Shelf Drilling Q4 2019 Results Highlights

March 2020

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SHLF 2019 Key Performance Indicators

- **Lowest TRIR Since Inception**
  - 19 rigs, including entire Nigerian fleet, achieved zero recordable incidents in 2019
- **Highest Uptime Since Inception**
  - India operations achieved 99.5% uptime
  - High Island VII jack-up rig achieved 100% uptime in 2019, followed by High Island II, High Island IV and High Island IX with less than 10 hours of downtime throughout the year
- **Completed 7 Major Projects**
  - Successfully brought 7 rigs into operations in Q4 2019
  - 30 days out-of-service saving on Main Pass I by conducting the workscope on location
- **Contracting Outperformance**
  - Signed 29 new contracts/extensions adding 70.7 rig-years across fleet

0.19 TRIR[1]	**99.2%** Uptime
$64.7K Average Dayrate	**71%** Effective Utilization
32.6 Marketable Rigs	**$2.0 BN** Backlog
97% Marketed Utilization	**2.8x** Book to Bill

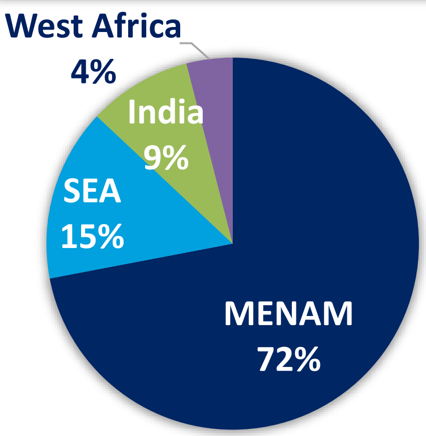
Note (1): Total Recordable Incident Rate

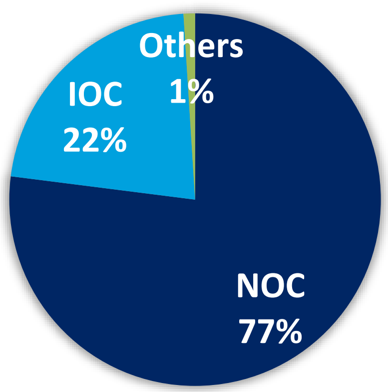
Recent Contracts & Fleet Status Summary

Fleet Status Summary

	Contracted	Available	Total[1]	% Cont.
MENAM	15	1	16	94%
India	8	0	8	100%
West Africa	5	0	5	100%
SE Asia	4	0	4	100%
Total	32	1	33	97%

