



**DOLPHIN**  
DRILLING

**Fourth Quarter 2022 Results**

28 February 2023

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# Today's presenter



**Bjørnar Iversen**

CEO



**Stephen Cox**

CFO

# Agenda

**Q4 2022 Highlights**

Q4 2022 Results – Key Metrics

Operational Update

Market Outlook

Summary



# Q4 2022 & Subsequent Highlights

- Mobilization of Blackford Dolphin from Mexico to Las Palmas following completion of Pemex contract
- Arrived Las Palmas late November 2022
- Received 2<sup>nd</sup> mobilization payment from GHL
- 5-year recertification scope completed by early February 2023
- Capital cost of SPS in line with USD 15M budget
- Blackford Dolphin enroute to Nigeria, estimated arrival early March
- Signed Letter of Award for further Blackford Dolphin work at an USD 325,000 all-in day rate (minimum term)

## Challenges

- Delayed exit from Mexico and increased vessel cost
- Longer transit times



Blackford Dolphin departing Las Palmas 9<sup>th</sup> February

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Q4 2022 Highlights

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# Q4 2022 Results – Key Metrics

Key metrics (USDm)*	Q4 2022	Q3 2022	YTD 2022
<b>Profit &amp; Loss</b>			
Charter Revenues	0,0	0,0	18,8
Other Revenues	0,4	0,1	2,3
Total Revenues	0,4	0,1	21,1
EBITDA	(17,6)	(16,9)	(54,4)
EBITDA %	n/a	n/a	n/a
EBITDA (adjusted)	(17,6)	(16,9)	(54,5)
EBITDA % (adjusted)*	n/a	n/a	n/a
EBIT	(19,3)	(19,6)	(62,0)
EBIT %	n/a	n/a	n/a
Net Profit / (Loss)	(18,2)	(23,4)	(67,5)
Basic earnings (loss) per share (\$ per share)**	\$ (0,15)	\$ (0,19)	\$ (0,54)
<b>Other Key Numbers</b>			
Cash flow from Operations	(11,6)	(19,5)	(46,4)
Capital Expenditures	(12,5)	(0,9)	(14,4)
Total Assets	134,0	137,8	134,0
Cash and cash equivalents	35,8	57,0	35,8
Net Interest Bearing Debt	(0,0)	(0,0)	(0,0)

Dolphin Drilling AS acquired 100% of Dolphin Drilling Holdings Limited, the previous trading group - all results are presented as if the group existed throughout the entire period unless otherwise stated

\*EBITDA is adjusted for unusual items considered one-off in nature and not impacting the operating performance

\*\* historical calculation based on # share in issue at 31/12/22

## Key Items

- Q3/4 2022 minimal revenue generation following completion of Pemex and Norway scopes earlier in year
- Q4 2022 includes receipt of 2nd mobilization fee from General Hydrocarbons Limited
- Majority of capital expenditures represent Blackford SPS cost
- Debt = Zero

- *Note - Borgland and Bideford assets impaired to residual book values in FY 2021*

# Headline Financial Data Points





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# Operational Update

## Borgland Dolphin and Bideford Dolphin

Smart stacked in Flekkefjord & Feda, Norway

## Blackford Dolphin Special Periodic Survey

Arrived 24<sup>th</sup> November  
On tight tow to Nigeria 9<sup>th</sup> February

## Blackford Dolphin

Transit from Mexico – early October

## Blackford contract in Nigeria

Expected start-up in March 2023

Firm contract – General Hydrocarbons Limited at USD 260k/d (incl. mob fee)

NEW: LOA signed for 120-485 days at USD 325k/d (incl. mob fee)



## Blackford Dolphin

6<sup>th</sup> gen. topside  
Enhanced Aker H-3  
Total rebuild in 2008



## Borgland Dolphin

5<sup>th</sup> gen. topside  
Enhanced Aker H-3  
Total rebuild in 1999



## Bideford Dolphin

5<sup>th</sup> gen. topside  
Enhanced Aker H-3  
Total rebuild in 1999

# Update Blackford



## Blackford to start drilling in Nigeria from early March 2023

Activity	2022			2023												2024							
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Departure from Mexico	█																						
Transit to Las Palmas	█	█																					
SPS <sup>1</sup>			█	█																			
Transit to Nigeria					█																		
Drilling for GHL <sup>2</sup>						█	█	█	█	█	█	█	█	█	█	█	█	█	█				
New contract																			█	█	█	█	



