NORTHERN DRILLING LTD

INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2017

Highlights from Incorporation to September 30 2017

- Acquired one high specification semi-submersible harsh environment rig currently under construction at Hyundai Heavy Industries for $365 million
- Secured an option to acquire a similar high specification semi-submersible harsh environment rig from same yard for $400 million. Option lapses year end 2017
- Successfully completed a private placement of $230 million in March 2017

Subsequent events

- Completed listing on Oslo Axess in October 2017
- Successfully completed a private placement in November 2017 raising gross proceeds of NOK 2,032 million, equivalent to $250 million. Proceeds to be used for further fleet growth and general corporate purposes

Results from Incorporation to September 30, 2017

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.

As of the date of this report, 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.

In March 2017, the Company completed a private placement of 46 million new shares and generated gross proceeds of $230.0 million. At September 30, 2017, the Company had cash and cash equivalents of $38.9 million following the $182.5 million initial investment in Semi 1 and the payment of newbuilding supervision costs of $1.2 million, private placement costs of $2.3 million and the payment of a $5.0 million financing fee.

Operating expenses in the period from incorporation to September 30, 2017 were primarily due to fees incurred in connection with the listing of the Company on Oslo Axess, other set up costs and general administrative expenses in the period.

In November 2017, the Company generated gross proceeds of NOK 2,032 million (approximately $250 million) through the placing of 31,750,000 new shares at a subscription price of NOK 64 per share. The Company paid fees of approximately USD 3.9 million. As of the date of this report, the Company has 77,750,100 shares outstanding.

Strategy

Northern Drilling's strategy is to be a distressed asset play on a recovery in the offshore drilling market. The offshore drilling industry is suffering from its worst downturn ever with both depth and duration significantly surpassing previous down-cycles and with asset values having declined dramatically. The Company is to opportunistically target acquisition of high quality assets that represent an attractive purchase price compared to historical and current replacement cost and future earnings capacity.

The Company will remain an asset platform and is not targeting expanding with in-house operational capabilities. All operational capabilities and requirements will be sourced through management contracts maintaining Northern Drilling's extremely cost competitive and flexible platform.

Northern Drilling will target accretive acquisition to the benefit of its shareholders. The Company's assets are currently harsh environment rigs and the Company will continue to pursue growth within the harsh environment sector. Further, the Company will have an opportunistic growth strategy and also carefully review opportunities for drilling rigs suited for shallow and benign operations.

The Company has, since incorporation, focused primarily on forward delivery deals, similar to its 1+1 assets, where newbuildings currently under construction are acquired from the yards and delivery pushed out. Such acquisitions have a built-in optionality with the advantage of acquiring assets at historical low point in the cycle but with the flexibility to postpone delivery until the underlying market has improved. Further, compared to acquiring already delivered rigs with limited or no backlog, forward delivery deals have the advantage of i) no depreciation, ii) no stacking cost iii) no reactivation cost and, iv) no SPS clock/ cost. The average delivered modern floater will be 9 years old by 2020 and will have, as such, exhausted a material part of its expected useful life compared to a floater that will be delivered as brand new out of the yard in 2020. Going forward, it is expected that the Company will continue to focus primarily on forward delivery deals for further growth.

Northern Drilling has no debt on its balance sheet at present and will continue to target a prudent capital structure. Closer to delivery, the Company will carefully consider financing take-out payments with debt considering market fundamentals and terms for employment contracts secured.

Further growth of the Company's asset base is expected to be financed with equity but with any new acquisition being strictly conditional upon being accretive to Northern Drilling's shareholders.

Corporate Update

In October 2017, the Company completed a listing of its common share at Oslo Axess under the ticker NODL to, among other things, facilitate increased float for the Company's shareholders. Subject to fulfilment of listing requirements, Northern Drilling will target a transfer of its shares from Oslo Axess to trading on the main Oslo Børs exchange. Such a transfer is expected to increase the Company's visibility among the investment community and facilitate a further improvement in the trading liquidity of the shares.

In November 2017, the Company successfully completed a private placement raising gross proceeds of NOK 2,032 million, equivalent to approximately $250 million. Proceeds will be used for further fleet growth and general corporate purposes. The placement was well received and the Company is pleased with the support of its strategy from the financial markets.

The Company is currently in discussions to strengthen its management team and is confident to make announcements shortly.

Outlook

The market for harsh environment capable rigs has showed clear signs of improvement and stands out favorably in the drilling sector with strong uptick in tender activity and contract awards. Modern harsh environment rigs currently have a utilization of 90% compared to the overall drilling market currently at 60%. Contracts for modern units are already at a healthy margin compared to OPEX, generating additional free cash flow. A further increase in demand for harsh environment drilling is expected with growth in PDOs and wells to be sanctioned in the short to medium term, especially on the Norwegian Continental Shelf. Improved break even rates for oil fields are expected to add to further demand through i) increased development drilling on existing fields, ii) sanctions of new projects, and iii) exploration drilling. The harsh environment fundamentals are further supported on the supply side through high reactivation capex barriers, low pre-2014 newbuilding ordering and, relative to fleet size, high scrapping activity in the past three years.

Since securing the Company's 1+1 rigs at historical low prices in March 2017, a clear firmness in valuation for similar assets has been observed both for delivered assets and for similar newbuildings. This has a clear positive read-through for the Company's 1+1 rigs. The Company will continue to be opportunistic in its approach for further growth but remain highly disciplined with regards to purchase prices.

