

# Archer

## Archer Limited

(an exempted company limited by shares incorporated under the laws of Bermuda)

### Listing of 11,398,981 Private Placement Shares and 1,174,436 Consideration Shares

This prospectus (the "**Prospectus**") has been prepared by Archer Limited (the "**Company**" and together with its subsidiaries the "**Group**" or "**Archer**"), an exempted company limited by shares incorporated under the laws of Bermuda solely for use in connection with the listing on Euronext Oslo Børs, a regulated market operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of (i) 11,398,981 new shares in the Company (the "**Private Placement Shares**") issued in the private placement raising gross proceeds of the NOK equivalent of approximately USD 50 million announced by the Company on 31 October 2024 (the "**Private Placement**"); and (ii) 1,174,436 new shares in the Company issued as consideration for the Company's acquisition of shares in Iceland Drilling, as announced on 14 November 2024 (the "**Consideration Shares**"). The Company's shares (the "**Shares**"), each with a par value of USD 0.01, are listed on the Oslo Stock Exchange under the ticker code "ARCH".

This Prospectus has been prepared solely in connection with the listing of the Private Placement Shares and the Consideration Shares. This Prospectus does not constitute an offer, or invitation to purchase, subscribe or sell, any of the securities described herein. The distribution of this Prospectus and the transfer Shares may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities laws of the relevant jurisdiction. Reference is made to Section 14 "Transfer restrictions".

**Investing in the Company's Shares involves risk. See section 2 "Risk Factors".**

#### Managers:

DNB Markets, a part of  
DNB Bank ASA



Pareto Securities AS



Arctic Securities AS



Skandinaviska Enskilda  
Banken AB (publ), Oslo  
Branch (SEB)



SpareBank1 Markets AS



The date of this Prospectus is 20 December 2024

## IMPORTANT INFORMATION

For the definitions of terms used throughout this Prospectus, see section 16 "Definitions and Glossary of Terms".

This Prospectus has been prepared solely in connection with the listing of the Private Placement Shares and the Consideration Shares on the Oslo Stock Exchange. This Prospectus has been prepared solely in the English language. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**Prospectus Regulation**"). The Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation.

DNB Markets, a part of DNB Bank ASA and Pareto Securities AS acted as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**"), and Arctic Securities AS, Skandinaviska Enskilda Banken AB (publ), Oslo Branch, and SpareBank 1 Markets AS acted as joint bookrunners in the Private Placement (together with the Joint Global Coordinators, the "**Managers**")

All inquiries relating to this Prospectus should be directed to the Managers or to the Company. No other person has been authorized to give any information, or make any representation on behalf of the Company in connection with the Private Placement. If given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Managers.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Private Placement Shares or the Consideration Shares and which arises or is noted between the time when this Prospectus is approved by the Norwegian FSA and the listing of the Private Placement Shares and the Consideration Shares on the Oslo Stock Exchange will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

**The distribution of this Prospectus may be restricted by law in certain jurisdictions. The Company and the Managers require persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. This Prospectus does not constitute an offer of, or an invitation to subscribe or purchase, any of the Shares in any jurisdiction in which such offer or subscription or purchase would be unlawful. In addition, the Shares may in certain jurisdictions be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Furthermore, the restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to the Prospectus that are not known or identified by the Company or the Managers at the date of this Prospectus may apply in various jurisdictions. For further information on certain applicable transfer restrictions, see section 14 "Transfer restrictions" of this Prospectus.**

**Investing in the Shares involves risk. See Section 2 "Risk Factors".**

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 and the Exchange Control Act 1972, and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority (the "**BMA**"), pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated 1 June 2005, provides that where any equity securities of a Bermuda company are listed on an appointed stock exchange, general permission is given for the issue and subsequent

transfer of any securities of a company from and/or to a non-resident, for as long as any equity securities of such company remain so listed. The Oslo Stock Exchange is deemed to be an appointed stock exchange under Bermuda law. In granting such permission, the BMA accepts no responsibility for the Group's financial soundness or the correctness of any of the statements made or expressed in this Prospectus. This Prospectus does not need to be filed with the Registrar of Companies in Bermuda in accordance with Part III of the Companies Act 1981 of Bermuda, as amended (the "**Bermuda Companies Act**") pursuant to provisions incorporated therein following the enactment of the Companies and Partnerships (Electronic Registry) Amendment Act 2020. Such provisions state that Part III of the Bermuda Companies Act shall not apply to any exempted company. The Company is a Bermuda exempted company.

Norwegian law governs this Prospectus. The courts of Norway, with Oslo as legal venue, have exclusive jurisdiction to settle any dispute that may arise out of or in connection with this Prospectus.

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## 1. SUMMARY

### INTRODUCTION AND WARNINGS

<i>Warning</i>	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<i>Securities</i>	<p>The Company has one class of shares in issue. The Shares are issued under the Bermuda Companies Act and registered with the ESO under ISIN BMG 0451H2087.</p> <p>The 11,398,981 Private Placement Shares have been issued on a separate ISIN and will be registered with the ESO under the Company's ordinary ISIN (i.e. ISIN BMG 0451H2087) after the publication of this Prospectus.</p> <p>The 1,174,436 Consideration Shares have been issued on a separate ISIN and will be registered with the ESO under the Company's ordinary ISIN (i.e. ISIN BMG 0451H2087) after the publication of this Prospectus.</p>
<i>Issuer</i>	<p>The issuer of the securities is Archer Limited. The Company is as an exempted company limited by shares and is organized and exists under the laws of Bermuda and the Bermuda Companies Act, with registration no. 40612. The Company's LEI code is 549300D1D5TS4O1V4923. The Company's registered office is at Par la Ville Place, 14 Par la Ville Road Hamilton HM 08, Bermuda and its main telephone number at that address is +441-295-6935. The Company's website can be found at <a href="http://www.archerwell.com">www.archerwell.com</a>.</p>
<i>Competent authority</i>	<p>The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i>), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 20 December 2024, approved the Prospectus.</p>

### KEY INFORMATION ON THE ISSUER

#### *Who is the issuer of the securities?*

<i>Corporate information</i>	<p>The issuer of the securities is Archer Limited, an exempted company limited by shares and is organized and exists under the laws of Bermuda, with registration number 40612. The Company was incorporated on 31 August 2007. The Company's LEI code is 549300D1D5TS4O1V4923.</p>
<i>Principal activities</i>	<p>Archer Limited, along with its subsidiaries, is a global services company with a heritage in drilling and well services that stretches back over 50 years.</p> <p>Archer drilling teams secure production on more than 30 offshore platforms in the North Sea and Brazil, and own two modular rigs. In addition, Archer owns more than 60 mobile land rigs in Latin America. Archer's comprehensive drilling and workover services include platform operations, land drilling and well services. The well services division delivers Archer's top-tier technology for well suspension, plug and abandonment, decommissioning, leak detection, and well imaging globally. Strengthened by experience and an outstanding record for safety and efficiency, Archer aim to deliver the best drilling and well services globally. Archer's well specialists leverage the experience and the right tools to improve well delivery, integrity and performance for each well, extending the productive life of these vital assets.</p>
<i>Major shareholders</i>	<p>Shareholders owning more than 5% of the Shares have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. As of 18 December 2024, the Company had a total of 4,458 registered shareholders in the ESO, of which the top 10 registered shareholders are listed below:</p>

#	Shareholders	Number of Shares	Percent
1	PARATUS JU NEWCO BERMUDA LIMITED	21 583 826	23,8 %
2	HEMEN HOLDING LIMITED	18 275 830	20,2 %
3	Morgan Stanley & Co. Int. Plc.	4 795 016	5,3 %

4	DNB Markets Aksjehandel/-analyse	2 858 974	3,2 %
5	Danske Bank A/S	2 219 718	2,5 %
6	SEB CMU/SECFIN POOLED ACCOUNT	1 705 145	1,9 %
7	The Bank of New York Mellon	1 334 815	1,5 %
8	CLEARSTREAM BANKING S.A.	1 273 044	1,4 %
8	ACONCAGUA MANAGEMENT LTD	1 265 627	1,4 %
10	BAROKK INVEST AS	1 260 000	1,4 %

*Executive management* The Company's Executive Management consist of the following persons:

- Dag Skindlo (Chief Executive Officer)
- Espen Joranger (Chief Financial Officer)
- Adam Todd (General Counsel)
- Gerardo Molinaro (VP Land Drilling)
- Alexander Olsson (EVP Platform Operations)
- Nicholas Pantin (EVP Well Services)

*Independent auditor* PricewaterhouseCoopers AS (PwC), with registered address at Dronning Eufemias gate 71, 0194 Oslo and business registration number 987 009 713 in the Norwegian Register of Business Enterprises.

***What is the key financial information regarding the issuer?***

The table below sets out key financial information for the Group for the periods indicated.

***Selected statements of operations information (Consolidated)***

<i>(USD in millions)</i>	<b>Nine months ended 30 September 2024 (US GAAP - unaudited)</b>	<b>Year ended 31 December 2023 (US GAAP - audited)</b>
Total revenues	952.4	1,169.3
Operating income	53.2	64.8
Net (loss) / income	(6.9)	(28.1)

***Selected balance sheet information (Consolidated)***

<i>(USD in millions)</i>	<b>30 September 2024 (US GAAP - unaudited)</b>	<b>31 December 2023 (US GAAP - audited)</b>
Total assets	930.2	905.7
Total shareholders' equity	191.6	196.2
Total liabilities	365.9	368.0

***Selected cash flow information (Consolidated)***

<i>(USD in millions)</i>	<b>Nine months ended 30 September 2024 (US GAAP - unaudited)</b>	<b>Year ended 31 December 2023 (US GAAP - audited)</b>
Cash flow from operating activities	58.4	55.7
Cash flow from investing activities	(52.1)	(48.7)
Cash flow from financing activities	(2.7)	(43.7)

***What are the key risks that are specific to the issuer?***

- The Group's business depends on the level of activity of oil and gas exploration, development and production in the North Sea and internationally.
- The Group' business is significantly dependent on the level of oil and gas prices.
- The Group may not be able to compete effectively.

- The Group may not be able to freely utilise cash generated from its Argentinean operations.
- The Group may carry out acquisitions that prove unsuccessful or divert its resources, which in turn could negatively affect the Group.
- A small number of customers account for a significant portion of the Group's operating revenues, and the loss of any significant customer could as such adversely affect the Group.
- An oversupply of comparable rigs in the geographic markets in which the Group competes could depress the utilization rates and day rates for its rigs, which in turn could negatively affect the Group.
- The Group operates internationally and is as such subject to risks resulting from differing legal, political, social and regulatory requirements and economic conditions and unforeseeable developments in several jurisdictions.
- The Group's operations involve numerous operational risks and hazards.
- The Group is subject to environmental laws and regulations which may impose significant liability.
- The Group operates in countries known to experience governmental corruption, and any failure to comply with anti-bribery laws could negatively affect the Group.
- Failure by the Group to secure adequate sources of funding in the future could negatively affect the Group.

## KEY INFORMATION ON THE SECURITIES

### *What are the main features of the securities?*

<i>Type, class and ISIN</i>	<p>The Company has one class of shares in issue, and all shares in that class have equal rights in the Company. The Shares are issued under the Bermuda Companies Act and registered with the ESO under ISIN BMG 0451H2087.</p> <p>The Private Placement Shares have been placed on a separate ISIN and will be registered in the ESO under the Company's ordinary ISIN (i.e. ISIN BMG 0451H2087) following the publication of this Prospectus.</p> <p>The Consideration Shares have been placed on a separate ISIN and will be registered in the ESO under the Company's ordinary ISIN (i.e. ISIN BMG 0451H2087) following the publication of this Prospectus.</p>
<i>Currency, par value and number of securities</i>	The Shares are, and the Private Placement Shares will be, traded in NOK on the Oslo Stock Exchange. At the date of this Prospectus, the Company's share capital is USD 905,381.34 divided into 90,538,134 shares, each with a nominal value of USD 0.01.
<i>Rights attached to the securities</i>	All Shares provides equal rights in the Company in accordance with the Bermuda Companies Act. The Bye-Laws of the Company and the Bermuda Companies Act do not provide a shareholder of the Company with any pre-emptive rights to subscribe for additional issues of the Company's shares.
<i>Transfer restrictions</i>	The Bye Laws do not provide for a right of first refusal on transfer of shares. Share transfers are not subject to approval by the Company's board of directors (the " <b>Board of Directors</b> "). However, the Board of Directors may decline to register any transfer in certain circumstances described in the Bye-Laws.
<i>Dividend and dividend policy</i>	The Company has not formalized a dividend policy. Such policy may be implemented in the future if the Company is in a position to declare cash dividends to the shareholders.

### *Where will the securities be traded?*

The Company's Shares are listed and tradeable on the Oslo Stock Exchange under the ticker code "ARCH". The Private Placement Shares and the Consideration Shares will be listed and tradeable on the Oslo Stock Exchange following the publication of this Prospectus.

### *What are the key risks that are specific to the securities?*

- Shareholders do not have any pre-emptive rights to subscribe for additional issues of the Company's Shares, and may as such be diluted in the event of future Share issuances.

## KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

### *Under which conditions and timetable can I invest in this security?*

This Prospectus is a listing prospectus for securities already issued by the Company, and consequently does not constitute an offer to buy or subscribe for any securities. The Company's Shares are listed and tradeable on the Oslo Stock Exchange under the ticker code "RECSI". The Private Placement Shares and the Consideration Shares will be listed and tradeable following the publication of this Prospectus.

### *Why is this prospectus being produced?*

This Prospectus has been prepared in connection with the listing of the Private Placement Shares and the Consideration Shares on the Oslo Stock Exchange.



## **2. RISK FACTORS**

*Investing in the Company involves a high degree of risk. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Potential investors should carefully consider the risk factors set out below and the information set out in section 4.2 "Cautionary note regarding forward-looking statements" in addition to the other information contained herein before making an investment decision.*

*The risk factors included in this section 2, are as of the date of this Prospectus, and are presented in a limited number of categories, where each individual risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect on the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The risks mentioned herein could materialise individually or cumulatively.*

### **2.1 RISKS RELATING TO GROUP AND THE INDUSTRY IN WHICH IT OPERATES**

#### **2.1.1 The Group's business depends on the development and production of oil and gas in the North Sea and internationally**

The Group's business depends on the level of activity of oil and gas exploration, development and production in the North Sea and internationally, and in particular, the level of exploration, development and production expenditures of the Group's customers. The North Sea is a mature oil and natural gas production region that has experienced substantial seismic survey and exploration activity for many years. Because a large number of oil and natural gas prospects in this region have already been drilled, additional prospects of sufficient size and quality could be more difficult to identify in the future. The decrease in the size of oil and natural gas prospects and a decrease in production may result in reduced drilling activity in the North Sea. As a significant portion of the Group's business is conducted in the North Sea, such decrease may reduce the demand for the Group's services, which would adversely affect the Group's business, results of operations, cash flows, financial condition and prospects. However, the energy transition and the permanent abandonment of existing fields and wells will mitigate some of the risk in the short to medium term. The risk for the Group's business is the timing of when the decline in development and production of oil and gas in the North Sea and Internationally are materialising and when the Group experiences uptick in the volume of permanent abandonment and decommissioning.

Currently approximately 10% of the Group's revenue is related to exploration and new development services, approximately 75% from services related to oil and gas production (brownfield), approximately 10% from services related to permanent plugging & abandonment of wells and decommissioning while approximately 5% is generated from services related to renewable energy.

Further, although the pace and magnitude of the demand for a shift from hydrocarbons to renewable energy sources is uncertain and difficult to predict, such energy transition could lead to a decline in the demand for the Group's services and thus negatively affect the Group, and there can be no assurance that the Group will be able to successfully adapt to such energy transition.

#### **2.1.2 The Group's business is significantly dependent on the level of oil and gas prices**

The demand for the Group's drilling and well services is adversely affected by declines in exploration, development and production activity associated with depressed oil and natural gas prices. Historically, oil and gas prices have been highly volatile and subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other economic and political factors, as seen in connection with the COVID-19 pandemic and the war in Ukraine.

Lower oil prices typically result in significant reductions in capital expenditure budgets, cancellation or deferral of projects and reductions in discretionary expenditures. Certain development projects could also become unprofitable as a result of price declines, which could in turn result in the Group postponing or cancelling a planned project or, if it is not possible to cancel the project, carrying out the project with negative economic impact. In addition, the Group may face property impairments if prices fall significantly. However, higher prices do not necessarily translate into increased drilling activity since clients' expectations about future commodity prices typically drive demand for the Group's services. As such, no assurance can be given that oil prices will remain at levels which will enable the Group to do business profitably or at levels that make it economically viable to produce from certain wells and any material decline in such prices could result in a reduction of net production volumes

and revenue and a decrease in reserves and in the valuation of exploration, appraisal, development and production properties.

Additionally, adverse changes to commodity prices could reduce the Group's ability to refinance outstanding indebtedness in the event lenders or investors reduce access to liquidity in response to such adverse changes. Consequently, changes in oil and gas prices may adversely affect the Group's business, results of operations, cash flow, financial condition and prospects.

### **2.1.3 The Group's industry is highly competitive**

The Group's industry is highly competitive. The Group's contracts are traditionally awarded on a competitive bid basis, with pricing often being the primary factor in determining which qualified contractor is awarded a job, although each contractor's technical capability, product and service quality and availability, responsiveness, experience, safety performance record and reputation for quality can also be key factors in the determination.

Several other oilfield service companies are larger than the Group and have resources that are significantly greater than the Group's resources. Furthermore, the Group competes with several smaller companies capable of competing effectively on a regional or local basis. These competitors may be able to better withstand industry downturns, compete on the basis of price, and acquire and implement new equipment and technologies. Should the Group not be able to compete effectively, this could adversely affect the Group's revenues and profitability.

For most of its businesses, the Group is primarily awarded contracts by participating in tender processes. However, some of the Group's contracts are entered into following direct negotiations with clients. Where the Group tenders for contracts, it is generally difficult to predict whether the Group will be awarded contracts on favourable terms or at all. The tenders are affected by several factors beyond the Group's control, such as market conditions, competition (including the intensity of the competition in a particular market), financing arrangements and governmental approvals required by clients.

The Group's ability to renew or extend existing contracts or sign new contracts will largely depend on prevailing market conditions. If the Group is unable to sign new contracts or if new contracts are entered into at rates or prices substantially below the current cost levels or on terms otherwise less favourable compared to existing contract terms, the Group's business, results of operations, cash flow and financial condition may be adversely affected.

### **2.1.4 The Group's Argentina operations could be affected by government action**

The Group's land drilling division provides drilling and workover services to operators in Argentina, and these operations account for approximately 25-30% of the Group's total revenues. Argentina has in the past defaulted on its sovereign debt, and from time-to-time imposed capital restrictions, both leading to a challenging situation for the oil and gas sector in the country, including the oil service industry. How the government of Argentina invests in the energy sector, makes changes to employment and labour legislation (see also section 2.2.5 "Risks related to labour disruptions"), and formulates policy around taxation, currency control and exchange, national debt repayment and commodity pricing could all have a significant effect on the Group's business in Argentina.

For instance, the Argentinean government continues to impose strict capital controls, including restrictions on payment to related parties for services rendered. This restricts payment from Argentinean Archer entities to non-Argentinean Archer entities using the official foreign exchange market rates. Until these capital controls are lifted, there is a risk that the Group will not be in a position to freely utilise cash generated from its Argentinean operation, to settle internal bareboat obligations to other Group companies outside Argentina, to support the rest of the Group's activity.

Argentina has recently taken significant steps to support the development of its oil and gas resources, focusing primarily on the massive Vaca Muerta shale formation. Recent initiatives include investments in pipeline expansion, legislative reforms and sanctioning of LNG export infrastructure projects. These measures aim to transform Argentina into a significant player in the global energy market while bolstering domestic energy security. Should the government be unsuccessful in the implementation of these measures, either through financing constraints, policy reversal or delays in the approval processes, there would be lower demand for Archer's services in Argentina, which could have an adverse effect on both activity levels and profitability in the Group's Argentinean operation.

### **2.1.5 The Group may pursue acquisitions that prove unsuccessful or divert its resources**

Acquisitions have historically been, and may continue to be, important for the growth of the Group's business, and the Group may consider making strategic merger and acquisitions to support further growth and profitability. In 2023, the Group completed the acquisition of Romar-Abrado and the acquisition of Baker Hughes' coiled tubing business in the UK, both of which are included in the well services reporting segment. During 2024, the Company acquired 65% of the shares in Vertical Services AS, 100% of the shares in Moreld Ocean Wind, 100% of the shares in ADA Argentina, and an additional 10% of the shares in Iceland Drilling. Furthermore, in November 2024, the Company completed the acquisition of Wellbore Fishing & Rental Tools, LLC ("**WFR**"), as announced on 18 November 2024. There is a risk that the Group will not be able to successfully integrate WFR into the Group, or that any of the other risks set out in the below paragraphs may materialize with respect to the acquisition of WFR.

Successful growth through acquisitions is dependent upon the Company's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms and ultimately complete such acquisitions and integrate acquired entities, including retaining key personnel. There can be no assurance that acquisition opportunities will be available on acceptable terms or at all, or that the Group will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. Its assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully, synergies may not be realized, and integration may require greater investment and time than anticipated. Additionally, any acquisitions completed by the Group may result in unintended consequences, for example, if significant liabilities are not identified during due diligence or come to light after the expiration of any applicable warranty or indemnity periods.

Additionally, the process of integrating the business of the targets may be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues, including or following disputes with minority shareholders, and difficulties in realizing operating synergies, which could adversely affect its results of operations. Moreover, successful integration of the targets may place a significant burden on management and other internal resources. The diversion of management's attention, and any difficulties encountered in the transition and integration process, could harm the Group's business, financial condition and results of operations.

### **2.1.6 A small number of customers account for a significant portion of the Group's total operating revenues**

The Group derives a significant amount of its total operating revenues from a few energy companies. In the year ended 31 December 2023, Equinor, Pan American and YPF accounted for approximately 45.3%, 18.0% and 7.8% of the Group's total operating revenues, respectively. During the year ended 31 December 2022, contracts from Equinor, Pan American Energy and YPF accounted for 47.6%, 18.8% and 8.6% of the Group's total operating revenues, respectively. Consequently, the Group's financial condition and results of operations will be materially adversely affected if these customers interrupt or curtail their activities, terminate their contracts with the Group, fail to renew their existing contracts or make timely payments under existing contract, or refuse to award new contracts to the Group, and the Group is unable to enter into contracts with new customers at comparable day rates. As such, the loss of any significant customer could adversely affect the Group's financial condition and results of operations.

### **2.1.7 An oversupply of comparable rigs in the geographic markets in which the Group competes could depress the utilization rates and day rates for its rigs**

Utilization rates, which are the number of days a rig actually works divided by the number of days the rig is available for work, and day rates, which are the contract prices customers pay for rigs per day, are also affected by the total supply of comparable rigs available for service in the geographic markets in which the Group competes. Improvements in demand in a geographic market may cause the Group's competitors to respond by moving competing rigs into the market, thus intensifying price competition. Significant new rig construction could also intensify price competition. In the past, there have been prolonged periods of rig oversupply with correspondingly depressed utilization rates and day rates largely due to earlier, speculative construction of new rigs. Improvements in day rates and expectations of longer-term, sustained improvements in utilization rates and day rates for drilling rigs may lead to construction of new rigs. Furthermore, these increases in the supply of rigs could also depress the utilization rates and day rates for the Group's modular rigs and thus materially reduce the Group's revenues and profitability for this segment. The Group's land drilling operations in Argentina are particularly exposed to the aforementioned risks.

### **2.1.8 The Group will experience reduced profitability if its customers reduce activity levels or terminate or seek to renegotiate their contracts with the Group**

Currently, the Group's drilling services contracts with major customers are largely day rate contracts, pursuant to which the Group charges a fixed charge per day regardless of the number of days needed to drill the well. Likewise, under the Group's current well services contracts, the Group charges a fixed daily fee. During depressed market conditions, a customer may no longer need services that are currently under contract or may be able to obtain comparable services at a lower daily rate. As a result, customers may seek to renegotiate the terms of their existing platform drilling contracts with the Group or avoid their obligations under such contracts. In addition, the Group's customers may have the right to terminate, or may seek to renegotiate, existing contracts if the Group experiences downtime, operational problems above the contractual limit or safety-related issues or in other specified circumstances, which include events beyond the control of either party.

The Group's firm backlog estimated to USD 2.4 billion, could be changed by operators giving notice to change in work scope, or operators could terminate these contracts. Operators' changes to work scope on existing contracts or termination, could potentially impact the Group's annual revenue by 50% over the next 3-4 years.

Further, some of the Group's contracts with its customers include terms allowing the customer to terminate the contracts without cause, with little or no prior notice and without penalty or early termination payments. In addition, under some of its existing contracts, the Group could be required to pay penalties if such contracts are terminated due to downtime, operational problems or failure to perform by the Group. Some of the Group's other contracts with customers may be cancellable at the option of the customer upon payment of a penalty, which may not fully compensate the Group for the loss of the contract. Early termination of a contract may result in the Group's employees being idle for an extended period of time. If the Group's customers cancel or require the Group to renegotiate some of its significant contracts, and the Group is unable to secure new contracts on substantially similar terms, or if contracts are suspended for an extended period of time, the Group's revenues and profitability would be materially reduced.

### **2.1.9 Exploration and production operations involve numerous operational risks and hazards**

Substantially all of the Group's operations are subject to hazards that are customary for exploration and production activity, including blowouts, reservoir damage, loss of well control, cratering, oil and gas well fires and explosions, natural disasters, pollution and mechanical failure. Any of these risks could result in damage to or destruction of drilling equipment, personal injury and property damage, suspension of operations, or environmental damage, and may subject the Company to claims and litigation.

To the extent that the Group is unable to transfer risks such as the above-mentioned to customers by contract or indemnification agreements, the Group generally seeks protection through customary insurance to protect its business against these potential losses. However, there is no assurance that such insurance or indemnification agreements will adequately protect the Group against liability from all of the consequences of the hazards and risks described above. The occurrence of an event for which the Group is not fully insured or indemnified against, or the failure of a customer or insurer to meet its indemnification or insurance obligations, could result in substantial losses.

The Group almost invariably transfer the following risks to clients (i) pollution/contamination/reservoir risk, (ii) injury/death to their personnel, (iii) damage to their owned property, and (iv) blowouts/uncontrolled flow of hydrocarbons. There are some contracts in some jurisdictions where it is more common to impose a 'deductible' for these events with an indemnity over that sum, or where an indemnity is excluded for the Group's own gross negligence or willful misconduct (either by contract or operation of law). The Group would seek cover such deductible/exclusion from insurance. The Group insures for and generally takes the risks for its own property, personnel, and pollution/contamination emanating or existing on its own property. The Group insures for all these events.

#### **2.1.10 Risks relating to cyber attacks**

The Group relies heavily on technology and data systems in order to conduct its operations. The Group's software, technology, data, websites or networks, as well as those of third parties, are vulnerable to security breaches, including unauthorised access, computer viruses or other cyber threats that could have a security impact. Although the Group has implemented security systems, the Group may not be able to prevent cyber-attacks, such as phishing and hacking, or prevent breaches caused by employee error, in a timely manner or at all. If such events occur, unauthorised persons may access or manipulate confidential and proprietary information of the Group, destroy or cause interruptions in the Group's data systems which in turn could adversely hamper the Group's ability to execute projects and otherwise conduct its business. Consequently, cyber-attacks or breaches negatively affecting the

Group's data systems could have a material adverse effect on the Group's business, financial condition and results of operations.

### **2.1.11 Operational and environmental challenges in offshore wind development**

Through the acquisition of Moreld Ocean Wind, which is now renamed Archer Wind, Archer entered the early phase of development of offshore wind solution. In August, Archer was awarded a contract by TotalEnergies, for the delivery of the floating wind foundation for a wind pilot which will be connected to the Culzean platform in UK. The offshore wind industry is in the development phase, and currently there are several concepts for the offshore wind industry being developed and explored.

The installation of a not yet to be proven concept-solution involve significant operational, environmental, economical and regulatory challenges that could result in cost overruns, delays, or project failures, adversely impacting the Group's business and financial performance within the offshore wind division under development in the Group. Wind. Should the wind pilot for the Culzean platform prove technical, commercial and operational successful, there is a risk that the offshore wind projects include risks relates to governmental approval of offshore wind projects, governmental funding support in the start-up phase of the industry, the location of the wind projects with approval from local communities, operators, or others willingness to fund the construction wind projects and the successful installing of the first offshore wind projects.

Pending the successful construction of the concept and testing of concept, will impact future activity. Should the construction and testing of the concept be unsuccessful, either proving to not be technical satisfactory or economically viable, the company is unlikely to continue within offshore wind development.

## **2.2 RISKS RELATED TO LAW, REGULATION AND LITIGATION**

### **2.2.1 Risks related to the Group's international operations**

The Group has had operations in 40 countries in Asia, Oceania, Europe, North America, South America, the Middle East and Africa, and may expand into new countries and geographies in the future. As such, the Group's operations are subject to various laws and regulations in the countries in which it operates, whose political and compliance regimes differ. Part of the Group's strategy is to prudently and opportunistically acquire businesses and assets that complement the Group's existing products and services and to expand the Group's geographic footprint. There can, however, be no assurance that that Group will be able to successfully integrate businesses or assets acquired in the future (domestic or abroad), and there is a risk that substantial costs, delays, business disruptions or other issues could arise in connection with such acquisitions, which in turn could have a material adverse effect on the Group. Further, if the Group makes acquisitions in other countries, the Group may increase its exposure to various risks, such as unexpected changes in regulatory requirements, foreign currency fluctuations and devaluation, increased governmental ownership and regulation of the economy in markets in which the Group operates, and other forms of government regulations beyond the Group's control. Governments in some foreign countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and natural gas, and other aspects of their countries' oil and natural gas industries. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done by major oil and natural gas companies and may continue to do so. For instance, the Company has observed certain foreign exchange restrictions in Argentina and Angola, an increase of local content legislation in West Africa and more challenging contracting practices by national oil companies (NOCs) in e.g. Brazil, United Arab Emirates and Malaysia.

Further, in some of the foreign jurisdictions in which the Group operates, or may operate in the future, the Group is subject to foreign governmental regulations favouring or requiring the awarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These regulations may adversely affect the Group's ability to compete.

The risks described above could cause the Group to curtail or terminate operations, result in the loss of personnel or assets, disrupt financial and commercial markets, and generate greater political and economic instability in some of the geographic areas in which the Group operates. Further, there can be no assurance that the Group will be able to comply with applicable regulations in all countries in which it operates or that the Group can do so without incurring unexpected costs. If these or other risks related to the Group's international operations cannot be effectively managed, the business, financial condition and results of operations of the Group may be materially affected

### **2.2.2 The Group is subject to governmental laws and regulations, some of which may impose significant liability on the Group**

Many aspects of the Group's operations are subject to laws and regulations that relate, directly or indirectly, to the oilfield services industry, including laws requiring the Group to control the discharge of oil and other contaminants into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions or otherwise relating to environmental protection. The Group incurs, and expects to continue to incur, capital and operating costs to comply with environmental laws and regulations.

