

**PRESS RELEASE**  
**SHELF DRILLING**  
**REPORTS SECOND QUARTER 2025 RESULTS**

Dubai, UAE, August 7, 2025 – Shelf Drilling, Ltd. ("Shelf Drilling", "SDL" and, together with its subsidiaries, the "Company", OSE: SHLF) announces results for the second quarter of 2025 ended June 30. The results highlights will be presented by audio conference call on August 7, 2025 at 6:00 pm Dubai time / 4:00 pm Oslo time. Dial-in details for the call are included in the press release posted on August 5, 2025 and on page 3 of this release.

Greg O'Brien, Chief Executive Officer, commented: *"Shelf Drilling continued to deliver strong operating and financial performance in the second quarter of 2025 generating EBITDA of \$94 million, corresponding to a 39% margin, and we have revised upwards our financial guidance range slightly for the full year 2025. We also increased our cash position by \$19 million and repaid \$48 million of debt during the first half of 2025."*

*Over the last two months, we have secured a series of new contracts and extensions in the Middle East, India, Mediterranean, North Sea and Southeast Asia improving visibility for 2025 and 2026, and we remain actively engaged with customers on additional contracting opportunities in our core markets."*

O'Brien added: *"While the uncertain macroeconomic environment has resulted in near-term market volatility and we see near-term dayrate pressure, we remain confident in the long-term fundamentals for the jack-up market. Shallow water activity will continue to play a crucial role in meeting the world's expanding energy needs. We remain focused on delivering safe and best-in-class services to our customers and value for our shareholders."*

**Second Quarter Highlights and Subsequent Events**

- Q2 2025 adjusted revenues of \$239.7 million.
- Q2 2025 adjusted EBITDA of \$94.0 million, representing an adjusted EBITDA margin of 39%, including \$21.0 million adjusted EBITDA from Shelf Drilling (North Sea), Ltd. ("SDNS") and \$73.0 million from the rest of the business.
- Q2 2025 net income of \$11.2 million.
- Q2 2025 capital expenditures and deferred costs totaled \$18.0 million.
- The Company's cash and cash equivalents balance at June 30, 2025 was \$171.5 million.
- Key rig updates include:
  - Five-year contract extension for the High Island V in Saudi Arabia until July 2030.
  - Three-year new contract for the J.T. Angel expected to commence in October 2025.
  - One-year contract extension for the Key Manhattan in Italy until November 2026.
  - One-year contract extension for the Rig 141 in Egypt until February 2027.
  - One well contract for the Shelf Drilling Fortress in the United Kingdom, expected to commence in September 2025.
  - One well contract for the Shelf Drilling Enterprise in Vietnam, expected to commence in September 2025.
  - Trident XII is intended to be divested for non-drilling purposes.
- Financial guidance for the full year 2025 has been revised and is included in the "2025 Financial Guidance" section of the Q2 2025 results highlights presentation on our website.

## Second Quarter Results

Adjusted revenues marginally decreased to \$239.7 million in Q2 2025 compared to the prior quarter, primarily due to contract completions for two rigs in India and the United Kingdom. This was partially offset by a higher average dayrate for one rig in Denmark and a full quarter of operations for one rig in Egypt following its contract commencement in February 2025.

Effective utilization marginally decreased to 78% in Q2 2025 from 79% in Q1 2025 mainly due to two rigs in India and the United Kingdom that completed contracts in late Q1 2025 and Q2 2025, respectively. This was partially offset by one rig in Egypt following contract start-up in February 2025. Average dayrate increased to \$96.7 thousand in Q2 2025 from \$94.2 thousand in Q1 2025, primarily due to a higher dayrate for one rig in Denmark.

Total operating and maintenance expenses were relatively unchanged at \$129.6 million in Q2 2025 compared to prior quarter. The marginal increase was primarily due to higher operating costs for one rig in Norway that commenced drilling operations in May 2025 and higher expenses for fleet spares, mostly offset by lower costs for two rigs that were redeployed to West Africa in Q1 2025 and two rigs in India that completed their contracts in Q1 2025.

General and administrative expenses decreased by \$2.4 million in Q2 2025 to \$14.4 million as compared to \$16.8 million in Q1 2025. The sequential decrease was primarily due to a decrease in provision for credit losses and lower compensation and benefits expenses.

