

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_ to \_\_

Commission file number: 001-39327

**SEADRILL LIMITED**

(Exact name of Registrant as specified in its charter)

Bermuda

98-1834031

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

11025 Equity Dr., Suite 150, Houston, Texas, United States of America

77041

(Address of principal executive offices)

(Zip Code)

+1 (713) 329-1150

(Registrant's telephone number, including area code)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, par value \$0.01 per share	SDRL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes

No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes

No

As of August 1, 2025, 62,225,383 common shares of the registrant were outstanding.



**SEADRILL LIMITED**  
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**FOR THE QUARTER ENDED JUNE 30, 2025**

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## FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "**Securities Act**"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including, without limitation, those regarding the Company's outlook, plans, strategies, business prospects, financial performance, operations, litigation, rig activity and changes and trends in its business and the markets in which it operates, are forward-looking statements. These forward-looking statements can often, but not necessarily, be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These statements are based on management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company 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. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: those described under Part I, Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the United States ("U.S.") Securities and Exchange Commission (the "**SEC**") on February 27, 2025 (the "**2024 10-K**"), offshore drilling market conditions including supply and demand, dayrates, customer drilling programs and effects of new or reactivated rigs on the market, contract awards and rig mobilizations, contract backlog, dry-docking and other costs of maintenance, special periodic surveys, upgrades and regulatory work for the drilling units in the Company's fleet, the performance of the drilling units in the Company's fleet, delay in payment or disputes with customers, the Company's ability to successfully employ its drilling units, procure or have access to financing, ability to comply with loan covenants, fluctuations in the international price of oil, international financial market conditions, U.S. trade policy and tariffs and worldwide reactions thereto, inflation, changes in governmental regulations that affect the Company or the operations of the Company's fleet, increased competition in the offshore drilling industry, the review of competition authorities, the impact of global economic conditions and global health threats, pandemics and epidemics, our ability to maintain relationships with suppliers, customers, employees and other third parties, our ability to maintain adequate financing to support our business plans, our ability to successfully complete and realize the intended benefits of any mergers, acquisitions and divestitures, and the impact of other strategic transactions, our liquidity and the adequacy of cash flows to satisfy our obligations, future activity under and in respect of the Company's share repurchase program, our ability to satisfy (or timely cure any noncompliance with) the continued listing requirements of the New York Stock Exchange, the cancellation of drilling contracts currently included in reported contract backlog, losses on impairment of long-lived fixed assets, shipyard, construction and other delays, the results of meetings of our shareholders, political and other uncertainties, including those related to the conflicts in Ukraine and the Middle East, and any related sanctions, the effect and results of litigation, regulatory matters, settlements, audits, assessments and contingencies, including any litigation related to acquisitions or dispositions, 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 in the jurisdictions in which we operate, customs and environmental matters, the potential impacts on our business resulting from decarbonization and emissions legislation and regulations, the impact on our business from climate change generally, the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems, including our rig operating systems, and other important factors described from time to time in the reports filed or furnished by us with the SEC. The foregoing risks and uncertainties are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond our control. In many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or to any person(s) acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We expressly disclaim any obligations or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or beliefs with regard to the statement or any change in events, conditions or circumstances on which any forward-looking statement is based, except as required by securities laws.

Investors should note that we announce material financial information in SEC filings, press releases and public conference calls. Based on guidance from the SEC, we may use the Investors section of our website ([www.seadrill.com](http://www.seadrill.com)) to communicate with investors and we intend to post presentations and fleet status reports there, among other things. It is possible that the financial and other information posted there could be deemed to be material information. The information on our website is not part of, and is not incorporated into, this Quarterly Report on Form 10-Q. Furthermore, references to our website URLs are intended to be inactive textual references only.

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements.

#### SEADRILL LIMITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

<i>(In \$ millions, except per share data)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Operating revenues</b>				
Contract revenues	288	267	536	542
Reimbursable revenues <sup>(1)</sup>	16	15	31	35
Management contract revenues <sup>(1)</sup>	65	65	126	123
Leasing revenues <sup>(1)</sup>	8	26	16	37
Other revenues <sup>(1)</sup>	—	2	3	5
<b>Total operating revenues</b>	<b>377</b>	<b>375</b>	<b>712</b>	<b>742</b>
<b>Operating expenses</b>				
Vessel and rig operating expenses	(180)	(165)	(359)	(345)
Reimbursable expenses	(16)	(14)	(31)	(34)
Depreciation and amortization	(56)	(43)	(111)	(81)
Management contract expenses	(93)	(41)	(138)	(79)
Selling, general and administrative expenses	(26)	(24)	(49)	(49)
Merger and integration related expenses	—	(3)	—	(5)
<b>Total operating expenses</b>	<b>(371)</b>	<b>(290)</b>	<b>(688)</b>	<b>(593)</b>
<b>Other operating items</b>				
Gain on disposals	—	203	—	203
Other operating income	—	—	—	16
<b>Total other operating items</b>	<b>—</b>	<b>203</b>	<b>—</b>	<b>219</b>
<b>Operating profit</b>	<b>6</b>	<b>288</b>	<b>24</b>	<b>368</b>
<b>Financial and other non-operating items</b>				
Interest income	3	7	7	14
Interest expense	(15)	(16)	(30)	(31)
Equity in earnings/(losses) of equity method investments (net of tax)	6	(15)	14	(11)
Other financial and non-operating items	(13)	(8)	(27)	(14)
<b>Total financial and other non-operating items, net</b>	<b>(19)</b>	<b>(32)</b>	<b>(36)</b>	<b>(42)</b>
<b>(Loss)/profit before income taxes</b>	<b>(13)</b>	<b>256</b>	<b>(12)</b>	<b>326</b>
Income tax expense	(29)	(3)	(44)	(13)
<b>Net (loss)/income</b>	<b>(42)</b>	<b>253</b>	<b>(56)</b>	<b>313</b>
<b>Basic (LPS)/EPS (\$)</b>	<b>(0.68)</b>	<b>3.61</b>	<b>(0.91)</b>	<b>4.41</b>
<b>Diluted (LPS)/EPS (\$)</b>	<b>(0.68)</b>	<b>3.49</b>	<b>(0.91)</b>	<b>4.27</b>

<sup>(1)</sup> Includes revenue from related parties of \$79 million and \$158 million, for the three and six months ended June 30, 2025, respectively, and \$96 million and \$172 million for the three and six months ended June 30, 2024, respectively. Refer to Note 10 - "Related party transactions" for further details.

The accompanying notes form an integral part of these unaudited Condensed Consolidated Financial Statements.

**SEADRILL LIMITED**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(In \$ millions, except share data)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	393	478
Restricted cash	26	27
Accounts receivables, net	192	193
Other current assets	212	230
<b>Total current assets</b>	<b>823</b>	<b>928</b>
<b>Non-current assets</b>		
Equity method investments	82	68
Drilling units, net of accumulated depreciation of 553 as of June 30, 2025 (December 31, 2024: 430)	2,970	2,946
Deferred tax assets	50	63
Equipment	5	5
Other non-current assets	140	146
<b>Total non-current assets</b>	<b>3,247</b>	<b>3,228</b>
<b>Total assets</b>	<b>4,070</b>	<b>4,156</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Trade accounts payable	73	118
Other current liabilities	368	383
<b>Total current liabilities</b>	<b>441</b>	<b>501</b>
<b>Non-current liabilities</b>		
Long-term debt	612	610
Deferred tax liabilities	12	11
Other non-current liabilities	134	116
<b>Total non-current liabilities</b>	<b>758</b>	<b>737</b>
<b>Commitments and contingencies (see Note 13)</b>		
<b>Shareholders' equity</b>		
Common shares of par value \$0.01 per share: 375,000,000 shares authorized as of June 30, 2025 (December 31, 2024: 375,000,000) and 62,225,301 issued as of June 30, 2025 (December 31, 2024: 62,154,422)	1	1
Additional paid-in capital	1,978	1,969
Accumulated other comprehensive income	1	1
Retained earnings	891	947
<b>Total shareholders' equity</b>	<b>2,871</b>	<b>2,918</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,070</b>	<b>4,156</b>

The accompanying notes form an integral part of these unaudited Condensed Consolidated Financial Statements.

**SEADRILL LIMITED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(In \$ millions)</i>	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
<b>Net (loss)/income</b>	(56)	313
<i>Adjustments to reconcile net (loss)/income to net cash (used in)/provided by operating activities:</i>		
Depreciation and amortization	111	81
Gain on disposal of assets	—	(203)
Equity in (earnings)/losses of equity method investments (net of tax)	(14)	11
Deferred tax expense/(benefit)	14	(7)
Unrealized (gain)/loss on foreign exchange	(2)	5
Amortization of debt issue costs	2	2
Share based compensation expense	9	7
Other	27	—
<i>Other cash movements in operating activities</i>		
Additions to long-term maintenance	(98)	(89)
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(7)	37
Trade accounts payable	(41)	27
Prepaid expenses/accrued revenue	1	(12)
Deferred revenue	(1)	21
Deferred mobilization costs	26	(23)
Related party receivables	—	(22)
Other assets	(4)	(3)
Other liabilities	17	(37)
<b>Net cash (used in)/provided by operating activities</b>	<b>(16)</b>	<b>108</b>
<b>Cash flows from investing activities</b>		
Additions to drilling units and equipment	(68)	(66)
Other	(4)	—
Proceeds from disposal of assets	—	338
<b>Net cash (used in)/provided by investing activities</b>	<b>(72)</b>	<b>272</b>
<b>Cash flows from financing activities</b>		
Shares repurchased	—	(241)
<b>Net cash used in financing activities</b>	<b>—</b>	<b>(241)</b>
Effect of exchange rate changes on cash	2	(5)
<b>Net (decrease)/increase in cash and cash equivalents, including restricted cash</b>	<b>(86)</b>	<b>134</b>
<b>Cash and cash equivalents, including restricted cash, at beginning of the period</b>	<b>505</b>	<b>728</b>
<b>Cash and cash equivalents, including restricted cash, at the end of period</b>	<b>419</b>	<b>862</b>

The accompanying notes form an integral part of these unaudited Condensed Consolidated Financial Statements.

**SEADRILL LIMITED**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
(Unaudited)

<i>(In \$ millions)</i>	Common shares	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity
<b>Balance as of January 1, 2025</b>	<b>1</b>	<b>1,969</b>	<b>1</b>	<b>947</b>	<b>2,918</b>
Share based compensation	—	4	—	—	4
Net loss	—	—	—	(14)	(14)
<b>Balance as of March 31, 2025</b>	<b>1</b>	<b>1,973</b>	<b>1</b>	<b>933</b>	<b>2,908</b>
Share based compensation	—	5	—	—	5
Net loss	—	—	—	(42)	(42)
<b>Balance as of June 30, 2025</b>	<b>1</b>	<b>1,978</b>	<b>1</b>	<b>891</b>	<b>2,871</b>

<i>(In \$ millions)</i>	Common shares	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity
<b>Balance as of January 1, 2024</b>	<b>1</b>	<b>2,480</b>	<b>1</b>	<b>501</b>	<b>2,983</b>
Share based compensation	—	3	—	—	3
Shares repurchased and cancelled	—	(119)	—	—	(119)
Net income	—	—	—	60	60
<b>Balance as of March 31, 2024</b>	<b>1</b>	<b>2,364</b>	<b>1</b>	<b>561</b>	<b>2,927</b>
Share based compensation	—	4	—	—	4
Shares repurchased	—	(125)	—	—	(125)
Net income	—	—	—	253	253
<b>Balance as of June 30, 2024</b>	<b>1</b>	<b>2,243</b>	<b>1</b>	<b>814</b>	<b>3,059</b>

The accompanying notes form an integral part of these unaudited Condensed Consolidated Financial Statements.

**SEADRILL LIMITED**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – General information**

Seadrill Limited (along with any one or more of its consolidated subsidiaries, or to all such entities, referred to as "Seadrill", "we", "us", "our", and "the Company") is incorporated in Bermuda. We are an offshore drilling contractor providing worldwide offshore drilling services to the oil and gas industry. Our primary business is the ownership and operation of drillships and semi-submersible rigs for operations in shallow to ultra-deepwater areas in both benign and harsh environments. We contract our drilling units to drill wells for our customers on a dayrate basis. Our customers include oil super-majors, state-owned national oil companies and independent oil and gas companies. In addition, we provide management services to certain affiliated entities.

**Basis of presentation**

The accompanying unaudited Condensed Consolidated Financial Statements of Seadrill Limited have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC. Accordingly, pursuant to such rules and regulations, they do not include all disclosures required by U.S. GAAP for annual financial statements. In the opinion of management, the unaudited Condensed Consolidated Financial Statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of financial position, results of operations and cash flows for the interim periods.

Results of operations for interim periods are not necessarily indicative of results of operations for the respective full years, or any future period. The accompanying unaudited Condensed Consolidated Financial Statements and related notes should be read in conjunction with our 2024 10-K.

Certain reclassifications have been made to previously reported amounts to conform to the current period presentation. These reclassifications did not have a material effect on our unaudited Condensed Consolidated Financial Statements.

**Significant accounting policies**

Refer to Note 2 - "Accounting Policies" of our Consolidated Financial Statements from our 2024 10-K for additional information related to our significant accounting policies.

**Note 2 - Revenue from contracts with customers**

The following table provides information about receivables and contract liabilities from our contracts with customers, as of the dates presented:

<i>(In \$ millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Accounts receivable, net	192	193
Current contract liabilities (classified within other current liabilities)	(68)	(63)
Non-current contract liabilities (classified within other non-current liabilities)	(55)	(48)

Significant changes in the contract liabilities balances during the three and six months ended June 30, 2025 are as follows:

<i>(In \$ millions)</i>	<b>Contract Liabilities</b>
<b>Net contract liabilities as of January 1, 2025</b>	<b>(111)</b>
Amortization of revenue included in the January 1, 2025 contract liability balance	23
Additional contract liabilities recognized, excluding amounts recognized as revenue	(39)
<b>Net contract liabilities as of March 31, 2025</b>	<b>(127)</b>
Amortization of revenue included in the March 31, 2025 contract liability balance	19
Additional contract liabilities recognized, excluding amounts recognized as revenue	(15)
<b>Net contract liabilities as of June 30, 2025</b>	<b>(123)</b>

SEADRILL LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Revenues are attributed to geographical locations based on the country of operations for drilling activities, *i.e.*, the country where the revenues are generated. The following table presents our revenues by geographic area:

<i>(In \$ millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Brazil	165	82	286	171
United States	106	86	186	180
Angola	84	93	166	170
Norway	22	61	45	115
Indonesia	—	40	—	77
Other <sup>(1)</sup>	—	13	29	29
<b>Total operating revenues</b>	<b>377</b>	<b>375</b>	<b>712</b>	<b>742</b>

<sup>(1)</sup> "Other" represents countries in which we operate that individually had revenues representing less than 10% of total operating revenues earned for any of the periods presented.

We had the following customers with revenues greater than 10% of total operating revenues in any of the periods presented:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Petrobras	37 %	16 %	33 %	17 %
Sonadrill	21 %	23 %	22 %	20 %
Talos	12 %	— %	13 %	— %
LLOG	11 %	10 %	— %	10 %
Var Energi	— %	10 %	— %	9 %
Other	19 %	41 %	32 %	44 %

**Note 3 – Taxation**

For the three and six months ended June 30, 2025, income tax expense was \$29 million and \$44 million, respectively, compared to income tax expense of \$3 million and \$13 million for the three and six months ended June 30, 2024, respectively.

The increase in tax expense for the three and six months ended June 30, 2025, relative to the three and six months ended June 30, 2024, primarily reflects changes in the Company's mix of pre-tax income and loss among tax jurisdictions in addition to the recognition of a tax benefit in 2024, attributable to changes in valuation allowances established for Switzerland and Brazil.

On July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act ("OBDDA"). The OBDDA includes many tax provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act and provisions allowing accelerated tax deduction for qualified property. We will continue to evaluate the impact of the legislation to our unaudited Condensed Consolidated Financial Statements.

**Note 4 – Loss/Earnings per share**

The computation of basic loss/earnings per share ("**LPS/EPS**") is based on the weighted average number of common shares of the Company, par value \$0.01 per share (the "**Shares**"), outstanding during the period. Diluted (LPS)/EPS includes the effect of the assumed conversion of potentially dilutive instruments related to the effect of the unsecured senior convertible bond and share based compensation. Refer to Note 9 – "Debt" for further details on the unsecured senior convertible bond.

The components of the numerator for the calculation of basic and diluted (LPS)/EPS were as follows:

<i>(In \$ millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net (loss)/income available stockholders	(42)	253	(56)	313
Effect of dilution (interest on unsecured senior convertible bond)	1	2	3	3
<b>Diluted (loss)/income available to stockholders</b>	<b>(41)</b>	<b>255</b>	<b>(53)</b>	<b>316</b>

**SEADRILL LIMITED**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The components of the denominator for the calculation of basic and diluted (LPS)/EPS were as follows:

<i>(In millions)</i>	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<i>Basic (loss)/earnings per share:</i>				
Weighted average number of common shares outstanding <sup>(1)</sup>	62	70	62	71
<i>Diluted (loss)/earnings per share:</i>				
Effect of dilution	3	3	3	3
<b>Weighted average number of common shares outstanding adjusted for the effects of dilution</b>	<b>65</b>	<b>73</b>	<b>65</b>	<b>74</b>

<sup>(1)</sup> Weighted average number of Shares outstanding in the three and six months ended June 30, 2024 excludes shares repurchased during the period.

