Borr Drilling Limited
Company presentation
Q2 2018 Results

***23** August 2018*

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Highlights

- Operating revenues of US$51.1 million, EBITDA* of US$3.2 million and net loss of 7.4 million for the second quarter 2018.
- Acquired five jack-up drilling rigs from Keppel FELS Limited ("Keppel") for a total consideration of US$742.5 million in May 2018.
- Took delivery of three premium newbuild jack-ups in Q2 2018 and one in July 2018
- Divested 17 older, non-core jack-up rigs in the quarter, 26 rigs in total for the year.
- Secured a US$200 million non-amortising revolving bank loan facility with two-year duration.
- Placed US$350 million convertible bonds with a five-year tenor
- Secured five contracts and LOIs totalling 29 months of incremental backlog

EBITDA as used herein represent operating loss less: depreciation and impairment of non-current assets and amortisation of contract backlog. EBITDA is included as a supplemental disclosure because the Company believes that the measure provides useful information regarding the Company's operational performance

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Key Financials Q2 2018

Income Statement

USDm	Q2 2018	Q2 2017	YTD 2018
Operating revenues	**51.1**	**-**	**61.7**
Gain on disposals	**17.5**	**-**	**17.5**
Rig operating and maintenance expenses	(52.4)	(3.1)	(74.9)
Depreciation	(22.0)	(3.5)	(34.2)
Amortisation of contract backlog	(6.0)	-	(6.0)
G&A	(8.0)	(6.3)	(18.2)
Restructuring costs	(5.0)	-	(22.9)
Total operating expenses	**(93.4)**	**(12.9)**	**(156.2)**
Operating loss	**(24.8)**	**(12.9)**	**(77.0)**
Total financial items	17.4	1.1	(2.3)
Gain from bargain purchase	–	–	38.1
Net loss for the period	**(7.4)**	**(11.8)**	**(41.2)**
Basic loss per share ($/share)	(0.014)	(0.071)	(0.081)

Comments

- Nine operating rigs in the quarter
- Gain on disposals includes sale of 17 rigs for total proceeds of US$35.2 million
- Rig operating and maintenance expenses for the nine operating rigs was US$35.0 million
- Restructuring cost of US$5.0 million relates solely to Paragon acquisition
- The financial items relate mainly to unrealized gain on forward contracts of US$25.3 million and fair value adjustment of the call spread resulting in a loss of US$7.1 million

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Key Financials Q2 2018

Balance Sheet Key Numbers

USDm	Q2 2018	Q1 2018	Q2 2017
Total assets	2,652.2	2,137.3	1,023.9
Long-term debt	809.4	261.0	-
Total equity	1,698.3	1,670.1	1,023.9
Cash and cash equivalents	54.0	51.5	193.8
Restricted cash	32.1	55.0	11.1

Comments

- Increase in total assets in Q2 2018 includes:
  - pre-delivery instalment of US$288.0 million for the acquisition of five high spec newbuild jack-up drilling rigs from Keppel FELS
  - delivery of the three newbuildings “Grid”, “Gunnlod” and “Skald”.
- Long term debt increase in Q2 2018 includes:
  - issuance of US$350 million convertible bond
  - US$174.0 delivery financing for the two newbuildings "Grid" and "Gunnlod"
  - drawdown of US$30 million on the revolving credit facility
- Approx. US$225 million available liquidity, including undrawn revolving credit facility of US$170 million at Q2 2018

Q1 2018 and Q1 2017 un-audited, 2017 audited

Fleet Status Report August 2018

Fleet summary

		Operating/Committed	Available	Cold Stack	Under Construction
Premium Jack-Ups	29	5	12	1	11
Standard Jack-Ups	7	5		2	
Total Jack-Ups	36				
Semi - Submersible	1	1			
Total Fleet	37	11*	12	3	11

