Shelf Drilling Q3 2020 Results Highlights

13 November 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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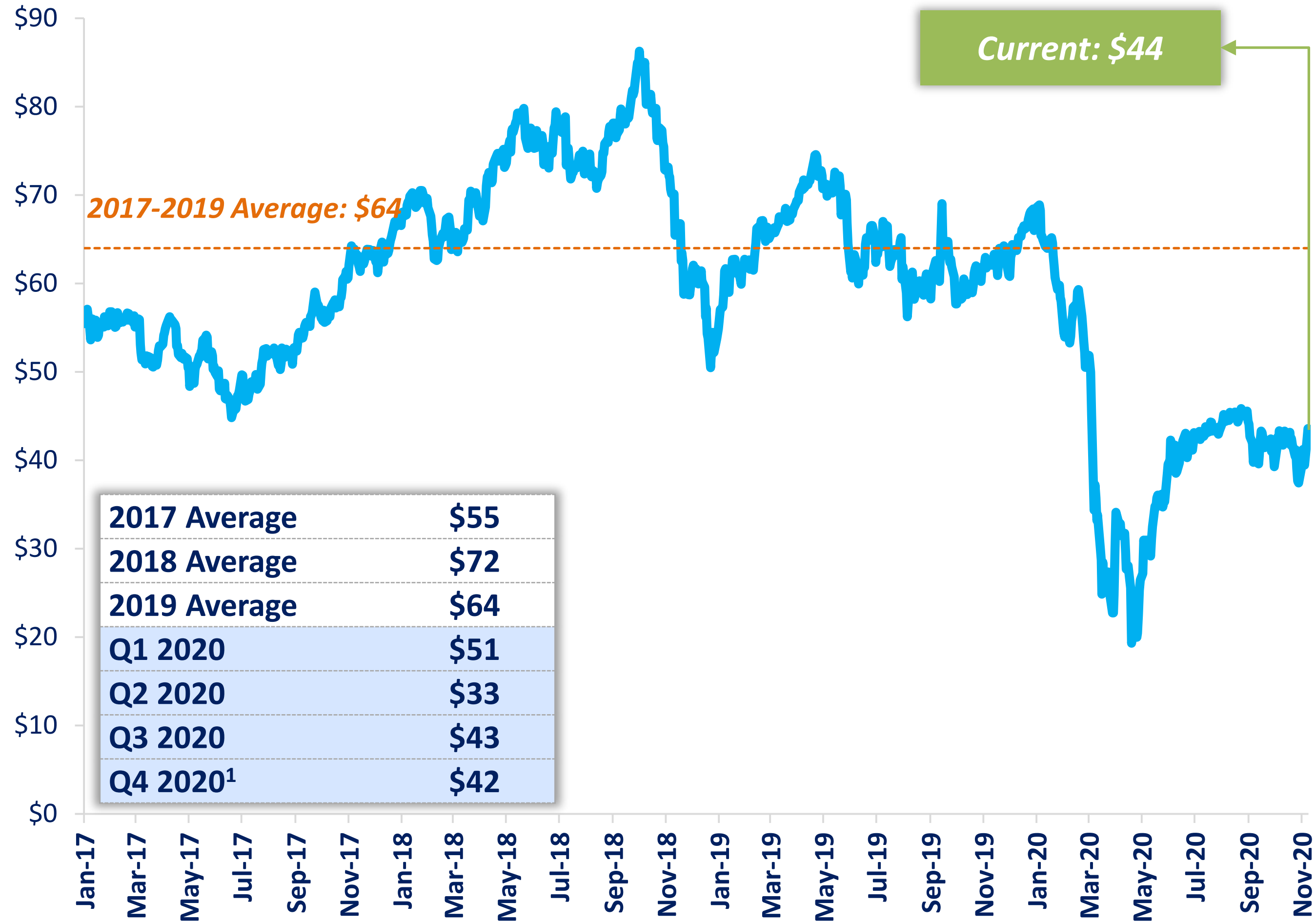
Oil Price Development

- Unprecedented intervention by OPEC+ to curb oil supply has helped lift Brent crude prices from the trough levels in April 2020
- Brent crude prices have since stabilized around the ~$40 per barrel mark, falling slightly lower in Q3 from the end of Q2 due to stalling demand recovery trends
- Demand for oil and gas is likely to remain depressed in the short to medium term as COVID-19 outbreaks resurface in many parts of the world
- Current oil price is still well below recent years' averages and the level necessary to support improvement in utilization and dayrates

