



Q4 2024 Presentation

February 20, 2025



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Q4 2024 Highlights

Revenue

- \$26.6 million in Q4 vs. \$26.5 million in Q3

Utilization

- 90.6% utilization in Q4 2024 vs. 89.3% in Q3 2024

EBITDA

- Adj. EBITDA of \$6.6 million in Q4 2024 vs. \$6.0 million in Q3 2024

Net results

- Profit after tax of \$19k

Backlog

- Backlog of \$30.3 million as of February 19, 2025

Recent Events and Outlook

Monthly cash distributions

- 27 consecutive monthly distributions, totaling \$72.5m or NOK ~17.72 per share
- Cash distributions have now exceeded the private placement proceeds in 2022
- Latest distribution of \$0.04/sh implies 15.8% dividend yield p.a.⁽¹⁾
- We intend to continue to payout excess earnings

Fleet status

- 10 out of 11 rigs contracted
- Pursuing opportunities for the idle rig

Stable near term outlook for 2025

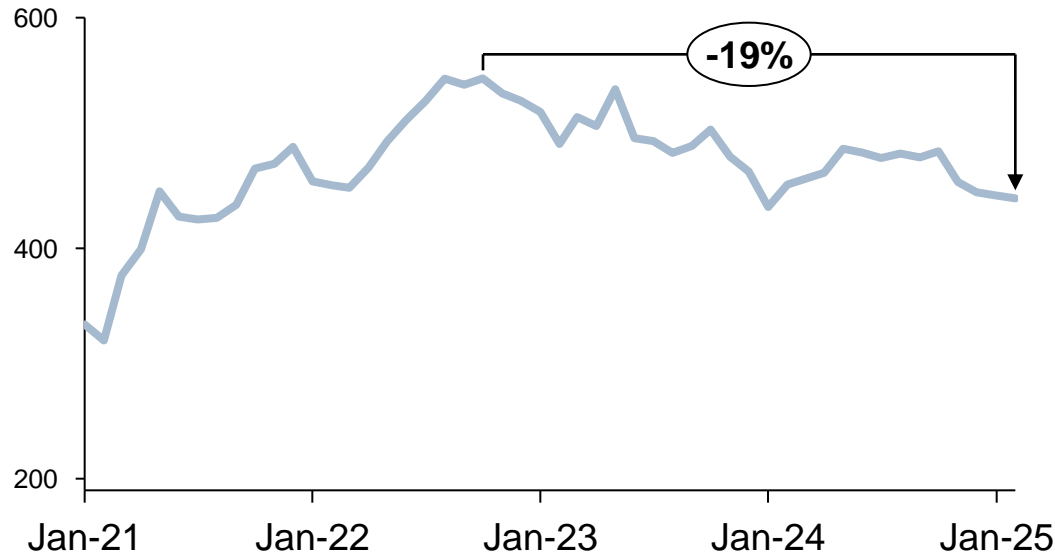
- E&P consolidation and capex discipline affecting rig demand
- Slowing US oil production growth
- Natural gas related drilling activity expected to increase going forward

Note: (1) Based on NorAm Drilling's closing share price of NOK 33.8 and a USDNOK rate of 11.13 as of February 19, 2025

Rigs Needed To Increase Production In Permian

Well completions continuing to drop in Permian...

