



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 292 073
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SONGA OFFSHORE RIG 3 AS
Forretningsadresse:	Maskinveien 26 4033 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Iain Inglis
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 21.07.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating income	2	327 990 000	320 232 000
Sum inntekter		327 990 000	320 232 000
Kostnader			
Right of use depreciation	4	84 099 000	156 331 000
Other operating costs	3	189 489 000	218 118 000
Sum kostnader		273 588 000	374 449 000
Driftsresultat		54 402 000	-54 217 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		8 000	9 000
Annen renteinntekt		179 000	0
Sum finansinntekter		187 000	9 000
Rentekostnad til foretak i samme konsern		2 388 000	91 000
Annen rentekostnad		1 000	7 000
Lease interest expense and other fin cost	4	17 131 000	26 708 000
Sum finanskostnader		19 520 000	26 806 000
Netto finans		-19 333 000	-26 797 000
Ordinært resultat før skattekostnad		35 069 000	-81 014 000
Skattekostnad på ordinært resultat	5	5 555 000	16 045 000
Ordinært resultat etter skattekostnad		29 514 000	-97 059 000
Årsresultat		29 514 000	-97 059 000
Overføringer og disponeringer			
Allocated to other equity	6	29 514 000	-97 059 000
Sum overføringer og disponeringer		29 514 000	-97 059 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Right of use asset	4	99 562 000	189 698 000
Sum varige driftsmidler		99 562 000	189 698 000
Finansielle anleggsmidler			
Deferred mobilisation costs	7	1 230 000	10 332 000
Sum finansielle anleggsmidler		1 230 000	10 332 000
Sum anleggsmidler		100 792 000	200 030 000
Omløpsmidler			
Varer			
Inventory	9	17 976 000	18 733 000
Sum varer		17 976 000	18 733 000
Fordringer			
Accounts receivable		36 874 000	39 735 000
Deferred mobilization costs and other	7, 10	9 990 000	10 441 000
Konsernfordringer	8	6 138 000	38 000
Sum fordringer		53 002 000	50 214 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		25 144 000	15 560 000
Sum bankinnskudd, kontanter og lignende		25 144 000	15 560 000
Sum omløpsmidler		96 122 000	84 507 000
SUM EIENDELER		196 914 000	284 537 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Share capital	6	5 000	5 000
Annen innskutt egenkapital	6	75 519 000	75 519 000
Sum innskutt egenkapital		75 524 000	75 524 000
Opptjent egenkapital			
Other equity	6	-369 081 000	-398 595 000
Sum opptjent egenkapital		-369 081 000	-398 595 000
Sum egenkapital		-293 557 000	-323 071 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Right of use long term liability and deferred mob revenue	4, 7	21 942 000	182 960 000
Sum annen langsiktig gjeld		21 942 000	182 960 000
Sum langsiktig gjeld		21 942 000	182 960 000
Kortsiktig gjeld			
Leverandørgjeld		4 600 000	1 205 000
Payable tax	5	60 722 000	57 644 000
Kortsiktig konserngjeld	8	231 269 000	196 485 000
Right of use lease liability and deferred mob revenue	4, 7, 11	171 938 000	169 314 000
Sum kortsiktig gjeld		468 529 000	424 648 000
Sum gjeld		490 471 000	607 608 000
SUM EGENKAPITAL OG GJELD		196 914 000	284 537 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 628943

Enheten

Organisasjonsnummer: 913 292 073
Organisasjonsform: Aksjeselskap
Foretaksnavn: SONGA OFFSHORE RIG 3 AS
Forretningsadresse: Maskinveien 26
4033 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

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Brønnøysundregistrene, 31.07.2023



Organisasjonsnr: 913 292 073
SONGA OFFSHORE RIG 3 AS

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
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Organisasjonsnr: 913 292 073
SONGA OFFSHORE RIG 3 AS

BALANSE

Beløp i: USD Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Right of use asset 4 99 562 000 189 698 000
Sum varige driftsmidler 99 562 000 189 698 000

Finansielle anleggsmidler

Deferred mobilization costs 7 1 230 000 10 332 000
Sum finansielle
anleggsmidler 1 230 000 10 332 000