Fleet main movements and operations

- In Q2 2018 Borr secured contracts for the premium jack-ups "Norve", "Prospector 1" and "Prospector 5" adding a total backlog of approximately 17 months
  - The premium jack-up "Prospector 5" commenced its new contract in August, increasing Borr's operating and committed fleet to 11* units
  - The "Norve" will in Q3 2018 commence its 6-month drilling contract in West Africa at a dayrate of US$80,000, in direct continuation with its current contract
- Subsequent to quarter end the Company has secured a letter of intent and a contract for the "Norve" and the "C20051", respectively, adding total backlog of approximately 12 months
- Technical utilisation on the operating rigs of 99.0% in Q2 2018

*Operating rigs includes the Mist which is on a bareboat arrangement following the Transocean Transaction

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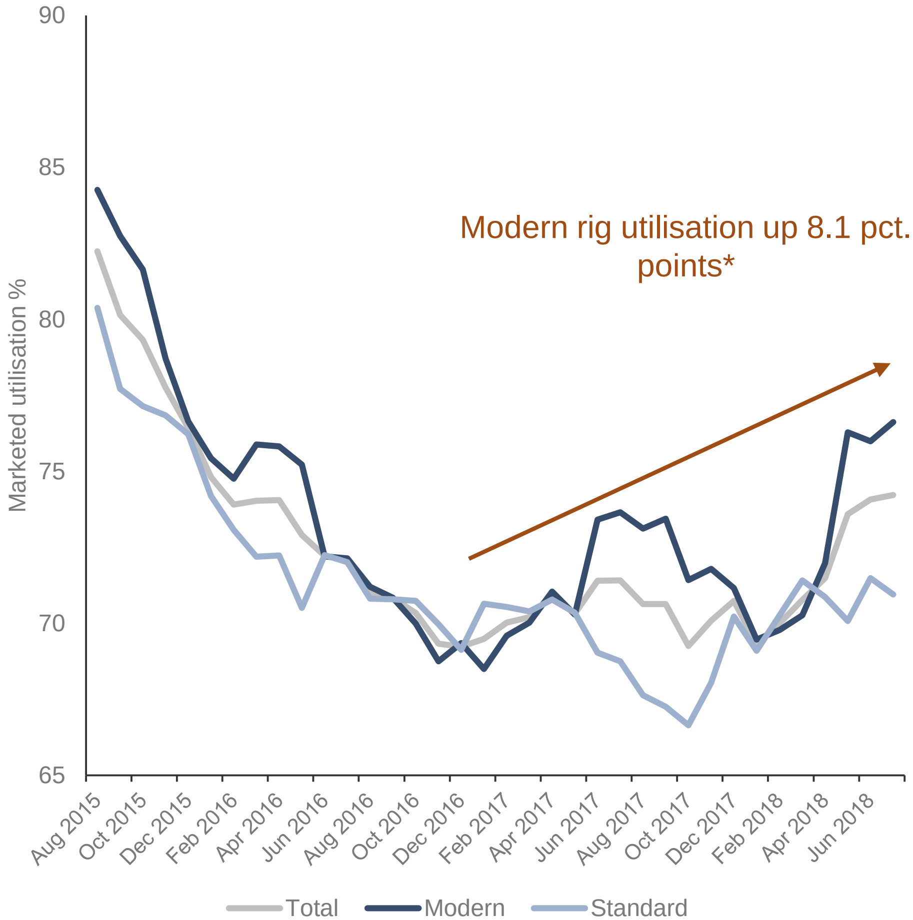
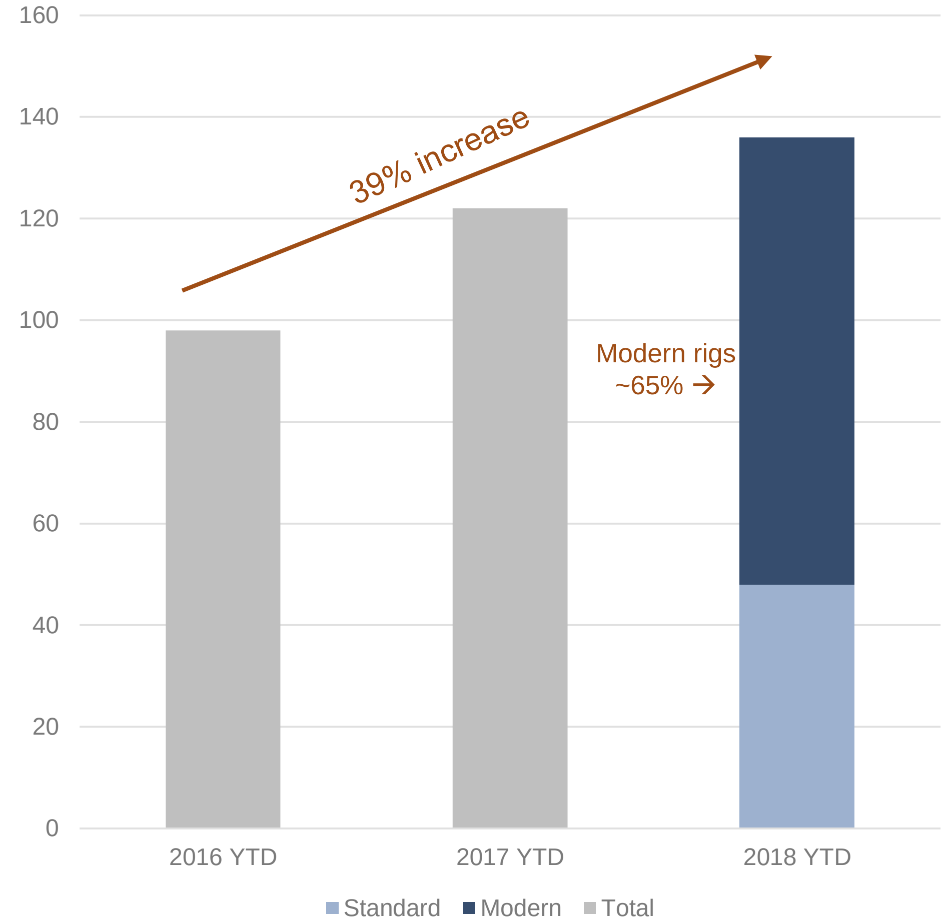
Market

