



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 923 154 868
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: NORTHERN OPERATIONS LTD.
Forretningsadresse: Nordbøgata 4
4006 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Olav Sirevåg
Dato for fastsettelse av årsregnskapet: 04.10.2021

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, 18.08.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	84 891 487	11 184 762
Reimbursable income	2	4 996 542	2 107 971
Sum inntekter		89 888 029	13 292 733
Kostnader			
Other operating expenses	8, 12, 13, 14	95 659 212	15 469 393
Reimbursable expenses		4 850 877	2 025 376
Sum kostnader		100 510 089	17 494 769
Driftsresultat		-10 622 060	-4 202 036
Finansinntekter og finanskostnader			
Annen renteinntekt		1 819	766
Foreign exchange gains/losses	16	3 184 185	296 430
Sum finansinntekter		3 186 004	297 196
Annen finanskostnad		45 503	23
Sum finanskostnader		45 503	23
Netto finans		3 140 501	297 173
Ordinært resultat før skattekostnad		-7 481 559	-3 904 863
Skattekostnad på ordinært resultat	9	-1 731 997	-930 784
Ordinært resultat etter skattekostnad		-5 749 562	-2 974 079
Årsresultat		-5 749 562	-2 974 079
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	6	-5 749 561	-2 974 076
Sum overføringer og disponeringer		-5 749 561	-2 974 076



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	2 662 781	930 784
Sum immaterielle eiendeler		2 662 781	930 784
Sum anleggsmidler		2 662 781	930 784
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	3	5 275 947	7 213 836
Related party receivables	7	33 477 666	10 853 685
Other current assets	4	15 160 713	27 248 156
Sum fordringer		53 914 326	45 315 677
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	4 218 263	1 248 489
Sum bankinnskudd, kontanter og lignende		4 218 263	1 248 489
Sum omløpsmidler		58 132 589	46 564 166
SUM EIENDELER		60 795 370	47 494 950
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Annen innskutt egenkapital	6	-8 723 641	-2 974 079
Sum innskutt egenkapital		-8 723 641	-2 974 079
Sum egenkapital		-8 723 641	-2 974 079
Gjeld			



Balanse

Beløp i: USD	Note	2020	2019
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	17	307 727	15 190 417
Sum annen langsiktig gjeld		307 727	15 190 417
Sum langsiktig gjeld		307 727	15 190 417
Kortsiktig gjeld			
Leverandørgjeld		4 673 708	916 256
Betalbar skatt	8		
Intercompany liability	8	20 880 692	0
Payables to related parties	7	26 828 670	20 433 446
Other current liabilities	10	16 828 213	13 928 911
Sum kortsiktig gjeld		69 211 283	35 278 613
Sum gjeld		69 519 010	50 469 030
SUM EGENKAPITAL OG GJELD		60 795 369	47 494 951



To the Board of Directors of Seadrill Northern Operations Ltd (Norway Branch) norskregistrert utenlandsk foretak

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Seadrill Northern Operations Ltd (Norway Branch) norskregistrert utenlandsk foretak, 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 accompanying financial statements are prepared in accordance with law and regulations and 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.

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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the financial statements and the Board of Directors' report, which indicates that the Company is dependent loans and/or equity issuance and/or restructuring its net current liabilities to finance its loan obligations and working capital. As stated in Note 18 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 19 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Independent Auditor's Report - Seadrill Northern Operations Ltd (Norway Branch)
norskregistrert utenlandsk foretak



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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

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Independent Auditor's Report - Seadrill Northern Operations Ltd (Norway Branch)
norskregistrert utenlandsk foretak



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, the going concern assumption and the proposed allocation of the result 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.

Stavanger, 04 October 2021
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Birkeland, Arne	BANKID_MOBILE	2021-10-06 13:41

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- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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of the document.



