



Diamond Offshore

NYSE: DO

Investor Update – May 2024



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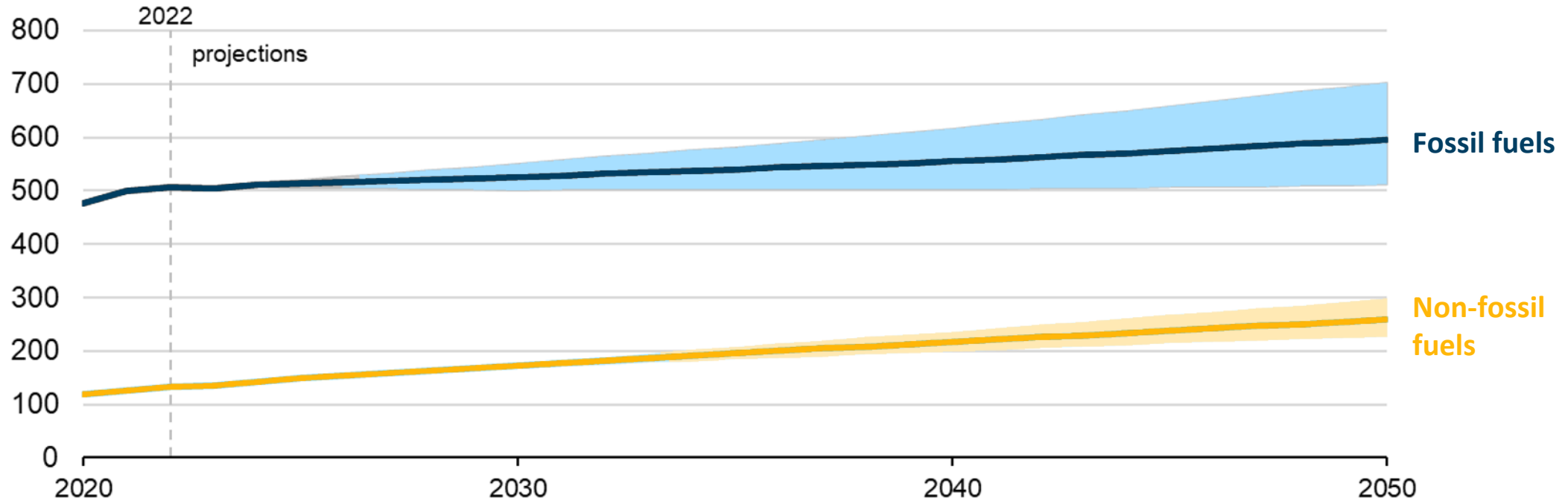
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Market Fundamentals



Fossil Fuels Predicted to Grow and Remain Primary Source of Energy Through 2050

Primary energy use, world quads

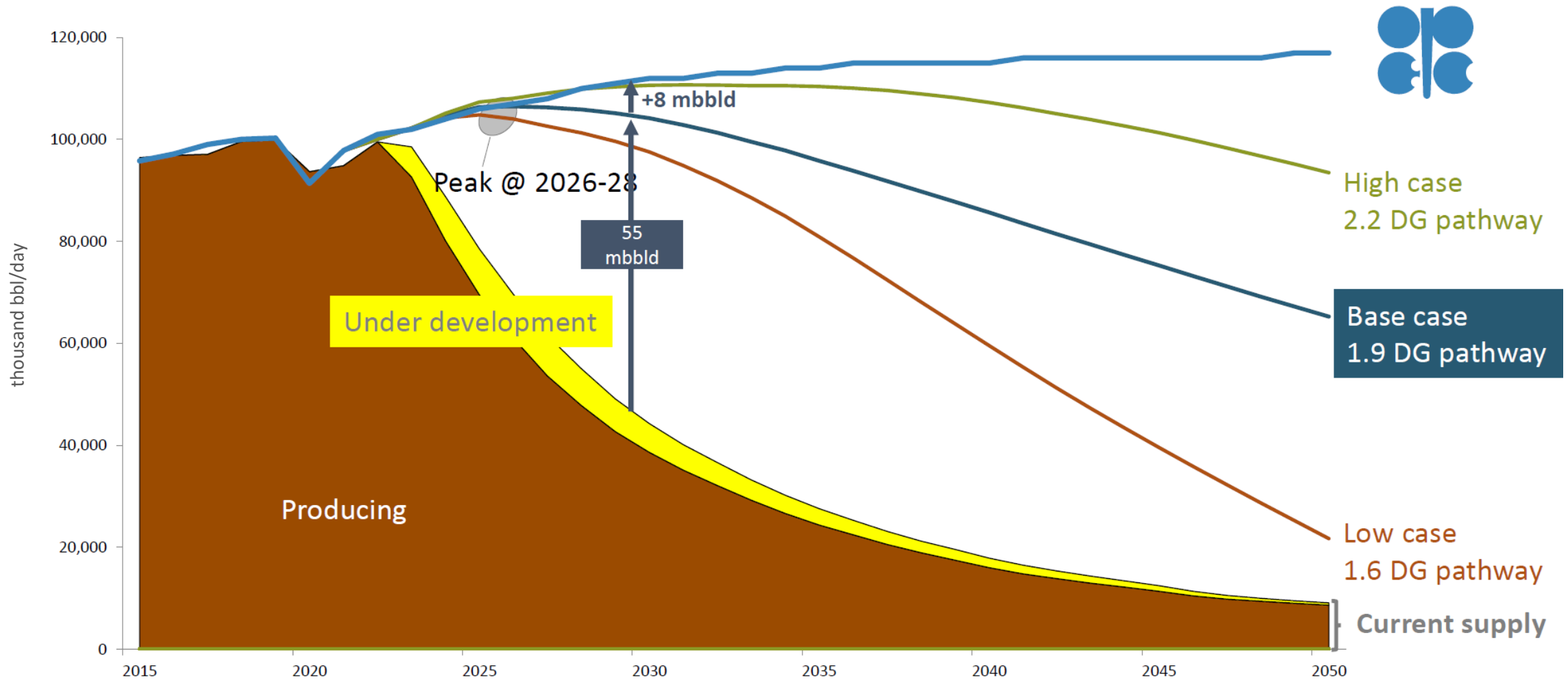


Data source: U.S. Energy Information Administration, *International Energy Outlook 2023* (IEO2023)

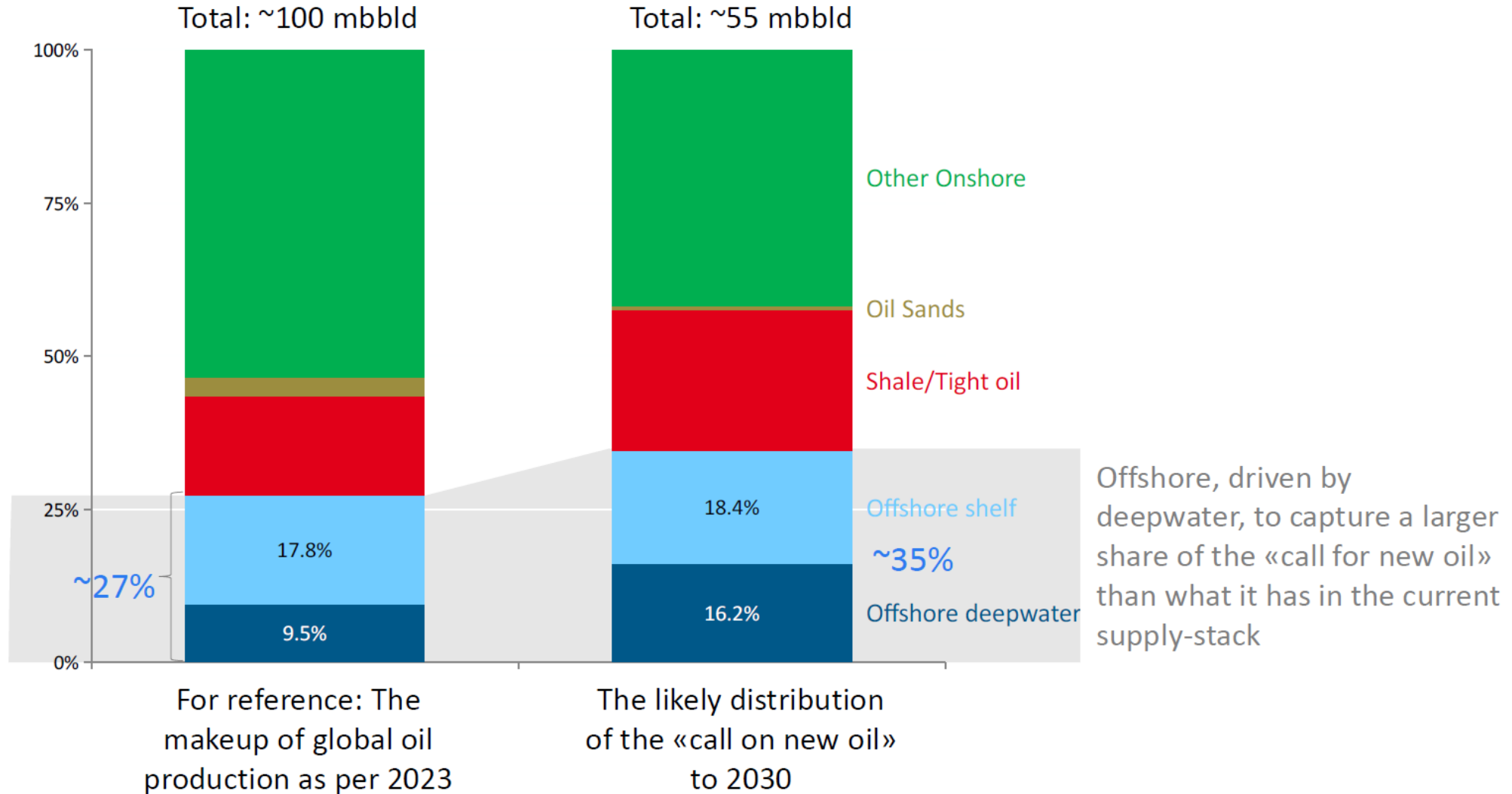
Note: Each line represents IEO2023 Reference case projections. Shaded regions represent maximum and minimum values for each projection year across the IEO2023 Reference case and side cases. Quads=quadrillion British thermal units.