Northern Drilling remains confident in the outlook for the harsh environment market and continues to believe in a strengthening of market fundamentals which are expected to give rise to higher day rates and rig values. Semi 1 is currently being marketed for opportunities through the Company's management contract with Seadrill Ltd. Securing term employment will be an important milestone for Northern Drilling. The Company will carefully consider the flexibility for early delivery under the agreement with Hyundai against term contracts surfacing in the market. At the same time, the Company is prepared to maximize the delivery window and await contracts until closer to scheduled delivery if the Company believes this will maximize shareholders' return.

The market for shallow and benign drilling operations is further away from being in balance. Any acquisition of such drilling units needs to reflect this and offer attractive terms when it comes to i) delivery time of the rig, ii) payment structure and iii) all-in purchase price. The Company will continue to balance opportunism with price discipline when reviewing new opportunities but remain confident it will be able to source accretive deals for its shareholders going forward.

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
November 30, 2017

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CONDENSED CONSOLIDATED INCOME STATEMENT

July 1 to Sept 30, 2017	(Unaudited, in thousands of $)	March 2 to Sept 30, 2017	March 2 to June 30, 2017
-	**Total operating revenues**	**-**	**-**
242	Administrative expenses	376	134
242	**Total operating expenses**	**376**	**134**
(242)	**Net operating loss**	**(376)**	**(134)**
122	Interest income	227	105
(1)	Other financial items	(5,001)	(5,000)
(121)	**Net loss**	**(5,150)**	**(5,029)**
-	**Basic loss per share ($)**	**(0.13)**	**(0.13)**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited, in thousands of $)	2017 Sept 30	2017 June 30
ASSETS		
Short term		
Cash and cash equivalents	38,852	40,134
Other current assets	109	161
Long term		
Newbuildings		
Vessels and equipment, net	184,073	183,329
Total assets	**223,034**	**223,624**
LIABILITIES AND EQUITY		
Short term liabilities		
Other current liabilities	142	124
Related party payables	370	857
Commitments and contingencies		
Total equity	222,522	222,643
Total liabilities and equity	**223,034**	**223,624**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

July 1 to Sept 30, 2017	*(Unaudited, in thousands of $)*	March 2 to Sept 30, 2017	March 2 to June 30, 2017
(121)	**NET LOSS**	**(5,150)**	**(5,029)**
	Adjustment to reconcile net loss to net cash used in operating activities;		
-	Loan fee paid to related party	5,000	5,000
	Change in operating assets and liabilities;		
53	Other current assets	(108)	(161)
(330)	Other current liabilities	(206)	124
341	Related party payables	369	28
(57)	**Net cash used in operating activities**	**(95)**	**(38)**
	INVESTING ACTIVITIES		
(1,225)	Additions to newbuilding	(1,225)	-
(1,225)	**Net cash used in investing activities**	**(1,225)**	**-**
	FINANCING ACTIVITIES		
-	Net proceeds from share issuance	112,672	112,672
-	Repayment of loan to related party	(72,500)	(72,500)
-	**Net cash provided by financing activities**	**40,172**	**40,172**
(1,282)	**Net increase (decrease) in cash and cash equivalents**	**38,852**	**40,134**
40,134	**Cash and cash equivalents at start of the period**	**-**	**-**
38,852	**Cash and cash equivalents at end of the period**	**38,852**	**40,134**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited, in thousands of $ except number of shares)	**March 2 to Sept 30, 2017**	**March 2 to June 30, 2017**
NUMBER OF SHARES OUTSTANDING		
Balance at beginning of period	-	-
Shares issued	46,000,100	46,000,100
Balance at end of period	**46,000,100**	**46,000,100**
SHARE CAPITAL		
Balance at beginning of period	-	-
Shares issued	46,000	46,000
Balance at end of period	**46,000**	**46,000**
ADDITIONAL PAID IN CAPITAL		
Balance at beginning of period	-	-
Shares issued	181,672	181,672
Balance at end of period	**181,672**	**181,672**
RETAINED DEFICIT		
Balance at beginning of period	-	-
Net loss	(5,150)	(5,029)
Balance at end of period	**(5,150)**	**(5,029)**
TOTAL EQUITY	**222,522**	**222,643**

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

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 one semi-submersible rig currently under construction, acquiring an option via an option held by a related party for a second semi-submersible rig 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 the date of this report, 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. BASIS OF ACCOUNTING

The 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 June 30, 2017. 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.

3. EARNINGS PER SHARE

The basic loss per share has been calculated based on the net loss attributable to the Company of $5.2 million and the weighted average number of shares in the period of 41,660,477 shares. There were no potentially dilutive instruments outstanding in the period.

4. NEWBUILDINGS

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.

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.

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.

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.

6. RELATED PARTY TRANSACTIONS

Greenwich Holdings has been the Company's largest shareholder since the Company's formation. Greenwich Holdings held approximately 50.0% of shares in the Company at September 30, 2017. After the private placement in November 2017, Greenwich Holdings holds approximately 40% of the shares in the Company. 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 instalment 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 $1.4 million in the period from March 2 to September 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 has guaranteed payment of the second and final instalment 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 $70,000 in the period from March 2 to September 30, 2017.

7. COMMITMENTS AND CONTINGENCIES

As of September 30, 2017, the Company was committed to make the second and final instalment of $182.5 million for Semi 1. This instalment is payable on delivery, which is currently expected in January 2019.

8. 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 instalment 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.

9. SUBSEQUENT EVENTS

In October 2017, the Company's shares were listed on the Oslo Axess under the trading symbol "NODL".

In November 2017, the Company generated gross proceeds of NOK 2,032 million (approximately $250 million) through the placing of 31,750,000 new shares at a subscription price of NOK 64 per share. The Company paid fees of $3.9 million.