Skatteetaten

Vår dato 06.08.2020	Din/Deres dato 24.06.2020	Saksbehandler Kjell Knutsen
800 80 000 Skatteetaten.no	Din/Deres referanse AR379336598	Telefon 51825856
Org.nr 974761076	Vår referanse 2020/5592978	Postadresse Postboks 9200 Grønland 0134 OSLO

SEADRILL NORTHERN OPERATIONS LTD (NORWAY BRANCH)
Postboks 110
4001 STAVANGER

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for Seadrill Northern Operations Ltd (Norway Branch) org.nr. 923154868

Vi viser til Seadrill Northern Operations Ltd (Norway Branch) sin søknad av 24.06.2020 om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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

Fra søknaden siteres:

Seadrill Northern Operations Ltd (Norway Branch), org nr. 923 154 868, er et selskap i Northern Ocean konsernet.

Northern Ocean Ltd (Bermuda) er konsernspiss for Northern Ocean konsernet som er notert på Oslo Børs. Konsernregnskapet avlegges i henhold til US GAAP (amerikanske regnskapsprinsipper), mens Seadrill Northern Operations Ltd (Norway Branch) (heretter «Selskapet»), avlegger sitt selskapsregnskap i Norge i henhold til den norske regnskapsloven.

De viktigste brukerne av selskapets norske årsregnskap er

- Banker og banksyndikat, inkludert utenlandske banker
- Offentlige organ i land hvor selskapet har virksomhet, filial eller rapporteringsforpliktelser
- Selskapets kunder og leverandører



I tillegg har selskapet styremedlemmer som ikke behersker norsk, og regnskapet benyttes også internt i konsernet av engelskspråklige.

På bakgrunn av at all kommunikasjon med våre regnskapsbrukere skjer på engelsk vil vi med dette søke om at selskapet får utarbeide sitt årsregnskap kun på engelsk i henhold til unntaksbestemmelsene i regnskapsloven §3-4, 3. ledd. Det vil medføre vesentlig merarbeid for selskapet å utarbeide et fullstendig årsregnskap på norsk som deretter må oversettes av sertifiserte translatørselskaper for å bli akseptert av utenlandske brukere. Dette er både en dyr og tidkrevende prosess.

Vi mener at regnskapsbrukernes informasjonsbehov vil være dekket gjennom engelske årsregnskaper selskapet, ettersom kommunikasjon med både banker, kunder og leverandører skjer på engelsk. Videre vil den viktigste allmenne kilden til informasjon om Northern Ocean være konsernregnskapet som publiseres via Oslo Børs.

Skattekontorets 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 mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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 i vesentlig grad blir berørt negativt ved en eventuell dispensasjon.



Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at all kommunikasjon med regnskapsbrukere (banker og banksyndikat, offentlige organ i land hvor selskapet har virksomhet, filial eller rapporteringsforpliktelser og kunder og leverandører) skjer på engelsk. Det er videre opplyst at selskapet har styremedlemmer som ikke behersker norsk, og regnskapet benyttes også internt i konsernet av engelskspråklige medarbeidere. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Gro Stangeland
underdirektør
Innsats, storbedrift
Skatteetaten

Kjell Knutsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Seadrill Northern Operations Ltd - Norway Branch

Income Statement 2020

USD	Notes	2020	7.11.2019-31.12.2019
Operating revenue			
Operating revenues	2	84,891,487	11,184,762
Reimbursable income	2	4,996,542	2,107,971
Total operating revenue		89,888,028	13,292,733
Operating expenses			
Other Operating expenses	8,12,13,14	(95,659,212)	(15,469,393)
Reimbursable expenses		(4,850,877)	(2,025,376)
Total operating expenses		(100,510,089)	(17,494,769)
Operating income / (loss)		(10,622,061)	(4,202,036)
Financial items			
Interest Income, other		1,819	766
Foreign exchange gains/(losses)	16	3,184,185	296,430
Other financial items		(45,503)	(23)
Total financial items		3,140,502	297,173
Income / (loss) before taxes		(7,481,558)	(3,904,863)
Income taxes			
Corporate payable tax	9	-	-
Change deferred tax	9	1,731,997	930,784
Income taxes		1,731,997	930,784
Net income/ (loss)		(5,749,561)	(2,974,079)
Attributable to:			
Transferred from/to other equity	6	(5,749,561)	(2,974,079)



