

Shelf Drilling (North Sea), Ltd.

Condensed Consolidated Financial Statements
for the three months ended March 31, 2024 and 2023 (Unaudited)

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SHELF DRILLING (NORTH SEA), LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three months ended March 31,	
	2024	2023
Revenues		
Operating revenues	\$ 29.4	\$ 25.7
Other revenues	1.5	11.1
	<u>30.9</u>	<u>36.8</u>
Operating costs and expenses		
Operating and maintenance	35.3	22.5
Depreciation	4.6	4.3
Amortization of deferred costs	0.1	—
General and administrative	4.2	4.6
	<u>44.2</u>	<u>31.4</u>
Operating income / (loss)	<u>(13.3)</u>	<u>5.4</u>
Other expense / (income), net		
Interest income	(0.3)	(0.2)
Interest expense and financing charges	7.3	7.3
Other, net	(0.3)	0.2
	<u>6.7</u>	<u>7.3</u>
Loss before income taxes	<u>(20.0)</u>	<u>(1.9)</u>
Income tax expense	0.4	0.5
Net loss	<u>\$ (20.4)</u>	<u>\$ (2.4)</u>
Net loss per common share - basic and diluted	\$ (0.20)	\$ (0.02)
Weighted average common shares - basic and diluted	100.0	100.0

See notes to the condensed consolidated financial statements.

SHELF DRILLING (NORTH SEA), LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except per share data)

(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 13.6	\$ 27.7
Accounts and other receivables	26.8	27.9
Less: allowance for credit losses	—	3.4
Accounts and other receivables, net	26.8	24.5
Accounts and other receivables, net - related parties	—	0.4
Other current assets	9.0	4.1
Total current assets	49.4	56.7
Property and equipment	431.1	427.1
Less: accumulated depreciation	27.3	22.7
Property and equipment, net	403.8	404.4
Deferred tax assets	2.3	2.3
Other long-term assets	13.0	8.6
Total assets	\$ 468.5	\$ 472.0
Liabilities and equity		
Accounts payable	\$ 31.0	\$ 21.1
Accounts payable - related parties	2.3	0.6
Interest payable	10.5	4.2
Accrued income taxes	1.2	1.0
Current maturities of long-term debt	12.5	12.5
Other current liabilities	4.5	3.2
Total current liabilities	62.0	42.6
Long-term debt	224.7	223.8
Deferred tax liabilities	2.2	2.2
Other long-term liabilities	19.4	22.8
Total long-term liabilities	246.3	248.8
Commitments and contingencies (Note 8)	—	—
Common shares of \$0.01 par value; 120.0 shares authorized as of March 31, 2024 and December 31, 2023, respectively; 100.0 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	1.0	1.0
Additional paid-in capital	194.3	194.3
Accumulated losses	(35.1)	(14.7)
Total equity	160.2	180.6
Total liabilities and equity	\$ 468.5	\$ 472.0

See notes to the condensed consolidated financial statements.

SHELF DRILLING (NORTH SEA), LTD.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(In millions)

(Unaudited)

	Three months ended March 31,	
	2024	2023
Number of common shares		
Balance, beginning of period	100.0	100.0
Balance, end of period	100.0	100.0
Common shares		
Balance, beginning of period	\$ 1.0	\$ 1.0
Balance, end of period	1.0	1.0
Additional paid-in capital		
Balance, beginning of period	194.3	194.3
Balance, end of period	194.3	194.3
Retained earnings / (Accumulated losses)		
Balance, beginning of period	(14.7)	9.3
Net loss	(20.4)	(2.4)
Balance, end of period	(35.1)	6.9
Total equity	\$ 160.2	\$ 202.2

See notes to the condensed consolidated financial statements.

SHELF DRILLING (NORTH SEA), LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

(Unaudited)

	Three Months March 31,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (20.4)	\$ (2.4)
Adjustments to reconcile net loss to net cash provided by / (used in) operating activities		
Depreciation	4.6	4.3
Amortization of intangible liability	(3.2)	(3.6)
Amortization of debt issuance costs and discounts	0.9	0.9
Deferred tax expense / (benefit), net	—	0.2
Changes in deferred costs, net*	(8.5)	(0.1)
Changes in operating assets and liabilities	13.7	14.2
Net cash provided by / (used in) operating activities	(12.9)	13.5
Cash flows from investing activities		
Additions to property and equipment*	(1.2)	(2.9)
Net cash used in investing activities	(1.2)	(2.9)
Cash flows from financing activities		
Payment of debt issuance costs	—	(0.2)
Payment of common shares issuance costs	—	(0.1)
Net cash used in financing activities	—	(0.3)
Net increase / (decrease) in cash, cash equivalents and restricted cash	(14.1)	10.3
Cash, cash equivalents and restricted cash at beginning of period	32.3	57.1
Cash, cash equivalents and restricted cash at end of period*	<u>\$ 18.2</u>	<u>\$ 67.4</u>

* See Note 10 – Supplemental Cash Flow Information for a reconciliation of cash payments for additions to property and equipment and changes in deferred costs, net to total capital expenditures and deferred costs and a reconciliation of cash, cash equivalents and restricted cash balances.