The basic and diluted (LPS)/EPS were as follows:

<i>(In \$)</i>	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Basic (loss)/earnings per share	(0.68)	3.61	(0.91)	4.41
Diluted (loss)/earnings per share <sup>(1)</sup>	(0.68)	3.49	(0.91)	4.27

<sup>(1)</sup> For the three and six months ended June 30, 2025, the effect of including all potentially dilutive instruments in the calculation resulted in decreased loss per share, which is anti-dilutive. The instruments were not included in the calculation due to their anti-dilutive effect, and, as a result, the basic and diluted loss per share are equal.

**Note 5 – Restricted cash**

Restricted cash as of June 30, 2025 and December 31, 2024 was as follows:

<i>(In \$ millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Cash held in escrow	23	23
Other	3	4
<b>Total restricted cash</b>	<b>26</b>	<b>27</b>

**Note 6 - Other current assets**

As of June 30, 2025 and December 31, 2024, other current assets included the following:

<i>(In \$ millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Taxes receivable	42	55
Prepaid expenses	58	57
Deferred contracts costs	73	83
Pre-funding of MSA manager arrangements	12	13
Other	27	22
<b>Total other current assets</b>	<b>212</b>	<b>230</b>

**Note 7 – Equity method investments**

As of June 30, 2025 and December 31, 2024, the carrying values of our equity method investments were as follows:

<i>(In \$ millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Sonadrill	82	68
<b>Total equity method investments</b>	<b>82</b>	<b>68</b>

## SEADRILL LIMITED

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Note 8 - Other current and non-current liabilities****Other current liabilities**

As of June 30, 2025 and December 31, 2024, other current liabilities included the following:

<i>(In \$ millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Accrued expenses	188	183
Employee withheld taxes, social security and vacation payments	42	64
Taxes payable	25	20
Contract liabilities	68	63
Unfavorable drilling contracts	10	19
Accrued interest expense	21	21
Other liabilities	14	13
<b>Total other current liabilities</b>	<b>368</b>	<b>383</b>

**Other non-current liabilities**

As of June 30, 2025 and December 31, 2024, other non-current liabilities included the following:

<i>(In \$ millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Uncertain tax positions	58	55
Contract liabilities	55	48
Unfavorable drilling contracts	—	3
Lease liabilities	7	8
Other liabilities	14	2
<b>Total other non-current liabilities</b>	<b>134</b>	<b>116</b>

**Unfavorable drilling contracts**

The following table summarizes the movement in unfavorable drilling contracts for the six months ended June 30, 2025:

<i>(In \$ millions)</i>	<b>Carrying amount</b>
<b>As of January 1, 2025</b>	<b>22</b>
Amortization	(6)
<b>As of March 31, 2025</b>	<b>16</b>
Amortization	(6)
<b>As of June 30, 2025</b>	<b>10</b>

The amortization is recognized in the unaudited Condensed Consolidated Statement of Operations as "Depreciation and amortization". The weighted average remaining amortization for unfavorable contracts is nine months.

The table below shows the amounts relating to unfavorable contracts that is expected to be amortized over the following periods:

<i>(In \$ millions)</i>	<b>Period ended December 31,</b>		
	<b>Remainder of 2025</b>	<b>2026</b>	<b>Total</b>
Amortization of unfavorable contracts	7	3	10

## SEADRILL LIMITED

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Note 9 – Debt**

The table below sets out our debt agreements as of June 30, 2025 and December 31, 2024:

<i>(In \$ millions)</i>	June 30, 2025	December 31, 2024
<b>Secured debt:</b>		
\$575 million secured bond	575	575
<b>Total secured debt</b>	<b>575</b>	<b>575</b>
<b>Unsecured bond:</b>		
Unsecured senior convertible bond	50	50
<b>Total unsecured bond</b>	<b>50</b>	<b>50</b>
<b>Total principal debt</b>	<b>625</b>	<b>625</b>
<b>Debt premium:</b>		
Premium on bond issuance	1	1
<b>Total debt premium</b>	<b>1</b>	<b>1</b>
<u>Less:</u> bond issuance costs	(14)	(16)
<b>Total debt</b>	<b>612</b>	<b>610</b>

***\$575 million secured bond***

In July 2023, Seadrill issued \$500 million in aggregate principal amount of 8.375% Senior Secured Second Lien Notes due 2030 in an offering conducted pursuant to Rule 144A and Regulation S under the Securities Act. Subsequently, in August 2023, Seadrill issued an additional \$75 million in aggregate principal amount of 8.375% Senior Secured Second Lien Notes due 2030 (the "**Incremental Notes**"), maturing on August 1, 2030 (together the "**Notes**"). The Incremental Notes were issued at 100.75% of par.

***Revolving credit facility***

On July 27, 2023, Seadrill Limited, along with its subsidiary, Seadrill Finance Limited ("**Seadrill Finance**"), established a Senior Secured Revolving Credit Facility (the "**Revolving Credit Facility**"). The commitments under the Revolving Credit Facility, which carries a five-year term, became available for drawdown on July 27, 2023. The Revolving Credit Facility permits borrowings of up to \$225 million in revolving credit for working capital and other corporate purposes and includes an "accordion feature" allowing Seadrill to increase this limit by up to an additional \$100 million, subject to agreement from the lenders. It also includes a provision for issuing letters of credit up to \$50 million. The Revolving Credit Facility incurs interest at a rate equal to a specified margin plus the Secured Overnight Financing Rate ("**SOFR**"). Seadrill is required to pay a quarterly commitment fee on any unused portion of the revolving credit.

***Unsecured senior convertible bond***

The \$50 million unsecured senior convertible bond (the "**unsecured senior convertible bond**"), issued on emergence from Chapter 11, has a maturity of August 2028 and bears interest, payable quarterly in cash, at the Term SOFR (as defined in the Note Purchase Agreement dated as of February 22, 2022, as amended (the "**Note Purchase Agreement**"), plus 6% on the aggregate principal amount of \$50 million. The bond is convertible (in full and not in part) into Shares at a conversion rate of 52.6316 Shares per \$1,000 principal amount of the bond, subject to certain adjustments set forth in the Note Purchase Agreement relating to the unsecured senior convertible bond. If not converted, a bullet repayment will become due on the maturity date.

**Note 10 – Related party transactions**

As of June 30, 2025, our major related party is the Sonadrill joint venture, over which we hold significant influence.

***Related party revenues***

Our related party revenues include the following:

<i>(In \$ millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Management fees revenues <sup>(a)</sup>	62	62	120	117
Add-on services	3	3	6	6
Reimbursable revenues <sup>(b)</sup>	6	3	16	7
Leasing revenues <sup>(c)</sup>	8	26	16	37
Other	—	2	—	5
<b>Total related party operating revenues</b>	<b>79</b>	<b>96</b>	<b>158</b>	<b>172</b>

(a) Seadrill provides management and administrative services and operational and technical support services to Sonadrill. These services are charged on a dayrate basis.

(b) Reimbursable revenues primarily relate to Sonadrill project work on the *Libongos*, *Quenguela* and *West Gemini* rigs.

## SEADRILL LIMITED

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(c) During the first half of 2025, we earned leasing revenues on the charter of the *West Gemini* to Sonadrill. During the first half of 2024, we also earned leasing revenues from the *West Castor*, *West Telesto*, and *West Tucana*, which were leased to Gulfdrill, up to their disposal in June 2024.

**Related party balances**

As of June 30, 2025, there were no related party amounts owed by or owed to Seadrill. As of December 31, 2024, Sonadrill prepaid management fees of \$7 million to Seadrill. This balance was recorded in "Other current liabilities" within our Consolidated Balance Sheet as of December 31, 2024.

**Note 11 – Fair value of financial instruments**

The carrying values and estimated fair values of certain of our financial instruments as of the dates specified were as follows:

<i>(In \$ millions)</i>	June 30, 2025		December 31, 2024	
	Fair value	Carrying value	Fair value	Carrying value
<b>Liabilities</b>				
\$575 million secured bond <i>(Level 1)</i>	585	562	587	560
Unsecured senior convertible bond - debt component <i>(Level 3)</i>	57	50	56	50

Fair value is a market-based measurement, not an entity-specific measurement, and is determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within level 3 of the hierarchy).

**Financial instruments categorized as level 1**

The fair value of the \$575 million secured bond is based on market traded value.

**Financial instruments categorized as level 3**

The fair value attributed to the unsecured senior convertible bond is bifurcated into two elements: the straight debt component is derived through a discounted cash flow approach, and the conversion option is derived through an option pricing model, which forecasts equity volatility and compares the potential conversion redemption against historical and implied equity movements in comparable companies in our industry. The conversion option was recorded in equity at the point the bond was issued and, therefore, has not been included in the table above.

Our cash and cash equivalents, restricted cash, accounts receivable and accounts payable are by their nature short-term. As a result, the carrying values included in our unaudited Condensed Consolidated Balance Sheets approximate fair value.

**Note 12 – Common shares**

Share capital as of June 30, 2025 and December 31, 2024 was as follows:

	Issued and fully paid share capital		
	Shares	Par value per share (\$)	\$ thousands
<b>As of December 31, 2024</b>	<b>62,154,422</b>	<b>0.01</b>	<b>622</b>
Vesting of restricted stock units	8,606	0.01	—
<b>As of March 31, 2025</b>	<b>62,163,028</b>	<b>0.01</b>	<b>622</b>
Vesting of restricted stock units	62,273	0.01	1
<b>As of June 30, 2025</b>	<b>62,225,301</b>	<b>0.01</b>	<b>622</b>

**Note 13 – Commitments and contingencies**

We recognize loss contingencies in the unaudited Condensed Consolidated Financial Statements where it is probable that an outflow of economic benefits will be required to settle an obligation and the amount is reasonably estimable. An adverse outcome in a matter described below could have an adverse effect on Seadrill's operating results, cash flows and financial position. Accruals for contingencies related to matters described below, if any, are recorded in "Accrued expenses" within "Other current liabilities" and "Uncertain tax positions" within "Other non-current liabilities" in the unaudited Condensed Consolidated Balance Sheets.

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Legal Proceedings*****SFL Hercules Ltd***

On March 5, 2023, Seadrill was served with a claim from SFL Hercules Ltd., filed in the Oslo District Court in Norway, relating to our redelivery of the rig *West Hercules* to SFL Corporation Ltd. ("SFL") in December 2022. On February 6, 2025, the Oslo District Court delivered a judgment in favor of SFL Hercules Ltd. ordering Seadrill to pay SFL approximately \$37 million plus interest and legal costs of approximately \$11 million. Seadrill intends to vigorously contest the judgment and filed an appeal on March 5, 2025. The timing of resolution and ultimate amount due, if any, cannot be predicted at this time.

***Sonadrill fees claim***

In March 2023, Seadrill was served with a claim from an individual (the "Claimant") filed in the High Court of Justice, Business and Property Courts of England and Wales, King's Bench Division, Commercial Court (the "High Court"). The Claimant alleged breach of contract and unjust enrichment damages of approximately \$72 million related to an alleged failure by the Company to pay the Claimant a fee for services in arranging the Sonadrill joint venture dating back to 2018. The case concluded on March 18, 2025.

On July 11, 2025, the High Court rendered judgment in favor of the Claimant. The parties are continuing to make submissions to the High Court on the issue of the quantum of damages to be paid; however, Seadrill presently estimates that its liability following the High Court's judgment is unlikely to exceed \$53 million, subject to finalization of calculations relating to interest. This amount is exclusive of any claim by the Claimant in respect of legal fees, a portion of which may be awarded by the High Court at a later date. During the second quarter of 2025, Seadrill has estimated an increase to the contingency accrual of \$51 million, which is recognized within "Management contract expenses" in the unaudited Condensed Consolidated Statement of Operations. Seadrill is reviewing the judgment and evaluating its options, including the possibility of seeking permission for an appeal to the Court of Appeal.

***Nigerian Cabotage Act litigation***

In November 2015, the Nigerian Maritime Administration and Safety Agency ("NIMASA") issued a detention in respect of the rig *West Capella* for failure to comply with requirements of the Coastal and Inland Shipping (Cabotage) Act 2003 (the "Cabotage Act"), specifically, failure to pay a Cabotage fee of 2% on contract revenue. While the named party is Seadrill Mobile Units Nigeria Ltd (previously an Aquadrill entity, acquired by Seadrill upon the merger of Seadrill and Aquadrill) ("SMUNL"), the matter relates to three rigs: the *West Capella*, *West Saturn* and *West Jupiter*. SMUNL commenced proceedings in May 2016 against the Honourable Minister for Transportation, the Attorney General of the Federation and NIMASA with respect to interpretation of the Cabotage Act. On June 14, 2019, the Federal High Court of Nigeria delivered a judgment (1) finding that: (a) Drilling operations fall within the definition of "Coastal Trade" or "Cabotage" under the Cabotage Act and (b) Drilling Rigs fall within the definition of "Vessels" under the Cabotage Act, and (2) directing SMUNL to deduct 2%, or approximately \$69 million, of their contract value and remit the same to NIMASA. On June 24, 2019, the Court of Appeals sitting in Lagos ("COA") issued a conflicting judgment in *Transocean Support Services Nigeria & Ors v NIMASA & Anor*, finding drilling rigs cannot be deemed vessels under the Cabotage Act pending appeal. SMUNL filed an appeal to the COA on July 22, 2019, and applied to the Federal High Court for an injunction pending appeal to prevent enforcement. Due to the volume of cases currently being handled by the COA, the Registry of the COA is yet to schedule the hearing date for the appeal. Although we intend to strongly pursue this appeal, we cannot predict the outcome of this case.

***Sete Brazil claim***

On January 6, 2025, Seadrill Brazil received notices from Petroleo Brasileiro S.A. ("Petrobras") asserting delay penalties against Seadrill Brazil relating to drillships to be operated in Brazil by Seadrill Brazil pursuant to the Sete Brazil Project, an initiative aimed at constructing a fleet of 28 offshore drilling rigs to support Petrobras. The alleged penalties arise from contracts awarded in relation to the Sete Brazil Project in 2012 for three drillships that were to be constructed by Sete Brazil and operated by Seadrill, but were never completed. Sete Brazil was eventually declared bankrupt by the Brazilian courts in December 2024 although that bankruptcy is presently suspended. The aggregate amount claimed by Petrobras as of the date of receipt of the notices was approximately \$213 million in delay penalties, with the potential for further delay penalties, which could be significant, to be assessed ratably over the remaining term of the drilling contracts for the three Sete drillships. The contracts limit aggregate delay penalties to 10% of the total "estimated contract value," as defined in the contract. Petrobras has indicated it may exercise set-off rights against certain amounts payable to Seadrill Brazil under its contracts with Petrobras for our five drillships currently operating in Brazil, revenues related to which are included in our backlog as of June 30, 2025. No set-off right has been exercised to date. Petrobras and Seadrill have agreed to participate in voluntary mediation, and Petrobras has committed to not exercise any set-off rights pending the outcome of the mediation. While Petrobras has indicated that the mediation could commence in the third quarter of 2025, no date has been set. We cannot predict when the mediation will be completed, or what the outcome may be. Dialogue between the parties is ongoing. We are evaluating our legal options, which may include, among other things, seeking injunctive relief and asserting counterclaims against Petrobras in Brazilian courts, and seeking remedies against Petrobras under Seadrill's prior U.S. Chapter 11 bankruptcy proceedings. This matter is in its early stages, and we are not able to predict its timing or outcome. In addition, the nature, timing, calculation and ultimate amount of the purported penalties are subject to principles of contract interpretation before Brazilian courts. Seadrill intends to vigorously defend its position and pursue available remedies.

***Brazil tax audit***

Seadrill Serviços de Petróleo Ltda ("Seadrill Brazil") has a long-standing tax audit relating to years 2009 and 2010, which is being litigated through the Brazilian courts. The initial court ruled in favor of Seadrill Brazil, but the appellate court reversed the lower court decision in September 2023 and ruled in favor of the tax authorities, assessing a tax and interest thereon of approximately \$75 million. We will vigorously defend our position and, in the first quarter of 2024, our appeal was admitted by the higher courts, but the ultimate timing and outcome of this litigation cannot be determined. There are additional open cases relating to years 2012, 2016, and 2017, where a similar principle is being contested but they are not as far advanced through the courts, for an aggregate assessed amount, including tax and interest, of approximately \$80 million.

In order to litigate the tax audit relating to years 2009 and 2010, Seadrill Brazil has entered into an agreement for an insurance bond of BRL413 million (\$75 million as of June 30, 2025).

SEADRILL LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

***Other matters***

In addition to the foregoing, from time to time we are a named defendant or party in certain other lawsuits, claims or proceedings arising in the ordinary course of business or in connection with our acquisition and disposal activities. Although the outcome of such lawsuits or other proceedings cannot be predicted with certainty, and the amount of any liability that could arise with respect to such lawsuits or other proceedings cannot be predicted accurately, we currently do not expect these other matters to have a material adverse effect on our financial position, operating results and cash flows.

