PRESS RELEASE

SHELF DRILLING NORTH SEA

REPORTS SECOND QUARTER 2024 RESULTS

Dubai, UAE, August 14, 2024 – Shelf Drilling (North Sea), Ltd. ("Shelf Drilling North Sea" and, together with its subsidiaries, the "Company", Euronext Growth Oslo Exchange: SDNS) announces results for the second quarter of 2024 ending June 30. The results highlights will be presented by audio conference call on August 15, 2024 at 6:00 pm Dubai time / 4:00 pm Oslo time. Dial-in details for the call are included in the press release posted on August 6, 2024 and on page 3 of this release.

David Mullen, Chief Executive Officer, commented: *"Our financial results for the second quarter of 2024 continued to be impacted by the preparation of two of our rigs for upcoming contracts. We are very pleased with the successful recent contract commencement of the Shelf Drilling Perseverance, which anchors our presence with a key customer in Vietnam. The delayed start for the Shelf Drilling Barsk in Norway will have a negative effect on our third quarter results. We have dedicated significant resources to this project and are confident that we will complete the regulatory approval process and commence the contract in the fourth quarter of 2024."*

Mullen added: *"We have significantly grown our backlog in 2024. As of the end of June, our contract backlog was $341 million, and we added in July a new $68 million award for the Shelf Drilling Winner in Denmark extending the rig's contract coverage until August 2026. Our focus on safe and efficient service delivery to our customers, strong backlog and unique operating platform will position us to deliver significant improvement in earnings and cash flow in 2025 and beyond."*

Second Quarter Highlights

- Q2 2024 adjusted revenues of $28.2 million.
- Q2 2024 adjusted EBITDA of $(14.0) million.
- Q2 2024 net loss of $(33.7) million.
- Q2 2024 capital expenditures and deferred costs totaled $16.3 million. YTD 2024 capital expenditures and deferred costs totaled $28.9 million.
- The Company's cash and cash equivalents balance at June 30, 2024 was $37.2 million.
- Contract backlog was $341.2 million at June 30, 2024 across five contracted rigs.
- In June 2024, the Company announced a delay in commencement of the contract for the Shelf Drilling Barsk due to ongoing efforts to obtain regulatory approvals in Norway. The contract is now expected to commence in Q4 2024.
- In July 2024, the Company secured a 17-month contract extension for the Shelf Drilling Winner in direct continuation of its current contract in Denmark, extending the firm commitment period for the rig to August 2026.
- In early August 2024, the Shelf Drilling Perseverance commenced a new contract for operations in Vietnam for 16 months.

Second Quarter Results

Adjusted revenues of $28.2 million in Q2 2024 marginally increased as compared to $27.7 million in Q1 2024. Average earned dayrate remained largely unchanged at $96.9 thousand in Q2 2024 from $96.8 thousand in Q1 2024. Effective utilization decreased to 58% in Q2 2024 from 59% in Q1 2024, as two rigs remained out of service for the entire quarter preparing for new contracts.

Total operating and maintenance expenses increased to $38.0 million in Q2 2024 compared to $35.3 million in Q1 2024. The sequential increase of $2.7 million was primarily due to higher contract preparation expenses for one rig in Vietnam that commenced operations in early August 2024.

General and administrative expenses decreased to $3.8 million in Q2 2024 compared to $4.2 million in Q1 2024. The decrease of $0.4 million was primarily due to lower one-time transition costs and professional fees during the current period.

Adjusted EBITDA for Q2 2024 decreased to $(14.0) million compared to $(11.3) million for Q1 2024, primarily due to higher contract preparation expenses on the Shelf Drilling Perseverance that was preparing for a new contract which commenced in Q3 2024.

Capital expenditures and deferred costs of $16.3 million in Q2 2024 increased from $12.6 million in Q1 2024, primarily due to higher contract preparation expenditures for one rig in Norway expected to commence a new contract in Q4 2024 and higher spending on fleet spares. In addition, there was a continued high level of spending on one rig that commenced a new contract in Vietnam in early August 2024.

Q2 2024 ending cash and cash equivalents balance of $37.2 million increased by $23.6 million from $13.6 million at the end of Q1 2024 primarily due to the net cash inflows from the successful debt refinancing transactions in Q2 2024, partially offset by the two rigs which were out of service for the full quarter preparing for their new contracts.

