NORTHERN DRILLING LTD.

INTERIM FINANCIAL INFORMATION AS OF MARCH 31, 2018

Highlights

- In May 2018, the Company acquired two 7th generation ultra deepwater capable drillships currently under construction at Daewoo Shipbuilding & Marine Engineering Co., Ltd for an historical low acquisition price of $296 million per unit
- The Company successfully completed a private placement in May 2018, raising gross proceeds of $250 million
- Northern Drilling continues its cost efficient efforts and reports limited operational expenses which are more than offset by interest income for the quarter, resulting in a marginal profit for the quarter

Results for the first quarter 2018

The Company's activities since incorporation in March 2017 have consisted principally of acquiring drilling units currently under construction and raising capital. The Company does not currently have any drilling units in operation and the results in the first quarter of 2018 consisted of interest income and some minor administrative expenses.

Events subsequent to the quarter end

In May 2018, the Company entered into agreements to purchase two newbuilding 7th generation DP3 and ultra-deepwater capable drillships from Daewoo Shipbuilding & Marine Engineering Co., Ltd ("DSME") known as the *West Aquila* and the *West Libra*, representing two of the most capable drillships ever built. The acquisition price was $296 million per unit, of which $90 million per unit was payable at contract signing and the remaining balance at delivery. Expected delivery is January and March 2021, with a flexible delivery schedule and an option to take earlier delivery. In addition, the Company has received an option to acquire a third drillship, the *Cobalt Explorer*, from DSME for a purchase price of $350 million, with a six months option period. The right to exercise the option is subject to a defined, unaffiliated, third party not exercising a senior priority purchase right over the drillship at $405 million during the option period.

In connection with the acquisition of the two drillships from DSME, the Company successfully completed a private placement of 29,805,883 new shares, at a subscription price of NOK 68.00 per share, generating gross proceeds of NOK 2,026,800,000 (approximately $250 million). The private placement was significantly over-subscribed. The Company estimates that total expenses will amount to approximately $4 million and so the net cash proceeds from the private placement are estimated to be approximately $246 million. The Company intends to use the net proceeds for further fleet expansion, including the partial funding of the two drillships under construction at DSME, and for general corporate purposes.

As of the date of this report, the Company owns two semi-submersible harsh environment rigs and two drillships, all which are currently under construction and expected to be delivered to the Company in the period 2019-2021.

Strategy

Northern Drilling continues to execute on its distressed asset strategy through the recent DSME transaction. The acquisition price represents close to a 45% discount to historical construction cost and is combined with a flexible delivery schedule until 2021, creating a unique optionality towards the offshore drilling market. With backend loaded payment terms of approximately 70% due at delivery, the carry cost is limited while awaiting the underlying market fundamentals to continue to strengthen.

The Company will carefully monitor the development in the UDW market when assessing its purchase option for the drillship known as Cobalt Explorer. The purchase option comes with equally attractive backend loaded payment terms and an acquisition price representing a significant discount to construction and replacement cost today. Exercise of the purchase option is strictly conditional upon it being accretive to Northern Drilling's shareholders.

Further growth of the Company's fleet will continue to be based on opportunistically target acquisition of high quality assets. The acquisition of West Mira and Bollsta Dolphin were ideally timed with meaningful value appreciation since acquisition. Given the relative pricing differences between different offshore drilling assets still seen in the market, the Company continues to pursue growth opportunities outside the harsh environment sector but with focus on forward delivery deals from high quality yards.

Northern Drilling has a prudent capital structure today with no interest bearing debt on its balance sheet. The remaining capital expenditures for the Company's rigs payable to the yards are interest free and provide the Company with interest free leverage until delivery of the rigs. Closer to delivery of each of the rigs, the Company will carefully consider financing take-out payments with interest bearing debt considering market fundamentals and terms for employment contracts secured.

Outlook

The market for harsh environment capable rigs continues to show all signs of a market in a recovery mode. Increased tender activity has been followed by increased dayrates, particularly for modern units. The Company's rigs are being marketed for opportunities through the Company's management contract with Seadrill Ltd. and are experiencing strong interest from a number of potential operators. When evaluating contract opportunities, Northern Drilling will be careful with entering into long term contracts at today's levels as the Company feels comfortable about the prospects for the market to eventually reach a full recovery at rates higher than observed today. Further, certain operators still value available high specification rigs that are warm over rigs delivered directly from the yard in contract discussions. Hence, Northern Drilling will target short to medium term employment as the first contract for each of its rigs once delivered from the yard.

The improved harsh environment fundamentals have renewed the general interest for entering into newbuilding contracts. Northern Drilling does not share that enthusiasm. The market is still struggling with overcapacity from less capable units willing to enter into contracts at unfavorable terms affecting the supply balance negatively. Hence, Northern Drilling is cautioning the ability of the markets to absorb a sudden large increase in newbuilding activity.

