



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
-------------------------	-------------------------

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:	11.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 07.08.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Other operating income		110 000	110 000
Sum inntekter		110 000	110 000
Kostnader			
Payroll expenses		331 000	197 000
Other operating expenses		748 000	1 008 000
Sum kostnader		1 079 000	1 205 000
Driftsresultat		-969 000	-1 095 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		6 580 000	15 274 000
Annen renteinntekt		85 000	263 000
Other financial income		294 000	2 069 000
Sum finansinntekter		6 959 000	17 606 000
Annen rentekostnad		0	6 158 000
Other financial expenses		383 000	171 000
Sum finanskostnader		383 000	6 329 000
Netto finans		6 576 000	11 277 000
Ordinært resultat før skattekostnad		5 607 000	10 182 000
Income tax expense		3 358 000	-216 000
Ordinært resultat etter skattekostnad		2 249 000	10 398 000
Årsresultat		2 249 000	10 398 000



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		84 814 000	84 788 000
Lån til foretak i samme konsern		80 110 000	115 481 000
Sum finansielle anleggsmidler		164 924 000	200 269 000
Sum anleggsmidler		164 924 000	200 269 000
Omløpsmidler			
Varer			
Fordringer			
Other receivable		-678 000	-768 000
Sum fordringer		-678 000	-768 000
Bankinnskudd, kontanter og lignende			
Bank deposit/cash		684 000	1 750 000
Sum bankinnskudd, kontanter og lignende		684 000	1 750 000
Sum omløpsmidler		6 000	982 000
SUM EIENDELER		164 930 000	201 251 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		12 547 000	12 547 000
Overkurs		107 185 000	136 573 000
Annen innskutt egenkapital		439 000	439 000
Sum innskutt egenkapital		120 171 000	149 559 000



Balanse

Beløp i: USD	Note	2023	2022
Opptjent egenkapital			
Other equity		28 449 000	26 201 000
Sum opptjent egenkapital		28 449 000	26 201 000
Sum egenkapital		148 620 000	175 760 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt		4 414 000	1 098 000
Sum avsetninger for forpliktelser		4 414 000	1 098 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		4 414 000	1 098 000
Kortsiktig gjeld			
Leverandørgjeld		9 000	20 000
Betalbar skatt		42 000	0
Skyldige offentlige avgifter		163 000	267 000
Other current liabilities		11 682 000	24 106 000
Sum kortsiktig gjeld		11 896 000	24 393 000
Sum gjeld		16 310 000	25 491 000
SUM EGENKAPITAL OG GJELD		164 930 000	201 251 000



Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Sales		118 293 000	95 446 000
Sum inntekter		118 293 000	95 446 000
Kostnader			
Payroll expenses		31 355 000	29 449 000
Depreciation of tangible and intangible assets		18 937 000	18 879 000
Insurance rigs and employees		6 252 000	5 833 000
Other operating expenses		10 970 000	8 306 000
Rig mobilization, service and supplies		28 506 000	26 096 000
Sum kostnader		96 020 000	88 563 000
Driftsresultat		22 273 000	6 883 000
Finansinntekter og finanskostnader			
Annen renteinntekt		507 000	402 000
Other financial income		294 000	2 069 000
Sum finansinntekter		801 000	2 471 000
Annen rentekostnad		55 000	6 158 000
Other financial expenses		385 000	186 000
Sum finanskostnader		440 000	6 344 000
Netto finans		361 000	-3 873 000
Ordinært resultat før skattekostnad		22 634 000	3 010 000
Income tax expense		3 409 000	34 000
Ordinært resultat etter skattekostnad		19 225 000	2 976 000
Årsresultat		19 225 000	2 976 000



Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Rigs and accessories		72 061 000	86 312 000
Other tangible assets		553 000	258 000
Sum varige driftsmidler		72 614 000	86 570 000
Sum anleggsmidler		72 614 000	86 570 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivable		11 297 000	14 802 000
Other receivable		1 367 000	1 336 000
Sum fordringer		12 664 000	16 138 000
Bankinnskudd, kontanter og lignende			
Bank deposit/cash		12 139 000	13 098 000
Sum bankinnskudd, kontanter og lignende		12 139 000	13 098 000
Sum omløpsmidler		24 803 000	29 236 000
SUM EIENDELER		97 417 000	115 806 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		12 547 000	12 547 000
Overkurs		107 185 000	136 573 000
Annen innskutt egenkapital		369 000	369 000
Sum innskutt egenkapital		120 101 000	149 489 000



Konsernets balanse

Beløp i: USD	Note	2023	2022
Opptjent egenkapital			
Other equity		-48 258 000	-67 456 000
Sum opptjent egenkapital		-48 258 000	-67 456 000
Sum egenkapital		71 843 000	82 033 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt		4 881 000	1 746 000
Sum avsetninger for forpliktelser		4 881 000	1 746 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		4 881 000	1 746 000
Kortsiktig gjeld			
Leverandørgjeld		4 388 000	4 607 000
Tax payable		326 000	250 000
Public duties payable		163 000	267 000
Other current liabilities		15 817 000	26 904 000
Sum kortsiktig gjeld		20 694 000	32 028 000
Sum gjeld		25 575 000	33 774 000
SUM EGENKAPITAL OG GJELD		97 418 000	115 807 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 679647

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap 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: 11.06.2024

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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, 14.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 990 947 619
NORAM DRILLING AS

RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Other operating income		110 000	110 000
Sum inntekter		110 000	110 000
Kostnader			
Payroll expenses		331 000	197 000
Other operating expenses		748 000	1 008 000
Sum kostnader		1 079 000	1 205 000
Driftsresultat		-969 000	-1 095 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		6 580 000	15 274 000
Annen renteinntekt		85 000	263 000
Other financial income		294 000	2 069 000
Sum finansinntekter		6 959 000	17 606 000
Annen rentekostnad		0	6 158 000
Other financial expenses		383 000	171 000
Sum finanskostnader		383 000	6 329 000
Netto finans		6 576 000	11 277 000
Ordinært resultat før skattekostnad			
Income tax expense		3 358 000	-216 000
Ordinært resultat etter skattekostnad		2 249 000	10 398 000
Årsresultat		2 249 000	10 398 000



Organisasjonsnr: 990 947 619
NORAM DRILLING AS

BALANSE

Beløp i: USD Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Finansielle anleggsmidler

