



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 732 851
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: SEADRILL NORWAY OPERATIONS LTD.
Forretningsadresse: Finnestadveien 28
4029 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Livar Voll
Dato for fastsettelse av årsregnskapet: 27.11.2023

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, 04.08.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenues		296 891 078	434 884 365
Reimbursable income		12 866 371	20 507 898
Sum inntekter		309 757 449	455 392 263
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler		118 641	2 544 957
Nedskrivning av varige driftsmidler og immaterielle eiendeler		0	-67 768
Other operating expenses		291 199 221	432 418 423
Reimbursable expense		12 279 320	19 658 459
Sum kostnader		303 597 182	454 554 071
Driftsresultat		6 160 267	838 192
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		536 395	106 499
Annen renteinntekt		72 848	9 220
Foreign exchange gains			1 896 363
Other financial items		118 455	133 474
Sum finansinntekter		727 698	2 145 556
Rentekostnad til foretak i samme konsern		74 024	163 948
Annen rentekostnad		267 069	1 448 738
Foreign exchange loss		2 852 648	
Sum finanskostnader		3 193 741	1 612 686
Netto finans		-2 466 043	532 870
Ordinært resultat før skattekostnad		3 694 224	1 371 062
Corporate tax payable		68 118	17 514 161
Change in deferred tax		223 668	-499 107
Ordinært resultat etter skattekostnad		3 402 438	-15 643 992
Årsresultat		3 402 438	-15 643 992



Resultatregnskap

Beløp i: USD	Note	2022	2021
Overføringer og disponeringer			
Avgitt konsernbidrag		6 274 715	4 062 423
Overføringer til/fra annen egenkapital		-2 872 277	-19 706 415
Sum overføringer og disponeringer		3 402 438	-15 643 992



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel			223 669
Sum immaterielle eiendeler			223 669
Varige driftsmidler			
Other long term assets			4 401 645
Sum varige driftsmidler			4 401 645
Sum anleggsmidler		0	4 625 314
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		31 270 441	80 562 640
Andre fordringer		8 385 472	16 121 343
Konsernfordringer		91 296 252	31 571 969
Sum fordringer		130 952 165	128 255 952
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		16 789	30 715 542
Sum bankinnskudd, kontanter og lignende		16 789	30 715 542
Sum omløpsmidler		130 968 954	158 971 494
SUM EIENDELER		130 968 954	163 596 808
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		50 000 000	50 000 000
Sum innskutt egenkapital		50 000 000	50 000 000



Balanse

Beløp i: USD	Note	2022	2021
Opptjent egenkapital			
Annen egenkapital		-33 668 461	-30 846 378
Sum opptjent egenkapital		-33 668 461	-30 846 378
Sum egenkapital		16 331 539	19 153 622
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		6 086 179	9 557 732
Sum annen langsiktig gjeld		6 086 179	9 557 732
Sum langsiktig gjeld		6 086 179	9 557 732
Kortsiktig gjeld			
Leverandørgjeld		12 122 923	12 103 852
Betalbar skatt		15 792 941	17 683 023
Kortsiktig konserngjeld		64 996 400	78 217 631
Annen kortsiktig gjeld		15 638 972	26 880 948
Sum kortsiktig gjeld		108 551 236	134 885 454
Sum gjeld		114 637 415	144 443 186
SUM EGENKAPITAL OG GJELD		130 968 954	163 596 808



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 740085

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Brønnøysundregistrene, 28.12.2023



Organisasjonsnr: 996 732 851
SEADRILL NORWAY OPERATIONS LTD.

RESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
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Sum overføringer og
disponeringer

3 402 438

-15 643 992



Organisasjonsnr: 996 732 851
SEADRILL NORWAY OPERATIONS LTD.

