



SHELF DRILLING



Shelf Drilling Presentation
December 2017

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Management Team



David Mullen
CEO

- 30+ years in the global oil and gas industry
- CEO of Wellstream Holdings PLC (formerly UK listed; sold to GE)
- CEO of Ocean Rig ASA (formerly Norway listed; acquired by DryShips)
- SVP of Global Marketing, Business Development and M&A, Transocean
- President of Oilfield Services for North and South America, Schlumberger



Kurt Hoffman
Executive VP & COO

- 30+ years in the global offshore drilling business
- COO of Seahawk Drilling
- 18 years at Noble Drilling
 - VP of Worldwide Marketing, Noble Drilling
 - VP of Western Hemisphere Operations, Noble Drilling
 - President of Triton Engineering Services, Noble’s engineering services division



Ian Clark
Executive VP

- 30+ years in the global oil and gas industry
- 12 years with Transocean, including:
 - VP of Human Resources
 - Manager for operations in Nigeria and North East Asia
- 20 years with Schlumberger across Europe and Africa



Greg O'Brien
Executive VP & CFO

- 10 years in oil and gas corporate finance
- Previously in charge of corporate development at Shelf Drilling as Director, Strategic Planning
- 3 years with Lime Rock Partners, specializing in oilfield service and E&P investment opportunities
- Investment Banker with J.P. Morgan and SunTrust Robinson Humphrey



Dzul Bakar
VP, General Counsel & Secretary

- 22 years in the global oil and gas industry
- 11 years with Transocean as Associate General Counsel with postings in Houston, Singapore, Jakarta and Malaysia
- 6 years with Schlumberger with postings in Singapore, Jakarta and Houston
- Admitted as an Advocate and Solicitor of the Malaysian Bar in 2001

Lean and cost-efficient management set-up with extensive industry experience

Shelf Drilling is the World's Largest Jack-up Contractor

Company Overview

- International “pure-play” jack-up drilling contractor
- Fit-for-purpose operations with sole focus on shallow water
- Headquarters centrally located in Dubai
- Best-in class safety and uptime performance
- Robust full cycle financial performance

Fleet Size

39 shallow water drilling rigs
38 ILC jack-ups and 1 swamp barge



Key Milestones

- Nov 2012** → Shelf Drilling's initial fleet acquisition
- Dec 2013** → Operating independence
- May 2014** → 10 rig-years contract with Chevron for 2 newbuilds
- Jun 2015** → Expansion in Middle East (4 to 10 operating rigs)
- Dec 2016** → Seamless, on-time and on-budget SDC start-up
- Jan 2017** → Completed refinancing transaction
- Apr 2017** → Equity raise on NOTC to acquire 3 premium jack-ups
- Jun 2017** → Seamless, on-time and on-budget SDK start-up
- Sep 2017** → All three recently acquired jack-ups under contract

Overarching Fit-For-Purpose Strategy – Applied Since Inception

- Certain key themes
 - Sole focus on shallow water drilling
 - Quality and positioning of fleet
 - Repositioning rigs to most active and promising markets
 - Major investment in existing rig fleet
 - Fleet enhancement through newbuilds program and recent rig acquisitions
 - Designing a lean and effective organization
 - High national content
 - Developing systems and processes streamlined to the specific needs of our business and fleet
- Adapted investing strategy to changes in market dynamics

Key Pillars of Our Strategy



Right Assets in the Right Locations



Right-sized Organization



High National Content

Execution of strategy has resulted in superior performance and returns throughout the cycle

Improves productivity of our rigs and employees

Advances our industry leading safety performance

Substantial value to our customers

Drives repeat customer business and new contract wins

Enables us to be the international jack-up contractor of choice

Differentiated Operating Platform

Demonstrated Backlog Generation

- Proven track record of securing contracts throughout the cycle and preserving best-in-class backlog
- US\$ 1.4 billion revenue backlog, ~1.5 years per contracted rig, 99% with NOCs and IOCs (as of November 30, 2017)
- Established long term relationship with all customers in our core markets

Best-in-class Safety and Operating Performance

- Operational excellence in safety and uptime
- On-time, on-budget delivery and near perfect start-up of Newbuilds operations
- Quality of assets and fit-for-purpose fleet positioning strategy well suited for our markets

Low Cost Operator – Differentiating Advantage

- Lean, centralized management structure combined with high national content
- Industry leading cash operating costs per jack-up rig (37% below peers¹)

Unique investment opportunity in the offshore drilling space

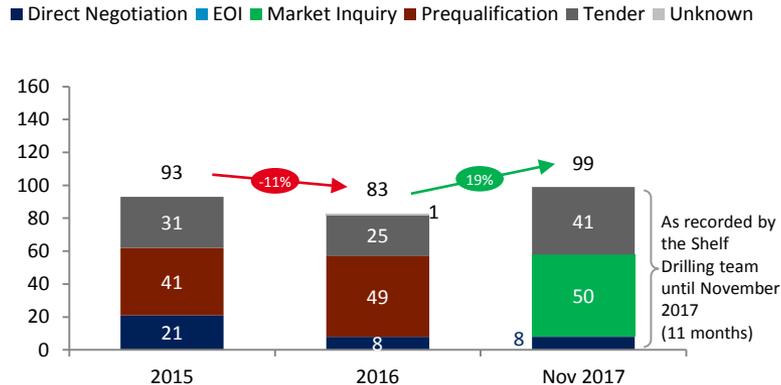
¹ 2016A for Enco, Rowan, Noble, Atwood, Paragon and Seadrill (assuming floater opex markup of 2.9 compared to jack-ups); Shelf costs based on 35 rigs and 2016A data; data excludes depreciation, amortization, deferred costs and large impairment costs for Shelf and peers

Shelf's Core Markets Provide Exposure to Short-Cycle, Low-Cost Oil Supply

Commentary

- Shallow water production represents ~65% of global offshore oil supply
- Full-cycle break-even oil prices are among the lowest globally, with many shallow water projects economic at current commodity prices
- Shallow water developments typically are shorter cycle and lower cost relative to deepwater developments
- Historically the jack-up market has turned before the floater market