Sedriil Northern Operations Ltd - Norway Branch

Balance Sheet per Dec 31, 2020

USD	Note	2020	2019
ASSETS			
Non-current Assets			
Deferred tax asset	9	2,662,781	930,784
Total non-current assets		2,662,781	930,784
Current Assets			
Accounts Receivable	3	5,275,947	7,213,836
Related party receivables	7	33,477,666	10,853,685
Other current assets	4	15,160,713	27,248,156
Cash and Cash Equivalents	5	4,218,263	1,248,489
Total current assets		58,132,589	46,564,166
Total assets		60,795,369	47,494,950
LIABILITIES AND EQUITY			
Other Equity	6	-8,723,641	-2,974,079
Total Retained Earnings		-8,723,641	-2,974,079
Total equity		-8,723,641	-2,974,079
Liabilities			
Non-current liabilities			
Other non-current liabilities	17	307,727	15,190,417
Total non-current liabilities		307,727	15,190,417
Current liabilities			
Accounts payable		4,673,708	916,256
Tax payable	9	0	0
Intercompany liability	8	20,880,692	0
Payables to related parties	7	26,828,670	20,433,446
Other current liabilities	10	16,828,213	13,928,911
Total current liabilities		69,211,284	35,278,612
Total liabilities and equity		60,795,369	47,494,950

Oslo, October 4, 2021
Board of Sedriil Northern Operations Ltd

Scott McReaken
Board Member


Grant Creed
Board Member


Olav Sirevåg
Board Member


Arne Svensen
Board Member



Seadrill Northern Operations Ltd - Norway Branch

Balance Sheet per Dec 31, 2020

USD	Note	2020	2019
ASSETS			
Non-current Assets			
Deferred tax asset	8	2,662,781	830,784
Total non-current assets		2,662,781	930,784
Current Assets			
Accounts Receivable	3	5,275,947	7,213,836
Related party receivables	7	33,477,666	10,853,885
Other current assets	4	15,160,713	27,248,156
Cash and Cash Equivalents	5	4,218,263	1,248,489
Total current assets		58,132,589	46,564,166
Total assets		60,795,369	47,494,950
LIABILITIES AND EQUITY			
Other Equity	6	-8,723,641	-2,974,079
Total Retained Earnings		-8,723,641	-2,974,079
Total equity		-8,723,641	-2,974,079
Liabilities			
Non-current liabilities			
Other non-current liabilities	17	307,727	15,190,417
Total non-current liabilities		307,727	15,190,417
Current liabilities			
Accounts payable			
Tax payable	9	4,673,708	918,256
Intercompany liability	8	0	0
Payables to related parties	7	20,880,692	0
Other current liabilities	10	26,828,670	20,433,446
Total current liabilities		16,828,213	13,828,911
Total liabilities and equity		60,795,369	47,494,950

Oslo, October 4, 2021
Board of Seadrill Northern Operations Ltd

Scott McReaken
Board Member

Olav Sirevag
Board Member

Grant Creed
Board Member

Marty Svensen
Board Member



Seadrill Northern Operations Ltd - Norway Branch

Cash Flow Statement

USD	2020	7.11.2019-31.12.2019
Cash flow from operating activities		
Income before tax	(7,481,558)	(3,904,863)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	-	-
Taxes paid	-	-
<i>Changes in working capital items:</i>		
Accounts receivable	1,937,888	(7,213,836)
Other current receivables	12,087,443	(27,248,156)
Other non-current liabilities	(14,882,690)	15,190,417
Accounts payable	3,757,452	916,256
Other current liabilities	2,899,303	13,928,911
Intercompany balances	20,880,692	-
Related party balances	(16,228,756)	9,579,761
Net cash provided by operating activities	2,969,774	1,248,489
Cash flow from investment activities		
Investments in fixed assets	-	-
Net cash used in investment activities	-	-
Cash flow from financing activities		
Long term financing	-	-
Net cash from / to financing activities	-	-
Net increase (decrease) in cash and cash equivalents	2,969,774	1,248,489
Cash at the beginning of the reporting period	1,248,489	-
Cash and cash equivalents at the end of the reporting period	4,218,263	1,248,489



Seadrill Northern Operations Ltd - Norway Branch

Notes to the financial statements for the period ending December 31, 2020

Note 1 - Accounting principles

Main activity

Seadrill Northern Operations Ltd is a foreign company registered with a branch in Norway. The Company was incorporated at July 27, 2019, and has its office address in Bermuda.