Total Backlog[2] – $2.0 Billion *(As of 31 Dec 2019)*





Recent Developments

$1.2 billion** of backlog / **45 rig-years** added in **Q4 2019

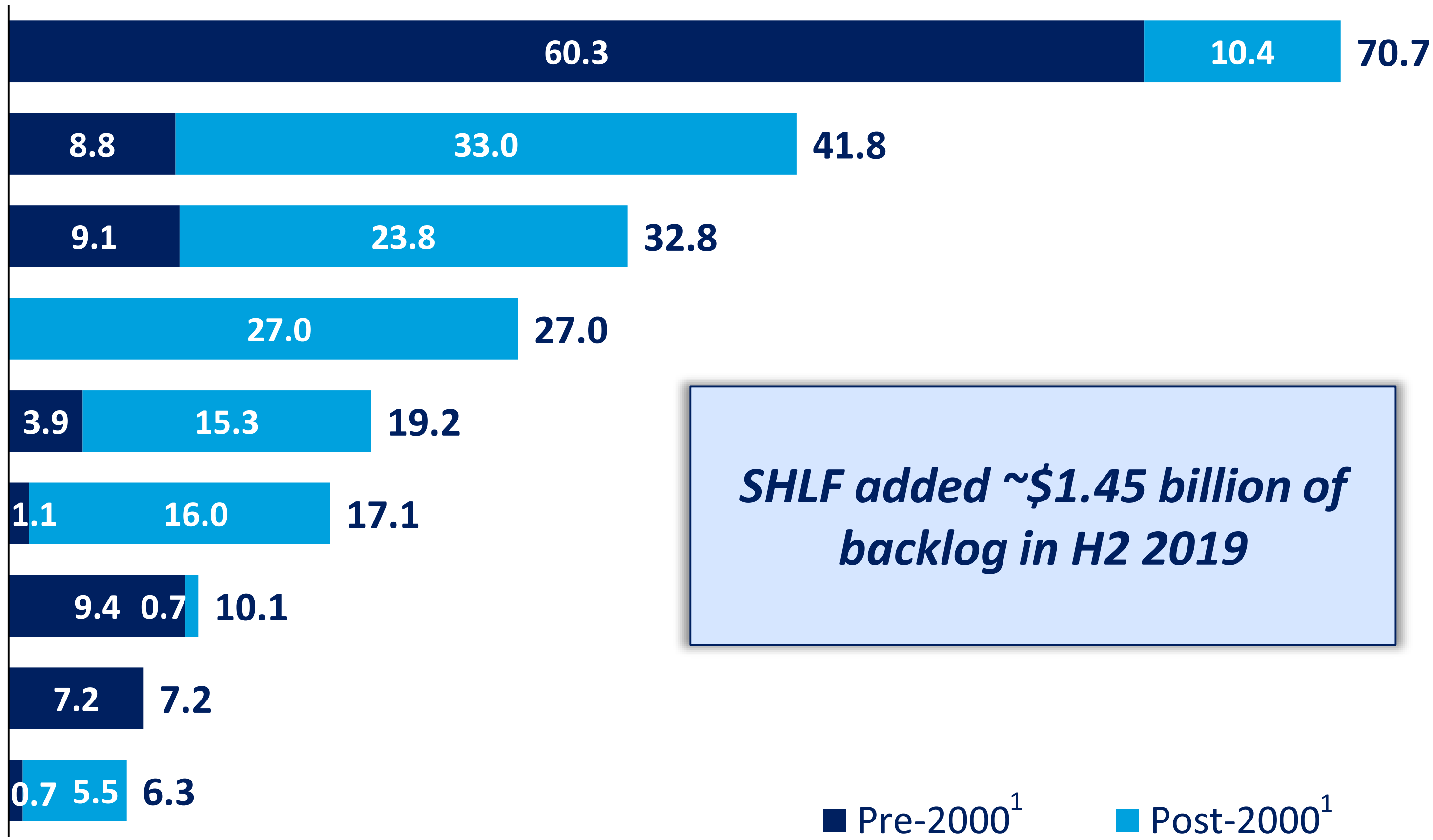
MENAM	High Island II, High Island IV, Main Pass I: 10-year extension each with Saudi Aramco
MENAM	Main Pass IV: 5-year extension with Saudi Aramco
MENAM	High Island VII: Extension for 3-year firm plus two 1-year options with ADNOC Drilling
MENAM	Rig 141: Extension for 165 days firm plus two 3-month options with Gempetco
SEA	Shelf Drilling Enterprise: Contract for 21-month firm plus 5-month options with Chevron Thailand (Jan 2020)
India	Trident II: 3-year contract with ONGC
WAF	Baltic: Contract for 1 firm well plus 1 option well with Total Nigeria
WAF	Trident XIV: 1-year extension with ExxonMobil

Note (1): As of 02 March, 2020. Total excludes 5 stacked rigs (4 jack-ups and 1 swamp barge).
Note (2): Total backlog as of 31 December 2019, consistent with the reporting period.

Contracting Outperformance Across Regions and Asset Classes

Jack-up Backlog Added 2019 (Rig-Years)

Company	JUs Managed[2]	Util.
Shelf Drilling	33	97%
COSL	40	93%
Valaris	58	81%
Seadrill	20	65%
Borr Drilling	31	55%
Saipem	7	100%
Aban Offshore	14	71%
Advanced Energy Systems	13	100%
Noble	13	92%



SHLF added ~$1.45 billion of backlog in H2 2019

Source: IHS Petrodata as of 06 January 2020
Note (1): Original delivery year
Note (2): Source: IHS Petrodata as of 12 January 2020 and latest fleet status reports from various company websites. Jack-ups managed count excludes pre-2005 built and cold stacked/held for sale rigs for all companies in addition to the following adjustments. Shelf Drilling excludes 2x newbuild rigs under BBC. Valaris includes 16x ARO JUs. Seadrill includes 5x SeaMex JUs; excludes 3x newbuild JUs for Qatar (GulfDrill).

Sustained Performance Leads to Major Contract Extensions

SHELF DRILLING

35 Rig-Years

- High Island II, High Island IV, Main Pass I – 10 years each
- Main Pass IV – 5 years

~$1Bn Backlog

- Dayrates consistent with current rates
- Annual rate adjustment based on prior year average Brent oil crude price beginning Q1 2021

"Age is Just a Number"[1]

- All four rigs have ~15 years of operating history with Aramco
- Contract extensions testament to the quality and performance of the rigs and crews

Saudi Arabia – 100% Utilization | Long-Term Relationship With World's Largest Oil & Gas Company

- *Pursued strategic initiative to expand Saudi footprint since inception*
- *Saudi fleet grown from 4 to 7 JUs since 2012*
- *Good mix of shallow draft (HI2/HI4/HI5/HI9) and standard rigs (MP1/MP4) with smart upgrades provide long-term competitive advantage in the region*
- *Recently added premium JU SD Achiever to Saudi fleet; potential to add further rigs to fleet in future*

	Year 2020												Year 2021											
Rig Name	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
High Island IX												Aramco, Jun-21							2-year option					
High Island V												Aramco, Mar-22												
High Island II												Aramco, Mar-30												
High Island IV												Aramco, Feb-30												
Main Pass I												Aramco, Feb-30												
Main Pass IV												Aramco, Mar-25												
SD Achiever												Aramco, Nov-22												

Note(1): Source: Clarksons Platou Securities research report as of 08 January 2020.