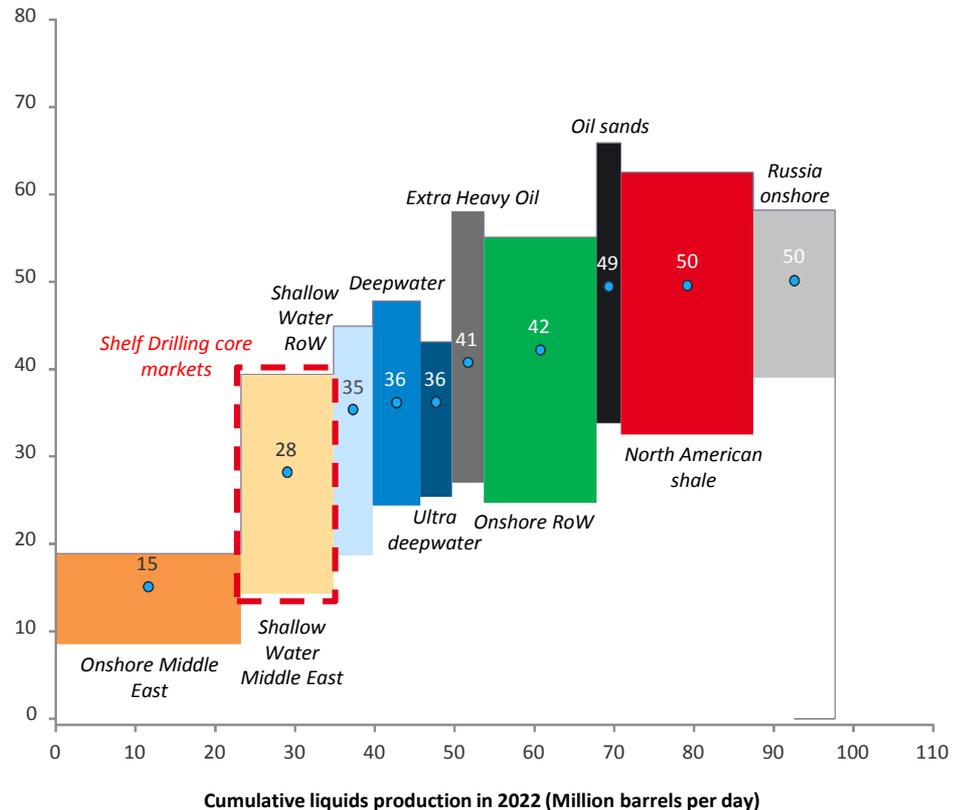
Pre-tender Activity



Cost of Supply¹

Global liquids cost curve

Brent equivalent forward looking breakeven oil price, USD/bbl



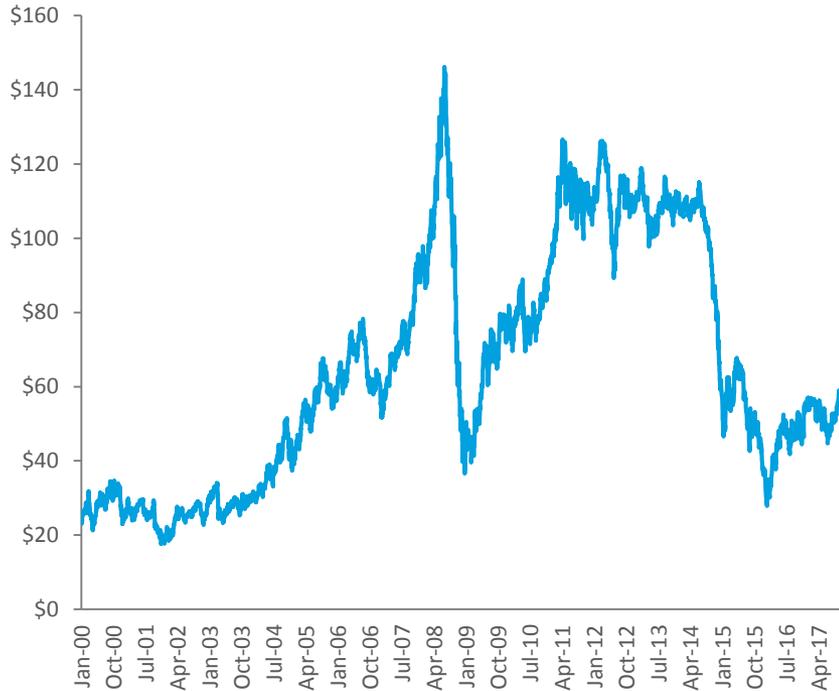
Shallow water activity expected to increase in 2017/18 driven by existing and new developments

Source: Rystad Energy RigCube, IHS Petrodata

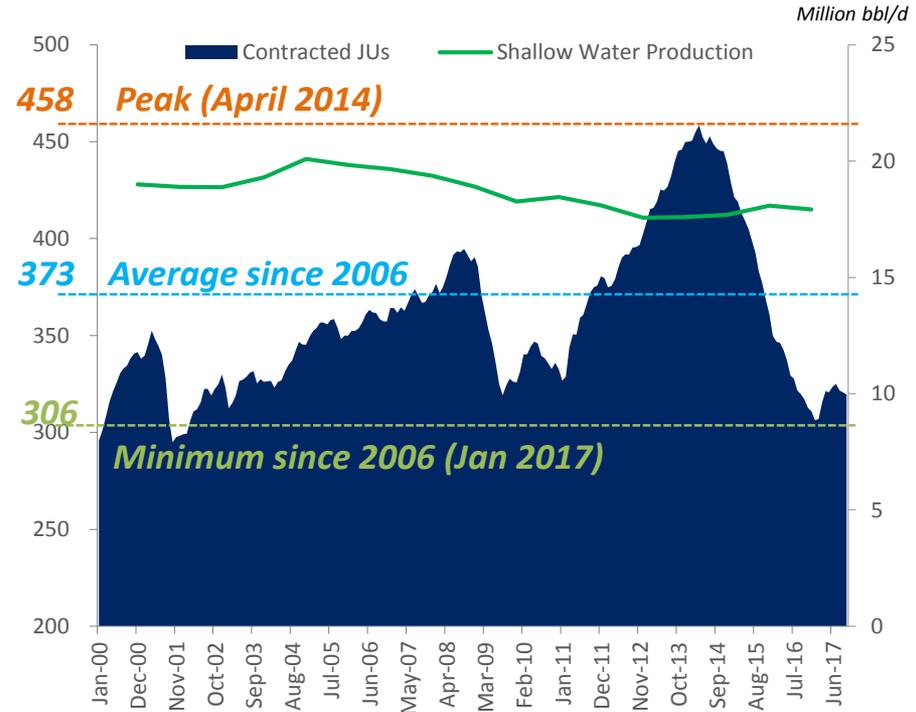
¹ Breakevens calculated as of the current year; all historical cash flows are sunk; assumes 10% discount rate; Shelf Drilling core markets defined as Middle East, India and Southeast Asia

Cycle Turning Off of Historic Lows

Oil Price



of Contracted Jackups



- Level of jackup activity at end of 2016 lowest since early 2000s – rig count steadily increasing through 2017
- Average rig demand of 373 units since mid-2000s (nearly 400 over last 5 years)
- In prior downturns, oil prices tend to bottom out long before rig count trough (6-12 months) – improving commodity price leading indicator for rise in activity and utilization

Source: Rystad Energy RigCube

Investment Highlights

- 1 **Fit-For-Purpose Strategy**
- 2 **Leading Position in Key Markets**
- 3 **Best in Class Operational Platform**
- 4 **Strong Customer Relationships and Industry Leading Backlog**
- 5 **Full-Cycle Financial Resilience**
- 6 **Well Positioned for Growth**