***Guarantees***

We have issued performance guarantees for potential liabilities that may result from drilling activities under current or previously managed rig arrangements with Sonadrill. As of June 30, 2025, we have not recognized any liabilities for these guarantees as we do not consider it probable that the guarantees will be called. The guarantees provided on behalf of Sonadrill have been capped at \$1.1 billion (December 31, 2024: \$1.1 billion), in the aggregate, across the three rigs we manage for the joint venture on two active, and two historic, contracts.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and related notes included in Part I, Item 1. "Financial Statements" of this Quarterly Report on Form 10-Q, as well as the Consolidated Financial Statements and related notes included in our 2024 10-K.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" in Part I, Item 1A. of our 2024 10-K and "Forward-Looking Statements" in this Quarterly Report on Form 10-Q.

### Our Business

Seadrill Limited is an offshore drilling contractor providing worldwide offshore drilling services to the oil and gas industry. Our primary business is the ownership and operation of drillships and semi-submersible rigs for operations in shallow to ultra-deepwater in both benign and harsh environments. We contract our drilling units to drill wells for our customers on a dayrate basis. Our customers include oil super-majors, state-owned national oil companies and independent oil and gas companies. In addition, we provide management services to certain affiliated entities.

As of June 30, 2025, we owned a total of 15 drilling rigs, of which nine were operating, one was undergoing a special periodic survey (the *West Gemini*, which is leased to the Sonadrill joint venture), one was undergoing repairs and maintenance between contracts, and four were stacked. The operating units include eight floaters (comprising seven 7th generation drillships and one 6th generation drillship) and one harsh environment jackup. In addition to our owned assets, as of June 30, 2025, we managed two 7th generation drillships owned by Sonangol EP.

### Significant Developments

#### U.S. global trade policy changes

Ongoing and recently proposed changes to U.S. global trade policy, along with potential international retaliatory measures, have continued to cause high volatility in global markets and uncertainty around short- and long-term economic impacts in the U.S., including concerns over inflation, recession and slowing growth. We continue to evaluate and monitor the potential impacts of these changes and measures, including the imposition of tariffs, on our business and operations; however, it is not possible to predict the impact, if any, of any changes or proposed changes to the U.S. global trade policy, or any international retaliatory measures, on our business and operations.

### Contract Backlog

Contract backlog includes all firm contracts at the contractual operating dayrate multiplied by the number of days remaining in the firm contract period. For contracts which include a market indexed rate mechanism, we utilize the current applicable dayrate multiplied by the number of days remaining in the firm contract period. Contract backlog includes management contract revenues and leasing revenues from bareboat charter arrangements, denoted as "other" in the tables below. Contract backlog excludes revenues for mobilization, demobilization and contract preparation or other incentive provisions and excludes backlog relating to non-consolidated entities.

The contract backlog for our fleet was as follows as of the dates specified:

<i>(In \$ millions)</i>	June 30, 2025	December 31, 2024
Drilling contracts	2,537	3,034
Other	68	146
<b>Total contract backlog</b>	<b>2,605</b>	<b>3,180</b>

Our contract backlog includes only firm commitments represented by signed drilling contracts. The full contractual operating dayrate may differ from the actual dayrate we ultimately receive. For example, an alternative contractual dayrate, such as a waiting-on-weather rate, repair rate, standby rate or force majeure rate, may apply under certain circumstances. The contractual operating dayrate may also differ from the actual dayrate we ultimately receive because of several other factors, including rig downtime or suspension of operations. In certain contracts, the dayrate may be reduced to zero if, for example, repairs extend beyond a stated period.

We estimate the June 30, 2025 contract backlog to be realized over the following periods:

<i>(In \$ millions)</i>	Year ending December 31,				
	Total	2025 <sup>(1)</sup>	2026	2027	Thereafter
Contract backlog					
Drilling contracts	2,537	520	816	739	462
Other	68	68	—	—	—
<b>Total</b>	<b>2,605</b>	<b>588</b>	<b>816</b>	<b>739</b>	<b>462</b>

<sup>(1)</sup> Remainder of 2025.

The actual amount of revenues earned and the actual periods during which revenues are earned will differ from the amounts and periods shown in the tables above due to various factors, including shipyard and maintenance, surveys, upgrades and regulatory projects, unplanned downtime and other factors that result in a lower applicable dayrate than the full contractual operating dayrate. Additional factors that could affect the amount and timing of actual revenue to be recognized include customer liquidity issues and contract terminations, which are available to our customers under certain circumstances.

## Business Environment

The table below shows the average oil price for the six months ended June 30, 2025 and year ended December 31, 2024. The Brent oil price as of August 1, 2025 was \$70/bbl.

	Jun-2025	Dec-2024
Average Brent oil price (\$/bbl)	70	80

Source: Bloomberg

In recent years, oil prices have generally remained at levels that support offshore exploration and development activity, where global rig demand has been steady. This level of demand was sustained by the combination of commodity prices, heightened focus on energy security, and relative attractiveness of offshore plays with respect to both cost and carbon emissions.

The price of Brent oil averaged \$70 per barrel during the six months ended June 30, 2025, down from \$80 per barrel in 2024. Global growth in the production of oil and slower growth in demand has put downward pressure on prices.

Uncertainty persists in the market in light of concerns over global economic conditions, government trade policies and output increases by the Organization of Petroleum Exporting Countries and other major international producers. This has led to the continued deferral of offshore capital expenditures and contracting of offshore drilling services, and could have a negative impact on future demand for offshore drilling services. In addition, inflationary pressures may impact the cost base in our industry, including personnel costs and the prices of goods and services required to reactivate or operate rigs. As anticipated, 2025 is shaping up to be a year marked by softer utilization and a corresponding increase in competition, placing downward pressure on near term dayrates; however, we see signs that point towards a market recovery in late 2026.

The table below shows the global number of rigs on contract and marketed utilization for the six months ended June 30, 2025 and year ended December 31, 2024:

	Jun-2025	Dec-2024
<b>Contracted rigs</b>		
Benign environment floater	106	110
Harsh environment floater	20	22
Harsh environment jackup	27	28
<b>Marketed utilization</b>		
Benign environment floater	84 %	87 %
Harsh environment floater	87 %	94 %
Harsh environment jackup	94 %	96 %

Source: RigLogix

### Global benign-environment floaters

Marketed utilization decreased in the first half of 2025 compared to the previous year, mainly due to fewer contracted floaters, which were primarily benign environment semi-submersibles. As uncertainties persist in the market, there has been a continued deferral in the contracting of offshore drilling services.

### Global harsh environment units

Marketed utilization for harsh environment floaters and jackups decreased during the first half of 2025 compared to the previous year, primarily due to long lead times for new projects to commence. Therefore, contracting activities are projected to increase in the near to medium term.

## Results of operations

### Results for the three months ended June 30, 2025 and June 30, 2024

The tables included below set out financial information for the three months ended June 30, 2025 and June 30, 2024:

<i>(In \$ millions, except percentages)</i>	Three months ended June 30,		Change	Change %
	2025	2024		
Operating revenues	377	375	2	1 %
Operating expenses	(371)	(290)	(81)	28 %
Other operating items	—	203	(203)	(100) %
<b>Operating profit</b>	<b>6</b>	<b>288</b>	<b>(282)</b>	<b>(98) %</b>
Interest expense	(15)	(16)	1	(6) %
Financial and non-operating items	(4)	(16)	12	(75) %
<b>(Loss)/profit before income taxes</b>	<b>(13)</b>	<b>256</b>	<b>(269)</b>	<b>(105) %</b>
Income tax expense	(29)	(3)	(26)	867 %
<b>Net (loss)/income</b>	<b>(42)</b>	<b>253</b>	<b>(295)</b>	<b>(117) %</b>

### 1) Operating revenues

Operating revenues consist of contract revenues, reimbursable revenues, management contract revenues, leasing revenues and other revenues.

(In \$ millions, except percentages)	Three months ended June 30,		Change	Change %
	2025	2024		
Contract revenues (a)	288	267	21	8 %
Reimbursable revenues	16	15	1	7 %
Management contract revenues	65	65	—	— %
Leasing revenues (b)	8	26	(18)	(69) %
Other revenues	—	2	(2)	(100) %
<b>Total operating revenues</b>	<b>377</b>	<b>375</b>	<b>2</b>	<b>1 %</b>

#### a) Contract revenues

Contract revenues represent the revenues we earn from contracting our drilling units to customers, primarily on a dayrate basis, and are predominately driven by the average number of rigs under contract during a period, the average dayrates earned and economic utilization achieved by those rigs under contract. We have set out movements in these key indicators of performance in the sections below.

##### i. Average number of rigs on contract

We calculate the average number of rigs on contract by dividing the aggregate days our rigs (excluding managed rigs) were on contract during the reporting period by the number of days in that reporting period.

The average number of rigs on contract remained consistent at 10 in each of the three months ended June 30, 2025 and 2024. However, there was a decrease in total days on contract resulting in lower contract revenues of \$3 million in the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

The decrease was primarily driven by the *Sevan Louisiana* operating for fewer days in the second quarter of 2025 compared to the same period in 2024. The *West Phoenix* and *West Capella* also did not operate during the three months ended June 30, 2025, compared to being fully contracted during the three months ended June 30, 2024. However, these impacts were partially offset by the *West Auriga* and *West Polaris* commencing work in Brazil in December 2024 and February 2025, respectively, and therefore, operating during the three months ended June 30, 2025, in contrast to the three months ended June 30, 2024, during which contract preparation activities were performed.

##### ii. Average contractual dayrates

We calculate the average contractual dayrate by dividing the aggregate contractual dayrates during a reporting period by the aggregate number of days for the reporting period.

The average contractual dayrate earned during the three months ended June 30, 2025 was \$331 thousand compared to \$289 thousand during the three months ended June 30, 2024, resulting in a \$28 million increase in contract revenues in the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

The increase was driven by higher dayrates for the *West Auriga* and *West Polaris* operating in Brazil and the *West Neptune*, *West Vela* and *Sevan Louisiana* operating in the U.S. Gulf of America during the three months ended June 30, 2025, compared to the three months ended June 30, 2024. These impacts were partially offset by higher-than-average dayrates for the *West Phoenix* and *West Capella* during the three months ended June 30, 2024, in contrast to the second quarter of 2025, during which the rigs were not on contract.

##### iii. Economic utilization for rigs on contract

We define economic utilization as dayrate revenue earned during the period, excluding bonuses, divided by the contractual operating dayrate multiplied by the number of days on contract in the period. If a drilling unit earns its full operating dayrate throughout a reporting period, its economic utilization would be 100%. However, there are many situations that give rise to a dayrate being earned that is less than the contractual operating rate, such as planned downtime for maintenance. In such situations, economic utilization reduces below 100%.

The economic utilization for the three months ended June 30, 2025 was 93%, compared to 94% for the three months ended June 30, 2024, resulting in a \$3 million decrease in contract revenues in the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The decrease during the second quarter of 2025 was primarily due to downtime on the *West Polaris* and *West Elara*, offset by improved economic utilization on the *West Neptune* and *West Jupiter* compared to the second quarter of 2024.

##### iv. Deferred mobilization revenues

We receive fees for the mobilization of our rigs, where the associated revenue is recognized ratably over the expected term of the related drilling contract. As a result, we record a contract liability for mobilization fees received, which is amortized ratably to contract drilling revenue as services are rendered over the initial term of the related drilling contract.

Amortization of deferred mobilization revenues increased by \$6 million during the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily attributable to mobilization fees received on the *West Polaris* and *West Auriga*, which commenced operations within the last nine months.

v. *Other items*

Contract revenues include add-on services and performance bonuses.

There was a decrease in contract revenues of \$7 million during the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily attributable to the *West Phoenix* earning revenues from add-on services and a performance bonus during the three months ended June 30, 2024, which did not recur during the three months ended June 30, 2025.

**b) Leasing revenues**

Leasing revenues for the three months ended June 30, 2025 represent revenues earned on the charter of the *West Gemini* to Sonadrill, and for the three months ended June 30, 2024, also included revenues earned on the charter of the *West Castor*, *West Telesto* and *West Tucana* to Gulfdrill prior to their disposal in June 2024.

Leasing revenues decreased by \$18 million in the three months ended June 30, 2025 compared to the three months ended June 30, 2024. The decrease was primarily attributable to the disposal of the Gulfdrill rigs in June 2024, along with an increase to the bareboat charter rate for the *West Gemini* during the three months ended June 30, 2024 retroactively applied to January 1, 2024, which did not recur during the second quarter of 2025.

Refer to Note 10 - "Related party transactions" for additional details.

**2) Operating expenses**

Total operating expenses include vessel and rig operating expenses, reimbursable expenses, depreciation of drilling units and equipment, amortization of intangibles, management contract expenses, selling, general and administrative expenses, and merger and integration related expenses.

<i>(In \$ millions, except percentages)</i>	Three months ended June 30,		Change	Change %
	2025	2024		
Vessel and rig operating expenses (a)	(180)	(165)	(15)	9 %
Reimbursable expenses	(16)	(14)	(2)	14 %
Depreciation and amortization (b)	(56)	(43)	(13)	30 %
Management contract expenses (c)	(93)	(41)	(52)	127 %
Selling, general and administrative expenses (d)	(26)	(24)	(2)	8 %
Merger and integration related expenses	—	(3)	3	(100) %
<b>Total operating expenses</b>	<b>(371)</b>	<b>(290)</b>	<b>(81)</b>	<b>28 %</b>

**a) Vessel and rig operating expenses**

Vessel and rig operating expenses represent the costs we incur to operate a drilling unit that is either in operation or stacked. This includes the remuneration of offshore crews, rig supplies, expenses for repair and maintenance, onshore support costs, and the amortization of deferred mobilization costs. Vessel and rig operating expenses are mainly driven by rig activity. On average, we incur higher vessel and rig operating expenses when a rig is operating compared to when it is stacked. For stacked rigs, we incur higher vessel and rig expenses for warm stacked rigs compared to cold stacked rigs. We incur one-time costs for activities such as preservation and severance when we cold stack a rig. We also incur significant costs when re-activating a rig from cold stack, a proportion of which is expensed as incurred. Where a rig is leased to another operator, the majority of vessel and rig expenses are incurred by the operator.

Vessel and rig operating expenses increased by \$15 million during the three months ended June 30, 2025 compared to the three months ended June 30, 2024. During the three months ended June 30, 2025, there was a \$42 million increase in vessel and rig operating expenses compared to the three months ended June 30, 2024, primarily related to the *West Auriga* and *West Polaris* commencing operations in Brazil, of which \$13 million related to increased amortization of deferred mobilization costs, along with higher repair and maintenance costs across the fleet. This was partially offset by a \$19 million decrease in vessel and rig operating expenses during the three months ended June 30, 2025 related to the *West Phoenix* and *West Capella*, which were stacked during the second quarter of 2025, and lower managed service agreement fees of \$8 million, as the rigs acquired through the Aquadrill transaction are now managed by Seadrill, rather than by third parties.

**b) Depreciation and amortization**

The \$13 million increase in depreciation and amortization for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 is mainly attributable to the capital projects on the *West Auriga* and *West Polaris* related to preparations for the recently commenced contracts in Brazil.

**c) Management contract expenses**

Management contract expenses include costs related to Sonadrill's rigs, *Quenguela* and *Libongos*, and the Seadrill rig leased to Sonadrill, the *West Gemini*.

Management contract expenses increased by \$52 million during the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily attributable to estimated damages following the unfavorable court judgment related to fees for arranging the Sonadrill joint venture.

Refer to Note 13 - "Commitments and contingencies - Legal Proceedings - Sonadrill fees claim" for additional details.

#### d) Selling, general and administrative expenses

Selling, general and administrative expenses include the cost of our corporate and regional offices, certain legal and professional fees as well as the remuneration and other compensation of our officers, directors and employees engaged in central management and administration activities. Selling, general and administrative expense increased by \$2 million during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, primarily due to personnel costs and legal and professional fees, partially offset by lower costs attributable to the closure of our London office.

#### 3) Other operating items

	Three months ended June 30,		Change	Change %
	2025	2024		
(In \$ millions, except percentages)				
Gain on disposals (a)	—	203	(203)	(100)%
<b>Total other operating items</b>	<b>—</b>	<b>203</b>	<b>(203)</b>	<b>(100)%</b>

#### a) Gain on disposals

Gain on disposals of \$203 million for the three months ended June 30, 2024 relates to the disposal of the *West Castor*, *West Telesto* and *West Tucana* jackup units, along with our 50% equity interest in the Gulfdrill joint venture.

#### 4) Interest expense

	Three months ended June 30,		Change	Change %
	2025	2024		
(In \$ millions, except percentages)				
Interest on debt facilities (a)	(13)	(15)	2	(13)%
Other	(2)	(1)	(1)	100%
<b>Total interest expense</b>	<b>(15)</b>	<b>(16)</b>	<b>1</b>	<b>(6)%</b>

#### a) Interest on debt facilities

We incur interest on our debt facilities as summarized below:

	Three months ended June 30,		Change	Change %
	2025	2024		
(In \$ millions, except percentages)				
\$575 million secured bond	(12)	(13)	1	(8)%
Unsecured senior convertible bond	(1)	(2)	1	(50)%
<b>Total interest on debt facilities</b>	<b>(13)</b>	<b>(15)</b>	<b>2</b>	<b>(13)%</b>

#### 5) Financial and non-operating items

	Three months ended June 30,		Change	Change %
	2025	2024		
(In \$ millions, except percentages)				
Interest income (a)	3	7	(4)	(57)%
Equity in earnings/(losses) of equity method investments (net of tax) (b)	6	(15)	21	(140)%
Other financial and non-operating items (c)	(13)	(8)	(5)	63%
<b>Total financial and non-operating items</b>	<b>(4)</b>	<b>(16)</b>	<b>12</b>	<b>(75)%</b>

#### a) Interest income

Interest income relates to interest earned on bank deposits. The \$4 million decrease in interest income for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 was primarily attributable to lower cash balances.