Shelf Drilling Enterprise Acquisition & Concurrent Contract Award

SHELF DRILLING

$81MM
Total Rig Cost

- Fully financed with recent offering of notes due Q4 2024
- Contract preparation includes significant upgrades[1] specific to plug & abandonment work for Chevron
- Reactivation scope includes 5-year overhaul of all major equipment

$59MM
Contract Value

- 21-month contract + options with Chevron Thailand
- Operations expected to commence in August 2020

~4.5x
EBITDA Multiple

- Significant cash flow generation from initial contract
- Well-positioned for future work in the region
- Focus on disciplined approach to capital spending and generating returns for investors

Rig Specifications	**Design**	Baker Pacific Class 375
	Delivery Year	2007
	Water Depth	375 ft.
	Hook Load	1500klbs
	Cantilever Reach	70ft. x 30ft.
	VDL	3,400 MT
	Operating History	10 years for Shell Brunei
Total Rig Cost	**Purchase price**	$38
	Reactivation	$25
	Contract Customization & Upgrades	$13
	Other (Crew Ramp-Up, etc.)	$5
	Sub-Total	$43
	Total	$81

Thailand – 100% Utilization | Long-Term Business with Leading IOC

- *Contract award in 2014 covering 10 rig-years for two highly customized, fit-for-purpose newbuild jack-ups*
- *2 acquired premium jack-ups contracted in GOT in 2019/20*
- *Extensive experience in factory type drilling and offline operations*
- *Large proportion of lower-risk, short-cycle P&A work*

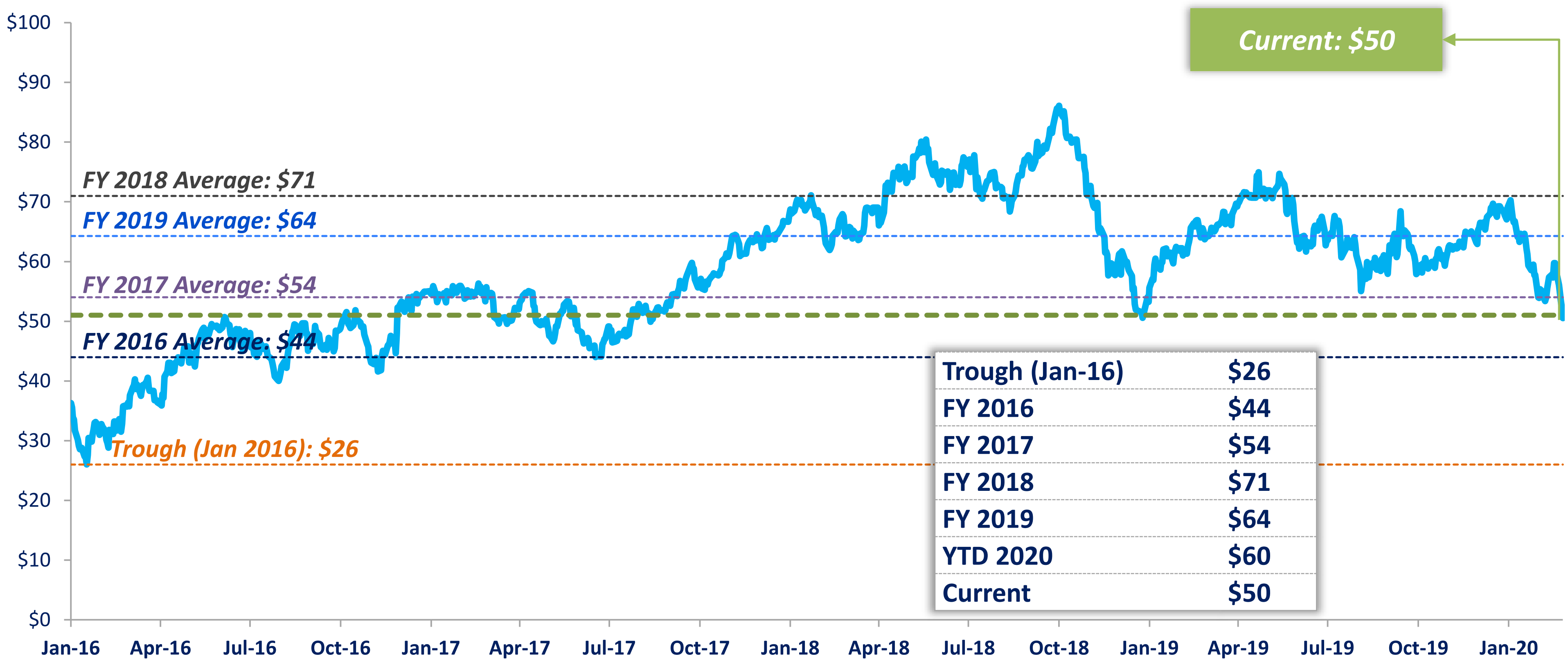
	Year 2020												Year 2021											
Rig Name	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
SD Chaophraya	Chevron, Nov-21																							
SD Krathong	Chevron, May-22																							
SD Scepter	Chevron, Apr-22																							
SD Enterprise	Chevron, Apr-22																							

