

# Second quarter 2025

The world's most sophisticated harsh environment  
offshore fleet





# Table of Contents

This is Northern Ocean	3
Our Assets	4
CEO Letter	5
First Quarter Results	6
Company Update	7
Forward Looking Statements	8
<b>Financial Statements</b>	
Consolidated Financial Statements	9
Notes to the Consolidated Financial Statements	15

Unless otherwise indicated, the terms "Northern Ocean", "NOL" and the "Company" refer to Northern Ocean Ltd. and its consolidated subsidiaries. All numbers are in USD.





# This is Northern Ocean

Northern Ocean Ltd. ("Northern Ocean" or the "Company") owns and operates two of the world's newest and most capable harsh-environment semi-submersible drilling rigs – *Deepsea Bollsta* and *Deepsea Mira* – both ideally suited for operations across all major offshore basins.

With a modern fleet, completed capex programs, and strong commercial and operational execution, the company is well-positioned to benefit from a tightening supply of high-end rigs and an expected increase in long-term demand.

The company's strategic approach has delivered results: Northern Ocean has secured a solid contract backlog with blue-chip clients, while maintaining flexibility to pursue high-value opportunities.

Near-term priorities include securing new contracts for *Deepsea Mira*, continued focus on operational efficiency and cost control, and preparing for refinancing – all aimed at enhancing earnings and unlocking long-term value for shareholder.

# 2

number of rigs

# 6y

average age

# 7y

backlog  
including options



Listed on Oslo  
Stock Exchange

# Our Assets

*Deepsea Mira* and *Deepsea Bollsta* are two of the world's most advanced drilling rigs. They are both based on the Moss Maritime CS60 design, capacity of drilling in water depth of up to 10,000 feet, NCS compliant and fully winterized making them capable of drilling in all harsh environment areas globally.

## DEEPSEA BOLLSTA



Built (yard):	Hyundai Heavy Industries
Delivered:	2019
Design:	Moss Maritime CS-60E
NCS compliant:	Yes
Ultra-deep water:	Yes
Dynamic positioning:	DP3
Mooring:	8-point mooring

## DEEPSEA MIRA



Built (yard):	Hyundai Heavy Industries
Delivered:	2018
Design:	Moss Maritime CS-60E
NCS compliant:	Yes
Ultra-deep water:	Yes
Dynamic positioning:	DP3
Mooring:	12-point mooring

# CEO letter

**Dear Shareholders,**

The second quarter of 2025 delivered exceptional progress for Northern Ocean, with key operational successes across our fleet. These achievements highlight our dedication to building value for our stakeholders.

## Operational Highlights

*Deepsea Bollsta* achieved several significant milestones in Q2, reinforcing our commitment to operational excellence. The rig received its Acknowledgement of Compliance (AoC) on 9 May 2025, this shows the strong force of having a hands-on assets owner and the best operator on NCS (Odfjell Drilling). Following this, *Deepsea Bollsta* commenced preparations for its one-well contract with OMV on the Norwegian Continental Shelf, with contract commencement on 15 May. The contract was completed on 23 July, 69 days after the start, aligning with our mid-estimate timeline. Despite the well being dry, *Deepsea Bollsta* delivered solid performance with no incidents, underscoring our focus on safety and efficiency. The rig then continued its preparation and upgrades for the long-term contract with Equinor, expected to commence on 1 September 2025.

*Deepsea Mira* delivered a solid drilling performance during the quarter as the only semi-submersible that has completed wells in a water depth over 3000 meters. Mira completed its drilling campaign with TotalEnergies SE offshore Namibia on 12 May, with effective performance until the completion. Following the campaign, NOL agreed a fixed fee of \$6.5 million USD with TotalEnergies to cover *Deepsea Mira*'s demobilization. This agreement was a critical achievement, enabling us to keep the rig in the region and maintaining our competitive advantage and presence in Namibia. Our marketing efforts continue to build backlog for *Deepsea Mira*. Additionally, we formed a strategic partnership with Rhino and BW, creating a consortium that secured two firm wells with three optional wells. This contract ensures *Deepsea Mira* remains active in Namibia through mid-April 2026, assuming the options are exercised. The Rhino contract began mobilization on 15 July, with drilling commencing on 29 July. *Deepsea Mira*'s performance for TotalEnergies sets a foundation as we look forward to potential production drilling opportunities in the region. We anticipate increasing activity across West Africa into 2026.