Marketed utilisation for jack-up rigs is on the rise



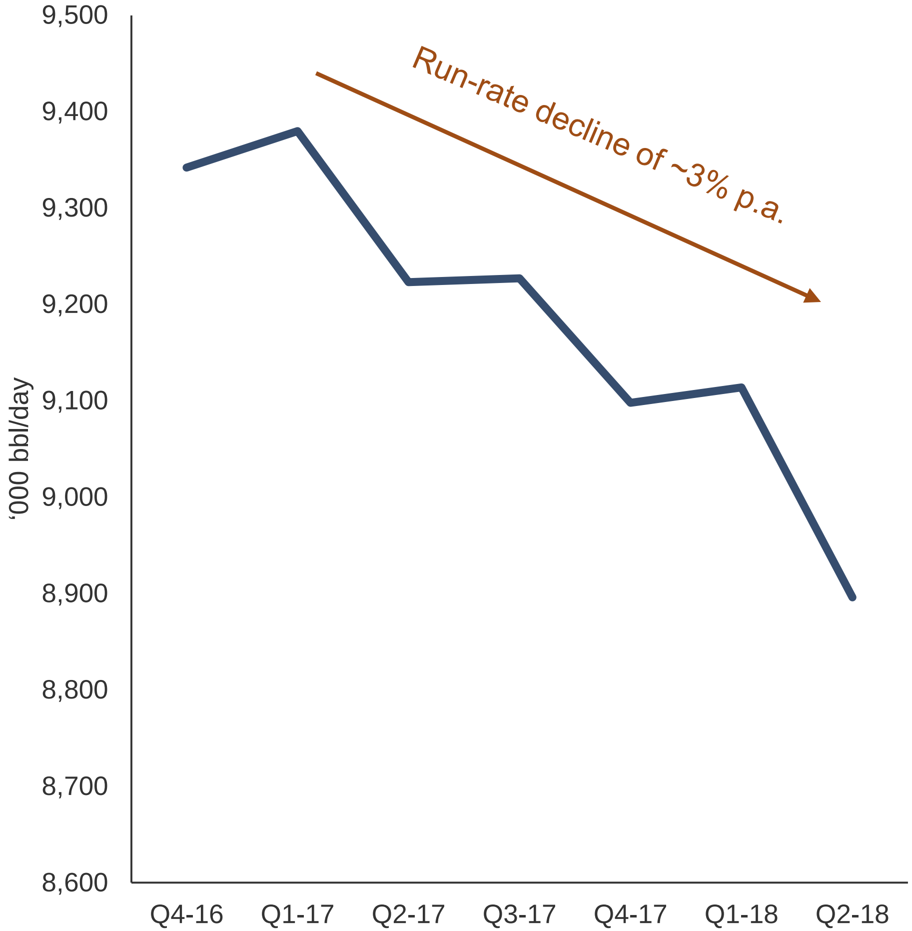
Increasing # of fixtures and preference for modern rigs