Note (1): Upgrades include, pipe-handling system, cranes, BOPs, living quarters & lifeboat capacity plus new rapid preload system and selected tubular, handling and fishing tools.

Oil Price Development

SHELF DRILLING

Brent Oil Price ($/bbl)



Trough (Jan-16)	$26
FY 2016	$44
FY 2017	$54
FY 2018	$71
FY 2019	$64
YTD 2020	$60
Current	$50

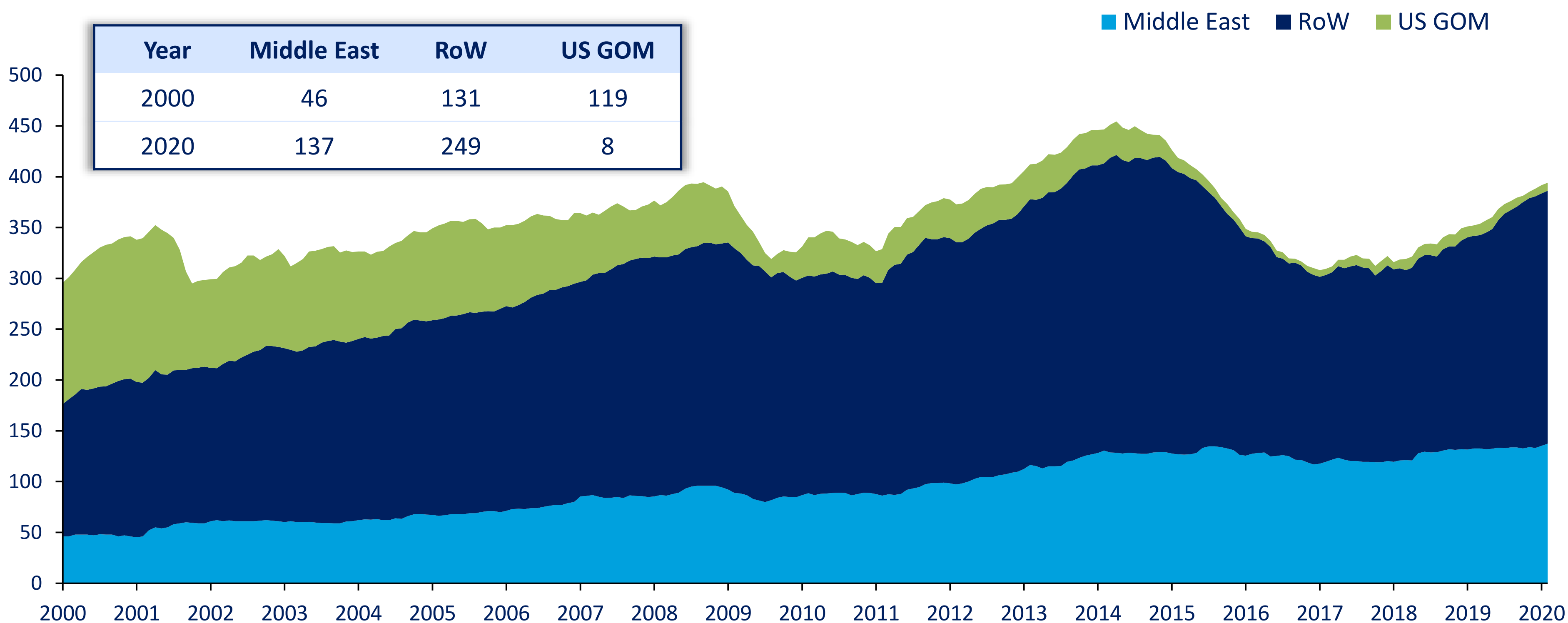
Despite the significant short-term volatility in crude oil prices,
Brent range of $60-70/Bbl in recent years provides constructive backdrop for the shallow water market

