Shelf Drilling Presentation

DnB Conference | Oslo

March 2018

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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
- Top tier safety and operational performance
- Robust full cycle financial performance

Fleet Size

38 ILC jack-ups and 1 swamp barge



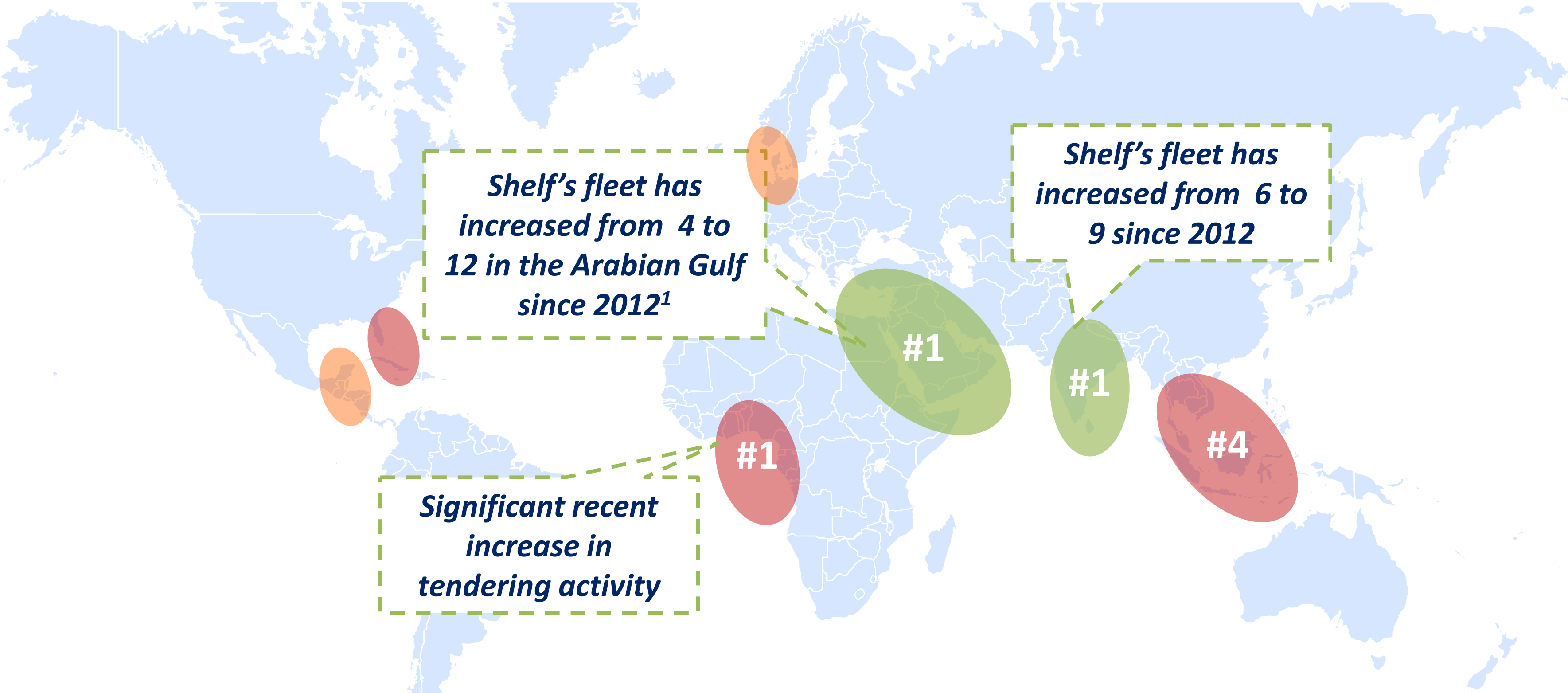



Key Milestones

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 recently acquired jack-ups under contract
Jan 2018	Completed refinancing transaction

