Shelf Drilling Q3 2019 Results Highlights

November 2019
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The Company uses certain financial information calculated on a basis other than in accordance with accounting principles generally accepted in the United States (“US GAAP”), including EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin, Capital expenditures and deferred costs and Net Debt, as supplemental financial measures in this presentation. These non-GAAP financial measures are provided as additional insight into the Company’s ongoing financial performance and to enhance the user’s overall understanding of the Company’s financial results and the potential impact of any corporate development activities.

“EBITDA” as used herein represents revenue less: operating expenses, selling, general and administrative expenses, provision for doubtful accounts, sponsors’ fee, share-based compensation expense, net of forfeitures, and other, net, and excludes interest, income taxes, depreciation and amortization. “Adjusted EBITDA” as used herein represents EBITDA as adjusted for the exclusion of sponsors’ fee, share-based compensation expense, net of forfeitures, acquired rig reactivation costs and, in certain periods, other specific items. 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 US 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 US GAAP. We believe that 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, income tax expense (benefit), depreciation and 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 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.

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The Presentation speaks as of November 13, 2019. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.
Despite volatility over the last year, Brent price level in the $60-70/bbl range provides constructive backdrop for shallow water market.

Source: Bloomberg, IHS Petrodata, as of 10 November 2019
Middle East NOCs Steadily Increasing Activity

- Middle East increased from <15% of global total in 2000 to nearly 40% today
- Further rig count growth expected in Saudi, UAE, Qatar and Kuwait in years ahead

Source: DNB Markets, IHS-Petrodata as of 10 November 2019
## Global Jack-up Fleet Summary

<table>
<thead>
<tr>
<th>Regions</th>
<th>Contracted Jack-ups</th>
<th>% of Peak</th>
<th>Change since Trough</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Apr-14</td>
<td>Jan-17</td>
<td>Nov-19</td>
</tr>
<tr>
<td>Middle East</td>
<td>129</td>
<td>118</td>
<td>136</td>
</tr>
<tr>
<td>India</td>
<td>34</td>
<td>38</td>
<td>32</td>
</tr>
<tr>
<td>West Africa</td>
<td>20</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>SE Asia</td>
<td>68</td>
<td>27</td>
<td>44</td>
</tr>
<tr>
<td>North Sea</td>
<td>47</td>
<td>29</td>
<td>36</td>
</tr>
<tr>
<td>China</td>
<td>30</td>
<td>27</td>
<td>48</td>
</tr>
<tr>
<td>US GOM</td>
<td>33</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Mexico</td>
<td>53</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>414</td>
<td>281</td>
<td>349</td>
</tr>
<tr>
<td>Total</td>
<td>457</td>
<td>311</td>
<td>383</td>
</tr>
<tr>
<td>% of Total</td>
<td>91%</td>
<td>90%</td>
<td>91%</td>
</tr>
</tbody>
</table>

### Rig Status

<table>
<thead>
<tr>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Contract</td>
</tr>
<tr>
<td>Available</td>
</tr>
<tr>
<td>Active Jack-ups</td>
</tr>
<tr>
<td>% Marketed Utilization</td>
</tr>
<tr>
<td>Under Construction</td>
</tr>
<tr>
<td>Sub-total</td>
</tr>
<tr>
<td>Cold Stacked</td>
</tr>
<tr>
<td>Total Fleet</td>
</tr>
</tbody>
</table>

- Activity levels in the 8 largest jack-up regions globally have increased over the last year
- Middle East rig count at all-time high with further awards expected Q4 2019/H1 2020
- Increase in Mexico from 17 in early 2018 to 29 contracted rigs today
- Modest rig count recovery in India in 2019 after drop in 2018 – further rise likely in 2020
- Chinese market continues to absorb significant new rig capacity from domestic shipyards (all-time high)

**Source:** IHS Petrodata as of 10 November 2019
Recovery in Jack-Up Utilization and Dayrates is Accelerating

**# of Contracted Jack-ups**

- **Peak (April 2014)**: 457 jack-ups
- **Average 2006-2015**: 381 jack-ups
- **Minimum since 2006 (Jan 2017)**: 311 jack-ups
- **Current (Nov 2019)**: 383 jack-ups

