



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 947 619
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORAM DRILLING COMPANY AS
Forretningsadresse: Bryggegata 3
0250 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ole Bjarte Hjertaker
Dato for fastsettelse av årsregnskapet: 04.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 14.09.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		110 000	109 000
Sum inntekter		110 000	109 000
Kostnader			
Lønnskostnad	2	67 000	66 000
Annen driftskostnad	2	1 609 000	744 000
Sum kostnader		1 676 000	810 000
Driftsresultat		-1 566 000	-701 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	6, 11	0	14 507 000
Annen renteinntekt	11	7 000	49 000
Annen finansinntekt	11	39 000	259 000
Sum finansinntekter		46 000	14 815 000
Annen rentekostnad	9,11	7 395 000	7 845 000
Annen finanskostnad	11	376 000	263 000
Sum finanskostnader		7 771 000	8 108 000
Netto finans		-7 725 000	6 707 000
Ordinært resultat før skattekostnad		-9 291 000	6 006 000
Skattekostnad på ordinært resultat	3	-2 520 000	834 000
Ordinært resultat etter skattekostnad		-6 771 000	5 172 000
Årsresultat		-6 771 000	5 172 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	5	-6 771 000	5 172 000
Sum overføringer og disponeringer		-6 771 000	5 172 000



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	7	33 143 000	33 143 000
Lån til foretak i samme konsern	6	166 326 000	175 201 000
Sum finansielle anleggsmidler		199 469 000	208 344 000
Sum anleggsmidler		199 469 000	208 344 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	6	10 067 000	9 957 000
Andre fordringer		426 000	384 000
Sum fordringer		10 493 000	10 341 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4	969 000	1 227 000
Sum bankinnskudd, kontanter og lignende		969 000	1 227 000
Sum omløpsmidler		11 462 000	11 568 000
SUM EIENDELER		210 931 000	219 912 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5	15 932 000	15 932 000
Overkurs	5	94 860 000	94 860 000
Annen innskutt egenkapital	2,5	439 000	439 000
Sum innskutt egenkapital		111 231 000	111 231 000



Balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Annen egenkapital	5	15 877 000	22 648 000
Sum opptjent egenkapital		15 877 000	22 648 000
Sum egenkapital		127 108 000	133 879 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	3	1 988 000	4 093 000
Sum avsetninger for forpliktelser		1 988 000	4 093 000
Annen langsiktig gjeld			
Obligasjonslån	9	80 000 000	80 000 000
Sum annen langsiktig gjeld		80 000 000	80 000 000
Sum langsiktig gjeld		81 988 000	84 093 000
Kortsiktig gjeld			
Leverandørgjeld		51 000	775 000
Betalbar skatt	3	3 000	415 000
Skyldige offentlige avgifter		150 000	150 000
Annen kortsiktig gjeld		1 631 000	600 000
Sum kortsiktig gjeld		1 835 000	1 940 000
Sum gjeld		83 823 000	86 033 000
SUM EGENKAPITAL OG GJELD		210 931 000	219 912 000



Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	12	54 659 000	82 382 000
Sum inntekter		54 659 000	82 382 000
Kostnader			
Lønnskostnad	2	18 758 000	27 276 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8	18 041 000	17 214 000
Annen driftskostnad	2	7 897 000	8 132 000
Rig mobilization, service and supplies		14 662 000	18 898 000
Insurance rigs and employees		3 492 000	3 975 000
Sum kostnader		62 850 000	75 495 000
Driftsresultat		-8 191 000	6 887 000
Finansinntekter og finanskostnader			
Annen renteinntekt	11	7 000	49 000
Annen finansinntekt		39 000	259 000
Sum finansinntekter		46 000	308 000
Annen rentekostnad	9,11	7 427 000	7 900 000
Annen finanskostnad	11	391 000	260 000
Sum finanskostnader		7 818 000	8 160 000
Netto finans		-7 772 000	-7 852 000
Ordinært resultat før skattekostnad		-15 963 000	-965 000
Skattekostnad på ordinært resultat	3	-2 385 000	1 378 000
Ordinært resultat etter skattekostnad		-13 578 000	-2 343 000
Årsresultat		-13 578 000	-2 343 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	5	-13 578 000	-2 343 000
Sum overføringer og disponeringer		-13 578 000	-2 343 000



Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Rigs and accessories	8	116 804 000	132 118 000
Other tangible assets	8	215 000	482 000
Sum varige driftsmidler		117 019 000	132 600 000
Sum anleggsmidler		117 019 000	132 600 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	6	4 423 000	14 007 000
Andre fordringer		1 191 000	1 627 000
Sum fordringer		5 614 000	15 634 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4	16 337 000	7 917 000
Sum bankinnskudd, kontanter og lignende		16 337 000	7 917 000
Sum omløpsmidler		21 951 000	23 551 000
SUM EIENDELER		138 970 000	156 151 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5	15 932 000	15 932 000
Overkurs	5	94 860 000	94 860 000
Annen innskutt egenkapital	2,5	369 000	369 000
Sum innskutt egenkapital		111 161 000	111 161 000



Konsernets balanse

Beløp i: USD	Note	2020	2019
Opptjent egenkapital			
Udekket tap	5	66 099 000	52 520 000
Sum opptjent egenkapital		-66 099 000	-52 520 000
Sum egenkapital		45 062 000	58 641 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	3	2 651 000	4 576 000
Sum avsetninger for forpliktelser		2 651 000	4 576 000
Annen langsiktig gjeld			
Obligasjonslån	9	80 000 000	80 000 000
Øvrig langsiktig gjeld	9	5 718 000	981 000
Sum annen langsiktig gjeld		85 718 000	80 981 000
Sum langsiktig gjeld		88 369 000	85 557 000
Kortsiktig gjeld			
Leverandørgjeld		1 330 000	6 754 000
Betalbar skatt	3	3 000	415 000
Skyldige offentlige avgifter		150 000	150 000
Annen kortsiktig gjeld		4 055 000	4 633 000
Sum kortsiktig gjeld		5 538 000	11 952 000
Sum gjeld		93 907 000	97 509 000
SUM EGENKAPITAL OG GJELD		138 969 000	156 150 000



NorAm Drilling Company

Annual Report 2020

NorAm Drilling Company AS



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General Information

This report contains forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements may be identified by the use of forward-looking terminology such as “believes”, “expects”, “predicts”, “may”, “will continue”, “should”, “would be”, “seeks” or “anticipates” or similar expressions or comparable terminology, or by discussions of plans, intentions and strategy.

Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. The Company or its officers assumes no obligation that such expectations will prove to be correct. These forward-looking statements are subject to risks and uncertainties that could cause actual results to vary materially from such forward-looking statements.

Accounting and Auditing

NorAm Drilling Company AS is audited by KPMG Norway. The accounting is outsourced to Amesto Business Partner, Norway.

NorAm Drilling Company performs its own accounting.

Alternative Performance Measurement (APM)

In the report we refer to the APM EBITDA; Earnings Before Interest, Tax, Depreciation and Amortization.



THIS IS NORAM DRILLING GROUP

NorAm Drilling Company AS (“the Group”, “NorAm” or “the Company”) owns and operates a quality rig portfolio of “super spec” advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

Established in 2007, the Company owns and finances companies operating onshore oil and gas drilling rigs. At year-end 2020, the Group’s fleet consisted of 11 “super spec” rigs located in the Permian Basin.

The Company Structure

The parent company NorAm Drilling Company AS owns 100% of NorAm Drilling Company, Texas Corp., a US-based drilling contractor, located in Houston, Texas.

NorAm Drilling Company owns all eleven rigs and is financed through a combination of equity investments and intercompany loans, at arm’s length terms, from its parent. NorAm Drilling Company is staffed with competent, local personnel that perform all aspects of a contract drilling company. NorAm Drilling Company AS consists mainly shares in and loans to its US subsidiary.

Our Offices

NorAm Drilling Company AS head office is in Oslo, Norway. The office is located at Bryggegata 3, 0112 Oslo, Norway.

NorAm Drilling Company is headquartered in Houston, Texas. NorAm Drilling Company has yard facilities in Odessa, Texas.