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 High Medium Low

Number (#) represents Shelf Drilling's operating position

Source: Rystad Energy RigCube

[1] Arabian Gulf defined as Bahrain, Qatar, Saudi Arabia and the UAE

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

SHELF DRILLING

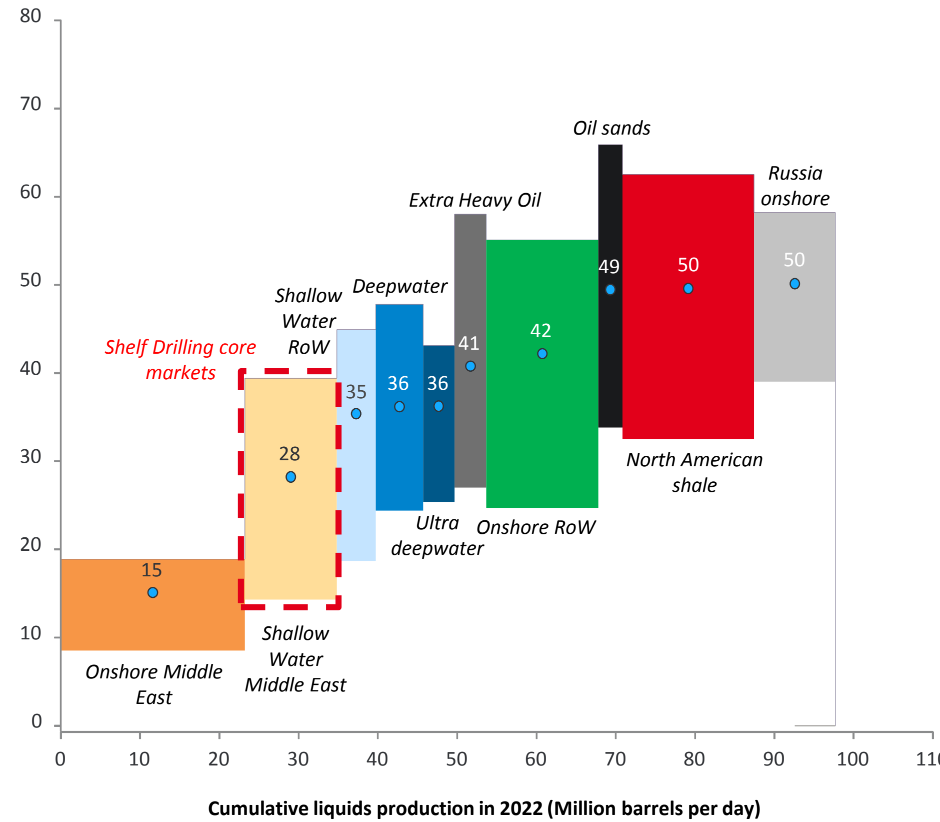
Commentary

- 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 recovered before the floater market

Cost of Supply[1]

Global liquids cost curve

Brent equivalent forward looking breakeven oil price, USD/bbl



Shallow water activity increasing in 2017/18 driven by existing and new developments

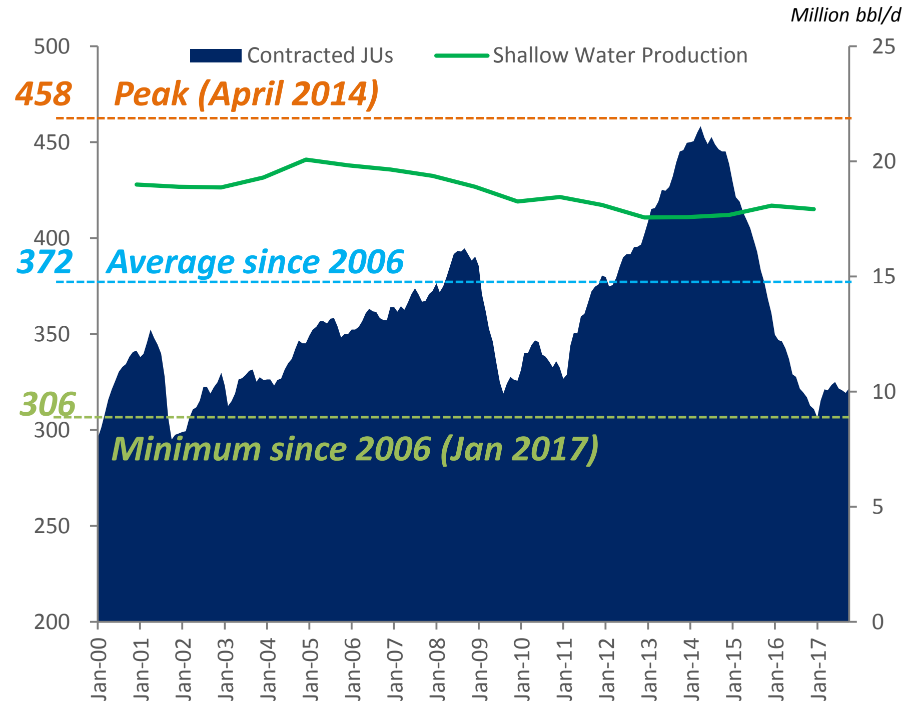
Source: Rystad Energy RigCube, IHS Petrodata

[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



- Global shelf production has declined amid rising contracted jack-ups as fields mature
- Level of jackup activity at end of 2016 lowest since early 2000s – rig count steadily increasing through 2017
- Average rig demand of 372 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

Shelf Drilling Overview

2017 Highlights

Successfully completed refinancing transaction
Reduced debt burden from $825MM to $533MM through issuance of new notes and preferred equity

Concluded US$225MM equity issuance on Norwegian Over-the-Counter (OTC) list

Acquired three premium jack-up rigs from Seadrill using proceeds from OTC equity issuance
Total rig count increased to 38, plus one swamp barge

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

First contracts with Dubai Petroleum in UAE and Bahrain Petroleum Company / Schlumberger in Bahrain

Secured contracts for all three recently acquired premium jackup rigs

Unique Approach to Newbuild Design and Construction

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

What we have done differently…

- Newbuild program in conjunction with Chevron contract award
  - Each rig backed by a five year contract with Chevron
- Less risk as compared to other newbuilds in the market
  - Collaborative effort between Chevron, Shelf Drilling and Lamprell personnel over a period of several months
  - Substantial cost savings relative to existing rig designs
- Uniquely designed for more efficient operations
  - High degree of customization to optimize well construction in the Gulf of Thailand
- Both rigs were delivered within budget and on time, and had smooth start-up for 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*

Secured Contracts for Three Recently Acquired Premium Jack-ups

SHELF DRILLING

Contract Details

Shelf Drilling Mentor [1] & Shelf Drilling Tenacious [1]