- Blackford arrived safely at the port of Las Palmas on 24 November 2022
- The capital cost associated with the SPS<sup>1</sup> was in line with the budget of USD 15 million
- Completed 5 years recertification
- Blackford left the port of Las Palmas 9 February 2023 and is expected to arrive in Nigeria early March 2023
- Expected start up in Nigeria is mid March which will keep Blackford working until March 2024 (GHL contract)
- Dolphin recently signed an LOA with an undisclosed counterparty which will extend Blackford's backlog with minimum 120 days and up to 485 days at a dayrate of USD 325,000 including a mobilization fee of USD 6million

Note: 1) Special Periodic Survey; 2) General Hydrocarbon Limited

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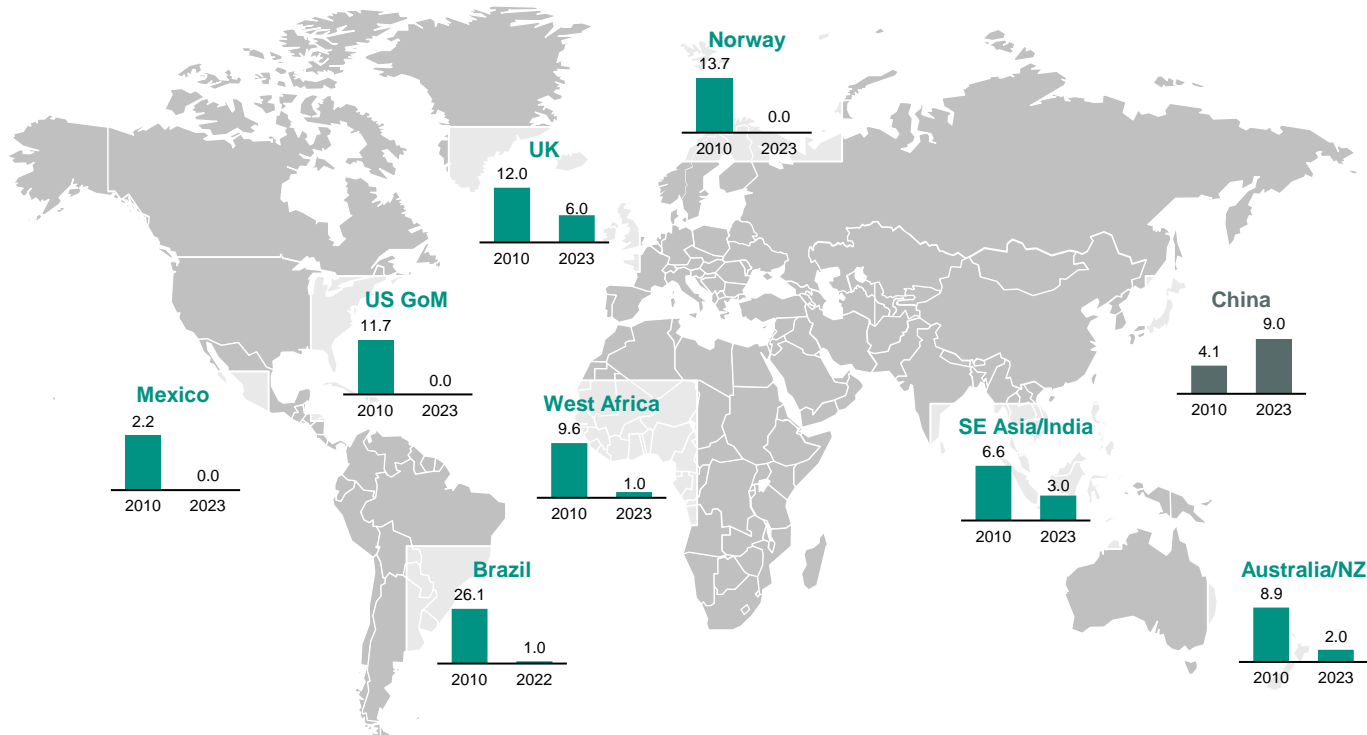
**Market Outlook**