Significant New Barrels Required Under a Variety of Scenarios

- 55 million bbl/day to be developed to address depletion through 2030

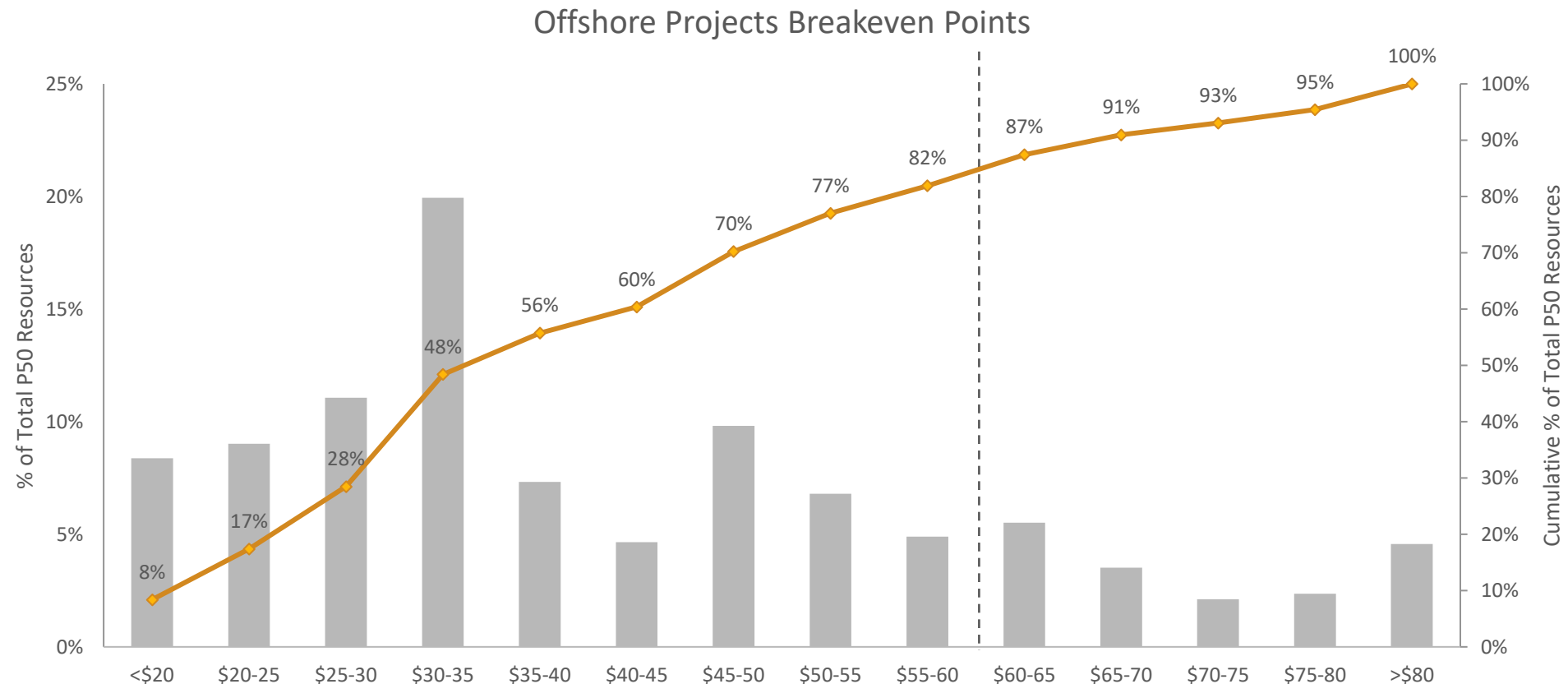


Deepwater to Fill Call for New Oil to Replace Depletion



Breakeven Oil Prices for Undeveloped Offshore Reserves

- Approximately 87% of offshore projects profitable above \$60 Oil

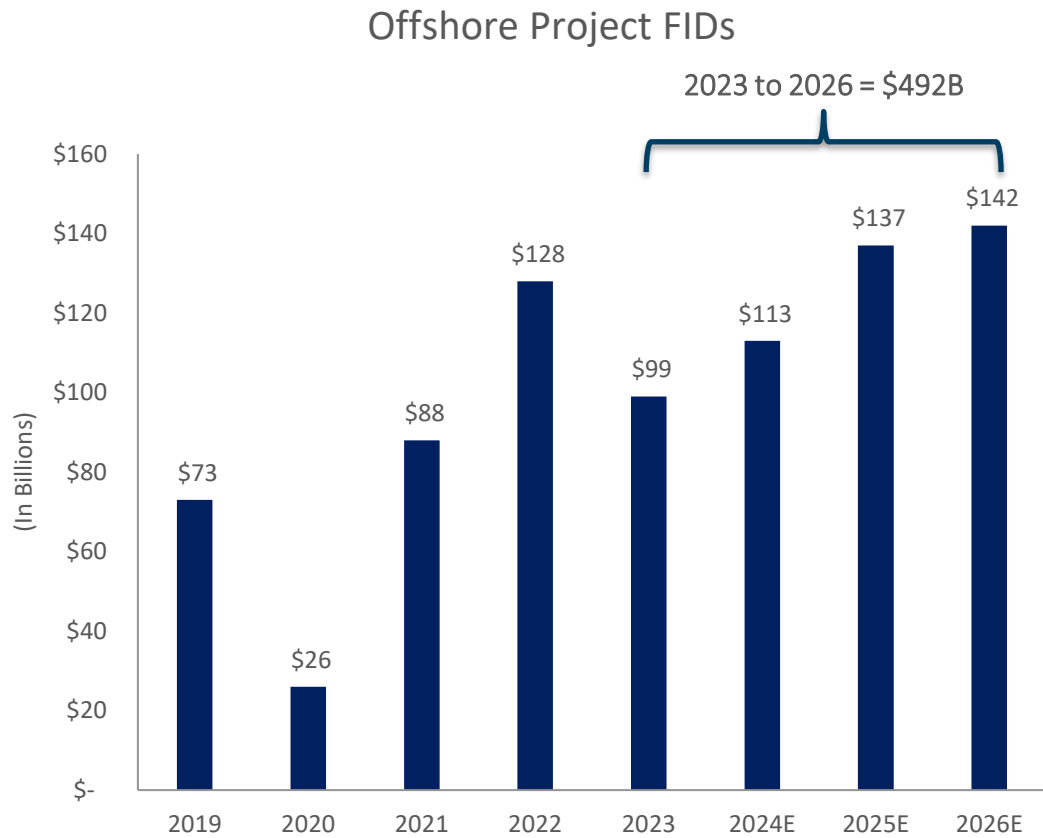


Note: P50 Resources are such offshore resources where there is at least a 50% probability that the quantities recovered will equal or exceed the best estimate.

