PRESS RELEASE
SHELF DRILLING NORTH SEA
REPORTS FOURTH QUARTER 2022 RESULTS

Dubai, UAE, March 20, 2023 – Shelf Drilling (North Sea), Ltd. ("Shelf Drilling North Sea" and, together with its subsidiaries, the "Company", Euronext Growth Oslo Exchange: SDNS) announces results for the fourth quarter and full year of 2022 ending December 31. The results highlights will be presented by audio conference call on March 20, 2023 at 6:00 pm Dubai time / 3:00 pm Oslo time. Dial-in details for the call are included in the press release posted on March 13, 2023 and on page 2 of this release.

David Mullen, Chief Executive Officer, commented: "*Following the successful completion in October 2022 of the acquisition of the five high specification harsh environment jack-up rigs, Shelf Drilling North Sea delivered outstanding operating and financial results in our first quarter of operations with operational uptime of 98.0% and adjusted EBITDA of $17.0 million. I would like to thank all our shore-based and offshore employees for their dedication and support during this complex transaction.*"

Mullen added: "*Our backlog was $233.4 million and our cash position was $52.5 million as of December 31, 2022. Our presence and experience in key markets, combined with our financial strength and demonstrated operational excellence will position us extremely well as the industry is in the early stages of a multi-year upcycle.*"

Fourth quarter Highlights

- Q4 2022 adjusted revenues of $41.2 million.
- Q4 2022 adjusted EBITDA of $17.0 million, representing an adjusted EBITDA margin of 41%.
- Q4 2022 net income of $11.3 million.
- Capital expenditures and deferred costs for 2022 were $420.8 million, which mainly consisted of the acquisition cost of five premium, harsh environment jack-up rigs in October 2022 (recorded cost of $417.7 million).
- The Company's cash and cash equivalents balance at December 31, 2022 was $52.5 million.
- The Company's total debt at December 31, 2022 was $238.8 million.
- Contract backlog was $233.4 million at December 31, 2022 across five contracted rigs.
- In January 2023, SD Fortress completed contract with TotalEnergies; rig is now available and being marketed for multiple contract opportunities.

For further queries, please contact:

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Dial in Details for the Audio Conference call:

Participants will receive conference access information only when they register for the conference via the link below:

Online Registration: https://register.vevent.com/register/BI5df08307e8384c8490919022747e7af2

Participants must register for the call using online registration. Upon registering, each participant will be provided with call details.

About Shelf Drilling North Sea

Shelf Drilling North Sea is a shallow water offshore drilling contractor primarily operating in the North Sea. The company's fit-for-purpose strategy and fleet of modern high-specification harsh environment jack-up rigs enable it to offer a broad range of services in the shallow water drilling markets. The company is incorporated under the laws of Bermuda. Since October 12, 2022, Company shares are listed on the Euronext Growth Oslo Exchange under the ticker symbol SDNS.

Special Note Regarding Forward-Looking Statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", “strategy”, "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Given these factors, users of this information should not place undue reliance on the forward-looking statements.

Additional information about Shelf Drilling (North Sea), Ltd. can be found at www.shelfdrillingnorthsea.com.

This information is subject to the disclosure requirements pursuant to Euronext Growth Rule Book part II.

Financial Report for the Period Ended December 31, 2022

	Nine months ended September 30, 2022	Three months ended December 31, 2022	Twelve months ended December 31, 2022
Operating revenues – dayrate	$ —	$ 26,441	$ 26,441
Operating revenues – others	—	970	970
Other revenues	—	13,782	13,782
Adjusted revenues (1)	**$ —**	**$ 41,193**	**$ 41,193**
Amortization of intangible liability (2)	—	7,600	7,600
Revenues (3)	**$ —**	**$ 48,793**	**$ 48,793**
Rig operating expenses	$ 3	$ 17,584	$ 17,587
Shore-based expenses	92	2,121	2,213
Operating and maintenance expenses (4)	**$ 95**	**$ 19,705**	**$ 19,800**
Corporate G&A (5)	$ —	$ 3,886	$ 3,886
Provision for credit losses, net	—	23	23
One-time corporate transaction costs (6)	1,526	754	2,280
General & administrative expenses	**$ 1,526**	**$ 4,663**	**$ 6,189**
Other, net expense (7)	—	608	608
EBITDA (8)	**$ (1,621)**	**$ 16,217**	**$ 14,596**
One-time corporate transaction costs (6)	1,526	754	2,280
Adjusted EBITDA (8)	**$ (95)**	**$ 16,971**	**$ 16,876**
Adjusted EBITDA margin (8)	**N/A**	**41%**	**41%**
Operating Data:			
Average marketable rigs (9)	N/A	3.8	N/A
Average dayrate (in thousands) (10)	N/A	$ 76.9	N/A
Effective utilization (11)	N/A	98%	N/A
Capital expenditures and deferred costs:			
Regulatory and capital maintenance (12)	$ —	$ 169	$ 169
Fleet spares, transition costs and others (13)	441	1,847	2,288
	441	2,016	2,457
Rig acquisitions (14)	601	417,724	418,325
Capital expenditures and deferred costs	**$ 1,042**	**$ 419,740**	**$ 420,782**

(In US$ thousands, except rig numbers, average dayrate and effective utilization)

(percentages and figures may include rounding differences)

GAAP and Non-GAAP Financial Measures

The above Financial Report reflects certain US generally accepted accounting principles ("GAAP") and non-GAAP financial measures to evaluate the performance of our business. We believe the non-GAAP financial measures we use are useful in assessing our historical and future performance throughout the commodity price cycles that have characterized our industry since our inception.

