separate bank account	5 033	5 033	5 431	5 431
Secure deposit office leasing and credit cards	15 090	15 090	11 734	11 734
Total	**779 437**	**779 437**	**774 387**	**774 387**

Note 5 - Equity and Shareholder Information

Share Capital Noram Drilling Company AS and the Group

	2020 No. of shares	2020 Face value NOK	2020 Book value NOK	2019 No. of shares	2019 Face value NOK	2019 Book value NOK
Ordinary shares	23 392 317	2,00	46 784 634	23 392 317	2,00	46 784 634
Total	23 392 317		46 784 634	23 392 317		46 784 634

Equity (USD) **Noram Drilling Company AS**	Share Capital	Share Premium	Other paid in capital	Other Equity	Total
Equity 31.12.2019	15 932 262	94 860 376	438 907	22 647 666	133 879 211
Rights issue					-
Profit (+)/Loss (-)				-6 770 932	-6 770 932
Equity 31.12.2020	**15 932 262**	**94 860 376**	**438 907**	**15 876 734**	**127 108 279**

Equity **Group**	Share Capital	Share Premium	Other Equity Contributed	Other Equity	Total
Equity 31.12.2019	15 932 262	94 860 376	369 053	-52 520 249	58 641 442
Adjustment prior period error					-
Profit (+)/Loss (-)				-13 578 948	-13 578 948
Equity 31.12.2020	**15 932 262**	**94 860 376**	**369 053**	**-66 099 197**	**45 062 494**

Issued capital consists only of ordinary shares

10 Largest Shareholders as per 31.12.2020	Noram Drilling Company AS and Group Number of shares	Share (%):
Geveran Trading Ltd	15 842 707	67,7 %
Pactum AS	2 673 034	11,4 %
SFL Corporation Ltd.	1 266 225	5,4 %
Camaca AS	537 112	2,3 %
Thabo Energy AS	450 000	1,9 %
Prima Green investment AS	321 593	1,4 %
Jahrmann AS	264 590	1,1 %
Robert Wood Johnson Foundation	235 385	1,0 %
Naeringslivets Hovedorganisasjon	197 301	0,8 %
Damima Invest AS	166 987	0,7 %
Other	1 437 383	6,1 %
Total	**23 392 317**	**100 %**

Note 6 Intercompany Balances

(USD)	2020	2019
Noram Drilling Company AS		
Loan to NorAm Drilling Company (subsidiary)	166 325 630	175 200 630
Loan from NorAm Drilling Company (subsidiary)		
Accounts payable to NorAm Drilling Company (subsidiary)	50 832	774 675
NorAm Drilling Company AS receivables from NorAm Drilling Company (subsidiary)	10 067 167	9 957 457

Due to the difficulties in the marked following COVID-19, Noram Drilling Company AS has given it's subsidiary a temporary relief of any intereres on intercompany loan.

Note 7 Shares in Subsidiaries

(USD)

Company	Book value	Shares	Share of voting rights	Equity 2020	Result 2020	Main Office
NorAm Drilling Company	33 142 856	100 %	100 %	-48 902 919	-6 771 709	Houston

Impairment trigger analysis and impairment assessment for investments in subsidiaries
Book value of investment in subsidiary exceeds booked value of equity in the subsidiary. Based on this, management has tested shares in subsidiaries for impairment. The test is based on value in use test for fixed assets in the subsidiaries, adjusted for net interest bearing debt. See note 8. No impairment is recognized in 2020.

The changes in the impairment calculations has not resulted in any impairment expenses as of year-end 2020, but the headroom is reduced compared to prior year.

There are always uncertainty relating to future changes in the market, hence the result of the calculation could change with other inputs. The most sensitive inputs to the impairment calculations is expected dayrates, OPEX, utilization and discount rate. Based on a small headroom in calculated NPV, small adjustment on key inputs, would lead to an impairment in shares.

