Ventura Offshore

Half-year report 2024

Highlights

- Completed the acquisition of 100% of the shares in Universal Energy Resources
- Raised equity of $170 million in gross proceeds
- Raised bond loan of $130 million in gross proceeds
- Operational uptime of 94% and financial uptime of 90.9% in the period for the two owned drilling units which includes 4 days of planned out of service time for Carolina
- Operating revenues of $20.0 million for the two owned drilling units
- Adjusted EBITDA of $6.9 million and net income of $7.9 million
- Reported a cash position $30.6 million, excluding a restricted cash balance of $18.2 million held on behalf of the owners of the drilling units owned by third parties
- Entered into exclusive marketing rights in Brazil for the 7th generation drillship Tidal Action for an ongoing tender process
- Total contract backlog for owned drilling units as of 30th June of $377 million pro-forma for the Catarina acquisition

Subsequent events

- Completed the acquisition of the drilling unit Catarina which was financed through a tap issue of the bond loan for $55 million and $50 million in gross proceeds through a private placement of common equity
- Catarina commenced a well-based contract with ENI Indonesia on August 17
- Entered into a Revolving Credit Agreement of $30.0 million for working capital purposes

We are happy to announce our first financial results since inception of Ventura Offshore where we are reporting an industry-leading cost structure combined with safe operations. Since the second quarter we successfully closed the acquisition of the semi-submersible rig SSV Catarina which is aligned with the Company's strategy of increasing its operational footprint and asset base. Demand for deepwater drilling in Brazil is expected to remain strong and increase in the coming years, ideally positioning our owned units for attractive re-contracting opportunities.

Guilherme Coelho, Chief Executive Officer

Operations of the company and transactions

The Company was incorporated in Bermuda on February 24, 2024, with the intention to acquire 100% of the shares in Universal Energy Resources Inc ("UER") (also known as Petroserv), a company owning two drilling units operating on longer term charter contracts with Petrobras and with management contracts for two drilling units owned by third parties. The Share and Purchase agreement was entered into in early March 2024 and the acquisition of UER was completed on May 8, 2024. The Company's shares were admitted to trading on Euronext Growth (Oslo) on June 5, 2025.

The interim results for the period include operational activities and results related to the acquired entity for the period May 8, 2024, to June 30, 2024. The net result for the period also includes transaction costs incurred associated with acquiring the shares in UER and cost associated with the listing process. We refer to further comments below. As the Company has been established in 2024, there are no comparative figures for prior periods available.

On June 27, 2024, the Company announced that it had entered into an agreement to buy the drilling unit SSV Catarina that was one of the managed units. The acquisition and delivery of this unit was completed on July 23, 2024. On August 17th, the unit commenced a contract with ENI Indonesia as further described below.

Both Carolina and Victoria are contracted with Petrobras until second quarter of 2026. From May 8 to June 30th the average operational uptime was 94% and with a financial uptime of 90.9%, which included a 4-day planned out of service time for the drillship Carolina, related to scheduled maintenance of the unit in the period. The previous owner of UER compensated the Company for approximately half of the lost revenue for the out of service time.

On June 24, the Company announced it has been granted exclusive marketing rights in Brazil from Hanwha Drilling LLC for the 7th generation drillship Tidal Action for an ongoing tender process. Subject to a successful tender and contract award, it is the parties' intention that the Company will operate the rig on behalf of Hanwha Drilling LLC pursuant to a charter or operating agreement.

Potential further expansion of the Ventura platform through marketing agreements is aligned with the Company's strategy of increasing its operational footprint and asset base.

Financial results

The Company reported for the period ending June 30, 2024, a net profit of $7.9 million and an adjusted EBITDA of $6.9 million as per the table below.

Cash flow from operating activities was $5.8 million.

The Company acquired the shares of UER in May 2024 and a provisional Purchase Price Allocation ("PPA") has been performed establishing book values for the Company's acquired assets and liabilities.

The two drilling units owned by the Company generated gross income of about $20.0 million. The gross revenues of $58.5 million further includes revenues of $25.2 million related to income and management services of the managed units and $13.2 million related to amortization of an unfavourable contract liability identified in the PPA analysis.

Administration expenses of $8.0 million includes about $4.8 million in non-recurring cost related to the acquisition of the shares in UER and cost in connection with the listing of the Company's shares on Euronext Growth in June 2024. Of the $4.8 million in non-recurring administrative expenses, approximately $2.6 million is non-cash related cost incurred in relation to warrants issued in connection with the acquisition of the shares in UER as further explained in the half year financial statements.

Interest expenses are mainly related to interest incurred on the bond loan of $130 million that was raised in April 2024.

The acquisition of UER was effective as of May 8, 2024, and the below table includes operating revenues and expenses for the Company's two owned rigs and income from the two managed rigs in the period from May 8 to June 30, except for Recurring General and Administrative expenses, which includes cost incurred from the inception of the Company in February 2024.