BALANSE

Beløp i: USD Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 223 669
Sum immaterielle eiendeler 223 669

Varige driftsmidler

Other long term assets 4 401 645
Sum varige driftsmidler 4 401 645

Sum anleggsmidler 0 4 625 314

Omløpsmidler

Varer

Fordringer

Kundefordringer 31 270 441 80 562 640
Andre fordringer 8 385 472 16 121 343
Konsernfordringer 91 296 252 31 571 969
Sum fordringer 130 952 165 128 255 952

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 16 789 30 715 542
Sum bankinnskudd,
kontanter og lignende 16 789 30 715 542

Sum omløpsmidler 130 968 954 158 971 494

SUM EIENDELER 130 968 954 163 596 808

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 50 000 000 50 000 000
Sum innskutt egenkapital 50 000 000 50 000 000

Opptjent egenkapital

Annen egenkapital -33 668 461 -30 846 378
Sum opptjent egenkapital -33 668 461 -30 846 378

Sum egenkapital 16 331 539 19 153 622

Gjeld

Langsiktig gjeld



Annen langsiktig gjeld		
Øvrig langsiktig gjeld	6 086 179	9 557 732
Sum annen langsiktig gjeld	6 086 179	9 557 732
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SEADRILL NORWAY OPERATIONS LTD.

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

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

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.



Seadrill Norway Operations Ltd

Income Statement 2022

USD	Notes	2022	2021
Operating revenue			
Operating revenues	2	296,891,078	434,884,365
Reimbursable income	2	12,866,371	20,507,898
Total operating revenue		309,757,449	455,392,264
Operating expenses			
Other Operating expenses	3,4,5	(291,199,222)	(432,418,423)
Reimbursable expenses		(12,279,320)	(19,658,459)
Depreciation and amortization		(118,641)	(2,544,957)
Impairment loss		-	67,768
Total operating expenses		(303,597,183)	(454,554,071)
Operating income / (loss)		6,160,267	838,192
Financial items			
Interest Income, group companies	6	536,395	106,499
Interest Income, other		72,848	9,220
Foreign exchange gains/(losses)	7	(2,852,648)	1,896,363
Interest expense, group companies	6	(74,024)	(163,948)
Interest expenses, other		(267,069)	(1,448,738)
Other financial items		118,455	133,474
Total financial items		(2,466,043)	532,870
Income / (loss) before taxes		3,694,223	1,371,062
Corporate payable tax	8	(68,118)	(17,514,161)
Change deferred tax	8	(223,668)	499,107
Income taxes		(291,786)	(17,015,054)
Net income/ (loss)		3,402,438	(15,643,991)
Attributable to:			
Transferred from/to other equity		(2,872,277)	(19,706,415)
Group contribution		6,274,715	4,062,423



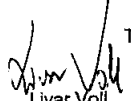
Seadrill Norway Operations Ltd

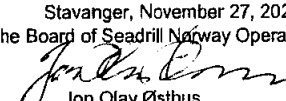
Balance Sheet per Dec 31, 2022

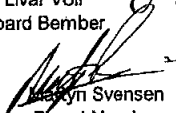
USD	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	8	0	223,669
Total intangible assets		0	223,669
Fixed Assets			
Long term Maintenance		(0)	0
Other long term assets		(0)	4,401,645
Total fixed assets		(0)	4,401,645
Current Assets			
Accounts Receivable	9	31,270,441	80,562,640
Intercompany receivables	10	91,296,252	31,571,969
Other current assets	11	8,385,472	16,121,343
Cash and Cash Equivalents	12	16,789	30,715,542
Total current assets		130,968,954	158,971,494
Total assets		130,968,954	163,596,808
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Paid-in capital			
Share capital		50,000,000	50,000,000
Total paid-in capital		50,000,000	50,000,000
Other Equity	13	(33,668,461)	(30,846,378)
Total Retained Earnings		(33,668,461)	(30,846,378)
Total shareholders' equity		16,331,539	19,153,622
Liabilities			
Non-current liabilities			
Other non-current liabilities	14	6,086,179	9,557,732
Deferred taxes	8	-	-
Total non-current liabilities		6,086,179	9,557,732
Current liabilities			
Accounts payable		12,122,923	12,103,852
Tax payable	8	15,792,941	17,683,023
Payables to group companies	10	64,996,400	78,217,631
Other current liabilities	15	15,638,971	26,880,948
Total current liabilities		108,551,235	134,885,454
Total liabilities and shareholder's equity		130,968,954	163,596,808

