Paratus Energy Services Ltd. Company update

Hamilton, Bermuda, March 17, 2023 - Paratus Energy Services Ltd. (“Paratus”) today announced the completion of the sale of all of Seadrill’s ownership interest in Paratus and general business updates on Paratus, its subsidiaries, and associated companies (“Paratus Group”).
Paratus intends to release its trading update for fourth quarter 2022 in the coming days.

Completion of the Share Acquisition Transaction

On February 24, 2023, Hemen Investments Ltd (“Hemen”), an entity ultimately controlled by trusts established by John Fredriksen for the benefit of his immediate family members, funds and accounts managed by Lodbrok Capital LLP (“Lodbrok”), and Melqart Asset Management (UK) Ltd (“Melqart”) (collectively, the “Acquiring Shareholders”) have successfully completed their acquisition of all of Seadrill’s ownership interests in Paratus (the “Share Acquisition Transaction”), including Seadrill’s 35% ownership stake and its rights under the Management Incentive Fee Deed (the “MID”). As part of the Share Acquisition Transaction, the MID, which provided for a 5% fee on any proceeds arising out of liquidity events above approximately $570 million, is expected to be terminated in exchange for 22,332 shares in a new class of non-voting ordinary shares in Paratus (“C Shares”). The C Shares will represent approximately 7.25% of the pro forma share count[1]. In connection with closing of the Share Acquisition Transaction, the Paratus management services agreement will be transitioned over from Seadrill to Hemen-related entities and other affiliated group companies. Paratus will continue to build on its in-house expertise to further develop the company as a leading oil services holding company.

Updates regarding Paratus

Paratus is pleased to announce the hiring of Robert Jensen as the new Executive Director of Paratus. With more than 15 years of experience across asset management, investment banking, and research positions in global energy, oil services, and transportation, Mr. Jensen will help lead the Paratus Group in pursuing market and strategic opportunities that maximize value for stakeholders.

Paratus today also announces the appointment of a new Paratus board of directors. The new board is comprised of highly accomplished individuals with a wide range of experiences and expertise. The members of the new Paratus board are as follows:

- **Mei Mei Chow (Chairperson)*** is an ICAEW Chartered Accountant with over 20 years’ experience at senior and executive management levels. Most recently she has been working as an Expert Adviser with a global management consultant on international and cross border M&A projects. Ms. Chow has also spent over 10 years recently with Sapura Energy Berhad, a global oil and gas company, as a member of Sapura’s leadership team alongside the Group CEO and other top management. Prior to that Ms. Chow held various senior management positions including Divisional CFO roles, with the Sime Darby Group, a top five listed conglomerate in Malaysia.
- **Robert Jensen** is an Executive Director at Paratus. Prior to joining Paratus, Mr. Jensen was a Partner at Arctic Securities, a leading independent Norwegian investment bank, specializing in corporate finance transactions and advisory services. Prior to this, Mr. Jensen was a Partner at CF Partners Capital Management, an event-driven, liquid hedge fund with investments across the capital structure in the energy and natural resources value chain. Mr. Jensen has also held various roles at Sparebank 1 Markets, Clarksons Platou Securities, Jefferies International and Fearnley Offshore.
- **James Ayers*** is currently CEO of Front Ocean Management and Company Secretary for the affiliates of the Hemen related group of companies based in Bermuda, including publicly listed and SEC-regulated companies. Mr. Ayers currently sits as a board director of Northern Ocean Ltd. Mr. Ayers has more than ten years of industry experience with a range of director, officer and management positions across the maritime sectors.
- **Lodbrok representative:** In addition, the new Paratus board will also include a representative from Lodbrok, who will be appointed and announced at a later date.

** Denotes members that have served on the Paratus board since its emergence from chapter 11 in January 2022*

[1] Based on pro forma Paratus share count of 308,032 shares

The new board will be instrumental in helping to shape the company's long-term vision and growth. "I am honoured to be a part of this new board of directors and look forward to working with my fellow members and the leadership team to drive continued success for the company," said Mei Mei Chow, Chairperson of the board of Paratus.

Paratus owns i) five premium jack-ups in Seamex Holdings Ltd. (“SeaMex”) contracted with Pemex, ii) 50% of Seabras Sapura Holding GmbH (“Seabras”) with six pipe-laying vessels fully contracted with Petrobras, and iii) approximately 24%[2] of Archer Limited (“Archer”), a global oil services company listed on the Oslo Stock Exchange. The jack-ups and pipe-laying vessels have served their National Oil Company customers for years, which have previously led to historically strong earnings for Paratus.

The company's leadership remains focused on assessing all available options to drive long-term value for its stakeholders, including but not limited to exploration of refinancings, divestments, bolt-on acquisitions, strategic consolidations, listings and potential public and private offerings. Paratus Group has engaged Ducera Partners LLC, a leading investment bank and financial advisory firm, to support these efforts.

Updates regarding Seabras

On December 23, 2022, Seabras completed a full repayment of its secured bank debt facilities which were raised in connection with the construction of the Diamante, Topazio, Onix, Jade, and Rubi vessels (“Bank Facilities”)[3]. The Bank Facilities had an aggregate balance of approximately $1.3 billion outstanding at issuance and was scheduled to fully amortize by 2026. However, with the company's strong financial performance and cash flow generating profile, Seabras was able to fully retire the Bank Facilities more than 3 years earlier than scheduled[4]. With the repayment of the Bank Facilities, Seabras has substantially deleveraged its balance sheet and improved its flexibility to invest in growth opportunities and strengthen its market position.

