



**SHELF DRILLING, LTD.**

(An exempted company, limited by shares and incorporated under the laws of the Cayman Islands)

**Listing of 11,156,568 new securities issued in connection with a private placement completed on 23 June 2022**

This EU recovery prospectus (the "**Prospectus**" or the "**EU Recovery Prospectus**") has been prepared in connection with the listing (the "**Listing**") by Shelf Drilling, Ltd. ("**Shelf Drilling**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**"), an exempted company, limited by shares and incorporated under the laws of the Cayman Islands, on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 11,156,568 new depository receipts, each with a par value of USD 0.01, (the "**New Securities**" and each a "**New Security**") issued at a subscription price of NOK 13.00 per New Security in connection with a private placement completed on 23 June 2022 (the "**Private Placement**") comprising a total of 38,400,000 securities (the "**Private Placement Securities**"), divided into two settlement tranches wherein 27,243,432 of the Private Placement Securities already have been listed on the Oslo Stock Exchange.

**This Prospectus does not constitute an offer to buy, subscribe or sell the securities described herein. The Prospectus serves as a listing prospectus as required by applicable laws and no securities are being offered or sold pursuant to this Prospectus.**

The Company's existing depository receipts (the "**Existing Securities**") are, and the New Securities will be, listed on the Oslo Stock Exchange under the ticker code "SHLF". The Company's Existing Securities and the New Securities are together referred to as the "**Securities**". Except where the context otherwise requires, references in this Prospectus to "**Securities**" will be deemed to include the Existing Securities and the New Securities. All of the Existing Securities are, and the New Securities will be, registered in the VPS in book-entry form. All of the issued Securities rank pari passu with one another and each carry one vote.

**Investing in the Securities involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 4 when considering an investment in the Company.**

**This Prospectus has not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States of America (the "United States" or the "U.S.").**

**Managers**

DNB Markets, a part of DNB Bank ASA

SpareBank 1 Markets AS

The date of this Prospectus is 5 August 2022

## IMPORTANT INFORMATION

This Prospectus has been prepared as an EU recovery prospectus in connection with the listing of the New Securities on the Oslo Stock Exchange, based on the simplified disclosure regime for EU recovery prospectuses, cf. Article 14a of Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 amending Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC<sup>1</sup>, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "EU Prospectus Regulation").

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "Norwegian Securities Trading Act") and related secondary legislation, including the EU Prospectus Regulation. This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "Norwegian FSA"), as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain other terms used throughout this Prospectus, see Section 11 "Definitions and Glossary".

The Company has engaged DNB Markets, a part of DNB Bank ASA ("DNB Markets") and SpareBank 1 Markets AS ("SBIM") as managers for the Private Placement (the "Managers").

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing or the New Securities, other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of its affiliates, representatives or advisors.

**The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein. No one has taken any action that would permit a public offering of the Securities. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.**

This Prospectus and the Listing shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

No Securities or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

In making an investment decision regarding any of the Securities, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the Securities, including the merits and risks involved. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Securities.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

## INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Securities have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Securities is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Listing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Securities and determining appropriate distribution channels.

## ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company, limited by shares and incorporated under the laws of the Cayman Islands. As a result, the rights of holders of the Securities and the Company's articles of association (the "Articles") will be governed by the laws of the Cayman Islands. The rights of shareholders under the laws of the Cayman Islands may differ from the rights of shareholders of companies incorporated in other jurisdictions, such as Norwegian law.

With seven exceptions, the members of the Company's board of directors (the "Board Members" and the "Board of Directors", respectively) and the members of the Group's senior management (the "Management") are not residents of the United States. Virtually all of the Company's assets are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. Similar restrictions may apply in other jurisdictions.

<sup>1</sup> Means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

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**1 SUMMARY**

**Introduction and warning**

*Warning*..... This summary should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Securities involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

*The Company*..... Shelf Drilling, Ltd. is an exempted company, limited by shares and incorporated under the laws of the Cayman Islands pursuant to the Cayman Islands Companies Act (as amended) (the "Cayman Islands Companies Act"). The Company was incorporated in the Cayman Islands on 14 August 2012, and has registration number 271054, and its LEI is 549300PTFC72J38UQF59.

The Company's business address is One JLT, Floor 12, Jumeirah Lakes Towers, P.O. Box 212201, Dubai, United Arab Emirates, and the Company's main telephone number at that address is +971 4 567 3400. The Group's website can be found at <https://www.shelfdrilling.com/>.

*ISIN*..... The New Securities will be registered in book-entry form in the VPS under ISIN KYG236271055.

*Competent authority*..... The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and, on 5 August 2022, approved this Prospectus.

**Key information on the issuer**

*Principal business activities*..... The Group is a leading international shallow water offshore drilling contractor engaged in the provision of equipment and services for the drilling, completion and well maintenance of shallow water offshore oil and natural gas wells.<sup>2</sup> The Group is primarily engaged in development and workover activity on producing assets in shallow water, currently with a sole focus on operations in water depths of up to 375 feet. As of the date of this Prospectus, the Company's drilling fleet consists of 31 independent legs and cantilever ("ILC") jack-up rigs. The Group also intends to acquire 5 additional jack-up rigs. Further information regarding the Group's rigs is available at <https://www.shelfdrilling.com/our-fleet/>.

*The impact of the COVID-19 pandemic on the Company's business*..... The COVID-19 pandemic and global measures taken to combat it since 2020 has introduced unprecedented disruptions to global economic activities, reduced demand for oil and gas products, and risks to the Company's employees and operations. Rapid spread of COVID-19 and worldwide lockdowns had profound impact on the physical and mental health of rig crews as personnel movement and the Company's ability to rotate offshore crew became severely limited in order to keep the rigs infection-free. Steep decline in crude oil demand and the associated oil price crash in 2020 also triggered immediate responses from oil and gas producers globally, whereby a large number of contracts with offshore drilling contractors were prematurely terminated, temporarily suspended or renegotiated, including a few with the Company's rigs.

The Company was well-positioned at the onset of the pandemic with a robust IT infrastructure to support remote work for the onshore staff, and in collaboration with customers and local authorities, implemented steadfast measures to mitigate the health risks of its high national content offshore employees and ensure business continuity. In addition, the Company rationalized its cost and capital structure through means such as divesting 6 of its non-contracted rigs, deferring or cutting expenses where possible, and simplifying its debt structure, so as to ensure cash liquidity and position itself to capitalize on the upcoming opportunities in a market recovery.

**Key information on the securities**

*Type, class, par value, currency and ISIN*..... The Company has one class of shares in issue: Common Shares. Each of the Common Shares carries one vote at any general meeting of the Company. The Common Shares have been issued pursuant to the Cayman Islands Companies Act and the Articles of Association and the beneficial interests pertaining to the Common Shares (i.e. the Existing Securities) are, and the New Securities will be, registered in book-entry form in the VPS under ISIN KYG236271055. The underlying Common Shares are issued in USD. The Securities are issued in NOK.

Investors in the Private Placement have received depository receipts, with each such depository receipt representing entitlement to one Common Share in the Company. This Prospectus has been prepared for the Listing of the New Securities, which are depository receipts for 11,156,568 underlying Common Shares in the Company.

The VPS Registrar will issue the New Securities shortly after the date of this Prospectus. The VPS Registrar is DNB Bank ASA, Verdipapirservice with registered office at Dronning Eufemias Gate 30, N-0021 Oslo, Norway.

The underlying Common Shares of the Company are recorded in the Company's shareholders' register in the Cayman Islands, maintained by Centralis Cayman Limited.

*Transfer restrictions*..... The Securities are freely transferable. The Articles of the Company do not provide for any restrictions on the transfer of Securities or a right of first refusal for the Securities. Security transfers are not subject to approval by the Board of Directors.

*Dividend and dividend policy*..... The Company does not intend to declare or pay any dividends to holders of Common Shares, including Securities, in the near future.

**Key information on the admission to trading on a regulated market**

*Terms and conditions of the offer of securities*..... Not applicable. There is no offer of Securities in connection with the Listing.

*Admission to trading*..... It is expected that the New Securities will commence trading on the Oslo Stock Exchange on or about 5 August 2022.

*Reasons for the Listing*..... This Prospectus has been prepared in order to facilitate the listing of the New Securities on the Oslo Stock Exchange.

*Dilution*..... The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the issuance of the Private Placement Securities:

	Prior to the Private Placement	Subsequent to the Private Placement
Number of Securities each with a par value of USD 0.01 .....	137,115,793	175,515,793
% dilution .....		21.9%

<sup>2</sup> Based on numbers of jack-up rigs owned and operated by the Group.

## 2 RISK FACTORS

An investment in the Company, thus the Securities, involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Information and related notes incorporated by reference hereto. The risks and uncertainties described in this Section 2 are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in the Securities. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Securities, resulting in loss of all or part of an investment in the Securities. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects. The Covid-19 pandemic, including the aftermath of the pandemic, may adversely affect the likeliness and/or materiality of the risk factors presented in this Section 2, and could also impose additional risks that have not yet been identified by the Company or which are not considered as material risks at the date of this Prospectus.

### 2.1 Risk related to an investment in Shelf Drilling (North Sea), Ltd.

#### 2.1.1 Risks related to Shelf Drilling (North Sea), Ltd. in connection with the Acquisition and in general.

The Company's currently wholly owned subsidiary, Shelf Drilling (North Sea), Ltd. ("**SDNS**"), has entered into an agreement with Noble Corporation (the "**Rig Purchase Agreement**") for the acquisition of five jack-up rigs, namely (i) "Noble Hans Deul"; (ii) "Noble Houston Colbert"; (iii) "Noble Lloyd Noble"; (iv) "Noble Sam Hartley", and (v) "Noble Sam Turner" (jointly the "**Rigs**"), and related contracts and employees (the "**Acquisition**"). The purpose of the Private Placement is to finance part of the USD 375 million purchase price for the Rigs.

SDNS has since its incorporation in 2014 been a dormant company without any business activity. SDNS has no financial or operational history, and it will not commence operations until completion of the Acquisition. Because SDNS does not have any financial or operating history, there is limited information available and uncertainty regarding the evaluation of the Company's ability to achieve its business objectives through SDNS.

Following completion of the Acquisition, SDNS' operations will be dependent upon the Company, as its majority shareholder and key service provider of management services under a management agreement contemplated to be entered into with the Company. There can be no guarantee that SDNS' operations will be successful or that the Rigs will generate sufficient income to sustain SDNS' contemplated operations. SDNS may require additional capital and resources in order to carry out the contemplated operations of SDNS.

Following the completion of the Acquisition, the business of SDNS will be largely identical to the business of the Company. In relation to the risks related to Cayman Islands related matters, these will also apply to SDNS, including if SDNS should be converted to a Bermuda incorporated entity.

#### 2.1.2 Risks related to the completion of the Acquisition.

The completion of the Acquisition is conditional on the satisfaction of various conditions as further set out in the Rig Purchase Agreement, inter alia, approval from the UK Competition and Markets Authority ("**CMA**") of the Acquisition in accordance with section 73 of the Enterprise Act 2002, and other conditions which are dependent on a number of factors beyond the Company's control. There can be no guarantee that the Acquisition will be completed, or completed at the terms set out in the Rig Purchase Agreement.

In connection with the Rig Purchase Agreement, SDNS needs to procure approval from the relevant health and safety authorities in the United Kingdom, Denmark and Norway in connection with the safety cases for the rigs under the Rig Purchase Agreement. If the safety cases are not approved prior to completion of the Acquisition, SDNS will indemnify each seller party under the Rig Purchase Agreement for any losses incurred by virtue of a seller party being deemed to be the holder of the operation permit under the relevant regulations.

