



# Q1 2024 Presentation

May 22, 2024



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# Q1 2024 Highlights

- Revenue**
  - \$25.0 million including reimbursables
  - Clean day rate<sup>(1)</sup> of \$26,300, down 2% from Q4 2023
- Utilization**
  - 87.5% utilization, up from 82.3% in Q4 2023
- EBITDA**
  - Adj. EBITDA of \$6.7 million
  - Operating costs impacted by ad hoc increases in repair and maintenance
- Net results**
  - Profit after tax of \$1.8 million
  - EPS of \$0.04
- Backlog**
  - Backlog of \$24.5 million as of May 21, 2024

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

# Recent Events and Outlook

## Monthly cash distributions

- 18 consecutive monthly distributions, totaling \$57m or NOK ~13.8 per share
- Latest distribution of \$0.04/sh implies ~13% dividend yield p.a.<sup>(1)</sup>

## Fleet status

- 9 out of 11 rigs contracted
- A 10<sup>th</sup> rig will commence operations end of May after release early May
- Pursuing opportunities for the idle rig

## Stable near term outlook

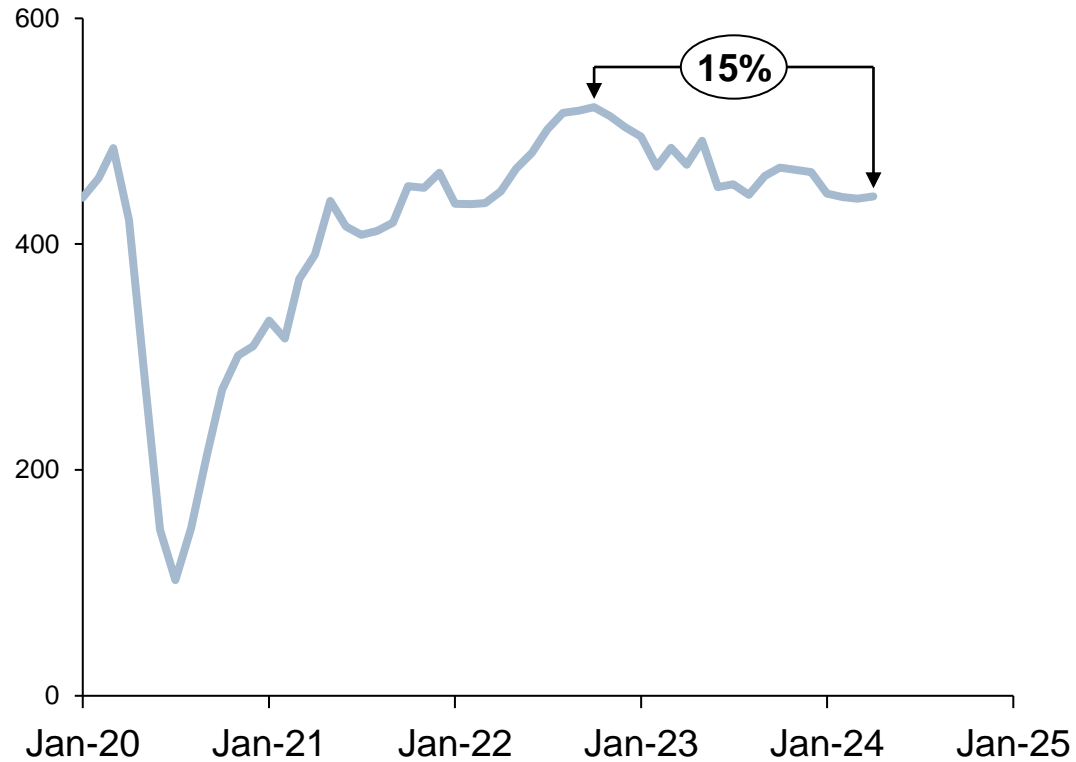
- Still affected by reduced drilling demand following M&A and consolidation activities
- Permian rig counts expected to have reached or is near a bottom
- US shale oil production growth in question at current rig count
- Expect increasing Permian rig counts later in 2024 and into 2025

Note: (1) Based on the closing price of NOK 40.6 as of May 21, 2024

# Rig Count Expected To Increase Later In 2024

Well completions continuing to drop in Permian...