(1) "Adjusted Revenues" is defined as the Revenues less the amortization of intangible liability. Adjusted Revenues provide investors with a financial measure used in our industry to better evaluate our results without regard to non-cash amortization of intangible liability.

(2) "Amortization of intangible liability" is defined as the amortization of the intangible liability related to existing drilling contracts for future contract drilling services in connection with the acquisition of five jack-up rigs from Noble. The terms of these contracts included fixed dayrates that were below the market dayrates that were estimated to be available for similar contracts as of the date of the acquisition. This amortization is recorded in the operating revenues line item in the consolidated statements of operations.

(3) ''Revenues'' includes all revenues earned over the period including: (a) integrated drilling service contract dayrates, (b) other operating revenues such as mobilization and contract preparation fees amortized over the firm contract term, demobilization, contract termination fees, contractual operational incentive bonus and revenue provisions, (c) others which mainly include recharge revenue for client requested services and materials and (d) amortization of intangible liability.

(4) "Operating and maintenance expenses" consist of Rig "Personnel expenses", "Maintenance expenses", "Other operating expenses" and shore-based offices expenses. "Personnel expenses" include compensation, transportation, training and catering costs for rig crews. Such expenses vary from country to country reflecting the combination of expatriates and nationals, local market rates, unionized trade arrangements, local law requirements regarding social security, payroll charges and end of service benefit payments. "Maintenance expenses" relate to maintaining our rigs in operation, including the associated freight and customs duties, which are not capitalized nor deferred. Such expenses do not directly extend the rig life or increase the functionality of the rig. "Other operating expenses" include all remaining operating expenses such as insurance, professional services, equipment rental and other miscellaneous costs.

(5) "Corporate G&A" as used herein includes general & administrative expenses, excluding the (reversal of provision for) / provision for credit losses, net, certain one-time third-party professional services.

(6) "One-time corporate transaction costs " primarily represents certain costs related to the acquisition.

(7) "Other, net expense" as used herein is composed primarily of currency exchange loss / (gain) and certain vendor discounts.

(8) ''EBITDA'' as used herein represents revenue less: operating and maintenance expenses, Corporate G&A, provision for credit losses, one-time corporate transaction costs and other, net, and excludes amortization of intangible liability, interest expense and financing charges, interest income, income taxes, depreciation, amortization, loss on impairment of assets and (gain) / loss on disposal of assets. ''Adjusted EBITDA'' as used herein represents EBITDA as adjusted for the exclusion of one-time corporate transaction costs. "Adjusted EBITDA margin" as used herein represents Adjusted EBITDA divided by the revenues excluding the amortization of intangible liability. These terms, as we define them, may not be comparable to similarly titled measures employed by other companies and are not a measure of performance calculated in accordance with GAAP. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or other income or cash flow statement data prepared in accordance with GAAP.

We believe that Adjusted Revenues, EBITDA and Adjusted EBITDA are useful because they are widely used by investors in our industry to measure a company's operating performance without regard to items such as interest expense and financing charges, interest income, income tax expense (benefit), depreciation, amortization and non-recurring expenses (benefits), which can vary substantially from company to company. EBITDA and Adjusted EBITDA have significant limitations, such as not reflecting our cash requirements for capital expenditures and deferred costs, contractual commitments, working capital, taxes or debt service.

Our management uses Adjusted Revenues, EBITDA and Adjusted EBITDA for the reasons stated above. In addition, our management uses Adjusted EBITDA in presentations to our Board of Directors to provide a consistent basis to measure operating performance of management; as a measure for planning and forecasting overall expectations; for evaluation of actual results against such expectations; and in communications with equity holders, lenders, note holders, rating agencies and others concerning our financial performance.

(9) ''Marketable rigs'' are defined as the total number of rigs that are operating or are available to operate, but excluding rigs under bareboat charter agreements, stacked rigs and rigs under contract for activities other than drilling or plug and abandonment services, as applicable.

(10)''Average dayrate'' is defined as the average contract dayrate earned by marketable rigs over the reporting period excluding mobilization fees, contract preparation, capital expenditure reimbursements, demobilization, recharges, bonuses and other revenues.

(11)''Effective utilization'' is defined as the actual number of calendar days during which marketable rigs generate dayrate revenues divided by the maximum number of calendar days during which those rigs could have generated dayrate revenues.

(12)"Regulatory and capital maintenance" includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures.

(13)"Fleet spares, transition costs and others" includes (i) acquisition and certification costs for the rig fleet spares pool which is allocated to specific rig expenditure as and when required by that rig which will result in an expenditure charge to that rig and a credit to fleet spares, (ii) costs related to recently acquired rigs and (ii) office and infrastructure expenditures.

(14)"Rig acquisitions" includes capital expenditures and deferred costs associated with the acquisition of five jack-up rigs from Noble.