



**DOLPHIN**  
DRILLING

Q1 2024 presentation

29 May 2024

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# Agenda

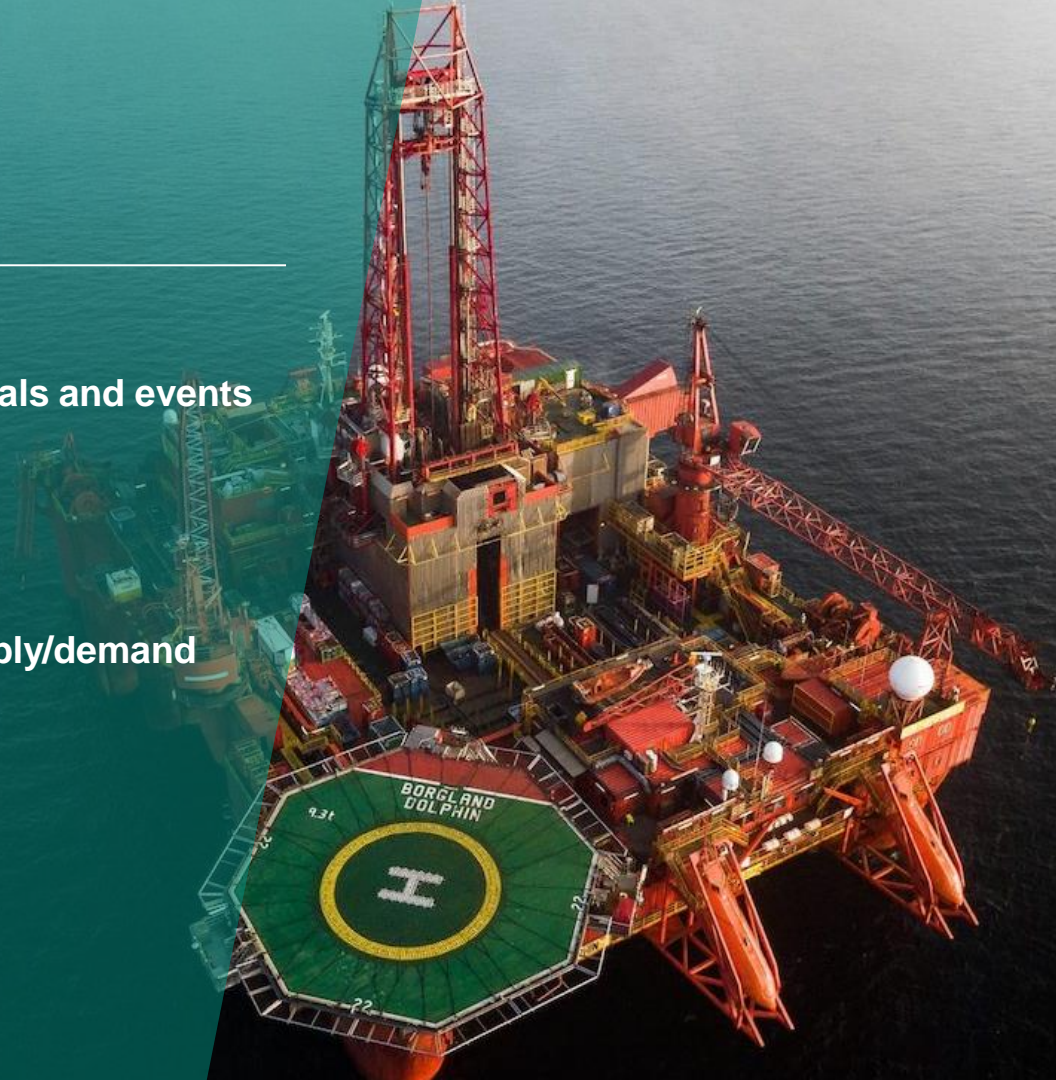
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1 Q1 2024 key financials and events

2 Dolphin rig fleet

3 Drilling market supply/demand

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# Qtr 1 Overview and Highlights

## Q1 Metrics

Revenues <sup>1</sup>	Adj EBITDA <sup>2</sup>	EPS
\$10.1m	\$(13.0)m	\$(0.08)

Firm Backlog	Options / LOIs	Total Potential
\$465m	\$639m	\$1.1bn

## Q1 Items, Key Information and Subsequent Events

### Within Quarter

- Acquisition of Paul B. Loyd, Jr and Leader completed
- Successful transition of 106 employees to Dolphin
- \$65m financing facility with MAP closed and drawn down in full
- Extension of \$15m shareholder loan thru May-2025
- Blackford Dolphin contract award by Oil India Ltd
- Scrapping of Bideford Dolphin for \$4.1m
- De-recognition of all revenues associated with GHL contract

### Subsequent Events

- Private Placement of \$40m completed
- Supreme Court grants right of appeal re HMRC case
- Ongoing legal processes in Nigeria
- Decision made to recycle Dolphin Leader

# Key Financials Q1 2024



	Q1 2024
Total Revenues	\$10.1
EBITDA	(\$17.0)
Net Profit	(\$16.8)
Total cash	\$36.3
<i>Non-restricted cash</i>	\$27.6
Total assets	\$206.1
Total debt	\$80.0
Total equity	\$87.7

## Commentary

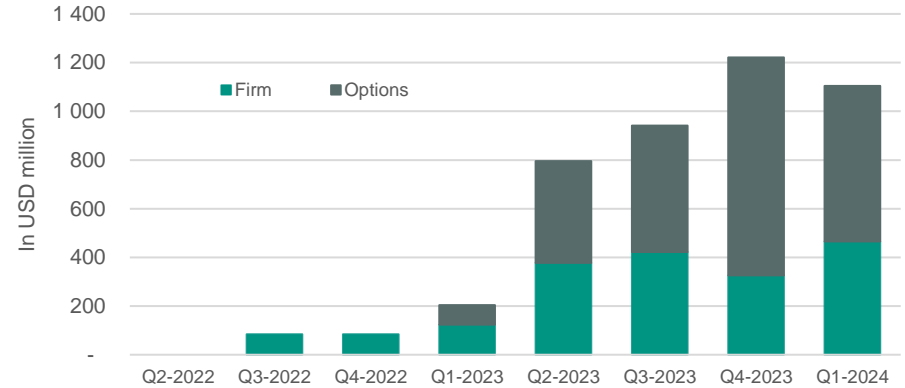
**Total revenues** include Paul B. Loyd Jr from mid-February. GHL revenue has not been recognised in 2024

