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PRESS RELEASE

SHELF DRILLING, LTD. ANNOUNCES AGREEMENT TO ACQUIRE SHELF DRILLING (NORTH SEA), LTD.

Dubai, September 16, 2024 - Shelf Drilling, Ltd. (“SHLF” or “Shelf Drilling”) and Shelf Drilling (North Sea), Ltd. (“SDNS” or “Shelf Drilling North Sea”) today announce that the entities, including SHLF MergCo (as defined below), have entered into an agreement and plan of merger (the “Merger Agreement”) whereby SDNS will become a wholly owned subsidiary of SHLF (the “Proposed Merger”), solidifying SHLF’s position as a leading global jack-up operator. Shareholders of SDNS representing well in excess of the voting rights necessary to approve the Proposed Merger have irrevocably undertaken to vote in favor of the necessary resolutions to approve the Proposed Merger at a general meeting of SDNS (the “SDNS General Meeting”) expected in October 2024. The directors of SDNS who are considered independent of SHLF (the “Independent Directors”) have approved and recommended the Proposed Merger.

The combination will fully consolidate SHLF’s jack-up fleet, solve the previously disclosed funding gap in SDNS in an efficient manner and allow SHLF to fully support the SDNS entity going forward. The combined company will draw benefits from a simplified capital structure, while investors should benefit from a more liquid, tradeable share.

The Proposed Merger is structured as a triangular merger between an indirect subsidiary of SHLF (“SHLF MergCo”), SDNS (as the surviving entity in the Proposed Merger), and SHLF as the issuer of the merger consideration shares, as further described below.

As part of the Proposed Merger, the shareholders of SDNS (other than SHLF, SDNS or any of their direct or indirect subsidiaries) would receive as consideration for each SDNS share being cancelled in the Proposed Merger:

- 1.05 merger consideration shares in SHLF (the “Merger Shares”); and
- a cash consideration of NOK 8.0 per SDNS share, (together the “Merger Consideration”).

This represents a total consideration of NOK 25.90 per SDNS share, and corresponds to an equity value of SDNS of approximately NOK 2.6 billion, based on a value per SHLF share of NOK 17.05, corresponding to the closing trade price on the Oslo Stock Exchange as of September 13, 2024. The total cash consideration element of the Merger Consideration amounts to approximately the NOK equivalent of USD 30 million.

The Merger Consideration represents a premium of 13% to the market exchange ratio based on closing prices of shares of SHLF and SDNS (NOK 23.00 on Euronext Growth) on September 13, 2024, and a premium of 21% and 24% to the exchange ratios calculated using the volume weighted average share prices for both companies in the 1-month and 6-month periods calculated from September 13, 2024.

Fractions of shares will not be issued and allotted. In lieu of issuance of any fractional share for SDNS shareholders who would otherwise have been entitled to a fraction of a SHLF share shall be paid cash calculated using an average share price calculation of the SHLF share prior to completion of the Proposed Merger.

It is expected that approximately 42 million new shares in SHLF will be issued as consideration for the Proposed Merger (the “Merger Shares”). The Merger Shares will be issued from the previously authorised but unissued shares of SHLF.

SHLF has an indirect shareholding in SDNS of 60%, and such existing SDNS shares shall continue to be SDNS shares upon the Proposed Merger, with SHLF not being entitled to the Merger Consideration.

Following the completion of the transaction, existing SHLF holders will own approximately 84% of SHLF, and SDNS shareholders (other than SHLF) will own approximately 16% of SHLF.

Shelf Drilling CEO, Greg O'Brien, said “Combining Shelf Drilling North Sea into Shelf Drilling fulfills our ambition to streamline the Shelf Drilling company structure. The combination offers a pure play investment opportunity with exposure to a uniquely positioned jack up fleet and platform servicing customers across the regions where we operate. The transaction high-grades the Shelf Drilling fleet with four premium jack ups and one ultra harsh jack up and allows for Shelf Drilling to finance the USD 40m funding need in Shelf Drilling North Sea in an efficient manner. Moreover, we expect shareholders in the combined company to gain improved trading liquidity and better access to capital markets. This transaction further underlines our commitment to driving value for all of our stakeholders and is consistent with our focus of being a market leader in core jack-up regions globally.”

The Independent Directors have unanimously decided to recommend the shareholders of SDNS to vote in favor of the Proposed Merger. The Independent Directors believe the terms of the Proposed Merger are in the best interests of SDNS and the shareholders as a whole. The Independent Directors' recommendation is based on a thorough assessment of the Proposed Merger, including a fairness opinion obtained from Clarksons Securities AS, which concludes that the Merger Consideration is fair from a financial point of view. As part of the Merger Agreement, the board of SDNS has, subject to customary conditions, undertaken not to amend its recommendation nor solicit competing offers.