Brent Oil Price ($/bbl)



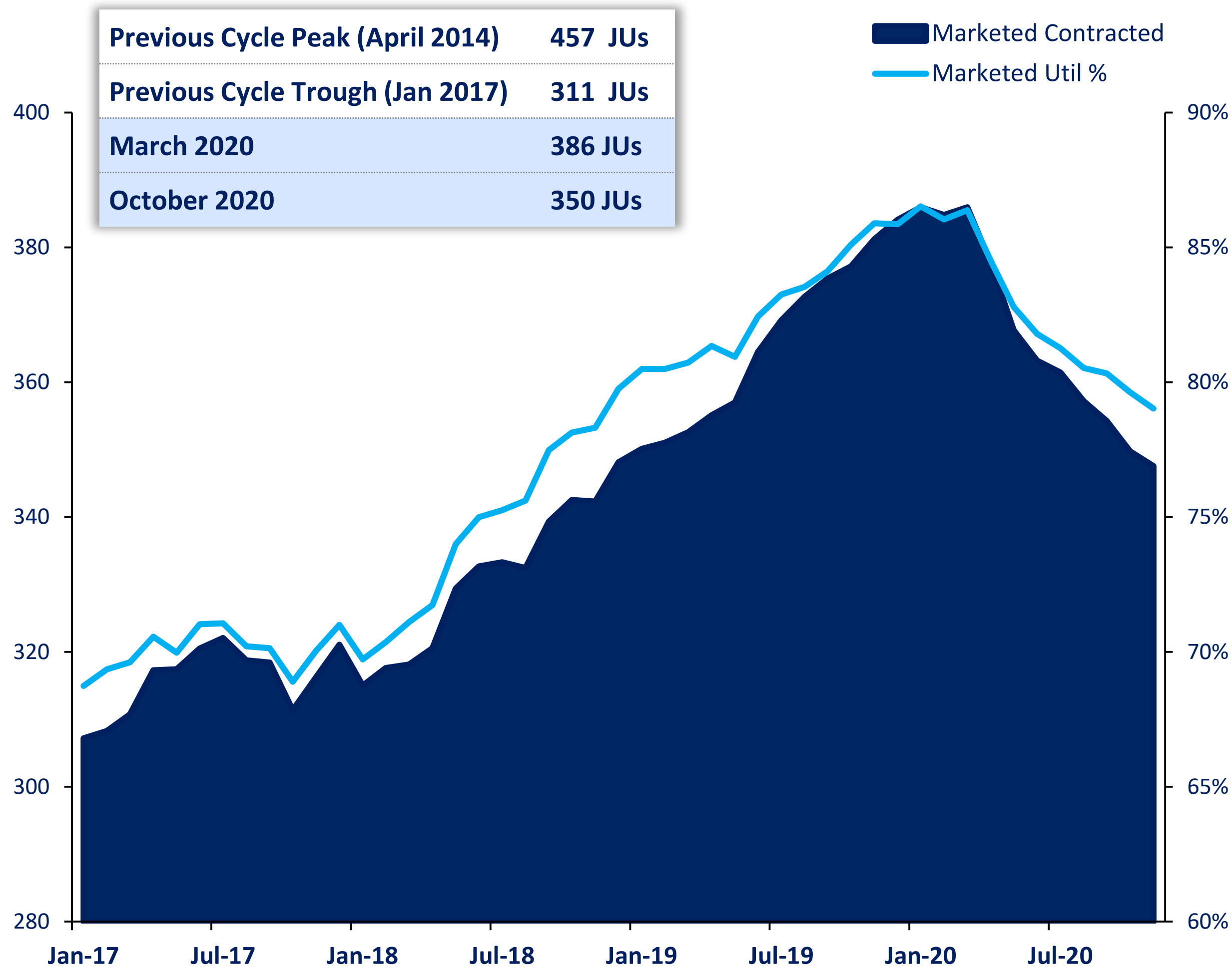
2017 Average	$55
2018 Average	$72
2019 Average	$64
Q1 2020	$51
Q2 2020	$33
Q3 2020	$43
Q4 2020[1]	$42

Source: Bloomberg, as of 10 November 2020.
Note (1): Q4 2020 Brent oil price based on 1 October 2020 to 10 November 2020.