The Company is a provider of services to the oil and gas industry. The Company specifically provides these services within the field of offshore drilling and drilling related services.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The majority of the Company's transactions is in US Dollars. Therefore, the Company's functional currency is US Dollar.

Revenue recognition

The bulk of the Company's revenues are derived from daily rates computed from drilling contracts. Revenue is recognized in the period that services are provided. Certain drilling contracts have bonus incentives that are paid out if the Company fulfils certain criteria specified in the contract. If any uncertainty of the validity of such bonus payments arise during the contracted work, the revenue will only be recognized at the end of the contract. Expenses are recognized in the same period as the corresponding income is recognized.

Reimbursable income

Reimbursements received for the purchases of supplies, personnel services and other services provided on behalf of and at the request of our customers in accordance with a contract or agreement are recorded as revenue. The related costs are recorded as reimbursable expenses in the same period.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Ongoing maintenance

Actual cost will be recognized as operating expense when the maintenance occurred.

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. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Receivables

Receivables, including accounts receivable, are recorded in the balance sheet at their nominal amount less an allowance for doubtful accounts. The Company establishes reserves for doubtful accounts on a case-by-case basis when it is unlikely that required payments of specific amounts will occur. In establishing these reserves, the Company considers the financial condition of the customer as well as specific circumstances related to the receivable, such as customer disputes. Receivable amounts determined as being unrecoverable are written off.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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 % of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that they will be utilized.

Cash flow statements

The Company uses the indirect method for the presentation of the cash flow statements. Cash and cash equivalents are defined as cash, cash deposits, and other short term liquid investments.



Note 2 - Segment information

Revenues are attributed to geographical segments based on the country of operations for drilling activities; that is, the country where the revenues are generated. The following presents the Company's revenue by geographic area:

USD	2020	2019
Norway	89,888,028	13,292,733
Total	89,888,028	13,292,733

Note 3 - Accounts receivables

Accounts receivable are presented net of allowances for doubtful accounts. The allowance for doubtful accounts receivables at 31 December 2020 was USD 0.0 million, compared to USD 0.0 million at 31 December 2019.

The Company did not recognize any bad debt expense in 2020.

Note 4 - Other current assets

USD	2020	2019
Unbilled receivables	11,058,075	25,362,189
VAT receivable	3,538,646	1,885,967
Prepayments	563,992	-
Total	15,160,713	27,248,156

Note 5 - Cash, cash equivalents and restricted cash

The Company had a cash balance of USD 4 218 263 as of year end 2020, whereof USD 0 were restricted.

Note 6 - Equity

Equity

USD	Share capital	Retained earnings	Total equity
Equity as of December 31, 2019	-	(2,974,079)	(2,974,079)
Net income	-	(5,749,561)	(5,749,561)
Translation difference	-	-	-
Equity as of December 31, 2020	-	(8,723,641)	(8,723,641)

Note 7 - Related party balances

The Company has the following related party receivables at year end:

USD	2020	2019
Seadrill Global Services Ltd (DMCC Branch)	33,477,666	10,853,685
Total	33,477,666	10,853,685

The Company has the following related party liabilities at year end:

USD	2020	2019
Seadrill Norway Operations Ltd	-	10,907,437
Seadrill Europe Management AS	26,820,063	9,304,616
Other	8,608	221,393
Total	26,828,670	20,433,446



Note 8 - Inter company transactions

The Company has entered into a long-term agreement with a group company regarding lease of drilling unit related to the operation of a rig on the Norwegian continental shelf. Under this agreement, the following transactions have been conducted:

USD	2020	2019
Costs:		
Bareboat fees	18,205,300	1,257,600
Liabilities:		
West Mira Inc	20,880,692	-

Note 9 - Taxes

Reconciliation of difference between net income before tax and basis for income tax:

USD	2020	2019
Income before tax - current year	(7,481,558)	(3,904,863)
Change in temporary differences	-	-
Translation difference	(391,155)	-
Utilized loss brought forward	-	-
Basis for taxes payable - Norway	(7,872,713)	(3,904,863)

Income tax expense in the income statement includes the following elements:

Tax payable on net income	-	-
Change in deferred tax	1,731,997	930,784
Translation difference tax payable	-	-
Tax expense	1,731,997	930,784

* Corporate tax rate in Norway is 22 %

USD	31/12/2020	31/12/2019	Change
Deferred tax:			
Receivables	-	-	-
Total temporary differences	-	-	-
Corporate tax rate	22%	22%	
Deferred tax liability	-	-	-
Net operating loss brought forward	12,103,548	4,230,836	7,872,713
Deferred tax asset	2,662,781	930,784	1,731,997
Net Deferred tax asset	2,662,781	930,784	1,731,997

Reconciliation of tax expense to the nominal tax rate:

USD	2020	2019
Income before taxes	(7,481,558)	(3,904,863)
Actual tax expense	1,731,997	930,784
Tax expense at corporate tax rate	1,645,943	859,070
Difference	86,054	71,714

Explanation of the difference:

Currency effects	86,054	71,714
Total	86,054	71,714

Note 10 - Other current liabilities

USD	2020	2019
Deferred revenues	9,626,865	11,277,079
Other current liabilities	7,201,348	2,651,832
Total	16,828,213	13,928,911



Note 11 - Salaries, personnel costs and number of employees

There are no employees in Seadrill Northern Operations Ltd. Crewing services are provided from Seadrill Europe Management AS.

Note 12 - Other operating expenses

USD	2020	2019
Bareboat charter	18,205,300	1,257,600
Hire of personnel	35,673,582	7,925,370
General and administrative expenses	12,405,847	2,116,404
Repair and maintenance cost	20,004,341	2,686,062
Other	9,370,141	1,483,957
Total	95,659,212	15,469,393

Note 13 - Compensation to General Managers, the Board of Directors and auditor

Remuneration to the General Manager is recognized in Seadrill Northern Operations Ltd through a management fee from Seadrill Europe Management AS.

Fees to Directors and auditors

No Directors fees have been paid in 2020.

Audit fee of USD 29 288 (ex VAT) has been recognized in 2020.

Note 14 - Lease agreement

The Company has signed a lease with a group companies for rental of a drilling unit. The lease agreement is a back to back agreement for the period Seadrill Northern Operations Ltd has a contract with a third party.

In 2020, the Company had the following lease:

Rig	Lease valid until	Classification
West Mira	January 2022	Operational lease

Total expense for lease of rig in 2020 was USD 18 205 300.

Note 15 - Consolidation

Seadrill Northern Operations Ltd, is a company controlled by and consolidated into Northern Ocean Ltd. Northern Ocean Ltd has its office address at Par-la-Ville Place, 14th Par-la-Ville Road, Hamilton, Bermuda.

Note 16 - Agio/Disagio

USD	2020	2019
Unrealized foreign exchange gains and losses	3,762,108	276,289
Realized foreign exchange gains and losses	(577,923)	20,140
Total gain	3,184,185	296,430

Note 17 - Other non-current liabilities

USD	2020	2019
Deferred revenues	307,727	15,190,417
Total	307,727	15,190,417

Note 18 - Subsequent events

On May 4, 2021, the Company received a notice of termination from Wintershall DEA Norge AS for the West Mira drilling contract following an extended downtime period after an operational incident on March 19, 2021. Following said termination, the Company has



been in a constructive dialogue with SEMAS, the company engaged to provide management services for the terminated drilling contract, on settling all outstanding claims and obligations between the Company and SEMAS.

On August 8, 2021 a settlement agreement was reached between the Northern Ocean Group and Seadrill, which closes all outstanding balances and claims between the groups. The settlement is subject to several conditions, including obtaining approval by the bankruptcy court under Seadrill's Chapter 11 protection in the US.