Sum anleggsmidler 100 792 000 200 030 000

Omløpsmidler

Varer

Inventory 9 17 976 000 18 733 000
Sum varer 17 976 000 18 733 000

Fordringer

Accounts receivable 36 874 000 39 735 000
Deferred mobilization
costs and other 7, 10 9 990 000 10 441 000
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Sum fordringer 53 002 000 50 214 000

Bankinnskudd, kontanter og lignende

Cash and cash equivalents 25 144 000 15 560 000
Sum bankinnskudd,
kontanter og lignende 25 144 000 15 560 000

Sum omløpsmidler 96 122 000 84 507 000

SUM EIENDELER 196 914 000 284 537 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 6 5 000 5 000
Annen innskutt egenkapital 6 75 519 000 75 519 000
Sum innskutt egenkapital 75 524 000 75 524 000

Opptjent egenkapital

Other equity 6 -369 081 000 -398 595 000



Sum opptjent egenkapital		-369 081 000	-398 595 000
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Organisasjonsnr: 913 292 073
SONGA OFFSHORE RIG 3 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

<u>Sum</u>	<u>Beløp</u>		
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>	
<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>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>



Vår dato 08.05.2019	Din/Deres dato 30.04.2019	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Karl-Erik Johannessen	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5912686	Postadresse Postboks 9200 Grønland 0134 OSLO

SONGA OFFSHORE SE
Postboks 8200
4069 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 30. april 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Songa Offshore Rig AS	org.nr. 992 839 449
Songa Offshore Rig 2 AS	org.nr. 913 222 334
Songa Offshore Rig 3 AS	org.nr. 913 292 073
Songa Offshore Equipment Rental AS	org.nr. 913 978 250
Songa Offshore Services AS	org.nr. 988 186 228
Songa Offshore SE nuf	org.nr. 994 147 870

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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

Fra søknaden gjengis:

Eneste eier i SO selskapene er Songa Offshore SE (100%) som er et internasjonalt holdingselskap basert på Kypros.

Songa konsernet ble i første kvartal 2018 oppkjøpt av Transocean. Det vises til at Transocean Services AS er morselskap for flere selskaper som inngår i Transocean konsernet og som er registrert i Norge, og at alle disse selskapene har fått tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk. Transocean også kjøpt Ocean Rig konsernet i fjerde kvartal 2018. Og all norsk selskapene i Ocean Rig konsernet har også fått denne tillatelse.

Bransjen selskapet opererer i er internasjonalt. Eneste arbeidsspråk er engelsk. Både kunder og leverandører av selskapene er komfortable med å forholde seg til engelskspråklig finansiell informasjon. I mange tilfeller er dette også påkrevd, noe som innebærer at finansiell informasjon må oversettes og dermed dupliseres.

Selskapets finansiering og garantistillelse er mot utenlandske selskaper og finansinstitusjoner. All dokumentasjon knyttet til dette er på engelsk.



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 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 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 selskapene er eid av et utenlandsk selskap. Selskapets virksomhet er internasjonal. Øvrige konsernselskap har dispensasjon. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Songa Offshore Rig 3 AS

Annual Report

31 December 2022



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Board of Directors' report

Type of business

Songa Offshore Rig 3 AS was incorporated on 10 January 2014 and the company is based in Stavanger. The company is owned 100% by Songa Offshore SE. The business of the company consists of renting drilling rigs for subleasing to operators.

Going concern

The directors have obtained confirmation from an appropriate parent undertaking, Transocean Inc. that it will provide financial support to allow the company to meet its liabilities as and when they fall due, to the extent that the company is not able to meet such liabilities; and to recover in full sums due to it, when so due, from other group undertakings. The support outlined above is valid for a period of 12 months from the date of signing the financial statements and similar support had been extended on an annual basis. The Directors have made enquiries to determine the ability of the parent undertaking to provide this support. The directors continue to place reliance on the Parent company's letter of support and concluded that it was appropriate for the financial statements to be prepared on a going concern basis.

The going concern assumption in accordance with Norwegian Accounting Act § 3-3 (accounting law) is present and the financial statements have been prepared under this assumption. The board confirms the going concern assumptions are valid.

Work environment and personnel

There are no employees in Songa Offshore Rig 3 AS. The company acquired services from Transocean Norway Operations AS for the operations of the drilling rigs. The Board of Directors currently consists of two men and one woman.