Global Jack-up Fleet

- Sustained low oil prices continued to drive lower utilization and lower dayrates in the offshore jack-up market during Q3 2020
- In the recent months, there have been several new contract terminations and suspensions as well as dayrate negotiations while new tendering and contracting activity has been muted
- Global number of contracted jack-up rigs decreased from 386 rigs in March 2020 to 350 in October 2020
  - Marketed utilization fell from 87% to 80% during the same period
- Global jack-up rig count and marketed utilization are expected to further decline in the coming months

of Contracted Jack-ups



Previous Cycle Peak (April 2014)	**457 JUs**
Previous Cycle Trough (Jan 2017)	**311 JUs**
March 2020	**386 JUs**
October 2020	**350 JUs**

Source: IHS Petrodata, as of 31 October 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

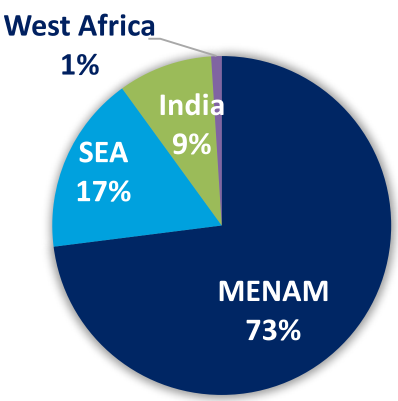
- Effective and safe crew changes / people movement
- Working closely with customers to implement COVID-19 protocols
- Frequent employee communication
- Aggressive cost reduction
- Completed RCF amendment

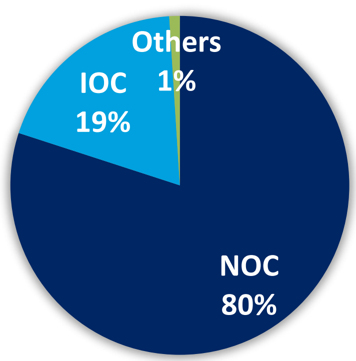
Fleet Status Summary – As of 30 September 2020

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

	Contracted	Available	Total[1]	% Contracted	Contract Expirations				
					Q4 2020	Q1 2021	Q2 2021	H2 2021	2022+
MENAM	**15**	**1**	**16**	**94%**	**3**	**1**	**1**	**2**	**8**
Arabian Gulf[2]	11	1	12	92%	1	1	1	-	8
NAF/Med[3]	4	0	4	100%	2	-	-	2	-
India	**8**	**0**	**8**	100%	**-**	**4**	**-**	**-**	**4**
West Africa	**3**	**1**	**4**	75%	**3**	**-**	**-**	**-**	**-**
SE Asia	**4**	**0**	**4**	100%	**-**	**-**	**-**	**-**	**4**
Total	**30**	**2**	**32**	**94%**	**6**	**5**	**1**	**2**	**16**

Total Backlog – $1,443 Million *(As of 30 Sep 2020)*





Recent Developments

- Trident VIII: Commenced new contract in Nigeria in September 2020
- Parameswara: Secured a contract in India commencing late November 2020
- SD Tenacious: Secured a contract in the Middle East commencing December 2020
- Main Pass I: Received notice of suspension for up to 12 months beginning October 2020, contract term to be extended by equal period
- Main Pass IV: Received notice of suspension following completion of the ongoing out-of-service project through December 2020
- Key Singapore: Operations suspended in October 2020
- SD Enterprise: Contract commencement delayed to late December 2020
- SD Mentor: Completed contract in October 2020, rig is now available
- Trident XIV: Sale completed in August 2020
- BBC Rigs: Terminated agreements with affiliates of China Merchants for bareboat charter of two CJ-46 jack-up rigs in September 2020

Note (1): Total excludes 5 stacked rigs (4 jack-ups and 1 swamp barge) that are held for sale.
Note (2): Arabian Gulf includes Saudi Arabia, UAE and Bahrain.
Note (3): North Africa & Mediterranean include Italy, Tunisia and Egypt operations.