دبـــي للـــبترول
Dubai Petroleum

- Two-year contract secured with Dubai Petroleum for each rig
- Each contract includes two one-year options
- Start-up of operations in January 2018
- Opportunity further strengthens our market leading position in the Middle East region

Shelf Drilling Resourceful

Chevron

10 months firm + six-month option with Chevron Nigeria [2]

Timeline of Events

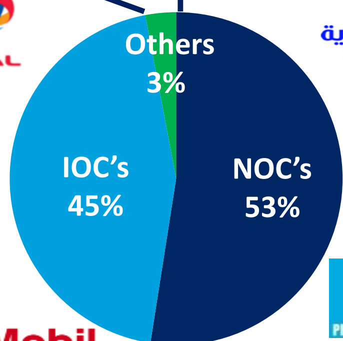
1 May	Announced rig acquisitions from Seadrill
18 May	Concluded delivery of SDT and SDR
8 Sep	Secured contract for SDR with Chevron Nigeria
8 Sep	Concluded delivery of SDM
11 Sep	Secured contracts for SDT and SDM with Dubai Petroleum
Jan 2018	Contracts commenced for SDM and SDT
Mar 2018	Contract commenced for SDR

- Strategic acquisition opportunity that significantly enhanced fleet composition
  - 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
- Secured contracts for all rigs within five months

1. Currently in an unrestricted subsidiary, which will become part of the credit group and a guarantor within one year. 2. As signed in 2017.

Differentiated Performance in Securing Contracts

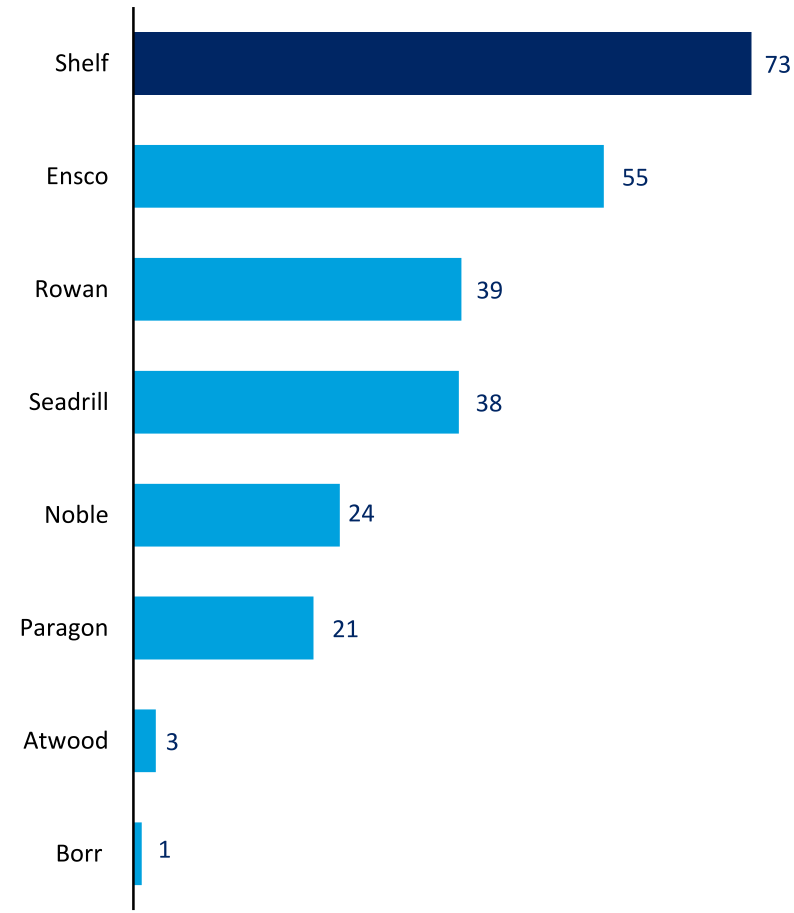
Backlog Quality and Diversity



Source: Shelf Drilling management records as of September 2017
Note: Customer logos include current and prior customers

- US$ 1.4 billion backlog (December 2017)
- 97% of backlog with NOCs and IOCs
- 28 contracted rigs with on average ~1.5 years of remaining contract term