Equal treatment

There are no employees in Songa Offshore Rig 3 AS. The company adheres to the state of conduct stating that there shall be no discrimination on the background of race, religion or gender.

Environmental reporting

Songa Offshore Rig 3 AS operations does not affect the environment negatively above and beyond what is common in the industry. For further information about the groups environmental policy, please refer to the group webpage. No polluting spills were registered by the Transocean group during 2021.

Future development

Songa Offshore Rig 3 AS' income is from oil companies and the future development of the company is dependent on the oil industry generally and the oil price specifically. A continued high activity level is expected going forward. The company will continue to operate two drilling rigs, the Transocean Enabler and the Transocean Encourage. Both have current contracts concluding in March 2024 and November 2023 respectively with new contracts in place for continued work thereafter. The board of directors would like to clarify that there is normally a great level of uncertainty associated with prediction of the future operating environment of the company.



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Result, cash flows, investments, financing and liquidity

The company operated two drilling rigs, the Transocean Enabler and the Transocean Encourage in 2022. The company's total operating income including amortization of deferred income was USD 328.0 million in 2022 (2021: USD 320.2 million).

The net operating profit for 2022 was USD 54.4 million compared to a net operating loss of USD 54.2 million in 2021. The reduction in costs for 2022 is mainly due to the reduction in Right of use depreciation, USD 84.1 million in 2022 compared to USD 156.3 million in 2021 and Other operating costs, USD 189.5 million in 2022 compared to USD 218.1 million in 2021.

Total cash flows of the company were USD 9.6 million (2021: negative USD 11.2 million). The company recognizes an inventory balance of USD 18.0 million at 31 December 2022 (2021: 18.7 million). Change in accounts receivable is a decrease of USD 2.9 million (2021: increase of USD 16.2 million). Profit before taxes is USD 35.1 million (2021: USD 81.0 million). Tax charge for the year is USD 5.6 million (2021: USD 16.0 million). This is mainly related to uncertain tax position identified.

The company's short-term debt was at year end 95.5% (2021: 69.9%) of the total debt in the company.

The total assets at year end are USD 189.0 million (2021: USD 284.5 million).

The equity at 31.12.2022 is negative USD 293.6 million (2021: negative USD 323.1 million).

Financial risk

Interest risk

The company is financed by associated group companies. The internal interest cost charged from the associated group companies is equal to the interest the company is expected to obtain through external financing. The interest is subject to an annual assessment, or more often if the circumstances so require.

Currency risk

The development of exchange rates entails both a direct and indirect economic risk for the company. Songa Offshore Rig 3 AS has part of its income in Norwegian kroner and parts in USD. The majority of the costs are in Norwegian kroner (NOK) with the exception of the bareboat rig rental which is in USD.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises principally from the company's receivables from customers and intercompany.

The company's exposure to credit risk is influenced mainly by individual factors associated with each counterparty. The risk associated with internal counterparties is considered to be low.

Liquidity risk

Liquidity risk is the risk that the company will not be able to settle its financial commitments as they fall due. With regular prognoses and liquidity analysis, the company will, as far as possible, ensure that sufficient access to funds is made available in order to settle commitments on the due date without unacceptable losses or risks of damaging the company's reputation. Songa Offshore Rig 3 AS is included in the Group's overall liquidity evaluation.



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Oil price risk

Our business depends on the level of activity in oil and gas exploration, development and production in offshore areas worldwide. Demand for our services depends on oil and natural gas industry activity and expenditure levels that are directly affected by trends in oil and, to a lesser extent, natural gas prices.

Demand for our services is particularly sensitive to the level of exploration, development, and production activity of, and the corresponding capital spending by, oil and natural gas companies, including national oil companies. Prolonged reductions in oil and natural gas prices could depress the immediate levels of exploration, development and production activity.

Perceptions of longer-term lower oil and natural gas prices by oil and gas companies could similarly reduce or defer major expenditures given the long-term nature of many large-scale development projects. Lower levels of activity result in a corresponding decline in the demand for our services, which could have a material adverse effect on our revenue and profitability. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, increases in near-term commodity prices do not necessarily translate into increased offshore drilling activity since customers' expectations of longer-term future commodity prices typically have a greater impact on demand for our rigs.