Organization and Operations

Marty Jimmerson has served as Chief Executive Officer and Chief Financial Officer since joining the Company in January 2017. Thomas Taylor has served as Chief Operating Officer since November 2014 and has been with the Company for 10 years. Mr. Jimmerson and Mr. Taylor fulfil their roles for both NorAm Drilling Company AS and NorAm Drilling Company.

The executive team is supported with a compliment of business development, safety, operations (including electricians, mechanics and equipment specialists) and accounting functions. Each rig is supported by crews that work on 2-week hitches. Each hitch is staffed with crews working 12-hour shifts. The rig is managed by a rig manager and each hitch is typically staffed with a minimum of a driller, derrickman, motorman and two floormen.

Board of Director's Report

Nature of the business activities and where these are conducted



NorAm Drilling Company AS (herein called “Company”) and its subsidiaries (herein called “Group”) were established on February 19, 2007.

The Group’s executive management team is based out of Houston, Texas with administrative functions located in both Houston and Oslo, Norway.

The Group consists of the Norwegian parent company NorAm Drilling Company AS and operating subsidiary NorAm Drilling Company, Texas Corporation. The Group invests, owns and operates eleven onshore oil and gas well drilling rigs currently operating in the Permian Basin in the United States. The Group has established a solid foothold in the lower US, with significant operating experience in Louisiana, New Mexico, Oklahoma and Texas.

The Group currently focuses solely on the US land drilling market. The Group has a rig portfolio of eleven advanced high-end AC-driven rigs tailored for the drilling of horizontal wells. These rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

2020 Developments

Market and contracts

Reduced demand for crude oil and refined products related to the COVID – 19 pandemic, combined with production increases from OPEC+, led to a significant reduction in crude oil prices and demand for drilling services in North America during 2020.

More recently, as a result of improved optimism for increased global oil demand as vaccines are being administered related to COVID – 19 and OPEC+ controlling its production, crude oil prices and demand for drilling services in North America started to improve in late 2020.

Oil prices remain volatile, as the closing price of US West Texas Intermediate (WTI) crude reached a first quarter 2020 high of \$63.27 per barrel on January 6, 2020 and a low of negative \$37.63 per barrel on April 20, 2020. WTI increased steadily from late April 2020 and remained relatively stable near \$40 per barrel through October 2020. Since October 2020, WTI improved and is currently trading near \$65.00 per barrel.

As of May 21, 2021, the US land drilling active rig count and Permian rig count was 440 and 231, respectively. As of December 31, 2020, the US land drilling active rig count and Permian rig count was 332 and 175, respectively. As of December 31, 2019, the US land drilling active rig count and Permian rig count was 781 and 405, respectively.

As of March 31, 2020, all eleven of our rigs were under contract and operating in the Permian Basin. Our rig count started to decline in late April, and we were operating 4 rigs in Q3 2020. We reactivated a 5th rig in Q4 2020 and reactivated a 6th and 7th rig in Q1 2021. We currently have seven rigs under contract.

As a result of the COVID – 19 pandemic we initiated several steps at our rig sites and operational service centers to ensure the safety of our employees, customers and 3rd party partners. To date, our staffing and rig operations have not experienced any significant disruption as a result of COVID – 19.

In response to the significant reduction in crude oil prices and the resulting fall in demand for drilling services in North America during 2020, we initiated decisive actions to quickly scale down our expenses and conserve liquidity including: (i) lowering our direct field level personnel as rigs were



released, (ii) implemented wage reductions for all employees and Board of Director fees, (iii) suspended our employer 401K match, (iv) work with our vendor partners for best pricing on goods and services and (v) eliminated all non-essential spending. Additionally, we are maintaining any stacked rig in a manner to ensure that we can reactivate these rigs in the most cost effective and efficient manner when demand for drilling services improves. We successfully reactivated three of our rigs and were reactivated in line with our expectations and performing well.

CARES ACT

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

On May 5, 2020, we entered into an unsecured loan in the aggregate principal amount of MUS\$ 5.5 pursuant to the Paycheck Protection Program which is part of the CARES Act Initiatives. This loan was forgiven in full on May 11, 2021.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This Bill authorized another round of PPP loans (“second draw PPP loans”). On February 5, 2021, we entered into a second PPP loan in the aggregate principal amount of MUS\$ 2.0.

BOND AMENDMENTS

On May 8, 2020, a bondholders’ meeting was held and the following was approved including: (i) the principal installment scheduled for June 3, 2020 was waived; (ii) the equity covenant was waived through maturity date of June 3, 2021 and (iii) an amendment fee of \$250,000 would be paid to the bondholders’ within 10 business days of the meeting. NorAm paid the amendment fee on May 18, 2020.

On November 24, 2020, a bondholders’ meeting was held and the following was approved: (i) the principal installment scheduled for December 3, 2020 was waived; (ii) the maturity date was extended to June 3, 2022 and (iii) an amendment fee of \$400,000 will be paid to the bondholders’ within 10 business days of the meeting. No principal payments are due and the outstanding balance of MUS\$ 80.0 is due on June 3, 2022.

Company development, results and financing

NorAm had revenue of MUS\$ 54.7 for the year ending December 31, 2020 compared to MUS\$ 82.4 during 2019. For the year ending December 31, 2020 we generated an operating loss of MUS\$ 8.2 compared to an operating profit of MUS\$ 6.9 in 2019. For the year ending December 31, 2020 we generated an EBITDA of MUS\$ 9.8 compared to MUS\$ 24.1 in 2019.



Capital expenditures were MUSD 2.5 for the year ending December 31, 2020. As of December 31, 2020, our cash position was MUSD 16.3, we had MUSD 80.0 of outstanding bonds payable to 3rd parties and we had full availability of our MUSD 6.0 Revolving Credit Facility.

Key financial figures:

	<u>2020</u>	<u>2019</u>
MUSD		
Revenue	54.7	82.4
Operating Profit	(8.2)	6.9
Net Profit before Tax	(16.0)	-1.0
EBITDA	9.8	24.1

Impairment on fixed assets

An analysis done at year end 2019 concluded that there are no impairment triggers for the Group's fixed assets, hence no impairment analysis performed as of 31.12.19.

Due to the uncertain market conditions, resulting from COVID-19 pandemic and the production changes from OPEC+, the Board of Directors continued to follow this development closely. The uncertainty increased during Q1 2020 and determined that an impairment trigger had occurred. Management performed a subsequent impairment calculation as of end Q1 – Q4 2020. Managements quarterly impairment assessments has shown that key inputs in the impairment model for Q1 2020 has improved slightly quicker than expected, hence no impairment charged to the financial statement as of year-end 2020.

As input to the model expected assumptions prevailing for development in dayrates, OPEX and other critical inputs was adjusted. In the model, the long-term effects of COVID-19 and the change in oil prices is reflected as temporary setbacks on day-rates and utilization. Both are expected to gradually recover over the next 3 years, to the same levels used in the impairment model as of year-end 2019.

There is significant uncertainty relating to the recovery of the market, and the key inputs are therefore uncertain. The conclusion on the impairment calculation, based on information available and the prevailing estimates for recovery of oil prices etc, is that there is no need for impairment charges during 2020 or as of December 31, 2020, but management and the board of directors will follow the developments in the market closely and assess impairment continuously if expected future market conditions changes.

Financing

On the balance sheet, the Group has equity of MUSD 45.2 equivalent to an equity ratio of 32.5% at year-end 2020, compared to MUSD 58.6 of equity and a 37.5% equity ratio at year-end 2019.

The Company's balance sheet at year end 2020 had equity of MUSD 124.2 and an equity ratio of 59.0%, compared to MUSD 133.9 of equity and a 60.8% equity ratio at yearend 2019.

The Board considers the equity for both the Company and Group to be in compliance with the requirement for sufficient equity under the Norwegian Limited Liability Companies Act.

The Company and Group is financed through equity and a bond loan, see note 9 to the Financial Statement. The bond loan outstanding as of December 31, 2020 was MUSD 80.0.



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The Board of Directors confirm, based upon current market assumptions, that it is expected that the Company and Group will be compliant with all other covenants set out in the bond loan agreement through 2021.

