

Paratus Energy Services provides a trading update for Q1 2023

Hamilton, Bermuda, June 19, 2023 - Paratus Energy Services Ltd. (“Paratus” or the “Company”) today announced a trading update for the first quarter 2023 and updates on Paratus, its subsidiaries and associated companies (“Paratus Group”).

1. Key Financial Highlights

1.1 Paratus

In the first quarter ending March 31, 2023, Paratus generated \$43 million in revenue and \$12 million in EBITDA¹. In the fourth quarter ending December 31, 2022, Paratus generated \$52 million in revenue and \$24 million in EBITDA¹.

1.2 SeaMex Group

During the first quarter period ending March 31, 2023, Paratus’ wholly owned subsidiary SeaMex Holdings, Ltd. (“SeaMex”) and its subsidiaries (collectively with SeaMex, “SeaMex Group”) generated \$43 million in revenue and \$15 million in EBITDA. Compared to the fourth quarter 2022, revenue and EBITDA decreased by 17.3% and 44.4%, respectively, largely resulting from downtime arising out of operational incidents on the West Courageous and the West Defender in November 2022 and January 2023, respectively. The West Courageous and West Defender fully resumed operations in mid-February and mid-March respectively, and the broader fleet has continued to perform well in recent months, with economic utilization of 97.5% in April 2023 and 100.0% in May 2023.

For the first quarter ending March 31, 2023, SeaMex Group earned an average contractual rate of \$115 thousand per day and ended with \$500 million in contract backlog².

As previously announced, SeaMex has received a termination notice from PEMEX regarding the West Titania jack-up, with an effective termination date of March 16, 2023. The West Titania has continued to operate under contract with PEMEX to complete work on an existing well, which is estimated to be completed in early Q3 2023. SeaMex remains in dialogue with PEMEX regarding a potential extension of the West Titania contract, and is actively engaged with third parties regarding other near-term opportunities.

1.3 Joint Venture in Seabras Group

Seabras UK Limited (“Seabras”), a wholly owned subsidiary of Paratus, holds a 50% equity interest in Seabras Sapura Holding GmbH, its associated company, Seabras Sapura Participações S.A and their subsidiaries (collectively with Seabras, “Seabras Group”).

During the first quarter period ending March 31, 2023, Seabras Group generated \$108 million in revenue and \$61 million in EBITDA. Compared to the fourth quarter 2022, revenue and EBITDA decreased by 4.4% and 24.7%, respectively. For the first quarter, Seabras Group earned an average contractual rate of \$204 thousand per day and ended with \$604 million in contract backlog.

¹ The figures presented for Paratus do not consider revenue and EBITDA from Seabras Group as Seabras is not consolidated in the Paratus financial statements due to Paratus’ 50% equity ownership of Seabras

² SeaMex backlog is calculated at the dayrate floor and is subject to market rate adjustments

2. Other Updates

2.1 SeaMex Appoints New CEO

SeaMex is pleased to announce the hiring of Raphael Siri as Chief Executive Officer. The addition of Mr. Siri is part of the strategic plan to bring all SeaMex rig management activities in house in the near future, replacing Seadrill rig management activities which will largely be phased out in Q3 2023.

Mr. Siri brings extensive leadership experience to SeaMex, with over 25 years of experience in the drilling industry. Most recently, Mr. Siri served as CEO of Sapura Drilling, where he played a pivotal role in the successful 2013 transition of the Seadrill-sold tender-assisted business into Sapura Energy (then SapuraKencana Petroleum). During his tenure, he demonstrated exceptional leadership by effectively managing the Drilling Business while undertaking diverse multi-portfolio assignments within the Group. These assignments encompassed crucial areas such as Transformation, Performance, Risk, IT, SCM, and QHSE. Prior to his tenure at Sapura Drilling, Mr. Siri showcased his strong capabilities by ascending the ranks and assuming leadership positions at various other major oil and gas services companies, including Seadrill Ltd., Pride International (now Valaris plc) and Schlumberger Limited.

"I am honored to have been offered the opportunity to join SeaMex as CEO," said Raphael Siri. "And I look forward to strengthening and growing the company and working with the talented existing team to unlock value for our stakeholders."

SeaMex is excited about the addition of Mr. Siri to its leadership team and looks forward to leveraging his expertise and leadership to further enhance the company's position in the industry.

2.2 Archer Convertible Loan Conversion

On April 20, 2023, Paratus announced that the convertible loan made by the Company's subsidiary, Paratus JU Newco Bermuda Limited ("Paratus JU Newco"), to Archer Limited ("Archer") originally dated May 27, 2016 (as amended and restated from time to time) (the "Convertible Loan") was converted into 208,000,000 ordinary shares of Archer on April 20, 2023 (the "Convertible Loan Conversion"). Following the Convertible Loan Conversion, the Company holds 392,305,324 ordinary shares of Archer, representing an ownership stake of approximately 24%.