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

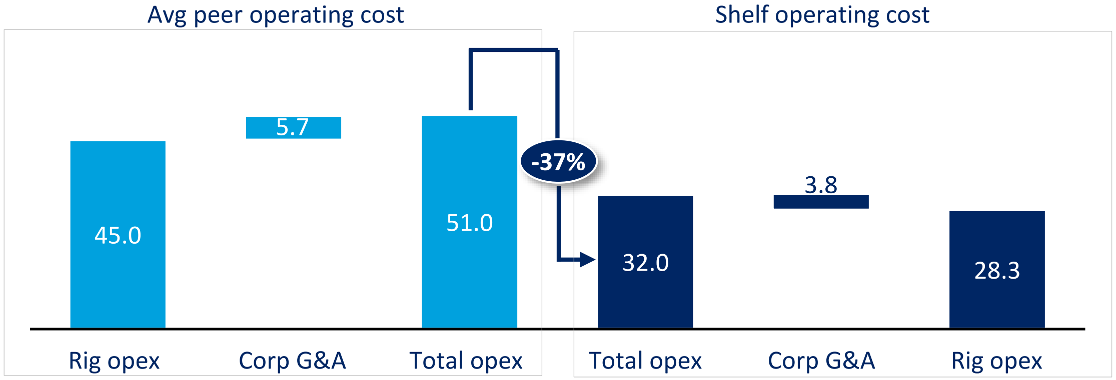


Source: Rystad Energy RigCube
[1] As of November 2017

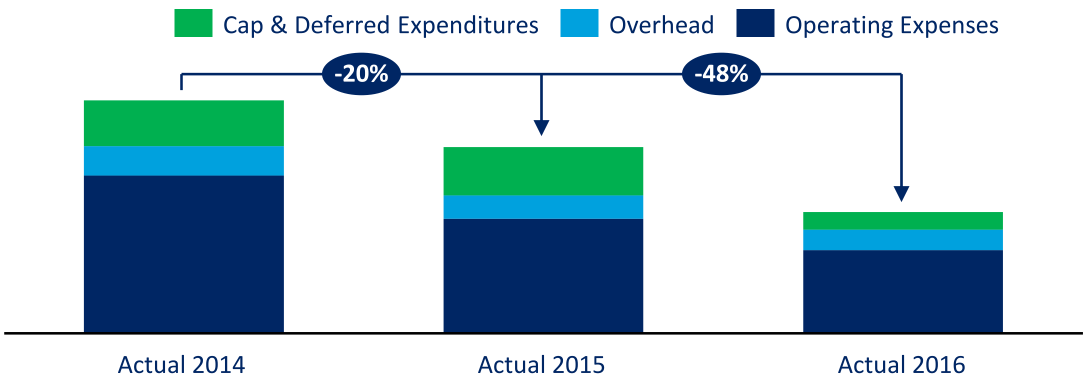
Industry Leading Operating Cost Levels

- 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 2018 and beyond

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



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] Daily cost per active jack-up rig is a non-GAAP financial measure that reflects the operating and maintenance and general and administrative expenses per active jack-up rig. 2016A for Ensco, Rowan, Noble, Atwood, Paragon and Seadrill (assuming floater opex markup of 2.9 compared to jack-ups); Shelf Drilling costs based on 35 rigs and 2016A data; data excludes depreciation, amortization, deferred costs, large impairment costs and the actual, or any regional variation in, stacked or idle rig cost that we incur in our operations for Shelf Drilling and peers; data is based on assumed stacked and idle jack-up rig costs for Shelf and its peers

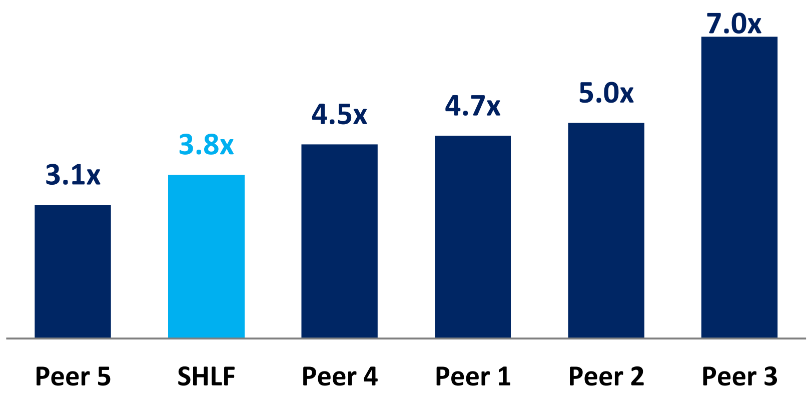
[2] Per day figures reflect fleet average. Consolidated costs by category allocated evenly across marketable rig fleet of 34.6, 34.5 and 31.2 in 2014, 2015 and 2016, respectively

Superior Credit Profile Relative to Peers

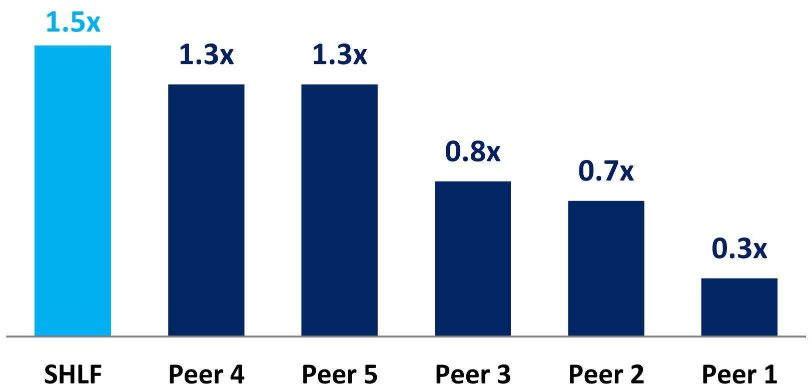
Recently completed $600MM offering of 8.25% senior unsecured notes due 2025 the proceeds of which were used to fund a tender offer and redemption of existing senior secured notes due 2018 and 2020

- Opportunistically addressed outstanding near- and medium-term maturities
- Extends debt maturity profile – no debt maturities before 2025 [1]
- Reduction in financing costs (~1.25% savings on coupon versus existing 2020 notes)
- Simplifies capital structure with a single tranche of notes
- Increases liquidity and financial flexibility (approximately $300MM of pro forma liquidity)
- Top tier credit profile
  - Debt / LTM Adjusted EBITDA of 3.8x versus peer average 4.8x
  - Best-in-class backlog coverage on debt of 1.5x versus peer average 0.9x