**Bideford Dolphin** was sold for scrap in Q1 2024 generating proceeds of \$4.1m

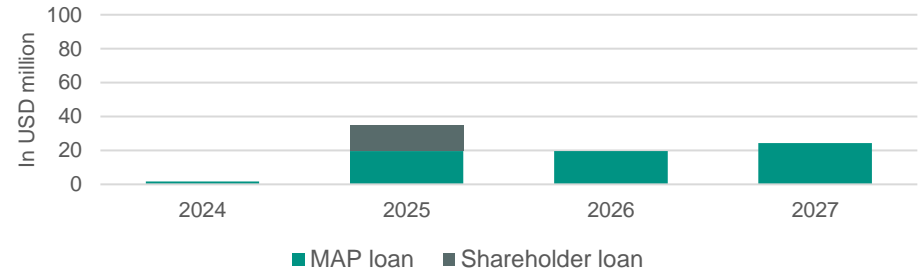
**Unusual / one-off costs** of approximately \$4.0m within EBITDA for legal costs related to the completion of the purchase of the 2 rigs, HMRC case related expenses and book loss on sale of Bideford

**Debt facility** of \$65.0m with Maritime Asset Partners Ltd drawn in full in the quarter

## Quarterly revenue backlog development from IPO



## Interest bearing debt annual amortizations

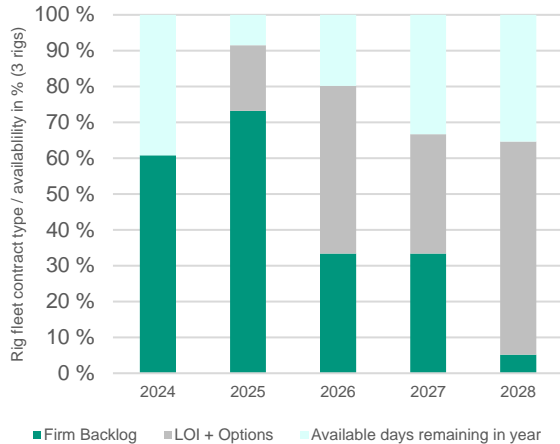


# Strong backlog providing long-term earning visibility

Re-contracting in an anticipated strong UDW and high-end floater market



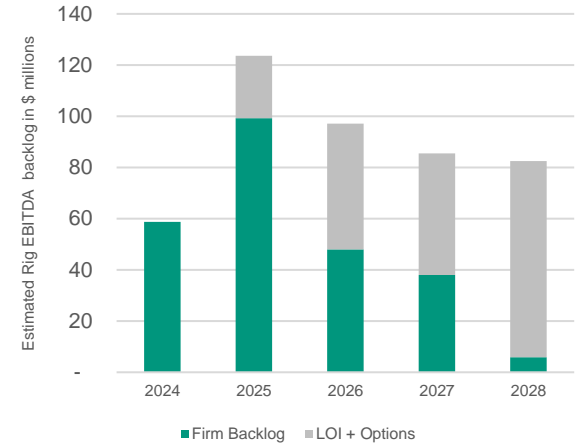
## Fleet contract coverage<sup>1</sup>



## Estimated revenue backlog<sup>2</sup>



## Estimated rig EBITDA backlog<sup>2,3</sup>



**Current backlog provides high visibility and highlights attractive operational position from 2025 onwards**

1) For 2024, remaining available days is based on April-Dec 2024; 2) Including mobilization fees; 3) Includes mobilization costs. Excludes G&A and lay-up costs

# Key Issues - Detailed Updates



## BLACKFORD / NIGERIA

- On 22 March 2024, Dolphin and GHL entered into an amendment to the contract, extending the term of the contract subject to fulfilment of certain conditions by GHL, GHL failed to fulfil certain of those conditions.
- Dolphin terminated the contract on 30<sup>th</sup> April 2024 and submitted a request for arbitration.
- The termination of the contract is disputed by GHL. GHL obtained an interim injunction from the Nigerian court, restraining Dolphin from demobilising the Blackford Dolphin pending the appointment of the arbitrator and on 15<sup>th</sup> May 2024, a sole arbitrator was appointed to hear the dispute.
- The Nigerian court ordered the interim injunction to remain in place until the sole arbitrator hears and disposes of GHL's application for interim relief measures, which application is being opposed by Dolphin.
- The arbitrator is in the process of considering submissions on the question of whether or not the interim injunction should remain in place.
- A separate order was made against the Blackford by Technova Africa which is also being fully opposed by the Company.

## HMRC – granted acceptance to appeal to Supreme Court (UK)

- As previously disclosed in various public announcements and documents Dolphin Drilling has been in a long running dispute with HM Revenue & Customs (“HMRC”) regarding the tax treatment of income derived from a contract for the Borgsten Dolphin.
- HMRC has pursued their claim through the court process, unsuccessfully at both the First Tier and Upper Tier Tribunal levels but was successful at the Court of Appeal – Dolphin immediately filed for the right to appeal this ruling to the Supreme Court.
- Following the Court of Appeal ruling HMRC sought to commence collection steps and, on 8<sup>th</sup> May 2024 Dolphin agreed a “Time to Pay” instalment payment plan with HMRC.
- On 13<sup>th</sup> May 2024 Dolphin became aware that the Supreme Court had granted permission to appeal.
- Dolphin is attempting to agree with HMRC the suspension of the instalment payment plan pending the outcome of the Supreme Court appeal (anticipated to be decided during 2025).
- The monetary value of the ruling against Dolphin amounts to £9.9m plus interest and various costs of another potential £2.9m+, and Dolphin would expect to receive reimbursement of any sums paid under the instalment payment plan in the event that it succeeds in the Supreme Court appeal.