For changes in estimated due to events after the reporting day, please see note 14

Note 8 Tangible assets

Group

Property, plant and equipment (USD)	Rigs and accessories	Vehicles and Office Equipment	Land	Total
Acquisition cost at 01.01	194 270 305	2 135 326	-	196 405 631
Additions	2 460 081	-		2 460 081
Disposals				
Acquisition cost at 31.12	196 730 386	2 135 326	-	198 865 712
Accumulated depreciation 31.12	79 926 114	1 920 537	-	81 846 651
Net carrying value at 31.12	116 804 272	214 790	-	117 019 061
Depreciation for the year	17 773 946	267 254	-	18 041 200
Impairment loss for the year	-	-	-	-

Both the parent company and the group use linear depreciation for all tangible assets

The useful economic life is estimated to be:	**Years**
* Buildings and other real estate	20-50
* Machinery and equipment	3-15
* Land	Indefinite

Note 8 Tangible assets continues

Impairment trigger analysis and impairment assessment on tangible assets

NorAm Group has significant investments in rigs. An impairment trigger analysis was performed at year end 2019, concluding that there were no impairment triggers for the Group's fixed assets, hence no impairment analysis was performed, and no impairment charges included in the Financial Statement for 2020.

Due to the uncertain market conditions, resulting from COVID-19 pandemic and the production changes from OPEC+ during Q1 2020, management and the Board of Directors performed a renewed impairment trigger analysis at Q1 2020, concluding that impairment triggers had occured, and management therefore performed a subsequent impairment calculation. Key inputs to the model is dayrates, operating expenses and utilization. Based on observable market activities, and managements best estimates on the development in key inputs, managements calculations concluded that no impairment existed as of Q1. In th emodel for Q1, the long term effects of COVID-19 and the change in oil prices was reflected as temporary set-backs on dayrates and utilization. Both expected to gradually recover over the next 3 years, to the same levels used in theimpairment model as of year-end 2019.

Due to the uncertain market conditions, management has followed the market development, and assessed impairment indicators on a quarterly basis, latest as part of their year end procedures. The quarterly assessments has shown that key inputs to the cash flows in the impairment model for Q1 2020 has improved slightly quicker than expected, hence no impairment charges to the financial statement as of year-end 2020, but the headroom are to some extent reduce.

There are always uncertainty relating to future changes in the market, hence the result of the calculation could change with other inputs. The most sensitive inputs to the impairment calculations is expected dayrates, OPEX, utilization and discount rate. Based on headroom in calculated NPV, only a significant adjustment on key inputs, would lead to an impairment.

Management has also performed impairment trigger analysis as of Q1 2021, showing no indications of triggering events, hence no impairment charges in 2021.

For changes in estimated due to events after the reporting day, please see note 14

Note 9 Liabilities

	2020		2019	
(USD)	**NDC AS**	**Group**	**NDC AS**	**Group**
Long term liabilities with maturity before 5 years				
Bond	80 000 000	80 000 000	80 000 000	80 000 000
Other long term liabilities	-	5 718 136	-	981 328
Total	80 000 000	85 718 136	80 000 000	80 981 328

Bond

03.06.2014 the Group issued a new Bond loan of USD 120 000 000 with 5 years maturity. This agreement has been amended at several occations, latest November 2020.

The Group has a Bond loan as of 31.12.20

Outstanding as of 31.12.19	80 000 000
Maturity date on bond loan	03.06.2022
Repayment during 2020	-

The Bond Loan includes several financial covenants, including

- Liquidity – The Group's liquidity should be held at MUSD 5
- Current Ratio – Minimum 1:1
- Asset Coverage Ratio - The Issuer shall ensure that the sum of the Account Amount and the Market Value of the Rigs at any time is minimum 130% of the total par value of the Outstanding Bonds.

The Group complied with the financial covenants as of 31.12.2020

Other long-term liabilities

Other long-term debt is related to NorAm Drilling Company's purchase of vehicles, yard and warehouse including offices. The debt has security in the assets.