The market for benign UDW capable rigs is further away from a recovery than the harsh environment, albeit with clear positive signs that the market is past the trough with increasing tender activity being the leading indicator. The Company is confident its entrance into the ultra-deepwater market was completed at a timely point in the cycle given the low price tag, flexible delivery schedule and favorable payment terms. Further, it is already evident that high specification 7th generation drillships are preferred by operators due to, among other things, increased drilling efficiency. A similar trend as observed in the HE market is expected to play out also in the UDW segment with increased utilization and dayrates for the high specification rigs, while less capable rigs will continue to struggle to win contracts. Given Northern Drilling's flexible delivery schedule until 2021, the Company can comfortable await a further market improvement, before actively start marketing its UDW units.

Forward Looking Statements

This Report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates, sometimes identified by the words "believes", "expects", "intends", "plans", "estimates" and similar expressions. The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company or cited from third-party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. The Company does not provide any assurance that that the assumptions underlying such forward-looking statements are free from errors, nor does the Company accept any responsibility for the future accuracy of the opinions expressed in the presentation or the actual occurrence of the forecasted developments. No obligations are assumed to update any forward-looking statements or to conform to these forward-looking statements to actual results.

The Board of Directors
Northern Drilling Ltd.
Hamilton, Bermuda
May 31, 2018

Questions should be directed to:
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NORTHERN DRILLING LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT *(in thousands of $)*	**Jan 1 to Mar 31, 2018**	**Mar 2 to Mar 31, 2017**	**Mar 2 to Dec 31, 2017**
Total operating revenues	—	—	—
Administrative expenses	278	33	822
Total operating expenses	**278**	**33**	**822**
Net operating loss	**(278)**	**(33)**	**(822)**
Interest income	303	9	725
Other financial expense	(11)	(5,000)	(4,997)
Net income (loss)	**14**	**(5,024)**	**(5,094)**
Basic loss per share ($)	—	**(0.11)**	**(0.11)**

See accompanying notes that are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET *(in thousands of $)*	**2018 Mar 31**	**2017 Mar 31**	**2017 Dec 31**
ASSETS			
Short term			
Cash and cash equivalents	83,067	40,239	84,090
Other current assets	1	—	57
Long term			
Newbuildings	386,488	182,647	185,170
Payment on account of newbuilding acquisition	—	—	200,000
Total assets	**469,556**	**222,886**	**469,317**
LIABILITIES AND EQUITY			
Short term liabilities			
Other current liabilities	103	91	290
Related party payables	1,163	147	751
Commitments and contingencies			
Total equity	468,290	222,648	468,276
Total liabilities and equity	**469,556**	**222,886**	**469,317**

See accompanying notes that are an integral part of these condensed consolidated financial statements.

NORTHERN DRILLING LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW *(in thousands of $)*	**Jan 1 to Mar 31, 2018**	**Mar 2 to Mar 31, 2017**	**Mar 2 to Dec 31, 2017**
NET INCOME (LOSS)	**14**	**(5,024)**	**(5,094)**
Adjustment to reconcile net loss to net cash provided by (used in) operating activities;			
Loan fee paid to related party	—	5,000	5,000
Change in operating assets and liabilities;			
Other current assets	—	—	(57)
Other current liabilities	(187)	91	121
Related party payables	412	—	134
Net cash provided by operating activities	**239**	**67**	**104**
INVESTING ACTIVITIES			
Additions to newbuilding	(1,262)	—	(2,053)
Payment on account to acquire newbuilding	—	—	(200,000)
Net cash used in investing activities	**(1,262)**	**—**	**(202,053)**
FINANCING ACTIVITIES			
Net proceeds from share issuances	—	112,672	358,539
Repayment of loan to related party	—	(72,500)	(72,500)
Net cash provided by financing activities	**—**	**40,172**	**286,039**
Net change in cash and cash equivalents	**(1,023)**	**40,239**	**84,090**
Cash and cash equivalents at start of the period	**84,090**	**—**	**—**
Cash and cash equivalents at end of the period	**83,067**	**40,239**	**84,090**

See accompanying notes that are an integral part of these condensed consolidated financial statements.