Summary



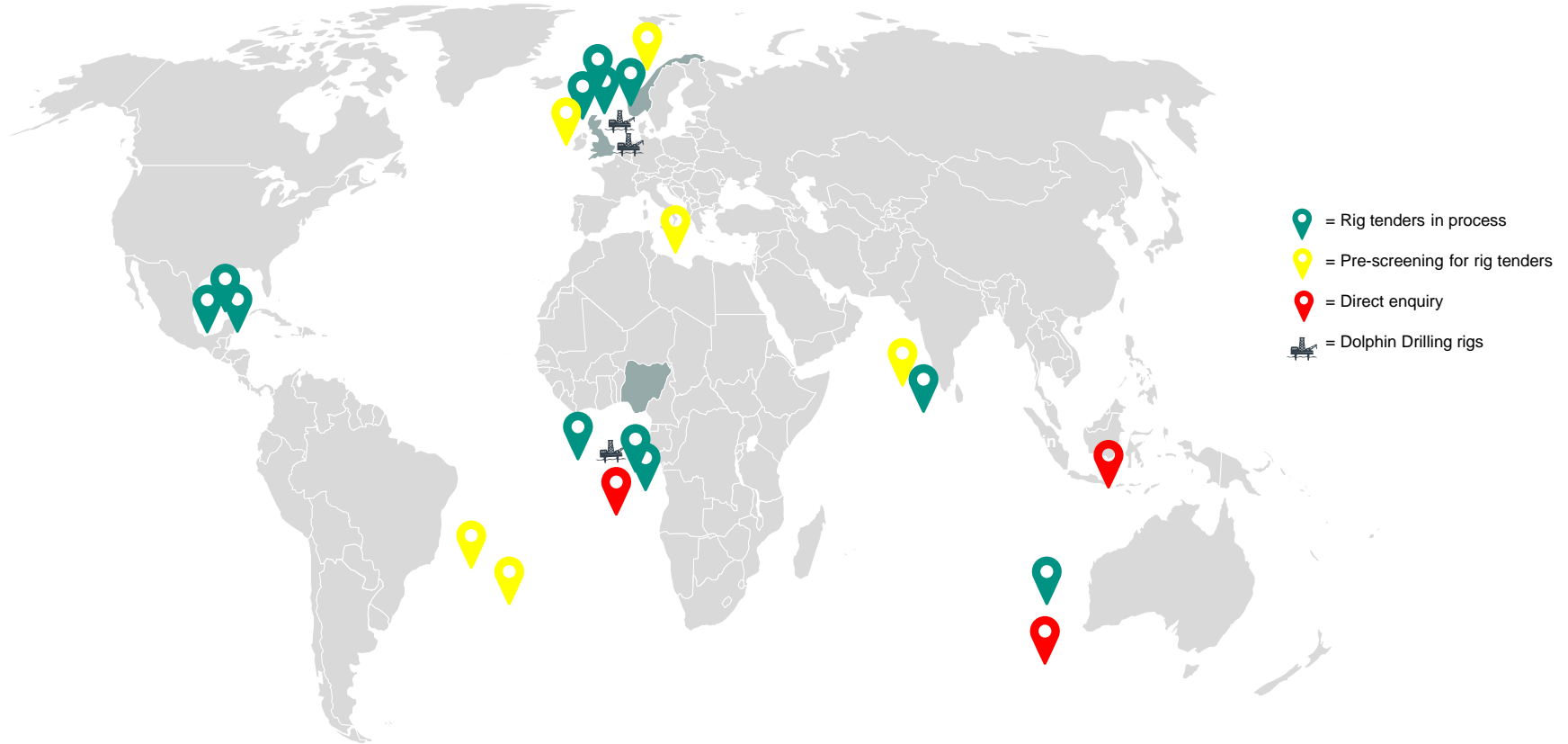
# Standard moored semis contracted by region – 2010 vs. today