See notes to the condensed consolidated financial statements.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Business and Basis of Presentation

Business

Shelf Drilling (Far East II), Ltd. was incorporated on April 14, 2014 as an exempted company in the Cayman Islands. On June 13, 2022, Shelf Drilling (Far East II), Ltd. was renamed Shelf Drilling (North Sea), Ltd.. On September 15, 2022, Shelf Drilling (North Sea), Ltd. discontinued as a company under the laws of the Cayman Islands and continued as an exempted company under the laws of Bermuda. Shelf Drilling (North Sea), Ltd. together with its subsidiaries (“SDNS”, the “Company”, “we” or “our”) is solely focused on shallow water operations in depths of up to 500 feet and our fleet consists of five independent-leg cantilever (“ILC”) jack-up rigs as of March 31, 2024.

Since October 3, 2022, 60% of the Company’s issued shares are owned by Shelf Drilling Holdings, Ltd. (“SDHL”), which is wholly-owned by Shelf Drilling, Ltd. (“SDL”). SDL along with its majority owned subsidiaries is a leading international shallow water offshore contractor providing services and equipment for the drilling, completion, maintenance and decommissioning of oil and natural gas wells. Since June 25, 2018, SDL shares are listed on the Oslo Stock Exchange under the ticker symbol SHLF. The remaining 40% of the Company’s issued shares are owned by various external investors. Since October 12, 2022, Company shares are listed on the Euronext Growth Oslo Exchange under the ticker symbol SDNS. Our corporate offices are in Dubai, United Arab Emirates.

Basis of Presentation

The Company has prepared the accompanying condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”). Pursuant to such rules and regulations, these financial statements do not include all disclosures required by GAAP for complete financial statements. The condensed consolidated financial statements reflect all adjustments, which are, in the opinion of management, necessary for a fair statement of financial position, results of operations and cash flows for the interim periods. Such adjustments are of a normal recurring nature unless otherwise noted. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024 or for any future period. The accompanying condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2023. The amounts are presented in United States (“U.S.”) dollar (“\$”) rounded to the nearest tenth of a million, unless otherwise stated. The Company’s significant accounting policies were included in the Company’s consolidated financial statements for the year ended December 31, 2023.

Note 2 – Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires enhanced disclosures about significant segment expenses, enhanced interim disclosure requirements, new segment disclosure requirements for entities with a single reportable segment, disclosures about the individual or the group or committee identified as the chief operating decision-maker and contains other disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company does not intend to early adopt this standard. The Company is currently reviewing the impact of the adoption on the condensed consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires a tabular reconciliation using both percentages and amounts, broken out into specific categories with certain reconciling items at or above 5% of the statutory tax further broken out by nature and/or jurisdiction. This ASU also has disclosure requirements related to income taxes paid (net of refunds received), broken out between federal, state/local and foreign, and amounts paid to an individual jurisdiction when 5% or more of the total income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company does not intend to early adopt this standard. The Company is currently reviewing the impact of the adoption on the condensed consolidated financial statements.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 3 – Revenues

As of March 31, 2024, the drilling contract with the longest expected remaining duration, excluding unexercised options, extends through February 2026.

Lease Revenue

On October 5, 2022, a subsidiary of the Company signed a bareboat charter agreement with a subsidiary of Noble Corporation (“Noble”) for the Shelf Drilling Barsk rig. The Noble subsidiary leased the rig from the Company for the remaining term of its drilling contract with Equinor ASA until December 2023. The Company received payments of \$2.0 million per month, which were trued up at periodic intervals for revenues and expenses per the terms of the agreement. The Company accounted for this operating lease and these variable lease payments under Accounting Standards Codification (“ASC”) 842 Leases. The lease payments were recognized as revenue over the lease term as use of the asset occurred.

Amounts recorded for lease revenues were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Lease revenue ⁽¹⁾	\$ —	\$ 9.9

(1) Recorded in the other revenues in the condensed consolidated statements of operations.