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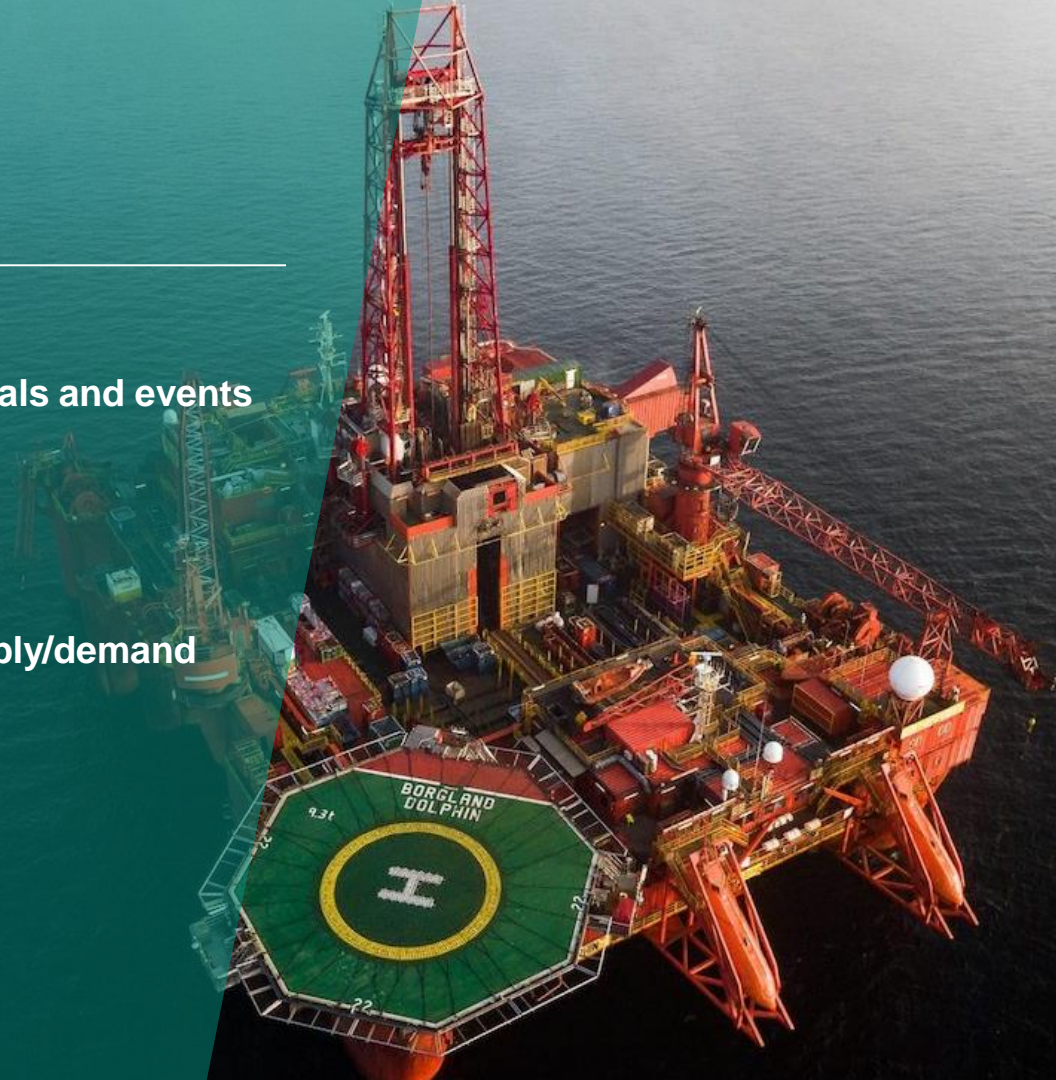
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# At a glance

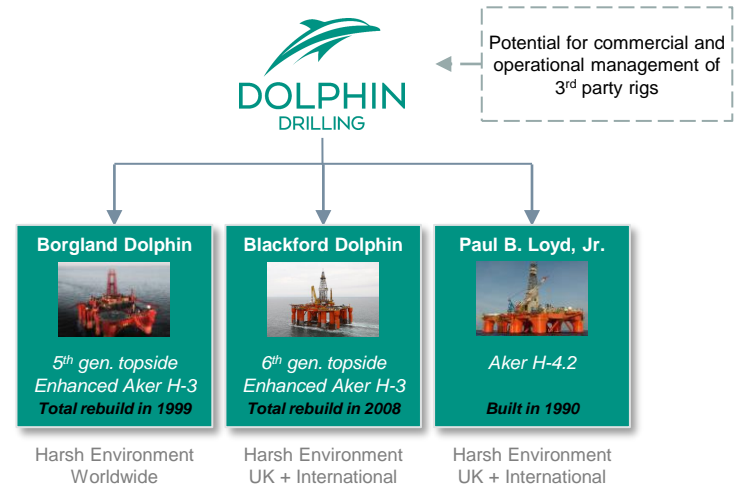
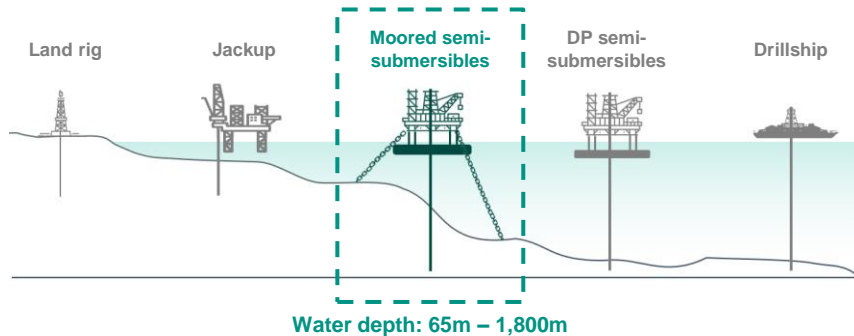
Leading operator of moored semi-submersibles with a revenue backlog of \$1.1bn<sup>1</sup> (incl. options and LOIs)