Q3 2020 Results

Shelf Drilling Q3 2020 Results Highlights

Results of Operations

(In thousands USD)	Q2 2020	Q3 2020
Revenues	**$155,017**	**$ 127,445**
Operating Costs & Expenses		
Operating and maintenance	82,927	78,956
Depreciation	16,348	16,681
Amortization of deferred costs	9,751	9,495
General and administrative	12,067	9,386
Loss / (Gain) on disposal of assets	40	(5,680)
Operating Income	**33,884**	**18,607**
Other Expense, Net		
Interest expense and financing charges, net of interest income	(22,565)	(22,542)
Other, net	(273)	(179)
Income / (Loss) Before Income Taxes	**11,046**	**(4,114)**
Income tax expense	2,940	3,565
Net Income / (Loss)	**$8,106**	**$(7,679)**

Revenue Summary

- $27.6 million, or 17.8%, sequential decrease in revenues:
  - Effective utilization decreased to 72% from 84%, mainly due to
    - Suspension of one rig (High Island IV) and planned out of service time for one rig (Main Pass IV) in Saudi Arabia
    - Suspension of one rig (Baltic) and termination of one rig (Trident VIII) in Nigeria
    - Completion of contract and subsequent sale of one rig in Nigeria (Trident XIV)
  - Average dayrate decreased by 2% primarily due to reduced rates during periods of suspension and where customers renegotiated dayrates as a result of the COVID-19 pandemic and reduction in oil prices
  - Sequential revenue declines primarily concentrated in Nigeria and Saudi Arabia
  - Modest sequential revenue impact in Thailand and India
- Further sequential decline in revenues expected in Q4 2020 due to scheduled contract completions (Shelf Drilling Mentor in UAE), suspensions (Main Pass I in Saudi and Key Singapore in Tunisia), partially offset by an expected increase in Nigeria

	Q2 2020	Q3 2020
Operating Data		
Average marketable rigs[1]	32.3	32.2
Average dayrate[2] (in thousands USD)	$57.8	$56.6
Effective utilization[3]	84%	72%
Revenue *(in thousands USD)*		
Operating revenues – dayrate	$145,184	$120,967
Operating revenues – others	6,445	4,140
Other revenues	3,388	2,338
Total Revenues	**$155,017**	**$127,445**

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.
Note (2): ''Average dayrate'' is defined as 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 $79.0 million in Q3 2020 lower by $3.9 million versus Q2 2020:
  - Lower expenses relating to the bareboat charter rigs with China Merchants following the settlement of the termination agreements
  - Lower operating costs across three rigs that were suspended through September 2020 (Key Manhattan, High Island IV and Baltic)
  - Lower expense related to the completion of contract and subsequent sale of one rig (Trident XIV)

- General and administrative expenses of $9.4 million in Q3 2020 decreased by $2.7 million from Q2 2020 primarily due to the decrease in provision for doubtful accounts and one-time restructuring costs

	Q2 2020	Q3 2020
Operating Expenses *(in thousands USD)*		
Rig operating costs	$74,608	$70,961
Shore-based costs	8,319	7,995
Operating and maintenance	**$82,927**	**$ 78,956**
Corporate G&A	$7,173	$7,751
Restructuring costs in G&A	1,502	265
Provision for doubtful accounts	2,287	266
Share-Based Compensation	1,105	1,104
General & administrative	**$12,067**	**$9,386**

Adjusted EBITDA Reconciliation

(In thousands USD)	Q2 2020	Q3 2020
Net Income / (Loss)	**$8,106**	**$(7,679)**
Add Back		
Interest expense and financing charges, net of interest income	22,565	22,542
Income tax expense	2,940	3,565
Depreciation	16,348	16,681
Amortization of deferred costs	9,751	9,495
Loss / (Gain) on disposal of assets	40	(5,680)
EBITDA	**$59,750**	**$38,924**
Acquired rig reactivation costs	147	113
Restructuring costs[1]	1,642	265
Adjusted EBITDA	**$61,539**	**$39,302**
Adjusted EBITDA margin	**39.7%**	**30.8%**

Note (1): ''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 $16.6 million in Q3 2020, up by $3.4 million from Q2 2020 primarily as a result of:
  - In Saudi Arabia, higher spending associated with the increased shipyard activity during Q3 2020 (Main Pass IV and High Island IV), partially offset by lower planned out of service costs in Q3 2020 as compared to Q2 2020 (High Island II)
  - Increased capital maintenance costs during Q3 2020, primarily related to rigs in Nigeria
- Rig acquisition expenditures of $9.9 million in Q3 2020 primarily related to the ongoing reactivation of the Shelf Drilling Enterprise, which is expected to be completed by the end of 2020