	2020		2019	
	NDC AS	**Group**	**NDC AS**	**Group**
Secured debt:	80 000 000	85 718 136	80 000 000	80 981 328
Pledged assets:				
Assets in subsidiaries	116 804 272	116 804 272	132 118 137	132 118 137
Yard and vehicles	-	214 790	-	482 042
Total	116 804 272	117 019 061	132 118 137	132 600 180

Revolving Credit Facility

The company has an Revolving Credit Facility of MUSD 6 available for working capital and CAPEX upgrade purposes.

Note 10 - Earnings per share

(USD)	2020 NDC AS	2020 Group	2019 NDC AS	2019 Group
Result after income tax	-6 770 932	-13 578 948	5 171 969	-2 343 288
Shares	23 392 317	23 392 317	23 392 317	23 392 317
Warrants	100 000	100 000	100 000	100 000
EPS	-0,29	-0,58	0,22	-0,10
EPS (incl. Options)	-0,29	-0,58	0,22	-0,10

Note 11 Net Financial Items

	2020 NDC AS	2020 Group	2019 NDC AS	2019 Group
Financial income				
Interest income from group companies	0	-	14 507 156	-
Other interest income				
Interest income bank	7 283	7 283	48 897	48 897
Other financial income				
Currency gains	38 950	38 950	258 794	258 794
Total financial income	46 233	46 233	14 814 847	307 691
Financial expenses				
Other interest expenses				
Interest expense bond loan	7 395 007	7 395 007	7 844 773	7 844 773
Other interest expenses		32 142		55 217
Other financial expenses				
Other financial expense	-	-	-	-
Write-down investments in subsidiaries				
Currency losses	376 016	391 067	262 595	260 189
Total Financial expenses	7 771 023	7 818 217	8 107 368	8 160 179
Net financial items	**-7 724 790**	**-7 771 983**	**6 707 480**	**-7 852 488**

Note 12 – Segment and Geographic Information

The Company does not operate in different market segments.

The Group owns and operates land-based oil & gas drilling rigs. All drilling operations in 2019 were in the US.

2020 (USD)	Noram Drilling Company AS	Drilling service NorAm	Group
Sales income from third parties	-	54 658 764	54 658 764
Sales income from other segments	109 688	-	-
Depreciation	-	18 041 199	18 041 199
Other operating expenses	1 676 276	43 133 399	44 809 675
Operating profit	**-1 566 588**	**-6 515 834**	**-8 192 110**
Financial expenses	7 771 023	47 194	7 818 217
Financial expenses other segments	-	-	-
Financial income	46 233	-	46 233
Financial income other segments		-	-
Net financial items	**-7 724 790**	**-47 194**	**7 771 983**
Taxes	-2 520 446	135 300	-2 385 146
Non Current Assets	199 468 486	117 019 061	117 019 061
Interest bearing debt third parties	80 000 000	5 718 136	85 718 136
Interest bearing debt other segments		166 325 630	-

Note 12 – Segment and Geographic Information continues

2019

(USD)	**Noram Drilling Company AS**	**Drilling service NorAm**	**Group**
Sales income from third parties	-	82 381 730	82 381 730
Sales income from other segments	109 035	-	-
Depreciation	-	17 213 831	17 213 831
Other operating expenses	810 328	57 470 360	58 280 688
Operating profit	**-701 293**	**7 697 539**	**6 887 211**
Financial expenses	8 107 368	52 811	8 160 179
Financial expenses other segments	-	14 507 156	-
Financial income	307 691		307 691
Financial income other segments	14 507 156	-	-
Net financial items	**6 707 479**	**-14 559 967**	**7 852 488**
Taxes	834 218	543 793	1 378 011
Non Current Assets	208 343 486	132 600 180	132 600 180
Interest bearing debt third parties	80 000 000	981 328	80 981 328
Interest bearing debt other segments		175 200 630	-

Note 13 – Cares act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act". The CARES Act, among other things, includeds provisions relating to refundable payroll tax credit, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvements property.