#### b) Equity in earnings/(losses) of equity method investments (net of tax)

The earnings/(losses) during the three months ended June 30, 2025 and the three months ended June 30, 2024 relates to Seadrill's proportion of earnings/(losses) from Sonadrill.

The increase of \$21 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 was primarily attributable to lower bareboat charter costs for the *Libongos*, *Quenguela* and *West Gemini*. During the second quarter of 2024, increases to the bareboat charter rates were applied retroactive to January 1, 2024, which did not recur in 2025. In addition, there was an increase to the operating dayrate for the *West Gemini* during the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

#### c) Other financial and non-operating items

Other financial and non-operating items increased by \$5 million during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, primarily related to the recognition of VAT liabilities, partially offset by favorable foreign exchange movements due to the depreciation of the USD against the Brazilian Real, Norwegian Krone and Indonesian Rupiah.

## 6) Income tax expense

Income tax expense consists of taxes currently payable and changes in deferred tax assets and liabilities related to our ownership and operation of drilling units and may vary significantly depending on jurisdictions and contractual arrangements. In most cases, the calculation of taxes is based on net income or deemed income, the latter generally being a function of gross revenue.

The \$26 million increase in tax expense during the three months ended June 30, 2025 compared to the three months ended June 30, 2024 primarily reflects changes in the Company's mix of pre-tax income and loss among tax jurisdictions in addition to the recognition of a tax benefit in 2024, attributable to changes in valuation allowances established for Switzerland and Brazil.

### Results for the six months ended June 30, 2025 and June 30, 2024

The tables included below set out financial information for the six months ended June 30, 2025 and June 30, 2024:

<i>(In \$ millions, except percentages)</i>	Six months ended June 30,		Change	Change %
	2025	2024		
Operating revenues	712	742	(30)	(4) %
Operating expenses	(688)	(593)	(95)	16 %
Other operating items	—	219	(219)	(100) %
<b>Operating profit</b>	<b>24</b>	<b>368</b>	<b>(344)</b>	<b>(93) %</b>
Interest expense	(30)	(31)	1	(3) %
Financial and non-operating items	(6)	(11)	5	(45) %
<b>(Loss)/profit before income taxes</b>	<b>(12)</b>	<b>326</b>	<b>(338)</b>	<b>(104) %</b>
Income tax expense	(44)	(13)	(31)	238 %
<b>Net (loss)/income</b>	<b>(56)</b>	<b>313</b>	<b>(369)</b>	<b>(118) %</b>

### 1) Operating revenues

<i>(In \$ millions, except percentages)</i>	Six months ended June 30,		Change	Change %
	2025	2024		
Contract revenues (a)	536	542	(6)	(1) %
Reimbursable revenues (b)	31	35	(4)	(11) %
Management contract revenues (c)	126	123	3	2 %
Leasing revenues (d)	16	37	(21)	(57) %
Other revenues	3	5	(2)	(40) %
<b>Total operating revenues</b>	<b>712</b>	<b>742</b>	<b>(30)</b>	<b>(4) %</b>

#### a) Contract revenues

##### i. Average number of rigs on contract

The average number of rigs on contract remained consistent at 10 in each of the six months ended June 30, 2025 and 2024. However, there was a decrease in total days on contract resulting in a decrease of \$45 million in contract revenues in the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

The decrease was primarily driven by the *West Phoenix* being stacked through the first half of 2025, *West Capella* being stacked for a majority of the first half of 2025, and *West Neptune* operating for fewer days during the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

However, these impacts were partially offset by the *Sevan Louisiana* operating for more days during the six months ended June 30, 2025 compared to the six months ended June 30, 2024 due to its special periodic survey in the first quarter of 2024. The *West Auriga* and *West Polaris* also commenced work in Brazil in December 2024 and February 2025, respectively, and therefore, were operating for more days during the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

##### ii. Average contractual dayrates

The average contractual dayrate earned during the six months ended June 30, 2025 was \$327 thousand compared to \$295 thousand during the six months ended June 30, 2024, resulting in a \$54 million increase in contract revenues in the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

The increase was driven by higher dayrates for the *West Neptune*, *West Vela* and *Sevan Louisiana* operating in the U.S. Gulf of America, *West Auriga* and *West Polaris* operating in Brazil, and the *West Elara* operating in Norway during the six months ended June 30, 2025 compared to the six months ended June 30, 2024. These impacts were partially offset by higher-than-average dayrates for the *West Phoenix* and *West Capella* during the six months ended June 30, 2024, in contrast to the six months ended June 30, 2025, during which the rigs were not on contract throughout the period.

iii. *Economic utilization for rigs on contract*

The economic utilization for the six months ended June 30, 2025 was 89%, compared to 95% for the six months ended June 30, 2024, resulting in a \$25 million decrease in contract revenues in the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The decrease during the first half of 2025 was primarily due to unplanned downtime related to regulatory matters impacting the *West Tellus* and downtime on the *West Polaris*, *West Auriga*, *West Elara* and *Sevan Louisiana*, partially offset by improved economic utilization on the *West Neptune* and *West Jupiter* compared to the six months ended June 30, 2024.

iv. *Deferred mobilization revenues*

Amortization of deferred mobilization revenues increased by \$17 million during the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily attributable to mobilization fees received on the *West Capella*, *West Polaris* and *West Auriga*, which commenced operations within the last nine months.

v. *Other items*

There was a decrease in contract revenues of \$7 million during the six months ended June 30, 2025, compared to the six months ended June 30, 2024, primarily attributable to the *West Phoenix* earning revenues from add-on services and a performance bonus during the six months ended June 30, 2024, which did not recur during the six months ended June 30, 2025.

**b) Reimbursable revenues**

The decrease of \$4 million during the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 was primarily due to additional reimbursable services provided to the *Libongos* and *Quenguela* for long-term maintenance during the six months ended June 30, 2024, which did not recur during the six months ended June 30, 2025.

**c) Management contract revenues**

Management contract revenues include revenues related to contracts where we provide management, operational and technical support services and are comprised of revenues from our joint venture, Sonadrill, relating to the *Libongos*, *Quenguela* and *West Gemini*.

Management contract revenues increased by \$3 million in the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily driven by higher management fees on the *Libongos*, *Quenguela* and the *West Gemini*.

Refer to Note 10 - "Related party transactions" for additional details.

**d) Leasing revenues**

Leasing revenues decreased by \$21 million in the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily attributable to the disposal of the Gulfdrill rigs in June 2024.

Refer to Note 10 - "Related party transactions" for additional details.

**2) Operating expenses**

	Six months ended June 30,		Change	Change %
	2025	2024		
<i>(In \$ millions, except percentages)</i>				
Vessel and rig operating expenses (a)	(359)	(345)	(14)	4 %
Reimbursable expenses	(31)	(34)	3	(9) %
Depreciation and amortization (b)	(111)	(81)	(30)	37 %
Management contract expenses (c)	(138)	(79)	(59)	75 %
Selling, general and administrative expenses	(49)	(49)	—	— %
Merger and integration related expenses	—	(5)	5	(100) %
<b>Total operating expenses</b>	<b>(688)</b>	<b>(593)</b>	<b>(95)</b>	<b>16 %</b>

**a) Vessel and rig operating expenses**

Vessel and rig operating expenses increased by \$14 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024. During the six months ended June 30, 2025 there was a \$71 million increase in vessel and rig operating expenses compared to the six months ended June 30, 2024, primarily related to the *West Auriga* and *West Polaris* commencing operations in Brazil, of which \$22 million related to increased amortization of deferred mobilization costs, along with higher repair and maintenance costs across the fleet. This was partially offset by a \$36 million decrease in vessel and rig operating expenses during the six months ended June 30, 2025 related to the *West Phoenix* and *West Capella*, which were stacked for the majority of the six months ended June 30, 2025, and lower managed service agreement fees of \$21 million, as the rigs acquired through the Aquadrill transaction are now managed by Seadrill, rather than by third parties.

**b) Depreciation and amortization**

The \$30 million increase in depreciation and amortization for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 is mainly attributable to the capital projects on the *West Auriga* and *West Polaris* and unfavorable contracts being fully amortized during 2024.

*Depreciation of drilling units and equipment*

Depreciation increased by \$26 million in the six months ended June 30, 2025 compared to the six months ended June 30, 2024, mainly attributable to the capital projects on the *West Auriga* and *West Polaris* related to preparations for the recently commenced contracts in Brazil.

### Amortization of intangibles

Amortization expense increased by \$4 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, mainly attributable to unfavorable contracts being fully amortized during 2024 related to the *West Auriga* and *West Vela*.

### c) Management contract expenses

Management contract expenses increased by \$59 million during the six months ended June 30, 2025, compared to the six months ended June 30, 2024, primarily attributable to estimated damages following the unfavorable court judgment related to fees for arranging the Sonadrill joint venture, along with higher repairs and maintenance costs.

Refer to Note 13 - "Commitments and contingencies - Legal Proceedings - Sonadrill fees claim" for additional details.

### 3) Other operating items

(In \$ millions, except percentages)	Six months ended June 30,		Change	Change %
	2025	2024		
Gain on disposals (a)	—	203	(203)	(100)%
Other operating income (b)	—	16	(16)	(100)%
<b>Total other operating items</b>	<b>—</b>	<b>219</b>	<b>(219)</b>	<b>(100)%</b>

#### a) Gain on disposals

Gain on disposals of \$203 million for the six months ended June 30, 2024 relates to the disposal of the *West Castor*, *West Telesto* and *West Tucana* jackup units, along with our 50% equity interest in the Gulfdrill joint venture.

#### b) Other operating income

Other operating income of \$16 million for the six months ended June 30, 2024 relates to the recovery of historical import duties in the form of tax credits following the approval by the applicable tax authorities, which did not recur in the six months ended June 30, 2025.

### 4) Interest expense

(In \$ millions, except percentages)	Six months ended June 30,		Change	Change %
	2025	2024		
Interest on debt facilities (a)	(27)	(29)	2	(7)%
Other	(3)	(2)	(1)	50%
<b>Total interest expense</b>	<b>(30)</b>	<b>(31)</b>	<b>1</b>	<b>(3)%</b>

#### a) Interest on debt facilities

We incur interest on our debt facilities as summarized below:

(In \$ millions, except percentages)	Six months ended June 30,		Change	Change %
	2025	2024		
\$575 million secured bond	(24)	(25)	1	(4)%
Unsecured senior convertible bond	(3)	(4)	1	(25)%
<b>Total interest on debt facilities</b>	<b>(27)</b>	<b>(29)</b>	<b>2</b>	<b>(7)%</b>

### 5) Financial and non-operating items

(In \$ millions, except percentages)	Six months ended June 30,		Change	Change %
	2025	2024		
Interest income (a)	7	14	(7)	(50)%
Equity in earnings/(losses) of equity method investments (net of tax) (b)	14	(11)	25	(227)%
Other financial and non-operating items (c)	(27)	(14)	(13)	93%
<b>Total financial and non-operating items</b>	<b>(6)</b>	<b>(11)</b>	<b>5</b>	<b>(45)%</b>

#### a) Interest income

The \$7 million decrease in interest income for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was primarily attributable to lower cash balances.

**b) Equity in earnings/(losses) of equity method investments (net of tax)**

The increase of \$25 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was primarily attributable to higher operating dayrates on the *West Gemini* and *Quenguela*.

**c) Other financial and non-operating items**

Other financial and non-operating items increased by \$13 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily related to the recognition of VAT liabilities and a provision related to assets sold in 2023. This was partially offset by favorable foreign exchange movements due to the depreciation of the USD against the Brazilian Real, Norwegian Krone and Indonesian Rupiah.

**6) Income tax expense**

The \$31 million increase in tax expense during the six months ended June 30, 2025 compared to the six months ended June 30, 2024 primarily reflects changes in the Company's mix of pre-tax income and loss among tax jurisdictions in addition to the recognition of a tax benefit in 2024, attributable to changes in valuation allowances established for Switzerland and Brazil.

**Liquidity and Capital Resources**

**1) Capital allocation framework and Share repurchase program**

In July 2023, in connection with the issuance of the Notes, Seadrill announced capital allocation principles designed to prioritize a conservative capital structure and liquidity position, focused capital investment in its fleet, and returns to shareholders. Within this framework, Seadrill intends to maintain a net leverage target of less than 1.0x under current market conditions, with a maximum through-cycle net leverage target of less than 2.0x. Seadrill also intends to maintain a strong liquidity position to provide resilience even in a downturn scenario by establishing a target minimum cash-on-hand of \$250 million. Further, Seadrill intends to evaluate the potential for accretive additions in core asset categories.

So long as Seadrill is able to meet its net leverage and liquidity targets on a forward-looking basis, as well as comply with its Revolving Credit Facility covenant requirements, Seadrill would seek to provide a return to our shareholders of at least 50% of Free Cash Flow (defined as cash flows from operating activities minus additions to drilling units and equipment) in the form of Share repurchases or dividends. Seadrill will consider additional returns to shareholders from the proceeds of any asset sales in the absence of identified, accretive opportunities. Dividends and Share repurchases will be authorized and determined by the Board of Directors in its sole discretion and depend upon a number of factors, including those described above, its future prospects, market trend evaluation and such other factors as the Board of Directors may deem relevant. Please see Item 1A. "Risk Factors - Financial and Tax Risks - ***We may be unable to meet our capital allocation framework goal of returning at least 50% of Free Cash Flow to shareholders through dividends and share repurchases, which could decrease expected returns on an investment in our Shares***" in Part I of our 2024 10-K.

During the second quarter of 2024, the Company's Board of Directors authorized a \$500 million Share repurchase program that will run for a period of two years from June 25, 2024, the date of completion for the programs initiated in 2023 ("**Current Repurchase Program**"). Under the Current Repurchase Program, the Board authorized the Company to purchase up to \$300 million of the Company's Shares in 2024. Since the Current Repurchase Program commenced, the Company has repurchased an aggregate of 6,714,252 Shares with a weighted average Share price of \$43.52, amounting to \$292 million. On September 30, 2024 and December 16, 2024, the Company canceled 4,213,349 and 2,500,903 treasury Shares, respectively, repurchased under this program.

During the three and six months ended June 30, 2025, the Company did not repurchase Shares, and therefore, as of June 30, 2025, \$208 million of the \$500 million authorized amount remained available under the Current Repurchase Program.

During the three months ended June 30, 2024, the Company repurchased approximately 2.5 million Shares amounting to \$125 million, with a weighted average Share price of \$50.68. During the six months ended June 30, 2024, the Company repurchased approximately 5.1 million Shares amounting to \$244 million, with a weighted average Share price of \$47.87.

While the Current Repurchase Program has a fixed expiration, it may be modified, suspended or discontinued at any time. Shares may be repurchased at any time and from time to time under the program in open market purchases, privately negotiated purchases, block trades, tender offers, accelerated Share repurchase transactions or other derivative transactions, through the purchase of call options or the sale of put options, or otherwise, or by any combination of the foregoing. The Company is under no obligation to purchase any Shares in respect of the repurchase program. The manner, timing, pricing and amount of any repurchases may be based upon a number of factors, including market conditions, the Company's financial position and capital requirements, financial conditions, competing uses for cash, statutory solvency requirements, the restrictions in the Company's debt agreements and other factors.

The Company may continue Share repurchases pursuant to the Current Repurchase Program at the Board's discretion. While we intend to announce the initiation of any Board approved repurchase programs in the future, as well as periodic information required under U.S. securities laws and regulations, we do not intend to announce any sub-authorizations for Share repurchases made pursuant to the Current Repurchase Program or any successor program given that we are no longer required to comply with European regulations requiring onerous disclosure in connection with repurchase programs.

## 2) Liquidity

Our level of liquidity fluctuates depending on a number of factors. These include, among others, our drilling units being on contract, economic utilization achieved, average contract dayrates, timing of accounts receivable collection, capital expenditures for rig upgrades and reactivation projects and timing of payments for operating costs and other obligations.

As of June 30, 2025, Seadrill had available liquidity of \$618 million, which consisted of unrestricted cash of \$393 million and available borrowings under our Revolving Credit Facility of \$225 million. Our cash on hand, available borrowings under the Revolving Credit Facility, and contract and other revenues are expected to generate sufficient cash flow to fund our anticipated debt service and working capital requirements for the next 12 months.

The table below shows unrestricted cash balances and total available liquidity as of each date presented.