**Indicative Spot Dayrates**

<table>
<thead>
<tr>
<th>Region</th>
<th>Mid 2018</th>
<th>Late 2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
<td>$40-70k</td>
<td>$65-95k</td>
<td>~45%</td>
</tr>
<tr>
<td>West Africa</td>
<td>$60-75k</td>
<td>$75-95k</td>
<td>~25%</td>
</tr>
<tr>
<td>SE Asia</td>
<td>$45-60k</td>
<td>$70-90k</td>
<td>~50%</td>
</tr>
<tr>
<td>India</td>
<td>$25-30k</td>
<td>$40-50k</td>
<td>~60%</td>
</tr>
<tr>
<td>Average</td>
<td>$45-60k</td>
<td>$65-80k</td>
<td>~40%</td>
</tr>
</tbody>
</table>

Source: Bloomberg, IHS Petrodata, as of 10 November 2019
Recent Contracts & Fleet Status Summary

Fleet Status Summary

<table>
<thead>
<tr>
<th>Region</th>
<th>Contracted</th>
<th>Available</th>
<th>Total</th>
<th>% Cont.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MENAM</td>
<td>15</td>
<td>3</td>
<td>18</td>
<td>83%</td>
</tr>
<tr>
<td>India</td>
<td>8</td>
<td>0</td>
<td>8</td>
<td>100%</td>
</tr>
<tr>
<td>West Africa</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>100%</td>
</tr>
<tr>
<td>SE Asia</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>3</td>
<td>34</td>
<td>91%</td>
</tr>
</tbody>
</table>

Total Backlog\(^2\) – $977 million (As of 30 Sep 2019)

Recent Developments

$433 million of backlog added since beginning of July 2019

- High Island II, High Island IV, Main Pass I and Main Pass IV: 4-month extension each with Saudi Aramco
- Shelf Drilling Mentor and Tenacious: 2-year extension each with Dubai Petroleum
- High Island VII: 6-month extension with ADNOC Drilling
  - Subsequently awarded another extension for 3-year firm plus two 1-year options with ADNOC Drilling
- Rig 141: Extension for 165 days firm plus two 3-month options with Gempetco

Note (1): As of 31 October 2019. Total excludes 3 stacked rigs (2 jack-ups and 1 swamp barge).
Note (2): Total backlog as of 30 September 2019, consistent with the reporting period.
Continued Contracting Success Across Regions and Asset Classes

Jack-up Backlog Added YTD 2019 (Rig-Years)

- **Shelf Drilling**: 23.5 Pre-2000, 10.4 Post-2000, Total 33.9
- **Valaris**: 8.2 Pre-2000, 19.5 Post-2000, Total 27.7
- **Borr Drilling**: 3.2 Pre-2000, 14.6 Post-2000, Total 17.7
- **Saipem**: 1.0 Pre-2000, 16.0 Post-2000, Total 17.0
- **COSL**: 16.3 Pre-2000, 16.3 Post-2000, Total 32.6
- **Seadrill**: 10.4 Pre-2000, 10.4 Post-2000, Total 20.8
- **Aban Offshore**: 9.4 Pre-2000, 0.7 Post-2000, Total 10.1
- **Advanced Energy Systems**: 7.0 Pre-2000, 7.0 Post-2000, Total 14.0
- **Noble**: 0.7 Pre-2000, 5.5 Post-2000, Total 6.2

$433 million of backlog added since beginning of July 2019

Source: IHS Petrodata as of 10 November 2019

Note (1): Original delivery year
Q3 2019 Results

Shelf Drilling Q3 2019 Results Highlights
### Results of Operations

#### (In thousands USD)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$137,077</td>
<td>$132,018</td>
</tr>
<tr>
<td><strong>Operating costs &amp; expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating and maintenance</td>
<td>90,931</td>
<td>91,446</td>
</tr>
<tr>
<td>Depreciation</td>
<td>20,324</td>
<td>20,370</td>
</tr>
<tr>
<td>Amortization of deferred costs</td>
<td>19,101</td>
<td>19,836</td>
</tr>
<tr>
<td>General and administrative</td>
<td>11,989</td>
<td>12,750</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>965</td>
<td>638</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td>(6,233)</td>
<td>(13,022)</td>
</tr>
<tr>
<td><strong>Other expense, net</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense and financing charges, net of interest income</td>
<td>(19,668)</td>
<td>(19,754)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(196)</td>
<td>86</td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td>(26,097)</td>
<td>(32,690)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>3,575</td>
<td>3,241</td>
</tr>
<tr>
<td><strong>Net Loss</strong></td>
<td>$(29,672)</td>
<td>$(35,931)</td>
</tr>
</tbody>
</table>
Shelf Drilling Q3 2019 Results Highlights