Following the Bank Facilities repayment, the only outstanding third-party debt obligation is the Esmeralda vessel financing from the Brazilian Merchant Marine Fund, which has a maturity of 2032 and is collateralized by the Esmeralda vessel (“Esmeralda Facility”). The company intends to keep the Esmeralda Facility in place as it represents a highly attractive long-term source of funding, backed by the Brazilian Ministry of Transportation. The other five vessels are now fully unencumbered.

As of December 31, 2022, Seabras had a net debt position of $76 million[5], comprised of $114 million outstanding under the Esmeralda Facility and balance sheet cash of $38 million[6].

Updates regarding SeaMex

Since completion of the SeaMex restructuring through the Bermudian provisional liquidation process in November 2021, SeaMex has continued to make significant strides in deleveraging its balance sheet and improving its financial position. In 2022, SeaMex benefited from approximately $475 million of receipts from its key customer, Pemex Exploración y Producción (“Pemex”), a significant portion of which has been utilized to retire the notes outstanding under its Note Purchase and Private Shelf Agreement dated August 31, 2021(“SeaMex Notes”).

As of December 31, 2022, SeaMex had a net cash position of $31 million[5], comprised of $46 million outstanding under the SeaMex Notes and balance sheet cash of $77 million[6].

On February 3, 2023, SeaMex Finance Ltd. commenced a consent solicitation process seeking certain amendments to the SeaMex Notes, which was subsequently approved by requisite noteholders on February 13, 2023. The amendment provides SeaMex with additional financial flexibility, including a reduction of the minimum liquidity covenant to $5

[2] Based on expected pro forma ownership upon completion of the Archer Investment Transaction. Subject to change based on outcome of subsequent offering, which is currently set to expire on March 24, 2023

[3] The Bank Facilities comprised of two separate loan agreements – one relating to Diamante and Topazio (totaling approximately $537 million at issuance) and another relating to Onix, Jade and Rubi (totaling approximately $769 million at issuance)

[4] The recent repayment in December 2023 was for the loan facility relating to Onix, Jade, and Rubi. The loan facility relating to Diamante and Topazio was scheduled to fully amortize by 2024 and was fully repaid in 2019

[5] Excludes intercompany debt, shareholder loans, any amortization of fees and fair value adjustment; represents debt principal only

[6] Includes restricted cash

million, as well as inclusion of a $50 million credit facility basket which if utilized could further bolster SeaMex's liquidity position.

SeaMex is pleased to announce that the company is currently in the process of moving the offshore drilling operations in-house. Following a transition period which is expected to last up to 6 months, the company intends to manage and operate its wholly owed fleet of jack-up rigs on a standalone basis under its own brand later this year.

Updates regarding Archer

On March 6, 2023, Paratus subscribed to a $15.5 million equity investment in Archer as part of Archer's broader efforts to refinance its existing capital structure ("Archer Equity Subscription"). In addition, Paratus will also convert its subordinated $15.9 million loan to Archer for new shares at an implied value of $20.0 million (collectively with the Archer Equity Subscription, "Archer Investment Transaction"). Pro forma for the Archer Investment Transaction, Paratus will increase its ownership stake in Archer from 15.5% to approximately 24%[7]. The Archer Investment Transaction is anticipated to be completed by the end of April 2023.

"Archer remains an important strategic investment for Paratus, and our recent investments reflect our ongoing confidence in Archer's business strategy, management team, and growth prospects" said Robert Jensen, Executive Director of Paratus.

Forward-Looking Statements

This release includes forward-looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's and / or the Paratus Group's (including any member of the Paratus Group) plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. These statements are based on management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and / or the Paratus Group and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, the timing for and ultimate completion of the Transaction, management's reliance on third party professional advisors and operational partners and providers, the Company's ability (or inability) to control the operations and governance of certain joint ventures and investment vehicles, oil and energy services and solutions market conditions, subsea services market conditions, and offshore drilling market conditions, the cost and timing of capital projects, the performance of operating assets, delay in payment or disputes with customers, the ability to successfully employ operating assets, procure or have access to financing, ability to comply with loan covenants, liquidity and adequacy of cash flow from operations of its subsidiaries and investments, fluctuations in the international price of oil or alternative energy sources, international financial, commodity or currency market conditions, including, in each case, the impact of COVID-19 and related economic conditions, changes in governmental regulations, including in connection with COVID-19, that affect the Paratus Group, increased competition in any of the industries in which the Paratus Group operates, the impact of global economic conditions and global health threats, including in connection with COVID-19, our ability to maintain relationships with suppliers, customers, joint venture partners, professional advisors, operational partners and providers, employees and other third parties and our ability to maintain adequate financing to support our business plans, factors related to the offshore drilling, subsea services, and oil and energy services and solutions markets, the impact of global economic conditions, our liquidity and the adequacy of cash flows for our obligations, including the ability of the Company's subsidiaries and investment vehicles to pay dividends, political and other uncertainties, the concentration of our revenues in certain geographical jurisdictions, limitations on insurance coverage, our ability to attract and retain skilled personnel on commercially reasonable terms, the level of expected capital expenditures, our expected financing of such capital expenditures, and the timing and cost of completion of capital projects, fluctuations in interest rates or exchange rates and currency devaluations relating to foreign or U.S. monetary policy, tax matters, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues, legal and regulatory matters, customs and environmental matters, the potential impacts on our business resulting from climate-change or greenhouse gas legislation or

[7] Based on expected pro forma ownership upon completion of the Archer Investment Transaction. Subject to change based on outcome of subsequent offering, which is currently set to expire on March 24, 2023

regulations, the impact on our business from climate-change related physical changes or changes in weather patterns, and the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems, including our rig operating systems. Consequently, no forward-looking statement can be guaranteed.

Neither the Company nor any member of the Paratus Group undertakes any obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.