



Seadrill New Finance Limited (to be renamed Paratus Energy Services Ltd.) (the “Issuer”) Announces Emergence from Chapter 11

Hamilton, Bermuda | January 20, 2022 – Seadrill Limited (“**Seadrill**” or the “**Company**”) (OSE: SDRL, OTCPK: SDRLF) and the Issuer today announce that the Issuer has emerged from chapter 11 after successfully completing its pre-packaged restructuring pursuant to its chapter 11 plan of reorganization (the “**Plan**”). As previously announced, the Plan was confirmed by the United States Bankruptcy Court for the Southern District of Texas on January 12, 2022. All conditions precedent to the restructuring contemplated by the Plan have been satisfied or otherwise waived. Seadrill New Finance Limited will shortly be renamed Paratus Energy Services Ltd..

In accordance with the Plan, post emergence the board of directors of the Issuer shall consist of between three and five members, up to four of which shall be appointed by the Issuer’s noteholders, with the remaining director to be appointed by Seadrill. As such, a newly constituted board of directors of the Issuer was appointed today, consisting of Mei Mei Chow, Jim LaChance, Matt Lyne, and James Ayers. Sergio Delgado will initially act as an observer.

The Plan, which received support from an overwhelming majority of existing stakeholders, provides the Issuer with financial and strategic flexibility and stability. Benefitting from both the new ownership structure and the continuity provided by the Seadrill group, the Issuer expects to continue to focus on maximizing value for all stakeholders from its portfolio of investments including the Seabras Sapura JV and the SeaMex group.

As noted in previous announcements, the key terms of the Plan included:

- the release by the holders of the Issuer’s pre-existing 12.0% Senior Secured Notes due 2025 (the “**Noteholders**” and the “**Notes**”, respectively) of all existing guarantees and security and claims (if any) with respect to Seadrill and its subsidiaries (excluding the Issuer and certain of its subsidiaries);
- the Noteholders receiving 65% of pro forma equity in the Issuer, with Seadrill Investment Holding Company (a subsidiary of Seadrill) retaining the remaining 35% of pro forma equity in the Issuer, effecting a separation of the Issuer and its subsidiaries (including the Seabras Sapura assets and the SeaMex group) from the consolidated Seadrill group;
- the issuance of new notes pro rata to Noteholders on amended terms including:

- total amount of reinstated new notes: \$620,148,899;
- maturity date: July 15, 2026;
- interest: either (a) 9.0%, consisting of (i) 3.00% cash interest plus (ii) 6.00% PIK interest, or (b) 10.0% PIK, in each case payable quarterly;
- call protection: redemption price:
 - prior to July 15, 2022: 105%;
 - on or after July 15, 2022: 102%; and
 - on July 15, 2023 and thereafter: 100%;
- the Noteholders will have a first priority right to fund any additional liquidity needs of the Issuer or its affiliates; and
- Seadrill or its subsidiaries will continue to provide certain management services to the Issuer's group.

The Plan also provided for the satisfaction of all trade, customer, and other non-funded debt claims in full in the ordinary course of business.

Copies of the key chapter 11 documents are available at the following website: **<https://cases.primeclerk.com/SeadrillNewFinance/>**.

If any Noteholders entitled to receive shares pursuant to the Plan did not submit the relevant documentation by the relevant deadlines, details will be available from tomorrow at the following link **[https://cases.primeclerk.com/SeadrillNewFinance/Home-DocketInfo?](https://cases.primeclerk.com/SeadrillNewFinance/Home-DocketInfo?DocAttribute=7040&DocAttrName=NOTICEOFDISTRIBUTION_Q&MenuID=17868)** **[DocAttribute=7040&DocAttrName=NOTICEOFDISTRIBUTION_Q&MenuID=17868](https://cases.primeclerk.com/SeadrillNewFinance/Home-DocketInfo?DocAttribute=7040&DocAttrName=NOTICEOFDISTRIBUTION_Q&MenuID=17868)** with further information on how to claim your equity distribution. Alternatively, please contact Prime Clerk at SeadrillNFBallots@primeclerk.com. Please note that the final deadline for a Noteholder to claim the equity distribution it may be entitled to under the Plan is 365 days from today's effective date.

Kirkland & Ellis LLP and Slaughter and May served as legal advisors to the Issuer in connection with the restructuring. Akin Gump Strauss Hauer & Feld served as legal advisors to an ad hoc group of the Noteholders (the "**Ad Hoc Group**"), and Ducera Partners LLC served as the Ad Hoc Group's financial adviser.

This announcement relates to Seadrill New Finance Limited and is not expected to impact the recoveries existing shareholders of Seadrill Limited will receive under the Seadrill Limited Plan. Consummation of the Seadrill Limited Plan is subject to a number of customary terms and conditions, including court approval, which was obtained on October 26, 2021.

FORWARD LOOKING STATEMENTS

This news release includes forward looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's plans, strategies, business prospects, changes and trends in its business, the markets in which it operates and its restructuring efforts. These statements are made based upon management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties

and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Consequently, no forward-looking statement can be guaranteed. When considering these forward-looking statements, you should keep in mind the risks described from time to time in the Company's regulatory filings and periodical reporting. The Company undertakes no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors. Further, the Company cannot assess the impact of each such factor on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward looking statement.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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