## Delivering on strategy

- 3 rigs contracted with a total firm revenue backlog of \$465m and \$639m in options/LOI, with an estimated EBITDA contribution of ~\$250m and ~\$380m, respectively
- Estimated payback time of less than 2-years on the acquisition of Paul B. Lloyd, Jr.
- Focus shifting towards operational performance and growth opportunities via management contracts




## Focusing on the niche market for moored semi-submersibles



~1000 shareholders primarily consisting of Norwegian, UK and US investors

# Moored rig fleet – all contracted

Versatile fleet enabling operational excellence across all regions

	<b>Borgland Dolphin</b> <i>Enhanced Aker H-3</i>	<b>Blackford Dolphin</b> <i>Enhanced Aker H-3</i>	<b>Paul B. Loyd Jr.</b> <i>Aker H-4.2</i>
			
<b>Rebuild year</b>	1997-1999	2006-2008	1990
<b>Operating water depth</b>	210 - 1,500 ft	210 - 6,000 ft	210 – 1,969 ft
<b>Rig design</b>	Enhanced Aker H-3	Enhanced Aker H-3	Aker H-4.2
<b>Derrick / drawworks</b>	MH – 5 <sup>th</sup> gen	NOV 6 <sup>th</sup> gen	Dreco / NOV
<b>Built for market</b>	All regions	All regions excl. Norway	All regions excl. Norway
<b>Moored / dynamic positioning</b>	Moored	Moored	Moored
<b>Drilling depth</b>	27,800 ft	30,000 ft	25,000 ft
<b>Total mudpumps</b>	3	3	3
<b>Blowout preventer working pressure max</b>	15,000 psi	15,000 psi	15,000 psi
<b>Top drive manufacturer</b>	Maritime Hydraulics DDM-650-HY	National Oilwell Varco HPS-750-E-AC-KT	National Oilwell Varco TDS-4SH
<b>Next special period survey<sup>1,2</sup></b>	Prior to new contract	Q4 2027	Q4 2025
<b>Key highlight</b>	<b>Fit-for-purpose North Sea workhorse</b>	<b>One of few modern semi-submersible equipped with moored station keeping and deepwater water depth capability</b>	<b>Workhorse with ~15 years of non-stop drilling</b>

Note: 1) Special Periodic Survey; 2) Assumed five years from start-up of next contract based on planned reactivation scope  
Source: Company data

# Strong contract coverage from 2025 and onwards

All 3 rigs secured contracts



## Fleet status as of May 2024

Rig name	Current status	Country	Client	2024				2025				2026				2027				2028				2029			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Blackford	Contracted	Nigeria	GHL	Firm																							
		Mobilization		Stacked / mobilization																							
		India	Oil India	Firm																							
Borgland	Mobilization	Norway		Stacked / mobilization					SPS																		
		UK	EnQuest						Firm																		
		UK	Undisclosed																								
Paul B. Loyd, Jr.	Contracted	UK	Harbour	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm	Firm				

■ Firm    
 ■ LOI    
 ■ Options    
 ■ SPS    
 ■ Stacked / mobilization

Long term contract on Paul B. Loyd, Jr. coupled with new contracts on Blackford and Borgland secures strong cash flow visibility from 2025

# Borgland Dolphin SPS Underway

Unit Now En-Route from Norway to Las Palmas

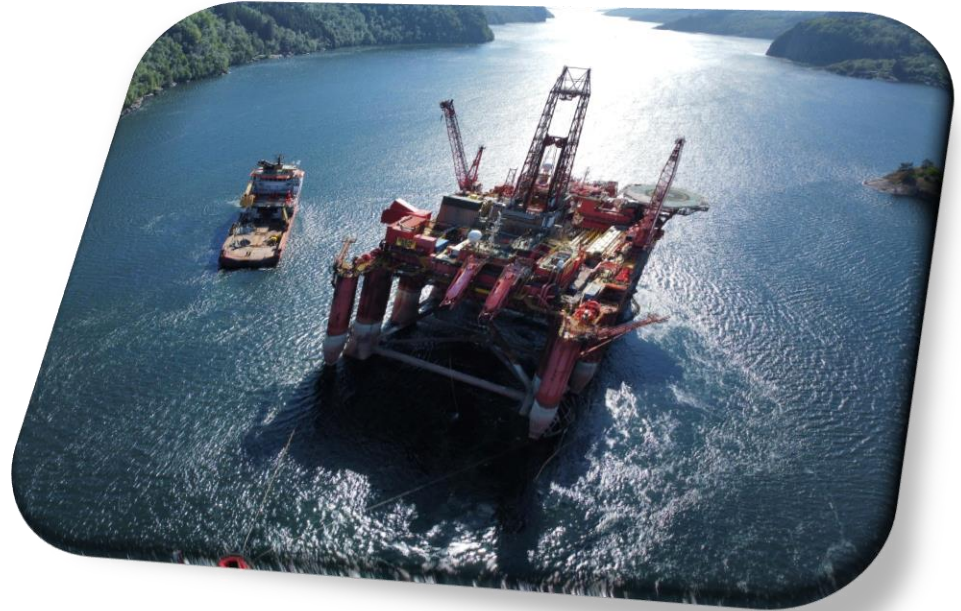


## Dolphin Operates a Proven SPS Project Team

- Delivered Blackford SPS On Budget in 2022
- Borgland SPS planned 1 year in advance
- Borgland Long Lead Items Ordered
- Shipyard Contracts In-Place