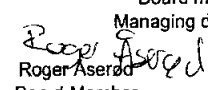
Stavanger, November 27, 2023

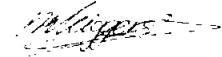
The Board of Seadrill Norway Operations Ltd


Livar Vøll
Board Member


Jon Olav Østhus
Chairman


Marlyn Svensen
Board Member


Roger Aserød
Board Member


Marcel Wieggers
Board member
Managing director



Sedrill Norway Operations Ltd Cash Flow Statement

USD	2022	2021
Cash flow from operating activities		
Income before tax	3,694,223	1,371,062
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	118,641	2,544,957
Loss on impairment		-
Net of Operating Expenses and Income		
Amortization of deferred revenue		-
Gevinst(-)/tap(+) ved salg av andre investeringer		
Financial gains/loss without cash effect	50,194	
Taxes paid		-
Changes in uncertain tax position with no cash effect		
<i>Changes in working capital items:</i>		
Accounts receivable	49,292,199	(25,362,417)
Other current receivables	12,018,875	(1,163,097)
Other non-current liabilities	(3,471,553)	(3,324,541)
Accounts payable	19,071	(6,953,737)
Other current liabilities	(11,380,190)	10,449,347
Related party balances	-	-
Net cash provided by operating activities	50,341,461	(22,438,426)
Cash flow from investment activities		
Proceeds from sale of fixed assets		
Investments in fixed assets	-	(1,476,491)
Net cash used in investment activities	-	(1,476,491)
Cash flow from financing activities		
Change in group cash pool		13,274,697
Change in other payables and receivables group companies	(81,040,214)	(1,159,203)
Net cash from / to financing activities	(81,040,214)	12,115,493
Net increase (decrease) in cash and cash equivalents	(30,698,753)	(11,799,423)
Cash at the beginning of the reporting period	30,715,541	42,514,965
Cash and cash equivalents at the end of the reporting period	16,789	30,715,541



Seadrill Norway Operations Ltd

Notes to the financial statements for the period ending December 31, 2022

Note 1 - Accounting principles

Main activity

Seadrill Norway Operations Ltd is a foreign company resident to Norway. The Company was incorporated at March 23, 2011, and has its office address in Bermuda.

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

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

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

Revenue recognition

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

Reimbursable income

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

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Ongoing maintenance

Actual cost will be recognized as operating expense when the maintenance occurred. Recognition of periodic and long term maintenance will be explained further under long term maintenance.

Foreign currency translation

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

Other non-current assets

Non-current assets are recorded at historic cost less accumulated depreciation. Fixed assets are depreciated on a straight line basis over their useful lifetime. Furniture and office equipment are depreciated over its useful life, usually expected to be between three and ten years, depending on the classification and the use of the asset.

Leases

Leaseholds are recognized as operational leases and expensed in the corresponding periods from the date the lease agreement has been signed.

Receivables

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

Cash and cash equivalents

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



Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 % of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that they will be utilized.

Cash flow statements

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

Note 2 - Segment information

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

USD	2022	2021
Norway	309,757,449	455,392,264
Total	309,757,449	455,392,264

Note 3 - Other operating expenses

USD	2022	2021
Repair and maintenance costs	40,370,338	78,049,513
Administration costs and management fees	34,639,229	49,880,868
Bareboat charter	66,110,644	84,297,803
Hire of personnel	119,180,073	175,421,155
Other expenses	30,898,938	44,769,084
Total	291,199,222	432,418,423

Note 4 - Salaries, personnel costs and number of employees

There are no employees in Seadrill Norway Operations Ltd. Personnel is hired from Seadrill Norway Crew AS according through long term agreements.

Note 5 - Compensation to General Managers, the Board of Directors and auditor

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

Fees to Directors and auditors

No Directors fees have been paid in 2022.

