Shelf Drilling Q2 2020 Results Highlights

13 August 2020

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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 (“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 revenues less: operating expenses, selling, general and administrative expenses, provision for doubtful accounts, share-based compensation expense, net of forfeitures, and other, net, and excludes interest expense and financing charges, interest income, income taxes, depreciation, amortization, loss on impairment and loss on disposal of asset. ‘’Adjusted EBITDA’’ as used herein represents EBITDA as adjusted for the exclusion of acquired rig reactivation costs and restructuring costs. 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, income tax expense (benefit), depreciation and amortization and other 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.

“Capital expenditures and deferred costs” as used herein include fixed asset purchases, investments associated with the construction of newbuild rigs and certain expenditures associated with regulatory inspections, major equipment overhauls, contract preparation, rig upgrades, mobilization and stacked rig reactivations. Capital expenditures are included in property and equipment. Deferred costs are included in other current assets and other long-term assets. This term, as we define it, may not be comparable to similarly titled measures employed by other companies and is not calculated in accordance with US GAAP. Capital expenditures and deferred costs should not be considered in isolation or as a substitute for capital expenditures prepared in accordance with US GAAP. We believe that Capital expenditures and deferred costs is a useful measure as it better represents the overall level of the Company’s capital investments. Capital expenditures and deferred costs as used herein is a non-US GAAP measure defined and periodically reported in the Company’s financial statements on a consistent basis.

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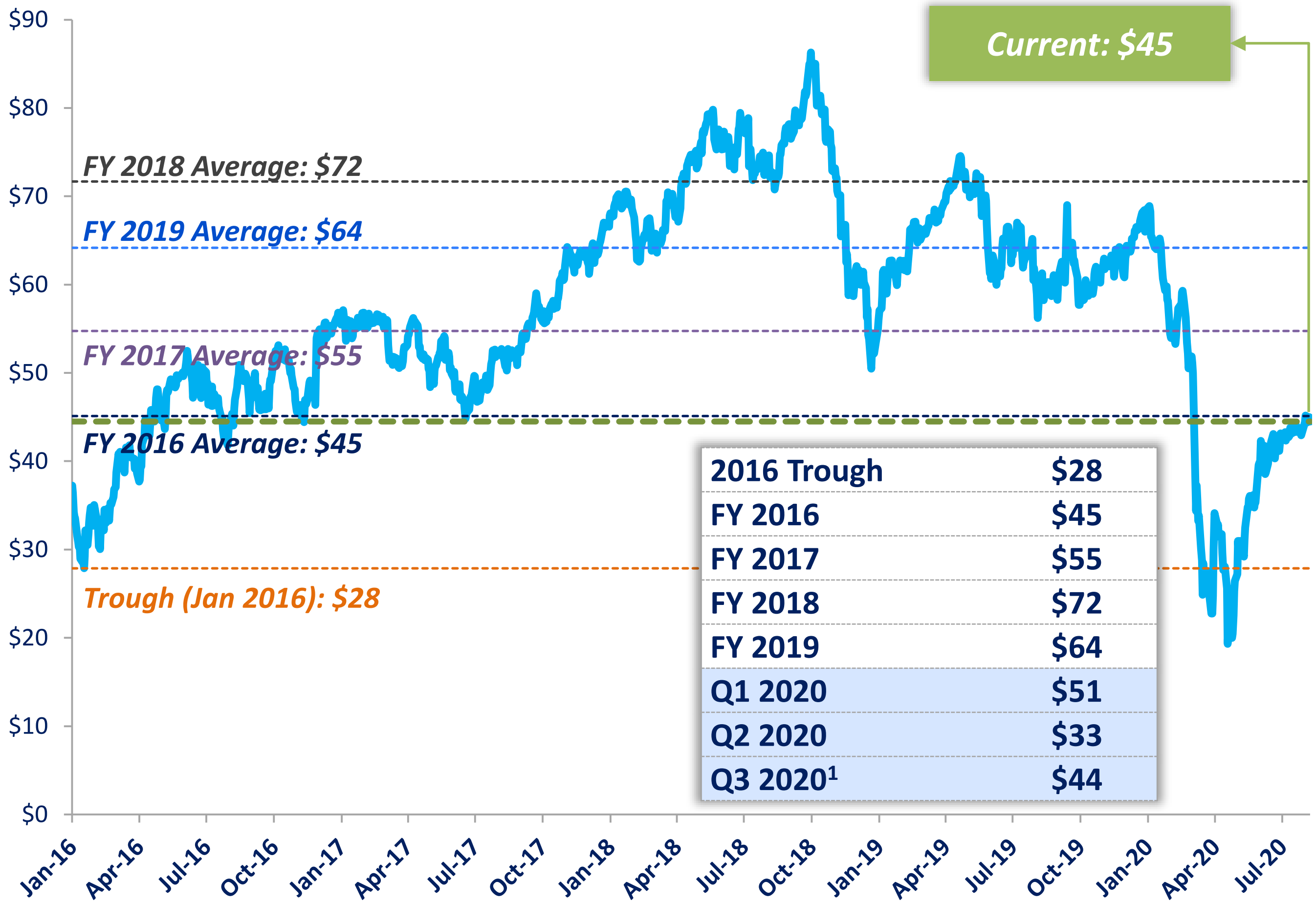
Oil Price Development