Cash flow and liquidity

The cash position for the Group improved from MUSD 7.9 as of December 31, 2019 to MUSD 16.3 as of December 31, 2020 mainly attributable to:

- MUSD 5.5 loan proceeds from the Cares Act mentioned above.
- Refinancing of the bond loan, ensuring that no payments on the bond loan are paid in 2020
- The Group implemented several cost saving initiatives
- The Group invested MUSD 2.5 in capital expenditures in 2020
- The Group also has a revolving credit facility of MUSD 6.0 available for capital expenditures

Key risks and uncertainties

The Group and the Company are exposed to a number of risk factors when performing its activities, such as market risk, operational risk, credit risk and liquidity risk. The Company's and the Group's key operational risks are comprised to a large extent of (i) oil and gas prices, (ii) number of rigs available for drilling in the US and the rig count (rigs employed), and (iii) risk related to suppliers and clients.

Global oil and gas prices have been historically and will likely continue to be volatile for the foreseeable future. Global demand and supply of oil; levels of exploration and production by oil and gas companies operating in the United States; worldwide political, regulatory, economic and military events as well as natural disasters have contributed to oil and gas volatility and are likely to continue to do so in the future. The US land drilling market is strongly related to energy prices. Day rates and utilization levels of the Group's rigs correlate with the price of oil and natural gas. An increase in oil price requires supply reductions or increases in demand. The Group's income is the most sensitive factor, and a reduction either in utilization or day rates compared to budget has clear negative effects on the result. Conversely, higher rates and utilization have very positive effects on our results. The cost level will vary with constraints in the market for input factors.

The client risk of the Group varies, and even though the Group targets blue-chip E&P clients with extensive operations, contracts may also be signed with smaller companies to increase utilization of the rigs. In such cases, a review of financial statements or payment references is performed to reduce risk of non-payment.



Supplier and client risks are also present in the market in which the Group is operating. Even if the Group targets contracts with larger and financially solid partners, the contracts will be subject to uncertainty with regards to the suppliers' or the clients' ability to meet their commitments, as they, too, on a general basis also will be subject to market and financial risk. Idle rigs will lead to significant loss of income.

In addition, there could be stacking expenses during weak periods of demand for rigs resulting on loss of work. Such expenses are modest in terms of influence on the result. The Group is also exposed to changes in the regulatory and fiscal frameworks in Norway and the USA.

Business outlook

The Group will continue its focus on operating its premium rig fleet and evaluate opportunities to build a larger US presence by further developing our US subsidiary. The foundation has been laid over the years, building strong inhouse drilling competences and safety records, a flat organization with focus on training and motivation of our drilling crews, effective corporate routines and strong client relationships.

By growing the Group's rig fleet from three rigs in 2009 to eleven "Super Spec" rigs by 2020, the Group has taken important steps forward to become an important player in the US onshore drilling industry.

The Group has an ongoing dialogue with its existing customers as well as potential new customers about rig performance and contracts. The Board emphasizes the importance of modern, efficient rigs and trained personnel as a powerful combination for reaching our drilling, safety and utilization targets and winning new contracts with quality clients.

A key driver for financial results in 2021 will ultimately be the continued price development of crude oil and natural gas prices which impacts capital spending by the US energy producers.

Key targets for 2021:

- Ensure continued high safety standard in line with our historical performance
- Continue to operate our rigs with an industry leading effectiveness and efficiency
- Scale our operations and overhead in response to the decline in rig activity, stacking our rigs in a manner that allows us to return to work without incurring substantial costs or delays when the market recovers
- Maintain and develop customer relationships in order to obtain higher dayrates contracts with reputable clients

Future development

Dayrates and utilization outlook

Today, all eleven rigs are currently located in the Permian Basin. Our current drilling contract status is as follows:

- Rig 21 – on contract pad-pad
- Rig 22 – on contract through July 2021
- Rig 23 – on contract pad-pad
- Rig 25 – on contract through June 2021



- Rig 26 – on contract through July 2021
- Rig 27 – on contract through August 2021
- Rig 28 – available
- Rig 29 – available
- Rig 30 – on contract pad-pad
- Rig 32 – available
- Rig 34 – available

We expect market conditions to remain volatile in the near term until demand improves for crude oil and refined products.

The Board expects to maintain the Group's strong safety record and low TRIR consistent or better than industry averages.

Operating expenses

Combined with focus on our rig personnel staffing levels and effectively managing our other daily operating costs we were able to maintain rig operating costs during 2020 and in line with our historical performance. In response to the significant reduction in crude oil prices and the resulting fall in demand for drilling services in North America, we have taken decisive action to quickly scale down our expenses and conserve liquidity including: (i) lowering our direct field level personnel as rigs are released, (ii) implemented wage reductions for all employees and Board of Director fees, (iii) suspended our employer 401K match, (iv) working with our vendor partners for best pricing on goods and services and (v) eliminated all non-essential capital expenditures. Additionally, we are maintaining any stacked rig in a manner to ensure that we can reactivate any rig in the most cost effective and efficient manner when demand for drilling services improves.

Liquidity/Cash flow

The Company and Group is financed through equity and a bond loan, see note 9 to the Financial Statement. The Bond Loan outstanding as of December 31, 2020 was MUSD 80.0.

Additionally, in July 2019 Noram secured a MUSD \$6.0 Revolving Credit Facility with a bank. The committed facility provides for borrowings for purposes of financing capital expenditures and general working capital purposes. The facility terminates on June 30, 2021. On May 27, 2021 the Company entered into an amendment agreement of this facility whereby it (i) extends the maturity to May 2023 or maturity of the Bond Loan, and (ii) makes the facility available for capital expenditures.

Impairment fixed assets

Due to the uncertain market conditions, resulting from COVID-19 pandemic and the production changes from OPEC+, the Board of Directors continued to follow this development closely. The uncertainty increased during Q1 2020 and determined that an impairment trigger had occurred. Management performed a subsequent impairment calculation as of end Q1 – Q4 2020. As input to the model expected assumptions prevailing for development in dayrates, OPEX and other critical inputs was adjusted. There is significant uncertainty relating to the recovery of the market, and the key inputs are therefore uncertain. The conclusion on the impairment calculation, based on information available



and the prevailing estimates for recovery of oil prices etc, is that there is no need for impairment charges during 2020 or as of December 31, 2020, but management and the board of directors will follow the developments in the market closely and assess impairment continuously if expected future market conditions changes.

Research and development activities

Neither the Company nor the Group had research and development expenses in 2020.

Going concern

The Board considers the Financial Statements for 2020 to represent a true and fair view of the development and results of the Company's and Group's operations and accounts as of December 31, 2020. The Board confirms that going concern assumptions are satisfied as to the standards set by the Norwegian Accounting Act and which has formed the basis for the financial statements presented herein for the Company and the Group. This is based on the Boards expectations relating to market conditions going forward, with increased dayrates and utilization expected to continue to gradually recover over the next few years and to at least same levels experienced before COVID-19.

Working environment

As of December 31, 2020, NorAm Drilling Company had an operational organization of 153 people including three working at the administration office in Houston.

The Board considers the working environment in the Company and the Group to be good.

Management consists of the Acting Chief Executive Officer / Chief Financial Officer and a Chief Operating Officer. Apart from these individuals, the Company uses external advisors for accounting, legal affairs and other professional services.

The absentee rate was minimal. There were no property damage incidents in 2020.

The Company has no employees during 2020, hence no sick leave. No serious occupational accidents or incidents have been experienced over the year, whether in the parent company or in the subsidiaries.

Equal opportunities

Women will be encouraged to apply for posted available positions in order to increase the representation of both sexes in the organization. At the end of 2019, the Group had three women employed. There will be no discrimination between men and women regarding recruitment, salaries in relation to position/competence, or promotion, or any other aspect of the Group's activities.

The NorAm Drilling Company AS Board consists of three men. NorAm Drilling Company Inc. has the same board as NorAm Drilling Company AS.

Non-discrimination and accessibility

The Group and the Company target to be an employer to promote equality for all employees' regardless of nationality, sex, skin color, language or religion. This is true for recruiting new people, for salary and bonus schemes, working relations, promotions and protection against harassment.