Contracted rig fleet reduced from 105 to 23 rigs



# Strong interest for Moored rigs in all key offshore basins

20 rig enquiries last 90 days

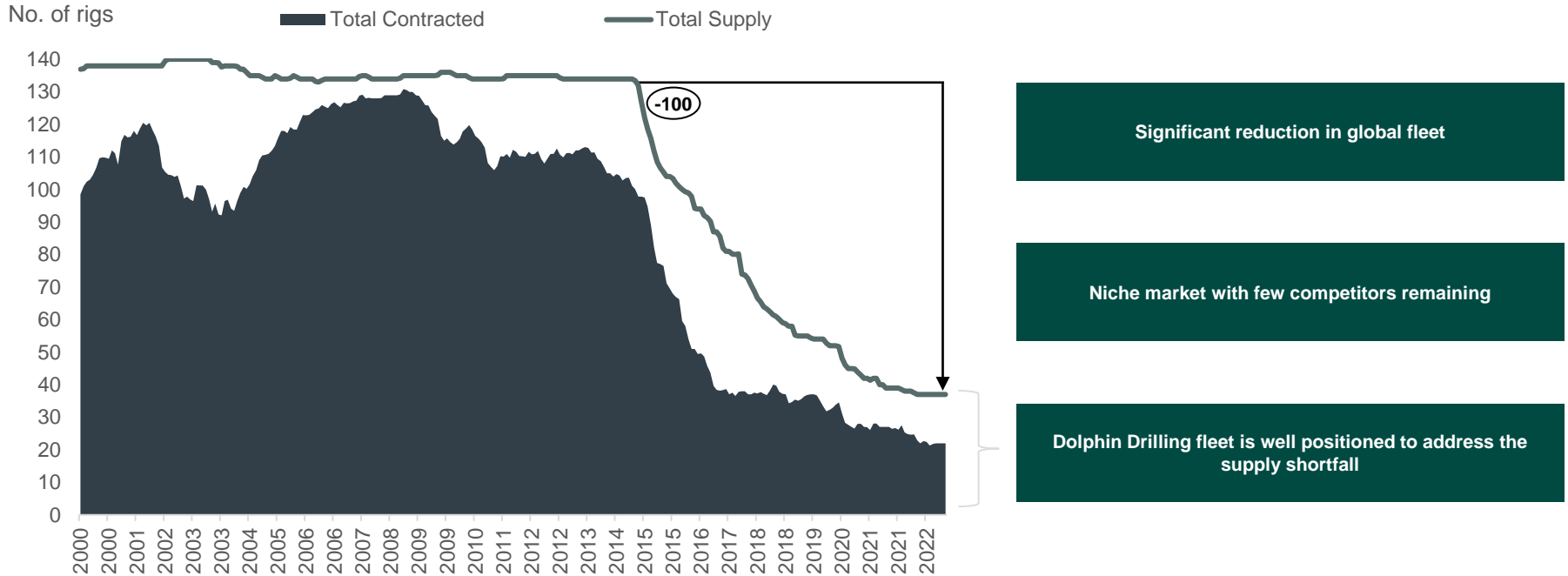


# Less Competition from Greatly Declined Moored Semi Count

Current supply 36 rigs



## Contracted moored semis down 100 rigs from peak...



Source: IHS Market

# MOORED SEMISUB FLEET – competitive fleet below 20 rigs

Rig fleet split by rig status and competitive position



Rig Name	Country	Contract status	Available date
Ocean Patriot	UK	Contracted	1-jul-2023
Olinda Star	India	Contracted	11-sep-2023
Stena Spey	UK	Contracted	14-okt-2023
Hakuryu-5	Malaysia	Contracted	19-okt-2023
Well-Safe Defender	UK	Contracted	6-nov-2023
Atlantic Star	Brazil	Contracted	16-nov-2023
Well-Safe Guardian	UK	Contracted	21-des-2023
Ocean Endeavor	UK	Contracted	1-jan-2024
Paul B. Loyd, Jr.	UK	Contracted	2-sep-2024
Valaris MS-1	Australia	Contracted	23-nov-2024
Ocean Apex	Australia	Contracted	31-jan-2025
Blackford Dolphin	Nigeria	Contracted	2-jul-2025
Borgland Dolphin	Norway	Warm stacked	3-feb-2022
Bideford Dolphin	Norway	Warm stacked	28-des-2017
Deepwater Nautilus	Malaysia	Warm stacked	11-aug-2022
Ocean Onyx	Malaysia	Warm stacked	30-nov-2022
Essar Wildcat	Indonesia	Warm stacked	15-feb-2023
Ocean Valiant	UK	Cold stacked	7-mai-2020
Transocean Leader	UK	Cold stacked	18-jul-2020
Henry Goodrich	Canada	Cold stacked	30-jan-2020
Ocean Monarch	Malaysia	Cold stacked	12-apr-2022
Shen Lan Tan Suo	Myanmar	Contracted	26-okt-2023
Dada Gorgud	Azerbaijan	Warm stacked	31-mar-2020
Istiglal	Azerbaijan	Contracted	29-nov-2023
Heydar Aliyev	Azerbaijan	Contracted	7-jun-2024
Absheron	Azerbaijan	Cold stacked	1-nov-2002
Noble Explorer	Azerbaijan	Cold stacked	6-mar-2021
Nan Hai Ba Hao	China	Warm stacked	8-mai-2022
Kan Tan IV	China	Contracted	1-jan-2025
Kan Tan III	China	Contracted	1-jan-2026
Nan Hai Shi Hao	China	Contracted	1-jan-2027
Nanhai II	China	Contracted	1-jan-2027
Nanhai IX	China	Contracted	1-jan-2027
Nanhai V	China	Contracted	1-jan-2027
Nanhai VI	China	Contracted	1-jan-2027
Nanhai VII	China	Contracted	1-jan-2027