The completion of the Acquisition is also contingent on the merger between the Drilling Company of 1972 A/S ("**Maersk Drilling**") and Noble Corporation being completed or announced unconditional, this includes that a sufficient number of shareholders of Maersk Drilling has approved the exchange offer for the merger.

#### 2.1.3 Risks related to financing of the Rigs

In order to finance the purchase price of the Rigs, SDNS needs to raise around USD 200 million – 225 million in debt financing. There is no guarantee that SDNS will manage to obtain such financing, or that the financing will be on satisfactory terms in line with SDNS' business plan.

Furthermore, SDNS needs the USD 80 million in equity capital from the investors in the Private Placement. Settlement of this part of the Private Placement is contemplated in September 2022, and there is an inherent risk that some of the investors in the Private Placement may be unable or unwilling to fulfil their obligation to subscribe for shares in SDNS at that time, in which case SDNS may not be able to complete the Acquisition.

#### 2.1.4 Deposit

SDNS has paid a deposit of USD 37.5 million under the Rig Purchase Agreement. SDNS, and indirectly the Company, may lose this deposit in case SDNS fails to complete the Rig Purchase Agreement.

### 2.1.5 *Risks related to the Rigs under the Rig Purchase Agreements.*

While the Company has conducted a due diligence on the Rigs, no assurance can be given that such diligence will surface all material issues or that factors outside of the Rigs and outside of the parties' control will not arise after the completion of the Acquisition. Accordingly, SDNS may after the completion of the Acquisition have to write-down or write-off assets, restructure operations, or incur impairment or other charges that could result in reporting losses.

Should any material issues related to the Rigs arise after the completion of the Acquisition, the Company may experience downtime on the rigs under the Rig Purchase Agreement, incur significant costs related to the rigs, which may have a material adverse impact on the Group's revenues, results of operations and cash flows.

### 2.1.6 *The Oslo Stock Exchange may not list SDNS' shares from trading on Euronext Expand or Euronext Growth.*

The shares of SDNS are intended to be listed on Euronext Expand or Euronext Growth after the completion of the Acquisition. The Company cannot assure investors that the SDNS shares will be admitted to listing or that they will continue to be listed on Euronext Expand or Euronext Growth in the future. If SDNS is not admitted to listing on Euronext Expand or Euronext Growth or delisted in the future, investors, including the Company, could be subject to significant material adverse consequences, including, but not limited to, limited availability of a liquid market for trading and pricing of the SDNS shares and reduced amount of information and analyst coverage.

### 2.1.7 *The Company will control a substantial interest in SDNS after the completion of Acquisition.*

As of the date of this Prospectus, 100% of the shares in SDNS are owned by the Company. Following settlement towards the Private Placement investors, the Company is expected to remain the largest shareholder of SDNS, holding approximately 60% of the shares in SDNS. Accordingly, the Company will have the ability to significantly influence the outcome of matters submitted for the vote of SDNS' shareholders, including the election of Directors to the Board of Directors. The commercial goals of the Company as a shareholder, and those of SDNS, may not always be aligned and this concentration of ownership may not always be in the best interest of SDNS' other shareholders. For example, the Company could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, amalgamation, consolidation, takeover or other business combinations involving SDNS, or discourage a potential acquirer from attempting to obtain control of SDNS. Although it is expected that the Company will remain the major shareholder of SDNS, no assurance can be given that this will continue on a permanent basis. If the Company was no longer a major shareholder of SDNS, or if its commercial goals were not in the best interest of SDNS, this could have a material adverse effect on the market value of the shares in SDNS.

### 2.1.8 *The Company may be prevented from making decisions that are in the best interest of the Company.*

Pursuant to the bye-laws of SDNS, certain matters, such as increase of authorized share capital of SDNS, merger or demerger, amalgamation or scheme of arrangement, liquidation of SDNS, amendment of the bye-laws and replacement of SDNS' auditor, will require support from at least 75% of the shareholders of SDNS. Although the Company is expected to hold approximately 60% of the shares in SDNS, the Company will not have control over decisions pertaining to, inter alia, the above matters. As the commercial goals of SDNS and the Company may not always be aligned, there is a risk that the Company will be prevented from making decisions that are in the best interest of the Company.

## 2.2 **Risks related to the industry in which the Group operates**

### 2.2.1 *The Group's business depends on the level of activity in the shallow water offshore drilling industry.*

The level of activity of the shallow water offshore drilling industry is cyclical, volatile and impacted by oil prices. Sustained periods of low oil prices typically result in reduced exploration, development and production activities because oil companies' capital expenditure budgets are dependent on cash flows from such activities and are therefore sensitive to changes in energy prices. The level of activity and spending in the oil and gas industry are highly affected by factors such as volatility in demand for and supply of oil, fluctuations in current and future oil prices, the number, size and locations of oil fields, the demand for and supply of alternative fuels or energy supply, especially renewable sources of energy, the prices of alternative fuels or energy supply, changes in capital expenditure by companies operating in the offshore oil and gas industry and general economic, social and political conditions. Because almost all of the Group's revenue is driven by the development and workover activities of the Group's customers, a future decline in the activity levels of the shallow water offshore oil industry could have a material adverse effect on the Group's business, financial condition and results of operations.

### 2.2.2 *The shallow water drilling industry is highly competitive and has historically been cyclical and subject to price competition.*

The shallow-water drilling industry in which the Group operates is extremely competitive with numerous industry participants, and contracts have traditionally been awarded on a competitive bid basis. Price competition is frequently a major factor in determining a contract award. Customers may also consider unit availability and location, operational and safety performance records and age, condition and suitability of equipment. In addition, if the Group's competitors enter into joint venture agreements with some of the Group's largest customers, this could make it more difficult for the Group to obtain additional contracts from these customers. Competition for offshore rigs is typically global, as drilling rigs are mobile and may be moved from areas of low utilization and dayrates to areas of greater activity and corresponding higher dayrates. Costs connected with relocating drilling rigs for these purposes are sometimes substantial and are generally borne by the contractor. The over-supply of marketed jack-up rigs, which can be increased by new rigs under construction or reactivation of stacked rigs, increases competition and can lead to lower dayrates. The inability to compete successfully with the Group's competitors could have a material adverse effect on the Group's revenues, results of operations and cash flows.

Further, the shallow water drilling industry has historically been cyclical with periods of high demand, limited supply and high dayrates alternating with periods of low demand, excess supply and low dayrates. Periods of low demand and excess supply intensify competition in the industry and may result in the Group's drilling rigs being stacked or earning substantially lower dayrates for long periods of time. The Group has previously idled and stacked rigs in response to market conditions and may idle and stack additional rigs in the future, and such rigs may not return to service in the near term or at all. In addition, the Group has in the past and may

in the future enter into lower dayrate drilling contracts in response to market conditions which reduces the revenues the Group earns from such contracts. Prolonged periods of low utilization and dayrates, as well as extended periods when rigs are stacked, could reduce demand for the Group's services and materially adversely affect the Group's revenues, financial condition, results of operations or cash flows.

**2.2.3** *Public health issues, including epidemics and pandemics such as COVID-19 have had and may continue to have significant adverse consequences including significantly reduced demand for the Group's services.*

The existence of the novel coronavirus (“COVID-19”) was confirmed in early 2020 and spread to countries worldwide, causing disruptions to businesses and economic activity globally. The collapse in the demand for oil caused by this unprecedented global health and economic crisis, coupled with oil oversupply, had a material adverse impact on the demand for the Group's services. These effects have included adverse effects on revenues and net income; disruptions to the Group's operations, including restrictions on crew change travel; customer shutdowns of oil and gas exploration, development and production; supply chain and vendor activity disruptions; employee impacts from illness, school closures and other community response measures, which may cause prolonged absences of personnel who may be difficult or impossible to replace; and temporary closures of the Group's facilities or the facilities of the Group's customers and suppliers. Several of the Group's contracts were early terminated, suspended, shortened or renegotiated which adversely impacted the Group's business.

Additionally, these market and industry conditions placed significant pressure on the liquidity and solvency of many offshore drilling contractors, leading them to pursue restructuring transactions or reorganizations under bankruptcy laws. These transactions could have a material impact on the capital structure and competitive dynamics among offshore drilling companies, which could negatively impact the Group's ability to compete in the industry.

The extent to which the Group's operating and financial results are affected by emerging or resurgent epidemic or pandemic diseases or viruses and continue to be affected by COVID-19 is dependent on various factors and consequences beyond the Group's control, such as the duration and scope of the health crisis and the related responses by businesses and governments, particularly within the geographic locations where the Group operates, as well as the speed and effectiveness of these responses, including the effectiveness and the timeliness of vaccinations and treatments. New versions of COVID-19, public health issues and the volatile global economic conditions stemming from such widespread health crisis, has aggravated and could continue to aggravate certain other risk factors affecting the Group's business.

**2.2.4** *The Russian invasion of Ukraine has affected, and may continue to affect, the oil and gas industry and, in turn, the Group's operations*

Since Russia's invasion of Ukraine in the first quarter of 2022, the geopolitical situation in Eastern Europe has and is also expected to continue to have a significant impact on the oil and gas market in particular due to sanctions related to Russia and the export of Russian oil and gas. During the first half of 2022, gas prices have surged to an all-time high and oil prices climbed to 14-year highs, only below its peak in mid-2008. Rapid swings in oil and gas prices further increased the volatility in the energy sector. There can be no guarantee that such prices will be maintained over time, or at all, mainly due to the adverse inflationary effects high energy prices have on the global economy and the evolution of the sanctions against Russia's exportation of oil and gas. Additionally, the Russia-Ukraine conflict is generating further shortages of materials and parts used in oilfield equipment, with the consequence of deteriorating the delivery time of such equipment and parts, and potentially impacting the Group's operations. At the same time, sourcing of available quality products and equipment has become more challenging and, when available, such products and equipment have become more expensive to acquire, which has adversely impacted the Group's operating costs. The long term effects of the supply chain disruptions resulting from the Russia-Ukraine conflict are unpredictable and could have a material adverse effect on the Group's revenues, financial condition, results of operations or cash flows.

**2.3 Risks related to the business of the Group**

**2.3.1** *The Group's future business performance depends on the Group's ability to renew contracts with existing customers and secure new contracts for the Group's fleet of rigs.*

The Group's ability to secure contract renewals where the Group is the incumbent rig provider, and to win tenders for new contracts is affected by a number of factors both within and outside of the Group's control. Negotiations and tenders can be impacted by various factors including market conditions, rig specifications, safety record requirements, competition and governmental approvals required by customers. While the Group's preference is generally to renew contracts with its existing customers, if existing customers decide not to renew their contract, the Group must seek to secure a new customer contracts for its rigs. There can be no assurance that the Group will be able to renew or extend existing contracts or secure new arrangements before the original contracts lapse.

If the Group is unable to renew contracts or the Group is not selected for new contracts, or if the contracts entered into are delayed, workflow may be interrupted and the Group's business, financial condition and results of operations may be materially adversely affected.

As of the date of this Prospectus the Group had 28 customer contracts, of which nine customer contracts are scheduled to expire before 31 December 2022, six are scheduled to expire during 2023, and 13 contracts scheduled to expire at times subsequent to 31 December 2023. If the Group is unable to renew its customer contracts, it could lead to a rig being stacked and/or having to enter into a new contract at lower dayrates, shorter terms or in other geographical areas and could materially and adversely affect the Group's revenues, financial condition, results of operations and cash flows.

**2.3.2** *If customers reduce activity levels, terminate, suspend or seek to renegotiate contracts, or if market conditions dictate that the Group enters into contracts with unfavorable terms or increased risks, the Group may be materially adversely impacted.*

During periods of unfavorable market conditions, including low oil and natural gas prices and over-supply of rigs, customers may seek to renegotiate, suspend or terminate their contracts. The Group is subject to an increased risk of its customers taking such actions. Certain of the Group's customers may have the right to suspend or terminate contracts without limitations. Additionally, certain contracts may contain clauses allowing for termination due to downtime or operational problems above the contractual limits, safety-related issues, if the drilling rig is not delivered to the customer within the specified time period or in other specified circumstances, which may include events beyond the Group's control. Some of these contracts may require the Group to pay penalties, which could be material.

