PRESS RELEASE
SHELF DRILLING
REPORTS FOURTH QUARTER 2024 RESULTS

Dubai, UAE, March 3, 2025 – Shelf Drilling, Ltd. ("Shelf Drilling", "SDL" and, together with its subsidiaries, the "Company", OSE: SHLF) announces results for the fourth quarter and full year of 2024 ended December 31. The results highlights will be presented by audio conference call on March 3, 2025 at 6:00 pm Dubai time / 3:00 pm Oslo time. Dial-in details for the call are included in the press release posted on February 21, 2025 and on page 3 of this release.

Greg O'Brien, Chief Executive Officer, commented: "*Our Adjusted EBITDA for the fourth quarter of 2024 was $85 million, representing an increase of 23% over the previous quarter, after excluding the acceleration of mobilization revenue in Q3 for two suspended rigs in Saudi Arabia. The increase was mostly driven by higher revenue in Nigeria and Norway, following the commencement of new contracts in Q4.*"

O'Brien added: "*The fourth quarter of 2024 concluded a year marked by significant and unexpected challenges for Shelf Drilling, including rig suspensions in Saudi Arabia and a start-up delay in Norway. I am extremely proud of the responses from our entire team, redeploying assets and securing new backlog, identifying innovative ways to reduce costs and preserve cash, while continuing to deliver best-in-class services to our customers. Two of the suspended rigs in Saudi Arabia were quickly redeployed to Nigeria and started new long-term contracts in the last quarter of 2024, while another two rigs are now being mobilized to West Africa for programs in the region. The recently announced alliance with Arabian Drilling will create additional opportunities in our core markets.*

While we continue to see short-term pressure on dayrates following multiple rounds of rig suspensions in Saudi Arabia in 2024, we remain very confident in the long-term outlook for jack-up supply and demand. We firmly believe that the constructive backdrop for oil and gas, combined with our strong customer relations and unique operating platform, will enable us to drive long-term value for our stakeholders."

Fourth Quarter Highlights and Subsequent Events

- Q4 2024 adjusted revenues of $225.4 million.
- Q4 2024 adjusted EBITDA of $85.0 million, representing an adjusted EBITDA margin of 38%, including $16.7 million adjusted EBITDA from Shelf Drilling (North Sea), Ltd. ("SDNS") and $68.3 million from the rest of the business.
- Full year 2024 adjusted revenues of $972.4 million, adjusted EBITDA of $350.7 million and adjusted EBITDA margin of 36%.
- Full year 2024 net income attributable to controlling interest of $81.4 million, including $24.1 million in Q4 2024.
- Full year 2024 capital expenditures and deferred costs totaled $152.4 million, including $31.0 million in Q4 2024.
- The Company's cash and cash equivalents balance at December 31, 2024 was $152.3 million.
- In February 2025, the Company announced that it had entered into a memorandum of understanding to form a strategic alliance with Arabian Drilling Company for the deployment of premium jack-up rigs internationally and to unlock new opportunities in our core markets.
- Key rig developments include:
  - Two-year new contract for the Main Pass IV in Nigeria commenced in December 2024.
  - Sale of Main Pass I for $11.0 million, which was completed in January 2025.
  - Trident VIII insurance claim resolution and rig retirement expected to be completed in Q1 2025.
  - One-year contract extension for the Shelf Drilling Scepter in Nigeria ending in July 2026.
  - Return to operations for Trident XVI in Egypt in February 2025.
  - Shelf Drilling Victory and High Island II mobilizing to West Africa for new contract opportunities.
- Financial guidance for the full year 2025 is included in "2025 Financial Guidance" section of the Q4 2024 results highlights presentation on our website.

Fourth Quarter Results

Adjusted revenues were $225.4 million in Q4 2024 compared to $264.7 million in Q3 2024. The $39.3 million (15%) sequential decrease in adjusted revenues was driven by the $45.2 million acceleration of mobilization revenue in Q3 2024 on two rigs for which operations were suspended in Saudi Arabia, partially offset by higher average earned dayrates and higher effective utilization in Q4 2024.