Total Debt / LTM Adjusted EBITDA



Backlog / Total Debt

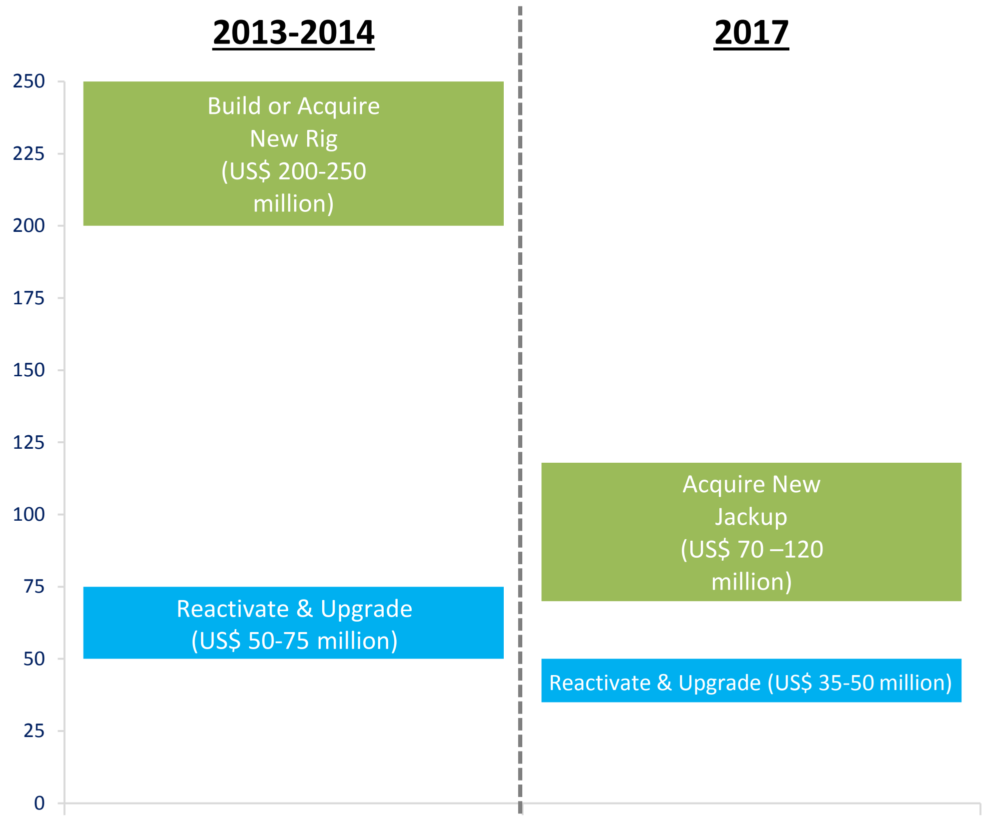


Note: SHLF shown pro forma for offering. Peers include DO, ESV, NE, RDC and RIG.
Source: Company posted company material and peer filings.
[1] Other than obligations under sale leaseback transactions

Track Record of Capital Discipline and Value Creation

- 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 jack-ups at meaningful discount to replacement cost

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, 97% with NOCs and IOCs
- Established long term relationship with all customers in our core markets

Top Tier Safety and Operational 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 peers[1])

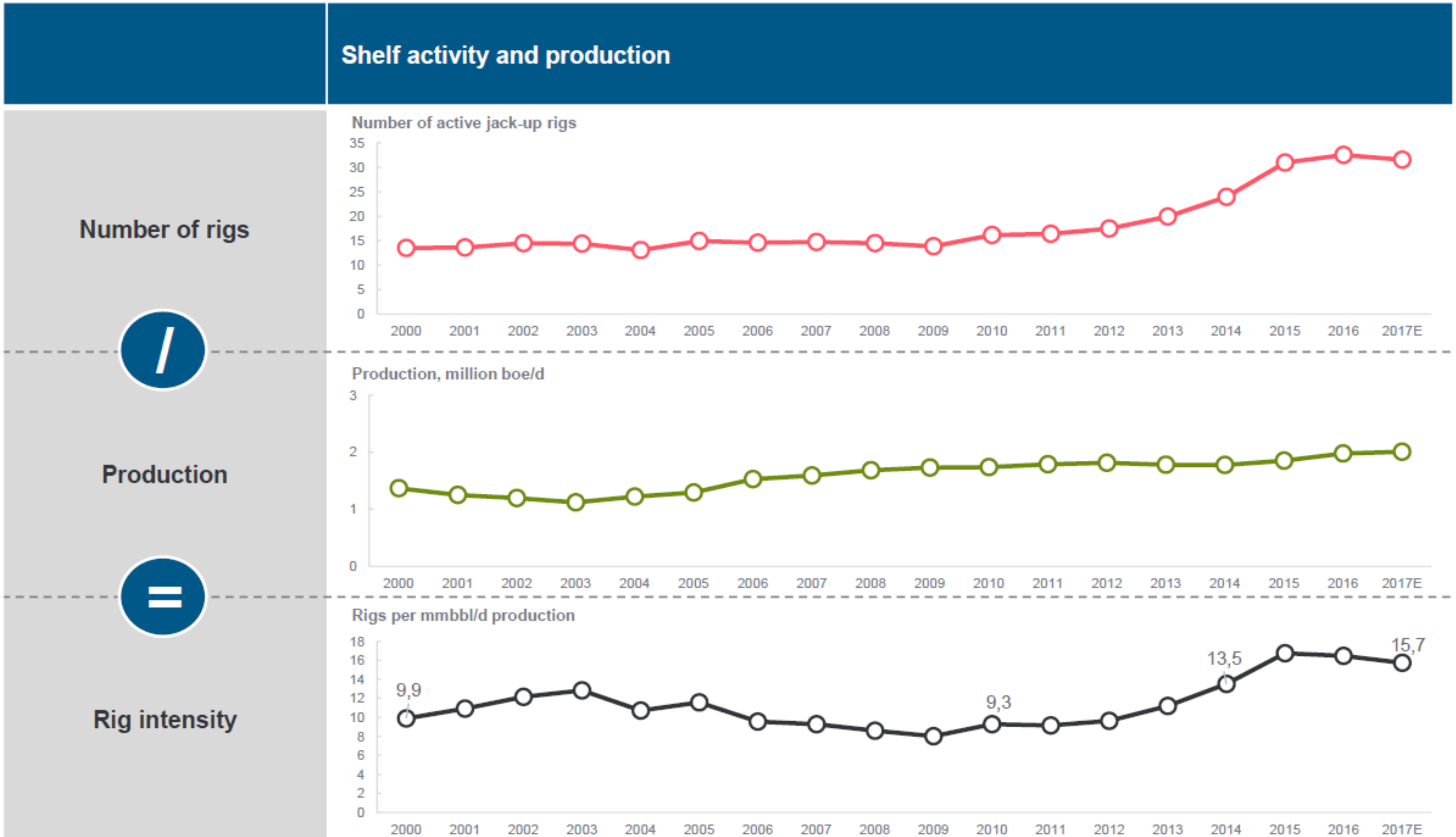
Uniquely positioned to execute demonstrated growth strategy