Certain of the Group's contracts provide for cancellation at the option of the customer upon payment of a penalty to the Group, which may not fully compensate the Group for the loss of the contract. Early termination of a contract may result in a drilling rig being idle for an extended period of time. Customers without favorable termination language may seek to renegotiate existing contracts, including for some of the termination reasons described above. During periods of unfavorable market conditions, a customer may no longer need a rig that is under contract or may be able to obtain a comparable rig at a lower dayrate. As a result, customers may seek to renegotiate the terms of their existing contracts to shorten the length of the contract or lower the dayrate or customers may seek to suspend, terminate or otherwise avoid their obligations under those contracts.

### 2.3.3 *The Group's future contracted revenue, or contract backlog, for the Group's fleet of drilling rigs may not be ultimately realised*

The contract backlog relating to the Group's rigs was approximately USD 1.7 billion as of 31 March 2022. The amount of contract backlog does not necessarily indicate future earnings, and the contract backlog may be adjusted up or down depending on various factors both within and outside of the Group's control. The contract drilling dayrate used in the calculation of contract backlog may be higher than the actual dayrate the Group ultimately receives. Actual dayrates earned may be lower than the standard operating dayrate, and may consist of alternative dayrates such as a waiting-on-weather rate, repair rate, standby rate, force majeure rate or moving rate. The contract drilling dayrate may also be higher than the actual dayrate earned because of factors resulting in lost dayrate revenue, including scheduled or unscheduled rig downtime or suspension of operations. Additionally, renegotiation of dayrates or contracts that provide for periodic adjustments of contract dayrates, including those linked to oil or natural gas prices, may cause a difference in actual revenues as compared to contract backlog.

Early cancellation of existing contracts (for which the Group may not be entitled to compensation or notice), failure by customers to complete existing contracts, unscheduled downtime, or the unavailability of rigs and equipment to fulfil a contract may result in a lower than expected number of contract days. Any changes in the dayrate and number of days used to calculate contract backlog could result in materially lower revenues than indicated by the contract backlog.

### 2.3.4 *The Group relies on a relatively small number of customers for a substantial portion of future contracted revenue*

The Group's customer base includes national oil companies ("NOCs") and international oil companies ("IOCs"), together with a small number of independent oil and gas companies. The Group's top three customers based on revenue accounted for 94% of contract backlog and 72% of revenues for the year ended 31 December 2021. The Group's business, financial condition, results of operations and cash flows could be materially and adversely affected if any of these customers were to reduce its contractual commitments to the Group, or suspend or withdraw its approval for the Group to provide services for them. The Group's growth is closely connected to the growth of its customers and the Group's results may be impacted if certain key customers were to significantly reduce their growth strategy. Furthermore, if any of the Group's major customers fails to compensate the Group for its services, terminates contracts, fails to renew existing contracts or refuses to enter into new contracts with the Group, or if a customer fails to perform due to liquidity, solvency or other reasons, and similar contracts with new customers are not forthcoming, the Group's business, financial condition, results of operations and cash flows would be materially and adversely affected.

### 2.3.5 *The Group's purchase of existing jack-up rigs carries risks associated with the condition and quality of those rigs.*

The Group has acquired, and may acquire in the future, existing jack-up rigs as a way of renewing and expanding the Group's fleet, including the Rigs (see section 6 "The Acquisition"). Unlike newbuild rigs, existing rigs typically do not carry warranties with respect to their condition. While the Group generally inspects any existing rig prior to purchase, such an inspection would normally not provide the Group with as much knowledge of its condition as if the rig had been built for the Group and operated by the Group during its life. Repairs and maintenance costs for existing rigs are difficult to predict and may be more substantial than for rigs that the Group has operated since they were built. In addition, the Group may not be able to obtain indemnification and warranties from the sellers for any rigs that the Group acquires. These costs could adversely affect the Group's results of operations and cash flows.

### 2.3.6 *Acquisition of rigs and reactivation of stacked rigs, as well as upgrade, refurbishment and repair projects are subject to various risks.*

In June 2022, the Group has entered into agreements for the acquisition of six jack-up rigs (see section 6 "The Acquisition" and section 7.2 "The Group's business"), and could in the future further increase the size of its fleet through purchase, lease or construction of rigs. In addition, the Group may choose to reactivate rigs which may be stacked in the future. The Group incurs upgrade, refurbishment and repair expenditures for the Group's fleet from time to time, including when upgrades are required by industry standards and/or by law. Such expenditures are also necessary in response to requests by customers, inspections, regulatory or certifying authorities or when a rig is damaged. The Group also regularly makes certain upgrades or modifications to the Group's drilling rigs to meet customer or contract specific requirements. The construction or outfitting of purchased newbuild rigs or reactivation of stacked rigs and upgrade, refurbishment and repair projects are subject to project management execution risks of delay and cost overruns inherent in any large construction project from numerous factors.

Delay or failure to complete a newbuild, acquisition, reactivation, upgrade, refurbishment or repair project on time may result in the delay, renegotiation or cancellation of an existing contract and could put at risk the planned arrangements to commence operations on schedule. Further, significant delays could have a negative impact on the Group's reputation and customer relationships. The Group could also be exposed to contract termination or penalties for failure to complete the project and commence operations in a timely manner. In addition, rigs undergoing upgrade, refurbishment or repair generally do not earn a dayrate during the period they are out of service. Significant cost overruns or delays, loss of reputation, penalties, and failure to minimize lost dayrates could all have a material adverse effect on the Group's revenues, financial condition, results of operations and cash flows. Further, the Group has in the past, and may in the future, choose to acquire a newbuild or existing rig, lease a rig or reactivate a stacked rig speculatively, without first obtaining a customer contract. Absent a firm customer contract, the Group may not be able to secure arrangements for these rigs in a timely manner on economically acceptable terms, if at all. Failure to obtain a customer contract could result in the impairment of certain long-lived assets or expensing of costs which would typically be deferred. Failure to contract such rigs on acceptable terms or in a timely manner could adversely affect the Group's business, financial position, results of operations and cash flows.

*2.3.7 Climate change, the regulation of greenhouse gases and increasing development of renewable energy alternatives could have a negative impact on the Group's industry, business and/or reputation.*

The scientific community has concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere are producing climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. Such events could have a materially adverse effect on the Group's operations, especially given that the Group's rigs may need to curtail operations or suffer damage during significant weather events. Current and future regulations relating to greenhouse gases and climate change may also result in increased compliance costs or additional operating restrictions on the Group's business. The negative impacts of greenhouse gases and climate change have resulted in adverse publicity for the oil and natural gas industry and could cause damage to the Group's reputation. In addition, because the Group's business depends on the level of activity in the offshore oil and natural gas industry, existing or future regulations or other agreements related to greenhouse gases and climate change, including carbon taxes or greenhouse gas fees or incentives to conserve energy or use renewable energy alternatives, could decrease the demand for oil and natural gas or decrease exploration activity. Any of the factors discussed above could materially adversely affect the Group's business, reputation, financial condition, results of operations and cash flows.

*2.3.8 There may be limits to the Group's ability to mobilize drilling rigs between geographic areas, and the duration, risks and associated costs of such mobilizations may be material to the Group's business.*

The offshore drilling market is generally a global market as drilling rigs may be moved from one area to another. However, the ability to mobilize drilling rigs can be impacted by several factors including, but not limited to, governmental regulation and customs practices, the significant costs and risk of damage related to moving a drilling rig, availability of suitable tow vessels to move the rigs, weather conditions, political instability, civil unrest, military actions and the technical capability of the drilling rigs to relocate and operate in various environments. Additionally, while a jack-up rig is being mobilized from one geographic market to another, the Group may not be paid for the time that the jack-up rig is out of service or be reimbursed for costs attributable to such relocation. Further, despite the ability to move rigs, not all of the Group's rigs are designed to work in all regions, in all water depths or over all types of seafloor conditions. The Group may relocate a rig to another geographic market without a customer contract, which could result in costs that are not reimbursable by future customers, which could have a material adverse effect on the Group's revenues, financial condition, results of operations and cash flows.

*2.3.9 Supplier capacity constraints or shortages in parts or equipment, supplier production disruptions, supplier quality and sourcing issues or price increases could increase the Group's operating costs, decrease revenues and adversely impact the Group's operations.*

The Group's reliance on third-party suppliers, manufacturers and service providers to secure equipment used in drilling operations exposes the Group to volatility in the quality, price and availability of such items. Certain specialized parts and equipment used in the Group's operations may be available only from a single or small number of suppliers. A disruption in the deliveries from such third-party suppliers, capacity constraints, production disruptions, price increases, defects or quality-control issues, recalls or other decreased availability or servicing of parts and equipment could adversely affect the Group's ability to meet its commitments to customers, resulting in uncompensated downtime, reduced dayrates or the cancellation or termination of contracts and could adversely impact operations and increase costs. Any of these impacts could have a material adverse effect on the Group's revenues, results of operations and cash flows.

*2.3.10 The Group's labour costs and the operating restrictions that apply to the Group could increase as a result of collective bargaining negotiations and changes in labour laws and regulations.*

Some of the Group's employees in Egypt and Nigeria are represented by unions and may, from time to time, work under collective bargaining agreements. Employees in other countries have in the past and may in the future be represented by labour unions. In addition, some of the Group's contracted labour works under collective bargaining agreements. As part of the legal obligations in some of these collective bargaining agreements, the Group is required to contribute certain amounts to retirement funds and is restricted in its ability to dismiss employees. In addition, where the Group's employees are represented by unions, the Group may be required to negotiate wages with union representatives. Efforts may be made from time to time to unionize additional portions of the Group's workforce. Negotiations with unions relating to collective bargaining agreements and other labour related matters could result in higher personnel costs, other increased costs or increased operating restrictions, or even labour stoppages, strikes or slowdowns. Labour cost changes due to unions and collective bargaining agreements and the costs of complying with labour laws and regulations could have a material adverse effect on the Company's financial condition, results of operations and cash flows.

*2.3.11 The Group's business involves numerous operating hazards, and the insurance and contractual indemnity rights may not be adequate to cover any losses resulting from accidents and other events and the Group's insurance may become more expensive or may become unavailable in the future.*

The Group's operations are subject to the hazards inherent in the drilling, completion and operation of oil and natural gas wells. These hazards include, but are not limited to blowouts, punch through, loss of control of the well, abnormal drilling conditions, mechanical or technological failures, seabed cratering, fires and pollution and failure of the Group's employees to comply with internal HSE guidelines. Operations may be suspended because of machinery breakdowns, abnormal operating conditions, failure of subcontractors to perform and personnel shortages.

In addition, the Group's operations are subject to perils peculiar to marine operations including capsizing, grounding, collision, sinking and loss or damage from severe weather, including monsoons. Severe weather could have a material adverse effect on the Group's operations, damaging rigs from high winds, turbulent seas, or unstable sea bottom conditions. Damage to the environment could result from the Group's operations, particularly through blowouts, oil spillage or extensive uncontrolled fires.

The occurrence of any of these events may result in the suspension of operations, loss of dayrate revenues, lower utilization rates, severe damage or destruction of property and equipment, injury or death to personnel, environmental damage, increased insurance costs, fines or penalties, personal injury and other claims by personnel, and claims or investigations by the operator, regulatory bodies and others affected by such events. The Group may also be subject to fines or penalties (for which indemnification may not be available) resulting from property, environmental, natural resources and other damage claims by governments, environmental organizations, oil and natural gas companies and other businesses operating offshore and in coastal areas, including claims by individuals living in or around coastal

areas. Damage or destruction of the Group's property and equipment could potentially cause the Group to curtail operations for significant periods of time while repairs are completed. Any of which could have a material adverse impact on the Group's revenues, financial condition, results of operations and cash flows.