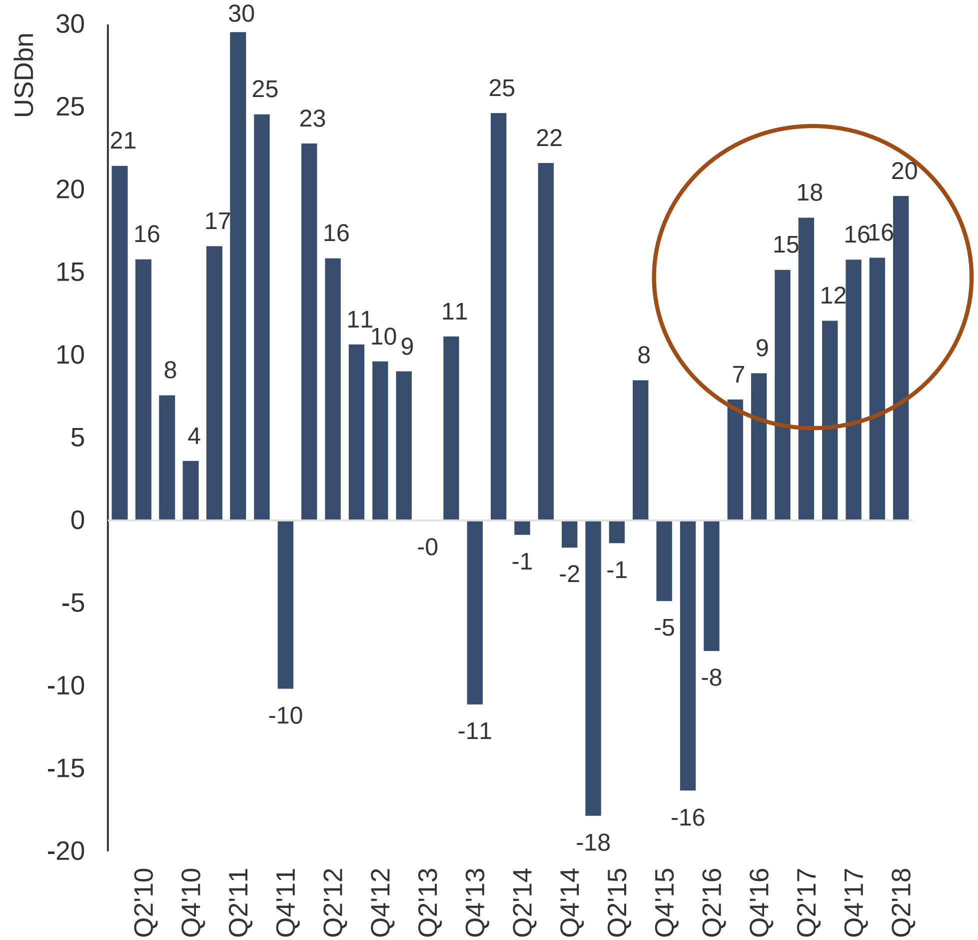
Source: IHS Petrodata
*Modern Jack-ups built after 2000
*Percentage points from January 2017 to July 2018

Market

Falling oil production for oil majors…



…and free cash flow positive for 8 consecutive quarters



Sources: Graph 1: Bloomberg, consisting liquid production for Exxon, BP, Equinor, Chevron and Shell
Graph 2: ABG, data based on 11 oil majors