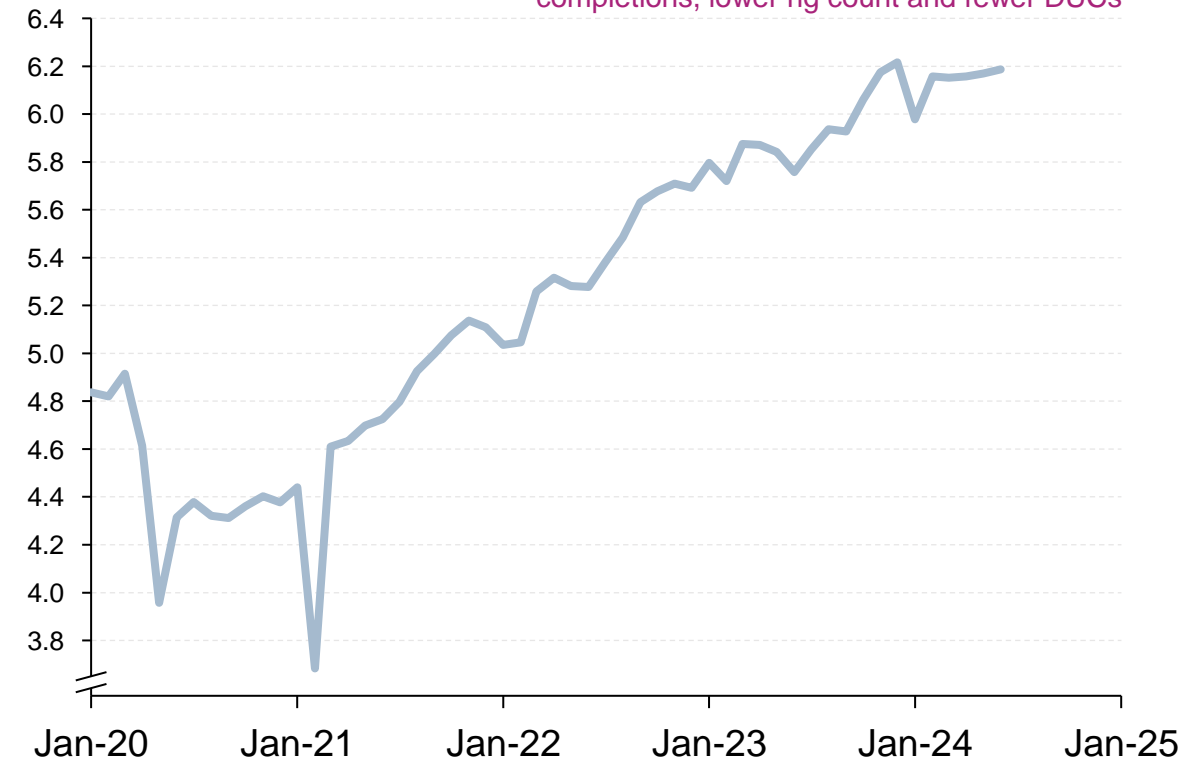
# of wells completed per month, 3-month moving average



Leading to lower Permian oil production growth

Million barrels of oil per day

Production flattening with lower well completions, lower rig count and fewer DUCs



# Key Operational Figures

## Selected operational and financial data

<i>(All amounts in USD per day) unless noted</i>	1Q 2024	4Q 2023	3Q 2023	2Q 2023
Available rig days	1,001	1,012	1,012	1,004
Rig utilization	87.5%	82.3%	77.3%	98.9%
Rig metrics per day:				
Dayrate	26,341	26,875	30,302	31,567
Operating costs (1)	14,850	14,278	14,157	14,463
Direct margin	11,491	12,597	16,145	17,104
Operation and SG&A allocation	2,231	2,218	2,046	1,765
Maintenance and capex allocation	1,457	559	186	180
Net cash flow	7,803	9,820	13,913	15,159
Cash break even, working rigs (2)	18,538	17,055	16,389	16,408
Direct stacked cost per day	10,560	9,698	10,453	
Reimbursements of "out-of-pocket" expenses (000's)	1,966	930	2,645	3,962

(1) Excludes reimbursements for "out-of-pocket" expenses

(2) Excludes reimbursements for "out-of-pocket" expenses. Excludes operating costs of rigs not active

- Dayrate down 2% Q/Q
- Utilization up 5.2 percentage points with rigs reactivated
- Increase in capex driven by drill pipe and vehicle purchases

