CONSOLIDATED FINANCIAL STATEMENTS

NORTHERN DRILLING LTD.

PERIOD FROM MARCH 2, 2017 TO JUNE 30, 2017

Index to the Consolidated Financial Statements of Northern Drilling Ltd.

Independent Auditor's Report

To the Board of Directors of Northern Drilling Ltd.

Opinion
We have audited the consolidated financial statements of Northern Drilling Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at June 30, 2017 and the consolidated statement of operations, consolidated statement of changes in equity, consolidated statement of cash flows for the period from March 2, 2017 to June 30, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at June 30, 2017, and its financial performance and its cash flows for the for the period from March 2, 2017 to June 30, 2017 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group as required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements
The Board of Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 1 September 2017
PricewaterhouseCoopers AS

/s/ Rita Ganlund
Rita Granlund
State Authorised Public Accountant

Northern Drilling Ltd.
Consolidated Statement of Operations for the period from March 2, 2017 to June 30, 2017
(in thousands of $, except loss per share)

	For the period from March 2, 2017 to June 30, 2017
Total operating revenues	—
Operating expenses	
Administrative expenses	**134**
Total operating expenses	134
Net operating loss	**(134)**
Other income (expenses)	
Interest income	**105**
Other financial items	**(5,000)**
Total other expenses	**(4,895)**
Net loss	**(5,029)**
Basic loss per share ($)	**(0.13)**

See accompanying Notes.

Northern Drilling Ltd.
Consolidated Balance Sheet as of June 30, 2017
(in thousands of $)

	2017
ASSETS	
Current assets	
Cash and cash equivalents	**40,134**
Other current assets	**161**
Total current assets	**40,295**
Long term assets	
Newbuilding	**183,329**
Total assets	**223,624**
LIABILITIES AND EQUITY	
Current liabilities	
Other current liabilities	**124**
Related party payables	**857**
Total current liabilities	**981**
Commitments and contingencies (note 8)	
Equity	
Share capital	**46,000**
Additional paid in capital	**181,672**
Retained deficit	**(5,029)**
Total equity	**222,643**
Total liabilities and equity	**223,624**

See accompanying Notes.

Northern Drilling Ltd.
Consolidated Statement of Cash Flows for the period from March 2, 2017 to June 30, 2017
(in thousands of $)

	For the period from March 2, 2017 to June 30, 2017
Net loss	**(5,029)**
Adjustment to reconcile net loss to net cash used in operating activities;	
Loan fee paid to related party	**5,000**
Change in operating assets and liabilities;	
Other current assets	**(161)**
Other current liabilities	**124**
Related party payables	**28**
Net cash used in operating activities	**(38)**
Financing activities	
Net proceeds from share issuance	**112,672**
Repayment of loan to related party	**(72,500)**
Net cash provided by financing activities	**40,172**
Net increase in cash and cash equivalents	**40,134**
Cash and cash equivalents at start of the period	**—**
Cash and cash equivalents at end of the period	**40,134**

Details of non-cash investing and financing activities are given in Note 9.

See accompanying Notes.

Northern Drilling Ltd.
Consolidated Statement of Changes in Equity for the period from March 2, 2017 to June 30, 2017
(in thousands of $, except number of shares)

	For the period from March 2, 2017 to June 30, 2017
Number of shares outstanding	
Balance at start of the period	—
Shares issued	46,000,100
Balance at end of the period	46,000,100
Share capital	
Balance at start of the period	—
Shares issued	46,000
Balance at end of the period	46,000
Additional paid in capital	
Balance at start of the period	—
Shares issued	181,672
Balance at end of the period	181,672
Retained deficit	
Balance at start of the period	—
Loss in the period	(5,029)
Balance at end of the period	(5,029)
Total equity	**222,643**

1. GENERAL

Northern Drilling Ltd, or the Company, was incorporated under the laws of Bermuda on March 2, 2017, as a wholly-owned subsidiary of Greenwich Holdings Ltd, or Greenwich Holdings, with its principal executive offices located in Hamilton, Bermuda, for the purpose of ownership of offshore drilling rigs. The Company is expected to be primarily engaged in offshore contract drilling for the oil and gas industry in benign and harsh environments worldwide, including ultra-deep water environments.

The Company's activities since inception have consisted principally of acquiring one semi-submersible rig currently under construction and raising capital. The Company's activities are subject to significant risks and uncertainties, including failing to take delivery of the current newbuilding, acquiring future assets, developing into an operating business and securing additional funding.