**On contract/competitive fleet**

**12 rigs**

**Free and available fleet**

**5 rigs**

**High reactivation cost**

**4 rigs**

**Not marketed Int'l (Caspian Sea/China)**

**15 rigs**

Source: IHS Markit February 27, 2023

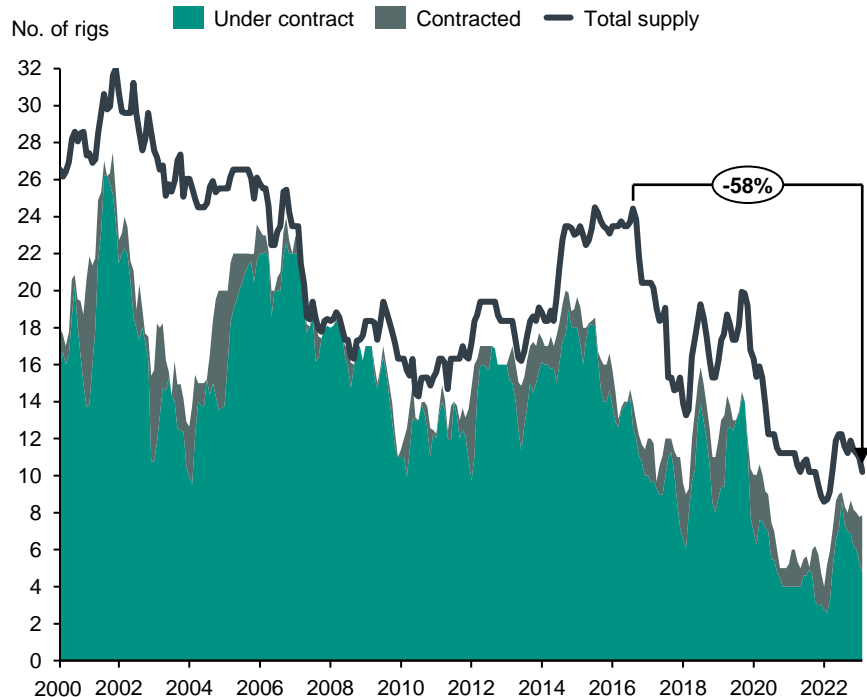


# UK Semi Market Nearing Sold Out

Contracted rigs in UK more than doubled over the past years

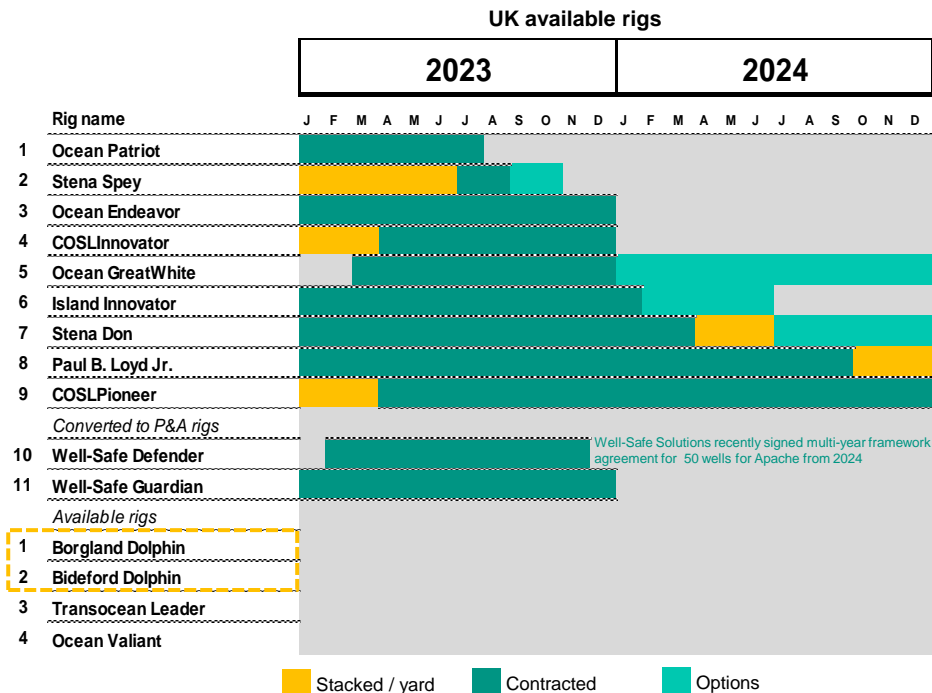


## UK semi rig count has declined >50% since 2016



Source: IHS Market

## Dolphin well-positioned for upcoming tenders



# Increased investments and sanctioning in UK

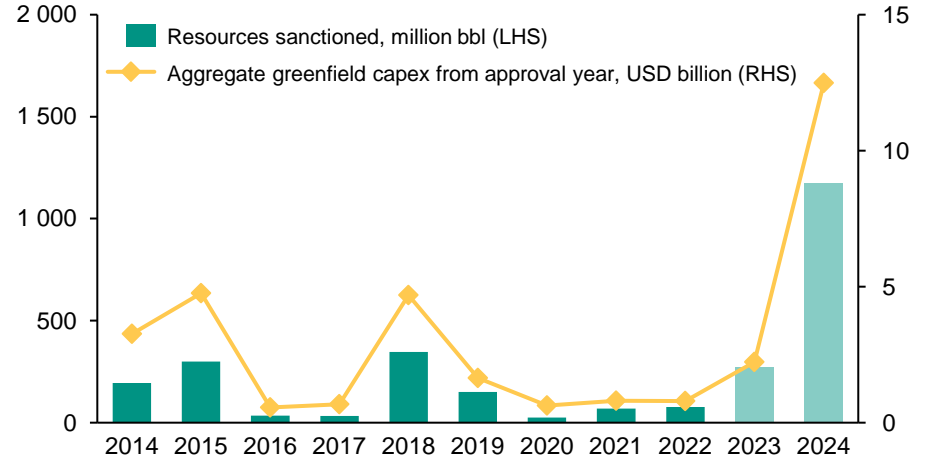
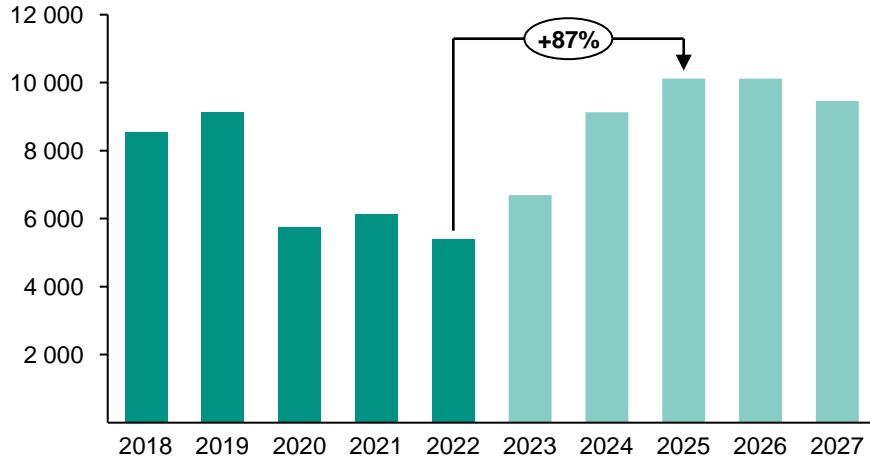
Oil and gas investments set to almost double over the next years



## UK investments set to almost double towards 2025

## Sanctioning to increase significantly

USD Million



The increased focus on Energy Security combined with declining production is expected to drive increased demand after exploration and development drilling in UK over the next years

The Energy Profits Levy (EPL) has generated some headwind against this but unlikely to reverse the general direction of travel

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## Robust organization – positioned for growth

### A Improving market conditions for existing fleet

- Limited rig availability globally
- Dayrates in international semisub rig market improved to above USD 300k

### B Keppel newbuilds

- Opportunity to acquire and/or manage two latest generation harsh environment semisubs from Keppel FELS
- Provide for next generation equipment in terms of **safer**, **efficient**, **faster** and **smarter** by **design**

### C Management opportunities

- Experienced contractor of all main rig types in a wide range of geographical regions
- Several active opportunities

### D Opportunistic growth

- Opportunistically look to acquire single assets
- Several possible approaches to create value through synergy creation with other players

# Summary

Dolphin Drilling well positioned in industry recovery

01 Blackford Dolphin contract start up in Nigeria moves Dolphin into positive operating cash flow

02 Near term opportunities to add to Blackford backlog at increased day rates

03 Increased tender activity for standard moored rigs in all global markets – Borgland and Bideford two of the few remaining available units