On May 5, 2020 the company entered into an unsecured laon in the aggregate principal amount of MUSD 5,5 pursuant to the Paycheck Protection Program which is part of the CARES Act initiatives.

On October 16, 2020, we filed our final application for forgiveness requesting forgiveness of the entire MUSD 5.5 based upon the guidelines provided by the governing authorities.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill both materially changed existing PPP loans and authorized another round of PPP loans ("second draw PPP loans").

On February 5, 2021, we entered into a second draw PPP loan in the aggregate principal amount of MUSD 2.

Note 14 – Subsequent events

Market & Activities
Reduced demand for crude oil and refined products related to the COVID – 19 pandemics, combined with production increases from OPEC+, led to a significant reduction in crude oil prices and demand for drilling services in North America during 2020.

More recently, as a result of improved optimism for increased global oil demand as vaccines are being administered related to COVID – 19 and OPEC+ controlling its production, crude oil prices and demand for drilling services in North America started to improve in late 2020.

Oil prices remain volatile, as the closing price of US West Texas Intermediate (WTI) crude reached a first quarter 2020 high of $63.27 per barrel on January 6, 2020 and a low of negative $37.63 per barrel on April 20, 2020. WTI increased steadily from late April 2020 and remained relatively stable near $40 per barrel through October 2020. Since October 2020, WTI improved and is currently trading above $60.00 per barrel.

As of May 21, 2021, the US land drilling active rig count and Permian rig count was 440 and 231, respectively. As of December 31, 2020, the US land drilling active rig count and Permian rig count was 332 and 175, respectively.

As of December 31, 2020, we had 5 rigs operating under short term contracts. As of May 25, 2021, we have 7 rigs operating under short term contracts.

Revolving Credit Facility
In July 2019, the Company entered into a MUSD 6.0 Revolving Loan Facilities Agreement with a bank for purposes of financing capital expenditures investments and general working capital purposes. The facility terminates on June 30, 2021. On May 27, 2021, the Company entered into an amendment of the facility that (i) extends the maturity date to the earlier of May 2023 or the maturity of the bonds and (ii) allows for borrowings for financing capital expenditures.

The Cares Act
On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

On May 5, 2020, we entered into an unsecured loan in the aggregate principal amount of MUSD 5.5 pursuant to the Paycheck Protection Program which is part of the CARES Act initiatives. This loan was forgiven in full on May 11, 2021.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill authorized another round of PPP loans ("second draw PPP loans"). On February 5, 2021, we entered into a second PPP loan in the aggregate principal amount of MUSD $2.0.

Outlook
Since August 2020, WTI oil prices and US land rig counts have steadily increased indicating that the US drilling industry bottomed in 3Q 2020. The extent of any continued recovery in the US drilling industry cannot be reasonably predicted and is subject to many variables including, but not limited to:

(i) global oil demand
(ii) OPEC+ maintaining and complying with appropriate supply targets,
(iii) economic recovery as the COVID - 19 pandemic is mitigated,
(iv) operating discipline demonstrated by US E&P operators and
(v) any possible regulatory changes issued by the new US government.

We expect the future demand for US drilling rigs will be primarily focused on and require Super Spec rigs as a result of their efficient and effective capabilities. Any further significant negative volatility in WTI oil prices could have an adverse impact on the demand for US drilling rigs.