Auditor fee has been recognized in Seadrill Europe Management AS and allocated to Seadrill Norway Operations Ltd through management fees.

Note 6 - Intercompany transactions

The Company has entered into various long-term agreement with group companies regarding management services, provision of personnel, lease of rigs etc. related to the operation of rigs on the Norwegian continental shelf. Under these agreements, the following transactions have been conducted:

USD	2022	2021
Revenues:		
Other recharged expenses	1,480,172	3,014,694
Interest income	536,395	106,499
Costs:		
Interest expenses	74,024	163,948
Bareboat fees	66,110,644	84,297,803
Management fees	34,639,229	49,880,868
Crew costs	119,180,073	175,421,155

Note 7 - Agio/Disagio

USD	2022	2021
Unrealized foreign exchange gain/(loss)	(1,496,876)	(1,423,702)
Realized foreign exchange gain/(loss)	(1,355,772)	3,320,065
Total gain	(2,852,648)	1,896,363



Note 8 - Taxes

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

USD	2022	2021
Income before tax - current year	3,694,223	1,371,062
+ Other permanent differences	-	1,338,193
+ Change in temporary differences current year	(1,016,674)	2,268,670
Translation difference	5,595,112	337,215
Basis for taxes payable - Norway	8,272,661	5,315,141

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

Tax payable on net income	1,819,985	1,169,331
Change in deferred tax (excl. effect of change in tax rate)	223,668	(499,107)
Reassessment from previous years	(1,751,868)	16,344,830
Tax expense	291,786	17,015,054

Tax payable in the balance sheet consists of the following elements:

USD	12/31/2022	12/31/2021
Estimated owed taxes payable - Norway	1,769,791	1,145,812
Reassessment from previous years including calculated interest	14,023,150	17,683,023
Tax reduction due to group contribution	-	(1,145,812)
Unpaid taxes payable in the balance sheet	15,792,941	17,683,023

Deferred tax:

USD	12/31/2022	12/31/2021	Change
Long-term maintenance	-	-	-
Receivables	(0)	(1,016,674)	1,016,674
Provisions	-	-	-
Total temporary differences	(0)	(1,016,674)	1,016,674
Corporate tax rate	22%	22%	-
Deferred tax liability	(0)	(223,668)	223,668
Net operating loss brought forward	-	-	-
Deferred tax asset	-	-	-
Net Deferred tax liability	(0)	(223,668)	223,668

Reconciliation of tax expense to the nominal tax rate:

USD	2022	2021
Income before taxes	3,694,223	1,371,062
Actual tax expense	291,786	17,015,054
Tax expense at corporate tax rate	812,729	301,634
Difference	(520,943)	16,713,420
Explanation of the difference:		
Currency differences on deferred tax	1,230,925	74,187
Tax effect of permanent differences	-	294,402
*Tax reassessment previous years	(1,751,868)	16,344,830
Total	(520,943)	16,713,420

Tax payable

Over the last couple of years the Company has had a dispute with the Norwegian Tax Authorities. During 2022 the Company has received an assessment where the Company has to pay an amount of approximately USD 16 million related to the outstanding issues. The Company do not agree in the assessment and an appeal has been submitted. Even though the Company disagree in the assessment a provision has been made in the accounts. The Company is also making accrual of interest related to the assessment.

Note 9 - Accounts receivables

Accounts receivable include unbilled receivables and are presented net of allowances for doubtful accounts. The allowance for doubtful accounts receivables at December 31, 2022 and 2021 were USD 0 and USD 1.0 million, respectively.

The Company did not recognize any bad debt expense in 2022 or 2021.

Note 10 - Group balances

The Company has the following intercompany balances at year end:

USD	2022	2021
Short term receivable intercompany	91,296,252	31,571,969
Short term liabilities intercompany*	64,996,400	78,217,631
Net receivable/liability	26,299,852	(46,645,662)

* The intercompany balance includes the cash pool balances as of 31.12.2022 and 31.12.2021, respectively.