Consistent with this dynamic, customers may delay or cancel many exploration and development programs, resulting in reduced demand for our services. Also, increased competition for customers' drilling budgets could come from, among other areas, land-based energy markets worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments also affect customers' drilling campaigns. Worldwide military, political, and economic events have often contributed to oil and gas price volatility and are likely to do so in the future.

The Transparency Act

The Norwegian Transparency Act (Åpenhetsloven) (the "Act") entered into force on the 1st July 2022. In accordance with the Act, the Company has undertaken an assessment of its supply chain processes and procedures. The results of its assessment shall be published in its 2022 Global Human Rights Report which will be made available by or on the 30 June 2023 at www.deepwater.com.

Management Liability Insurance

Transocean has a Directors and Officers Liability program for all of its directors. This includes the board of directors and General Manager for our Norwegian entities on appointment. Each director/the General Manager is granted an indemnity from Transocean Inc in respect of liabilities incurred as a result of their office, to the extent permitted by law. The Company also has in place Directors and Officers Liability Insurance on behalf of its directors and officers. The insurance covers personal legal liabilities including defense and legal costs. Neither the Company's indemnity nor insurance provides cover in the event a director or officer is proved to have acted fraudulently, with willful neglect, willful default or dishonestly. The Insurance is renewed annually and covers all past, current, and future officers and directors. The insurance policies provide direct coverage to directors and officers and are issued by reputable insurers with appropriate ratings.



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Subsequent Events

On 28 March 2023, Transocean announced new contract awards for both the Enabler and Encourage rigs, both to be operated by Songa Offshore Rig 3 AS. The Enabler contract is estimated for 570 days and will commence in April 2024. The Encourage contract is estimated for 460 days and will commence in December 2023.

Result and allocations

The board proposes to allocate the annual profit of USD 29,514 thousand as follows:

- Other equity USD'000 29,514

Stavanger,
30 June 2023

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Knut Vavik

*Chairman of the board
and General Manager*

DocuSigned by:

776B8DFAB9924EB...

Iain Inglis

Board member

DocuSigned by:

CECE8B86896F4D3...

Inger Aase

Board member



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Statement of comprehensive income

For the year ended 31 December

Amounts in USD 1000	Note	2022	2021
Operating income	2	327,990	320,232
Total operating income		327,990	320,232
Other operating costs	3	(189,489)	(218,118)
Right of use depreciation	4	(84,099)	(156,331)
Asset Impairment		-	-
Total operating costs		(273,588)	(374,449)
Operating profit / (loss)		54,402	(54,217)
Other interest income		179	-
Interest income from group companies		8	9
Other interest costs		(1)	(7)
Other financial costs		(1,298)	(1,385)
Interest costs to group companies		(2,388)	(91)
Lease interest expense	4	(15,833)	(25,323)
Net financial items		(19,333)	(26,797)
Profit / (loss) before income taxes		35,069	(81,014)
Income tax charge	5	(5,555)	(16,045)
Profit / (loss) after tax		29,514	(97,059)

Statement of other comprehensive income for the year ended 31. December

Amounts in USD 1000	Note	2022	2021
Profit / (loss) after tax		29,514	(97,059)
Items which will not be reclassified over profit and loss, net of tax		-	-
Items which may be reclassified over profit and loss, net of tax		-	-
Total comprehensive profit / (loss)		29,514	(97,059)
Allocated to other equity	6	29,514	(97,059)
Total allocation		29,514	(97,059)



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Statement of financial position

as at 31 December

Amounts in USD 1000	Note	2022	2021
Assets			
Long term receivables			
Deferred mobilisation costs	7	1,230	10,332
Right of use asset	4	99,562	189,698
Total long term receivables		100,792	200,030
Current assets			
Receivables			
Accounts receivable		36,874	39,735
Group receivables	8	6,138	38
Inventory	9	17,976	18,733
Deferred mobilization costs and other receivables	7, 10	9,990	10,442
Cash and cash equivalents		25,144	15,560
Total current assets		96,122	84,508
Total assets		196,914	284,537