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To the General Meeting of Noram Drilling Company AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Noram Drilling Company AS showing a loss of USD 6 771 thousand in the financial statements of the parent company and loss of USD 13 579 thousand in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Noram Drilling Company AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Noram Drilling Company AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 4 June 2021
KPMG AS

Ståle Christensen
State Authorised Public Accountant

APPENDIX D:

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Interim Report for

NorAm Drilling Company AS

2nd Quarter 2022

NORAM
DRILLING

Interim Report for NorAm Drilling Company AS
2nd Quarter 2022

QUARTERLY HIGHLIGHTS

- Revenue increased to $22.3 million or 30.4% compared to the first quarter of 2022
- EBITDA increased to $4.1 million, or 228% compared to the first quarter of 2022
- Fleet utilization increased to 95% compared to 79% in the first quarter 2022
- Average base dayrate increased 8.5% compared to the first quarter 2022
- Current revenue backlog of $50 million

CONSOLIDATED FINANCIALS:

MUSD	Q1 2022	1st half 2022	Q2 2021	1st half 2021
Revenue	22.3	39.4	12.5	22.7
Operating Profit	(0.6)	(3.5)	(2.8)	(5.5)
Net Profit before tax	(2.4)	(7.2)	(4.6)	(9.1)
EBITDA	4.1	5.9	1.7	3.6

DRILLING CONTRACT STATUS:

	3Q 2022	4Q 2022	1Q 2023
# of contracted days	1,012	783	380
Average base contracted dayrate	$24,880	$27,284	$30,167

SUMMARY

NorAm Drilling Company AS owns 100% of NorAm Drilling Company, a Texas corporation, collectively referred to as NorAm herein. NorAm owns and operates a quality rig portfolio of "super spec" advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. Currently, all eleven (11) of our rigs are under contract in the Permian Basin. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

MARKET & ACTIVITIES

As a result of the COVID – 19 pandemic, changes in global oil supplies and demand and the Russian invasion of Ukraine, oil prices remain volatile. WTI began 2022 trading in the upper $70 per barrel range and is currently trading above $90 per barrel.

As of August 19, 2022, the US land drilling active rig count and Permian rig count was 741 and 345, respectively. As of December 31, 2021, the US land drilling active rig count and Permian rig count was 570 and 293, respectively.

OPERATIONS

During Q2 2022, NorAm achieved a 94.8% utilization compared to 79.3% utilization in Q1 2022. In comparison, we achieved a utilization rate of 50.7% in Q1 2021.

Rig operating costs were in line with expectations during the first six months of 2022 with strong focus on rig personnel staffing levels and management of other daily operating costs.

FINANCIALS

NorAm had revenue of MUSD 22.3 during 2Q 2022 compared to MUSD 12.5 in 2Q 2021. We generated an operating loss of MUSD 0.6)compared to an operating loss of MUSD 2.8 in 2Q 2021. The increase in revenue was the result of higher utilization and dayrates. Moreover, we generated an EBITDA of MUSD 4.1 compared to MUSD 1.7 in 2Q 2021. The increase in operating profit and EBITDA is due to higher utilization and dayrates.

NorAm had revenue of MUSD 39.4 during the first half of 2022 compared to MUSD 22.7 during the first half of 2021. During the first half of 2022 we generated an operating loss of MUSD 3.5 compared to an operating loss of MUSD 5.5 in the first half of 2021. During the first half of 2022 we generated an EBITDA of MUSD 5.9 compared to MUSD 3.6 in the first half of 2021. The increase in operating profit and EBITDA is primarily due to higher utilization and dayrates.

Capital expenditures were MUSD 1.9 in the first half of 2022, including MUSD 0.7 in 2Q 2022. As of June 30, 2022, our cash position was MUSD 10.4, and we had MUSD 80.0 of outstanding bonds. The Company has a Revolving Credit Facility with a maturity date of June 2023 and allows for borrowings for financing capital expenditures. As of June 30, 2022, there were no borrowings outstanding under this facility.

On May 16, 2022, the Company and holders of the Bond loan agreed to the following amendments: (i) extend the maturity date from June 3, 2022, to June 3, 2023; (ii) schedule a principal installment of MUSD 5.0 on December 3, 2022; (iii) amend the prepayment structure to allow for partial prepayments at par value at a minimum of MUSD 5.0; and (iv) pay an amendment fee of USD 400,000.

