



## ADES to Acquire Shelf Drilling



## Investor Presentation

6 August 2025

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# Today's Presenters



**Dr. Mohamed Farouk**  
Group Chief Executive Officer



**Hussein Badawy**  
Group Chief Financial Officer

# Transaction Overview






Transaction Structure	<ul style="list-style-type: none"><li>• Offer to acquire all issued and outstanding shares of Shelf Drilling, Ltd. at NOK 14.00 per share in cash (the “Cash Offer”)</li><li>• Board of Directors of Shelf Drilling recommends its shareholders to accept the Cash Offer</li><li>• The Cash Offer corresponds to a fully diluted equity value of Shelf Drilling of approximately NOK 3.9 billion (approximately USD 379 million<sup>1)</sup>)</li><li>• The combined company will seek to optimize its capital structure, efficiency and cost based on the strength of the combined balance sheets and cash flows. Shelf Drilling’s outstanding US senior notes and Norwegian bond will be called in conjunction with closing of the Transaction (approximately \$1.3 billion) and refinanced, significantly reducing interest costs</li><li>• The Transaction is to be financed through ADES’ available credit facility</li></ul>
Pre Acceptances	<ul style="list-style-type: none"><li>• Leading shareholders Castle Harlan and Perestroika, in addition to Shelf Drilling’s CEO and CFO, and board members, together holding 15% of the outstanding shares, support the transaction with irrevocable commitments to vote in favor of the transaction</li></ul>
Key Approvals / Closing Conditions	<ul style="list-style-type: none"><li>• The transaction is subject to:<ul style="list-style-type: none"><li>– Shelf Drilling Extraordinary General Meeting shareholders approval (66.67% threshold)</li><li>– Merger clearance and other regulatory approvals</li><li>– Other customary conditions</li></ul></li><li>• Following completion of the Transaction, Shelf Drilling will be wholly owned by ADES, and the common shares of Shelf Drilling, Ltd. will be delisted from the Oslo Stock Exchange</li></ul>
Timeline	<ul style="list-style-type: none"><li>• Targeted closing and settlement: Expected in the fourth quarter of 2025</li></ul>

Note: (1) Shelf Drilling net debt of \$1,179 million as per Q2 2025 (debt figures based on principal values)

# Transaction Rationale



	<b>Enhanced Fleet and Scale</b>	<ul style="list-style-type: none"><li>• Establishes a strong global player in shallow-water drilling following the addition of 33 jack-ups</li><li>• Combined portfolio of 83 jack-ups, including 46 high-spec premium rigs</li><li>• Modern and standardized premium jack-up fleet improves capability, efficiency and redeployment opportunities</li></ul>
	<b>Strengthened Global Footprint</b>	<ul style="list-style-type: none"><li>• Complementary customer mix and operational scale across key regions, creating a partner of choice</li><li>• Expands presence in existing regions, with additional entry into the North Sea and Italy</li><li>• Adds new global customers including Chevron and Equinor, enhancing commercial reach</li></ul>
	<b>Robust Combined Backlog</b>	<ul style="list-style-type: none"><li>• Combined backlog of \$9.45 billion provides strong cash-flow visibility</li><li>• Diversified contract portfolio across jurisdictions reduces earnings volatility</li><li>• Backlog with blue-chip clients and national oil companies</li></ul>
	<b>Clear Pathway to Realize Synergies</b>	<ul style="list-style-type: none"><li>• Targeting operational cost synergies up to \$40-50 million with gradual realization in the medium term</li><li>• Driven primarily by G&amp;A optimization and shore-based support savings, resulted from one-off initial cost of savings</li><li>• Significant interest cost savings as outstanding bonds are refinanced on ADES terms, which comes at a redemption cost</li></ul>
	<b>Accretive Transaction</b>	<ul style="list-style-type: none"><li>• Expected to be accretive to earnings per share</li><li>• Lower interest expense through refinancing of Shelf Drilling's current outstanding debt</li><li>• Enhances free cash flow, supporting long-term flexibility for capital returns</li></ul>