## Dolphin Utilises a Proven Shipyard Solution

- Climate Conducive with Year-Round Working
- Highly Experienced Local Workforce
- Competitive, Efficient & Flexible Yard Services
- Availability of OEMs & Specialist Services



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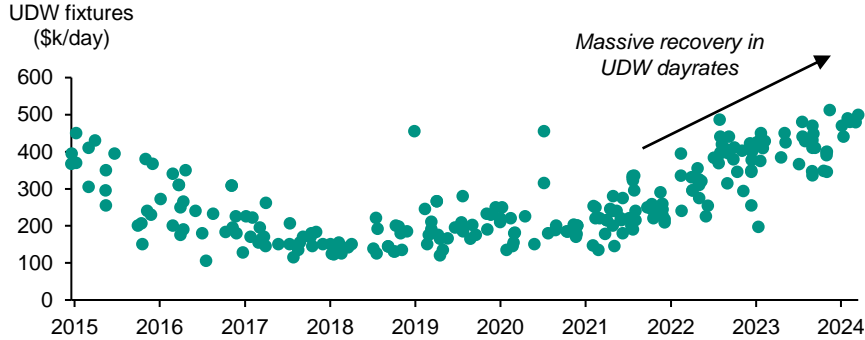


# Moored harsh semi-submersible market about to inflect

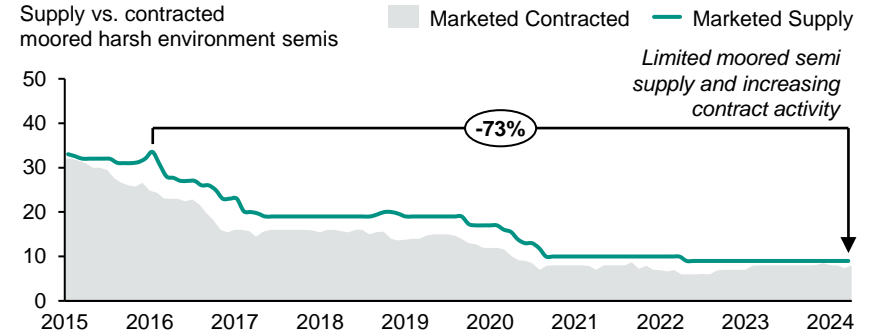
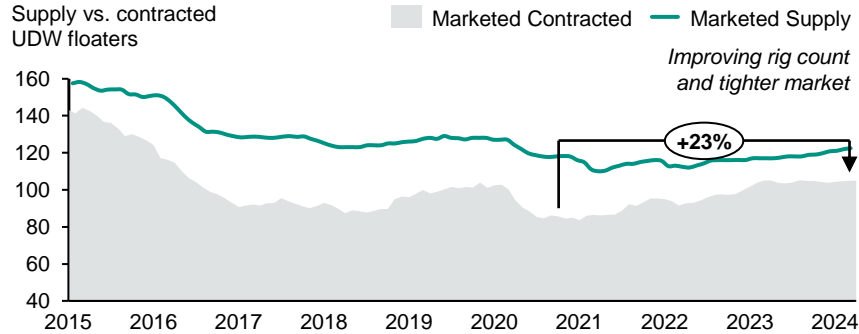
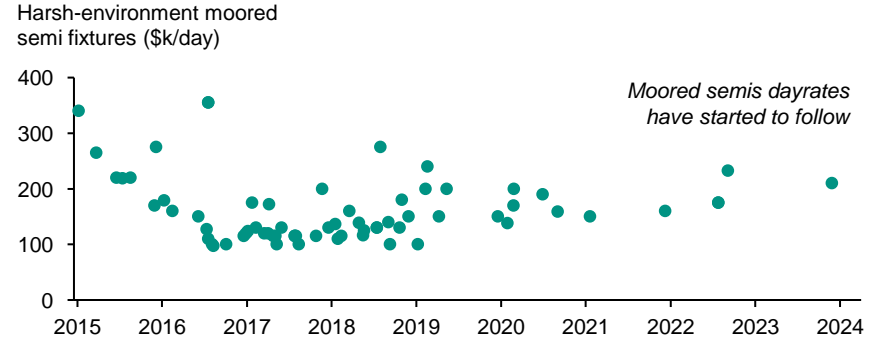
Strong recovery in highest specification floater segments expected to drive moored semi market