Contract Liabilities and Deferred Contract Costs

Contract Liabilities

The Company recognizes a contract liability when we invoice an amount which is greater than the revenues allocated to the related performance obligations for goods or services transferred to a customer. Contract liabilities include fees for contract preparation, capital upgrades, mobilization and advance payments from customers for future services which are recorded as other current liabilities and other long-term liabilities, as appropriate, in the condensed consolidated balance sheets.

The contract liabilities balance was immaterial as of March 31, 2024 and December 31, 2023, respectively.

Deferred Contract Costs

The Company’s deferred contract costs are mainly related to contract preparation and mobilization costs. Certain non-contractual costs such as regulatory inspections, major equipment overhauls (including rig upgrades), and stacked rig activations are expensed, deferred or capitalized into property and equipment as appropriate and are not included in deferred contract costs.

Following are the details of the deferred contract costs (in millions):

	As of	
	March 31, 2024	December 31, 2023
Current deferred contract costs	\$ 3.8	\$ —
Non-current deferred contract costs	3.4	—
	\$ 7.2	\$ —

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Significant changes in deferred contract costs are as follows (in millions):

	Three months ended March 31,	
	2024	2023
Balance, beginning of period	\$ —	\$ —
Increase due to contractual additions	7.2	—
Balance, end of period	\$ 7.2	\$ —

Allowance for Credit Losses

Allowance for credit losses was as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Allowance for credit losses	\$ —	\$ 3.4

Movements in allowance for credit losses were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Balance, beginning of period	\$ 3.4	\$ —
Write-off of uncollectible amounts	(3.4)	—
Balance, end of period	\$ —	\$ —

Note 4 – Net Loss Per Common Share

The computation of basic and diluted net loss per common share are as follows (in millions, except per share data):

	Three months ended March 31,	
	2024	2023
Numerator for net loss per common share		
Net loss	\$ (20.4)	\$ (2.4)
Denominator for net loss per common share		
Weighted average common shares:		
Weighted average common shares - basic and diluted	100.0	100.0
Net loss per common share - basic and diluted	\$ (0.20)	\$ (0.02)

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 5 – Intangible Liability

Following are the details of the intangible liability (in millions):

	As of	
	March 31, 2024	December 31, 2023
Intangible liability ⁽¹⁾	\$ 18.1	\$ 21.3

(1) Recorded in other long-term liabilities on the condensed consolidated balance sheets.

The gross carrying amount and the accumulated amortization of intangible liability are as follows (in millions):

	As of March 31, 2024		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Balance, beginning of period	\$ 43.1	\$ (21.8)	\$ 21.3
Amortization	—	(3.2)	(3.2)
Balance, end of period	<u>\$ 43.1</u>	<u>\$ (25.0)</u>	<u>\$ 18.1</u>

	As of December 31, 2023		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Balance, beginning of period	\$ 43.1	\$ (7.6)	\$ 35.5
Amortization	—	(14.2)	(14.2)
Balance, end of period	<u>\$ 43.1</u>	<u>\$ (21.8)</u>	<u>\$ 21.3</u>

The estimated future amortization of the intangible liability is as follows (in millions):

	As of March 31, 2024
Remainder of 2024	\$ 9.6
2025	7.5
2026	1.0
	<u>\$ 18.1</u>
Weighted average life (in years)	1.6

Amounts recorded for amortization of intangible liability were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Amortization of intangible liability ⁽¹⁾	\$ 3.2	\$ 3.6

(1) Recorded in the operating revenues in the condensed consolidated statements of operations.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 6 – Debt

The principal amounts and carrying values of debt are as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
10.25% Senior Secured Notes, due October 2025		
Principal amount	\$ 243.8	\$ 243.8
Unamortized debt issuance costs	(2.5)	(2.9)
Unamortized discount	(4.1)	(4.6)
Carrying value	237.2	236.3
Less: Current maturities of long-term debt	12.5	12.5
Total long-term debt	<u>\$ 224.7</u>	<u>\$ 223.8</u>

Following is a summary of scheduled debt principal payments (in millions):

	As of March 31, 2024
Twelve months ending March 31,	
2025	\$ 12.5
2026	231.3
Total	<u>\$ 243.8</u>

Note 7 – Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash and cash equivalents, accounts receivable, restricted cash, accounts payable, accrued liabilities and operating lease liabilities, approximate their fair market values due to the short-term duration and/or the nature of the instruments.

The following table represents the carrying value and estimated fair value of debt (in millions):

	As of		As of	
	March 31, 2024		December 31, 2023	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
10.25% Senior Secured Notes, due October 2025	\$ 237.2	\$ 246.4	\$ 236.3	\$ 243.9

The estimated fair value of debt was determined using quoted market prices or Level 1 inputs.