**Differentiated performance
through the cycle**

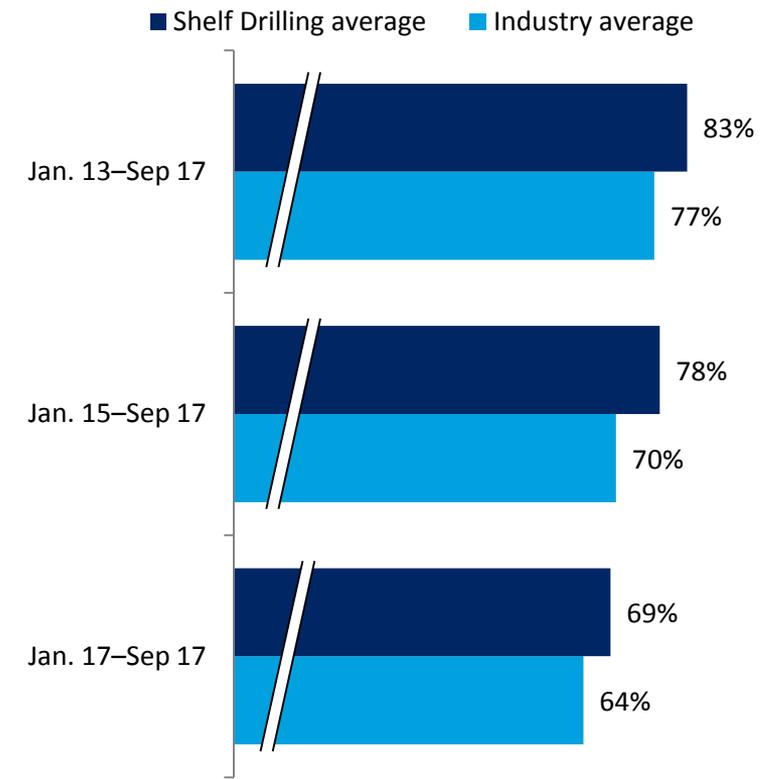
“Fit-For-Purpose” Strategy with Sole Focus on Shallow Water Drilling

Our three strategic pillars have served us well

- 1 Right Assets in the Right Locations
- 2 Right-Sized Organization
- 3 High National Content

Over US\$ 5.1 billion of new contract awards since November 2012

Marketed Utilization Comparison¹



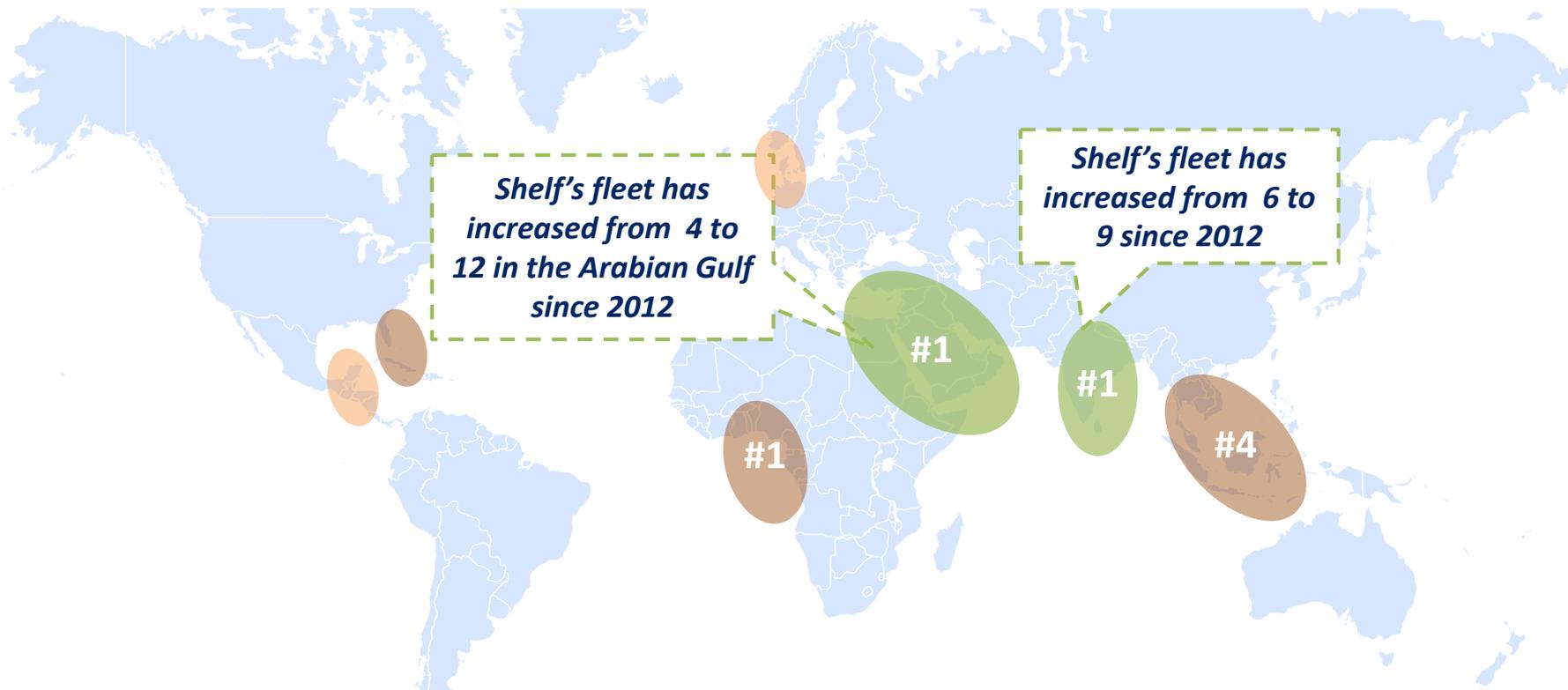
Our “fit-for-purpose” strategy helps to drive our utilization outperformance relative to our peers

Source: Rystad Energy RigCube

¹Marketed supply excludes cold stacked rigs; calculated using total demand divided by total supply in the period

