



INTERIM FINANCIAL INFORMATION

NORAM DRILLING AS

FIRST QUARTER 2026



Oslo, Norway, May 27, 2026. NorAm Drilling AS (the “Company” or “NorAm”), today reported unaudited results for the three months ended March 31, 2026:

HIGHLIGHTS

- Reported Revenues of MUSD 26.2
- Adjusted EBITDA⁽¹⁾ of MUSD 4.5
- Fleet utilization of 90.3%
- Current revenue backlog of MUSD 23.3

Marty L. Jimmerson, Chief Executive Officer of NorAm Drilling AS commented:

During the first quarter, our two idle rigs went back to operation. We were pleased to achieve 100% fleet utilization by quarter end, especially considering this was accomplished while Permian rig count declined 6 rigs during the same period. This reflects our continued strong operational performance and further high grading of our customer base with 7 of 11 rigs contracted by major E&Ps.

With our industry-low cost base and zero debt, we continue to return capital to shareholders despite challenging market conditions, demonstrating the strength of our unique model. We paid MUSD 3.9 or NOK 0.88 per share in monthly dividends during the quarter and have declared two additional dividends after quarter end. Our rigs continue to rank among the very top performers in the U.S shale market measured in feet drilled per day and we believe NorAm’s rigs should be well positioned to benefit from a market recovery.

(1) Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization plus non-cash stock option expense.

BUSINESS SUMMARY

NorAm Drilling AS owns 100% of NorAm Drilling Company, a Texas corporation, collectively referred to as NorAm or the Company herein. NorAm owns and operates a quality rig portfolio of “super spec” advanced high-end AC driven rigs tailored for the drilling of horizontal wells in the US land drilling market. NorAm’s rigs are designed to combine the cost efficiency of a compact rig with the versatility of different rig classes, enabling the rigs to cover a broad range of wells for both liquids and gas.

As of the date of this report, 100% of the Company’s rigs are contracted and working. Our contracts currently range from multiple well pads (typically 2-3 month intervals per pad) up to 12-month terms.

OPERATIONS

During 1Q 2026, NorAm achieved a 90.3% utilization compared to 82.6% utilization in 4Q 2025.

Rig operating costs were lower in 1Q 2026 compared to the prior quarter as a result of lower reimbursables partially offset by reactivation costs. We have low general and administrative costs and maintenance capital expenditures and believe this continues to provide us with the lowest cash break even per operating day in the industry.

FINANCIALS

NorAm had revenue of MUSD 26.2 during 1Q 2026 compared to MUSD 26.5 during 4Q 2025. The decrease in revenue is primarily attributable to lower reimbursables, partly offset by higher utilization. We generated an operating profit of MUSD 3.0 in 1Q 2026 compared to an operating profit of MUSD 2.0 in 4Q 2025. The increase in operating profit is attributable to higher utilization. We generated Adjusted EBITDA of MUSD 4.5 in 1Q 2026 compared to MUSD 3.7 in 4Q 2025.

Net cashflow from operational activities was MUSD 2.0 for the three months ended March 31, 2026 compared to MUSD 5.3 for the three months ended December 31, 2025. Capital expenditures were MUSD 1.2 during the first quarter primarily related to upgrades for customer requirements for both reactivated rigs.

The Company is debt free, and we paid MUSD 3.9 or NOK 0.88 per share in monthly dividends to our shareholders in the first quarter of 2026. The dividend distributions were made from the Company’s contributed surplus account which consists of previously paid in share premium transferred to the Company’s share premium account. The Company intends to continue paying future dividends based upon free cash flow and maintaining minimum available liquidity of approximately MUSD 11.0.

The Company has MUS\$ 4.5 available under a Revolving Promissory Note (“Revolver”) with a U.S. based bank for working capital and general corporate purposes. There were no borrowings outstanding under the Revolver as of March 31, 2026.