Note 11 - Other current assets

USD	2022	2021
Prepaid expenses	1,587,596	4,142,956
VAT receivable	672,432	571,875
Rechargeables West Hercules	-	152,516
Rechargeables West Phoenix	646,049	1,438,264



Rechargeables West Elara	844,795	162,777
Rechargeables West Linus	(96,126)	452,383
Deferred mobilization cost	4,402,117	7,806,312
Other receivables	328,609	1,394,261
Total	8,385,472	16,121,343



Note 12 - Cash, cash equivalents and tax funds

The Company is part of a cash pool arrangement for the Seadrill Group with DnB, where cash is transferred to the cash pool owner (Seadrill Treasury UK Ltd) and the Company will thus have an intercompany balance with the cash pool owner.

USD	2022	2021
Cash and Cash Equivalents	16,789	30,715,542

Note 13 - Equity

Equity

USD	Share capital	Retained earnings	Total equity
Equity as of December 31, 2021	50,000,000	(30,846,378)	19,153,622
Net income		3,402,438	3,402,438
Group contribution, net of tax		(6,274,715)	(6,274,715)
Translation difference		50,194	50,194
Equity as of December 31, 2022	50,000,000	(33,668,461)	16,331,539

Note 14 - Other non-current liabilities

USD	2022	2021
Deferred revenues	6,086,179	9,557,732
Total	6,086,179	9,557,732



Note 15 - Other current liabilities

USD	2022	2021
Provision for accrued expenses West Elara	5,820,948	2,355,549
Provision for accrued expenses West Linus	1,076,744	2,388,497
Provision for accrued expenses West Phoenix	5,163,025	5,861,488
Provision for accrued expenses West Bollsta	0	4,593,204
Provision for accrued expenses West Hercules	0	3,696,354
Deferred revenues	3,471,553	7,743,885
Other current liabilities	106,701	241,970
Total	15,638,971	26,860,948

Note 16 - Lease agreements

The Company has signed leases with other group companies and related parties for rental of drilling units. The lease agreements are so-called back to back agreements for the period Seadrill Norway Operations Ltd has a contract with a third party and are designed so that the Company pays a fixed day rate.

In 2022, the Company had the following leases (excluding options):

Rig	Lease valid until	Classification
West Elara	March 2028	Operational lease
West Linus	Autumn 2022	Operational lease
West Hercules	Autumn 2022	Operational lease
West Phoenix	August 2024	Operational lease
West Bollsta	March 2022	Operational lease

Total expense for lease of rigs in 2022 was USD 66 110 644.

In addition to day rates the operating company will cover the insurance for the rigs.

The Company has the following estimated future lease commitments under the abovementioned lease agreements:

	2023	2024	2025	2026	2027	More than 5 years
Lease commitment	43,873,000	47,142,500	22,374,500	22,374,500	22,374,500	5,593,625

Note 17 - Consolidation

Seadrill Norway Operations Ltd, is a fully owned subsidiary of Seadrill Ltd.
Seadrill Ltd has its office address at Park Place, 55 Par la Ville Road, Hamilton, HM 11, Bermuda.



SEADRILL NORWAY OPERATIONS LIMITED

Annual Report 2022

Business description

Seadrill Norway Operations Limited is a foreign company, tax resident to Norway. The Company has operational responsibility for drilling units operating on the Norwegian Continental Shelf (NCS).

The Company works under contracts with major oil and gas companies. The Company also has bareboat charter agreements, with rig-owning companies within the Seadrill Group and other third parties' companies.

At the end of 2022, the Company had the operational responsibility for two operating drilling units; West Phoenix and West Elara. During 2022 the activity was reduced as West Hercules moved to Canada and subsequently handed over to Ship Finance in December 2022, West Bollsta was delivered back to the owner in March 2022 and West Linus changed operator to Odfjell Technology in September 2022.

The Company conducts its business from rented offices in Stavanger, Norway.

Activities in 2022

Economic utilization of the mobile units (while under contract) was on average 95.3 percent in 2022 compared to 94.5 percent in 2021.

