



NORTHERN OCEAN LTD. RESULTS FOR THE FIRST QUARTER 2023

Highlights - First Quarter

- On March 2, 2023, a subsequent offering connected to the private placement in December 2022 was completed resulting in approximately \$1.0 million of gross proceeds to be used for the reactivation and mobilization of the *Deepsea Mira*, working capital and other general corporate purposes.
- During the first quarter, the *Deepsea Bollsta* operated at an average technical utilization of 97%.

Subsequent Events

- On April 5, 2023, the *Deepsea Mira* commenced mobilizing from Norway towards West Africa to commence working for TotalEnergies SE ("TotalEnergies") on a multi-country drilling contract with an expected firm duration of 300 days plus options. Drilling operations are expected to commence in late second quarter of 2023.
- On May 9, 2023, the Company announced changes to the Board of Directors based on the results of the Annual General Meeting. The new directors are Mikhael Botbol, Sven Børre Larsen and Jan Erik Klepsland.
- On May 25, 2023, the Company entered into an extension of the contract with a subsidiary of Shell Plc ("Shell") for continued work in Namibia using the *Deepsea Bollsta*. The firm term of the contract is extended from December 2023 for six months into June 2024 and provides an additional option for six months. The extension from December provides revenue backlog of approximately \$88.6 million with the option to extend for an additional six months potentially adding a further \$81.0 million.

Results

In the first quarter, contract revenue was \$30.6 million (technical utilization of the *Deepsea Bollsta* was 97%) compared to \$10.6 million in the previous quarter. Revenue was earned from the drilling contract of *Deepsea Bollsta* with Shell, of which \$25.8 million was dayrate drilling revenue, \$4.4 million was mobilization and demobilization revenue and \$0.4 million was add-on revenue. Other revenue was \$0.4 million compared to \$0.3 million in the previous quarter.

Total operating expenses were \$40.0 million compared to \$27.1 million in the previous quarter. Rig operating expenses increased to \$26.5 million compared to \$14.8 million in the previous quarter. The primary reason for the increase was due to the increased number of operating days of the *Deepsea Bollsta* in the quarter, as the rig commenced operations on December 10, 2023. Prior to this date costs related to the reactivation and mobilization activities of the rig were being deferred in order to amortize over the firm contract period. The *Deepsea Mira* costs in relation to the reactivation and mobilization activities continued to be deferred during the quarter, and will be amortized over the firm contract period after commencement of the drilling contract with TotalEnergies.

Administrative expenses were \$2.0 million compared to \$2.1 million in the previous quarter.

Foreign exchange gains were \$0.0 million in the first quarter compared to gains of \$2.9 million in the previous quarter.

The net loss from continuing operations before taxes in the first quarter was \$16.8 million compared to a loss of \$21.9 million in the previous quarter. The net loss in the first quarter resulted in a basic and diluted loss per share of \$0.09, compared to a loss of \$0.15 in the previous quarter.

Company Update

On March 2, 2023, a subsequent offering connected to the private placement in December 2022 was completed. New shares in the amount of 1,058,921 were issued as part of the subsequent offering at a subscription price of NOK 9.50 per share, resulting in gross proceeds of approximately \$1.0 million.

During the quarter, the *Deepsea Bollsta* continued to work under its contract with Shell in Namibia. The crew have been able to maintain a safe and efficient startup in a new country and for a new client while maintaining utilizations upwards of 97% and demonstrating the rig's capabilities as Namibia's winter season brings more challenging operating conditions. The Company is pleased with the extension of the Shell contract which shows a further commitment and potential in this region.

At the beginning of April, 2023, the *Deepsea Mira* departed from Bergen, Norway and began mobilization to the first well location in Namibia for its multi-country contract with TotalEnergies. Along the way, the rig had a layover in Las Palmas, Tenerife and is currently in Walvis Bay, Namibia. These stops allowed the rig to rotate crews, load equipment, bunker fuel and complete specific maintenance and acceptance testing that cannot be performed while in transit. As a result of equipment loadout and some extra required maintenance, the actual commencement of the contract is expected to occur by the end of the second quarter of 2023.

At the date of this report, the Company's total revenue backlog is estimated to be \$260 million, excluding options, performance bonuses and reimbursable revenue.