CARES ACT

As a result of the COVID-19 pandemic, and as part of the Cares act, NorAm Drilling applied for support relating to the Employee Retention Tax Credit (ERTC) which is a payroll credit available from March 12, 2020, through September 30, 2021, for a total amount of approximately MUSD 4.0. The company received approximately MUSD 1.0 in 2Q 2022. The Company has not received confirmation that the remaining applications for MUSD 3.0 have been approved nor received confirmation that they comply with the requirements for receiving the payroll credit. Due to this, there is significant uncertainty if the company will receive any support through this public system, hence no payroll credit has been recognized for the MUSD 3.0 to date.

CAPITAL EXPENDITURES AND FIXED ASSETS

Management has continued monitor the carrying values for our assets through the date of this report. The setback in dayrates and rig utilization during 2020 and early 2021 were considered temporary setbacks, not permanent changes. Due to the subsequent significant improvement in utilization and dayrates, management has not identified any impairment triggers as of the date of this report, hence no impairment test has been performed.

OUTLOOK

Since August 2020, WTI oil prices and US land rig counts have steadily increased indicating that the US drilling industry bottomed in 3Q 2020. The extent of a continued recovery in the US drilling industry cannot be reasonably predicted and is subject to many variables including, but not limited to: (i) global oil demand , (ii) Russian invasion of Ukraine, (iii) OPEC+ maintaining and complying with appropriate supply targets, (iv) economic recovery as the COVID - 19 pandemic is mitigated, (v) operating discipline demonstrated by US E&P operators, (vi) availability and costs of labor, equipment and rig supplies and (vii) any possible regulatory changes issued by the new US government.

Subject to key risks and uncertainties mentioned in this report, we currently expect continued demand for high end "super spec" drilling rigs. Subsequent to June 30, 2022, dayrates for high end "super spec" drilling rigs have continued to improve, primarily due to the lack of available rig supply, operator and drilling contractor financial discipline and supply chain constraints for both labor and supplies. Subsequent to June 30, 2022, we have signed 5 contracts with an average dayrate that is 33.1% higher than the average rate earned during the second quarter. As a result, NorAm expects its revenue and EBITDA will continue to improve in the remaining six months of 2022 compared to the first half of 2022.

Interim Financial Statement
First half and Q2, 2022

Unaudited

Group - Condensed consolidated Income Statement		First half (30.06)		Quarters	
	Notes	2022	2021	Q2 2022	Q2 2021
(All amounts in USD 1000s)					
Revenue/Expense					
Sales		39 370	22 697	22 274	12 466
Other Income					
Total operating income		**39 370**	**22 697**	**22 274**	**12 466**
Payroll Expenses		13 946	8 251	6 838	4 579
Depreciation of tangible and intangible assets		9 340	9 124	4 700	4 564
Rig mobilization, service and supplies		12 615	6 658	6 791	3 916
Insurance rigs and employees		2 465	1 398	1 579	781
Other Operating Expenses		4 483	2 756	2 917	1 442
Total Operating Expenses		**42 848**	**28 187**	**22 825**	**15 282**
Operating profit (+)/ loss (-)		**-3 478**	**-5 490**	**-551**	**-2 816**
Financial Income and Expenses					
Other Interest Income		3		3	
Other Financial Income		11	3		2
Other Interest Expenses		3 600	3 608	1 791	1 805
Other Financial Expenses		72	9	67	3
Net Financial Items		**-3 658**	**-3 614**	**-1 855**	**-1 806**
Profit (+)/Loss(-) before Income Tax		**-7 136**	**-9 104**	**-2 406**	**-4 622**
Income Tax Expense		724	-859	1 148	-429
Net Profit (+)/Loss (-)		**-7 860**	**-8 245**	**-3 554**	**-4 192**