Although the Group actively works towards minimizing the risk of damage to the environment as a result of its operations, there are still risks of environmental damage and negative consequences for the Group. For example, the Company reported two minor spills in 2020 (of in total 80 litres mud). Failure to comply with environmental laws and regulations may result in the assessment of administrative, civil and even criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that may limit or prohibit the Group's operations. The technical requirements of environmental laws and regulations are becoming increasingly expensive, complex and stringent. The application of these requirements, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploration and production activity could materially limit the Group's future contract opportunities, limit the Group's activities or the activities and levels of capital spending by the Group's customers, or materially increase the Group's costs

### **2.2.3 Failure by the Group to comply with anti-bribery laws may have a negative impact on its ongoing operations.**

The Group operates in countries, and may expand its operation into new countries, known to experience governmental corruption, as indicated by Transparency International's Corruption Perception Index, such as Angola, Azerbaijan, Brazil, and Indonesia. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that its employees or agents or those of its affiliates may take actions that violate legislation promulgated by a number of countries pursuant to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other applicable anti-corruption laws which generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Any failure to comply with the anti-bribery laws could subject the Group to fines, sanctions and other penalties against it which could have a material adverse impact on the Group's business, financial condition and results of operations

### **2.2.4 The Group is exposed to risk due to changes in tax laws or tax practice of any jurisdiction in which the Group operates**

The Company is a Bermuda company and, as such, the Company is not required to pay taxes in Bermuda on income or capital gains pursuant to current Bermuda law. However, in December 2023, Bermuda implemented corporate income tax, effective for fiscal years beginning on or after 1 January 2025. The Bermuda income tax rules are intended to align to the Organisation for Economic Co-operation and Development's global anti-base erosion (GloBE) rules to support consistent and predictable tax outcomes. The calculation of taxable income begins with financial fluctuation and restrictions on currency repatriation where possible by obtaining contracts providing for payment of a percentage of the contract indexed to the U.S. dollar exchange rate. Consequently, fluctuations between USD, NOK, Argentine Pesos, British pounds, and other currencies, may have a material adverse effect on the Group's cash flow and financial condition

### **2.2.5 Risks related to labour disruptions**

Union activity and general labour unrest may significantly affect the Group's operations in some jurisdictions. In Argentina and Brazil, which are countries where the Group operates, labour organizations have substantial support and considerable political influence. The demands of labour organizations in Argentina have increased in recent years as a result of the general labour unrest and dissatisfaction resulting from the disparity between the cost of living and salaries in Argentina due to the devaluation of the Argentine Peso. Should the Group's operations in Argentina, or in other countries in which the Group operates, face labour disruptions in the future, this could have a material adverse effect on the Group's financial condition and results of operations

### **2.2.6 Risks relating to legal disputes**

The Group may from time to time become involved in significant legal disputes and legal proceedings relating to operations, environmental issues, intellectual property rights or otherwise. By way of illustration, and as concerns intellectual property rights, third parties could assert that the tools, techniques, methodologies, programs and components the Group uses to provide its services infringe upon the intellectual property rights of others.

Infringement claims generally result in significant legal and other costs and may distract management from running the Group's core business. Additionally, if any of these claims were to be successful, developing non-infringing technologies and/or making royalty payments under licenses from third parties, if available, would increase the Group's costs.

Furthermore, legal proceedings could be ruled against the Group and the Group could be required to, inter alia, pay damages, halt its operations, stop its projects or relinquish licences. Even if the Group would ultimately prevail, which cannot be assured, such disputes and litigation may have a substantially negative effect on the Group, its financial condition, cash flow, prospects and/or its operations.

The Group has not in recent years had any significant legal disputes or legal proceedings.

## **2.3 RISKS RELATED TO FINANCIAL MATTERS**

### **2.3.1 The Group may be unable to access sufficient funding**

The Group is dependent on timely access to sufficient funding on acceptable terms, in order to execute the Group's strategy and optimise the Group's asset portfolio through acquisitions, which may be difficult to achieve if the Group faces an economic downturn or in the event of a general economic downturn. Any difficulty the Group may encounter in securing adequate sources of short and long-term funding could hamper future merger and acquisition opportunities and other growth opportunities, and as such adversely affect the Group.

### **2.3.2 Risks relating to the Group's first lien loan and second lien bonds**

The Group's existing first lien facility matures in April 2027 and the second lien bonds matures in July 2027. These facilities contains various restrictive covenants, including change of control clauses, and undertakings that limit the discretion of the Group's management in operating the Group's business. In particular, these covenants limit the Group's ability to, among other things:

- provide loans or other financial support to third parties, joint ventures and other investment vehicles;
- acquire companies or assets, including a yearly basket amount that can be freely used to acquire companies, and for acquisitions outside these are restricted to those funded by equity or which meet specific criteria in relation to EBITDA, etc;
- incur or guarantee additional indebtedness;
- pay dividends, redeem or repurchase stock, prepay, redeem or repurchase other debt or make other restricted payments;
- use proceeds from asset sales, new indebtedness or equity issuances for general corporate purposes or investment into its business;
- invest in joint ventures;
- create or incur liens;
- enter into transactions with affiliates;
- sell assets or consolidate or merge with or into other companies; and
- enter into new lines of business.

The Group's continued ability to incur additional debt and to conduct business in general is subject to the Group's compliance with the above-mentioned covenants, which limit the discretion of management in operating the Group's business and that, in turn, could impair the Group's ability to meet its obligations. Breaches of these covenants could result in defaults under the applicable debt instruments and could trigger defaults under any of the Group's other indebtedness that is cross defaulted against such instruments, even if the Group meets its payment obligations. In particular, the first lien facility includes a change of control clause which, if triggered, will, inter alia, entitle a lender or guarantee facility bank to require repayment under the first lien facility, and also entitle a lender to cancel its commitment under the first lien facility. Financial and other covenants that limit the Group's operational flexibility, as well as defaults resulting from breach of any of these covenants, could have a material adverse effect Group's business, results of operations, cash flows, financial condition and prospects.

### **2.3.3 The Group's results of operations may be adversely affected by currency fluctuations**

The Group's functional and reporting currency is US Dollars, but the Group receives revenues and incur expenditures in other currencies due to its international operations, mainly Argentine Pesos, Norwegian kroner, and British pounds. As such, the Group is exposed to foreign currency exchange movements in both transactions that are denominated in currency other than US Dollars and in translating consolidated subsidiaries who do not have a functional currency of US Dollars. For the financial year 2023, the Group recognized net foreign exchange losses of USD 19.0 million in its consolidated income statement (2022: USD 18.5 million). The Group attempts to limit the risks of currency fluctuation and restrictions on currency repatriation where possible by obtaining contracts providing for payment of a percentage of the contract indexed to the U.S. dollar exchange rate. To the extent possible, the Group seeks to limit its exposure to local currencies by matching the acceptance of local currencies to the Group's local expense requirements in those currencies. However, there can be no assurance that future hedging arrangements will be effective. Consequently, fluctuations between USD, NOK, Argentine Pesos, British pounds, and other currencies, may have a material adverse effect on the Group's cash flow and financial condition.

### **2.3.4 The Group currently has a significant level of debt and could incur additional debt in the future**

As of 31 December 2023, the Group had total outstanding interest-bearing debt of USD 420.1 million. This debt represented 46% of the Group's total assets. The Group's current debt and the limitations imposed on the Group by the Refinancing or any future debt agreements could have significant adverse consequences for the Group's business and future prospects, including the following:

- limit the Group's ability to obtain necessary financing in the future for working capital, capital expenditure, acquisitions, debt services requirements or other purposes;
- make it difficult for the Group to repay the debt as it comes due, obtain extension of maturities or secure sufficient refinancing;
- require the Group to dedicate a substantial portion of its cash flow from operations to payments of principal and interest on its debt;
- make the Group more vulnerable during downturns in its business and limit its ability to take advantage of significant business opportunities and to react to changes in the Group's business and in market or industry conditions; and
- place the Group at a competitive disadvantage compared to competitors that have less debt.

If the Group's operating income is not sufficient to service its current or future indebtedness, the Group may be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital, which in turn could materially and adversely affect the business of the Group.

### **2.3.5 Risk related to the 2024 Outlook and 2025 Outlook**

The Group's future results may differ materially from what is expressed or implied by the forecast of consolidated financial information included in this Prospectus, and investors should not place undue reliance on this information. The Group's financial outlook for the year ending 31 December 2024 and for the year ending 31 December 2025 included in Section 9.8 "The Group's Outlook" in this Prospectus reflects various material assumptions some of which are outside management's control. These, and the other assumptions included in Section 9.8, may or may not prove to be correct. The outlook has been prepared in accordance with the Group's ordinary forecasting procedures which have been prepared in accordance with the Company's accounting policies and on a basis comparable to the historical financial information. However, the forecast of consolidated financial information is based on estimates made by the Group based on assumptions about future events, including the acquisition of Wellbore Fishing and Rental Tools LLC and the additional share acquisition in Iceland Drilling. Certain of the assumptions, uncertainties and contingencies relating to the forecast of consolidated financial information and the projections of financial targets are wholly or partially within the Group's control, while others are outside or substantially outside of its control.

In addition, the Group's independent auditors have not audited, reviewed nor produced the Group's financial outlook. The Group's actual future results may vary from the 2024 and 2025 outlook's projections contained in



Section 9.8, and such variations could be material. In the event that one or more of the assumptions for the outlook, both within and outside the managements control, turns out to be incorrect, the 2024 and the 2025 Outlook could materially deviate from the actual result of the Group for financial year ending 31 December 2024 and for the financial year ending 31 December 2025, respectively. Should the actual results fall considerably short of the 2024 Outlook and 2025 Outlook, it may lead to reduced confidence among investors. This may result in a decline in the stock price, as investors may become concerned about the Company's ability to achieve its goals and deliver value. Further, the Group has based its operations and financial situation on the 2024 Outlook and 2025 Outlook and may be forced to make strategic adjustments, such as cutting costs, reducing investments, or selling assets, if the actual results deviates from the 2024 Outlook and/or the 2025 Outlook. This can impact the Group's long-term growth potential, competitiveness, market position and access to additional equity or debt financing. Therefore, investors should not place undue reliance on this information. The outlook statements are forward looking statements (see Section 4.2 of this Prospectus "Cautionary note regarding forward-looking statements").

### **2.3.6 Interest rate fluctuations could affect the Group's cash flow and financial condition**

The Group has incurred, and may in the future incur, significant amounts of debt. The Group is generally financed using floating interest rates. The Group does not currently have any swaps or interest rate cap arrangements in place and is thus exposed to movements in interest rates on US Dollar-denominated debt. As such, movements in interest rates could have a material adverse impact on the Group's cash flows as well as its financial condition.

### **2.3.7 The Group has recorded substantial goodwill subject to periodic reviews of impairment**

The Group performs purchase price allocations to intangible assets when it makes acquisitions. The excess of the purchase price after allocation of fair values to tangible assets is allocated to identifiable intangibles and thereafter to goodwill. The value of the Group's goodwill is material, and amounted to USD 156.0 million, equivalent to approximately 17% of the asset values in the balance sheet, as per 31 December 2023. As of 31 December 2022, the goodwill amounted to USD 149.4 million, equivalent to 16% of the values in the balance sheet. The Group is required to conduct periodic reviews of goodwill for impairment in value. The testing of the valuation of goodwill requires judgment and assumptions to be made in connection with the future performance of the various components of the Group's business operations and may significantly impact any subsequent impairment charge. Any impairment would result in a non-cash charge against earnings in the period reviewed, which may or may not create a tax benefit, and would cause a corresponding decrease in shareholders' equity. In the event that market conditions deteriorate or there is a prolonged downturn, the Group may be required to record an impairment of goodwill, and such impairment could be material.

## **2.4 RISKS RELATING TO THE SHARES**

### **2.4.1 Future issues of Shares may dilute the holdings of Shareholders**

The Company may decide to offer additional Shares in the future, to finance new capital-intensive projects, to pursue merger and acquisition opportunities, in connection with unanticipated liabilities of expenses, for the purpose of delivering shares under employee incentive programs or for any other purposes. As the Company is a Bermuda exempted company limited by shares, shareholders do not have the same preferential rights in a future offering in the Company as shareholders in Norwegian limited liability companies listed on the Oslo Stock Exchange normally have. Depending on the structure of any future offering, certain existing shareholders may therefore not be able to purchase additional equity securities, meaning that these shareholders' holding and voting interest may be diluted.

### **3. STATEMENT OF RESPONSIBILITY**

The Board of Directors of Archer Limited accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

20 December 2024

#### **The Board of Directors of Archer Limited**

James O'Shaughnessy  
*Board member*

Giovanni Dell'Orto  
*Board member*

Peter J. Sharpe  
*Board member*

Jan Erik Klepsland  
*Board member*

Richard Stables  
*Board member*

## **4. GENERAL INFORMATION**

### **4.1 PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

#### **4.1.1 Financial information**

The Company's audited consolidated financial statements as of and for the year ended 31 December 2023 (the "**Financial Statements**"), the related independent auditor's report, and the Company's unaudited consolidated interim financial statements for the nine-month period ended 30 September 2024 (the "**Interim Financial Statements**"), have been incorporated by reference in section 15.3 "Incorporation by reference" of this Prospectus.

The Financial Statements and Interim Financial Statements have been prepared in accordance with United States of America Generally Accepted Accounting Principles ("**US GAAP**"), as adopted by the U.S. Securities and Exchange Commission. The Financial Statements have been audited by PricewaterhouseCoopers AS ("**PwC**"), as set forth in their independent auditor's report included therein. The Interim Financial Statements have not been audited.

Other than the Financial Statements, PwC has not audited, reviewed or produced any report or other information provided in this Prospectus.

#### **4.1.2 Industry and market data**

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in section 2 and elsewhere in this Prospectus.

#### **4.1.3 Other information**

The Company has furnished the information in this Prospectus. The Managers make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Private Placement. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Private Placement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients.

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "U.S. dollar", "US\$", "USD", or "\$" are to the lawful currency of the United States of America, all references to "British pounds" are to the lawful currency of the United Kingdom and all references to "Argentine Pesos" are to the lawful currency of Argentina. No representation is made that the NOK or USD amounts referred to herein could have been or could be converted into NOK or USD as the case may be, at any particular rate, or at all. The Financial Statements and the Interim Financial Statements are published in USD.

#### **4.1.4 Rounding**

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

#### **4.1.5 Third party information**

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend and does not assume any obligations to update industry or market data set forth in this Prospectus.

## **4.2 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus includes "forward-looking" statements, including, without limitation, projections and expectations regarding the Company's future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to", "will", "may", "intends", "assumes" or other words of similar meaning and similar expressions or the negatives thereof, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Archer Limited present and future business strategies and the environment in which the Company and its subsidiaries operate.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that Archer Limited's actual financial position, operating result and liquidity, and the development of the industry in which Archer Limited operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, section 2 "Risk Factors" for a more complete discussion of the factors that could affect Archer Limited's future performance and the industry in which Archer Limited operates when considering an investment in the Company.

All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

#### **4.3 APPROVAL BY THE NORWEGIAN FSA**

This Prospectus has been approved by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities.

## **5. THE PRIVATE PLACEMENT**

### **5.1 OVERVIEW**

On 31 October 2024, the Company announced that it had successfully completed the Private Placement raising the NOK equivalent of approx. USD 50 million in gross proceeds, through the allocation of in total 24,393,100 Shares at a subscription price of NOK 22.465 per Share. The currency of the Private Placement was NOK. The Private Placement was divided into two tranches where the first tranche ("**Tranche 1**") consisted of 13,512,837 Shares and the second tranche ("**Tranche 2**") consisted of 10,880,263 Shares. The Private Placement was carried out on the basis of an accelerated bookbuilding process managed by the Managers.

The new Shares in Tranche 1 were resolved issued by the Company's Board of Directors on 31 October 2024, pursuant to the authorized share capital of the Company. The new Shares in Tranche 2 were resolved issued by the Board of Directors on 31 October 2024, subject to the Special General Meeting to be held on 13 November 2024 resolving the necessary increase of the Company's authorized share capital. Following the approval by such Special General Meeting of the necessary increase of the Company's authorized share capital on 13 November 2024, the resolution to issue the new Shares in Tranche 2 became effective.

518,718 of the new Shares issued in Tranche 1 and all of the 10,880,263 new Shares issued in Tranche 2 have been placed on a separate ISIN, and the listing of such in total 11,398,981 new Shares (which are referred to herein as the Private Placement Shares), is subject to the publication of this Prospectus.

The Private Placement Shares have been issued pursuant to the Bermuda Companies Act and registered with the Company's register of members and in book-entry form with the ESO. The Private Placement Shares have been issued on a separate ISIN and will be transferred to the Company's ordinary ISIN BMG 0451H2087, and thus listed and tradeable on the Oslo Stock Exchange, following the publication of this Prospectus.

The Private Placement Shares carry full shareholder rights and rank in parity with all Shares in the Company. Each Share has a par value of USD 0.01 and carries one vote per Share. The Private Placement Shares are freely transferable.

In connection with the Private Placement, each of the Company's shareholders Hemen Holding Limited ("**Hemen**") and Paratus JU Newco Bermuda Limited ("**Paratus**") agreed to a 6-month lock-up on Shares held in the Company, including shares allocated in the Private Placement. See section 11.5 "Shareholders" for an overview of the number of shares currently held by Hemen and Paratus. Prior to expiry of the 6 month lock-up period, the aforementioned lock-ups may only be deviated from with the prior written consent of the Managers. The Managers may give such consent at their sole discretion. Any such deviation will in itself not be notifiable pursuant to applicable law.

### **5.2 THE COMPANY'S SHARE CAPITAL FOLLOWING THE PRIVATE PLACEMENT**

Following the issuance of in total 24,393,100 new Shares in the Private Placement, together with the 1,174,436 Consideration Shares issued in connection with the acquisition of shares in Iceland Drilling (as described in section 9.2.6), the Company's issued share capital is USD 905,381.34 divided on 90,538,134 Shares, each with a par value of USD 0.01.

### **5.3 DILUTION**

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 28.2%.

### **5.4 NET ASSET VALUE**

The net asset value per existing share as at 30 September 2024 was USD 2.9. The subscription price in the Private Placement was NOK 22.465 per Share.

### **5.5 EXPENSES, NET PROCEEDS AND USE OF PROCEEDS**

The Company's expenses in connection with the Private Placement amounted to approximately NOK 7 million. Thus, the net proceeds from the Private Placement amounted to approximately NOK 541 million.

The net proceeds from the Private Placement, together with existing cash on the balance sheet, was used to finance the acquisition of Wellbore Fishing & Rental Tools, LLC (WFR).

## **5.6 CONSIDERATION SHARES ISSUED IN CONNECTION WITH THE ACQUISITION OF SHARES IN ICELAND DRILLING**

On 14 November 2024, the Company announced the issuance of the 1,174,436 Consideration Shares as consideration for the Company's acquisition of shares in Iceland Drilling (which is further described in section 9.2.6 "Acquisition of shares in Iceland Drilling"). The Consideration Shares were resolved issued by the Board of Directors pursuant to the authorized share capital of the Company.,

The Consideration Shares have been issued pursuant to the Bermuda Companies Act and registered with the Company's register of members and in book-entry form with the ESO. The Consideration Shares have been issued on a separate ISIN and will be transferred to the Company's ordinary ISIN BMG 0451H2087, and thus listed and tradeable on the Oslo Stock Exchange, following the publication of this Prospectus. The Consideration Shares carry full shareholder rights and rank in parity with all Shares in the Company. Each Share has a par value of USD 0.01 and carries one vote per Share. The Consideration Shares are freely transferable.

## 6. INDUSTRY AND MARKET OVERVIEW

*This section discusses the industry in which the Group operates. Certain parts of the information in this section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on market data from external and publicly available sources, and the Company's knowledge of the markets, see section 4.1.2 "Industry and market data". The following discussion contains forward-looking statements, see section 4.2 "Cautionary note regarding Forward-looking Statements". Any forecast information and other forward-looking statements in this section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see section 2 "Risk factors".*

### 6.1 INTRODUCTION

Archer is a global energy service company providing drilling and well services for the global energy sector, focusing primarily on well delivery and well performance. The Company's services are offered through three main business units and include, but is not restricted to, the following:

- **Platform Operations:** Range of offshore drilling operations, engineering, and maintenance management ("OEM"), including platform drilling, modular rigs, and rental services. The business unit also include a broad set of service lines within renewable services including floating offshore wind, wind maintenance services and hydropower maintenance. Renewable services will be separated as a new business line later this year.
- **Well Services:** Extensive light and heavy well intervention portfolio, including construction and completion, intervention and workover, plug and abandonment ("P&A"), surface solutions and geothermal and carbon capture and storage ("CCUS").
- **Land Drilling:** Drilling and workover services across the entire well lifecycle.

Archer has historically been focusing its services towards the upstream oil and gas industry. However, in recent years, Archer has expanded its service offering towards the energy transition and has hence built an increasingly diversified customer base composed of companies across the entire energy sector, including within renewable energy. The Company operates in 40 locations worldwide, with main operations being in Europe, North America and South America, with rapid expansions also in the Middle East, Asia Pacific, and West Africa.

The demand for Archer's services is dependent on energy companies' current and future spending (both opex and capex) to meet the world energy consumption. The world's energy consumption has increased steadily since the industrial revolution and is expected to continue to grow towards 2050, primarily driven by increasing prosperity and living standards in emerging economies, partly offset by accelerating gains in energy efficiency<sup>1</sup>. The International Energy Agency ("IEA") forecasts the global energy demand to increase by approximately 9% by 2030, and oil and gas are expected to account for nearly 52% of the total energy mix in 2030<sup>2</sup>. In the same period, total energy supply from renewables<sup>3</sup>, is expected to grow by more than 50%. Nonetheless, in absolute terms, the presence of renewables in the total energy supply is overshadowed by oil and natural gas in the medium term according to IEA's Stated Policies Scenario ("STEPS"). On this view, the renewable segment will still be moderate in the long term, with a 23% smaller total energy contribution compared to its fossil counterparts in 2050<sup>4</sup>.

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<sup>1</sup> BP Energy Outlook 2024 (November 2024, available from: [Full report – Statistical Review of World Energy 2024 \(bp.com\)](https://www.bp.com/content/dam/bp/business-operations/global-studies/publications/energy-outlook-2024))

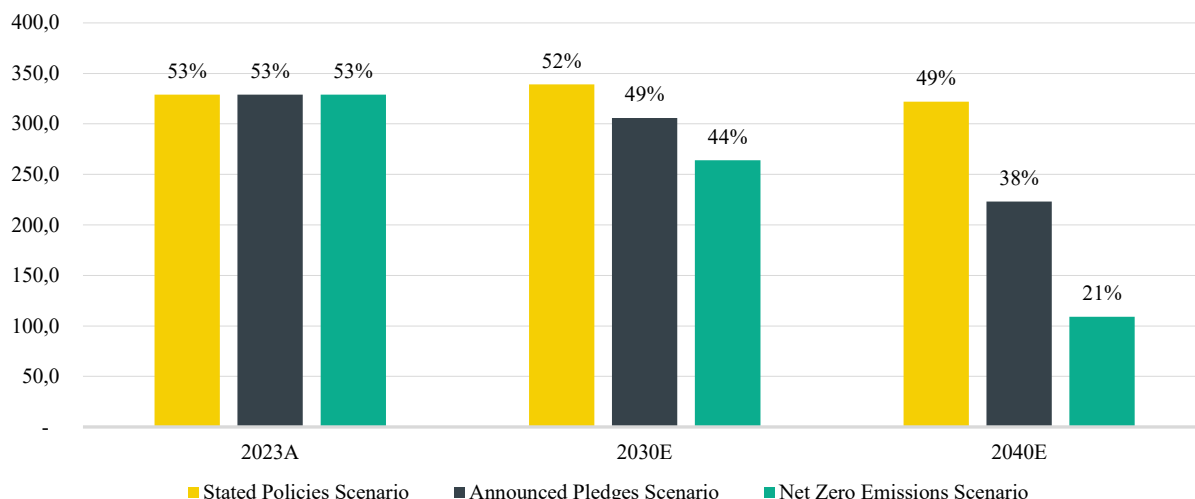
<sup>2</sup> IEA (November 2024) All rights reserved. (Available from: [World Energy Outlook 2024 – Analysis - IEA](https://www.iea.org/reports/world-energy-outlook-2024)). Based on STEPS data.

<sup>3</sup> Defined as Solar, Wind, Hydro, Modern solid bioenergy, Modern liquid bioenergy, and Modern gaseous bioenergy in accordance with IEA's classification as described in IEA World Energy Outlook – 2024 (November 2024)

<sup>4</sup> IEA (November 2024). All rights reserved. (Available from: [World Energy Outlook 2024 – Analysis - IEA](https://www.iea.org/reports/world-energy-outlook-2024)). Based on STEPS data.



**Figure 6.1: Total global oil and gas supply (in Exajoule) and as % of total energy supply**



Source: IEA (November 2024) World Energy Outlook. All rights reserved. (Available from: [World Energy Outlook 2024 – Analysis - IEA](#))

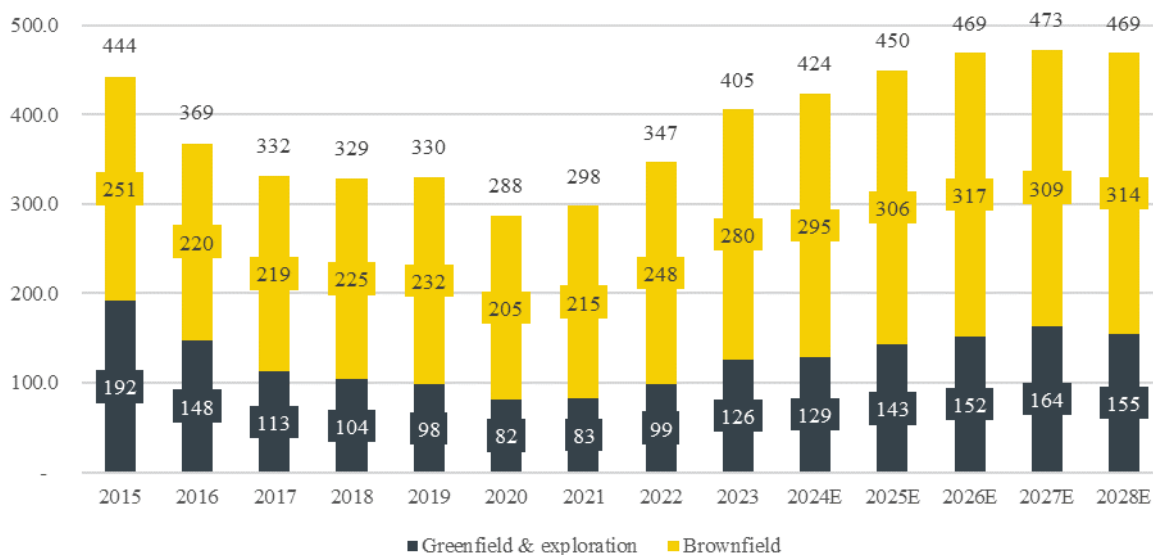
The IEA predicts an increase in global oil and gas demand from today and until 2030E in the stated policies scenario while oil and gas demand constitutes a meaningful proportion throughout the forecasting period ending in 2050 across all scenarios<sup>5</sup>.

While geopolitical tensions, hereunder those related to the war in the Ukraine and unrest in the Middle East, have led to volatile markets, the medium-term outlook is defined by abundant supply, moderated demand growth, and some structural changes driven by the energy transition. Oil and gas are expected to remain the dominant energy sources, supported by strong supply and steadier market fundamentals.

## 6.2 OIL SERVICE MARKET OVERVIEW

The key driver of activity within the oil services market is oil and gas companies' spending. The spending level is dependent on, and fluctuates with, the earnings potential of oil and gas companies. When oil and gas prices are favourable, these companies are more likely to increase their spending. Thus, the activity in the oil service sector is highly linked to the oil and gas prices.

**Figure 6.2: Greenfield & exploration and brownfield offshore spending (USD billion)**



Source: Historical data and forecast data retrieved from: Rystad Energy (October 2024)

<sup>5</sup> IEA (November 2024) World Energy Outlook. All rights reserved. (Available from: [World Energy Outlook 2024 – Analysis - IEA](#)). Based on STEPS data.

exploration and production (“E&P”) spending has experienced significant growth following the pandemic, at 41% in the period 2020 - 2023, with further growth expected to continue at a modest rate towards 2030. After bottoming out in 2020 at approximately USD 288 billion, both greenfield & exploration and brownfield spending are expected to grow, with the latter projected to increase 23% in the period 2023 – 2028<sup>6</sup>. Returning to well-above pre-pandemic levels, the increased E&P spending provides a favourable backdrop for the oil service market going forward.

Brent crude oil prices experienced notable fluctuations throughout 2024, with geopolitical risk premiums frequently overshadowing weak market fundamentals. At the start of October, Brent prices reached their highest point since August at \$82 per barrel, reversing a several month-long downward trend<sup>7</sup>. However, as tensions in the Middle East eased, the benchmark price fell back to approximately \$71 per barrel by mid-November. This mirrored a recurring pattern seen throughout the year, where prices reacted based on perceived risks of hostilities between Israel and Iran and their potential impact on oil supply<sup>8</sup>. The recent price decline reflects softening global demand, particularly driven by weakened Chinese sectors, which have reduced gasoline and diesel consumption, alleviating concerns about crude supply disruptions<sup>9</sup>. Additionally, the fundamental crude range has shifted downward, and liquids balances have loosened<sup>10</sup>. Consequently, projections for Brent crude prices in Q4 2024 have been revised downwards to an average of \$80 per barrel, compared to \$83 previously forecasted<sup>11</sup>.

Global oil demand is on track to increase by 920,000 barrels per day (bpd) to an average of 102 million bpd in 2024<sup>12</sup>. However, this growth pales in comparison to the nearly 2 million bpd growth in 2023 and the pre-pandemic annual average of 1.2 million bpd (2000 – 2019)<sup>13</sup>. China remains the primary drag, with its demand growth slowing to just one-tenth of the 1.4 million bpd increase recorded in 2023. Chinese demand has contracted for six consecutive months, with Q3 2024 demand averaging 270,000 bpd lower than the same period last year<sup>14</sup>. Conversely, advanced economies have seen a reversal in demand trends, posting a year-over-year increase of 230,000 bpd in Q3 2024<sup>15</sup>. For 2025, the IEA projects global consumption growth of 990,000 bpd, reflecting weaker economic conditions and the post-pandemic normalization of pent-up demand<sup>16</sup>. Additionally, the accelerated adoption of clean energy technologies continues to displace oil usage in transport and power generation, applying downward pressure to demand growth.

On the supply side, production remains robust. The United States is expected to lead non-OPEC+ supply growth with contributions of 1.5 million bpd in both 2024 and 2025, alongside increased output from Canada, Guyana, and Argentina<sup>17</sup>. Furthermore, set back by unforeseen outages and sub-par operational performance in 2024, Brazil is anticipated to play a significant role next year, boosting production by 210,000 bpd to 3.7 million bpd in 2025 as new capacity exceeding 800,000 bpd comes online<sup>18</sup>. Combined, these producers are set to more than offset global demand growth through 2025.

Tight crude and liquids balances are projected to persist through the remainder of 2024 before easing in 2025 as the Organisation of the Petroleum Exporting Countries (“OPEC+”) begins to unwind its production cuts<sup>19</sup>. The alliance, which had planned a modest 180,000 bpd output increase in December, announced on November 3<sup>rd</sup> that these cuts would not be reversed until January 2025 at the earliest; market conditions and production strategies will be assessed further in a meeting scheduled for December 1<sup>st</sup><sup>20</sup>. IEA analysis suggests that even if OPEC+ cuts remain in place, global supply is likely to exceed demand by over 1 million bpd next year, signalling a looser market balance<sup>21</sup>. Such conditions could foster stability following years of disruption from the COVID-19 pandemic, the war in Ukraine, and heightened tensions in the Middle East.