[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

Appendix

Rig Intensity Example – Large fields in Middle East

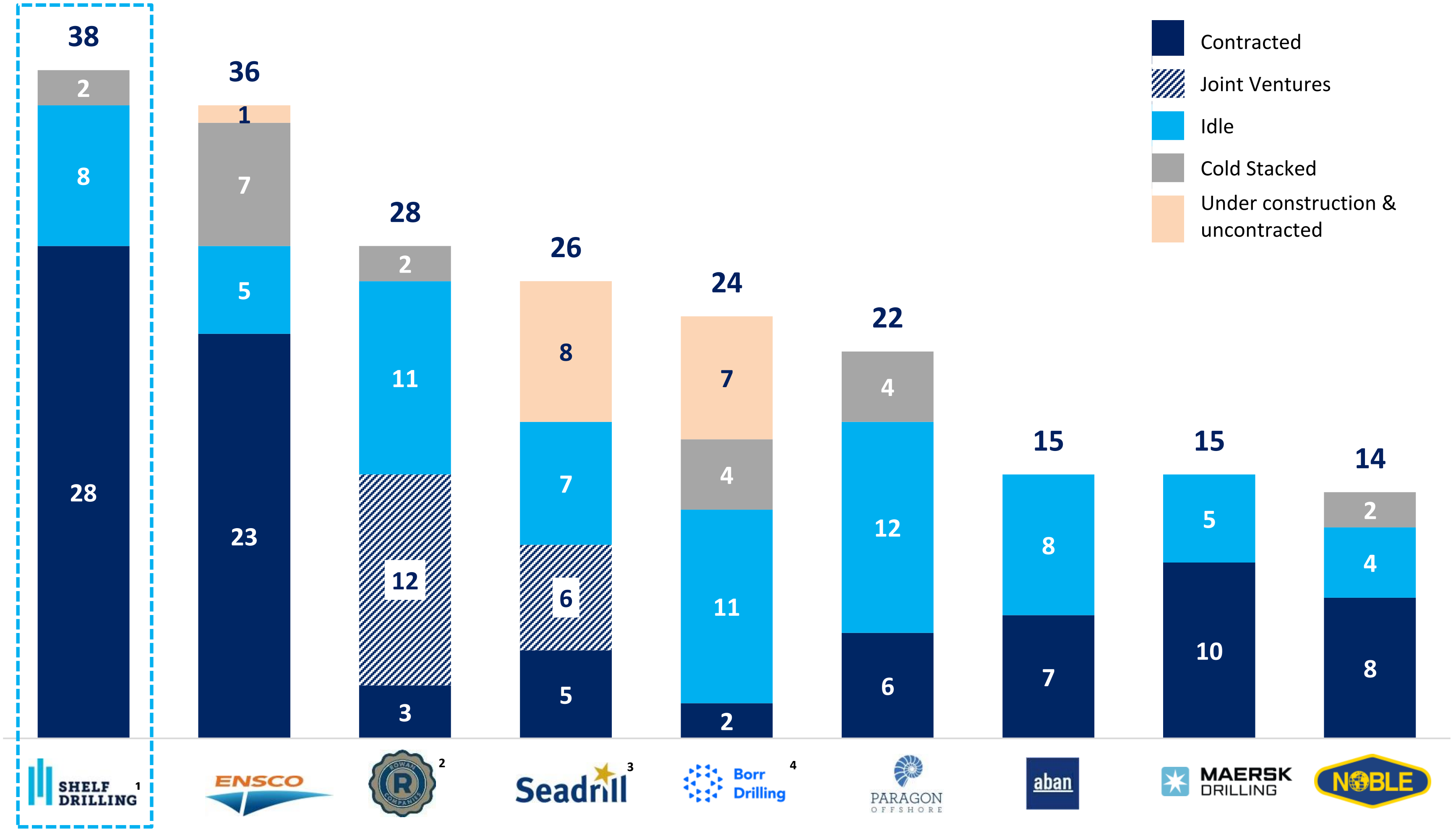
UAE has seen rig intensity rise to above 15 units per mmboe/d