ADJUSTED EBITDA	USD ‘000
Revenues	
Operating Revenues – Owned rigs	20,034
Management fee – Net of cost	955
Total Revenues	**20,989**
Operating Expenses	
Operating and Maintenance Expenses owned rigs	(10,837)
Recurring General and Administrative Expenses	(3,204)
Total Expenses	(14,041)
Adjusted EBITDA	**6,948**

The half year financial statements are published in a separate document found on our website.

Financing and liquidity

As of June 30, 2024, the Company had $30.6 million in free cash and a restricted cash balance of $18.2 million. Restricted cash is cash held on behalf of the owners of the drilling units owned by third parties to cover upcoming operating expenditure and capital expenditures, and collateral related to guarantees and performance bonds issued as part of the operations.

To finance the acquisition of UER, the Company raised gross proceeds of $170 million through a share offering and $130 million through a bond loan. UER was acquired for about $281 million including $23.5 million in cash and working capital. The bond loan raised carries 10% interest and has a duration of three years with quarterly amortization and interest payments.

Subsequent to June 30, 2024, the Company has, as discussed above acquired the drilling unit SSV Catarina for a consideration of $100 million in cash, $5 million in shares and a profit-split of 17.5 % of the free cash flow generated in the first five years. The acquisition of SSV Catarina was financed through a Private Placement of $50 million and a tap issue of the existing bond loan for $55 million. In connection with the acquisition of SSV Catarina, the Company entered into a credit agreement for a new $30 million Revolving Credit Facility (“RCF”). The RCF has a duration of up to two years and secures liquidity to cover working capital requirements, performance guarantees and general corporate purposes following contract commencement of the SSV Catarina.

The Company’s owned drilling units in Brazil are on longer term contracts and no significant CAPEX commitments are expected in the near term. The drilling unit SSV Catarina, which was acquired in July 2024, commenced a contract with ENI on August 17, 2024 for a drilling program consisting of four firm wells with an expected duration of approximately 300 days. In addition to the firm wells, there are priced five well options (four in Indonesia and one in Vietnam) that could, assuming options are exercised, keep the rig contracted until Q2 2026. The firm contract period has a value of approximately $72 million, excluding integrated services.

Market Update

The deepwater floater market continues to experience strong demand. Floater demand is projected to grow at a compound annual growth rate (CAGR) of 6% through 2028 (Rystad), primarily driven by new greenfield developments. Brazil remains a significant driver of this demand.

In Asia, the demand for deepwater rigs is strong, as evidenced by two significant long-term projects conducted by PTTEP in Malaysia and ENI in Indonesia. Additionally, Eni has announced the approval of the Plan of Development (POD) for several key offshore areas in Indonesia, including the Geng North and Gandang fields

(North Ganal and Ganal PSC) and the Gehem field. Eni has further reinforced its commitment to developing Indonesia as a major energy hub in Asia by securing a 20-year extension for the IDD licenses for the Ganal and Rapak blocks. Ventura Offshore’s Catarina has recently commenced a campaign in Indonesia for Eni.

The offshore rig market in South America is anticipated to see increased demand in the coming years, largely due to production drilling at newly developed fields. This trend is driven by substantial discoveries in deepwater and ultra-deepwater basins, particularly off the coasts of Brazil, Guyana, and Suriname. Brazil dominates the South American market, accounting for over 70% of offshore rig demand.

In Brazil, Petrobras sanctioned the second development phases of the Atapu and Sepia fields during the first half of this year. A tender process is currently underway to secure a rig for this project, with results expected by the end of the year. Additionally, Petrobras has issued a tender for up to four deepwater units to operate across various areas offshore Brazil. Petrobras is also in the final stages of contracting up to two rigs for the Roncador field. Overall, Petrobras is seeking to hire up to nine rigs, most of which will likely be fulfilled by current contract rollovers.

Sanctioning for revitalization projects associated with the Barracuda, Caratinga, and Albacora fields is expected soon. More than 40 development wells are anticipated to be drilled in Brazil this year, with over 100 expected by the end of 2026. This increased drilling activity is primarily driven by the development of Petrobras’ Buzios field. Currently, Petrobras operates seven rigs on the Buzios field (including Ventura Offshore's Carolina and Victoria), all of which are secured under long-term contracts.

Petrobras disclosed plans to drill 50 new exploration wells between 2024 and 2028. This includes projects in the southeast area and the Equatorial Margin. During the same period, Petrobras also plans to drill 335 development wells and perform workovers on 238 wells. These activities are aligned with the upcoming FPSOs for Petrobras. Plug and Abandonment operations will account for approximately 564 wells across various water depths, requiring different types of rigs.

Petrobras is expected to focus its exploration efforts on the Equatorial Margin, where it has already made two significant discoveries: the Pitu Oeste and Anhanga wells, both located in the Potiguar Basin. This region, situated in the northern part of Brazil between the states of Amapá and Rio Grande do Norte, holds substantial oil potential. Over the next five years, Petrobras plans to invest $3.1 billion in the area and drill 16 wells between 2024 and 2028. The development of this new frontier could have a major impact on Brazil's deepwater market, creating additional numerous long-term opportunities.