Source: Company information, S&P Petrodata



# Overview of Shelf Drilling Acquisition



## Shelf Drilling at a Glance



**33**

*Rigs in Fleet*



**3**

*Continents*



**\$1.5bn**

*Firm Backlog<sup>1</sup>*



**c.3,800**

*Workforce<sup>2</sup>*



**Dubai**

*Headquarters*



**Public**

*Oslo Stock Exchange*

## Fleet of 14 High-Spec Premium Jackups<sup>3</sup>



### Premium Jackups<sup>3</sup>



**14**

*Units*



**13**

*Years*

## Overview of the Transaction



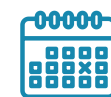
### Consideration

All-cash transaction



### Valuation

Shelf Drilling market cap of \$379mn<sup>4</sup>



### Closing

Transaction expected to close in the fourth quarter of 2025

## Substantial Cost Synergies

Headquarters/G&A Costs

Local Support Costs

Interest Costs

\$40-50mn synergies estimated / year

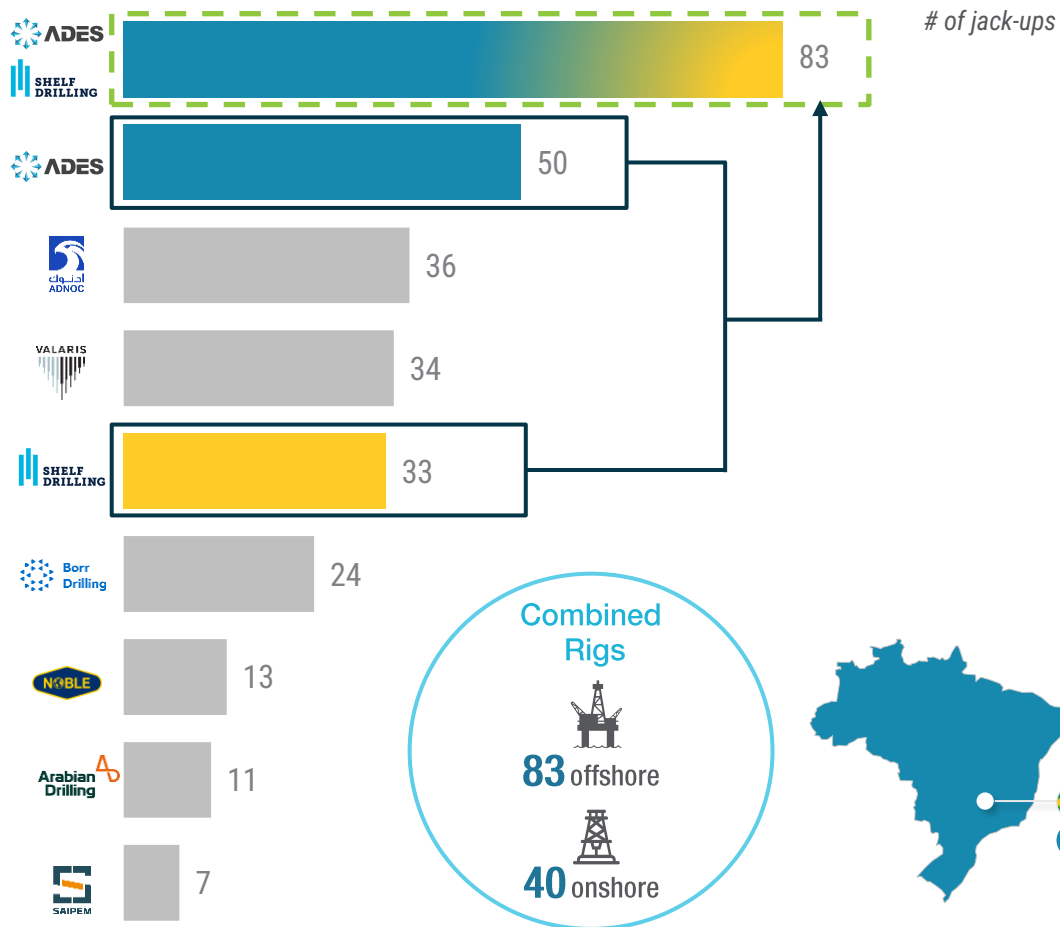
3.0-3.5% reduced interest rate

Source: Company information, Norges Bank; Note: (1) Total reported backlog as of 30 June 2025; (2) Including employees and non-employees ("contractors"). Number of actual employees per YE 2024 was 2,448; (3) Including Gusto MSC CJ70 – Barsk (4) Offer price of NOK 14 per Shelf Drilling share, based on 278 million fully diluted shares outstanding, and USDNOK of 10.27 (as of 4 August 2025). Shelf Drilling has approx. \$1.3bn in debt;