Adjusted EBITDA for Q2 2025 was \$94.0 million compared to \$96.2 million for Q1 2025. The adjusted EBITDA margin of 39% for Q2 2025 marginally decreased as compared to 40% in Q1 2025. The adjusted EBITDA for SDNS sequentially decreased to \$21.0 million from \$28.0 million, primarily due to one rig in the United Kingdom that completed its contract in late Q2 2025.

Capital expenditures and deferred costs increased to \$18.0 million from \$15.5 million in Q1 2025. The sequential increase was primarily due to higher spending on fleet spares. This was partially offset by lower regulatory and capital maintenance expenditures for three rigs in West Africa, Denmark and Qatar as well as two rigs redeployed to West Africa in Q1 2025.

Q2 2025 ending cash and cash equivalents balance was \$171.5 million. The decrease of \$35.1 million from \$206.6 million at the end of Q1 2025 was primarily due to debt service payments in Q2 2025 (\$47.5 million of principal payments and \$67.0 million of interest payments). This was partially offset by a decrease in working capital in Q2 2025.

The Form 10-Q Equivalent, which includes the condensed consolidated financial statements, and a corresponding slide presentation to address the results highlights for Q2 2025 are available on the Company's website.

### **For further queries, please contact:**

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**Dial in Details for the Audio Conference call**

Participants will receive conference access information only when they register for the conference via the link below:

Online Registration: <https://register-conf.media-server.com/register/BI29efa59aa26c4cfda673b4af6a9c33d2>

Participants must register for the call using online registration. Upon registering, each participant will be provided with call details.

**About Shelf Drilling**

Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across Middle East, Southeast Asia, India, West Africa, Mediterranean and North Sea. Shelf Drilling was founded in 2012 and has established itself as a leader within its industry through its fit-for-purpose strategy and close working relationship with industry leading clients. The Company is incorporated under the laws of the Cayman Islands with corporate headquarters in Dubai, United Arab Emirates. The Company is listed on the Oslo Stock Exchange under the ticker "SHLF".

**Special Note Regarding Forward-Looking Statements**

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "strategy", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Given these factors, users of this information should not place undue reliance on the forward-looking statements.

Additional information about Shelf Drilling can be found at [www.shelfdrilling.com](http://www.shelfdrilling.com).

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

## Financial Report for the Period Ended June 30, 2025

	Three months ended		Six months ended		Twelve months ended
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024	June 30, 2025
Operating revenues – dayrate	\$ 221.4	\$ 220.7	\$ 442.1	\$ 443.8	\$ 851.2
Operating revenues – others	11.3	12.3	23.6	23.6	90.0
Other revenues	7.0	9.7	16.7	14.9	31.3
<b>Adjusted revenues <sup>(1)</sup></b>	<b>239.7</b>	<b>242.7</b>	<b>482.4</b>	<b>482.3</b>	<b>972.5</b>
Amortization of intangible liability <sup>(2)</sup>	1.5	3.0	4.5	6.4	10.9
<b>Revenues <sup>(3)</sup></b>	<b>241.2</b>	<b>245.7</b>	<b>486.9</b>	<b>488.7</b>	<b>983.4</b>
Rig operating expenses	117.5	116.4	233.9	265.7	471.5
Shore-based expenses	12.1	13.0	25.1	25.6	49.6
<b>Operating and maintenance expenses <sup>(4)</sup></b>	<b>129.6</b>	<b>129.4</b>	<b>259.0</b>	<b>291.3</b>	<b>521.1</b>
Corporate G&A <sup>(5)</sup>	13.7	14.9	28.6	31.1	55.7
Provision for / (reversal of provision for) credit losses, net	(0.5)	0.6	0.1	0.6	2.1
Share-based compensation expense, net of forfeitures <sup>(6)</sup>	1.2	1.3	2.5	2.3	5.2
One-time corporate transaction costs <sup>(7)</sup>	—	—	—	0.2	0.6
<b>General &amp; administrative expenses</b>	<b>14.4</b>	<b>16.8</b>	<b>31.2</b>	<b>34.2</b>	<b>63.6</b>
Gain on insurance recovery	—	—	—	—	(30.9)
Other, net expense / (income) <sup>(8)</sup>	1.7	0.3	2.0	5.5	(1.0)
<b>EBITDA <sup>(9)</sup></b>	<b>94.0</b>	<b>96.2</b>	<b>190.2</b>	<b>151.3</b>	<b>419.7</b>
Gain on insurance recovery	—	—	—	—	(30.9)
One-time corporate transaction costs <sup>(7)</sup>	—	—	—	0.2	0.6
<b>Adjusted EBITDA <sup>(9)</sup></b>	<b>\$ 94.0</b>	<b>\$ 96.2</b>	<b>\$ 190.2</b>	<b>\$ 151.5</b>	<b>\$ 389.4</b>
<b>Adjusted EBITDA margin <sup>(9)</sup></b>	<b>39%</b>	<b>40%</b>	<b>39%</b>	<b>31%</b>	<b>40%</b>