04 Working to realise growth opportunities



# Q&A



# Appendix



Ownership structure

## Dolphin Drilling – public listing in Norway

27%

Established sector lead investor – instrumental owner and initiator of > 50 IPOs



35%

Remained a major owner of Dolphin Drilling through the downcycle

SVPGLOBAL  
EXPERIENCE • INSIGHT • VALUE

38%

~600 shareholders primarily consisting of Norwegian, UK and US investors





# Financial Information

## Unaudited Management Presentation



### Balance Sheet

Balance Sheet (\$ in Millions)	2022 4th Qtr	2022 3rd Qtr	2022 Full Year
<b>Current Assets:</b>			
Unrestricted Cash & Cash Equivalents	28.0	54.7	28.0
Restricted Cash	7.8	2.3	7.8
Total Cash	35.8	57.0	35.8
Accounts Receivable	1.1	0.8	1.1
Inventory	20.3	20.1	20.3
Other Current Assets	11.4	5.1	11.4
<b>Total Current Assets</b>	<b>68.5</b>	<b>83.0</b>	<b>68.5</b>
<b>Non-Current Assets:</b>			
Net PP&E	65.5	54.8	65.5
Other Assets	-	-	-
<b>Total Assets</b>	<b>134.0</b>	<b>137.8</b>	<b>134.0</b>
<b>Current Liabilities</b>			
Accounts Payables	8.8	7.5	8.8
Accrued Expenses	12.7	6.3	12.7
Other Current Liabilities	20.0	11.2	20.0
<b>Total Current Liabilities</b>	<b>41.6</b>	<b>25.0</b>	<b>41.6</b>
Other Non Current Liabilities	5.1	4.6	5.1
Drawdown Facility	-	-	-
Term Loan	(0.0)	(0.0)	(0.0)
<b>Total Liabilities</b>	<b>46.6</b>	<b>29.6</b>	<b>46.6</b>
Shareholders Equity	87.4	108.2	87.4
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>134.0</b>	<b>137.8</b>	<b>134.0</b>

### Cash Flows

Statement of Cash Flows (\$ in millions)	2022 4th Qtr	2022 3rd Qtr	2022 Full Year
<b>Operating Cash Flows</b>			
Net Income	(18.2)	(23.4)	(67.5)
Add-Back: Depreciation and Amortization	1.7	2.7	7.6
Less gain on disposal of assets	-	0.9	0.9
Change in restricted cash	(5.5)	-	(5.5)
Change in Accounts Receivable	(0.3)	25.2	24.1
Change in Inventory	(0.2)	0.4	(0.3)
Change in Other Current Assets	(6.2)	2.8	8.4
Change in Other Assets	-	-	-
Change in Accounts Payable	1.4	(5.8)	(5.7)
Change in Accrued Interest	(0.0)	-	(0.0)
Change in Accrued Expenses	6.4	(8.4)	(5.7)
Change in Other Current Liabilities	8.8	(14.1)	(2.7)
Change in Non Current Liabilities	0.4	0.3	0.0
<b>Net Change in Working Capital</b>	<b>4.8</b>	<b>0.3</b>	<b>12.6</b>
<b>Cash Flow from Operations</b>	<b>(11.6)</b>	<b>(19.5)</b>	<b>(46.4)</b>
<b>Investing Cash Flows</b>			
<b>Cash Flow From Investing</b>	<b>(12.5)</b>	<b>(0.2)</b>	<b>(13.7)</b>
<b>Free Cash Flow Before Financing Activities</b>	<b>(24.1)</b>	<b>(19.7)</b>	<b>(60.1)</b>
<b>Financing Cash Flows</b>			
<b>Cash Flow from Financing</b>	<b>(2.6)</b>	<b>58.1</b>	<b>67.1</b>
<b>Net Change in Unrestricted Cash</b>	<b>(26.7)</b>	<b>38.4</b>	<b>7.0</b>
Unrestricted Cash and Equivalents at Beginning of Period	54.7	16.2	20.9
Unrestricted Cash and Equivalents at End of Period	28.0	54.7	28.0
Restricted Cash at Beginning of Period	2.3	2.3	2.3
Restricted Cash at end of Period	7.8	2.3	7.8