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Statement of financial position

as at 31 December

Amounts in USD 1000	Note	2022	2021
Equity and Liabilities			
Equity			
Paid-in equity			
Share capital	6	5	5
Other paid-in equity	6	75,519	75,519
Total paid in equity		75,524	75,524
Retained equity			
Other equity	6	(369,081)	(398,595)
Total retained equity		(369,081)	(398,595)
Total equity		(293,557)	(323,071)
Liabilities			
Deferred mobilization revenue	7	1,230	10,332
Right of use long term lease liability	4	20,712	172,628
Total long term liabilities		21,942	182,960
Current liabilities			
Account payables		4,600	1,205
Current liabilities to group companies	8	231,269	196,485
Payable tax	5	60,722	57,644
Deferred mobilization revenue and other current liabilities	7, 11	20,021	15,063
Right of use lease liability	4	151,917	154,251
Total current liabilities		468,529	424,648
Total liabilities		490,471	607,608
Total liabilities and equity		196,914	284,537

Stavanger,
30 June 2023

DocuSigned by:

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Knut Vavik

Chairman of the board
and General Manager

DocuSigned by:

77688DFAB9924EB...

Iain Inglis

Board member

DocuSigned by:

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Inger Aase

Board member



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Cash flows statement

for the year ended 31 December

Amounts in USD 1000	2022	2021
Cash flows from operating activities:		
Loss before income taxes	35,069	(81,014)
Adjustments for:		
Financial items without cash effect	(148,214)	(135,649)
Financial items without cash effect - Depreciation	84,099	136,331
Financial items without cash effect - Impairment	-	-
Purchase of inventory	757	(1,180)
Change accounts receivables	2,861	(16,184)
Change account payables	3,395	(152)
Change in other current assets and liabilities	5,410	(315)
Change in liabilities and receivables group	28,684	66,929
Change in Payable tax	(2,477)	-
Net cash flows from operating activities	9,584	(11,234)
Cash flows from investments:		
Investments in fixed assets	-	-
Net cash flows from investments	-	-
Net change in cash	9,584	(11,234)
Cash and cash equivalents at beginning of period	15,560	26,794
Cash at end of period	25,144	15,560

Cash and cash equivalents at 31 December 2022 and 31 December 2021 included no restricted bank deposits.



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Statement of change in equity

USD 1000	Share capital	Other paid-in equity	Other equity	Sum equity
Balance 1 January 2021	5	75,519	(301,536)	(226,012)
Annual loss	-	-	(97,059)	(97,059)
Balance 31 December 2021	5	75,519	(398,595)	(323,071)

USD 1000	Share capital	Other paid-in equity	Other equity	Sum equity
Balance 1 January 2022	5	75,519	(398,595)	(323,071)
Annual profit	-	-	29,514	29,514
Balance 31 December 2022	5	75,519	(369,081)	(293,557)



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Songa Offshore Rig 3 AS

Org. No. 913 292 073

Notes to the financial statements

Note 1

Accounting principles

Basis of preparation

In the preparation of the accounts for Songa Offshore Rig 3 AS the company has used simplified IFRS in accordance with the Norwegian accounting act section 3-9. This means that the valuation principles of IFRS have been used, while at the same time using the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP) for the presentation of the notes.

In accordance with the administrative regulations for the use of simplified international accounting standards of 21 January 2008, the Company has implemented the following principles and assessments in accordance with IFRS:

IAS 10.12 and IAS 10.13 have not been followed as the treatment of dividends and group contributions have been treated in accordance with NGAAP.

Income

Income is recognized when it is probable that the transaction will generate future economic benefits that will be received by the company and the size of the benefit can be reasonably estimated. Revenues have been presented net of VAT and discounts.

In the accounts the company's income and costs in connection with the mobilization of the drilling rigs Songa Encourage and Songa Enabler have been included. The income and costs are amortized over the contract periods.

Currency

The accounts have been prepared in the currency considered as the most important economic environment in which the company operates (its functional currency). In the accounts the result and balance sheet are presented in USD, which is the company's functional currency and presentational currency.

In the preparation of the accounts transactions are translated from foreign currency to USD at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate on the date of the balance sheet.



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Songa Offshore Rig 3 AS

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Taxes

Deferred tax is calculated based on differences between the book value of assets and debt and corresponding tax values. Deferred tax is recognized on the balance sheet for all temporary differences and a deferred tax asset is recognized to the extent it is likely the company will be able to utilize the asset based on projected future profits. Such assets and liabilities are not recognized in the balance sheet if the temporary difference arises on initial recognition (except related to business combinations) of other assets or debt in a transaction which does not affect either the taxable income or the accounting earnings.

