

Offering of up to 54,347,827 new shares in Borr Drilling Limited

Please be aware that the offering of Offer Shares in Borr Drilling Limited (“Borr Drilling” or the “Company”) will be completed based on this Term Sheet and the Application Agreement in addition to available public information.

Please note that this Term Sheet only represents a summary of the transaction details, and is qualified in its entirety by the more detailed information included in the Application Agreement prepared in connection with this Equity Offering, which will prevail in case of discrepancy with this Term Sheet. Any decision to invest should be based on a consideration of the above mentioned documents to be evaluated as a whole by the investor in addition to available public information. This document is strictly for information purposes and shall not constitute an offer to buy, sell or subscribe for any securities.

Issuer:	Borr Drilling, a Bermuda limited liability company having official number 51741, incorporated in 2016.	
About Borr Drilling:	Borr Drilling is an international drilling contractor to the offshore oil and gas industry. Incorporated in Bermuda in 2016, the Company's services are focused on the shallow water segment. The Company is the owner of a fleet of 16 jack-up drilling rigs and, furthermore, ten jack-up drilling rigs on order with deliveries scheduled from 2018 to 2020. After closing of the acquisition of Paragon Drilling Limited (“Paragon”), the Company will own an additional two premium jack-up drilling rigs, 20 standard jack-up drilling rigs and one semi-submersible drilling rig.	
Equity offering:	The equity offering comprises of up to 54,347,827 new ordinary shares (the “Offer Shares”), each with a par value of USD 0.01, raising gross proceeds of up to approximately USD 250 million (the “Equity Offering”).	
Subscription price:	The subscription price per Offer Share is USD 4.60 (the “Subscription Price”).	
Share capital and shares outstanding:	The Company's authorised share capital is USD 5,250,000 represented by 525,000,000 shares with a par value of USD 0.01. The Company has a total of 478,292,500 shares outstanding prior to the Equity Offering, each with a par value of USD 0.01, constituting an issued share capital of USD 4,782,925. Total shares outstanding post the Equity Offering will be up to 530,924,079. The Company's outstanding shares are listed on Oslo Børs with ticker BDRILL with ISIN BMG 1466R1088.	
Options outstanding:	The Company has a stock option program of 10,000,000 options to key employees in the Company, where of 9,205,000 options have been granted. 7,355,000 have a strike price of USD 3.50, 1,200,000 have a strike price of USD 4.00 and 650,000 have a strike price of USD 4.20.	
Pre- money market cap:	USD 2,200 million, equivalent to NOK 16,941 million (based on the Subscription Price and a NOK/USD exchange rate of 7.70).	
Post-money market cap:	USD 2,450 million, equivalent to NOK 18,866 million (based on the Subscription Price and a NOK/USD exchange rate of 7.70).	
Use of proceeds:	The net proceeds from the Equity Offering will be used to finance the acquisition of Paragon as announced on 22 February 2018 and for general corporate purposes.	
Minimum application and allocation:	The USD or share equivalent of EUR 100,000.	
Application period: <i>(subject to change)</i>	Application period starts:	22 March 2018 at 16:30 CET/11:30am EST.
	Application period ends:	23 March 2018 at 08:00 CET/3.00am EST.
	The Company may at its own discretion extend or shorten the application period at any time and for any reason. If the application period is extended or shortened the other dates referred to herein will be changed accordingly.	
Allocation, settlement and trading: <i>(subject to change)</i>	Notification of allocation:	Expected on or about 23 March 2018.
	Payment and delivery (DVP)*:	Expected on or about 27 March 2018*.
	First day of trading*:	Expected on or about 27 March 2018*.
	*The Equity Offering will be divided into two tranches. Tranche 1 will consist of up to 46,707,500 new shares (representing approximately 9.8% of the capital of the Company) and settlement will follow the dates set out above. Tranche 2 will consist of up to 7,640,327 new shares. Settlement of Tranche 2 is expected shortly after approval of the increase in the authorised share capital of the Company by the extraordinary general meeting to be held on or about 5 April 2018 (the “EGM”). The shares issued in Tranche 2 will be tradable after approval of a listing prospectus by the Norwegian Financial Supervisory Authority. All subscribers that are allocated shares, excluding companies that are close associates of Mr. Tor Olav Trøim and Ubon Partners AS, will receive shares that have equal settlement as Tranche 1 of the Equity Offering and the Company, companies that are close associates of Mr. Tor Olav Trøim and the Managers may enter into a share-lending agreement to enable such settlement.	
Participation from the main shareholders:	Companies that are close associates of Mr. Tor Olav Trøim have pre-committed to subscribe for shares equivalent to USD 20 million. Ubon Partner AS, partly owned by board member Fredrik Halvorsen, has pre-committed to subscribe for shares equivalent to USD 10 million.	
Voting undertaking:	The applicant irrevocably undertakes to vote at the EGM for all its shares (current shares and shares acquired prior to the EGM) in the Company in favour of the resolutions to increase the authorised share capital of the Company and issue the Offer Shares.	
Conditions for completion:	Completion of Tranche 1 of the Equity Offering is subject to approval by the Board of Directors pursuant to the authorised share capital, while the completion of the potential Tranche 2 of the Equity Offering is subject to the approval by the EGM. Further to this, both Tranche 1 and Tranche 2 are subject to (i) the Company resolving to consummate the Equity Offering and allocate the new shares, and (ii) the new shares having been fully paid and legally issued. Each applicant acknowledges that the Equity Offering will be cancelled if the conditions are not fulfilled. The Company and the Managers further reserve the right, at any time and for any reason, to cancel and/or modify the terms of the Equity Offering. Neither the Managers nor the Company will be liable for any losses if the Equity Offering is cancelled, or the terms modified, irrespective of the reason for such cancellation or modification.	
No pre-emption rights:	The share issuance will be carried out as a private placement and the Board of Directors of the Company is of the opinion that this is in the best interest of the Company and its shareholders. The Board of Directors has taken into consideration, among other things, the fact that the Equity Offering will provide the financing required to secure the acquisition of the acquisition of Paragon and raise capital more quickly and, at an attractive price, compared to a rights issue.	
Documentation:	The documentation for the Equity Offering comprises of this term sheet (the “Term Sheet”), the terms of application (the “Application Agreement”) both dated 22 March 2018 (the “Offering Materials”) in addition to available public information. In case of discrepancy between the different components of the Offering Materials, the Application Agreement shall prevail. Financial information and other relevant information about the Company is available on the Company's web-site www.borrdrilling.com .	
Selling restrictions:	The Equity Offering is directed towards investors subject to applicable exemptions from relevant prospectus requirements, (i) outside the United States in reliance on Regulation S under the US Securities Act of 1933 (the “US Securities Act”) and (ii) in the United States to “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the US Securities Act as well as to major U.S. institutional investors under SEC Rule 15a-6 to the United States Exchange Act of 1934.	
Target market:	Non-professional, professional and eligible counterparties. Negative target market: An investment in the Offer Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.	
Allocation criteria:	The allocation will be made at the sole discretion of the Company's Board. The Board will focus on criteria such as (but not limited to) existing ownership, size and time of subscription, perceived investor quality and investment horizon.	
Managers:	ABG Sundal Collier ASA, Clarksons Platou Securities AS, Danske Bank, DNB Markets, a part of DNB Bank ASA, Fearnley Securities AS, Skandinaviska Enskilda Banken AB (publ.) Oslo branch and Pareto Securities AS are acting as Joint Lead Managers and Bookrunners (the “Managers”) for the Equity Offering. The Managers will receive a fee related to the Equity Offering.	

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See important information below. For the complete terms and conditions that will apply to the Equity Offering, see the Application Agreement.

IMPORTANT INFORMATION

No investment may be made on the basis of this term sheet. By making an investment, investors will be deemed to have reviewed and agreed to the contents of the Application Agreement referred to under the section Documentation above. This term sheet is confidential and not for general distribution and shall not constitute an offer to buy, sell or subscribe for any securities. The term sheet is not for distribution in the United States, except in certain circumstances to Qualified Institutional Buyers, as defined in Rule 144A under the US Securities Act and to "major U.S. institutional investors" as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934. No public solicitations relating to a possible transaction in connection with the term sheet are being made or will be made, directly or indirectly, in the United States. Any securities that may be delivered in connection with the term sheet will not be registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Each applicant understands and agrees that neither the Company nor the Managers have made any representation to it, express or implied, with respect to the merits of the Equity Offering, the subscription of the Offer Shares allocated to it, the condition, financial or otherwise, of the Company, or any other matter relating thereto, and nothing herein shall be construed as a recommendation to subscribe to the Offer Shares and no responsibility is or will be accepted by the Company and/or the Managers or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this term sheet or, any other part of the Offering Materials or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

The Managers are acting for the Company and no one else in connection with the Equity Offering, and will not be responsible to anyone other than the Company for providing the protections afforded to customers of the Managers or for providing advice to any other person in relation to the Equity Offering or any other matter referred to herein.

Please see the Application Agreement for further applicable selling and transfer restrictions, investor representations and other terms and conditions governing applications in the Equity Offering.