Natural gas markets yield mixed signals with Rystad’s Henry Hub price estimates revised down to \$2.40 (from \$2.60) per MMBtu for 2024 in November, with potential to reach \$3 by 2025 and \$4.50 by the late 2030s due to

<sup>6</sup> Rystad Energy (October 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>7</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>8</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>9</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>10</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>11</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>12</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>13</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>14</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>15</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>16</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>17</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>18</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

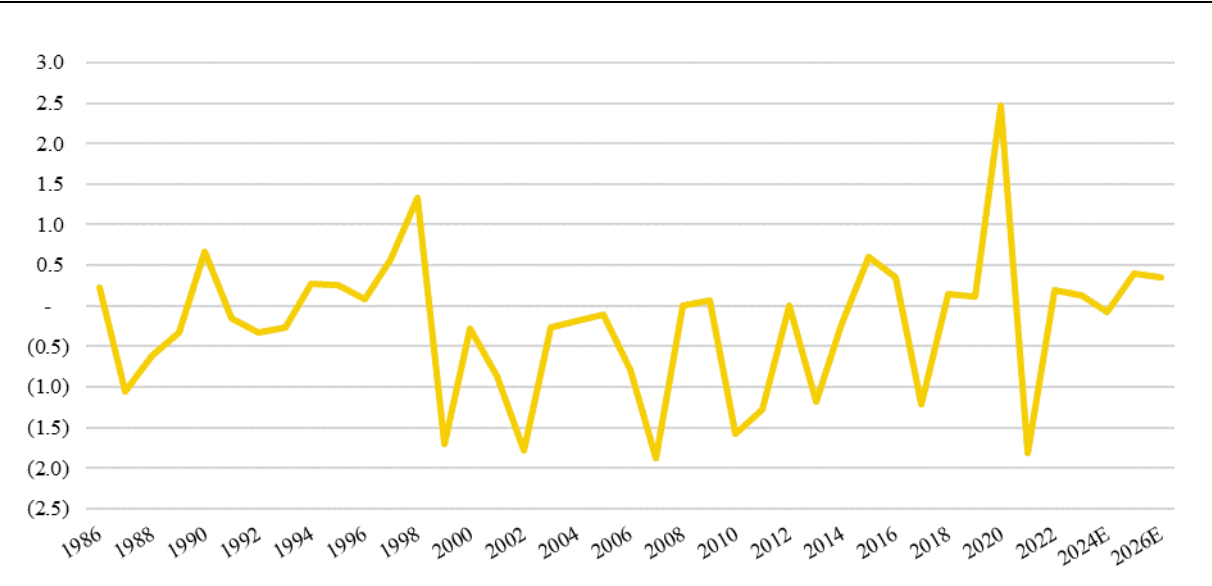
<sup>19</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<sup>20</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

<sup>21</sup> IEA (November 2024). All rights reserved. (Available from: IEA – Oil Market Report – November 2024 – Analysis. Requires subscription)

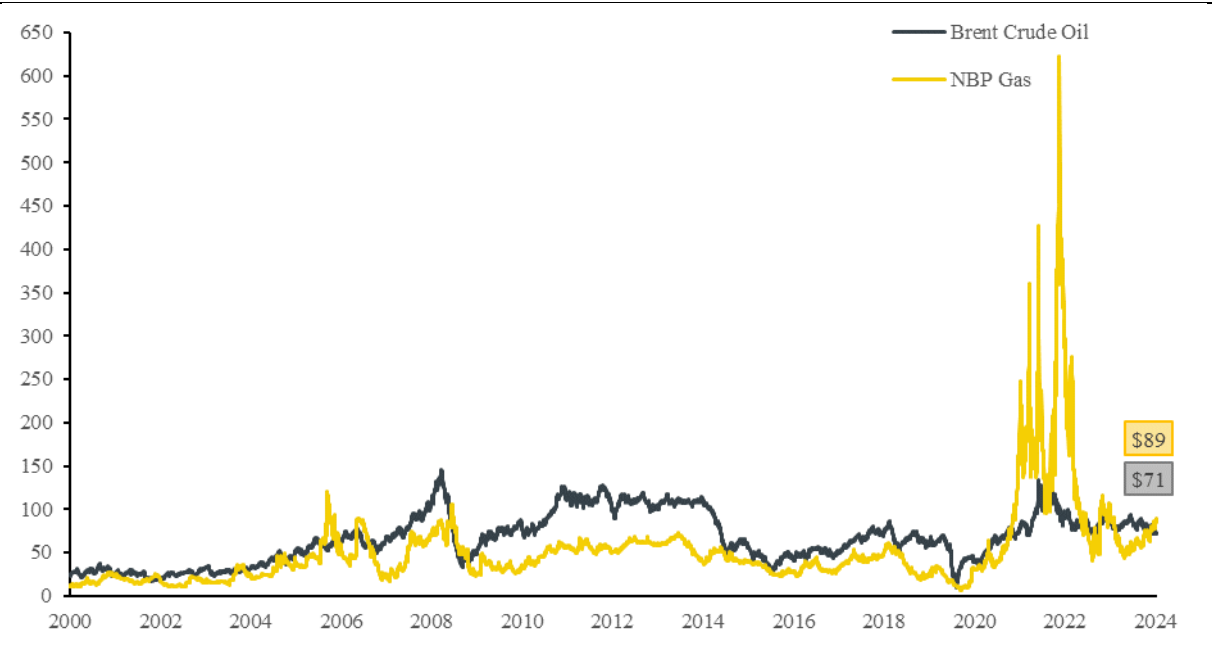
growing demand and exports<sup>22</sup>. Overall, Europe benefits from ample storage and pipeline flows, while recovering Asian demand bolsters LNG prices, forecasted at \$10–12 per MMBtu in 2024<sup>23</sup>. LNG supply growth through 2030 may lower prices to \$7 per MMBtu, though long-term costs could keep 2040 prices near \$9–10 per MMBtu<sup>24</sup>.

**Figure 6.3: Global oil market balance (million barrels per day)**



Source: Historical data and forecast data retrieved from: DNB Markets FICC analysis (November 2024)

**Figure 6.4: Historical Brent Crude oil and NBP gas price (USD/boe)**



Source: FactSet (November 2024) (Available from: <https://www.factset.com/>)

**Figure 6.5: Brent Crude Oil price forward contracts at different expiration dates (USD)**

	2024	2025	2026	2027	2028	2029	2030	2031
January	-	70.6	68.9	68.1	67.9	67.9	68.1	68.1
February	-	70.4	68.8	68.0	67.9	67.9	68.1	-

<sup>22</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)  
<sup>23</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)  
<sup>24</sup> Rystad Energy (November 2024) (Available from: Rystad Energy – Client Portal. Requires subscription)

<b>March</b>	-	70.3	68.7	68.0	67.9	67.9	68.1	-
<b>April</b>	-	70.2	68.6	68.0	67.9	67.9	68.1	-
<b>May</b>	-	70.1	68.6	68.0	67.9	68.0	68.1	-
<b>June</b>	-	69.9	68.5	68.0	67.9	68.0	68.1	-
<b>July</b>	-	69.8	68.4	67.9	67.9	68.0	68.1	-
<b>August</b>	-	69.6	68.3	67.9	67.8	68.0	68.1	-
<b>September</b>	-	69.5	68.3	67.8	67.8	68.0	68.1	-
<b>October</b>	-	69.3	68.2	67.8	67.8	68.0	68.1	-
<b>November</b>	71.0	69.2	68.1	67.8	67.9	68.0	68.1	-
<b>December</b>	70.8	69.0	68.1	67.9	67.9	68.0	68.1	-

Source: FactSet (November 2024) (Available from: <https://www.factset.com/> . Requires subscription)

### 6.3 PLATFORM OPERATIONS

Archer provides platform operations through four geographical locations: Norway, United Kingdom, Brazil and Poland, and across four business units: Platform drilling, modular rigs, engineering, and rental services. The main markets for platform operations include the North Sea (Norwegian continental shelf ("NCS")) and the United Kingdom continental shelf ("UKCS").

The platform drilling unit focuses on offshore drilling Operations, Engineering and Maintenance ("OEM") management services in both harsh and legislatively stringent environments on fixed, modular and mobile drilling facilities. Archer's portfolio includes more than 30 platform rigs, three semi-submersibles, and two owned modular rigs.

The modular rigs feature Modular Drilling Rigs ("MDRs") designed to provide more efficient and cost-effective solutions for platform drilling compared to fixed facilities or Mobile Offshore Drilling Units ("MODUs") for drilling, intervention, and Plug and Abandonment ("P&A") operations. Utilization of an MDR, in both greenfield and brownfield environments, removes expensive capex investments and/or costly re-activation projects. Rental of an MDR also eliminates ongoing operating, maintenance and recertification costs on existing drilling facilities. Archer currently owns and operates two MDRs, the Emerald and Topaz. Both are harsh environment rigs certified by the Norwegian Oil and Gas Association and The Federation of Norwegian Industry for deployment in the North Sea, providing drilling services, work-over services, P&A and through rig intervention support.

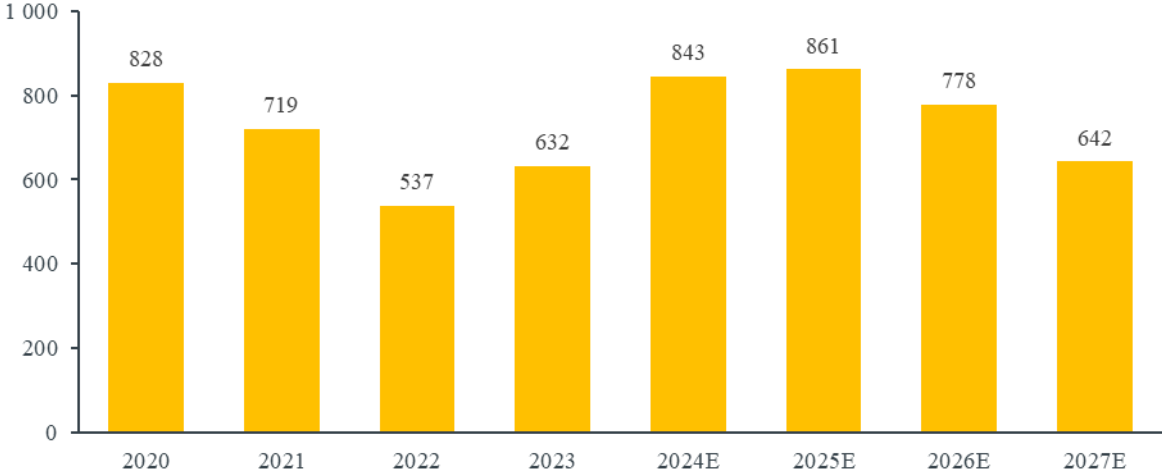
The Engineering unit provides project management, multidiscipline engineering, execution for platform drilling facilities, consulting, and inspections to the energy industry, in the North Sea, both on the NCS and the UKCS. The main demand drivers for this business unit are major maintenance and upgrades for brownfield projects on the existing fixed drilling rig installed base and some selected greenfield topside field development projects. In addition, there are opportunities to pursue projects on mobile offshore drilling rigs. Therefore, activity will generally follow infill- and development drilling on the fields where the fixed drilling rigs are situated.

The rental services segment supplies an extensive range of conventional, premium, and specialized rental equipment for offshore operations throughout the NCS and UKCS. Archer holds an extensive portfolio of drilling tubulars, handling equipment and associated accessories available for rental to service companies, drilling contractors and operators in deep water, shelf and onshore drilling, as well as for completion and workover applications. Together with the suite of standard rental tool equipment, Archer provides bespoke specialist tools. Additionally, Archer offers a full selection of handling and support equipment for the tubular products and a large selection of pressure control equipment.

The key customers of Archer's platform operations are oil and gas companies operating in the North Sea, such as Equinor and Aker BP. The demand is highly sensitive to the quality of the services provided as well as the price. This makes it a difficult market to obtain any kind of market dominance while simultaneously safeguarding margins. Most costs are related to labour, making it difficult to achieve cost advantages. As a result, perfecting the quality of the services remains a top priority as this is essential for securing contracts. The activity is partly driven by the general market drivers (see section 6.2 "Oil service market overview"), such as the oil and gas prices. In addition, life of field extension and maintenance, technology advancement, decommissioning, as well as low carbon solutions and energy transition contribute to driving the market activity going forward.

The activity on the NCS is mainly driven by Equinor's spending levels, as they are the leading operator in the region. Archer's current backlog is highly persistent with this annotation, as the majority of their revenue comes from contracts with Equinor on several of its platforms on the NCS. However, other major operators, such as Aker BP, also drive the oil and gas investments on the NCS. Archer is currently contracted at two of Aker BP's major fields, *Ula* and *Valhall*. On the NCS, offshore platform drilling service yearly purchases is expected to fluctuate in the coming years; In 2023, approximately USD 632 million was spent on service purchases related to platform drilling offshore, which is expected to increase to USD 861 million in 2025, before declining to USD 642 million in 2027<sup>25</sup>.

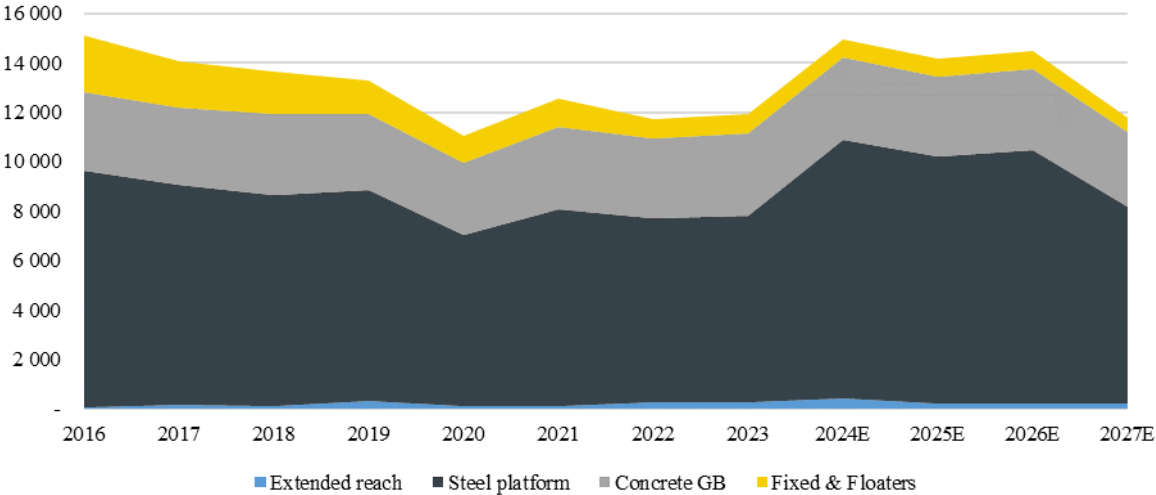
**Figure 6.6: Norwegian Continental Shelf platform drilling service purchases (USD million)**



Source: Historical data and forecast data retrieved from: Rystad Energy (November 2024)

Total spending on the NCS is also set to follow the same pattern as demonstrated in Figure 6.7<sup>26</sup>. Since 2016, total spending on the NCS has fallen from c. USD 15 billion per year to near USD 12 billion in 2023. By 2026, the total spending is expected increase by USD 2.5 billion to a spending level of approximately USD 14.5 billion per year, before falling back to a 2023-level in 2027.

**Figure 6.7: Total estimated spending on the Norwegian Continental Shelf (USD million)**



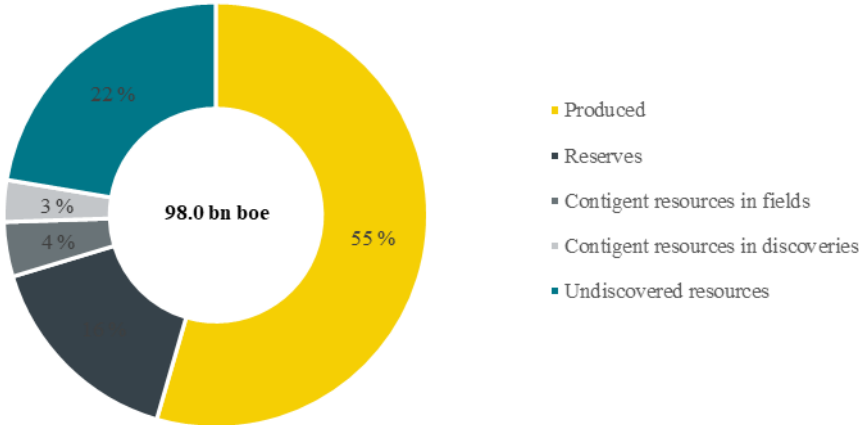
Source: Historical data and forecast data retrieved from: Rystad Energy (November 2024)

<sup>25</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>26</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

The 2023 year-end Resource Accounts for the NCS by the Norwegian Offshore Directorate, recorded a decrease in total resources, including oil, liquids<sup>27</sup>, and gas, of approximately 1.2 billion boe<sup>28</sup>. The reduction was largely driven by a decrease in reserves across products, combined with a decline in the volume of undiscovered resources due to reduced estimates for Barents Sea North which is yet to be opened for petroleum activity. Nonetheless, 2023 saw a significant uplift in produced volume across product segments, with increases of 673 million boe, 767 million boe, and 748 million boe for oil, liquids, and gas respectively<sup>29</sup>.

**Figure 6.8: Resource overview on the NCS (billion boe) and share of total reserves (2023)**

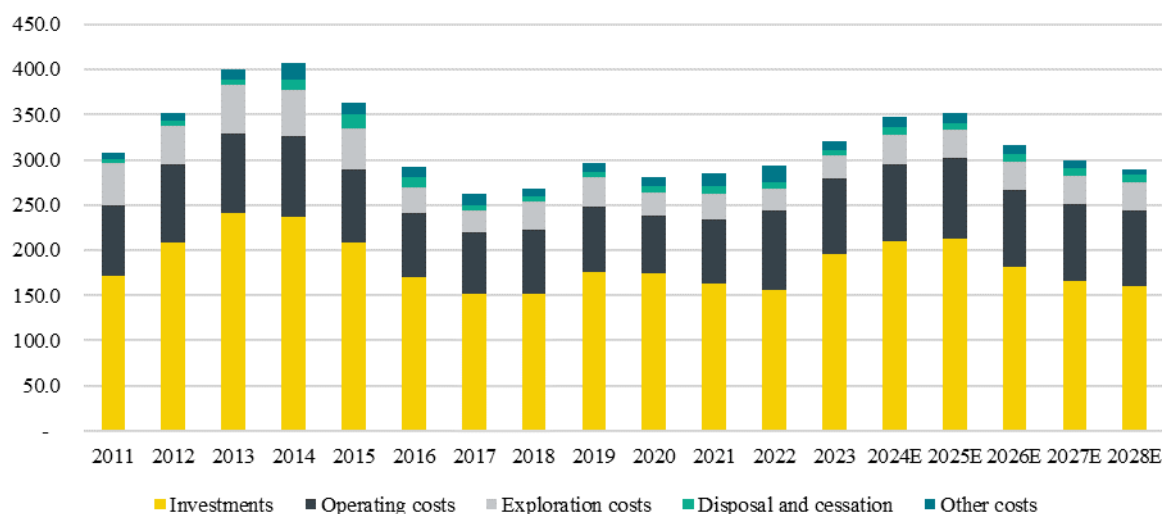


Source: Historical data retrieved from: Norwegian Offshore Directorate (November 2024). (Available from: [Resource Accounts for the Norwegian continental shelf as per 31 December 2023 \(sodir.no\)](#))

After strong and sustained growth in overall costs on the NCS in the period from 2009 - 2014, overall costs reached an all-time high of NOK 407 billion in 2014<sup>30</sup>. The growth was driven by underlying strong oil and gas markets and major investments in exploration activity. Since then, total costs have come down to NOK 320 billion in 2023, with activity levels remaining at a high level<sup>31</sup>. It is estimated that overall costs on the NCS will increase towards 2025, driven by new investments, before falling back to 2022-levels towards 2028.

<sup>27</sup> Liquids include oil, condensate, and NGL.  
<sup>28</sup> Norwegian Offshore Directorate (November 2024) (Available from: [Resource Accounts for the Norwegian continental shelf as per 31 December 2023 \(sodir.no\)](#))  
<sup>29</sup> Norwegian Offshore Directorate (November 2024) (Available from: [Resource Accounts for the Norwegian continental shelf as per 31 December 2023 \(sodir.no\)](#))  
<sup>30</sup> Norwegian Petroleum (November 2024). (Available from: [Investments and operating costs - Norwegianpetroleum.no \(norskpetsroleum.no\)](#))  
<sup>31</sup> Norwegian Petroleum (November 2024). (Available from: [Investments and operating costs - Norwegianpetroleum.no \(norskpetsroleum.no\)](#))

**Figure 6.9: Investment and operating costs on NCS (NOK billion)**



Source: Historical data and forecast retrieved from: Norwegian Petroleum (November 2024). (Available from: [Investments and operating costs - Norwegianpetroleum.no \(norskpetroleum.no\)](https://www.norskpetroleum.no))

Both the UKCS and NCS are considered mature basins with many of the fields entering late life and or cessation of production ("COP") resulting in increased P&A activity. The increasing P&A activity will be a natural transition for the Group activity, as the production from the mature basins are ending. The Group sees the transition from production to P&A, as unique opportunity for the Group, to position itself to take a strong position in the P&A market from the operators. The Group will have several synergies to offer in the market on both the employees competence, asset knowledge, service offering and equipment to be used. Recent estimates indicate 351 offshore assets to be shut in the period 2025 – 2029<sup>32</sup>. Furthermore, offshore decommissioning expenditure is projected to be approximately \$240 billion towards 2050, according to Rystad Energy, indicating significant and sustained activity in the market for Archer's services<sup>33</sup>. In Europe, as many as 518 active wells with production last year is expected to contribute to the region's decommissioning expenditure of \$12 billion<sup>34</sup> between 2025 – 2029. The United Kingdom is Europe's most active sub-region with \$50 billion in estimated abandonment costs in the period 2024 – 2050 and 11 out of 12 of the largest decommission cost projects going towards 2029<sup>35</sup>.

Brazil is expected to be a key growth region going forward, with Petrobras planning a 9% increase in investments to \$111 billion for 2025–2029, subject to board approval<sup>36</sup>. Of this, \$77 billion will be allocated to E&P projects domestically and internationally. Production is forecast to reach 3.2 million boe per day by the end of the five-year period<sup>37</sup>. Overall, Brazil aims for a 6.3% annual production growth through 2030, achieving over 5.5 million boe per day<sup>38</sup>. This growth is primarily driven by offshore ultra-deepwater reserves in the Santos Basin's pre-salt formations.

In July of 2024, Archer secured a contract with Equinor in Brazil, which includes a two-year extension period, in direct continuation of their existing drilling operations and maintenance contract on Equinor's Peregrino A & B platforms<sup>39</sup>. Equinor was recently in the process of increasing its life by adding to it an additional fixed platform. It is expected that this addition will increase its productive life by more than 20 years and will add approximately 250 – 300 million barrels in recoverable resources to the field.

On the NCS and UKCS the platform drilling market is dominated by three major players, Archer, KCA Deutag and Odfjell Technology<sup>40</sup>. Outside of the North Sea, the industry is serviced by a few international players and several smaller companies locally. The platform drilling market is highly competitive, and the leading companies all have a strong reputation for operational excellence and an impressive track record. The competitive

<sup>32</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>33</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>34</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>35</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>36</sup> Bloomberg News (November 2024) (Available from: [Bloomberg News](#). Requires subscription)

<sup>37</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

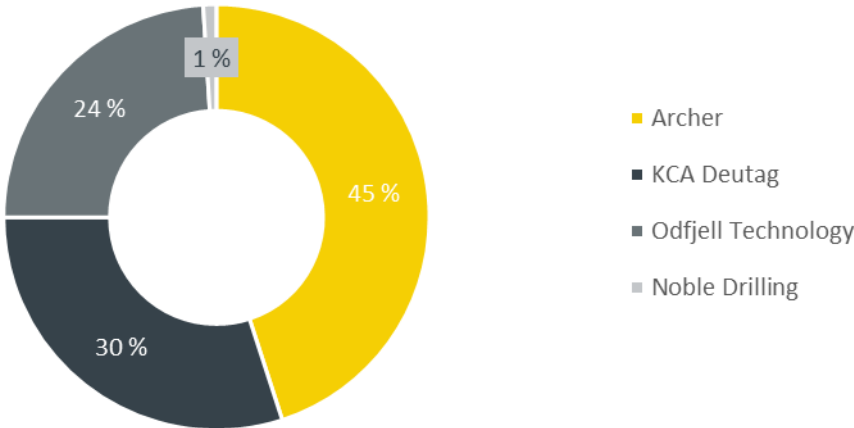
<sup>38</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>39</sup> Company website (November 2024) (Available from: [Archer](#))

<sup>40</sup> Company estimate

environment amongst the three major companies will be shaped by an increased focus on efficiency and quality of operations as they compete for future contracts in the North Sea. The Company is experiencing increasing demand for drilling contractors to increase their scope of services by providing multi-skilled crews to allow for integrated operations. Increased focus on multiple product lines will make operations more cost efficient and reduce the amount of personnel required to deliver drilling and abandonment operations. Archer is working to meet this demand, and initiatives such as OneArcher will seek to give the Group a competitive edge by consolidating service and cross-trained personnel.

**Figure 6.10: Platform drilling market shares in the North Sea (Q4 2024)**



Source: Company estimates (October 2024)

**6.4 WELL SERVICES**

Archer's well services division includes a wide range of services categorized under the five business units: Well Construction & Completion, Well Intervention & Workover, Well P&A & Slot Recovery, Surface Solutions and Geothermal & CCUS.

Well Construction & Completion focuses on well integrity and downhole isolation products designed to extend well life, maximize well performance, minimize the environmental impact of wells and efficiently and effectively perform the well abandonment. These services are offered to oil and gas companies involved in drilling operations worldwide.

Well Intervention & Workover provides the complete range of slickline and electric line intervention services including a full range of cased hole logging, perforation and fishing services. The company is most active with its wireline services in the North Sea market.

Well P&A and Slot Recovery delivers all services related to well P&A and Slot Recovery, from pulling the completion tubing out of the wellbore, logging the well, setting full lateral barriers utilising either perforate, wash and cement or section milling, setting bridge plugs, advanced methods of cutting and pulling casing to performing sidetracks using whipstocks.

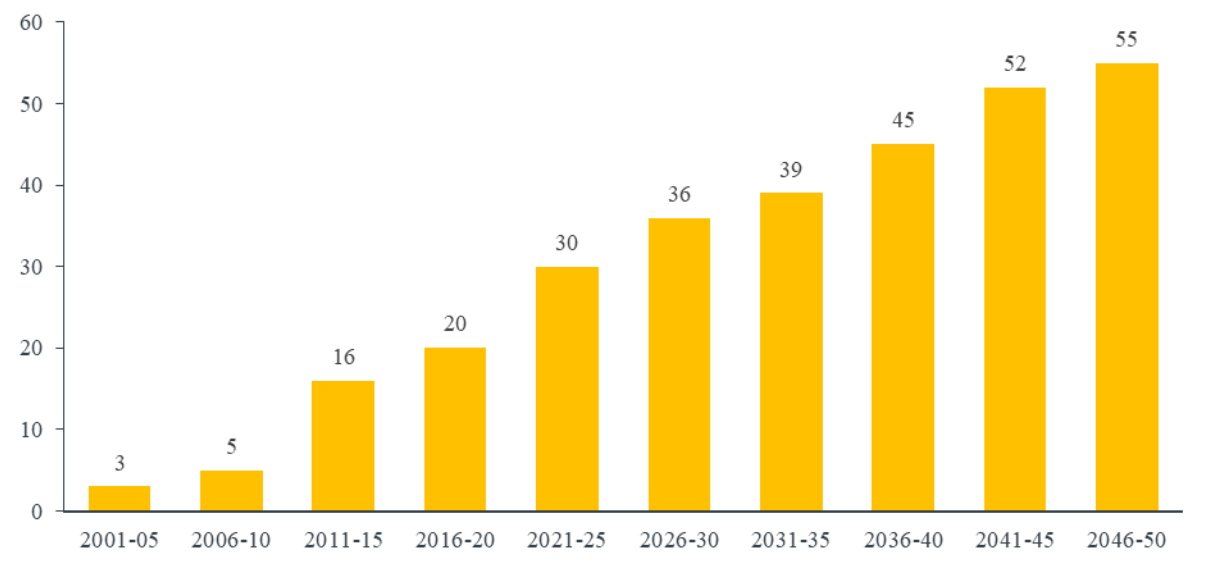
Surface Solutions includes swarf management, ditch management, blowout preventer (“BOP”) cleaning and mud spill prevention, to among other recover debris during milling, protect surface and downhole operator equipment from failure, reduce operator expense and enhance the safety of personnel.

Geothermal and carbon capture, use and storage (“CCUS”) provides high-temperature deep geothermal drilling, and CCUS solutions. The range of technologies offered is designed to deliver better wells by extending well life, maximizing well performance and minimizing environmental impact. A combination of Geothermal Technologies and CCUS can contribute to achieving faster reduction in CO<sub>2</sub> emissions and to decrease the cost by sharing injection wells, using CO<sub>2</sub> instead of water as heat transfer fluid, thereby lowering water consumption and saving pump costs.



The overarching drivers of the well services market are similar to the drivers mentioned in Section 6.2 "Oil service market overview". Intervention for slot recovery and P&A activity globally is set to grow as an increasingly larger share as platforms start to mature, with a steady increase expected until 2050, as illustrated in Figure 6.11. Plugs, together with slot recovery and P&A is expected to continue to account for most of the activity.

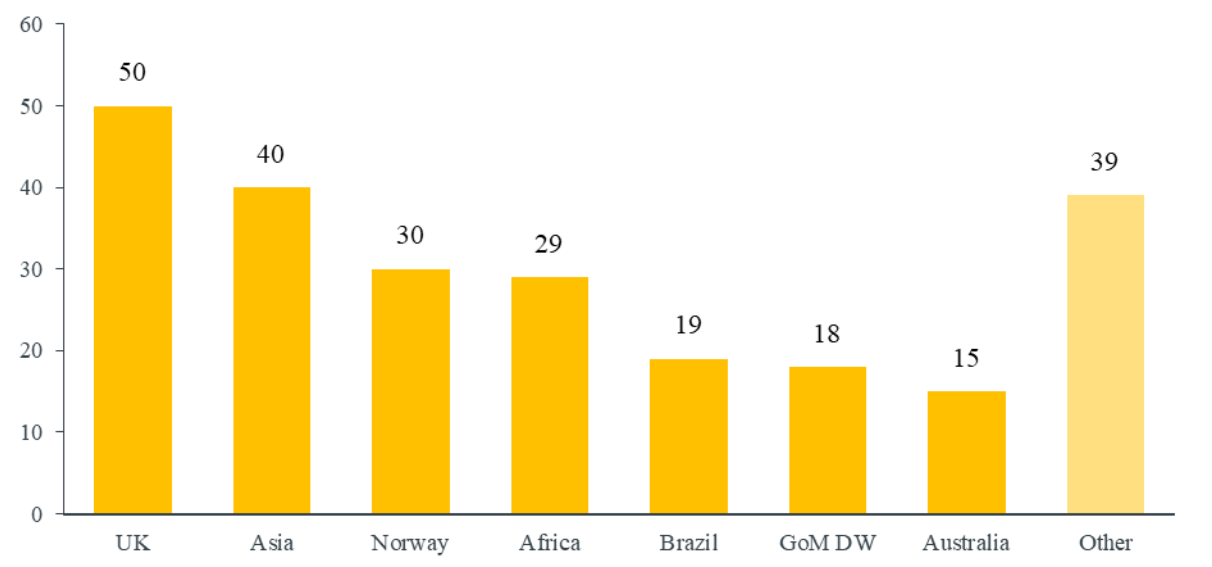
**Figure 6.11: Global offshore decommissioning spending 2001 – 2050 (USD billion)**



Source: Historical data and forecast data retrieved from: Rystad Energy (October 2024) . Requires subscription

The well services segment was further strengthened by the acquisition of WFR in November 2024. WFR is a US based well technology player focused on fishing operations in the oil and gas sector. The acquisition is expected to strengthen the presence in the Gulf of Mexico, and position Archer for the estimated \$18 billion deep water P&A market emerging there<sup>41</sup>, illustrated in Figure 6.12<sup>42</sup>. In addition, the acquisition will further strengthen Archer's relationship with global majors in the region. Archer sees clear and tangible cost and revenue synergies, as the WFR service offering, and projects serve as attractive sales channels for many of Archer's high-end plug, slot recovery, and P&A services.