## Income statement

<i>(All amounts in USD 1000s)</i>	1Q 2024	4Q 2023	3Q 2023	2Q 2023
<b>Total Operating Income</b>	<b>25,036</b>	<b>24,034</b>	<b>26,609</b>	<b>34,966</b>
Payroll Expenses	7,955	8,124	8,039	8,423
Depreciation of Tangible and Intangible Assets	4,850	4,796	4,711	4,671
Rig Mobilization, Service and Supplies	7,478	6,540	7,678	7,317
Insurance Rigs and Employees	1,170	1,819	1,347	1,441
Other Operating Expenses	1,768	2,237	2,792	3,550
<b>Total Operating Expenses</b>	<b>23,222</b>	<b>23,519</b>	<b>24,568</b>	<b>25,402</b>
<b>Operating Profit (+)/ Loss (-)</b>	<b>1,815</b>	<b>515</b>	<b>2,041</b>	<b>9,564</b>
Net Financial Items	-2	258	3	148
<b>Profit (+)/Loss(-) before Income Tax</b>	<b>1,812</b>	<b>773</b>	<b>2,044</b>	<b>9,712</b>
Income Tax Expense		2,990		200
<b>Net Profit (+)/Loss (-)</b>	<b>1,812</b>	<b>-2,216</b>	<b>2,044</b>	<b>9,512</b>

- Total operating income up 4% Q/Q due to higher utilization
- Costs in line with expectations except for higher ad hoc repair and maintenance expenses in the quarter