For further queries, please contact:

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Dial in Details for the Audio Conference call

Participants will receive conference access information only when they register for the conference via the link below:

Online Registration: https://register.vevent.com/register/BIaa7df96c5aae41f2b35482c5158e2950

Participants must register for the call using online registration. Upon registering, each participant will be provided with call details.

About Shelf Drilling North Sea

Shelf Drilling North Sea is a shallow water offshore drilling contractor primarily operating in the North Sea. The company's fit-for-purpose strategy and fleet of modern high-specification harsh environment jack-up rigs enable it to offer a broad range of services in the shallow water drilling markets. The company is incorporated under the laws of Bermuda. Since October 12, 2022, Company shares are listed on the Euronext Growth Oslo Exchange under the ticker symbol SDNS.

Special Note Regarding Forward-Looking Statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", “strategy”, "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Given these factors, users of this information should not place undue reliance on the forward-looking statements.

Additional information about Shelf Drilling (North Sea), Ltd. can be found at https://www.shelfdrillingnorthsea.com.

This information is subject to the disclosure requirements pursuant to Euronext Growth Rule Book part II.

Financial Report for the Period Ended June 30, 2024

	Three months ended		Six months ended		Twelve months ended
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023	June 30, 2024
Operating revenues – dayrate	$ 25.7	$ 26.1	$ 51.8	$ 43.1	$ 98.5
Operating revenues – others	1.0	0.1	1.1	0.3	1.9
Other revenues	1.5	1.5	3.0	20.1	14.8
Adjusted revenues (1)	**28.2**	**27.7**	**55.9**	**63.5**	**115.2**
Amortization of intangible liability (2)	3.2	3.2	6.4	6.8	13.8
Revenues (3)	**31.4**	**30.9**	**62.3**	**70.3**	**129.0**
Rig operating expenses	35.2	32.0	67.2	38.6	111.2
Shore-based expenses	2.8	3.3	6.1	4.9	11.5
Operating and maintenance expenses (4)	**38.0**	**35.3**	**73.3**	**43.5**	**122.7**
Corporate G&A (5)	3.8	4.0	7.8	7.6	15.5
Provision for credit losses, net	—	—	—	—	3.4
One-time corporate transaction costs (6)	—	0.2	0.2	1.1	0.1
General & administrative expenses	**3.8**	**4.2**	**8.0**	**8.7**	**19.0**
Other, net expense / (income) (7)	0.4	(0.3)	0.1	0.7	0.5
EBITDA (8)	**(14.0)**	**(11.5)**	**(25.5)**	**10.6**	**(27.0)**
One-time corporate transaction costs (6)	—	0.2	0.2	1.1	0.1
Adjusted EBITDA (8)	**$ (14.0)**	**$ (11.3)**	**$ (25.3)**	**$ 11.7**	**$ (26.9)**
Adjusted EBITDA margin (8)	**(50)%**	**(41)%**	**(45)%**	**18%**	**(23)%**
Operating Data:					
Average marketable rigs (9)	5.0	5.0	5.0	4.0	4.5
Average dayrate (in thousands) (10)	$ 96.9	$ 96.8	$ 96.8	$ 77.2	$ 95.6
Effective utilization (11)	58%	59%	59%	77%	62%
Capital expenditures and deferred costs:					
Regulatory and capital maintenance (12)	$ 1.6	$ 4.2	$ 5.8	$ 0.8	$ 8.7
Contract preparation (13)	10.9	7.2	18.1	—	18.1
Marketable rigs	12.5	11.4	23.9	0.8	26.8
Fleet spares, transition costs and others (14)	3.8	1.2	5.0	4.0	8.8
Capital expenditures and deferred costs	**$ 16.3**	**$ 12.6**	**$ 28.9**	**$ 4.8**	**$ 35.6**

(In US$ millions, except rig numbers, average dayrate and effective utilization)

(percentages and figures may include rounding differences)

GAAP and Non-GAAP Financial Measures

The above Financial Report reflects certain US generally accepted accounting principles ("GAAP") and non-GAAP financial measures to evaluate the performance of our business. We believe the non-GAAP financial measures we use are useful in assessing our historical and future performance throughout the commodity price cycles that have characterized our industry since our inception.

(1) "Adjusted Revenues" is defined as the Revenues less the amortization of intangible liability. Adjusted Revenues provide investors with a financial measure used in our industry to better evaluate our results without regard to non-cash amortization of intangible liability.