The Board welcomes three new directors, Mikhael Botbol, Sven Børre Larsen and Jan Erik Klepsland and looks forward to a new compliment of directors and the unique contributions they will all bring. The Board would like to thank our exiting Directors, Ole Falk Hansen and Bote de Vries, for the work and effort put into the Company over the years.

Outlook

The Company's view is that the offshore drilling market continues to improve and strengthen.

The outlook for demand in energy resources remains positive and we are experiencing further demand for offshore drilling. The available floating rig supply continues to tighten which is boosting dayrates back to levels not seen since 2015. While there still seems to be some reluctance in awarding longer duration contracts, there have been several inquiries for multi-year employment and its a matter of time before this becomes a trend in this market.

For most of the first quarter the harsh environment segment was relatively muted with regard to contracting activities. However in recent weeks, we have seen a steady flow of new inquiries for work programs targeting commencement in late-2024 and 2025. In the last months, several high specification and mid-range harsh environment rigs have announced plans to exit the segment for contracts with attractive economics in other regions.

Northern Ocean's rigs have been amongst the rigs leaving Norway. We continue to maintain our class and compliance to work in Norway but will take advantage of the mobile ability of these assets to work anywhere in the world. The rigs will be working for two Supermajors in West Africa, developing a new and potentially prolific area for long-term exploration, development and production programs.

Forward Looking Statements

The Company's activities are subject to significant risks and uncertainties that can have an adverse effect on the Company's business, financial condition, results of operations and cash flow. See Note 1 to the unaudited condensed consolidated financial statements for more information.

This report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates, sometimes identified by the words "believes", "expects", "intends", "plans", "estimates" and similar expressions. The forward-looking statements contained in this report, including assumptions, opinions and views of the Company or cited from third-party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. The Company does not provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor does the Company accept any responsibility for the future accuracy of the opinions expressed in the presentation or the actual occurrence of the forecasted developments. No obligations are assumed to update any forward-looking statements or to conform these forward-looking statements to actual results.

The Board of Directors
Northern Ocean Ltd.
Hamilton, Bermuda
May 30, 2023

Questions should be directed to:
Scott McReaken: Chief Executive Officer
+1 (832) 509 7191

NORTHERN OCEAN LTD.
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS <i>(in thousands of \$)</i>	Jan 1 to Mar 31, 2023	Jan 1 to Mar 31, 2022	2022
Contract revenue	30,629	9,830	20,440
Reimbursable revenue	1,474	—	—
Other income	379	269	1,222
Total operating revenues	32,482	10,099	21,662
Rig operating expenses	26,549	6,271	37,434
Reimbursable expenses	1,391	—	—
Depreciation	10,142	9,887	40,209
Provision for doubtful debts	—	—	358
Administrative expenses	1,955	2,466	7,620
Total operating expenses	40,037	18,624	85,621
Net operating loss	(7,555)	(8,525)	(63,959)
Interest income	507	6	363
Interest expense	(9,763)	(5,640)	(27,855)
Foreign exchange (loss) gain	27	(2)	(1,040)
Other financial expenses	(3)	(2)	(11)
Net loss from before taxes	(16,787)	(14,163)	(92,502)
Tax charge	(30)	(64)	(388)
Net loss	(16,817)	(14,227)	(92,890)
Basic and diluted loss per share (\$)	(0.09)	(0.15)	(0.80)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS <i>(in thousands of \$)</i>	Jan 1 to Mar 31, 2023	Jan 1 to Mar 31, 2022	2022
Net loss	(16,817)	(14,227)	(92,890)
Foreign currency translation loss	(64)	(63)	201
Other comprehensive (loss) income	(64)	(63)	201
Comprehensive loss	(16,881)	(14,290)	(92,689)