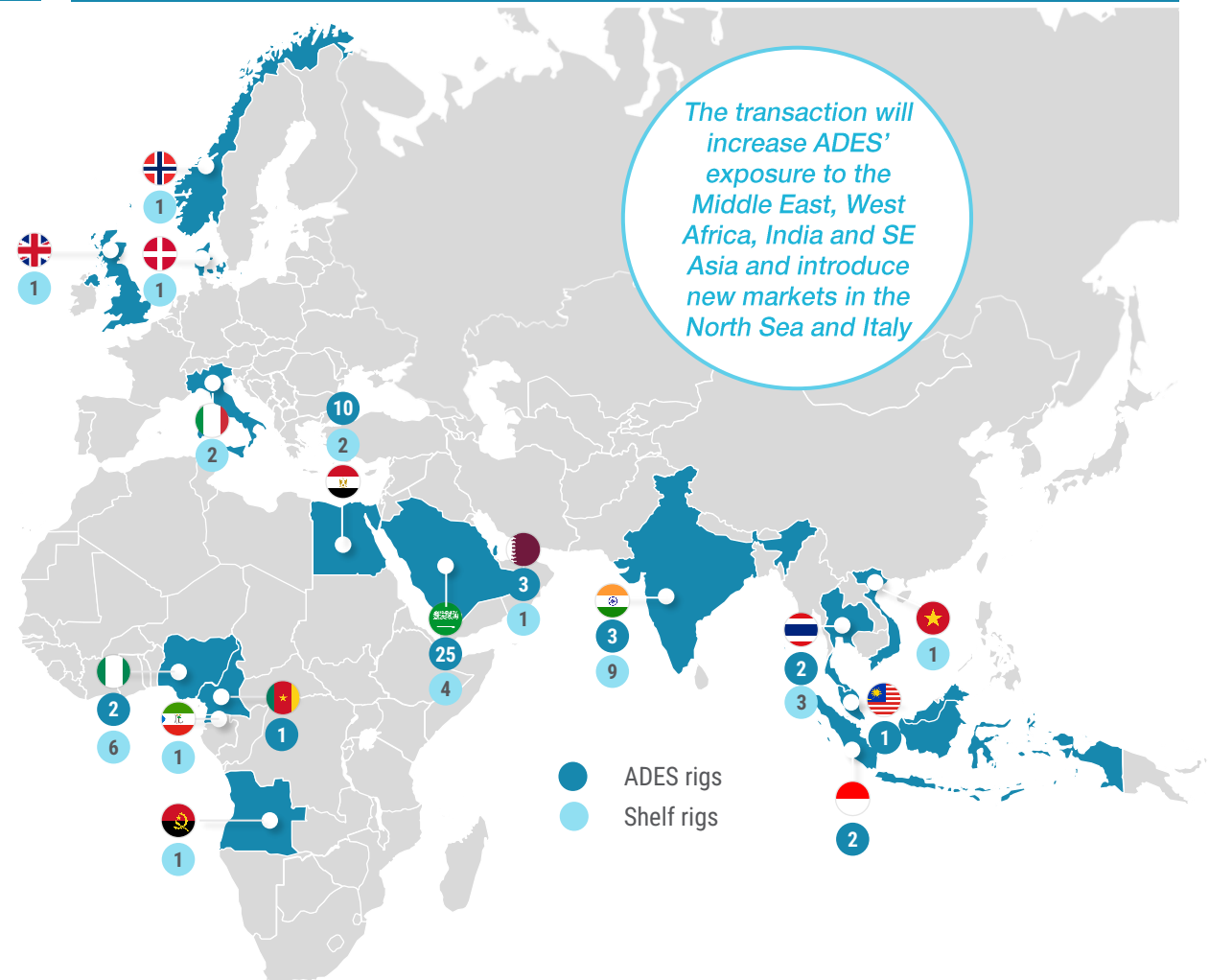
# A Market Leader in Core JU Regions



Combined Company Will Have the Superior Global Jackup Fleet<sup>1</sup>



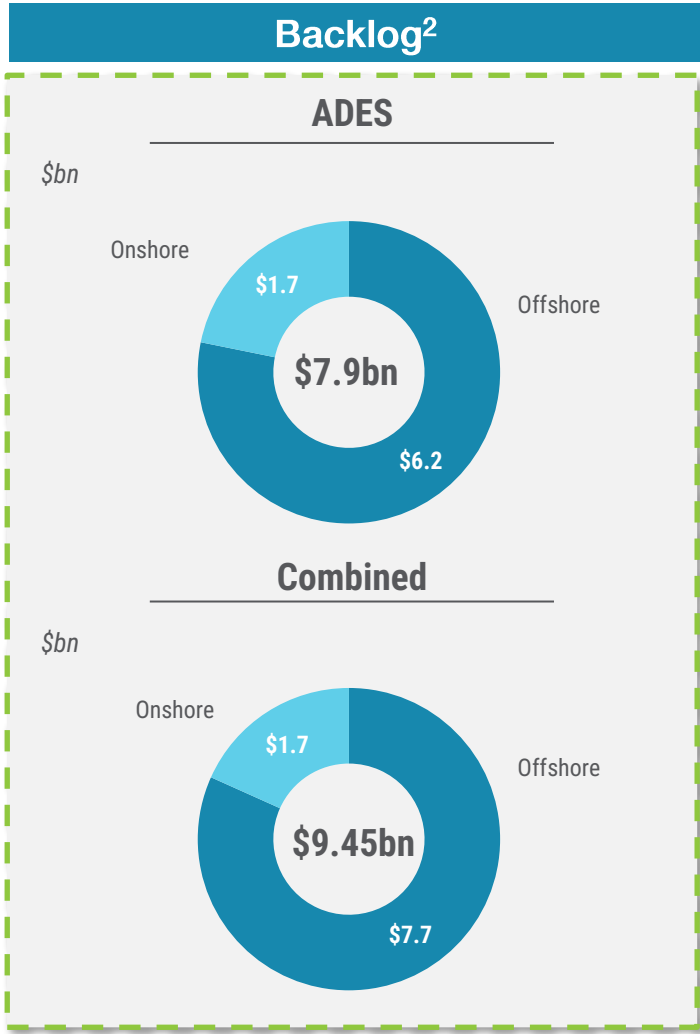
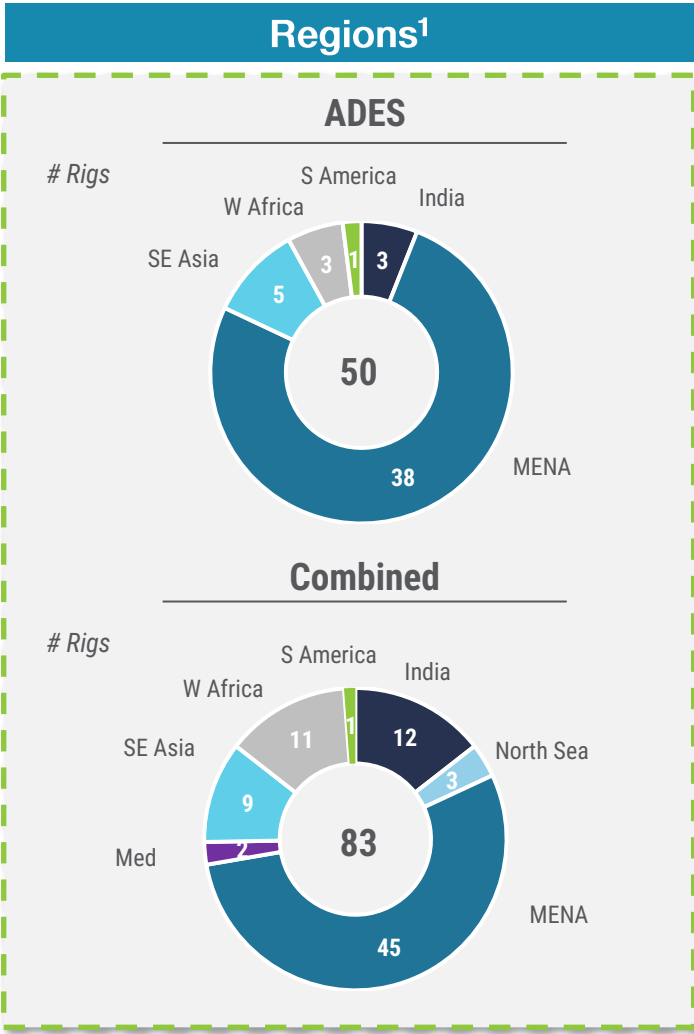