Effective utilization increased to 80% in Q4 2024 from 77% in Q3 2024, primarily due to the commencement of new contracts for three rigs in Vietnam, West Africa and Norway from mid-Q3 2024 to late Q4 2024. Average earned dayrate increased to $87.5 thousand in Q4 2024 from $81.8 thousand in Q3 2024 mainly due to one rig in Norway and two rigs in West Africa starting new contracts.

Total operating and maintenance expenses decreased by $3.1 million (2%) in Q4 2024 to $129.5 million compared to $132.6 million in Q3 2024. The sequential decrease was primarily due to lower mobilization costs for one rig in West Africa that commenced a new contract in Q4 2024 and lower operating costs for one rig in West Africa that was sold in Q3 2024.

General and administrative expenses decreased by $0.8 million in Q4 2024 to $15.8 million as compared to $16.6 million in Q3 2024. The sequential decrease was primarily due to a decrease in compensation and benefit expenses partially offset by an increase in provision for credit losses.

Adjusted EBITDA for Q4 2024 was $85.0 million compared to $114.2 million for Q3 2024. The adjusted EBITDA margin of 38% for Q4 2024 decreased as compared to 43% in Q3 2024. The significant decrease in adjusted EBITDA resulted primarily from the acceleration of mobilization revenues on two suspended rigs in Saudi Arabia in Q3 2024. The adjusted EBITDA for SDNS increased sequentially to $16.7 million from $(4.9) million primarily due to the commencement of new contracts in Vietnam and Norway in August and November 2024, respectively.

Capital expenditures and deferred costs of $31.0 million in Q4 2024 decreased by $3.9 million from $34.9 million in Q3 2024. This sequential decrease was primarily due to lower planned maintenance and shipyard costs for one rig in Saudi Arabia and lower contract preparation expenditures for two rigs that commenced new contracts in late Q3 and Q4 2024 in West Africa. This was partially offset by increased spending on fleet spares and for one rig in Norway that commenced a new contract in Q4 2024.

Q4 2024 ending cash and cash equivalents balance was $152.3 million. The decrease of $67.8 million from $220.1 million at the end of Q3 2024 was primarily due to higher debt service payments ($37.5 million of principal payment and $69.0 million of interest payments) in Q4 2024 and a $30.1 million payment for the purchase of the remaining 40% shares from the former SDNS shareholders in Q4 2024. This was partially offset by cash insurance proceeds of $44.0 million for the Trident VIII that was declared a total constructive loss by the Company's insurance underwriters in October 2024 following its structural damage in April 2024.

The Form 10-K Equivalent, which includes the consolidated financial statements, and a corresponding slide presentation to address the results highlights for Q4 2024 are available on the Company’s website.

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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/BI0f1d9107a5f741c3b49f5454a0b2e7bc

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

About Shelf Drilling

Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across Middle East, Southeast Asia, India, West Africa, Mediterranean and North Sea. Shelf Drilling was founded in 2012 and has established itself as a leader within its industry through its fit-for-purpose strategy and close working relationship with industry leading clients. The Company is incorporated under the laws of the Cayman Islands with corporate headquarters in Dubai, United Arab Emirates. The Company is listed on the Oslo Stock Exchange under the ticker “SHLF”.

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 can be found at www.shelfdrilling.com.