Source: Bloomberg, EIA website, as of 01 March 2020

Middle East NOCs Steadily Increasing Activity

Total Number of Contracted Jack-Ups Globally

Year	Middle East	RoW	US GOM
2000	46	131	119
2020	137	249	8



- Middle East increased from ~15% of global total in 2000 to ~35% today
- Further rig count growth expected in Saudi, UAE, Qatar and Kuwait in years ahead

Source: DNB Markets, IHS-Petrodata as of 01 March 2020

Global Jack-up Fleet Summary

Regions	Contracted Jack-ups			% of Peak	Change since Trough
	Apr-14	Jan-17	Feb-20		
Middle East	129	118	137	107%	19
India	34	38	34	100%	-4
West Africa	20	7	18	90%	11
SE Asia	68	27	44	65%	17
North Sea	47	29	36	77%	7
China	30	27	52	174%	25
US GOM	33	7	8	24%	1
Mexico	53	28	35	66%	7
Sub-Total	**414**	**281**	**365**	88%	84
Total	**457**	**311**	**394**	86%	83
% of Total	**91%**	**90%**	**93%**		**101%**

Rig Status	Total
Under Contract	394
Available	59
Active Jack-ups	453
% Marketed Utilization	*87%*
Under Construction	48
Sub-total	501
Cold Stacked	71
Total Fleet	573

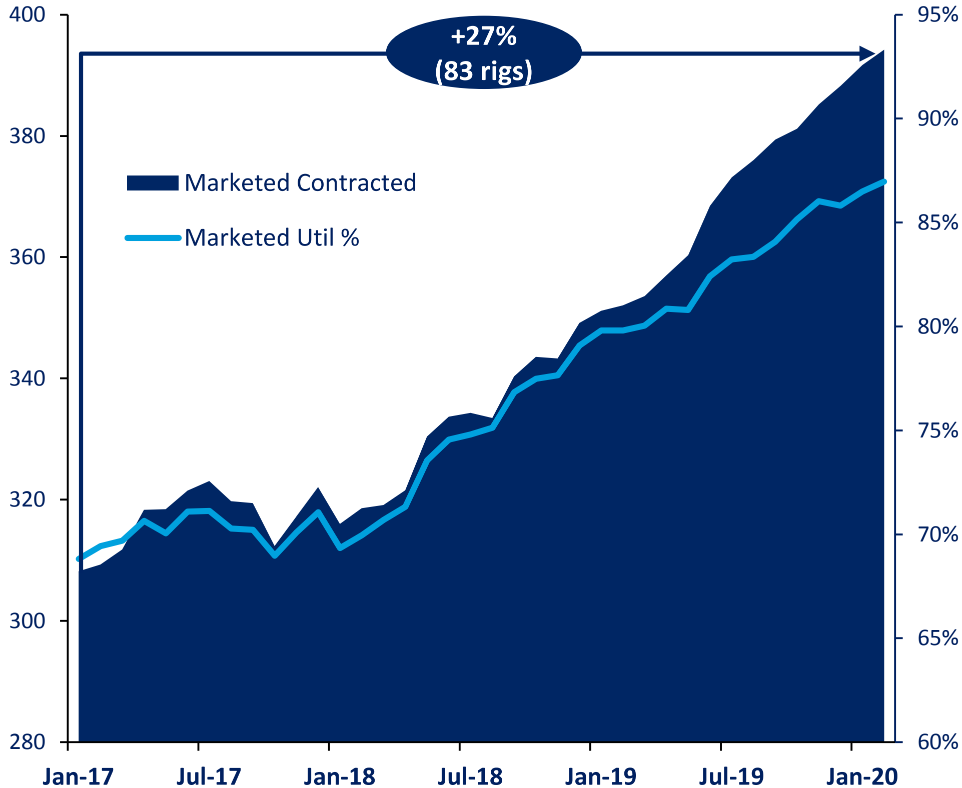
- Activity levels in the 8 largest jack-up regions globally have increased over the last year
- Middle East rig count at all-time high with recent awards in Q4 2019/Q1 2020
- Increase in Mexico from 17 in early 2018 to 35 contracted rigs today
- Modest rig count recovery in India in 2019 after drop in 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 01 March 2020