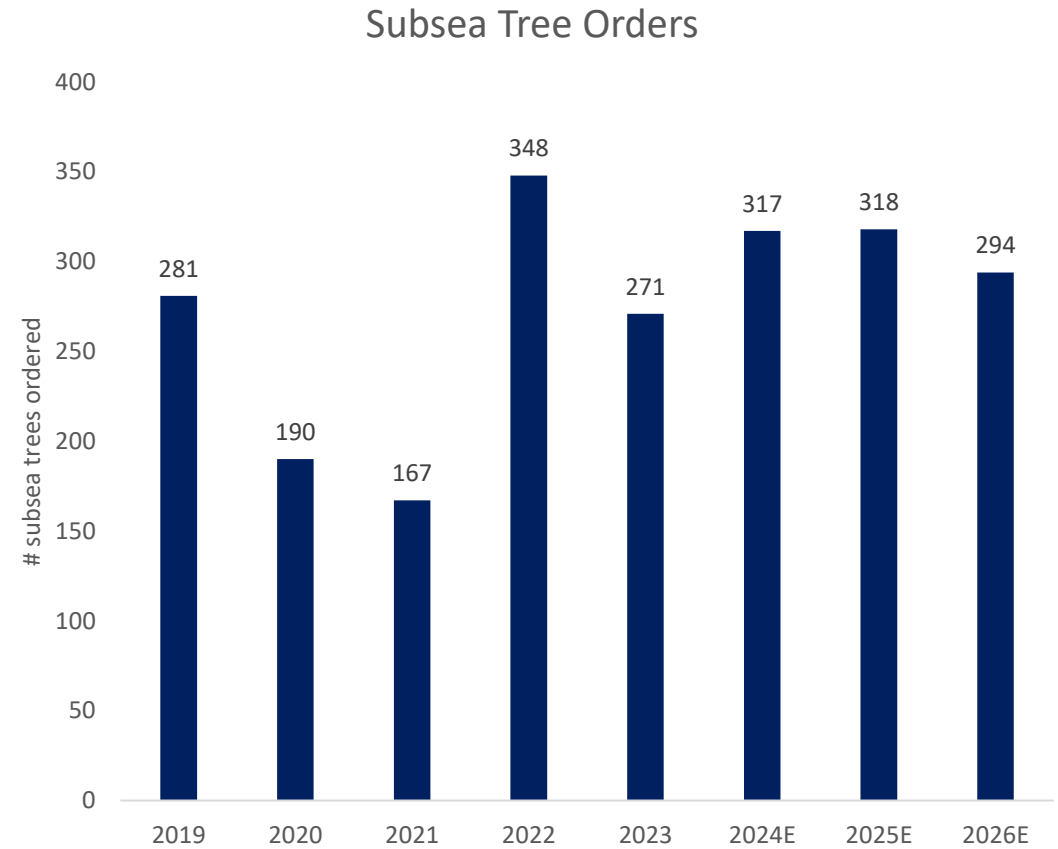
Source: Rystad

Energy Poised for Multi-Year Upcycle

- Robust levels of FIDs and subsea tree orders support long tail of activity in offshore drilling