As is customary in the offshore drilling industry, the Group has undertaken to mitigate the risks of the Group's operations through insurance and contractual indemnities from the Group's customers. However, insurance policies have limits and exclusions and may not provide full coverage for, and, most of the Group's customer contracts do not fully indemnify the Group from, all losses or liabilities resulting from the Group's operations. If a significant accident or other event occurs, including but not limited to severe weather, terrorist acts, war, civil disturbances, pollution or environmental damage, that results in a loss which is not fully covered by insurance or a recoverable indemnity from a customer, it could adversely affect the Group's business, financial condition, results of operations and cash flows.

*2.3.12 The Group's international operations in the shallow water drilling sector involve additional risks, which could adversely affect the Group's business.*

The Group operates in various regions throughout the world and as a result the Group may be exposed to political and other uncertainties, including risks of corruption, terrorist acts, armed hostilities, geopolitical events, military actions, war and civil disturbances, including in the Middle East. Some governments favor or effectively require (i) the awarding of drilling contracts to local contractors or to rig owners that are majority-owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Furthermore, the Group's business operations require authorizations from various national and local government agencies. Obtaining these authorizations can be a complex, time-consuming process, and the Group cannot guarantee that the Group will be able to obtain or renew the authorizations required to operate the Group's business in a timely manner or at all. This could result in the suspension or termination of operations or the imposition of material fines, penalties or other liabilities. These factors may adversely affect the Group's ability to compete in those regions. The Group is unable to predict future governmental regulations which could adversely affect the international drilling industry. The actions of governments may adversely affect the Group's ability to compete effectively. As such, the Group may be unable to effectively comply with applicable laws and regulations, including those relating to sanctions and import/export restrictions, which may result in a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

*2.3.13 If the Group or the Group's customers are unable to acquire or renew permits and approvals required for drilling operations, the Group may be forced to suspend or cease the Group's operations, which may adversely affect the Group's profitability.*

Oil and natural gas exploration and production operations require numerous permits and approvals for the Group and the Group's customers from governmental agencies in the areas in which the Group operates. In addition, many governmental agencies have increased regulatory oversight and permit requirements in recent years. Obtaining and maintaining compliance with all necessary permits and approvals may require substantial expenditures and time. If the Group's customers are not able to obtain necessary permits and approvals in a timely manner, the Group's operations will be adversely affected. In addition, future changes to, or an adverse change in the interpretation of, existing permit and approval requirements may delay or curtail the Group's operations, require the Group to make substantial expenditures to meet compliance requirements, or create a risk of expensive delays or loss of value if a project is unable to function as planned, any of which could have a material adverse impact on the Group's revenues, financial condition, results of operations and cash flows.

*2.3.14 The imposition by customers and/or governments in certain countries related to minimum local content, or local content programs or quotas may subject the Group to additional requirements and risks.*

In Saudi Arabia, Saudi Aramco's In-Kingdom Total Value Add program sets goals for suppliers to meet, among other things, specified national content percentage targets. In the UAE, the implementation of the In-Country Value program in Abu Dhabi is also expected to increase local content requirements for all companies contracting with ADNOC (. Compliance with these, or other similar existing or future programs, could increase the cost of doing business in such jurisdictions or could subject the Group to fines and penalties or loss of contracts, which could materially adversely affect the Group's revenues, financial condition, results of operations and cash flows.

Several countries in which the Group operates require foreign entities to comply with certain laws and regulations concerning minimum local content requirements. As a result, the Group may be required to enter into legally binding arrangements with local entities in those jurisdictions in order to conduct operations. In Indonesia, Malaysia, India, Nigeria, Angola and the UAE, the Group maintains a series of contractual and legal agreements with local partners and/or agents which are an integral part of the successful operation of the Group's business in these markets. In the future, the Group may enter into similar arrangements in other countries, either due to changing laws or regulations or due to operational requirements in additional markets. If the Group was to lose the support of these local participants and was unable to find suitable replacements, local regulators may curtail or terminate the Group's operations in those jurisdictions. In addition, the success of these local relationships depends on the reputation, creditworthiness, stability and continuity of the local partners and/or agents that the Group works with. If any of these local partners and/or agents were to become subject to bankruptcy/insolvency proceedings or other adverse regulatory or judicial proceedings, or lose the ability to carry out operations for any other reason, then the Group's business, financial condition, results of operations and cash flows could be materially and adversely impacted.

## **2.4 Risks related to financial matters**

*2.4.1 The Group's existing indebtedness imposes significant operating and/or financial restrictions that may prevent the Group from pursuing certain business opportunities and restrict the Group's ability to operate the Group's business.*

The level of the Group's indebtedness and the terms of the agreements governing the Group's existing and future indebtedness may contain covenants that restrict the Group's ability to take various actions. The Group's ability to comply with these covenants may be affected by many factors, both within and beyond the Group's control, including but not limited to the Group's future performance, falling oil and natural gas prices, prolonged periods of low dayrates, the possible termination or loss of contracts and reduced values of the Group's rigs. The Group may not satisfy these or other covenants in the Group's existing and future indebtedness. The Group's failure to comply with the obligations under the agreements governing the Group's existing and future indebtedness could result in an event of default under

such agreements, which could result in the acceleration of the Group's indebtedness, in whole or in part. In addition, the Company's existing debt agreements contain, and the Group's future debt agreement may contain, cross-default provisions whereby acceleration or payment default by the Group under one of the Group's debt agreements, could allow creditors to declare the Company or the relevant debtor under such debt agreement in default of the Group's other existing debt or financing agreements. This could lead to an acceleration and enforcement of such agreements by all or substantially all of the Group's creditors. These debt covenants and restrictions could also limit the Group's ability to plan for, or react to, market conditions, meet capital needs, make distributions or otherwise restrict the Group's activities or business plans and adversely affect the Group's ability to finance the Group's operations, enter into acquisitions or to engage in other business activities that would be in the Group's interest.

*2.4.2 The Group is dependent upon cash flows from the Group's operating subsidiaries to meet the Group's obligations, including repayment of the Group's debt.*

The Group conducts operations through, and most of the Group's assets are owned by, the Group's operating subsidiaries. The Group's operating income and cash flows are generated by these subsidiaries, and as a result, the cash generated from the Group's subsidiaries is the principal source of funds necessary to meet the Group's obligations, including the Group's debt obligations. Contract provisions or laws, as well as the Group's subsidiaries' financial condition, operating requirements and debt requirements may limit the Group's ability to access cash from subsidiaries needed to pay expenses or to meet the Group's current or future debt service obligations. Applicable tax laws may also subject such payments by subsidiaries to further taxation.

*2.4.3 Fluctuations in exchange rates and non-convertibility of currencies could result in losses to the Group.*

The Group may experience realized currency exchange losses when cash is received or expenses are paid in currencies other than the Group's U.S. dollar functional currency, when the Group does not hedge the Group's exposure to such foreign currency or when the result of a hedge is a loss. The Group may also incur losses as a result of an inability to collect revenues due to a shortage of convertible currency available to the country of operation, controls over currency exchange or controls over the repatriation of income or capital.

## **2.5 Risks related to laws and regulations**

*2.5.1 If any part of the Group's business is moved outside of its current operative jurisdiction the Group's overall tax exposure may change, which may affect the Group's alleged compliance with applicable tax laws.*

The Company's business is incorporated in the Cayman Islands and operates through the Group's many subsidiaries in various countries throughout the world. The Group's consolidated effective tax rate is dependent on where profits are earned and taxed or losses are generated, as different countries have different tax systems and statutory tax rates. Different jurisdictions also have different tax laws and interpretations thereof. If the Group moves some of its operations into a new jurisdiction or acquire companies in jurisdictions in which the Group does not already operate, the Group's overall effective tax rate may be affected. Further, the Group may also become exposed to changes in tax policies and amendments to tax legislation, prospectively and/or retroactively, in such jurisdictions. There can be no assurance that the relevant tax authorities in the jurisdictions in which the Group operates will agree with the Group's tax calculations and judgements. If a relevant tax authority disputes the Group's assumptions, judgements or calculations, the Group may incur additional tax expense, interest and penalties. Any changes in the Group's tax exposure may affect the Group's alleged compliance with applicable tax law, and any non-compliance could have a material adverse impact on the Group's financial condition, results of operations and cash flows.

*2.5.2 The Group is subject to complex laws and regulations, including environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.*

The Group's operations are subject to numerous stringent HSE laws and regulations in the form of international conventions and treaties, national, state and local laws and regulations in force in the jurisdictions in which the Group's drilling rigs operate or are registered, which can, directly or indirectly, significantly affect the ownership and operation of the rigs. These requirements include, but are not limited to, MARPOL, CLC, BUNKER and various international, national and local laws and regulations that impose compliance obligations and liability related to the use, storage, treatment, disposal and release of petroleum products, asbestos, polychlorinated biphenyls and other hazardous substances that may be present at, or released or emitted from, the Group's operations. Furthermore, the IMO, at the international level, or national or regional legislatures in the jurisdictions in which the Group operates, including the EU, may pass or promulgate new environmental laws or regulations. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful life of the Group's rigs. The Group is required to obtain HSE permits from governmental authorities for the Group's operations, and the Group may have difficulty in obtaining or maintaining such permits. Laws and regulations protecting the environment have generally become more stringent over time. In the event the Group was to incur additional costs to comply with existing or future laws or regulatory obligations, these costs could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. In addition, existing or future laws could increase costs for the Group's customers, the Group's vendors or the Group's service providers, which could result in lower demand for the Group's services, lower dayrates, or increasing costs. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of operations. Environmental laws often impose strict liability, which could subject the Group to liability without regard to negligence or fault. The Group's operations could cause the accidental release of oil or hazardous substances. Any releases may be large in quantity, above the permitted limits or occur in protected or sensitive areas where public interest groups or governmental authorities have special interests. Any releases of oil or hazardous substances could result in substantial fines and other costs and liabilities, such as costs to upgrade rigs, clean up the releases and comply with more stringent requirements in the Group's discharge permits, claims for natural resources, personal injury or other damages, and material adverse publicity. Although the Group's contracts generally provide for indemnification from the Group's customers for some of these costs, the inability or other failure of the Group's customers to fulfil any indemnification obligations they have, or the unenforceability of the Group's contractual protections could have a material adverse effect on the Group's financial condition, results of operation and cash flows. Moreover, these releases may result in customers or governmental authorities suspending or terminating the Group's operations in the affected area. If a major incident were to occur in the Group's industry, such as a catastrophic oil spill or other accident subject to international media attention, this could lead to an industry-wide regulatory response which may result in increased operating costs. Any changes to existing laws in the jurisdictions in which the Group operates prompted by such a future event could increase the Group's operating costs and future risk of liability. In addition, the Group may be required to post additional

surety bonds to secure performance, tax, customs and other obligations relating to the Group's rigs in jurisdictions where bonding requirements are already in effect and in other jurisdictions where the Group may operate in the future. These requirements would increase the cost of operating in these countries. Any of the above could materially adversely affect the Group's business, reputation, financial condition, results of operations and cash flows.