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 (Feb 2020)	*394 jack-ups*



Indicative Spot Dayrates

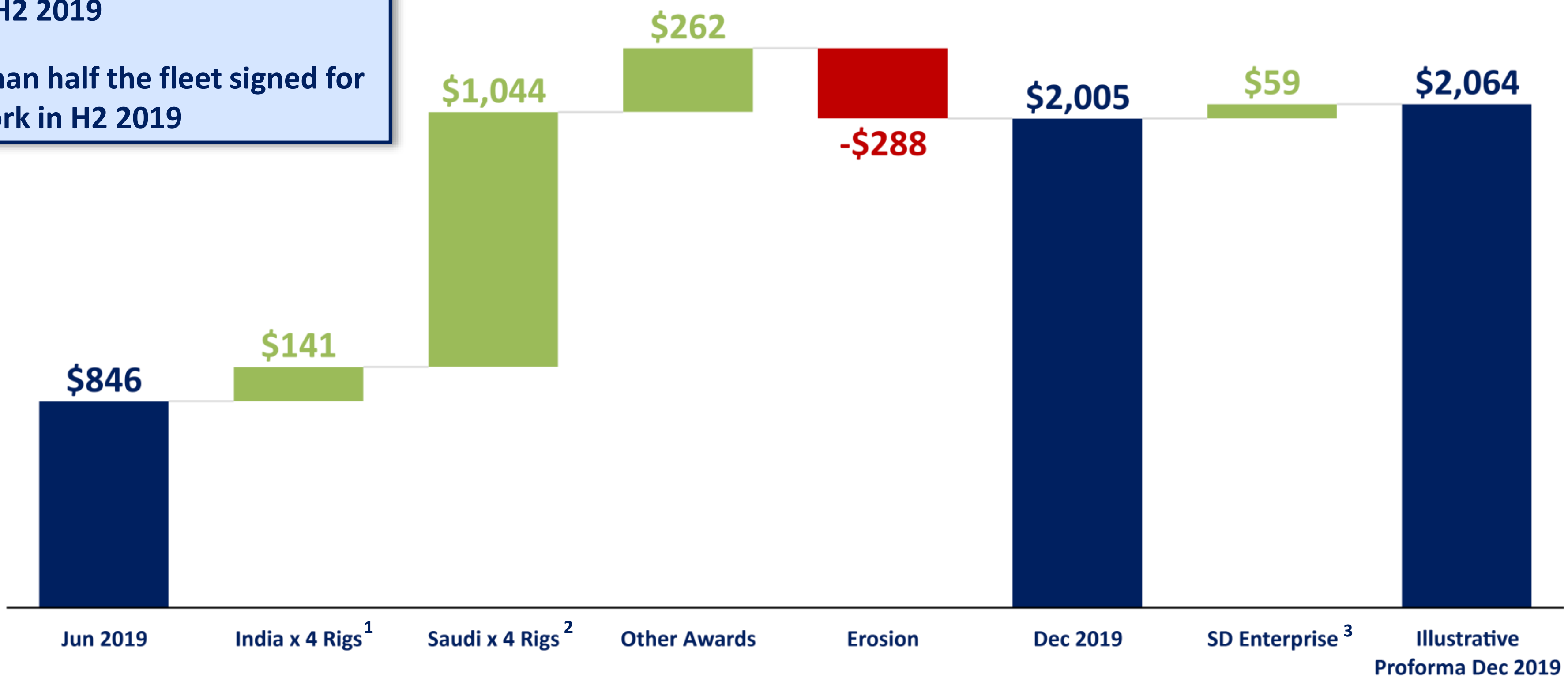
Region	Mid 2018	Late 2019	% Change
Middle East	$40-70k	$65-95k	~45%
West Africa	$60-75k	$75-95k	~25%
SE Asia	$45-60k	$70-90k	~50%
India	$25-30k	$40-50k	~60%
Average	$45-60k	$65-80k	~40%

- Global demand for jack-ups has increased by 27% surpassing long-term averages
- Marketed utilization up from <70% in 2017 to 87% today
- Signs of dayrate improvement across all regions with the reduction in available supply

Source: Bloomberg, IHS Petrodata, as of 01 March 2020

Backlog Evolution in Recent Months

- ~140% Growth in contracted backlog from <$850MM to $2+BN during H2 2019
- More than half the fleet signed for new work in H2 2019



	Jun 2019	Dec 2019
Contracted Rigs	25	31
2020 Backlog	$316	$596
2020 Days Coverage	37%	84%

Note (1): 3 rigs awarded 3-year contract each; 1 rig awarded 3-month contract
Note (2): Includes short-term and long-term extensions on 4 rigs
Note (3): Includes mobilization revenue

Positioned for Cash Flow

Industry Leading Backlog

- ~140% growth since June 2019 to $2+ billion
- Significant revenue and free cash flow visibility in coming years

Well-Capitalized

- Scepter + Achiever/Journey – activation projects substantially complete by YE 2019
- Shelf Drilling Enterprise fully financed with recent notes offering
- No debt maturities before 2023

Near-Term Momentum

- +21% sequential revenue growth in Q4 2019
  - 7 new contracts commenced during Q4 (average length ~2 years)
  - Further step up in revenue expected in Q1 2020