The balance sheet value of a deferred tax asset is assessed at each year end and is reduced to the extent it is no longer probable that future taxable income will be available to allow for utilization of the tax asset.

Deferred tax and deferred tax asset are measured using the expected future tax rate which is expected to be applicable in the period the debt is to be settled or the asset realized, based on tax rates (and tax law) which has been enacted or substantially enacted at the balance sheet date. The valuation of deferred tax and deferred tax asset reflects the tax position that will arise in accordance with the company's expectation, at the balance sheet date, to utilize or settle the carrying value of the assets or liabilities in the balance sheet.

Deferred tax assets and deferred tax is set off against each other when in accordance with current law and when they relate to taxes imposed by the same tax authorities and the company has the intention of setting of the tax asset and liability.

Payable tax and deferred tax are recognized as a cost or income in the profit & loss statement, except when related to items entered directly against equity, then the tax is also entered directly against equity, or when they arise as a consequence of an initial balance sheet entry related to a business combination. In cases of business combinations, the tax effect is included in the calculation of any excess value for the buyer when calculating the net fair market value of identifiable assets, debt and contingent debt over costs.

IFRIC 23 requires an entity to reflect uncertainty over income tax treatments in the recognition and measurement of current and deferred tax assets or liabilities, applying the requirements in IAS 12.

Provisions

Provisions are recognized on the balance sheet when the company has an existing legal obligation or an implied obligation, as a consequence of a previous event, when it is likely that an economical transfer is required to meet the obligation and that one reliably can estimate the size of the obligation.

Account receivables

Account receivables are recognized at cost less losses on receivables.

Inventory

Inventory is held at the lower of cost or net realisable value. When the associated rig is in operation, these costs are carried by the rig operating company. When the associated rig is cold stacked, these costs are carried by the rig owning company.



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Songa Offshore Rig 3 AS

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Events following the balance sheet date

Events following the balance sheet date have been considered in the accounts. Events following the balance sheet date which does not affect the company on the balance sheet date but will affect the company in the future have been commented on if considered material.

Presentation of cash flows

The presentation of the cash flows has been prepared in accordance with the indirect method.

Cash and cash equivalents consist of cash, bank deposits and easily transferable assets which immediately can be converted to fixed cash amounts, and which are only exposed to immaterial changes in value.

Note 2

Operating income

Operating income represents net amounts invoiced excluding value added tax. The operating income is attributable to the principal activity of the company.

Analysis of the operating income is given below:

USD 1000	2022	2021
Drilling Operations	308,204	300,380
Amortized deferred mobilization revenue	9,484	9,484
Recharged costs	10,302	10,368
Operating income	327,990	320,232

Songa Offshore Rig 3 AS operates the drilling rigs the Transocean Enabler and the Transocean Encourage.

Note 3

Operating costs, personnel cost, employees, benefits, loan to employees and audit fees

The company operates the drilling rigs the Transocean Enabler and the Transocean Encourage.

USD 1000	2022	2021
Maintenance expenses	24,144	35,142
Other operating expenses	165,345	182,976
Other operating costs	189,489	218,118

There are no employees in the company and therefore not required to have a pension (Defined Contribution Plan). Personnel were hired from Transocean Norway Operations AS.

No remuneration has been paid to the board members. No loans or security have been provided for the general manager, board chairman or other related parties.



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Songa Offshore Rig 3 AS

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Auditor

The 2022 audit fee was USD 38 thousand (excluding VAT)

Amounts in USD 1000	2022	2021
Audit fee	38	41

Note 4

Right of use asset

USD 1000	BBC Enabler	BBC Encourage	Simulator Enabler	Simulator Encourage	Total
Cost:					
At 1 January 2022	412,704	372,827	244	234	786,009
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Change in lease payments	(3,090)	(2,947)	-	-	(6,037)
At 31 December 2022	409,614	369,880	244	234	779,972
Depreciation and impairments:					
At 1 January 2022	300,647	295,290	187	187	596,311
Depreciation	46,700	37,295	57	47	84,099
ROU Impairment	-	-	-	-	-
ROU Disposals	-	-	-	-	-
At 31 December 2022	347,347	332,585	244	234	680,410
Net book value:					
At 31 December 2022	62,267	37,295	-	-	99,562
At 1 January 2022	112,057	77,537	57	47	189,698