## UDW market has seen a strong recovery...



## ...and the moored semi market is set to follow

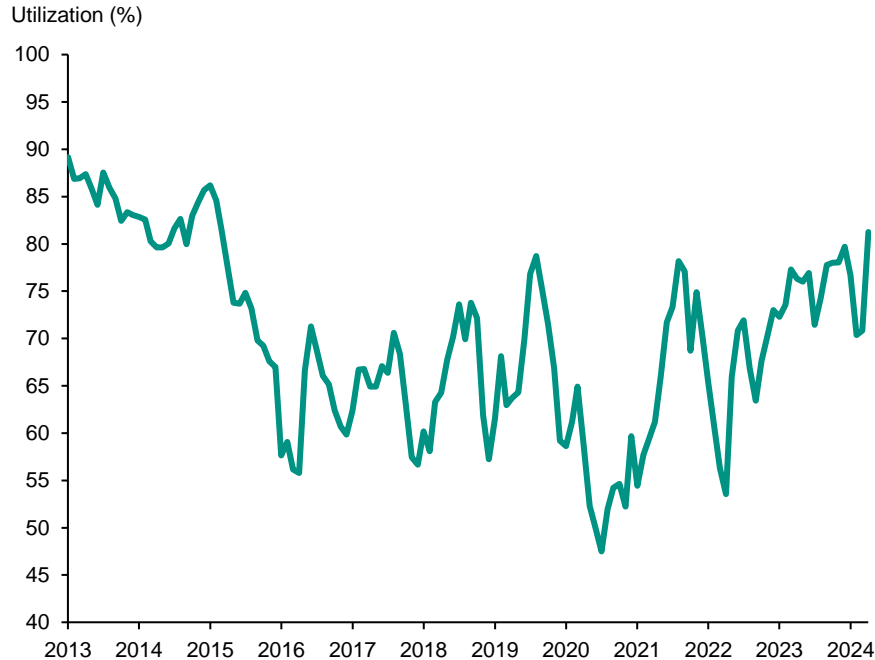


# Structurally tight global moored semi market

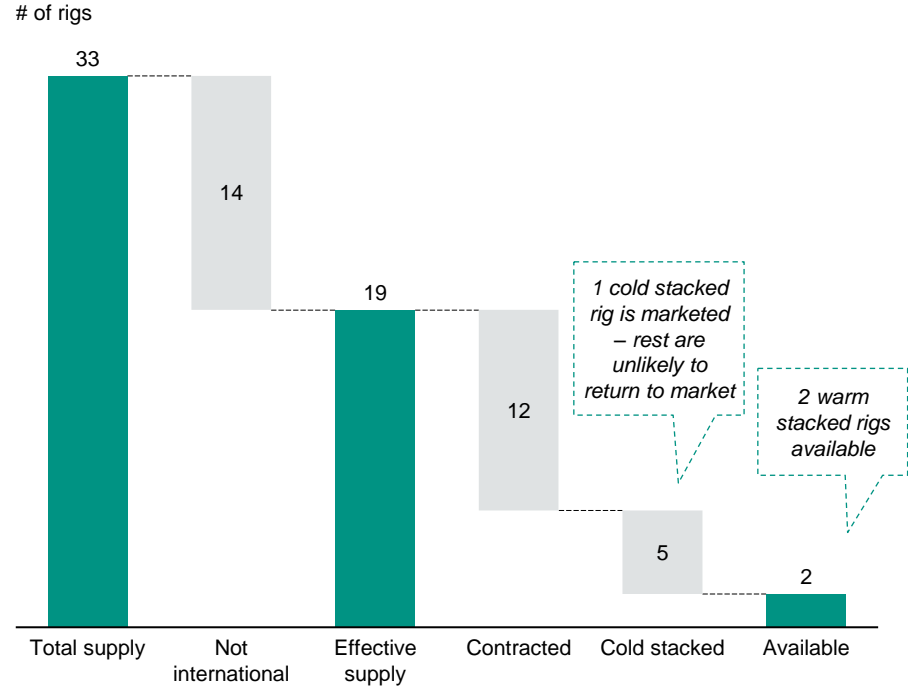
Reduced rig count and high utilization serves as a significant tailwind for the moored semi market



## Utilization back at 2015 levels<sup>1</sup>



## Moored semi market at extremely tight levels<sup>1</sup>



<sup>1</sup> Excludes cold stacked rigs  
Source: IHS Petrodata (underlying data), Company (underlying data), DNB Markets (further calculations)

# Total moored semi-submersible rig fleet

With an expected low competition from high spec rig segments, cold stacked rigs required reactivation

Rig Name	Rig Manager	Country	Contract status	Available date
Stena Spey	Stena	UK	Held for sale	18-des.-2023
Atlantic Star	Constellation Oil Services	Brazil	Contracted	1-jan.-2025
Nan Hai Ba Hao	COSL	Brazil	Contracted	1-jan.-2028
Borgland Dolphin	Dolphin	UK	Contracted	16-aug.-2025
Blackford Dolphin	Dolphin	India	Contracted	6-nov.-2025
Paul B. Loyd, Jr.	Dolphin	UK	Contracted	3-jun.-2028
Ocean Endeavor	Diamond Offshore	UK	Contracted	15-des.-2024
Ocean Apex	Diamond Offshore	Australia	Contracted	28-feb.-2025
Ocean Patriot	Diamond Offshore	UK	Contracted	1-jan.-2028
Essar Wildcat	Essar Oilfields Services	Mexico	Contracted	18-jun.-2027
Hakuryu-5	Japan Drilling	Malaysia	Contracted	30-okt.-2024
Valaris MS-1	Valaris	Australia	Contracted	10-jan.-2025
Well-Safe Defender	Well-Safe Solutions	UK	Warm stacked	11-mar.-2024
Well-Safe Guardian	Well-Safe Solutions	UK	Contracted	1-nov.-2024
Ocean Valiant	Diamond Offshore	UK	Cold stacked	7-mai-2020
Ocean Onyx	Diamond Offshore	Malaysia	Cold stacked	30-nov.-2022
Henry Goodrich	Transocean	Canada	Cold stacked	30-jan.-2020
Deepwater Nautilus	Transocean	Malaysia	Cold stacked	11-aug.-2022
Dada Gorqud	Caspian Drilling	Azerbaijan	Warm stacked	31-mar.-2020
Istiglal	Caspian Drilling	Azerbaijan	Contracted	31-des.-2025
Heydar Aliyev	Caspian Drilling	Azerbaijan	Contracted	31-des.-2025
Noble Explorer	Noble	Azerbaijan	Cold stacked	6-mar.-2021
Absheron	SOCAR	Azerbaijan	Cold stacked	1-nov.-2002
Shen Lan Tan Suo	COSL	China	Contracted	1-jan.-2029
Nan Hai Shi Hao	COSL	China	Contracted	1-jan.-2029
Nanhai II	COSL	China	Contracted	1-jan.-2029
Nanhai IX	COSL	China	Contracted	1-jan.-2029
Nanhai V	COSL	China	Contracted	1-jan.-2029
Nanhai VI	COSL	China	Contracted	1-jan.-2029
Nanhai VII	COSL	China	Contracted	1-jan.-2029
Kan Tan IV	Sinopec Offshore Oilfield Services Co.	China	Contracted	1-jan.-2025
Kan Tan III	Sinopec Offshore Oilfield Services Co.	China	Contracted	1-jan.-2029