MARKET TRENDS AND OUTLOOK

WTI began the first quarter trading around \$58 per barrel, rising steadily to \$67 through February 28, 2026, when the Iran war commenced. WTI has continued to be volatile based upon the uncertainties surrounding the war, trading as high as \$113 and was trading around \$90 per barrel as of May 27, 2026. During the first quarter, US land rig counts increased by 3 to 530 rigs and Permian land rigs decreased by 6 to 241 rigs. US land rig counts and Permian land rigs are currently 536 and 250, respectively.

Based upon current commodity prices, ongoing uncertainty regarding the Iran war and discussions with operators, we continue to believe most major E&Ps are maintaining their original 2026 capital expenditure plans while some private operators are increasing theirs. We believe any further rig additions in the Permian will likely occur in 2H 2026 primarily as a result of limited supply of available hot stacked and fully crewed rigs.

Uncertainties surrounding the Iran war and broader global and domestic conditions are expected to continue to impact commodity prices. Near term, we expect rig counts, dayrates and contract terms, especially in the Permian, to remain stable. Any significant increase in active rig counts in the US and the Permian Basin during 2026 could result in increased dayrates upon contract renewals. We believe shale oil production levels in the US have likely peaked given the current rig counts. This further leads us to be optimistic longer term, especially for “super spec” rigs that we expect to remain in high demand in the Permian basin.

Condensed consolidated Income Statement

	Quarter Ended		Twelve Months Ended
	Mar 2026	Mar 2025	Dec 2025
<i>(All amounts in USD 1000s)</i>			
Revenue/Expense			
Sales	26,185	25,786	101,126
Other Income			
Total Operating Income	26,185	25,786	101,126
Payroll Expenses	8,815	8,660	33,170
Depreciation of Tangible and Intangible Assets	1,466	1,453	5,909
Rig Mobilization, Service and Supplies	7,917	6,673	29,561
Insurance Rigs and Employees	2,008	1,877	7,595
Other Operating Expenses	3,006	1,921	11,064
Total Operating Expenses	23,213	20,583	87,299
Operating Profit (+)/ Loss (-)	2,972	5,203	13,828
Financial Income and Expenses			
Other Interest Income	44	62	309
Other Financial Income	63	159	264
Other Interest Expenses		22	27
Other Financial Expenses	11	49	202
Net Financial Items	96	150	345
Profit (+)/Loss(-) before Income Tax	3,068	5,352	14,173
Income Tax Expense	500	200	-641
Net Profit (+)/Loss (-)	2,568	5,152	14,813

Condensed consolidated Balance Sheet

	Notes	Mar 2026	Dec 2025
<i>(All amounts in USD 1000s)</i>			
Assets			
<i>Tangible Assets</i>			
Rigs and Accessories	1	51,113	51,280
Vehicles and Office Equipment	1	465	595
Total Tangible Assets		51,578	51,875
Current Assets			
<i>Receivable</i>			
Accounts Receivable		14,889	12,244
Prepaid Expenses and Other Current Assets		940	1,775
Total Receivable and Other		15,829	14,020
<i>Cash and Cash Equivalents</i>			
Bank Deposits/Cash		7,282	10,385
Total Current Assets		23,111	24,404
Total Assets		74,689	76,279

Condensed consolidated Balance Sheet

	Notes	Mar 2026	Dec 2025
<i>(All amounts in USD 1000s)</i>			
Equity			
<i>Owners Equity</i>			
Issued Capital	2	12,580	12,580
Share Premium	2	69,917	69,819
Other Shareholder Contribution	2	369	369
Total Owners Equity		82,866	82,768
<i>Accumulated Profits</i>			
Other Equity	2	-28,622	-31,191
Total Accumulated Profits		-28,622	-31,191
Total Equity		54,244	54,577
Liabilities			
<i>Deferred Tax</i>			
Deferred Tax		2,841	2,841
Total deferred tax		2,841	2,841
<i>Current Liabilities</i>			
Accounts Payable		8,669	8,666
Tax Payable		508	1,754
Public Duties Payable		139	164
Other Current Liabilities		8,288	11,276
Total Current Liabilities		17,604	21,861
Total Liabilities		20,446	24,702
Total Equity & Liabilities		74,689	76,279