The jack-up rig West Elara has been and is operating for ConocoPhillips in the North Sea. West Elara commenced the ConocoPhillips contract in March 2018, and the contract expires in March 2028. Its current day rate is a market indexed rate which is adjusted every 6 months. This is applicable until the end of contract.

The jack-up rig West Linus operated for ConocoPhillips in the North Sea.. The rig is owned by the Ship Finance Group and they have decided to move the operation management of the rig from the Company to Odfjell Technology AS with effect from September 2022.

West Hercules commenced a contract with Equinor in October 2018. In May 2019, West Hercules commenced a new contract with Equinor in continuation of the contract commenced in October 2018. West Hercules operated the full year of 2021 on the NCS. Thereafter the rig moved to Canada still working for Equinor. After completion of the Equinor contract in Canada, the rig was transported back to Norway and delivered back to the rig owner, the Ship Finance Group, in December 2022.

In August 2021, West Phoenix commenced a new contract with Vår Energy for 16 firm wells, this is now expected to be completed August 2024. There is also an option for a further 2 wells.

The West Bollsta commenced operation in October 2020 on a contract with Lundin, which was completed in March 2022. The rig is owned by Northern Ocean and was operated by Seadrill Norway Operations Ltd on a bareboat lease from the owner.

Revenues and result - 2022

Total revenues generated by the Company in 2022 were USD 309.8 million, compared to USD 455.4 million in 2021. The decrease of USD 145.6 million in operating revenue is primarily due to reduced drilling activity for the Company as described above.

In 2022, operating expenses totaled USD 303.6 million, leading to a net operating profit of USD 6.2 million. In 2021 the respective numbers were USD 454.6 million of operating expenses and USD 0.8 million of operating profit. The low operating profit in 2021 was



mainly due to warm stack costs for West Phoenix which were expensed in this legal entity. This will be compensated through lower bareboat expenses over the contract period. As such the result in 2022 is a move to a more normal operating profit.

The Company had a net financial loss of USD 2.5 million in 2022, compared to a net financial gain of USD 0.5 million in 2021. This includes net interest income/expense and net foreign exchange gains/losses and it is loss on the foreign exchange during 2022 that has contributed to the net loss..

Net income after taxes for the year was a profit of USD 3.4 million, compared to a loss of USD 15.6 million in 2021.

The Board proposes the loss will be covered like this:

Provided group contribution less of tax:	USD 6,3 million
Transfer from retained earnings:	USD 2.9 million
Net allocated:	USD 3.4 million

The Board is of the opinion that the accounts have been prepared in accordance with applicable laws and regulations and that all known facts have been taken into account and that they therefore give a true and fair view of the Company's financial position as of December 31, 2022 and its profits in 2022.

The financial statement is prepared under the assumption of going concern. The Board of Directors confirms the condition are present.

Financial outlook

In 2017 the Company was awarded a long-term contract with ConocoPhillips for the drilling rig West Elara, which forms a solid base for future operations of West Elara. West Phoenix has been working under a drilling contract with Vår Energy since the summer of 2021. This contract has been extended until the summer of 2024. The market for harsh-environment rigs has tightened further and the Company is of the opinion that it will be able to conclude new contracts for West Phoenix at reasonable terms after expiry of the current contract.

Cash-flow

Net cash provided by operating activities was positive by USD 50.3 million. The difference versus operating income is mainly caused by changes in working capital. Net cash spent in investment activities was zero. Net cash flow from financing activities was negative by USD 81 million.

Relevant risk factors

Financial risk

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



Operational risk and market risk

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

Liquidity risk

The Company participates in a cash pool arrangement within the Seadrill Group and thus enjoys the benefit of this in relation to the financing of its activities. The Company is therefore dependent on the financing from the Seadrill Group. For further detail on liquidity information for Seadrill, it is referred to the relevant sections of the 2021 annual report for Seadrill Ltd. on form 20-F.

Research and development

The Company currently has no research and development projects.

Working environment

As of the end of 2022, the Company had no employees. The work force is mainly being hired from Seadrill Norway Crew AS.