**Figure 6.12: Total offshore decommissioning spending 2024-2050 (USD billion)**



Source: Historical data and forecast data retrieved from: Rystad Energy (October 2024)

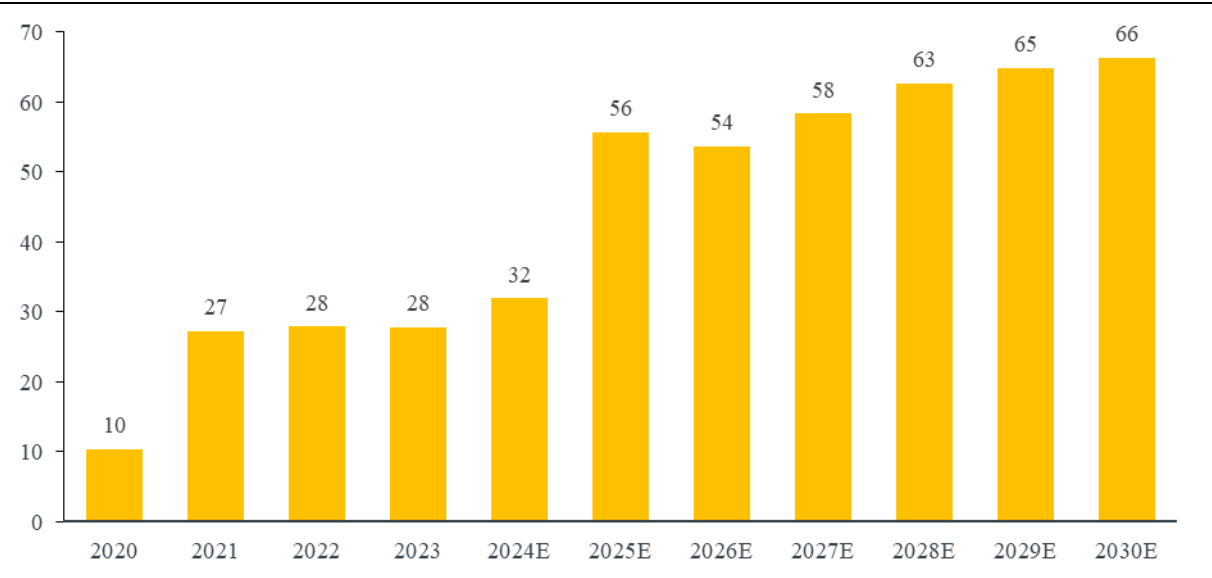
<sup>41</sup> Rystad Energy (October 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

<sup>42</sup> "GoM DW" market includes Gulf of Mexico deepwater and ultra deepwater only (e.g. not offshore shelf or onshore US)

**6.5 LAND DRILLING**

DLS is Archer’s land drilling division, offering a range of integrated drilling, completion, and well servicing solutions across the entire well lifecycle, operating one of the largest fleets of advanced AC-powered land rigs, including Quicksilver, Ideal, and Flex 4 units. The land drilling division is focused on Argentina and Bolivia. The activity in the Argentine market is expected to pick up over the next couple of years<sup>43</sup> as a result of increased investments into new oil and gas infrastructure with major free-market reforms crafted to stimulate such recently passed, as well as the sustained tight oil and gas markets<sup>44</sup>. Argentina ranks highly for technically recoverable shale gas resources and for recoverable shale oil resources, with 802 trillion cubic feet and 27 billion barrels respectively<sup>45</sup> and is home to the second largest reserves of shale gas worldwide – Vaca Muerta. Previously, the development of the reserves area has been restricted, following political process, the renationalisation of the Argentine oil giant YPF, and failed subsidy plans. However, the aforementioned free-market reforms will likely contribute to mitigate such restriction risk, reflected by the expected increase in Vaca Muerta rig demand, illustrated in Figure 6.13.

**Figure 6.13: Vaca Muerta rig demand (rig years)**

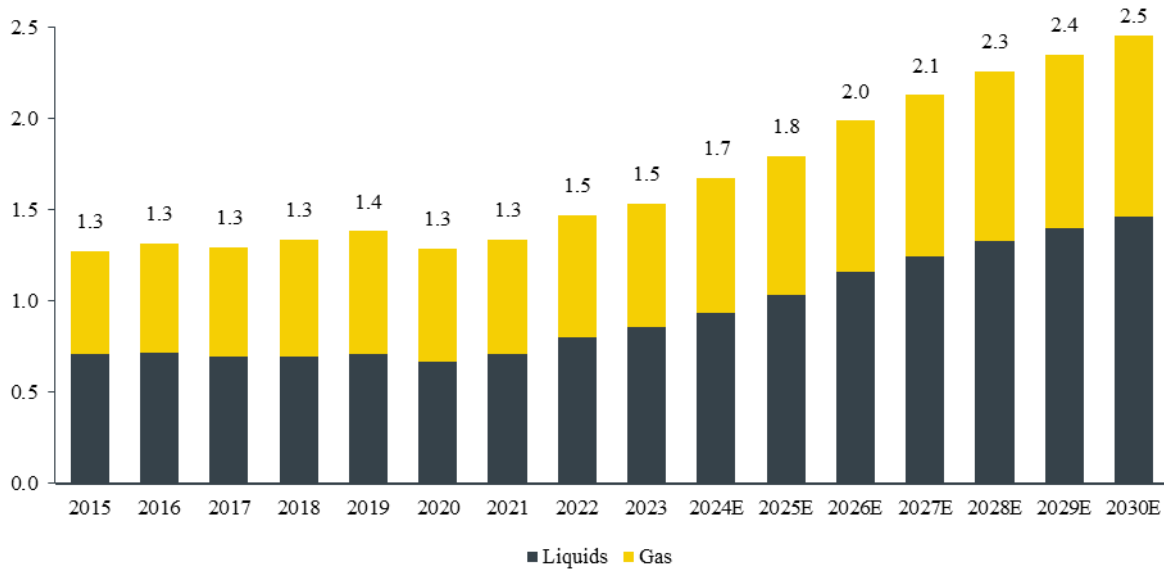


Source: Historical data and forecast data retrieved from: Rystad Energy (November 2024)

Rystad Energy estimates Argentinian total production of oil and gas to reach 1.8 million boe per day by 2025, growing at 6.2% CAGR from 2021 production levels of 1.34 million boe per day<sup>46</sup>. The following five years Argentinian production is set to remain strong and grow steadily towards 2.5 million boe per day in 2030, as seen in Figure 6.14.

<sup>43</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)  
<sup>44</sup> IEA (November 2024) World Energy Outlook. All rights reserved. (Available from: [World Energy Outlook 2024 – Analysis - IEA](#))  
<sup>45</sup> EIA (November 2024) (Available from: [Homepage - U.S. Energy Information Administration \(EIA\)](#))  
<sup>46</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy - Client Portal](#). Requires subscription)

**Figure 6.14: Estimated Argentinian total production level by hydrocarbon (million boe per day)**



Source: Historical data and forecast data retrieved from: Rystad Energy (November 2024)

Furthermore, this development will be supported by large infrastructure projects in Argentina, such as the Vaca Muerta project. Facilities like the northern pipeline in Vaca Muerta or the expansions of the Ote terminal and Oldeval pipelines will open new opportunities for producers, particularly when it comes to exports, as this new infrastructure will facilitate the access of competitive Argentinian energy products to the global commodities market.

Moreover, significant infrastructure investments in Argentina yields fruitful prospects for future enterprise, while new legislation incentivises project investments above USD 200m. Large-scale investment projects in transportation and exportation capacity are ongoing with further significant Floating Liquefied Natural Gas (“FLNG”) projects planned. For instance, ARGLNG, a USD 30 billion project involving three FLNG units owned by YPF and Petronas with planned Final Investment Decision in 2025. The project targets a production capacity of 5 million tonnes LNG per year in its initial phase, with a potential future expansion to 25 – 30 million tonnes per year<sup>47</sup>. Golar PAE LNG, another such example, is an agreement between Golar LNG and Pan American Energy to deploy FLNG vessels for a 20-year period.

Archer also has operations in Bolivia. However, the market outlook is highly uncertain due to a distressed political situation. Meaningful improvement to activity levels are not expected in the near-term. Currently, Archer is considering its options; local rigs rental, sale of rigs locally and internationally, and leaving the country after the sale of Archer Bolivia.

Considering the Argentine market, and first and foremost the Vaca Muerta reserves, Archer controls about 1/4<sup>th</sup> of the non-conventional drilling market in the area. Nabors and Helmerich & Payne are considered Archer's top competitors, with the three of them together accounting for about 3/4<sup>th</sup> of the non-conventional drilling in Vaca Muerta. There are also other areas in the southern parts of Argentina, but they were highly affected by the pandemic and, consequently, the drilling activity in this area suffered a material reduction. Archer's main competitor in the area is San Antonio International, a provider of drilling services as well as deliverable of well management solutions. Finally, Petrex, which has significant presence in Bolivia, is one of Archer's main competitors in that area.

<sup>47</sup> LNGPrime (November 2024) (Available from: [LNGPrime - YPF expects FID on first phase of Argentina LNG project in 2025](#))

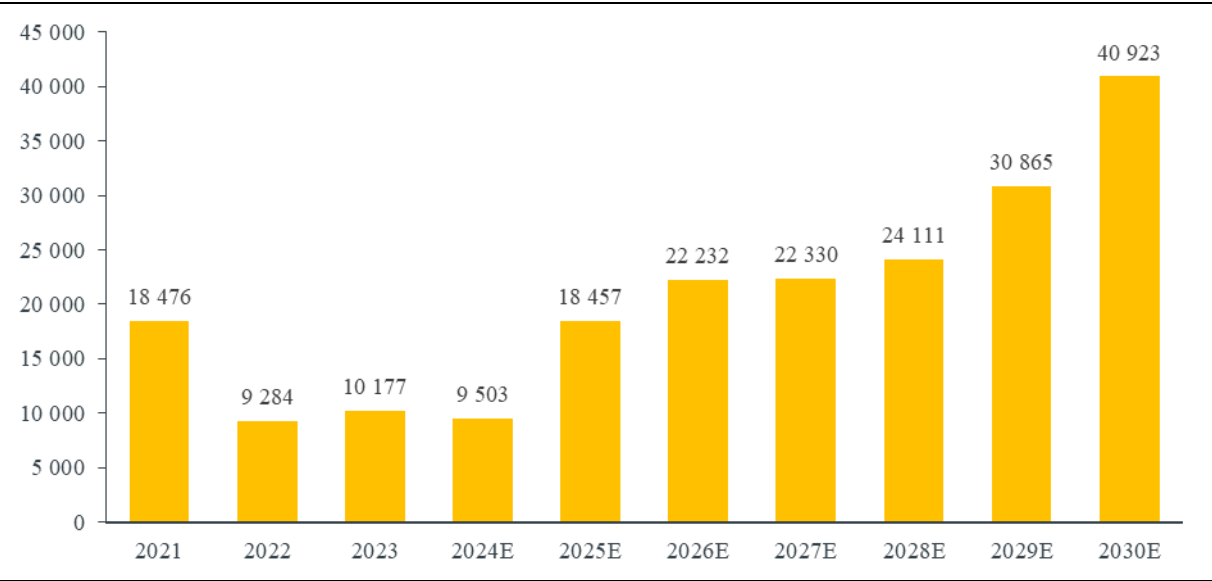
**6.6 RENEWABLE SERVICES**

The renewable services segment is part of Archers commitment to the energy transition and the achievement of net-zero carbon emissions. Archer continues to expand its renewable energy services through strategic investments and acquisitions, with the service portfolio now including six core segments: geothermal drilling for electricity, district heating, carbon storage, floating offshore wind, wind turbine services and hydropower services.

In 2022, a 50% stake in Iceland Drilling (increased to 60% in 2024) was acquired, forming a joint venture (“JV”) to support Archer’s energy transition strategy. Iceland Drilling, with over 70 years of experience, specializes in deep geothermal drilling, district heating, and carbon storage, supported by a fleet of four high-temperature hydraulic rigs. Through the JV Archer's services include rig and crew provision, as well as integrated drilling services such as casing, cementing, and well logging. In 2024, Archer expanded further into renewables through the acquisition of Moreld Ocean Wind (now Archer Wind) and a 65% stake in Vertikal Service AS. Archer Wind specializes in engineering and project management for floating offshore wind substructures, while Vertikal Service offers inspection, installation, and maintenance for both wind and hydropower sectors. Together, these investments strengthen Archer’s position in the global energy transition, driving the industrialization and acceleration of floating offshore wind.

Overall, the energy transition represents a significant opportunity, especially within project-related services, with much of current competence and capability used mainly towards oil and gas projects being highly transferable to projects based around the energy transition. Archer has a wide range of low carbon solutions suitable to support emission reduction initiatives required by clients with an increasingly growing focus on environmentally friendly solutions. In particular, both the offshore- and onshore wind markets are expected to grow rapidly going forward, as focus towards wind and other renewable energy markets increases. Rystad Energy expects the offshore wind power installed capacity to increase fourfold by 2030<sup>48</sup>.

**Figure 6.15: Offshore Wind Installed plant capacity (MW)**



Source: Historical data and forecast data retrieved from: Rystad Energy (November 2024)

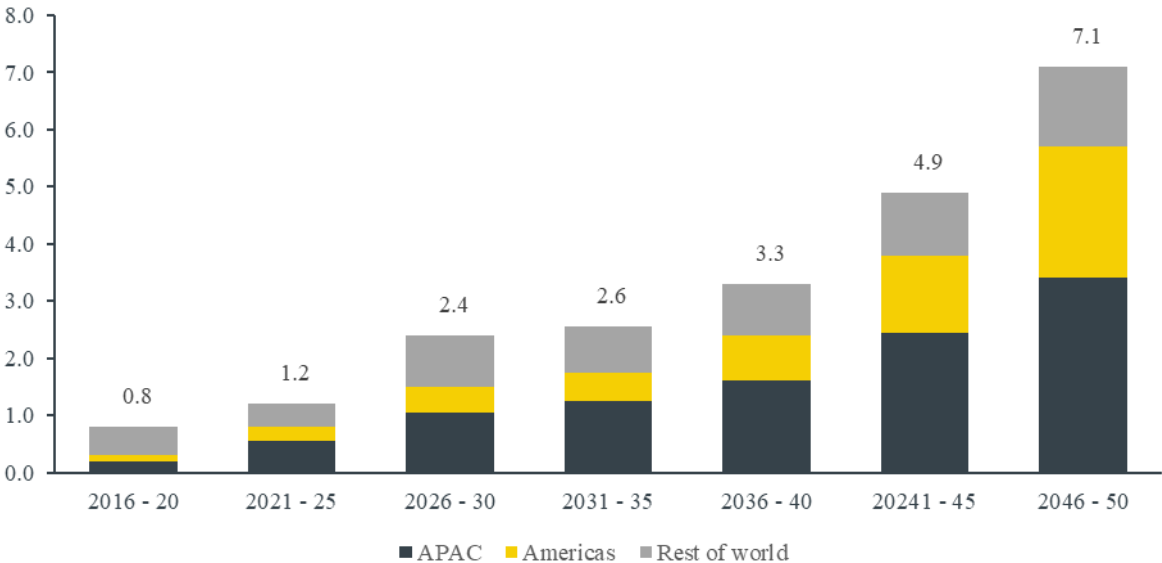
This increase is set to happen in tandem with oil and gas companies increasing their spending and focus on a diversified portfolio with an increasing share of renewable energy related projects. During a meeting at the European Commission in May 2022, a new plan, the REPowerEU, was presented aimed at ramping up production of renewables to minimize the European Union's dependence on Russian oil and gas imports. Some of the key targets set by the EU include doubling the solar capacity by 2025, having 45% of energy come from renewables by 2030, and energy-savings of 13% by 2030<sup>49</sup>. The planned investment amounts to €210 billion by 2027 and will be spread across renewables and hydrogen infrastructure, energy efficiency-enhancing projects, and liquified natural gas imports from non-Russian exporters<sup>18</sup>. These recent developments create a strong underlying driver for Archer's renewable services segment, also made manifest in the geothermal power market, showed in Figure 6.16 and 6.17 with an expected increase in geothermal wells drilled of 94% between 2021-2025 and 2026-2030, as well

<sup>48</sup> Rystad Energy (November 2024) (Available from: [Rystad Energy – Client Portal](#). Requires subscription)

<sup>49</sup> S&P Global (July 2022) Available from: [Essential Intelligence | S&P Global](#)

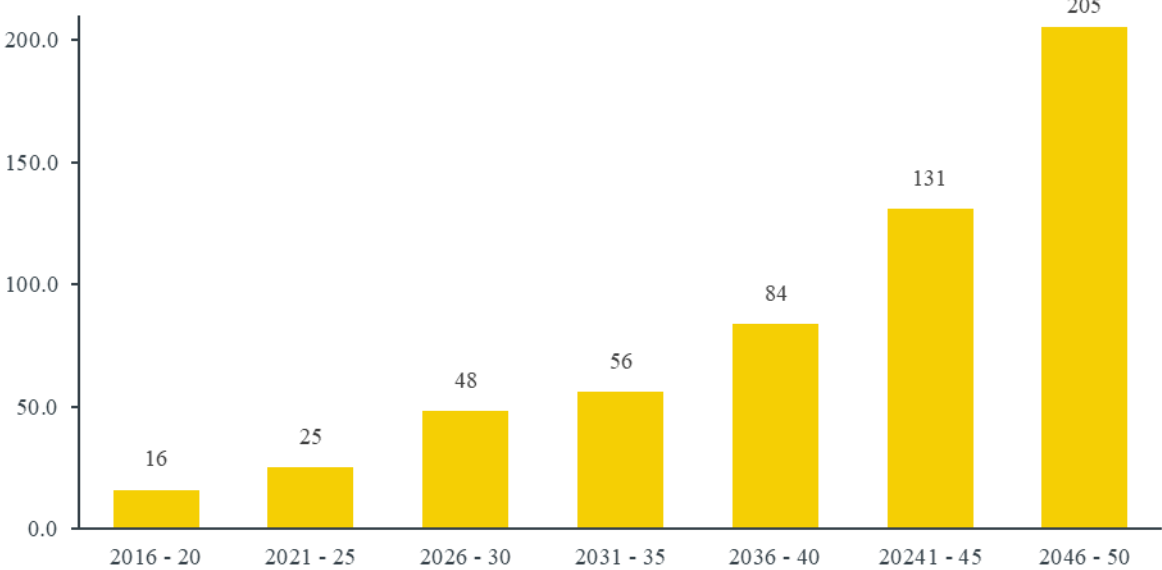
as a CAGR of 7% until 2050<sup>50</sup>. Furthermore, global geothermal plant expenditure is expected to grow 90% between 2021-2025 and 2026-2030, and at a CAGR of 10% towards 2050, showcasing significant developments<sup>51</sup>.

**Figure 6.16: Number of wells drilled and completed for geothermal power (thousands)**



Source: Historical data and forecast data retrieved from: Rystad Energy (Q2 2024)

**Figure 6.17: Global expenditure on geothermal plants (USD billion)**



Source: Historical data and forecast data retrieved from: Rystad Energy (Q2 2024)

<sup>50</sup> Rystad Energy (October 2024) (Available from: [Rystad Energy – Client Portal](#). Requires subscription)

<sup>51</sup> Rystad Energy (October 2024) (Available from: [Rystad Energy – Client Portal](#). Requires subscription)

## 7. PRESENTATION OF ARCHER LIMITED

### 7.1 INTRODUCTION

Archer Limited, along with its subsidiaries, is a global services company with a heritage in drilling and well services that stretches back over 50 years. The Company was incorporated in Bermuda on 31 August 2007 and conducted operations as Seawell Limited until 16 May 2011 when shareholders approved a resolution to change the name to Archer Limited.

Archer is a company providing drilling and well services to the global energy industry employing 5,000 globally. Archer operates in over 40 countries, providing sustainable high-quality services and innovative technology to optimize Archer's customer's energy solutions.

Archer drilling teams secure production on more than 30 offshore platforms in the North Sea and Brazil, and own two modular rigs. In addition, Archer owns more than 60 mobile land rigs in Latin America. Archer's comprehensive drilling and workover services include platform operations, land drilling and well services. The well services division delivers Archer's top-tier technology for well suspension, plug and abandonment, decommissioning, leak detection, and well imaging globally. Strengthened by experience and an outstanding record for safety and efficiency, Archer aim to deliver the best drilling and well services globally.

Archer's well specialists leverage the experience and the right tools to improve well delivery, integrity and performance for each well, extending the productive life of these vital assets.

The Company is publicly traded on the Oslo Stock Exchange under the ticker ARCH. Archer's main operations currently take place in the major basins within Europe, Asia Pacific, North and South America and Archer is expanding throughout the Middle East, and West Africa.

The legal name of the Company is Archer Limited, which also is its commercial name. The Company's registered office is at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda and its main telephone number at that address is +441-295-6935.

The Company is as an exempted company limited by shares and is organized and exists under the laws of Bermuda and the Bermuda Companies Act, with registration no. 40612. The Company's LEI code is 549300D1D5TS4O1V4923. The Company's Shares are listed the Oslo Stock Exchange under the ticker symbol "ARCH" and the Company's website can be found at [www.archerwell.com](http://www.archerwell.com). The information on the Company's website does not form part of the Prospectus unless that information is incorporated by reference into the prospectus.

### 7.2 LEGAL STRUCTURE

The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Group. The Company's main function is to provide financing to the other Group entities by way of equity or shareholder loans.

The table below sets out the Company's subsidiaries and companies in which the Company has an ownership interest as at the date of this Prospectus:

Company	Country of incorporation	Direct and indirect shareholding and voting rights
Archer (UK) Limited Abu Dhabi (Branch)	UAE	100%
DLS Ada S.A.	Argentina	100%
DLS-Archer Ltd. S.A.	Argentina	100%
DLS Argentina Ltd. Argentina (Branch)	Argentina	100%
DLA Argentina Fluidos S.A.	Argentina	100%
Archer Well Company (Australia) Pty Ltd	Australia	100%
Archer Well Company International Azerbaijan (Branch)	Azerbaijan	100%
Archer (UK) Ltd (Branch)	Azerbaijan	100%
Archer Emerald (Bermuda) Limited	Bermuda	100%
Archer Topaz Limited	Bermuda	100%
Archer DLS Corporation Bolivia (Branch)	Bolivia	100%
Archer do Brasil Ltda	Brazil	100%
Archer DLS Corporation	BVI	100%

DLS Argentina Limited	BVI	100%
DLS Argentina Holding Ltd	BVI	100%
Archer BCH (Canada) Ltd	Canada	100%
Archer BCH (Canada) Branch	Guyana	100%
Archer Oil Tools AS Congo (Branch)	Congo	100%
Archer Offshore Denmark AS	Denmark	100%
Archer (UK) Limited France (Branch)	France	100%
Archer Services Limited	Hong Kong	100%
Jarðboranir hf.("Iceland Drilling")*	Iceland	60%
PT Archer	Indonesia	95%
Archer Well Company (M) SDN BHD	Malaysia	100%
Archer Well Solutions Sdn Bhd	Malaysia	49%
Archer Well Company International Ltd	Mozambique	100%
Archer Oil Tools AS (Branch)	Netherlands	100%
Archer Well Services Nigeria Limited	Nigeria	100%
Archer AS	Norway	100%
Archer Consulting AS	Norway	100%
Archer Norge AS	Norway	100%
Archer Oil Tools AS	Norway	100%
Archer Wind AS	Norway	100%
Comtrac AS	Norway	100%
Vertikal Service AS	Norway	65%
Archer Poland Sp. Z.O.O.	Poland	100%
Rawabi Archer Company	Saudi Arabia	10%
Archer (UK) Limited Jebel Ali Free Zone (Branch)	UAE	100%
Archer (UK) Limited	UK	100%
Archer Assets UK Limited	UK	100%
Archer Elemental UK Ltd.	UK	60%
Archer Consulting Resources Limited	UK	100%
Archer Well Company International Ltd	UK	100%
Archer Well Services (Saudi Arabia) Ltd	UK	100%
Romar International Ltd.	UK	100%
Romar Topco Ltd.	UK	100%
Ziebel UK Ltd.	UK	100%
Abrado Inc.	USA	100%
Archer Holdco LLC	USA	100%
Archer Oiltools LLC	USA	100%
Archer Well Company Inc	USA	100%
Wellbore Fishing & Rental Tools LLC	USA	100%
Ziebel US Inc.	USA	100%

\*subsidiaries of Iceland Drilling has not been included in this overview

## 7.3 BUSINESS DESCRIPTION AND STRATEGY

### 7.3.1 Business strategy

The strategy of the Group is to deliver better wells and to be the "supplier of choice" for drilling services, well integrity, well interventions as well as plug and abandonments. The Group aims to achieve this by continuously improving its services and product quality and by utilizing people who demonstrate the values of the Group and deliver excellence. This approach enables the Group to further broaden its reach, both geographically and technically, and it can be the foundation to secure longer term profitable growth. The Group will leverage competence and experience, for use in sustainable renewable energy with service offering with geothermal energy, carbon storage, wind, and hydropower for the long-term growth. The Group will continue to pursue opportunities to benefit from economies of scale, to selectively strengthen the Group's geographical footprint and to develop proprietary technologies.

### 7.3.2 Business description and overview of operations

The Group's operations are managed through three divisions: Platform Operations, Well Services and Land Drilling. The Group's current three divisions are described further in the following.

#### 7.3.2.1 Platform Operations

The Platform Operations division includes the business units: platform drilling, engineering, and the modular rigs. It generated total revenues of USD 427.1 million, or 45% of total revenues, for the nine months ended 30

September 2024. Revenues were USD 539.8m for the 12 months to 31 December 2023, compared to USD 450.8 million for the same period in 2022.

The estimated firm order backlog of platform drilling, engineering, and the modular rigs was approximately USD 1,700 million (unaudited) at 30 September 2024.

#### **a) Platform drilling**

The Group conducts offshore drilling services on client owned fixed oil and gas installations, referred to as "platforms". The Group supplies experienced personnel for drilling operations, maintenance, and technical support on fixed production platforms. The scope of services the Group provides is detailed in client-specific contracts, which are also used to govern the relationship between the Group and its clients. The Group's business requires a high volume of personnel who are employed offshore to provide the services on a structured work rotation cycle.

The Company and its predecessors have provided drilling and management services on fixed installations in the UK and Norwegian North Sea for 50 years. Since the award of the first platform drilling contract in the North Sea on the Heather platform in 1977, the Group has been a key player in the supply of drilling and maintenance personnel to fixed platforms. Since that time, the Group has continued to build on its early experience by increasing capabilities, developing supporting technologies, and extending the Group's global footprint. Currently, the Group offshore drilling crews operate over 26 fixed installations in the UK and Norway, in addition to three in Brazil, with responsibility for the operation and maintenance of all the equipment owned by clients. The Group has long-term relationships with a large number of major operators, including Apache, Ithaca Energy, Repsol Resources and Taqa in the UK North Sea, and Aker BP and Equinor in Norway as well as Equinor and Trident Energy in Brazil.

The Group supplies a range of conventional, premium, and specialized rental equipment for offshore operations primarily in the North Sea. Standard equipment available for drilling, workover and decommissioning work includes drill pipe and tubing, heavy weight drill pipe, drill collars, blow out preventers, spools, valves and handling equipment. Specialized equipment includes heavy casing strings for deep-water applications, extreme-torque drill pipe for directional and extended reach applications and high-pressure blow out preventers.

#### **b) Modular rigs**

The Group constructed and operates two modular drilling units, the Archer Emerald (2012) and the Archer Topaz (2014), to cost-effectively service the platform drilling industry. The rigs are designed to operate stand-alone and can be rigged up on certain offshore platforms to provide complete life-cycle drilling and work-over services from initial well delivery right through to decommissioning. Typical operations include conventional drilling/sidetrack operations, snubbing services, work-over services, through tubing rotary drilling, managed-pressure drilling and plug and abandonment activities.

Archer Topaz is in the process of delivering a twenty-one well plug and abandonment campaign on the Cormorant Alpha platform in the Northern North Sea for Taqa. Archer Emerald has just completed a 5 yearly recertification and is being prepared to mobilise to the Fulmar platform in the Central North Sea for a 25-30 well plug and abandonment campaign on behalf of Repsol Resources UK, due to start in H2 2025. Prior to this, from 2020 through to 2023, Archer Emerald completed a successful drilling campaign for OMV on the Maui platform in New Zealand.

#### **c) Engineering**

From projects on fixed and mobile installations, to asset management and consultancy, the Group provides engineering services encompassing conceptual solutions through detailed design and construction to final offshore and onshore commissioning. With the suite of engineering, procurement and management capability, the Group provides Engineering Procurement Construction services for drilling facility development, maintenance and operational support. The Group's Integrated Asset Management Services complement the broad expertise with a range of inspection, reliability and integrity management services, maintenance management and asset



management system support that enables facility performance improvement. Engineering clients are to a large extent similar to the clients in the Platform Drilling segment.

#### **d) Offshore wind**

Archers offshore wind services are provided through Archer Wind. Archer Wind is a pure play independent technology, product, and solutions provider for the Floating Offshore Wind industry, established for the purpose of executing large, complex offshore wind projects. With around 30 engineers based in Norway, Archer Wind delivers project management and engineering for fabrication and assembly of floating substructures for wind turbines. The lightweight floating substructures, developed and designed by OCY, are suited for serial production, as the modules are prefabricated and assembled in ports or yards close to where the wind farm will be operating. Archer Wind will be reported under a separate renewable segment going forward.

#### **e) Geothermal drilling**

Archer's geothermal operation is conducted through its 60% ownership in Iceland Drilling. Iceland Drilling is an international leader in high-temperature geothermal drilling, with offerings across renewable service segments such as deep drilling for electricity generation, wells for district heating and cooling, and wells for carbon storage. The company has close to 200 employees with its main operations currently in Iceland and the Philippines. Iceland Drilling will be reported under a separate renewable segment going forward.

#### **7.3.2.2 Well services**

The well services division includes the business units Oiltools, Wireline and Coiled Tubing. It generated total revenues of USD 237.5 million, or 25% of total revenues, for the nine months ended 30 September 2024. Revenues were USD 302.9m for the 12 months to 31 December 2023, compared to USD 240.0 million for the same period in 2022.

The estimated firm order backlog of Oiltools and Wireline was approximately USD 300 million (unaudited) at 30 September 2024.

#### **a) Oiltools**

The Group's Oiltools division has developed a range of technology and tools to enhance safety well integrity, and to optimize heavy well interventions. From gas-tight stage tools and barrier plugs, traditional down-hole equipment and high tier solutions for well intervention and for the plug and abandonment of wells. The solutions contribute to the efficient management and integrity of a well throughout its life. The Group's technologies provide solutions for a wide range of tasks during the design phase, through drilling, completion and well intervention, to abandonment. Notable technologies include: the gas-tight V0 rated LOCK® plug series and SPARTAN™ everyday (V3-V6) plugs, both which can be applied for innovative plug solutions, including the VAULT™, SPEARHEAD™. The Stronghold™ perforate, wash and cement systems; and Tornar® technology designed for successful and effective wellbore cleanup operations. The Samurai® and Sumo® services, designed for combinability and versatility, and the cutting and recovery of casing from the well bore with multiple options inclusive of downhole hydraulic power applications.

The Oiltools portfolio also includes: Cflex® technology, which enables high-performance multistage cementing; and Tubing Conveyed Perforation (TCP) to improve well performance, particularly for plug and abandonment and remedial work during the lifetime of a well. In addition, Oiltools has engineered the X-it™ system, a single-trip casing exit technology designed to deliver reliable sidetracks in a wide range of settings. Oiltools' Integrated Operations (IO) has been developed to reduce operational costs, including persons on board (POB) for operations. Other Oiltools technologies include remote and wireless control cement heads. Oiltools' customers are predominantly large national, international, and independent oil and gas companies such as Equinor, QatarGas,

ExxonMobil, Total, BP, AkerBP, ENI, Wintershall, and Woodside, as well as large international oil service companies such as Schlumberger and Halliburton, which operate offshore globally.

The acquisition of Wellbore Fishing and Rental in 2024 expands the Group's capability to deliver specialized fishing services to exploration and production operators in the Gulf of Mexico deepwater and US land markets, providing drilling, completion, casing exits, plug and abandonment and Thru-Tubing Fishing solutions.

## **b) Wireline**

Archer Wireline offers a full range of wireline intervention and cased hole logging services throughout the well lifecycle. Intervention by wireline allows for cost efficient diagnostics, maintenance and repair of oil and gas wells within the drilling, completion, production, workover, and abandonment phases.

Archer Wireline is a large provider of wireline conveyance services on the Norwegian continental shelf with long term contracts for the largest energy companies, ConocoPhillips and Equinor. The services include last generation wireline units and the unique and patented ComTrac system, with carbon rod technology, for extreme extended reach well intervention. ComTrac is mainly operated for Adnoc in Abu Dhabi and for Equinor in Norway.