Revenue & Operating Expense Summary

- $5.1 million, or 3.7%, sequential decrease in revenue
  - Decrease in effective utilization mainly due to idle periods on two rigs in Nigeria (Adriatic 1 and Baltic). Both rigs commenced new contracts in October 2019
  - Planned out of service project in Saudi Arabia for High Island V completed in Q3
- Operating and maintenance of $91.4 million in Q3 up by $0.5 million versus Q2:
  - Increase across rigs in India (3 rigs preparing for new contracts commencing in Q4) and Nigeria (2 rigs preparing for new contracts and 2 contracted rigs completed renewal of temporary importation permits)
  - Partially offset by a reduction across the rest of the fleet
- General and administrative expenses of $12.8 million up by $0.8 million, primarily due to an increase in share-based compensation expense and increased support for deployments of recently acquired newbuild rigs.

<table>
<thead>
<tr>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average marketable rigs¹</strong></td>
<td>33.0</td>
</tr>
<tr>
<td><strong>Average dayrate² (in thousands USD)</strong></td>
<td>$66.2</td>
</tr>
<tr>
<td><strong>Effective utilization³</strong></td>
<td>66%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue (in thousands USD)</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues – dayrate</td>
<td>$131,404</td>
<td>$125,171</td>
</tr>
<tr>
<td>Operating revenues – others</td>
<td>2,538</td>
<td>3,787</td>
</tr>
<tr>
<td>Other revenues</td>
<td>3,135</td>
<td>3,060</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$137,077</td>
<td>$132,018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses (in thousands USD)</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rig operating costs</td>
<td>$82,057</td>
<td>$82,145</td>
</tr>
<tr>
<td>Shore-based costs</td>
<td>8,874</td>
<td>9,301</td>
</tr>
<tr>
<td><strong>Operating and maintenance</strong></td>
<td>$90,931</td>
<td>$91,446</td>
</tr>
<tr>
<td>Corporate G&amp;A</td>
<td>$11,672</td>
<td>$12,153</td>
</tr>
<tr>
<td>Share-Based Compensation</td>
<td>$317</td>
<td>$596</td>
</tr>
<tr>
<td><strong>General &amp; administrative</strong></td>
<td>$11,989</td>
<td>$12,750</td>
</tr>
</tbody>
</table>

Note (1): “Marketable rigs” are defined as the total number of rigs excluding: (i) stacked rigs, (ii) rigs under non-drilling contract and (iii) newbuild rigs under construction.
Note (2): “Average dayrate” is defined as the average contract dayrate earned by marketable rigs over the reporting period excluding amortization of lump sum mobilization fees, contract preparation and capital expenditure reimbursements, recharges, bonuses and other revenue.
Note (3): “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 same rigs could have generated dayrate revenues.
## Adjusted EBITDA Reconciliation

(In thousands USD)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss</td>
<td>$(29,672)</td>
<td>$(35,931)</td>
</tr>
<tr>
<td><strong>Add back:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense and financing charges, net of interest income</td>
<td>19,668</td>
<td>19,754</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>3,575</td>
<td>3,241</td>
</tr>
<tr>
<td>Depreciation</td>
<td>20,324</td>
<td>20,370</td>
</tr>
<tr>
<td>Amortization of deferred costs</td>
<td>19,101</td>
<td>19,836</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>965</td>
<td>638</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$33,961</td>
<td>$27,908</td>
</tr>
<tr>
<td>Acquired rig reactivation costs</td>
<td>6,403</td>
<td>4,097</td>
</tr>
<tr>
<td>One-time corporate transaction costs</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$40,383</td>
<td>$32,019</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA margin</strong></td>
<td><strong>29.5%</strong></td>
<td><strong>24.3%</strong></td>
</tr>
</tbody>
</table>
Capital Expenditures and Deferred Costs Summary

- Capital Expenditures and Deferred Costs excluding rig acquisitions totaled $30.9 million in Q3 2019, up $5.2 million versus Q2 2019 primarily as a result of:
  - Higher contract preparation costs in Q3 compared to Q2 for C. E. Thornton and F.G. McClintock (India)
  - Higher level of spending in Q3 compared to Q2 associated with planned out of service project that started in June and ended in August for High Island V in Saudi Arabia
  - Partly offset by lower level of spending in Q3 compared to Q2 associated with the contract preparation of the Key Singapore (Tunisia)
- Rig acquisition expenditures of $33.2 million in Q3 2019 relate to the reactivation and contract preparation of the Shelf Drilling Scepter and operation readiness projects on the Shelf Drilling Achiever and Shelf Drilling Journey