### Operating Data:

Average marketable rigs <sup>(10)</sup>	32.3	33.0	32.7	35.7	33.1
Average dayrate (in thousands) <sup>(11)</sup>	\$ 96.7	\$ 94.2	\$ 95.4	\$ 81.9	\$ 89.9
Effective utilization <sup>(12)</sup>	78%	79%	78%	83%	78%

### Capital expenditures and deferred costs:

Regulatory and capital maintenance <sup>(13)</sup>	\$ 10.4	\$ 16.2	\$ 26.6	\$ 41.5	\$ 46.4
Contract preparation <sup>(14)</sup>	2.9	2.1	5.0	27.7	32.9
Marketable rigs	13.3	18.3	31.6	69.2	79.3
Fleet spares and others <sup>(15)</sup>	4.7	(2.8)	1.9	17.3	20.1
<b>Capital expenditures and deferred costs</b>	<b>\$ 18.0</b>	<b>\$ 15.5</b>	<b>\$ 33.5</b>	<b>\$ 86.5</b>	<b>\$ 99.4</b>

The following table reconciles the cash payment for additions to property and equipment and changes in deferred costs, net to total capital expenditures and deferred costs:

Cash payments for additions to property and equipment	\$ 6.9	\$ 9.6	\$ 16.5	\$ 33.6	\$ 30.6
Net change in advances and accrued but unpaid additions to property and equipment	(0.4)	(1.8)	(2.2)	1.5	(0.1)
<b>Capital expenditures</b>	<b>6.5</b>	<b>7.8</b>	<b>14.3</b>	<b>35.1</b>	<b>30.5</b>
Changes in deferred costs, net	(7.9)	(12.5)	(20.4)	5.8	(28.3)
Add: Amortization of deferred costs	19.4	20.2	39.6	45.6	97.2
<b>Deferred costs</b>	<b>11.5</b>	<b>7.7</b>	<b>19.2</b>	<b>51.4</b>	<b>68.9</b>
<b>Capital expenditures and deferred costs</b>	<b>\$ 18.0</b>	<b>\$ 15.5</b>	<b>\$ 33.5</b>	<b>\$ 86.5</b>	<b>\$ 99.4</b>

(In US\$ millions, except rig numbers, average dayrate and effective utilization)

(percentages and figures may include rounding differences)

## GAAP and Non-GAAP Financial Measures

The above financial report reflects certain US generally accepted accounting principles ("GAAP") and non-GAAP financial measures to evaluate the performance of our business. We believe the non-GAAP financial measures we use are useful in assessing our historical and future performance throughout the commodity price cycles that have characterized our industry since our inception.

