



# Diamond Offshore

Fearnley Securities Offshore Drilling Seminar

New York / London

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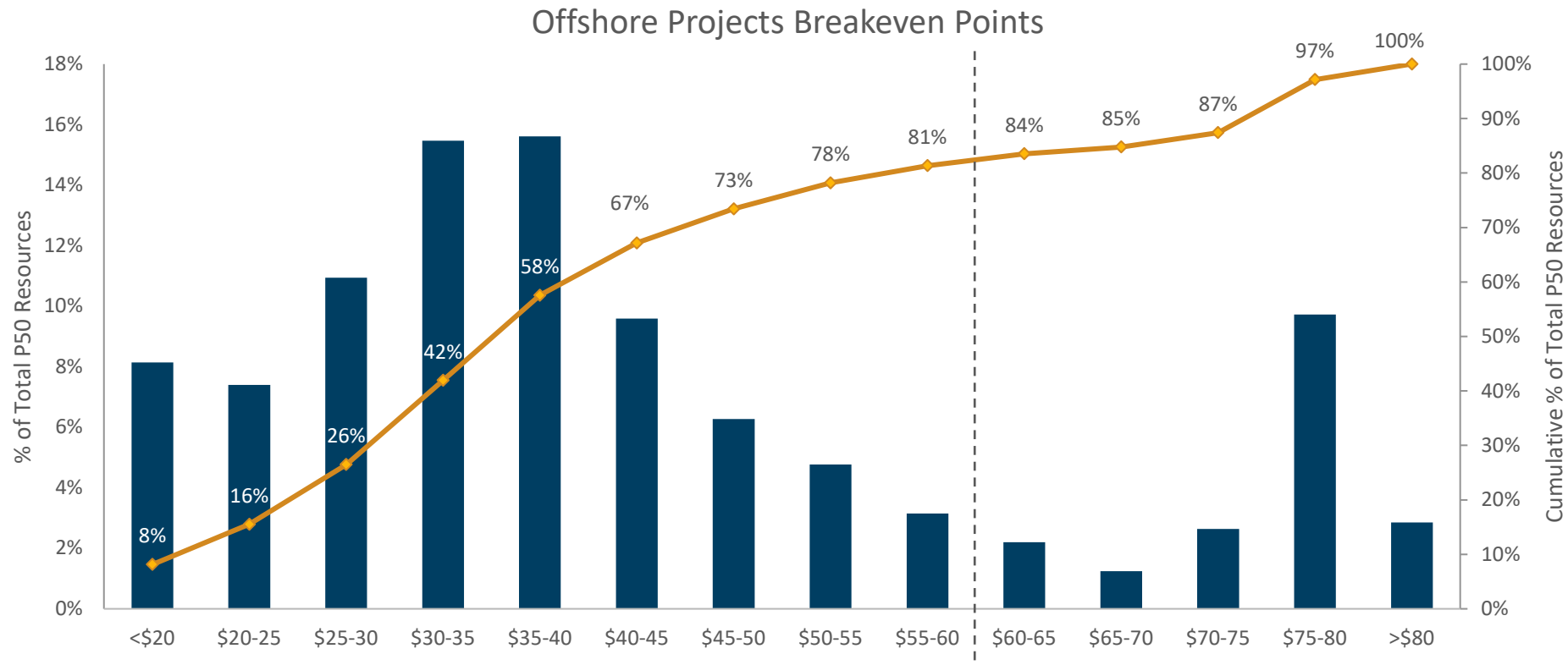