External environment

NorAm Drilling Company AS has limited activity and does not pollute the external environment. The Group undertakes activities that are potentially polluting. The oil and gas well drilling business, by its very nature, can, if proper procedures are not followed adversely impact the environment. This can range from blowouts of wells or pollution of the area surrounding the drilling activities.

NorAm Drilling Company takes all reasonable precautions by assuring proper equipment and maintenance and that the rig personnel are all properly trained. Also, NorAm Drilling conducts standard procedures beyond regulations to ensure not to pollute. Other actions taken by NorAm Drilling includes converting engine systems into Dual Gas system, whereby our customers agree, allowing our engines to run on natural gas at a lower cost and generating less pollution.

NorAm Drilling has implemented Health, Environment and Safety services to support the company's activities and the rig crew is trained in Occupational Safety and Health Administration (OSHA) HSE regulations in the US. The focus is to train all site personnel in their daily routines to act safely and to prevent unwanted occurrences with the rigs.

NorAm Drilling complies with US state and federal regulations in its activities, including environmental protection regulation. The operator carries the main responsibility regarding the external environment when drilling a well under standard daywork drilling contracts.

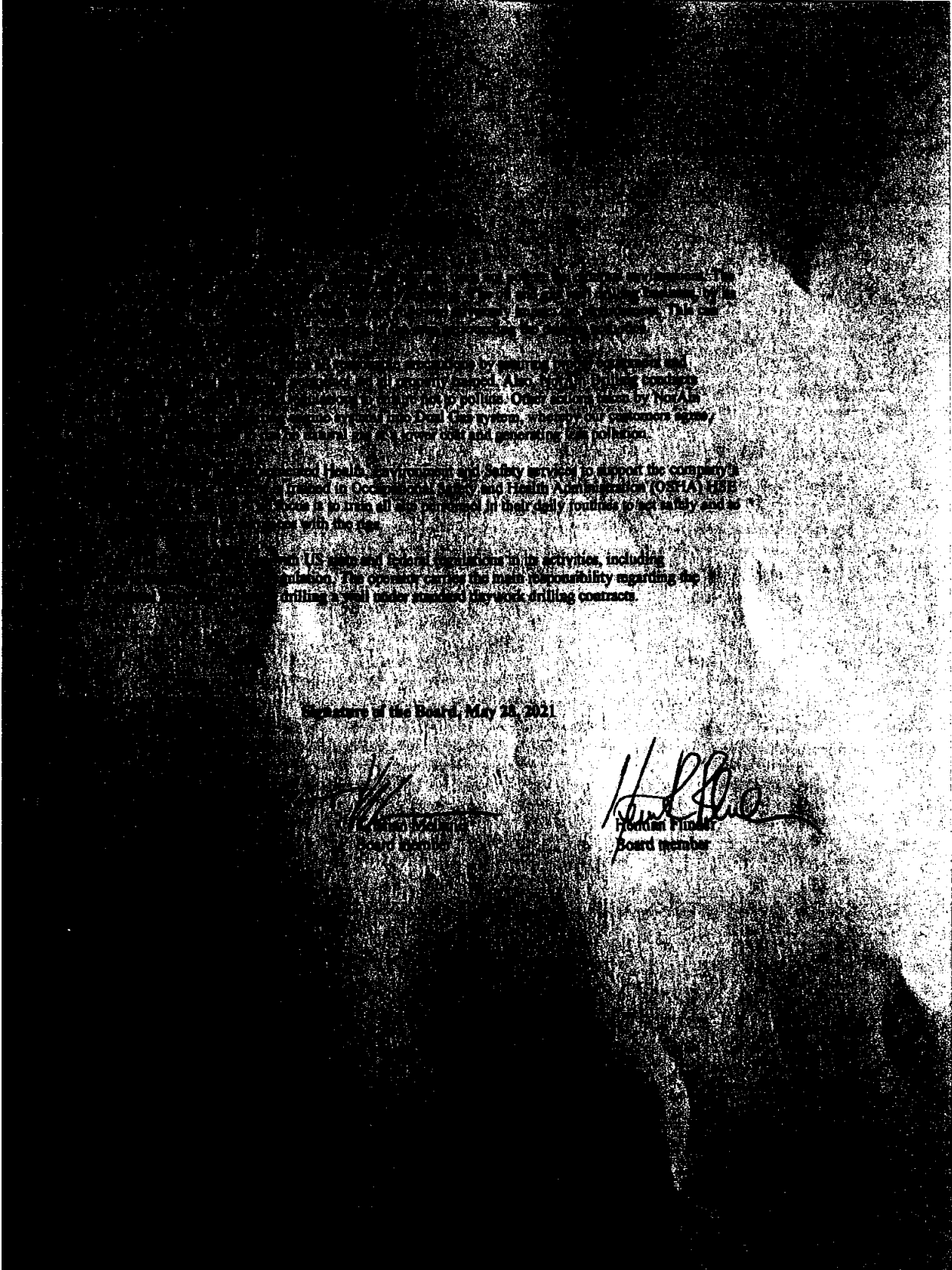
Signature of the Board, May 28, 2021

Ole B. Hjertaker
Chairman

Kristian Melhuus
Board member

Herman Flinder
Board member

Marty Jimmerson
Chief Executive Officer



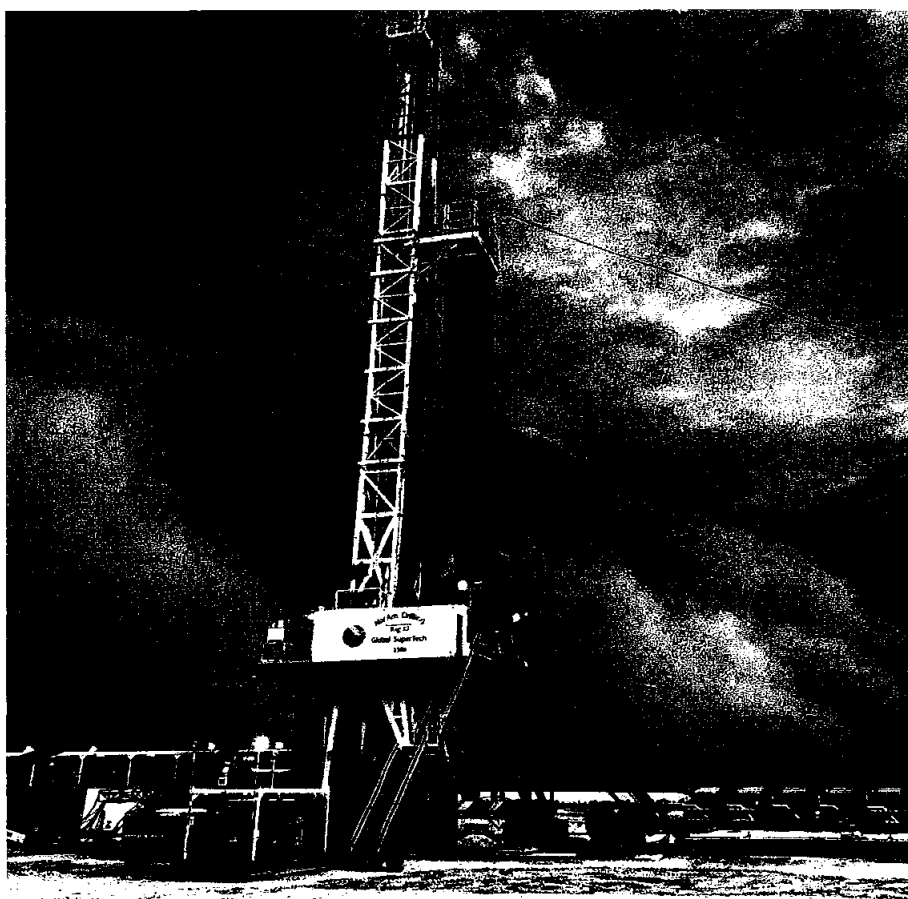
Signature of the Board, May 25, 2021

[Signature]
Board member

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Board member



NorAm Drilling Company



Financial Statements 2020

For NorAm Drilling Company AS and Group



CONSOLIDATED 2020 REPORT



NorAm Drilling Company

NorAm Drilling Company AS

INCOME STATEMENT (Amounts in USD 1,000)

