



PRESS RELEASE

Northern Offshore Announces New Contract Award for Jackup Energy Enhancer

HOUSTON, TEXAS -- January 18, 2011 -- Northern Offshore, Ltd. (Oslo Børs: NOF.OL) announced today that its subsidiary, Northern Offshore U.K. Limited, was awarded a contract with Perenco UK Limited ("Perenco") for the jackup Energy Enhancer. The contract covers two well abandonments on the Welland Field in the UK Southern North Sea, and is scheduled to commence immediately following completion of the rig's current commitment. The abandonment programs are expected to take a total of 60 days to complete. Perenco has options to extend the contract for up to three additional wells with an estimated duration of 60 days per well.

Gary W. Casswell, Northern Offshore's president and CEO, said "Perenco is one of our key clients, and we are pleased to be working with them again. We look to further strengthen our relationship by providing safe and efficient operations throughout the contract period."

Northern Offshore, Ltd. is a Bermuda holding company which operates offshore oil and gas production and drilling vessels in various markets around the world, including the North Sea, the Indian Ocean, offshore Russia, the Mediterranean Sea and Southeast Asia. The company's fleet consists of one floating production facility and five drilling units (a drillship, a semisubmersible and three jackup drilling rigs). The company also provides rig management services, and is currently operating in this capacity on two semisubmersibles in the Caspian Sea. More information on Northern Offshore, Ltd. may be found by visiting the company's website at <http://www.northernoffshorelimited.com>.

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