## Financial Position and Organizational Restructuring

In Q2, Northern Ocean continued its strong focus on cash flow management, ensuring that every process, contract, and strategy is aligned to maintain a well-managed NOL cash flow position. We advanced our organizational restructuring, including the closure of our Dublin office and a targeted workforce reduction. These initiatives, largely completed in Q2, are designed to streamline operations, reduce our cost base, and enhance long-term efficiency. The full financial impact of these measures is expected to be realized in the second half of 2025, further strengthening our economic sustainability.

## Outlook

Our priorities for the remainder of 2025 and beyond include:

- Securing additional contracts for *Deepsea Mira* to ensure continuity throughout 2026
- Keeping focused on cash flow optimization
- Realizing the full benefits of our cost optimization efforts
- Preparing for future refinancing to enhance capital efficiency

The demand for high-specification rigs in harsh environments remains robust, and Northern Ocean is well-positioned to capitalize on emerging opportunities in West Africa and beyond.

Thank you for your continued trust and support.



Sincerely  
**Arne Jacobsen**  
Chief Executive Officer

# Results

In the second quarter, operating revenue was \$52.6 million, down from \$58.1 million in the previous quarter. This decrease primarily reflects the lower number of operational days for *Deepsea Bollsta* and *Deepsea Mira* in the quarter, 89 days in total. This was partly offset by a one time fee of \$6.5 million following completion of the previous contract on *Deepsea Mira*.

Total operating expenses were \$54.3 million, similar to \$54.4 million in the previous quarter, it is expected that operating expenses will decrease the coming quarters when *Deepsea Bollsta* has started its long term contract on the Norwegian continental shelf.

Administrative expenses amounted to \$1.5 million, compared to \$2.6 million in the previous quarter. This is mainly due to the organization restructuring in respect of the Dublin office and targeted workforce reduction which commenced in Q2 2025.

Interest expense were \$15.2 million compared to \$15.1 million in the previous quarter.

Foreign exchange gains were \$2.0 million, compared to gains of \$0.7million in the previous quarter.

The net loss from continuing operations after taxes was \$15.1 million, compared to a loss of \$11.2 million in the second quarter. The basic and diluted loss per share for the quarter was \$0.05, compared to a loss of \$0.04 in the previous quarter.



# Company Update

## Operations

*Deepsea Mira* completed its contract with a subsidiary of TotalEnergies SE in Namibia on 12 May and began demobilization and BOP maintenance in preparation for future work in the West Africa region.

On 9 May, following mobilization from Namibia, *Deepsea Bollsta* received its Acknowledgement of Compliance to operate on the Norwegian Continental Shelf. On 15 May, the rig successfully commenced its one-well contract with OMV Norge AS ("OMV"). The contract with OMV was completed 23 July.

It is expected that *Deepsea Bollsta* will commence its long term contract with Equinor Energy AS, a subsidiary of Equinor ASA, in September. The contract has a firm two-year period with five optional one-year extensions, this added approximately \$355 million in firm backlog and an additional \$80 million for client specific upgrades, integrated services and mobilization from Namibia to Norway.

At the date of this report, the Company's total firm backlog is estimated to be approximately \$370 million.



# Forward Looking Statements

The Company's activities are subject to significant risks and uncertainties that can have an adverse effect on the Company's business, financial condition, results of operations and cash flow. See Notes to the unaudited condensed consolidated financial statements.

This report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates, sometimes identified by the words "believes", "expects", "intends", "plans", "estimates" and similar expressions. The forward-looking statements contained in this report, including assumptions, opinions and views of the Company or cited from third-party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. The Company does not provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor does the Company accept any responsibility for the future accuracy of the opinions expressed in the presentation or the actual occurrence of the forecasted developments. No obligations are assumed to update any forward-looking statements or to confirm these forward-looking statements to actual results.

