



## SeaBird Exploration Plc: LOI to merge with leading tender assisted drilling provider Energy Drilling

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Nicosia, Cyprus – 3 February 2025 – SeaBird Exploration Plc (“SeaBird”), a leading provider of marine seismic acquisition services, today announces that it has signed a letter of intent (LOI) to combine with premier tender assisted drilling provider, Energy Drilling Pte Ltd (“Energy Drilling”) in a share-for-share acquisition (the “Transaction”). The combined company will be a diversified offshore oil and gas services provider with strong cash flows and significant capacity for near-term shareholder distributions.

The Transaction will be carried out by issuing approximately 651 million new SeaBird shares to Energy Drilling shareholders. The listed company will in conjunction with the transaction change its name, while the seismic and drilling businesses will continue to operate as Seabird Exploration and Energy Drilling.

### **ESTABLISHING AN OFFSHORE LEADER WITH ATTRACTIVE CASH FLOWS AND SHAREHOLDER RETURNS**

Headquartered in Singapore, Energy Drilling controls approximately 38% of the world’s actively marketed tender rigs, strategically positioned to address Southeast Asia’s growing demand for natural gas to fuel its growth. With approximately 80% of available days contracted for 2025 and 2026 and limited capex commitments going forward, Energy Drilling offers significant cash flow visibility, supported by a firm revenue backlog of USD 490 million.

Based on the latest SeaBird closing share price, currency ratio, net debt and backlog, the combined company will have a pro-forma market capitalization of USD 381 million, net debt of approximately USD 44 million and an estimated asset EBITDA backlog of more than USD 320 million, supporting strong cash flow visibility for the next two years.

“Merging with an operationally and financially robust market leader provides our shareholders with increased scale and reduced operational risk. Energy Drilling shares our focus on niche market leadership with strong profitability and a capital allocation strategy that prioritizes distribution of all excess cash to shareholders. Based on already solid backlog visibility, our ambition is to create a leading dividend platform within offshore oil and gas services,” said Ståle Rodahl, Executive Chairman of Seabird Exploration.

### **STRONG COMMITMENT TO SUSTAINED SHAREHOLDER DISTRIBUTIONS**

Shareholder distributions will be a key priority for the combined entity, with an ambition to distribute all excess liquidity on a quarterly basis. The projected 2025/26 free cash flow to equity – and thereby dividend potential – sums up to more than 50% of the current share price. This includes the approved NOK 0.40 per shares of set for distribution in Q1 2025 and is based on conservative re-contracting assumptions. Additionally, there is potential to refinance the combined debt to further optimize shareholder distributions.

Alf C. Thorkildsen, Chairman of Energy Drilling, stated: “This merger represents a transformative opportunity for our shareholders and other stakeholders. By joining forces with SeaBird, we are creating a publicly listed company uniquely positioned to deliver industry-leading shareholder returns through distributions and accretive growth, while retaining our robust financial position and flexibility.”

The combined entity will have ample financial flexibility to pursue growth opportunities within existing segments as well as in the broader offshore oil services industry. It will only consider growth opportunities that are accretive to shareholders while maintaining low financial risk and cash flow visibility.

### **KEY TERMS AND CONDITIONS**

The agreed exchange ratio will result in Energy Drilling shareholders owning 89% of the combined company. Based on SeaBird’s closing share price on January 31<sup>st</sup> 2025 of NOK 5.89, the equity value of Energy Drilling in the transaction is NOK 3,835 million. The transaction is supported by the Board of Directors (“BoD”) of both companies and the shareholders of Energy Drilling. In addition, the five largest shareholders in SeaBird; MH Capital, Anderson Invest, Alden, Grunnfjellet and

Storfjell have expressed support for the transaction. Together with shares held by the BoD this constitutes approximately 39% of the shares outstanding in SeaBird.

The transaction remains subject to certain customary closing conditions such as final documentation, approval of the transaction by a shareholders meeting in SeaBird, confirmatory due diligence by both parties, relevant regulatory approvals and consents, tax redomiciliation of SeaBird to Cyprus and that no mandatory offer for the combined entity will be triggered. The transaction is expected to close in Q2 this year. Pending satisfaction of the closing conditions, there can be no guarantee that a transaction will take place.

## **MANAGEMENT PRESENTATION**

SeaBird invites investors, analysts, and media to join a live presentation at 10:00 CET on February 3<sup>rd</sup>, 2025, where representatives from Board of Directors and management from both companies will present the transaction rationale and outline strategic and financial expectations. Access the live webcast here: <https://msteams.link/ILSA>

Presentation materials are enclosed and available on Seabird Exploration's website.

## **For further information, please contact:**

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## **Disclosure regulation**

This information is subject to the disclosure requirements in article 19 of the Market Abuse Regulation and section 5-12 of the Norwegian Securities Trading Act.

## **Attachments**

- [Download announcement as PDF.pdf](#)
- [MergerCo Presentation.pdf](#)