- In April 2020, Brent crude oil prices fell sharply to new multiyear lows following significant declines in global oil demand and economic instability resulting from the COVID-19 pandemic
- Prices fell to ~$20 per barrel during April before recovering to ~$40 per barrel in mid-June into early August
- Current oil price is well below recent years' averages and the level necessary to support improvement in utilization and dayrates
- Demand for oil and gas is likely to remain depressed in the short to medium term

Brent Oil Price ($/bbl)



2016 Trough	$28
FY 2016	$45
FY 2017	$55
FY 2018	$72
FY 2019	$64
Q1 2020	$51
Q2 2020	$33
Q3 2020[1]	$44

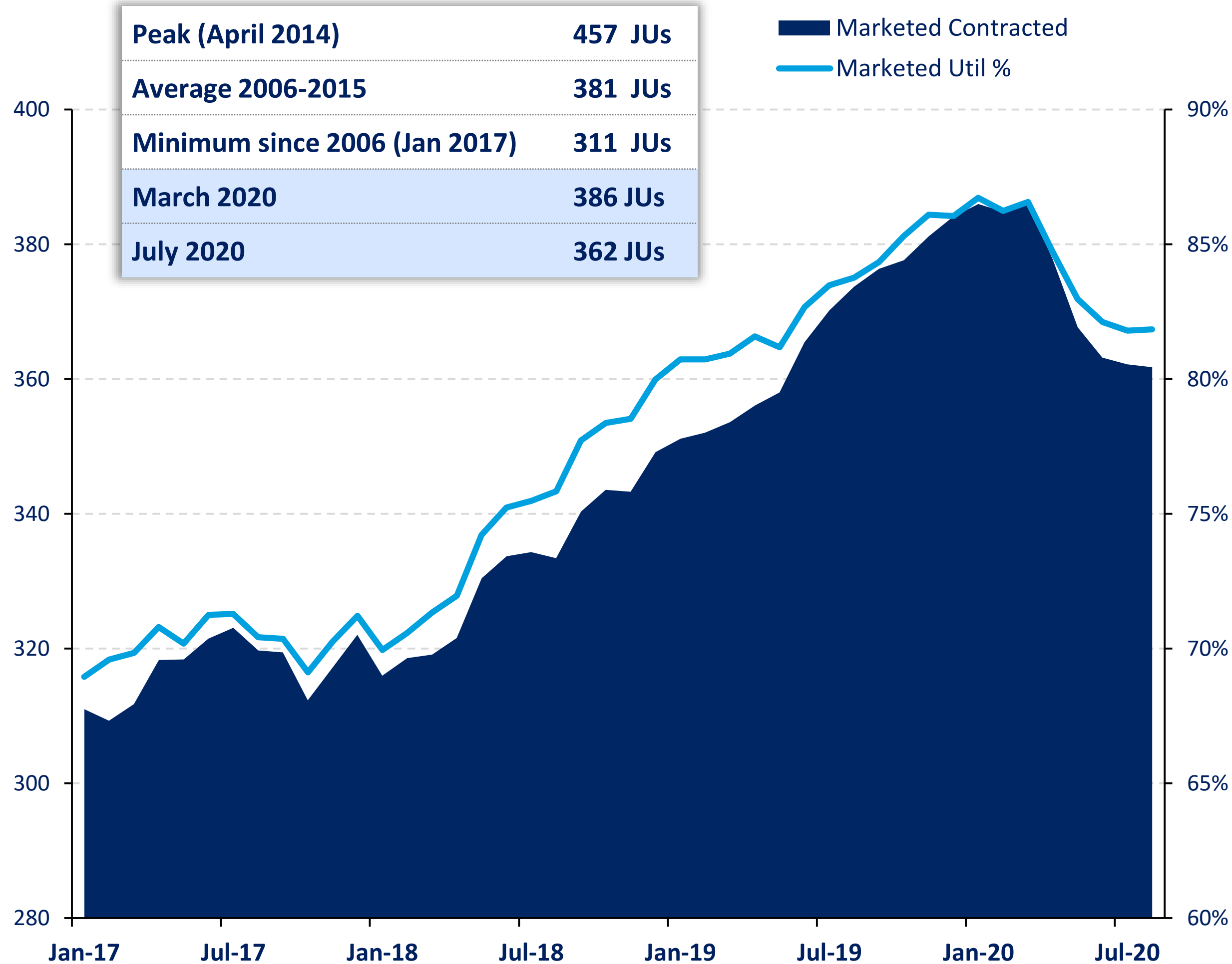
Source: Bloomberg, as of 12 August 2020.
Note (1): Q3 2020 Brent oil price based on 1 July 2020 to 11 August 2020.