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

NORTHERN OCEAN LTD.
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET <i>(in thousands of \$)</i>	Mar 2023	Dec 2022
ASSETS		
Short-term assets		
Cash and cash equivalents	27,386	67,494
Restricted cash	5,458	5,428
Related party receivables	389	405
Accounts receivable, net	31,247	7,770
Unbilled receivables	5,316	11,390
Other current assets	76,225	41,586
Accrued income	2,762	542
Current portion of right-of-use assets under operating leases	191	185
Long-term assets		
Drilling units	910,330	917,465
Fixtures and fittings	46	50
Deferred tax	—	—
Right-of-use assets under operating leases	154	197
Long-term deferred asset	—	1,270
Total assets	1,059,504	1,053,782
LIABILITIES AND EQUITY		
Short-term liabilities		
Current portion of long-term debt	29,961	19,970
Other current liabilities	51,268	36,971
Current portion of deferred revenue	31,348	22,218
Related party payables	29	—
Current obligations under operating leases	200	196
Long-term liabilities		
Long-term debt	359,528	369,449
Deferred revenue - long-term	2,797	6,237
Related party long-term debt	93,361	91,778
Obligations under operating leases	135	164
Commitments and contingencies (Note 14)		
Total equity	490,877	506,799
Total liabilities and equity	1,059,504	1,053,782

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

NORTHERN OCEAN LTD.
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <i>(in thousands of \$)</i>	Jan 1 to Mar 31, 2023	Jan 1 to Mar 31, 2022	2022
NET LOSS	(16,817)	(14,227)	(92,890)
Adjustment to reconcile net loss to net cash (used in) provided by operating activities;			
Amortization of deferred charges	69	521	718
Amortization of deferred revenue	—	(1,841)	(2,466)
Provision for doubtful debts	—	—	—
Depreciation	10,142	9,887	40,209
Unrealized foreign exchange (gain) loss	(64)	(63)	201
Tax	—	64	35
Related party settlement gain, net of taxes	—	—	—
Accrued income	(2,219)	—	(542)
Change in operating assets and liabilities;			
Receivables	(23,477)	(4,913)	(7,770)
Unbilled receivables	6,074	—	(11,390)
Other current assets	(34,641)	3,118	(13,478)
Long-term deferred assets	1,270	—	2,033
Right-of-use assets under operating leases	37	—	(382)
Other current liabilities	14,298	226	29,516
Related party balances	45	5,117	3,031
Deferred revenue	5,690	—	—
Obligations under operating leases	(25)	—	360
Net cash (used in) provided by operating activities	(39,618)	(2,111)	(52,815)
INVESTING ACTIVITIES			
Additions to drilling units	(3,002)	—	(4,626)
Additions to fixtures and fittings	—	(2)	(53)
Net cash used in investing activities	(3,002)	(2)	(4,679)
FINANCING ACTIVITIES			
Net proceeds from share issuances	959	20,000	103,855
Proceeds from related party long-term debt	1,583	15,000	21,778
Repayment of long-term debt	—	(10,000)	(10,000)
Debt fees paid	—	(780)	(830)
Net cash provided by (used in) financing activities	2,542	24,220	114,803
Net change	(40,078)	22,107	57,309
Cash, cash equivalents and restricted cash at start of the period	72,922	15,613	15,613
Cash, cash equivalents and restricted cash at end of the period	32,844	37,720	72,922

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

NORTHERN OCEAN LTD.
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <i>(in thousands of \$ except number of shares)</i>	Jan 1 to Mar 31, 2023	2022
Number of shares outstanding		
Balance at beginning of period	181,618,186	63,802,378
Shares issued	1,058,921	117,815,808
Balance at end of period	182,677,107	181,618,186
Share capital		
Balance at beginning of period	90,809	63,803
Shares issued	530	58,908
Reduction in nominal value of shares	—	(31,902)
Balance at end of period	91,339	90,809
Additional paid in capital		
Balance at beginning of period	565,184	488,334
Shares issued	429	44,948
Reduction in nominal value of shares	—	31,902
Balance at end of period	565,613	565,184
Accumulated other comprehensive (loss) income		
Balance at beginning of period	(145)	(346)
Other comprehensive (loss) income	(64)	201
Balance at end of period	(209)	(145)
Retained deficit		
Balance at beginning of period	(149,049)	(56,159)
Net loss	(16,817)	(92,890)
Balance at end of period	(165,866)	(149,049)
Total equity	490,877	506,799

See accompanying notes that are an integral part of these unaudited condensed consolidated financial statements.

NORTHERN OCEAN LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Northern Ocean was incorporated under the laws of Bermuda on March 3, 2017. The Company was incorporated for the primary purpose of engaging in offshore contract drilling for the oil and gas industry in harsh environments worldwide through the ownership of offshore drilling rigs.

As of the date of this report, the Company owns two semi-submersible rigs, *Deepsea Mira* (previously named the *West Mira*) and *Deepsea Bollsta* (previously named the *West Bollsta*). The *Deepsea Mira* was undergoing reactivation and mobilization activities as at 31 March 2023, in preparation for its contract with TotalEnergies SE ("TotalEnergies"). The rig departed from the Hanøytangen Semco Marine shipyard near Bergen, Norway in April 2023, and is expected to commence the contract in the later part of the second quarter of 2023. The *Deepsea Bollsta* is currently operating a drilling contract with Shell Upstream Namibia B.V., a subsidiary of Shell Plc. ("Shell") off the coast of Namibia.

2. BASIS OF ACCOUNTING

The unaudited condensed consolidated financial statements are stated in accordance with accounting principles generally accepted in the United States. The unaudited condensed consolidated financial statements do not include all of the disclosures required in annual and interim consolidated financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

Going concern assumption

These consolidated financial statements are prepared under the going concern assumption.

In August 2022 and December 2022, the Company secured employment for the *Deepsea Bollsta* and the *Deepsea Mira*, respectively, with two Supermajor oil companies for work outside of the Norwegian Continental Shelf ("NCS"). In total, these two contracts gave the Company an estimated firm revenue backlog of \$259 million.

As of the date of this report, the *Deepsea Bollsta* is operating in Namibia. The *Deepsea Mira* has been reactivated and is currently in transit from Norway to its first well location in Namibia. The Company will continue to have exposure to mobilization, reactivation and other pre-commencement risk until the *Deepsea Mira* has successfully commenced its contract and normal working capital cycles are established.

As a result of this pre-commencement risk associated with the *Deepsea Mira*, the Company will potentially be dependent on loans and/or equity issuances to finance its loan obligations and working capital in the next twelve months, which potentially raises substantial doubt about the Company's ability to continue as a going concern until commencement occurs. The Board remains confident a solution will be reached.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information regarding receivables and contract liabilities from our contracts with customers at March 31, 2023;

<i>(in thousands of \$)</i>	
Accounts receivable, net	31,247
Unbilled receivable	5,239
Current contract liabilities (deferred revenue)	31,238

Receivables are typically billed in the fortnight following the month the performance obligations were satisfied, and have credit terms of between 30 and 60 days. The current drilling contract deferred revenue balance is \$31.2 million consisting of \$6.2 million of funds received from Shell under the *Deepsea Bollsta* drilling contract and \$25.0 million of funds received from TotalEnergies under the *Deepsea Mira* drilling contract. The balances for the drilling contract related revenues are credited to the Consolidated Statement of Operations over the estimated firm duration of the respective drilling contracts.

The deferred revenue balances detailed in the Consolidated Balance Sheet also contain \$2.9 million received from the Norwegian government as a grant due to the *Deepsea Mira* being built with systems which reduce NOx emissions. Of this balance, \$2.8 million is non-current and \$0.1 million is current. The grant from the Norwegian government is credited to the Consolidated Statement of Operations and amortized over the estimated useful life of the *Deepsea Mira*.

(in thousands of \$)

Total deferred revenue at December 31, 2022	28,455
Deferred revenue accruing in the period	7,937
Amortization of deferred revenue	(2,247)
Total deferred revenue at March 31, 2023	34,145
Current portion of deferred revenue	31,348
Non-current portion of deferred revenue	2,797

4. INCOME TAXES

Bermuda

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempt from taxation until March 31, 2035.

Other jurisdictions

The Company has subsidiaries which were incorporated in the Marshall Islands and thus are not subject to income tax. Certain of the Company's subsidiaries and branches in Norway, Ireland, Namibia and the USA are subject to income tax in their respective jurisdictions. The tax paid by subsidiaries and branches that are subject to income tax is not material.

Deferred tax

Deferred tax assets and liabilities are based on temporary differences that arise between carrying values used for financial reporting purposes and amounts used for taxation purposes of assets and liabilities and the future tax benefits of tax loss carry forwards.

The Company does not have any unrecognized tax benefits, material accrued interest or penalties relating to income taxes.

5. EARNINGS PER SHARE

The computation of basic earnings per share is calculated by dividing the net loss attributable to the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to the Company by the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. If in the period there is a loss then any dilutive potential ordinary shares have been excluded from the calculation of diluted loss per share, as their effect would be anti-dilutive.

The components of the numerator and the denominator in the calculation are as follows;

	Jan 1 to Mar 31, 2023	Jan 1 to Mar 31, 2022	2022
Net loss (in thousands of \$)	(16,817)	(14,227)	(92,890)
Weighted average number of ordinary shares (in thousands)	181,959	98,025	115,495

6. RESTRICTED CASH

The restricted cash at March 31, 2023, of \$5.5 million primarily consists of a deed of performance for TotalEnergies totaling \$5.3 million, which is required to be maintained until the commencement of drilling. The remaining balance is cash withheld for a guarantee to NIS, and for payroll taxes.

7. DRILLING UNITS

Movements in the carrying value of drilling units in the quarter ended March 31, 2023 may be summarized as follows:

<i>(in thousands of \$)</i>	Cost	Accumulated depreciation	Net carrying value
Balance at December 31, 2022	1,032,891	(115,426)	917,465
Additions	3,002		3,002
Adjustment to previously capitalized balance		—	—
Depreciation		(10,137)	(10,137)
Balance at March 31, 2023	1,035,893	(125,563)	910,330

8. OTHER CURRENT ASSETS

Other current assets at March 31, 2023 may be summarized as follows:

<i>(in thousands of \$)</i>	
Deposit held	35
Inventories	2,534
VAT receivable	2,364
Other	16,022
Short-term portion of deferred assets	55,270
	76,225

Short-term portion of deferred assets

Short-term portion of deferred assets comprises of the reactivation activities and mobilization preparation costs incurred up to March 31, 2023 in order for the *Deepsea Bollsta* and the *Deepsea Mira* to meet their respective contractual obligations in relation to the contracts with Shell and TotalEnergies. These costs are being deferred and amortized over the contract period.

Other

The category is principally composed of prepayments for operating equipment required to reactivate and mobilize the *Deepsea Mira*.

9. OTHER CURRENT LIABILITIES

Other current liabilities at March 31, 2023 may be summarized as follows:

<i>(in thousands of \$)</i>	
Accounts payable	7,983
Accrued administrative expenses	1,093
Accrued operating expense	28,681
Other payables	1,754
VAT liability	3,690
Accrued interest expense	8,067
	51,268

10. DEBT

Debt at March 31, 2023 may be summarized as follows:

<i>(in thousands of \$)</i>	
U.S. dollar denominated floating rate debt:	
\$200.0 million term loan facility - <i>Deepsea Mira</i>	165,000
\$200.0 million term loan facility - <i>Deepsea Bollsta</i>	175,000
\$50.0 million term loan facility - <i>Deepsea Mira and Deepsea Bollsta</i>	50,000
Total debt - gross of deferred charges	390,000
Short-term portion of debt issuance costs	(39)
Long-term portion of debt issuance costs	(472)
Total debt	389,489
Short-term debt	29,961
Long-term debt	359,528
Total debt	389,489

The outstanding debt as of March 31, 2023 is repayable as follows:

<i>(in thousands of \$)</i>	
Year 1	30,000
Year 2	40,000
Year 3	320,000
Year 4	—
Year 5	—
Thereafter	—
	390,000

The Company is in compliance with the covenants set out in the bank debt and Sterna agreements.

Assets pledged

<i>(in thousands of \$)</i>	
Drilling units	910,330

Deferred charges

<i>(in thousands of \$)</i>	
Debt arrangement fees	780
Accumulated amortization	(269)
	511

11. SHARE CAPITAL

On March 2, 2023, a subsequent offering connected to the private placement in December 2022 was completed. New shares in the amount of 1,058,921 were issued as part of the subsequent offering at a subscription price of NOK 9.50 per share, resulting in gross proceeds of approximately \$1.0 million.

Following the subsequent offering and registration in the relevant register of members, the Company has 182,677,107 fully paid common shares outstanding and authorized share capital of \$968,098,811 divided into 1,936,197,622 common shares of a par value of \$0.50 each.

12. FAIR VALUES

The carrying value and estimated fair value of the Company's financial instruments as of March 31, 2023 are as follows:

<i>(in thousands of \$)</i>	Carrying Value	Fair Value
Assets:		
Cash and cash equivalents	27,386	27,386
Restricted cash	5,458	5,458
Liabilities:		
Floating rate debt	389,489	389,489
Related party long-term debt	93,361	89,630

The estimated fair value of financial assets and liabilities are as follows:

<i>(in thousands of \$)</i>	Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	27,386	27,386	—	—
Restricted cash	5,458	5,458	—	—
Liabilities:				
Floating rate debt	389,489	—	389,489	—
Related party long-term debt	89,630	—	—	89,630

The following methods and assumptions were used to estimate the fair value of each class of financial instrument;

Cash and cash equivalents – the carrying values in the balance sheet approximate fair value.

Restricted cash – the carrying value in the balance sheet approximates fair value.

Floating rate debt (being total debt less the carrying value of deferred charges) - the fair value of floating rate debt has been determined using level 2 inputs and is considered to be equal to the carrying value since it bears variable interest rates, which are reset on a quarterly basis.

Related party long-term debt - the fair value has been determined using level 3 inputs being the discounted expected cash flows of the outstanding debt.

13. RELATED PARTY TRANSACTIONS

Hemen Holding Ltd. ("Hemen"), a Cyprus holding company, indirectly controlled by trusts established by Mr. John Fredriksen, for the benefit of his immediate family, owned 39.2% of the Company's outstanding ordinary shares at December 31, 2022.

In the three months ended March 31, 2023, the Company has transacted business with the following related parties, being companies in which Hemen, or companies affiliated with Hemen, has a significant interest – Seatankers Management Co. Ltd. ("Seatankers"), Sterna Finance Ltd. ("Sterna"), Front Ocean Management AS and Front Ocean Management Ltd. (together "Front Ocean"), Frontline Management (Bermuda) Ltd. or Frontline Management (together "Frontline") and Northern Drilling Ltd. ("NODL").

Sterna

Since 2019 the Company has held a \$100.0 million revolving credit facility with Sterna. At March 31, 2023, the Company had drawn a total of \$93.4 million from the facility, an increase of \$1.6 million from the previous quarter drawn to settle the interest payment of the facility as it fell due. The remaining available funds of the facility are restricted for settling the future interest payments of the Sterna revolving credit facility as they fall due. Sterna has the ability at its discretion to convert \$15.0 million of the loan amount into the Company's shares at a strike price of \$0.50 per share. The loan from Sterna is repayable in full on April 17, 2025.

Frontline, Front Ocean and Seatankers transactions

The Company and its subsidiaries have received treasury, accounting, corporate secretarial and advisory services from these entities and was charged \$0.0 million in the three months ended March 31, 2023 (2022: \$0.1 million).

NODL transactions

In 2023 the Company continues to provide management services to Northern Drilling Ltd. and charged \$0.4 million in the three months ended March 31, 2023 (2022: \$0.4 million).

A summary of balances due from related parties at March 31, 2023 is as follows:

<i>(in thousands of \$)</i>	
NODL	389
	389

A summary of short-term balances due to related parties at March 31, 2023 is as follows:

<i>(in thousands of \$)</i>	
Frontline Ocean	29
	29

A summary of long-term balances due to related parties at March 31, 2023 is as follows:

<i>(in thousands of \$)</i>	
Sterna	93,361

14. COMMITMENTS AND CONTINGENCIES

As of March 31, 2023, the Company had no capital commitments.

15. SUBSEQUENT EVENTS

Between the balance sheet date and the date of this report there have been the following subsequent events of note:

- On April 5, 2023, the *Deepsea Mira* commenced mobilizing from Norway towards West Africa to commence working for TotalEnergies on a multi-country drilling contract with an expected firm duration of 300 days plus options. Drilling operations are now expected to commence in late second quarter of 2023.
- On May 9, 2023, the Company announced that new directors would be joining the Board based on the conclusion and results of the Annual General Meeting. The new directors are Mikhael Botbol, Sven Børre Larsen and Jan Erik Klepsland.
- On May 25, 2023, the Company entered into an extension of the contract with a subsidiary of Shell for continued work in Namibia using the *Deepsea Bollsta*. The firm term of the contract is extended from December 2023 for six months into June 2024 and provides an additional option for six months. The extension from December provides revenue backlog of approximately \$88.6 million with the option to extend for an additional six month potentially adding a further \$81.0 million.