



## **SHLF: Recommended offer by ADES International Holding, Ltd. to acquire all outstanding shares of Shelf Drilling, Ltd. by way of a cash merger**

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5 August 2025

ADES International Holding, Ltd. ("ADES"), a subsidiary of ADES Holding Company, and Shelf Drilling, Ltd. ("Shelf Drilling" or the "Company") are pleased to announce that today they have signed an agreement (the "Transaction Agreement") for a recommended offer by ADES to acquire all issued and outstanding shares of the Company by way of cash merger under the laws of the Cayman Islands between ADES International Cayman ("BidCo"), a wholly owned subsidiary of ADES, and the Company. At completion, all of the Company's shares will be cancelled for a consideration in cash of NOK 14.00 per share (the "Cash Consideration") to the Shelf Drilling shareholders pursuant to a plan of merger entered into between the Company, ADES and BidCo (the "Transaction"). Following completion of the Transaction, Shelf Drilling will be wholly owned by ADES, and Shelf Drilling, Ltd. will be delisted from the Oslo Stock Exchange.

The Transaction is approved and recommended by the board of directors of Shelf Drilling who, as part of its evaluation, has received a fairness opinion from Evercore concluding that the proposed Cash Consideration represents fair value for the Shelf Drilling shareholders. In addition, the Transaction is supported with irrevocable commitments to vote in favor of the Transaction at an extraordinary general meeting of the Company provided by shareholders Castle Harlan and Perestroika as well as the Company's CEO and CFO, and board members, together holding 15.0% of the outstanding shares in the Company.

### **Transaction rationale**

- Establishes a strong global player in shallow-water drilling with a substantial fleet of 83 offshore jack-ups (including 46 premium units), following the addition of 33 jack-ups and entry into new regions through the Transaction
- Forms the go-to partner for shallow-water drilling customers across the world's most attractive basins backed by decades of experience and a shared commitment to safety and performance
- Brings together complementary customer bases, assets and organizations
- Total combined backlog of US\$ 9.45billion (as of 30 June 2025) provides strong cash-flow visibility
- ADES expects to realize annual operational cost synergies of US\$ 40-50 million with gradual realization over the medium term, along with associated costs to achieve these synergies
- ADES will seek to optimize the enlarged group's capital structure, efficiency and cost based on the strength of the combined balance sheets and cash flows. As such, ADES will settle Shelf Drilling's existing debt obligations
- The Transaction is accretive to earnings per share and free cash flow for ADES, supporting strong returns for shareholders

### Key transaction terms

- The Cash Consideration of NOK 14.00 per Shelf Drilling share corresponds to a fully diluted equity value of Shelf Drilling of approximately NOK 3.9 billion (approximately US\$ 0.4 billion), and represents a premium of:
  - 62% to the Shelf Drilling closing price of NOK 8.64 on 4 August 2025
  - 56% to the volume weighted average price of NOK 8.98 over the last 1 month up to and including 4 August 2025
- The Transaction is expected to close in the fourth quarter of 2025 subject to customary closing conditions (as further described below), including approval by an extraordinary general meeting of Shelf Drilling's shareholders.
- Shelf Drilling's outstanding US senior notes and Norwegian bond will be called in conjunction with closing of the Transaction (total principal value of approximately US\$ 1.3 billion).
- The Transaction is to be financed through ADES's available credit facility.

### Quotes

Commenting on the Transaction, Dr. Mohamed Farouk, Chief Executive Officer of ADES, said: *"We are truly delighted to announce our acquisition of Shelf Drilling. Over the past years we have unlocked new geographies and deepened our strategic reach. With this landmark transaction, we reinforce our position as a market leader in shallow-water offshore drilling, offering superior services to our client base alongside enhanced scale, asset quality, and operational reach. As part of the Transaction, we will add 33 jack-ups and a dedicated, experienced workforce, supporting expansion into additional regions and further strengthening our global footprint. The transaction is supported by Shelf Drilling's \$1.5 billion firm backlog and \$40-50 million of anticipated operational cost synergies, enhancing our global reach, providing access to key regions with solid growth prospects, and offering continuous value to our shareholders."*

Greg O'Brien, CEO of Shelf Drilling, said: *"Today's announcement delivers immediate and compelling value to our shareholders, reflecting both the strength of our business and the dedication of our employees. Over the past 13 years, Shelf Drilling has built a resilient company with an outstanding safety track record and a reputation for operational excellence. I would like to thank the entire Shelf Drilling team for their exceptional contributions and commitment, which have been instrumental in shaping who we are today. This transaction unites two highly complementary organizations, and we are confident that the combination will unlock the full strategic value of our global fleet and operations. We look forward to working closely with the ADES team to ensure a seamless and successful integration."*

### Transaction structure and additional details

Pursuant to the Transaction Agreement and the plan of merger entered into between the Company, ADES and Bidco, the Transaction is structured as an acquisition by ADES of all issued and outstanding shares of Shelf Drilling through a cash merger between BidCo and the Company, with the Company as the surviving entity, under the laws of the Cayman Islands. At completion of the Transaction, all shares issued by the Company will be cancelled against payment of the Cash Consideration to the former Shelf Drilling shareholders, following which Shelf Drilling will be wholly owned by ADES and the shares of Shelf Drilling delisted from the Oslo Stock Exchange.

The Transaction requires the approval of the plan of merger at an extraordinary general meeting in Shelf Drilling by the affirmative vote of 2/3rds (two-thirds) of the votes cast on the resolution at the



extraordinary general meeting. The extraordinary general meeting will be convened separately and held mid-September 2025. The board of directors of the Company has resolved to recommend the Company's shareholders to vote in favor of the Transaction.

Completion of the Transaction is otherwise conditional upon fulfilment of certain customary closing conditions, including certain regulatory approvals having been received and absence of any relevant legal restraints; no material breach of the Transaction Agreement (subject to various materiality thresholds), including any covenants and representations thereunder, having occurred; the Company having obtained certain change of control consents; and no event having occurred which has, or could reasonably be expected to have, a material adverse effect on the prospects, financial condition, assets, results of operations or business of the Company and its subsidiaries taken as a whole.

The Company will in conjunction with and as a condition for completion of the Transaction issue call notices for the USD 1,095 million 5.5-years senior secured notes issued by Shelf Drilling Holdings, Ltd. (ISIN US822538AH74 and USG23618AG91) and the USD 315 million 4.5-years senior secured first lien bonds issued by Shelf Drilling (North Sea) Holdings, Ltd. (ISIN NO0013220285) and pursuant to the respective terms thereof.

#### **Advisors**

SpareBank 1 Markets is acting as sole financial advisor and Schjødt and Maples Group are acting as legal advisors to ADES. Evercore is acting as sole financial advisor and Advokatfirmaet Thommessen AS, Conyers and Latham & Watkins LLP are acting as legal advisors to Shelf Drilling.

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#### **About ADES:**

ADES Holding Company, headquartered in Al Khobar in the Kingdom of Saudi Arabia, is a global drilling services provider. ADES has over 8,000 employees and a fleet of 90 rigs across 13 countries, including 40 onshore drilling rigs, 48 jack-up offshore drilling rigs, one jack-up barge, and one mobile offshore production unit ("MOPU").

For more information, visit <https://investors.adesgroup.com/>

For investor relation inquiries, please contact: [investor.relations@adesgroup.com](mailto:investor.relations@adesgroup.com)

#### **About Shelf Drilling:**



Shelf Drilling is an international shallow water offshore drilling contractor with rig operations across the Middle East, Southeast Asia, India, West Africa, the Mediterranean and the North Sea. Shelf Drilling was founded in 2012 and has established a strong reputation within its industry for its fit-for-purpose strategy and close working relationship with industry leading clients. The Company is incorporated under the laws of the Cayman Islands with corporate headquarters in Dubai, United Arab Emirates. The Company is listed on the Oslo Stock Exchange under the ticker "SHLF".

Additional information about Shelf Drilling can be found at [www.shelfdrilling.com](http://www.shelfdrilling.com).

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