Investering i datterselskap	84 814 000	84 788 000
Lån til foretak i samme konsern	80 110 000	115 481 000
Sum finansielle anleggsmidler	164 924 000	200 269 000
Sum anleggsmidler	164 924 000	200 269 000

Omløpsmidler

Varer

Fordringer

Other receivable	-678 000	-768 000
Sum fordringer	-678 000	-768 000

Bankinnskudd, kontanter og lignende

Bank deposit/cash	684 000	1 750 000
Sum bankinnskudd, kontanter og lignende	684 000	1 750 000

Sum omløpsmidler	6 000	982 000
-------------------------	--------------	----------------

SUM EIENDELER	164 930 000	201 251 000
----------------------	--------------------	--------------------

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	12 547 000	12 547 000
Overkurs	107 185 000	136 573 000
Annen innskutt egenkapital	439 000	439 000
Sum innskutt egenkapital	120 171 000	149 559 000

Opptjent egenkapital

Other equity	28 449 000	26 201 000
Sum opptjent egenkapital	28 449 000	26 201 000

Sum egenkapital	148 620 000	175 760 000
------------------------	--------------------	--------------------

Gjeld

Langsiktig gjeld



Utsatt skatt	4 414 000	1 098 000
Sum avsetninger for forpliktelser	4 414 000	1 098 000
Annen langsiktig gjeld		
Sum langsiktig gjeld	4 414 000	1 098 000
Kortsiktig gjeld		
Leverandørgjeld	9 000	20 000
Betalbar skatt	42 000	0
Skyldige offentlige avgifter	163 000	267 000
Other current liabilities	11 682 000	24 106 000
Sum kortsiktig gjeld	11 896 000	24 393 000
Sum gjeld	16 310 000	25 491 000
SUM EGENKAPITAL OG GJELD	164 930 000	201 251 000



Organisasjonsnr: 990 947 619
NORAM DRILLING AS

KONSERNRESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Sales		118 293 000	95 446 000
Sum inntekter		118 293 000	95 446 000
Kostnader			
Payroll expenses		31 355 000	29 449 000
Depreciation of tangible and intangible assets		18 937 000	18 879 000
Insurance rigs and employees		6 252 000	5 833 000
Other operating expenses		10 970 000	8 306 000
Rig mobilization, service and supplies		28 506 000	26 096 000
Sum kostnader		96 020 000	88 563 000
Driftsresultat		22 273 000	6 883 000
Finansinntekter og finanskostnader			
Annen renteinntekt		507 000	402 000
Other financial income		294 000	2 069 000
Sum finansinntekter		801 000	2 471 000
Annen rentekostnad		55 000	6 158 000
Other financial expenses		385 000	186 000
Sum finanskostnader		440 000	6 344 000
Netto finans		361 000	-3 873 000
Ordinært resultat før skattekostnad			
Income tax expense		3 409 000	34 000
Ordinært resultat etter skattekostnad		19 225 000	2 976 000
Årsresultat		19 225 000	2 976 000



Organisasjonsnr: 990 947 619
NORAM DRILLING AS

KONSERNBALANSE

Beløp i: USD Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler
Rigs and accessories 72 061 000 86 312 000
Other tangible assets 553 000 258 000
Sum varige driftsmidler 72 614 000 86 570 000

Sum anleggsmidler 72 614 000 86 570 000

Omløpsmidler Varer

Fordringer
Accounts receivable 11 297 000 14 802 000
Other receivable 1 367 000 1 336 000
Sum fordringer 12 664 000 16 138 000

Bankinnskudd, kontanter og lignende

Bank deposit/cash 12 139 000 13 098 000
Sum bankinnskudd,
kontanter og lignende 12 139 000 13 098 000

Sum omløpsmidler 24 803 000 29 236 000

SUM EIENDELER 97 417 000 115 806 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 12 547 000 12 547 000
Overkurs 107 185 000 136 573 000
Annen innskutt egenkapital 369 000 369 000
Sum innskutt egenkapital 120 101 000 149 489 000

Opptjent egenkapital

Other equity -48 258 000 -67 456 000
Sum opptjent egenkapital -48 258 000 -67 456 000

Sum egenkapital 71 843 000 82 033 000

Gjeld

Langsiktig gjeld
Utsatt skatt 4 881 000 1 746 000



Sum avsetninger for forpliktelser	4 881 000	1 746 000
Annen langsiktig gjeld		
Sum langsiktig gjeld	4 881 000	1 746 000
Kortsiktig gjeld		
Leverandørgjeld	4 388 000	4 607 000
Tax payable	326 000	250 000
Public duties payable	163 000	267 000
Other current liabilities	15 817 000	26 904 000
Sum kortsiktig gjeld	20 694 000	32 028 000
Sum gjeld	25 575 000	33 774 000
SUM EGENKAPITAL OG GJELD	97 418 000	115 807 000



Organisasjonsnr: 990 947 619
NORAM DRILLING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
3

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp



Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note

3

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



Organisasjonsnr: 990 947 619
NORAM DRILLING AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
3

Antall årsverk i regnskapsåret
361.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Pantstillelse</u>	<u>Beløp</u>	



Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Note

3

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



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



KPMG AS
Kanalveien 11
P.O. Box 4 Kristianborg
N-5822 Bergen

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of NorAm Drilling AS

Independent Auditor's Report

Opinion

We have audited the financial statements of NorAm Drilling AS, which comprise:

- the financial statements of the parent company NorAm Drilling AS (the Company), which comprise the balance sheet as at 31 December 2023, 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 AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, 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 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but

Offices in:

© KPMG AS, a Norwegian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

Penneo document key: ISNN5-2GK81-OD3ZT-Z4DDK-EPIVO-XWOCCT



does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 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 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 and 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's and the 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.

Bergen, 21 May 2024

KPMG AS

Bjart Roger Vie
State Authorised Public Accountant
(This document is signed electronically)

Penneo document key: ISNN5-2GK81-OD3ZT-Z4DDK-EPIVO-XWOC7



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Vie, Bjart Roger

Statsautorisert revisor

På vegne av: KPMG AS

Serienummer: no_bankid:9578-5993-4-2583649

IP: 77.18.xxx.xxx

2024-05-21 18:24:40 UTC



Penneo Dokumentnøkkel: 15NNS-2GK81-0D3ZT-Z4DDK-EPVVO-XWOC7

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>



NORAM DRILLING

ANNUAL REPORT 2023

NORAM DRILLING AS



Contents

General Information	3
Accounting and Auditing	3
NorAm Drilling Group	4
Board of Directors' Report 2023	5
Financial Statements 2023	13
Note Disclosures	17
Auditors Report	25



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 AS is audited by KPMG Norway. The accounting is outsourced to Amcsto Business Partner, Norway.