Q4 2019 Results

Shelf Drilling Q4 2019 Results Highlights

Results of Operations

(In thousands USD)	Q3 2019	Q4 2019
Revenue	**$132,018**	**$159,821**
Operating costs & expenses		
Operating and maintenance	91,446	92,094
Depreciation	20,370	21,457
Amortization of deferred costs	19,836	18,219
General and administrative	12,750	14,447
Loss on impairment/disposal of assets [1]	638	58,345
Operating Loss	**(13,022)**	**(44,741)**
Other expense, net		
Interest expense and financing charges, net of interest income	(19,754)	(20,308)
Other, net	86	(377)
Loss before income taxes	**(32,690)**	**(65,426)**
Income tax expense	3,241	4,907
Net Loss	**$(35,931)**	**$(70,333)**

Note (1): The Company recorded a $58.0 million loss on impairment of long-lived assets in December 2019. Eight of the Company's rigs were impaired, of which three stacked rigs were reported as held for sale.

Revenue & Operating Expense Summary

- $27.8 million, or 21.1%, sequential increase in revenue:
  - Start-up of seven new contracts in India (C.E. Thornton, FG McClintock and Parameswara), Nigeria (Adriatic 1 and Baltic), Saudi Arabia (SD Achiever) and Thailand (SD Scepter)
  - Full quarter of operations for Key Singapore in Tunisia which started its contract at the end of Q3 2019
  - Planned out of service project in Saudi Arabia for High Island V completed in Q3
  - Effective utilization increased from 65% in Q3 to 80% in Q4
- Operating and maintenance of $92.1 million in Q4 up by $0.6 million versus Q3:
  - Increase on one rig in India preparing for new contract commencing in Q2 2020
  - Partially offset by a reduction across 2 contracted rigs in Nigeria which completed renewal of temporary importation permits in Q3 and one rig in Saudi Arabia which completed planned out of service in Q3
- General and administrative expenses of $14.4 million up by $1.7 million, primarily due to increased support for deployments of recently acquired newbuild rigs and increase in bonus accrual due to strong operational and marketing performance in 2019

	Q3 2019	Q4 2019
Operating Data		
Average marketable rigs[1]	32.3	32.3
Average dayrate[2] (in thousands USD)	$64.7	$64.6
Effective utilization[3]	65%	80%
Revenue (in thousands USD)		
Operating revenues – dayrate	$125,171	$152,817
Operating revenues – others	3,787	2,668
Other revenues	3,060	4,336
	$132,018	**$159,821**
Operating Expenses (in thousands USD)		
Rig operating costs	$82,145	$81,714
Shore-based costs	9,301	10,380
Operating and maintenance	**$91,446**	**$92,094**
Corporate G&A	$12,153	$13,845
Share-Based Compensation	596	602
General & administrative	**$12,750**	**$14,447**

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)	**Q3 2019**	**Q4 2019**
Net Loss	$(35,931)	$(70,333)
Add back:		
Interest expense and financing charges, net of interest income	19,754	20,308
Income tax expense	3,241	4,907
Depreciation	20,370	21,457
Amortization of deferred costs	19,836	18,219
Loss on impairment/disposal of assets	638	58,345
EBITDA	**$27,908**	**$52,903**
Acquired rig reactivation costs	4,097	2,816
One-time corporate transaction costs	14	-
Adjusted EBITDA	**$32,019**	**$55,719**
Adjusted EBITDA margin	**24.3%**	**34.9%**

Capital Expenditures and Deferred Costs Summary

SHELF DRILLING

- Capital Expenditures and Deferred Costs excluding rig acquisitions totaled $18.1 million in Q4 2019, down $12.8 million versus Q3 2019 primarily as a result of:
  - Planned out of service project for High Island V in Saudi Arabia and Contract preparation of the Key Singapore (Tunisia) were completed in Q3
  - Partly offset by higher contract preparation costs in Q4 compared to Q3 for Parameswara and Trident II (India)
- Rig acquisition expenditures of $27.7 million in Q4 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
  - Shelf Drilling Scepter and Shelf Drilling Achiever completed their projects in December 2019 and commenced their long-term contracts

(In thousands USD)	Q3 2019	Q4 2019
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$15,165	$12,949
Contract preparation [2]	10,903	1,541
Fleet spares and other [3]	4,880	3,636
	$30,948	$18,126
Rig acquisitions [4]	33,223	27,682
Total capital expenditures and deferred costs	**$64,171**	**$45,808**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$29,645	$37,522
Net change in accrued but unpaid additions to PP&E	7,126	(7,061)
Total Capital expenditures	$36,771	$30,461
Changes in deferred costs, net	7,564	(2,872)
Add: Amortization of deferred costs	19,836	18,219
Total deferred costs	$27,400	$15,347
Total capital expenditures and deferred costs	**$64,171**	**$45,808**

