

Paratus Energy Services Ltd. Announces Trading Update for First Quarter 2022 and Other Updates

Hamilton, Bermuda, July 29, 2022 - Paratus Energy Services Ltd. (“Paratus” or the “Company”) today announced a trading update for the first quarter 2022 and updates on Paratus, its subsidiaries, and associated companies (“Paratus Group”).

1. Key Financial Highlights

1.1 Paratus

In the first quarter ending March 31, 2022, Paratus generated \$54 million in revenue and \$29 million in EBITDA¹. As a result of the pre-packaged Chapter 11 restructuring on January 20, 2022, comparisons of revenue and EBITDA to the preceding quarter are not meaningful.

1.2 SeaMex Group

During the same period, Paratus’ wholly owned subsidiary SeaMex Holdings, Ltd. (“SeaMex”) and its subsidiaries (“SeaMex Group”) generated \$54 million in revenue and \$30 million in EBITDA. Compared to the preceding quarter, revenue remained unchanged, and EBITDA decreased by 3.2%.² For the first quarter ending March 31, 2022, SeaMex Group earned an average contractual rate of \$115 thousand per day with \$705 million in contract backlog.

1.3 Joint Venture in Seabras Group

Seabras UK Limited, (a wholly owned subsidiary of Paratus) holds a 50% equity interest in its associated company and its subsidiaries (“Seabras JV”). In the first quarter ending March 31, 2022, Seabras JV generated \$94 million in revenue and \$43 million in EBITDA. Compared to the preceding quarter, revenue and EBITDA decreased by 3.1% and 23.2%, respectively. In the first quarter ending March 31, Seabras earned an average contractual rate of \$208 thousand per day with \$916 million in contract backlog.

2. Other Updates

2.1 SeaMex Group

Net Proceeds of \$187 million from remarketing of PEMEX notes

On June 1, 2022, SeaMex exchanged approximately \$196 million of outstanding Codificación de Pagos y Descuentos (“COPADES”) into \$196 million newly issued Petroleos Mexicanos (“PEMEX”) senior unsecured notes due 2029 (“PEMEX Notes”) under the financing mechanism as announced by PEMEX in March 2022. SeaMex has subsequently entered into a remarketing process to monetize the PEMEX Notes facilitated and managed by Citigroup. The PEMEX Notes were sold in two transactions during the remarketing process: \$154 million PEMEX Notes were sold at 97.6% and the remaining \$42 million PEMEX Notes were sold at 87.0%, each exclusive of remarketing fees and accrued interest. In aggregate, SeaMex received approximately \$187 million in net proceeds from the remarketing of PEMEX Notes.

On July 28, 2022, Paratus entered into separate, privately negotiated transactions (the “Agreements”) with the holders of its outstanding SeaMex Finance Ltd (“SeaMex Finance”) 12% Senior Secured Notes Due August 2024 (the “Notes”) to repurchase \$152 million

¹ The figures presented for Paratus do not consider revenue and EBITDA from Seabras as Seabras is not consolidated in the Paratus financial statements due to Paratus’ 50% equity ownership of Seabras.

² For purposes of comparing the first fiscal quarter of 2022 against the fourth fiscal quarter 2021, figures from SeaMex Finance, Ltd. are utilized for the fourth fiscal quarter of 2021.

aggregate principal amount of the Notes (the “Repurchased Notes”) for an aggregate cash repurchase price of approximately \$170 million comprised of principal repayment, accrued interest, and call premium (the “Repurchases”). The Repurchases closed on July 28, 2022. Following the closing of the Repurchases, SeaMex Finance cancelled the Repurchased Notes, leaving approximately \$69 million aggregate principal amounts of Notes outstanding. In connection with the repurchases, the Note Purchase Agreement was amended to, among other things, provide for fixed call premiums, which will reduce on a monthly basis, for the period of July 31, 2022 through February 28, 2023 as reflected in Schedule 4. After February 28, 2023, the call premium will stay fixed at 6.00% through February 29, 2024, and thereafter there will be no call premium.

As of June 30, 2022, SeaMex has \$104 million accounts receivable outstanding from PEMEX.

Termination Notice of West Titania

SeaMex has received a termination notice from PEMEX regarding the West Titania jack-up, with an effective termination date of March 16, 2023. SeaMex is actively pursuing other opportunities in the market as well as continuing to engage with PEMEX on this matter.

Open Tax Audits

SeaMex Group has open tax audits with the Mexico Tax Authority for financial years 2014, 2016 and 2017, and has been notified by the Mexico Tax Authority of a potential tax liability for fiscal year 2014. With the assistance of its external professional advisors, the SeaMex Group is reviewing and evaluating this matter.

2.2 Seabras JV

Contract Extension of Sapura Esmeralda

Sapura Esmeralda’s contract with Petróleo Brasileiro S.A (“PETROBRAS”) has been extended until August 2022. Seabras is in advanced discussions with PETROBRAS to finalize a 2-year extension for Sapura Esmeralda from August 2022.