<i>(In \$ millions)</i>	June 30, 2025	December 31, 2024
Unrestricted cash	393	478
Undrawn Revolving Credit Facility	225	225
<b>Total available liquidity</b>	<b>618</b>	<b>703</b>

We have shown our sources and uses of cash by category of cash flows in the table below:

<i>(In \$ millions, except percentages)</i>	Six months ended June 30,		Change	Change %
	2025	2024		
Net cash (used in)/provided by operating activities (a)	(16)	108	(124)	(115) %
Net cash (used in)/provided by investing activities (b)	(72)	272	(344)	(126) %
Net cash used in financing activities (c)	—	(241)	241	(100) %
Effect of exchange rate changes in cash	2	(5)	7	(140) %
<b>Change in period</b>	<b>(86)</b>	<b>134</b>	<b>(220)</b>	<b>(164) %</b>

### a) Net cash (used in)/provided by operating activities

Cash flows from operating activities includes cash receipts from customers, cash paid to employees and suppliers (except for additions to drilling units and equipment), interest and dividends received (except for returns of capital), interest paid, income taxes paid and other operating cash payments and receipts.

Net cash used in operating activities during the six months ended June 30, 2025 was \$16 million compared to net cash provided by operating activities of \$108 million for the six months ended June 30, 2024. The \$124 million decrease was primarily related to decreased operating results, along with increased disbursements to suppliers and additions to long-term maintenance projects on the *West Neptune*, *West Vela*, *West Gemini* and across our fleet operating in Brazil, including contract preparation costs incurred for the *West Polaris*.

### b) Net cash (used in)/provided by investing activities

The \$72 million cash used in investing activities during the six months ended June 30, 2025 was primarily related to capital expenditures on the *West Neptune*, *West Elara* and *West Auriga* and the acquisition of capital spares.

The \$272 million cash provided by investing activities during the six months ended June 30, 2024 was primarily related to the proceeds received on the disposal of our three jackup rigs, *West Castor*, *West Telesco* and *West Tucana*, along with our 50% equity interest in the Gulfdrill joint venture of \$338 million. This was partially offset by capital expenditures of \$66 million primarily related to capital upgrades on the *West Auriga* and *West Polaris* during their preparations for Petrobras contracts.

### c) Net cash used in financing activities

The \$241 million cash used in financing activities during the six months ended June 30, 2024 was related to Share repurchases.

## 3) Borrowing Activities

An overview of our debt as of June 30, 2025, divided into (i) secured bond and (ii) unsecured senior convertible bond, is presented in the table below:

<i>(In \$ millions)</i>	Principal Value as of June 30, 2025	Debt Premium	Debt Issuance Costs	Carrying Value as of June 30, 2025	Maturity Date
<b>Bonds</b>					
\$575 million secured bond	575	1	(14)	562	August 2030
<b>Unsecured</b>					
\$50 million senior convertible bond	50	—	—	50	August 2028
<b>Total debt</b>	<b>625</b>	<b>1</b>	<b>(14)</b>	<b>612</b>	

## ***Collateral package***

### **Revolving Credit Facility**

In July 2023, the Company entered into a \$225 million, 5-year Senior Secured Revolving Credit Agreement in respect of the Revolving Credit Facility (the "**Credit Agreement**"). Seadrill Finance is the borrower under the Credit Agreement, and the facility is secured by first priority liens on substantially all of the Company's rigs and related assets, other than non-core assets. The Company, and certain of its subsidiaries that own collateral or are otherwise material, guarantee the obligations under the Credit Agreement. The loans outstanding under the Credit Agreement bear interest at a rate per annum equal to the applicable margin plus, at Seadrill Finance's option, either: (i) the Term SOFR (as defined in the Credit Agreement) plus 0.10%; or (ii) the Daily Simple SOFR (as defined in the Credit Agreement) plus 0.10%. For both the Term SOFR loans and Daily Simple SOFR loans, the applicable margin is initially 2.75% per annum and may vary based on Seadrill's Credit Ratings (as defined in the Credit Agreement), from 2.50% to 3.50% per annum. A commitment fee is incurred under the Revolving Credit Facility on undrawn amounts, at a rate of 0.5% per annum to and including July 27, 2026, 0.75% per annum from and including July 28, 2026 to and including July 27, 2027, and 1.00% per annum thereafter.

### **\$575 million Notes Offerings**

In July 2023, Seadrill Finance issued the Notes in a private offering. The Notes mature on August 1, 2030. The Notes are guaranteed by the Company and the same subsidiaries of the Company that guarantee the Credit Agreement. The Notes are secured by a second priority lien on the same assets that secure the Credit Agreement.

For further details on these facilities please refer to Note 9 – "Debt" of our unaudited Condensed Consolidated Financial Statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which are incorporated herein by reference.

### ***Financial covenants***

The Credit Agreement obligates Seadrill and its restricted subsidiaries to comply with the following financial covenants:

- as of the last day of each fiscal quarter, the Interest Coverage Ratio (as defined in the Credit Agreement) is not permitted to be less than 2.50 to 1.00; and
- as of the last day of each fiscal quarter, the Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) is not permitted to be greater than 3.00 to 1.00.

As of June 30, 2025, Seadrill was in compliance with these financial covenants.

### ***Critical Accounting Estimates***

The preparation of our unaudited Condensed Consolidated Financial Statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures about contingent assets and liabilities. We base these estimates and assumptions on historical experience and on various other information and assumptions that we believe to be reasonable. Critical accounting estimates are important to the portrayal of both our financial position and results of operations and require us to make subjective or complex assumptions or estimates about matters that are uncertain. Actual results may differ from these estimates.

For a discussion of our critical accounting estimates, see Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" in our 2024 10-K. As of June 30, 2025, there have been no material changes to the judgments, assumptions and estimates upon which our critical accounting policies and estimates are based.

### ***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to market risks, including foreign exchange risk and interest rate risk. Our policy is to reduce our exposure to these risks, where possible, within boundaries deemed appropriate by our management team. This may include the use of derivative instruments. There have been no material changes to our market risks as compared to the information previously reported under Part II, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" in our 2024 10-K.

### ***Item 4. Controls and Procedures***

#### **Disclosure Controls and Procedures**

Our management, with participation from the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2025. Based on that evaluation and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded the Company's disclosure controls and procedures were effective, providing effective means to ensure the information the Company is required to disclose under applicable laws and regulations is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### **Item 1. Legal Proceedings**

Except as set forth in Note 13 – "Commitments and contingencies" to our unaudited Condensed Consolidated Financial Statements included in Part I, Item 1. "Financial Statements" of this Quarterly Report on Form 10-Q, we were involved in a number of lawsuits, regulatory matters, disputes, and claims, asserted and unasserted, all of which have arisen in the ordinary course of our business and for which we do not expect the liability, if any, to have a material adverse effect on our consolidated financial position, results of operations, or cash flows. We cannot predict with certainty the outcome or effect of any of the matters referred to above or of any such other pending or threatened litigation or legal proceedings. We can provide no assurance that our beliefs or expectations as to the outcome or effect of any lawsuit or claim or dispute will prove correct and the eventual outcome of these matters could materially differ from management's current estimates.

Additional information regarding legal proceedings is presented in Note 13 - "Commitments and contingencies" to our unaudited Condensed Consolidated Financial Statements, included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

### **Item 1A. Risk Factors**

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A. "Risk Factors" in our 2024 10-K.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

During the second quarter of 2025, the Company did not repurchase Shares, and therefore, as of June 30, 2025, \$208 million of the \$500 million authorized amount remained available under the Current Repurchase Program.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

During the three months ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Certificate of Incorporation of Seadrill 2021 Limited delivered October 21, 2021 (incorporated by reference to Exhibit 1.1 to Seadrill Limited's Annual Report on Form 20-F filed with the SEC on April 29, 2022).</a>
3.2	<a href="#">Memorandum of Association of Seadrill 2021 Limited (incorporated by reference to Exhibit 1.2 to Seadrill Limited's Annual Report on Form 20-F filed with the SEC on April 29, 2022).</a>
3.3	<a href="#">Certificate of Deposit of Memorandum of Increase of Share Capital of Seadrill Limited (incorporated by reference to Exhibit 1.3 to Seadrill Limited's Annual Report on Form 20-F filed with the SEC on April 29, 2022).</a>
3.4	<a href="#">Certificate of Change of Name from Seadrill 2021 Limited to Seadrill Limited delivered February 22, 2022 (incorporated by reference to Exhibit 1.5 to Seadrill Limited's Annual Report on Form 20-F filed with the SEC on April 29, 2022).</a>
3.5	<a href="#">Bye-Laws of Seadrill Limited (incorporated by reference to Exhibit 1.4 to Seadrill Limited's Annual Report on Form 20-F filed with the SEC on April 29, 2022).</a>
10.1+*	<a href="#">Form of PRSU Award Agreement (Executive Officers) under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan.</a>
10.2+*	<a href="#">Form of TRSU Award Agreement (Executive Officers) under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan.</a>
10.3+*	<a href="#">Form of TRSU Award Agreement (Director) under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan.</a>
10.4+*	<a href="#">Form of TRSU Award Agreement (Director Deferred) under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan.</a>
31.1*	<a href="#">Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.</a>
31.2*	<a href="#">Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.</a>
32.1**	<a href="#">Certification of the Principal Executive Officer pursuant to 18 USC Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of the Principal Financial Officer pursuant to 18 USC Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Schema Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)
+	Management contract or compensatory plan or arrangement.
*	Filed herewith.
**	Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 7, 2025

**SEADRILL LIMITED**

By: /s/ Grant Creed  
Grant Creed  
Executive Vice President and Chief Financial Officer  
(duly authorized officer, principal financial officer, principal accounting officer)

**AMENDED AND RESTATED  
SEADRILL LIMITED  
2022 MANAGEMENT INCENTIVE PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AWARD AGREEMENT (this “Agreement”), made effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Grant Date”) by Seadrill Limited, an exempted company incorporated and existing under the laws of Bermuda (the “Company”) evidences the performance-based Restricted Stock Units (as defined in the Plan) awarded hereunder to \_\_\_\_\_ (“Participant”), subject to Participant signing and returning the signature page hereto to the Company, and sets forth the restrictions, terms and conditions that apply thereto. Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meanings set forth in the Plan.

**WITNESSETH**

WHEREAS, the Committee acting under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan, as may be amended (the “Plan”), has determined that it is desirable to award performance-based Restricted Stock Units to Participant pursuant to the Plan; and

WHEREAS, pursuant to the Plan, the Committee has determined that the performance-based Restricted Stock Units so awarded shall be subject to the restrictions, terms and conditions set forth in this Agreement;

NOW, THEREFORE, subject to the terms of this Agreement, the award of performance-based Restricted Stock Units is hereby granted to Participant as follows:

**1. Performance-Based Restricted Stock Unit Award.**

- (a) **Number of Shares.** On the terms and conditions and subject to the restrictions, including forfeiture to or acquisition for no further consideration by the Company, hereinafter set forth, the Company hereby awards \_\_\_\_\_ Restricted Stock Units (the “Awarded Restricted Stock Units”) to Participant pursuant to the Plan. The Awarded Restricted Stock Units set forth in this Section 1 represents the number of Shares that may be earned and vest pursuant to this Agreement if the Performance Goals set forth on Schedule I, attached hereto, are achieved at 100% payout; however, the actual number of Shares that may be earned and vest pursuant to this Agreement will vary based upon the extent to which the Committee determines the Performance Goals are achieved during the Performance Period (as defined below) in accordance with Schedule I and subject to the provisions of this Agreement.
- (b) **Performance Goals.** The Awarded Restricted Stock Units may be earned, if at all, based on the Company’s Total Shareholder Return (“TSR”) over the period beginning on \_\_\_\_\_, 20\_\_\_\_ and ending \_\_\_\_\_, 20\_\_\_\_ (the “Performance Period”) and Cumulative Free Cash Flow over the Performance Period (each of the Company’s TSR

and Cumulative Free Cash Flow a “Performance Goal” and collectively the “Performance Goals” and \_\_\_\_\_, 20\_\_\_\_, the “end of the Performance Period”), as described in Schedule I. Sixty percent (60%) of the Awarded Restricted Stock Units may be earned, if at all, based on the Company’s TSR over the Performance Period (the “TSR Awarded Restricted Stock Units”) and forty percent (40%) of the Awarded Restricted Stock Units may be earned, if at all, based on the Company’s Cumulative Free Cash Flow over the Performance Period (the “Cumulative Free Cash Flow Awarded Restricted Stock Units”). The Cumulative Free Cash Flow Awarded Restricted Stock Units may be earned in three “Tranches,” as described in Schedule I. The Awarded Restricted Stock Units are being awarded to Participant without the payment of any cash consideration by Participant, except that payment of the aggregate par value in respect of any Shares delivered hereunder may be required by the Committee or pursuant to procedures of the Committee in respect of the allotment and issuance, transfer or delivery of such Shares.

2. **Vesting and Forfeiture.** The number of Awarded Restricted Stock Units, if any, that are earned shall be determined by the Committee based on the level of achievement of the Performance Goals set forth on Schedule I, which determination shall be made by the Committee as soon as practicable and, in any event, with respect to the Cumulative Free Cash Flow Awarded Restricted Stock Units, within 60 days following the end of each Annual Measurement Period (as defined in Schedule I), and with respect to the TSR Awarded Restricted Stock Units, within 60 days following the end of the Performance Period. Unless otherwise determined by the Committee and except as otherwise provided in Section 3 or Section 4 of this Agreement, such number of Awarded Restricted Stock Units so earned, if any, shall vest subject to the Participant remaining continuously employed by the Company or a Subsidiary of the Company from the Grant Date through the last day of the Performance Period. Unless otherwise determined by the Committee and except as otherwise provided in Section 3 or Section 4 of this Agreement, any Awarded Restricted Stock Units that have not already vested in accordance with this Section 2 shall be forfeited by Participant upon the termination of Participant’s employment with the Company or a Subsidiary of the Company. For purposes of this Agreement, transfers of employment without interruption of service between or among the Company and a Subsidiary of the Company shall not be considered a termination of employment.
3. **Acceleration of Vesting.**
  - (a) Notwithstanding Section 2 of this Agreement, and except as provided in Section 4, if Participant’s employment with the Company or a Subsidiary of the Company terminates after the first anniversary of the Grant Date and prior to the end of the Performance Period pursuant to a Qualifying Termination Event (as defined below), the Awarded Restricted Stock Units will be treated as set forth in Section 3(b) and Section 3(c), as applicable. “Qualifying Termination Events” means a termination of Participant’s employment with the Company or a Subsidiary of the Company:
    - i) by reason of Participant’s death,
    - ii) by reason of Participant’s Disability,

- iii) by reason of the Company's termination of Participant's employment other than for Cause, or
- iv) by reason of Participant's resignation of Participant's employment for Good Reason.
- (b) **TSR Awarded Restricted Stock Units.** If Participant's employment with the Company or a Subsidiary of the Company terminates after the first anniversary of the Grant Date and prior to the end of the Performance Period pursuant to a Qualifying Termination Event, a Pro-Rata Portion (as defined in this Section 3(b)) of the TSR Awarded Restricted Stock Units will remain outstanding until the end of the Performance Period and thereafter such Pro Rata Portion shall become vested in accordance with Section 2 as if the Participant had remained employed through the last day of the Performance Period. For purposes of this Section 3(b), the "Pro Rata Portion" shall be equal to the product of "A" multiplied by "B," where "A" equals the number of TSR Awarded Restricted Stock Units determined by the Committee to have been earned based on the level of achievement of the TSR Performance Goals set forth on Schedule I, and "B" is a fraction, the numerator of which is the number of full months the Participant worked during the Performance Period through the date of Participant's termination of employment, and the denominator of which is 36.
- (c) **Cumulative Free Cash Flow Awarded Restricted Stock Units.** If Participant's employment with the Company or a Subsidiary of the Company terminates after the first anniversary of the Grant Date and prior to the end of the Performance Period pursuant to a Qualifying Termination Event:
- i) Any Tranche of Cumulative Free Cash Flow Awarded Restricted Stock Units for which the Annual Measurement Period has ended prior to the Qualifying Termination Event will become vested in connection with the Participant's Qualifying Termination Event, subject to Section 3(d).
- ii) A Pro Rata Portion (as defined in this Section 3(c)(ii)) of the Tranche of Awarded Restricted Stock Units for the Annual Measurement Period in which the Qualifying Termination Event occurs will remain outstanding until the end of such Annual Measurement Period and thereafter such Pro Rata Portion of such Tranche shall become vested in connection with the Committee's determination of the achievement of the Annual Free Cash Flow Performance Goal for such Annual Measurement Period, subject to Section 3(d). For purposes of this Section 3(c)(ii), the "Pro Rata Portion" shall be equal to the product of "A" multiplied by "B," where "A" equals the number of Cumulative Free Cash Flow Awarded Restricted Stock Units determined by the Committee to have been earned with respect to such Tranche based on the level of achievement of the Cumulative Free Cash Flow Performance Goals for such Annual Measurement Period set forth on Schedule I, and "B" is a fraction, the numerator of which is the number of full months the Participant worked during the Annual Measurement Period in which the Qualifying Termination Event occurred through the date of Participant's termination of employment, and the denominator of which is 12.