NorAm Drilling Company performs its own accounting.

Alternative Performance Measurement (APM)

In the report we refer to the APM ADJUSTED EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization and noncash stock compensation expenses.



THIS IS NORAM DRILLING GROUP

NorAm Drilling 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.

The Company was established in 2007, and at year-end 2023 the Group’s fleet consisted of 11 “super spec” rigs located in the Permian Basin.

The Company Structure

The parent company NorAm Drilling 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. The assets of NorAm Drilling AS consists mainly of shares in and loans to its US subsidiary.

Our Offices

NorAm Drilling 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 13 years. Mr. Jimmerson and Mr. Taylor fulfil their roles for both NorAm Drilling 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 shift 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 conducted

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

NorAm Drilling AS owns 100% of NorAm Drilling Company, a Texas corporation (collectively referred to as "NorAm" or the "Company" herein). NorAm 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. Currently, ten of our eleven rigs are under contract in the Permian Basin. 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. The Group's executive management team is based out of Houston, Texas with administrative functions located in both Houston and Oslo, Norway.

2023 Developments

MARKET and CONTRACTS

WTI began 2023 around \$80 per barrel and finished 2023 near \$72 per barrel. WTI reached a high of \$94 per barrel in September 2023 and a low of \$72 per barrel in June and December 2023. WTI is currently trading around \$79 per barrel.

As of May 17, 2024, the US land drilling active rig count and Permian rig count was 584 and 312, respectively. As of December 31, 2023, the US land drilling active rig count and Permian rig count was 601 and 307, respectively. In comparison, as of December 31, 2022, the US land drilling active rig count and Permian rig count was 762 and 353, respectively. We currently have ten of our eleven rigs under contract.

SHARE LISTING and DIVIDENDS

On October 7, 2022, the Company's shares commenced trading on the Euronext Growth Oslo exchange under the ticker "NORAM". The Company is debt free and paid its initial monthly dividend in December 2022 of MUSD 4.4 or NOK 1.00 per share in December 2022. The Company has also paid MUSD 42.3 or approximately NOK 10.35 per share in 2023. The Company has paid MUSD 9.9 or approximately NOK 2.44 per share after December 31, 2023. The dividend distributions were made from the Company's contributed surplus account which consists of previously paid in share premium transferred to the Company's share premium account. The Company intends to pay future dividends based upon maintaining minimum available liquidity of approximately MUSD 11.



COMPANY DEVELOPMENT, RESULTS and FINANCING

NorAm had revenue of MUSD 118.3 during the twelve months of 2023 compared to MUSD 95.4 during the twelve months of 2022. During the twelve months of 2023 we generated operating profit of MUSD 22.3 compared to an operating profit of MUSD 6.9 in the twelve months of 2022. During the twelve months of 2023 we generated ADJUSTED EBITDA of MUSD 41.3 compared to MUSD 26.1 in the twelve months of 2022. During the twelve months of 2023 we generated cash flow from operational activities of MUSD 46.5 compared to MUSD 16.0 in the twelve months of 2022. The increase in revenue, operating profit, ADJUSTED EBITDA and cash flow from operational activities is primarily due to improvement in industry activity that commenced in late 2021 that resulted in higher average dayrates and fleet utilization in 2023 as we reactivated all of our rigs during 2022.

Capital expenditures were MUSD 5.0 in the twelve months of 2023, compared to MUSD 3.4 in 2022. As of December 31, 2023, our cash position was MUSD 12.1. We raised approximately MUSD 75.0 of gross proceeds from the listing of our shares in October 2022 and in combination with cash on hand the listing proceeds were used to repay an outstanding bond of MUSD 80.0 and accrued interest of MUSD 3.2 in November 2022. The Company is debt free and paid its initial monthly dividend in December 2022.

On November 21, 2022, the Company's subsidiary entered into a loan agreement with a U.S. based bank for a Revolving Promissory Note ("Revolver") of MUSD 4.5. Use of proceeds for any borrowings under this Revolver are available for working capital and general corporate purposes. The Revolver is secured by accounts receivable and is expected to be utilized to reduce the Company's need for liquidity on the balance sheet. There were no borrowings outstanding under the Revolver as of December 31, 2023.

The parent company NorAm Drilling AS had total operating income of MUSD 0.1 in 2023, the same as for 2022. Operating expenses decreased to MUSD 1.1 in 2023 compared to MUSD 1.2 in 2022. The parent company had a net income before tax of MUSD 5.6 in 2023, compared to a net income of MUSD 10.2 in 2022. The main driver for the decrease in net income before tax is due to lower interest income on intercompany notes attributable to repayments from its operating subsidiary.



KEY FINANCIAL FIGURES

	<u>2023</u>	<u>2022</u>
MUSD		
Revenue	118.3	95.4
Operating Profit	22.3	6.9
Net Profit before Tax	22.6	3.0
ADJUSTED EBITDA (1)	41.3	26.1

(1) ADJUSTEDEBITDA - Earnings Before Interest, Tax, Depreciation and Amortization plus noncash stock option expenses.

IMPAIRMENT ON FIXED ASSETS

No impairment indicators have been identified as a result of improved dayrates and utilization of our rig fleet. Accordingly, no impairment test has been performed as a result of no impairment indicators being identified.

FINANCING

On the balance sheet, the Group has equity of MUSD 71.8 equivalent to an equity ratio of 73.7% at year-end 2023, compared to MUSD 82.0 of equity and a 70.8% equity ratio at year-end 2022.

The Company's balance sheet at year end 2023 had equity of MUSD 148.6 and an equity ratio of 90.1%, compared to MUSD 175.8 of equity and a 87.3% equity ratio at year-end 2022.

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.