The Board of Directors and the Chief Executive Officer  
Northern Ocean Ltd.  
Hamilton, Bermuda  
28 August, 2025





# Consolidated Statements of Operations

(in thousands of \$)	Note	Quarters			Half Year		Full Year
		Q2 2025	Q1 2025	Q2 2024	Jan 1 to Jun 30, 2025	Jan 1 to Jun 30, 2024	2024
Contract revenue	3	48,980	55,613	70,222	104,593	151,968	252,615
Reimbursable revenue		3,661	2,373	2,950	6,034	6,398	10,912
Other income		(74)	82	88	8	270	333
<b>Total operating revenues</b>		<b>52,567</b>	<b>58,068</b>	<b>73,260</b>	<b>110,635</b>	<b>158,636</b>	<b>263,860</b>
Rig operating expenses	4	35,022	35,998	49,292	71,020	115,359	206,316
Reimbursable expenses		3,544	2,346	2,851	5,890	6,052	10,809
Depreciation		14,233	13,414	12,126	27,647	23,773	49,929
Administrative expenses		1,512	2,606	1,977	4,118	3,697	7,011
<b>Total operating expenses</b>		<b>54,311</b>	<b>54,364</b>	<b>66,246</b>	<b>108,675</b>	<b>148,881</b>	<b>274,065</b>
<b>Net operating gain (loss)</b>		<b>(1,744)</b>	<b>3,704</b>	<b>7,014</b>	<b>1,960</b>	<b>9,755</b>	<b>(10,205)</b>
Interest income		548	409	517	957	967	2,679
Interest expense		(15,211)	(15,076)	(12,491)	(30,287)	(25,011)	(56,300)
Foreign exchange gain		1,957	663	(541)	2,620	268	610
Other financial expenses		(12)	(2)	(1)	(14)	(40)	(41)
<b>Net loss from continuing operations before taxes</b>		<b>(14,462)</b>	<b>(10,302)</b>	<b>(5,502)</b>	<b>(24,764)</b>	<b>(14,061)</b>	<b>(63,257)</b>
Tax charge		(599)	(940)	(805)	(1,539)	(1,881)	(2,400)
<b>Net loss from continuing operations</b>		<b>(15,061)</b>	<b>(11,242)</b>	<b>(6,307)</b>	<b>(26,303)</b>	<b>(15,942)</b>	<b>(65,657)</b>
<b>Basic and diluted loss from continuing operations per share (\$)</b>		<b>(0.05)</b>	<b>(0.04)</b>	<b>(0.05)</b>	<b>(0.09)</b>	<b>(0.08)</b>	<b>(0.23)</b>

# Consolidated Statements of Comprehensive Income

	Quarters			Half Year		Full Year
	Q2 2025	Q1 2025	Q2 2024	Jan 1 to Jun 30, 2025	Jan1 to Jun 30, 2024	2024
<i>(in thousands of \$)</i>						
<b>Net loss</b>	(15,061)	(11,242)	(6,307)	(26,305)	(15,942)	(65,657)
Foreign currency translation (loss) gain	(310)	(103)	(305)	(413)	55	56
<b>Other comprehensive (loss) income</b>	(310)	(103)	(305)	(413)	55	56
<b>Comprehensive loss</b>	(15,371)	(11,345)	(6,612)	(26,718)	(15,887)	(65,601)

*See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.*

# Consolidated Balance Sheets

<i>(in thousands of \$)</i>	Note	Jun 2025	Dec 2024
<b>ASSETS</b>			
<b>Short-term assets</b>			
Cash and cash equivalents		28,116	42,751
Restricted cash	7	177	138
Related party receivables		—	—
Accounts receivable, net		30,927	47,410
Unbilled receivables		17,173	7,556
Short-term portion of deferred costs		21,679	2,200
Material and supplies, net		—	344
Other current assets	9	4,140	1,973
Right-of-use assets under operating leases		60	128
<b>Total short-term assets</b>		<b>102,272</b>	<b>102,500</b>
<b>Long-term assets</b>			
Drilling units	8	937,236	929,049
Fixtures and fittings		23	18
LT Deferred Assets		28,460	—
<b>Total long-term assets</b>		<b>965,719</b>	<b>929,067</b>
<b>Total assets</b>		<b>1,067,991</b>	<b>1,031,567</b>