NORTHERN DRILLING LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(in thousands of $ except number of shares)*	**Jan 1 to Mar 31, 2018**	**Mar 2 to Mar 31, 2017**	**Mar 2 to Dec 31, 2017**
NUMBER OF SHARES OUTSTANDING			
Balance at beginning of period	77,750,100	—	—
Shares issued	—	46,000,100	77,750,100
Balance at end of period	**77,750,100**	**46,000,100**	**77,750,100**
SHARE CAPITAL			
Balance at beginning of period	77,750	—	—
Shares issued	—	46,000	77,750
Balance at end of period	**77,750**	**46,000**	**77,750**
ADDITIONAL PAID IN CAPITAL			
Balance at beginning of period	395,620	—	—
Shares issued	—	181,672	395,620
Balance at end of period	**395,620**	**181,672**	**395,620**
RETAINED DEFICIT			
Balance at beginning of period	(5,094)	—	—
Net income (loss)	14	(5,024)	(5,094)
Balance at end of period	**(5,080)**	**(5,024)**	**(5,094)**
TOTAL EQUITY	**468,290**	**222,648**	**468,276**

See accompanying notes that are an integral part of these condensed consolidated financial statements.

NORTHERN DRILLING LTD.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 incorporation have consisted principally of acquiring rigs 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. The Company does not currently have sufficient funding for its committed capital expenditures over the next twelve months but is confident that the required funding will be raised through debt financing, an equity issue or a combination of these.

As of the date of this report, the Company owns two semi-submersible rigs, West Mira and Bollsta Dolphin and two 7th generation drillships. All four units are currently under construction at Hyundai Heavy Industries Co Ltd ("HHI") and Daewoo Shipbuilding & Marine Engineering Co., Ltd ("DSME") respectively, with expected delivery between 2019 and 2021.

2. BASIS OF ACCOUNTING

The condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States as described in the Company's audited financial statements for the period from March 2, 2017 to December 31, 2017. The condensed 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 condensed 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.

3. EARNINGS PER SHARE

The basic earnings per share for the three months ended March 31, 2018 has been calculated based on the net income attributable to the Company of $0.01 million and the weighted average number of shares in the period of 77,750,100 shares. There were no potentially dilutive instruments outstanding in the period.

4 . NEWBUILDINGS

On January 4, 2018 the refund guarantee that was required in connection with the exercise of the option for Bollsta Dolphin was received by the Company and the option was considered fully exercised at which time the $200.0 million that was recorded in the balance sheet as Payment on account of newbuilding acquisition was transferred to Newbuildings.

5. 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. As of December 31, 2017 and March 31, 2018, the Company had 77,750,100 shares outstanding.

6. RELATED PARTY TRANSACTIONS

Greenwich Holdings, and then a wholly-owned subsidiary of Greenwich Holdings, Hemen Holdings Ltd,. has been the Company's largest shareholder since the Company's formation. Hemen Holdings Ltd holds approximately 40.0% of shares in the Company at March 31, 2018. 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.

Seadrill transactions

A wholly-owned subsidiary of Seadrill carries out the newbuilding supervision of the Company's rigs currently under construction. The Company was charged $0.6 million for newbuilding supervision services in the three months ended March 31, 2018

Seatankers Management transactions

The Company and its subsidiaries receive management services from Seatankers Management. The fee was $0.1 million in the three months ended March 31, 2018.

7. COMMITMENTS AND CONTINGENCIES

As of March 31, 2018, the Company was committed to make the second and final installment of $182.5 million for West Mira. This installment is payable on delivery, which is currently expected in January 2019.

As of March 31, 2018, the Company was also committed to make the second and final installment of $200.0 million for Bollsta Dolphin. This installment is payable on delivery, which is currently expected in January 2019.

8. SUBSEQUENT EVENTS

In May 2018, the Company entered into agreements to purchase two newbuilding 7th generation DP3 and ultra-deepwater capable drillships from DSME known as the *West Aquila* and the *West Libra*. The acquisition price was $296 million per unit, of which $90 million per unit was payable at contract signing and the remaining balance at delivery. Expected delivery is January and March 2021, with a flexible delivery schedule and an option to take earlier delivery. In addition, the Company has received an option to acquire a third drillship, the *Cobalt Explorer*, from DSME for a purchase price of $350 million with a six months option. The right to exercise the option is subject to a defined, unaffiliated, third party not exercising a senior priority purchase right over the drillship at $405 million during the option period.

In connection with the acquisition of the two drillships from DSME, the Company successfully completed a private placement in May 2018 of 29,805,883 new shares, at a subscription price of NOK 68.00 per share, generating gross proceeds of NOK 2,026,800,000 (approximately $250 million).The Company estimates that total expenses will amount to approximately $4 million and so the net cash proceeds from the private placement are estimated to be to approximately $246 million. The Company intends to use the net proceeds for further fleet expansion, including the partial funding of the two drillships under construction at DSME, and for general corporate purposes.

Following the successful private placement of 29,805,883 new shares, the Company has of the date of this report 107,555,983 common shares outstanding.