On October 7, 2022, the Company's shares commenced trading on the Euronext Growth Oslo exchange under the ticker "NORAM" following the successful raise of approximately MUSD 75 of gross proceeds. The Company issued 19,748,676 new shares in connection with the listing. The proceeds from the listing in combination with cash on hand was used to repay an outstanding bond of MUSD 80.0 and accrued interest of MUSD 3.2 in November 2022.

The Company is debt free and paid its initial monthly dividend in December 2022 of MUSD 4.4 or NOK 1.00 per share in December 2022. The Company has also paid MUSD 42.3 or approximately NOK 10.35 per share in 2023. The Company has paid MUSD 9.9 or approximately NOK 2.44 per share after December 31, 2023. The dividend distributions were made from the Company's contributed surplus account which consists of previously paid in share premium transferred to the Company's share premium account.

On November 21, 2022, the Company's subsidiary entered into a loan agreement with a U.S. based bank for a Revolving Promissory Note ("Revolver") of MUSD 4.5. Use of proceeds for any borrowings under this Revolver are available for working capital and general corporate purposes. The Revolver is secured by accounts receivable and is expected to be utilized to reduce the Company's need for liquidity on the balance sheet. There were no borrowings outstanding under the Revolver as of December 31, 2023.



CASH FLOW and LIQUIDITY

The cash position for the Group decreased from MUSD 13.1 as of December 31, 2022, to MUSD 12.1 as of December 31, 2023.

For the Norwegian parent company, the cash position decreased from MUSD 1.7 to MUSD 0.7.

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. Dayrates for land rigs in the US improved significantly during the 2022 and continued to strengthen in Q1 2023. Demand for drilling rigs started to decline in the first half of 2023 in a response to lower natural gas and WTI prices. Dayrates for high end "super spec" drilling rigs in Permian started to soften during the second quarter of 2023 as some rigs were mobilized from the Haynesville as a result of low natural gas prices and operators releasing rigs in the Permian as a result of lower WTI prices. Recent mergers and acquisitions among E&Ps have led to lower active rig counts and put pressure on dayrates. Despite possible continued near-term pressure on dayrates as a result of WTI and natural gas price volatility, we remain encouraged that market fundamentals are intact and utilization and dayrates are at or near the bottom and could start to improve later in 2024 and into 2025. The Company's and the Group's key operational risks are comprised to a large extent of (i) global oil demand, (ii) China reopening, (iii) Russian invasion of Ukraine, (iv) OPEC+ maintaining and complying with appropriate supply targets, (v) operating discipline demonstrated by US E&P operators, (vi) supply and demand activity for US and Permian land rigs, (vii) availability and costs of labor, equipment and rig supplies and (viii) any possible regulatory changes issued by the US government.

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, 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 2024 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 2024:

- 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 any change in rig activity
- Maintain and develop customer relationships in order to obtain higher dayrates contracts with reputable clients

FUTURE DEVELOPMENT

Dayrates and utilization outlook

All eleven rigs are currently located in the Permian Basin. Our current drilling contract status as of May 21, 2024 is as follows:

- Rig 21 – on contract pad-pad
- Rig 22 – on contract through July 2024
- Rig 23 – hot stacked and available
- Rig 25 – on contract through September 2024
- Rig 26 – on contract through June 2024
- Rig 27 – on contract through September 2024
- Rig 28 – on contract through September 2024
- Rig 29 – under contract from June 2024 through November 2024



- Rig 30 – on contract through June 2024
- Rig 32 – on contract through July 2024
- Rig 34 – on contract through August 2024

Subject to key risks and uncertainties mentioned in this report, we currently expect continued strong demand for high end “super spec” drilling rigs in the Permian.

The Board expects to maintain the Group’s strong safety record.

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 and maintenance capital expenditures during 2023 and in line with our expectations.

RESEARCH and DEVELOPMENT ACTIVITIES

Neither the Company nor the Group had research and development expenses in 2023.

GOING CONCERN

The Board considers the Financial Statements for 2023 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, 2023. 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.

WORKING ENVIRONMENT

As of December 31, 2023, the Group had an operational organization of 284 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 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 2023.

NorAm Drilling AS has no employees during 2023, 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

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. 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 2023, 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 group has conducted a high-level salary analysis showing that on average, men has higher salary than women. The main reason for this is that the management group consist of only men, and management level has higher average salary than the employees working on the rigs. Among employees working on the rigs, there is no indication on significant differences in average salary between men and women with the same experience etc.

During 2023 the group has had no involuntary part-time employees, and no persons have been on leave of absence.

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

EXTERNAL ENVIRONMENT

NorAm Drilling 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 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. The Company has available and is also evaluating installing additional power converters whereby rigs may be connected to the electrical grid where feasible. This will further reduce emissions.

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.

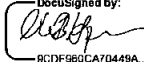
The Group will publish on our website an updated human rights statement in line with the Norwegian Transparency Act reporting requirements by 30th June 2024.

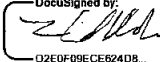
NorAm Drilling has a group insurance policy for the liability of the Company's and its subsidiaries' directors and officers. The insurance covers personal legal liabilities including legal costs for defense. The limit of liability is NOK 100 million per claim and in aggregate per year.

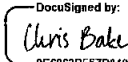


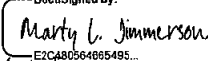
DocuSign Envelope ID: C1CABB9F-AAD5-4A42-8962-97046E91948C

Signature of the Board, May 21, 2024

DocuSigned by:

9CDF960CA70449A...
Ole B. Hjertaker
Chairman

DocuSigned by:

D2E0F99ECE624D8...
In Erik Klepeland
Board member

DocuSigned by:

DE68639E57D8487...
Christopher Baker
Board member

DocuSigned by:

E2C490564665495...
Marty Jimmerson
Chief Executive Officer



CONSOLIDATED 2023 REPORT



NorAm Drilling AS

INCOMESTATEMENT (Amounts in USD 1,000)