As of September 2017, the Company owns one semi-submersible rig currently under construction, Semi 1, previously known as West Mira, and has an option via an option held by Seatankers Management Co Ltd, a related party, to acquire a semi-submersible rig currently under construction, Semi 2, previously known as Bollsta Dolphin, from Hyundai Heavy Industries Co Ltd. The option expires on December 31, 2017.

2. ACCOUNTING POLICIES

Basis of accounting
The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The consolidated financial statements include the assets and liabilities of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. The preparation of the consolidated financial statements requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities. Actual results could differ from those estimates.

We evaluated all of our activity through September 1, 2017, and concluded that no subsequent events have occurred that would require recognition in the financial statements.

Cash and cash equivalents
All demand and time deposits and highly liquid, low risk investments with original maturities of three months or less are considered equivalent to cash.

Newbuilding
The carrying value of the drilling unit under construction, or Newbuilding, represents the accumulated costs at the balance sheet date. Cost components include the acquisition payment and construction supervision costs. No charge for depreciation is made until commissioning of the newbuilding has been completed and it is ready for its intended use.

Impairment of long-lived assets
The carrying value of the Newbuilding is assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be appropriate. The Company first assesses recoverability of the carrying value of the asset by estimating the remaining costs of construction and the undiscounted future net cash flows expected to result from the asset, including eventual disposition. If the undiscounted future net cash flows are less than the carrying value of the asset, an impairment loss is recorded based on the difference between the carrying value and the fair value.

Related parties
Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Foreign currencies
The functional currency of the Company and all of its subsidiaries is the U.S. dollar as the majority of expenditures are denominated in U.S. dollars. The Company's reporting currency is also U.S. dollars. Assets and liabilities are translated into the functional currency at exchange rates existing at the date of the balance sheet. Such currency translation gains and losses are included in the

Consolidated Statement of Operations. Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rate at the transaction date.

Other comprehensive income
The Company has no other comprehensive income.

Earnings per share
Basic earnings per share is calculated based on the net income (loss) for the period divided by the weighted average number of shares outstanding for the period. There were no potentially dilutive instruments outstanding in the period.

Recent accounting pronouncements
The Company is currently considering the impact of accounting pronouncements, which are not yet effective, on its consolidated financial statements.The Company does not expect these accounting pronouncements to have a significant impact on its consolidated financial statements.

3. EARNINGS PER SHARE

The basic loss per share has been calculated based on the net loss attributable to the Company of $5.0 million and the weighted average number of shares in the period of 38,333,433 shares. There were no potentially dilutive instruments outstanding in the period.

4. INCOME TAXES

Bermuda
Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

Other Jurisdictions
The Company has two subsidiaries, which were incorporated in the Marshall Islands and they are not subject to income tax.

The Company does not have any unrecognized tax benefits, material accrued interest or penalties relating to income taxes.

5. NEWBUILDINGS

Movements in the period may be summarized as follows:

(in thousands of $)	**2017**
Balance at start of the period	—
Installment paid	182,500
Newbuilding supervision costs capitalized	829
Balance at end of the period	183,329

In March 2017, a wholly-owned subsidiary of the Company and Hyundai Samho Heavy Industries Co Ltd, or HHI, entered into an agreement concerning the sale and purchase of one semi-submersible rig, HHI HE Semi 1 (ex. West Mira), or Semi 1, which is currently under construction at HHI and had previously been ordered and later cancelled by Seadrill Ltd, or Seadrill, a related party. The purchase price is $365.0 million payable in two equal installments.

6. SHARE CAPITAL

The Company has an authorized share capital of $1,000,000,000 comprising of 1,000,000,000 common shares, each with a par value of $1.00.

The Company was incorporated in March 2017 with 100 shares and also in March 2017 the Company issued 46,000,000 shares at $5.00 each in a private placement of new shares, or the Private Placement. Gross proceeds of $230.0 million were raised and the Company paid fees of $2.3 million in connection with the Private Placement.

As of June 30, 2017, the Company has 46,000,100 shares outstanding all of which are registered in the Norwegian Central Securities Depository in the form of depository receipts.

7. RELATED PARTY TRANSACTIONS

Greenwich Holdings has been the Company's largest shareholder since the Company's formation. Greenwich Holdings holds approximately 50.0% of shares in the Company at June 30, 2017. The Company transacts business with the following related parties, being companies in which Greenwich Holdings, or companies affiliated with Greenwich Holdings, has a significant interest - Sterna Finance Ltd, or Sterna Finance, Seadrill Ltd, or Seadrill, and Seatankers Management Co. Ltd, or Seatankers Management.