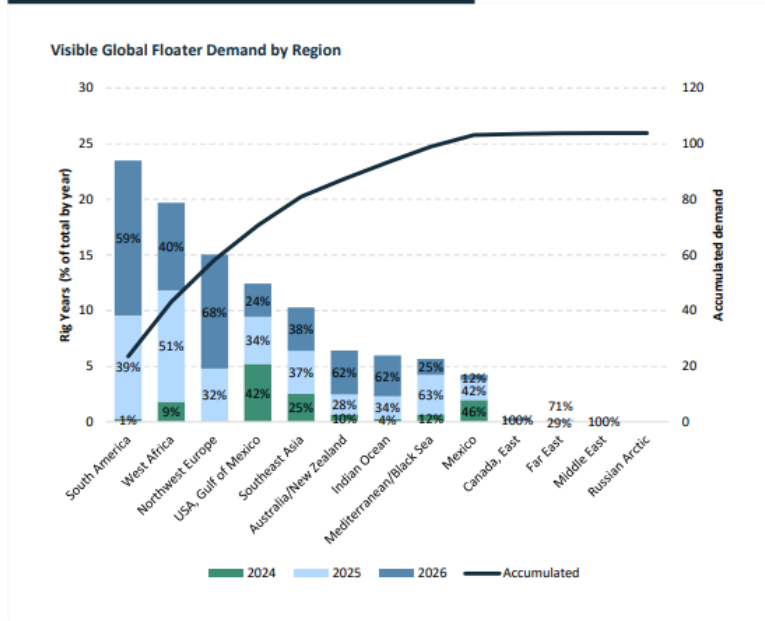
# Moored SemiSub Demand – Seeing a Steady Global Increase

Dolphins fleet of mobile assets can relocate to capitalise hot-spot regions



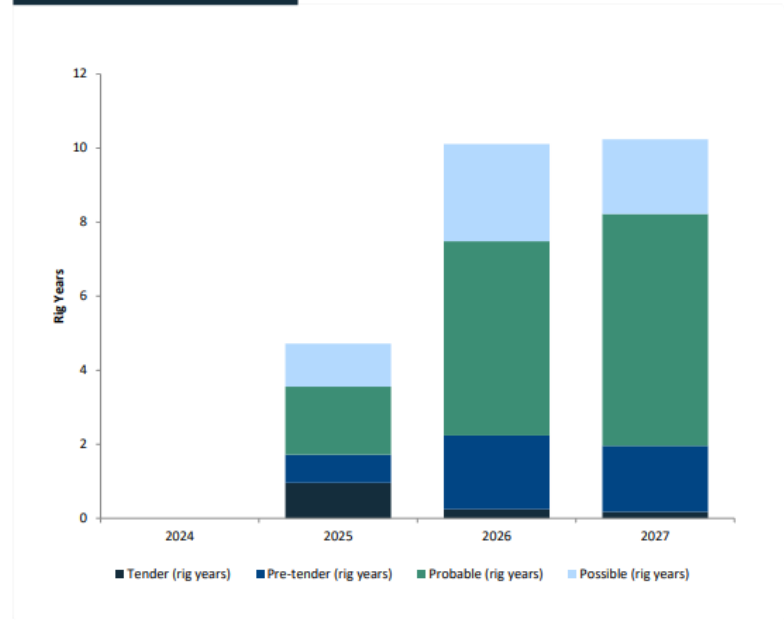
## Strong Addressable Market for Dolphin within Global Floater Demand

Visible Demand – Regional Demand Distribution



## Dolphins UKCS “home” market has increasing demand visibility

NCS/UKCS - Visible demand

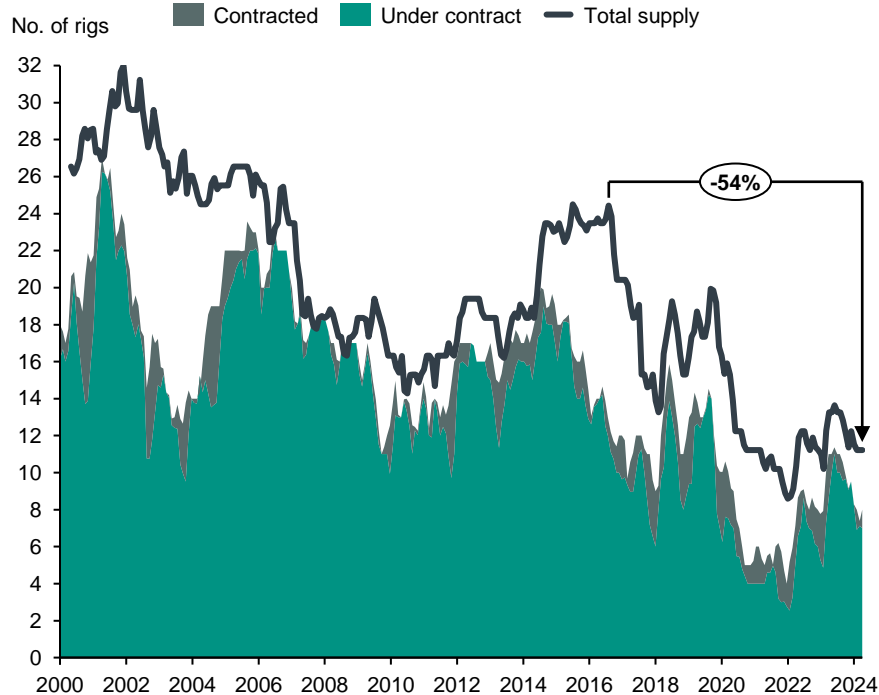


# UK semi market – fleet reduced as several rigs exit/scrapped

Highly consolidated UK market with limited availability among few players



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



## Dolphin well-positioned for upcoming tenders

Rig name <sup>1</sup>	Company	2024				2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Paul B. Loyd, Jr.													
Borgland Dolphin													
Ocean Patriot													
Ocean GreatWhite													
Ocean Endeavor													
Stena Don													
Stena Spey		Warm stacked / held for sale											
Dolphin Leader (Cold Stacked)		Board decision to recycle the rig											
Ocean Valiant (Cold stacked)													
Well-Safe Defender (Converted to P&A unit)													
Well-Safe Guardian (Converted to P&A unit)													