Schedule 1. Key Financial Highlights

| Unaudited Financials | | | |
|--|---------|---------|---------|
| (US \$ in Millions) | Q1 2023 | Q4 2022 | Q1 2022 |
| SeaMex Group | | | |
| Gross Debt ⁽²⁾ | \$46 | \$46 | \$221 |
| Cash and Restricted Cash | 29 | 77 | 108 |
| Net Debt ⁽³⁾ | 17 | (31) | 113 |
| Revenue | 43 | 52 | 54 |
| EBITDA | 15 | 27 | 30 |
| Contract Backlog ⁽⁴⁾ | 500 | 547 | 705 |
| Receivables Balance | 141 | 114 | 261 |
| Seabras Group | | | |
| Gross Debt ⁽²⁾ | 111 | 114 | 375 |
| Cash and Restricted Cash | 93 | 38 | 143 |
| Net Debt ⁽³⁾ | 18 | 76 | 232 |
| Revenue | 108 | 113 | 94 |
| EBITDA | 61 | 81 | 43 |
| Contract Backlog | 604 | 707 | 916 |
| Paratus Energy Services⁽⁵⁾ | | | |
| Gross Debt ⁽²⁾ | 744 | 727 | 853 |
| Cash and Restricted Cash | 55 | 94 | 114 |
| Net Debt ⁽³⁾ | 689 | 633 | 739 |

Notes:

1. Results partially reflect the Predecessor entity
2. Excludes intercompany debt, any amortization of fees and fair value adjustment; represents debt principal only
3. Net debt is calculated as gross debt less cash and restricted cash
4. Contract backlog takes into account West Titania's early termination date of March 16, 2023. The West Titania has continued to operate under contract with PEMEX to complete work on an existing well, which is estimated to be completed in early Q3 2023.
5. The figures presented for Paratus do not include financials from Seabras as Seabras is not consolidated in the Paratus financial statements due to Paratus' 50% equity ownership of Seabras

Schedule 2. Fleet Status Report

SeaMex Group

| Rig Name | Generation / Type | Built | Location | Client | Start | Expire |
|-----------------------------|-------------------|-------|----------|--------|--------|--------|
| West Defender | BE | 2007 | Mexico | PEMEX | Mar-20 | Jan-26 |
| West Courageous | BE | 2007 | Mexico | PEMEX | Mar-20 | Nov-26 |
| West Intrepid | BE | 2008 | Mexico | PEMEX | Mar-20 | May-26 |
| West Oberon | BE | 2013 | Mexico | PEMEX | Mar-20 | Oct-25 |
| West Titania ⁽¹⁾ | BE | 2014 | Mexico | PEMEX | Mar-20 | Jun-23 |

Seabras Group

| Vessel Name | Generation / Type | Built | Location | Client | Start | Expire |
|------------------|-------------------|-------|----------|-----------|--------|--------|
| Sapura Diamante | PLSV | 2014 | Brazil | Petrobras | Oct-21 | Apr-25 |
| Sapura Topazio | PLSV | 2014 | Brazil | Petrobras | Mar-22 | Mar-25 |
| Sapura Esmeralda | PLSV | 2016 | Brazil | Petrobras | Apr-16 | Jul-24 |
| Sapura Onix | PLSV | 2015 | Brazil | Petrobras | Sep-15 | Oct-23 |
| Sapura Onix | PLSV | 2015 | Brazil | Enauta | Jan-24 | Sep-24 |
| Sapura Jade | PLSV | 2016 | Brazil | Petrobras | Feb-16 | Apr-24 |
| Sapura Rubi | PLSV | 2016 | Brazil | Petrobras | Aug-16 | Sep-24 |

Notes:

1. The West Titania has continued to operate under contract with PEMEX to complete work on an existing well, which is estimated to be completed in early Q3 2023.

Paratus -- Forward-Looking Statements

This release includes forward-looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's and / or the Paratus Group's (including any member of the Paratus Group) plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. These statements are based on management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and / or the Paratus Group and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, management's reliance on third party professional advisors and operational partners and providers, the Company's ability (or inability) to control the operations and governance of certain joint ventures and investment vehicles, oil and energy services and solutions market conditions, subsea services market conditions, and offshore drilling market conditions, the cost and timing of capital projects, the performance of operating assets, delay in payment or disputes with customers, the ability to successfully employ operating assets, procure or have access to financing, ability to comply with loan covenants, liquidity and adequacy of cash flow from operations of its subsidiaries and investments, fluctuations in the international price of oil or alternative energy sources, international financial, commodity or currency market conditions, including, in each case, the impact of COVID-19 and related economic conditions, changes in governmental regulations, including in connection with COVID-19, that affect the Paratus Group, increased competition in any of the industries in which the Paratus Group operates, the impact of global economic conditions and global health threats, including in connection with COVID-19, our ability to maintain relationships with suppliers, customers, joint venture partners, professional advisors, operational partners and providers, employees and other third parties and our ability to maintain adequate financing to support our business plans, factors related to the offshore drilling, subsea services, and oil and energy services and solutions markets, the impact of global economic conditions, our liquidity and the adequacy of cash flows for our obligations, including the ability of the Company's subsidiaries and investment vehicles to pay dividends, political and other uncertainties, the concentration of our revenues in certain geographical jurisdictions, limitations on insurance coverage, our ability to attract and retain skilled personnel on commercially reasonable terms, the level of expected capital expenditures, our expected financing of such capital expenditures, and the timing and cost of completion of capital projects, fluctuations in interest rates or exchange rates and currency devaluations relating to foreign or U.S. monetary policy, tax matters, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues, legal and regulatory matters, customs and environmental matters, the potential impacts on our business resulting from climate-change or greenhouse gas legislation or regulations, the impact on our business from climate-change related physical changes or changes in weather patterns, and the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems, including our rig operating systems. Consequently, no forward-looking statement can be guaranteed.

Neither the Company nor any member of the Paratus Group undertakes any obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.