** Based on data published through October 2017*

Source: Rystad Energy UCube; Rystad Energy RigCube

Global Jack-up Fleet Comparison



Largest contracted fleet of jack-ups globally with 28 units

Source: ODS Petrodata as of 05 March 2018. 1. Does not include swamp barge. 2. 12 rigs managed by ARO, 7 owned by Rowan. 3. Includes 6 rigs owned by Sea-Mex, excludes rigs owned by NADL. 4. Excludes 2 Thailand jack-ups managed by Transocean.

Major Upgrades & Reactivations

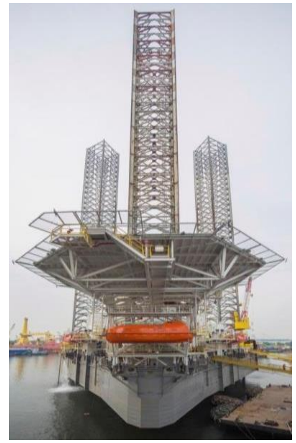
Baltic (MLT Super 300)

- ~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
- 18-month contract in Nigeria until April 2018 (with additional 6-month option)

Adriatic I (MLT116-C)

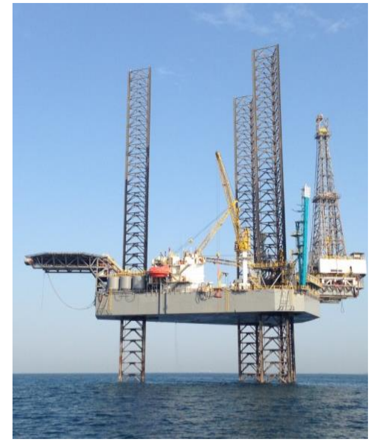
- ~US$ 50 million capital investment
- 350 ft water depth
- Static hook load capacity 1,500,000 lbs.
- 3x1600 hp mud pump, 7,500 psi
- 3,000 HP rated drawworks
- Cantilever reach 60 ft x 30 ft
- Rebuilt accommodation for 120 persons
- Contracted from Q2 2018 through FY 2019 with 2 customers in Nigeria

Key Singapore (MLT116-C)



- ~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 until September 2018, plus options

High Island V (MLT82-SDC)



- ~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 until October 2018

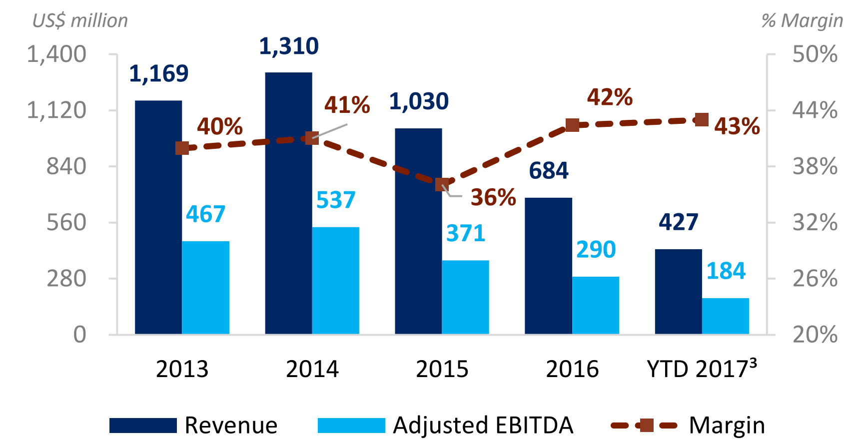
High Island IX (MLT82-SDC)

- ~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 until Q2 2021, plus options

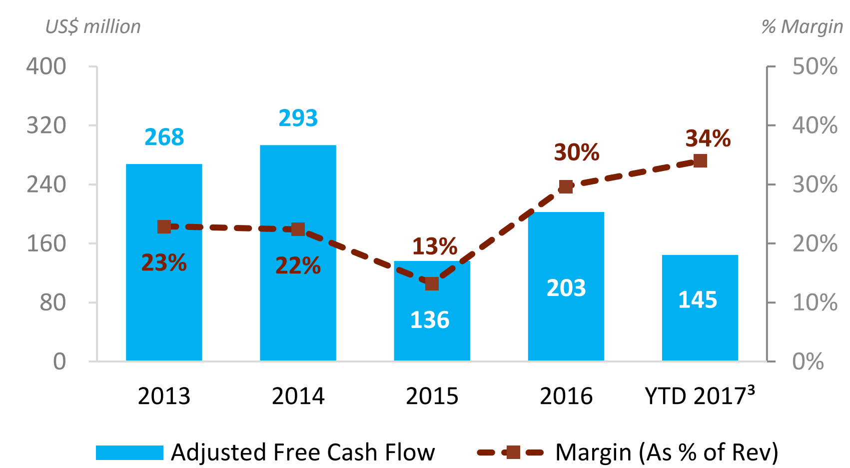
Resilient Full-Cycle Financial Results and Cash Flow Generation