### (In thousands USD)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures and Deferred Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory and capital maintenance 1</td>
<td>$13,720</td>
<td>$15,165</td>
</tr>
<tr>
<td>Contract preparation 2</td>
<td>9,087</td>
<td>10,903</td>
</tr>
<tr>
<td>Fleet spares and other 3</td>
<td>2,972</td>
<td>4,880</td>
</tr>
<tr>
<td>Rig acquisitions 4</td>
<td>137,465</td>
<td>33,223</td>
</tr>
<tr>
<td><strong>Total capital expenditures and deferred costs</strong></td>
<td><strong>$163,244</strong></td>
<td><strong>$64,171</strong></td>
</tr>
</tbody>
</table>

### Reconciliation to Statements of Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments for additions to PP&amp;E</td>
<td>$13,042</td>
<td>$29,645</td>
</tr>
<tr>
<td>Net change in accrued but unpaid additions to PP&amp;E</td>
<td>8,471</td>
<td>7,126</td>
</tr>
<tr>
<td></td>
<td>$21,513</td>
<td>$36,771</td>
</tr>
<tr>
<td>Asset additions related to share issuance</td>
<td>121,772</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital expenditures</strong></td>
<td>$143,285</td>
<td>$36,771</td>
</tr>
<tr>
<td>Changes in deferred costs, net</td>
<td>858</td>
<td>7,564</td>
</tr>
<tr>
<td><strong>Total deferred costs</strong></td>
<td>$19,959</td>
<td>$27,400</td>
</tr>
<tr>
<td><strong>Total capital expenditures and deferred costs</strong></td>
<td><strong>$163,244</strong></td>
<td><strong>$64,171</strong></td>
</tr>
</tbody>
</table>

*NOTE: (1) “Regulatory and capital maintenance” includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures on rigs in operation.
NOTE: (2) “Contract preparation” includes specific upgrade, mobilization and preparation costs associated with a customer contract.
NOTE: (3) “Fleet Spares 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 and (ii) office and infrastructure expenditure.
NOTE: (4) “Rig Acquisitions” include all capital expenditures and deferred costs associated with the acquisition and reactivation of premium jack-up rigs in 2017 and 2018, and with the acquisition and readiness costs of newbuild premium jack-up rigs in 2019.*
**Capital Structure Summary**

<table>
<thead>
<tr>
<th>(In millions USD)</th>
<th>YE 2017</th>
<th>YE 2018</th>
<th>Jun-19</th>
<th>Sep-19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>$84.6</td>
<td>$91.2</td>
<td>$71.3</td>
<td>$45.7</td>
</tr>
<tr>
<td><strong>Total Long-lived Assets</strong></td>
<td>$1,405.9</td>
<td>$1,354.8</td>
<td>$1,465.9</td>
<td>$1,487.5</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,683.0</td>
<td>1,645.9</td>
<td>1,740.2</td>
<td>1,730.9</td>
</tr>
</tbody>
</table>

| Senior secured notes due 2018/2020                     | 526.7   | -       | -      | -      |
| Senior unsecured notes due 2025 ¹                        | -       | 887.8   | 888.7  | 889.1  |
| **RCF Drawdown**                                       |         |         | 20.0   |        |
| **Obligations under sale and leaseback**                | 313.9   | -       | -      | -      |
| **Total Debt**                                         | $840.6  | $887.8  | $888.7 | $909.1 |
| **Net Debt**                                           | $756.0  | $796.6  | $817.4 | $863.4 |
| **Mezzanine Equity**                                   | 166.0   | -       | -      | -      |
| **Total Equity**                                       | $509.2  | $591.3  | $669.4 | $633.3 |

- Total liquidity, including availability under RCF, of approximately $241.8 million as of September 30, 2019
- LTM Adjusted EBITDA of $171.3 million (Sep-19). Net Leverage of 5.0x (Sep-19) ²
- Total shares outstanding of 137.7 million as of September 30, 2019
  - 285k shares repurchased in September 2019 at average price of $2.45 per share
  - Free float of 57.3 million or 41.6%
  - Primary insiders: 80.3 million or 58.3%
    - China Merchants: 26.8 million (19.4%)
    - Lime Rock: 17.2 million (12.5%)
    - Castle Harlan: 17.2 million (12.5%)
    - CPE Capital (formerly CHAMP): 17.2 million (12.5%)