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

(In millions USD)	YE 2017	YE 2018	Sep-19	YE 2019
Cash	$84.6	$91.2	$45.7	$26.1
Total Long-lived Assets	$1,405.9	$1,354.8	$1,487.5	$1,461.3
Total Assets	1,683.0	1,645.9	1,730.9	1,700.0
Senior secured notes due 2018/2020	526.7	-	-	-
Senior unsecured notes due 2025 [1]	-	887.8	889.1	889.5
RCF Drawdown			20.0	35.0
Obligations under sale and leaseback	313.9	-	-	-
Total Debt	$840.6	$887.8	$909.1	$924.5
Net Debt	$756.0	$796.6	$863.4	$898.5
Mezzanine Equity	166.0	-	-	-
Total Equity	$509.2	$591.3	$633.3	$561.5

- Total liquidity, including availability under RCF, of approximately $206.2 million as of December 31, 2019
- LTM Adjusted EBITDA of $177.5 million (Dec-19). Net Leverage of 5.1x (Dec-19) [2]
- Total shares outstanding of 136.6 million as of December 31, 2019
  - 1.1 million shares repurchased in Q4 2019 at average price of $2.05 per share
  - Free float of 56.2 million or 41.1%
  - Primary insiders: 80.3 million or 58.8%
    - China Merchants: 26.8 million (19.6%)
    - Lime Rock: 17.2 million (12.6%)
    - Castle Harlan: 17.2 million (12.6%)
    - CPE Capital (formerly CHAMP): 17.2 million (12.6%) [3]
- The Company closed a private offering of $80 million 8.75% senior secured notes due 2024 in February 2020
- As of March 2, 2020, the outstanding borrowing under the RCF was $55 million

Note (1) Reflects carrying value. Principal value is $900.0 million
Note (2) TNLR for covenant compliance purposes under RCF of 4.0x at Dec 31, 2019
Note (3) In February 2020, CPE Capital withdrew Graham Brooke as their appointed Director and Tyson Smith resigned as a Director of the Company

Free Cash Flow Summary

- Q4 2019 Adjusted EBITDA and margin of $55.7 million and 35%, respectively
- $26.1 million cash on hand and including additional $15.0 million withdrawn from revolver as of December 2019
- Total balance of $35.0 million withdrawn at year end from the $225.0 million revolver credit facility
- Cash flow deficit in Q4 2019 impacted by $30.5 million investment in rig acquisitions
- Total spending associated with rig acquisitions of $67.8 million during H2 2019

Quarterly Cash Flow Summary ($MM)	Q3 2019	Q4 2019
Adjusted EBITDA	**$32.0**	**$55.7**
Interest expense, net of interest income	(19.8)	(20.3)
Income tax (expense) / benefit	(3.2)	(4.9)
Capital expenditures and deferred costs [1]	(31.0)	(18.1)
Sub-Total	$(22.0)	$12.4
Working Capital Impact		
Interest payments	$(18.5)	$18.7
Other	32.9	(33.0)
Sub-Total	$14.4	$(14.3)
Discretionary Cash Flow	**$(7.6)**	**$(1.9)**
Growth Projects		
Acquired Rig Reactivation Expenses	$(4.1)	$(2.8)
Capex/Deferred Costs: Rig Acquisitions	(33.2)	(27.7)
Sub-Total	$(37.3)	$(30.5)
Cash Flow	**$(44.9)**	**$(32.4)**
Share Re-Purchase	(0.7)	(2.2)
RCF Drawdown	20.0	15.0
Net Change in Cash	**$(25.6)**	**$(19.6)**
Beginning Cash	71.3	45.7
Ending Cash	**$45.7**	**$26.1**

Note (1) Excluding rig acquisitions

Q4 2019 and Q1 2020 Guidance Summary

US$ millions	Q4 2019 (Guidance)	Q4 2019 (Actual)	Q1 2020 (Guidance)
Revenue	$156 – 161	$160	$173 – 181
Capital Expenditures & Deferred Costs	$45 – 55	$46	$65 – 75
• Rig Acquisitions	$27 – 32	$28	$50 – 55
• Other	$18 – 23	$18	$15 – 20

- Sequential increase in revenue in Q1 2020 due to full quarter of operations for the seven rigs which started new contracts during Q4 2019
- Q1 2020 rig acquisitions capital expenditures guidance includes $38 million for the acquisition of the Shelf Drilling Enterprise in January 2020 and the initial reactivation costs for the rig incurred through March 31, 2020 (total estimated delivered costs prior to contract commencement of $81 million), as well as additional costs to prepare the Shelf Drilling Journey for an initial contract.
- The company is providing guidance on certain financial metrics for Q1 2020, but we will not necessarily provide such guidance each subsequent quarter going forward

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