# Financial Information

## Unaudited Management Presentation



### Income Statement

DOLPHIN DRILLING AS Income Statement (\$ in millions)	2022 4th Qtr	2022 3rd Qtr	2022 Full Year
Charter Revenue	-	-	18.8
Total Other Revenue	0.4	0.1	2.3
<b>Total Revenue</b>	<b>0.4</b>	<b>0.1</b>	<b>21.1</b>
Total Rig Operating Expenses	(6.9)	(6.3)	(38.0)
Total Project Costs	(2.7)	(0.7)	(3.4)
Total Lay-up Expense	(2.6)	(3.6)	(13.1)
<b>Total Operating Expense</b>	<b>(12.2)</b>	<b>(10.6)</b>	<b>(54.4)</b>
Total G&A	(5.8)	(6.4)	(21.1)
Other	0.1	-	0.1
<b>EBITDA</b>	<b>(17.6)</b>	<b>(16.9)</b>	<b>(54.4)</b>
D&A	(1.7)	(2.7)	(7.6)
<b>EBIT</b>	<b>(19.3)</b>	<b>(19.6)</b>	<b>(62.0)</b>
Net finance (cost) / income	1.6	(3.7)	(4.8)
<b>EBT</b>	<b>(17.7)</b>	<b>(23.3)</b>	<b>(66.8)</b>
Taxes	(0.5)	(0.0)	(0.7)
<b>Net Income (Loss)</b>	<b>(18.2)</b>	<b>(23.4)</b>	<b>(67.5)</b>

# The Offshore Drilling Pioneer



## Blackford Dolphin

*6<sup>th</sup> gen. topside  
Enhanced Aker H-3  
Total rebuild in 2008*



## Borgland Dolphin

*5<sup>th</sup> gen. topside  
Enhanced Aker H-3  
Total rebuild in 1999*



## Bideford Dolphin

*5<sup>th</sup> gen. topside  
Enhanced Aker H-3  
Total rebuild in 1999*



## Keppel opportunity

*2 x 7<sup>th</sup> gen.  
CS60 Eco Aker MH*

# Largest shareholders

## Top 20 shareholders



	Investor	Number of shares	% of top 20	% of total	Type	Country
1	BARCLAYS CAPITAL INC	43 215 400	41.3 %	34.8 %	Nominee	United States
2	S.D. STANDARD ETC PLC	31 596 400	30.2 %	25.4 %	Ordinary	Cyprus
3	VERDIPAPIRFONDET DNB SMB	2 993 909	2.9 %	2.4 %	Ordinary	Norway
4	SONGA CAPITAL AS	2 750 133	2.6 %	2.2 %	Nominee	Sweden
5	Skandinaviska Enskilda Banken AB	2 750 000	2.6 %	2.2 %	Ordinary	Norway
6	FERNCLIFF TIH AS	2 572 116	2.5 %	2.1 %	Ordinary	Norway
7	CLEARSTREAM BANKING S.A.	2 069 003	2.0 %	1.7 %	Ordinary	Norway
8	ALDEN AS	1 998 043	1.9 %	1.6 %	Nominee	Luxembourg
9	CARBON TRANSITION INVESTMENT AS	1 714 568	1.6 %	1.4 %	Ordinary	Norway
10	Euroclear Bank S.A./N.V.	1 644 562	1.6 %	1.3 %	Nominee	Belgium
11	Skandinaviska Enskilda Banken AB	1 500 000	1.4 %	1.2 %	Nominee	Sweden
12	TIGERSTADEN AS	1 500 000	1.4 %	1.2 %	Ordinary	Norway
13	Danske Invest Norge Vekst	1 457 532	1.4 %	1.2 %	Ordinary	Norway
14	The Bank of New York Mellon SA/NV	1 310 359	1.3 %	1.1 %	Ordinary	Norway
15	DNB Markets Aksjehandel/-analyse	1 143 097	1.1 %	0.9 %	Nominee	Belgium
16	MUSTANG CAPITAL AS	1 140 000	1.1 %	0.9 %	Ordinary	Norway
17	Apollo Asset Limited	900 000	0.9 %	0.7 %	Ordinary	Cayman Islands
18	TITAN VENTURE AS	857 372	0.8 %	0.7 %	Ordinary	Norway
19	NÆRINGSLIVETS HOVEDORGANISASJON	814 343	0.8 %	0.7 %	Ordinary	Norway
20	KZN HOLDING AS	810 000	0.8 %	0.7 %	Ordinary	Norway
<b>Total number owned by top 20</b>		<b>104 736 837</b>		<b>84.2 %</b>		
<b>Total number of shares</b>		<b>124 318 899</b>		<b>100</b>		

\* Strategic Value Master Fund, Ltd, Strategic Value Special Situations Master Fund IV, LP and Strategic Value Opportunities Fund, LP are funds managed by Strategic Value Partners LLC, ("SVP"). Taken together, these funds hold approx. 34.8% of the shares in the Company (through the nominee Barclays Capital Inc)  
Shareholders as of January 4 2023



Oslo – DDRIL.OL

Investor Relations contact: [ingolf.gillesdal@dolphindrilling.com](mailto:ingolf.gillesdal@dolphindrilling.com), +4792045320