Archer Wireline Logging Services provide a portfolio of well integrity diagnostics services, in addition to offering a full range of production evaluation, perforating and other general cased hole services. The POINT® system combines conventional and unique measurements with expert assessment and analysis to evaluate barrier performance and expose the precise location of leaks and flow paths throughout well systems, without pulling the completion string. More advanced solution is the VIVID® acoustic listening platform — a patented, highly sensitive, acoustic technology that detects, investigates, and locates leaks in real-time, verifies cement barrier seals and characterizes downhole events with unparalleled precision. SPACE® is the Group's category-defining technology that uses ultrasound imaging to create high-definition, 3D visualizations and measurements of components or obstructions in the wellbore, even in opaque production fluids. The Group's clients in its wireline segment are predominantly large international oil and gas companies such as ConocoPhillips, Equinor, Repsol, Total and Aker BP in Norway, and Petronas Shell and ExxonMobil in Asia.

## **c) Coiled Tubing**

The Archer Coiled Tubing business was acquired from Baker Hughes in Q1 2023. The product offering includes an assortment of coiled tubing strings, ranging from 1-1/2" to 2-7/8" in size, meticulously designed to optimise well performance across a range of applications. These applications encompass a range of functions, including but not limited to Nitrogen Gas Lift, Sand/Fill Cleanout, Drilling/Milling, Cementing, Real Time Logging, Fluid Stimulation/Chemical Application, and Fishing, all working synergistically to provide both safety and operational efficacy for its clients.

### **7.3.2.3 Land drilling**

The Group's Land Drilling division consist of Archer's land drilling operation in South America, and generated total revenues of USD 275.0 million, or 29% of total revenues, for the nine months ended 30 September 2024. Revenues were USD 326.7m for the 12 months to 31 December 2023, compared to USD 279.4 million for the same period in 2022.

The estimated firm order backlog of Land Drilling was approximately USD 370 million (unaudited) at 30 September 2024.

Archer is a Land Drilling contractor in Argentina and Bolivia with more than 1,780 drilling and maintenance personnel. Archer's drilling staff currently operate 11 drilling rigs, 17 workover rigs and 17 pulling units. Archer owns 20 drilling rigs, 22 workover rigs and 25 pulling units. Six of the drilling rigs are of latest technology suited for the unconventional market in Vaca Muerta. These six rigs are equipped with latest technology and have drilling capacity to drill in the shale oil reserves in Vaca Muerta. These drilling rigs typically have the latest capacity of

top drive, pressure gradient (PSI) 7500 and horsepower (HP) 1500. The Land Drilling division has provided drilling services to operators in Argentina, Bolivia and other regions for 50 years.

The service offerings within Archer's Land Drilling division includes an integrated drilling and work over operations.

Archer's Land Drilling operation continue to be under the DLS brand name. DLS operates one of the largest fleets of advanced technology, AC-powered land rigs in Latin America, including Quicksilver and Ideal drilling units. These mobile, innovative land rig units are specifically designed to deliver safe and efficient operations for the unconventional market.

### **Land Drilling South**

Drilling and workover services in the oil and gas basins of Chubut and Santa Cruz provinces of Argentina are provided through the Company's wholly owned subsidiary DLS Argentina Limited, referred to as "Land Drilling South".

### **Land Drilling North**

Drilling and workover services are provided by the Company's wholly owned subsidiary DLS Archer Ltd S.A. in the Neuquen, Rio Negro and Tierra del Fuego provinces of Argentina and in Bolivia through the Company's wholly owned subsidiary Archer DLS Corporation.

## **7.4 REGULATORY ENVIRONMENT**

The Group's operations are subject to federal, state and local laws and regulations of the jurisdictions in which it operates relating to the energy industry in general and the environment in particular. Environmental laws have in recent years become more stringent and have generally sought to impose greater liability on a larger number of potentially responsible parties. Because the Group provides services to companies producing oil and natural gas, which may cause damage to the environment, the Group may become subject to claims relating to the release of such substances into the environment. The Group strives to conduct its business activities in an environmentally sustainable manner that is achieved through the use of written processes and risk management procedures focused on the proactive assessment of environmental risks associated with the Group's operations. These risk assessments help facilitate a reduction of the environmental impact of the Group's activities and help prevent the accidental release of oil and natural gas into the environment. While the Group's management is not currently aware of any situation involving an environmental claim that would likely have a material adverse effect on the Group, it is possible that an environmental claim could arise that could cause the Group's business to suffer. The Group's management does not anticipate any material expenditure to comply with environmental regulations affecting the Group's operations.

Any change in environmental or other regulations for the oil and gas industry would affect the Group's business similarly to the other industry participants.

## **7.5 CORPORATE GOVERNANCE**

The Company's corporate governance principles are based on, and comply with, the Norwegian Code of Practice of 14 October 2021 (the "**Norwegian Code of Practice**"), with the following exceptions:

- In accordance with normal practice for Bermuda companies, the Company's bye-laws (the "**Bye-Laws**") do not include a specific description of its business. According to the memorandum of association, the objects for which the Company was formed and incorporated are unrestricted. As a Bermuda incorporated company, the Company has chosen to establish the constitutional framework in compliance with the normal practice of Bermuda and accordingly deviate from section 2 of the Norwegian Code of Practice.
- The Board shall ensure that the Company has a capital structure that is appropriate to the Company's objective, strategy and risk profile. In accordance with Bermuda law, the Board of Directors is authorised to require its own shares to be held as treasury shares, and to issue any unissued shares within the limits of the authorised share capital. These authorities are neither limited to specific purposes nor to a specific period as recommended in section 3 of the Norwegian Code of Practice. While the Company aims at providing competitive long-term return on the investments of its shareholders, it does not currently have a formal dividend policy.

- In accordance with the company laws of Bermuda, the shareholders can resolve an amount of authorised capital within which the Board of Directors may decide to increase the issued capital at its discretion without further shareholder approval. There is no legal framework providing for specific time-limited or purpose-limited authorisations to increase the share capital. The Board of Directors will propose to the shareholders that they consider and, if necessary, resolve to increase the authorised capital of the Company that will allow the Board of Directors some flexibility to increase the number of issued shares without further shareholder approval. As such, the Company may deviate from the recommendation in the Norwegian Code of Practice section 4. Any increase of the authorised capital is, however, subject to approval by the shareholders by 2/3 majority of the votes cast.
- Neither the Bye-Laws nor Bermuda company laws include regulation of pre-emptive rights for shareholders in connection with share capital increases. The Bye-Laws provide for the Board of Directors in its sole discretion to direct a share issue to existing shareholders at par value or at a premium price. The Company is subject to the general principle of equal treatment of shareholders under the Norwegian Securities Trading Act section 5-14. The Board of Directors will, in connection with any future share issues, on a case-by-case basis, evaluate whether deviation from the principle of equal treatment is justified.
- As a Bermuda registered company, the general meetings of the Company can be conducted through proxy voting.
- The Company has not established a nomination committee as recommended by the Norwegian Code of Practice section 7. In lieu of a nomination committee comprised of independent directors, the Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees.
- The Company's Board of Directors does not comprise of both genders as recommended in section 8 of the Norwegian Code of Practice.
- The Board and Executive Management will consider and determine on a case-by-case basis whether independent third-party evaluations are required if entering into agreements with related parties in accordance with section 9 of the Norwegian Code of Practice. However, the Board of Directors may decide, due to the specific agreement or transaction, to deviate from this recommendation if the interest of the shareholders in general are believed to be maintained in a satisfactory manner through other measures.
- There is no obligation to present the guidelines for remuneration of the Board of Directors to the shareholders of a Bermuda incorporated company. The Company therefore deviates from this part of section 11 of the Norwegian Code of Practice. There are no service contracts between the Company and any of its directors providing for benefits upon termination of their service.
- There is no obligation to present the guidelines for remuneration of the executive management to the shareholders of a Bermuda incorporated company. In the view of the Company there is sufficient transparency and simplicity in the remuneration structure and information provided through the annual report and financial statements are sufficient to keep shareholders adequately informed. The Company therefore deviates from this part of section 12 of the Norwegian Code of Practice.

## 8. CAPITALISATION AND INDEBTEDNESS

### 8.1 INTRODUCTION

This section provides information about the Company's capitalisation and net financial indebtedness on an actual basis as at 30 September 2024 based on the Group's unaudited interim financial information as of 30 September 2024, and on an as adjusted basis as of the date of the prospectus to reflect the estimated effects of the following items:

- Net proceeds to the Company of NOK 297,494,565 from the issuance of 13,512,837 New Shares in Tranche 1 of the Private Placement and net proceeds to the Company of NOK 244,425,108 from the issuance of 10,880,263 New Shares in Tranche 2 of the Private Placement, as outlined in section 5 "The Private Placement and other information".
- The issuance of 1,174,436 New Shares in consideration to the seller of 10% of the shares in Iceland Drilling, valued at USD 2.5 million and the effect of the acquisition of the additional 10% ownership in Iceland Drilling, leading to the consolidation of their financials into Archer Limited's financials as outlined in section 5.2 "The Private Placement and other information" and in section 9.2.6 "Acquisition of shares in Iceland Drilling".
- The effect of the acquisition of Wellbore Fishing and Rental Tools LLC on the Capitalisation as outlined in section 9.2.5 "Acquisition of Wellbore Fishing & Rental Tools, LLC"

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular section 9 "Key financial and other information" and the Company's Financial Statements and the notes related thereto, which are incorporated by reference in this Prospectus (see section 15.3 "Incorporation by reference").

Apart from the adjustments outlined above, there has been no significant changes to the Company's capitalization since 30 September 2024.

### 8.2 CAPITALISATION

The following table sets forth information about the Group' unaudited capitalization as at 30 September 2024 and as adjusted for the transactions as described in Section 8.1 "Introduction".

#### CAPITALISATION

	As at 30 September 2024 <sup>(a)</sup>	Adjustment amount <sup>(b)</sup>	Adjustment amount <sup>(c)</sup>	Adjustment amount <sup>(d)</sup>	As adjusted as of the date of the Prospectus
<i>(In USD million)</i>					
<i>Total current debt:</i>					
Guaranteed	-	-	-	-	-
Secured	26.5 <sup>(1)</sup>	-	5.9 <sup>(7)</sup>	-	32.4
Unguaranteed / unsecured	281.2 <sup>(2)</sup>	-	6.7 <sup>(8)</sup>	4.3 <sup>(11)</sup>	292.2
<b>Total current debt:</b>	<b>307.8</b>	<b>-</b>	<b>12.5</b>	<b>4.3</b>	<b>324.6</b>
<i>Total non-current debt:</i>					
Guaranteed	-	-	-	-	-
Secured	424.7 <sup>(1)</sup>	-	9.7 <sup>(7)</sup>	1.1 <sup>(12)</sup>	435.5
Unguaranteed / unsecured	6.1 <sup>(3)</sup>	-	0.1	-	6.2
<b>Total non-current debt:</b>	<b>430.9</b>	<b>-</b>	<b>9.8</b>	<b>1.1</b>	<b>441.7</b>
<b>Total indebtedness:</b>	<b>738.6</b>	<b>-</b>	<b>22.3</b>	<b>5.4</b>	<b>766.3</b>
<b>Shareholders' equity</b>					
Share capital	0.6	0.2 <sup>(5)</sup>	0.0 <sup>(9)</sup>	-	0.9
Legal reserve(s)	-	-	-	-	-
Other reserves	190.2	49.2 <sup>(6)</sup>	2.5	-	241.9
Non-controlling interest	0.8 <sup>(4)</sup>	-	14.8 <sup>(10)</sup>	-	15.6
<b>Total shareholders' equity</b>	<b>191.6</b>	<b>49.4</b>	<b>12.5</b>	<b>-</b>	<b>258.3</b>
<b>Total capitalisation</b>	<b>906.2</b>	<b>49.4</b>	<b>39.6</b>	<b>5.4</b>	<b>1,024.7</b>

(a) The data set forth in this column are derived from the Group's Interim Financial Statements for the nine months ended 30 September 2024.

(1) The secured debt includes the book value of amounts drawn under our bank facility of USD 208.7 million, the book value of amounts outstanding under our bond of USD 196.1 million and the capital lease financing relating to the Group's Norwegian operation totalling USD 17.3 million. The bank facility and the bond are secured by pledges over shares in material subsidiaries, assignment over intercompany debt and guarantees issued by the material subsidiaries. Furthermore, the secured debt includes the operational lease liabilities (USD 28.4 million), which are deemed secured through the underlying assets the lease is related to. The secured debt is comprised of a current portion of USD 26.5 million and includes the scheduled instalments under our bank facility as well as the current portion of the operational and capital leases.

(2) Unguaranteed / unsecured current liabilities of USD 281.2 million is comprised of accounts payable (USD 103.5 million) and other current liabilities (USD 177.8 million).

(3) Unguaranteed / unsecured non-current liabilities of USD 6.1 million is comprised of deferred taxes (USD 0.2 million) and other non-current liabilities (USD 5.9 million).

(4) The non-controlling interest represent the 35% ownership of Vertikal Service AS which is not owned by the Group.

(b) Adjustments:

- Net proceeds to the Company of NOK 297,494,565 from the issuance of 13,512,837 New Shares in Tranche 1 of the Private Placement and net proceeds to the Company of NOK 244,425,108 from the issuance of 10,880,263 New Shares in Tranche 2 of the Private Placement.

(5) The total of 24,393,100 shares issued, has a par value per share of USD 0.01, resulting in an increase in share capital of USD 243,931.

(6) As the shares were issued at a price per share of NOK 22.465 and the conversion of the amount was done at a USD/NOK rate of 10.95982, the gross proceeds from the Private Placement amounted to USD 50 million. A total of USD 0.6 million was paid in relation to the Private Placement, resulting in net proceeds of USD 49.4 million. Subtracting the increase in share capital, the residual amount of USD 49.2 million was transferred to Other reserves.

(c) Adjustments:

- The effect of the acquisition of an additional 10% ownership in Iceland Drilling, leading to the consolidation of their financials into Archer Limited's financials

(7) The secured debt includes the current portion of borrowing under various facilities (USD 5.9 million) and the non-current portion (USD 9.7 million). Iceland Drilling's fixed assets, accounts receivable and inventory are pledged against the group's borrowings. Shares of the subsidiary Ræktunarsamband Flóa og Skeiða ehf. in the amount of ISK 60 million are pledged against the group's borrowings from Landsbankanum.

(8) Unguaranteed / unsecured current liabilities of USD 6.7 million is comprised of accounts payable (USD 3.4 million), current portion of prepaid revenues (USD 0.1 million) and other current liabilities (USD 3.2 million).

- The issuance of 1,174,436 New Shares in consideration to the seller of 10% of the shares in Iceland Drilling, valued at USD 2.5 million.

(9) The total of 1,174,436 shares issued, has a par value per share of USD 0.01, resulting in an increase in share capital of USD 11,744.36.

(10) The non-controlling interest represent the 40% ownership of Iceland Drilling which is not owned by the Group.

(d) Adjustments:

- The effect of the acquisition of Wellbore Fishing and Rental Tools LLC on the Capitalisation

(11) Unguaranteed / unsecured current liabilities of USD 4.3 million is comprised of accounts payable (USD 2.3 million) and other current liabilities (USD 2.0 million).

(12) The secured non-current liabilities of USD 1.1 million is comprised of operating lease liabilities which are deemed secured through the underlying assets the lease is related to.

### 8.3 NET FINANCIAL INDEBTEDNESS

The following table set forth information about the Group's unaudited net financial indebtedness as at 30 September 2024 and as adjusted for the transactions as described in Section 8.1 "Introduction".

#### NET FINANCIAL INDEBTEDNESS

<i>(In USD millions)</i>	<b>As at 30 September 2024 <sup>(a)</sup></b>	<b>Adjustment amount <sup>(b)</sup></b>	<b>Adjustment amount <sup>(c)</sup></b>	<b>Adjustment amount <sup>(d)</sup></b>	<b>As adjusted as date of the Prospectus</b>
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	<b>As at 30 September 2024 <sup>(a)</sup></b>	<b>Adjustment amount <sup>(b)</sup></b>	<b>Adjustment amount <sup>(c)</sup></b>	<b>Adjustment amount <sup>(d)</sup></b>	<b>As adjusted as date of the Prospectus</b>	
<i>(In USD millions)</i>						
(A)	Cash	56.9 <sup>(1)</sup>	49.4 <sup>(4)</sup>	3.3 <sup>(5)</sup>	-49.2 <sup>(7)</sup>	60.4
(B)	Cash equivalents	-	-	-	-	-
(C)	Other current financial assets	-	-	-	-	-
<b>(D)</b>	<b>Liquidity (A)+(B)+(C)</b>	<b>56.9</b>	<b>49.4</b>	<b>3.3</b>	<b>-49.2</b>	<b>60.4</b>
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-	-	-	-	-
(F)	Current portion of non-current financial debt	26.5 <sup>(2)</sup>	-	5.9 <sup>(6)</sup>	0.0	32.4
<b>(G)</b>	<b>Current financial indebtedness (E + F)</b>	<b>26.5</b>	<b>-</b>	<b>5.9</b>	<b>0.0</b>	<b>32.4</b>
<b>(H)</b>	<b>Net current financial indebtedness (G – D)</b>	<b>-30.4</b>	<b>-49.4</b>	<b>2.6</b>	<b>49.3</b>	<b>-28.0</b>
(I)	Non-current financial debt (excluding current portion and debt instruments)	424.7 <sup>(3)</sup>	-	9.7 <sup>(6)</sup>	1.1 <sup>(8)</sup>	435.5
(J)	Debt instruments	-	-	-	-	-
(K)	Non-current trade and other payables	-	-	-	-	-
<b>(L)</b>	<b>Non-current financial indebtedness (I+J+K)</b>	<b>424.7</b>	<b>-</b>	<b>9.7</b>	<b>1.1</b>	<b>435.5</b>
<b>(M)</b>	<b>Total financial indebtedness (H+L)</b>	<b>394.3</b>	<b>-49.4</b>	<b>12.2</b>	<b>50.4</b>	<b>407.5</b>

(a) The data set forth in this column are derived from the Group's Interim Financial Statements for the year ended 30 September 2024.

<sup>(1)</sup> Total Cash in the Archer Group amounted to USD 56.9 million and consist of bank deposits.

<sup>(2)</sup> The current portion of financial indebtedness amounts to USD 26.5 million and includes the scheduled instalments under our bank facility as well as the current portion of the operating and capital leases.

<sup>(3)</sup> The non-current portion of financial indebtedness amounts to USD 424.7 million and includes the non-current book value of amounts drawn under our bank facility of USD 208.7 million, the book value of amounts outstanding under our bond of USD 196.1 million, the non-current portion of operating leases totalling USD 17.5 million and non-current portion of capital leases totalling USD 17.3 million.

(b) Adjustments:

- Net proceeds to the Company of NOK 297,494,565 from the issuance of 13,512,837 New Shares in Tranche 1 of the Private Placement and net proceeds to the Company of NOK 244,425,108 from the issuance of 10,880,263 New Shares in Tranche 2 of the Private Placement.

<sup>(4)</sup> The proceeds from the issuance of 24,393,100 shares issued at a price per share of NOK 22.465 and the conversion of the amount was done at a USD/NOK rate of 10,95982, implying that the gross proceeds from the Private Placement amounted to USD 50 million. A total of USD 0.6 million was paid in relation to the Private Placement, resulting in net proceeds of USD 49.4 million.

(c) Adjustments:

- The effect of the acquisition of an additional 10% ownership in Iceland Drilling, leading to the consolidation of their financials into Archer Limited's financials

<sup>(5)</sup> Total Cash in the Iceland Drilling amounted to USD 3.3 million and consist of bank deposits.

<sup>(6)</sup> The financial debt includes the current portion of borrowing under various facilities (USD 5.9 million) and the non-current portion (USD 9.7 million).

(d) Adjustments:

- The effect of the acquisition of Wellbore Fishing and Rental Tools LLC on the Capitalisation

<sup>(7)</sup> The cash settlement for Wellbore Fishing and Rental Tools LLC amounted to USD 50.7 million, whereas the bank deposit from the acquisition amounted to USD 1.5 million.

<sup>(8)</sup> The non-current liabilities of USD 1.1 million is comprised of operating lease liabilities.

## 8.4 INDIRECT AND CONTINGENT INDEBTEDNESS

Apart from the potential earn-out settlement in relation to the acquisition of Romar-Abrado as described in the Financial Statements (see section 15.3 "Incorporation by reference"), the potential earn-out settlement in relation to the acquisition of Vertikal Service AS as described in the Interim Financial Statements (see section 15.3 "Incorporation by reference") and committed capital leases of around USD 4.8 million, the Group does not have any significant indirect and contingent indebtedness.

## **8.5 WORKING CAPITAL**

The Company is of the opinion that the working capital currently available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of the Prospectus.



## 9. KEY FINANCIAL AND OTHER INFORMATION

### 9.1 KEY FINANCIALS

The table below sets out key financial information for the Group for the periods indicated. The information included in the below table is derived from the Group's audited financial statements as of and for the year ended 31 December 2023 and from the Group's unaudited interim financial statements for the nine-month period ended 30 September 2024, both of which are incorporated by reference in section 15.3 "Incorporation by reference" of this Prospectus.

#### *Selected statements of operations information (Consolidated)*

<i>(USD in millions)</i>	<b>Nine months ended 30 September 2024 (US GAAP - unaudited)</b>	<b>Year ended 31 December 2023 (US GAAP - audited)</b>
Total revenues	952.4	1,169.3
Operating income	53.2	64.8
Net (loss) / income	(6.9)	(28.1)

#### *Selected balance sheet information (Consolidated)*

<i>(USD in millions)</i>	<b>30 September 2024 (US GAAP - unaudited)</b>	<b>31 December 2023 (US GAAP - audited)</b>
Total assets	930.2	905.7
Total shareholders' equity	191.6	196.2
Total liabilities	365.9	368.0

#### *Selected cash flow information (Consolidated)*

<i>(USD in millions)</i>	<b>Nine months ended 30 September 2024 (US GAAP - unaudited)</b>	<b>Year ended 31 December 2023 (US GAAP - audited)</b>
Cash flow from operating activities	58.4	55.7
Cash flow from investing activities	(52.1)	(48.7)
Cash flow from financing activities	(2.7)	(43.7)

### 9.2 INVESTMENTS

Set out below is an overview of material investments which have been made by the Company since 31 December 2023 and investments for which firm commitments have been made:

#### 9.2.1 Acquisition of Vertikal Service AS

On 6 May 2024 Archer completed the acquisition of 65% of the shares in Vertikal Service AS. (or "Vertikal"), an unrelated company who offers inspection, installation, and maintenance services to energy customers using advanced industrial rope access techniques on complex structures such as offshore and onshore wind turbines, hydropower stations, and offshore oil and gas installations. The purchase is part of Archer's diversification into the renewable energy sector, by the acquisition of projects in the wind and hydro generated power and a workforce with experience and know-how in this sector, which is augmented by Archer's engineering skills and industry knowledge.

#### 9.2.2 Acquisition of Moreld Ocean Wind AS

On 1 July 2024 Archer completed the acquisition of Moreld Ocean Wind AS, subsequently re-named Archer Wind AS (or Archer Wind). Archer Wind is developing offshore floating wind foundations, and is currently managing the development of a prototype installation under a contract with Total Energies using unique technology provided under a collaboration agreement with Ocergy inc., a US technology and solutions provider. The purchase is part of Archer's diversification into the renewable energy sector, by the acquisition of projects in wind and hydro generated power. The acquired workforce with experience and know-how in this sector is augmented by Archer's engineering skills and industry knowledge.

### **9.2.3 Acquisition of ADA Argentina SRL**

On 31 July 2024, Archer's fully owned Argentinian subsidiaries completed the purchase of ADA Argentina SRL, (or ADA), from Air Drilling Associated. ADA performs drilling services in Argentina through the operation of managed pressure drilling equipment. Archer's customers in Argentina are increasingly requiring the sorts of services provided by ADA to be provided by alongside land drilling services already provided, so the ADA business compliments Archer's operations and facilitates the offering of integrated services by Archer.

### **9.2.4 Acquisition of Comtrac AS**

Since 2020, Archer's fully owned Norwegian subsidiary Archer Norge AS has owned 50% of Comtrac AS, an entity set up for the development and ownership of well intervention technology. Since its inception, the investment in Comtrac AS has been accounted for using the equity method of consolidation. On 4 September 2024 Archer Norge AS purchased the other 50% of the company from the only other shareholder, IKM Gruppen AS. Following the attainment of 100% ownership of Comtrac AS Archer is able to directly commission the building of rods (which are the ComTrac technology) which are utilised in the provision of well services to Archer's customers.

### **9.2.5 Acquisition of Wellbore Fishing & Rental Tools, LLC**

In November 2024, Archer completed the acquisition of WFR. WFR is a US based well technology player focused on fishing operation in the oil and gas sector. Fishing operations include multiple activities during the well life cycle, including the removal of stuck equipment, pipe, completion, downhole tools, casing, and liners for intervention, as well as workover and P&A operations.

### **9.2.6 Acquisition of shares in Iceland Drilling**

In November 2024, the Company announced that it had completed the acquisition of an additional 10% of the shares in Iceland Drilling from its joint venture partner Kaldbakur. for USD 2.5 million, to be settled through the issuance of new shares in the Company to Kaldbakur. Iceland Drilling is an international leader in high-temperature geothermal drilling, with offerings across renewable service segments such as deep drilling for electricity generation, wells for district heating and cooling, and wells for carbon storage. The company has close to 200 employees with its main operations currently in Iceland and the Philippines.

## **9.3 TREND INFORMATION**

### **9.3.1 Recent trends**

The markets for the Group's services are impacted by the operators demand for Archer's services which are in the longer term impacted by the ongoing energy transition as well as cyclical variations influenced by oil market outlook and oil price levels.

Archer shares IEA's expectations<sup>52</sup> that global energy consumption will continue to increase, with oil and gas remaining an important part of the energy mix as the global energy transition evolves. Offshore and onshore reserves will be vital for future energy supply and support demand for Archer's service offerings globally. Archer's main activity remains within the brownfield portion of the oil and gas value chain, which is less volatile than the greenfield developments.

Short-term, Archer expects continued focus from the operators towards production drilling from producing fields, both onshore and offshore. Over time Archer expects that the number of production facilities in the North Sea will decline as production and services relating to oil and gas related exploration will enter a declining phase in the North Sea. The pace and magnitude of the demand shift from hydrocarbons to renewables remain uncertain and difficult to predict, and the impact on the Group's business is subject to a number of factors. At the same time, the energy transition has presented new markets for Archer services. In particular, Archer focuses on further advancing its OneArcher operating model and capitalizing on Archer's market presence to capture a substantial portion of the Plug and Abandonment work that is required in the North Sea in the decades ahead. Furthermore, the ownership in Iceland Drilling, which focuses on services to the geothermal drilling industry, provides a clear synergy to Archer's drilling services provided, particularly relating to its land drilling operations. Finally, Archer's investment in Archer Wind, provide for a foothold in the floating offshore wind market, which can possibly be an important growth area for Archer going forward.

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<sup>52</sup> IEA (November 2024) World Energy Outlook, section 1.1.1. All rights reserved. (Available from: [World Energy Outlook 2024 – Analysis - IEA](#))

In the Land Drilling division, the Company is capitalizing on Archer's expertise and assets to be the Argentinean operator's driller of choice in the ongoing development of the Vaca Muerta shale oil and gas. As also described in section 2.1.4, Argentina's default on its sovereign debt combined with capital restrictions have led to a challenging situation for the oil and gas sector in the country, including the oil service industry. Currently the fairly new government in Argentina has indicated easing of the strict capital controls, including prohibiting payment to related parties for services rendered, which effectively prevents payment from Argentinean Archer entities to non-Argentinean Archer entities. The development in the Vaca Muerta basin, and Argentina's sanctioning of oil and gas infrastructure, provides for a more optimistic view on the market environment for Archer going forward.

The Group's expectation of increase in global energy demand is support by various Rystad data as presented in section 6 of the prospectus.

**9.3.2 Changes in financial performance**

Since 30 September 2024, there has been no significant change in the financial performance of the Group.

**9.3.3 Changes in financial position**

The Group's balance sheet is strengthened since 30 September 2024, by the successful Private Placement with gross proceeds of the NOK equivalent of USD 50 million (as further described in section 5 "The Private Placement and other information"). In addition, Archer acquired Wellbore Fishing & Rental Tools, LLC as outlined in section 9.2.5 and an additional 10% of the shares in Iceland Drilling, as discussed in section 9.2.6.

Other than the changes mentioned above, there has been no significant change in the financial position of the Group since 30 September 2024.

**9.4 MATERIAL CONTRACTS**

Neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no member of the Group has entered into any contract outside the ordinary course of business that contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

**9.5 RELATED PARTY TRANSACTIONS**

In the normal course of business, Archer transacts business with related parties conducted at arm's length. The following are related parties, being companies in which Archer's second-largest shareholder Hemen Holding Ltd has significant direct and indirect interests:

- Front Ocean Management (Bermuda) Limited, ("Front")
- Seatankers Management Company Limited ("Seatankers")

Front and Seatankers provide management support and administrative services to us, and Archer has recorded fees of \$0.1 million for these services since 30 September 2024. These expenses are included in general and administrative expenses in the consolidated statement of operations.

**9.6 OVERVIEW OF DISCLOSED INFORMATION OVER THE LAST 12 MONTHS**

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements under the Norwegian Securities Trading Act, including the requirements set out in Regulation (EU) No 596/2014 on market abuse ("MAR") which is implemented in Norway through section 3-1 of the Norwegian Securities Trading Act. Below is a summary of certain disclosures made by the Company under its ticker code "ARCH" on [www.newsweb.no](http://www.newsweb.no) in the 12 months prior to the date of this Prospectus.

