Noram Drilling AS (NORAM) – Monthly rig update

Oslo, Norway, October 17, 2022

Commercial update:

In September 2022, the Company's 11 drilling rigs achieved an average day rate of approximately USD 25,925[1] and rig utilization was 97.9%.

As of October 17, 100% of available rig days in October were contracted at an average day rate of approximately USD 28,000. The contracted backlog[2] beyond October was approximately USD 35.3 million with an average daily rig rate of approximately USD 29,500 per day.

Liquidity and cash distribution update:

Cash position at the end of September was approximately USD 19.1 million.

The Company received the net proceeds from the private placement in early October. The Company has sent a call notice to the bond trustee and will repay its USD 80 million bond loan plus approximately USD 3.2 million of accrued interest on November 14, 2022.

After repayment of the bond, NorAm Drilling will be debt free and will have a full pay-out strategy, and the Company anticipates that it will announce its first monthly cash distribution in December 2022.

For further queries, please contact:

Marius Furuly, Director of IR and Strategy
Tel: +47 90626191

About Noram Drilling
NorAm Drilling owns and operates a portfolio of eleven advanced drilling rigs upgraded to maximize drilling efficiency in the Permian Basin in Texas, which is the largest oil producing region in North America. NorAm Drilling has industry leading operating margins and will be virtually debt free. The company will have a full pay-out dividend strategy, targeting frequent cash distributions in a raising market.

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(1) Excluding add-ons for equipment rentals, additional crew and overtime.
(2) Some of the rigs have been on consecutive 'pad to pad' agreements for multiple periods without commercial downtime between pads. The contracted backlog only includes the fixed part of 'pad to pad' agreements, where the contract rate is agreed before commencing drilling on a new pad, typically with 2-3 month intervals.