Set out below are the carrying amounts of lease liabilities and the movements during the period:

USD 1000	BBC Enabler	BBC Encourage	Simulator Enabler	Simulator Encourage	Total
Opening lease liability	(180,019)	(146,743)	(64)	(53)	(326,879)
Interest	(9,043)	(6,787)	(2)	(1)	(15,833)
Lease payments	84,299	79,628	66	54	164,047
Change in lease payments	3,090	2,947	-	-	6,037
Closing balance	(101,673)	(70,955)	-	-	(172,629)
Current	(80,962)	(70,955)	-	-	(151,917)
Non-current	(20,712)	-	-	-	(20,712)
Closing balance	(101,674)	(70,955)	-	-	(172,629)

Lease liabilities – minimum lease payments maturity

USD 1000	Less than 12	2 - 5 years	Greater than	Total
Lease liabilities	(151,917)	(20,712)	-	(172,629)



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Songa Offshore Rig 3 AS

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Note 5

Taxes

Amounts in USD 1000	2022	2021
Net temporary differences	101,482	165,922
Tax losses carried forward	166,300	137,672
Basis for deferred tax	267,782	303,594
Deferred tax	58,912	66,791
Not recognised deferred tax	(58,912)	(66,791)
Recognised deferred tax	-	-
Basis for the tax cost		
Earning before tax	35,069	(81,014)
Permanent and translation differences	(31,224)	(8,481)
Basis for tax cost	3,845	(89,495)
Change in temporary differences	(64,440)	25,400
Basis for tax in the accounts	(60,595)	(64,095)
Taxable income (basis for tax payable)	(60,595)	(64,095)
Allocation of the tax cost		
Payable tax	-	-
Total payable tax	-	-
IAS 12 adjustment - current year	12,329	16,940
IAS 12 adjustment - prior year	(6,774)	(895)
Tax cost	5,555	16,045
Payable tax on balance sheet		
Tax payable in tax cost	68,015	57,644
Payable tax on balance sheet	68,015	57,644
Tax charge reconciliation		
Profit/(loss) before tax	35,069	(81,014)
Tax at 22%	7,715	(17,823)
Permanent differences	(6,869)	(1,866)
Deferred tax not recognised	(846)	19,689
IAS 12 adjustment	12,329	16,940
Prior year current tax adjustment	(6,774)	(895)
Total	5,555	16,045



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Songa Offshore Rig 3 AS

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Note 6

Share capital and shareholders

Share capital

USD 1000	Shares	Nominal value	Booked
Share capital	30	0.17	5

NOK 1000	Shares	Nominal value	Booked
Share capital	30	1	30

Shareholders

Songa Offshore SE owned 100 % of the shares in the company as of 31.12.22.

USD 1000	Share capital	Other paid-in equity	Other equity	Sum equity
Balance 1 January 2022	5	75,519	(398,595)	(323,071)
Annual profit			29,514	29,514
Balance 31 December 2022	5	75,519	(369,081)	(293,557)

The company's ultimate parent undertaking is Transocean Ltd., a company registered in Switzerland. The consolidated accounts of Transocean Ltd. are those of the smallest and the largest group of which the company is a member and for which group accounts are prepared. Copies of these accounts can be obtained from www.deepwater.com.

Note 7

Deferred mobilization revenue and deferred mobilization costs

The company has as at 31.12.2022 remaining USD 103 million of long-term mobilization income and USD 10.3 million of long-term mobilization costs will be respectively entered as deferred income and recognized as deferred costs over the contract periods. USD 9.1 million have been estimated to be recognized as income and costs over the next 12 months.

Correspondingly the company had as at 31.12.2021 remaining USD 19.8 million of long-term mobilization income and USD 19.8 million of long-term mobilization costs which will be respectively recognized as deferred income and deferred costs over the contract period. USD 9.5 million is estimated entered as income and costs of the next 12 months.