**Financial information:**

<b>Date</b>	<b>Title</b>	<b>Description</b>
30.10.2024	Continued growth and record quarter	Release of Q3 results for 2024

30.10.2024	Financial calendar	Presentation of dates for publication of financial results in 2024
16.08.2024	Archer reports continued quarterly growth	Release of Q2 results for 2024
07.05.2024	Continued strong financial performance in first quarter	Release of Q1 results for 2024
23.04.2024	Financial calendar	Presentation of dates for publication of financial results in 2024
25.03.2024	Annual report and ESG report for 2023	Release of annual report for 2023
29.02.2024	36% EBITDA-growth in 2023 and positive net income in the quarter	Release of Q4 results for 2023
26.01.2024	Record Q4 and 36% EBITDA-growth in 2023   Forecasts continued EBITDA growth and reduced leverage for 2024	Preliminary Q4 2023 results and guiding for 2024
03.01.2024	Financial calendar	Presentation of dates for publication of financial results in 2024

**Other disclosures:**

<b>Date</b>	<b>Title</b>	<b>Description</b>
18.11.2024	Wellbore Fishing and Rental Tools LLC acquisition closed	Announcement of the closing of WFR acquisition
14.11.2024	New share capital registered	Announcement of new share capital following the issuance of tranche 2 shares from the Private Placement
14.11.2024	New share capital registered	Announcement of new share capital following the issuance of shares to Kaldbakur
13.11.2024	Minutes from Special General Meeting	Publication of minutes from the Special General Meeting
07.11.2024	NOTIFICATION OF MAJOR HOLDINGS	Disclosure of large shareholding notifiable under the Norwegian Securities Trading Act
05.11.2024	New share capital registered	Announcement of new share capital following the issuance of tranche 1 shares from the Private Placement
01.11.2024	NOTIFICATION OF MAJOR HOLDINGS	Disclosure of large shareholding notifiable under the Norwegian Securities Trading Act
01.11.2024	Invitation to investor presentation	Invitation to the quarterly release presentation
31.10.2024	Disclosure of large shareholding	Disclosure of large shareholding notifiable under the Norwegian Securities Trading Act
31.10.2024	Notice of Special General Meeting	Publication of the notice for the Special General Meeting
31.10.2024	Disclosure of large shareholding	Disclosure of large shareholding notifiable under the Norwegian Securities Trading Act
31.10.2024	Notice of Record Date - Special General Meeting	Publication of the record date for the Special General Meeting

31.10.2024	Disclosure of large shareholding	Disclosure of large shareholding notifiable under the Norwegian Securities Trading Act
31.10.2024	Private placement successfully completed	Announcement of the successful completion of the Private Placement
30.10.2024	Contemplated private placement	Announcement of the contemplated Private Placement
30.10.2024	Archer to acquire fishing and P&A specialist WFR	Announcement of the planned acquisition of WFR
11.09.2024	Archer presents at Pareto Securities' 31st annual Energy Conference	Announcement of Archers presentation at the Pareto Conference
11.09.2024	Archer secures a new 5-year platform drilling contract with OKEA	Notification of contract award
29.08.2024	Archer secures contract with TotalEnergies for a floating offshore wind project	Notification of contract award
16.08.2024	Increases ownership in geothermal specialist Iceland Drilling	Announcement of the planned acquisition of an additional 10% of the shares in Iceland Drilling
09.08.2024	Invitation to Second Quarter 2024 Earnings Release Call	Invitation to the quarterly release presentation
31.07.2024	Archer acquires Managed Pressure Drilling service provider	Announcement of acquisition of MPD provider in Argentina
24.07.2024	Archer secures contract worth USD 40 million in Brazil	Notification of contract award
02.07.2024	Mandatory notification of trade	Notification of transactions conducted by primary insiders of the Company
01.07.2024	Archer acquires Moreld Ocean Wind	Announcement of the acquisition of Moreld Ocean Wind
26.06.2024	Well Services secures extension of frame agreement with Equinor in the North Sea	Notification of contract award
16.05.2024	Mandatory notification of trade	Notification of transactions conducted by primary insiders of the Company
10.05.2024	Reduction of share capital	Notification about the reduction in share capital
10.05.2024	Registration of reverse share split	Notification of the registration of the reverse share split
07.05.2024	Ex. reverse share split today	Notification of the ex reverse split date
03.05.2024	Key Information Relating to the Reverse Share Split and Change of ISIN	Notification of the details of the planned reverse share split
02.05.2024	Invitation to First Quarter 2024 Earnings Release Call	Invitation to the quarterly release presentation
30.04.2024	2024 AGM Results Notification	Publication of minutes from the 2024 Annual General Meeting
30.04.2024	Archer secures a 2-year contract extension worth USD 40 million	Notification of contract award
08.04.2024	Notice of Annual General Meeting 2024	Publication of the notice to the 2024 Annual General Meeting

26.03.2024	Annual General Meeting 2024	Publication of the record date for the 2024 Annual General Meeting
15.03.2024	Archer acquires 65% of Vertikal Services AS and strengthens its engineering services portfolio	Announcement of the acquisition of 65% of Vertikal Service AS
13.03.2024	Archer secures NOK 8 billion platform drilling contract with Equinor	Notification of contract award
12.03.2024	Archer secures additional platform drilling contract in Brazil with an initial estimated value of USD\$20 million	Notification of contract award
24.01.2024	Archer awarded contracts worth USD 125 million	Notification of contract award
23.01.2024	Invitation to Q4 2023 Trading Update and 2024 Outlook Presentation	Invitation to trading update and 2024 outlook presentation

## 9.7 LEGAL AND ARBITRATION PROCEEDINGS

The Group is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the previous 12 months which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

## 9.8 THE GROUP'S OUTLOOK

### 9.8.1 Introduction

The Group's future development will depend on the successful implementation of the Group's business strategy, including implementation of the acquired companies Wellbore Fishing and Rental Tools LLC and Iceland Drilling. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. The outlook statements included in this Prospectus have been prepared by the Company to give guidance into how Management views the Group's expected financial performance for the financial year ending 31 December 2024 (the "**2024 Outlook**") and the expected financial performance for the financial year ending 31 December 2025 (the "**2025 Outlook**"). The 2024 Outlook and 2025 Outlook (together, the "**Outlook**") have been compiled and prepared on a basis which is both comparable with the historical financial information included in this Prospectus and consistent with the Company's accounting policies.

The Group's Outlook included in this Prospectus has been prepared by and are the sole responsibility of the Company. The Company's independent auditor, PricewaterhouseCoopers AS, has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the Group's Outlook, and, accordingly, PricewaterhouseCoopers AS does not express an opinion or any other form of assurance with respect thereto. PricewaterhouseCoopers AS 's audit reports included in the Prospectus relate solely to the Company's previously issued consolidated financial statements. They do not extend to the Group's Outlook and should not be read to do so. This Outlook was not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation or presentation of prospective financial information.

### 9.8.2 Methodology and assumptions

The 2024 Outlook and 2025 Outlook are based on a number of assumptions, the most significant of which are detailed below, and many of which are outside of the Group's control or influence. The 2024 Outlook and 2025 Outlook reflects the Company's views about future events and is, by its nature, subject to significant risks and uncertainties because it relates to events and depend on circumstances that may or may not occur in the future. The Outlook is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies. It is likely that one or more of the assumptions that the Company has relied upon will not prove to be accurate in whole or in part. The Company's expectations presented in the Outlook may thus deviate substantially from actual developments. Actual results may hence deviate substantially from the 2024 Outlook and 2025 Outlook since anticipated events may not occur as expected. Readers should read the 2024 Outlook and 2025 Outlook in conjunction with section 2 "Risk Factors", section 4.2 "Cautionary note regarding forward-looking statements", section 9 "Key financial and other information", as well as the other sections of this Prospectus, including the Financial Statements and the Interim Financial statements incorporated by reference in section 15.3

"Incorporation by reference" of this Prospectus. Accordingly, readers should treat this information with caution and not place undue reliance on the Outlook.

The 2024 Outlook and 2025 Outlook have been prepared, in accordance with the Group's ordinary forecasting procedures, on a basis that is (a) comparable with the Group's ordinary forecasting procedures, (b) Financial Statements and Interim Financial Statements incorporated by reference in this Prospectus (see section 15.3 "Incorporation by reference"), and (c) consistent with the Group's accounting policies. Although the 2024 Outlook and 2025 Outlook have been prepared on a basis comparable with the Financial Statements and the Interim Financial Statements, they are based on a large number of estimates made by the Group based on assumptions about future events, which are subject to numerous and significant uncertainties which could cause the Group's actual results to differ materially from the 2024 Outlook and 2025 Outlook presented below. The 2024 Outlook and 2025 Outlook statements are also based on factors which are outside or substantially outside the Group's control or influence. These include changes in political, legal, fiscal, market or economic conditions, including macroeconomic conditions, and actions by customers or competitors of the Group.

In the 2024 Outlook the Company reported expectations on its Pro forma EBITDA 2024 forecast. The Pro forma EBITDA 2024 forecast is expected to be driven by the anticipated EBITDA contribution (i) from anticipated scope of work under firm contracts during 2024; (ii) from anticipated scope of work under frame agreements during 2024; (iii) from anticipated scope of work under new agreements awarded during 2024; and (iv) from the acquisition listed in section 9.2, including pro forma adjustments arising from these acquisitions for the full 12 months in 2024. In respect to these principal assumptions, the Company assumes that the Group's growth will continue in accordance with the board of directors and management's expectations. If the activity level deviates from the above-mentioned assumptions both positively or negatively, this will drive deviations of actual results compared to the Company's EBITDA Forecast.

### **9.8.3 Key Management assumptions within the Management's influence**

The Group's management has a significant role to play in influencing the profitability of the Group and the outlook for 2024 and 2025. There are several key assumptions within management influence that could impact the profit forecast, such as (i) sales and marketing assumptions, including contracts that are expected to be extended and / or awarded and contracts optional periods that are expected to be exercised, (ii) operational efficiency of the Group, (iii) integration of strategic investment described in 9.2 "Investments", and JVs and possible new M&As, and (iv) risk management within the different segments of operations. If one or more of the abovementioned assumptions within the Group's control don't materialise, this could materially change the outcome of the forecasts.

### **9.8.4 Key Management assumptions outside of Management's influence**

The Group's activity level, and indirectly level of EBITDA going forward depends on many factors outside the Group's control or influence, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements or deterioration in macroeconomic conditions, and timely actions/decisions by its customers to advance projects to the next level of progress. In these principal assumptions, management assumes that the aforementioned factors are relatively stable during the forecasted timeframe.

The Group's outlook for EBITDA, is measured in USD and is based on the following key assumptions, outside of Management's influence, that could materially change the outcome of the forecasts: (i) there is a stable macroeconomic situation across the Group's footprint, and as further described in section 2.1 "Risks related to group and the industry in which it operates" and as further detailed in section 2.1.1 "The Group's business depends on the development and production in the North Sea and internationally, and the level of activity of oil and natural gas exploration" and 2.1.2 "The Group's business is significantly dependent on the level of oil and gas prices". The Group operates globally and is exposed to the following operational issues; (i) there are no major variances in activity compared to the Group's operating plan (such variances could occur for a variety of reasons such as delays in contract commencement dates or cancellation, suspension, renegotiation, or termination (with or without cause) of services contracts as a result of general or industry-specific economic, mechanical difficulties, performances, or delays in the delivery of critical services); (ii) interest rate, which may be higher than expected; and (iii) there are no material changes to governing laws or regulations impacting the Group's ability to deliver services activity efficiently across its regions.

### **9.8.5 Key Management assumptions that could materially change the outcome of the forecast**

The Group has identified the following factors that could materially change the outcome of the forecast: (i) adverse operating performance leading to revenues and EBITDA being significantly below forecast levels; (ii) a deviation from the Group's operating plan; (iii) a material change to governing laws or regulations impacting the Group's

ability to operate in certain jurisdictions; or (iv) a major labour dispute impacting the Group's ability to retain skilled personnel on commercially reasonable terms.

### 9.8.6 The Group's 2024 Outlook and 2025 Outlook Summary

On 1 November 2024, the Company announced financial guidance for the Group's 2024 Outlook and 2025 Outlook:

#### 2024 Outlook

Pro forma revenue 2024 forecast <sup>(1)</sup>	USD 1.3 – 1.4 billion
Pro forma EBITDA 2024 forecast <sup>(2)</sup>	USD 155-160 million
Pro forma leverage ratio 2024 forecast <sup>(3)</sup>	2.2 - 2.4x
Pro forma cash contribution 2024 forecast <sup>(4)</sup>	USD 90-100 million

#### 2025 Outlook

Pro forma leverage ratio 2025 forecast <sup>(5)</sup>	towards ~2x
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<sup>(1)</sup> Pro forma 2024 revenue forecast reflects consolidated full year 2024 revenue, pro forma adjusted for Iceland Drilling (consolidated on a 100% basis as Archer has increased ownership to 60%) and Wellbore Fishing and Rental Tools LLC for the full year.

<sup>(2)</sup> Pro forma 2024 EBITDA forecast reflects consolidated full year 2024 EBITDA, pro forma adjusted for Iceland Drilling (consolidated on a 100% basis as Archer has increased ownership to 60%) and Wellbore Fishing and Rental Tools LLC for the full year. EBITDA is a non-GAAP measure defined as Earnings before interest, tax, depreciation and amortization

<sup>(3)</sup> Pro forma 2024 leverage ratio forecast is estimated by dividing the expected net book value of interest-bearing debt at the end of 2024 by the Pro forma EBITDA 2024 forecast adjusted for exceptional items. Exceptional items includes cost such as down-manning and restructuring charges

<sup>(4)</sup> Pro forma cash contribution 2024 forecast is estimated by subtracting the estimated capital expenditure from the Pro forma 2024 EBITDA forecast.

<sup>(5)</sup> Pro forma leverage ratio 2025 forecast is estimated by dividing the expected net book value of interest-bearing debt at the end of 2025 by the Group's estimated 2025 EBITDA, adjusted for exceptional items. Exceptional items include cost such as down-manning and restructuring charges



## 10. BOARD OF DIRECTORS AND MANAGEMENT

### 10.1 OVERVIEW

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Bermuda law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to the Executive Management of the Company.

The Company's Executive Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the Executive Management is responsible for keeping the Company's accounts in accordance with existing Bermuda legislation and regulations and for managing the Company's assets in a responsible manner.

### 10.2 BOARD OF DIRECTORS

#### 10.2.1 Overview

The Bye-Laws provide that the Board of Directors shall consist of a minimum of two directors and the shareholders have approved a maximum of nine directors. The Board of Directors does not have a permanently appointed chairperson, as this is not required, but appoints a chairperson to chair each board meeting that is held.

As of the date of this Prospectus, the Company's Board of Directors consists of the following:

<u>Name</u>	<u>Position</u>	<u>Served since</u>	<u>Term expires</u>	<u>Shares held</u>
James O'Shaughnessy	Director and Audit Committee chairman	2018	Annual general meeting 2025	-
Giovanni Dell' Orto	Director	2011	Annual general meeting 2025	-
Jan Erik Klepsland	Director and Compensation Committee member	2021	Annual general meeting 2025	20,000
Peter J. Sharpe	Director and Compensation Committee chairman	2019	Annual general meeting 2025	-
Richard Stables	Director and Audit Committee member	2023	Annual general meeting 2025	100,000

The address of the Company's registered office Par la Ville Place, 14 Par la Ville Road, Hamilton HM 08, Bermuda, serves as business address for the members of the Board of Directors in relation to their directorship with the Company.

#### 10.2.2 Brief biographies of the Directors

##### **James O'Shaughnessy – Director**

Mr. James O'Shaughnessy has served as Director and Chairman of the Audit Committee since September 2018.

O'Shaughnessy served as an Executive Vice President, Chief Accounting Officer and Corporate Controller of Axis Capital Holdings Limited up to March 26, 2019. Prior to that Mr. O'Shaughnessy has amongst others served as Chief Financial Officer of Flagstone Reinsurance Holdings and as Chief Accounting Officer and Senior Vice President of Scottish Re Group Ltd., and Chief Financial Officer of XL Re Ltd. at XL Group plc. Mr. O'Shaughnessy received a Bachelor of Commerce degree from University College, Cork, Ireland and is both a Fellow of the Institute of Chartered Accountants of Ireland, an Associate Member of the Chartered Insurance Institute of the UK and a Chartered Director. Mr. O'Shaughnessy also serves as a director of Frontline, Golden Ocean, SFL Corporation Limited, Avance Gas, ST Energy Transition I Ltd., CG Insurance Group and Catalina General.

Mr. O'Shaughnessy is an Irish, British and Bermudan citizen, residing in Bermuda.

<i>Current directorships and executive management positions</i> .....	Directorships: Archer Limited, Avance Gas, CG Group, Golden Ocean Management AS, Frontline Management Limited, SFL Corporation Ltd..Brit Re
	Management position(s): N/A
<i>Previous directorships and executive management positions last five years</i> .....	Directorships: N/A
	Management position(s): N/A

**Giovanni Dell' Orto – Director**

Giovanni Dell’ Orto was appointed as Director in February 2011.

Dell’ Orto was president and chief executive officer of DLS Drilling, Logistics and Services from 1994 to August 2006; since then he remains member of the board of DLS. He is a member of the board of Energy Developments and Investments Corporation (EDIC), a company with substantial investments in the oil and gas activities in South America. Dell’ Orto had a 23 years long experience in ENI, with different positions in the Institutional Relations area; in 1983 he was appointed by the Italian Government member of the board and of the Executive Committee of ENI. He also served between 1985 to 1993 as chairman and chief executive officer of Saipem, and as board member of Agip and Snam, at that time ENI’s operational subsidiaries.

Dell’ Orto is an Argentinean and Italian citizen and resides in Switzerland.

<i>Current directorships and executive management positions</i> .....	Directorships: Archer Limited , Energy Developments and Investments Corporation
	Management position(s): N/A
<i>Previous directorships and executive management positions last five years</i> .....	Directorships: Gas Plus S.p.a (director)
	Management position (s): N/A

**Jan Erik Klepsland- Director**

Jan Erik Klepsland, has served as Director in Archer since October 2021 and as member of the compensation committee since December 2023.

Klepsland is an Investment Director in Seatankers Management Norway AS where he is overseeing and managing various public and private investments. He serves as a board member of Noram Drilling AS, Fortis Operations AS and Northern Ocean Ltd. Prior to joining Seatankers, he held the position as Partner at ABG Sundal Collier and prior to that Director in Nordea.

Klepsland holds a MSc in Finance from Norwegian School of Economics (NHH), is a Norwegian citizen and resides in Oslo, Norway.

<i>Current directorships and executive management positions</i> .....	Directorships: Archer Limited, Northern Ocean, Noram Drilling, Fortis Operations AS
	Management position(s): Seatankers Management Norway AS (Investment director)
<i>Previous directorships and executive management positions last five years</i> .....	Directorships: Aeternum Capital
	Management position (s): CEO and CFO in ST Energy Transition LTD

### **Peter J. Sharpe – Director**

Peter Sharpe was appointed as a Director in November 2019 and as chairman of the compensation committee since December 2023.

Sharpe retired from Shell in 2017 after holding a diverse range of Executive Management positions at various international locations over a period of 37 years. He Served as Executive Vice President of Shell for over 10 years, with responsibility for managing Shell upstream investments in well construction and maintenance globally. He served as chairman of Sirius Well Manufacturing Pte, an independent joint venture between Shell and China National Petroleum Corporation from 2012 to 2017, as a non-executive director of Xtreme Drilling and Coil Services Corporation from 2008 to 2014 and as a Director of Seadrill Ltd from 2018 to 2020.

Sharpe received a Bachelor of Science degree from the University of Hull in 1980, is a UK citizen resides in the United Kingdom.

*Current directorships and executive management positions*..... Directorships: Archer Limited  
Management position(s): N/A

*Previous directorships and executive management positions last five years*..... Directorships: Seadrill Limited  
Management position(s): N/A

### **Richard Stables– Director**

Richard Stables has served as director since May 2023 and as member of the audit committee since December 2023.

He is a chartered accountant with many years' experience in banking and financial services. He was a corporate finance partner at Lazard, where he worked for 32 years until his retirement at the end of 2021. He brings a wealth of knowledge and experience of the financial markets, corporate finance and strategy. He now runs his own consultancy, Fulcrum Advisory Partners LLP, is a non-executive director of The Gym Group plc and amongst other roles is a senior advisor to Blantyre Capital Limited.

Stables holds an BSc in Engineering Sciences and Management from Durham University, is a British citizen and resides in England.

*Current directorships and executive management positions*..... Directorships: Archer Limited, The Gym Group plc, Blantyre Capital Limited  
Management position(s): Designated partner Fulcrum Advisory Partners LLP

*Previous directorships and executive management positions last five years*..... Directorships: N/A  
Management position(s): N/A

## **10.3 EXECUTIVE MANAGEMENT**

### **10.3.1 Overview**

The table below sets forth the members of the Company's Executive Management as of the date of this Prospectus.

<b>Name</b>	<b>Position</b>	<b>Served since</b>	<b>Shares held</b>	<b>RSUs</b>
Dag Skindlo	Chief Executive Officer	2020	82,973	-
Espen Joranger	Chief Financial Officer	2020	18,292	-
Adam Todd	General Counsel	2017	3,344	13,600
Gerardo Molinaro	VP Land Drilling	2022	-	20,000
Alexander Olsson	EVP Platform Operations	2023	-	19,328

<b>Name</b>	<b>Position</b>	<b>Served since</b>	<b>Shares held</b>	<b>RSUs</b>
Nicholas Pantin	EVP Well Services	2023	-	15,600

Sandnesveien 358, 4312 Sandnes, Norway, serves as business address for the members of the executive management in relation to their employment with the Company.

There are no restrictions agreed by the members of the Company's Executive Management on the disposal of their shareholdings in the Company.

### 10.3.2 Description of the Executive Management

#### Dag Skindlo - CEO

Dag Skindlo joined Archer in April 2016 as CFO before his appointment as CEO in March 2020.

Skindlo is a business-oriented executive with over 30 years in the energy industry. He joined Schlumberger in 1992 where he held various financial and operational positions before joining the Aker Group of companies in 2005 where he held several global CFO and Managing Director roles before moving to Aquamarine Subsea as CEO. Skindlo served as Chairman of the Nasdaq listed oilfield service company KLX Energy Services Holdings Inc. from June 2021 to November 2024.

Skindlo is a Norwegian citizen, holds a Master of Science in Economics and Business Administration from the Norwegian School of Economy and Business Administration (NHH), and resides in Oslo, Norway.

*Current directorships and executive management positions*..... Directorships: Drem Invest AS (chairman)  
Management position(s): N/A

*Previous directorships and executive management positions last five years*..... Directorships: KLX Energy Services Holdings Inc (chairman), Quintana Energy Services Inc  
Management position(s): N/A

#### Espen Joranger – CFO

Espen Joranger joined Archer in May 2013 as the Finance Director for the North Sea Region and held the position of Archer Group Controller prior to his appointment as CFO in March 2020.

Joranger started his career with EY in Norway for 8 years, before joining Seadrill for 3 years as Director of Financial Accounting. Joranger has over 20 years of experience in the energy industry across a wide portfolio of finance, accounting, M&A, strategy, and investor relations.

Joranger is a state authorized Public Accountant from the Norwegian School of Economics and Business Administration (NHH), is a Norwegian citizen, and resides in Bryne, Norway.

*Current directorships and executive management positions*..... Directorships: N/A  
Management position(s): N/A

*Previous directorships and executive management positions last five years*..... Directorships: IKM Welldrone Technologies AS  
Management position(s): N/A

#### Adam Todd – General Counsel

Adam Todd was appointed General Counsel of Archer in September 2017.

He started his career in 2003 with Canadian law firms in Calgary, Alberta before joining Aker Solutions in 2009 where he held various senior corporate legal positions in both Oslo and London. Todd brings with him 20 years of international experience advising on major global oil and gas projects, cross border M&A, litigation and dispute resolution, compliance, and corporate governance matters.

Todd holds a Juris Doctor from the University of Alberta, is a Canadian citizen, and resides in Oslo, Norway.

<i>Current directorships and executive management positions</i> .....	Directorships: Canadian Norwegian Business Association
	Management position(s): N/A
<i>Previous directorships and executive management positions last five years</i> .....	Directorships: N/A
	Management position(s): N/A

**Gerardo Molinaro – Vice President Land Drilling**

Gerardo Molinaro joined Archer as CFO of Land Drilling in 2018 and was appointed Executive Vice President – Land Drilling in December 2022.

He has more than 35 years of professional experience from executive positions with San Antonio International, and from large corporations such as Arcor, Cencosud, Bemberg, and Deloitte. Molinaro brings extensive industrial, strategic, and management expertise in multinational companies and the energy industry in Latin America.

Molinaro is a Certified Public Accountant and holds a degree in Business Administration from the University of Buenos Aires, is an Argentinian citizen, and resides in Buenos Aires, Argentina.

<i>Current directorships and executive management positions</i> .....	Directorships: N/A
	Management position(s): N/A
<i>Previous directorships and executive management positions last five years</i> .....	Directorships: N/A
	Management position(s): N/A

**Alexander Olsson – Executive Vice President Platform Operations**

Alexander Olsson was appointed Executive Vice President – Platform Operations for Archer in October 2023.

He brings with him more than 20 years of professional experience from the international energy industry. Before joining Archer, Olsson worked at Weatherford for 18 years, where he held multiple senior management roles with an international portfolio, most recently as VP Completions and earlier as VP of North Sea & Sub-Saharan Africa.

Olsson holds a Master of Mechanical Engineering degree from the Royal Institute of Technology in Stockholm, Sweden, is a Swedish citizen, and resides in London, United Kingdom.

<i>Current directorships and executive management positions</i> .....	Directorships: TDPS
	Management position(s): N/A
<i>Previous directorships and executive management positions last five years</i> .....	Directorships: N/A
	Management position(s): BRUSH Power Generation (Managing director)

### **Nicholas Pantin – Executive Vice President Well Services**

Nicholas Pantin joined Archer as part of their Oiltools segment in August 2019 and was appointed the Executive Vice President of Archer's Well Services Division in October 2023.

He has more than 25 years of professional experience joining Schlumberger in 1998. He spent 7 years at the Schlumberger headquarters in Paris, where his last role was head of global product and service delivery before joining Archer.

Pantin holds a bachelor's degree in electrical engineering from the University of the West Indies he is a national of Trinidad and Tobago and resides in Stavanger, Norway.

*Current directorships and executive management positions*..... Directorships: N/A  
Management position(s): N/A

*Previous directorships and executive management positions last five years*..... Directorships: N/A  
Management position(s): N/A

## **10.4 CONFLICT OF INTEREST**

To the Company's knowledge, there are no potential conflicts of interests between any duties to the Company or its subsidiaries, of any of the Board members or members of the Executive Management and their private interests and or other duties. There are no family relations between any of the Company's Board members or Executive Management.

There are no arrangements or understanding with major shareholders, customers, suppliers or others regarding membership of the Board of Directors or the Executive Management.

## **10.5 OTHER INFORMATION**

Peter J. Sharpe, a member of the Board of Directors, served as a director in Seadrill until December 2020. Seadrill filed for Chapter 11 bankruptcy protection in 2021. Other than this, no member of the Board of Directors or the Executive Management have for at least the previous five years preceding the date of this Prospectus been:

- Convicted in relation to any fraudulent offences;
- Involved in any bankruptcies, receiverships or liquidations or companies put into administration when acting in the capacity of member of an administrative, management or supervisory body;
- Subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

## **10.6 SHARE OPTIONS AND RESTRICTED STOCK UNITS**

### **10.6.1 Share options**

As per the date of this Prospectus there are no outstanding share options in the Company.

### **10.6.2 Restricted stock units**

The Board has from time to time granted restricted stock units, or RSU's, to members of Archer's management team. The RSUs typically vest over three to four years after the grant date. As of the date of this Prospectus a total of 272,928 RSUs was outstanding. RSU awards do not receive dividends or carry voting rights during the performance period. The fair value of the restricted stock award is the quoted market price of Archer's stock on the date of grant. The following table summarizes information about all restricted stock transactions:

Outstanding at 31.12.2023	RSU's 10,264,800
Reduction of RSUs following the share consolidation during 2024	(9,854,208)
Granted	-
Vested/released	(124,064)

Forfeited/expired  
**Outstanding as per the date of this Prospectus**

(13,600)  
**272,928**

## **11. CORPORATE INFORMATION – SHARES AND SHARE CAPITAL**

### **11.1 SHARES AND SHARE CAPITAL**

The Company's issued share capital as of the date of this Prospectus is USD 905,381.34 divided on 90,538,134 Shares, each fully paid and with a par value of USD 0.01. The Shares have been created pursuant to the Bermuda Companies Act.

The Shares are traded in NOK on the Oslo Stock Exchange and are freely transferable. The Bye-laws do not provide for any restrictions, or a right of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors, however the Board of Directors may decline to register any transfer in certain circumstances described in the Bye-Laws.

The Company's authorised share capital is USD 1,500,000 represented by an authorised number of 150,000,000 shares having a par value of USD 0.01 each.

As of the date of this Prospectus, the Company holds 869 Shares in treasury.

### **11.2 AUTHORISATION TO ISSUE SHARES**

As of the date of this Prospectus, the Company's memorandum of association authorizes the issuance by the Board of Directors of up to 150,000,000 common shares, each with a par value of USD 0.01 per share. The aforementioned authorization was used to issue the new Shares in Tranche 2 of the Private Placement and the Consideration Shares.

### **11.3 SHARE CLASSES**

The Company has a single share class, and all shares carry the same rights. At the Company's General Meetings, each share carries one vote.

### **11.4 DIVIDEND AND DIVIDEND POLICY**

#### **11.4.1 Dividend policy and history**

The Company has not formalized a dividend policy. Such policy may be implemented in the future if the Company is in a position to declare cash dividends to the shareholders.

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Company's Board of Directors will take into account legal restrictions, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

The Company has not paid any dividend to its shareholders in the period from the inception of the Company to the date of this Prospectus.

#### **11.4.2 Legal constraints on the distribution of dividends**

Under the Bermuda Companies Act, a company may, subject to its bye-laws and by resolution of the directors, declare and pay a dividend, or make a distribution out of contributed surplus, provided there are reasonable grounds for believing that after any such payment (a) the company will be solvent and (b) the realizable value of its assets will be greater than its liabilities.

Pursuant to the Bye-Laws, the Board of Directors of the Company may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the shareholders according to their rights and interests including such interim dividends as appear to the Board of Directors to be justified by the position of the Company. The Board of Directors may fix any date as the record date for any such dividend.

The Board of Directors may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company in the opinion of the Board of Directors, justifies such payment.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:



- (i) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of the Bye-Laws as paid-up on the share;
- (ii) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

The Board of Directors may deduct from any dividend, distribution or other moneys payable to a shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the mail addressed to the holder at his address in the shareholder register or, as the case may be, the ESO, or, in the case of joint holders, addressed to the holder whose name stands first in the register or, as the case may be, the ESO, in respect of the shares at his registered address as appearing in the shareholder register or, as the case may be, the ESO, or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the shareholder register or, as the case may be, the ESO, in respect of such shares, and shall be sent at his or their risk, and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend or proceeds of share repurchase or distribution out of contributed surplus unclaimed for a period of three years from the date of declaration of such dividend or proceeds of share repurchase or distribution shall be forfeited and shall revert to the Company and the payment by the Board of Directors of any unclaimed dividend, distribution, interest or proceeds of share repurchase or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

The Board of Directors may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board of Directors may settle it as it thinks expedient, and in particular, may authorize any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any shareholders upon the footing of the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board of Directors.

## 11.5 SHAREHOLDERS

Shareholders owning more than 5% if the Shares have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. As of 18 December 2024, the Company had 4,458 shareholders registered in the ESO, and an overview of the top 10 shareholders as of that date is set out below:

#	Shareholders	Number of Shares	Percent
1	PARATUS JU NEWCO BERMUDA LIMITED	21 583 826	23,8 %
2	HEMEN HOLDING LIMITED	18 275 830	20,2 %
3	Morgan Stanley & Co. Int. Plc.	4 795 016	5,3 %
4	DNB Markets Aksjehandel/-analyse	2 858 974	3,2 %
5	Danske Bank A/S	2 219 718	2,5 %
6	SEB CMU/SECFIN POOLED ACCOUNT	1 705 145	1,9 %
7	The Bank of New York Mellon	1 334 815	1,5 %
8	CLEARSTREAM BANKING S.A.	1 273 044	1,4 %
8	ACONCAGUA MANAGEMENT LTD	1 265 627	1,4 %

There are no differences in voting rights between the shares.

To the extent known to the Company, there are no persons or entities who, directly or indirectly own or control the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

## **11.6 PUBLIC TAKEOVER BIDS**

No public takeover bids by third parties in respect of the Company's equity have occurred during the financial year ended 31 December 2023 or in the current financial year.

## **11.7 MEMORANDUM OF ASSOCIATION AND BYE LAWS AND CERTAIN ASPECTS OF BERMUDA LAW**

### **Company Law**

The Company's Memorandum of Association and Bye-Laws are set out in Appendix A —"Memorandum of Association" and Appendix B —"Bye-Laws" to this Prospectus and a summary of these are included below.

### **Objective**

Pursuant to Item 6 of its Memorandum of Association, the objects for which the Company is formed and incorporated are unrestricted.

### **Registered Office**

The Company's registered office is at Par la Ville Place, 14 Par la Ville Road, Hamilton HM 08, Bermuda.

### **Board of Directors, Management and Supervisory Bodies**

It follows from the Bye-Laws section 86 that the Company's Board of Directors shall consist of not less than two members.

The Company's shareholders may determine the minimum and maximum number of directors by the vote of shareholders representing a majority of the total number of votes which may be cast at any annual or special general meeting, or by written resolution. Each director is elected at an annual general meeting of shareholders for a term commencing upon election and expiring on the date of the next scheduled annual general meeting of shareholders or until his or her successor is. The Bye-Laws do not permit cumulative voting for directors.

### **Share Class**

The Company has one class of common shares and the holders of the shares are entitled to one vote per share on each matter requiring the approval of the holders of the common shares. At any annual or special general meeting of shareholders where there is a quorum, a simple majority vote will generally decide any matter, unless a different vote is required by express provision of the Bye-Laws or Bermuda law. In general, only shareholders registered in the company's Register of Shareholders are entitled to vote on the shares.