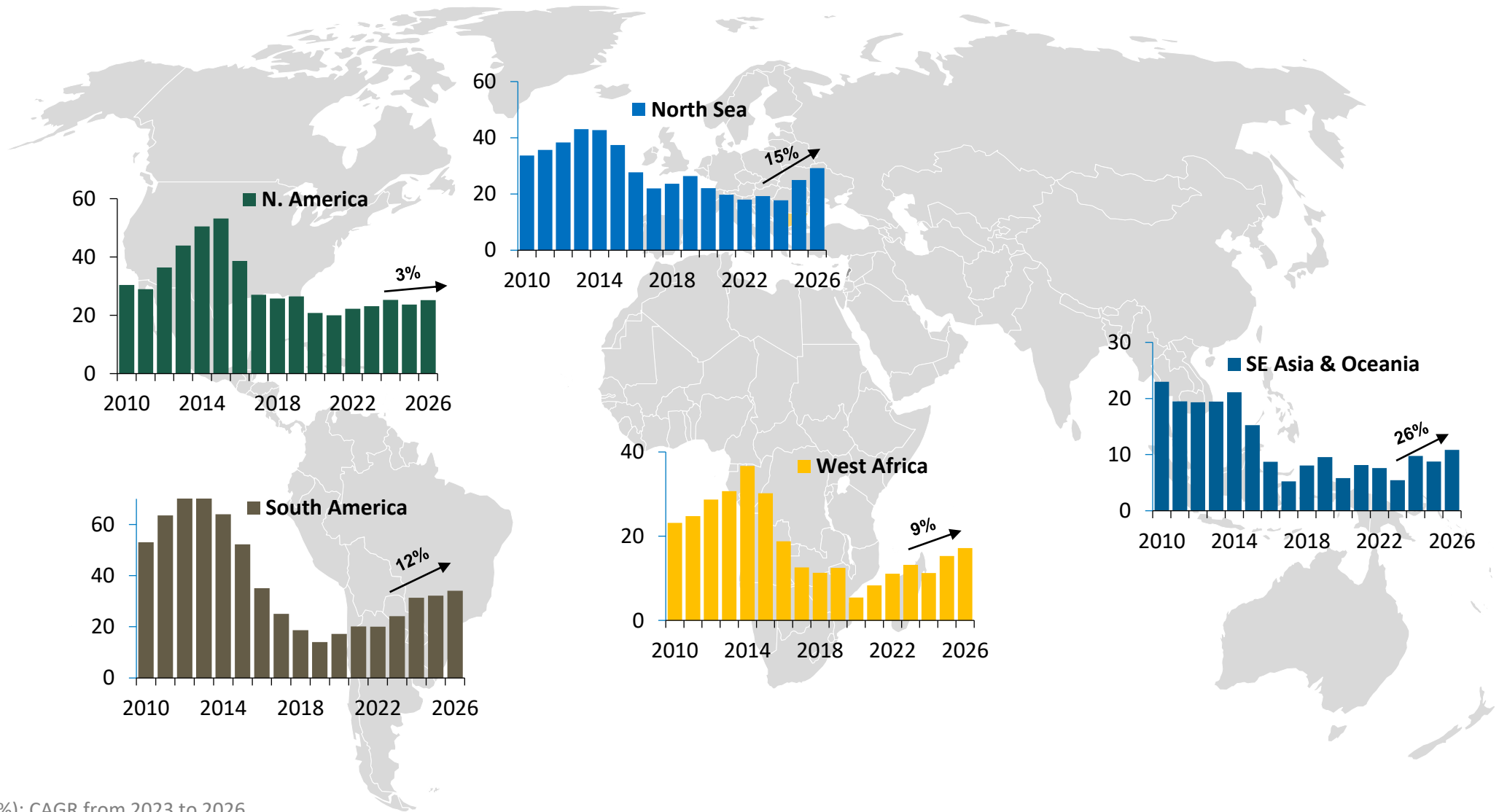


Source: Wood Mackenzie (March 2024), Company Reports, Barclays Research



Source: Bloomberg, BTIG Research

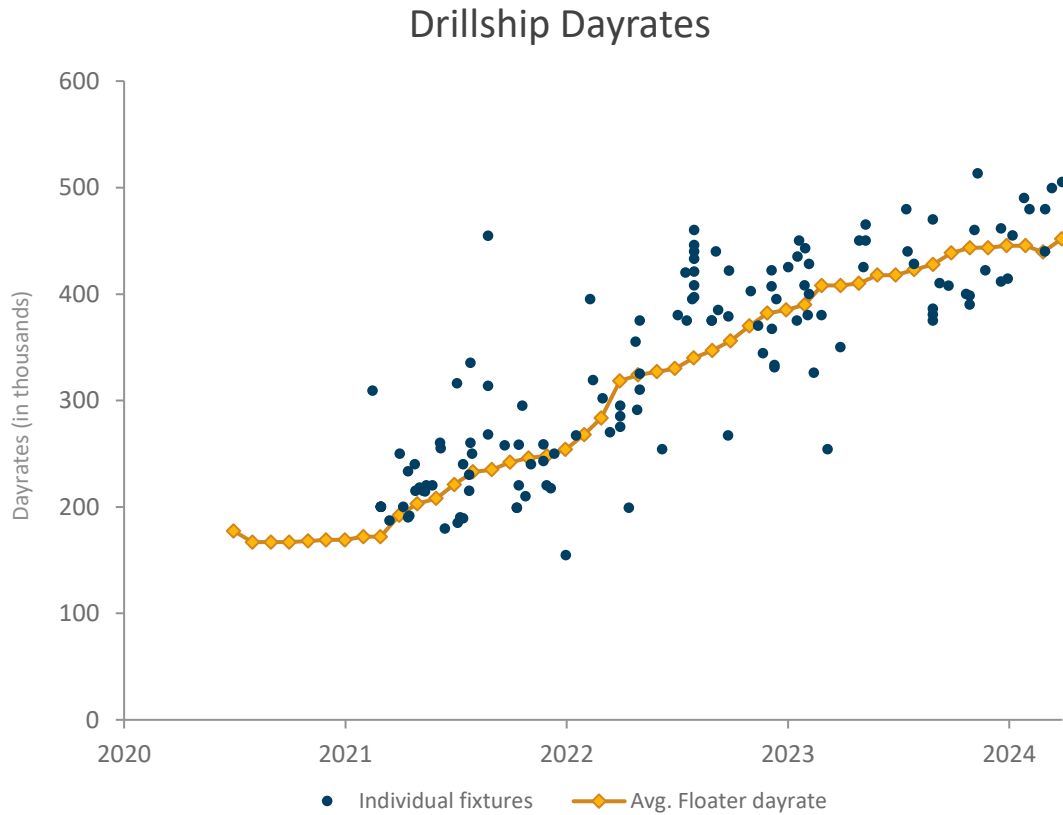
Global Offshore Demand Growth* in Rig Years - Floaters



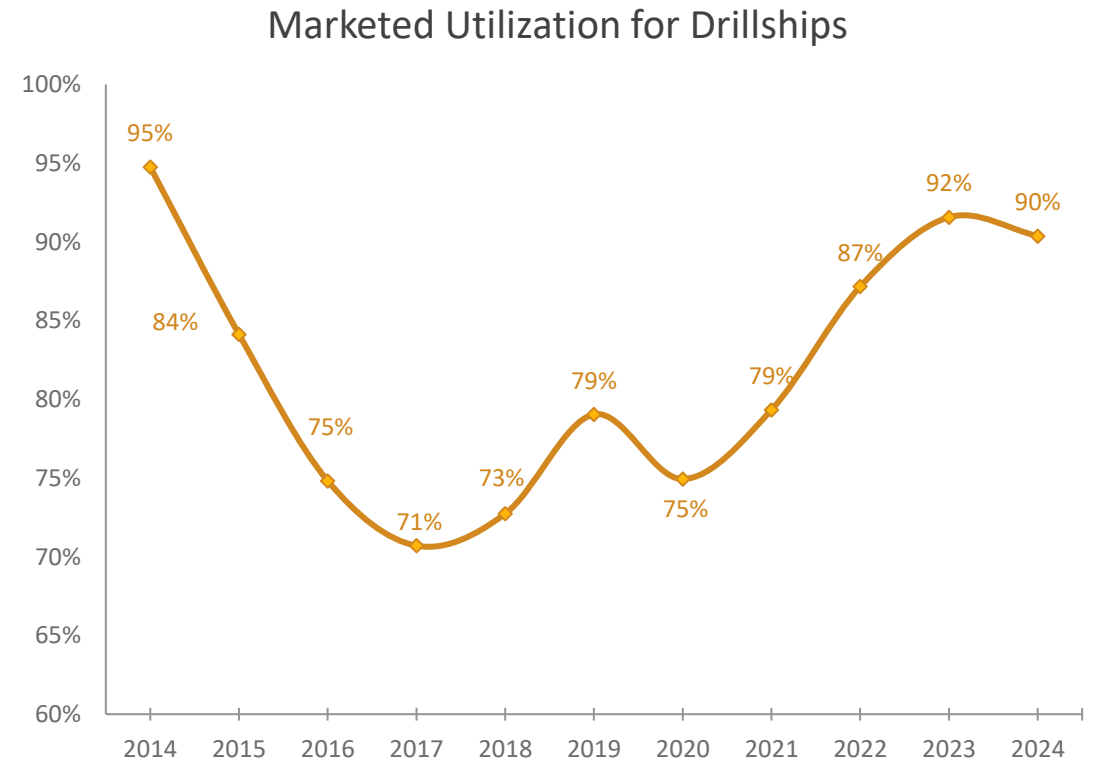
*Growth (%): CAGR from 2023 to 2026
 Source: Rystad Energy RigCube April 2024

Strength in Drillship Dayrates and Marketed Utilization Continues

- Dayrates and marketed utilization at highest levels since prior peak



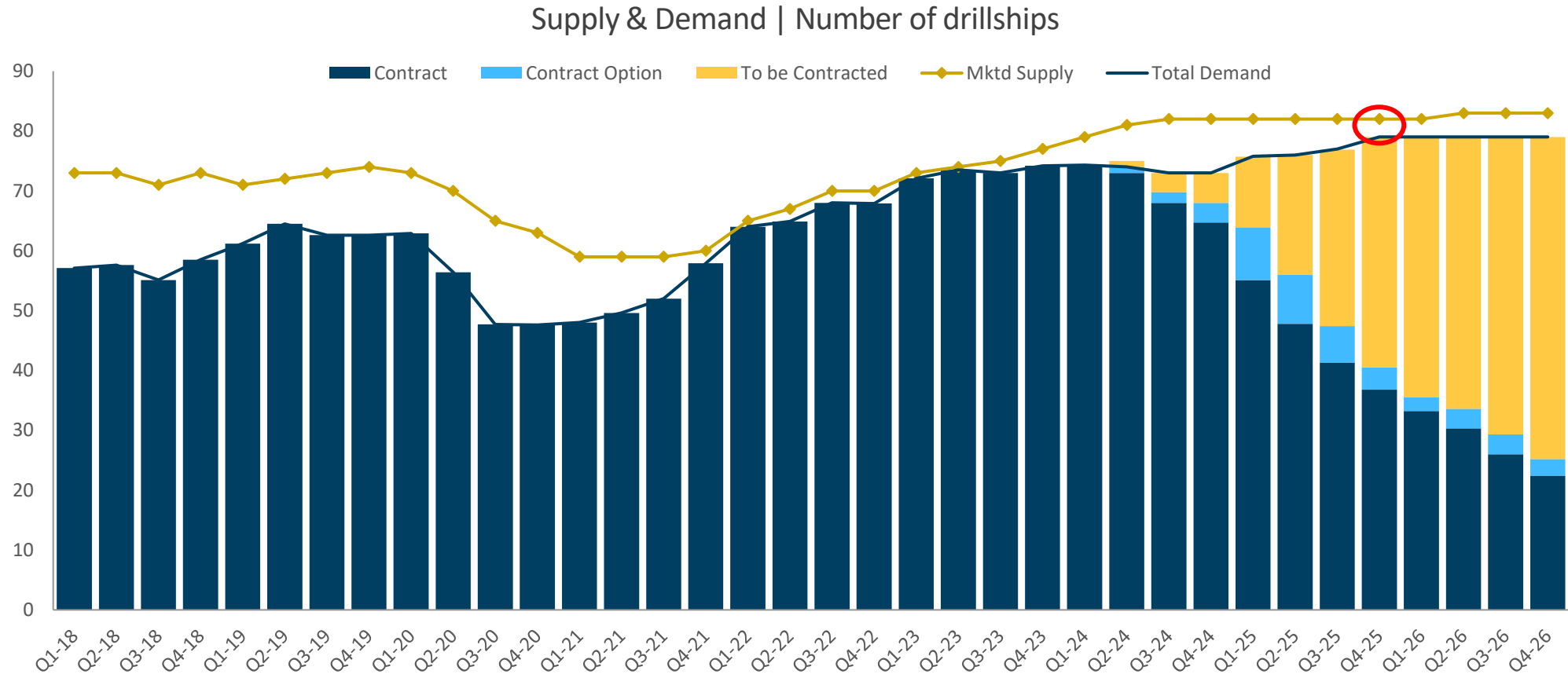
Sources: Clarksons Platou Securities AS, Clarksons Research Services Ltd., RigLogix