- iii) Any Tranche for which the Annual Measurement Period has not commenced at the time of the Qualifying Termination Event shall be forfeited.
- (d) Awarded Restricted Stock Units shall be eligible to become earned and vested pursuant to this Section 3 only upon Participant's (or Participant's legal representative's, heir's, legatee's or distributee's, as applicable) timely execution of a general release of claims no later than 45 days following such Qualifying Termination Event in a form satisfactory to the Company and, if applicable, Participant's (or Participant's legal representative's, heir's, legatee's or distributee's, as applicable) failure to revoke such execution or signature in accordance with the terms of such release (any such period to execute and revoke such release of claims, the "Consideration Period").
- (e) For purposes of this Agreement, "Good Reason" shall have the meaning assigned such term or analogous term in the employment, severance or similar agreement, if any, between the Participant and the Company or a Subsidiary of the Company, and if Participant is not a party to an employment, severance or similar agreement with the Company or a Subsidiary of the Company in which such term is defined, "Good Reason" means Participant's termination of Participant's employment as a result of (i) a material adverse change in Participant's title, authority, duties or responsibilities other than (1) temporarily in the event of physical or mental incapacitation, (2) as required by applicable law or regulatory requirements, or (3) due to any such change made in the ordinary course of business that is due to an internal restructuring of employees and their corresponding titles, authorities, duties, and/or responsibilities (which exception (3) shall apply prior to a Change in Control only); (ii) a material reduction in Participant's base salary or target annual bonus, if applicable, except to the extent that the base salaries or target annual bonuses of all other similarly situated employees of the Company are similarly reduced; (iii) a relocation of Participant's principal office to a location that is in excess of fifty (50) miles from its location as of the Grant Date; or (iv) any material breach of this Agreement by the Company. Notwithstanding the foregoing, no termination of employment by Participant shall constitute a termination for "Good Reason" unless (A) Participant gives the Company notice of the existence of an event described in clause (i), (ii), (iii) or (iv) above, within sixty (60) days following the occurrence thereof, (B) the Company does not remedy such event described in clause (i), (ii), (iii) or (iv) above, as applicable, within thirty (30) days of receiving the notice described in the preceding clause (A), and (C) Participant terminates employment within five (5) days of the end of the cure period specified in clause (B), above.
- (f) For the avoidance of doubt, all Awarded Restricted Stock Units that do not vest in accordance with this Section 3 or Section 4 shall be forfeited by Participant upon the termination of Participant's employment with the Company or a Subsidiary of the Company during the Performance Period or the expiration of the Consideration Period, if applicable. All Awarded Restricted Stock Units shall be forfeited by Participant upon the termination of Participant's employment by the Company for Cause and any Shares issued to the Participant pursuant to such Award would be acquired by the Company for no consideration.

#### 4. **Change in Control.**

- (a) Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control, the Performance Goals of any Awarded Restricted Stock Units for which the level of achievement has not previously been determined as of immediately prior to the Change in Control shall be deemed met at the greater of (i) 100% payout/target level or (ii) actual performance, as determined by the Committee (in effect immediately prior to the consummation of the Change in Control).
- (b) Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control in which the Awarded Restricted Stock Units as so scored in accordance with Section 4(a) above are not continued or assumed, substituted or replaced with an award with respect to cash or shares of the acquiror or surviving entity in such Change in Control, in each case, with substantially equivalent terms and value as the Awarded Restricted Stock Units as so scored (“Assumed”), such Awarded Restricted Stock Units as so scored shall vest immediately prior to the Change in Control.
- (c) In the event of a Change in Control in which the Awarded Restricted Stock Units as so scored in accordance with Section 4(a) above are Assumed, such Awarded Restricted Stock Units as so scored shall not vest immediately prior to the Change in Control and shall remain subject to the terms and conditions of this Agreement, provided, that, notwithstanding Section 3, if Participant’s employment with the Company or a Subsidiary of the Company terminates pursuant to a Qualifying Termination Event within the 12-month period beginning on the Change in Control and ending at the end of the first anniversary of the Change in Control, any such Awarded Restricted Stock Units as so scored shall become vested subject to Participant’s (or Participant’s legal representative’s, heir’s, legatee’s or distributee’s, as applicable) timely execution of a general release of claims no later than 45 days following such Qualifying Termination Event in a form satisfactory to the Company and, if applicable, Participant’s (or Participant’s legal representative’s, heir’s, legatee’s or distributee’s, as applicable) failure to revoke such execution or signature in accordance with the terms of such release during the Consideration Period. If the Consideration Period spans two calendar years, then, subject to such execution and non-revocation of the release, any such Awarded Restricted Stock Units as so scored shall become vested and be settled in the second calendar year.

- 5. **Allotment and Issuance of Shares.** As soon as practicable following the end of the Performance Period (or, the applicable vesting date described in Section 3 or Section 4 of this Agreement, if applicable), but in any event no later than 70 days following such date, the Company shall either (a) settle in cash the Awarded Restricted Stock Units that are earned and in which Participant vests or (b) allot and issue or transfer to Participant one Share in settlement of any such Awarded Restricted Stock Units and, in each case, in full satisfaction of such Awarded Restricted Stock Units. The determination of whether the Awarded Restricted Stock Units that are earned and become vested shall be settled in cash or in Shares shall be made at the sole discretion of the Committee.

6. **No Rights as Shareholder.** Except as provided in Section 7, Participant shall have no rights as a shareholder of the Company, including, without limitation, voting rights or the right to receive dividends and distributions as a shareholder, with respect to the Shares subject to the Awarded Restricted Stock Units, unless and until and to the extent such Shares are allotted and issued or transferred to Participant as provided herein.
7. **Dividend Equivalents.** In connection with the Awarded Restricted Stock Units the Company hereby awards to Participant Dividend Equivalents with respect to any cash dividends payable with respect to the Shares. Such cash Dividend Equivalents shall be payable at the same time, and shall be subject to the same conditions (including the Performance Goals), that are applicable to the Awarded Restricted Stock Units, and shall be payable in cash at the same time of settlement of the underlying Awarded Restricted Stock Unit that ultimately vest. Accordingly, the right to receive such cash Dividend Equivalent payments shall be forfeited to the extent that the Awarded Restricted Stock Units do not vest, are forfeited, are acquired by the Company or are otherwise cancelled pursuant to this Agreement.
8. **Arrangements and Procedures Regarding Withholding Taxes.**
  - (a) Participant shall make arrangements satisfactory to the Committee for the payment of taxes and social security obligations of any kind that are required by law to be withheld with respect to the Awarded Restricted Stock Units or the Dividend Equivalents awarded under this Agreement, including, without limitation, taxes applicable to (i) the awarding of the Awarded Restricted Stock Units or the payment of cash or allotment and issuance or transfer of Shares in settlement thereof, or (ii) the awarding of the Dividend Equivalents or the payments made with respect thereto.
  - (b) Unless and until the Committee shall determine otherwise and provide notice to Participant in accordance with Section 8(c), any obligation of Participant under Section 8(a) that arises with respect to the payment of cash or allotment and issuance, transfer or delivery of Shares in settlement of Awarded Restricted Stock Units that have become vested may be satisfied, in accordance with procedures adopted by the Committee, by (i) Participant's forfeiture or surrender of the right to require the Company to allot and issue, transfer or deliver Shares subject to such Awarded Restricted Stock Units, (ii) causing such Awarded Restricted Stock Units to be settled partly in cash or (iii) otherwise reducing the number of Shares to be issued and/or reacquiring a portion of such Shares. In the case of Shares as to which the right to require allotment and issuance, transfer or delivery is forfeited or surrendered pursuant to clause (i) and Shares not issued or reacquired pursuant to clause (iii) such Shares or rights shall be valued at the Fair Market Value (of such Shares or the Shares to which such rights relate, as the case may be) as of the date on which the taxable event that gives rise to the withholding requirement occurs.
  - (c) The Committee may determine, after the Grant Date and on notice to Participant, to authorize one or more arrangements (in addition to or in lieu of the arrangement described in Section 8(b)) satisfactory to the Committee for Participant to satisfy the obligation of Participant under Section 8(a).

- (d) If Participant does not, for whatever reason, satisfy the obligation of Participant under Section 8(a), then the Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to Participant the amount required to satisfy the obligation of Participant under such Section 8(a).
9. **Restrictive Covenants.** Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which Participant may be a party, Participant shall be subject to the confidentiality and restrictive covenants set forth in this Section 9.
- (a) **Non-Competition.** Participant shall not, for the duration of Participant's employment and for the six-month period following the termination of Participant's employment, be employed in, or carry on for Participant's own account or for any other person, or provide advisory services to (whether directly or indirectly), or be a director of any company, business or venture, which is, or is about to be in competition with the Company, or is likely to result in the intentional or unintentional disclosure or use of Confidential Information by Participant in order for Participant to properly discharge Participant's duties.
- (b) **Non-Solicitation.** Participant shall not, for the duration of Participant's employment and for the six-month period following the termination of Participant's employment (either on Participant's own behalf or for or with any other person), whether directly or indirectly, (i) solicit or entice or endeavor to solicit or entice any Employee to leave such Employee's employment with or cease such Employee's directorship or consultancy with the Company or a Subsidiary of the Company, whether or not that person would breach any obligations owed to the Company or any Subsidiary of the Company by so doing or offer employment or any contract for services to or employ or engage any Employee, or (ii) in respect of any Goods or Services, solicit, facilitate the solicitation of, or canvass the custom or business of any Customer solicit, facilitate the solicitation of, or canvas the custom or business of any Prospective Customer.
- (c) **Non-Interference.** Participant shall not, for the duration of Participant's employment and for the six-month period following the termination of Participant's employment, (either on Participant's own behalf or for or with any other person), whether directly or indirectly, (i) in regards to any Customer or Prospective Customer, (A) deal with or supply any Customer, or (B) deal with or supply any Prospective Customer; or (ii) in regards to any Supplier, (A) deal with or accept the supply of any goods or services from any Supplier where such supply is likely to be to the detriment of any Company whether by causing the Supplier to reduce or alter the terms or quantity of supply to the Company or, where the value of the Company's arrangement with the Supplier is diminished; or (B) solicit, facilitate the solicitation of, or canvass the supply of any goods or services from any Supplier where such supply is likely to be to the detriment of any Company whether by causing the Supplier to reduce or alter the terms or quantity of supply to the Company, or where the value of the Company's arrangement with the Supplier is diminished.

- (d) **Confidential Information.** Participant shall not (except in the proper performance of Participant's duties) use or disclose to any person, company or other organization (and shall use every reasonable endeavor to prevent the publication or disclosure of) any of the trade secrets or confidential information of the Company or any Subsidiary of the Company. This restriction shall continue to apply after the termination of Participant's employment but will not apply to information or knowledge which may come into the public domain other than through unauthorized disclosure, or any use or disclosure authorized by the Board or required by law. For purposes of this Section 9(c), "trade secrets" and "confidential information" will include but not be limited to: (i) information relating to the business methods, corporate plans, management systems, finances, new business opportunities, research and development projects, marketing or sales of any past, present or future product or service of the Company; (ii) secret formulae, processes, inventions, designed, know-how discoveries, technical specifications and other technical information relating to the creation, production or supply of any past, present or future product or services of the Company; (iii) lists or details of customers, potential customers or suppliers of the arrangements made with any customer or supplier of the Company; (iv) any information in respect of which the Company owes an obligation of confidentiality to any third party (provided that with respect to such third party Participant knows or reasonably should have known that the third party provided it to the Company on a confidential basis); (v) information and details of and concerning the engagement, employment and termination of employment of Participant and any other personnel; (vi) information concerning any litigation proposed, in progress or settled; and, (vii) any other information in whatever form (written, oral, visual and electronic) concerning the confidential affairs of the Company.
- (e) **Non-Disparagement.** During the term of Participant's employment with the Company or a Subsidiary of the Company and thereafter in perpetuity, Participant shall not, directly or indirectly, knowingly disparage, criticize, or otherwise make derogatory statements regarding the Company or any Subsidiary of the Company, successors, directors or officers. The foregoing shall not be violated by Participant's truthful responses to legal process or inquiry by a governmental authority.
- (f) **Definitions.** For purposes of this Section 9:
- i) "Company" shall mean, for purposes of this Section 9 only, the Company and any and all direct and indirect subsidiary, parent, affiliated, or related companies of the Company for which Participant worked or had responsibility at the time of termination of Participant's employment and at any time during the twelve (12) month period prior to such termination.
  - ii) "Confidential Information" shall have the meaning given to trade secrets and confidential information in Section 9(d).
  - iii) "Customer" shall mean any person who at any time during the 12 months immediately preceding the termination of Participant's employment was a customer

of the Company with whom Participant had material dealings or in relation to whom he acquired confidential information.

- iv) “Employee” shall mean any individual who is employed or engaged by the Company, or any person who, during the 12 months immediately preceding the termination of Participant’s employment, is or was employed or engaged by the Company.
- v) “Goods and/or Services” shall mean any goods and/or services competitive with those supplied by the Company at any time during the 12 months immediately preceding the termination of Participant’s employment and in relation to which Participant was materially involved or concerned or for which Participant was directly responsible during that time.
- vi) “Prospective Customer” shall mean any person who was at any time during the 12 months immediately preceding the termination of Participant’s employment engaged in negotiations, with which Participant was personally involved, with the Company with a view to obtaining Goods and/or Services from the Company or in relation to whom Participant has acquired Confidential Information.
- vii) “Supplier” shall mean any person with whom Participant had material dealings at any time during the 12 months immediately preceding the termination of Participant’s employment and who during that period supplied goods or services to the Company on terms other than those available to another purchaser in the market during that period, whether by reason of exclusivity (either de facto or contractually obliged), price or otherwise.

10. **Forfeiture Events.** Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Awarded Restricted Stock Units, under the Awarded Restricted Stock Units, including the right to any cash or Shares acquired upon the vesting of the Awarded Restricted Stock Units or proceeds from the disposition thereof are subject to any clawback or recoupment policy of the Company. In addition, if Participant (i) is terminated for Cause (or, within one year following Participant’s termination other than for Cause, the Committee determines that the Company had grounds to terminate the Participant for Cause) or (ii) violates any restrictive covenants to which Participant is subject, whether set forth in this Agreement or elsewhere, the Committee, in its sole discretion, may require Participant to surrender and return to the Company all or any cash or sell or transfer to the Company (for no further consideration) Shares received in connection with the vesting of the Awarded Restricted Stock Units, or to disgorge all or any profits or any other economic value (however defined by the Committee) made or realized by Participant on the sale of such Shares.

11. **Non-Assignability.** This Agreement is not assignable or transferable by Participant. No right or interest of Participant under this Agreement or the Plan may be assigned, transferred or alienated, in whole or in part, either directly or by operation of law (except pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code or a similar domestic relations order under applicable foreign law, either in such form as is

acceptable to the committee), and no such right or interest shall be liable for or subject to any debt, obligation or liability of Participant.

12. **Plan Provisions.** The Awarded Restricted Stock Units and the Dividend Equivalents subject to this Agreement shall be governed by and subject to all applicable provisions of the Plan. This Agreement is subject to the Plan, and the Plan shall govern where there is any inconsistency between the Plan and this Agreement.
13. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof, except to the extent the laws of the State of Delaware are preempted by federal law of the United States or by the laws of England.
14. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.
15. **Prior Communications; Amendment.** This Agreement, together with any Schedules and Exhibits and any other writings referred to herein or delivered pursuant hereto, evidences the Award granted hereunder, which shall be subject to the restrictions, terms and conditions hereof, and supersedes all prior agreements and understandings, whether written or oral, between the parties with respect to the subject matter hereof. To the fullest extent provided by applicable law, this Agreement may only be amended, modified and supplemented in accordance with the applicable terms and conditions set forth in the Plan.
16. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if directed in the manner specified below, to the parties at the following addresses and numbers:

- (a) If to the Company, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

Seadrill Management Limited,  
11025 Equity Drive  
Suite 150  
Houston, Texas 77041  
Attention: General Counsel

- (b) If to Participant, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

The last known address and number for Participant as maintained in the personnel records of the Company.

For purposes of this Section 16, the Company shall provide Participant with written notice of any change of the Company's address, and Participant shall be responsible for

providing the Company with proper notice of any change of Participant's address pursuant to the Company's personnel policies, and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

17. **Severability.** If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects the restrictions, terms and conditions set forth in this Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.
18. **Description Headings.** The descriptive headings herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.
19. **Gender.** Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.
20. **References.** The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Whenever the words "include," "includes" and "including" are used in this Agreement, such words shall be deemed to be followed by the words "without limitation."
21. **Unfunded Awards.** The awards made under this Agreement are unfunded and unsecured obligations and rights to provide or receive compensation in accordance with the provisions hereof, and to the extent that Participant acquires a right to receive compensation from the Company or a Subsidiary of the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company or such affiliate.
22. **Compliance with Code Section 409A.** The compensation payable to or with respect to Participant pursuant to the Awarded Restricted Stock Units is intended to be compensation that is exempt from Code Section 409A or, to the extent subject to Code Section 409A, compliant with Code Section 409A or not subject to the tax imposed by Code Section 409A, and this Agreement shall be administered and construed to the fullest extent possible to reflect and implement such intent.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Company has signed and delivered this Agreement as of the date first above written.