Global Jack-up Fleet

- Oil demand destruction has led to significant reductions in capital spending for exploration and production firms globally
- Offshore jack-up rig market outlook has substantially deteriorated since the beginning of 2020 with a number of contract terminations and suspensions since the onset of the COVID-19 pandemic
- New tendering and contracting activity has slowed significantly in recent months
- Global number of contracted jack-up rigs decreased from 386 rigs in March 2020 to 362 in July 2020
  - Marketed utilization fell from 87% to 82% during the same period
- Global jack-up rig count is expected to further decline in the second half of 2020

of Contracted Jack-ups

Peak (April 2014)	457 JUs
Average 2006-2015	381 JUs
Minimum since 2006 (Jan 2017)	311 JUs
March 2020	386 JUs
July 2020	362 JUs



Source: IHS Petrodata, as of 09 August 2020

SHLF Near-Term Objectives Remain Unchanged

SHELF DRILLING

1 **Keeping our rigs/operations safe and free from COVID-19**

2 **Maintaining business continuity**

3 **Preserving cash / liquidity**

MITIGATING MEASURES

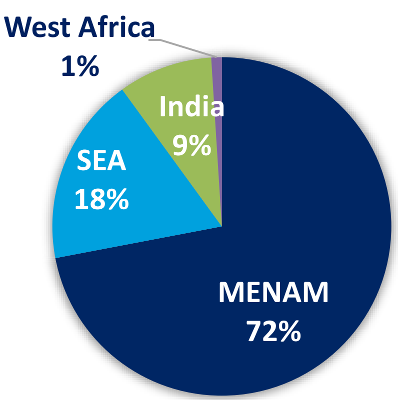
- Effective and safe crew changes / people movement
- Frequent employee communication
- Maintaining supply chain
- Working closely with customers

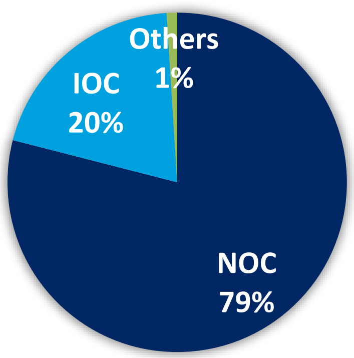
Fleet Status Summary – As of 30 June 2020