### **No Restrictions on Transfer of Shares**

The Bye-Laws do not provide for a right of first refusal on transfer of shares. Share transfers are not subject to approval by the Board of Directors, however, the Board of Directors may decline to register any transfer in certain circumstances described in Bye-laws 38 (a) of the Bye-Laws. Such circumstances include, where the transfer might breach any law or requirement of any authority or listing exchange.

### **General Meetings**

Under the Bermuda Companies Act, an annual general meeting of the shareholders shall be held for the election of directors on any date or time as designated by or in the manner provided for in the bye-laws and held at such place within or outside Bermuda as may be designated in the bye-laws. Any other proper business may be transacted at the annual general meeting. The Bye-Laws provide that the Board of Directors may fix the date, time and place of the annual general meeting.

Under the Bermuda Companies Act, any meeting that is not the annual general meeting is called a special general meeting, and may be called by the board of directors or by such persons as authorized by the company's bye-laws. Additionally, as required by the Bermuda Companies Act, at least 10% of the issued and outstanding shares entitled

to vote are allowed to call for a special general meeting to effectuate change at the Company. At such special general meeting, only business that is related to the purpose set forth in the required notice may be transacted. Additionally, under Bermuda law, a company may, by resolution at a special general meeting, elect to dispense with the holding of an annual general meeting for (a) the year in which it is made and any subsequent year or years; (b) for a specified number of years; or (c) indefinitely.

The Bye-Laws provide that special general meetings may be called by the Board of Directors and when required by the Bermuda Companies Act, i.e., by holders of one-tenth of a company's issued common shares through a written request to the board.

Under the Bermuda Companies Act, notice of any general meeting must be given not less than five days before the meeting and shall state the place, date and hour of the meeting and, in the case of a special general meeting, shall also state the purpose of such meeting and the that it is being called at the direction of whoever is calling the meeting. Under Bermuda law, accidental failure to give notice will not invalidate proceedings at a general meeting.

Under the Bye-Laws, quorum at any general meeting shall be constituted by at least two shareholders, or in the event that there is only one Shareholder, one Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them).

### **Disclosure of Shareholdings**

There are no disclosure requirements under the Bye-laws.

### **Share Capital**

The Memorandum of Association of the Company provides for an authorized share capital of USD 1,500,000.00, divided into 150,000,000 common shares, each with a par value of USD 0.01 per share.

The Company's Memorandum of Association and Bye-Laws contain an authorization of up to 1,000,000,000 common shares with potential voting powers, designations, preferences and other rights as may be provided for by the Board of Directors and no provision allowing for cumulative voting in the election of directors.

The Bye-Laws section 49 provides that the Company may from time to time by simple majority of votes cast at a general meeting of the Company:

- a) divide the Company's shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- b) consolidate and divide all or any of the Company's share capital into shares of larger amount than its existing shares;
- c) sub-divide the Company's shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- d) make provision for the issue and allotment of shares which do not carry any voting rights;
- e) cancel shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
- f) change the currency denomination of its share capital.

### **Treasury Shares**

The Bye-Laws section 52 permit the Company to have the option, but not the obligation, to repurchase from any shareholder all fractions of shares, and all holdings of fewer than 100 shares. Such repurchase shall be on such terms and conditions as the Company's board of directors may determine, provided that in any event, the repurchase price shall be not less than the closing market price per share quoted on any stock exchange or quotation system upon which any of the shares of the Company are listed on the effective date of the repurchase.

### **Amendments to the Memorandum of Association and Bye-Laws**

Subject to the Bermuda Companies Act, all or any of the special rights attached by the Company's Board of Directors to any class of shares may only be altered or abrogated with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. Additionally, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

Under Bermuda law, a company may, by resolution passed at an annual or special general meeting of shareholders, alter the provisions of the memorandum of association. An application for alteration can only be made by (i) holders of not less in the aggregate than 20% in par value of a company's issued share capital, (ii) by holders of not less in the aggregate than 20% of the company's debentures entitled to object to alterations to the memorandum, or (iii) in the case a company that is limited by guarantee, by not less than 20% of the shareholders.

The Bye-Laws may be amended in the manner provided for in the Bermuda Companies Act, provided that such amendment should only become operative to the extent that it has been confirmed by resolution passed at an annual or special general meeting of shareholders by a simple majority vote.

### **Additional Issuances and Pre-Emptive Rights**

The Bye-Laws do not provide a shareholder of the Company with any pre-emptive rights to subscribe for additional issues of the Company's shares.

### **Rights of Redemption and Conversion of Shares**

The Bye-Laws do not provide for any shareholder rights of conversion or redemption of the common shares in the Company.

### **Shareholder Vote on Certain Reorganizations**

Under the Bermuda Companies Act, any plan of merger or amalgamation must be authorized by the resolution of a company's shareholders and must be approved by a majority vote of 3/4 of those shareholders voting at such special general meeting. A quorum of two or more persons holding or representing more than 1/3 of the issued and outstanding common shares of the company on the record date of such special general meeting must be in attendance in person or by proxy at such special general meeting.

However, the Bye-laws section 67 permits the Board, with the sanction of a resolution of the company's shareholders passed by a simple majority vote, to amalgamate the Company with another company (whether or not the Company is the surviving company and whether or not such an amalgamation involves a change in the jurisdiction of the Company).

### **Liability of Directors**

Under Bermuda law, directors and officers shall discharge their duties in good faith and with that degree of diligence, care and skill which reasonably prudent people would exercise under similar circumstances in like positions. In discharging their duties, directors and officers may rely upon financial statements of the company represented to them to be correct by the president or the officer having charge of its books or accounts or by independent accountants.

The Bermuda Companies Act provides that a company's bye-laws may include a provision for the elimination or limitation of liability of a director to the corporation or its shareholders for any loss arising or liability attaching to him by virtue of any rule of law in respect to any negligence, default, breach of any duty or breach of trust of which the director may be guilty of; provided that such provision shall not eliminate or limit the liability of a director for any fraud or dishonesty he may be guilty of.

### **Indemnification of Directors and Officers**

Bermuda law permits the bye-laws of a Bermuda company to contain a provision indemnifying the company's directors and officers for any loss arising or liability attaching to him or her by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the officer or person may be guilty, save with

respect to fraud or dishonesty. Bermuda law also grants companies the power generally to indemnify directors and officers of a company, except in instances of fraud and dishonesty, if any such person was or is a party or threatened to be made a party to a threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director and officer of such company or was serving in a similar capacity for another entity at such company's request.

The Bye-Laws section 136 provides that each director, officer of the Company or member of a committee to which the board of directors has delegated any of its powers in accordance with the Bye-Laws or who is or was a director or officer of any of the Company's subsidiaries shall be indemnified out of the funds of the Company against all civil liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him or her as such director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries. The indemnity contained in the Bye-Laws does not extend to any matter that would render the same void pursuant to the Bermuda Companies Act. In addition, each such person shall be indemnified out of the assets of the Company against all liabilities incurred in defending any proceedings, whether civil or criminal, in which judgment is given in such person's favor, or in which he or she is acquitted.

### **Distribution of Assets on Liquidation**

Upon a liquidation, dissolution or winding up, the shareholders of the Company will be entitled under Bermuda law to receive, pro rata, the net assets available after the payment of all of the Company's debts and liabilities and any preference amount owed to any preference shareholders. The rights of shareholders, including the right to elect directors, are subject to the rights of any series of preference shares the Company may issue in the future.

## **11.8 OTHER MATTERS**

### **11.8.1 Investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers**

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law and the Company's memorandum of association and Bye-Laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. No members of the Board of Directors are residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons based on the civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or its directors or officers under the securities laws of other jurisdictions. The United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

## 12. SHAREHOLDER MATTERS, NORWEGIAN COMPANY LAW AND SECURITIES LAW

The following is a summary of certain information in respect of trading and settlement of shares on the Oslo Stock Exchange, securities registration in Norway and certain provisions of applicable Norwegian securities law, including the Norwegian Securities Trading Act, in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Norwegian law.

### 12.1 THE ESO AND TRANSFER OF SHARES

#### 12.1.1 Overview

The Company's register of members is maintained and kept in Bermuda by the Company, at the Company's registered office at Par la Ville Place, 14 Par la Ville Road Hamilton HM 08, Bermuda. The Company keeps a branch register of shareholders in the Norwegian Central Securities Depository, being Euronext Securities Oslo (ultimately owned by Euronext N.V.) (the "**ESO**") in book entry form.

All Shares admitted to trading on Oslo Stock Exchange must be registered in the ESO, which is Norway's paperless centralized securities registry. To achieve compatibility of the requirements of Bermuda company law as to the registration and transfer of shares with Norwegian requirements, the Company has, for the purpose of Bermuda company law and for enabling trading in the Shares on Oslo Stock Exchange, established a branch register of shares in the ESO (the "**Branch Register**"). These arrangements are set out in the Registrar Agreement.

The Branch Register was established by the Company on 31 October 2022. Prior to the implementation of the Branch Register, Nordea Bank Abp, Norwegian Branch (the "**ESO Registrar**") was registered as nominee holder of the Shares (on behalf of Euronext Securities Oslo) in the Company's register of members maintained pursuant to Bermuda law and, as such, it was not the Shares issued in accordance with the Bermuda Companies Act that were registered in book-entry form with the ESO and traded on the Oslo Stock Exchange, but the beneficial interests in the Shares. Consequently, prior to the implementation of the Branch Register, shareholders of the Company (i.e. holders of beneficial interests in the Shares) had to look solely to the ESO Registrar for the exercise of all shareholder rights, including voting rights and dividend payments.

As a result of the implementation of the Branch Register, the Shares of the Company are now registered directly with the ESO in book-entry form and traded on the Oslo Stock Exchange, and recorded directly to each shareholder in the ESO, allowing the shareholders direct shareholder rights in the Company.

All transactions related to Shares registered with the Branch Register in the ESO must be recorded in the ESO and the transactions are recorded through computerized book-entries. No physical share certificates are or can be issued for Shares registered with ESO. ESO confirms each entry by sending a notification of the transaction to the relevant investor, regardless of beneficial ownership. The evidence of ownership through the ESO is the only formality required in order to acquire and sell Shares on Oslo Stock Exchange. To affect these entries, the investor must establish a securities account with a Norwegian account operator unless the shareholder's Shares are registered in the name of a nominee. Norwegian banks, licensed investment firms in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account operators. Subject to the qualifications set out above, the entry of a transaction in ESO is under Norwegian law prima facie evidence in determining the legal rights of parties as towards the issuing company and against a third party claiming an interest in the security.

#### 12.1.2 The Registrar Agreement

Pursuant to a registrar agreement between the ESO Registrar and the Company (the "**Registrar Agreement**"), the Registrar has registered the Shares in the ESO register, and the ESO register functions as the Company's Branch Register in accordance with Bermuda law. The Company will distribute dividends and other declared distributions to the shareholders in the ESO system. For further information on future payments of dividends on the Shares (if any), please refer to section 11.4 "Dividend and dividend policy" for further information.

The Company may terminate the Registrar Agreement with 90 days' prior written notice. The Registrar may terminate the Registrar Agreement with justifiable cause with 90 days' prior written notice. Either the Company or the Registrar may terminate the Registrar Agreement immediately upon written notice of any material breach of the Registrar Agreement by the other party, unless such breach is rectified within 10 business days. The Company's failure to fulfil payment obligations shall always be considered a material breach of the Registrar Agreement. In the event the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for the purposes of permitting the uninterrupted listing of the Shares on Oslo Stock Exchange.

There can be no assurance however, that it would be possible to enter into such an agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, adversely affect the keeping of the Branch Register and the listing of the Shares on Oslo Stock Exchange, as the Shares would otherwise be registered in the Company's primary register of members in Bermuda, whereafter they would not be tradeable in ESO. The Registrar's liability for loss has been restricted under the Registrar Agreement.

The Registrar has also disclaimed liability for any losses suffered as a result of ESO's errors. ESO is liable for any direct economic loss resulting from an error in connection with its registration activities unless the error is caused by matters outside the control of ESO and which ESO could not reasonably be expected to avoid or of which ESO could not reasonably be expected to overcome the consequences. The courts may reduce or set aside ESO's liability if the person who has suffered the loss has contributed to the loss wilfully or negligently.

The ESO must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the ESO regarding any individual's holdings of securities, including information about dividends and interest payments.

### **12.1.3 ESO Registrar**

The Company's register of shareholders with the ESO is administered by Nordea Bank Abp, Norwegian branch, with registered address Essendropsgate 7, 0107 Oslo, Norway and business registration number 920 058 817 in the Norwegian Register of Business Enterprises. Nordea Bank Abp, Norwegian branch is a Norwegian-registered foreign business (NUF) of Nordea Bank Abp. Nordea Bank Abp is registered in the Finnish Trade Register under business identity code 2858394-9, its registered address is Hamnbanegatan 5, FI-00020 Nordea, Helsinki, Finland, and its LEI code is 529900ODI3047E2LIV03. Nordea Bank Abp is a public limited liability company organized under the laws of Finland. Nordea Bank Abp was registered with the Finnish Trade Register on 27 September 2017.

## **12.2 SHAREHOLDER REGISTER**

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the ESO through a nominee. However, foreign shareholders may register their shares in the ESO in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the ESO must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

## **12.3 FOREIGN INVESTMENT IN SHARES**

Foreign investors may trade shares listed on Oslo Stock Exchange through any broker that is a member of Oslo Stock Exchange, whether Norwegian or foreign.

## **12.4 DISCLOSURE OBLIGATIONS**

If a person's, entity's or consolidated group's proportion of the total issued shares, financial instruments which are linked to previously issued shares and which have a similar economic effect to holding shares or rights to shares, rights to shares, and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or company in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

## **12.5 INSIDER TRADING**

According to Norwegian law, implementing MAR, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in MAR art. 7. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

## **12.6 MANDATORY OFFER REQUIREMENT**

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange, in its capacity as Take-over Authority of Norway, before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a General Meeting of the Company's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian company listed on a Norwegian regulated market is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated Company through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated Company through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated Company sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated Company that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

## **12.7 COMPULSORY ACQUISITION**

Under Bermuda law, an acquiring party is generally able to acquire compulsorily the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, comprising in the aggregate a majority in number representing at least 75% in value of the shareholders (excluding shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court may then sanction the scheme of arrangement. If a scheme of



arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

- Where an acquiring party makes an offer in a scheme or contract for shares or class of shares in a company and the acquiring party receives acceptances, pursuant to the offer, for not less than 90% of the shares in issue (other than those already held by the acquiring party, its subsidiary or by a nominee for the acquiring party or its subsidiary as at the date of the offer) the acquiring party may, at any time within two months from the date the acceptance was obtained, give notice to any dissenting shareholder that it wishes to acquire his shares on the same terms as the original offer. The dissenting shareholders could be compelled to transfer their shares unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.
- The holder(s) of not less than 95% of the shares or any class of shares of a company may give a notice to the remaining shareholders of the intention to acquire the shares of such remaining shareholders on the terms set out in the notice. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

## **12.8 FOREIGN EXCHANGE CONTROLS**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian company who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

The Company has been designated as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. The Company's common shares are listed on an appointed stock exchange. For so long as the Company's shares remain listed on an appointed stock exchange, the transfer of shares between persons regarded as resident outside Bermuda for exchange control purposes and the issuance of common shares to or by such persons may be effected without specific consent under the Bermuda Exchange Control Act of 1972 and regulations made thereunder. Issues and transfers of common shares between any person regarded as resident in Bermuda and any person regarded as non-resident for exchange control purposes require specific prior approval under the Bermuda Exchange Control Act 1972 unless such common shares are listed on an appointed stock exchange. Subject to the foregoing, there are no limitations on the rights of owners of shares in the Company to hold or vote their shares. Because the Company has been designated as non-resident for Bermuda exchange control purposes, there are no restrictions on its ability to transfer funds in and out of Bermuda or to pay dividends to non-Bermuda residents who are holders of common shares, other than in respect of local Bermuda currency.

## **13. TAXATION**

*The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.*

*The summary regarding Norwegian and Bermudian taxation set out in this Section 13 is based on the laws in force in as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be residents in Norway for tax purposes (under domestic tax law or under tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.*

*As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.*

### **13.1 TAXATION OF DIVIDENDS**

#### **13.1.1 Norwegian Corporate Shareholders**

Dividends received by shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders"), are taxed as ordinary income at a flat rate of 22%. For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g., banks and holding companies), the effective rate of taxation for dividends is 25%.

#### **13.1.2 Norwegian Personal Shareholders**

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("Norwegian Personal Shareholders") are taxable as ordinary income currently at a rate of 22% (for 2024), to the extent the dividends exceed a statutory tax-free allowance (Nw.: skjermingsfradrag). With effect from the fiscal year 2024 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84% (22% x 1.72). The tax-free allowance is calculated on a share-by-share basis. The allowance for each Share is equal to the cost price of the Share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: statskassveksler) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding Shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2023 was 3.2%. Norwegian Personal Shareholders who transfer Shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a Share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same Share.

The Shares will not qualify for Norwegian share saving accounts (Nw.: aksjesparekonto) held by Norwegian Personal Shareholders, as the Company is resident outside the European Economic Area for tax purposes.

#### **13.1.3 Non-Norwegian Shareholders**

As a general rule, dividends received by shareholders (both corporate shareholders and personal shareholders) that are not resident in Norway for tax purposes ("Non-Norwegian Shareholders"), from Shares in companies who are not resident in Norway for tax purposes, including the Company, are not subject to Norwegian taxation, unless the Non-Norwegian Shareholder holds the Shares in connection with business activities carried out or managed from Norway.

## **13.2 TAXATION OF CAPITAL GAINS ON REALISATION OF SHARES**

### **13.2.1 Norwegian Corporate Shareholders**

A capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of Shares in the Company is taxable or tax deductible in Norway. The taxable gain/deductible loss per Share is calculated as the difference between the consideration for the Share and the Norwegian Corporate Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or disposal of the Share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at flat a rate of 22%. For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g., banks and holding companies), the effective rate of taxation of capital gains is 25%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of. If the Norwegian Corporate Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis. Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

### **13.2.2 Norwegian Personal Shareholders**

Sale, redemption or other disposal of Shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of Shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, with effect from the fiscal year 2024, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax-deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of. The taxable gain/deductible loss is calculated per Share as the difference between the consideration for the Share and the Norwegian Personal Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or realization of the Share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 13.1 "Taxation of dividends" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any unused allowance exceeding the capital gain upon the realization of a Share will be annulled. If the Norwegian Personal Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

The Shares will not qualify for Norwegian share saving accounts (Nw.: aksjesparekonto) held by Norwegian Personal Shareholder, as the Company is resident outside the European Economic Area for tax purposes.

### **13.2.3 Non-Norwegian Shareholders**

As a general rule, gains derived from the sale or other realization of shares received by Non-Norwegian Shareholders from shares in companies who are not resident in Norway for tax purposes, including the Company, are not subject to Norwegian taxation, unless the Non-Norwegian Shareholder holds the shares in connection with business activities carried out or managed from Norway.

### **13.2.4 Controlled Foreign Corporation (CFC) taxation**

Norwegian shareholders in the Company will be subject to Norwegian taxation following the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations) if Norwegian shareholders directly or indirectly own or control (hereinafter together referred to as "Control") the Shares of the Company.

Norwegian shareholders will be considered to Control the Company if:

- Norwegian shareholders Control 50% or more of the Shares in the Company at the beginning of and at the end of a tax year; or
- If Norwegian shareholders Controlled the Company the previous tax year, the Company will also be considered Controlled by Norwegian shareholders in the following tax year unless Norwegian resident shareholders Control less than 50% of the Shares at both the beginning and the end of the following tax year; or

- Norwegian shareholders Control more than 60% of the Shares in the Company at the end of a tax year.

If less than 40% of the Shares are Controlled by Norwegian shareholders at the end of a tax year, the Company will not be considered Controlled by Norwegian shareholders for Norwegian tax purposes. Under the Norwegian CFC-regulations Norwegian shareholders are subject to Norwegian taxation on their proportionate part of the taxable net income generated by the Company (and relevant foreign companies of the Group), calculated according to Norwegian tax regulations, regardless of whether or not any dividends are distributed from the Company. Please also refer to Section 2 "Risk factors" for information on risks relating to law, regulation and litigation.

### **13.3 NET WEALTH TAX**

#### **Norwegian Corporate Shareholders**

Norwegian Corporate Shareholders are not subject to net wealth tax.

#### **Norwegian Personal Shareholders**

The value of Shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2024, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for listed Shares is equal to 80% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

#### **Non-Norwegian shareholders**

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian personal shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

#### **13.3.1 VAT and transfer tax**

No VAT, stamp duty or similar duties are currently imposed in Norway on the transfer or issuance of shares.

#### **13.3.2 Inheritance tax**

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

### **13.4 BERMUDA TAXATION**

There is no Bermudian withholding tax on dividends paid from a Bermuda resident company. Under current Bermuda law, there are no taxes on profits, income or dividends nor is there any capital gains tax. Furthermore, the Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act of 1966, as amended (the "Tax Protection Act"), an undertaking that, in the event that Bermuda enacts any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to the Company or to any of its operations, or the common shares, debentures or other obligations of the Company, until 31 March 2035. This undertaking does not, however, prevent the imposition of any such tax or duty on such persons as are ordinarily resident in Bermuda and holding such shares, debentures or obligations of the Company or of property taxes on Company-owned real property or leasehold interests in Bermuda.

In December 2023, Bermuda passed into law the Corporate Income Tax 2023 (the "Corporate Income Tax Act") in response to the OECD's Pillar 2 global minimum tax initiative to impose a 15% corporate income tax that will be effective for fiscal years beginning on or after 1 January 2025, providing in scope Bermuda multinational groups time to transition and make the necessary adjustments.

The assurance granted by the Minister of Finance pursuant to the Tax Protection Act has been made subject to the application of any taxes payable pursuant to the Corporate Income Tax Act. Amendments were made to the Tax Protection Act by the Corporate Income Tax Act, with the consequence that liability for any taxes payable pursuant

to the Corporate Income Tax Act will apply notwithstanding any prior assurance given pursuant to the Tax Protection Act.

Subject to certain exceptions, Bermuda entities that are part of a multinational group will be in scope of the provisions of the Corporate Income Tax Act if, with respect a fiscal year, such group has annual revenue of EUR 750 million or more in the consolidated financial statements of the ultimate parent entity for at least two of the four fiscal years immediately prior to such fiscal year (“Bermuda Constituent Entity Group”).

Where corporate income tax is chargeable to a Bermuda Constituent Entity Group, the amount of corporate income tax chargeable to a Bermuda Constituent Entity Group for a fiscal year shall be 15% of the net taxable income of the Bermuda Constituent Entity Group, less tax credits applicable under the Corporate Income Tax Act (foreign tax credits) or as prescribed by regulation by the Minister of Finance (qualified refundable tax credits).

### **13.5 CAUTIONARY NOTE**

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

## 14. TRANSFER RESTRICTIONS

### 14.1.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (i) The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- (ii) The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- (iii) The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Shares to any person in the United States.
- (iv) The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- (v) The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- (vi) The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- (vii) The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- (viii) The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (i) The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- (ii) The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.
- (iii) The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- (iv) The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- (v) If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a

QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- (vi) The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- (vii) The Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- (viii) The Company shall not recognise any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- (ix) The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

#### **14.1.2 European Economic Area (EEA)**

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

- a) it is a qualified investor within the meaning of Articles 2(e) of the Prospectus Regulation; and
- b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the Prospectus Regulation, (i) the Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

## 15. ADDITIONAL INFORMATION

### 15.1 INDEPENDENT AUDITOR

The Company's independent auditor is PricewaterhouseCoopers AS (PwC) with business registration number 987 009 713 and business address Dronning Eufemias gate 71, 0194 Oslo, Norway. PwC is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). PwC has been the Company's auditor for the period covered by the historical financial information included in this Prospectus.

### 15.2 ADVISORS

The Managers for the Private Placement were DNB Markets, a part of DNB Bank ASA (registered address: Dronning Eufemias gate 30, 0191 Oslo, Norway), Pareto Securities AS (registered address: Dronning Mauds gate 3, 0250 Oslo, Norway), SpareBank 1 Markets AS (registered address: Olav Vs gate 5, 0161 Oslo, Norway), Skandinaviska Enskilda Banken AB (publ), Oslo Branch (registered address: Filipstad brygge 1, 0252 Oslo, Norway) and Arctic Securities AS (registered address: Haakon VII's gate 5, 0161 Oslo, Norway). The Company's legal advisor with respect to Norwegian law is Advokatfirmaet Schjødt AS. The Company's legal advisor with respect to Bermuda law is MJM Limited.

### 15.3 INCORPORATION BY REFERENCE

Section in Prospectus	Reference	Reference document and web address
4.1.1, 8, 9.1	Unaudited interim report	Q3 2024 report: <a href="https://archerwell.com/wp-content/uploads/2024/11/Archer_Q3_2024_Report.pdf">https://archerwell.com/wp-content/uploads/2024/11/Archer_Q3_2024_Report.pdf</a>
4.1.1, 8, 9.1	Annual report, including an overview of the Company's accounting policy and explanatory notes, and the auditor's report on the consolidated financial statements	2023 annual report: <a href="https://archerwell.com/wp-content/uploads/2024/04/Archer-Annual-Report-2023.pdf">https://archerwell.com/wp-content/uploads/2024/04/Archer-Annual-Report-2023.pdf</a>

### 15.4 DOCUMENTS ON DISPLAY

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday through Friday each week (except public holidays):

- The Memorandum of Association and the Bye-Laws of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.
- The Company's unaudited consolidated interim financial statements as of and for the period ended 30 September 2024
- The annual financial statements for the Group as of and for the year ended 31 December 2023
- This Prospectus.

The above documents will also be available on the Company's website <https://www.archerwell.com/>.



## 16. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

<b>Term</b>	<b>Definition</b>
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 collectively
Archer or Company	Archer Limited, together with its subsidiaries
bbl	Barrel of oil
Bermuda Companies Act	The Companies Act 1981 of Bermuda, as amended
BMA	Bermuda Monetary Authority
Board or Board of Directors	The Company's Board of Directors
boe	Barrels of oil equivalent
BOP	Blowout preventer
bpd	Barrels per day
Bye-Laws	The Company's bye-laws
CAGR	Compounded annual growth rate
CCUS	Carbon capture, use and storage
Consideration Shares	The 1,174,436 new shares in the Company issued as consideration for the Company's acquisition of shares in Iceland Drilling, as announced on 14 November 2024
COP	Cessation of production
E&P	Exploration and production
ESO	The Norwegian Central Securities Depository, being Euronext Securities Oslo
ESO Registrar	Nordea Bank Abp, Norwegian branch
EU	The European Union
Executive Management	The Company's executive management team
Financial Statements	The Group's audited financial statements as of and for the year ended 31 December 2023
FLNG	Floating Liquefied Natural Gas
Group	The Company together with its subsidiaries
H&P	Helmerich & Payne
HWU	Hydraulic workover units
IEA	International Energy Agency
Interim Financial Statements	The Group's unaudited interim financial statements for the nine-month period ended 30 September 2024
ISIN	International Securities Identification Number
Hemen	Hemen Holding Limited
Land Drilling North	Drilling and workover services in the Neuquen Rio Negro and Mendoza provinces of Argentina and in Bolivia
Land Drilling South	Drilling and workover services in the oil and gas basins of Chubut and Santa Cruz provinces in Argentina
Managers	DNB Markets, a part of DNB Bank ASA, Pareto Securities AS, SpareBank 1 Markets AS, Skandinaviska Enskilda Banken AB (publ), Oslo Branch and Arctic Securities AS
MAR	Regulation (EU) No 596/2014 on market abuse
MDRs	Modular drilling rigs
MODUs	Mobile offshore drilling units
NBP gas	National Balance Point gas
NCS	Norwegian continental shelf
Norwegian CFC-regulations	Norwegian Controlled Foreign Corporations regulations
Norwegian Code of Practice	The Norwegian Code of Practice of 14 October 2021
Norwegian Corporate Shareholders	Limited liability companies and similar entities resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of June 29, 2007 no. 75
OPEC	Organization of the Petroleum Exporting Countries
OPEC+	Organization of the Petroleum Exporting Countries and their external collaborating countries
Oslo Stock Exchange or Oslo Børs	Euronext Oslo Børs, a regulated market operated by Oslo Børs ASA
Outlook	The 2024 Outlook and the 2025 Outlook together

Paratus	Paratus JU Newco Bermuda Limited
P&A	Plug and abandonment
PDQ	Production, Drilling Quarters
Private Placement	The private placement announced by the Company on 31 October 2024
Private Placement Shares	518,718 of the new Shares issued in Tranche 1 and all of the 10,880,263 new Shares issued in Tranche 2 of the Private Placement (in total 11,398,981 Shares). The listing of the Private Placement Shares on Oslo Børs is subject to the publication of this Prospectus.
Prospectus	This prospectus dated 20 December 2024
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
PwC	PricewaterhouseCoopers AS
Registrar Agreement	The registrar agreement between the Company and ESO Registrar
Relevant Member State	Each Member State of the EEA other than Norway, which has implemented the Prospectus Regulation
Seadrill	Seadrill Limited and affiliates
Seatankers	Seatankers Management Norway AS
Shares	The common shares of the Company, each with a par value of USD 0.01
STEPS	IEA's Stated Policies Scenario
Tranche 1	Tranche 1 of the Private Placement
Tranche 2	Tranche 2 of the Private Placement
UKCS	United Kingdom continental shelf
US GAAP	United States of America Generally Accepted Accounting Principles
2024 Outlook	The outlook statements for 2024 included in section 9.8 of this Prospectus
2025 Outlook	The outlook statements for 2025 included in section 9.8 of this Prospectus

**APPENDIX A: MEMORANDUM OF ASSOCIATION**



BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES

Section 7(1) and (2)

MEMORANDUM OF ASSOCIATION

OF

**Seawell Limited**

(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

Name and Address	Bermudian Status (Yes or No)	Nationality	Number of Shares Subscribed
Peter D.A. Martin Thistle House 4 Barnaby Street Hamilton, Bermuda	Yes	British	1
Cynthia Williams Thistle House 4 Barnaby Street Hamilton, Bermuda	Yes	British	1

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be exempted as defined by the Companies Act 1981.

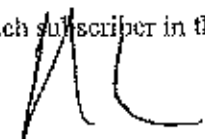
4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding NIL in all, including the following parcels:-

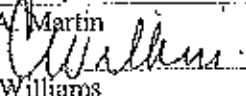
NIL

5. The authorised share capital of the Company is US\$100.00 divided into common shares of a par value of US\$1.00 each.

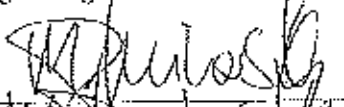
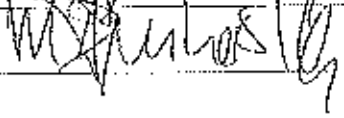
6. The objects for which the Company is formed and incorporated are unrestricted.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof:-

  
\_\_\_\_\_  
Peter D.A. Martin

  
\_\_\_\_\_  
Cynthia Williams

(Subscribers)

  
\_\_\_\_\_  
  
\_\_\_\_\_

(Witnesses)

Subscribed this 31<sup>st</sup> day of August, 2007

**APPENDIX B: BYE-LAWS**

**AMENDED AND RESTATED**

**BYE-LAWS**

**of**

**ARCHER LIMITED**

I HEREBY CERTIFY that the within-written Bye-laws are a true copy of the Bye-laws of Archer Limited (the "Company") as adopted by the sole Shareholder of the above Company on the 18<sup>th</sup> day of September 2007 and as amended by Resolution of the Shareholders dated September 23, 2016.

