



Q3 2023 Presentation

November 15, 2023



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Q3 2023 Highlights

Revenue	<ul style="list-style-type: none">• \$26.6 million including reimbursables• Clean day rate⁽¹⁾ of \$30,300, down 4% from Q2
Utilization	<ul style="list-style-type: none">• 77.3% utilization• Three rigs partly stacked during the quarter
EBITDA	<ul style="list-style-type: none">• Adj. EBITDA of \$6.9 million• Operating and maintenance expenses in line with expectations
Net income	<ul style="list-style-type: none">• \$2.0 million• EPS of \$0.05
Backlog	<ul style="list-style-type: none">• Backlog of \$17.4 million as of November 14, 2023

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

Recent Events and Outlook

Monthly cash distributions

- 12 consecutive monthly distributions, totaling USD45m or NOK ~11 per share
- Latest distribution of \$0.04/sh implies 12% dividend yield p.a.⁽¹⁾

Reactivating idle rigs

- One idle rig reactivated in mid October
- Expect to reactivate another idle rig before year end
- \$2m of working capital requirement upon re-entry to market

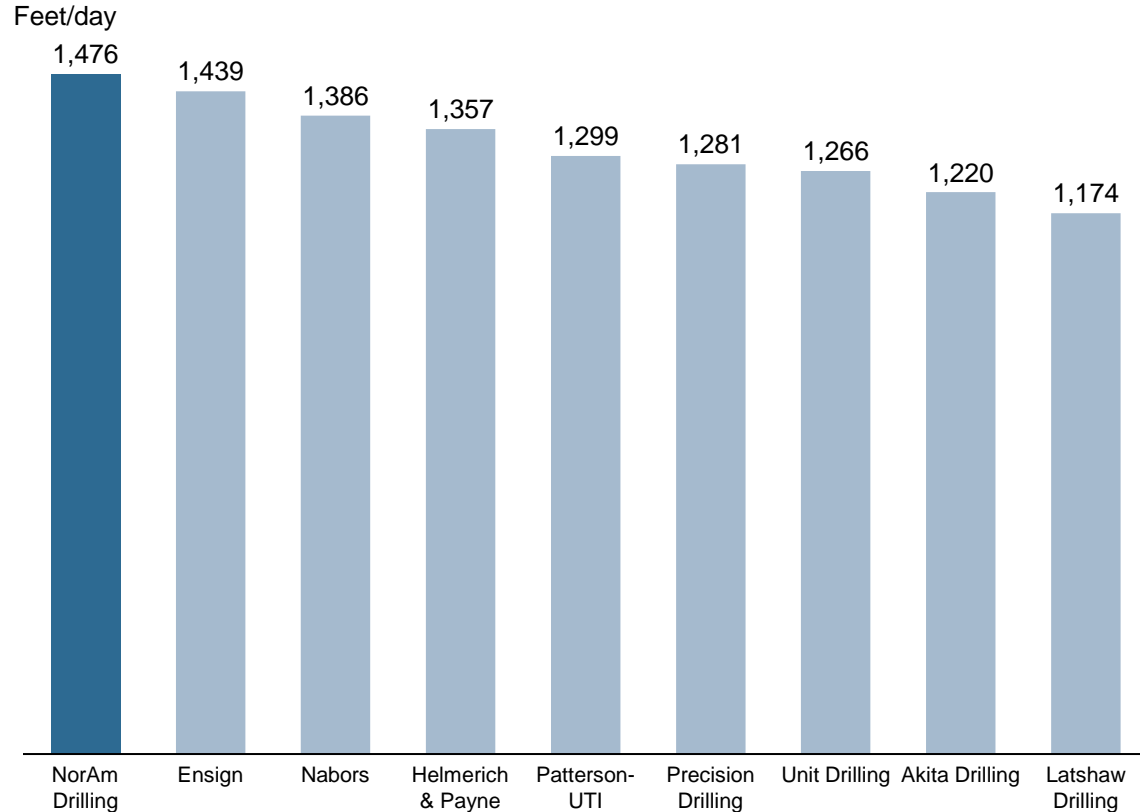
Improving near term outlook

- Anticipate stable Permian rig activity through the end of 2023
- Expect Permian rig demand to pick up in 2024
- DUCs continue to decline
- Spot day rates appear to have bottomed