Fleet Status Summary *(As of 30 Jun 2020)*

	Contracted	Available	Total[1]	% Contracted	Contract Expirations Q3 2020	Q4 2020	2021	2022+
MENAM	**15**	**1**	**16**	**94%**	**2**	**2**	**3**	**8**
Arabian Gulf[2]	11	1	12	92%	1	1	1	8
NAF/Med[3]	4	0	4	100%	1	1	2	-
India	**7**	**1**	**8**	**88%**	**-**	**-**	**3**	**4**
West Africa	**4**	**1**	**5**	**80%**	**3**	**1**	**-**	**-**
SE Asia	**4**	**0**	**4**	**100%**	**-**	**-**	**-**	**4**
Total	**30**	**3**	**33**	**91%**	**5**	**3**	**6**	**16**

Total Backlog – $1,588 Million *(As of 30 Jun 2020)*





Recent Developments

- High Island IV: Received notice of suspension of operations from Saudi Aramco at zero dayrate for up to 12 months beginning late Jun 2020, contract term to be extended by equal period
- Trident 16: Early-termination notice rescinded, rig on call out contract with Petrobel Egypt until Feb 2021
- Key Singapore returned to operations in Jun 2020; Key Manhattan expected to remain suspended at reduced rate through year end 2020
- Trident VIII: Received early-termination notice from Amni, contract end date updated from Oct 2020 to Jul 2020
- Baltic: Operations for Total Nigeria suspended beginning early Jul 2020
- Trident XIV: Completed contract with ExxonMobil Nigeria in Jul 2020. Rig sale in process.
- SD Enterprise: Contract commencement delayed to Nov due to COVID-19 related logistical challenges
- SD Journey: Remains available in Bahrain

Note (1): As of 30 Jun, 2020. Total excludes 5 stacked rigs (4 jack-ups and 1 swamp barge).
Note (2): Arabian Gulf includes Saudi Arabia, UAE and Bahrain.
Note (3): North Africa & Mediterranean include Italy, Tunisia and Egypt operations.

Q2 2020 Results

Shelf Drilling Q2 2020 Results Highlights

Results of Operations

(In thousands USD)	Q1 2020	Q2 2020
Revenues	**$181,368**	**$155,017**
Operating Costs & Expenses		
Operating and maintenance	100,980	82,927
Depreciation	20,146	16,348
Amortization of deferred costs	14,991	9,751
General and administrative	13,329	12,067
Loss on impairment / disposal of assets [1]	188,044	40
Operating (Loss) / Income	**(156,122)**	**33,884**
Other Expense, Net		
Interest expense and financing charges, net of interest income	(21,598)	(22,565)
Other, net	398	(273)
(Loss) / Income Before Income Taxes	**(177,322)**	**11,046**
Income tax expense	7,578	2,940
Net (Loss) / Income	**$(184,900)**	**$8,106**

Note (1): The Company recorded a $188.0 million loss on impairment of long-lived assets in Q1 2020. Nineteen of the Company's rigs were impaired, of which four were stacked rigs that have been inactive for two or more years.

Revenue Summary

- $26.4 million, or 14.5%, sequential decrease in revenues:
  - Average dayrate decreased by 10% due to
    - Renegotiations of operating rates as a result of the COVID-19 pandemic and significant drop in oil prices (Middle East)
    - Reduced rates during periods of suspended operations (Mediterranean)
  - Effective utilization decreased to 84% from 92%, mainly due to contracts completed in early Q2 (Shelf Drilling Resourceful in Nigeria and Parameswara in India)
  - Sequential revenue declines primarily concentrated in Nigeria, Middle East and Mediterranean
  - Modest sequential revenue impact in Thailand, India and Egypt
- Further sequential decline in revenues expected in Q3 and Q4 2020 due to scheduled contract completions (Trident XIV and Trident VIII in Nigeria; Trident 16 in Egypt; Shelf Drilling Tenacious and Shelf Drilling Mentor in UAE), suspensions (High Island IV in Saudi and Baltic in Nigeria) and planned out of service projects (High Island II, Main Pass I and Main Pass IV in Saudi)

	Q1 2020	Q2 2020
Operating Data		
Average marketable rigs[1]	31.9	32.3
Average dayrate[2] (in thousands USD)	$64.2	$57.8
Effective utilization[3]	92%	84%
Revenue *(in thousands USD)*		
Operating revenues – dayrate	$171,927	$145,184
Operating revenues – others	3,983	6,445
Other revenues	5,458	3,388
Total Revenues	**$181,368**	**$155,017**