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Note (1) Reflects carrying value. Principal value is $900.0 million
Note (2) TNLR for covenant compliance purposes under RCF of 3.9x at Sep 30, 2019
Shelf Drilling Q3 2019 Results Highlights

Free Cash Flow Summary

- Q3 2019 Adjusted EBITDA and margin of $32.0 million and 24%, respectively
- $45.7MM cash on hand and including $20MM withdrawn from revolver as of September 2019
- Cash flow deficit in Q3 2019 due to:
  1) $37.9 million of cash interest payments in Q3 2019 versus $0.9 million in Q2 2019. Interest on $900 million senior unsecured notes due 2025 paid biannually in February and August (interest expense, net of approximately $20 million per quarter)
  2) Impacted by $37.3 million investment in rig acquisitions
  3) Increase in capital spending for rigs recently awarded long-term contracts (Key Singapore, High Island V, F.G. McClintock, C.E. Thornton)
  4) Lower effective utilization in Nigeria
  5) **Trough in run-rate EBITDA in Q2/Q3 2019**

<table>
<thead>
<tr>
<th>Quarterly Cash Flow Summary ($MM)</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$40.4</td>
<td>$32.0</td>
</tr>
<tr>
<td>Interest expense, net of interest income</td>
<td>(19.7)</td>
<td>(19.8)</td>
</tr>
<tr>
<td>Income tax (expense) / benefit</td>
<td>(3.6)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Capital expenditures and deferred costs</td>
<td>(25.8)</td>
<td>(31.0)</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>$(8.7)</td>
</tr>
<tr>
<td><strong>Working Capital Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest payments</td>
<td>$18.6</td>
<td>$(18.5)</td>
</tr>
<tr>
<td>Other</td>
<td>13.6</td>
<td>32.9</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>$32.2</td>
</tr>
<tr>
<td><strong>Discretionary Cash Flow</strong></td>
<td>$23.5</td>
<td>$(7.6)</td>
</tr>
<tr>
<td><strong>Growth Projects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquired Rig Reactivation Expenses</td>
<td>$(6.4)</td>
<td>$(4.1)</td>
</tr>
<tr>
<td>Capex/Deferred Costs: Rig Acquisitions</td>
<td>(15.7)</td>
<td>(33.2)</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>$(22.1)</td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
<td>$1.4</td>
<td>$(44.9)</td>
</tr>
<tr>
<td>Share Re-Purchase</td>
<td>-</td>
<td>(0.7)</td>
</tr>
<tr>
<td>RCF Drawdown</td>
<td>-</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Net Change in Cash</strong></td>
<td>$1.4</td>
<td>$(25.6)</td>
</tr>
<tr>
<td>Beginning Cash</td>
<td>69.9</td>
<td>71.3</td>
</tr>
<tr>
<td><strong>Ending Cash</strong></td>
<td>$71.3</td>
<td>$45.7</td>
</tr>
</tbody>
</table>

*Note (1) Excluding rig acquisitions*
### Q4 2019 Guidance Summary

<table>
<thead>
<tr>
<th>US$ millions</th>
<th>Q3 2019 (Actual)</th>
<th>Q4 2019 (Guidance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$132</td>
<td>$156 – 161</td>
</tr>
<tr>
<td>Capital Expenditures &amp; Deferred Costs</td>
<td>$64</td>
<td>$45 – 55</td>
</tr>
<tr>
<td>• Rig Acquisitions</td>
<td>$33</td>
<td>$27 – 32</td>
</tr>
<tr>
<td>• Other</td>
<td>$31</td>
<td>$18 – 23</td>
</tr>
</tbody>
</table>

- We believe that Q3 2019 represents an inflection point for the business
  - Revenue and EBITDA have declined sequentially for multiple quarters
  - Following the series of contract awards during 2019 and recent investments in the fleet, we expect this trend to significantly change beginning in Q4 2019, as a total of 7 new rig contracts are scheduled to commence during the period
  - In addition, the capital projects associated with our recently acquired rigs (Scepter, Achiever, Journey) will be substantially complete by YE 2019
- Therefore, the company is providing guidance on certain financial metrics for Q4 2019, but we will not necessarily provide such guidance each subsequent quarter going forward