(2) "Amortization of intangible liability" is defined as the amortization of the intangible liability related to existing drilling contracts for future contract drilling services in connection with the acquisition of five jack-up rigs from Noble. The terms of these contracts included fixed dayrates that were below the market dayrates that were estimated to be available for similar contracts as of the date of the acquisition. This amortization is recorded in the operating revenues line item in the consolidated statements of operations.

(3) ''Revenues'' includes all revenues earned over the period including: (a) integrated drilling service contract dayrates, (b) other operating revenues such as mobilization and contract preparation fees amortized over the firm contract term, demobilization, contract termination fees, contractual operational incentive bonus and revenue provisions, (c) others which mainly include recharge revenue for client requested services and materials and (d) amortization of intangible liability.

(4) "Operating and maintenance expenses" consist of Rig "Personnel expenses", "Maintenance expenses", "Other operating expenses" and shore-based offices expenses. "Personnel expenses" include compensation, transportation, training and catering costs for rig crews. Such expenses vary from country to country reflecting the combination of expatriates and nationals, local market rates, unionized trade arrangements, local law requirements regarding social security, payroll charges and end of service benefit payments. "Maintenance expenses" relate to maintaining our rigs in operation, including the associated freight and customs duties, which are not capitalized nor deferred. Such expenses do not directly extend the rig life or increase the functionality of the rig. "Other operating expenses" include all remaining operating expenses such as insurance, professional services, equipment rental and other miscellaneous costs.

(5) "Corporate G&A" as used herein includes general & administrative expenses, excluding the (reversal of provision for) / provision for credit losses, net, certain one-time third-party professional services.

(6) "One-time corporate transaction costs " primarily represents certain costs related to the acquisition.

(7) "Other, net (income) expense" as used herein is composed primarily of currency exchange loss / (gain) and certain vendor discounts.

(8) ''EBITDA'' as used herein represents revenue less: operating and maintenance expenses, Corporate G&A, provision for credit losses, one-time corporate transaction costs and other, net, and excludes amortization of intangible liability, interest expense and financing charges, interest income, income taxes, depreciation, amortization, loss on impairment of assets and (gain) / loss on disposal of assets. ''Adjusted EBITDA'' as used herein represents EBITDA as adjusted for the exclusion of one-time corporate transaction costs. "Adjusted EBITDA margin" as used herein represents Adjusted EBITDA divided by the revenues excluding the amortization of intangible liability. These terms, as we define them, may not be comparable to similarly titled measures employed by other companies and are not a measure of performance calculated in accordance with GAAP. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or other income or cash flow statement data prepared in accordance with GAAP.

We believe that Adjusted Revenues, EBITDA and Adjusted EBITDA are useful because they are widely used by investors in our industry to measure a company's operating performance without regard to items such as interest expense and financing charges, interest income, income tax expense (benefit), depreciation, amortization and non-recurring expenses (benefits), which can vary substantially from company to company. EBITDA and Adjusted EBITDA have significant limitations, such as not reflecting our cash requirements for capital expenditures and deferred costs, contractual commitments, working capital, taxes or debt service.

Our management uses Adjusted Revenues, EBITDA and Adjusted EBITDA for the reasons stated above. In addition, our management uses Adjusted EBITDA in presentations to our Board of Directors to provide a consistent basis to measure operating performance of management; as a measure for planning and forecasting overall expectations; for evaluation of actual results against such expectations; and in communications with equity holders, lenders, note holders, rating agencies and others concerning our financial performance.

(9) ''Marketable rigs'' are defined as the total number of rigs that are operating or are available to operate, but excluding rigs under third party bareboat charter agreements, stacked rigs and rigs under contract for activities other than drilling or plug and abandonment services, as applicable.

(10) ''Average dayrate'' is defined as the average contract dayrate earned by marketable rigs over the reporting period excluding mobilization fees, contract preparation, capital expenditure reimbursements, demobilization, recharges, bonuses and other revenues.

(11) ''Effective utilization'' is defined as the actual number of calendar days during which marketable rigs generate dayrate revenues divided by the maximum number of calendar days during which those rigs could have generated dayrate revenues.

(12) "Regulatory and capital maintenance" includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures.

(13) "Contract preparation" includes specific upgrade, mobilization and preparation costs associated with a customer contract.

(14) "Fleet spares, transition costs and others" includes (i) acquisition and certification costs for the rig fleet spares pool which is allocated to specific rig expenditure as and when required by that rig which will result in an expenditure charge to that rig and a credit to fleet spares, (ii) costs related to the rigs acquired in 2022 and (iii) office and infrastructure expenditures.