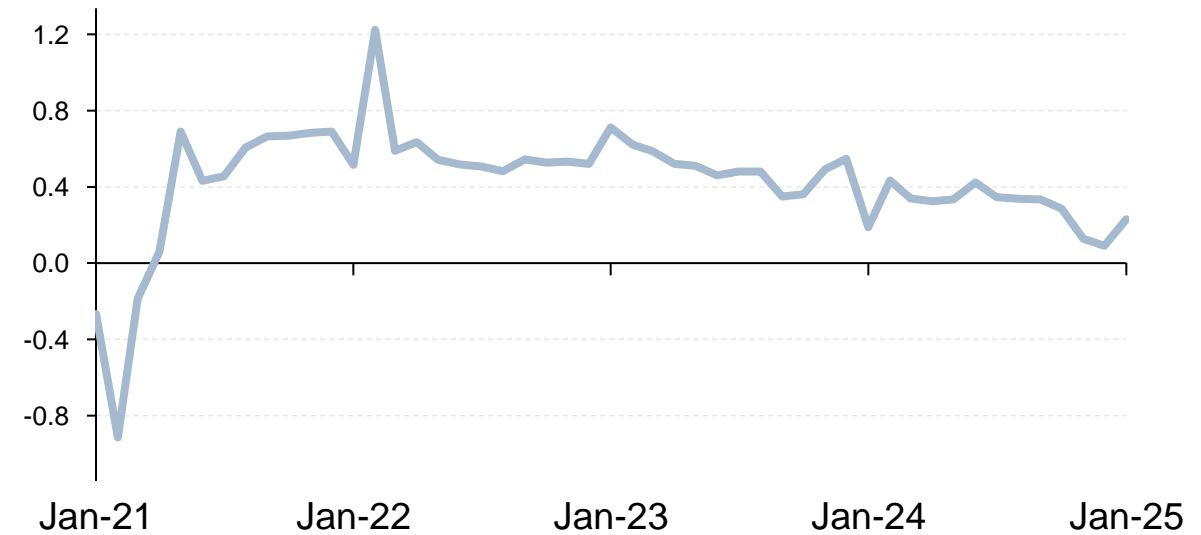
of wells completed per month (3 month moving average)



- Well completions continue to drop in Permian
- Production growth despite fewer wells because of longer laterals, increased spacing between wells and better frac techniques

Leading to declining Permian oil production growth rate

Y/Y oil production change in Permian, Million barrels of oil per day



- Production growth rate slowing with fewer well completions
- Permian production up only 170k bpd Y/Y in Q4 2024 vs. 470k bpd Y/Y in Q4 2023

Key Operational Figures

Selected operational and financial data

<i>(All amounts in USD per day) unless noted</i>	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Rig utilization	90.6%	89.3%	85.9%	87.5%
Rig metrics per day:				
Direct margin	10,932	10,643	9,879	11,491
Operation and SG&A allocation	2,415	2,370	2,374	2,231
Maintenance and capex allocation	1,054	786	379	1,457
Net cash flow margin	7,463	7,487	7,126	7,803
Operating costs (1)	14,899	15,356	15,710	14,850
Cash break even, working rigs (2)	18,368	18,054	18,463	18,538
Direct stacked cost per day	12,052	9,800	10,250	10,560
Reimbursements of "out-of-pocket" expenses (000's)	2,549	3,176	2,723	1,966

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

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

- Q4 direct margin benefited from lower R&M
- Q4 capex included spare top drive purchase
- Stacked cost per day increased due to higher spend on repairs

Income statement

<i>(All amounts in USD 1000s)</i>	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Total Operating Income	26,604	26,528	24,930	25,036
Payroll Expenses	8,775	8,862	7,952	7,955
Depreciation of Tangible and Intangible Assets	4,970	4,943	4,915	4,850
Rig Mobilization, Service and Supplies	7,578	7,833	8,524	7,478
Insurance Rigs and Employees	1,601	1,499	1,300	1,170
Other Operating Expenses	2,040	2,420	2,392	1,768
Total Operating Expenses	24,964	25,557	25,083	23,222
Operating Profit (+)/ Loss (-)	1,641	970	-153	1,815
Net Financial Items	-26	83	126	-2
Profit (+)/Loss(-) before Income Tax	1,614	1,053	-27	1,812
Income Tax Expense	1,596	353	250	
Net Profit (+)/Loss (-)	19	700	-277	1,812