Condensed Consolidated Statement of Cash Flow

Quarter Ended

Mar 2026 Mar 2025

(All amounts in USD 1000s)

Net Profit (+)/Loss (-)	3,068	5,352
Tax paid	-866	-51
Depreciation of fixed assets	1,466	1,453
Change in accounts receivable	-2,645	1,228
Change in accounts payable	3	1,792
Change in other current balance sheet items	979	-226
Net cash flow from operational activities	2,005	9,549
Purchase of tangible fixed assets	-1,169	-641
Net cash flow from investing activities	-1,169	-641
Repayment of long term debt		
Issued capital		12
Dividends	-3,939	-5,220
Net cash flow from financing activities	-3,939	-5,208
Net change in cash and cash equivalent	-3,103	3,700
Cash and cash equivalents opening balance	10,385	8,365
Cash and cash equivalents closing balance	7,282	12,064

Note 1 - Accounting Principles

The condensed consolidated interim financial statement is prepared in accordance with the Norwegian accounting standard for interim financial statements, NRS 11.

Principles and policies are the same for the interim financial statements as in the last annual financial statements, that were prepared according to the Norwegian Accounting Act and generally accepted principles in Norway. For description of accounting principles we refer you the last issued Annual Financial Statement.

1-1 Income tax

The tax expense for management reporting and interim reporting purposes is a simplified tax calculation where the tax rate in the different jurisdictions are applied to the net result in the different jurisdiction booked against deferred tax/deferred tax asset. If a jurisdiction has a negative result, and no deferred tax asset is expected to be capitalized, no tax expense are calculated for that jurisdiction.

1-3 Property, Plant and Equipment

Property, plant and equipment are capitalized and depreciated over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition costs and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value in use. In assessing value in use, the discounted estimated cash flows from the asset are used.

Effective 1 January 2025, the Company evaluated and changed the remaining estimated useful life to 10 years on the remaining carrying values of its Rig and Rig related accessories. Vehicles and office equipment have estimated useful lifes for accounting purposes of 3-5 years.

1-4 Audit of management reporting/interim reporting

The interim financials are unaudited.

NOTE DISCLOSURE**Note 2 - Equity and Shareholders Information**

	Share capital	Share premium	Other paid in capital	Other equity	Total
Equity December 2025	12,580	69,819	369	-31,191	51,558
Profit/loss in the period				2,568	2,568
Change in dividends					
Stock option program		98			98
Issued Capital					
Equity March 2026	12,580	69,917	369	-28,622	54,224

The Company had MUSD 8.7 and MUSD 7.2 of dividends accrued as of December 31, 2024 and December 31, 2025. The company declared and paid dividends of MUSD 18.5 for the 12 months ended December 31, 2025. The Company declared and paid dividends of MUSD 7.2 subsequent to December, 31, 2025. All dividend distributions were from the Company's contributed surplus account which consists of previously paid in share premium transferred to the Company's share premium account.

Note 3 - Long term liabilities and covenants

The Company's subsidiary ("Borrower") has a Loan agreement with a U.S. based bank that provides for a Revolving Promissory Note ("Revolver") of MUSD 4.5. Use of proceeds for any borrowings under this Revolver are available for working capital and general corporate purposes based upon a borrowing base calculation equal to 70% of eligible accounts. As of 31 March 2026, there were no borrowings outstanding on the Revolver.

Note 4 - Key figures and ratios

<i>(USD mill)</i>	Q1	
	2026	2025
Revenue	26.2	25.8
Operating profit	3.0	5.2
Net profit before tax	3.1	5.4
EBITDA	4.4	6.7
ADJUSTED EBITDA	4.5	6.7
Equity to asset ratio	75.3 %	73.7 %
Total average number of shares (in mill)	43.3	43.1
EPS	0.06	0.04
Diluted EPS (Including options)	0.06	0.04

Definitions

EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization.

ADJUSTED EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization plus non cash stock option expenses.