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Songa Offshore Rig 3 AS

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Note 8

Intercompany liabilities and receivables

Current assets (due within one year)

Amounts in USD 1000	2022	2021
Transocean Offshore Deepwater Holdings Ltd	-	15
Triton Voyager Asset Leasing GmbH, Asgard US	5	2
Triton Capital I GmbH, US	-	1
Triton Coreovado LLC	3	19
Triton KG2 GmbH	-	1
Songa Offshore Enabler Ltd	3,106	-
Songa Offshore Encourage Ltd	2,963	-
Ocean Rig Cubango Operations Inc.	20	-
Transocean Offshore (North Sea) Limited, Norway	9	-
Transocean Barents ASA	2	-
Deepwater Pacific 1 Inc	1	-
Sedco Forex International Inc, Colombia	5	-
Triton Capital II GmbH, US	10	-
Triton Conqueror GmbH, US	9	-
Triton Mykonos LLC	2	-
Triton Capital Mexico GmbH, Colombia	3	-
Total	6,138	38

Current liabilities (due within one year)

Amounts in USD 1000	2022	2021
Transocean Offshore Deepwater Drilling Inc.	16,541	4,431
Transocean Offshore (North Sea) Limited	-	4
Transocean Services AS	63,755	51,424
Sedco Forex Offshore Int'l Ltd Singapore	10	11
Sedco Forex Offshore Int'l Ltd	1	-
Songa Offshore SE	28,281	17,076
Songa Offshore Rig 2 AS	31	27
Songa Offshore Equinox Ltd	292	285
Ocean Rig Management Inc. Greece	-	47
Transocean Barents ASA	-	37
Transocean Norway Operations AS	42,942	75,226
Transocean Enabler Limited	35,546	22,743
Transocean Encourage Limited	41,908	23,612
Transocean Onshore Support Services Limited	1,282	86
Deepwater Supply Inc.	568	1,476
Transocean Offshore Deepwater Drilling Inc, Gulf Coast	14	-
Transocean Equinox Limited	79	-
GlobalSantaFe BV	19	-
Total	231,269	196,485

No part of the liabilities has a maturity longer than 5 years. The company does not have any receivables which mature later than 1 year. The company does not have any debt secured by collateral.



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Songa Offshore Rig 3 AS

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Note 9

Inventory

Amounts in USD 1000	2022	2021
Enabler rig	9,836	11,403
Encourage rig	8,140	7,330
Total	17,976	18,733

Note 10

Other receivables

The company has as at 31.12.2022 prepaid costs and a planned 12-month amortization of deferred mobilization costs of USD 10.0 million.

USD 1000	2022	2021
Prepayments and other receivables	888	959
Deferred mobilization costs	9,102	9,484
Total	9,990	10,442

Note 11

Other liabilities

The company has as at 31.12.2022 current payables from incurred but not invoiced costs and current part of the mobilization income of USD 20.0 million.

USD 1000	2022	2021
Incurring costs	10,919	5,579
Deferred mobilization revenue	9,102	9,484
Total	20,021	15,063

Note 12

Going Concern

The directors have obtained confirmation from an appropriate parent undertaking, Transocean Inc. that it will provide financial support to allow the company to meet its liabilities as and when they fall due, to the extent that the company is not able to meet such liabilities; and to recover in full sums due to it, when so due, from other group undertakings. The support outlined above is valid for a period of 12 months from the date of signing the financial statements and similar support had been extended on an annual basis. The Directors have made enquiries to determine the ability of the parent undertaking to provide this support. The directors continue to place reliance on the Parent company's letter of support and concluded that it was appropriate for the financial statements to be prepared on a going concern basis.

The going concern assumption in accordance with Norwegian Accounting Act § 3-3 (accounting law) is present and the financial statements have been prepared under this assumption. The board confirms the going concern assumptions are valid.



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Songa Offshore Rig 3 AS

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Note 13

Subsequent Events

On 28 March 2023, Transocean announced new contract awards for both the Enabler and Encourage rigs, both to be operated by Songa Offshore Rig 3 AS. The Enabler contract is estimated for 570 days and will commence in April 2024. The Encourage contract is estimated for 460 days and will commence in December 2023.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Songa Offshore Rig 3 AS

Opinion

We have audited the financial statements of Songa Offshore Rig 3 AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, the statements of other comprehensive income, statements of cash flows and statement of changes in equity 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 legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 in accordance with the requirements of the 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, 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 and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 the 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, 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 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 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 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 fair presentation.

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.

Kristiansand, 6 July 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

Independent auditor's report - Songa Offshore Rig 3 AS 2022

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Espen Fyllingen

Oppdragsansvarlig partner

På vegne av: Ernst & Young AS

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