Note 8 – Commitments and Contingencies

Legal Proceedings

The Company is involved in various claims and lawsuits in the normal course of business. The Company does not believe that the resolution of these legal proceedings will have a material adverse impact on its financial condition, results of operations, or cash flows.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Surety Bonds and Other Bank Guarantees

It is customary in the Company's business to have various surety bonds in place that secure customs obligations relating to the temporary importation of rigs and equipment and certain contractual performance and other obligations. The Company maintains surety bond facilities in U.S. dollars provided by a bank in the United Arab Emirates, which is secured by restricted cash balances to guarantee various contractual, performance and customs obligations.

The total and outstanding surety bond facilities were as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Total surety bond facilities	\$ 5.0	\$ 5.0
Outstanding surety bonds	\$ 4.6	\$ 4.6

Note 9 – Income Taxes

Income tax expense for the three months ended March 31, 2024 and 2023, was calculated using a discrete approach whereby income tax expense is determined by estimating the actual income tax liability that will result from earnings from continued operations for the three months ended March 31, 2024 and 2023, rather than by using an estimated annual effective income tax rate as applied to year-to-date income before income taxes, primarily due to management's view that it was not possible to reliably estimate an annual 2024 and 2023 effective tax rate given the sensitivity of the estimated annual effective tax rate to any changes in annual income or losses before income tax.

The Company's income tax expense (in millions) and effective income tax rate were as follows:

	Three months ended March 31,	
	2024	2023
Income tax expense	\$ 0.4	\$ 0.5
Effective tax rate	(2)%	(26)%

Income tax expense for the three months ended March 31, 2024 was lower than for the same period in 2023 primarily due to deferred tax expense in the prior period resulting from differences in the carrying value of certain assets for financial reporting purposes versus the basis of such assets for income tax reporting purposes in a certain jurisdiction.

Tax Returns and Examinations

The Company may be subject to income tax examinations in various jurisdictions. If any tax authority successfully challenges the Company's tax positions, the Company's income tax liability could increase substantially and the Company's earnings and cash flows from operations could be materially adversely affected. As of March 31, 2024 and 2023 income tax periods remain open for examination in all of the Company's taxable jurisdictions.

Note 10 – Supplemental Cash Flow Information

Capital Expenditures and Deferred Costs

Capital expenditures and deferred costs include rig acquisition and other fixed asset purchases and certain expenditures associated with regulatory inspections, major equipment overhauls, contract preparation (including rig upgrades) and mobilization.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Company's capital expenditures and deferred costs were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Regulatory and capital maintenance	\$ 4.2	\$ 0.5
Contract preparation	7.2	—
Fleet spares, transition costs and others	1.2	2.1
Total capital expenditures and deferred costs	<u>\$ 12.6</u>	<u>\$ 2.6</u>

The reconciliation of the payments for acquisition of property and equipment and changes in deferred costs, net to total capital expenditures and deferred costs was as follows (in millions):

	Three months ended March 31,	
	2024	2023
Cash payments for additions to property and equipment	\$ 1.2	\$ 2.9
Net change in advances and accrued but unpaid additions to property and equipment	2.8	(0.4)
Total capital expenditures	4.0	2.5
Changes in deferred costs, net	8.5	0.1
Add: Amortization of deferred costs	0.1	—
Total deferred costs	8.6	0.1
Total capital expenditures and deferred costs	<u>\$ 12.6</u>	<u>\$ 2.6</u>

The reconciliation of cash, cash equivalents and restricted cash reported in the condensed consolidated balance sheets to the total of such amounts reported in the condensed consolidated statements of cash flows was as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 13.6	\$ 27.7
Restricted cash included in other long-term assets	4.6	4.6
Total cash, cash equivalents and restricted cash	<u>\$ 18.2</u>	<u>\$ 32.3</u>

Note 11 – Segment and Related Information

Operating segments are defined as components of an entity for which separate financial statements are available and are regularly evaluated by the chief operating decision maker in deciding how to allocate resources and assess performance. The Company has one reportable segment, contract services, which reflects how the Company manages its business, and the fact that the Company's fleet is dependent upon the worldwide oil and natural gas industry.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Total revenues by country based on the location of the service provided were as follows (in millions):

	Three months ended March 31,	
	2024	2023
United Kingdom	\$ 10.9	\$ 7.9
Denmark	8.9	7.6
Qatar	7.9	7.8
Norway	—	9.9
	<u>27.7</u>	<u>33.2</u>
Amortization of intangible liability	3.2	3.6
Total revenues	\$ 30.9	\$ 36.8

Although the Company is incorporated under the laws of the Bermuda, the Company does not conduct any operations and does not have any operating revenues or long-lived assets in Bermuda.