Source: S&P Global

Drillship Market Remains Tight Through 2026

- Increases in demand support a continued strong dayrate environment



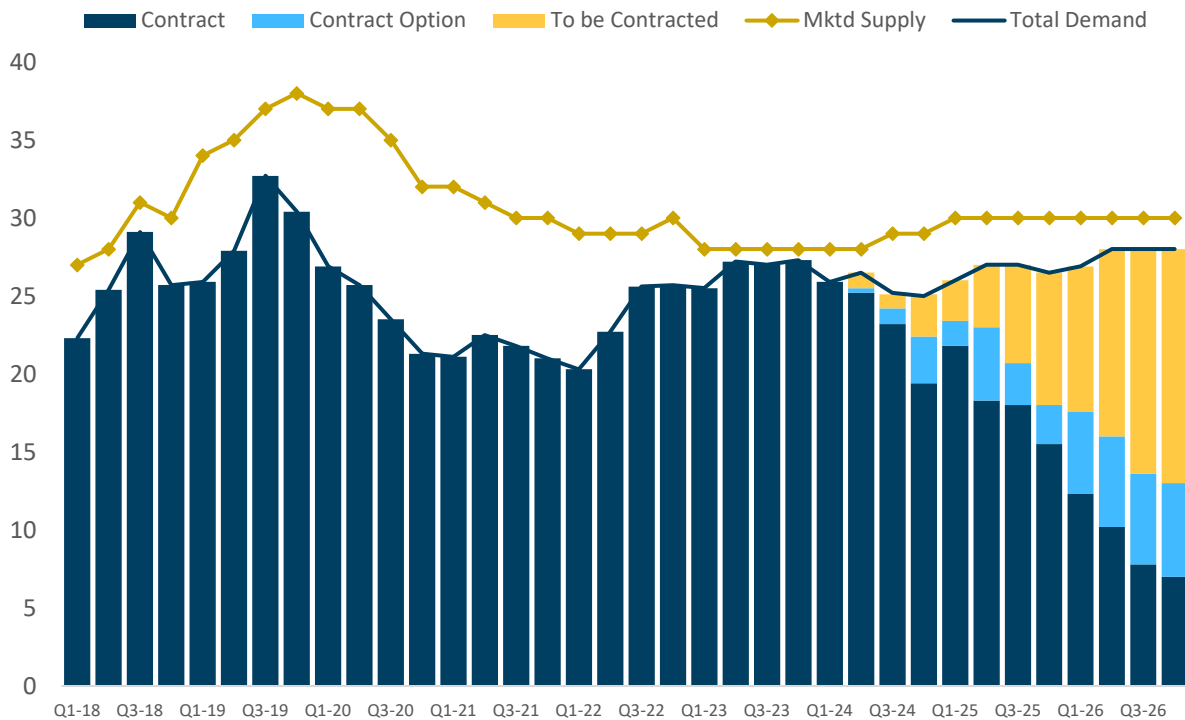
Excludes non-competitive rig markets (China, Russia, Azerbaijan)

Before 2023: figures represent the number of rigs under a contract during the majority of the quarter.

Post 2023: figures represent the average contracted rig count during the quarter. Contracted includes contracts on standby, and contract awards under discussion, such as LOIs and LOAs.

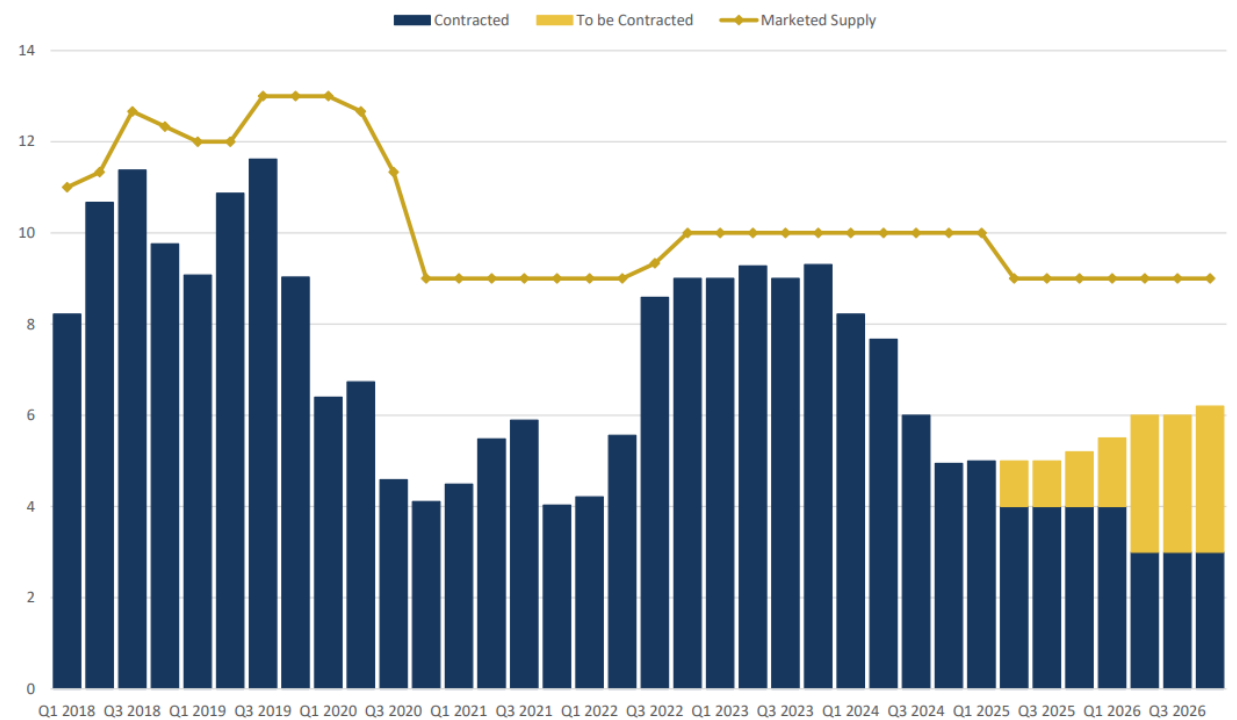
Semisubmersible Supply and Demand Tightening