NorAm Group

2023	2022	Note	Note	2023	2022
-	-	2 Sales	2	118,293	95,446
110	110	Other operating income		-	-
110	110	Total operating income		118,293	95,446
331	197	3 Payroll Expenses	3	31,355	29,449
-	-	Depreciation of tangible and intangible assets	7	18,937	18,879
-	-	Rig mobilization, service and supplies		28,506	26,096
-	-	Insurance rigs and employees		6,252	5,833
748	1,008	3 Other operating expenses	3	10,970	8,306
1,079	1,205	Total operating expenses		96,020	88,562
-970	-1,095	Operating profit (+)/ loss (-)		22,273	6,884
6,580	15,274	4, 9 Interest income from group companies			
85	263	4 Other interest income	4	507	402
294	2,069	4 Other financial income		294	2,069
-	6,158	4 Other interest expenses	4	55	6,158
383	171	4 Other financial expenses	4	385	186
6,576	11,277	Net financial items		360	-3,873
5,606	10,182	Profit(+)/Loss(-) before income tax		22,633	3,011
3,358	-216	5 Income tax expense	5	3,409	34
2,248	10,398	Net profit(+)/Loss(-)		19,225	2,978



CONSOLIDATED 2023 REPORT



NorAm Drilling AS

BALANCE SHEET
(Amounts in USD 1,000)

NorAm Group

2023	2022	Note	Note	2023	2022
ASSETS					
Tangible assets					
-	-		7	72,061	86,312
-	-		7	553	258
-	-			72,615	86,569
Financial assets					
84,814	84,788	8		-	-
80,110	115,481	9		-	-
164,924	200,268			-	-
164,924	200,268			72,615	86,569
Current assets					
Receivable					
-	-			11,297	14,802
-678	-768			1,367	1,336
-678	-768			12,664	16,138
Cash and cash equivalent					
684	1,750	10	10	12,139	13,098
684	1,750			12,139	13,098
6	982			24,804	29,236
164,930	201,250			97,418	115,806



DocuSign Envelope ID: 5C9B0CB8-E0EA-4316-BFFA-C43593A0752F

CONSOLIDATED 2023 REPORT



NorAm Drilling AS

BALANCE SHEET
(Amounts in USD 1,000)

NorAm Group

2023	2022	Note	Note	2023	2022
EQUITY & LIABILITIES					
Equity					
Owners equity					
12,547	12,547	11	11	12,547	12,547
107,185	136,573	11	11	107,185	136,573
439	439	11	11	369	369
120,171	149,559			120,102	149,489
Accumulated profits					
28,449	26,201	11	11	-48,258	-67,456
28,449	26,201			-48,258	-67,456
148,620	175,760			71,843	82,033
Liabilities					
4,414	1,098	5	5	4,881	1,746
4,414	1,098			4,881	1,746
Current liabilities					
9	20			4,388	4,607
42	-	5	5	326	250
163	267			163	267
11,682	24,106	9	9	15,817	26,904
11,896	24,393			20,694	32,027
16,310	25,490			25,575	33,773
164,930	201,250			97,418	115,806

Oslo, 21.05.2024

DocuSigned by:

Ole Bjarte Hjeraker
Chairman

DocuSigned by:

Jan Erik Klepstad
Board member

DocuSigned by:

Christopher Baker
Board member

DocuSigned by:

Marty L. Jimmerson
CEO



CONSOLIDATED 2023 REPORT



NorAm Drilling AS

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

NorAm Group

2023	2022		2023	2022
5,606	10,182	Profit(+)/Loss(-) before incometax	22,633	3,011
-	-	Tax paid for the period	76	-
-	-	Depreciation of fixed assets	18,937	18,879
-	-	Change in accounts receivable	3,505	-8,659
10	2,140	Change in accounts payable	-218	1,611
444	-2,472	Change in other current balance sheet items	1,588	1,206
6,061	9,850	Net cash flow from operational activities	46,521	16,048
-	-	Purchase of tangible fixed assets	-4,982	-3,361
35,370	2,826	Received payment on loans to group companies	-	-
35,370	2,826	Net cash flow from investing activities	-4,982	-3,361
-	72,004	Issued capital	-	72,004
-42,497	-4,375	Dividends	-42,497	-4,375
-	-80,000	Repayment of long term debt	-	-80,000
-42,497	-12,371	Net cash flow from financing activities	-42,497	-12,371
-1,066	305	Net change in cash and cash equivalent	-959	316
1,750	1,445	Cash and cash equivalents opening balance	13,098	12,782
684	1,750	Cash and cash equivalents closing balance	12,139	13,098



NorAm Drilling Group

Notes to Financial Statement



Note 1 - Accounting Principles

The Financial Statements include Income statement, Balance Sheet, Statement of Cash Flow 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 AS and companies in which Noram Drilling 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 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.



NorAm Drilling Group

Notes to Financial Statement



Note 1 - Accounting Principles

1-6 BALANCE SHEET CLASSIFICATION

Current assets and current 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 non-current assets / non-current liabilities.

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

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

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 AS has a contribution-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 and Cash)

Noram Drilling Group/Noram

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

All significant Balance Sheet items is denominated in USD (Fixed assets, Accounts Receivables, Cash, Accounts Payable and Other Current Liabilities)



NorAm Drilling Group
Notes to Financial Statement



Note 2 – Segment and Geographic Information

2023			
(USD)	Noram Drilling AS	Noram Drilling Company	Group
Sales income from third parties	-	118,293,151	118,293,151
Sales income from other segments	109,688	-	-
Depreciation	-	18,936,725	18,936,725
Other operating expenses	1,079,231	76,003,890	77,083,121
Operating profit	-969,543	23,352,536	22,273,305
Financial expenses	382,701	58,260	440,961
Financial expenses other segments	-6,579,533	6,579,533	-
Financial income	379,059	422,056	801,115
Financial income other segments	-	-	-
Net financial items	6,575,891	-6,215,737	360,154
Taxes	3,358,440	50,134	3,408,574
Non Current Assets	164,924,417	72,614,861	72,614,861
Interest bearing debt third parties	-	-	-
Interest bearing debt other segments	-	80,110,043	-
2022			
(USD)	Noram Drilling AS	Noram Drilling Company	Group
Sales income from third parties	-	95,446,106	95,446,106
Sales income from other segments	109,688	-	-
Depreciation	-	18,879,303	18,879,303
Write-down tangible assets	-	-	-
Other operating expenses	1,204,958	68,477,725	69,682,684
Operating profit	-1,095,270	8,089,078	6,864,120
Financial expenses	6,328,481	15,184	6,343,666
Financial expenses other segments	-	15,273,577	-
Financial income	2,332,132	-	2,470,942
Financial income other segments	-	-	-
Net financial items	-3,996,349	-15,288,761	3,877,724
Taxes	-216,106	250,000	33,894
Non Current Assets	200,268,209	86,569,418	86,569,418
Interest bearing debt third parties	-	-	-
Interest bearing debt other segments	-	115,480,503	-