# Market Fundamentals



# Breakeven Oil Prices for Undeveloped Offshore Reserves

- Over 80% of offshore projects profitable above \$60 Oil

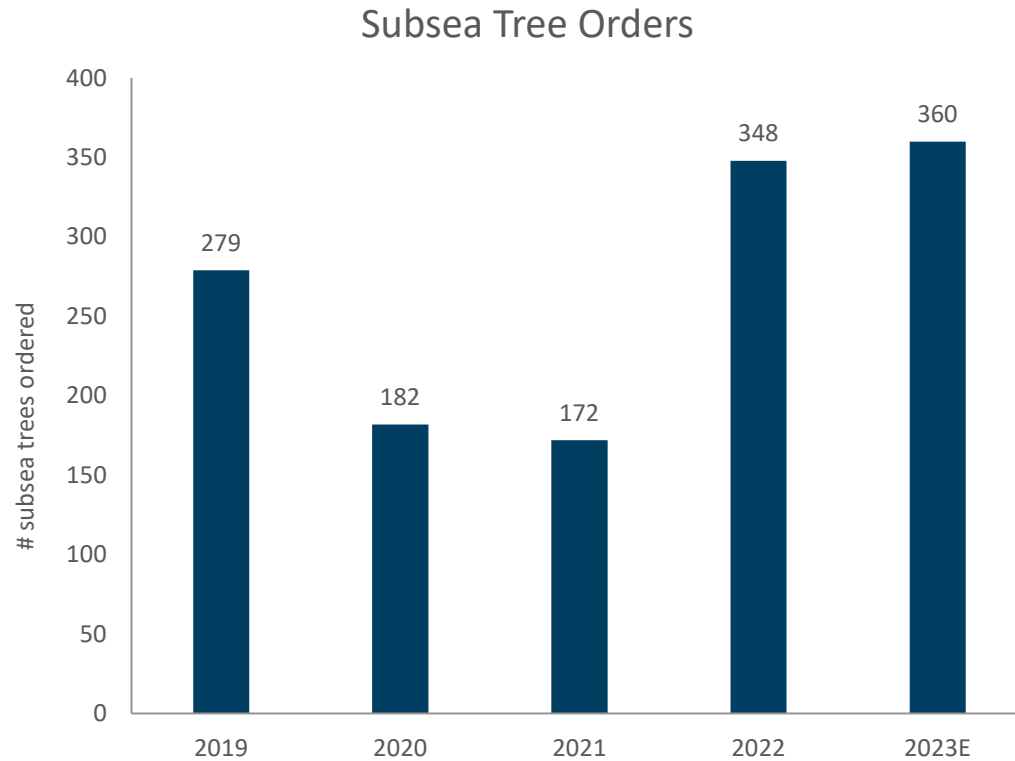


Note: P50 Resources are such offshore resources where there is at least a 50% probability that the quantities recovered will equal or exceed the best estimate.

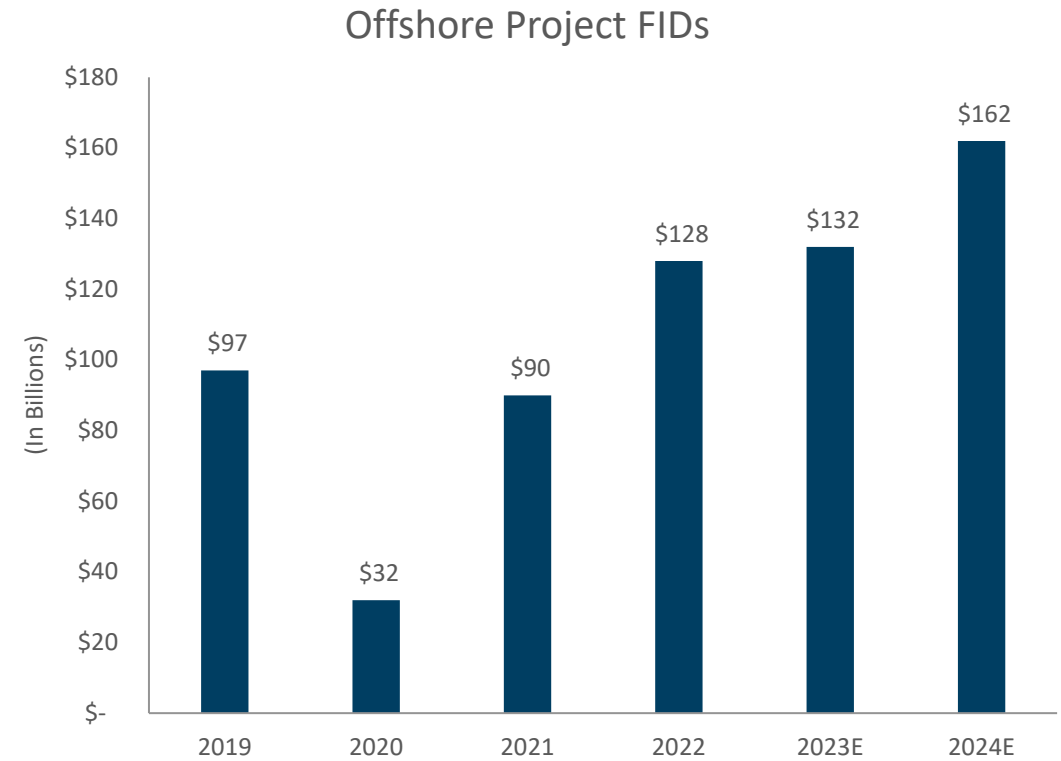
Source: Rystad

# Energy Poised for Multi-Year Upcycle

- Growth in subsea tree orders and FIDs support long tail of activity in offshore drilling



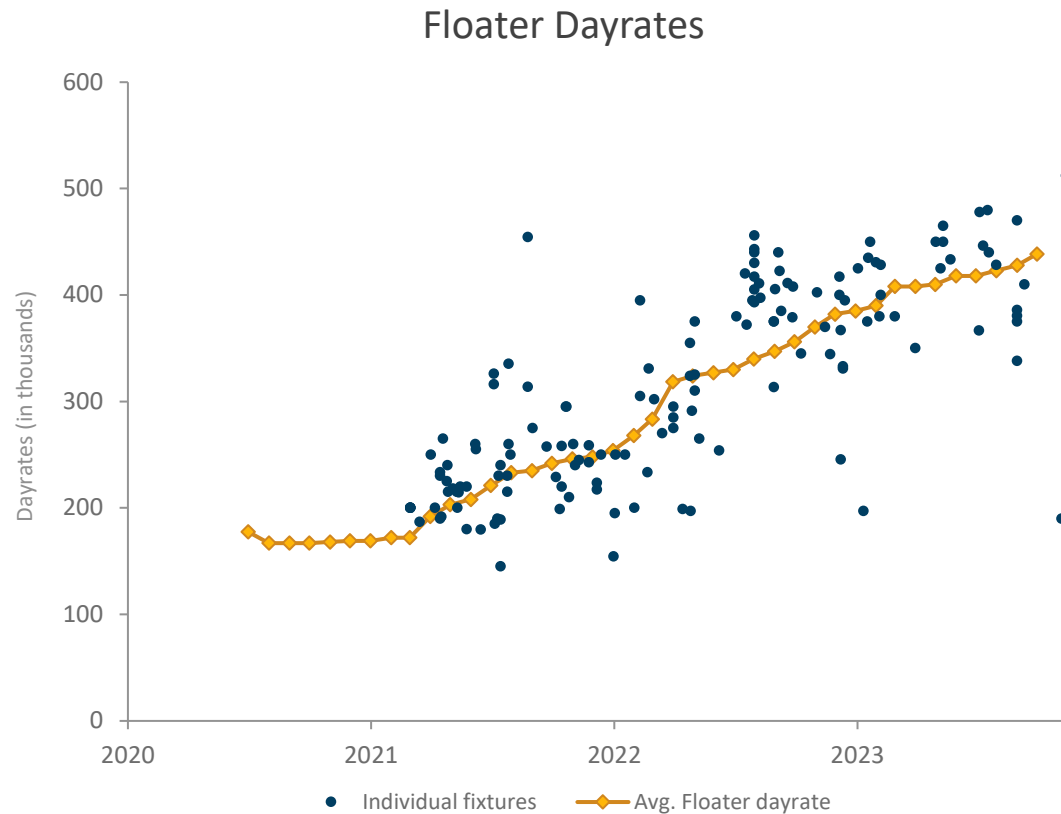
Source: Wood Mackenzie, Company Reports, Barclays Research



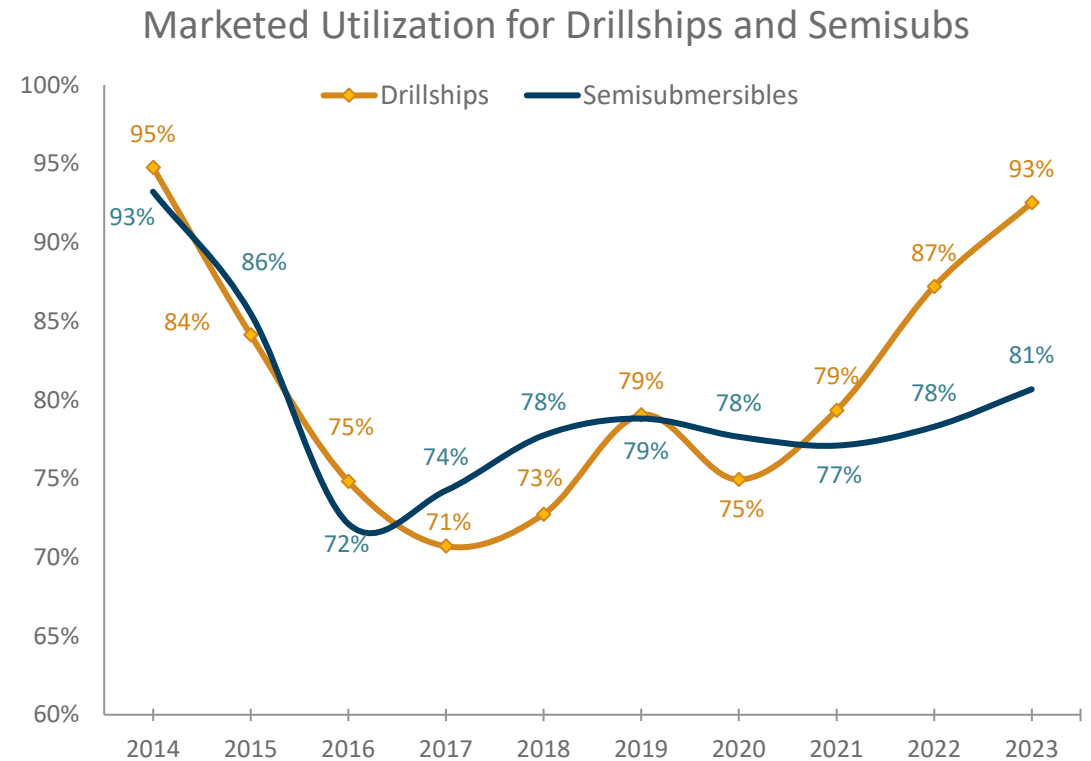
Source: Wood Mackenzie, Company Reports, Barclays Research

# Dayrates and Marketed Utilization Continue to Improve

- Dayrates and marketed utilization at highest levels since prior peak



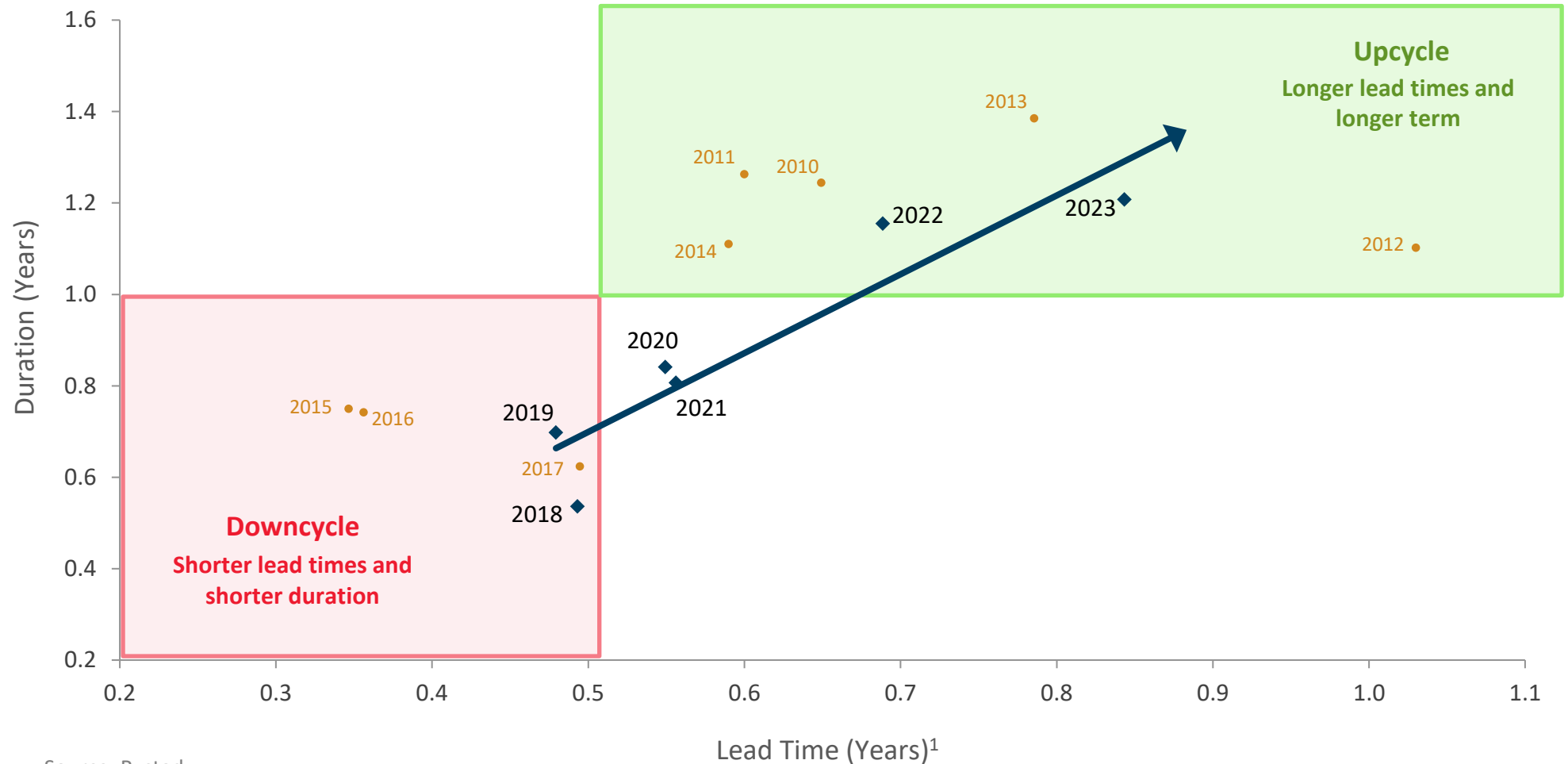
Sources: Clarksons Platou Securities AS, Clarksons Research Services Ltd., RigLogix



Source: S&P Global

# Contract Lead Times and Durations Confirm Upcycle

- 2023 fixtures confirm industry upcycle



Source: Rystad

1) Represents time from contract execution to contract commencement. 2023 does not include awards expected from recent Petrobras tenders.



# Diamond Offshore

Investment Highlights and  
Financial Profile







# Key Company Highlights

## Recovery in Offshore Drilling

Improving market fundamentals leading to contracting dayrates of \$400k-\$475k/day for high spec 7G ultra deepwater drillships; DO marketed fleet is 75% contracted for 2024<sup>1</sup> at meaningfully higher dayrates

## High Quality Fleet

Technically capable drillship fleet with a rig portfolio of high spec 7G ultra deepwater drillships and semis levered to the best markets and demand dynamics

## Deepwater Driller of Choice

DO is a preferred partner with long relationships with major multinational energy companies across all geographies

## High Utilization of Fleet

The quality of Diamond's rigs and services is demonstrated by 92% average marketed utilization from 2017-2022 for its full fleet, and in excess of 98% for its BlackShips over the same period

## High Relative Backlog

\$256mm in recent backlog wins reflects strong customer relationships, operational excellence and safety performance

## Improving Financial Performance & Line of Sight to Deleveraging

Targeting decreased leverage to ~1.0 to 1.5x by YE 2024; company will have no near-term maturities and reducing capital intensity from completion of reactivation expenditures, and ample liquidity

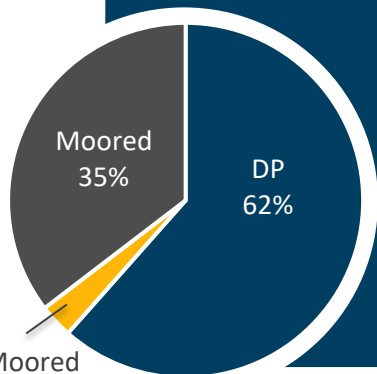
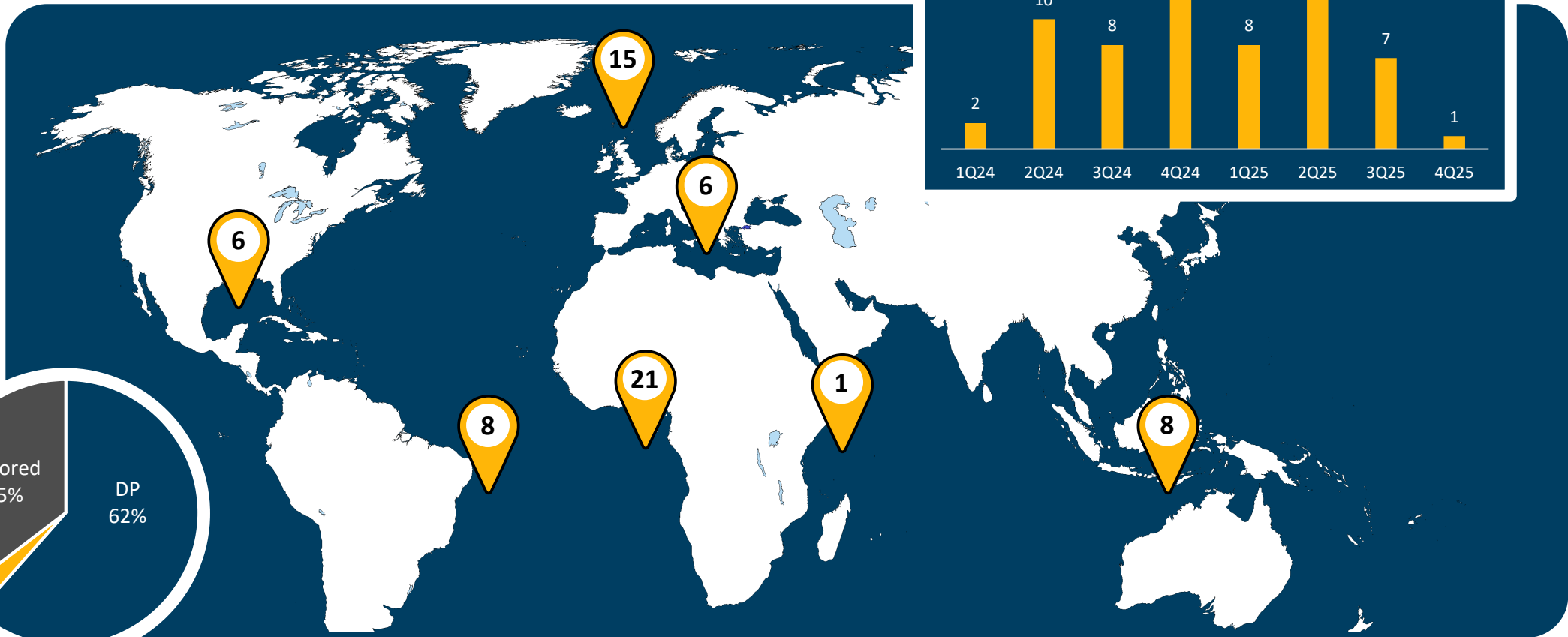
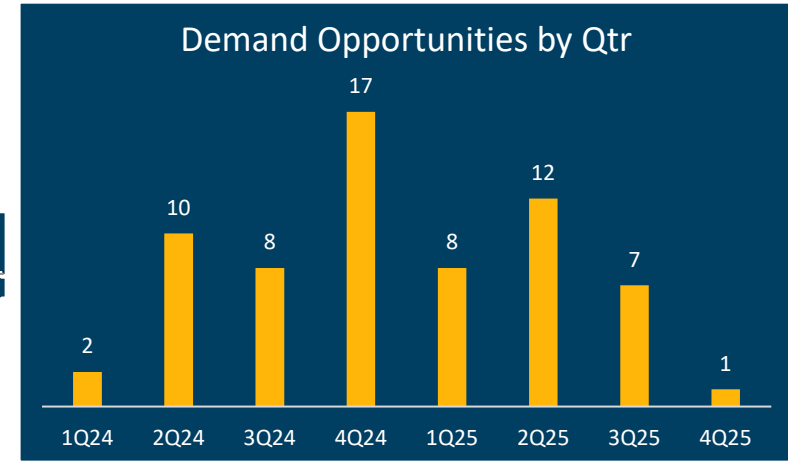
Source: Company filings and disclosures

1) Includes priced options for the BlackHawk and GreatWhite.

# 65 Floater Opportunities<sup>1</sup> Commencing through 2025



- **65** opportunities
- **77** rig years of demand
- **38** customers

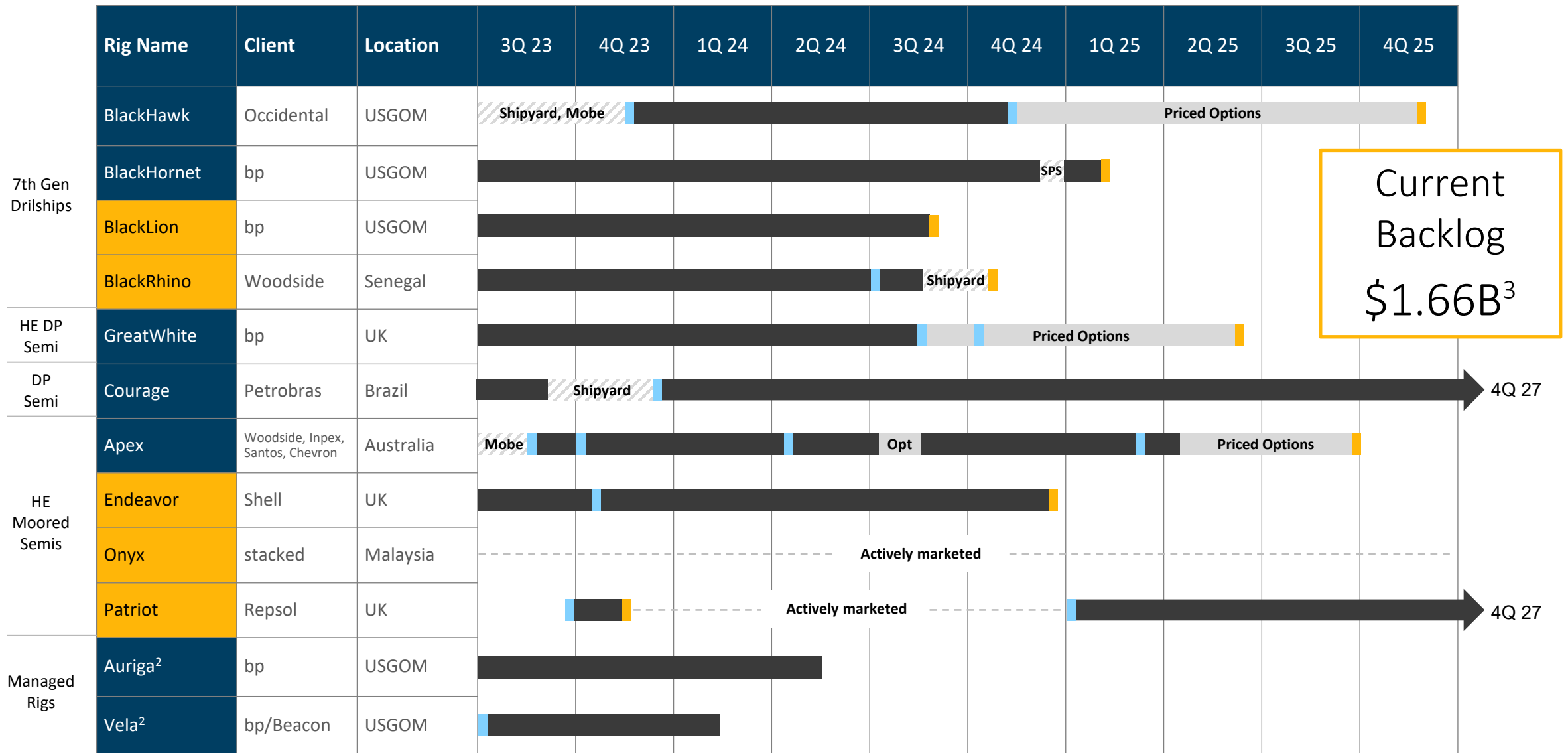


DP/Moored  
3%

1) Source: Diamond Offshore marketing analysis – represents opportunities that have been published or privately discussed with operators.



# Diamond Fleet Status<sup>1</sup>



■ Near-term repricing opportunities    
 ■ Indicates contracted dayrate increases  
■ Indicates repricing opportunities

Note: HE = Harsh Environment. DP = Dynamically Positioned. Excludes rigs not currently marketed.  
 1) As of Nov 7, 2023. 2) Managed rigs. Assumes rigs no longer managed after firm term.  
 3) As of Oct 1, 2023 plus contracts announced Nov 6, 2023 and Nov 13, 2023.



# Illustrative EBITDA and Cash Flow Potential

Key asset classes	Highlights	Hypothetical Day Rates (\$000s Per Day)	Illustrative Annual Rig EBITDA potential (\$M) <sup>2</sup>
4x 7th gen. UDW Drillships	<ul style="list-style-type: none"> <li>Best-in-class UDW Drillships</li> <li>Attractive availability windows</li> <li>Fully contracted since delivery</li> </ul>	\$430 – \$500	\$348m – \$418m
1x HE DP Semi	<ul style="list-style-type: none"> <li>Unique asset built for ultra harsh opportunities</li> <li>Contract commenced Q1 '23</li> </ul>	\$285 – \$450	\$61m – \$112m
1x Benign DP Semi	<ul style="list-style-type: none"> <li>Brazil awarded multiple rigs for 2023+</li> <li>Committed into 2027</li> <li>Low Opex with fully nationalized crews</li> </ul>	\$275 – \$325	\$45m – \$58m
4x HE Moored Semis <sup>1</sup>	<ul style="list-style-type: none"> <li>Supply side drastically changed</li> <li>Typically follows tightening UDW market</li> <li>Cost and emission friendly</li> </ul>	\$170 – \$350	\$139m – \$192m
			<b>\$593m – \$780m</b>
Approximate G&A and Indirect Costs <sup>3</sup>			(\$165m) – (\$180m)
Illustrative EBITDA Potential			<b>\$428m – \$600m</b>
Additional Cash Payments <sup>4</sup>			(\$175m) – (\$200m)
Illustrative Free-Cash Flow Potential			<b>\$253m – \$400m</b>

- 2 x stacked moored semis and managed units not included in EBITDA calculation
- Assumes 100% utilization for benign DP semi, 95% for drillships/HE DP semi, and 85% for HE moored semis. Assumes revenue efficiency of 95% for all classes.
- Includes SG&A, shorebase and indirect costs
- Includes average annual capex, taxes, interest and BOP Lease payments





## Profitable Growth

- ◆ Recent contract wins at improving dayrates drive EBITDA and cashflow growth
- ◆ Favorable repricing opportunities with contract renewals in 2024 and 2025



## Investment Focus

- ◆ Significant EBITDA and cashflow expansion in 2024 and 2025
- ◆ Disciplined approach to capital deployment



## High-Spec Fleet and Best-in-Class Customers

- ◆ A demonstrated history of operating a high spec fleet
- ◆ Has maintained long-standing relationships with blue chip clients



## High-Quality Credit

- ◆ Minimal near-term maturities, ample liquidity and substantial deleveraging

**The Diamond Difference™**



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