The West Mira is now idle in a yard near Bergen with PSW Technology AS and Captar Holdings Ltd providing various services, and the rig is expected to remain stacked in a condition to return to service efficiently when new employment is secured.

Note 19 – Going Concern

The Company currently does not hold any drilling contracts, and therefore is dependent on the Northern Ocean Group for cash inflows. The Northern Ocean Group currently has significant doubt about its ability to continue as a going concern, due to the Group's dependence on loans and/or equity issuances and/or restructuring its net current liabilities to finance its loan obligations and working capital. As a consequence of this, there is significant doubt over the future cash inflows of the company, resulting in significant doubt on the Company's ability to continue as a going concern.

On August 8, 2021, a settlement agreement was reached between the Northern Ocean Group and Seadrill. The settlement closes all outstanding balances and claims between the companies, provides transition services for NOL rigs, and requires bareboat lease payments on the West Bollsta to become payable from Seadrill to NOL, starting August 10, 2021. The settlement is subject to several conditions, including obtaining approval by the bankruptcy court under Seadrill's Chapter 11 protection in the US. Once approved the Group's ability to meet its obligations will significantly improve.

The Group continues to see a strengthening harsh environment market, and expect increased demand for these rigs in the years to come, specifically for high specification premium drilling rigs.

Note 20 – Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.



SEADRILL NORTHERN OPERATIONS LIMITED – NORWAY BRANCH

Annual Report 2020

Business description

Seadrill Northern Operations Limited is a Bermuda registered company, with a branch in Norway which was incorporated in July 2019. The Company has operational responsibility for drilling units operating on the Norwegian Continental Shelf (NCS).

The Company works under contracts with major oil and gas companies. The Company also has a bareboat charter agreement, with a rig-owning company within the Northern Ocean Group.

At the end of 2020, the Company had the operational responsibility for one operating drilling unit; West Mira, with management services, such as crew services and other general services required to ensure efficient and safe operations on the NCS, procured from Seadrill Europe Management Services AS ("SEMAS").

The Company has no employees and has a registered address in Stavanger, Norway.

Activities in 2020

Technical utilization of the West Mira was 87.9 percent in 2020.

West Mira arrived in Norway in April 2019 and work was carried out to prepare the rig for its first contract. West Mira commenced operations with Wintershall DEA Norge AS in November 2019 and has been operating under this contract during 2020.

Revenues and result - 2020

Total revenues generated by the Company in 2020 were USD 89.9 million compared to USD 13.3 million in 2019. In 2020, operating expenses totalled USD 100.5 million, leading to a net operating loss of USD 10.6 million compared to operating expenses of USD 17.5 million and a net operating loss of USD 4.2 million in 2019.

The Company had a net financial gain of USD 3.1 million in 2020 compared to USD 0.3 million in 2019. This includes net interest income/expense and net foreign exchange gains/losses.

Net income after taxes for the year was USD 5.7 million, compared to a loss of USD 3 million in 2019.

The Board proposes the following distribution of the income for the year:

Transfer to retained earnings:	USD 5.7 million
Net allocated:	USD 5.7 million

The Board is of the opinion that the accounts have been prepared in accordance with applicable laws and regulations and that all known facts have been taken into account and that they therefore give a true and fair view of the Company's financial position as of December 31, 2020 and its profits in 2020.

Financial outlook

While the West Mira lost its drilling contract in May 2021, Seadrill Northern Operations Ltd. will retain the operational responsibility of the West Mira going forward. The company continues to have confidence in the long-term fundamentals of the harsh environment offshore market, though due to limited market opportunities identified for the remainder of 2021, new employment for the West Mira is not anticipated until the market strengthens, which is expected through 2022.



Cash-flow

Net cash provided by operating activities was positive by USD 3 million. The difference versus operating income is mainly caused by changes in working capital. Net cash used in investment activities was USD 0 million. Net cash flow from financing activities was USD 0 million.

Relevant risk factors

Financial risk

The Company is exposed to credit risk, interest rate risk and currency risk in its ordinary business operations. The Company's customers are large international oil companies with sound balance sheets. The credit risk is therefore considered to be low. The Company's revenues are mainly in US dollars. The Company has no long-term interest-bearing liabilities and is therefore not exposed to interest rate.