Note 3 - Payroll expenses / Number of Employees / Remuneration/ Auditor's Fee

Payroll expenses etc. (in USD)	2023		2022	
	Noram Drilling AS	Group	Noram Drilling AS	Group
Salaries	38,738	28,567,019	59,163	29,395,271
Payroll tax/Social Security	7,147	2,342,111	8,342	-425,303
Pension costs	-	-	-	-
Other benefits	285,093	445,535	129,870	478,540
Payroll expenses etc.	330,978	31,354,665	197,375	29,448,508

Number of man-labour years	0	361	0	343
----------------------------	---	-----	---	-----

Management Remuneration - Noram Drilling AS (USD)

Company officers	Period	2023			Total	2022
		Salaries	Pensions	Other benefits		
Marty Jimmerson*	01.01 - 31.12	475,814	-	-	475,814	497,379
Board	Period	Salaries	Pensions	Other benefits	Total	Total
Ole Bjarte Hjertaker (Board member/Chairman)	01.01 - 31.12	18,974	-	-	18,974	27,053
Hermann Refsum Flinder (Board member)**	-	-	-	-	-	6,382
Gunnar Ellassen (Board member)***	01.01 - 14.06	9,487	-	-	9,487	27,053
Christopher Baker (Board member)	01.01 - 31.12	18,794	-	-	18,794	9,641
Jan Erik Kiepsland (Board member)***	14.06 - 31.12	10,277	-	-	10,277	-
Espen W. Marcussen (Deputy Board member)	-	-	-	-	-	3,043
Total Officers		475,814	-	-	475,814	497,379
Total Board		57,532	-	-	57,532	73,772
Total Remuneration Board and Management		533,346	-	-	533,346	571,151

*Marty Jimmerson received salary from US subsidiary Noram Drilling Company. The Salaries include bonus payments.

** Herman R. Flinder was replaced as board member 15 March 2022

*** Gunnar Ellassen was replaced as board member 14 June 2023

**** Marty Jimmerson vested 50,000 stock options on 28 February 2023, Ole Hjertaker vested 33,334 stock options and Chris Baker vested 16,667 stock options on 1 September 2023.

CEO Marty Jimmerson has a 1 year rolling 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 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



NorAm Drilling Group
Notes to Financial Statement



Management Remuneration - Group (USD)

Company officers	2023			Total	2022 Total
	Salary	Pension costs	Other		
Noram Drilling AS	-	-	-	-	-
Subsidiaries	475,814	-	-	475,814	497,379
Board					
Noram Drilling AS	57,532	-	-	57,532	73,772
Subsidiaries	-	-	-	-	-
Total Officers	475,814	-	-	475,814	497,379
Total Board	57,532	-	-	57,532	73,772
Remuneration Board and Management (excl. Share based)	533,346	-	-	533,346	571,151

Noram Drilling AS Share-Based Payment

On 15.02.22, Marty Jimmerson, CEO, and Thomas Taylor, COO, had 50 000 options each that expired with an exercise price of NOK 20.00.

On 28.02.22, Marty Jimmerson and Thomas Taylor were granted 150 000 options each. The grant was Equity Based and vest equally on February 28, 2023, 2024 and 2025. The grant expires on 28.02.27. The initial strike price was NOK 9. Including accrued dividends as of 31 December 2023, both Jimmerson and Taylor have a total of 150,000 stock options each in the money by NOK 2. Fair value of granted options is calculated using the Black-Scholes-Merton option pricing model. The options strike price will be adjusted by paid dividends.

On 01.09.22, each Board of Director and certain members of management were granted a total of 300 000 options. 50 000 options were forfeited in 2023. The grant was Equity Based and vest equally on September 1, 2024, 2025 and 2026. The grant expires on 01.09.27. The initial strike price was NOK 40. Including accrued dividends as of 31 December 2023, stock options issued to each Board of Director and certain members of management have an adjusted strike price price of NOK 29. Fair value of granted options is calculated using the Black-Scholes-Merton option pricing model. The options strike price will be adjusted by paid dividends. As of 31 December 2023, Ole Hjertaker and Chris Baker hold 100 000 and 50 000 stock options, respectively.

The strike price for all granted options shall be reduced by any declared and paid dividends. In 2023, the company declared and paid aggregate dividends of NOK 10 per share. In December 2022, the company declared and paid a dividend of NOK 1 per share.

Recognized cost in 2023 relating the share options are USD 445 535.

Historical details for the option plans are as follows:

	01.01.2023 - 31.12.2023		01.01.2022 - 31.12.2022	
	Options	Weighted Average Exercise Price (NOK)	Options	Weighted Average Exercise Price (NOK)
Outstanding at the beginning of period	600,000	23.50	100,000	20.00
Granted			600,000	24.50
Exercised				
Terminated				
Forfeited	(50,000)	40.00		
Expired			(100,000)	20.00
Outstanding at the end of period	550,000	23.09	600,000	23.50
Vested options	183,335	23.09	100,000	8.00

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

	2023		2022	
	Noram Drilling AS	Group	Noram Drilling AS	Group
Ordinary audit	133,116	133,116	57,605	57,605
Other confirmation services	4,705	4,705	4,408	4,408
Tax advisory services	4,733	4,733	2,802	2,802
Other non audit services	52,176	52,176	76,348	76,348
Total	194,730	194,730	141,163	141,163

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



Note 4 Net Financial Items

	2023		2022	
	NorAm Drilling AS	Group	NorAm Drilling AS	Group
Financial income				
<i>Interest income from group companies</i>	6,579,533	-	15,273,577	-
<i>Other interest income</i>				
Interest income bank	84,652	506,708	262,901	401,711
<i>Other financial income</i>				
Currency gains	294,407	294,407	2,069,231	2,069,231
Total financial income	6,958,592	801,115	17,605,709	2,470,942
Financial expenses				
<i>Other interest expenses</i>				
Interest expense bond loan	-	-	6,157,754	6,157,754
Other interest expenses	-	55,486	-	-
<i>Other financial expenses</i>				
Other financial expense	-	-	-	-
Write-down investments in subsidiaries	-	-	-	-
Currency losses	382,701	385,475	170,727	185,912
Total financial expenses	382,701	440,961	6,328,481	6,343,666
Net financial items	6,575,891	360,154	11,277,228	-3,872,724