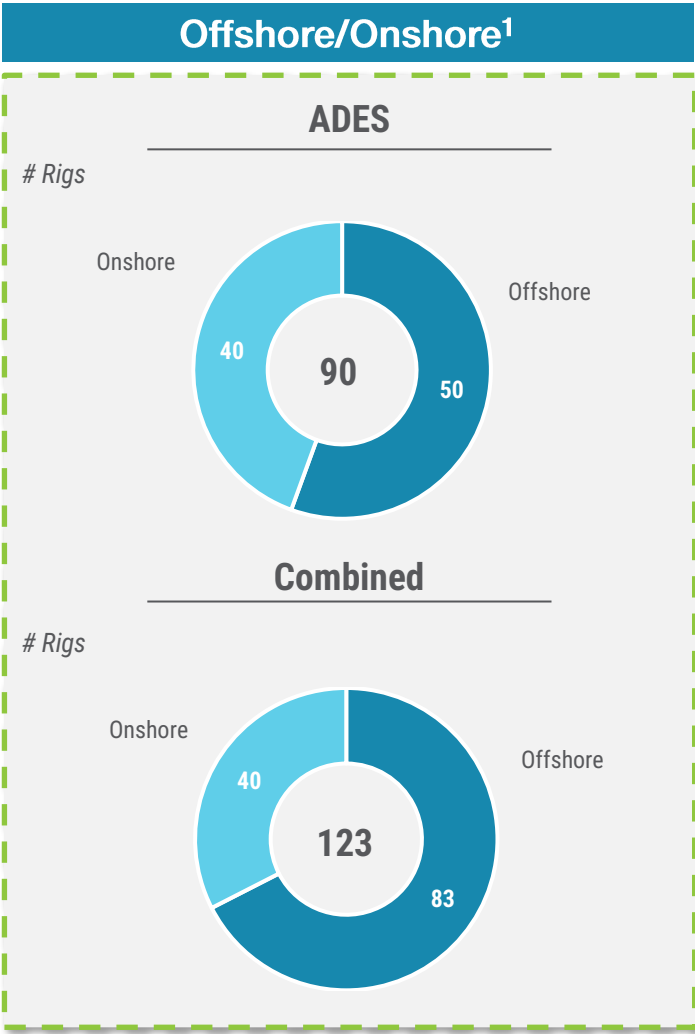
Enhance Market Access and Regional Presence Across 19 Countries



Source: Company information, S&P Petrodata

(1) Based on latest fleet status reports – owned/managed fleet (Valaris fleet includes 7 leased rigs to ARO Drilling)

# Enhanced Offshore and Regional Exposure



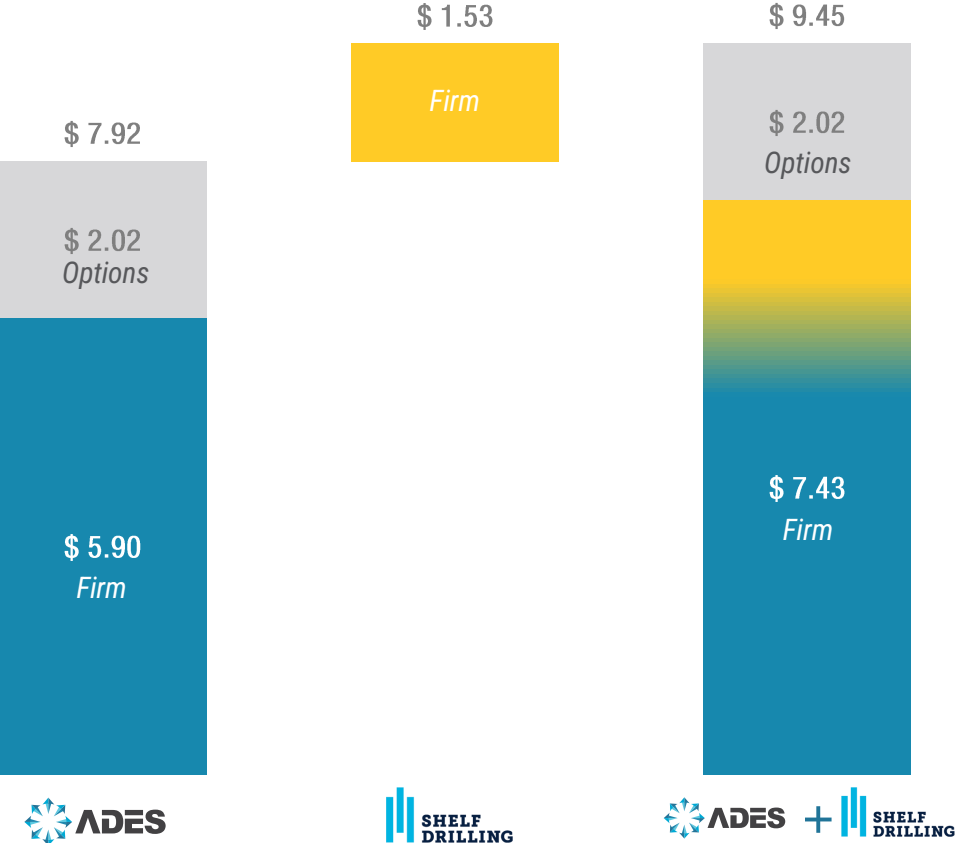
Source: Company information  
 Note: (1) Based on number of rigs; (2) Based on reported backlog as of 30 June 2025



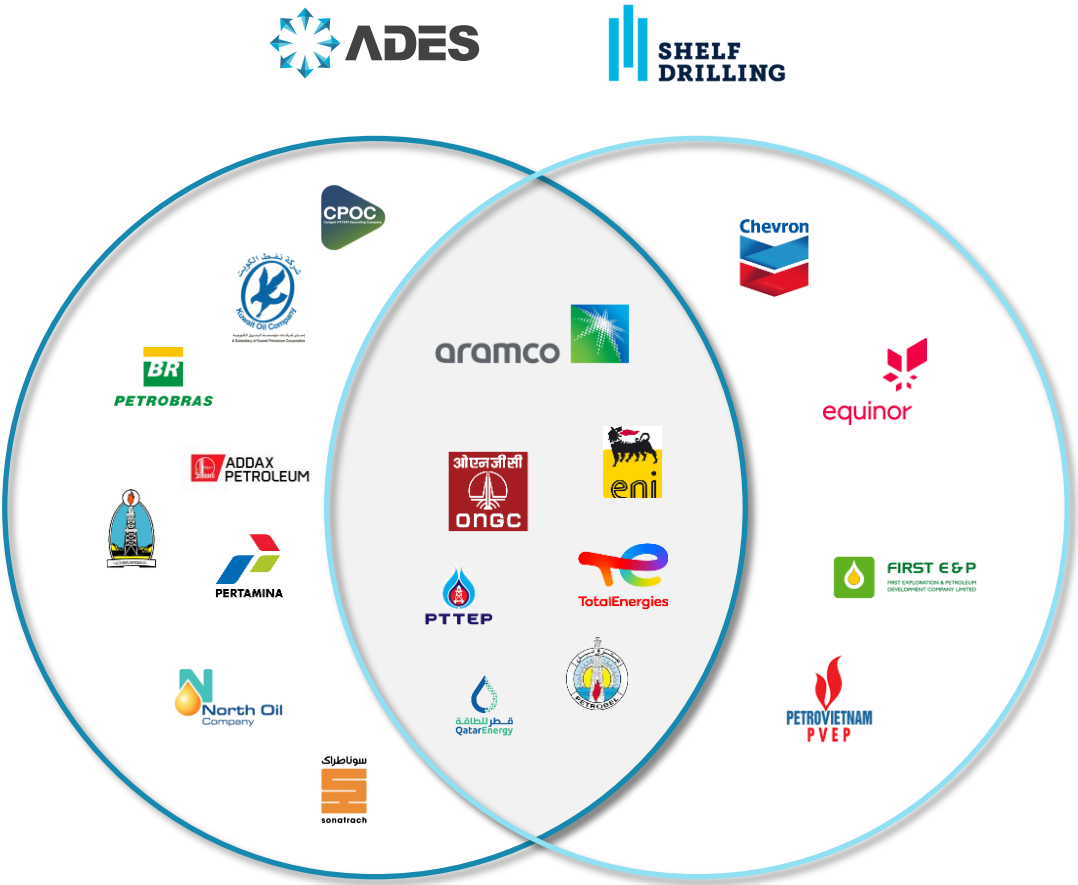
# Complementary Client Base and Superior Backlog



## Robust Backlog Position<sup>1</sup> (\$bn)



## Complementary Customer Base<sup>2</sup>



Source: Company information  
Note: (1) Based on reported backlog as of 30 June 2025; (2) Based on latest fleet status report as of 12 May 2025 for Shelf Drilling

# Enhancing Market Share in Key Strategic Regions

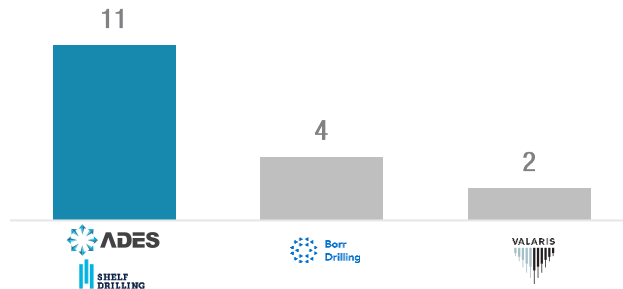


## West Africa



- Establishing a customer relationship with Chevron
- Structurally tight with strong demand fundamentals and relatively higher dayrates
- Entry into Angola

### Number of Rigs per International Driller

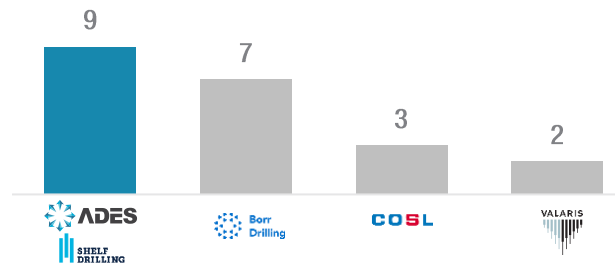


## Southeast Asia



- Establishing a customer relationship with Chevron, while strengthening relationship with PTTEP
- Stable activity and active tendering

### Number of Rigs per International Driller

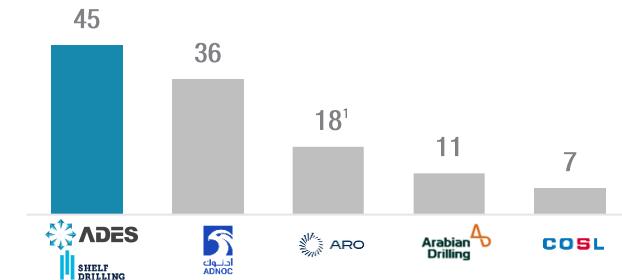


## Middle East



- Partner of choice for critical energy suppliers
- Strong relationship with the worlds largest oil company, Saudi Aramco

### Number of Rigs per International Driller<sup>2</sup>



Expands presence in West Africa, Southeast Asia and Middle East, with additional entry into the North Sea and Italy

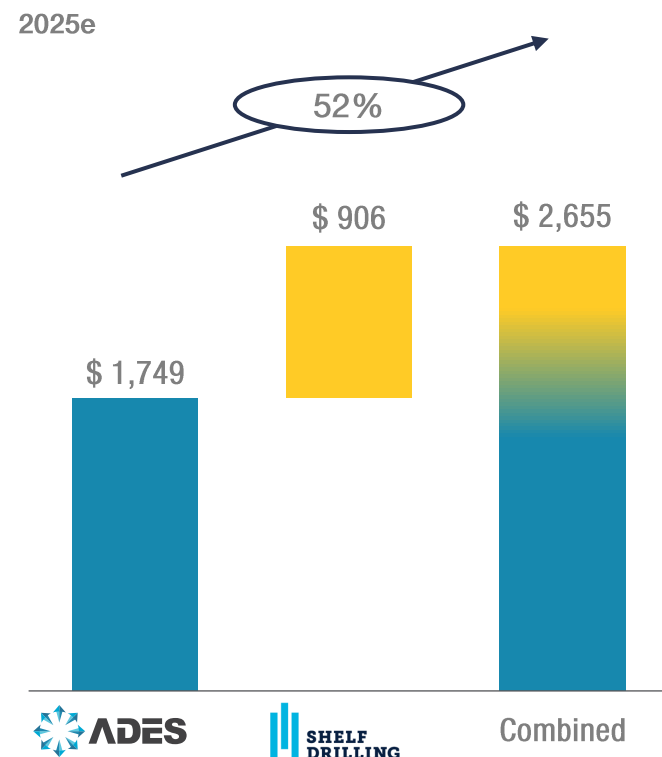
Source: Company information, S&P Petrodata

Note: Based on international rig managers. Includes stacked rigs (as we consider them part of marketed supply); (1) Includes 7 leased rigs from Valaris and two newbuilds under contraction (Kingdom 3 and Kingdom 4); (2) Includes suspended rigs: Valaris 143 and COSL Power

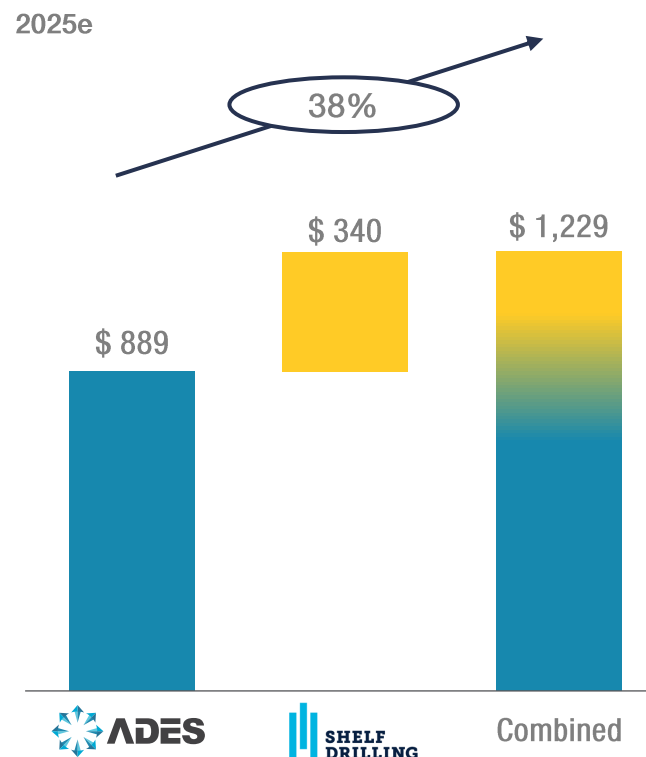
# Transformational Transaction Accelerating Growth



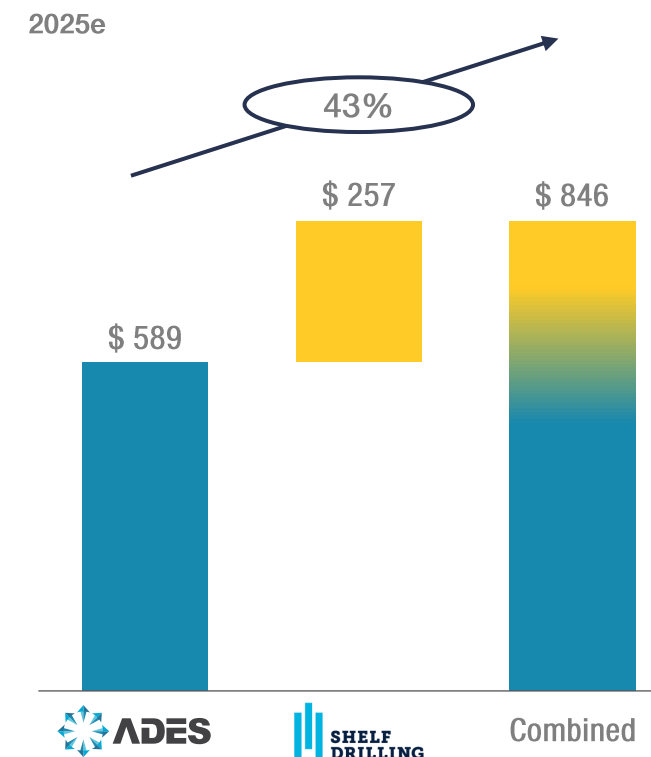
## Revenue<sup>1</sup>



## EBITDA<sup>2</sup>



## Free Cash Flow<sup>1,3</sup>



Full run-rate EBITDA uplift from synergies may be partially offset by rig re-ranking and selective recycling

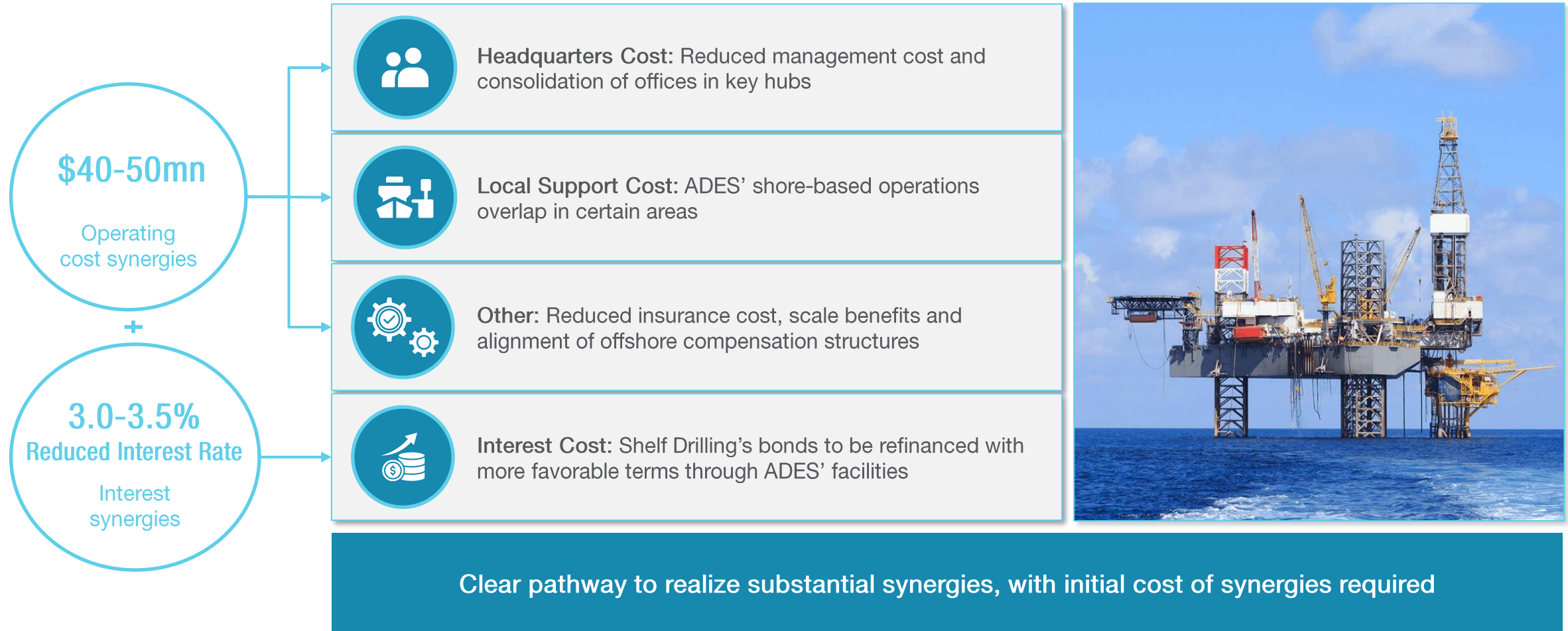
Source: Bloomberg, Company information

Note: (1) Bloomberg consensus estimates; (2) Mid-point of mgmt. guided EBITDA. Shelf Drilling guidance as announced on 5 August 2025, ADES guidance as announced April 2025; (3) Free Cash Flow defined as mid-point of guided EBITDA less consensus CAPEX. Assuming a SAR/USD exchange rate of 0.267

# Significant Cost Synergies Achievable in the Medium Term

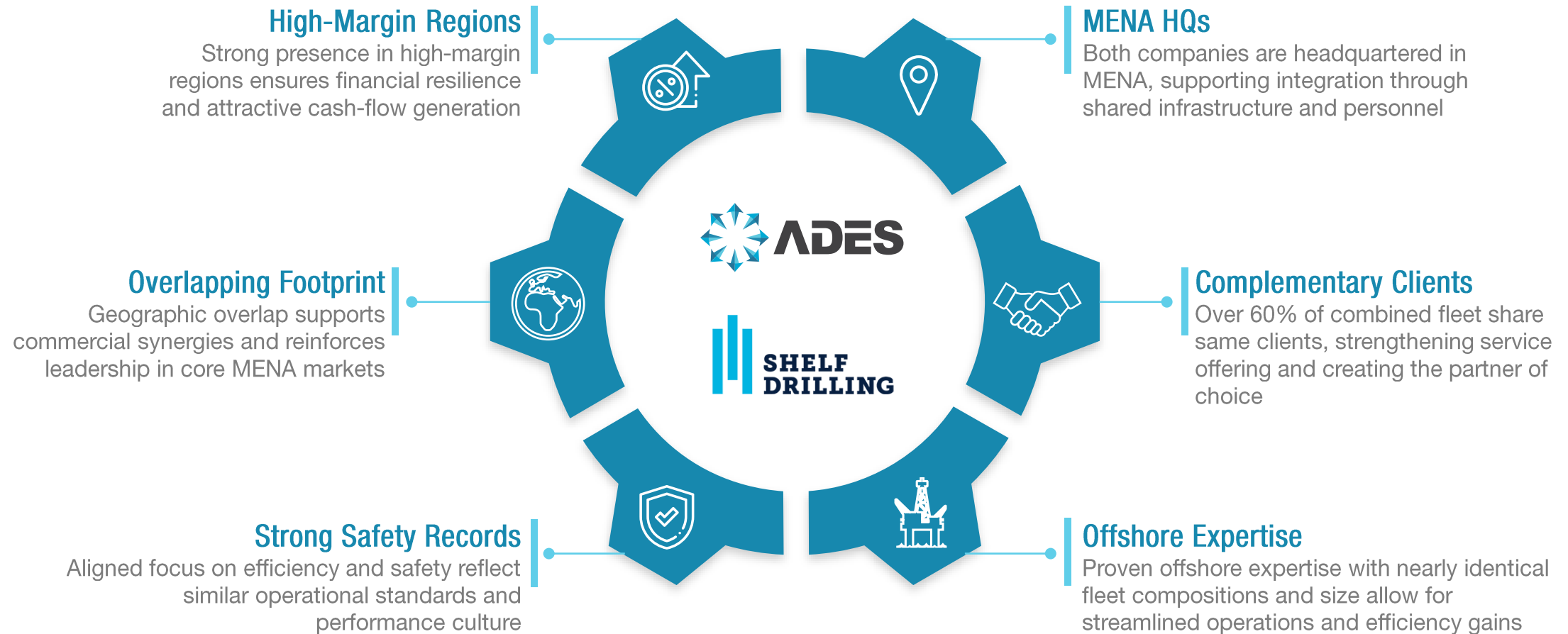


Additional synergies from refinancing Shelf's current debt facilities



Source: ADES

# Aligned Operations Allow for Seamless Integration



# Conclusion: A Highly Complementary Combination with Clear Strategic and Financial Benefits



Creates a large jack-up platform globally,  
with scale and regional strength



Establishes a superior service provider focused on  
client needs, positioned as the partner of choice



Delivers immediate cash-flow visibility through  
a robust and diversified backlog



Enables seamless integration, underpinned  
by aligned fleets, culture, and footprint



Drives meaningful cost and operational synergies  
while being EPS accretive