Sterna Finance transactions
In March 2017, West Mira Inc, or West Mira, a wholly-owned subsidiary of the Company entered into a loan agreement with Sterna Finance, or the Sterna Loan, whereby West Mira borrowed $182.5 million from Sterna Finance and it was acknowledged that this amount had already been paid by Seatankers Management as settlement of the first installment due in connection with the purchase of Semi 1.

Also in March 2017, the Company and West Mira entered into an agreement with Greenwich Holdings and Sterna Finance regarding the settlement of the Sterna Loan, the purchase of Semi 1 and the Private Placement whereby $110.0 million of the Sterna Loan was settled by the Company issuing 22,000,000 common shares to Greenwich Holdings, following a partial assignment by Sterna Finance of the Sterna Loan to Greenwich Holdings, and the Company issued one million common shares to Sterna Finance in settlement of a $5.0 million fee, or the Sterna Fee, for granting the Sterna Loan and supporting the acquisition of the Semi 1 rig. $72.5 million of the Sterna Loan was repaid in March 2017 from the proceeds of the Private Placement. The loan did not bear interest. The Sterna Fee has been expensed in the period and recorded as Other Financial Items in the Consolidated Statement of Operations as the loan was drawn down and repaid in March 2017.

Seadrill transactions
In May 2017, a wholly-owned subsidiary of the Company and Seadrill Global Services Ltd, or SGS, a wholly-owned subsidiary of Seadrill, entered into a management agreement whereby SGS agrees to perform the Company's scope of works under the purchase agreement for Semi 1 and to carry out the supervision of the construction of Semi 1 from March 10, 2017 to the rig’s delivery date for a fixed fee of $7,000 per day. The fee was $0.8 million in the period from March 2 to June 30, 2017 and has been included in the cost of the Newbuilding. The agreement also gives SGS the right of first offer in the event of a proposed sale of the rig by the Company from April 30, 2018 for the duration of the agreement.

Seatankers Management transactions
Seatankers Management have guaranteed payment of the second and final installment of $182.5 million for Semi 1. No consideration was paid for this guarantee. The Company and its subsidiaries receive services from Seatankers Management. The fee was $40,000 in the period from March 2 to June 30, 2017.

8. COMMITMENTS AND CONTINGENCIES

As of June 30, 2017, the Company was committed to make the second and final installment of $182.5 million for Semi 1. This installment is payable on delivery, which is currently expected in January 2019. The Company does not have financing for this amount at present and expects to finance it from bank debt that needs to be arranged, the proceeds of an equity offering or a combination of these.

9. SUPPLEMENTAL INFORMATION

In March 2017, West Mira, a wholly-owned subsidiary of the Company entered into the Sterna Loan, whereby West Mira borrowed $182.5 million from Sterna Finance and it was acknowledged that this amount had already been paid by Seatankers Management as settlement of the first installment due in connection with the purchase of Semi 1.

Also in March 2017, the Company and West Mira entered into an agreement with Greenwich Holdings and Sterna Finance regarding the settlement of the Sterna Loan, the purchase of Semi 1 and the Private Placement whereby $110.0 million of the Sterna Loan was settled by the Company issuing 22,000,000 common shares to Greenwich Holdings, following a partial assignment by Sterna Finance of the Sterna Loan to Greenwich Holdings, and the Company issued one million common shares to Sterna Finance in settlement of a $5.0 million fee for granting the Sterna Loan and supporting the acquisition of the Semi 1 rig.

Also in March 2017, the Company completed the Private Placement and generated gross proceeds of $230.0 million. Net cash proceeds of $112.7 million were received following the payment of associated fees of $2.3 million, partial settlement of the Sterna Loan and settlement of the Sterna Fee.

10. SUBSEQUENT EVENTS

In March 2017, Seatankers Management entered into an option agreement with HHI to acquire Semi 2 for a purchase price of $400.0 million payable in two equal installments. The first installment is payable upon exercise of the option and the second installment is payable upon delivery of Semi 2. The option expires on December 31, 2017. In September 2017, a wholly-owned subsidiary of the Company and Seatankers Management entered into an agreement whereby Seatankers Management agreed to either nominate a subsidiary of the Company as buyer to accept delivery of Semi 2 from HHI, subject to HHI's prior consent, or to exercise Seatankers Management' rights to purchase the Semi 2 and when instructed to do so by a subsidiary of the Company to immediately sell the Semi 2 to that subsidiary on back-to-back terms. The Company will be required to pay a fee of $0.4 million to Seatankers Management if HHI requires a payment guarantee from Seatankers Management in respect of the second installment.