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

Financial Report for the Period Ended December 31, 2024

	Three months ended		Twelve months ended	
	December 31, 2024	September 30, 2024	December 31, 2024	December 31, 2023
Operating revenues – dayrate	$ 212.4	$ 196.7	$ 852.9	$ 809.8
Operating revenues – others	4.6	61.8	90.0	29.9
Other revenues	8.4	6.2	29.5	54.1
Adjusted revenues [1]	**225.4**	**264.7**	**972.4**	**893.8**
Amortization of intangible liability [2]	3.2	3.2	12.8	14.2
Revenues [3]	**228.6**	**267.9**	**985.2**	**908.0**
Rig operating expenses	117.7	119.9	503.3	464.0
Shore-based expenses	11.8	12.7	50.1	48.9
Operating and maintenance expenses [4]	**129.5**	**132.6**	**553.4**	**512.9**
Corporate G&A [5]	13.1	14.0	58.2	56.2
Provision for credit losses, net	1.3	0.7	2.6	4.7
Share-based compensation expense, net of forfeitures [6]	1.3	1.4	5.0	2.4
One-time corporate transaction costs [7]	0.1	0.5	0.8	1.0
General & administrative expenses	**15.8**	**16.6**	**66.6**	**64.3**
Gain on insurance recovery	(30.9)	—	(30.9)	—
Other, net expense / (income) [8]	(4.8)	1.8	2.5	6.1
EBITDA [9]	**115.8**	**113.7**	**380.8**	**310.5**
Gain on insurance recovery	(30.9)	—	(30.9)	—
One-time corporate transaction costs [7]	0.1	0.5	0.8	1.0
Adjusted EBITDA [9]	**$ 85.0**	**$ 114.2**	**$ 350.7**	**$ 311.5**
Adjusted EBITDA margin [9]	**38%**	**43%**	**36%**	**35%**
Operating Data:				
Average marketable rigs [10]	33.0	34.0	34.6	34.7
Average dayrate (in thousands) [11]	$ 87.5	$ 81.8	$ 83.2	$ 76.9
Effective utilization [12]	80%	77%	81%	83%
Capital expenditures and deferred costs:				
Regulatory and capital maintenance [13]	$ 6.8	$ 13.0	$ 61.3	$ 89.4
Contract preparation [14]	12.4	15.5	55.6	76.9
Marketable rigs	19.2	28.5	116.9	166.3
Fleet spares and others [15]	11.8	6.4	35.5	30.7
Sub-Total (excluding acquisitions)	31.0	34.9	152.4	197.0
Rig acquisitions [16]	—	—	—	28.8
Capital expenditures and deferred costs	**$ 31.0**	**$ 34.9**	**$ 152.4**	**$ 225.8**

The following table reconciles the cash payment for additions to property and equipment and changes in deferred costs, net to total capital expenditures and deferred costs:

Cash payments for additions to property and equipment	$ 4.7	$ 9.4	$ 47.7	$ 103.1
Net change in advances and accrued but unpaid additions to property and equipment	4.4	(2.3)	3.6	(5.8)
Capital expenditures	**9.1**	**7.1**	**51.3**	**97.3**
Changes in deferred costs, net	(4.5)	(3.4)	(2.1)	67.0
Add: Amortization of deferred costs	26.4	31.2	103.2	61.5
Deferred costs	**21.9**	**27.8**	**101.1**	**128.5**
Capital expenditures and deferred costs	**$ 31.0**	**$ 34.9**	**$ 152.4**	**$ 225.8**

(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" as used herein is defined as 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 of five jack-up rigs from Noble. 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 amortization of mobilization and contract preparation fees, demobilization, contract termination fees, contractual operational incentive bonus and revenue provisions and (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, share-based compensation expense and certain one-time expenses related to cost saving and restructuring measures, third-party professional services and certain costs related to acquisitions.

(6) "Share-based compensation expense, net of forfeitures" is recognized as general and administrative expense in the consolidated statements of operations under GAAP.

(7) "One-time corporate transaction costs" represents certain one-time expenses related to cost saving and restructuring measures, third-party professional services and certain costs related to acquisitions.

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

(9) ''EBITDA'' as used herein represents revenue less: operating and maintenance expenses, Corporate G&A, (reversal of) / provision for credit losses, share-based compensation expense, net of forfeitures and other, net, and excludes amortization of intangible liability, interest expense and financing charges, interest income, income taxes, depreciation, amortization, impairment loss and (gain) / loss on disposal of assets. ''Adjusted EBITDA'' as used herein represents EBITDA as adjusted for the exclusion of gain on insurance recovery and one-time corporate transaction costs. "Adjusted EBITDA margin" as used herein represents Adjusted EBITDA divided by adjusted revenues. 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.

(10) ''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.

(11) ''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.

(12) ''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.

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

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

(15) "Fleet Spares 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 acquired rigs in 2022 and (iii) office and infrastructure expenditures.

(16) "Rig acquisitions" primarily includes capital expenditures and deferred costs associated with the rig readiness project for the Shelf Drilling Victory acquired in July 2022.