Unaudited

Group - Condensed consolidated Balance sheet

	Notes	30.06.2022	31.12.2021
(All amounts in USD 1000s)			
Assets			
Tangible Assets			
Rigs and accessories	6	94 375	101 918
Vehicles and Office Equipment	6	312	170
Total Tangible Assets		**94 687**	**102 088**
Current Assets			
Receivable			
Accounts Receivable		9 395	6 143
Other Receivable		1 748	1 060
Total Receivable		**11 144**	**7 203**
Cash and cash equivalents			
Bank Deposits/Cash	5	10 449	12 782
Total Current Assets		**21 592**	**19 985**
Total Assets		**116 279**	**122 073**

Unaudited

Group - Condensed consolidated Balance sheet

	Notes	30.06.2022	31.12.2021
(All amounts in USD 1000s)			
Equity			
Owners Equity			
Issued Capital	2	8 839	8 839
Share Premium	2	94 860	94 860
Other shareholder contribution	2	369	369
Total Owners Equity		**104 068**	**104 068**
Accumulated Profits (+)/Loss (-)			
Other Equity	2	-78 199	-70 339
Total Accumulated Profits (+) / Loss (-)		**-78 199**	**-70 339**
Total Equity		**25 869**	**33 729**
Liabilities			
Deferred tax		2 685	1 962
Total deferred tax		**2 685**	**1 962**
Non-current liabilities			
Liabilities to Financial Institutions			
Bond Loan	3		80 000
Other Long Term Liabilities			-
Total Non-Current Liabilities			**80 000**
Current Liabilities			
Bond loan	3	80 000	0
Liabilities to Financial Institutions			0
Accounts Payable		2 509	2 996
Tax payable			-
Public Duties Payable		149	151
Other Current Liabilities		5 066	3 236
Total Current Liabilities		**87 724**	**6 382**
Total Liabilities		**90 410**	**88 344**
Total Equity & Liabilities		**116 279**	**122 073**

NORAM DRILLING

Unaudited

Group - Condensed consolidated Statement of Cash Flow

	First half		
	2022	2021	31.12.2021
(All amounts in USD 1000s)			
Net Profit (+)/Loss (-)	-7 136	-9 104	-19 534
Tax paid for the period	-	-	425
Depreciation of fixed assets	9 340	9 124	18 307
Change in accounts receivable	-3 252	-204	-1 720
Change in accounts payable	-487	1 006	1 665
Change in other current balance sheet items	1 141	-325	-1 104
Net cash flow from operational activities	-394	497	-1 961
Purchase of tangible fixed assets	-1 939	-967	-3 376
Net cash flow from investing activities	-1 939	-967	-3 376
Proceeds from issuance of long term debt	-	-	1 782
Downpayments of long term debt	-	-3 718	
Net cash flow from financing activities	-	-3 718	1 782
Net change in cash and cash equivalent	-2 333	-4 189	-3 555
Cash and cash equivalents opening balance	12 782	21 837	16 337
Cash and cash equivalents closing balance	10 449	17 648	12 782

NOTE DISCLOSURE

Note 1 - Accounting Principles

The condensed consolidated interim financial statement is prepared in accordance with the Norwegian accounting standard for interim financial statements, NRS 11.

Principles and policy is the same for the interim financial statement as in the last annual financial statement, that were prepared according to the Norwegian Accounting Act and generally accepted accounting principles in Norway. For description of accounting principles, we therefore refer to the last issued Annual Financial Statement.

1-1 Income tax

The tax expense for management reporting and interim reporting purposes is a simplified tax calculation where the tax rate in the different jurisdictions are applied to the net result in the different jurisdiction booked against deferred tax/deferred tax asset. If a jurisdiction has a negative result, and no deferred tax asset is expected to be capitalized, no tax expense are calculated for that jurisdiction.

1-2 Property, Plant and Equipment

Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used.