*Note (1): ''Marketable rigs'' are defined as the total number of rigs excluding: (i) stacked rigs, (ii) rigs under non-drilling contracts and (iii) newbuild rigs under construction. * Marketable rigs increased to 33 at Q2 2020 with the addition of Shelf Drilling Journey in June 2020.*

Note (2): ''Average dayrate'' is defined as the the average contract dayrate earned by marketable rigs over the reporting period excluding mobilization fees, contract preparation, capital expenditure reimbursements, demobilization, recharges, bonuses and other revenues.

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.

Operating Expense Summary

- Operating and maintenance of $82.9 million in Q2 2020 lower by $18.1 million versus Q1 2020:
  - In the Middle East / Mediterranean, following suspensions of the Shelf Drilling Tenacious, Shelf Drilling Mentor, Key Manhattan and Key Singapore
  - In Nigeria, resulting from the end of contracts for the Trident XIV and Shelf Drilling Resourceful as well as other actions taken to offset reductions in dayrates and activity
  - In India, following the contract preparation of the Trident II which started its new contract at the end of Q1 2020
- General and administrative expenses of $12.1 million in Q2 2020 decreased by $1.2 million versus Q1 2020:
  - Significantly lower personnel and administrative costs due to a range of cost savings and restructuring measures implemented at the Company's headquarters in April
  - Partially offset by one-time restructuring costs and an increase in provision for doubtful accounts

	Q1 2020	Q2 2020
Operating Expenses *(in thousands USD)*		
Rig operating costs	$90,365	$74,608
Shore-based costs	10,615	8,319
Operating and maintenance	**$100,980**	**$82,927**
Corporate G&A	$12,400	$7,173
Restructuring costs in G&A	-	1,502
Provision for doubtful accounts	69	2,287
Share-Based Compensation	860	1,105
General & administrative	**$13,329**	**$12,067**

Adjusted EBITDA Reconciliation

(In thousands USD)	Q1 2020	Q2 2020
Net (Loss) / Income	**$(184,900)**	**$8,106**
Add Back		
Interest expense and financing charges, net of interest income	21,598	22,565
Income tax expense	7,578	2,940
Depreciation	20,146	16,348
Amortization of deferred costs	14,991	9,751
Loss on impairment / disposal of assets [1]	188,044	40
EBITDA	**$67,457**	**$59,750**
Acquired rig reactivation costs	156	147
Restructuring costs[2]	-	1,642
Adjusted EBITDA	**$67,613**	**$61,539**
Adjusted EBITDA margin	**37.3%**	**39.7%**

Note (1): The Company recorded a $188.0 million loss on impairment of long-lived assets in Q1 2020. Nineteen of the Company's rigs were impaired, of which four were stacked rigs that have been inactive for two or more years.
Note (2): ''Restructuring costs'' is defined as certain one-time expenses related to cost saving and restructuring measures and third-party professional services.

Capital Expenditures and Deferred Costs Summary

- Capital Expenditures and Deferred Costs excluding rig acquisitions totaled $13.2 million in Q2 2020, down by $4.3 million versus Q1 2020 primarily as a result of:
  - Lower spending on fleet spares in Q2 2020 compared to Q1
  - Contract preparation and capital projects for Trident II were completed at the end of Q1 2020
  - Partly offset by higher planned out of service costs in Q2 2020 compared to Q1 for two rigs in Saudi (High Island II and High Island IV)
- Rig acquisition expenditures of $13.3 million in Q2 2020 primarily relate to the reactivation of the Shelf Drilling Enterprise and operation readiness project on the Shelf Drilling Journey

(In thousands USD)	Q1 2020	Q2 2020
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$12,735	$11,474
Contract preparation [2]	1,364	1,961
Fleet spares and other [3]	3,459	(201)
	$17,558	$13,234
Rig acquisitions [4]	54,960	13,254
Total Capital Expenditures and Deferred Costs	**$72,518**	**$26,488**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$56,512	$20,817
Net change in accrued but unpaid additions to PP&E	4,273	(633)
Total Capital expenditures	$60,785	$20,184
Changes in deferred costs, net	$(3,258)	$(3,447)
Add: Amortization of deferred costs	14,991	9,751
Total deferred costs	$11,733	$6,304
Total Capital Expenditures and Deferred Costs	**$72,518**	**$26,488**

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 expenditures 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 readiness projects for the Shelf Drilling Enterprise acquired in January 2020 and for two newbuild premium jack-up drilling rigs acquired in May 2019 and the subsequent reactivation of one premium jack-up rig acquired in July 2018.