New Contract Award for Sapura Onix

Sapura Onix has been awarded a new contract by Enauta Energia SA in Brazil, in a consortium with Sapura Energy Brasil. The contract includes the installation of new subsea manifolds, subsea pumps, flexibles, jumpers, and umbilicals for three new wells, disconnecting the existing Early Production System (EPS), and re-routing existing flexibles and umbilicals to the FPSO Atlanta. The EPCI SURF award is for the Atlanta full field development in the Santos Basin, expecting to run from December 2023 to October 2024.

Schedule 1. Key Financial Highlights

<i>(US \$ in Millions)</i>	<u>Unaudited Financials⁽¹⁾</u>	
	Q1 2022	Q4 2021
<u>SeaMex Group⁽²⁾</u>		
Gross Debt ⁽³⁾	\$221	\$221
Cash and Restricted Cash	108	53
Net Debt ⁽⁴⁾	113	168
Revenue	54	54
EBITDA	30	31
Contract Backlog ⁽⁵⁾	705	828
<u>Seabras Group</u>		
Gross Debt	375	377
Cash and Restricted Cash	143	111
Net Debt	232	266
Revenue	94	97
EBITDA	43	56
Contract Backlog	916	938
<u>Paratus Energy Services⁽⁶⁾</u>		
Gross Debt	861	814
Cash and Restricted Cash	114	70
Net Debt	747	744

Notes:

1. The second fiscal quarter of 2022 is expected to be disclosed before or at the end of September 2022.
2. For purposes of comparing the first fiscal quarter of 2022 against the fourth fiscal quarter of 2021, figures from SeaMex Finance, Ltd. are utilized for the fourth fiscal quarter of 2021.
3. Excludes intercompany debt and any amortization of fees.
4. Net debt is calculated as gross debt less cash and restricted cash.
5. Contract backlog takes into account West Titania's termination date of March 16, 2023.
6. The figures presented for Paratus do not include financials from Seabras as Seabras is not consolidated in the Paratus financial statements due to Paratus' 50% equity ownership of Seabras.

Schedule 2. Pro Forma Key Financials Post Early Repurchase of the SeaMex Finance Ltd 12% Senior Secured Notes Due August 2024

<i>(US \$ in millions)</i>	<u>Unaudited Financials</u>	
	Pro Forma Q2 2022 ⁽¹⁾	Q2 2022
<u>SeaMex Group</u>		
Gross Debt	\$69	\$221
Cash and Restricted Cash	93	261
Net Debt	(23)	(40)
Gross Accounts Receivable	104	104

Note:

1. Pro forma Q1 2022 key financials show the effects of early repurchase of the SeaMex Finance Ltd 12% Senior Secured Notes Due August 2024 as if it occurred at the end of Q2 2022. The price of the call premium and amount of accrued interest have been adjusted to reflect the appropriate time of the illustrative paydown.

Schedule 3. Fleet Status Report

SeaMex Group

Rig Name	Generation / Type	Built	Location	Client	Start	Expire
West Defender	BE	2007	Mexico	PEMEX	Mar-20	Jan-26
West Courageous	BE	2007	Mexico	PEMEX	Mar-20	Nov-26
West Intrepid	BE	2008	Mexico	PEMEX	Mar-20	May-26
West Oberon	BE	2013	Mexico	PEMEX	Mar-20	Oct-25
West Titania ⁽¹⁾	BE	2014	Mexico	PEMEX	Mar-20	Mar-23

Seabras Group

Rig Name	Generation / Type	Built	Location	Client	Start	Expire
Sapura Diamante	PLSV	2014	Brazil	Petrobras	Oct-21	Mar-25
Sapura Topazio	PLSV	2014	Brazil	Petrobras	Mar-22	May-25
Sapura Esmeralda	PLSV	2016	Brazil	Petrobras	Apr-16	Aug-22
Sapura Onix	PLSV	2015	Brazil	Petrobras	Apr-15	Oct-23
Sapura Onix	PLSV	2015	Brazil	Enauta	Dec-23	Oct-24
Sapura Jade	PLSV	2016	Brazil	Petrobras	Feb-16	Apr-24
Sapura Rubi	PLSV	2016	Brazil	Petrobras	Aug-16	Sep-24

Note:

1. The expiration date of West Titania reflects PEMEX's termination notice.

**Schedule 4. SeaMex Finance Ltd 12% Senior Secured Notes Due August 2024 Revised
Call Premium Schedule**

Start Date	End Date	Call Premium
7/28/2022	8/30/2022	10.6407%
8/31/2022	9/29/2022	9.9931%
9/30/2022	10/30/2022	9.3288%
10/31/2022	11/29/2022	8.6801%
11/30/2022	12/30/2022	8.0150%
12/31/2022	1/30/2023	7.3554%
1/31/2023	2/28/2023	6.6966%
3/1/2023	2/29/2024	6.0000%
3/1/2024	8/31/2024	0.0000%

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, 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 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.