Noram Group

2020	2019	Note	Note	2020	2019
-	-	12	12	54 659	82 382
110	109			-	-
110	109			54 659	82 382
67	66	2	2	18 758	27 276
-	-		8	18 041	17 214
-	-			14 662	18 898
-	-			3 492	3 975
1 609	744	2	2	7 897	8 132
1 676	810			62 851	75 495
-1 567	-701			-	-
				-8 192	6 887
-	14 507	6, 11			
7	49	11	11	7	49
39	259	11		39	259
7 395	7 845	9, 11	9, 11	7 427	7 900
376	263	11	11	391	260
-7 725	6 707			-7 772	-7 852
-9 291	6 006			-15 964	-965
-2 520	834	3	3	-2 385	1 378
-6 771	5 172			-13 579	-2 343
-6 771	5 172	5	5	-13 579	-2 343



CONSOLIDATED 2020 REPORT



NorAm Drilling Company

NorAm Drilling Company AS

BALANCE SHEET

Group

(Amounts in USD 1,000)

2020	2019	Note	Note	2020	2019
ASSETS					
Non-current assets					
Intangible assets					
-	-			-	-
Tangible assets					
-	-		8	116 804	132 118
-	-		8	215	482
-	-			117 019	132 600
Financial assets					
33 143	33 143	7		-	-
166 326	175 201	6		-	-
199 468	208 343			-	-
199 468	208 343	Total Non-current Assets		117 019	132 600
Current assets					
Receivable					
10 067	9 957	6		4 423	14 007
426	384			1 191	1 627
10 493	10 342			5 614	15 634
Cash and cash equivalent					
969	1 227	4	4	16 337	7 917
969	1 227			16 337	7 917
11 462	11 569	Total current assets		21 951	23 551
210 930	219 912	TOTAL ASSETS		138 971	156 151



CONSOLIDATED 2020 REPORT



NorAm Drilling Company AS BALANCE SHEET
(Amounts in USD 1,000)

2020	2019	Note	Note	2020	2019
EQUITY & LIABILITIES					
Equity					
Owners equity					
15 932	15 932	5	5	15 932	15 932
94 860	94 860	5	5	94 860	94 860
439	439	2, 5	2, 5	369	369
111 232	111 232			111 162	111 162
Accumulated profits					
15 877	22 648	5	5	-66 099	-52 520
15 877	22 648			-66 099	-52 520
127 108	133 879			45 062	58 641
Liabilities					
1 988	4 093	3	3	2 651	4 576
1 988	4 093			2 651	4 576
Non-current liabilities					
80 000	80 000	9	9	80 000	80 000
0	0	9	9	5 718	981
80 000	80 000			85 718	80 981
Current liabilities					
51	775			1 330	6 754
3	415	3	3	3	415
150	150			150	150
1 631	600			4 055	4 633
1 835	1 940			5 539	11 953
83 822	86 033			93 908	97 509
210 930	219 912			138 971	156 151

Oslo, 28.05.2021

Ole Bjarne Hjertaker
Chairman

Kristian Melhuus
Board member

Hermann Refsum Flinder
Board member

Marty Jimmerson
CEO



	2020	2019		2020	2019
EQUITY & LIABILITIES					
Equity					
			Owner's equity		
			Share capital	15 932	19 932
			Share premium	84 860	84 860
			Other paid in capital	2,5	399
			Total owners equity	111 152	111 162
			Accumulated profits		
			Other equity	-66 099	-52 520
			Total accumulated profits	-66 099	-52 520
			Total equity	45 052	58 641
Liabilities					
			Deferred tax	2 651	4 576
			Total deferred tax	2 651	4 576
Non-current liabilities					
			Bond loan	80 000	80 000
			Other long term liabilities	5 718	981
			Total non-current liabilities	85 718	80 981
Current liabilities					
			Accounts payable	1 330	6 754
			Tax payable	3	415
			Public utilities payable	150	150
			Other current liabilities	4 055	4 633
			Total current liabilities	5 538	11 952
			Total liabilities	93 908	87 508
			TOTAL EQUITY & LIABILITIES	138 960	146 149

[Handwritten signature]

Accountant
Name
Address
City



CONSOLIDATED 2020 REPORT



NorAm Drilling Company

NorAm Drilling Company AS

STATEMENT OF CASH FLOW (Amounts in USD 1,000)

Group

2020	2019		2020	2019
-9 291	6 006	Pre-tax profit/loss	-15 964	-965
-	-	Tax paid for the period	-412	-
-	-	Depreciation of fixed assets	18 041	17 214
-110	-109	Change in accounts receivable	9 583	-2 642
-	283	Change in accounts payable	-5 424	4 790
9 868	3 244	Change in other current balance sheet items	319	-479
-257	9 424	Net cash flow from operational activities	6 143	17 918
-	-		-	-
-	-	Proceeds from the sale of tangible fixed assets	-	-
-	-	Purchase of tangible fixed assets	-2 460	-13 474
-	-	Investment in subsidiaries	-	-
-	-	Net cash flow from investing activities	-2 460	-13 474
-	-		-	-
-	-	Proceeds from issuance of short term debt	-	-
-	-10 000	Change in long term debt	4 737	-10 000
-	-	Issue of share capital	-	-
-	-10 000	Net cash flow from financing activities	4 737	-10 000
-	-		-	-
-257	-576	Net change in cash and cash equivalent	8 420	-5 555
-	-		-	-
1 227	1 803	Cash and cash equivalents 01.01.2019	7 917	13 473
-	-		-	-
969	1 227	Cash and cash equivalents 31.12.2019	16 337	7 917



NorAm Drilling Company AS

Notes to Financial Statement

Note 1 - Accounting Principles

The Financial Statements include Profit and Loss statement, Balance Sheet, Cash Flow Statement and Note Disclosures. The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The Financial Statements are based on the basic principles, and the classification of Assets and Liabilities is according to the definitions of the Norwegian Accounting Act. In application of the accounting principles and presentation of transactions and other information, emphasis has been put not only on legal form, but on economic reality. Conditional losses that are probable and quantifiable are expensed. There have been no changes in the accounting principles used.

1-1 BASIS FOR CONSOLIDATION

The Group's consolidated financial statements comprise Noram Drilling Company AS and companies in which Noram Drilling Company AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between Group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

1-2 USE OF ESTIMATES

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with Norwegian generally accepted accounting principles.

1-3 FOREIGN CURRENCY TRANSLATION

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

1-4 REVENUE RECOGNITION AND OPERATIONAL COSTS

Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer.

NorAm Drilling Company Group revenue relates to rental of rig capacity and sale of drilling services from the US based subsidiary NorAm Drilling Company. Sales regarding rental of rig is invoiced and booked in line with actual contract and the period of delivering the services, while drilling services are invoiced and booked in the same period as the services has been provided.

Expenses are recognized with the income to which the expenses relate. Expenses that may not be related to income are recognized when accrued.

1-5 INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22%/21% (Norway/USA) of temporary differences and losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Temporary differences in jurisdictions with other currency than USD, is calculated using local currency and converted to USD at foreign exchange rate at the balance sheet.

1-6 BALANCE SHEET CLASSIFICATION

Current assets and short term liabilities consist of receivables and payables due within one year, and items connected to the flow of goods. Other balance sheet items are classified as fixed assets / long-term liabilities.

Current assets are valued at the lower of cost and fair value. Short-term liabilities are recognized at nominal value at the time they incur.

Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognized at nominal value.



NorAm Drilling Company AS

Notes to Financial Statement

1-7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used. Operational leasing is expensed as ordinary rental expense and classified as an ordinary operating expense. Equipment leased on terms that transfer practically all economic rights and obligations to the company (financial leasing) is depreciated as a capital asset, and is included as a liability under interest bearing debt at the present value of minimum rental expense.

1-8 SUBSIDIARIES

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions are recognized in the same year as they are recognized in the subsidiary financial statement. If dividends / group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the investment in the balance sheet for the parent company.

1-9 ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

1-10 PENSION OBLIGATIONS AND EXPENSES

NorAm Drilling Company AS has a deposit-based pension plan. Yearly payments to the insurance company are expensed as pension costs.