Estimated useful life is defined for the different categories of fixed assets;

	Est. Useful life
Rig	10-15 years
Rig related accessories	2-15 years
Vehicles	3-5 years
Office equipment	3-10 years

1-2 Audit of management reporting/interim reporting

The interim financials are unaudited.

Note 2 - Equity and Shareholders Information

	Share capital	Share premium	Other paid in capital	Other equity	Total
Equity 01.01.22	8 839	94 860	369	-70 339	33 729
Profit/loss in the period				-7 860	-7 860
Equity 30.06.22	**8 839**	**94 860**	**369**	**-78 200**	**25 869**

NOTE DISCLOSURE

Note 3 - Long term liabilities and covenants

Bond loan

The Group has a Bond loan as of 30.06.22

Outstanding as of 30.06.22	80 000 000
Maturity date on bond loan	03.06.2023
Payment during 2022 on bond loan as of 30.06.22	-

Due to the maturity date on the bond loan, it it classified as current liability as of 30.06.22.

The bond agreement has the following financial covenants;

1. Liquidity – The Group's liquidity should be held at minimum MUSD 5
2. Current Ratio – Minimum 1:1 *
3. Asset Coverage Ratio - The issuer shall ensure that the sum of the Account Amount and the Market Value of the Rigs at any time is minimum 130% of the total par value of the Outstanding Bonds. **

** In the definition of current ratio, the current part of the bond loan is excluded from the definition of current liability.*
*** Account Amount is defined as the total cash amount on the Accounts. Market Value of the Rigs is defined as the fair market value of the Rigs (including installed equipment) in USD determined on the basis of Independent valuations of the Rigs obtained from an independent and well-reputed sale and purchase broker familiar with the market for the Rigs apponted by the Issuer and approved by the Bond Trustee in advance.*

As of Q2 2022 the Group is compliant with existing covenants.

Status on refinancing of bond loan

On 16.05.22, the Company and holders of the Bond loan agreed to the following amendments;

1. Extend the maturity date from 03.06.22 og 03.06.23;
2. Schedule a principal installment of MUSD 5 on 03.12.22;
3. Amend the prepayment structure to allow for partial prepayments at par value at a minimum MUSD 5; and
4. Pay an amendment fee of USD 400 000.

Revolving Credit Facility

The company has an Revolving Credit Facility, with a maturity of June 2023 of MUSD 6 available for CAPEX upgrade purposes. There were no borrowings outstanding under this facility as of June 2022.

NOTE DISCLOSURE

Note 4 - Key figures and ratios

(USD mill)	Q2		First half (30.06)	
	2022	**2021**	**2022**	**2021**
Revenue	22,3	12,5	39,4	22,7
Operating loss	-0,6	-2,8	-3,5	-5,5
Net loss before tax	-2,4	-4,6	-7,1	-9,1
EBITDA	4,1	1,7	5,9	3,6

	First half (30.06)	
	2022	**2021**
Equity to asset ratio	22,2 %	31,8 %

Weighted average no. of shares	23 392 317	23 392 317	23 392 317	23 392 317
Earning per share	-0,15	-0,18	-0,34	-0,35

Definitions

EBITDA - Earning Before Interest, Tax, Depreciation and Amortization

Note 5 - Bank

As of 30.06.22 USD 759k of bank deposits/cash on hand was restricted for debt service obligations related to the Groups outstanding bond loan.

Note 6 - Impairment

As a result of the COVID-19 pendemic, changes in global oil supplies and demand, and the Russian invasion of Ukraine, oil prices remain volatile. Management has throughout 2022 assessed if there is any impairment triggers compared to previous periods. Due to the significant improvement in utilization and dayrates, management has not identified any impairment triggers as of the date of this report, hence no impairment test has been performed.

Management expect continued demand for high end "super spec" drilling rigs, and the company has improved dayrates significantly after June 30, 2022. NorAm expects its revenue and EBITDA to continue to improve in the remainding six months of 2022 compared to the first half of 2022.