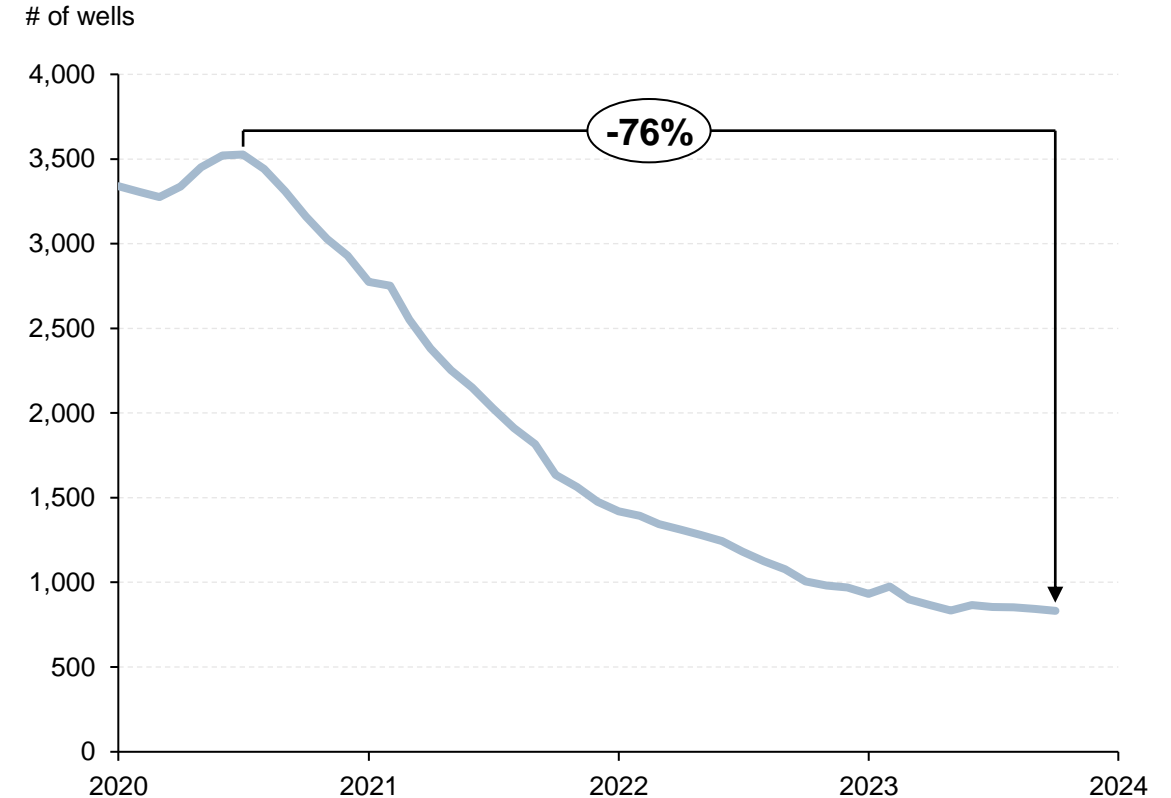
Note: (1) Based on the closing price of NOK 45 as of November 14, 2023

Strong Performance Ahead Of Expected Market Pick Up

Top US Land Drillers by average drill rate⁽¹⁾



DUC inventory almost run out = more drilling needed ahead



Note: (1) Q2 2023. Source: Enverus Oilfield Pulse Oct 2023. (2) Drilled, uncompleted wells in Permian as per EIA's latest drilling activity report

Key Operational Figures

Selected operational and financial data

(All amounts in USD 1000s per day) unless noted	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Rig operating days	1,012	1,004	990	1,005
Rig utilization (1)	77.3%	98.9%	99.3%	99.3%
Rig metrics per day:				
Dayrate (2)	30,302	31,567	30,846	28,006
Operating costs (3)	14,157	14,463	15,067	14,366
Direct margin	16,145	17,104	15,779	13,640
Operation and SG&A allocation (4)	2,046	1,765	1,812	1,936
Maintenance cap ex allocation (4)	186	180	103	203
Net cash flow	13,913	15,159	13,864	11,501
All in OPEX and maintenance capex (3)	16,389	16,408	16,982	16,505
Direct stacked cost per day	10,453			
Reimbursements of "out-of-pocket" expenses (000's)	2,645	3,962	2,286	1,252

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

(2) Per rig operating day and excludes reimbursements for "out-of-pocket" expenses.

(3) Per active rig available and excludes reimbursements for "out-of-pocket" expenses. Excludes operating costs of rigs not active.

(4) Per available days

- Dayrate down 4% Q/Q, net
- Stacked cost of ~\$10,500 p.d. on three rigs partly idle during Q3
- Reimbursements predominantly affected by drill pipe rebills

Income statement

(All amounts in USD 1000s)	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Total Operating Income	26,609	34,966	32,684	29,541
Payroll Expenses	8,039	8,423	6,897	8,496
Depreciation of Tangible and Intangible Assets	4,711	4,671	4,759	4,771
Rig Mobilization, Service and Supplies	7,678	7,317	6,972	6,276
Insurance Rigs and Employees	1,347	1,441	1,644	1,617
Other Operating Expenses	2,792	3,550	2,391	1,721
Total Operating Expenses	24,568	25,402	22,663	22,881
Operating Profit (+)/ Loss (-)	2,041	9,564	10,022	6,660
Net Financial Items	3	148	-49	1,544
Profit (+)/Loss(-) before Income Tax	2,044	9,712	9,972	8,204
Income Tax Expense		200	393	-1,097
Net Profit (+)/Loss (-)	2,044	9,512	9,579	9,301