# Balance Sheet And Cash Flow Statement

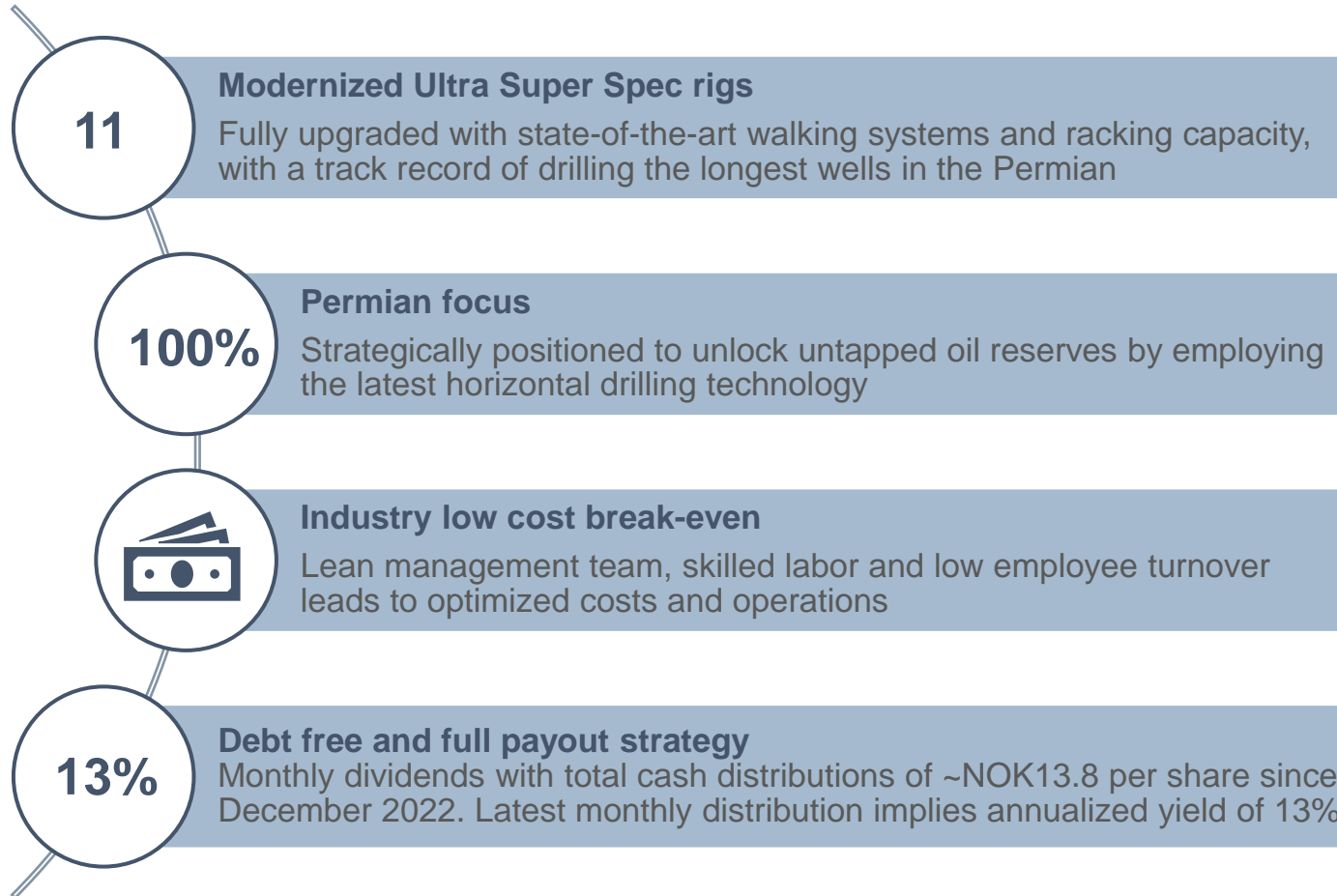
## Balance sheet

(All amounts in USD 1000s)	1Q 2024	4Q 2023	3Q 2023	2Q 2023
<i>Non current assets</i>				
Rigs and Accessories	68,368	72,061	76,089	79,304
Vehicles and Office Equipment	722	553	611	669
<i>Current assets</i>				
Accounts Receivable	11,405	11,297	9,867	17,260
Other Receivable	764	1,367	1,564	2,185
Bank Deposits/Cash	10,544	12,139	15,321	11,894
<b>Total Assets</b>	<b>91,804</b>	<b>97,418</b>	<b>103,452</b>	<b>111,311</b>
<i>Equity</i>				
Issued Capital	12,547	12,547	12,547	12,547
Share Premium	108,971	108,911	118,818	124,314
Other Shareholder Contribution	369	369	369	369
Other Equity	-46,446	-48,258	-46,321	-48,365
<b>Total Equity</b>	<b>75,441</b>	<b>73,569</b>	<b>85,414</b>	<b>88,866</b>
<i>Non current liabilities</i>				
Deferred Tax	4,881	5,055	2,139	2,139
<i>Current Liabilities</i>				
Bond Loan				
Accounts Payable	5,228	4,388	6,293	3,927
Tax Payable	326	326	254	254
Public Duties Payable	160	268	266	268
Other Current Liabilities	5,766	10,237	9,087	15,857
<b>Total Liabilities</b>	<b>16,362</b>	<b>20,275</b>	<b>18,039</b>	<b>22,446</b>
<b>Total Equity &amp; Liabilities</b>	<b>91,804</b>	<b>97,418</b>	<b>103,452</b>	<b>111,311</b>

## Cash flow statement

(All amounts in USD 1000s)	1Q 2024	4Q 2023	3Q 2023	2Q 2023
Net Profit (+)/Loss (-)	1,812	773	2,044	9,512
Tax paid for the period				30
Depreciation of fixed assets	4,850	4,796	4,711	4,671
Change in accounts receivable	-108	-1,697	7,393	-2,858
Change in accounts payable	840	-1,904	2,365	-211
Change in other current balance sheet items	-1,258	840	-1,820	2,981
Net cash flow from operational activities	6,136	2,807	14,693	14,126
Purchase of tangible fixed assets	-1,326	-711	-1,438	-689
Net cash flow from investing activities	-1,326	-711	-1,438	-689
Repayment of long term debt				
Issued capital				
Dividends	-6,406	-5,279	-9,828	-14,239
Net cash flow from financing activities	-6,406	-5,279	-9,828	-14,239
Net change in cash and cash equivalent	-1,595	-3,182	3,427	-802
Cash and cash equivalents opening balance	12,139	15,321	11,894	12,696
Cash and cash equivalents closing balance	10,544	12,139	15,321	11,894

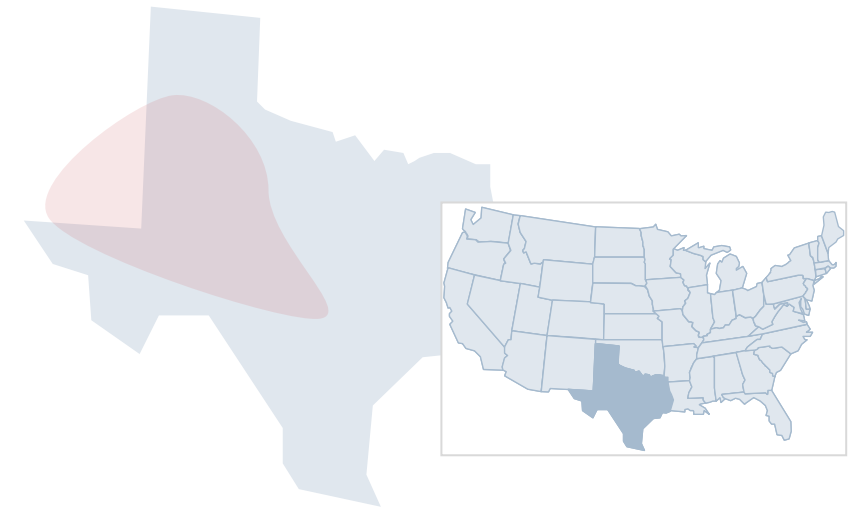
# NorAm Drilling - Summary



## Top quality customer portfolio



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







# Q&A

**Please use the raise hand function to ask a question. Thanks**