Capital Structure Summary

(In millions USD)	YE 2019	Q1 2020	Q2 2020
Cash and Cash Equivalents	$26.1	$69.0	$92.2
Total Long-lived Assets [1]	1,461.3	1,309.2	1,308.2
Total Assets	**$1,700.0**	**$1,593.5**	**$1,610.8**
Senior unsecured notes due 2025 [2]	$889.5	$890.0	$890.4
Senior secured notes due 2024 [3]	-	77.4	77.5
RCF Drawdowns due 2023	35.0	55.0	55.0
Total Debt	**$924.5**	**$1,022.3**	**$1,022.9**
Net Debt	$898.5	$953.4	$930.7
Total Equity	$561.5	$374.8	$384.4

- As of June 30, 2020, the outstanding borrowings under the RCF were $55 million and the outstanding bank guarantees under RCF were $14.7 million.
  - Total liquidity, including availability under RCF, of approximately $247.5 million as of June 30, 2020.
- LTM Adjusted EBITDA of $216.9 million and Net Leverage ratio of 4.3x as of June 30, 2020.
- Total Net Leverage Ratio for covenant compliance purposes under RCF of 3.5x at June 30, 2020 primarily due to forward EBITDA credits for 3 recently acquired premium jack-up rigs.
- Total shares outstanding of 136.2 million as of June 30, 2020
  - 0.3 million shares were issued in Q2 2020 relating to vested equity awards
  - Primary insiders : 65.7 million or 48.3%
    - China Merchants: 26.8 million (19.7%)
    - Castle Harlan: 19.7 million (14.5%)
    - Lime Rock: 17.2 million (12.6%)

Note (1) Total Long Lived Assets are defined as property plant and equipment, right-of-use assets and short term and long term deferred costs
Note (2) Reflects carrying value. Principal value is $900.0 million
Note (3) Reflects carrying value. Principal value is $80.0 million

Free Cash Flow Summary

- Q2 2020 Adjusted EBITDA of $61.5 million and Adjusted EBITDA Margin of 39.7%
- Cash and cash equivalents increased by $23.2 million to $92.2 million during Q2 2020
  - $1.7 million of bi-annual interest of the Senior secured notes due 2024 paid in May 2020 compared to the $37.1 million of bi-annual interest on the Senior unsecured notes due 2025 paid in February 2020 (next payment due August 15, 2020)
  - Significant reduction in sequential capital spending, primarily due to the acquisition of the Shelf Drilling Enterprise in Q1 2020

Quarterly Cash Flow Summary ($MM)	Q1 2020	Q2 2020
Adjusted EBITDA	**$67.6**	**$61.5**
Adjustments	(0.1)	(1.8)
EBITDA	**$67.5**	**$59.7**
Interest expense, net of interest income	(21.6)	(22.6)
Income tax (expense)	(7.6)	(2.9)
Capital expenditures and deferred costs [1]	(17.5)	(13.2)
Sub-Total	**$20.8**	**$21.0**
Working Capital Impact		
Interest payable	(17.7)	18.8
Other	(1.2)	(3.1)
Growth Projects		
Capex/Deferred Costs: Rig Acquisitions	(55.2)	(13.4)
Cash Flow	**$(53.3)**	**$23.3**
Share repurchase	(1.6)	-
Net proceeds from issuance of debt	77.8	(0.1)
RCF Drawdown, net	20.0	-
Net Change in Cash and Cash Equivalents	**$42.9**	**$23.2**
Beginning Cash	26.1	69.0
Ending Cash and Cash Equivalents	**$69.0**	**$92.2**

Note (1) Excluding rig acquisitions.

SHELF
DRILLING