<sup>1</sup> Excludes Island Innovator, which is contracted in Spain  
Source: IHS Petrodata (underlying data), DNB Markets (further calculations)

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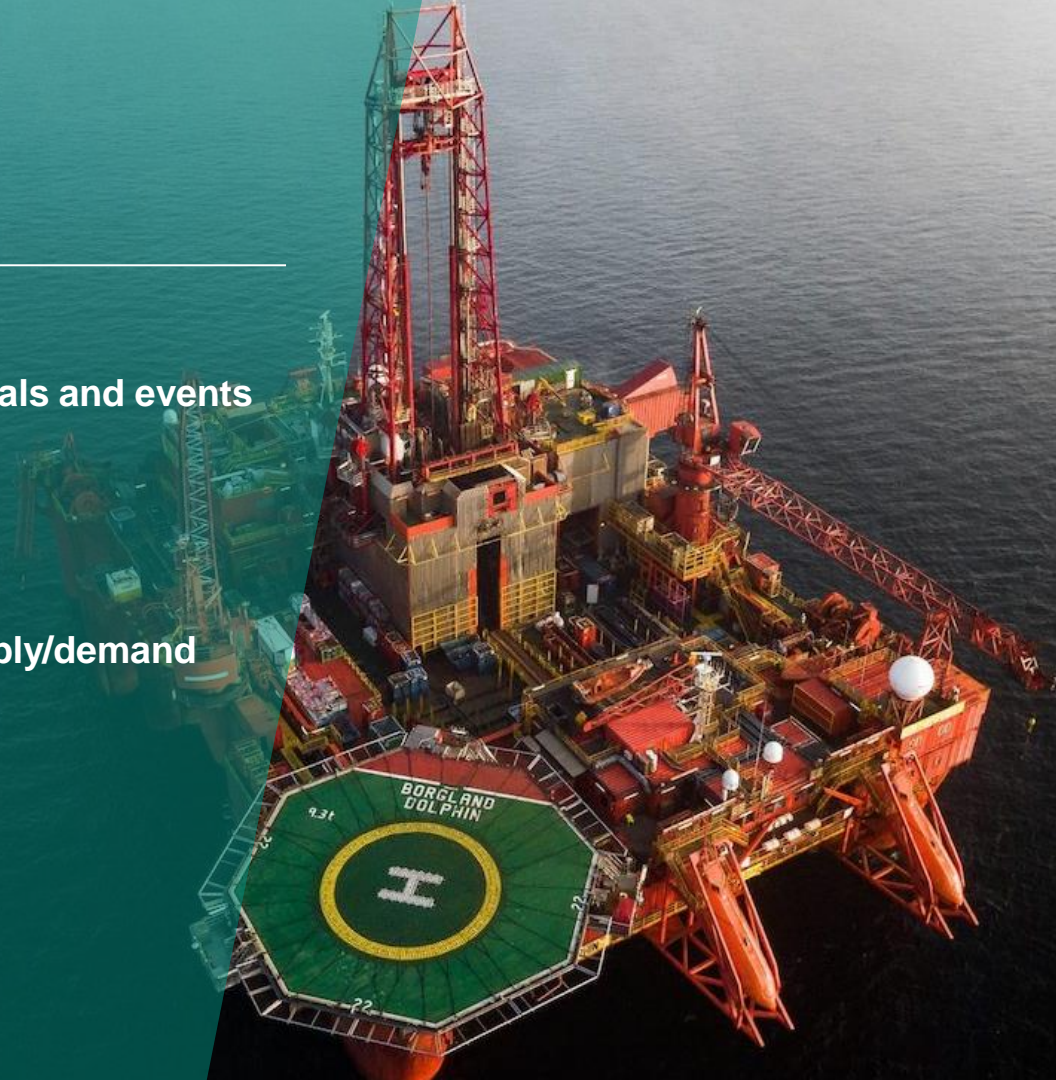
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# Positioned for value creation

Strong market fundamentals enable visibility on attractive free cash flow potential

## Increasing enquiries from customers

Increasing number of request for information (RFIs) and tenders for moored rigs

## Short supply of rigs

Moored semi supply down from c. 140 at peak to 15 currently

## Increasing dayrate environment

Massive recovery in UDW dayrates set to drive moored semi rates



Completed the acquisition of Paul B. Loyd Jr. at highly attractive economics



Secured contracts on all 3 rigs for a total firm revenue backlog of \$465m and \$639m in options/LOI



Fleet with attractive cash flow generation once the rigs commence their contracts, with further near-term market driven upside potential



"Lean & mean" organisation, operating with strict financial discipline. High focus on SG&A & OPEX, as well as CAPEX planning & delivery

# Summary



1

Leading operator of moored semi-submersibles with an extensive track record and fit-for-purpose fleet of harsh environment workhorse rigs

2

Highly attractive market fundamentals and long-term economic environment for offshore drilling on the back of historical low rig supply and increasing demand

3

Secured contracts on all 3 rigs for a total firm revenue backlog of \$465m and \$639m in options/LOI, with an estimated EBITDA contribution of ~\$250m and ~\$380m, respectively

4

Strong cash flow potential based on current contracts, with additional upside from re-contracting the rigs in 2026/2027 amid a tightening market for offshore drilling

# Q&A



Oslo – DDRIL.OL

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