- Strong financial performance since company inception
  - Disciplined approach to financial planning and capital investment
  - Significantly outperformed internal budget in 2013 and 2014
  - 2015 and 2016 results stronger than initial forecasts due to expense and capex savings
  - Adjusted EBITDA margins[1] consistently in 40% range
  - Resilient cash flow generation through cycle

Revenue & Adjusted EBITDA (US$MM)[1]

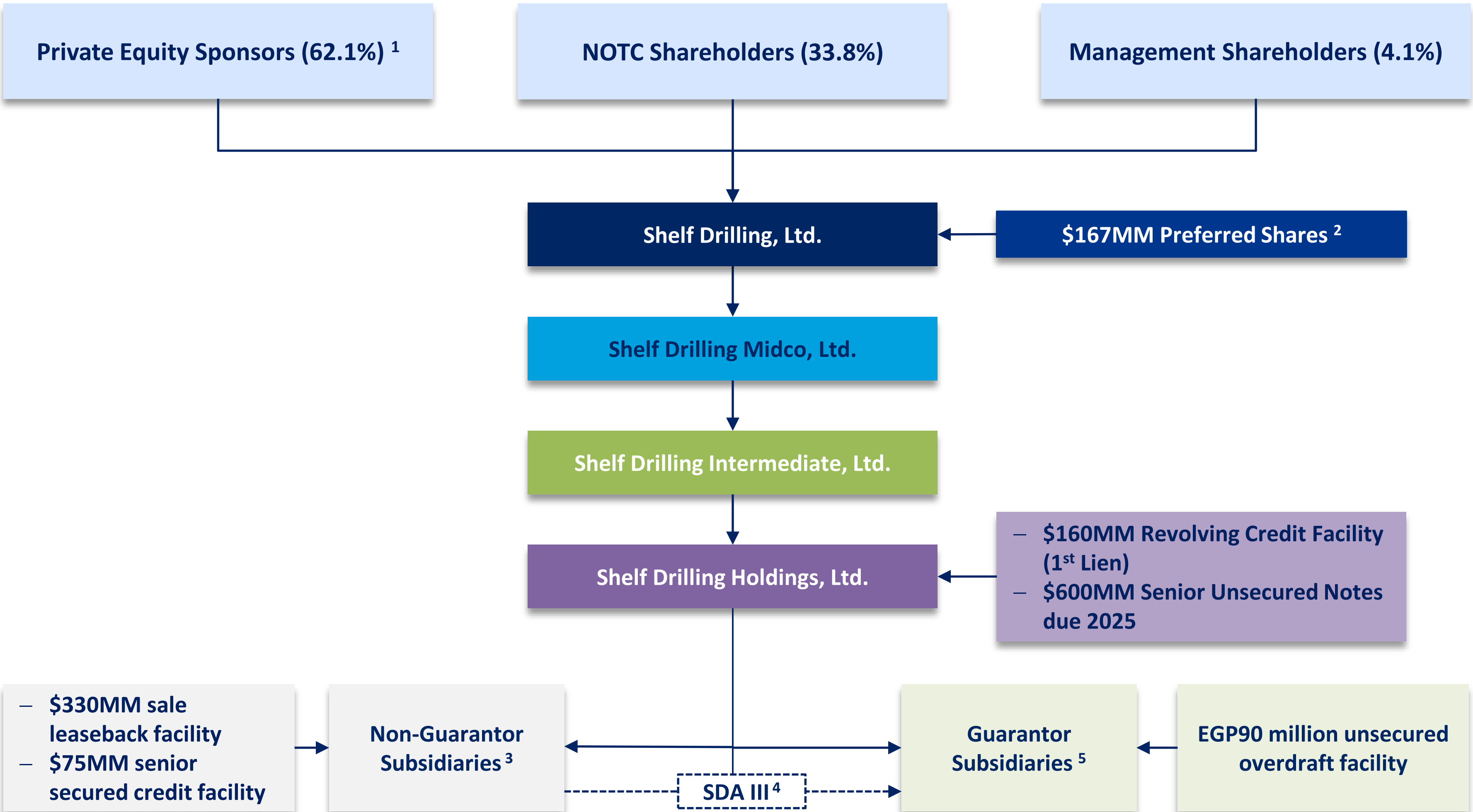


Unlevered Discretionary Free Cash Flow[2]



[1] 2013-2015 revenues are based on Adjusted Revenue; see slide 37 for important information regarding Adjusted Revenue and slide 36 for important information regarding Adjusted EBITDA and Adjusted EBITDA margin, each a non-GAAP financial measure; [2] See slide 37 for important information regarding Unlevered Discretionary Free Cash Flow; [3] Nine months ended 9/30/2017;

Shelf Drilling Legal Structure Summary



1. *Lime Rock Partners: 20.7%; Castle Harlan: 20.7% ; CHAMP Private Equity: 20.7%*
2. *50% owned by Castle Harlan and CHAMP Private Equity*
3. *Includes legal entities associated with operation of two newbuild rigs with Chevron in Thailand*
4. *Asset owning entity for two jackups contracted with DPE (SDT and SDM)*
5. *includes asset owning and operating entities 34 jack-ups and 1 swamp barge*

SHELF
DRILLING