

## **BOARD RECOMMENDATION**

### **Recommendation by the Board of a cash offer by ADES International Holding Ltd to acquire all of the issued and outstanding shares of Shelf Drilling, Ltd. by way of merger**

Dubai, August 2025: Reference is made to Shelf Drilling, Ltd.'s (**SHLF** or the **Company**) announcement dated 5 August 2025 concerning a recommended offer by ADES International Holding Ltd ("**ADES**") through a wholly owned subsidiary ADES International Cayman ("**Bidco**") to acquire all of the issued and outstanding shares of the Company by way of cash merger between Bidco and the Company, with the Company surviving such merger (the "**Merger**"). All of the Company's shares will be cancelled for a consideration in cash of NOK 14.00 per share (the "**Transaction**"), pursuant to an Agreement and Plan of Merger between the Company, ADES and Bidco (the "**Merger Agreement**"). Following the completion of the Merger, the surviving company would be wholly-owned by ADES, and the common shares of SHLF will be delisted from the Oslo Stock Exchange. The Merger is subject to approval by the Company's shareholders in an extraordinary general meeting of shareholders and certain other closing conditions set out in the Merger Agreement.

The consideration offered to the Company's shareholders in the Transaction is NOK 14 per share (the **Offer Price**). The Offer Price represents a premium of approximately 62% to the closing share price on 4 August 2025 and 93% to 30-day volume-weighted average share price. The Offer Price values the total share capital of the Company, on a fully diluted basis, at approximately NOK 3.9 billion.

After having carefully reviewed and evaluated the terms and conditions of the Merger Agreement, the Company's board of directors (the **Board**) has concluded, that the Transaction is in the best interest of the Company and its shareholders. The Board has therefore approved the Merger Agreement and the transactions contemplated thereby, and as part of this determined to recommend the Company's shareholders to adopt the Merger substantially on the terms set out in the Merger Agreement.

**On this basis, the Board recommends that the SHLF shareholders at the extraordinary general meeting to be called for the purpose of considering the Transaction vote "FOR" the Transaction and the proposal to adopt and approve the Merger of SHLF and Bidco subject to the conditions and on the terms of the Merger Agreement and related documents.**

In evaluating the proposed Merger from *inter alia* commercial, financial and legal perspectives, the Board has consulted with its appointed external financial and legal advisors, as well as with the management of the Company. The decision that the Transaction is advisable and in the best interest of the Company and its shareholders was reached by a broad evaluation of all factors the Board considered relevant, following comprehensive negotiations by the Company of the terms of the Merger. As part of this, the Company has also requested and received a fairness opinion from Evercore. The fairness opinion concludes that the Offer Price constitutes a fair value, from a financial point of view, for each share payable to the holders of the Company's shares.

As part of the Merger Agreement and subject to customary exceptions, the Company has entered into undertakings not to solicit competing offers from third parties. However, on certain terms the Board has retained the right to withdraw its recommendation of the Transaction and terminate the

Merger Agreement in the event of a superior competing offer being made.

Completion of the Transaction remains subject to approval by an extraordinary general meeting of shareholders of the Company expected to be held 16 September 2025, with two-thirds of the votes cast at the meeting being the required threshold for approval. Completion of the Transaction is furthermore subject to certain other customary closing conditions, including relevant regulatory approvals and consents no material adverse effect occurring and absence of any material breach of the Merger Agreement. Completion of the Transaction is not subject to further due diligence or financing.

Immediately following the completion of the Transaction, the merged company will be wholly-owned by ADES, and the common shares of SHLF will be delisted from the Oslo Stock Exchange.

Evercore is acting as financial advisor and Advokatfirmaet Thommessen AS, Conyers and Latham & Watkins LLP are acting as legal advisors to the Company.

The Board of Directors of Shelf Drilling, Ltd.