  
Secretary



## INTERPRETATION

1. In these Bye-laws unless the context otherwise requires-

"Associate" means:

- (a) in respect of an individual, such individual's spouse, former spouse, sibling, aunt, uncle, nephew, niece or lineal ancestor or descendant, including any step-child and adopted child and their issue and step parents and adoptive parents and their issue or lineal ancestors;
- (b) in respect of an individual, such individual's partner and such partner's relatives (within the categories set out in (a) above);
- (c) in respect of an individual or body corporate, an employer or employee (including, in relation to a body corporate, any of its directors or officers);
- (d) in respect of a body corporate, any person who controls such body corporate, and any other body corporate if the same person has control of both or if a person has control of one and persons who are his Associates, or such person and persons who are his Associates, have control of the other, or if a group of two or more persons has control of each body corporate, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an Associate. For the purposes of this paragraph, a person has control of a body corporate if either (i) the directors of the body corporate or of any other body corporate which has control of it (or any of them) are accustomed to acting in accordance with his instructions or (ii) he is entitled to exercise, or control the exercise of, one-third or more of the votes attaching to all of the issued shares of the body corporate or of another body corporate which has control of it (provided that where two or more persons acting in concert satisfy either of the above conditions, they are each to be taken as having control of the body corporate);

"Bermuda" means the Islands of Bermuda;

"Board" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;

"Branch Register" means a branch of the Register maintained by the Registrar in the VPS pursuant to the terms of an agreement with the Company;

"Business Day" means a day on which banks are open for the transaction of general banking business in each of Oslo, Norway, New York, USA and Hamilton, Bermuda;



"**Company**" means the company incorporated in Bermuda under the name of Seawell Limited;

"**Companies Acts**" means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company;

"**Electronic Transactions Act**" means the Electronic Transactions Act 1999 as amended from time to time;

"**Extraordinary Resolution**" means a resolution passed by a majority of not less than two-thirds of the votes cast at a general meeting of the Company;

"**Listing Exchange**" means any stock exchange or quotation system upon which any of the shares of the Company are listed from time to time;

"**Ordinary Resolution**" means a resolution passed by a simple majority of votes cast at a general meeting of the Company;

"**Oslo Stock Exchange**" means the Oslo Stock Exchange;

"**paid up**" means paid up or credited as paid up;

"**Register**" means the Register of Shareholders of the Company kept in physical form at the Registered Office;

"**Registered Office**" means the registered office for the time being of the Company;

"**Registrar**" means Nordea Bank Norge ASA acting through its Registrar Department, or such other person or body corporate who may from time to time be appointed by the Board in place of Nordea Bank Norge ASA as registrar of the Company with responsibility to maintain the Branch Register under these By-laws;

"**Registration Office**" means the place where the Board may from time to time determine to keep the Register and/or the Branch Register and where (except in cases where the Board otherwise directs) the transfer and documents of title are to be lodged for registration;

"**Seal**" means the common seal of the Company and includes any duplicate thereof;

"**Secretary**" includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

"Shareholder" means a shareholder of the Company;

"Share Option Scheme" means a scheme established pursuant to Bye-law 92 for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of: -

- (a) the Directors and Officers of the Company (whether employees or not);
- (b) the bona fide employees or former employees of the Company or any subsidiary of the Company; or
- (c) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;

"these Bye-laws" means these Bye-laws in their present form or as from time to time amended;

"Treasury Shares" means any share of the Company that was acquired and held by the Company, or as treated as having been acquired and held by the Company which has been held continuously by the Company since it was acquired and which has not been cancelled;

"VPS" means Verdipapirsentralen ASA, a Norwegian corporation maintaining a computerized central share registry in Oslo, Norway, and includes any successor registry;

For the purpose of these Bye-laws a body corporate shall be deemed to be present in person if its representative duly authorized pursuant to the Companies Acts is present;

Words importing the singular number also include the plural number and vice versa;

Words importing the masculine gender also include the feminine and neuter genders respectively;

Words importing persons also include companies and associations or bodies of persons, whether corporate or unincorporated;

References to writing shall include typewriting, printing, lithography, facsimile, photography and other modes of reproducing or reproducing words in a legible and non-transitory form including electronic transfers by way of e-mail or otherwise and shall include any manner permitted or authorized by the Electronic Transactions Act;

References to an "electronic record" shall be deemed to include any record created, stored, generated, received or communicated by electronic means and includes any electronic code or device necessary to decrypt or interpret such a record.

Unless otherwise defined herein, any words or expressions defined in the Companies Acts in force at the date when these Bye-laws or any part thereof are adopted shall bear the same meaning in these Bye-laws or such part (as the case may be);

Headings in these Bye-laws are inserted for convenience of reference only and shall not affect the construction thereof;

### REGISTERED OFFICE

2. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

### SHARE RIGHTS

3. Subject to the Companies Acts and any special rights conferred on the holders of any other share of class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Ordinary Resolution determine.
4. Subject to the Companies Acts, any preference shares may, with the sanction of an Ordinary Resolution, be issued on terms:
  - (a) that they are to be redeemed on the happening of a specified event or on a given date; and/or
  - (b) that they are liable to be redeemed at the option of the Company; and/or
  - (c) that they are liable to be redeemed at the option of the holder.

The terms and manner of redemption shall be either as the Company may determine by Ordinary Resolution or, in the event that the Company in general meeting may have so authorized, as the Board or any committee thereof may by resolution determine before the issuance of such shares.

5. At any time that the Company holds Treasury Shares, all of the rights attaching to the Treasury Shares shall be suspended and shall not be exercised by the Company. Without limiting the generality of the foregoing, if the Company holds Treasury Shares, the Company shall not have any right to attend and vote at a general meeting or sign written resolutions and any purported exercise of such a right is void.

6. Except where required by the Principal Act, Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital or shares of the Company.

#### **MODIFICATION OF RIGHTS**

7. Subject to the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy-five percent in nominal value of the issued shares of that class or with the sanction of a resolution passed by a majority of seventy-five percent of the votes cast at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-laws as to general meetings of the Company shall mutatis mutandis apply, but so that:
  - (a) the necessary quorum at any such meeting shall be two or more persons (or in the event that there is only one holder of the shares of the relevant class, one person) holding or representing by proxy in the aggregate at least one third in nominal value of the shares of the relevant class;
  - (b) every holder of shares of the relevant class present in person or by proxy shall be entitled on a poll to one vote for every such share held by him; and
  - (c) any holder of shares of the relevant class present in person or by proxy may demand a poll.
8. The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

#### **POWER TO PURCHASE OWN SHARES**

9. The Company shall have the power to purchase its own shares for cancellation.

10. The Company shall have the power to acquire its own shares to be held as Treasury Shares.
11. The Board may exercise all of the powers of the Company to purchase or acquire its own shares, whether for cancellation or to be held as Treasury Shares in accordance with the Principal Act.

### SHARES

12. Subject to the provisions of these Bye-laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine. No shares in the Company shall be issued to any person who does not first provide the Company with an electronic address in accordance with Bye-law 133.
13. The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law.
14. Except as ordered by a court of competent jurisdiction, as required by law or as otherwise provided in these Bye-laws, no person shall be recognized by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognize (even when having notice thereon) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

### CERTIFICATES

15. The preparation, issue and delivery of certificates shall be governed by the Companies Acts. A person whose name is entered in the Register as the holder of any shares shall be entitled to receive within two months of a demand for same a certificate for such shares under the Seal of the Company as prima facie evidence of title of such person to such shares. In the case of a share held jointly by several persons, delivery of a certificate for such share to one of several joint holders shall be sufficient delivery to all.
16. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence, indemnity and payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

17. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by mechanical means or may be printed thereon or that such certificates need not be signed by any persons.

#### LIEN

18. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-law.
19. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment has been served on the holder for the time being of the share.
20. The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorize some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

## CALLS ON SHARES

21. The Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least seven days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
22. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
25. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

## FORFEITURE OF SHARES

27. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which, and the place where, the payment required by the notice is

to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, reference in these Bye-laws to forfeiture shall include surrender.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
30. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
31. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and, at any time before a sale, re-allotment or disposition, the forfeiture may be canceled on such terms as the Board may think fit.
32. A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.
33. An affidavit in writing that the deponent is a Director or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorize some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

#### REGISTER OF SHAREHOLDERS

34. The Secretary shall establish and maintain the Register of Shareholders at the Registered Office in the manner prescribed by the Companies Acts. Unless the Board otherwise



determines, the Register of Shareholders shall be open to inspection in the manner prescribed by the Companies Acts between 10:00 a.m. and 12:00 noon on every working day. Unless the Board so determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register any indication of any trust or any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Byc-law 14.

35. Subject to the Companies Act, the Company may establish the Branch Register, and the Board may make and vary such regulations as it determines in respect of the keeping of the Branch Register, including maintaining a Registration Office in connection therewith.

### REGISTER OF DIRECTORS AND OFFICERS

36. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 10:00 a.m. and 12:00 noon on every working day.

### TRANSFER OF SHARES

37. Subject to the Companies Acts and to such of the restrictions contained in these Byc-laws as may be applicable and to the provisions of any applicable United States securities laws (including, without limitation, the United States Securities Act, 1933, as amended, and the rules promulgated thereunder), any Shareholder may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve, provided that in each case the instrument of transfer shall include details of the transferee's electronic address for communication by the Company with the transferee by electronic means, and a statement that the transferee agrees to electronic communication with the Company.
38. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, where any share is not fully-paid, the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Should the Company be permitted to do so under the laws of Bermuda, the Board may, either generally or in any particular case, upon request by the transferor or the transferee, accept mechanically or electronically executed transfer and may also make such regulations with respect to transfer in addition to the provisions of these Byc-laws as it considers appropriate. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully-paid share. In addition :
- (a) The Board shall decline to register the transfer of any share, and shall direct the Registrar to decline (and the Registrar shall decline) to register the transfer of any interest in any share held through the Branch Register, to a person where the

Board is of the opinion that such transfer might breach any law or requirement of any authority or any Listing Exchange until it has received such evidence as it may require to satisfy itself that no such breach would occur.

- (b) Without limiting the generality of the foregoing, the Board may also decline to register any transfer unless:-
- (i) the instrument of transfer is duly stamped and lodged with the Company accompanied by the certificate for the shares to which it relates if any and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (ii) the instrument of transfer is in respect of only one class of share; and
  - (iii) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.
- (c) Subject to any directions of the Board from time to time in force the Secretary may exercise the powers and discretion of the Board under this Bye-law and Bye-laws 37 and 39.

39. If the Board declines to register a transfer it shall, within sixty days after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.
40. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register and/or the Branch Register relating to any share.
41. The Company may dispose of or transfer Treasury Shares for cash or other consideration.

#### TRANSMISSION OF SHARES

42. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognized by the Company for the purpose of this Bye-law 42.

43. Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall signify his election by signing an instrument of transfer of such share in favor of that other person. All the limitations, restrictions and provisions of these Bye-laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer shared by such Shareholder.
44. A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.
45. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-laws 42, 43 and 44.

#### INCREASE OF CAPITAL

46. The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Ordinary Resolution shall prescribe.
47. The Company may, by the Ordinary Resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Act) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or make any other provision as to the issue of the new shares.
48. The new shares shall be subject to all the provisions of these Bye-laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

## ALTERATION OF CAPITAL

49. The Company may from time to time by Ordinary Resolution:

- (a) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (b) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by its memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (d) make provision for the issue and allotment of shares which do not carry any voting rights;
- (e) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (f) change the currency denomination of its share capital.

Where any difficulty arises in regard to any division, consolidation, or sub-division under this Bye-law, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and, for this purpose, the Board may authorize some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

50. Subject to the provisions of the Companies Act and to any confirmation or consent required by law or these Bye-laws, the Company may by Ordinary Resolution from time to time convert any preference shares into redeemable preference shares.

51. The Company may from time to time purchase its own shares on such terms and in such manner as may be authorized by the Board of Directors, subject to the rules, if applicable, of the Listing Exchange.

Any share so purchased shall be treated as cancelled, and the amount of the Company's issued share capital shall be diminished by the nominal value of the shares purchased, but such purchase shall not be taken as reducing the amount of the Company's authorized share capital.

52. Subject to the Companies Acts, the Company shall have the option, but not the obligation, to repurchase from any Shareholder or Shareholders all fractions of shares, and all holdings of fewer than 100 shares, registered in the name of said Shareholder or Shareholders. Such repurchase shall be on such terms and conditions as the Board may determine, provided that in any event, the repurchase price shall be not less than the closing market price per share quoted on the Listing Exchange on the effective date of the repurchase. Each Shareholder shall be bound by the determination of the Company to repurchase such shares or fractions thereof. If the Company determines to repurchase any such shares or fractions, the Company shall give written notice to each Shareholder concerned accompanied by a cheque or warrant for the repurchase price and the relevant shares, fractions and certificates in respect thereof shall thereupon be cancelled.

### REDUCTION OF CAPITAL

53. Subject to the Companies Acts, its memorandum and any confirmation or consent required by law or these Bye-laws, the Company may from time to time by Ordinary Resolution authorize the reduction of its issued share capital or any capital redemption reserve fund or any share premium or contributed surplus account in any manner.
54. In relation to any such reduction the Company may by Ordinary Resolution determine the terms upon which such reduction is to be effected, including, in the case of a reduction of part only of a class of shares, those shares to be affected.

### GENERAL MEETINGS

55. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts ("**Annual General Meetings**") at such times and places subject to the limitation set out below as the Board shall appoint. The Board may whenever it thinks fit, and shall when required by the Companies Acts, convene general meetings other than Annual General Meetings which shall be called "**Special General Meetings**".

### NOTICE OF GENERAL MEETINGS

56. An Annual General Meeting and a Special General Meeting shall be called by not less than seven days notice in writing. The notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held and shall specify the place, day and time of the meeting, and in the case of a Special General Meeting, the general nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by Bye-laws 131, 132 and 133 to all Shareholders. Notwithstanding that a meeting of the

Company is called by shorter notice than that specified in this Bye-law, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an Annual General Meeting by all the Shareholders entitled to attend and vote thereat;
- (b) in the case of any other meeting by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent in nominal value of the shares giving that right;

provided that notwithstanding any provision of these Bye-laws, no Shareholder shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the Shareholder (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the Secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Registered Office at least 48 hours before the time appointed for holding the general meeting or adjournment thereof.

- 57. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to or the non-receipt of notice of a meeting or such instrument of proxy by any person entitled to receive such notice shall not invalidate the proceedings at that meeting.
- 58. The Board may convene a Special General Meeting whenever it thinks fit. A Special General Meeting shall also be convened by the Board on the written requisition of Shareholders holding at the date of the deposit of the requisition not less than one tenth in nominal value of the paid-up capital of the Company which as at the date of the deposit carries the right to vote at a general meeting of the Company. The requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more of the requisitionists.

#### PROCEEDINGS AT GENERAL MEETING

- 59. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-laws, at least two Shareholders, or in the event that there is only one Shareholder, one Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them) shall be a quorum for all purposes.
- 60. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if

convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two Shareholders or, in the event that there is only one Shareholder, one Shareholder, present in person or by proxy (whatever the number of shares held by them) shall be a quorum. The Company shall give not less than five days notice of any meeting adjourned through want of a quorum and such notice shall state that two Shareholders or, in the event that there is only one Shareholder, one Shareholder, present in person or by proxy (whatever the number of shares held by them) shall be a quorum.

61. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such meeting shall constitute presence in person at such meeting.
62. Each Director and the Company's auditor and Secretary shall be entitled to attend and speak at any general meeting of the Company.
63. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every general meeting. If there is no such Chairman or President, or if at any general meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the general meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
64. The chairman of the general meeting may, with the consent of those present at any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the general meeting from time to time and from place to place but no business shall be transacted at any adjourned general meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned general meeting shall be given as in the case of an original general meeting.
65. Save as expressly provided by these By-laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

#### VOTING

66. Save where a greater majority is required by the Companies Acts or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by Ordinary Resolution. In any case where an Ordinary Resolution or an Extraordinary Resolution is to be put to the Company, each Shareholder shall be entitled to communicate such Shareholder's vote in the form of an electronic record.

67. The Board may, with the sanction of an Ordinary Resolution, amalgamate the Company with another company (whether or not the Company is the surviving company and whether or not such an amalgamation involves a change in the jurisdiction of the Company).
68. At any general meeting, a resolution put to the vote of the general meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:
- (a) the chairman of the general meeting; or
  - (b) at least three Shareholders present in person or represented by proxy; or
  - (c) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth of the total voting rights of all the Shareholders having the right to vote at such general meeting; or
  - (d) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such general meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all such shares conferring such right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, or by a count of votes received in the form of electronic records been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number of votes recorded for or against such resolution.

69. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
70. The demand for a poll shall not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the general meeting or the taking of the poll whichever is the earlier.
71. On a poll, votes may be cast either personally or by proxy.
72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.



73. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the general meeting at which the poll is demanded.
74. In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such general meeting shall not be entitled to a second or casting vote.
75. Subject to the provisions of these Bye-laws and to any special rights or restrictions as to voting for the time being attached to any shares, every Shareholder who is present in person or by proxy or proxies shall have one vote for every share of which he is the holder.
76. In the case of joint holders of a share, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
77. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.
78. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
79. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the general meeting or adjourned general meeting on any resolution unless the same is raised or pointed out at the general meeting or, as the case may be, the adjourned general meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the general meeting and shall only vitiate the decision of the general meeting on any resolution if the chairman decides that the same may have affected the decision of the general meeting. The decision of the chairman on such matters shall be final and conclusive.

## PROXIES AND CORPORATE REPRESENTATIVES

80. A Shareholder may appoint one or more proxies to attend at a general meeting of the Company and to vote on his behalf and proxies appointed by a single Shareholder need not all exercise their vote in the same manner. Provided that for all purposes of these Bye-laws an instrument of proxy may with the sanction of the Board be in the form of an electronic record. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorized by him in writing or, if the appointor is a body corporate, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
81. Any Shareholder may appoint a standing proxy or (if a body corporate) representative by depositing at the Registered Office a proxy or (if a body corporate) an authorization and such proxy or authorization shall be valid for all general meetings and adjournments thereof until notice of revocation is received at the Registered Office. Where a standing proxy or authorization exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect of which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorization and the operation of any such standing proxy or authorization shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.
82. Subject to Byc-law 81, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office, at the place of the general meeting, or at such place as may be specified in the notice convening the general meeting or in any notice of any adjournment, or, in either case, in any document sent therewith, prior to the holding of the general meeting or adjourned general meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequent to the date of a general meeting or adjourned general meeting, before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
83. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any general meeting forms of instruments of proxy for use at that meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the general meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein be valid as well for any adjournment of the general meeting as for the general meeting to which it relates.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which it was executed, provided that no

intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office, the place of the meeting or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith before the commencement of the general meeting or adjourned general meeting, or the taking of the poll, at which the instrument of proxy is used.

85. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-laws related to proxies or authorizations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at general meetings.

#### APPOINTMENT AND REMOVAL OF DIRECTORS

86. The number of Directors shall be such number not less than two as the Company by Ordinary Resolution may from time to time determine and each Director shall hold office until the next annual general meeting following his election or until his successor is elected.
87. The Company shall at the Annual General Meeting and may, in a general meeting by Ordinary Resolution, determine the minimum and the maximum number of Directors and may by Ordinary Resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purposes of these Bye-laws. Without prejudice to the power of the Company in any general meeting in pursuance of any of the provisions of these Bye-laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy.
88. The Company may in a Special General Meeting called for that purpose remove a Director provided notice of any such Special General Meeting shall be served upon the Director concerned not less than fourteen days before the Special General Meeting and he shall be entitled to be heard at that Special General Meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at the Special General Meeting by the election of another person as Director in his place or, in the absence of any such election, by the Board.

#### RESIGNATION AND DISQUALIFICATION OF DIRECTORS

89. The office of a Director shall be vacated upon the happening of any of the following events:
- (a) if he resigns his office by notice in writing to the Company delivered to the Registered Office or tendered at a meeting of the Board;

- (b) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that he shall be removed from office;
- (c) if he becomes bankrupt or compounds with his creditors;
- (d) if he is prohibited by law from being a Director; or
- (e) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Bye-laws.

### ALTERNATE DIRECTORS

90. (a) The Company may by Ordinary Resolution elect a person or persons qualified to be Directors to act as Directors in the alternative to any of the Directors of the Company or may authorize the Board to appoint such Alternate Directors and a Director may appoint and remove his own Alternate Director. Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal with the Secretary at the Registered Office, signed by such Director, and such appointment or removal shall become effective on the date of receipt by the Secretary. Any Alternate Director may be removed by Ordinary Resolution of the Company and, if appointed by the Board, may be removed by the Board. Subject as aforesaid, the office of Alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. An Alternate Director may also be a Director in his own right and may act as alternate to more than one Director.
- (b) A Director may at any time, by notice in writing signed by him delivered to the Registered Office or at a meeting of the Board, appoint any person (including another Director) to act as Alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director such appointment (unless previously approved by the Board) shall have effect only upon and subject to being so approved. The appointment of an Alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

### DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES

91. The amount, if any, of Directors' fees shall from time to time be determined by the Company by Ordinary Resolution and in the absence of a determination to the contrary in a general meeting, such fees shall be deemed to accrue from day to day. Each Director may be paid his reasonable traveling, hotel and incidental expenses properly incurred in attending and returning from meetings of the Board or committees constituted pursuant to

these Bye-laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.

#### DIRECTORS' INTERESTS

92. (a) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.
- (b) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (c) Subject to the provisions of the Companies Acts, a Director may, notwithstanding his office, be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, employed by, a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other body corporate held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other body corporate, or voting or providing for the payment of remuneration to the directors or officers of such other body corporate.
- (d) So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-laws allow him to be appointed or from any transaction or arrangement in which these Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

- (c) Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

### POWERS AND DUTIES OF THE BOARD

93. Subject to the provisions of the Companies Acts and these Bye-laws and to any directions given by the Company in a general meeting, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. . To the extent permitted by the Companies Acts, the Board may agree that the Company shall not exercise, in whole or in part, any of the powers in the Companies Acts that are reserved to Shareholders. The powers given by this Bye-law shall not be limited by any special power given to the Board by these Bye-laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
94. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.
95. All checks, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
96. The Board may, subject to the provision of the Companies Act from time to time in force relating to financial assistance and dealings with Directors, establish and maintain a Share Option Scheme for the benefit of the Directors and the employees of the Company and its subsidiaries (the "Scheme").
97. The Board may from time to time appoint one or more of its body to be a managing director, joint managing director or an assistant managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Any person so

appointed shall receive such remuneration (if any, whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

#### DELEGATION OF THE BOARD'S POWERS

98. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such power, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may revoke or vary any such delegation of power, but no person dealing in good faith with such delegate without notice of such revocation or variation shall be affected by such revocation or variation.
99. The Board may entrust to and confer upon any Director or officer or, without prejudice to the provisions of Bye-law 101, any other individual any of the powers exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
100. The Board may delegate any of its powers, authorities or discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed upon it by the Board. The Board may revoke or vary any such delegation of its powers, authorities and discretions, but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

## PROCEEDINGS OF THE BOARD

101. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes cast. In the case of an equality of votes the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.
102. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by post, courier, facsimile, transmission or other electronic means at his last known address or any other address given by him to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively.
103. (a) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Board present in person or by proxy. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- (b) Subject to the provisions of Bye-law 93, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Companies Acts and these Bye-laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.
104. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.
105. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every meeting of the Board. If there is no such Chairman or President, or if at any meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
106. The meetings and proceedings of any committee consisting of two or more Directors shall be governed by the provisions contained in these Bye-laws for regulating the



meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

107. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.
108. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. A meeting of the Board or committee appointed by the Board held in the foregoing manner shall be deemed to take place at the place where the largest group of participating Directors or committee members has assembled or, if no such group exists, at the place where the chairman of the meeting participates.
109. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorized by the Board or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

#### OFFICERS

110. The officers of the Company shall include a President and a Vice-President who shall be Directors and shall be elected by the Board as soon as possible after the statutory meeting and each annual general meeting. In addition, the Board may appoint one of the Directors to be Chairman of the Board and any person whether or not he is a Director to hold such other office (including any additional Vice-Presidencies) as the Board may from time to time determine. Any person elected or appointed pursuant to this By-law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-laws, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Board.

## MINUTES

111. The Directors shall cause minutes to be made and books kept for the purpose of recording:
- (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors and other persons (if any) present at each meeting of Directors and of any committee;
  - (c) all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of committees; and
  - (d) all proceedings of managers (if any).

## SECRETARY

112. The Secretary shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary so appointed may be removed by the Board.

The duties of the Secretary shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.

113. A provision of the Companies Acts or these Bye-laws requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

## THE SEAL.

114. (a) The seal of the Company shall be in such form as the Board may determine. The Board may adopt one or more duplicate seals for use outside Bermuda.
- (b) The seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or any person appointed by the Board for that purpose, provided that any Director, Officer or Resident Representative, may affix the seal of the Company attested by such Director, Officer or Resident Representative's signature to any authenticated copies of these Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director, Officer or Resident Representative.

## DIVIDENDS AND OTHER PAYMENTS

115. The Board may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including interim dividends as appear to the Board to be justified by the position of the Company. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company in the opinion of the Board, justifies such payment.
116. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:
- (a) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid and an amount paid up on a share in advance of calls may be treated for the purpose of this Byc-law as paid-up on the share;
  - (b) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.
117. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
118. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company unless otherwise provided by the rights attached to such share.
119. Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by electronic transfer, check or warrant sent through the mail addressed to the holder at his address in the Register or, as the case may be, the Branch Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register or, as the case may be, the Branch Register in respect of the shares at his registered address as appearing in the Register or, as the case may be, the Branch Register or addressed to such person at such address as the holder or joint holders may in writing direct. Any such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register or, as the case may be, the Branch Register in respect of such shares, and shall be sent at his or their risk, and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

120. Any dividend or proceeds of share repurchase or distribution out of contributed surplus unclaimed for a period of three years from the date of declaration of such dividend or proceeds of share repurchase or distribution shall be forfeited and shall revert to the Company, and the payment by the Board of any unclaimed dividend, distribution, interest or proceeds of share repurchase or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.
121. The Board may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures of any other body corporate, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions or may ignore fractions altogether and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

#### RESERVES

122. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

#### CAPITALIZATION OF PROFITS

123. The Company may, upon the recommendation of the Board, at any time and from time to time resolve by Ordinary Resolution to the effect that it is desirable to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund or to the credit of any contributed surplus account and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, provided that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted, distributed and credited as fully paid among such Shareholders, or partly in one way or partly in the other, and the Board shall give effect to such resolution, provided that for the purpose of this Bye-law, a

share premium account and a capital redemption reserve fund may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

124. Where any difficulty arises in regard to any distribution under the last preceding Bye-law, the Board may settle the same as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions, may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so, or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

#### RECORD DATES

125. Notwithstanding any other provision of these Bye-laws the Directors may fix any date as the record date for:
- (a) determining the Members entitled to receive any dividend or other distribution and such record date may be on, or not more than 30 days before or after, any date on which such dividend or distribution is declared;
  - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

#### ACCOUNTING RECORDS - INFORMATION

126. The Board shall cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs and to show and explain its transactions in accordance with the Companies Acts.
127. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit and shall at all times be open to inspection by the Directors; PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three-month period. No Shareholder (other than an officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as required by the Listing Exchange, by law, by regulations or as authorized by the Board or by Ordinary Resolution.

128. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall be sent to each person entitled thereto by sending it through the mail (by airmail where applicable) in a prepaid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address or by sending it by way of an electronic e-mail in accordance with the Electronic Transactions Act at the email address for such Shareholder as he shall have provided for this purpose for registration in the Register in accordance with the requirements of the Companies Acts.
129. The Company shall, at the request of any Shareholder requesting the same, provide a brief statement of the nature of the Company's business and the products and services it offers to such Shareholder in a timely fashion.

#### AUDIT

130. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine, save that the fees of the auditor shall be determined by Ordinary Resolution.

#### SERVICE OF NOTICES AND OTHER DOCUMENTS

131. Any notice or other document (including a share certificate) shall be in writing (except where otherwise expressly stated) and may be served on or delivered to any Shareholder by the Company either personally or by sending it through the mail (by airmail where applicable) in a prepaid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address or by sending it by way of an electronic e-mail in accordance with the Electronic Transactions Act at the email address for such Shareholder as he shall have provided for this purpose for registration in the Register. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document if sent by mail shall be deemed to have been served or delivered two Business Days after it was put in the mail; and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the mail. Any notice or document delivered in electronic record form shall be deemed to be served on delivery twenty-four hours after its dispatch and in proving service of delivery it shall be sufficient to prove that the notice or document was sent to the electronic mail address as appearing in the Register.
132. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder if it is sent to him by telecopier, electronic mail or other mode of

representing or reproducing words in a legible and non-transitory form at his postal or electronic address as appearing in the Register or any other address given by him to the Company for this purpose. The Shareholders are obliged to keep the Company advised of any change of postal address and e-mail address for service of notice and other documents.

133. (a) A Shareholder may provide to the Company an address or number for the purposes of communication with such Shareholder by electronic means (an "electronic address"), and in any case where a Shareholder has provided to the Company an electronic address, the Company may deliver to the Shareholder any notice or other document required to be provided to such Shareholder under the Companies Acts or these Bye-laws by the delivery of an electronic record of the notice or document, and such electronic record shall be deemed to have been delivered to a Shareholder when it is sent to the electronic address provided by such Shareholder.
- (b) Notwithstanding any other provision of these Bye-laws, any document required to be provided to a Shareholder by the Company may be provided by the Company sending to a Shareholder a notice pursuant to Bye-law 131 or Bye-law 133(a) notifying such Shareholder that the Company intends to publish such document on a website designated by the Company, and such document shall be deemed to have been provided to such Shareholder when it is published on such website.
- (c) By virtue of this Bye-law 133(c), each Shareholder shall be deemed to have agreed for all purposes of the Companies Acts and these Bye-laws that, subject to notification in each case pursuant to Bye-law 133(b), such Shareholder may be provided by the Company with all documents of any kind to be provided under the Companies Acts or these Bye-laws (including any documents accompanying any other document) by accessing such documents on a website designated by the Company for the purpose, instead of the documents being provided by any other means.
134. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has received notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

## WINDING UP

135. If the Company shall be wound up, the liquidator may, with the sanction of an Extraordinary Resolution and any other sanction required by the Companies Acts, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

## INDEMNITY

136. Subject to the proviso below every person who is or was a Director, officer of the Company or member of a committee constituted under Bye-law 100 (the "Company Indemnitee") or who is or was a director or officer of any of the Company's subsidiaries ("Subsidiary Indemnitee") shall be indemnified out of the funds of the Company against all civil liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries and the indemnity contained in this Bye-law shall extend to any person acting as a Director, officer of the Company or committee member, or as a director or officer of any of the Company's subsidiaries in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election PROVIDED ALWAYS that the indemnity contained in this Bye-law shall not extend to any matter which would render it void pursuant to the Companies Acts.
137. Every Company Indemnitee or Subsidiary Indemnitee shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Company Indemnitee or Subsidiary Indemnitee in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.
138. To the extent that any Company Indemnitee or Subsidiary Indemnitee is entitled to claim an indemnity pursuant to these Bye-laws in respect of amounts paid or discharged by him, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge. The expenses incurred by the Company Indemnitee or Subsidiary Indemnitee pursuant to Bye-laws 130 and 131 in any threatened or pending legal suits or proceedings shall be paid by the



Company in advance upon the written request of the Company Indemnitee or Subsidiary Indemnitee upon proper documentation of such costs having been incurred. The same indemnity applies to expenses incurred in any proceedings where such Company Indemnitee or Subsidiary Indemnitee is a party or threatened to be made a party to any legal suits or proceedings by or in the rights of the Company or any of the Company's subsidiaries to procure a judgment in its favor by reason of the fact that the Company Indemnitee or Subsidiary Indemnitee is or was such Company Indemnitee or Subsidiary Indemnitee. Provided, however, that the Company Indemnitee or Subsidiary Indemnitee shall undertake to repay such amount to the extent that it is ultimately determined that the Company Indemnitee or Subsidiary Indemnitee is not entitled to indemnification.

139. Subject to the Companies Acts, the Company may purchase and maintain for any Company Indemnitee or Subsidiary Indemnitee, insurance against any liability arising in connection with his office with the Company or any of the Company's subsidiaries.

#### ALTERATION OF BYE-LAWS

140. These Bye-laws may be amended from time to time in the manner provided for in the Companies Act, provided that any such amendment shall only become operative to the extent that it has been confirmed by Ordinary Resolution.

# Archer

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