Supply & Demand | Harsh Environment Semis | Number of Rigs



Source: spinergie™ as of March 2024

Supply & Demand | UK Semisubs | Number of Rigs



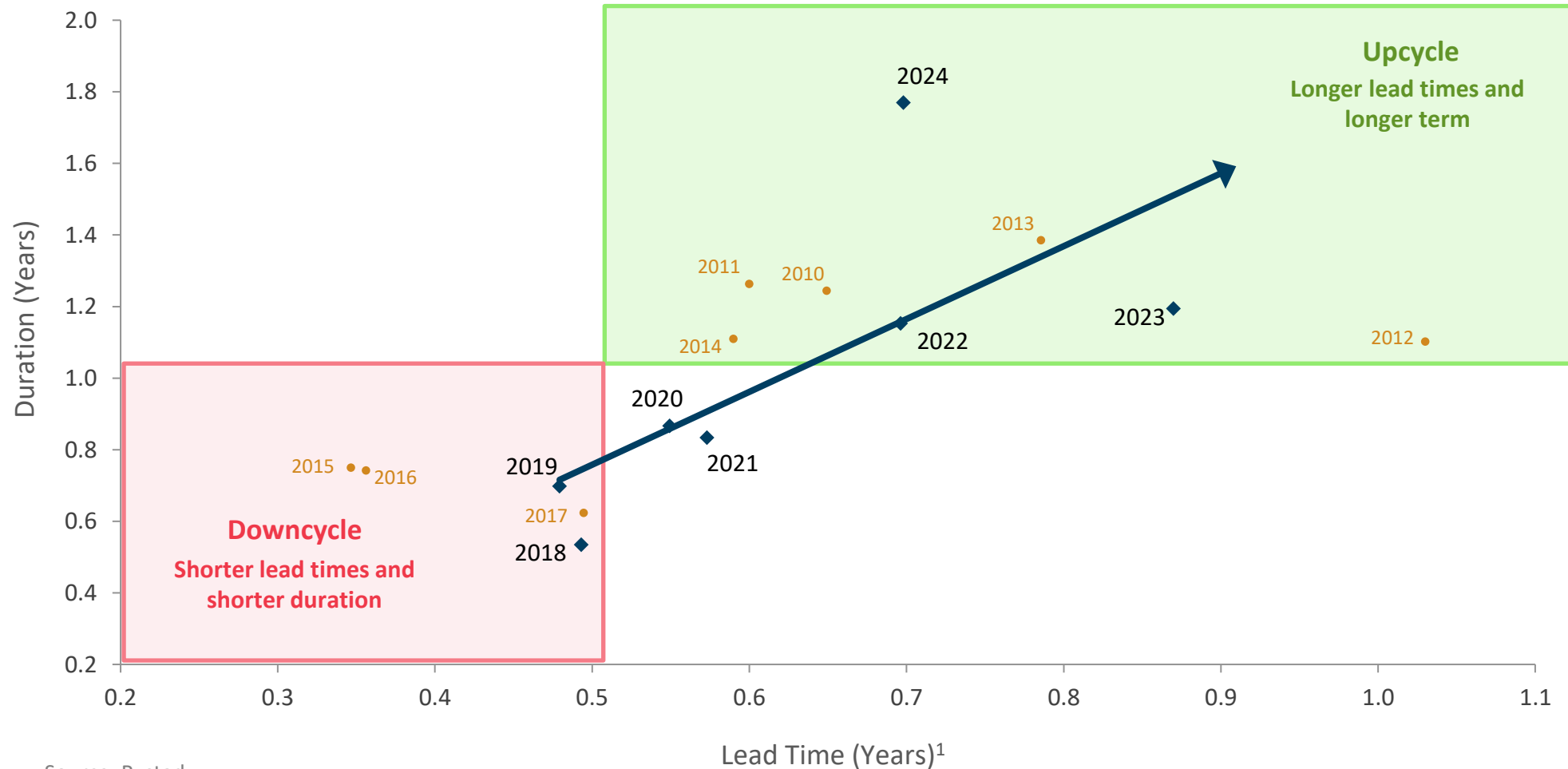
Source: Spinergie as of May 2024

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Contract Lead Times and Durations Confirm Upcycle

- 2024 fixtures confirm industry upcycle



Source: Rystad

1) Represents time from contract execution to contract commencement.



Diamond Offshore

Investment Highlights and
Financial Profile





Key Company Highlights

Building Backlog at Leading Edge Dayrates

\$731mm in contract awards 2024 YTD reflects strong customer relationships, operational excellence and safety performance with two drillships and two semis well positioned to secure further work in 2025 at leading edge rates

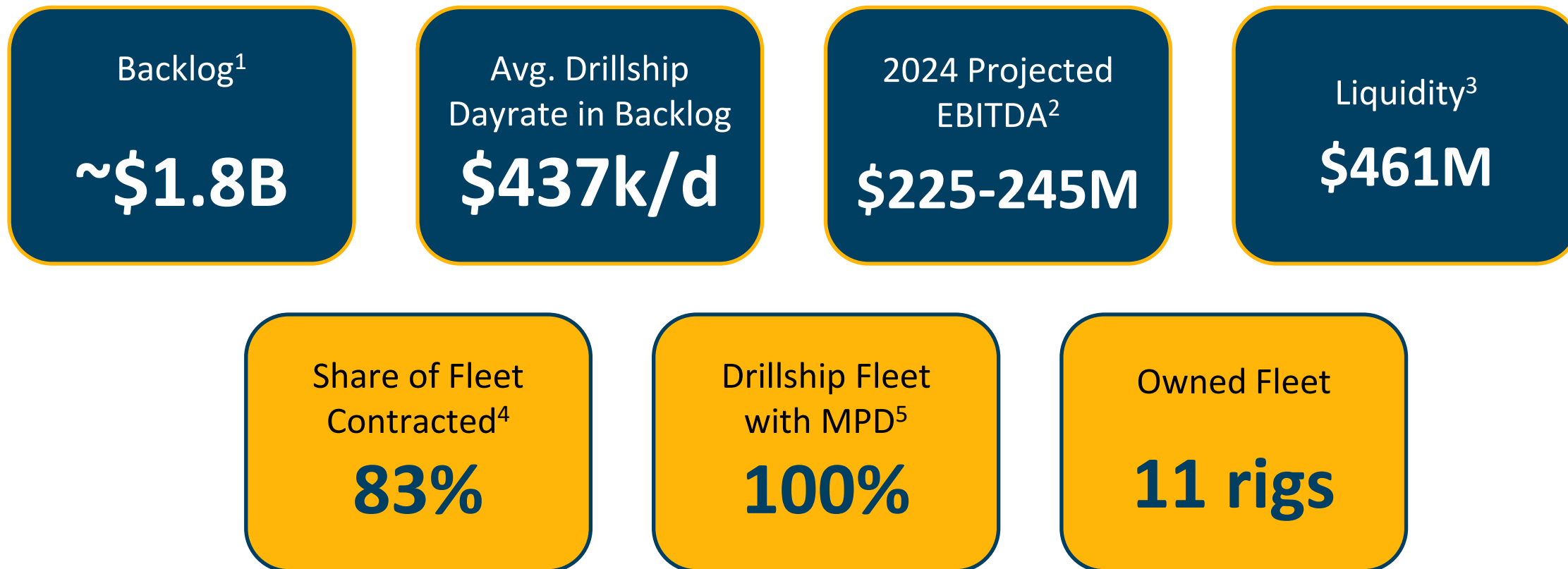
Lower Shipyard Days

Over the last 23 months we have completed Special Periodical Surveys on 6 of our 10 actively marketed rigs, with 2 SPS's due in 2024, one in 2025, and none in 2026

Earnings Growth and Deleveraging

Net leverage decreases to approximately 1.5 to 2.0x by YE 2024; company will have no near-term maturities and reduced capital intensity in 2025 and 2026

Diamond Offshore At a Glance

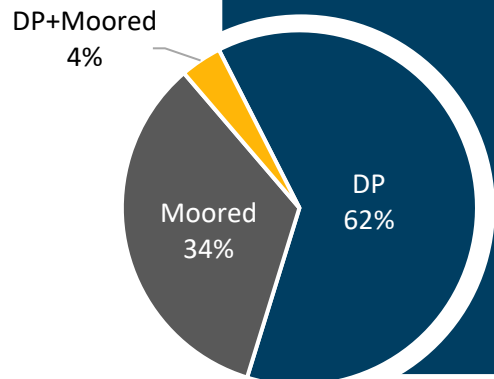
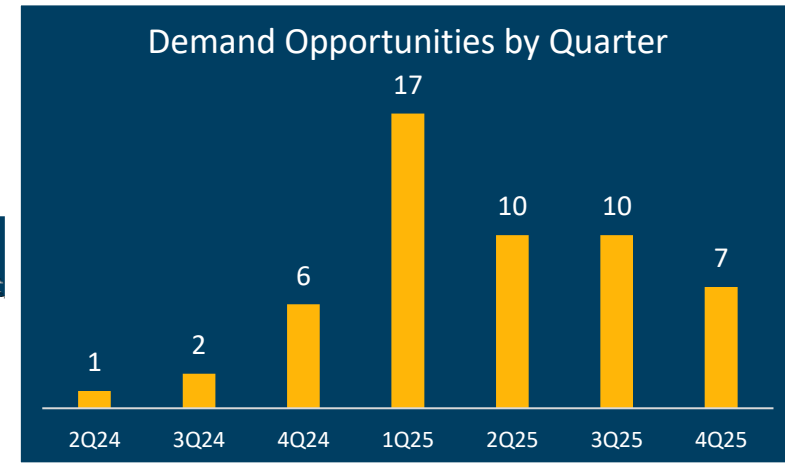


- 1) As of May 7, 2024.
- 2) **Includes** the estimated financial impact of the Ocean GreatWhite incident.
- 3) As of March 31, 2024.
- 4) Includes managed rig.
- 5) BlackRhino MPD to be installed in 2024.