- Total operating income affected by lower utilization

Balance Sheet And Cash Flow Statement

Balance sheet

(All amounts in USD 1000s)	3Q 2023	2Q 2023	1Q 2023	4Q 2022
<i>Non current assets</i>				
Rigs and Accessories	76,089	79,304	83,521	86,312
Vehicles and Office Equipment	611	669	434	258
<i>Current assets</i>				
Accounts Receivable	9,867	17,260	14,402	14,802
Other Receivable	1,564	2,185	855	1,336
Bank Deposits/Cash	15,321	11,894	12,696	13,098
Total Assets	103,452	111,311	111,908	115,806
<i>Equity</i>				
Issued Capital	12,547	12,547	12,547	12,547
Share Premium	118,818	124,314	136,701	136,472
Other Shareholder Contribution	369	369	369	369
Other Equity	-46,321	-48,365	-57,877	-67,456
Total Equity	85,414	88,866	91,740	81,932
<i>Non current liabilities</i>				
Deferred Tax	2,139	2,139	2,139	1,746
<i>Current Liabilities</i>				
Bond Loan				
Accounts Payable	6,293	3,927	4,138	4,607
Tax Payable	254	254	224	250
Public Duties Payable	266	268	245	267
Other Current Liabilities	9,087	15,857	13,421	27,004
Total Liabilities	18,039	22,446	20,168	32,128
Total Equity & Liabilities	103,452	111,311	111,908	115,806

Cash flow statement

(All amounts in USD 1000s)	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Net Profit (+)/Loss (-)	2,044	9,512	9,972	8,204
Tax paid for the period		30	-26	
Depreciation of fixed assets	4,711	4,671	4,759	4,771
Change in accounts receivable	7,393	-2,858	400	-4,166
Change in accounts payable	2,365	-211	-469	800
Change in other current balance sheet items	-1,820	2,981	257	-2,350
Net cash flow from operational activities	14,693	14,126	14,894	7,258
Purchase of tangible fixed assets	-1,438	-689	-2,144	-926
Net cash flow from investing activities	-1,438	-689	-2,144	-926
Repayment of long term debt				-80,000
Issued capital				72,004
Dividends	-9,828	-14,239	-13,152	-4,375
Net cash flow from financing activities	-9,828	-14,239	-13,152	-12,371
Net change in cash and cash equivalent	3,427	-802	-402	-6,040
Cash and cash equivalents opening balance	11,894	12,696	13,098	19,138
Cash and cash equivalents closing balance	15,321	11,894	12,696	13,098

- Working capital reduction due to lower rates and utilization
- Higher capex in Q3 related to final ultra SS rig upgrades

NorAm Drilling - Summary

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Modernized Ultra Super Spec rigs

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

100%

Permian focus

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



Industry low cost break-even

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

>20%

Debt free and full payout strategy

Monthly dividends with total cash distributions of ~NOK11 per share since December 2022. Latest monthly distribution implies annualized yield of 12%

Top quality customer portfolio

ConocoPhillips

FireBird
Energy II LLC

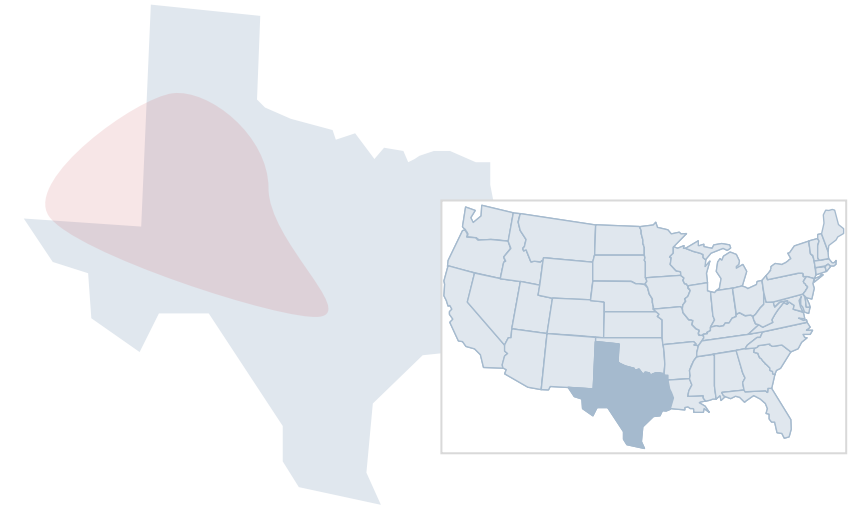
CROWNQUEST

DOUBLE EAGLE

Vencer
Energy

CALLON
PETROLEUM

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





Q&A

Please MUTE your speaker. Thanks