

Company presentation

September 2021



Forward-looking Statements

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Company

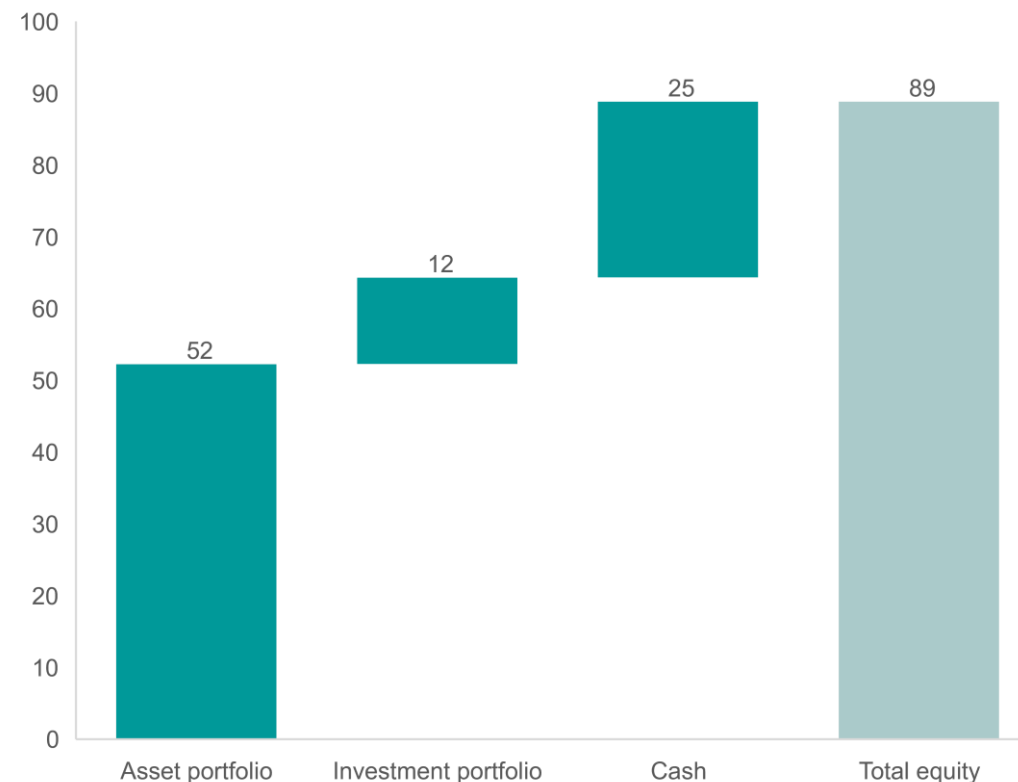
Overview

- Founded in 2010, HQ in Cyprus
- Listed on Oslo Stock Exchange (ticker SDSD)
- Market cap of c. USD 80m
- Highly experienced management team

Current portfolio

- Assets: 3x large sized PSVs (100%), 6x medium sized PSVs (28%) and 1x ECO VLCC (33.3%)
 - Book value split USD 37/ 15m PSV/ VLCC
- Investments: 750,000 shares in Weatherford (cost USD 14/sh) and other
- Cash of USD 25m per August ⁽¹⁾

Portfolio overview (USDm) ⁽²⁾



⁽¹⁾ Cash includes SD Standard Drilling Plc only plus the sale of Standard Olympus

⁽²⁾ Market adjusted book values per 2q21 for PSVs and VLCCs, incl. cash and working capital. Market values for investments, and cash per mid-August.

Recent highlights

Financials

- Adj. EBITDA of USD 0.9m (USD -1.5m), whereof USD 0.8m from the large-sized PSVs ⁽¹⁾
- 2q21 profits of USD 8m incl. unrealized gains from the investment portfolio and financial assets

Commercial/ Investment update

- Commercial: 100% utilization in 2q for large PSVs - VLCC Gutavia S completed fifth voyage (breakeven TCE since delivery)
- Investments: USD 11m in Weatherford – realized USD 2m profit in Noble
- Strengthened investment team with Espen L. Fjermestad and Espen Westeren

Long history of cyclical asset plays

2010 – Entered the jack-up segment

- 2010 – 2011: Ordered 7x JU's at Keppel for USD 1,307m
- 2011 – 2013: Sold 7x JU's for USD 1,528m

Realized c. USD 220m in profits

2016 – Entered the PSV segment

- 2017 – 2019: Purchased 6x large-sized PSVs (100%) for USD 70.3m
- 2016 – 2018: Purchased 9x medium-size PSVs (28.1%) for USD 35m
- 2017 – 2018: Purchased 6x medium-size PSVs (34.4%) for USD 27.5m