Total long-lived assets, net of impairment, depreciation and amortization by location based on the country in which the assets were located as of the balance sheet date were as follows (in millions):

	As of	
	March 31, 2024	December 31, 2023
Norway	\$ 164.8	\$ 163.5
Denmark	68.3	68.3
Qatar	65.8	66.6
United Kingdom	62.8	110.2
Singapore	54.6	—
Total long-lived assets, net	\$ 416.3	\$ 408.6

The total long-lived assets are comprised of property and equipment, right-of-use assets and short-term and long-term deferred costs. A substantial portion of the Company's assets are mobile, and as such, asset locations at the end of the period are not necessarily indicative of the geographic distribution of the revenues generated by such assets during the period.

Note 12 – Related Parties

The Company's related parties include directors and key management personnel of the Company, the direct and indirect parents of the Company and entities controlled, jointly controlled or significantly influenced by such parties.

Directors

The Company incurs costs for SDNS independent directors' fees and reimbursement of costs incurred for attendance at SDNS meetings relating to the management and governance of SDNS. The Company recorded immaterial amounts for the three months ended March 31, 2024 and 2023, respectively. The total liability for these costs under accounts payable was immaterial as of March 31, 2024 and December 31, 2023, respectively.

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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SDL and its Wholly-Owned Subsidiaries

SDL through its wholly-owned subsidiaries, processes certain accounts payable for the Company and settles third party vendor invoices on its behalf on a regular basis. SDL also incurs costs such as personnel costs, rig equipment repairs and maintenance costs which are billed to the Company on a periodic basis.

A SDL wholly-owned subsidiary also has a management services agreement with the Company for providing planning, sales and marketing, corporate, public relations, legal, accounting, financial, information technology, insurance, strategic and field support services to the Company. The Company is billed eight thousand per rig per day and these costs are recorded in the general and administrative expense line item. The billing rate can be revised on a semi-annual basis. The agreement can be terminated by either party by giving a three months notice.

The amounts recorded in various line items from SDL and its wholly-owned subsidiaries were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Operating and maintenance	\$ 3.1	\$ 0.7
General and administrative	\$ 3.6	\$ 3.7

The Company recorded third-party Acquisition transition and transaction costs in property and equipment which were billed by SDL and property and equipment for asset transfers to and from SDL. SDL also processed certain accounts payable by making cash payments to third-parties for certain transactions. The amounts recorded were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Other current assets transfer from SDL	\$ 0.1	\$ —
Property and equipment transition and transaction costs from SDL	\$ 0.1	\$ 0.3
Property and equipment transfer from SDL	\$ 1.7	\$ 0.2
Property and equipment transfer to SDL	\$ —	\$ 0.2
Cash paid to third party vendors by SDL on behalf of SDNS, net	\$ 2.4	\$ —

SHELF DRILLING (NORTH SEA), LTD.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 13 – Subsequent Events

The Company has evaluated subsequent events through May 15, 2024, the date of issuance of the condensed consolidated financial statements.

10.25% Senior Secured Notes, due October 2025

On April 22, 2024, Shelf Drilling (North Sea) Holdings, Ltd. (the “SDNSH”), which is a subsidiary of the Company, submitted a redemption notice for the 10.25% Senior Secured Notes, due October 2025 (the “10.25% Senior Secured Notes”), with expected redemption in second half of May 2024.

9.875% Senior Secured Bonds, due November 2028

On April 26, 2024, SDNSH placed \$315.0 million senior aggregate principal amount of 9.875% senior secured first lien bonds, due November 2028 (the “9.875% Senior Secured Bonds”). Interest on the 9.875% Senior Secured Bonds will be paid semi-annually in May and November of each year, beginning six months after the issuance date. The 9.875% Senior Secured Bonds will be guaranteed by SDL, Shelf Drilling (North Sea), Ltd. and a subsidiary. The transaction is expected to close in second half of May 2024.

SDL Loan, due July 2025

On April 26, 2024, Shelf Drilling (North Sea), Ltd. entered into a \$50.0 million loan facility (the “SDL Loan”) with SDHL to cover the Company’s short-term liquidity requirements with an initial \$25.0 million provided on April 26, 2024. Upon completion of the issuance of the 9.875% Senior Secured Bonds expected in the second half of May 2024, the SDL Loan facility will be extinguished.