<i>(in thousands of \$)</i>	Note	Jun 2025	Dec 2024
<b>LIABILITIES AND EQUITY</b>			
<b>Short-term liabilities</b>			
Short-term portion of long-term debt	11	299,311	14,950
Other current liabilities	10	74,301	47,861
Short-term portion of deferred revenue		9,691	3,970
Related party payables		92	54
Lease dilapidations		5	5
Related party debt	12	—	—
Obligations under operating leases		34	112
<b>Total short-term liabilities</b>		<b>383,434</b>	<b>66,952</b>
<b>Long-term liabilities</b>			
Long-term debt	11	—	284,006
Long-term deferred revenue		15,964	2,605
Long-term related party debt	12	248,734	231,840
<b>Total long-term liabilities</b>		<b>264,698</b>	<b>518,451</b>
<b>Commitments and contingencies</b>			
Total equity		419,859	446,164
<b>Total liabilities and equity</b>		<b>1,067,991</b>	<b>1,031,567</b>

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.



# Consolidated Statements of Cash Flows

	Quarters			Half Year		Full Year
(in thousands of \$)	Q2 2025	Q1 2025	Q2 2024	Jan 1 to Jun 30, 2025	Jan 1 to Jun 30, 2024	2024
<b>NET LOSS</b>	<b>(15,063)</b>	<b>(11,242)</b>	<b>(6,307)</b>	<b>(26,305)</b>	<b>(15,943)</b>	<b>(65,657)</b>
<b>Adjustment to reconcile net (loss) income to net cash used in operating activities;</b>						
Amortization of deferred charges	179	177	71	356	142	504
Amortization of deferred costs	—	2,200	6,768	2,200	27,073	33,337
Amortization of deferred revenue	(1,071)	(3,888)	(3,686)	(4,959)	(14,688)	(19,073)
Depreciation	14,234	13,414	12,126	27,648	23,773	49,929
Compensation cost	205	205	—	410	—	273
Unrealized foreign exchange loss (gain)	(310)	(103)	(305)	(413)	55	56
Accrued demobilization income	—	(752)	—	(752)	—	(752)
Accrued demobilization costs	—	878	—	878	—	878
<b>Change in operating assets and liabilities;</b>						
Receivables	3,831	12,651	(2,684)	16,482	(6,809)	(6,022)
Unbilled receivables	(15,198)	6,333	(448)	(8,865)	558	(284)
Other current assets	(714)	(1,109)	(1,029)	(1,823)	(431)	136
Right-of-use assets under operating leases	20	48	50	68	97	2
Additions to deferred costs	(34,526)	(15,612)	—	(50,138)	—	(8,464)
Additions to deferred revenue	1,044	22,995	—	24,039	—	8,191
Other current liabilities	26,604	(1,042)	(8,344)	25,562	(15,630)	(12,684)
Related party balances	154	(115)	93	39	128	186
Obligations under operating leases	(30)	(48)	(54)	(78)	(88)	6
<b>Net cash provided by (used in) operating activities</b>	<b>(20,641)</b>	<b>24,990</b>	<b>(3,749)</b>	<b>4,349</b>	<b>(1,763)</b>	<b>(19,438)</b>

# Consolidated Statements of Cash Flows

	Quarters			Half Year		Full Year
(in thousands of \$)	Q2 2025	Q1 2025	Q2 2024	Jan 1 to Jun 30, 2025	Jan 1 to Jun 30, 2024	2024
<b>INVESTING ACTIVITIES</b>						
Additions to drilling units	(17,704)	(18,119)	(15,094)	(35,823)	(23,113)	(55,404)
Additions to Fixtures and fittings	(15)	—	—	(15)	—	—
<b>Net cash used in investing activities</b>	<b>(17,719)</b>	<b>(18,119)</b>	<b>(15,094)</b>	<b>(35,838)</b>	<b>(23,113)</b>	<b>(55,404)</b>
<b>FINANCING ACTIVITIES</b>						
Net proceeds from share issuances	—	—	59,598	—	—	59,598
Related party debt: proceeds	8,501	8,392	75,973	16,893	78,051	94,891
Long-term debt: repayments	—	—	(90,000)	—	—	(90,000)
Debt fees paid	—	—	(1,250)	—	—	(1,250)
<b>Net cash provided by financing activities</b>	<b>8,501</b>	<b>8,392</b>	<b>44,321</b>	<b>16,893</b>	<b>78,051</b>	<b>63,239</b>
<b>Net change</b>	<b>(29,859)</b>	<b>15,263</b>	<b>25,478</b>	<b>(14,596)</b>	<b>53,175</b>	<b>(11,603)</b>
<b>Cash, cash equivalents and restricted cash at start of the period</b>	<b>58,152</b>	<b>42,889</b>	<b>50,537</b>	<b>42,889</b>	<b>54,492</b>	<b>54,492</b>
<b>Cash, cash equivalents and restricted cash at end of the period</b>	<b>28,293</b>	<b>58,152</b>	<b>76,015</b>	<b>28,293</b>	<b>107,667</b>	<b>42,889</b>

*See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.*

# Consolidated Statements of Changes in Equity

<i>(in thousands of \$ except number of shares)</i>	<b>Jan 1 to June 30, 2025</b>	<b>2024</b>
<b>Number of shares outstanding</b>		
Balance at beginning of period	303,215,392	182,677,107
Shares issued	—	120,538,285
<b>Balance at end of period</b>	<b>303,215,392</b>	<b>303,215,392</b>
<b>Share capital</b>		
Balance at beginning of period	151,608	91,339
Shares issued	—	60,269
<b>Balance at end of period</b>	<b>151,608</b>	<b>151,608</b>
<b>Additional paid in capital</b>		
Balance at beginning of period	580,214	565,613
Shares issued	—	14,328
Stock options	411	273
<b>Balance at end of period</b>	<b>580,625</b>	<b>580,214</b>
<b>Accumulated other comprehensive income (loss)</b>		
Balance at beginning of period	(54)	(110)
Other comprehensive income	(411)	56
<b>Balance at end of period</b>	<b>(465)</b>	<b>(54)</b>
<b>Retained deficit</b>		
Balance at beginning of period	(285,604)	(219,947)
Net loss	(26,305)	(65,657)
<b>Balance at end of period</b>	<b>(311,909)</b>	<b>(285,604)</b>
<b>Total equity</b>	<b>419,859</b>	<b>446,164</b>

*See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.*



# Notes

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL

Northern Ocean Ltd. ("Northern Ocean" NOL, or the "Company") owns and operates two modern harsh-environment semi-submersible drilling rigs, with the primary purpose of providing offshore drilling services for the oil and gas industry in harsh environments worldwide.

As of the date of this report, the Company owns *Deepsea Mira* and *Deepsea Bollsta*.

*Deepsea Mira* completed its contract with a subsidiary of TotalEnergies SE in Namibia on 12 May and began demobilization and BOP maintenance in preparation for future work in the West Africa region.

On 9 May, following mobilization from Namibia, *Deepsea Bollsta* received its Acknowledgement of Compliance to operate on the Norwegian Continental Shelf. On 15 May the rig successfully commenced its one-well contract with OMV Norge AS ("OMV"). The contract with OMV was completed 23 July.

It is expected that *Deepsea Bollsta* will commence its long term contract with Equinor Energy AS, a subsidiary of Equinor ASA, in September. The contract has a firm two-year period with five optional one-year extensions, this added approximately \$355 million in firm backlog and an additional \$80 million for client specific upgrades, integrated services and mobilization from Namibia to Norway.

At the date of this report, the Company's total firm backlog is estimated to be approximately \$370 million.

### 2. BASIS OF ACCOUNTING

The unaudited condensed consolidated financial statements are stated in accordance with generally accepted accounting principles in the United States of America. The unaudited condensed consolidated financial statements do not include all of the disclosures required in annual and interim consolidated financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2024.

### Going concern assumption

These consolidated financial statements are prepared under the going concern assumption.

As the *Deepsea Mira* currently has no long term backlog, the Group's financial position is reliant on securing additional drilling contracts for the rig. This situation potentially gives rise to substantial doubt regarding the Group's ability to continue as a going concern. In the absence of new contract awards, the Group will need to rely on loan amendments, new financing arrangements, and/or equity issuances to meet its loan obligations and working capital requirements over the next twelve months. However, the Board remains confident that a solution will be reached.

### 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about composition of contract revenue:

<i>(in thousands of \$)</i>	Q2 2025	Jan 1 to Jun 30, 2025
Dayrate revenue	39,303	87,404
Amortization of deferred revenue	1,043	4,904
Accrued demobilization revenue	5,456	6,500
Other	3,178	5,785
<b>Contract revenue</b>	<b>48,980</b>	<b>104,593</b>

### Dayrate revenue

Dayrate revenue earned from the *Deepsea Bollsta* and *Deepsea Mira* drilling contracts.

### Amortization of deferred revenue

The Company may receive fees from its customers for the mobilization of rigs. These activities are not considered to be distinct within the context of the contract and therefore, where these fees are known and probable the associated

revenue is allocated to the overall performance obligation and recognized ratably over the initial firm term of the related drilling contract.

The following table provides information about the composition of amortization of deferred revenue:

<i>(in thousands of \$)</i>	<b>Q2 2025</b>
<b>Balance at beginning of period</b>	<b>3,861</b>
Additions to deferred revenue	22,995
Amortization of deferred revenue	(3,861)
<b>Balance at beginning of period</b>	<b>22,995</b>
Short-term deferred revenue	9,581
Long-term deferred revenue	13,414

Note the deferred revenue assets in the balance sheet also contain funds received from the Norwegian government as a grant, due to the *Deepsea Mira* being equipped with systems which reduce NOx emissions. The grant is being amortized over the estimated useful life of the *Deepsea Mira*, resulting in annual amortization of circa \$110 thousand. At the date of this report \$2.5 million is held as deferred revenue in relation to the NOx grant, split between short-term and long-term.

#### 4. RIG OPERATING EXPENSES

The following table provides information about the composition of rig operating expenses:

<i>(in thousands of \$)</i>	<b>Q2 2025</b>	<b>Jan 1 to Jun 30, 2025</b>
Daily operating expenses	28,835	57,094
Maintenance projects	5,761	9,450
Amortization of deferred costs	—	2,200
Accrued demobilization costs	(522)	—
Other	948	2,275
<b>Rig operating expenses</b>	<b>35,022</b>	<b>71,019</b>

##### Daily operating expenses

This category includes the costs associated with the daily operations of the rigs. The notable constituents of the daily operating expenses are the expenses for offshore personnel, repairs and maintenance (excluding maintenance projects referred to below), onshore support services, catering costs and management fees payable to Odfjell Drilling.

Included in daily operating expenses are incremental costs associated with providing customers with add-on services for which the commercial terms differ from those services provided on a reimbursable basis. The costs and the associated revenue for these services are reported on a gross basis under rig operating expenses and contract revenue respectively.

##### Maintenance projects

Maintenance projects which are considered non-recurring and with an individual cost in excess of \$100,000 are not considered to be indicative of the ordinary daily running costs of our operations and have been disaggregated from daily operating expenses. These projects are either preventive or corrective in nature.

### Amortization of deferred costs

Certain direct and incremental costs incurred for upfront preparation, initial mobilization and modifications of the contracted rigs represent costs of fulfilling a contract as they relate directly to a contract and enhance resources that will be used in satisfying performance obligations. Such costs are deferred and amortized ratably to rig operating expenses as services are rendered over the initial term of the related drilling contract.

The following table provides information about the deferred costs to fulfill a contract with customers;

<i>(in thousands of \$)</i>	<b>Q2 2025</b>
<b>Balance at beginning of period</b>	<b>2,200</b>
Cost additions	50,138
Amortization	(2,200)
<b>Balance at the end of period</b>	<b>50,138</b>
Short-term deferred costs	21,679
Long-term deferred costs	28,460

### Deferred tax

Deferred tax assets and liabilities are based on temporary differences that arise between carrying values of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes and the future tax benefits of tax loss carry forwards.

The Company does not have any unrecognized tax benefits, material accrued interest or penalties relating to income taxes.

## 5. INCOME TAXES

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until 31 March, 2035.

### Other jurisdictions

The Company has subsidiaries, which are incorporated in the Marshall Islands and are not subject to income tax. Certain of the Company's subsidiaries and branches in Norway, Ireland, Namibia, Cyprus and the U.S. are subject to income tax in their respective jurisdictions.



## 6. EARNINGS PER SHARE

The computation of basic earnings per share is calculated by dividing the net loss attributable to the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to the Company by the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. If in the period there is a loss then any dilutive potential ordinary shares have been excluded from the calculation of diluted loss per share, as their effect would be anti-dilutive.