Ten of twelve vessels so far sold with profits of c. USD 10m



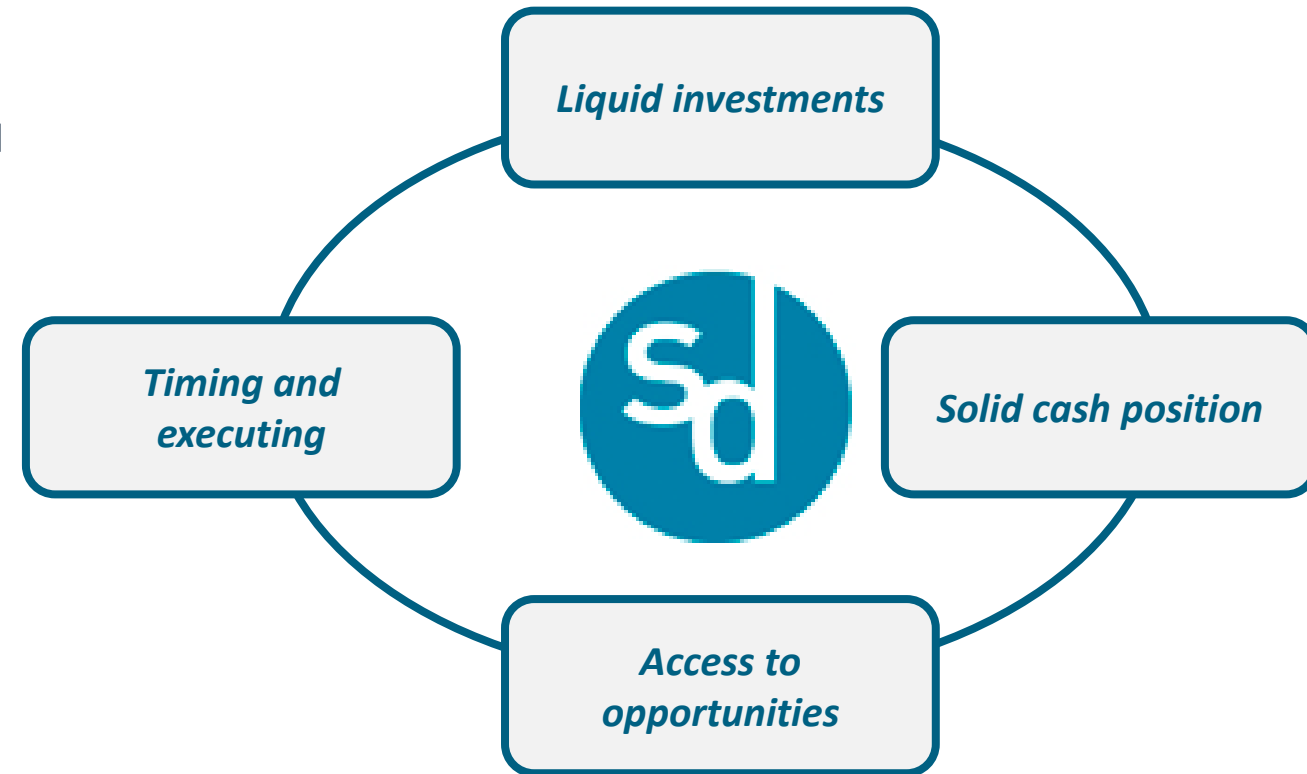
Strategy update

Investment theme

- Previously: Playing the cycles through physical assets and levered cases
- Future: Liquid investments within energy, shipping and commodities

Focus areas

- Building leading investment company within energy, shipping and commodities
- Ample opportunity set to generate consistent strong returns in boom- and bust industries
- Liquidity is key



Investment universe

Liquid investments in shipping, energy and renewables

Shipping/ Energy/ Renewables
300+ companies / USD 3,000bn+ cap



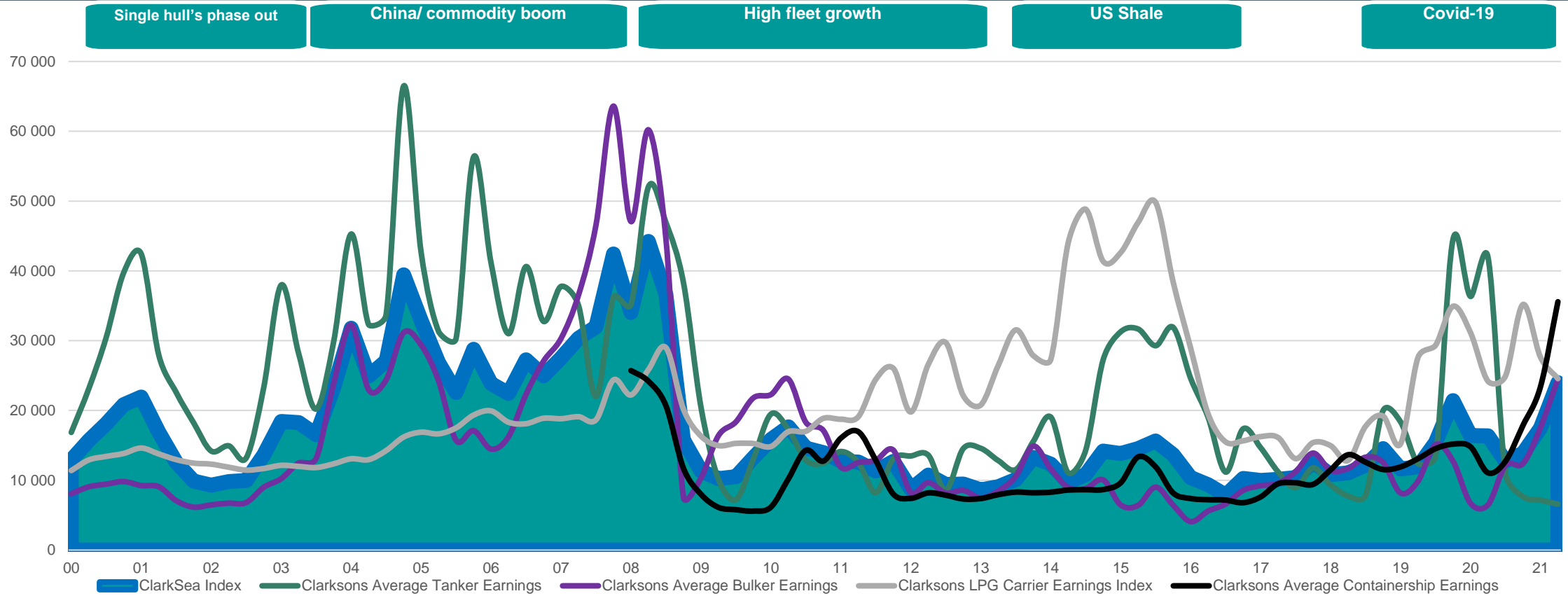
Liquid investments in cyclical commodities