- Operating profit improved \$0.7m from Q3

Balance Sheet And Cash Flow Statement

Balance sheet

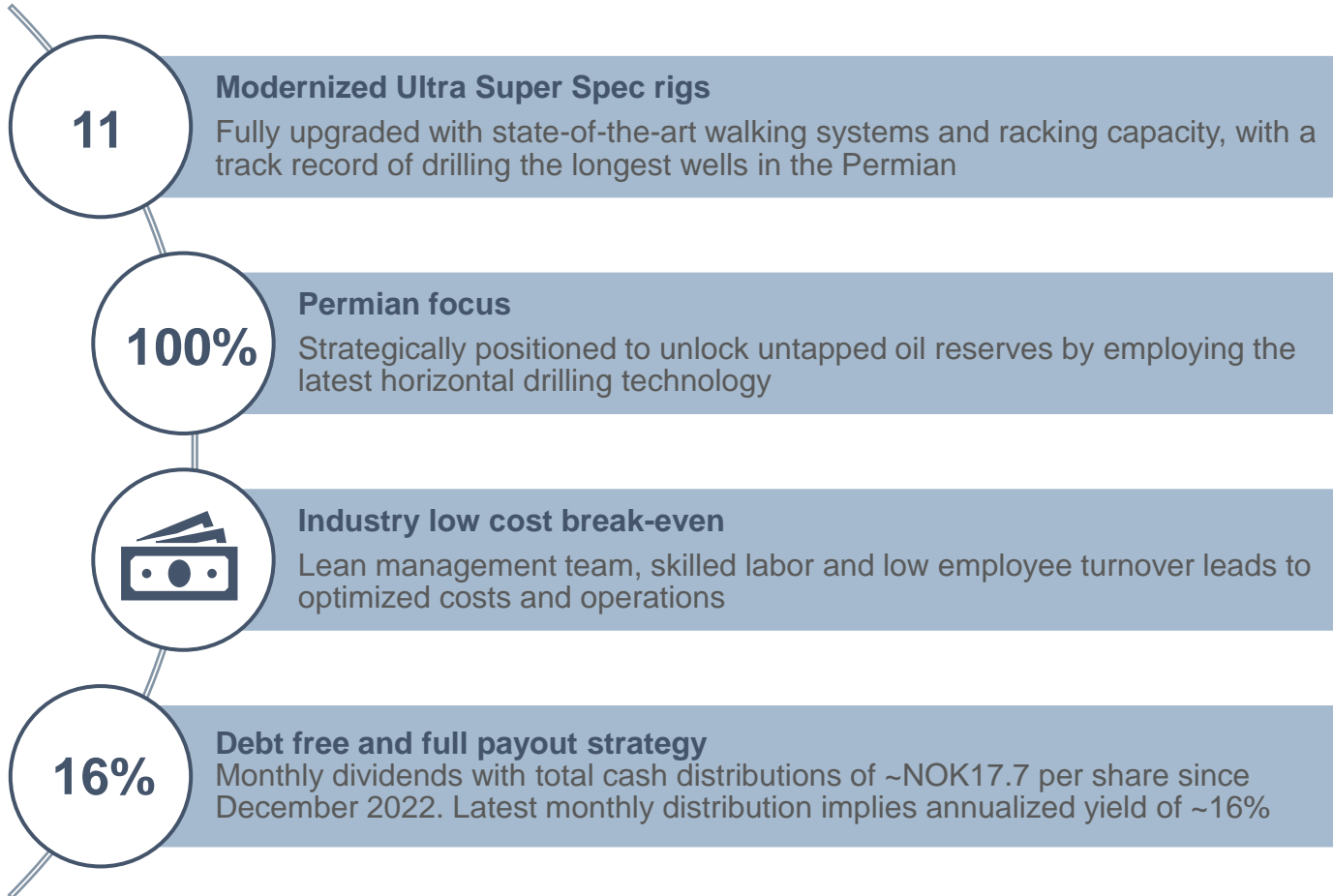
(All amounts in USD 1000s)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
<i>Non current assets</i>				
Rigs and Accessories	55,732	59,660	63,867	68,368
Vehicles and Office Equipment	569	641	653	722
<i>Current assets</i>				
Accounts Receivable	12,339	11,965	11,223	11,405
Other Receivable	1,673	1,732	2,483	764
Bank Deposits/Cash	8,365	10,370	10,579	10,544
Total Assets	78,678	84,368	88,805	91,804
<i>Equity</i>				
Issued Capital	12,569	12,569	12,547	12,547
Share Premium	91,802	100,403	105,542	107,223
Other Shareholder Contribution	369	369	369	369
Other Equity	-46,004	-46,023	-46,723	-46,446
Total Equity	58,735	67,318	71,735	73,694
<i>Non current liabilities</i>				
Deferred Tax	5,234	4,825	4,881	4,881
<i>Current Liabilities</i>				
Accounts Payable	3,616	5,102	5,126	5,228
Tax Payable	1,781	695	287	326
Public Duties Payable	169	159	163	160
Other Current Liabilities	9,143	6,269	6,614	7,514
Total Liabilities	19,943	17,050	17,071	16,362
Total Equity & Liabilities	78,678	84,368	88,805	91,804