53 Floater Opportunities¹ Commencing through 2025



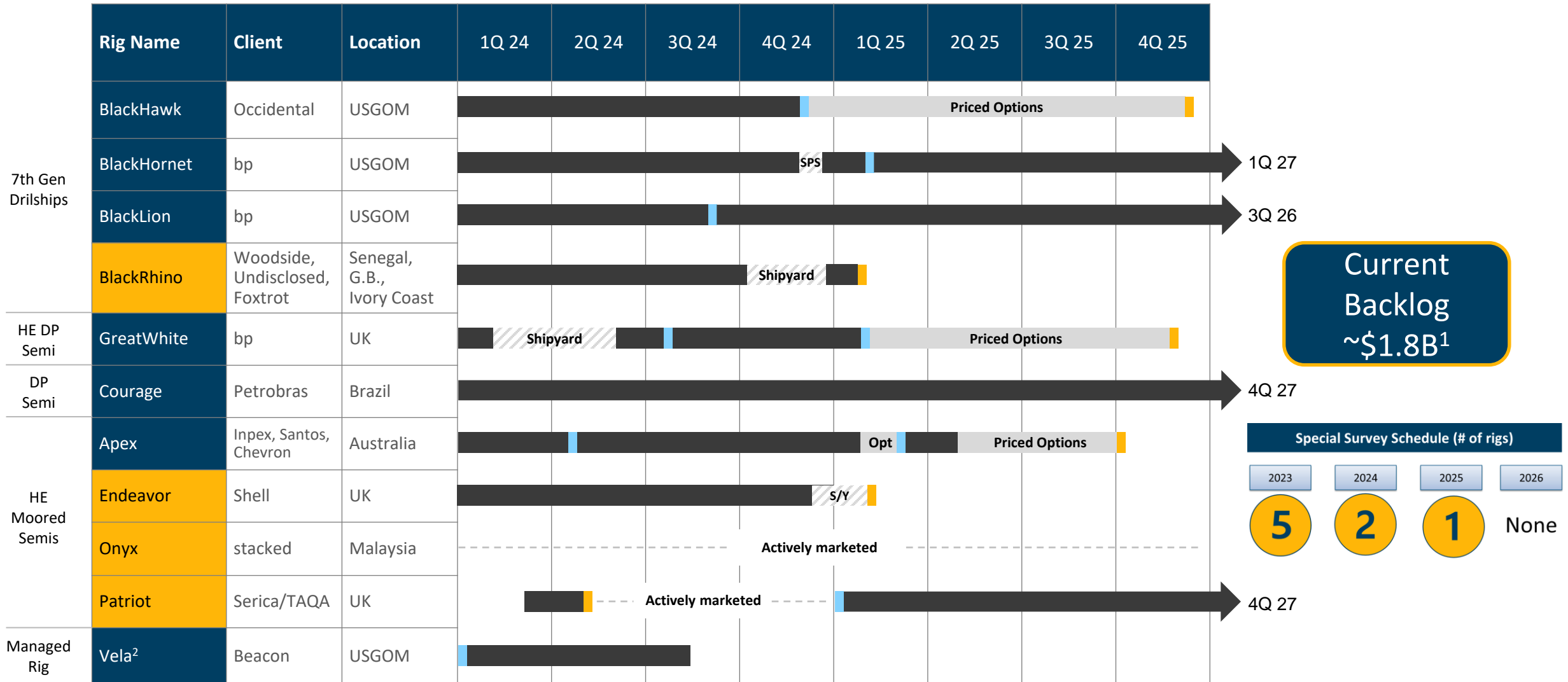
- **53** opportunities
- **55** rig years of demand commencing by 2025
- **33** customers



1) Source: Diamond Offshore marketing analysis – represents opportunities that have been published or privately discussed with operators.



Diamond Fleet Status¹



Note: HE = Harsh Environment. DP = Dynamically Positioned. Excludes rigs not currently marketed.

1) As of May 7, 2024. 2) Managed rig. Assumes rig no longer managed after firm term.

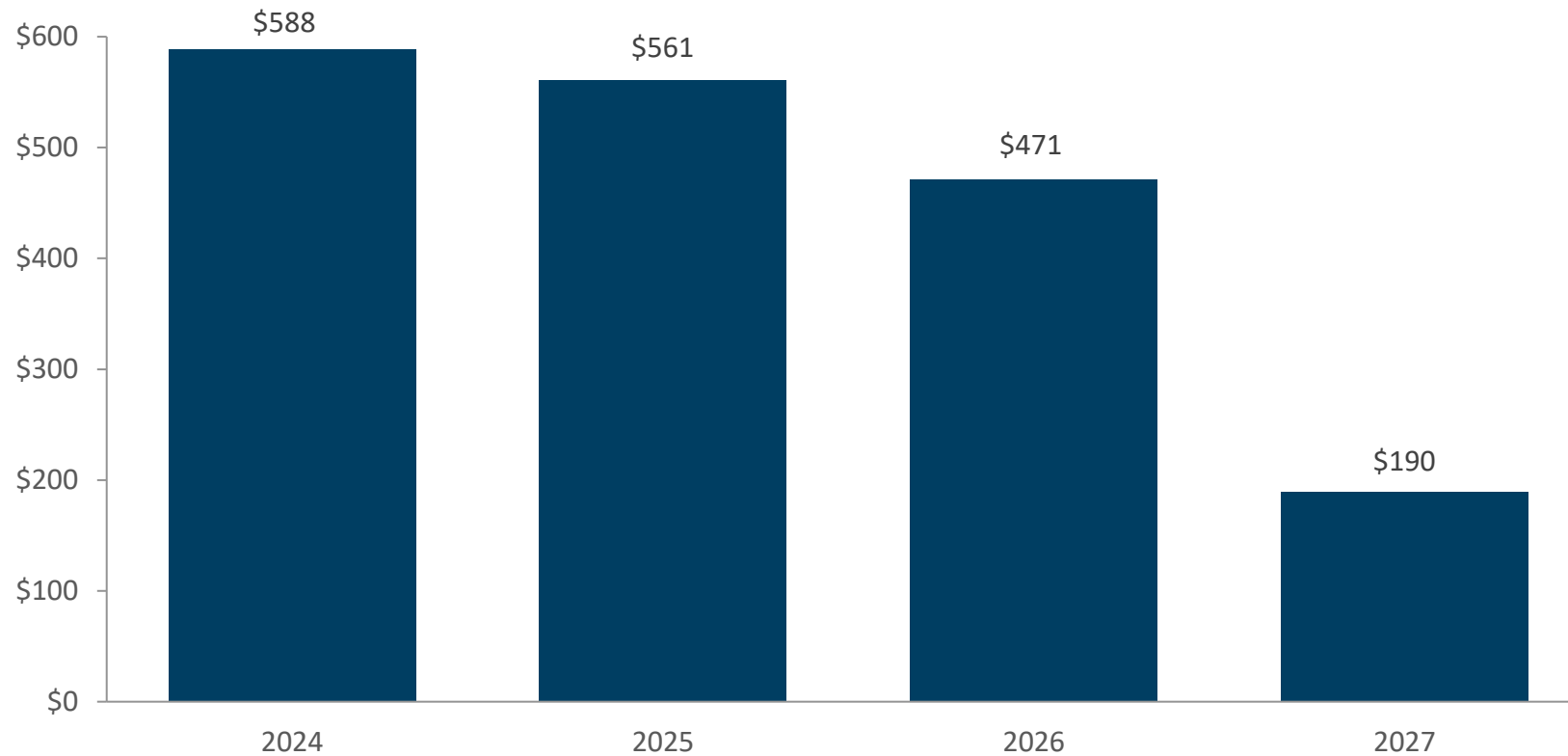
Near-term repricing opportunities

Indicates contracted dayrate increases

Indicates repricing opportunities



- Current Backlog is ~\$1.8B¹
- Building significant backlog in 2025 and 2026



1) As of May 7, 2024.



Illustrative EBITDA and Cash Flow Potential

Key asset classes	Highlights	Hypothetical Day Rates (\$'000s Per Day)	Illustrative Annual Rig EBITDA potential (\$M) ²
4x 7th gen. UDW Drillships	<ul style="list-style-type: none"> Best-in-class UDW Drillships Attractive availability windows Fully contracted since delivery 	\$450 – \$500	\$367m – \$432m
1x HE DP Semi	<ul style="list-style-type: none"> Unique asset built for ultra harsh opportunities Attractive availability window 	\$285 – \$450	\$57m – \$112m
1x Benign DP Semi	<ul style="list-style-type: none"> Brazil demand continues to grow Committed into 2027 Low Opex with fully nationalized crews 	~\$290	\$51m – \$51m
3x HE Moored Semis ¹	<ul style="list-style-type: none"> Supply side drastically changed Typically follows tightening UDW market Cost and emission friendly 	\$170 – \$350	\$101m – \$138m
			\$576m – \$733m
Approximate G&A and Indirect Costs ³			(\$135m) – (\$155m)
Illustrative EBITDA Potential			\$441m – \$578m
Additional Cash Payments ⁴			(\$170m) – (\$200m)
Illustrative Free-Cash Flow Potential			\$271m – \$378m

- 1) 3 x cold-stacked moored semis and managed units not included in EBITDA calculation
- 2) Assumes 100% utilization for benign DP semi, 95% for drillships/HE DP semi, and 85% for HE moored semis. Assumes revenue efficiency of 95% for all classes.
- 3) Includes SG&A, shorebase and indirect costs
- 4) Includes average annual capex, taxes, interest and BOP Lease payments



2024E Updated Guidance (\$M)

Contract Drilling
Revenue^{1,2}
\$925 – \$945

Adjusted EBITDA^{1,3}
\$225 – \$245

CAPEX¹
\$135 – \$145

YE 2024E Revolving Credit Facility and Indenture Restricted Payment terms¹:

Net Leverage
Ratio < 2.0



Total Collateral
Coverage Ratios



Builder Baskets



- 1) **Includes** the estimated potential financial impact of the Ocean GreatWhite event.
- 2) Includes revenue associated with managed rig contracts, excludes reimbursable revenue.
- 3) Non-GAAP, excludes asset sales and impairments.