## 2.6 Risks Related to the Company's Structure and Ownership of the Company's Common Stock

### 2.6.1 *Certain of the Company's shareholders own a significant proportion of the Company's Common Shares, and their interests may conflict with those of the Company or other shareholders.*

The Company's largest shareholders are affiliates of Castle Harlan, Inc., Lime Rock Partners. (together, the “**Sponsors**”) and China Merchants Industry Holdings Company Limited (“**China Merchants**”). These shareholders beneficially hold, collectively, 36.3%% of the Company's Common Shares. The Company's Articles contain certain preferential governance rights for the Sponsors, including the right of the Sponsors to appoint and remove directors, subject to certain ownership thresholds being met. Additionally, as of 31 December 2021, China Merchants was the Company's largest shareholder and has representation on the Board of Directors. Accordingly, the Sponsors and China Merchants can exercise significant influence over the Company's affairs. If circumstances arise where the interests of the Sponsors or China Merchants conflict with the interests of other shareholders, the other shareholders could be disadvantaged by the ability of these large shareholders to influence actions contrary to the other shareholders' interests. Specifically, the level of voting influence of the Sponsors may impact other shareholders' ability as minority shareholders to have an influence on the result of special resolutions which shall be required for certain types of transactions, such as the increase or reduction of the Company's share capital, certain share transactions or the approval for a merger, or that involve an actual or potential change of control, including transactions in which shareholders might receive a premium for their shares over prevailing market prices.

### 2.6.2 *Shareholder rights and responsibilities will be governed by Cayman Islands law and will differ in some respects from the rights and responsibilities of shareholders under other jurisdictions, including Norway and the U.S.*

The Company's corporate affairs are governed by the Company's Articles of Association (the “**Articles**”) and by the laws governing companies incorporated in the Cayman Islands. The rights of the Company's shareholders and the responsibilities of members of the Board of Directors under Cayman Islands law may not be as clearly established as under the laws of other jurisdictions. In addition, the rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by Cayman Islands law and the Company's Articles and differ from the rights of shareholders under other jurisdictions, including Norway and the U.S. The holders of the Company's Common Shares may have more difficulty in protecting their interests in the face of actions by the Board of Directors than if the Company was incorporated in the U.S. or Norway. Additionally, it could be difficult for a common shareholder to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in jurisdictions other than the Cayman Islands.

### 2.6.3 *Exchange rate fluctuations could adversely affect the value of the Company's Common Shares and dividends paid on the Common Shares, if any, for an investor whose principal currency is not U.S. dollars.*

The Company's Common Shares are priced and traded in Norwegian Krone (“**NOK**”) on the Oslo Stock Exchange. Dividends declared by the Company's Board of Directors, if any, would likely be denominated in the Company's functional currency of U.S. dollars, and would be paid to the common shareholders through DNB Bank ASA (“**DNB**”), being the Company's VPS registrar (the “**VPS Registrar**”). Such payments would be transacted in the bank account currency of the relevant common shareholder's account, as previously provided to the VPS Registrar. Common shareholders registered in the VPS who have not supplied their bank account details would not receive dividend payments unless and until they register their bank account details for their VPS account and inform the VPS Registrar. The exchange rate(s) applied when transacting payments of dividends to the relevant common shareholder's currency would be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of U.S. dollars would therefore affect the value of these dividends and distributions for investors whose account currency is not U.S. dollars. Further, the market value of the common shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange rate fluctuations. This could affect the value of the Common Shares and of any dividends paid on the Common Shares for an investor whose principal currency is not U.S. dollars.

### 2.6.4 *Investors may face additional risks related to the Company's Common Shares due to the VPS Registrar, the Registrar Agreement and the recently implemented EU Central Securities Depository Regulation.*

In connection with the Company's initial public offering on 25 June 2018 on the Oslo Stock Exchange, the Company has established a facility for the registration of the Company's offered Common Shares in the VPS. The Company has appointed DNB as the Company's VPS Registrar in the VPS and entered into an agreement with DNB outlining their related responsibilities (the “**Registrar Agreement**”). Common shareholders must exercise their organizational and economic rights through the VPS Registrar and they are not able to exercise direct shareholder rights. There are no provisions under Cayman Islands law or under the Company's Articles that limit the common shareholders' in exercising their rights in respect of the Common Shares through the VPS Registrar. In order to exercise their rights, common shareholders must instruct the VPS Registrar as to the voting in the shares represented by their Common Shares. In order to exercise full shareholder rights, the common shareholders must transfer their holding in the VPS to a registered holding of shares in the Company's shareholders' register. The Company cannot guarantee that the VPS Registrar will be able to execute its obligations under the Registrar Agreement. Any such failure may, inter alia, limit the access for, or prevent, investors from exercising their organizational or economic rights attached to the underlying shares. The VPS Registrar may terminate the Registrar Agreement pursuant to a prior written notice of termination. Furthermore, the VPS Registrar may terminate the Registrar Agreement with immediate effect if the Company does not fulfil the Company's payment obligations to the VPS Registrar or commit any other material breach of the Registrar Agreement. In the event of a termination of the Registrar Agreement, there can be no assurance that it would be possible for the Company to enter into a new registrar agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, materially adversely affect the Company and the common shareholders. The VPS Registrar disclaims any liability for any loss attributable to circumstances beyond the VPS Registrar's control, including, but not limited to, errors committed by others. The VPS Registrar is liable for direct losses incurred as a result of the VPS Registrar's breach of contract. Accordingly, the Company and the Company's

common shareholders may not be able to completely recover losses if the VPS Registrar does not perform its obligations under the Registrar Agreement. The EU Central Securities Depository Regulation (“**CSDR**”) has recently become effective under Norwegian law through provisions in the new Norwegian Central Securities Depository Act. As a consequence of CSDR, the Company's current set-up with depository receipts is no longer permitted. The Company has a transitional period until December 31, 2022 to change the registration form in VPS (Euronext Securities Oslo). The Company has decided to opt for a primary recording in VPS by way of a "branch register", with the consequence that all shareholders in the Company will be direct owners of Common Shares, and not depository receipts. The Company does currently not expect that the conversion to "primary recording" will be difficult or require any change of the Company's Articles of Association. However, any failure by the Company to comply with the new CSDR regulation, including to change the Company's registration form before December 31, 2022, will result in the Company's securities being suspended from trading on the Oslo Stock Exchange.

**3 RESPONSIBILITY FOR THE PROSPECTUS**

This Prospectus has been prepared in connection with the listing of the New Securities on the Oslo Stock Exchange.

The Board of Directors of Shelf Drilling, Ltd. accepts responsibility for the information contained in this EU Recovery Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

5 August 2022

**The Board of Directors of Shelf Drilling, Ltd.**

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Ernie Danner  
*Chairman*

---

David Mullen  
*Director*

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John K. Castle  
*Director*

---

J. William Franklin Jr.  
*Director*

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Dongyang Lou  
*Director*

---

David B. Pittaway  
*Director*

---

John Reynolds  
*Director*

---

Benjamin Sebel  
*Director*

---

Usama Trabulsi  
*Director*

---

David Williams  
*Director*

## 4 GENERAL INFORMATION

### 4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this EU Recovery Prospectus, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this EU Recovery Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation for EU recovery prospectuses, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this EU Recovery Prospectus. This EU Recovery Prospectus was approved by the Norwegian FSA on 5 August 2022. The EU Recovery Prospectus has been drawn up as a simplified prospectus based on the simplified disclosure regime for EU recovery prospectuses, cf. Article 14a of Regulation (EU) 2021/337 (the EU Prospectus Regulation). Investors should make their own assessment as to the suitability of investing in the securities.

### 4.2 Other important investor information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Securities or holder of the Subscription Rights regarding the legality of an investment in the Securities. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Securities. Investing in the Securities involves a high degree of risk. Reference is made to Section 2 "Risk Factors".

### 4.3 Financial and other information

The Group's audited consolidated financial statements as at and for the year ended 31 December 2021 (hereinafter referred to as the "**Financial Statements**"), and the Group's unaudited financial statements for the three months ended 31 March 2022, are incorporated into this Prospectus by reference, see Section 10.3 "Incorporated by reference", and have been prepared in accordance with US GAAP.

The Financial Statements have been audited by the Company's independent auditor, PricewaterhouseCoopers (Dubai branch), with license number 102451, and business address at Emaar Square Building 5, P.O. Box 11987, Dubai, United Arab Emirates ("**PwC**"), as set forth in their auditor's report incorporated by reference into this Prospectus, see Section 10.3 "Incorporated by reference".

The Company presents the Financial Statements in USD, as its functional currency.

### 4.4 Cautionary note regarding Forward-looking Statements

This Prospectus includes Forward-looking Statements that reflect the Company's current views with respect to future events and financial and operational performance. These Forward-looking Statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements are not historic facts. The Forward-Looking Statements include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, with respect to the Group's expansion in existing and into new markets.

Prospective investors are cautioned that Forward-looking Statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the Forward-looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-looking Statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Group's business, financial condition, results of operations, cash flows, liquidity and performance. Prospective investors in the Securities are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates when considering an investment in the Group.

These Forward-looking Statements speak only as at the date on which they are made. The Group undertakes no obligation to publicly update or publicly revise any Forward-looking Statement, whether as a result of new information, future events or otherwise. All subsequent written and oral Forward-looking Statements attributable to the Group or to persons acting on the Group's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

## 5 DIVIDENDS AND DIVIDEND POLICY

### 5.1 Dividend policy

The Company does not intend to declare or pay any dividends to holders of Common Shares, including Securities, in the near future. The Company currently intends to retain future earnings, if any, to fund its operations and to develop and grow its business. The Company's future dividend policy is within the discretion of the Board of Directors, but should the market continue to recover as expected, the Company will balance dividends to holders of Common Shares, including Securities, with other various factors that the Board of Directors deems relevant, including the Company's results of operations, financial condition, capital requirements and investment opportunities.

In addition, the Group's existing indebtedness places restrictions on the Company's ability to pay dividends. Furthermore, since the Company is a holding company with no material assets other than the shares of its subsidiaries through which it conducts its operations, the Company's ability to pay dividends will depend on distributions from its subsidiaries based on their earnings and cash flows.

The Company has not distributed any dividends on the Common Shares for the financial years ended 31 December 2021, 2020 and 2019.

The Company does not intend to purchase any of its own Common Shares.

### 5.2 Legal constraints on the distribution of dividends

The holders of Securities are entitled to such dividends, as may be declared by the Board of Directors on the Common Shares in accordance with the Articles. In addition, subject to the Cayman Islands Companies Act and the Articles, and except as otherwise provided by the rights and restrictions attached to any shares, the Company's shareholders may by ordinary resolution declare a dividend (including interim dividends), provided that no dividend shall exceed the amount recommended by the Board of Directors.

Under Cayman Islands law, a Cayman Islands exempted company may pay dividends on its shares provided there are no restrictions (either express or implied) in its articles of association, and such dividends must be paid only out of funds legally available, namely out of either profit, share premium account or distributable reserves, provided that in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. The Board of Directors may declare that any dividend should be paid wholly or partly by the distribution of the Company's shares or other specific assets.

### 5.3 Legal constraints on the purchase of own shares

Under the Cayman Islands Companies Act and pursuant to the Articles of the Company, the Company may repurchase its own shares provided that such shares are fully paid and that following the purchase, there would be at least one shareholder holding shares in the Company. The Articles of the Company permit the Company to purchase its own shares in such manner and on such terms as the Directors may agree with the relevant shareholder. Subject to the need for the Board of Directors to act in the best interests of the Company, the purchase price for the repurchased Common Shares can be more or less than the initial price paid for the Common Shares by a shareholder and can be more or less than the par value of the Common Shares. A repurchase can be made in specie.

Pursuant to the Cayman Islands Companies Act, payment for the repurchase of the Common Shares may only be effected from profits of the Company, proceeds of a fresh issue of shares, the share premium account or out of capital. If payment for the repurchase of Common Shares is made out of capital or from the share premium account, the Company will be required to meet the solvency test, i.e. that the Company is able to pay its debts as they fall due in the ordinary course of business.