Note 5 - Tax

(USD)	2023		2022	
	NorAm Drilling AS	Group	NorAm Drilling AS	Group
Tax base calculation				
Profit (+)/Loss (-) before income tax	5,606,348	22,633,459	10,181,957	3,011,395
Permanent differences	3,276,307	3,057,626	2,911,548	2,811,548
Temporary differences	3,616,861	11,719,652	3,304,634	3,213,015
Foreign exchangedifferences	-	-	-14,818,279	-14,818,279
Tax base	12,499,517	37,410,738	1,579,860	5,681,420
NOL Utilization	-12,308,532	-37,087,849	-1,579,860	5,681,420
Tax base after NOL Utilization	190,985	322,889	-	-
Income tax payable	42,017	42,017	-	-
Sales tax	-	231,406	-	250,000
Tax Payable this year	42,017	273,423	-	250,000
Income Tax Expense:				
Tax Payable this year	42,017	273,423	-	250,000
Changes in deferred tax	3,316,422	3,135,150	-216,106	-216,105
Currency effects	-	-	-	-
Tax refund 2019 COVID-19 effect	-	-	-	-
Total Income Tax Expense	3,358,439	3,408,573	-216,106	33,895
Deviation in FS 2020 due to error in NOL's carried forward	-	-	-	-
Total Income Tax Expense in P&L	3,358,439	3,408,573	-216,106	33,895
Income Tax Payable:				
Income Tax Payable this year	42,017	273,423	-	250,000
AMT Credit Refund	-	-	-	-
Prepaid tax	-	-	-	-
Total Income Tax Payable	42,017	273,423	-	250,000
Specification of Basis for Deferred Tax Asset:				
Differences to be balanced				
Fixed assets	-12,832	62,237,266	-16,553	74,307,125
Non-current receivables/debt in foreign exchange	12,914,362	12,914,362	-	-
Deferred gain carried forward	7,164,262	7,164,262	9,241,595	9,241,595
Other differences	-1,514	-1,844,675	-120,618	-120,618
Total temporary differences	20,064,278	80,471,213	9,104,424	83,428,102
NOL's carried forward	-	-110,610,370	-4,114,793	-139,461,095
Interest limitation carried forward	-1,402,833	-36,559,530	-1,447,676	-32,224,953
Basis for calculation of deferred tax asset/liability	18,661,445	-66,698,685	3,541,955	-88,257,946
Deferred tax asset (-)/liability (+)	4,105,518	-14,809,329	779,230	-18,648,567
Valuation allowance	308,623	19,690,346	318,489	20,394,433
Deferred tax asset (-)/liability (+) after valuation allowance	4,414,141	4,881,017	1,097,719	1,745,866
Deferred tax asset (-)/liability (+) in balance sheet	4,414,141	4,881,017	1,097,719	1,745,867
Deferred tax/tax asset not recorded in balance	308,623	19,690,346	318,489	20,394,433

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 Group
Notes to Financial Statement



Note 6 - Earnings per share

(USD)	2023		2022	
	NorAm Drilling AS	Group	NorAm Drilling AS	Group
Result after income tax	2,247,908	19,224,885	10,398,063	2,977,502
Weighted number of shares	43,140,993	43,140,993	28,042,843	28,042,843
Options	550,000	550,000	800,000	600,000
EPS	0.05	0.45	0.37	0.11
Diluted EPS (incl. Options)	0.05	0.44	0.36	0.10

Note 7 Tangible assets

Group	Rigs and rig related accessories	Vehicles and Office Equipment	Total
Property, plant and equipment (USD)			
Acquisition cost at 01.01	203,084,292	2,518,500	205,602,793
Additions	4,495,591	486,550	4,982,141
Disposals	-	-	-
Acquisition cost at 31.12	207,579,883	3,005,050	210,584,934
Accumulated depreciation 31.12	135,518,521	2,451,552	137,970,073
Net carrying value at 31.12	72,061,362	553,498	72,614,861
Depreciation for the year	18,745,794	190,931	18,936,725
Impairment loss for the year			
The useful economic life is estimated to be	3-15 years	3-5 years	

The group use linear depreciation for all tangible assets

Impairment trigger analysis and impairment assessment on tangible assets

No impairment indicators have been identified as a result of improved dayrates and utilization of our rig fleet. Accordingly, no impairment test has been performed as a result of no impairment indicators being identified.

Note 8 Shares in Subsidiaries

(USD)	Book value	Shares	Share of voting rights	Equity 2023	Result 2023	Main Office
NorAm Drilling Company	84,814,374	100%	100%	7,887,812	16,827,118	Houston

Impairment trigger analysis and impairment assessment for investments in subsidiaries

No impairment indicators have been identified as a result of improved dayrates and utilization of our rig fleet. Accordingly, no impairment test has been performed as a result of no impairment indicators being identified.

Note 9 Intercompany Balances

(USD)	2023	2022
Noram Drilling AS		
Loan to NorAm Drilling Company (subsidiary)	80,110,043	115,480,503
Loan from NorAm Drilling Company (subsidiary)	-	-
Accounts payable to NorAm Drilling Company (subsidiary)	9,376	19,861
NorAm Drilling AS receivables from NorAm Drilling Company (subsidiary)	-	-

Due to the difficulties in the market following COVID-19, Noram Drilling AS has given it's subsidiary a temporary relief of any interest on intercompany loan.