1-11 CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

1-12 Functional Currency and Presentational Currency

Functional and presentation currency is for NorAm Drilling Company AS and the NorAm Drilling Group is USD. This is based on the following rationale;

NorAm Drilling Company AS

All significant P/L transactions is denominated in USD (Interest income from group companies, Other interest expenses)

All significant Balance Sheet items is denominated in USD (Loan to group companies, accounts receivables, Cash and Bond Loan)

NorAm Drilling Group

All significant P/L transactions is denominated in USD (Sales, Payroll, Operating expenses from US subsidiary and Other interest expenses)



NorAm Drilling Company AS

Notes to Financial Statement

Note 2 - Payroll expenses / Number of Employees / Remuneration/ Auditor's Fee

Payroll expenses etc. (in USD)	2020		2019	
	NDC AS	Group	NDC AS	Group
Salaries	59 302	17 223 539	58 160	24 748 793
Payroll tax/Social Security	7 979	1 324 994	8 201	2 103 150
Pension costs	-	209 700	-	409 894
Other benefits	-	-	-	14 494
Payroll expenses etc.	67 281	18 758 233	66 360	27 276 330
Number of man-labour years	0	215	1	288

Management Remuneration - Noram Drilling Company AS (USD)

Company officers	Period	2020			Total
		Salaries	Pensions	Other benefits	
Marty Jimmerson	01.01 - 31.12	325 769	-	4 308	330 077
Board	Period	Salaries	Pensions	Other benefits	Total
Ole Bjarte Hjertaker (Board member/Chairman)	01.01 - 31.12	29 651	-	-	29 651
Hermann Refsum Flinder (Board member)**	01.01 - 31.12	30 838	-	-	30 838
Kristian Melhuus (Board member)	01.01 - 31.12	29 651	-	-	29 651
Espen W. Marcussen (Deputy Board member)	01.01 - 31.12	-	-	-	-
Total Officers		325 769	-	4 308	330 077
Total Board		90 140	-	-	90 140
Total Remuneration Board and Management		415 909	-	4 308	420 217

*Marty Jimmerson received salary from US subsidiary Noram Drilling Company

** Herman R. Flinder has been paid board remuneration from the US subsidiary NorAm Drilling Company

CEO Marty Jimmerson has a 1 year rolling basis for his employment agreement. In addition to a base salary he is also entitled to a bonus subject to the company's performance.

Mr. Jimmerson is entitled to (i) one-year base salary; (ii) annual cash bonus up to 33% of annual salary and (iii) group health coverage benefits for up to 18 months in the event of a change in control of if his employment contract is terminated for anything other than cause. The CEO is also entitled to a 3-month notice period prior to termination.

It has not been given loan or security for the CEO, CFO, COO, directors or shareholders

Management Remuneration - Group (USD)

Company officers	Salary	2020		Total
		Pension costs	Other	
Noram Drilling Company AS	-	-	-	-
Subsidiaries	325 769	4 307	-	330 076
Board				
Noram Drilling Company AS	90 140	-	-	90 140
Subsidiaries	-	-	-	-
Total Officers	325 769	4 307	-	330 076
Total Board	90 140	-	-	90 140
Remuneration Board and Management (excl. Share based)	415 909	4 307	-	420 216

Noram Drilling Company AS Share-Based Payment

During the period ended 31.12.20, the Company had two share-based payment arrangement, which is described below.

Marty Jimmerson, CEO
Thomas Taylor, COO



NorAm Drilling Company AS

Notes to Financial Statement

Option Plan 2018-2021

Type of arrangement	Equity Based
Options granted 30.04.2018	50 000 for Jimmerson 50 000 for Taylor
Vesting conditions	The option vest as follow for both Jimmerson and Taylor: 1/3 on 15.02.19, 1/3 on 15.02.20 and 1/3 on 15.01.21

Fair value of granted options is calculated using the Black-Scholes-Merton option pricing model.
Recognized cost in 2020 relating the share options are USD 14 494

Historical details for the option plans are as follows:

	01.01.2020 - 31.12.2020		01.01.2019 - 31.12.2019	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at the beginning of period	100 000	20,00	100 000	20,00
Granted	-	-	-	-
Exercised	-	-	-	-
Terminated	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of period	100 000	20,00	100 000	20,00
Vested options	-	-	-	-

Auditors remuneration (USD, excl. MVA (VAT))

	2020		2019	
	NCD AS	Group	NCD AS	Group
Ordinary audit	65 571	151 148	68 191	138 429
Other confirmation services	-	-	6 110	6 110
Tax advisory services	13 207	13 207	8 701	8 701
Other non audit services	31 294	31 294	50 035	50 035
Total	110 072	195 649	133 037	203 275

The ordinary audit expense includes fees for auditing the US subsidiary for the Group consolidated accounts.



NorAm Drilling Company AS
Notes to Financial Statement

Note 3 - Tax

(USD)	2020		2019	
	NDC AS	Group	NDC AS	Group
Tax base calculation				
Profit (+)/ Loss (-) before income tax	-9 291 378	-15 964 094	6 006 186	-965 277
Permanent differences	-1 544 117	-1 544 117	1 024 963	1 548 969
Temporary differences	3 778 679	3 959 101	5 056 931	-2 134 377
Losses carried forward	-	-	-9 674 157	-9 674 157
Foreign exchange differences	-560 667	-560 667	-525 358	-
Tax base	-7 617 483	-14 109 777	1 888 565	-
Tax	-	-	415 484	415 484
Income Tax Payable this year	-	-	415 484	415 484
Income Tax Expense:				
Income Tax Payable this year	-	-45 190	415 484	369 320
Changes in deferred tax	-2 104 892	-1 924 402	418 733	1 008 691
Currency effects	-	-	-	-
Tax refund 2019 COVID-19 effect	-415 484	-415 484	-	-
Total Income Tax Expense	-2 520 376	-2 385 076	834 218	1 378 012
Income Tax Payable:				
Income Tax Payable this year	-	-	415 484	415 484
AMT Credit Refund	-	-	-	-46 164
Prepaid tax	-	-	-	-
Total Income Tax Payable	-	-	415 484	369 320
Specification of Basis for Deferred Tax Asset:				
Differences to be balanced				
Fixed assets	-29 881	95 053 003	-36 296	84 969 745
Current assets	-	-	-	-
Deferred gain carried forward	16 682 411	16 682 411	20 264 019	20 264 019
Other differences	-	-	-	-
Total temporary differences	16 652 530	111 735 414	20 227 723	105 233 764
NOL's carried forward	-7 617 747	-142 221 390	-	-119 426 836
Interest limitation carried forward	-1 672 489	-39 037 062	-1 625 250	-45 083 217
Basis for calculation of deferred tax asset/liability				
Deferred tax asset (-) /liability (+)	7 362 294	-77 140 785	18 602 474	-59 276 289
Valuation allowance	315 163	-16 679 059	4 092 544	-13 268 791
Deferred tax asset (-) /liability (+)	1 672 489	19 330 131	-	17 844 333
Deferred tax/tax asset not recorded in balance	1 672 489	19 330 131	-	17 844 333

Deferred tax/ deferred tax asset

Estimated deferred tax asset in subsidiary NorAm Drilling Company is not recorded in the balance sheet due to uncertainty related to valuation of this asset.



NorAm Drilling Company AS

Notes to Financial Statement

Note 4 - Restricted bank accounts

(USD)	2020		2019	
	Noram Drilling Company AS	Group	Noram Drilling Company AS	Group
Restricted cash related to debt service on Bond loan	759 314	759 314	757 222	757 222
Employees tax deduction, deposited in a separate bank account	5 033	5 033	5 431	5 431
Secure deposit office leasing and credit cards	15 090	15 090	11 734	11 734
Total	779 437	779 437	774 387	774 387

Note 5 - Equity and Shareholder Information

Share Capital Noram Drilling Company AS and the Group

	2020			2019		
	No. of shares	Face value NOK	Book value NOK	No. of shares	Face value NOK	Book value NOK
Ordinary shares	23 392 317	2,00	46 784 634	23 392 317	2,00	46 784 634
Total	23 392 317		46 784 634	23 392 317		46 784 634

Equity (USD)

Noram Drilling Company AS

	Share Capital	Share Premium	Other paid in capital	Other Equity	Total
Equity 31.12.2019	15 932 262	94 860 376	438 907	22 647 666	133 879 211
Rights issue					-
Profit (+)/Loss (-)				-6 770 932	-6 770 932
Equity 31.12.2020	15 932 262	94 860 376	438 907	15 876 734	127 108 279

Equity

Group

	Share Capital	Share Premium	Other Equity Contributed	Other Equity	Total
Equity 31.12.2019	15 932 262	94 860 376	369 053	-52 520 249	58 641 442
Adjustment prior period error					-
Profit (+)/Loss (-)				-13 578 948	-13 578 948
Equity 31.12.2020	15 932 262	94 860 376	369 053	-66 099 197	45 062 494

Issued capital consists only of ordinary shares

10 Largest Shareholders as per 31.12.2020

Noram Drilling Company AS and Group

	Number of shares	Share (%)
Geveron Trading Ltd	15 842 707	67,7 %
Pactum AS	2 673 034	11,4 %
SFL Corporation Ltd.	1 266 225	5,4 %
Camaca AS	537 112	2,3 %
Thabo Energy AS	450 000	1,9 %
Prima Green Investment AS	321 593	1,4 %
Jahrman AS	264 590	1,1 %
Robert Wood Johnson Foundation	235 385	1,0 %
Næringslivetets Hovedorganisasjon	197 301	0,8 %
Darmima Invest AS	166 987	0,7 %
Other	1 437 383	6,1 %
Total	23 392 317	100 %



NorAm Drilling Company AS

Notes to Financial Statement

Note 6 Intercompany Balances

(USD)	2020	2019
Noram Drilling Company AS		
Loan to NorAm Drilling Company (subsidiary)	166 325 630	175 200 630
Loan from NorAm Drilling Company (subsidiary)		
Accounts payable to NorAm Drilling Company (subsidiary)	50 832	774 675
NorAm Drilling Company AS receivables from NorAm Drilling Company (subsidiary)	10 067 167	9 957 457

Due to the difficulties in the marked following COVID-19, NorAm Drilling Company AS has given its subsidiary a temporary relief of any interest on intercompany loan.

Note 7 Shares in Subsidiaries

(USD)						
Company	Book value	Shares	Share of voting rights	Equity 2020	Result 2020	Main Office
NorAm Drilling Company	33 142 856	100 %	100 %	-48 902 919	-6 771 709	Houston

Impairment trigger analysis and impairment assessment for investments in subsidiaries

Book value of investment in subsidiary exceeds booked value of equity in the subsidiary. Based on this, management has tested shares in subsidiaries for impairment. The test is based on value in use test for fixed assets in the subsidiaries, adjusted for net interest bearing debt. See note 8. No impairment is recognized in 2020.

The changes in the impairment calculations has not resulted in any impairment expenses as of year-end 2020, but the headroom is reduced compared to prior year.

There are always uncertainty relating to future changes in the market, hence the result of the calculation could change with other inputs. The most sensitive inputs to the impairment calculations is expected dayrates, OPEX, utilization and discount rate. Based on a small headroom in calculated NPV, small adjustment on key inputs, would lead to an impairment in shares.

For changes in estimated due to events after the reporting day, please see note 14

Note 8 Tangible assets

Group

Property, plant and equipment (USD)	Rigs and accessories	Vehicles and Office Equipment	Land	Total
Acquisition cost at 01.01	194 270 305	2 135 326	-	196 405 631
Additions	2 460 081	-	-	2 460 081
Disposals	-	-	-	-
Acquisition cost at 31.12	196 730 386	2 135 326	-	198 865 712
Accumulated depreciation 31.12	79 926 114	1 920 537	-	81 846 651
Net carrying value at 31.12	116 804 272	214 790	-	117 019 061
Depreciation for the year	17 773 946	267 254	-	18 041 200
Impairment loss for the year	-	-	-	-

Both the parent company and the group use linear depreciation for all tangible assets

The useful economic life is estimated to be:

	Years
* Buildings and other real estate	20-50
* Machinery and equipment	3-15
* Land	Indefinite



NorAm Drilling Company AS

Notes to Financial Statement

Note 8 Tangible assets continues

Impairment trigger analysis and impairment assessment on tangible assets

NorAm Group has significant investments in rigs. An impairment trigger analysis was performed at year end 2019, concluding that there were no impairment triggers for the Group's fixed assets, hence no impairment analysis was performed, and no impairment charges included in the Financial Statement for 2020.

Due to the uncertain market conditions, resulting from COVID-19 pandemic and the production changes from OPEC+ during Q1 2020, management and the Board of Directors performed a renewed impairment trigger analysis at Q1 2020, concluding that impairment triggers had occurred, and management therefore performed a subsequent impairment calculation. Key inputs to the model is dayrates, operating expenses and utilization. Based on observable market activities, and management's best estimates on the development in key inputs, management's calculations concluded that no impairment existed as of Q1. In the model for Q1, the long term effects of COVID-19 and the change in oil prices was reflected as temporary set-backs on dayrates and utilization. Both expected to gradually recover over the next 3 years, to the same levels used in the impairment model as of year-end 2019.

Due to the uncertain market conditions, management has followed the market development, and assessed impairment indicators on a quarterly basis, latest as part of their year end procedures. The quarterly assessments has shown that key inputs to the cash flows in the impairment model for Q1 2020 has improved slightly quicker than expected, hence no impairment charges to the financial statement as of year-end 2020, but the headroom are to some extent reduce.

There are always uncertainty relating to future changes in the market, hence the result of the calculation could change with other inputs. The most sensitive inputs to the impairment calculations is expected dayrates, OPEX, utilization and discount rate. Based on headroom in calculated NPV, only a significant adjustment on key inputs, would lead to an impairment.

Management has also performed impairment trigger analysis as of Q1 2021, showing no indications of triggering events, hence no impairment charges in 2021.

For changes in estimated due to events after the reporting day, please see note 14

Note 9 Liabilities

(USD)	2020		2019	
	NDC AS	Group	NDC AS	Group
Long term liabilities with maturity before 5 years				
Bond	80 000 000	80 000 000	80 000 000	80 000 000
Other long term liabilities	-	5 718 136	-	981 328
Total	80 000 000	85 718 136	80 000 000	80 981 328

Bond

03.06.2014 the Group Issued a new Bond loan of USD 120 000 000 with 5 years maturity. This agreement has been amended at several occasions, latest November 2020.

The Group has a Bond loan as of 31.12.20

Outstanding as of 31.12.19	80 000 000
Maturity date on bond loan	03.06.2022
Repayment during 2020	-

The Bond loan includes several financial covenants, including

- Liquidity – The Group's liquidity should be held at MUSD 5
- Current Ratio – Minimum 1:1
- Asset Coverage Ratio - The Issuer shall ensure that the sum of the Account Amount and the Market Value of the Rigs at any time is minimum 130% of the total par value of the Outstanding Bonds.

The Group complied with the financial covenants as of 31.12.2020

Other long-term liabilities

Other long-term debt is related to NorAm Drilling Company's purchase of vehicles, yard and warehouse including offices. The debt has security in the assets.

	2020		2019	
	NDC AS	Group	NDC AS	Group
Secured debt:	80 000 000	85 718 136	80 000 000	80 981 328
Pledged assets:				
Assets in subsidiaries	116 804 272	116 804 272	132 118 137	132 118 137
Yard and vehicles	-	214 790	-	482 042
Total	116 804 272	117 019 061	132 118 137	132 600 180

Revolving Credit Facility

The company has an Revolving Credit Facility of MUSD 6 available for working capital and CAPEX upgrade purposes.



NorAm Drilling Company AS Notes to Financial Statement

Note 10 - Earnings per share

(USD)	2020		2019	
	NDC AS	Group	NDC AS	Group
Result after income tax	-6 770 932	-13 578 948	5 171 969	-2 343 288
Shares	23 392 317	23 392 317	23 392 317	23 392 317
Warrants	100 000	100 000	100 000	100 000
EPS	-0,29	-0,58	0,22	-0,10
EPS (incl. Options)	-0,29	-0,58	0,22	-0,10

Note 11 Net Financial Items

	2020		2019	
	NDC AS	Group	NDC AS	Group
Financial income				
<i>Interest income from group companies</i>	0	-	14 507 156	-
<i>Other interest income</i>				
Interest income bank	7 283	7 283	48 897	48 897
<i>Other financial income</i>				
Currency gains	38 950	38 950	258 794	258 794
Total financial income	46 233	46 233	14 814 847	307 691
Financial expenses				
<i>Other interest expenses</i>				
Interest expense bond loan	7 395 007	7 395 007	7 844 773	7 844 773
Other interest expenses		32 142		55 217
<i>Other financial expenses</i>				
Other financial expense	-	-	-	-
Write-down investments in subsidiaries				
Currency losses	376 016	391 067	262 595	260 189
Total financial expenses	7 771 023	7 818 217	8 107 368	8 160 179
Net financial items	-7 724 790	-7 771 983	6 707 480	-7 852 488

Note 12 - Segment and Geographic information

The Company does not operate in different market segments.

The Group owns and operates land-based oil & gas drilling rigs. All drilling operations in 2019 were in the US.

2020 (USD)	Noram Drilling Company AS		Group
	NorAm Drilling Company AS	Drilling service NorAm	
Sales income from third parties	-	54 658 764	54 658 764
Sales income from other segments	109 688	-	-
Depreciation	-	18 041 199	18 041 199
Other operating expenses	1 676 276	43 133 399	44 809 675
Operating profit	-1 566 588	-6 515 834	-8 182 110
Financial expenses	7 771 023	47 194	7 818 217
Financial expenses other segments	-	-	-
Financial income	46 233	-	46 233
Financial income other segments	-	-	-
Net financial items	-7 724 790	-47 194	7 771 983
Taxes	-2 520 446	135 300	-2 385 146
Non Current Assets	199 468 486	117 019 061	117 019 061
Interest bearing debt third parties	80 000 000	5 718 136	85 718 136
Interest bearing debt other segments	-	166 325 630	-



NorAm Drilling Company AS

Notes to Financial Statement

Note 12 – Segment and Geographic Information continues

2019 (USD)	Noram Drilling Company AS	Drilling service NorAm	Group
Sales income from third parties	-	82 381 730	82 381 730
Sales income from other segments	109 035	-	-
Depreciation	-	17 213 831	17 213 831
Other operating expenses	810 328	57 470 360	58 280 688
Operating profit	-701 293	7 697 539	6 887 211
Financial expenses	8 107 368	52 811	8 160 179
Financial expenses other segments	-	14 507 156	-
Financial income	307 691	-	307 691
Financial income other segments	14 507 156	-	-
Net financial items	6 707 479	-14 559 967	7 852 488
Taxes	834 218	543 793	1 378 011
Non Current Assets	208 343 486	132 600 180	132 600 180
Interest bearing debt third parties	80 000 000	981 328	80 981 328
Interest bearing debt other segments	-	175 200 630	-

Note 13 – Cares act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act". The CARES Act, among other things, includes provisions relating to refundable payroll tax credit, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvements property.

On May 5, 2020 the company entered into an unsecured loan in the aggregate principal amount of MUSD 5.5 pursuant to the Paycheck Protection Program which is part of the CARES Act initiatives.

On October 16, 2020, we filed our final application for forgiveness requesting forgiveness of the entire MUSD 5.5 based upon the guidelines provided by the governing authorities.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill both materially changed existing PPP loans and authorized another round of PPP loans ("second draw PPP loans").

On February 5, 2021, we entered into a second draw PPP loan in the aggregate principal amount of MUSD 2.



NorAm Drilling Company AS

Notes to Financial Statement

Note 14 – Subsequent events

Market & Activities

Reduced demand for crude oil and refined products related to the COVID – 19 pandemics, combined with production increases from OPEC+, led to a significant reduction in crude oil prices and demand for drilling services in North America during 2020.

More recently, as a result of improved optimism for increased global oil demand as vaccines are being administered related to COVID – 19 and OPEC+ controlling its production, crude oil prices and demand for drilling services in North America started to improve in late 2020.

Oil prices remain volatile, as the closing price of US West Texas Intermediate (WTI) crude reached a first quarter 2020 high of \$63.27 per barrel on January 6, 2020 and a low of negative \$37.63 per barrel on April 20, 2020. WTI increased steadily from late April 2020 and remained relatively stable near \$40 per barrel through October 2020. Since October 2020, WTI improved and is currently trading above \$60.00 per barrel.

As of May 21, 2021, the US land drilling active rig count and Permian rig count was 440 and 231, respectively. As of December 31, 2020, the US land drilling active rig count and Permian rig count was 332 and 175, respectively.

As of December 31, 2020, we had 5 rigs operating under short term contracts. As of May 25, 2021, we have 7 rigs operating under short term contracts.

Revolving Credit Facility

In July 2019, the Company entered into a MUSD 6.0 Revolving Loan Facilities Agreement with a bank for purposes of financing capital expenditures investments and general working capital purposes. The facility terminates on June 30, 2021. On May 27, 2021, the Company entered into an amendment of the facility that (i) extends the maturity date to the earlier of May 2023 or the maturity of the bonds and (ii) allows for borrowings for financing capital expenditures.

The Cares Act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

On May 5, 2020, we entered into an unsecured loan in the aggregate principal amount of MUSD 5.5 pursuant to the Paycheck Protection Program which is part of the CARES Act initiatives. This loan was forgiven in full on May 11, 2021.

On December 27, 2020, an additional COVID-19 Pandemic Relief Bill was approved. This bill authorized another round of PPP loans ("second draw PPP loans"). On February 5, 2021, we entered into a second PPP loan in the aggregate principal amount of MUSD \$2.0.

Outlook

Since August 2020, WTI oil prices and US land rig counts have steadily increased indicating that the US drilling industry bottomed in 3Q 2020. The extent of any continued recovery in the US drilling industry cannot be reasonably predicted and is subject to many variables including, but not limited to:

- (i) global oil demand
- (ii) OPEC+ maintaining and complying with appropriate supply targets,
- (iii) economic recovery as the COVID - 19 pandemic is mitigated,
- (iv) operating discipline demonstrated by US E&P operators and
- (v) any possible regulatory changes issued by the new US government.

We expect the future demand for US drilling rigs will be primarily focused on and require Super Spec rigs as a result of their efficient and effective capabilities. Any further significant negative volatility in WTI oil prices could have an adverse impact on the demand for US drilling rigs.



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To the General Meeting of Noram Drilling Company AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Noram Drilling Company AS showing a loss of USD 6 771 thousand in the financial statements of the parent company and loss of USD 13 579 thousand in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Noram Drilling Company AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Noram Drilling Company AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandnessjøen	Trondheim
Bodø	Klarvik	Sandnessjøen	Tynset
Drømmen	Kristiansand	Stavanger	Ålesund



Noram Drilling Company AS

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the



Noram Drilling Company AS

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 4 June 2021
KPMG AS

Ståle Christensen
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 05.09.2016	Vår dato 08.09.2016
Telefon 22078139	Deres referanse OM/LO/BB1800	Vår referanse 2016/903074

KPMG LAW ADVOKATFIRMA AS
Postboks 7000 Majorstuen
0306 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for NorAm Drilling AS, org. nr. 990 947 619

Vi viser til deres brev av 5. september 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for NorAm Drilling AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering NorAm Drilling AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

NorAm Drilling AS var inntil november 2014 et børsnotert selskap. Selskapet er ikke lenger rettet mot allmenheten og er i dag et aksjeselskap. Av topp 20 eiere pr. 1. september 2016 er 63,92 prosent utenlandske. Aksjonærene består i all hovedsak av profesjonelle aktører. NorAm Drilling AS er morselskap og eier og finansierer datterselskaper i det internasjonale konsernet NorAm Drilling group. Selskapet har ingen operativ virksomhet i Norge. Den operative virksomheten foregår i sin helhet i datterselskapene i utlandet. Driften i konsernet styres fra NorAm Drilling Company som er lokalisert i USA. Datterselskapene driver utleie og drift av landbaserte borerigger for gass og olje. Konsernets arbeidsspråk er engelsk. Selskapet opererer i en internasjonal bransje og alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at majoriteten av aksjonærene er utenlandske. Aksjonærene består i all hovedsak av profesjonelle aktører. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer