



INTERIM FINANCIAL INFORMATION

NORAM DRILLING AS

FOURTH QUARTER 2025



Oslo, Norway, February 19, 2026. NorAm Drilling AS (the “Company” or “NorAm”), today reported unaudited results for the three and twelve months ended December 31, 2025:

HIGHLIGHTS

- Reported Revenues of MUSD 26.5
- Adjusted EBITDA⁽¹⁾ of MUSD 3.8
- Fleet utilization of 82.6%
- Current revenue backlog of MUSD 27.6

Marty L. Jimmerson, Chief Executive Officer of NorAm Drilling AS commented:

During the fourth quarter, we contracted one of two available rigs with a major E&P. This rig returned to work in December increasing our contracted rigs from 9 to 10 as of year end, despite Permian land rig counts declining 2% during the quarter. In January 2026, a private operator released one of our contracted rigs. As announced earlier this week, we signed contracts for both of our available rigs with two E&Ps with significant activity in the Permian basin. Upon commencement of both rigs’ operations, anticipated in early March, we expect to have 100% of our rig fleet contracted for the first time since 2023. We are pleased with our excellent operational performance and significant expansion of customer relationships with major E&Ps.

With our industry low cost base and zero debt, we continue to return capital to shareholders despite market headwinds, and this demonstrates the strength of our unique model. We paid MUSD 3.9 or NOK 0.91 per share in monthly dividends in the quarter and have declared two additional dividends after quarter end. Our rigs are among the very top performers measured in feet drilled per day in the U.S shale market as illustrated by one of our rig's recent “rig of the year” award among the rigs of a US super major. NorAm’s rigs should be very well positioned in a market recovery.

(1) *Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization plus non-cash stock option expense.*

BUSINESS SUMMARY

NorAm Drilling AS owns 100% of NorAm Drilling Company, a Texas corporation, collectively referred to as NorAm or the Company herein. NorAm owns and operates a quality rig portfolio of “super spec” advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. NorAm’s rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

Nine of the Company’s rigs are currently contracted and working. The remaining two available rigs are contracted and anticipated to return to operations in early March 2026 which we expect to have 100% of our rigs contracted and working for the first time since 2023.

OPERATIONS

During 4Q 2025, NorAm achieved an 82.6% utilization compared to 80.2% utilization in 3Q 2025.

Rig operating costs were higher in 4Q 2025 compared to the prior quarter as a result of recertifications and anticipated reactivation of one stacked rig. We have low general and administrative costs and maintenance capital expenditures and believe this continues to provide us with the lowest cash break even per operating day in the industry.

FINANCIALS

NorAm had revenue of MUSD 26.5 during 4Q 2025 compared to MUSD 23.9 during 3Q 2025. The increase in revenue is primarily attributable to higher utilization and increased reimbursables. We generated an operating profit of MUSD 2.0 in 4Q 2025 compared to an operating profit of MUSD 2.8 in 3Q 2025. The decline in operating profit is attributable to recertifications and reactivation of one stacked rig. We generated Adjusted EBITDA of MUSD 3.7 in 4Q 2025 compared to MUSD 4.3 in 3Q 2025.

Net cashflow from operational activities was MUSD 22.0 for the twelve months ended December 31, 2025, compared to MUSD 21.5 for the twelve months ended December 31, 2024. Capital expenditures were MUSD 0.4 during the fourth quarter and MUSD 1.5 for the twelve months ended December 31, 2025.

The Company is debt free, and we paid MUSD 3.9 or NOK 0.91 per share in monthly dividends to our shareholders in the fourth quarter of 2025. The dividend distributions were made from the Company’s contributed surplus account which consists of previously paid in share premium transferred to the Company’s share premium account. The Company intends to continue paying future dividends based upon free cash flow and maintaining minimum available liquidity of approximately MUSD 11.0.

The Company has MUSD 4.5 available under a Revolving Promissory Note (“Revolver”) with a U.S. based bank for working capital and general corporate purposes. There were no borrowings outstanding under the Revolver as of December 31, 2025.

MARKET TRENDS AND OUTLOOK

WTI began the fourth quarter trading around \$62 and finished the quarter trading around \$58. WTI is currently trading around \$66. During the fourth quarter, US land rig counts decreased 6 to 527 and Permian land rigs decreased by 6 to 247. US land rig counts and Permian land rigs are currently 531 and 238, respectively.

US and Permian activity continue to be impacted by WTI prices and operational discipline being demonstrated by E&Ps. Overall, we expect E&Ps to maintain their continued capital discipline in early 2026. Current improvement in WTI prices could indicate some modest increase in Permian rig activity during 2026 as evidenced by our recent contracting of our two available rigs.

Global and domestic uncertainties continue to impact commodity prices. As a result, E&Ps in the US shale market remain focused on fiscal and operational discipline. Near term we expect rig counts, dayrates and contract terms, especially in the Permian, to be under pressure. We believe shale oil production levels in the US have likely peaked given the current rig counts which leads us to be optimistic longer term, especially for “super spec” rigs which will remain in high demand in the Permian basin.

Condensed consolidated Income Statement

	Quarter Ended		Twelve Months Ended	
	Dec 2025	Dec 2024	Dec 2025	Dec 2024
<i>(All amounts in USD 1000s)</i>				
<i>Revenue/Expense</i>				
Sales	26,473	26,604	101,126	103,098
Other Income				
Total Operating Income	26,473	26,604	101,126	103,098
Payroll Expenses	8,207	8,775	33,170	33,543
Depreciation of Tangible and Intangible Assets	1,519	4,970	5,909	19,678
Rig Mobilization, Service and Supplies	7,957	7,578	29,561	31,413
Insurance Rigs and Employees	2,261	1,601	7,595	5,570
Other Operating Expenses	4,498	2,040	11,064	8,620
Total Operating Expenses	24,442	24,964	87,299	98,826
Operating Profit (+)/ Loss (-)	2,031	1,641	13,828	4,272
<i>Financial Income and Expenses</i>				
Other Interest Income	132	107	309	416
Other Financial Income	6	13	264	103
Other Interest Expenses		36	27	84
Other Financial Expenses	39	111	202	254
Net Financial Items	99	-26	345	180
Profit (+)/Loss(-) before Income Tax	2,130	1,614	14,173	4,452
Income Tax Expense	135	1,596	-641	2,198
Net Profit (+)/Loss (-)	1,995	19	14,813	2,254

Condensed consolidated Balance Sheet

	Notes	Dec 2025	Dec 2024
<i>(All amounts in USD 1000s)</i>			
Assets			
<i>Tangible Assets</i>			
Rigs and Accessories	1	51,280	55,732
Vehicles and Office Equipment	1	595	569
Total Tangible Assets		51,875	56,301
<i>Current Assets</i>			
<i>Receivable</i>			
Accounts Receivable		12,244	12,339
Prepaid Expenses and Other Current Assets		1,775	1,673
Total Receivable and Other		14,020	14,012
<i>Cash and Cash Equivalents</i>			
Bank Deposits/Cash		10,385	8,365
Total Current Assets		24,404	22,377
Total Assets		76,279	78,678

Condensed consolidated Balance Sheet

	Notes	Dec 2025	Dec 2024
<i>(All amounts in USD 1000s)</i>			
Equity			
<i>Owners Equity</i>			
Issued Capital	2	12,580	12,569
Share Premium	2	74,384	86,538
Other Shareholder Contribution	2	369	369
Total Owners Equity		87,333	99,475
<i>Accumulated Profits</i>			
Other Equity	2	-31,191	-46,004
Total Accumulated Profits		-31,191	-46,004
Total Equity		56,143	53,471
Liabilities			
Deferred Tax		2,841	5,234
Total deferred tax		2,841	5,234
<i>Current Liabilities</i>			
Accounts Payable		8,666	3,617
Tax Payable		1,754	1,781
Public Duties Payable		164	169
Other Current Liabilities		6,711	14,406
Total Current Liabilities		17,296	19,973
Total Liabilities		20,137	25,207
Total Equity & Liabilities		76,279	78,678