- (1) "Adjusted Revenues" as used herein is defined as revenues less the amortization of intangible liability. Adjusted revenues provide investors with a financial measure used in our industry to better evaluate our results without regard to non-cash amortization of intangible liability.
  - (2) "Amortization of intangible liability" is defined as the amortization of the intangible liability related to existing drilling contracts for future contract drilling services in connection with the acquisition of five jack-up rigs from Noble. The terms of these contracts included fixed dayrates that were below the market dayrates that were estimated to be available for similar contracts as of the date of the acquisition of five jack-up rigs from Noble. This amortization is recorded in the operating revenues line item in the consolidated statements of operations.
  - (3) "Revenues" includes all revenues earned over the period including: (a) integrated drilling service contract dayrates, (b) other operating revenues such as amortization of mobilization and contract preparation fees, demobilization, contract termination fees, contractual operational incentive bonus and revenue provisions and (c) others which mainly include recharge revenue for client requested services and materials and (d) amortization of intangible liability.
  - (4) "Operating and maintenance expenses" consist of Rig "Personnel expenses", "Maintenance expenses", "Other operating expenses" and shore-based offices expenses. "Personnel expenses" include compensation, transportation, training and catering costs for rig crews. Such expenses vary from country to country reflecting the combination of expatriates and nationals, local market rates, unionized trade arrangements, local law requirements regarding social security, payroll charges and end of service benefit payments. "Maintenance expenses" relate to maintaining our rigs in operation, including the associated freight and customs duties, which are not capitalized nor deferred. Such expenses do not directly extend the rig life or increase the functionality of the rig. "Other operating expenses" include all remaining operating expenses such as insurance, professional services, equipment rental and other miscellaneous costs.
  - (5) "Corporate G&A" as used herein includes general & administrative expenses, excluding the (reversal of provision for) / provision for credit losses, net, share-based compensation expense and one-time corporate transaction costs.
  - (6) "Share-based compensation expense, net of forfeitures" is recognized as general and administrative expense in the consolidated statements of operations.
  - (7) "One-time corporate transaction costs" represents certain one-time expenses related to cost saving and restructuring measures, third-party professional services and certain costs related to acquisitions.
  - (8) "Other, net (income) expense" as used herein is composed primarily of currency exchange loss / (gain), tax indemnities and certain vendor discounts.
  - (9) "EBITDA" as used herein represents revenue less: operating and maintenance expenses, Corporate G&A, (reversal of) / provision for credit losses, share-based compensation expense, net of forfeitures and other, net, and excludes amortization of intangible liability, interest expense and financing charges, interest income, income taxes, depreciation, amortization, impairment loss and (gain) / loss on disposal of assets. "Adjusted EBITDA" as used herein represents EBITDA as adjusted for the exclusion of gain on insurance recovery and one-time corporate transaction costs. "Adjusted EBITDA margin" as used herein represents Adjusted EBITDA divided by adjusted revenues. These terms, as we define them, may not be comparable to similarly titled measures employed by other companies and are not a measure of performance calculated in accordance with GAAP. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or other income or cash flow statement data prepared in accordance with GAAP.
- We believe that Adjusted Revenues, EBITDA and Adjusted EBITDA are useful because they are widely used by investors in our industry to measure a company's operating performance without regard to items such as interest expense and financing charges, interest income, income tax expense (benefit), depreciation, amortization and non-recurring expenses (benefits), which can vary substantially from company to company. EBITDA and Adjusted EBITDA have significant limitations, such as not reflecting our cash requirements for capital expenditures and deferred costs, contractual commitments, working capital, taxes or debt service.
- Our management uses Adjusted Revenues, EBITDA and Adjusted EBITDA for the reasons stated above. In addition, our management uses Adjusted EBITDA in presentations to our Board of Directors to provide a consistent basis to measure operating performance of management; as a measure for planning and forecasting overall expectations; for evaluation of actual results against such expectations; and in communications with equity holders, lenders, note holders, rating agencies and others concerning our financial performance.
- (10) "Marketable rigs" are defined as the total number of rigs that are operating or are available to operate, but excluding rigs under third party bareboat charter agreements, stacked rigs and rigs under contract for activities other than drilling or plug and abandonment services, as applicable.
  - (11) "Average dayrate" is defined as the average contract dayrate earned by marketable rigs over the reporting period excluding mobilization fees, contract preparation, capital expenditure reimbursements, demobilization, recharges, bonuses and other revenues.
  - (12) "Effective utilization" is defined as the actual number of calendar days during which marketable rigs generate dayrate revenues divided by the maximum number of calendar days during which those rigs could have generated dayrate revenues.
  - (13) "Regulatory and capital maintenance" includes major overhauls, regulatory costs, general upgrades and sustaining capital expenditures.
  - (14) "Contract preparation" includes specific upgrade, mobilization and preparation costs associated with a customer contract.
  - (15) "Fleet Spares and others" includes: (i) acquisition and certification costs for the rig fleet spares pool which is allocated to specific rig expenditure as and when required by that rig which will result in an expenditure charge to that rig and a credit to fleet spares and (ii) office and infrastructure expenditures.