Cash flow statement

(All amounts in USD 1000s)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Net Profit (+)/Loss (-)	19	700	-277	1,812
Tax	-1,113	408	-39	
Depreciation of fixed assets	4,970	4,943	4,915	4,850
Change in accounts receivable	-374	-742	182	-108
Change in accounts payable	-1,484	-24	-103	840
Change in other current balance sheet items	2,089	412	906	-1,258
Net cash flow from operational activities	4,107	5,697	5,584	6,136
Purchase of tangible fixed assets	-971	-723	-345	-1,326
Net cash flow from investing activities	-971	-723	-345	-1,326
Repayment of long term debt				
Issued capital		21		
Dividends	-5,141	-5,183	-5,204	-6,406
Net cash flow from financing activities	-5,141	-5,162	-5,204	-6,406
Net change in cash and cash equivalent	-2,005	-209	35	-1,595
Cash and cash equivalents opening balance	10,370	10,579	10,544	12,139
Cash and cash equivalents closing balance	8,365	10,370	10,579	10,544

- Cash declined by ~\$2m due to higher capex and working capital
- 2025 capex expected to be around \$4m

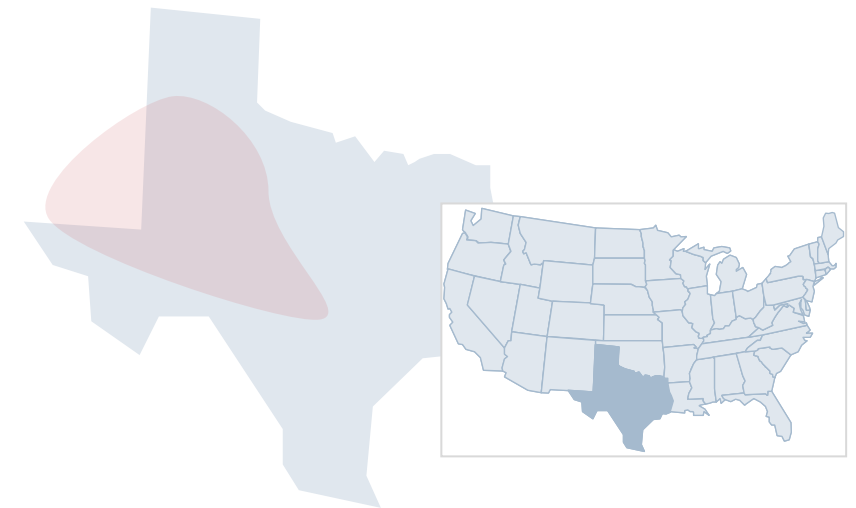
NorAm Drilling - Summary



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