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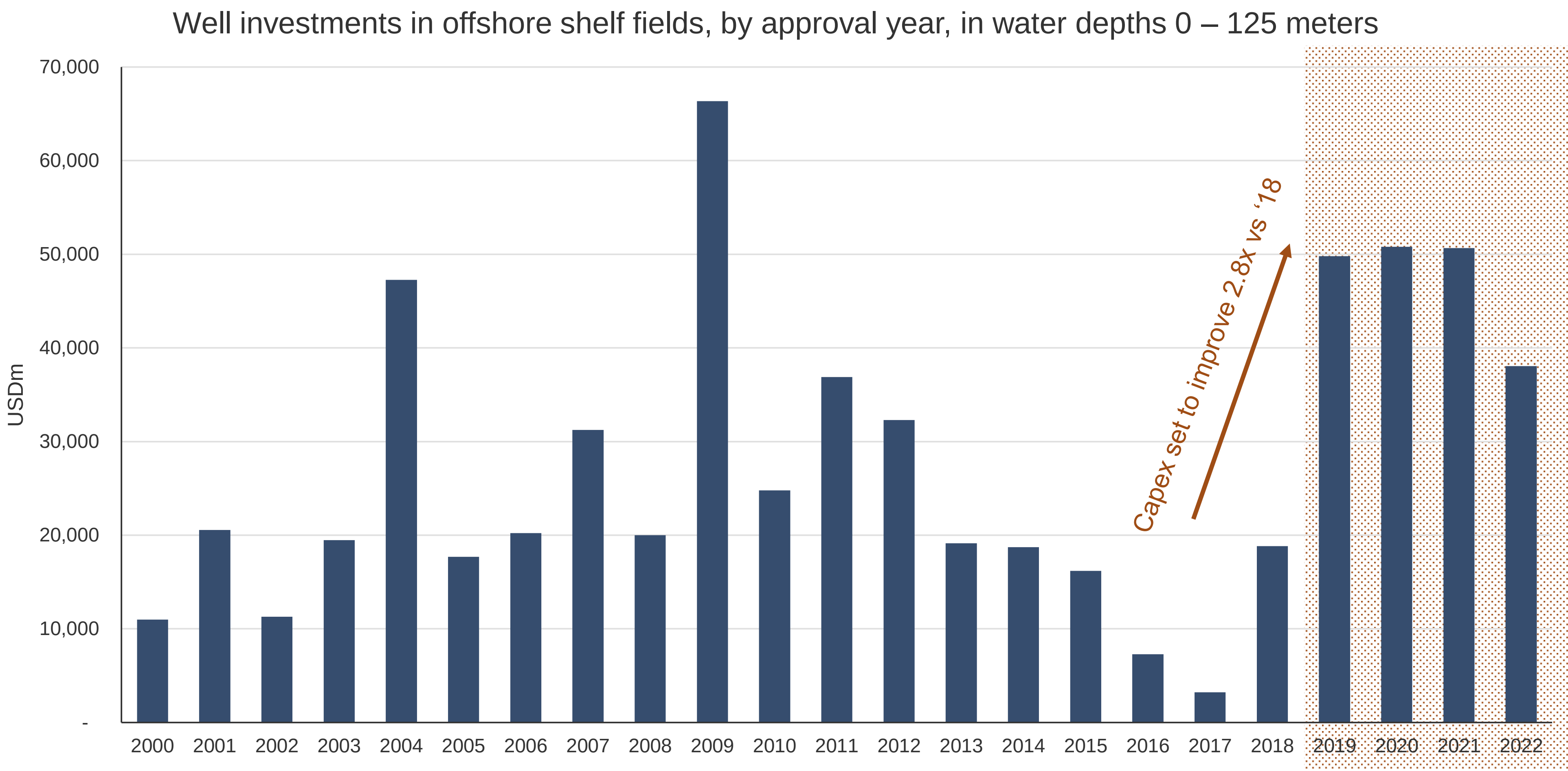
Market

Expected to lead to increased need and incentive for offshore investments



Source: Rystad Energy

Q&A