The components of the numerator and the denominator in the calculation are as follows:

	Q2 2025	Jan 1 to Jun 30, 2025	Jan 1 to Jun 30, 2024	Q2 2024	2024
<i>Net loss (in thousands of \$)</i>	(15,063)	(26,305)	(15,942)	(6,307)	(65,657)
Weighted average number of ordinary shares (in thousands)	303,215	303,215	188,149	193,621	238,182

## 7. RESTRICTED CASH

As of 30 June 2025, restricted cash of \$0.2 million consists of funds held for an NIS guarantee and payroll taxes.

## 8. DRILLING UNITS

Movements in the carrying value of drilling units in the three months ended 30 June 2025, are summarized as follows:

<i>(in thousands of \$)</i>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net carrying value</b>
<b>Balance at 31 December 2024</b>	<b>1,103,489</b>	<b>(174,440)</b>	<b>929,049</b>
Additions	35,825	—	35,825
Retirement of assets	(900)	900	—
Depreciation	—	(27,639)	(27,639)
<b>Balance at 30 June 2025</b>	<b>1,138,414</b>	<b>(201,179)</b>	<b>937,235</b>

## 9. OTHER CURRENT ASSETS

Other current assets as of 30 June 2025, are summarized as follows:

<i>(in thousands of \$)</i>	
Deposit held	35
VAT receivable	3,437
Other	669
<b>Other current assets</b>	<b>4,141</b>

### Other

This category principally consist of prepayments for insurance and operational costs.

## 10. OTHER CURRENT LIABILITIES

Other current liabilities as of 30 June 2025, are summarized as follows:

*(in thousands of \$)*

Accounts payable	20,250
Accrued administrative expense	896
Accrued operating expense	32,062
Other payables	12,948
Accrued interest expense	5,307
Contract demobilization liability	140
VAT liability	2,698
<b>Other current liabilities</b>	<b>74,301</b>

### Other payables

Other payables primarily consist of withholding and corporate taxes due to the Namibian tax authorities.

## 11. DEBT

Debts due to non-related parties as of 30 June 2025, are summarized as follows:

*(in thousands of \$)*

U.S. dollar denominated floating rate debt:	
Term loan facility - Deepsea Mira	126,923
Term loan facility - Deepsea Bollsta	134,615
Revolving loan facility - Deepsea Mira and Deepsea Bollsta	38,462
<b>Total debt - gross of deferred charges</b>	<b>300,000</b>
Short-term portion of debt issuance costs	(689)
Long-term portion of debt issuance costs	—
<b>Total debt - net of deferred charges</b>	<b>299,311</b>
Short-term debt	299,311
Long-term debt	—
<b>Total debt - net of deferred charges</b>	<b>299,311</b>

The outstanding debt to non-related parties as of 30 June 2025, is repayable as follows:

*(in thousands of \$)*

Year 1	300,000
Year 2	—
Year 3	—
Year 4	—
Year 5	—
Thereafter	—
<b>Total outstanding debt</b>	<b>300,000</b>

The Company remains in compliance with all covenants specified in its bank debt agreements.

At the beginning of the year, the Company held a \$300.0 million loan facility with a consortium of banks. The bank facility amortizes with \$7.5 million per quarter with final maturity date in June 2026.

### Assets pledged

*(in thousands of \$)*

Drilling units	937,236
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### Deferred charges

*(in thousands of \$)*

Debt arrangement fees	2,080
Accumulated amortization	(1,391)
<b>Total deferred charges</b>	<b>689</b>



## 12. RELATED PARTY DEBT

As of 30 June 2025, debt due to related parties is summarized as follows:

*(in thousands of \$)*

\$ denominated floating rate debt:	
\$215.0 million credit loan facility	248,734
<b>Total debt</b>	<b>248,734</b>

Short-term debt	—
Long-term debt	248,734
<b>Total debt</b>	<b>248,734</b>

At the start of the year, the Company held a single \$215.0 million facility. The facility requires no amortization and has a final maturity date in December 2026. The Company also has the option to convert cash interest payments into Payment-In-Kind ("PIK") interest at a pre-agreed premium, which it utilized in December 2024, March and June 2025, increasing the principal balance of this facility from \$215 million to \$248.4 million.

The outstanding debt as of 30 June 2025, is repayable as follows:

*(in thousands of \$)*

Year 1	—
Year 2	248,734
Year 3	—
Year 4	—
Year 5	—
Thereafter	—
	<b>248,734</b>

The Company is in compliance with the covenants set out in the agreement with Sterna Finance Ltd. ("Sterna").