Shareholders of SDNS (including SHLF) holding in the aggregate 82,624,894 SDNS shares, representing approximately 83% of the outstanding issued share capital and voting rights, have irrevocably undertaken to vote in favor of the necessary resolutions to approve the Proposed Merger at the SDNS General Meeting. An approval of 75% of the votes cast is required at the SDNS General Meeting in order to approve the Proposed Merger.

The completion of the Proposed Merger will be subject to the satisfaction of certain conditions (unless such conditions are waived or agreed amended), including but not limited to:

- Approval by the SDNS General Meeting;
- No breach of the warranties and representations of SDNS in the Merger Agreement where such breach has a material adverse effect;
- The parties due performance, in all material respects, of the Merger Agreement;
- No material adverse effect having occurred in relation to SDNS;
- No governmental authority shall having acted in a way restraining the Proposed Merger; and
- SDNS not having amended or withdrawn its board recommendation or entered into an agreement for a superior offer.

The Merger Agreement contains customary restrictive covenants on SDNS' operations until completion of the Proposed Merger, and further states that the Merger Agreement terminates in case the Proposed Merger has not been completed by September 15, 2025.

The Merger Agreement will be sent to the shareholders of SDNS together with the notice of the SDNS General Meeting. Such notice is expected to be sent on or about September 19, 2024. The SDNS General Meeting will be held approximately three weeks following the notice, with the Proposed Merger closing as soon as possible thereafter, and with settlement of the Merger Consideration a few days thereafter.

Further information about the Proposed Merger and the combined company will be made available in a prospectus exempted document (the "Exempted Document") to be published by SHLF prior to the SDNS General Meeting.

Subject to timely fulfillment of the conditions for the Proposed Merger, the Proposed Merger is expected to be completed towards the second half of October 2024.

The Merger Shares will not be registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the U.S. Securities Act. Merger Shares will therefore only be delivered to SDNS shareholders that are either (i) not U.S. Persons as defined in Regulation S of the U.S. Securities Act, or (ii) "accredited investors" as defined in Regulation D of the U.S. Securities Act. U.S. Person shareholders in SDNS that are not Eligible U.S. Shareholders will receive cash-in-lieu of the Merger Shares following a sale of such Merger Shares they would otherwise be entitled to receive. Such Merger Shares the non-Eligible U.S. Shareholders would otherwise be entitled to, will be sold by the receiving agent appointed for the purpose of the merger for the account of and for the risk of the relevant beneficiary with a proportional distribution of net sales proceeds among the non-Eligible U.S. Shareholders.

Advisors

SpareBank 1 Markets AS is acting as financial advisor and Advokatfirmaet Thommessen AS and Conyers Dill & Pearman Limited are acting as legal advisors to SHLF in connection with the Proposed Merger. Advokatfirmaet Wiersholm AS and Appleby are acting as legal advisors to SDNS.

For further information, please contact: investor.relations@shelfdrilling.com

About Shelf Drilling

Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across Middle East, Southeast Asia, India, West Africa and the Mediterranean. Shelf Drilling was founded in 2012 and has established itself as a leader within its industry through its fit-for-purpose strategy and close working relationship with industry leading clients. The company is incorporated under the laws of the Cayman Islands with corporate headquarters in Dubai, United Arab Emirates. The company is listed on the Oslo Stock Exchange under the ticker "SHLF".

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. SDNS is incorporated

under the laws of Bermuda. Since October 12, 2022, SDNS shares are listed on the Euronext Growth Oslo Exchange under the ticker “SDNS”.

Additional information about Shelf Drilling can be found at www.shelfdrilling.com.

IMPORTANT NOTICE

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.

This announcement was published by Kate Weir, Secretary, Shelf Drilling (North Sea), Ltd., and Shelf Drilling, Ltd. on September 16, 2024 at 06:30 am (CET).

This announcement is issued for information purposes only and does not constitute notice to a general meeting or a merger plan, nor does it form a part of any offer to sell, or a solicitation of an offer to purchase, any securities in any jurisdiction. Neither this announcement nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into or from the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Japan, Hong Kong, South Africa or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The publication, distribution or release of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The securities mentioned herein, including the consideration shares expected to be issued as part of the Proposed Merger, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”). The securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the US Securities Act or in a transaction not subject to the US Securities Act.

Any decision with respect to the Proposed Merger should be made solely on the basis of information to be contained in the actual notices to the general meeting of SDNS and the Merger Agreement (with pertaining documents) related to the Proposed Merger. You should perform an independent analysis of the information contained therein when making any investment decision.

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. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. No assurance can be given that such expectations will prove to have been correct. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. Neither SDNS nor SHLF undertakes any obligation to review, update, confirm, or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement or otherwise.

SpareBank 1 Markets AS is acting exclusively for SHLF in connection with the Merger and for no one else and will not be responsible to anyone other than SHLF for providing the protections afforded to its clients or for providing advice in relation to the Proposed Merger.

This announcement is for information purposes only and is not to be relied upon in substitution for the exercise of independent judgment. It is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any securities or a recommendation to buy or sell any securities of SDNS, SHLF or otherwise.