Balance Sheet – Solid Liquidity

Debt Obligations (Mar 31, 2024)	Coupon	Maturity	Drawn Amount	Facility Size
Revolving Credit Facility	SOFR + 4.250 %	Apr-26	-	300
Secured Second Lien Notes	8.5%	Oct-30	550	550
Total			550	850
(-) Cash ¹			(162)	
Net Debt			\$ 388	
Liquidity²				\$ 461
Annualized BOP Lease Payments				\$26 million
BOP Lease Buyout		Due 2026 (through mid-2026)		Up To \$85 million

Share Count Build (Mar 31, 2024)	Number of RSUs and RS (mm)	Number of Warrants (mm)	Strike Price	Shares (mm)
Common Stock	NA	NA	NA	102.5
Emergence Warrants	NA	7.5	\$ 29.22	NA
Long Term Incentive Equity (Unvested)	3.9	NA	NA	3.9
Potential Diluted Shares Outstanding				106.4

1) Excludes restricted cash

2) Excludes \$1.9 million of LCs issued under Revolving Credit Facility



Building Backlog at Leading-Edge Dayrates

- ◆ Recent contract wins at improving dayrates drive EBITDA and FCF growth
- ◆ Favorable repricing opportunities with drillships & semis in 2025



Lower Shipyard Time

- ◆ SPS's completed on 6 out of 10 actively marketed rigs in last 23 months
- ◆ 2 SPS's planned for 2024, 1 for 2025, and none for 2026



Earnings Growth and Deleveraging

- ◆ Minimal near-term maturities, ample liquidity and substantial deleveraging as dayrates progress higher

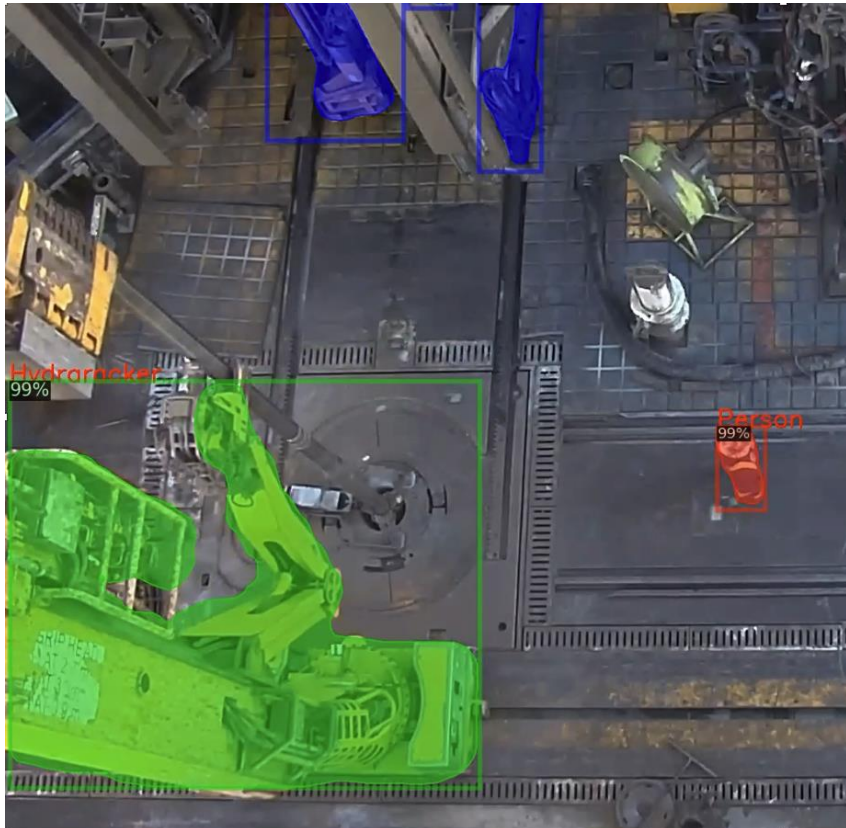
The Diamond Difference™



Innovation and ESG

Responsibly Unlocking Energy





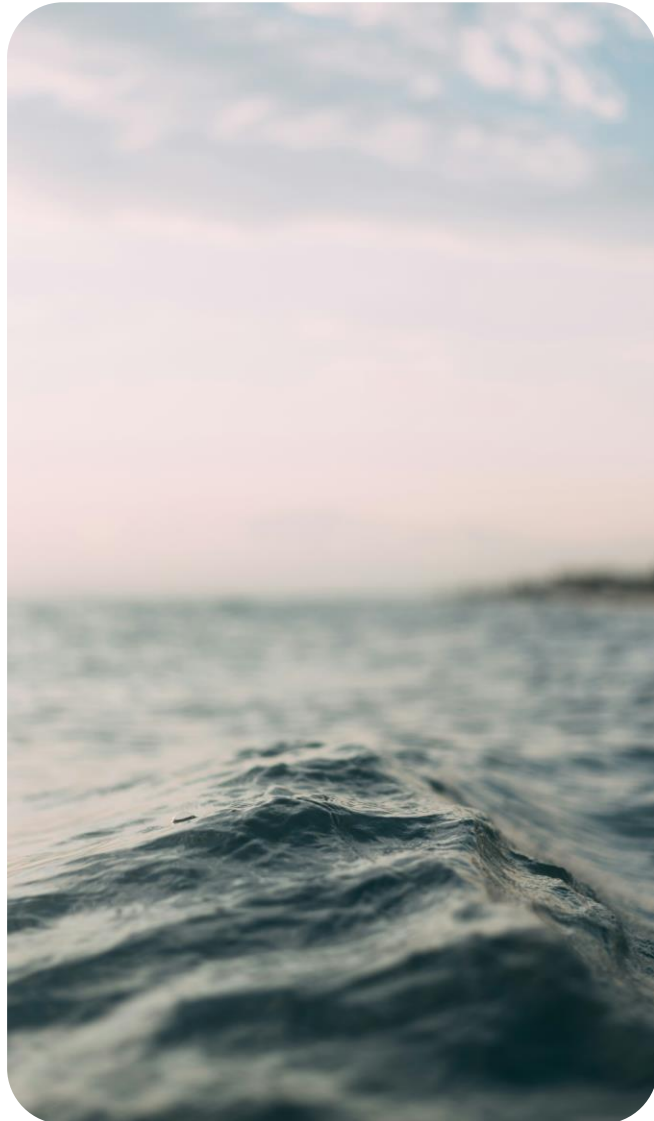
Investment in People and Processes

Safer Operations Automated Red Zone Management	Precision Managed Pressure Drilling (MPD)	Emissions Reduction New LED lighting
Process Safety Electronic Permit to Work	Data Analysis Leveraging AI to analyze historical incident data to manage risk	Personal Safety Human factors performance focus

Environmental and Social Governance

Responsible Stewardship Real-time emissions monitoring	Hardening Security Cybersecurity focus	Responsible Operation New Human Rights Policy
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Emission Reduction Journey



	Completed	Ongoing	Next steps
Tools	Real-Time Data with Expert Insights Contextualized emission insights and expert analysis active across five rigs		Systematic Performance Verification of Emission Reduction Initiatives
Energy Framework	ISO-50001 Aligned Energy Management System Energy Management Plans in place for 33% of the active fleet today targeting 100% by 2025		
Engagement		Operator Engagement Active operator engagement and cooperation around total emissions reduction	Crew Engagement Crew-level campaign focusing on energy-awareness initiatives
Communication			Stakeholder Communication Moving from reporting to reduction



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