Condensed Consolidated Statement of Cash Flow

	YTD	
	Dec 2025	Dec 2024
<i>(All amounts in USD 1000s)</i>		
Net Profit (+)/Loss (-)	14,173	4,452
Tax paid	-1,861	-289
Depreciation of fixed assets	5,909	19,678
Change in accounts receivable	95	-1,042
Change in accounts payable	5,049	-771
Change in other current balance sheet items	-1,399	-525
Net cash flow from operational activities	21,966	21,503
 Purchase of tangible fixed assets	 -1,486	 -3,365
Net cash flow from investing activities	-1,486	-3,365
 Repayment of long term debt	 12	 21
Issued capital	12	21
Dividends	-18,471	-21,934
Net cash flow from financing activities	-18,459	-21,913
 Net change in cash and cash equivalent	 2,020	 -3,775
 Cash and cash equivalents opening balance	 8,365	 12,139
 Cash and cash equivalents closing balance	 10,385	 8,365

Note 1 - Accounting Principles

The condensed consolidated interim financial statement is prepared in accordance with the Norwegian accounting standard for interim financial statements, NRS 11.

Principles and policies are the same for the interim financial statements as in the last annual financial statements, that were prepared according to the Norwegian Accounting Act and generally accepted principles in Norway. For description of accounting principles we refer you the last issued Annual Financial Statement.

1-1 Income tax

The tax expense for management reporting and interim reporting purposes is a simplified tax calculation where the tax rate in the different jurisdictions are applied to the net result in the different jurisdiction booked against deferred tax/deferred tax asset. If a jurisdiction has a negative result, and no deferred tax asset is expected to be capitalized, no tax expense are calculated for that jurisdiction.

1-3 Property, Plant and Equipment

Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition costs and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value in use. In assessing value in use, the discounted estimated cash flows from the asset are used.

Effective 1 January 2025, the Company evaluated and changed the remaining estimated useful life to 10 years on the remaining carrying values of its Rig and Rig related accessories. Vehicles and office equipment have estimated useful lives for accounting purposes of 3-5 years.

1-4 Audit of management reporting/interim reporting

The interim financials are unaudited.

NOTE DISCLOSURE



Note 2 - Equity and Shareholders Information

	Share capital	Share premium	Other paid in capital	Other equity	Total
Equity December 2024	12,569	86,538	369	-46,004	53,471
Profit/loss in the period				14,813	14,813
Change in dividends		-12,349			-12,349
Stock option program		195			195
Issued Capital	12				12
Equity December 2025	12,580	74,384	369	-31,191	56,142

The Company had MUSD 8.7 of dividends accrued as of December 31, 2024. The company declared and paid dividends of MUSD 18.5 for the 12 months ended December 31, 2025. The Company had MUSD 2.6 of dividends accrued as of December 31, 2025. All dividend distributions were from the Company's contributed surplus account which consists of previously paid in share premium transferred to the Company's share premium account.

On 28 February 2025, Thomas Taylor, the Company's Chief Operating Officer, exercised 50,000 stock options. Due to prior cash distribution adjustments, the strike price per share option was negative NOK 8.7212. To account for the negative share price, the company settled the net difference in additional 12,861 shares based upon its market value by applying the volume weighted average price of NOK 33.9053 on 28 February 2025.

On 25 August 2025, the Company granted a total of 700,000 stock options to certain members of management and board of directors. The stock options have a strike price per share of NOK 26.90, vest over 3 years and have a maturity of 5 years. The strike price is subject to customary adjustments for subsequent distributions to shareholders.

Note 3 - Long term liabilities and covenants

The Company's subsidiary ("Borrower") has a Loan agreement with a U.S. based bank that provides for a Revolving Promissory Note ("Revolver") of MUSD 4.5. Use of proceeds for any borrowings under this Revolver are available for working capital and general corporate purposes based upon a borrowing base calculation equal to 70% of eligible accounts. As of 31 December 2025, there were no borrowings outstanding on the Revolver.

Note 4 - Key figures and ratios

(USD mill)	Q4		YTD	
	2025	2024	2025	2024
Revenue	26.5	26.6	101.1	103.1
Operating profit	2.0	1.6	13.8	4.3
Net profit before tax	2.1	1.6	14.2	4.5
EBITDA	3.6	6.6	19.7	24.0
ADJUSTED EBITDA	3.8	6.6	20.0	24.1
Equity to asset ratio	73.6 %	74.7 %		
Total average number of shares (in mill)	43.3	43.2	43.3	43.2
EPS	0.05	-	0.34	0.05
Diluted EPS (Including options)	0.05	-	0.34	0.05

Definitions

EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization.

ADJUSTED EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization plus non cash stock option expenses.