

# AF Day

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January 17th, 2024



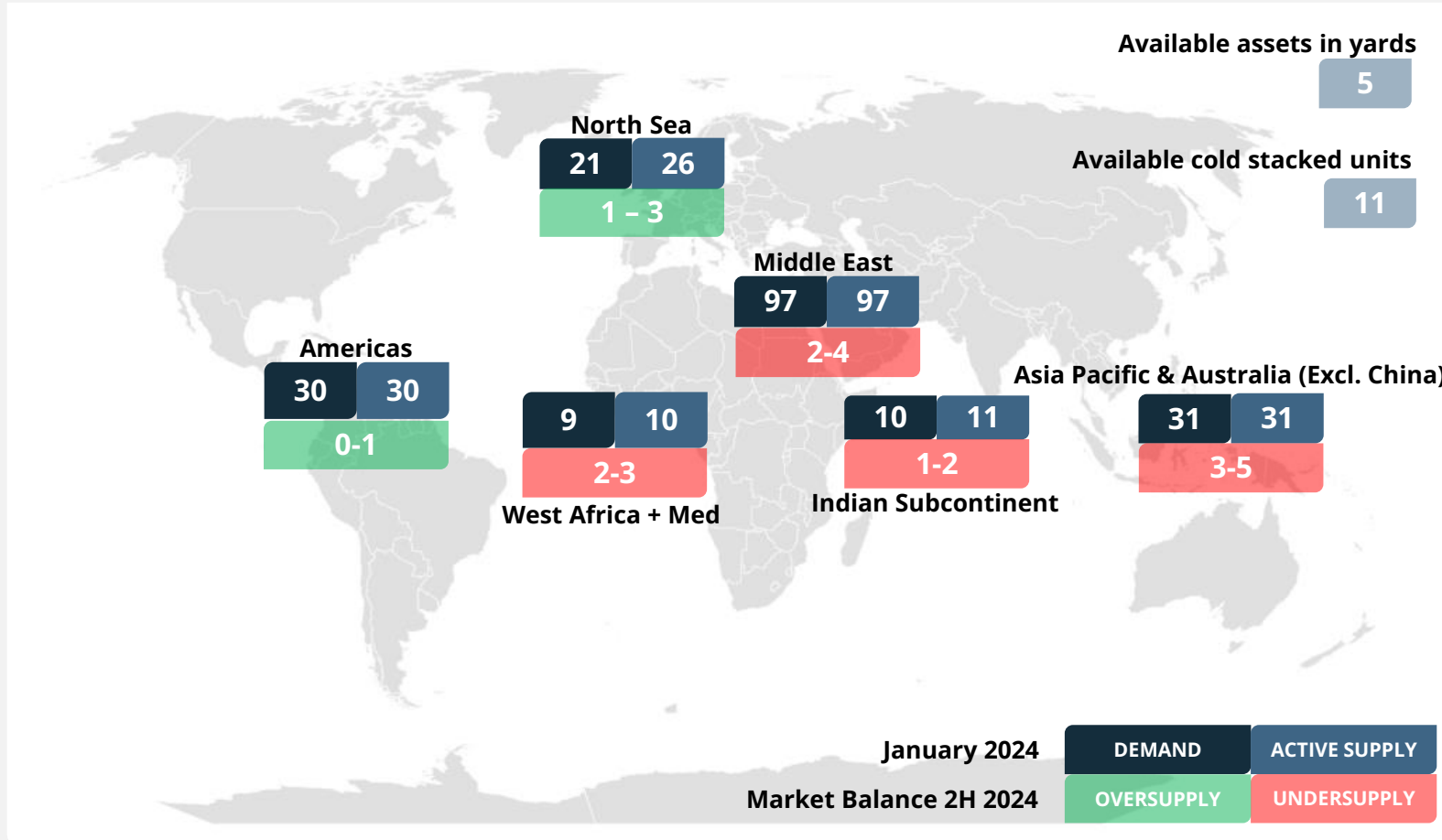
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# Modern Jackups – Regional Distribution Today vs 2H-2024 (Projected)



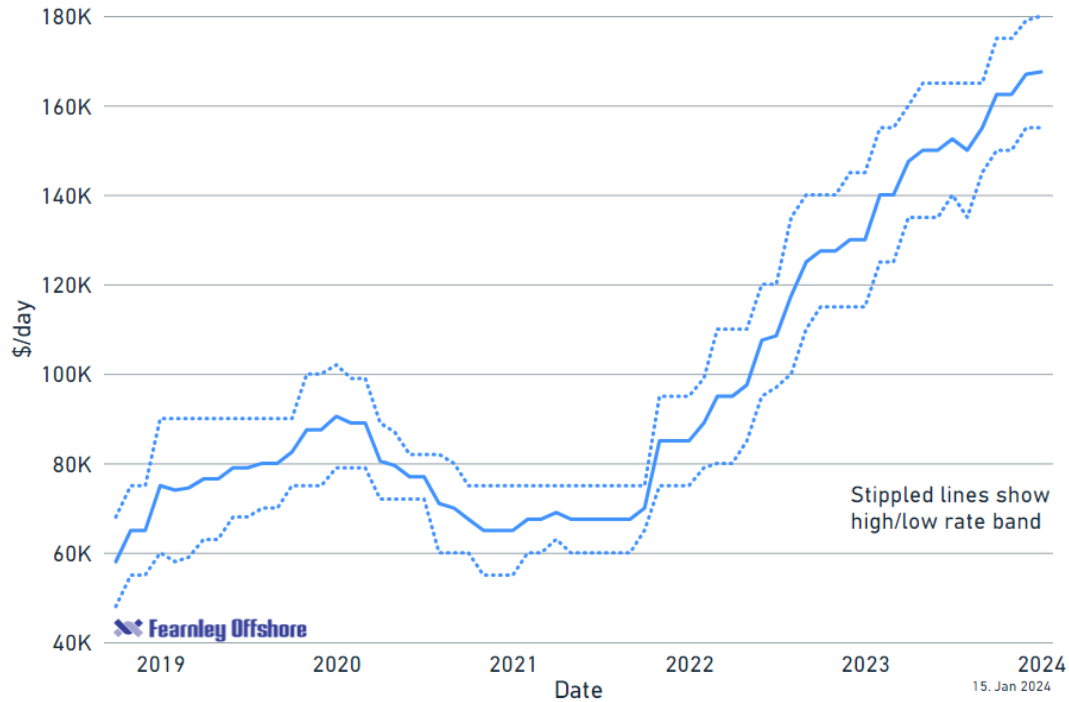
- 2024 looking strong and we foresee the main regions to be undersupplied.
- Harsh Environment units are normally less suitable for Non-Harsh applications outside the North Sea.
- Lead time to reactivate any of the cold stacked units are expected to be 9-15 months.
- Rates will continue to climb.

\* We have counted current North Sea Jackups, Noble Regina Allen and Shelf Drilling Perseverance, in Americas and Asia Pacific & Australia, respectively.

# Modern Jackups – Day Rate Assessment



## Current Market Pricing Trend



Name	Rate Assessment	Trend	1 Month	3 Months	6 Months	12 Months
Modern Jackups	\$155K - \$180K	↗	0%	+3%	+10%	+29%

The day rate assessment is representative of where we see current pricing.

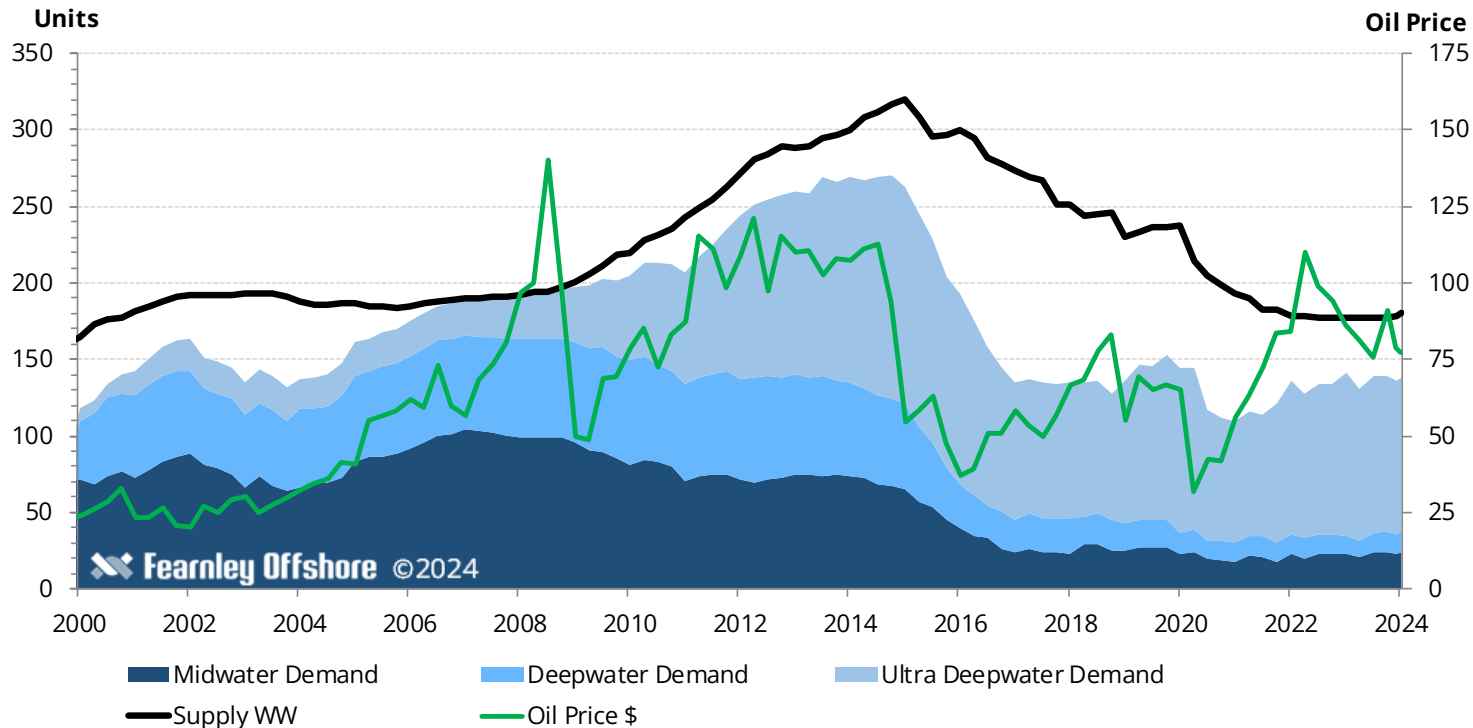
- Day rates for Non-Harsh Jackups have more than doubled over the past three years.
- Day rates have reached a healthy level and will continue to increase during 2024.
- Still a large spread in day rates being offered as we are seeing different pricing behaviors between different contractors.
- In the end, the contractors continue to maintain the pricing power.



# Floater Market Overview



## Midwater, Deepwater and Ultra Deepwater Floaters

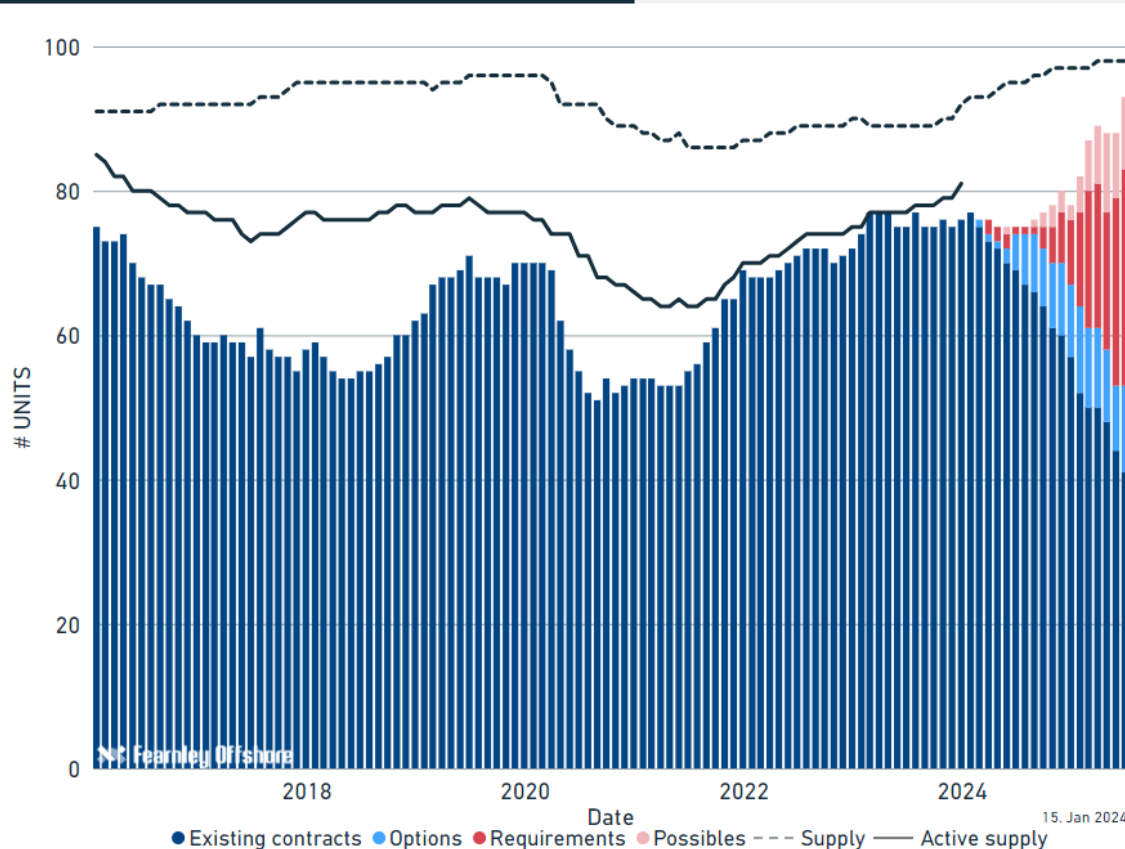


- Following steady demand since 2021, in the golden triangle, particularly for drill ships, the market is now well balanced.
- Short-term availability expected in H1 2024, particularly in the semi-submersible and lower-technically capable drillship segments.
- The semisubmersible market has been the most fragile with several units warm stacked.
- 73% of all 2023 fixtures were drillship awards.
- Regardless, active utilization maintained a healthy level, reaching a low of 92% in 2023.
- We anticipate further growth in overall rig utilization in the latter half of 2024.

# 6<sup>th</sup> & 7<sup>th</sup> Generation Drillships – Market Overview



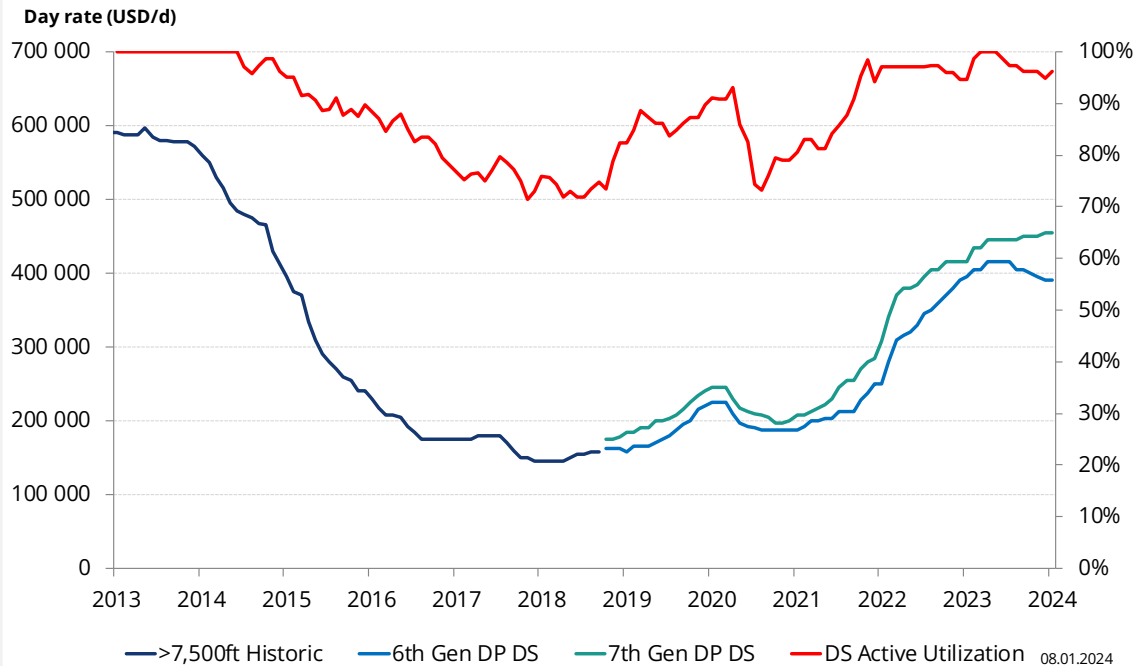
## Supply & Demand Forecast




- A delicate market balance is anticipated in 2024, with utilization nearing 100% in the latter half of the year.
- Demand is primarily fuelled by established markets, particularly for higher-end drill ships.
- The current temporary market softness is expected to persist in 1H 2024, mainly due to the misalignment of demand entering the market.
- The average lead time has extended to 9-12 months, and the average contract term has increased to 1 year.
- We anticipate over 20 tenders in 2024, with terms extending beyond one year, and several operators have already issued tenders for contracts ranging from 3-5 years.

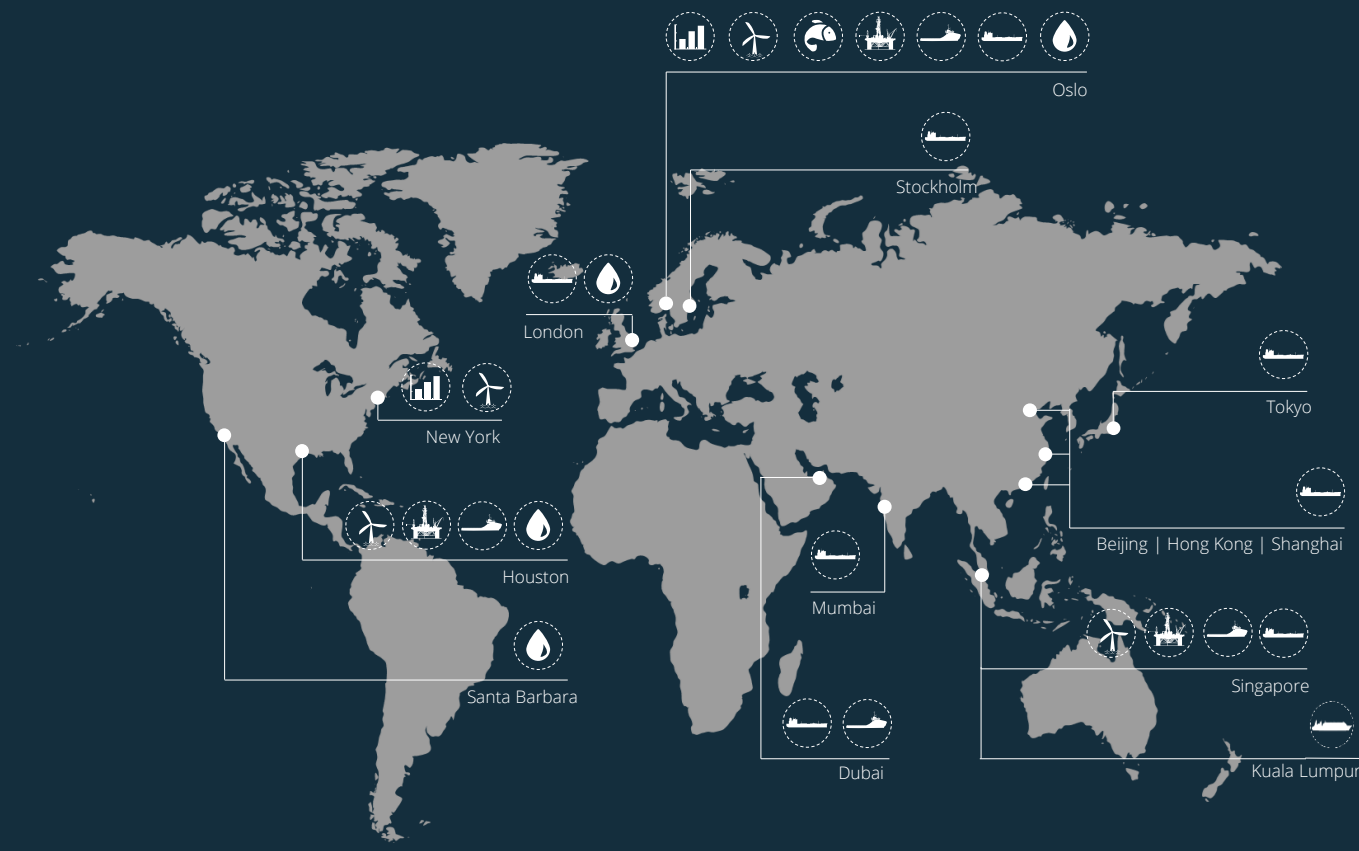


## 6<sup>th</sup> & 7<sup>th</sup> Generation Drillship – Market Rate Assessment



- 2023 saw a similar amount of backlog added as in 2022. However, we have seen a bifurcation in the market and rates
- High specification rigs have continued to move rates forward pushing averages toward \$500k mark
- On the flipside, drillers have had to price competitively their lower specification units to ensure utilization.
- Overall, drillers in general have maintained disciplined in their approach to pricing, which has allowed rates to move upwards

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