Commodities
USD 20,000bn+



Playing the different cycles

Example – Shipping



Source: Bloomberg

Summary

Ambitions

- Build leading investment company within energy, shipping and commodities
- Generate consistent strong returns in boom- and bust cycles
- Liquid investments
- Take part in energy transition

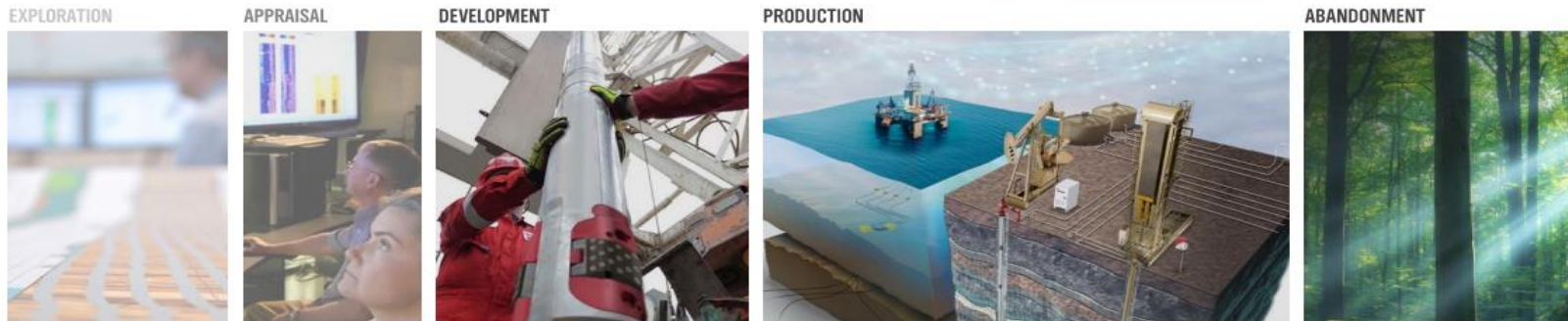
Case example – Weatherford (WFRD US)



Weatherford International Plc

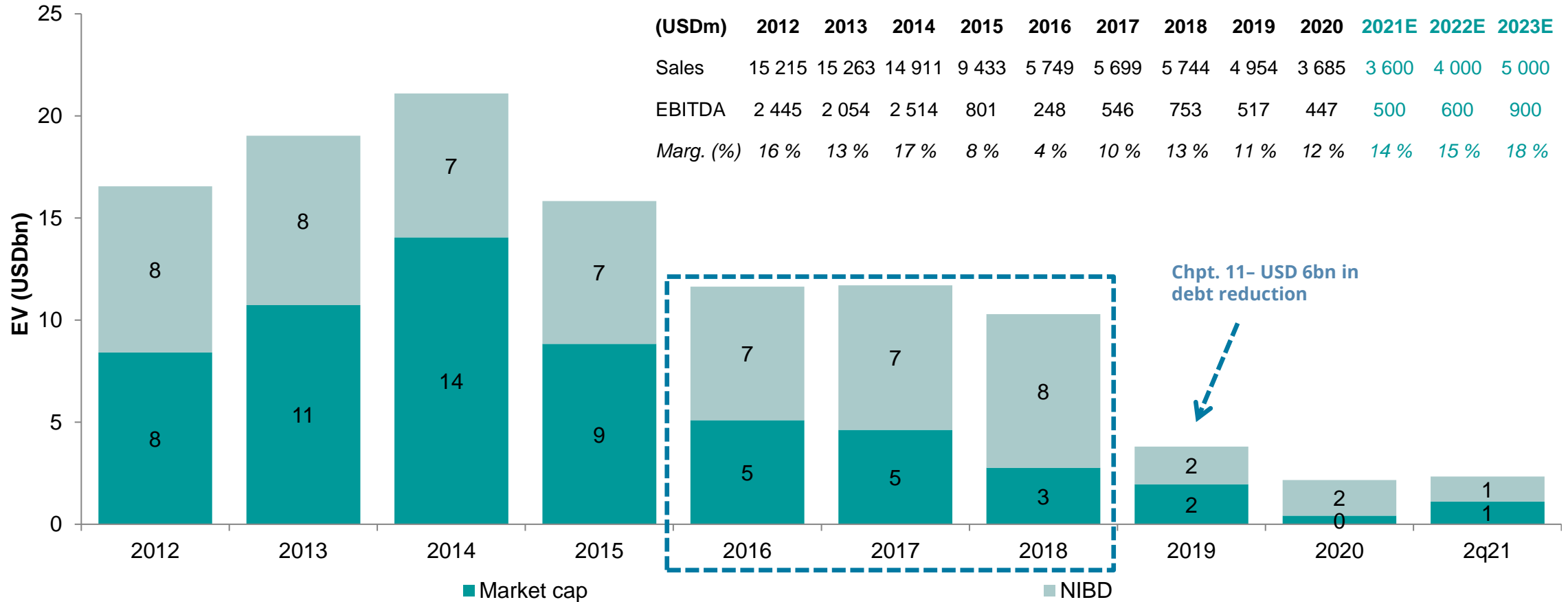
Standard Drilling (SDSD) owns 750,000 shares in WFRD with cost of USD 14

- One of the Big 4 OFS players. In 2014 market cap was USD 14bn (EV 21bn) and EBITDA USD 2.5bn
- After chapter 11 WFRD relisted on Nasdaq in June'21. Today EV is USD 2bn and EBITDA USD 0.5bn
- Broad based exposure to higher E&P spending, with c. 75% of sales outside North America
- Global leader within Managed Pressure Drilling, Tubular Running Services, Cementation and Artificial Lift



WFRD - EV 1/4th of '16-18 levels despite similar earnings capacity

Historical capital structure and revenues/ EBITDA



Source: Bloomberg (historical), Standard Drilling (est.)

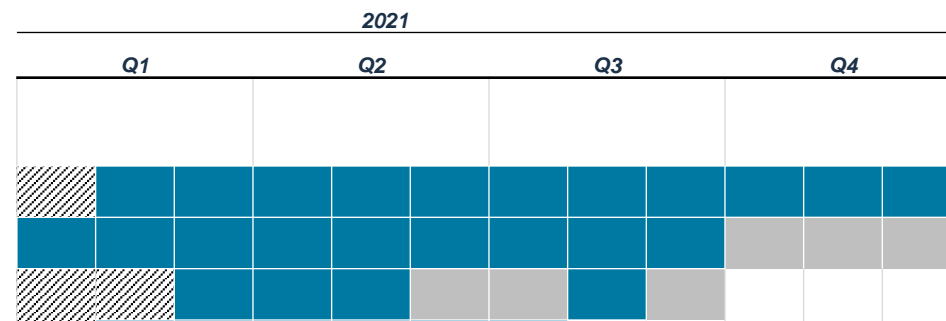
Note: 2q21 - Balance sheet items per 2q and current market capitalization

Appendix

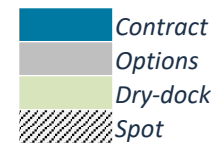
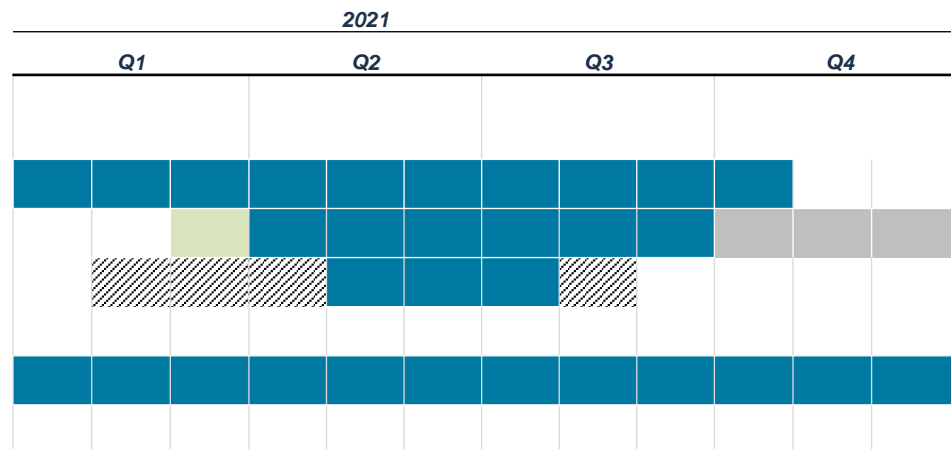


PSVs – Contract overview

Vessel	Built	Client	Country
Large-size Vessels			
Standard Viking	2007	Shell UK	UK
Standard Princess	2008	CNR	UK
Standard Supplier	2007	ASCO	UK



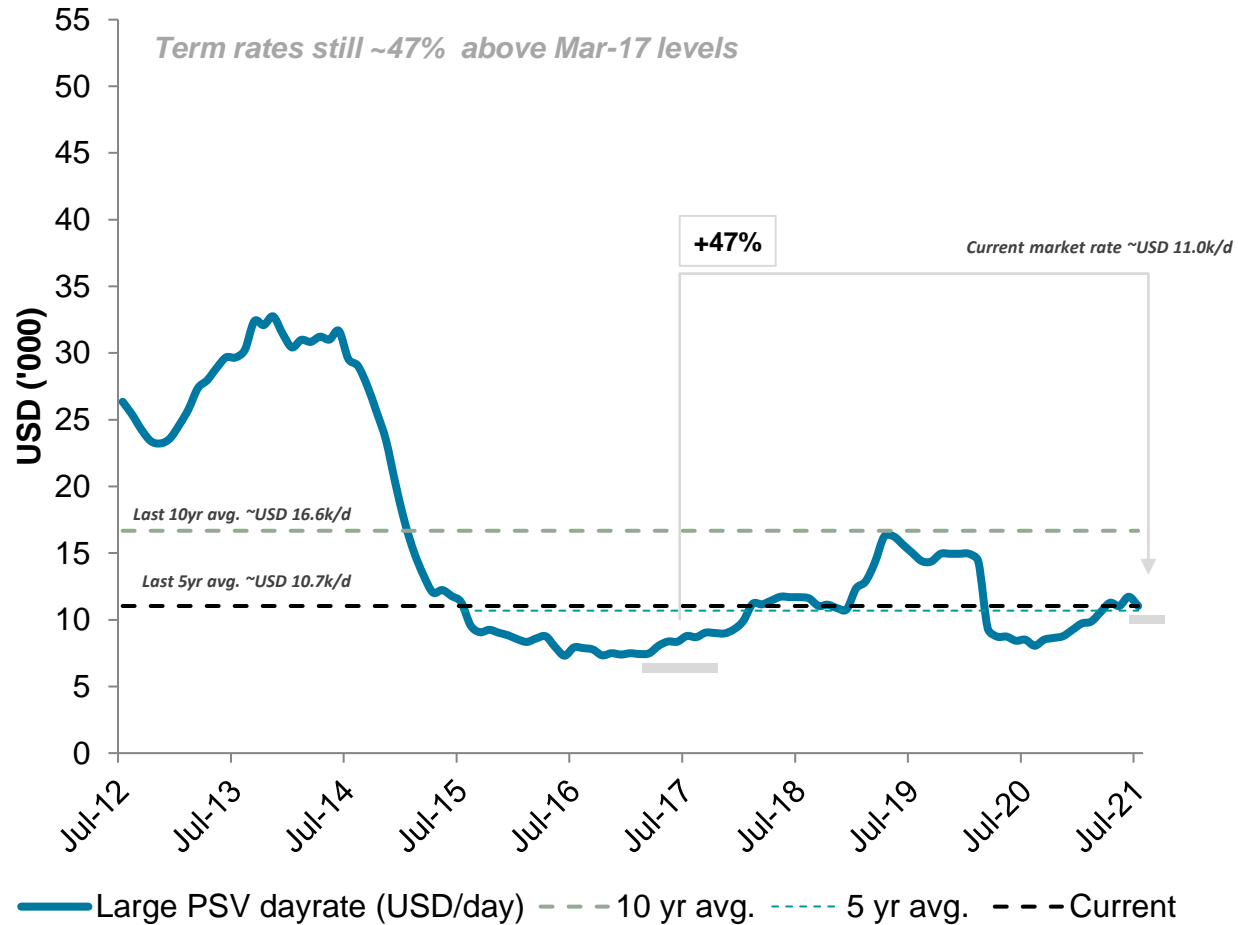
Vessel	Built	Client	Country
Mid-size Vessels			
FS Balmoral	2008	Serica Energy (UK) Limited	UK
FS Kristiansand	2005	Perenco	UK
FS Braemar	2007	Spot	UK
FS Bergen	2006	Lay-up	UK
FS Abergeldie	2008	SeaRenergy	DE
FS Crathes	2008	Lay-up	UK



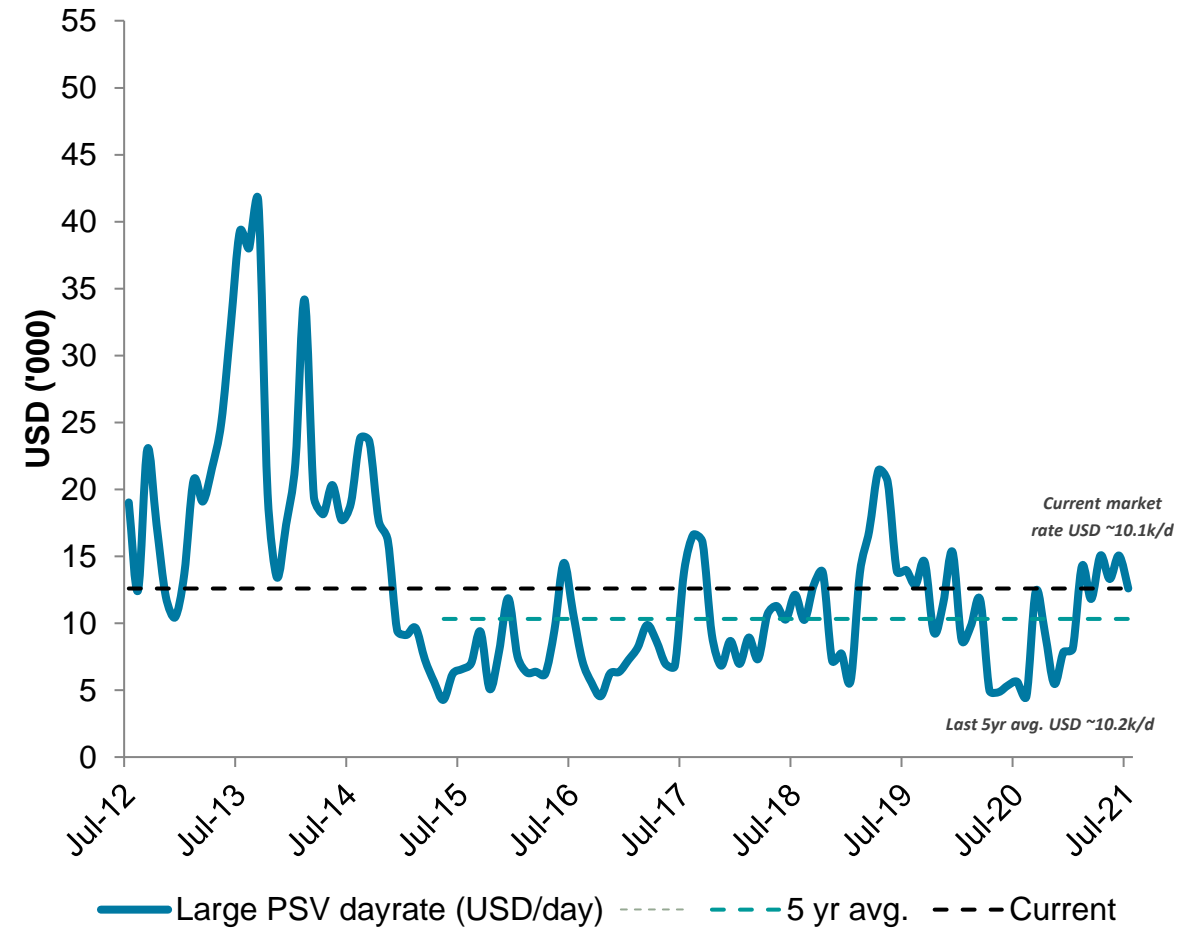
Note: Book values per 2q USD 29m/ USD 7m for large/ medium PSVs incl. Working capital.

PSVs – Commercial update large-size PSVs

Large-size PSV term rates (900m²)

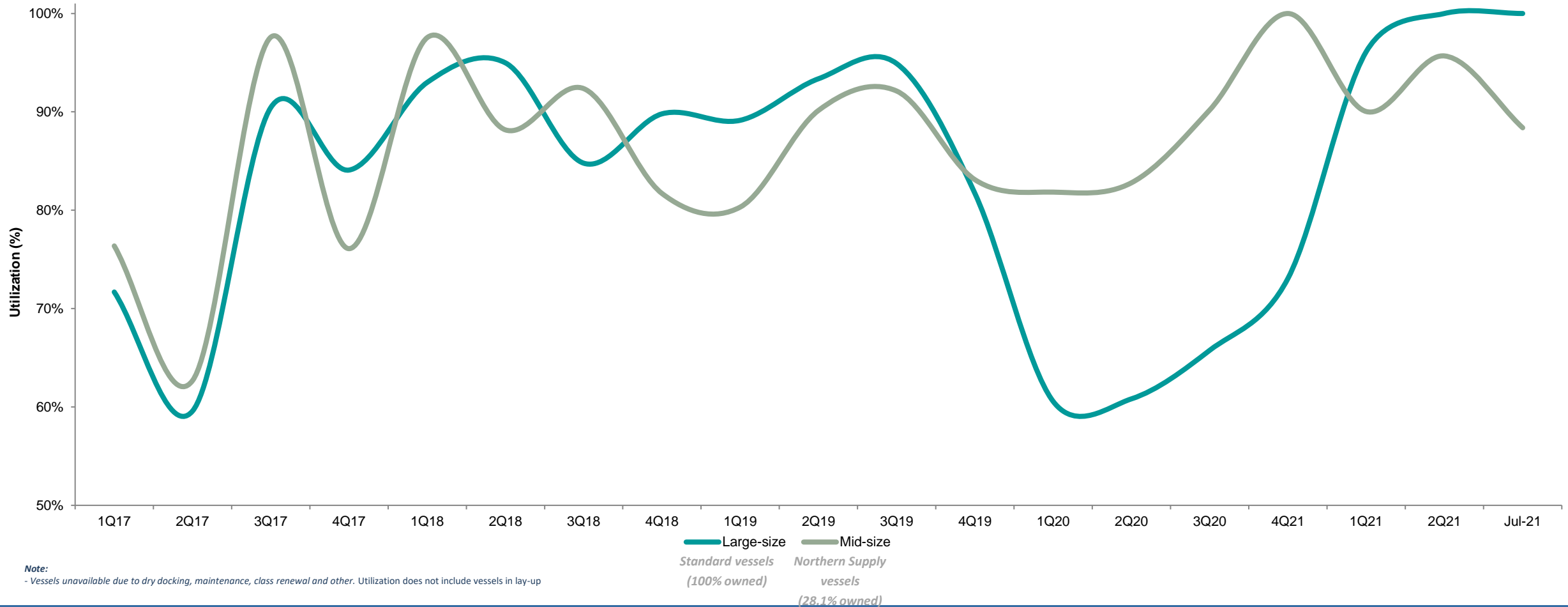


Large-size PSV spot rates (900m²)



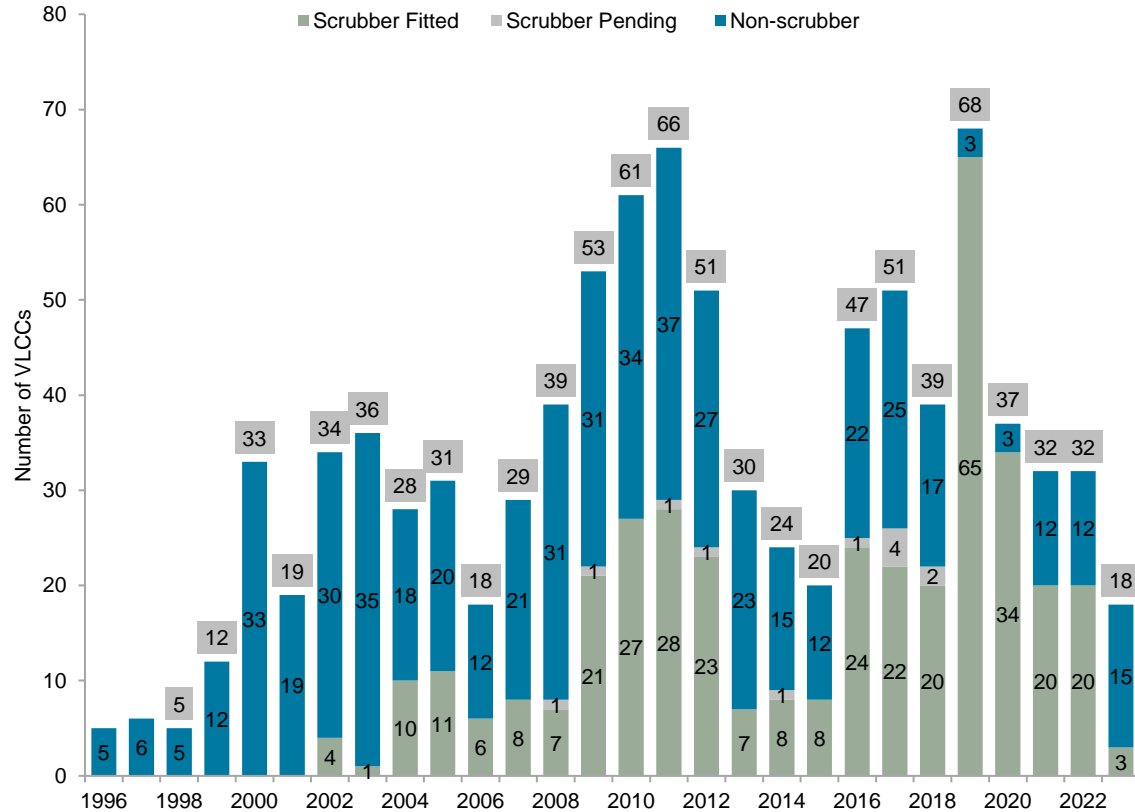
PSVs – Fleet utilization

Combined fleet utilization 1Q17 to July-21

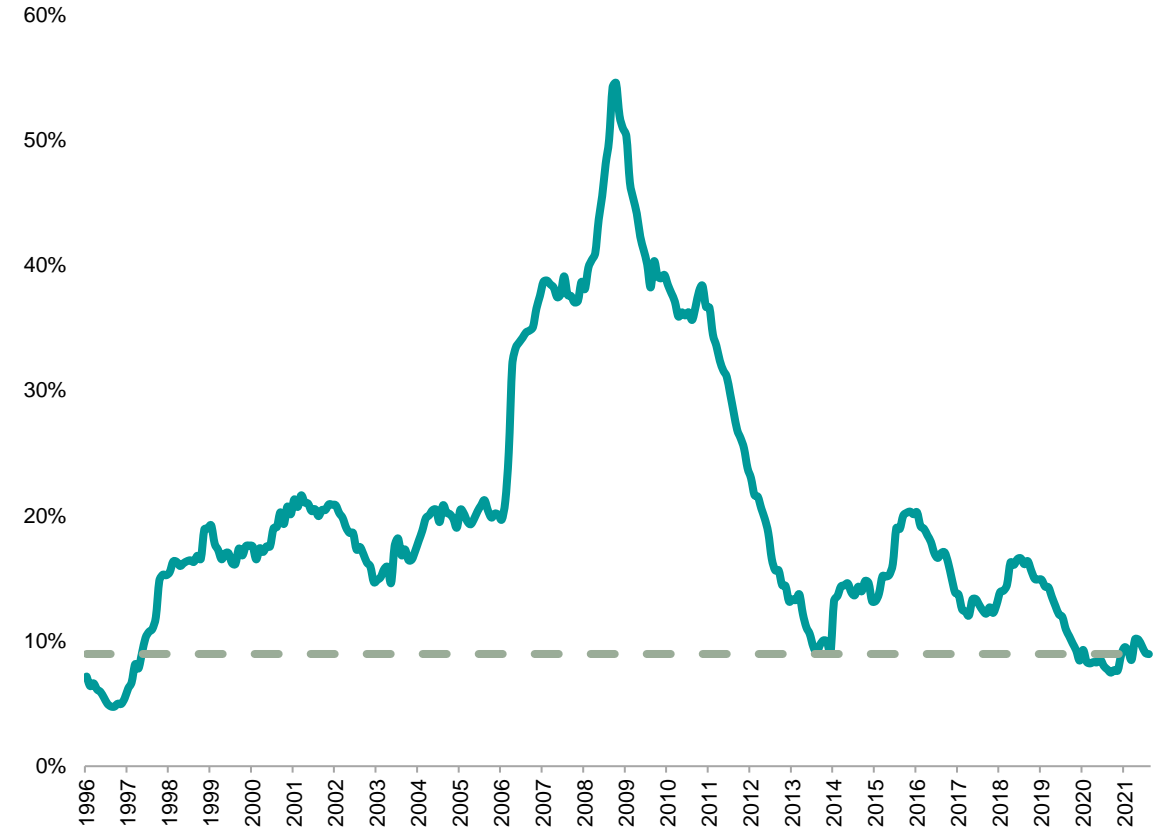


VLCCs – Limited orderbook

VLCC fleet by year of build and orderbook



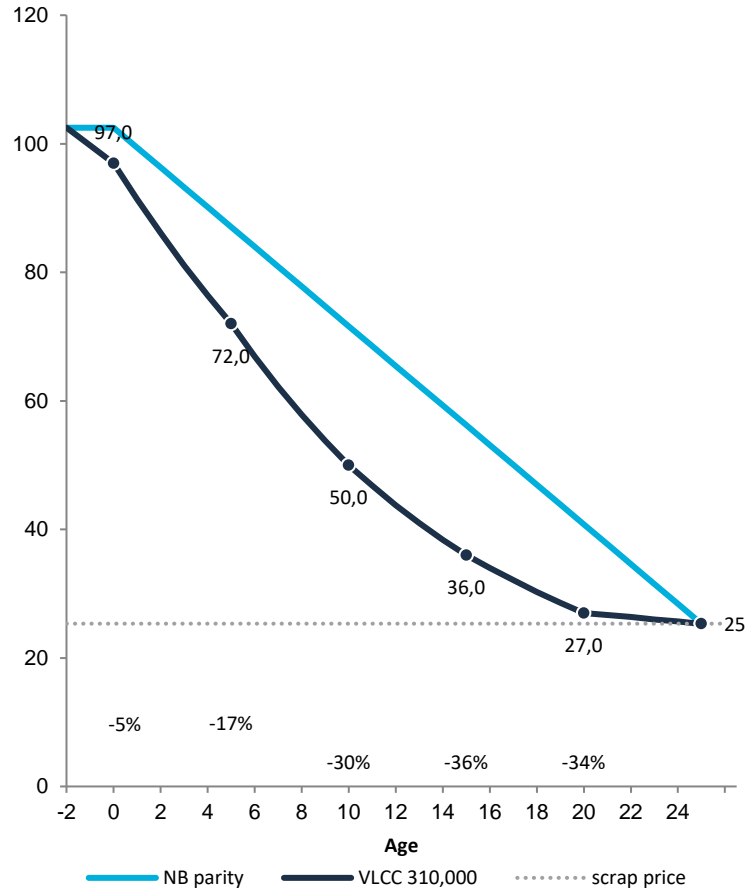
VLCC orderbook % of fleet



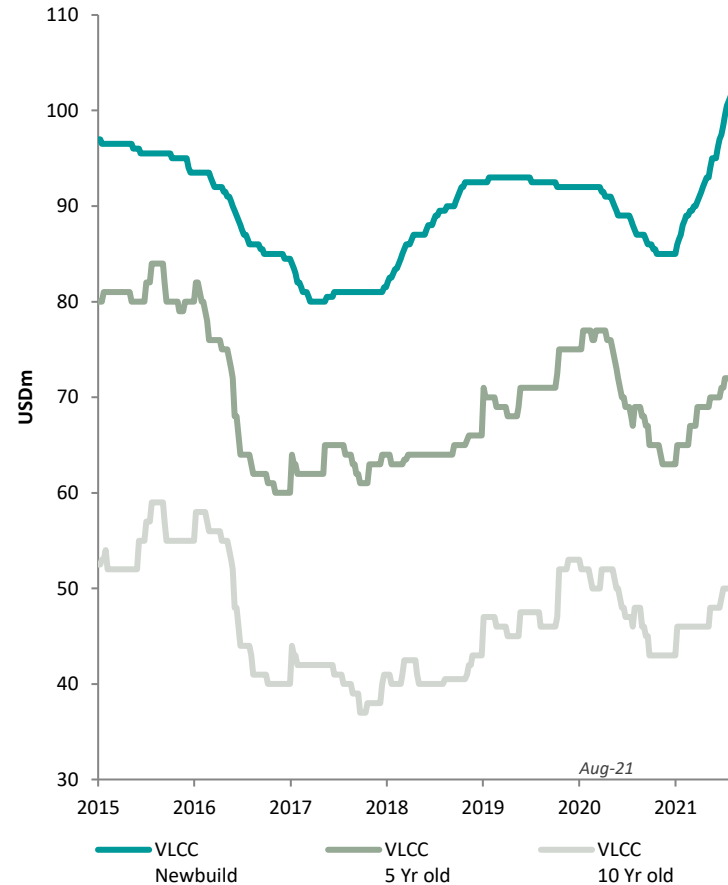
Ageing asset profile and low net fleet growth

VLCCs – Asset values

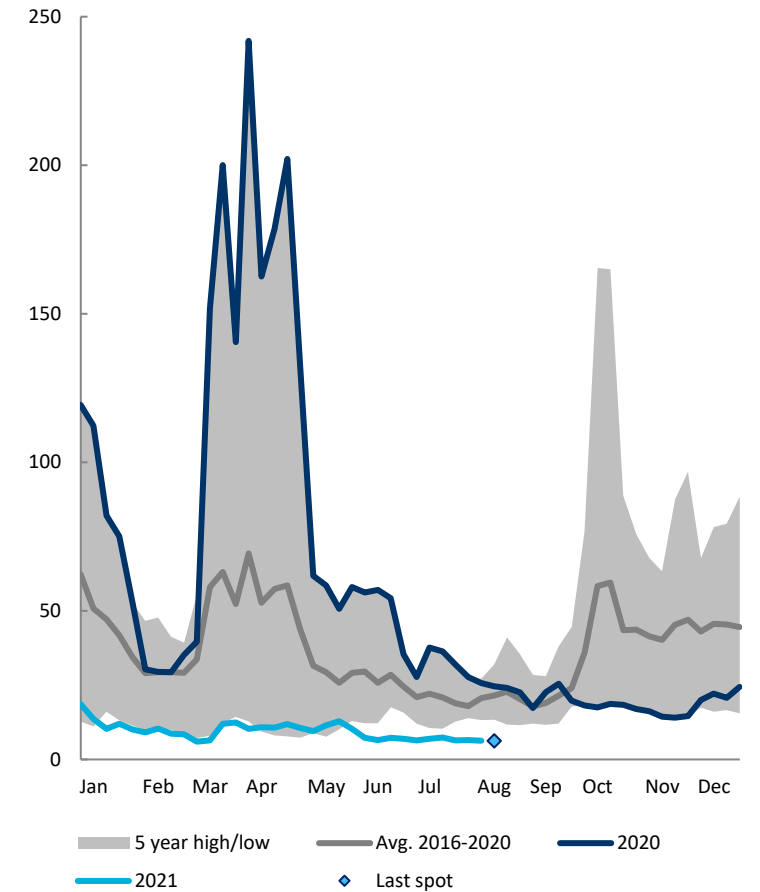
VLCC NB parity



VLCC values last 5 years



VLCC dayrates



VLCC «Gustavia S»- Technical

- Builder : Daewoo Shipbuilding & Marine Engineering
- Built : January 2020
- Ship Type: Oil Tanker
- Classification Society: DNVGL
- Class Notations :
+1A Tanker for oil, BIS, BWM (T), Clean, CMON,
COAT-PSPC(B,C), CSR, EO, ESP, LCS, NAUT (NAV),
Recyclable, SPM, TMON (oil lubricated)
VCS (2), ER (EGCS Open)
- Length Overall/Between Perpendiculars: 336/330m
- Breadth : 60m
- Depth: 29.50m
- Draught (design/scantling): 20.5/21.6m
- DWT (at scantling draught) : 299,995mt
- Cargo tanks capacity (100%): 341,870m³
- Bunkers Tanks capacity – cruising range : HFO 6435m³ – MGO 650m³ – 31,700 miles at service speed
- Service Speed (at design draught) : 14.8kn
- Main engine : HSD MAN 7G80ME-C9.5 – 24,510kW
- Loading/Discharge rate: 20,500/16,500 m³/hr
- Complement : 30 persons + 6 Suez crew





STANDARD DRILLING