NorAm Drilling Group
Notes to Financial Statement

NORAM
DRILLING

Note 10 - Restricted bank accounts

(USD)	2023		2022	
	Noram Drilling AS	Group	Noram Drilling AS	Group
Restricted cash related to debt service on Bond loan	-	-	-	-
Employees tax deduction, deposited in a separate bank account	2,699	2,699	2,339	2,339
Secure deposit office leasing and credit cards	-	24,590	-	21,590
Total	2,699	27,289	2,339	23,929

Note 11 - Equity and Shareholder Information

Share Capital Noram Drilling AS and the Group

Ordinary shares	2023			2022		
	No. of shares	Face value NOK	Book value NOK	No. of shares	Face value NOK	Book value NOK
Total	43,140,993	2.00	86,281,986	43,140,993	2.00	86,281,986

Equity (USD) Noram Drilling AS	Share Capital	Share Premium	Other paid in capital	Other Equity	Total
Equity 31.12.2022	12,547,348	136,572,748	438,907	26,201,114	175,760,117
Share subscription	-	-	-	-	-
Profit (+)/Loss (-)	-	-	-	2,247,908	2,247,908
Dividends paid	-	-19,954,777	-	-	-19,954,777
Dividends payable	-	-9,851,483	-	-	-9,851,483
Stock option agreement	-	418,679	-	-	418,679
Equity 31.12.2023	12,547,348	107,185,167	438,907	28,449,022	148,620,444

Equity Group	Share Capital	Share Premium	Other Equity Contributed	Other Equity	Total
Equity 31.12.2022	12,547,348	136,572,748	369,053	-67,456,055	82,033,094
Share subscription	-	-	-	-	-
Profit (+)/Loss (-)	-	-	-	19,224,885	19,224,885
Dividends paid	-	-19,954,777	-	-	-19,954,777
Dividends payable	-	-9,851,483	-	-	-9,851,483
Stock option agreement	-	418,679	-	-26,667	392,012
Equity 31.12.2023	12,547,348	107,185,167	369,053	-48,257,837	71,843,731

The company declared and paid dividends of MUSD 9.9 subsequent to December 31, 2023 through the date of the issuance of this report.

10 Largest Shareholders as per 31.12.2023

	Noram Drilling AS and Group	
	Number of shares	Share (%)
Geveran Trading Ltd	20,818,658	48.3 %
Seabulk AS	2,198,478	5.1 %
SFL Corporation Ltd	1,266,225	2.9 %
Nordnet Livforsikring AS	1,148,763	2.7 %
The Bank of New York Mellon S.A.	940,925	2.2 %
Danske Bank A/S	930,009	2.2 %
The Bank of New York Mellon	846,912	2.0 %
Morgan Stanley & Co. LLC	601,745	1.4 %
Zolen & Manen AS	500,555	1.2 %
Euroclear Bank S.A./N.V.	438,776	1.0 %
Other	13,449,947	31.2 %
Total	43,140,993	100%



NorAm Drilling Group
Notes to Financial Statement



Note 12 Liabilities

(USD)	2023		2022	
	NorAm Drilling AS	Group	NorAm Drilling AS	Group
Long term liabilities with maturity before 5 years				
Bond	-	-	-	-
Other long term liabilities	-	-	-	-
Total	-	-	-	-

Loan to Group Companies

NorAm Drilling AS has a loans outstanding from its wholly owned subsidiary NorAm Drilling Company. A total of MUSD 80 .1 and MUSD 11.5 was outstanding as of 31 December 2023 and 2022, respectively

Revolving Promissory Note

On 21 November 2022, the Company's subsidiary ("Borrower") entered into a Loan agreement with a U.S. based bank that provides for a Revolving Promissory Note ("Revolver") of MUSD 4.5. Use of proceeds for any borrowings under this Revolver are available for working capital and general corporate purposes based upon a borrowing base calculation equal to 70% of eligible accounts. Financial covenants include (i) a debt service coverage ratio of not less than 1.2 to 1; (ii) Minimum liquidity requirement of MUSD 5.0 and (iii) a debt to EBITDA ratio of not more than 2.0 to 1.0. The Revolver is secured by accounts receivable and expected to be utilized to reduce the required level of liquidity on our balance sheet.

Definitions:

Debt Service Coverage Ratio - Borrower will maintain, as of the last day of each fiscal year, a ratio of (a) net income after taxes plus depreciation, amortization and other non-cash expenses, less any distributions during such fiscal year, to (b) current maturities of long-term debt and long-term leases of not less than 1.2 to 1.0.

Minimum Liquidity - maintain, as of the last day of each quarter, Liquidity of at least MUSD 5.0. Liquidity means total market value of Unencumbered Liquid Assets. Unencumbered Liquid Assets means assets owned by Borrower which are not subject to any lien (other than a lien in favor of Lender); (i) cash or cash equivalents held in the United States; and (ii) funds available to be advanced under the note.

Debt to EBITDA Ratio - Borrower will maintain, as of the last day of each fiscal year, a ratio of (a) Debt to (b) EBITDA of not more than 2.0 to 1.0. Notes Payable and other debt payable to NorAm Drilling AS will not be included as "Debt".

Distributions - mean all dividends and other distributions made by Borrower to its shareholder.

EBITDA - Borrower's combined earnings before interest expense, income taxes, depreciation and amortization.

The Group complied with the financial covenants as of 31.12.2023.

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, included provisions relating to refundable payroll tax credit, deferral of employer 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.

The company received approximately MUSD 1.0 in 2Q2022 and MUSD 1.6 in 3Q2022. The company received approximately MUSD 1.4mm in January 2023 related to the final remaining outstanding ERTC payroll credit.

Note 14 - Subsequent events

Market & Activities

WTI began 2023 around \$79 per barrel and finished 2023 near \$72 per barrel. WTI reached a high of \$90 per barrel in September 2023 and a low of \$67 per barrel in March 2023. WTI is currently trading around \$80 per barrel.

As of May 17, 2024, the US land drilling active rig count and Permian rig count was 584 and 312, respectively. As of December 31, 2023, the US land drilling active rig count and Permian rig count was 601 and 307, respectively. In comparison, as of December 31, 2022, the US land drilling active rig count and Permian rig count was 762 and 353, respectively. We currently have ten of our eleven rigs under

Outlook

Based upon current commodity prices and discussions with operators who have been focused on budgets and production discipline, we expect that the recent decline in the Permian rig count has reached or is near a bottom and could start to increase during the remainder of 2024. We also expect shale oil production levels to grow at a substantially reduced pace, if at all, with the recent decline in completions, active rig counts and frac fleets.

Recent E&P acquisition announcements will continue to influence dayrates and rig counts and could impact our ability to renew working rigs and reactivate stacked rigs. As E&P operators remain focused on maintaining current production levels and with drilling but uncompleted (DUCs) wells at decade lows in the Permian basin, we believe "super spec" rigs will remain in high demand in the Permian basin and see increasing incoming interest for rigs later in 2024.

The company declared and paid dividends of MUSD 9.9 subsequent to December 31, 2023 through the date of the issuance of this report.