(In thousands USD)	Q2 2020	Q3 2020
Capital Expenditures and Deferred Costs:		
Regulatory and capital maintenance [1]	$11,474	$11,358
Contract preparation [2]	1,961	4,674
Fleet spares and other [3]	(201)	560
	$13,234	$16,592
Rig acquisitions [4]	13,254	9,930
Total Capital Expenditures and Deferred Costs	**$26,488**	**$26,522**
Reconciliation to Statements of Cash Flow		
Cash payments for additions to PP&E	$20,817	$17,667
Net change in accrued but unpaid additions to PP&E	(633)	(2,278)
Total Capital expenditures	$20,184	$ 15,389
Changes in deferred costs, net	$(3,447)	$1,638
Add: Amortization of deferred costs	9,751	9,495
Total deferred costs	$6,304	$11,133
Total Capital Expenditures and Deferred Costs	**$26,488**	**$26,522**

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	Q3 2020
Cash and Cash Equivalents	$26.1	$69.0	$92.2	$69.2
Total Long-lived Assets [1]	1,461.3	1,309.2	1,308.2	1,309.0
Total Assets	**$1,700.0**	**$1,593.5**	**$1,610.8**	**$1,568.9**
Senior unsecured notes due 2025 [2]	$889.5	$890.0	$890.4	$890.8
Senior secured notes due 2024 [3]	-	77.4	77.5	77.6
RCF Drawdowns due 2023	35.0	55.0	55.0	55.0
Total Debt	**$924.5**	**$1,022.3**	**$1,022.9**	**$1,023.4**
Net Debt	$898.5	$953.4	$930.7	$954.2
Total Equity	$561.5	$374.8	$384.4	$378.3

- As of September 30, 2020, the outstanding borrowings under the RCF were $55.0 million and the outstanding bank guarantees under RCF were $15.7 million
  - Total liquidity, including availability under RCF, of approx. $223.5 million as of September 30, 2020
- LTM Adjusted EBITDA of $224.2 million and Net Leverage ratio of 4.3x as of September 30, 2020
- Total Net Leverage Ratio for covenant compliance purposes under RCF of 3.5x at September 30, 2020 primarily due to forward EBITDA credits for 3 recently acquired premium jack-up rigs and certain other one-time and/or non-cash costs (mainly share-based comp, COVID-19 related costs)
- Amended the RCF to provide relief from the Total Net Leverage Ratio financial covenant from January 1, 2021 until September 29, 2021, or upon our voluntary election to early terminate the amendment [4]
- Total authorized shares increased by 40 million to 184.1 million shares as of September 30, 2020
- Total shares outstanding of 136.2 million as of September 30, 2020
  - Primary insiders: 65.7 million or 48.3%, consisting of China Merchants: 26.8 million (19.7%), Castle Harlan: 19.7 million (14.5%) and 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
Note (4) The fifth amendment to the RCF also includes for the term of the amendment: an increase of the applicable margin under the RCF by 100 basis points, new financial covenants requiring a minimum 1.50:1.00 consolidated coverage ratio and a maximum 1.50:1.00 senior secured leverage ratio; and a prohibition of cash dividends by Shelf Drilling Holdings, Ltd.

Free Cash Flow Summary

SHELF DRILLING

- Q3 2020 Adjusted EBITDA of $39.3 million and Adjusted EBITDA Margin of 31%
- Cash and cash equivalents decreased by $23.0 million to $69.2 million during Q3 2020
  - $37.1 million of bi-annual interest on the Senior Unsecured Notes due 2025 paid in August 2020 (next payment due February 2021) compared to the $1.7 million of bi-annual interest of the Senior Secured Notes due 2024 paid in May 2020
  - Total spending on capital expenditures and deferred costs including rig acquisitions of $26.5 million in Q3 2020 is comparable to Q2 2020

Quarterly Cash Flow Summary ($MM)	Q2 2020	Q3 2020
Adjusted EBITDA	**$61.5**	**$39.3**
Adjustments	(1.8)	(0.4)
EBITDA	**$59.7**	**$38.9**
Interest expense, net of interest income	(22.6)	(22.5)
Income tax (expense)	(2.9)	(3.6)
Capital expenditures and deferred costs [1]	(13.2)	(16.6)
Sub-Total	**$21.0**	**$(3.8)**
Growth Projects		
Capex/Deferred Costs: Rig Acquisitions	(13.4)	(9.9)
Rig Sale Net Proceeds	-	5.7
Working Capital Impact		
Interest payable	18.8	(16.8)
Other	(3.2)	1.8
Net Change in Cash and Cash Equivalents	**$23.2**	**$(23.0)**
Beginning Cash	69.0	92.2
Ending Cash and Cash Equivalents	**$92.2**	**$69.2**

Note (1) Excluding rig acquisitions.

SHELF
DRILLING