

NOTE: THIS PRESS RELEASE CONTAINS IMPORTANT INFORMATION. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

PRESS RELEASE

**SHELF DRILLING
ANNOUNCES**

SUCCESSFUL CONSUMMATION OF SEVERAL FINANCE TRANSACTIONS

**(1) EXCHANGE OF 8.625% SENIOR SECURED NOTES DUE NOVEMBER 2018 FOR
9.500% SENIOR SECURED NOTES DUE NOVEMBER 2020**

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(2) CANCELLATION OF TERM LOANS

(3) EXTENSION OF REVOLVING CREDIT FACILITY

Dubai, January 13, 2017 – Shelf Drilling, Ltd. (“HoldCo”), Shelf Drilling MidCo, Ltd. (“MidCo”) and Shelf Drilling Holdings, Ltd. (“OpCo,” together with HoldCo and MidCo, the “Company”) announced the successful consummation of several finance transactions on January 12, 2017 (the “Closing Date”).

(1) Exchange of Secured Notes

Settlement

OpCo settled its exchange offer (the “Exchange Offer”) exchanging OpCo’s outstanding 8.625% Senior Secured Notes due November 2018 (the “Existing Notes”) for new 9.500% Senior Secured Notes due November 2020 (the “New Notes”) and cash. The Exchange Offer expired at 11:59 P.M., New York City time, on January 9, 2017 (the “Expiration Time”). The terms and conditions of the Exchange Offer are detailed in the Company’s Offering Memorandum to Exchange Notes and Solicit Consents, dated December 9, 2016 (the “Offering Memorandum”) and related Account Holder Letter.

\$444.585 million in aggregate principal amount (approximately 93.6%) of the outstanding \$475 million of Existing Notes were tendered at or prior to the Expiration Time. In accordance with the terms and conditions of the Exchange Offer, the Company accepted and cancelled \$444.585 million principal amount of Existing Notes and issued \$416.085 million of New Notes, paying down \$28.5 million in principal amount of Existing Notes with cash. As of the Closing Date, \$30.415 million of Existing Notes remain outstanding.

Consent Solicitations

Concurrently with the Exchange Offer, the Company solicited consents from eligible holders to (i) certain proposed amendments to eliminate or waive substantially all of the restrictive covenants in the existing indenture and to eliminate certain events of default, (ii) a Cayman Scheme and (iii) the Shelf Restructuring, each as defined and explained in the Offering Memorandum.

The Company received the required consents to amend the indenture governing the Existing Notes as proposed pursuant to the consent solicitations. A supplemental indenture was executed to give effect to those amendments, which became effective on the Closing Date. The Company did not pursue a Cayman Scheme in conjunction with the Exchange Offer.

(2) Cancellation of Term Loans

\$350 million principal amount of outstanding term loans under MidCo's term loan agreement, dated October 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement") was cancelled through a transaction involving a partial paydown of the principal under the Term Loan Agreement, issuance of preferred stock in HoldCo to certain equity sponsors and issuance of approximately \$86.75 million of New Notes (with a total of approximately \$502.835 million of New Notes issued). In total, HoldCo contributed \$85.75 million in cash from a previous dividend paid to HoldCo and the equity sponsors contributed \$100 million in cash.

(3) Extension of Revolving Credit Facility

OpCo successfully amended its Revolving Credit Agreement, dated February 24, 2014 (as amended, supplemented or otherwise modified from time to time, the "Revolving Credit Agreement"), to extend the maturity date to April 2020, permanently reduce the availability thereunder to \$160 million, and amend certain other terms of the Revolving Credit Agreement.

About Shelf Drilling

Shelf Drilling is a leading international shallow water offshore drilling contractor engaged in the provision of equipment and services for the drilling, completion and workover of offshore oil and natural gas wells. 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. Shelf Drilling is lead by an experienced management team and enjoys strong support from its shareholders, Castle Harlan, CHAMP Private Equity and Lime Rock Partners.

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

SHELF DRILLING, LTD.

SHELF DRILLING MIDCO, LTD.

SHELF DRILLING HOLDINGS, LTD.