## 6 THE ACQUISITION

### 6.1 Introduction

On 23 June 2022, the Company announced its that its wholly owned subsidiary Shelf Drilling (North Sea), Ltd (SDNS) entered into an asset purchase agreement (the Rig Purchase Agreement) with, amongst others, Noble Corporation ("**Noble**") in connection with the sale and purchase of five jack-up rigs and all related support and infrastructure for a total purchase price of USD 375 million (the Acquisition). The Acquisition, which is subject to, amongst other conditions, approval of the CMA, is intended by Noble to address the potential concerns identified by the CMA in the Phase I review of the proposed business combination between Noble and Maersk Drilling announced on 10 November 2021 (the "**Business Combination**"). The Acquisition is expected to close promptly following closing of the Business Combination (and following receipt of CMA approval).

### 6.2 Rig Purchase Agreement

The Rig Purchase Agreement was entered into between, amongst others, SDNS (as the buyer), Noble (as the seller parent) and the Company (as the buyer parent) on 23 June 2022 in connection with the sale and purchase of the five jack-up rigs "Noble Hans Deul", "Noble Houston Colbert", "Noble Lloyd Noble", "Noble Sam Hartley" and "Noble Sam Turner" (the Rigs) as well as business, including contracts, and employees associated with the Rigs.

The completion of the Acquisition is conditional on the satisfaction of various conditions as further set out in the Rig Purchase Agreement, inter alia, approval from the CMA of the Acquisition in accordance with section 73 of the Enterprise Act 2002, and approval from the relevant health and safety authorities in the United Kingdom, Denmark and Norway in connection with the safety cases for the rigs under the Rig Purchase Agreement. The completion of the Acquisition is also contingent on Business Combination being completed or announced unconditional, this includes that a sufficient number of shareholders of Maersk Drilling has approved the exchange offer for the merger.

The consideration in the Acquisition is USD 375 million, and the financing of the Acquisition will consist of (i) the Private Placement (as described below in Section 6.3.1 "The completed Private Placement"), (ii) cash at hand from the Company being contributed together with the Private Placement proceeds to SDNS, (iii) a private placement of new shares in SDNS in the total amount of USD 80 million, and (iv) a debt issue of USD 200 – 225 million to be entered into by SDNS between signing of the Rig Purchase Agreement and closing of the Acquisition. Certain investors in the Private Placement have irrevocably committed to subscribe for the USD 80 million shares in SDNS. Such share subscription is contemplated to occur shortly before the closing date of the Acquisition in order to provide SDNS with sufficient funds to pay the USD 375 purchase price for the Rigs.

### **6.3 The completed Private Placement and Listing of Private Placement Securities**

#### *6.3.1 The completed Private Placement*

On 23 June 2022, the Company announced the completion of the Private Placement comprising a total of 38,400,000 new Common Shares in the Company, each with a par value of USD 0.01, at a subscription price of NOK 13.00 per new common share, resulting in gross proceeds to the Company of NOK 499.2 million (the "Private Placement"). Certain investors in the Private Placement have committed themselves to subscribe for new shares in SDNS for USD 80 million.

Investors in the Private Placement have received depository receipts, with each such depository receipt representing entitlement to one Common Share in the Company. This Prospectus has been prepared for the Listing of the New Securities, which are depository receipts for 11,156,568 underlying Common Shares in the Company. As a result of the Private Placement, the Board of Directors resolved to issue 38,400,000 new Common Shares in the Company on 23 June 2022.

The Company intends to invest the proceeds from the Private Placement, together with approximately USD 70 million in existing cash, in SDNS, to partly finance SDNS' obligations under the Rig Purchase Agreement.

#### *6.3.2 VPS registration*

The Private Placement Securities not being New Securities are, and the New Securities will, be registered in the VPS under ISIN KYG236271055. The New Securities will be registered in book-entry form with the VPS, while the underlying Common Shares will be registered in the name of the VPS Registrar in the Company's shareholder register in the Cayman Islands. The Company's security register with the VPS is administered by DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway. Upon the publication of this Prospectus, the New Securities will become listed and tradable on the Oslo Stock Exchange.

#### *6.3.3 Rights attached to the Securities*

The New Securities are depository receipts representing the Common Shares in the Company. The VPS Registrar will issue the New Securities shortly after the date of this Prospectus. The VPS Registrar is DNB Bank ASA, Verdipapirservice with registered office at Dronning Eufemias Gate 30, N-0021 Oslo, Norway. DNB Bank ASA is a Norwegian public limited liability company, established and incorporated under the laws of Norway on 10 September 2002 and registered in the Norwegian Business Register under registration number 984 851 006.

The Company has one class of shares in issue: Common Shares. The Common Shares have been issued pursuant to the Cayman Islands Companies Act and the Articles of Association and the beneficial interests pertaining to the Common Shares (i.e. the Existing Securities) are, and the New Securities will be, registered in book-entry form in the VPS under ISIN KYG236271055. Each of the Common Shares carries one vote at any general meeting of the Company. All Existing Securities carry, and the New Securities will carry, the same rights as the underlying Common Shares, exercisable through the Company's VPS Registrar.

The Securities are freely transferable. The Articles of the Company do not provide for any restrictions on the transfer of Securities or a right of first refusal for the Securities. Security transfers are not subject to approval by the Board of Directors.

#### *6.3.4 Conflicts of interests etc.*

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

DNB Markets is further acting as an advisor to Noble in the Business Combination. The UK Competition and Markets Authority require that Noble Corporation divests the rigs as defined under Rig Purchase Agreement prior to completion of the Business Combination. DNB Markets' fees under the engagement with Noble are conditional upon closing of the Business Combination and the Acquisition.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Private Placement.

### **6.4 Dilution**

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the issuance of the Private Placement Securities:

	Prior to the Private Placement	Subsequent to the Private Placement
Number of Securities each with a par value of USD 0.01.....	137,115,793	175,515,793
% dilution .....		21.9%

## 7 BUSINESS OF THE GROUP

### 7.1 Company information

The Company's registered name is Shelf Drilling, Ltd, and its commercial name is Shelf Drilling. The Company is an exempted company incorporated with limited liability under the laws of the Cayman Islands pursuant to the Cayman Islands Companies Act. The Company was incorporated in the Cayman Islands on 14 August 2012.

The Company's Cayman Islands registration number is 271054 and the Securities are registered in book-entry form with the VPS under International Securities Identification Number ("ISIN") KYG236271055. The Company's LEI is 549300PTFC72J38UQF59. The underlying shares, being the Common Shares in the Company, are recorded in the Company's shareholders register in the Cayman Islands, maintained by Centralis Cayman Limited, the Company's registered office service provider in the Cayman Islands, located at One Capital Place 3rd floor, Grand Cayman, PO Box 1564, Cayman Islands, KY1-1110. The Company's VPS register is administrated by the VPS Registrar.

The Company's registered office is at One Capital Place 3rd Floor, Shedden Road, George Town, PO Box 1564, Grand Cayman, KY1-1110, Cayman Islands. The Company's website can be found at [www.shelfdrilling.com](http://www.shelfdrilling.com). The content of [www.shelfdrilling.com](http://www.shelfdrilling.com) is not incorporated by reference into and does not otherwise form part of this Prospectus.

### 7.2 The Group's business

The Group is a leading international shallow water offshore drilling contractor engaged in the provision of equipment and services for the drilling, completion and well maintenance of shallow water offshore oil and natural gas wells.<sup>3</sup> The Group is primarily engaged in development and workover activity on producing assets in shallow water, currently with a sole focus on operations in water depths of up to 375 feet. As of the date of this Prospectus, the Company's drilling fleet consists of 31 ILC jack-up rigs, including the completed purchase of one jack-up rig, Deep Driller 7, from Aban Offshore Limited for a consideration of USD 30 million. As further described in Section 6.2 "Rig Purchase Agreement", the Group intends to acquire 5 additional jack-up rigs. Further information regarding the Group's rigs is available at <https://www.shelfdrilling.com/our-fleet/> (not incorporated by reference).

The Group's corporate headquarters are in Dubai, United Arab Emirates, geographically central to its operations in the Middle East (including Egypt and the Mediterranean), South East Asia, India and West Africa. The Group's fleet operates in a single, global market for the provision of contract drilling services and its "fit for purpose" strategy enables the Group to offer a broad range of services in the shallow water drilling markets in which they operate. The Group believes that the long-term prospects for shallow water drilling are positive given the expected growth in oil and gas consumption from developing nations, limited investment in new supplies in the recent decade, high depletion rates of mature oil and gas fields and low break-even costs compared to other segments within the oil and gas drilling industry. The diversified geographical footprint of the Group's jack-ups and the allocation of resources to build or upgrade rigs will be determined by the activities and needs of its customers. As of the date of this Prospectus, the Group's main customers are national oil companies (NOCs), international oil companies (IOCs), and independent oil and gas companies, including, but not limited to, Saudi Arabian Oil Company (Saudi Aramco), Chevron Corporation (Chevron), Oil and Natural Gas Corporation (ONGC), PTT Exploration and Production Public Company Limited (PTTEP), Total Energies S.A. (Total) and Ente Nazionale Idrocarburi S.p.A (ENI) (or their affiliates), who contract the Group's rigs for varying durations.

### 7.3 Board of Directors

The names and positions and current term of office of the Directors as at the date of this Prospectus are set out in the table below.

Name	Position	Served since
Ernie Danner .....	Chairman	29 October 2013
David Mullen .....	Director	30 November 2012
John K. Castle .....	Director	30 November 2012
J. William Franklin, Jr. ....	Director	7 September 2012
Dongyang Lou .....	Director	31 August 2020
David B. Pittaway.....	Director	9 July 2015
John Reynolds .....	Director	7 September 2012
Benjamin Sebel .....	Director	30 November 2012
Usama Trabulsi .....	Director	30 August 2017

<sup>3</sup> Based on the numbers of jack-up rigs owned and operated by the Group.

Name	Position	Served since
David Williams .....	Director	30 August 2017

#### 7.4 Management

The names of the members of the executive management team as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the Group	Employed with the Group since
David Mullen .....	Chief Executive Officer	30 November 2012
Kurt Hoffman .....	Chief Operating Officer	30 November 2012
Ian Clark.....	Executive Vice President	30 November 2012
Gregory O'Brien .....	Chief Financial Officer	12 January 2014
Michael Mezzina .....	Vice President and Controller	1 December 2012
Rishi Srivastava.....	Vice President, Technical Services	1 December 2012
Aaftaab Kharbanda.....	Vice President, Operations & Projects	1 December 2012

#### 7.5 Audit committee

The Board of Directors has elected an audit committee amongst the members of the Board of Directors. The audit committee comprises David Williams (chairman), Ernie Danner, Benjamin Sebel and Usama Trabulsi. The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate system and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

#### 7.6 Compensation committee

The Company has established a compensation committee, which comprises the Directors J. William Franklin, Jr (chairman), John K. Castle, and Benjamin Sebel. All members of the compensation committee are independent of the Company's executive management.

The compensation committee assists the Board of Directors in its oversight of all compensation and benefits related matters of the Company and its affiliates. The compensation committee is responsible for evaluating and approving compensation plans, policies and programmes of the Company.

Further, the compensation committee is responsible for establishing general compensation guidelines and policies for executive employees. The compensation committee determines the compensation and other terms of employment for executives (including salary, bonus, equity participation, benefits and severance terms) and reviews, from time to time, the Company's compensation strategy and compensation levels in order to ensure it is able to attract, retain and motivate executives and other employees. The compensation committee is also responsible for approving any equity incentive plans or arrangements and any guidelines or policies for the grant of equity incentives thereunder to employees of the Company. It oversees and periodically reviews all annual bonus, long-term incentive plans, stock options, employee pension and welfare benefit plans and also reviews and makes recommendations to the Board of Directors regarding the compensation of Directors for their services to the Board of Directors.