## 13. SHARE CAPITAL

There were no changes to the Company's share capital during the second quarter of 2025.

As of 30 June 2025, the Company continues to have 303,215,392 fully paid common shares outstanding and authorized share capital of \$968,098,811, divided into 1,936,197,622 common shares of a par value of \$0.50 each.

## 14. FAIR VALUES

The carrying value and estimated fair value of the Company's financial instruments as of 30 June 2025, are as follows:

<i>(in thousands of \$)</i>	<b>Carrying value</b>	<b>Fair value</b>
<b>Assets:</b>		
Cash and cash equivalents	28,116	28,116
Restricted cash	177	177
<b>Liabilities:</b>		
Floating rate debt	299,311	299,963
Long-term related party debt	248,734	252,679

The estimated fair values of financial assets and liabilities are as follows:

<i>(in thousands of \$)</i>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets:</b>				
Cash and cash equivalents	28,116	28,116	—	—
Restricted cash	177	177	—	—
<b>Liabilities:</b>				
Floating rate debt	299,963	—	—	299,963
Long-term related party debt	252,679	—	—	252,679

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Cash and cash equivalents – the carrying values in the balance sheet approximate fair value.
- Restricted cash – the carrying value in the balance sheet approximates fair value.
- Floating rate debt (being total debt less the carrying value of deferred charges) – the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.
- Long-term related party debt – the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.

## 15. RELATED PARTY TRANSACTIONS

Hemen Holdings Ltd. ("Hemen"), a Cyprus holding company, was the Company's largest shareholder as at 30 June 2025. The Company currently transacts, or has previously transacted, with the following related parties, being companies in which Hemen, or companies affiliated with Hemen, have a significant interest:

- Sterna;
- Front Ocean Management Ltd. and Front Ocean Management AS (together "Front Ocean");
- Frontline Management (Bermuda) Ltd. ("Frontline");
- Seatankers Management Co. Ltd. and STM Cyprus Ltd. (together "Seatankers").

### Sterna transactions

See related party debt (Note 12).

### Frontline, Front Ocean and Seatankers transactions

The Company and its subsidiaries have received treasury, accounting, corporate secretarial and advisory services from these entities and were charged \$0.0 million in the three months ended 30 June 2025 (2024: \$0.3 million).

## 16. COMMITMENTS AND CONTINGENCIES

As of 30 June 2025, the Company had ongoing capital commitments for the remaining work related to the renewal of certificates for blowout preventers (BOPs) for both rigs, as well as the *Deepsea Bollsta*'s remaining activities for the 5-yearly Special Periodical Survey and preparations for the upcoming Equinor contract.

## 17. SHARE BASED COMPENSATION

In the third quarter of 2024, the Company granted a total of 9,500,000 share options to members of management. As of 30 June 2025, all of these options were outstanding and remained unvested. The options have a weighted average exercise price of NOK 12.00 and a weighted average remaining contractual term of 1.7 years.

## 18. SUBSEQUENT EVENTS

On 8 July NOL announced the signing of a contract with a subsidiary of Rhino Resources Ltd. ("Rhino") for the *Deepsea Mira* for operations in Namibia. The contract included one firm well for Rhino, one firm well for another operator and three optional wells, with an estimated firm duration of 112 days and a projected value of approximately USD 40 million. Later in July it was announced by BW Energy ASA that their subsidiary BW Kudu Ltd is the other operator.

*Deepsea Mira* successfully commenced the contract with Rhino on 29 July.

*Deepsea Bollsta* completed its contract with OMV on 23 July.

We confirm, to the best of our knowledge, that the condensed consolidated financial statements for the period 1 January to 30 June 2025, have been prepared in accordance with U.S. generally accepted accounting principles and give a true and fair view of the Company's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the financial year and their impact on the condensed consolidated financial statements, a description of the principal risks and uncertainties for the period, and major related party transactions.

**The Board of Directors and the Chief Executive Officer  
Northern Ocean Ltd.**

Hamilton, Bermuda, 28 August, 2025

**Gary Casswell** (Chairman)

**James Ayers** (Director)

**Sven Børre Larsen** (Director)

**Mikhael Bothbol** (Director)

**Jan Erik Klepsland** (Director)

**Arne Jacobsen** (Chief Executive Officer)



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