**Seadrill Limited**

By: \_\_  
Name:  
Title:

Acknowledged, Agreed and Accepted:

—

[Participant]

**SCHEDULE I**

**AMENDED AND RESTATED  
SEADRILL LIMITED  
2022 MANAGEMENT INCENTIVE PLAN**

**PERFORMANCE GOALS AND PERFORMANCE PERIOD**

**FOR AWARD OF PERFORMANCE-BASED RESTRICTED STOCK UNITS**

**TSR Performance Goals**

The number of TSR Awarded Restricted Stock Units that may be earned will be based on the Company’s absolute TSR and the Company’s relative TSR, in each case, over the Performance Period, as set forth below.

		Relative TSR Percentile Ranking				
		< 40 <sup>th</sup> Percentile	40 <sup>th</sup> Percentile	Median	60 <sup>th</sup> Percentile	80 <sup>th</sup> Percentile
<b>Absolute TSR</b>	<b>59%</b>	50%	75%	125%	150%	200%
	<b>40%</b>	25%	50%	100%	125%	175%
	<b>20%</b>	0%	25%	75%	100%	150%
	<b>5%</b>	0%	0%	50%	75%	100%
	<b>&lt;5%</b>	0%	0%	0%	50%	75%

In each case, if a TSR Performance Goal is earned at an amount that is at a point between two adjacent performance levels, the level at which the TSR Performance Goal shall be earned and the number of TSR Awarded Restricted Stock Units that are earned shall be determined by straight line interpolation between such points. All determinations as to the achievement of the TSR Performance Goal and the number of TSR Award Restricted Stock Units that are earned shall be made by the Committee in its sole discretion and such determinations shall be final and binding.

*Absolute TSR*

Absolute TSR shall be determined based on the following formula and shall be expressed as a percentage:

$$\text{Absolute TSR} = \left( \frac{\text{Ending Average Share Price} + \text{Dividends}}{\text{Beginning Average Share Price}} - 1 \right) * 100$$

Where:

“Beginning Average Share Price” means the volume weighted average price of a Share for the first 20 trading days of the Performance Period (including the first day of the Performance Period);

“Dividends” means all dividends paid to a shareholder of record with respect to one Share during the Performance Period; and

“Ending Average Share Price” means the volume weighted average price of a Share for the last 20 trading days of the Performance Period (including the last day of the Performance Period).

#### *Relative TSR*

The results of the Absolute TSR for each of the companies in the Peer Group (for the avoidance of doubt, excluding the Company) will be ranked from highest to lowest Absolute TSR (rounded, if necessary, to one-tenth of a percentage point by application of regular rounding) and the Company’s Absolute TSR will be compared to such ranking to determine the Company’s relative TSR percentile ranking.

The Peer Group shall include the following companies:

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Where the effect of changes to the Peer Group shall be as follows:

- If a company in the Peer Group is acquired and ceases to have its primary common equity security listed or traded prior to the end of the Performance Period, such company will be omitted from Peer Group.
- If a company in the Peer Group is forced to delist from the securities exchange upon which it was traded due to low stock price or other reasons or files for bankruptcy, such company shall be included in the Peer Group but will be ranked last.

### **Cumulative Free Cash Flow Performance Goals**

The number of Cumulative Free Cash Flow Awarded Restricted Stock Units that may be earned will be based on the Company's Cumulative Free Cash Flow over the Performance Period, as set forth below.

The Company's Cumulative Free Cash Flow will be measured over three individual Annual Measurement Periods, with one-third (1/3) of the Cumulative Free Cash Flow Awarded Restricted Stock Units being eligible to be earned based on the extent to which the Company's Annual Free Cash Flow for such Annual Measurement Period is achieved for such Annual Measurement Period (each, a "Tranche"), where:

"Annual Free Cash Flow" means, for the applicable Annual Measurement Period, adjusted EBITDA; less capital expenditures and payments on vendor-financed capital expenditures; less cash taxes; less net cash interest; less, asset retirement obligations; plus proceeds from sale of property, plant, and equipment; plus or minus gains (or losses and tax payments) associated with any disposition or disposal of assets whether by sale, trade or exchange; plus or minus gains (or losses and tax payments) associated with any acquisition, divestiture, recapitalization or other corporate transaction; plus or minus the positive (or negative) effects of exchange rate changes on cash and cash equivalents; plus or minus the net increase (or decrease) in working capital; plus or minus a positive (or negative) adjustment to reflect mobilization costs and mobilization revenue on a cash basis; plus dividends received from investments in associated companies; and also reflecting such other adjustments as the Committee deems appropriate; and

"Annual Measurement Period" means each of:

- The 20\_\_\_\_\_ Annual Measurement Period: The period beginning on \_\_\_\_\_, 20\_\_\_\_ and ending on \_\_\_\_\_, 20\_\_\_\_;
- The 20\_\_\_\_\_ Annual Measurement Period: The period beginning on \_\_\_\_\_, 20\_\_\_\_ and ending on \_\_\_\_\_, 20\_\_\_\_;
- The 20\_\_\_\_\_ Annual Measurement Period: The period beginning on \_\_\_\_\_, 20\_\_\_\_ and ending on \_\_\_\_\_, 20\_\_\_\_;

The number of Cumulative Free Cash Flow Awarded Restricted Stock Units that may become vested will be equal to the sum of (1) the Cumulative Free Cash Flow Awarded Restricted Stock Units earned with respect to the 20\_\_\_\_\_ Annual Measurement Period Tranche, plus the Cumulative Free Cash Flow Awarded Restricted Stock Units earned with respect to the 20\_\_\_\_\_ Annual Measurement Period Tranche, plus (3) the Cumulative Free Cash Flow Awarded Restricted Stock Units earned with respect to the 20\_\_\_\_ Annual Measurement Period Tranche.

The Company's Annual Free Cash Flow for each Annual Measurement Period shall be compared to the Company's annual budget for Annual Free Cash Flow for the applicable Annual

Measurement Period and the number of Free Cash Flow Awarded Restricted Stock Units earned with respect to the applicable Tranche shall be based on the below.

	<b>Performance Achievement %</b>	<b>Payout %</b>
<b>Threshold</b>	85%	50%
<b>Target</b>	100%	100%
<b>Maximum</b>	125%	200%

In each case, if an Annual Free Cash Flow Performance Goal is earned at an amount that is at a point between two adjacent performance levels, the level at which the Annual Free Cash Flow Performance Goal shall be earned and the number of Cumulative Free Cash flow Awarded Restricted Stock Units that are earned with respect to the applicable Tranche shall be determined by straight line interpolation between such points. All determinations as to the achievement of the Annual Free Cash Flow Performance Goal and the number of Cumulative Free Cash Flow Award Restricted Stock Units that are earned with respect to the applicable Tranche shall be made by the Committee in its sole discretion and such determinations shall be final and binding.

**AMENDED AND RESTATED  
SEADRILL LIMITED  
2022 MANAGEMENT INCENTIVE PLAN**

**TIME-VESTED RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AWARD AGREEMENT (this “Agreement”), made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Grant Date”) by Seadrill Limited, an exempted company incorporated and existing under the laws of Bermuda (the “Company”) evidences the time-vested Restricted Stock Units (as defined in the Plan) awarded hereunder to \_\_\_\_\_ (“Participant”), subject to Participant signing and returning the signature page hereto to the Company, and sets forth the restrictions, terms and conditions that apply thereto. Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meanings set forth in the Plan.

**WITNESSETH**

WHEREAS, the Committee acting under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan, as may be amended (the “Plan”), has determined that it is desirable to award time-vested Restricted Stock Units to Participant pursuant to the Plan; and

WHEREAS, pursuant to the Plan, the Committee has determined that the time-vested Restricted Stock Units so awarded shall be subject to the restrictions, terms and conditions set forth in this Agreement;

NOW, THEREFORE, subject to the terms of this Agreement, the award of time-vested Restricted Stock Units is hereby granted to Participant as follows:

1. **Time-Vested Restricted Stock Unit Award.** On the terms and conditions and subject to the restrictions, including forfeiture to or acquisition for no further consideration by the Company, hereinafter set forth, the Company hereby awards \_\_\_\_\_ Restricted Stock Units (the “Awarded Restricted Stock Units”) to Participant pursuant to the Plan. The Awarded Restricted Stock Units are being awarded to Participant effective as of the Grant Date and shall vest or be forfeited in accordance with (and otherwise be subject to) the provisions of this Agreement. The Awarded Restricted Stock Units are being awarded to Participant without the payment of any cash consideration by Participant, except that payment of the aggregate par value in respect of any Shares delivered hereunder may be required by the Committee or pursuant to procedures of the Committee in respect of the allotment and issuance, transfer or delivery of such Shares.
2. **Vesting and Forfeiture.** Except as set forth in Section 3 or Section 4 of this Agreement, the Awarded Restricted Stock Units shall vest and the forfeiture restrictions applicable to them under this Agreement shall terminate in accordance with the provisions of the attached Schedule I, provided that Participant remains continuously employed by the Company or a Subsidiary of the Company from the Grant Date through the applicable Vesting Date (as set forth on Schedule I hereto). Unless otherwise determined by the Committee and except as otherwise provided in Section 3 or Section 4 of this Agreement, any Awarded Restricted

Stock Units that have not already vested shall be forfeited by Participant upon the termination of Participant's employment with the Company or a Subsidiary of the Company. For purposes of this Agreement, transfers of employment without interruption of service between or among the Company and a Subsidiary of the Company shall not be considered a termination of employment.

**3. Acceleration of Vesting.**

(a) Notwithstanding Section 2 of this Agreement, and except as provided in Section 4, a Pro Rata Portion of the next Tranche of the Awarded Restricted Stock Units shall become vested under this Agreement if, after the first anniversary of the Grant Date, Participant's employment with the Company or a Subsidiary of the Company terminates pursuant to a Qualifying Termination Event (as defined below). "Qualifying Termination Events" means a termination of Participant's employment with the Company or a Subsidiary of the Company:

- i) by reason of Participant's death,
- ii) by reason of Participant's Disability,
- iii) by reason of the Company's termination of Participant's employment other than for Cause, or
- iv) by reason of Participant's resignation of Participant's employment for Good Reason.

(b) For purposes of this Agreement:

- i) "Good Reason" shall have the meaning assigned such term or analogous term in the employment, severance or similar agreement, if any, between the Participant and the Company or a Subsidiary of the Company, and if Participant is not a party to an employment, severance or similar agreement with the Company or a Subsidiary of the Company in which such term is defined, "Good Reason" means Participant's termination of Participant's employment as a result of (1) a material adverse change in Participant's title, authority, duties or responsibilities other than (a) temporarily in the event of physical or mental incapacitation, (b) as required by applicable law or regulatory requirements, or (c) due to any such change made in the ordinary course of business that is due to an internal restructuring of employees and their corresponding titles, authorities, duties, and/or responsibilities (which exception (c) shall apply prior to a Change in Control only); (2) a material reduction in Participant's base salary or target annual bonus, if applicable, except to the extent that the base salaries or target annual bonuses of all other similarly situated employees of the Company are similarly reduced; (3) a relocation of Participant's principal office to a location that is in excess of fifty (50) miles from its location as of the Grant Date; or (4) any material breach of this Agreement by the Company. Notwithstanding the foregoing, no termination of employment by Participant shall constitute a termination for "Good Reason" unless (i) Participant gives the Company notice of the existence of an event described in

clause (1), (2), (3) or (4) above, within sixty (60) days following the occurrence thereof, (ii) the Company does not remedy such event described in clause (1), (2), (3) or (4) above, as applicable, within thirty (30) days of receiving the notice described in the preceding clause (i), and (iii) Participant terminates employment within five (5) days of the end of the cure period specified in clause (ii), above.

ii) The “Pro Rata Portion” shall be equal to the product of “A” multiplied by “B,” where “A” equals the number of Awarded Restricted Stock Units in the next Tranche that are not vested on the date of Participant’s termination of employment, and “B” is a fraction, the numerator of which is the number of full months from the prior Vesting Date (as defined in Schedule I hereto) through the date of Participant’s termination of employment, and the denominator of which is 12.

iii) A “Tranche” shall refer to each portion of the Awarded Restricted Stock Units that would vest on a particular Vesting Date (that is, one-third of the Awarded Restricted Stock Units).

(c) Awarded Restricted Stock Units shall become vested pursuant to Section 3(a)(i), Section 3(a)(ii), Section 3(a)(iii) and Section 3(a)(iv) only upon Participant’s (or Participant’s legal representative’s, heir’s, legatee’s or distributee’s, as applicable) timely execution of a general release of claims no later than 45 days following such Qualifying Termination Event in a form satisfactory to the Company and, if applicable, Participant’s (or Participant’s legal representative’s, heir’s, legatee’s or distributee’s, as applicable) failure to revoke such execution or signature in accordance with the terms of such release, (any such period to execute and revoke such release of claims, the “Consideration Period”). If the Consideration Period spans two calendar years, then, subject to such execution and non-revocation of the release, the Pro Rata Portion of the next Tranche of the Awarded Restricted Stock Units shall become vested and be settled in the second calendar year.

(d) For the avoidance of doubt, all Awarded Restricted Stock Units that do not vest in accordance with this Section 3 or Section 4 shall be forfeited by Participant upon the termination of Participant’s employment with the Company or a Subsidiary of the Company or the expiration of the Consideration Period, if applicable.

#### 4. **Change in Control.**

(a) Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control, if the Awarded Restricted Stock Units are not continued or assumed, or substituted or replaced with an award with respect to cash or shares of the acquirer or surviving entity in such Change in Control, in each case, with substantially equivalent terms and value as the Awarded Restricted Stock Units (“Assumed”), any unvested Awarded Restricted Stock Units shall become vested.

(b) In the event of a Change in Control in which the Awarded Restricted Stock Units are Assumed, the Awarded Restricted Stock Units shall remain subject to the terms and conditions of this Agreement, provided, that, notwithstanding Section 3(a), if

Participant's employment with the Company or a Subsidiary of the Company terminates pursuant to a Qualifying Termination Event within the 12-month period beginning on the Change in Control and ending at the end of the first anniversary of the Change in Control, any unvested Awarded Restricted Stock Units shall become vested subject to Participant's (or Participant's legal representative's, heir's, legatee's or distributee's, as applicable) timely execution of a general release of claims no later than 45 days following such Qualifying Termination Event in a form satisfactory to the Company and, if applicable, Participant's (or Participant's legal representative's, heir's, legatee's or distributee's, as applicable) failure to revoke such execution or signature in accordance with the terms of such release during the Consideration Period. If the Consideration Period spans two calendar years, then, subject to execution and non-revocation of the release, any unvested Awarded Restricted Stock Units shall become vested and be settled in the second calendar year.

5. **Allotment and Issuance of Shares.** As soon as practicable following the date any such Awarded Restricted Stock Units vest, but in any event no later than 70 days following the date on which the Awarded Restricted Stock Units vest, the Company shall either (a) settle in cash the Awarded Restricted Stock Units in which Participant vests or (b) allot and issue or transfer to Participant one Share in settlement of any such Awarded Restricted Stock Units and, in each case, in full satisfaction of such Awarded Restricted Stock Units. The determination of whether the Awarded Restricted Stock Units that become vested shall be settled in cash or in Shares shall be made at the sole discretion of the Committee.
6. **No Rights as Shareholder.** Except as provided in Section 7, Participant shall have no rights as a shareholder of the Company, including, without limitation, voting rights or the right to receive dividends and distributions as a shareholder, with respect to the Shares subject to the Awarded Restricted Stock Units, unless and until and to the extent such Shares are allotted and issued or transferred to Participant as provided herein.
7. **Dividend Equivalents.** In connection with the Awarded Restricted Stock Units the Company hereby awards to Participant Dividend Equivalents with respect to any cash dividends payable with respect to the Shares. Such cash Dividend Equivalents shall be payable at the same time, and shall be subject to the same conditions, that are applicable to the Awarded Restricted Stock Units, and shall be payable in cash at the same time of settlement of the underlying Awarded Restricted Stock Unit that ultimately vest. Accordingly, the right to receive such cash Dividend Equivalent payments shall be forfeited to the extent that the Awarded Restricted Stock Units do not vest, are forfeited, are acquired by the Company or are otherwise cancelled pursuant to this Agreement.
8. **Arrangements and Procedures Regarding Withholding Taxes.**
  - (a) Participant shall make arrangements satisfactory to the Committee for the payment of taxes and social security obligations of any kind that are required by law to be withheld with respect to the Awarded Restricted Stock Units or the Dividend Equivalents awarded under this Agreement, including, without limitation, taxes applicable to (i) the awarding of the Awarded Restricted Stock Units or the payment of cash or allotment and issuance

or transfer of Shares in settlement thereof, or (ii) the awarding of the Dividend Equivalents or the payments made with respect thereto.