Transparency Act

You can find more information about how the Company proceed to the new Transparency Act by accessing <https://www.seadrill/transparency-act-report/>.

Gender equality

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

Director Liability Insurance

The directors are covered under a Seadrill Liability Insurance. The insurance covers personal legal liabilities including defence- and legal costs. The directors of the parent company and all subsidiaries globally owned (owned more than 50 percent) are covered by the insurance.

External environment

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

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



authorities, customers and partners. Oil companies have established contingency plans to limit the damage to the environment if unforeseen emissions would occur.

During 2022 no events occurred, causing significant damage to the environment.

Stavanger, November 27, 2023

The Board of Seadrill Norway Operations Ltd

Marcel Wieggers
Board Member

Jon Olav Østhus
Chairman of the Board

Livar Voll
Board Member

Marlyn Svensen
Board Member

Roger Åserød
Board Member



To the management of Seadrill Norway Operations Limited norskregistrert utenlandsk foretak (NUF)

Independent Auditor's Report

Opinion

We have audited the financial statements of Seadrill Norway Operations Limited norskregistrert utenlandsk foretak (NUF) (the Company), which comprise the balance sheet as at 31 December 2022, 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, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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 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 Matters

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

Responsibilities of Management for the Financial Statements

The 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 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.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

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

Stavanger, 27 November 2023
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Birkeland, Arne	BANKID_MOBILE	2023-12-06 13:52

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



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The seal is a guarantee for the authenticity
of the document.



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
01.10.2012

Vår dato
12.10.2012

Telefon
977 59 464

Deres referanse
Maren Thu

Vår referanse
2012/760008

NORTH ATLANTIC MANAGEMENT AS
Postboks 109
4001 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for norske datterselskaper av North Atlantic Drilling Limited

Vi viser til deres brev av 14. september 2012 til Fiansdepartementet hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

North Atlantic Management AS,	org.nr. 996 411 370
North Atlantic Crew AS,	org.nr. 996 540 812
North Atlantic Norway Ltd,	org.nr. 996 732 851

Søknaden er oversendt Skattedirektoratet for behandling.

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

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Fra søknaden gjengis:

North Atlantic Drilling Ltd (Bermuda) er konsernspiss for North Atlantic konsernet som er notert på OTC i Norge. Konsernregnskapet avlegges i henhold til US GAAP (amerikanske regnskapsprinsipper), mens de norske datterselskapene avlegger sine selskapsregnskaper i henhold til den norske regnskapsloven.

De viktigste brukerne av North Atlantic sine norske årsregnskap er:

- Banker og banksyndikat, inkl, utenlandske banker
- Oljeselskaper som har North Atlantic Norway Ltd som kontraktspartner
- Offentlige organ i land hvor North Atlantic Norway Ltd har virksomhet eller filial

På grunn av at all kommunikasjon med våre regnskapsbrukere skjer på engelsk vil vi med dette søke om at enkelte av de norske datterselskapene i North Atlantic konsernet får utarbeide sine årsregnskap kun på engelsk iht. unntaksbestemmelsene i regnskapsloven § 3-4. 3 ledd. Det vil medføre vesentlig merarbeid for North Atlantic å utarbeide et fullstendig årsregnskap på norsk som deretter må oversettes av sertifiserte translatørselskaper for å bli akseptert av utenlandske brukere. Dette er både en dyr og tidkrevende prosess.

Postadresse
Postboks 9200 Grønland
0134 Oslo
For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse
Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60



Vi mener at regnskapsbrukernes informasjonsbehov vil være dekket gjennom engelske årsregnskaper for de norske selskapene, ettersom all vår kommunikasjon med både banker, kunder og leverandører skjer på engelsk. Videre vil den viktigste allmenne kilden til informasjon om North Atlantic være konsernregnskapet som publiseres via Oslo Børs.

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:

"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.

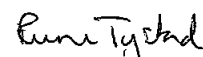
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes virksomhet er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at selskapene er datterselskap av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad