AF Day

January 22nd 2025

Fearnley Offshore

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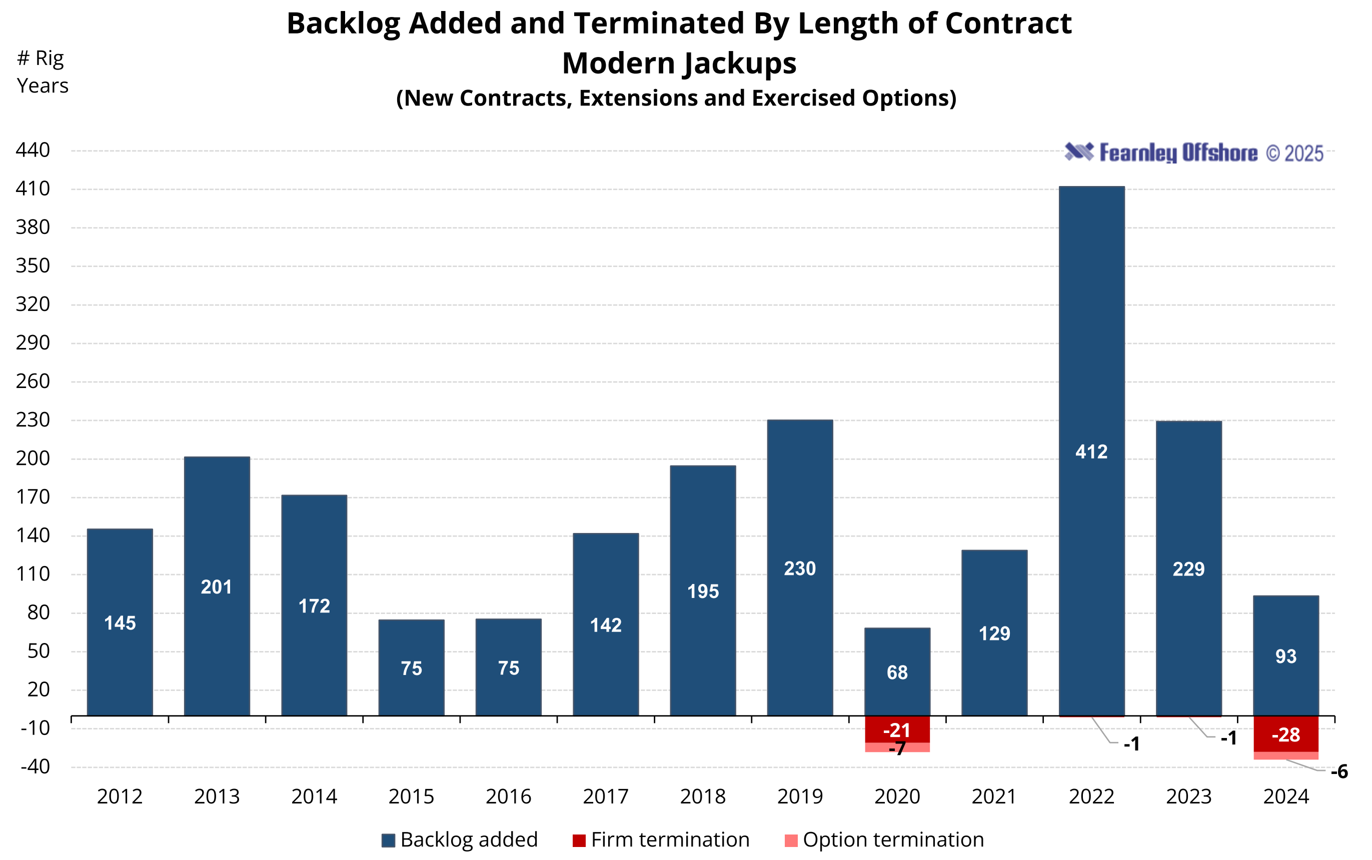
2024 – Low fixture activity & suspensions

Fixture Activity



2024 summarized

Fixture activity almost at Covid levels

- 93 years of backlog added
- 28 years of backlog terminated
  - (added net 65 years)

32 units put on suspension by Saudi Aramco

- 25 Modern JUs
- 7 Standard units

Active utilization dropped by 8%

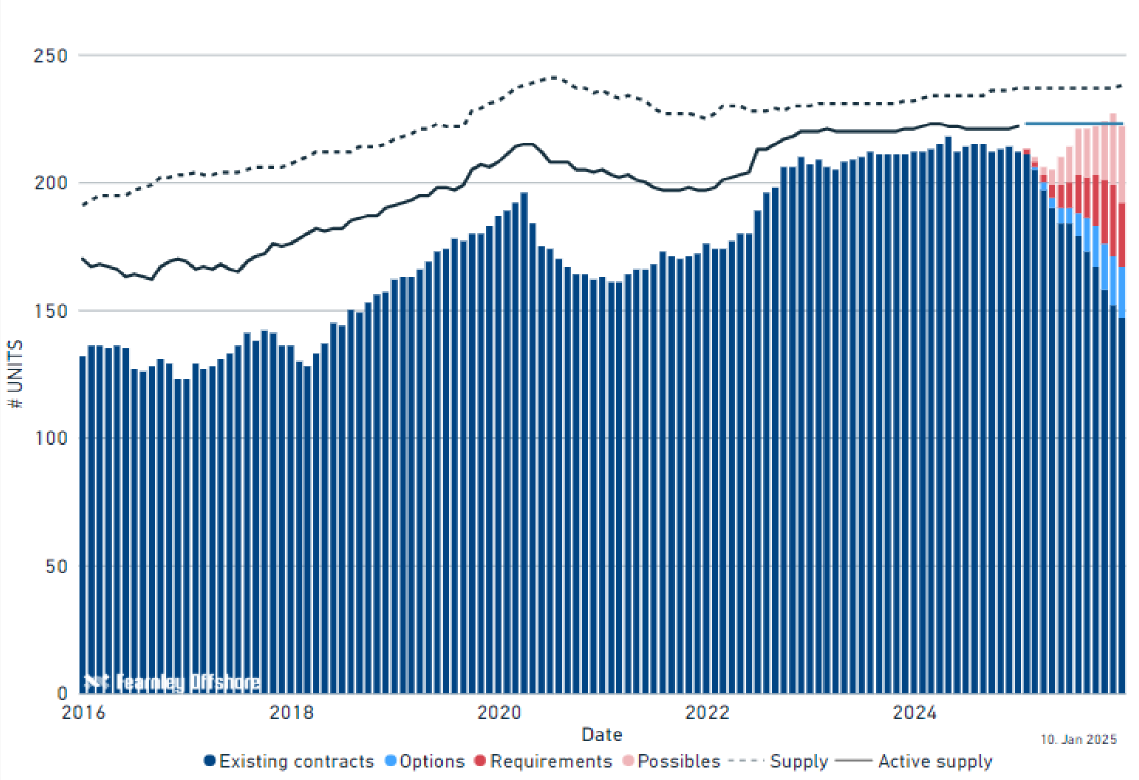
- Jan 2024: 96% -> Jan 2025: 88%

Regions:

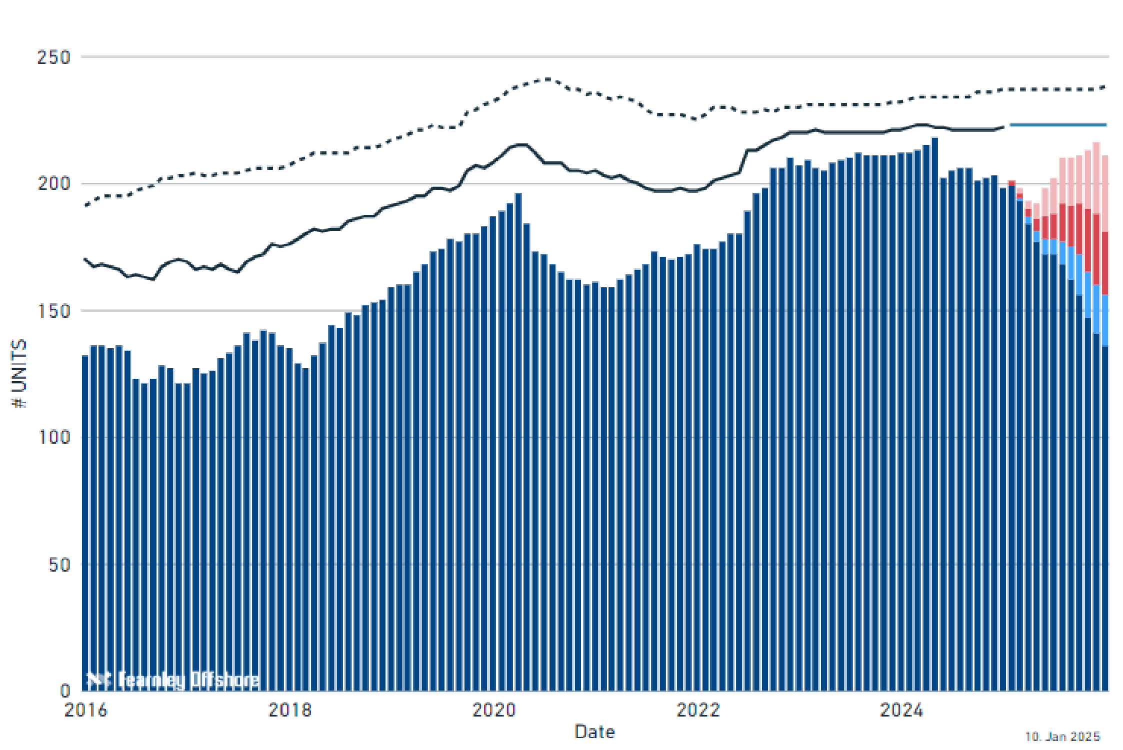
- **Asia Pacific & Middle East:** These regions went from undersupplied to oversupplied
- **West Africa:** Leading dayrate region, still undersupplied with more incremental demand than any other regions
- **GoM (Mexico):** "Same same, but different"

Modern Jackups Supply & Demand Outlook – Current reality of the Saudi effect

«Normal market outlook chart»



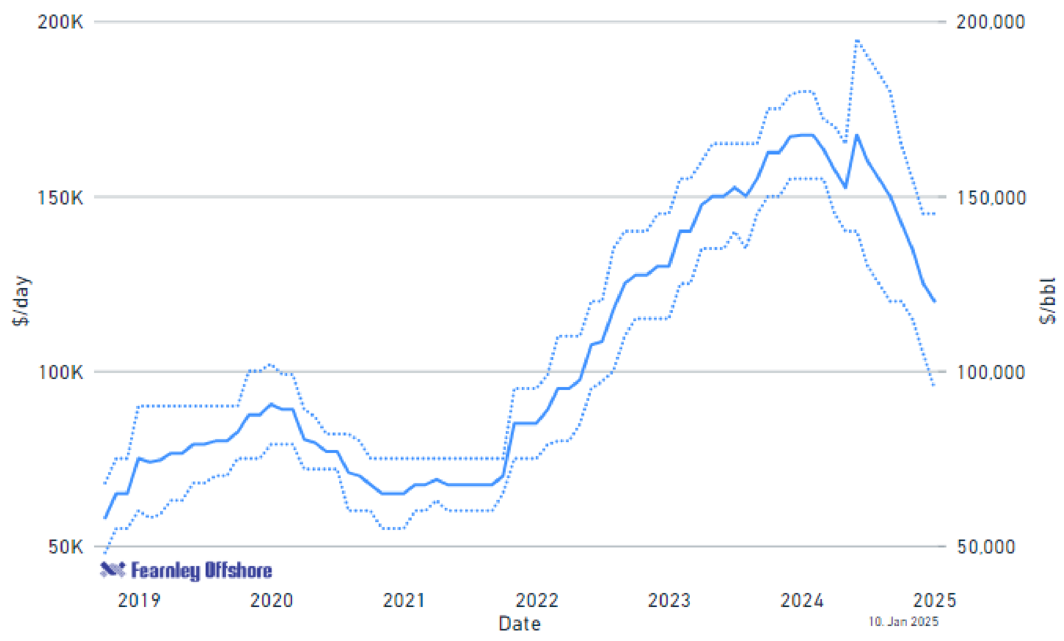
Saudi Effect



** Shows suspended units as available and foresee they are not being called back to their respective contracts*

Modern Jackups – Day Rate Assessment

Current Market Pricing Trend



Current Market Pricing

Name	Rate Assessment	Trend	1 Month	3 Months	6 Months	12 Months
Modern Jackups	$95K - $145K	↘	-4%	-16%	-25%	-28%

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

Day rates for Non-Harsh Jackups have declined almost 30% in 12 months.

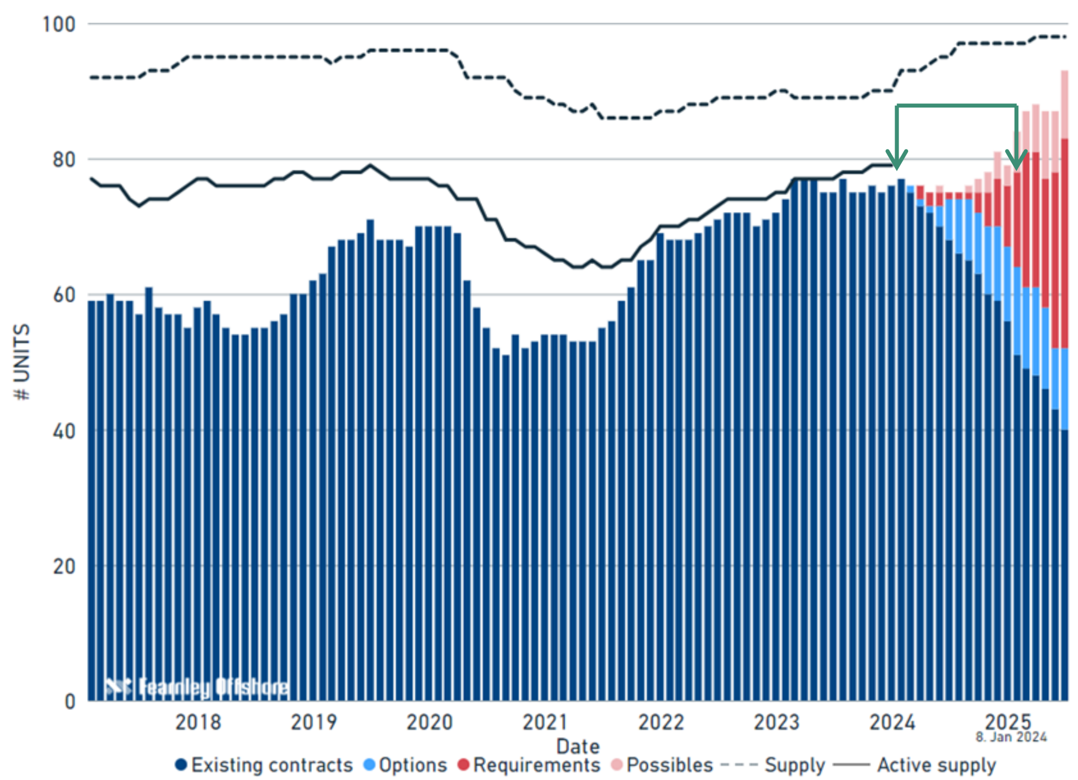
Lower end of the day rate band presents the undisciplined contractors.

Still a large spread in day rates being offered as we are seeing different pricing behaviors between different contractors.

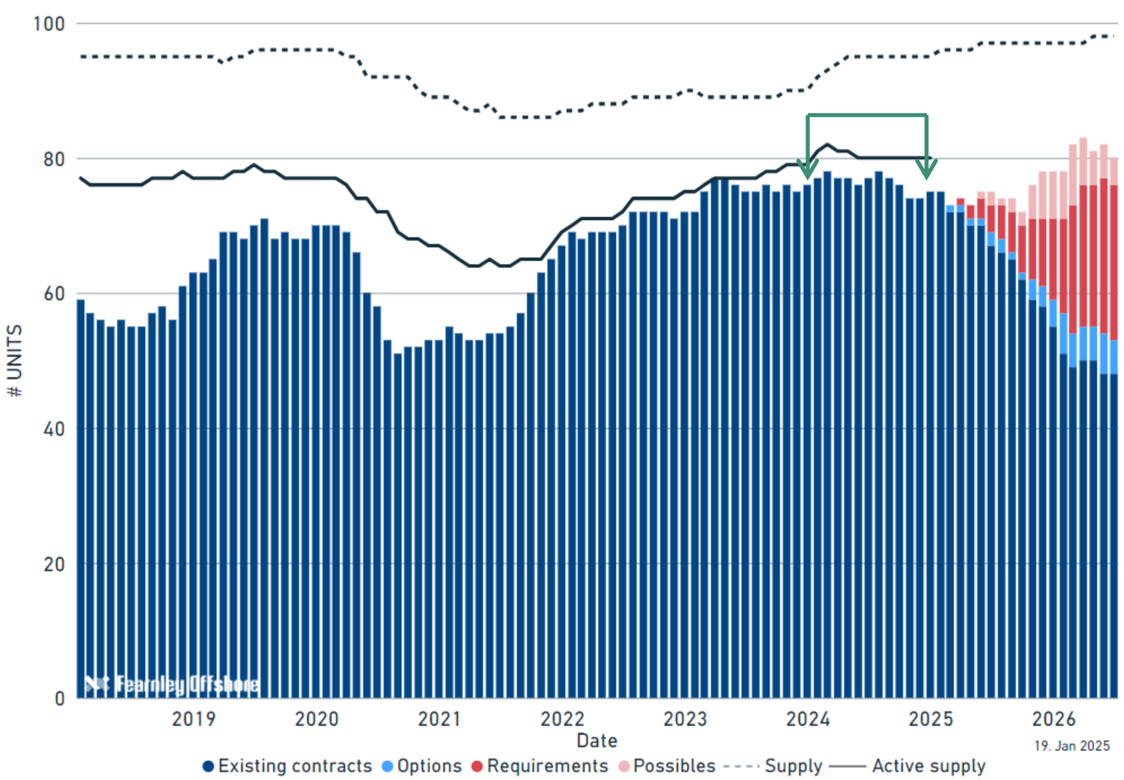
We could see rates flatten out at these levels if contractors stay disciplined.

6th & 7th Generation Drillship Supply & Demand Outlook – Struggling to break 80

2024 Forecast

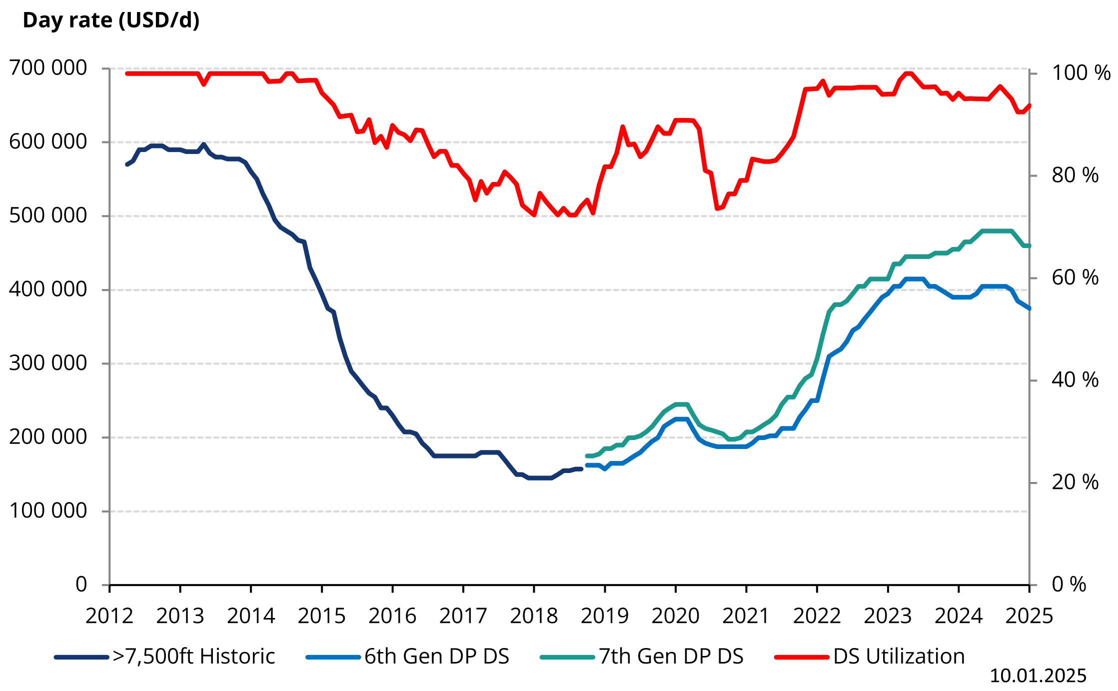


2025 Forecast



Market Rates

6th & 7th Generation Drillship – Market Rate Assessment



- In 2024, rates peaked mid-summer and have since stabilized and in some instances declined.
- Relatively flat demand has prevented rates from moving upward in 2024.
- Some drillers have secured contracts at lower rates to maintain short term utilization.
- 2H 2025 demand has slipped into 2026, mainly driven by oil companies' capex allocation and timing to execute projects rather than a lack of prospects.
- We expect the spread in rates within each segment to continue growing in 2025 until the utilization of lower-end units increases.
- However, high end technical units continue to be offered at the high end of the rate band for 2026 work.

SUMMARY

- Consolidation in the Jack-Up market may not be impactful, but discipline and cold stacking could support a strong recovery.
- Further consolidation in the floater market is being explored and could materialize in 2025.
- The drillship market remains delicately balanced, with several units needing to be contracted in 2025 to maintain current utilization levels.
- On the other hand, even modest additional demand could have a significant impact on utilization and rates.
- While 2025 might be underwhelming, increased fixture activity is expected from mid-2025 onwards to address 2026 demand.
- Contractors can control the number of rigs being actively marketed, but not the timing of demand.

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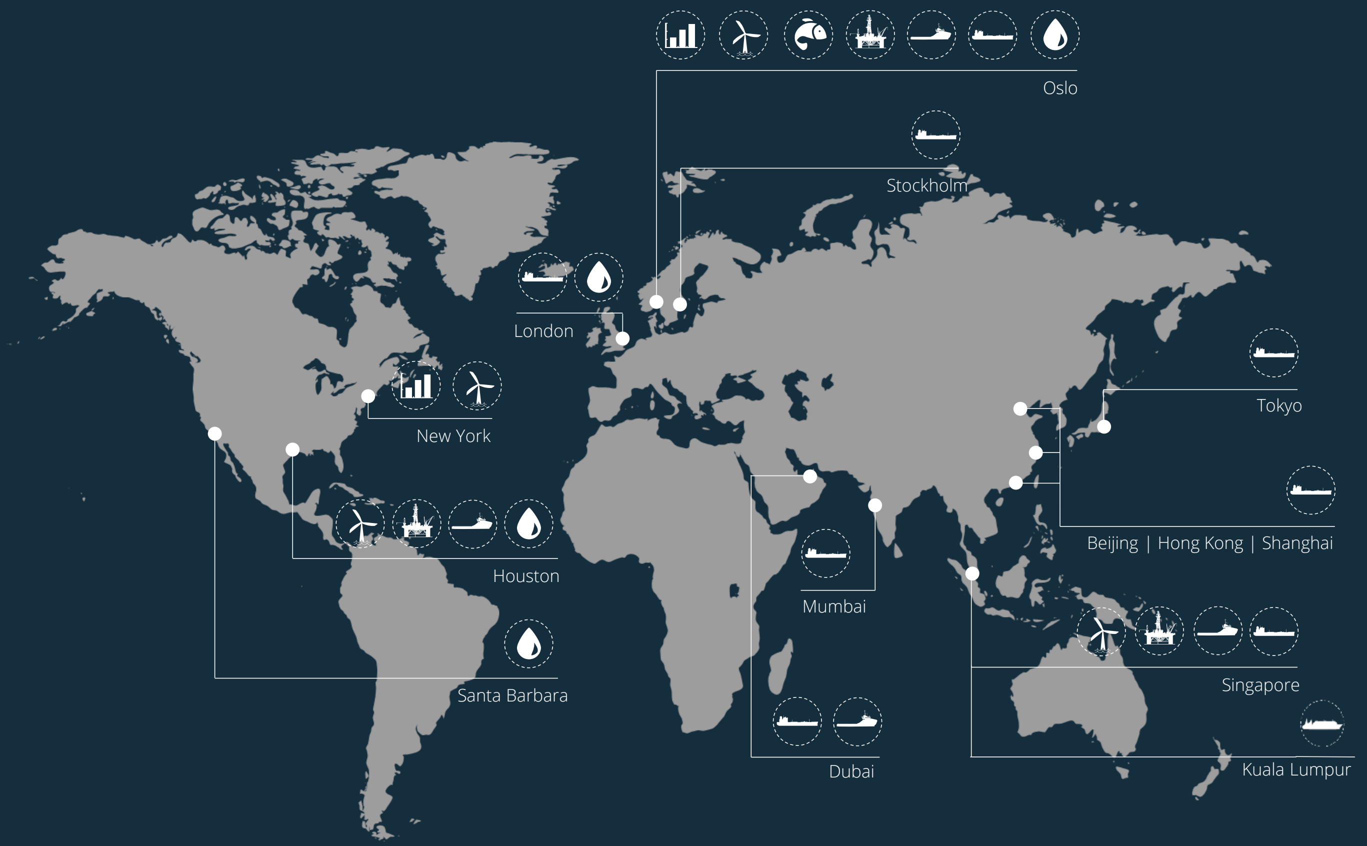

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