Operational risk and market risk

The Company's results are mainly dependent on the market conditions for the oil and gas industry and oil companies' demand for drilling services for exploration and production. Offers of drilling capacity from other drilling contractors are also essential. The Company is exposed to operational risk associated with drilling of oil and gas wells. Occasionally, operations may also be delayed as a result of abnormal drilling conditions, equipment repair, or failure of delivery of goods or services from suppliers.

In addition, public health threats, such as the coronavirus COVID-19, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate could adversely impact our operations as well as the operations of our customers.

Going concern assumption

The Company currently does not hold any drilling contracts, and therefore is dependent on the Northern Ocean Group for cash inflows. The Northern Ocean Group currently has significant doubt about its ability to continue as a going concern, due to the Group's dependence on loans and/or equity issuances and/or restructuring its net current liabilities to finance its loan obligations and working capital. As a consequence of this, there is significant doubt over the future cash inflows of the company, resulting in significant doubt on the Company's ability to continue as a going concern.

On August 8, 2021, a settlement agreement was reached between the Northern Ocean Group and Seadrill. The settlement closes all outstanding balances and claims between the companies, provides transition services for NOL rigs, and requires bareboat lease payments on the West Bollsta to become payable from Seadrill to NOL, starting August 10, 2021. The settlement is subject to several conditions, including obtaining approval by the bankruptcy court under Seadrill's Chapter 11 protection in the US. Once approved the Group's ability to meet its obligations will significantly improve.

The Group continues to see a strengthening harsh environment market, and expect increased demand for these rigs in the years to come, specifically for high specification premium drilling rigs.



Research and development

The Company currently has no research and development projects.

Working environment

As of the end of 2020, the Company had no employees.

Gender equality

The Company's Board of Directors consists of men only. The Board is conscious of the overall expectation that exist to promote gender equality.

External environment

The Company's operations within exploration and production drilling entails a certain emission of exhaust gas and other emissions to air and emissions of certain chemicals into the sea. In addition to these ongoing and planned operational emissions, the Company's operations always involve risks of accidental discharges that could cause environmental damage. The Company is working continuously to achieve the goal of avoiding any unforeseen emissions.

The Company's ambition is to be at the forefront of the industry with respect to preventing damages to the external environment. It has carried out a systematic registration of emissions and work actively to select the chemicals that cause the least environmental damage. The Company conducts training to stay focused on the risk of accidental discharge of our operations and motivational measures to limit the environmental impact of on- and offshore waste disposal (recycling). The Company has taken steps to ensure that its activities are in compliance with the requirements and expectations being set by various authorities, customers and partners. Oil companies have established contingency plans to limit the damage to the environment if unforeseen emissions would occur.

In February 2020, there was a worldwide coronavirus COVID-19 outbreak. Governments worldwide introduced significant restrictions to try limit the spread, which significantly adversely impacted world energy consumption. As a result, the demand for oil significantly reduced, lowering the oil price, and weakening demand for new drilling contracts. Oil demand bottomed in Q2 2020, improving in the second half of 2020, although remaining below 2019 levels.

Events after year end

On May 4, 2021, the Company received a notice of termination from Wintershall DEA Norge AS for the West Mira drilling contract following an extended downtime period after an operational incident on March 19, 2021. Following said termination, the Company has been in a constructive dialogue with SEMAS, the company engaged to provide management services for the terminated drilling contract, on settling all outstanding claims and obligations between the Company and SEMAS.

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The West Mira is now idle in a yard near Bergen with PSW Technology AS and Captar Holdings Ltd providing various services, and the rig is expected to remain stacked in a condition to return to service efficiently when new employment is secured.

The financial statements have been approved by the Board of Directors at a date out with the requirements set forth in the Accounting Act.



Stavanger, 4 October 2021

The Board of Seadrill Northern Operations Ltd

Scott McReaken

Board member

Grant Creed

Board member

Olav Sirevåg

Board member

Martyn Svensen

Board member



Stavanger, 4 October 2021

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