Shelf Drilling is the Leading Contractor in Core Jack-up Markets

Global Jack-up Activity vs. Shelf Drilling's Geographical Fleet Distribution



Operating in the most active and promising markets

Color represents jack-up activity level

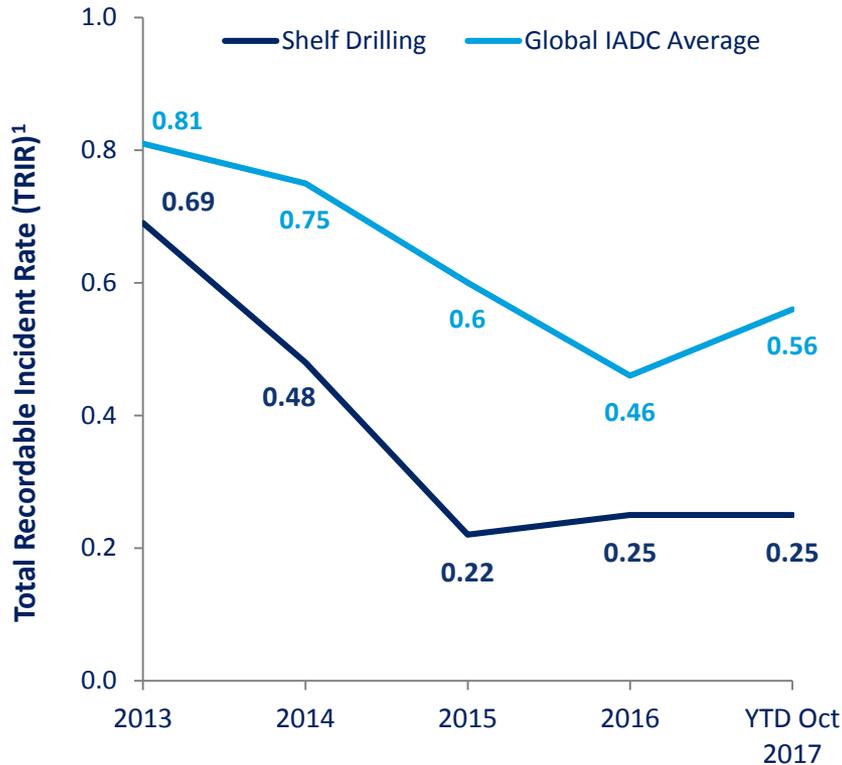


Number (#) represents Shelf Drilling's operating position

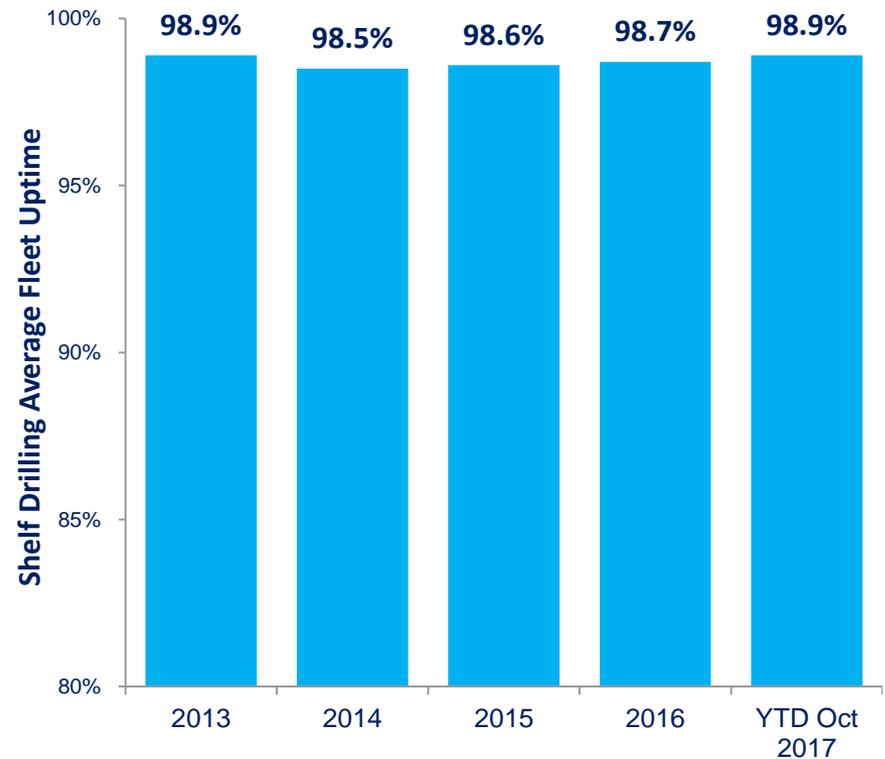
Source: Rystad Energy RigCube

Operational Excellence Leading to “Perfect Execution”

Safety Track Record



Uptime Track Record



Best-in-class performance based culture with a sole focus on delivering wells in the safest and most efficient manner

Source: Shelf Drilling management records as of 31 Oct 2017 and International Association of Drilling Contractors (IADC) records as of 30 Jun 2017

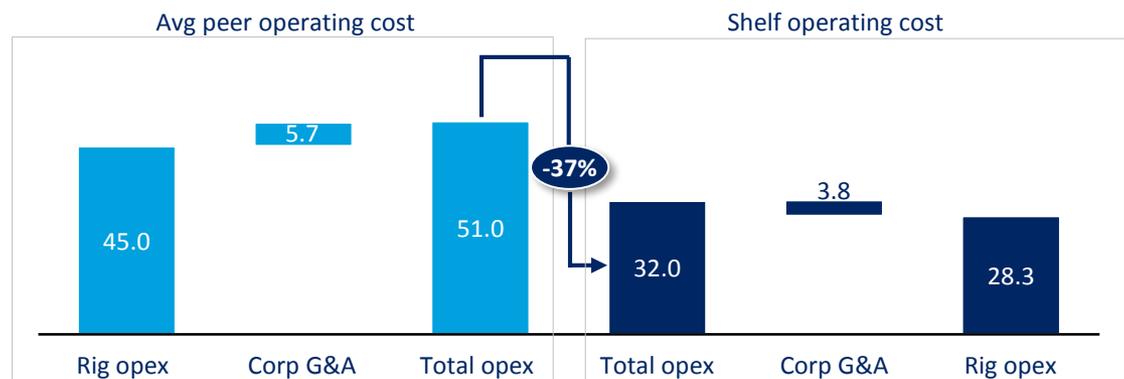
¹ Total recordable incident rate (incidents per 200,000 man-hours)

Source: Shelf Drilling management records as of 2016 and Transocean historical data

Industry Leading Operating Cost Levels

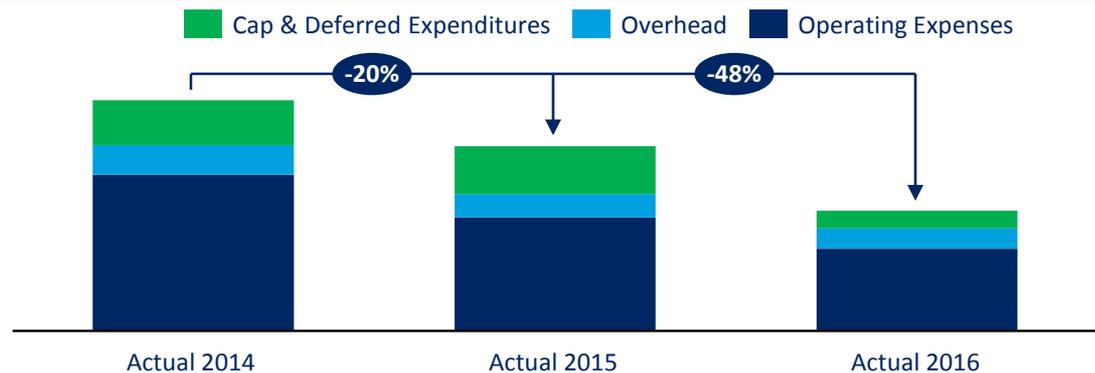
- Lowest cost international operator as compared to US-listed public company competitors
- High national content, standardization of equipment, and centralized management are key enablers in maintaining low cost base
- Savings across all rig operating expense categories in 2015 and 2016
- Major investment in existing rig fleet from 2013 to 2015 positioned company / fleet well ahead of downturn
- Reorganization of Dubai HQ and field office locations contributed to 37% reduction in G&A over two-year period
- Expect to sustain reduced levels in 2017 and beyond

Industry Study of Cash Operating Costs per Jack-up rig (US\$ 000/Day)¹



Source: Rystad Energy RigCube

Actual Spending Comparison (US\$ 000/Day)²



Reduced costs across all regions to streamline operations and adjust to current market

Source: Rystad Energy RigCube

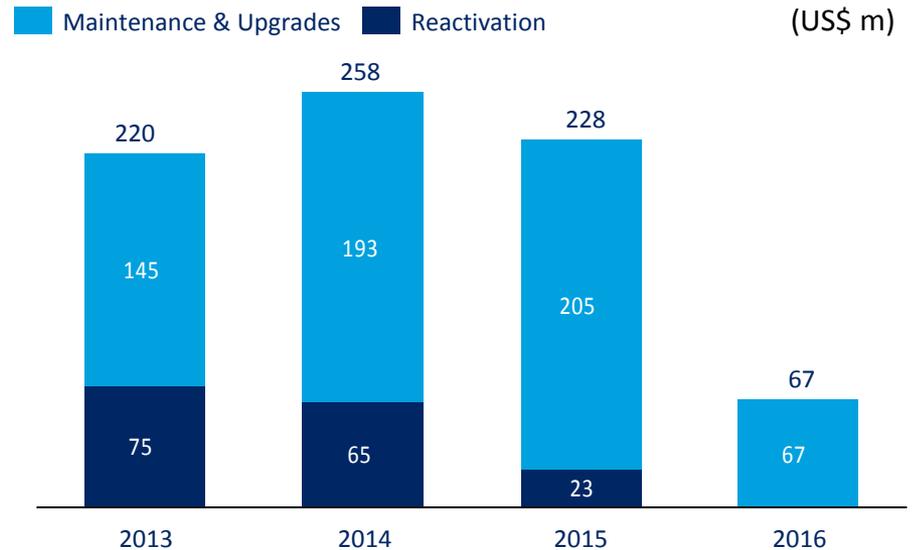
¹ 2016A for EnSCO, Rowan, Noble, Atwood, Paragon and Seadrill (assuming floater opex markup of 2.9 compared to jack-ups); Shelf costs based on 35 rigs and 2016A data; data excludes depreciation, amortization, deferred costs and large impairment costs for Shelf and peers; ² Per day figures reflect fleet average. Consolidated costs by category allocated evenly across marketable rig fleet of 34.6, 34.5 and 31.2 in 2014, 2015 and 2016, respectively

High Quality and Well Maintained Asset Base

Commentary

- Successfully reactivated five out of seven stacked rigs since inception (AD1, HI5, HI9, KSN & RAY)
 - 100% utilization across all reactivated rigs
 - Significant upgrade to the BAL
- 28 projects in total, including upgrade of 9 rigs
 - \$567 million of total investment (split between opex and capex)
 - More than 11 million man-hours
- Projects carried out on rigs in all regions
 - 11 rigs in Arabian Gulf
 - 2 rigs in Nigeria
 - 8 rigs in India
 - 4 rigs in SEA
 - 1 rig in Egypt
- Shelf Drilling brand visible across fleet

Significant Investment in Fleet Since Inception



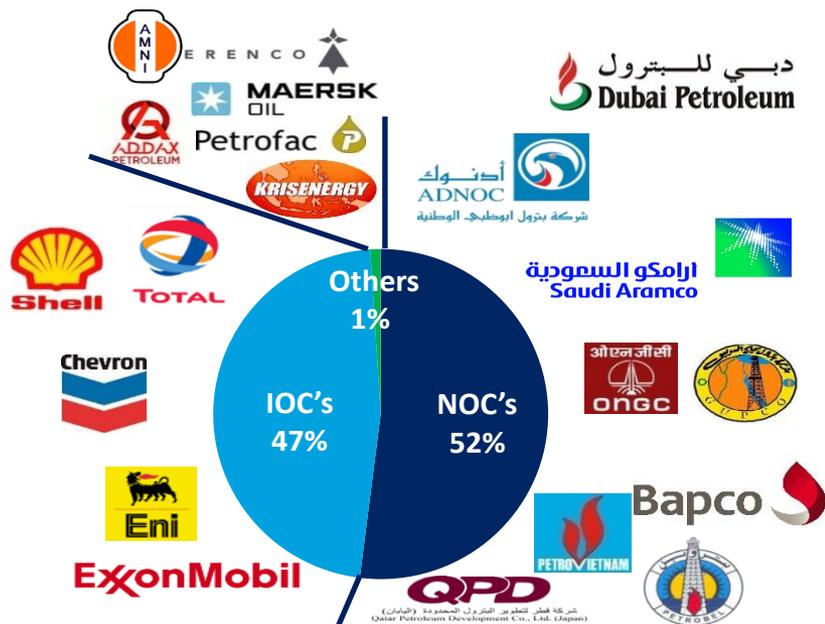
Note: Figures reflect total non-newbuild capital and deferred expenditure

Rig reactivation / upgrade projects enhanced our fleet profile and helped grow our business at attractive returns on capital



Differentiated Performance in Securing Contracts

Backlog Quality and Diversity

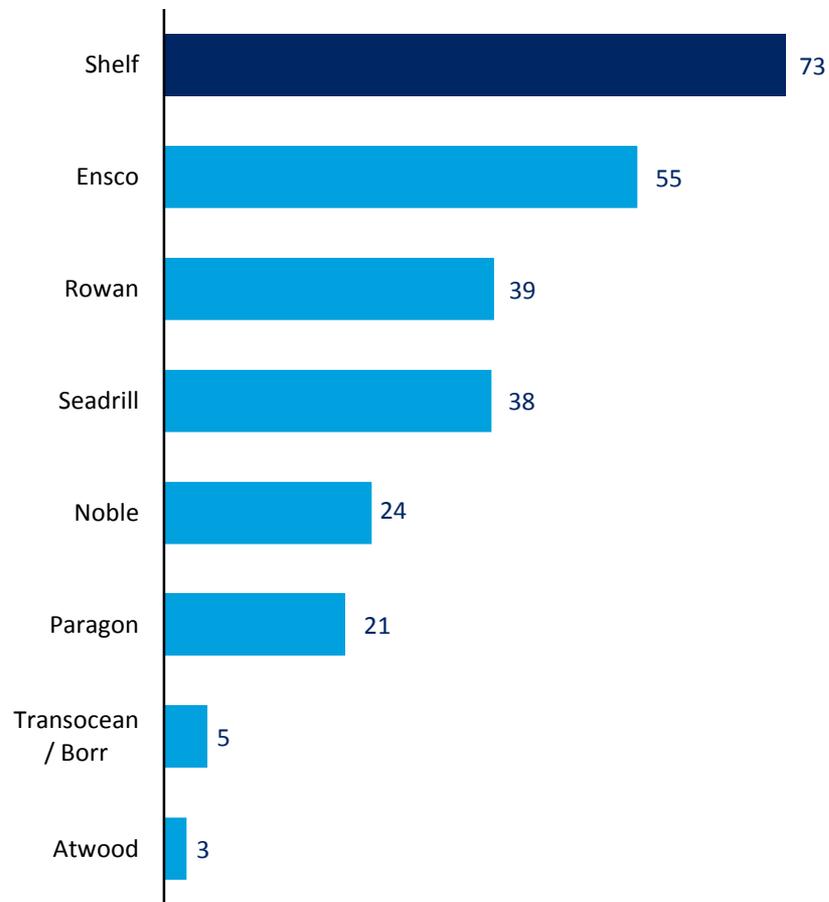


Source: Shelf Drilling management records as of September 2017

Note: Customer logos include current and prior customers

- US\$ 1.4 billion backlog (November 30, 2017)
- 99% of backlog with NOCs and IOCs
- 30 contracted rigs with on average ~1.5 years of remaining contract term

Jack-up Backlog Years Added (2014-2017 YTD)¹



Source: Rystad Energy RigCube

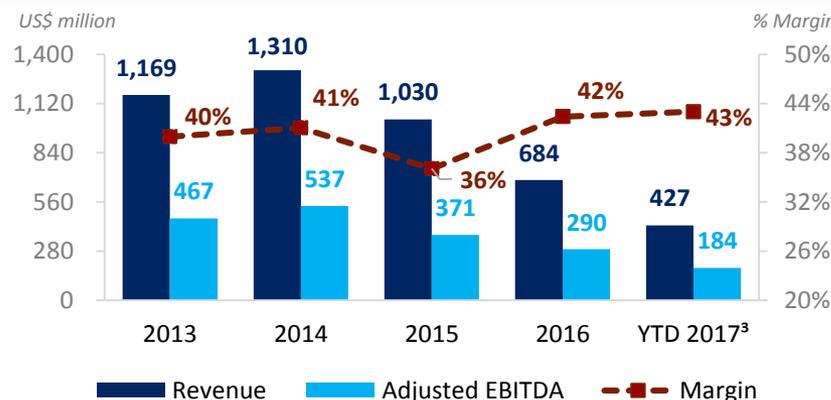
¹ As of November 2017

Resilient, Full-Cycle Financial Results and Cash Flow Generation

- Strong financial performance since company inception
 - Disciplined approach to financial planning and capital investment
 - Significantly outperformed expectations in 2013 and 2014
 - 2015 and 2016 results stronger than initial forecasts due to expense and capex savings
 - Adjusted EBITDA margins consistently in 40% range

- Cash flow generation has driven fleet enhancement and growth in shareholder value
 - US\$ 244 million cumulative investment in reactivation and upgrade program (2013 to 2015)¹
 - US\$ 74 million initial payments for 2 newbuilds (20%)
 - US\$ 302 million in shareholder distributions (2013/14)
 - US\$ 97 million increase in cash balance during 2016
 - Critical achievement to enable 2017 refinancing

Revenue & Adjusted EBITDA (US\$ mm)²



Adjusted Free Cash Flow⁴



Proven ability to generate positive free cash flow in both upcycles and downturns

¹ Includes \$163 million of capital and deferred expenditure and \$81 million of operating expenses; ² 2013-2015 revenues are based on Adjusted Revenue; see slides 67 and 68 for important information regarding Adjusted Revenue and Adjusted EBITDA, a non-GAAP financial measure, respectively; ³ Nine months ended 9/30/2017; ⁴ See slide 69 for important information regarding Adjusted Free Cash Flow

Successful Refinancing Further Enhances Competitive Position

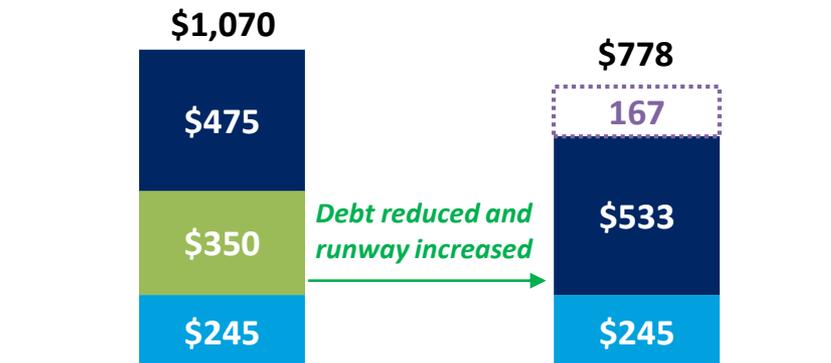
Major Recent Developments

- In January 2017, completed comprehensive recapitalization transaction that creates significant value for the company
- Total principal amount of debt ¹ down from US\$ 825 million to US\$ 533 million
- Reduction in near-term debt maturities from US\$ 825 million to US\$ 30 million
- Annual cash savings of ~US\$ 10 million per year
- Retain strong (and extended) liquidity position
 - 2-year extension of revolving credit facility
- Demonstrated shareholder support through meaningful new capital injection

Debt reduced to give the Company strong runway and room for further growth

Reduction in Debt Level (12/31/16 PF) (US\$ million)

■ Sale / leaseback facility ■ Term loan ■ Sr. secured notes ■ Preferred Equity



Debt reduced and runway increased

Pre-refinancing gross debt structure

Current gross debt

Net Leverage	2.9x
Liquidity	\$357

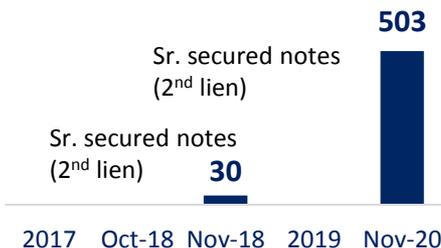
2.4x

\$195

Pre-refinancing Maturities ⁽¹⁾



Current Maturities ⁽¹⁾



Note: Illustrative Pro Forma Capital Structure assumes close of transaction as of Dec 31, 2016; closing occurred Jan 12, 2017

¹ Exclude sale leaseback obligations

Unique Approach to Newbuild Design and Construction

What are we doing differently?

- Less risk as compared to other newbuilds in the market
 - Coordinated effort between Chevron, Shelf Drilling and Lamprell personnel over several month period
 - High degree of customization to optimize well construction in the Gulf of Thailand
 - Each rig backed by a 5 year contract with Chevron
 - Substantial cost savings relative to existing rig designs
- Uniquely designed for more efficient operations

First newbuild – Shelf Drilling Chaophraya (SDC), started contract on December 1, 2016

Second newbuild – Shelf Drilling Krathong (SDK), started contract on June 1, 2017

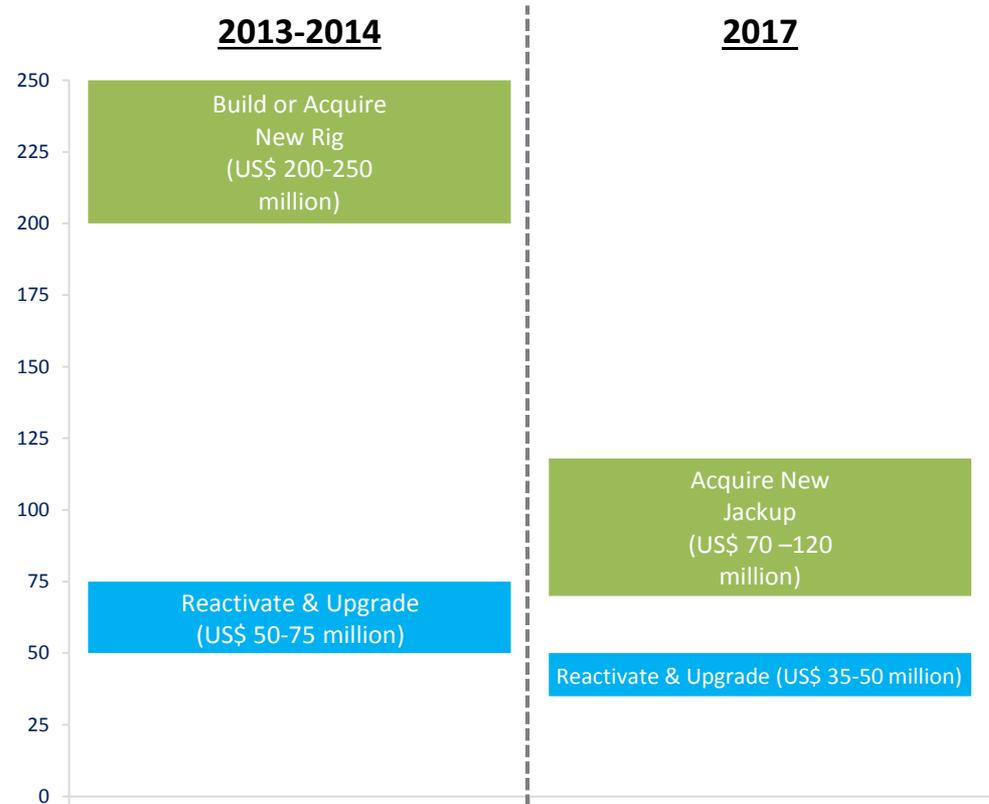


Contract award covering 10 rig-years for two highly customized, fit-for-purpose newbuild jack-ups

Well Positioned to Drive Further Growth

- Acquired original 38-rig fleet at attractive valuation level
- Initial focus for growth capital allocation (2013 and 2014) on reactivation and upgrade of stacked rigs, which provided meaningful incremental earnings and offered compelling project economics
- Investment in two newbuilds underpinned by long-term contract with Chevron
 - Cost effective and customer-optimized design predicated on delivering superior returns
- Near-term focus on rig acquisitions
 - Opportunities exist to add quality rigs that align with our fit for purpose strategy
 - Leverages Company's integration and execution competency

Illustrative Cost of Upgrades vs New Rig Acquisitions



Value proposition in current environment – Acquiring high quality jackups at meaningful discount to replacement cost

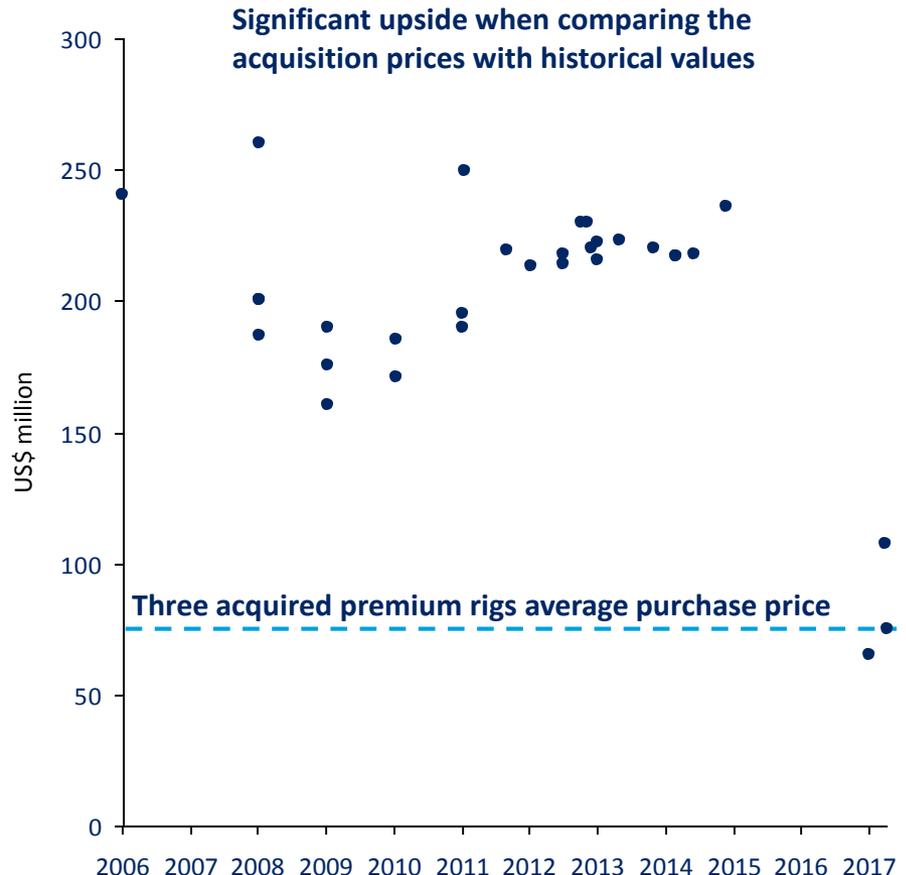
Acquired Three Premium Jack-ups Near Historically Low Values

Rig Acquisition

Name	Shelf Drilling Mentor (Previously West Mischief)	Shelf Drilling Resourceful (Previously West Resolute)	Shelf Drilling Tenacious (Previously West Triton)
			
Make	Le Tourneau Super 116E	Le Tourneau Super 116C	BMC Pacific 375
Yard	Lamprell (UAE)	Keppel AmFels (USA)	PPL Shipyard (Singapore)
Built	2010	2008	2007
Max water depth	350 ft	350 ft	375 ft
Max drilling depth	30,000 ft	30,000 ft	30,000 ft
Region	Middle East	West Africa	Middle East
Status	Contract Prep	Contract Prep	Contract Prep

- Rigs are aligned with the Fit-For-Purpose Strategy
- Leverages proven integration and execution competency
- Operating history fits well with Shelf’s key markets
- All three rigs now under contract

Second Hand / M&A Transactions



Acquired three premium jackups close to historical low price

Source: DNB Markets, IHS Petrodata

Secured Contracts for Three Recently Acquired Premium Jack-ups

Contract Details		Timeline of Events	
	<p>Shelf Drilling Mentor & Shelf Drilling Tenacious</p> <ul style="list-style-type: none"> • Two year contract secured with Dubai Petroleum for each rig • Each contract includes two one-year options • Planned start-up of operations in January 2018 • Opportunity further strengthens our market leading position in the Middle East region 	<ul style="list-style-type: none"> 1 May Acquired rigs from Seadrill 18 May Concluded delivery of SDT and SDR 8 Sep Secured contract for SDR with Chevron Nigeria 8 Sep Concluded delivery of SDM 11 Sep Secured contracts for SDT and SDM with Dubai Petroleum Ongoing Contract prep for all rigs Dec 2017 Targeted contract commencement for SDR Jan 2018 Targeted contract commencement for SDM & SDT 	<ul style="list-style-type: none"> • Strategic acquisition opportunity that significantly enhanced fleet composition <ul style="list-style-type: none"> – Attractive price for 3 rigs that had been “top of the list” of acquisition targets for some time – Deal positioned us well to protect and expand leading market position in key markets • Represents meaningful discount to implied values in public companies as well as recent Borr acquisition of Transocean rigs • Secured contracts for all rigs in a short period of time
	<p>Shelf Drilling Resourceful</p> <p>10 months firm + 6 months option with Chevron Nigeria</p>		

2017 Highlights

Successfully completed refinancing transaction

Reduced debt burden from \$825MM to \$533MM

Concluded US\$ 225 million equity issue on Norwegian Over-the-Counter (OTC) list

Acquired three premium jack-up rigs from Seadrill

Total rig count increased to 39

Second newbuild rig – Shelf Drilling Krathong – on time delivery and contract commencement, and smooth transition into operations

First contracts with BAPCO and Schlumberger in Bahrain and Dubai Petroleum in UAE

Secured contracts for all recently acquired rigs

Continue to selectively pursue growth opportunities



Appendix

Major Upgrades & Reactivations

Baltic (MLT Super 300)	Adriatic I (MLT116-C)	Key Singapore (MLT116-C)	High Island V (MLT82-SDC)	High Island IX (MLT82-SDC)
				
<ul style="list-style-type: none"> • ~US\$ 52 million capital investment • 375 ft water depth • Static hook load capacity 1,300,000 lbs. • 3x2200 hp mud pump, 7,500 psi • 3,000 HP rated drawworks • Cantilever reach 60 ft x 24 ft • Rebuilt accommodation for 120 persons • 12-month contract in Nigeria 	<ul style="list-style-type: none"> • ~US\$ 50 million capital investment • 350 ft water depth • Static hook load capacity 1,500,000 lbs. • 3x1600 hp mud pump, 7,500 psi • 3,000 HP rated drawworks • Cantilever reach 60 ft x 30 ft • Rebuilt accommodation for 120 persons • 30-month contract in Nigeria 	<ul style="list-style-type: none"> • ~US\$ 72 million capital investment • 350 ft water depth • Static hook load capacity 1,500,000 lbs • 3x1600 hp mud pump, 7,500 psi • 3,000 HP rated drawworks • Cantilever reach 55 ft x 30 ft • Rebuilt accommodation for 120 persons • 36-month contract in Abu Dhabi 	<ul style="list-style-type: none"> • ~US\$ 70 million capital investment • 270 ft water depth • Static hook load capacity 1,000,000 lbs. • 2x1600 hp mud pump, 5,000 psi • 2,000 HP rated drawworks • Cantilever reach 40 ft x 20 ft • Rebuilt accommodation for 100 persons • Repowered with 4 x CAT 3512-C main engines • 5-year contract with Saudi Aramco 	<ul style="list-style-type: none"> • ~US\$ 90 million capital investment • 250 ft water depth • Static hook load capacity 1,000,000 lbs. • 3x1600 hp mud pump, 5,000 psi • 2,000 HP rated drawworks • Cantilever reach 40 ft x 20 ft • Rebuilt accommodation for 100 persons • Repowered with 4 x CAT 3516-B main engines • Continuously contracted to Saudi Aramco for 8 years

Baltic



**6-month extension with Total
Nigeria**

Adriatic I



**New 6-month award with an
indigenous operator in Nigeria**

Trident XIV



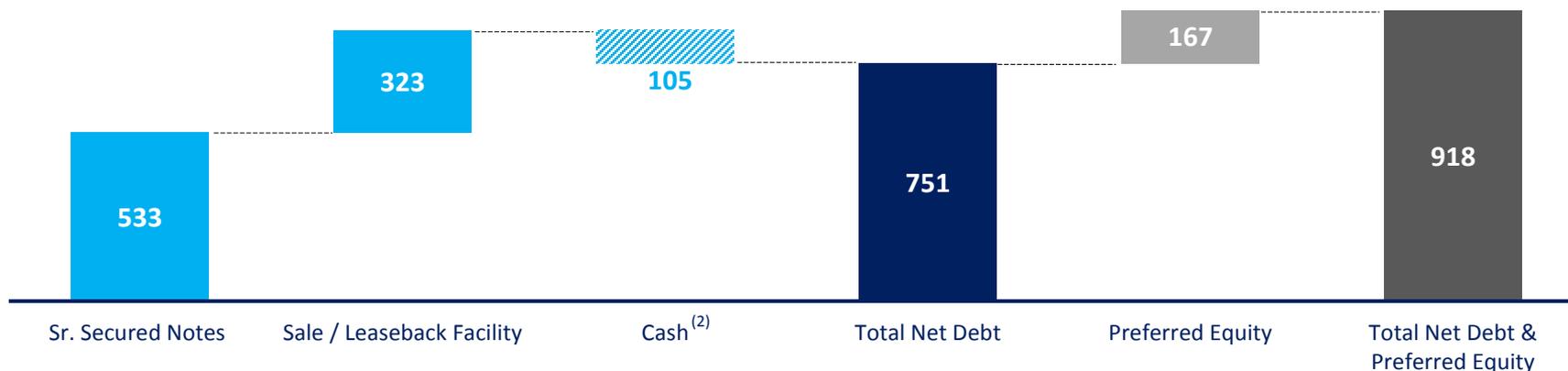
**1 year firm + two 1-year
options contract with
ExxonMobil Nigeria**

Trident XII, Harvey H. Ward and J.T. Angel



- Secured three rig contracts (3-years each) in mid \$20s
- Remain confident that we will generate positive cash flow across these contracts despite more competitive pricing
- Critical mass, local content and suitability of standard rig fleet create competitive advantage in the region
- India expected to remain core market moving forward and rates should recover in future tenders

Total Net Debt and Preferred Equity (September 30, 2017)⁽¹⁾



Revolving Credit Facility (1st Lien)

- US\$ 160 million facility size maturing April 2020
- Can be used for working capital (cash borrowings) or LC needs
- Current LC usage of ~\$15 million – availability of ~\$145 million
- L + 500 for borrowings; commitment fee of 1.75% on unused amount

Sr. Secured Notes (2nd Lien)

- US\$ 30 million of 8.625% Notes due 2018
- US\$ 503 million of 9.5% Notes due 2020
- Bi-annual interest on May 1 and November 1
- No amortization payments

Sale / Leaseback Facility

- Increased from ~US\$ 245 million to ~US\$ 331 million during 1H 2017 with delivery of SDK
- Monthly “rent” payments over 5 years
 - Variable interest (L + 400)
 - Fixed amortization (~\$48k/rig/day)
 - US\$ 82.5 million/rig due at maturity ('21/'22)

Preferred Equity⁽³⁾

- Perpetual security (no maturity)
- US\$ 166.7 million face value with no conversion feature
- Variable cash dividend on January 31 and July 31 (LIBOR + 9.00% p.a.)
- Intend to redeem in cash in conjunction with potential IPO event

Strong runway and room for further growth

¹ Graph above reflects total principal values for senior secured notes and preferred equity.

² Cash of \$107MM presented net of \$2MM balance on overdraft facility

³ Subject to certain events, the preferred dividend rate may increase to LIBOR +11.00% p.a. Includes veto rights on amendments to the Company's articles of association, the initiation of an IPO, and certain other corporate actions. No dividend on common shares unless (i) agreed by holders of preferred equity or (ii) preferred equity redeemed.

Thank you!