#### 7.7 Nomination committee

The Company has established a nomination committee, which comprises the Directors John K. Castle (chairman), J. William Franklin, Jr and David Williams. All members of the nomination committee are independent of the Company's executive management.

The nomination committee makes recommendations to the general meeting regarding election of board members. Furthermore, the committee evaluates the independence of director candidates.

#### 7.8 Major shareholders

The Company's 5 largest shareholders as at 3 August 2022 are set out in the below table.

#	Shareholder Name	No. of Securities	Percentage (%)
1	China Merchants Industry Holdings .....	26,769,230	15.3%
2	Castle Harlan Inc.....	19,727,477	11.2%
3	Lime Rock Partners .....	17,195,797	9.8%
4	Goldman Sachs & Co. LLC.....	6,940,024	4.0%
5	The Bank of New York Mellon SA/NV.....	5,950,578	3.4%
<b>Top 5</b> .....		<b>76,583,106</b>	<b>43.6%</b>
<b>Other</b> .....		<b>98,932,687</b>	<b>56.4%</b>
<b>Total</b> .....		<b>175,515,793</b>	<b>100%</b>

## 8 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 4 "General Information" and the Financial Statements and notes related thereto, incorporated into this Prospectus by reference, see Section 10.3 "Incorporated by reference".

This Section provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 March 2022, and is as adjusted for the completed Private Placement and for the 10% deposit payment for the Acquisition (USD 37.5 million) and acquisition of Deep Driller 7 (USD 30 million).

There has been no other material change to the Group's unaudited capitalisation and net financial indebtedness since 31 March 2022 until the date of the Prospectus.

### 8.1 Capitalisation

The following table sets forth information about the Group's capitalisation as at 31 March 2022, as derived from the Company's quarterly report for the three months ended March 31 2022<sup>4</sup>:

*In USD thousand*

	As of 31 March 2022	Adjustment for the Private Placement	As adjusted
<b>Indebtedness</b>			
<i>Total current debt:</i>			
Guaranteed .....	-	-	-
Secured.....	-	-	-
Unguaranteed/unsecured .....	136,165	-	136,165
<i>Total non-current debt:</i>			
Guaranteed .....	900,000 <sup>1</sup>	-	900,000
Secured.....	310,000 <sup>2</sup>	-	310,000
Unguaranteed/unsecured .....	34,893	-	34,893
<b>Total indebtedness</b> .....	<b>1,381,058</b>	<b>-</b>	<b>1,381,058</b>
<b>Shareholders' equity</b>			
Common shares .....	1,371	384 <sup>3</sup>	1,755
Additional paid-in capital .....	1,006,874	47,681 <sup>4</sup>	1,054,555
Accumulated losses .....	(798,576)	-	(798,576)
<b>Total shareholders' equity</b> .....	<b>209,669</b>	<b>48,065</b>	<b>257,734</b>
<b>Total capitalisation</b> .....	<b>1,590,727</b>	<b>48,065</b>	<b>1,638,792</b>

<sup>1</sup> Represents the 8.25% Senior Unsecured Notes. This amount does not include USD 7.9 million and USD 1.5 million of unamortised debt issue costs and unamortised premium, respectively, at 31 March 2022. The 8.25% Senior Unsecured Notes are guaranteed by the majority of the Company's subsidiaries.

<sup>2</sup> Represents the 8.875% Senior Secured First Lien Notes. This amount does not include USD 5.3 million and USD 4.5 million of unamortised debt issue costs and unamortised discount, respectively, at 31 March 2022. The 8.875% Senior Secured First Lien Notes are guaranteed by SDL and the majority of the Company's subsidiaries that guarantee the obligations under the 8.25% Senior Unsecured Notes and are secured by a first-priority lien on substantially all of the assets of the Company and the subsidiary guarantors.

<sup>3</sup> Adjusted for the nominal value of Common Shares issued in the Private Placement, 38,400,000 with par value of USD 0.01

<sup>4</sup> Adjusted for the gross proceeds in the Private Placement less (i) nominal value of the Common Shares and (ii) less transaction cost of USD 2.297 million

<sup>4</sup> The 10% deposit payment for the Acquisition and the acquisition of Deep Driller 7 have no impact on the capitalization table.

## 8.2 Indebtedness

The following table sets forth information about the Group's net financial indebtedness as at 31 March 2022, derived from the Company's quarterly report for the three months ended March 31 2022, and as adjusted for the Private Placement and for the 10% deposit payment for the Acquisition (USD 37.5 million) and the acquisition of Deep Driller 7 (USD 30 million):

<i>In USD thousand</i>	<b>As of 31 March 2022</b>	<b>Adjustment for the Private Placement</b>	<b>Adjustment for deposit payment for the Acquisition and acquisition of Deep Driller 7</b>	<b>As adjusted</b>
(A) Cash.....	214,388	48,065 <sup>2</sup>	(67,500) <sup>3</sup>	194,953
(B) Cash equivalents.....	-	-	-	-
(C) Other current financial assets.....	-	-	-	-
<b>(D) Liquidity (A + B + C).....</b>	<b>214,388</b>	<b>48,065</b>	<b>(67,500)</b>	<b>194,953</b>
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	-	-	-	-
(E) Current portion of non-current financial debt.....	-	-	-	-
(F) Current financial indebtedness (E + F).....	-	-	-	-
<b>(G) Net current financial indebtedness (G - D).....</b>	<b>(214,388)</b>	<b>(48,065)</b>	<b>67,500</b>	<b>(194,953)</b>
Non-current financial debt (excluding current portion and debt instruments).....	-	-	-	-
(I) Debt instruments <sup>1</sup> .....	1,210,000 <sup>1</sup>	-	-	1,210,000
(J) Non-current trade and other payables.....	-	-	-	-
<b>(L) Non-current financial indebtedness (I + J + K).....</b>	<b>1,210,000</b>	<b>-</b>	<b>-</b>	<b>1,210,000</b>
<b>(M) Total financial indebtedness (H + L).....</b>	<b>995,612</b>	<b>(48,065)</b>	<b>67,500</b>	<b>1,015,047</b>

1 Represents 8.25% senior unsecured notes and 8.875% senior secured first lien notes. This amount does not include USD 7.9 million and USD 1.5 million of unamortised debt issue costs and unamortised premium, respectively, at 31 March 2022 for the 8.25% senior unsecured notes, and USD 5.3 million and USD 4.5 million of unamortised debt issue costs and unamortised discount, respectively, at 31 March 2022 for the 8.875% senior secured first lien notes.

2 Adjustment for the net proceeds from the Private Placement

3 Adjustment for the 10% deposit payment for the Acquisition (USD 37.5 million) and acquisition of Deep Driller 7 (USD 30 million)

## 8.3 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

## 8.4 Contingent and indirect indebtedness

As at 31 December 2021 and as at the date of the Prospectus, the Company did not have any contingent or indirect indebtedness.

## 8.5 Material change in financial position

Other than the acquisition of Deep Driller 7 from Aban Offshore Limited as further described in Section 7.2 "The Group's business", the Rig Purchase Agreement as further described in Section 6.2 "Rig Purchase Agreement" and the Private Placement as further described in Section 6.3 "The completed Private Placement and Listing of Private Placement Securities", there have been no significant changes in the financial position or financial performance of the Group in the period between 31 March 2022 and to the date of this Prospectus.

## 8.6 State aid

The Company has not received any state aid support during the period from 1 January 2020 and to the date of this Prospectus.

## 8.7 Financial effects of the Acquisition and the acquisition of Deep Driller 7

The Acquisition and the acquisition of Deep Driller 7 collectively represent a 25.03% change in total assets of the Group, calculated by dividing the total consideration of these acquisitions compared to the Group's total assets as of 31 December 2021, resulting in 'a significant gross change', cf. Guideline 18 in ESMA Guidelines on disclosure requirements under the Prospectus Regulation, and thereby triggering the requirement for the Company to prepare and include pro forma financial information in this Prospectus. However, no pro forma financial information is included, only a narrative description on how the Acquisition and the acquisition of Deep Driller 7 would have affected the assets, liabilities, and earnings of the Group.

The Acquisition represents an acquisition of 5 jack-up rigs from Noble, however, some employees and customer contracts are also assumed. The Group therefore believes the Acquisition, for accounting purposes, likely carries the attributes of a business acquisition and should for accounting purposes be treated as such, cf. ASC 805. However, this assessment is not final as of the date of this Prospectus, and the actual accounting treatment of the Acquisition can change. Furthermore, the Rigs have been part of Noble's operations and have not been operated on a standalone basis or in separate entities. Moreover, there are no financial statements or financial accounts relating to the acquired jack-up rigs available to the Group, accordingly preparation of pro forma financial information would be disproportionately burdensome. The acquisition of Deep Driller 7 will be accounted for as an acquisition of an asset as the rig has been idle for a substantial period and no active drilling contract is assumed.

*8.7.1 Impact on the Group's profit and loss for the financial year ended December 2021, as if the Acquisition and acquisition of Deep Driller 7 were completed on 1 January 2021*

Based on information available to the Company, the Rigs generated USD 80.7 million in revenue and Deep Driller 7 generated no revenue for the financial year ended December 2021. If the Company had acquired the Rigs and Deep Driller 7 on 1 January 2021, this revenue would have been accounted for in the Group's profit or loss. The Company would also have assumed operating costs for the Rigs and Deep Driller 7; however, the Company has limited financial information available on historical operating costs of the Rigs and Deep Driller 7. The estimated total economic life of each of the Rigs and Deep Driller 7 is 30 years. The calculated depreciation in the financial year ended 2021 would have amounted to approximately USD 15 million. The planned debt issuance of USD 200-225 million for the Acquisition would have resulted in increased interest expense for the Group, however, since this debt will be entered into by SDNS between signing of the Rig Purchase Agreement and closing of the Acquisition no estimated interest expense can be precisely calculated.

*8.7.2 Impact on the Group's balance sheet as of December 2021, if the Acquisition and acquisition of Deep Driller 7 were completed on 31 December 2021*

The Company is of the opinion that the values to be recorded in the Company's balance sheet are expected to reflect the prices paid for the rigs, as part of the Acquisition and the acquisition of Deep Driller 7 for accounting purposes. Total assets would therefore increase by an estimated USD 375 million. The Acquisition will be settled as described in section 6.2 "Rig Purchase Agreement" increasing the Group's total long-term liabilities by USD 200-225 million, the completed Private Placement has increased total equity as described in section 8 "capitalisation and indebtedness" and the future private placement of USD 80 million would increase total equity. The acquisition of Deep Driller 7 was completed with cash on hand, reducing the Group's cash and cash equivalents by USD 30 million.

## **9 TREND INFORMATION**

### **9.1 Most significant recent trends**

Overall utilization and dayrates on new contract fixtures for jack-ups have been steadily rising over the past six months. According to IHS Petrodata as of 6 June 2022, marketed utilization of ILC jack-ups has reached 89%, marginally surpassing the pre-COVID-19 peak observed in January 2020. The rise in marketed utilization is aided by a high number of jack-ups retiring from the global fleet since the onset of COVID-19 and has since contributed to a tightening rig market. The number of contracted ILC jack-ups stood at 365 as of 6 June 2022, and although this number is still below the pre-pandemic peak of 382, the Company expects it to rise rapidly in the near future following Saudi Aramco's recent award of at least 26 contracts (please see Section 9.2 below). Observed dayrates for recent contract fixtures on premium jack-up rigs<sup>5</sup> are already at or above USD 100,000/day, and bidding rates for tenders in 2023 are in the USD 100,000 – USD 120,000 per day range.

### **9.2 Known trends, uncertainties, demands, commitments or events**

Research analysts had largely attributed the recent uplift in jack-up utilization and dayrates to worldwide economic recovery and gradual lifting of movement restrictions associated with the impacts of COVID-19. Major oil and gas producers are observed to increase their capital expenditure programs to invest in productive capacity following years of underinvestment, in order to keep pace with current demand and to meet the expected rise in demand for crude oil in the near future. Shallow water basins around the world, benefitting from the relatively lower overall cost per barrel produced and lower carbon intensity, are already seeing an uplift in marketing and contracting activity.

Energy security is emerging as a key policy theme globally, but especially among the European Union, following recent geopolitical events in early 2022 and the high energy prices at present. Several mature producing fields in the North Sea that were previously planned to be abandoned are now being considered for reinstatement. However, it is uncertain how much energy security concerns will affect the EU's stated goals to pursue green energy in the short- to medium-term.

OPEC producers have recently announced goals to increase productive capacity to meet expected future demand for crude oil. Saudi Aramco, the largest OPEC producer and largest user of jack-up rigs, has determined shallow water basins to be the most economical source of incremental crude production in Saudi Arabia. As such, Saudi Aramco has recently awarded at least 26 incremental jack-up contracts, many of which going to previously stacked units or rigs elsewhere in the world, including the North Sea. Furthermore, Saudi Aramco is expected to continue contracting more rigs, taking its rig count from approximately 50 at the beginning of 2022 to upwards of 90 jack-up rigs in the near future. Though to a much lesser extent, Qatar Gas has also tendered for incremental jack-up rigs from outside of the Middle East for its offshore natural gas fields, in order to boost LNG production and exports.

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<sup>5</sup> Premium jack-up rigs are independent legs and cantilever units built in year 2000 or later and capable of operating in water depths of 300ft or more.

The rapid expansion of Saudi Aramco’s contracted fleet has other ramifications on the jack-up market, namely on the supply chain of equipment, capital spares, and parts. In recent months, key equipment ordered are experiencing longer lead times and more delays, while inflation in pricing of goods and services are also exerting pressure on operation and maintenance costs.

Given these developments, the Company expects the jack-up market to tighten further in substantially all regions with marketed utilization surpassing 90%, resulting in more uplifts in dayrates for new contract fixtures going forward.

**9.3 Short and long-term financial and non-financial business strategy and objectives**

The Company’s strategic objectives had shifted dramatically as a result of the COVID-19 pandemic. The optimism and signs of cyclical recovery at year end 2019 quickly fell away as numerous challenges mounted. Significant declines in oil and gas demand by mid-2020 were compounded by initial OPEC+ disagreements on reigning in supply and consequently, a much faster than expected build-up of crude oil inventories. Oil price benchmarks fell to historic lows, prompting many oil majors to take immediate and extreme measures to reduce spending and commitments. As a result, the Company experienced multiple contract terminations, suspensions and renegotiations during the pandemic. Financial performance significantly underperformed against pre-pandemic projections in late-2020 and early-2021.

The Company responded to the financial impacts of COVID-19 on the business on all fronts, including but not limited to headcount reductions at its corporate and field offices, compensation and benefit reductions, deferment or elimination of non-essential expenditures, sale of uncontracted assets, and issuance of new debt to ensure there was sufficient cash liquidity to continue its business activities. Protecting employees’ physical and mental health also became a key area of focus, as offshore crew change schedules became irregular and severely challenged in most locations. The Company collaborated with its customers and local authorities to implement location-specific quarantine and sanitation protocols to keep the rigs virus-free, and facilitated vaccination of substantially all employees as and when vaccines were approved. Counselling was made more available, and CEO video messages were also delivered through online channels to the offshore crew at regular intervals.

All of the specific actions taken by the Company substantially offset the impacts of the COVID-19 pandemic, maintain high standards for operation despite disruptions, and continue to deliver record-setting performance as measured by both uptime and total recordable incident rate ("TRIR": number of recordable incidents per 200,000 man-hours). The Company’s proven track record of delivering efficient and effective operations to its customers helped drive marketing and contracting success as the world began to recover from COVID-19’s effects in mid- to late-2021. One of the most unique contract awards in late-2021 was for the Shelf Drilling Tenacious in Angola, where the rig was heavily modified for subsea and offshore platform construction prior to “factory-style” drilling and completing wells. These capabilities typically require multiple specialized vessels at more time and cost to the customer, but were for the first time integrated on a premium jack-up rig outside of the North Sea. This award is a testament to the Company’s engineering and project management capabilities to devise technically innovative solutions in accomplishing specific objectives set by its customers.

Going forward, the Company expects to achieve further contracting success as driven by its track record, technical innovations, and an improving market backdrop for offshore drilling contractors. Financial performance is also expected to improve year-over-year in the near term as fleet utilization has improved and dayrates of new contract fixtures commencing in 2022 and beyond continue to improve over the pandemic levels. However, certain impacts of COVID-19, such as supply chain disruptions at key shipping hubs due either to lockdowns or labour shortages, continue to linger to the present, potentially causing shipping or project delays. Inflationary pressures on substantially all goods and services essential to drilling operations are also expected to partly offset the positive developments in rig dayrates.

**10 ADDITIONAL INFORMATION**

**10.1 Advisors**

Advokatfirmaet Thommessen AS (Ruseløkkveien 38, N-0251 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

**10.2 Governing law and jurisdiction**

This Prospectus shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

**10.3 Incorporated by reference**

The information incorporated by reference in this Prospectus should be read in connection with the cross reference table set out below. Unless otherwise stated in this Prospectus, no information is incorporated by reference into this Prospectus.

Section in the prospectus	Disclosure requirement	Reference document and link	Page of reference document
Section 4.3	Audited historical financial information (Annex Va, item V)	Annual Report 2021: <a href="https://www.shelfdrilling.com/wp-content/uploads/2022/03/Shelf-Drilling-AR-2021_full-1.pdf">https://www.shelfdrilling.com/wp-content/uploads/2022/03/Shelf-Drilling-AR-2021_full-1.pdf</a>	Page F-1 – F-42

Section 4.3	Auditing of historical annual financial information (Annex Va, item V)	Audit Report 2021: <a href="https://www.shelfdrilling.com/wp-content/uploads/2022/03/Shelf-Drilling-AR-2021_full-1.pdf">https://www.shelfdrilling.com/wp-content/uploads/2022/03/Shelf-Drilling-AR-2021_full-1.pdf</a>	Page F-3 – F-4
Section 4.3	Memorandum and Articles of Association (Annex Va, item XVI)	Quarterly report for the 3 months ended 31 March 2022: <a href="https://www.shelfdrilling.com/wp-content/uploads/2022/05/Shelf-Drilling-Ltd.-March-31-2022-Quarterly-Report.pdf">https://www.shelfdrilling.com/wp-content/uploads/2022/05/Shelf-Drilling-Ltd.-March-31-2022-Quarterly-Report.pdf</a>  Memorandum and Articles of Association: <a href="https://www.shelfdrilling.com/wp-content/uploads/2018/06/Articles-of-Association.pdf">https://www.shelfdrilling.com/wp-content/uploads/2018/06/Articles-of-Association.pdf</a>	Page 2-41

Copies of the above mentioned documents, as well as the Company's Articles will be available for inspection at the Company's offices at One JLT, Floor 12, Jumeirah Lakes Towers, Dubai, United Arab Emirates and at <https://www.shelfdrilling.com/>.

## 11 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Acquisition .....	The acquisition of five jack-up rigs, (i) “Noble Hans Deul”; (ii) “Noble Houston Colbert”; (iii) “Noble Lloyd Noble”; (iv) “Noble Sam Hartley”, and (v) “Noble Sam Turner” (jointly the “Rigs”), and related contracts and employees from Noble Corporation.
Anti-Money Laundering Legislation .....	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324.
Articles of Association or Articles .....	The Company's articles of association.
ASC	Accounting Standards Codification
Board Members .....	Members of the Company's Board of Directors.
Board of Directors .....	The board of directors of the Company.
Business Combination .....	The proposed business combination between Noble and Maersk Drilling announced on 10 November 2021.
CET .....	Central European Time.
China Merchants .....	China Merchants Industry Holdings Company Limited.
Company .....	Shelf Drilling, Ltd.
COVID-19 .....	The novel coronavirus confirmed in early 2020.
CSDR .....	Central Securities Depository Regulation.
CMA .....	UK Competition and Markets Authority.
DNB .....	DNB Bank ASA.
DNB Markets .....	DNB Markets, a part of DNB Bank ASA.
EEA .....	European Economic Area.
EU Prospectus Regulation .....	Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 amending Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC , as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.
Existing Securities .....	The Company's existing depository receipts.
Financial Statements .....	The audited consolidated financial statements of the Group as of and for the financial years ending 31 December 2021.
Group .....	The Company together with its subsidiaries.
IOCs .....	International oil companies.
IRS .....	Internal Revenue Service.
ISIN .....	International Securities Identification Number.
Key Personnel .....	Management, other key employees and Directors of the Group's Board.
Listing .....	The listing of the New Securities on the Oslo Stock Exchange.
Maersk Drilling .....	Drilling Company of 1972 A/S.
Management .....	Members of the Group's senior management.
Managers .....	DNB Markets and SB1M.
MiFID II .....	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
New Securities .....	11,156,568 new depository receipts, each with a par value of USD 0.01, issued at a subscription price of NOK 13.00 per New Security in connection with the Private Placement.
Noble .....	Noble Corporation.
NOCs .....	National oil companies.
NOK .....	the lawful currency of Norway.
Norwegian FSA .....	The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i> ).
Norwegian Securities Trading Act .....	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended).
ILC	Independent legs and cantilever

Order .....	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
Oslo Stock Exchange .....	Oslo Børs, a Norwegian stock exchange operated by Oslo Børs ASA.
PFIC .....	Passive Foreign Investment Company.
Private Placement .....	The private placement of 38,400,000 Securities completed on 23 June 2022.
Private Placement Securities .....	A total of 38,400,000 securities offered in connection with the Private Placement.
Prospectus.....	This Prospectus dated 5 August 2022.
PwC.....	PricewaterhouseCoopers (Dubai branch), with license number 102451, and business address at Emaar Square Building 4, Level 8, Dubai, United Arab Emirates.
QIBs .....	Qualified institutional buyers.
Relevant Member State.....	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Relevant Persons.....	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Registrar Agreement .....	The registrar agreement entered into with DNB for the appointment of DNB as the Company's VPS Registrar.
Regulation S .....	Regulation S under the U.S. Securities Act.
Rig Purchase Agreement.....	The agreement entered into by SDNS with Noble Corporation for the acquisition of five jack-up rigs, (i) "Noble Hans Deul"; (ii) "Noble Houston Colbert"; (iii) "Noble Lloyd Noble"; (iv) "Noble Sam Hartley", and (v) "Noble Sam Turner", and related contracts and employees.
Rigs .....	(i) "Noble Hans Deul"; (ii) "Noble Houston Colbert"; (iii) "Noble Lloyd Noble"; (iv) "Noble Sam Hartley", and (v) "Noble Sam Turner.
Rule 144A.....	Rule 144A under the U.S. Securities Act.
SB1M .....	SpareBank 1 Markets AS.
SDNS.....	Shelf Drilling (North Sea), Ltd.
Securities .....	The Existing Securities and the New Securities.
Settlement Agent .....	SB1M.
Shelf Drilling .....	Shelf Drilling, Ltd.
Sponsors .....	Castle Harlan, Inc. and Lime Rock Partners.
Target Market Assessment.....	A product approval process of the Shares, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
UK .....	United Kingdom.
USD.....	The lawful currency of the United States.
U.S. Exchange Act.....	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act.....	The U.S. Securities Act of 1933, as amended.
VPS .....	The Norwegian Central Securities Depository.
VPS Registrar .....	DNB.



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**Legal Advisor to the Company**

*(as to Norwegian law)*

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