- (b) Unless and until the Committee shall determine otherwise and provide notice to Participant in accordance with Section 8(c), any obligation of Participant under Section 8(a) that arises with respect to the payment of cash or allotment and issuance, transfer or delivery of Shares in settlement of Awarded Restricted Stock Units that have become vested may be satisfied, in accordance with procedures adopted by the Committee, by (i) Participant's forfeiture or surrender of the right to require the Company to allot and issue, transfer or deliver Shares subject to such Awarded Restricted Stock Units, (ii) causing such Awarded Restricted Stock Units to be settled partly in cash or (iii) otherwise reducing the number of Shares to be issued and/or reacquiring a portion of such Shares. In the case of Shares as to which the right to require allotment and issuance, transfer or delivery is forfeited or surrendered pursuant to clause (i) and Shares not issued or reacquired pursuant to clause (iii) such Shares or rights shall be valued at the Fair Market Value (of such Shares or the Shares to which such rights relate, as the case may be) as of the date on which the taxable event that gives rise to the withholding requirement occurs.
  - (c) The Committee may determine, after the Grant Date and on notice to Participant, to authorize one or more arrangements (in addition to or in lieu of the arrangement described in Section 8(b)) satisfactory to the Committee for Participant to satisfy the obligation of Participant under Section 8(a).
  - (d) If Participant does not, for whatever reason, satisfy the obligation of Participant under Section 8(a), then the Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to Participant the amount required to satisfy the obligation of Participant under such Section 8(a).
9. **Restrictive Covenants.** Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which Participant may be a party, Participant shall be subject to the confidentiality and restrictive covenants set forth in this Section 9.
- (a) **Non-Competition.** Participant shall not, for the duration of Participant's employment and for the six-month period following the termination of Participant's employment, be employed in, or carry on for Participant's own account or for any other person, or provide advisory services to (whether directly or indirectly), or be a director of any company, business or venture, which is, or is about to be in competition with the Company, or is likely to result in the intentional or unintentional disclosure or use of Confidential Information by Participant in order for Participant to properly discharge Participant's duties.
  - (b) **Non-Solicitation.** Participant shall not, for the duration of Participant's employment and for the six-month period following the termination of Participant's employment (either on Participant's own behalf or for or with any other person), whether directly or indirectly, (i) solicit or entice or endeavor to solicit or entice any Employee to leave such

Employee's employment with or cease such Employee's directorship or consultancy with the Company or a Subsidiary of the Company, whether or not that person would breach any obligations owed to the Company or any Subsidiary of the Company by so doing or offer employment or any contract for services to or employ or engage any Employee, or (ii) in respect of any Goods or Services, solicit, facilitate the solicitation of, or canvass the custom or business of any Customer solicit, facilitate the solicitation of, or canvas the custom or business of any Prospective Customer.

- (c) **Non-Interference.** Participant shall not, for the duration of Participant's employment and for the six-month period following the termination of Participant's employment, (either on Participant's own behalf or for or with any other person), whether directly or indirectly, (i) in regards to any Customer or Prospective Customer, (A) deal with or supply any Customer, or (B) deal with or supply any Prospective Customer; or (ii) in regards to any Supplier, (A) deal with or accept the supply of any goods or services from any Supplier where such supply is likely to be to the detriment of any Company whether by causing the Supplier to reduce or alter the terms or quantity of supply to the Company or, where the value of the Company's arrangement with the Supplier is diminished; or (B) solicit, facilitate the solicitation of, or canvass the supply of any goods or services from any Supplier where such supply is likely to be to the detriment of any Company whether by causing the Supplier to reduce or alter the terms or quantity of supply to the Company, or where the value of the Company's arrangement with the Supplier is diminished.
- (d) **Confidential Information.** Participant shall not (except in the proper performance of Participant's duties) use or disclose to any person, company or other organization (and shall use every reasonable endeavor to prevent the publication or disclosure of) any of the trade secrets or confidential information of the Company or any Subsidiary of the Company. This restriction shall continue to apply after the termination of Participant's employment but will not apply to information or knowledge which may come into the public domain other than through unauthorized disclosure, or any use or disclosure authorized by the Board or required by law. For purposes of this Section 9(c), "trade secrets" and "confidential information" will include but not be limited to: (i) information relating to the business methods, corporate plans, management systems, finances, new business opportunities, research and development projects, marketing or sales of any past, present or future product or serve of the Company; (ii) secret formulae, processes, inventions, designed, know-how discoveries, technical specifications and other technical information relating to the creation, production or supply of any past, present or future product or services of the Company; (iii) lists or details or customers, potential customers or suppliers of the arrangements made with any customer or supplier of the Company; (iv) any information in respect of which the Company owes an obligation of confidentiality to any third party (provided that with respect to such third party Participant knows or reasonably should have known that the third party provided it to the Company on a confidential basis); (v) information and details of and concerning the engagement, employment and termination of employment of Participant and any other personnel; (vi) information concerning any litigation proposed, in progress or settled;

and, (vii) any other information in whatever form (written, oral, visual and electronic) concerning the confidential affairs of the Company.

(e) **Non-Disparagement.** During the term of Participant's employment with the Company or a Subsidiary of the Company and thereafter in perpetuity, Participant shall not, directly or indirectly, knowingly disparage, criticize, or otherwise make derogatory statements regarding the Company or any Subsidiary of the Company, successors, directors or officers. The foregoing shall not be violated by Participant's truthful responses to legal process or inquiry by a governmental authority.

(f) **Definitions.** For purposes of this Section 9:

i) "Company," shall mean, for purposes of this Section 9 only, the Company and any and all direct and indirect subsidiary, parent, affiliated, or related companies of the Company for which Participant worked or had responsibility at the time of termination of Participant's employment and at any time during the twelve (12) month period prior to such termination.

ii) "Confidential Information" shall have the meaning given to trade secrets and confidential information in Section 9(d).

iii) "Customer" shall mean any person who at any time during the 12 months immediately preceding the termination of Participant's employment was a customer of the Company with whom Participant had material dealings or in relation to whom he acquired confidential information.

iv) "Employee" shall mean any individual who is employed or engaged by the Company, or any person who, during the 12 months immediately preceding the termination of Participant's employment, is or was employed or engaged by the Company.

v) "Goods and/or Services" shall mean any goods and/or services competitive with those supplied by the Company at any time during the 12 months immediately preceding the termination of Participant's employment and in relation to which Participant was materially involved or concerned or for which Participant was directly responsible during that time.

vi) "Prospective Customer" shall mean any person who was at any time during the 12 months immediately preceding the termination of Participant's employment engaged in negotiations, with which Participant was personally involved, with the Company with a view to obtaining Goods and/or Services from the Company or in relation to whom Participant has acquired Confidential Information.

vii) "Supplier" shall mean any person with whom Participant had material dealings at any time during the 12 months immediately preceding the termination of Participant's employment and who during that period supplied goods or services to the Company on terms other than those available to another purchaser in the market during that

period, whether by reason of exclusivity (either de facto or contractually obliged), price or otherwise.

10. **Forfeiture Events.** Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Awarded Restricted Stock Units, under the Awarded Restricted Stock Units, including the right to any cash or Shares acquired upon the vesting of the Awarded Restricted Stock Units or proceeds from the disposition thereof are subject to any clawback or recoupment policy of the Company. In addition, if Participant (i) is terminated for Cause (or, within one year following Participant's termination other than for Cause, the Committee determines that the Company had grounds to terminate the Participant for Cause) or (ii) violates any restrictive covenants to which Participant is subject, whether set forth in this Agreement or elsewhere, the Committee, in its sole discretion, may require Participant to surrender and return to the Company all or any cash or sell or transfer to the Company (for no further consideration) Shares received in connection with the vesting of the Awarded Restricted Stock Units, or to disgorge all or any profits or any other economic value (however defined by the Committee) made or realized by Participant on the sale of such Shares.
11. **Non-Assignability.** This Agreement is not assignable or transferable by Participant. No right or interest of Participant under this Agreement or the Plan may be assigned, transferred or alienated, in whole or in part, either directly or by operation of law (except pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code or a similar domestic relations order under applicable foreign law, either in such form as is acceptable to the committee), and no such right or interest shall be liable for or subject to any debt, obligation or liability of Participant.
12. **Plan Provisions.** The Awarded Restricted Stock Units and the Dividend Equivalents subject to this Agreement shall be governed by and subject to all applicable provisions of the Plan. This Agreement is subject to the Plan, and the Plan shall govern where there is any inconsistency between the Plan and this Agreement.
13. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof, except to the extent the laws of the State of Delaware are preempted by federal law of the United States or by the laws of England.
14. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.
15. **Prior Communications; Amendment.** This Agreement, together with any Schedules and Exhibits and any other writings referred to herein or delivered pursuant hereto, evidences the Award granted hereunder, which shall be subject to the restrictions, terms and conditions hereof, and supersedes all prior agreements and understandings, whether written or oral, between the parties with respect to the subject matter hereof. To the fullest extent provided by applicable law, this Agreement may only be amended, modified and supplemented in accordance with the applicable terms and conditions set forth in the Plan.

16. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if directed in the manner specified below, to the parties at the following addresses and numbers:

(a) If to the Company, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

Seadrill Management Limited,  
11025 Equity Drive  
Suite 150  
Houston, Texas 77041  
Attention: General Counsel

(b) If to Participant, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

The last known address and number for Participant as maintained in the personnel records of the Company.

For purposes of this Section 16, the Company shall provide Participant with written notice of any change of the Company's address, and Participant shall be responsible for providing the Company with proper notice of any change of Participant's address pursuant to the Company's personnel policies, and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

17. **Severability.** If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects the restrictions, terms and conditions set forth in this Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

18. **Description Headings.** The descriptive headings herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

19. **Gender.** Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

20. **References.** The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Whenever the words "include," "includes" and

“including” are used in this Agreement, such words shall be deemed to be followed by the words “without limitation.”

- 21. Unfunded Awards.** The awards made under this Agreement are unfunded and unsecured obligations and rights to provide or receive compensation in accordance with the provisions hereof, and to the extent that Participant acquires a right to receive compensation from the Company or a Subsidiary of the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company or such affiliate.
- 22. Compliance with Code Section 409A.** The compensation payable to or with respect to Participant pursuant to the Awarded Restricted Stock Units is intended to be compensation that is exempt from Code Section 409A or, to the extent subject to Code Section 409A, compliant with Code Section 409A or not subject to the tax imposed by Code Section 409A, and this Agreement shall be administered and construed to the fullest extent possible to reflect and implement such intent.

IN WITNESS WHEREOF, the Company has signed and delivered this Agreement as of the date first above written.

**Seadrill Limited**

By:\_\_\_  
Name:  
Title:

Acknowledged, Agreed and Accepted:

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[Participant]

**SCHEDULE I**  
**AMENDED AND RESTATED**  
**SEADRILL LIMITED**  
**2022 MANAGEMENT INCENTIVE PLAN**

**VESTING DATES**

**FOR AWARD OF TIME-VESTED RESTRICTED STOCK UNITS**

The Committee has determined that the following specified vesting dates shall be applicable to the Awarded Restricted Stock Units awarded pursuant to this Agreement:

**Vesting Dates**

- (i) One-third of the Awarded Restricted Stock Units shall vest on \_\_\_\_\_;
- (ii) One-third of the Awarded Restricted Stock Units shall vest on \_\_\_\_\_; and
- (iii) One-third of the Awarded Restricted Stock Units shall vest on \_\_\_\_\_.

For purposes of this Agreement, each date on which the Awarded Restricted Stock Units vest shall be referred to as a “Vesting Date.”

**AMENDED AND RESTATED  
SEADRILL LIMITED  
2022 MANAGEMENT INCENTIVE PLAN**

**TIME-VESTED RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AWARD AGREEMENT (this “Agreement”), made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Grant Date”) by Seadrill Limited, an exempted company incorporated and existing under the laws of Bermuda (the “Company”) and \_\_\_\_\_ (“Participant”) shall, subject to Participant signing and returning the signature page hereto to the Company, become effective immediately following the Company’s annual general meeting of shareholders held on or before \_\_\_\_\_ (the “Annual Meeting”) if the shareholders of the Company approve, in accordance with the rules and regulations applicable to such approval, the remuneration of the directors of the Company in accordance with the Company’s bye-laws (the “Remuneration Approval”). If the Remuneration Approval is not obtained at the Annual Meeting, this Agreement shall be null and void *ab initio*, and the Awarded Restricted Stock Units (as defined below) subject to this Agreement shall be cancelled in full for no consideration. Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meanings set forth in the Plan.

**WITNESSETH**

WHEREAS, the Committee acting under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan, as may be amended (the “Plan”), has determined that it is desirable to award time-vested Restricted Stock Units to Participant pursuant to the Plan; and

WHEREAS, pursuant to the Plan, the Committee has determined that the time-vested Restricted Stock Units so awarded shall be subject to the restrictions, terms and conditions set forth in this Agreement;

NOW, THEREFORE, subject to the terms of this Agreement, the award of time-vested Restricted Stock Units is hereby granted to Participant as follows:

1. **Time-Vested Restricted Stock Unit Award.** On the terms and conditions and subject to the restrictions, including cancellation of, forfeiture to or acquisition for no further consideration by the Company, hereinafter set forth, the Company hereby awards \_\_\_\_\_ Restricted Stock Units (the “Awarded Restricted Stock Units”) to Participant pursuant to the Plan. The Awarded Restricted Stock Units are being awarded to Participant effective as of the Grant Date and shall vest or be forfeited in accordance with (and otherwise be subject to) the provisions of this Agreement. The Awarded Restricted Stock Units are being awarded to Participant without the payment of any cash consideration by Participant, except that payment of the aggregate par value in respect of any Shares delivered hereunder may be required by the Committee or pursuant to procedures of the Committee in respect of the allotment and issuance, transfer or delivery of such Shares.
2. **Vesting and Forfeiture.**

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- (a) Except as set forth in Section 3 of this Agreement, the Awarded Restricted Stock Units shall vest and the forfeiture restrictions applicable to them under this Agreement shall terminate in accordance with the provisions of the attached Schedule I, provided that Participant continuously serves as a member of the Company's Board from the Grant Date through the applicable Vesting Date (as set forth on Schedule I hereto). For the avoidance of doubt, the Awarded Restricted Stock Units shall vest pursuant to this Section 2 only if the Remuneration Approval is obtained at the Annual Meeting.
- (b) If the Remuneration Approval is not obtained at the Annual Meeting, this Agreement shall be null and void *ab initio* and all Awarded Restricted Stock Units (whether outstanding or vested) shall be cancelled in full for no consideration.

3. **Acceleration of Vesting; Forfeiture.**

- (a) Notwithstanding Section 2 of this Agreement, the Awarded Restricted Stock Units shall become vested under this Agreement:
  - i) in the event of a Change in Control; or
  - ii) if Participant's service as a member of the Company's Board terminates:
    - (1) by reason of Participant's death,
    - (2) by reason of Participant's Disability, or
    - (3) by any other reason other than by removal or in accordance with the Company's bye-laws.
- (b) The Awarded Restricted Stock Units shall terminate and be forfeited for no consideration if Participant's service as a member of the Company's Board terminates prior to the Vesting Date by reason of removal in accordance with the Company's bye-laws.
- (c) For the avoidance of doubt, the Awarded Restricted Stock Units shall vest pursuant to Section 3(a) only if the Remuneration Approval is obtained at the Annual Meeting. To the extent any of the events set forth in Section 3(a) occurs prior to Remuneration Approval being sought, the Awarded Restricted Stock Units shall remain outstanding until the Remuneration Approval is sought and shall thereafter vest, to the extent such Remuneration Approval is obtained.

4. **Allotment and Issuance of Shares.** As soon as practicable following the date any such Awarded Restricted Stock Units vest, but in any event no later than 70 days following the date on which such Awarded Restricted Stock Units vest, the Company shall either (a) settle in cash the Awarded Restricted Stock Units or (b) allot and issue or transfer to Participant one Share in settlement of such Awarded Restricted Stock Unit and, in each case, in full satisfaction of such Awarded Restricted Stock Unit. The determination of whether the
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Awarded Restricted Stock Units that become vested are settled in cash or in Shares shall be made at the sole discretion of the Committee.

5. **No Rights as Shareholder.** Except as provided in Section 6, Participant shall have no rights as a shareholder of the Company, including, without limitation, voting rights or the right to receive dividends and distributions as a shareholder, with respect to the Shares subject to the Awarded Restricted Stock Units, unless and until and to the extent such Shares are allotted and issued or transferred to Participant as provided herein.
  6. **Dividend Equivalents.** In connection with the Awarded Restricted Stock Units the Company hereby awards to Participant Dividend Equivalents with respect to any cash dividends payable with respect to the Shares. Such cash Dividend Equivalents shall be payable at the same time, and shall be subject to the same conditions, that are applicable to the Awarded Restricted Stock Units, and shall be payable in cash at the same time of settlement of the underlying Awarded Restricted Stock Unit that ultimately vest. Accordingly, the right to receive such cash Dividend Equivalent payments shall be forfeited to the extent that the Awarded Restricted Stock Units do not vest, are forfeited, are acquired by the Company or are otherwise cancelled pursuant to this Agreement.
  7. **Taxes.** Participant is responsible to pay all required taxes associated with the Awarded Restricted Stock Units (including the issuance of the Shares, the subsequent sale of the Shares and the receipt of Dividend Equivalents or dividends, if any).
  8. **Non-Assignability.** This Agreement is not assignable or transferable by Participant. No right or interest of Participant under this Agreement or the Plan may be assigned, transferred or alienated, in whole or in part, either directly or by operation of law (except pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code or a similar domestic relations order under applicable foreign law, either in such form as is acceptable to the committee), and no such right or interest shall be liable for or subject to any debt, obligation or liability of Participant.
  9. **Plan Provisions.** The Awarded Restricted Stock Units and the Dividend Equivalents subject to this Agreement shall be governed by and subject to all applicable provisions of the Plan. This Agreement is subject to the Plan, and the Plan shall govern where there is any inconsistency between the Plan and this Agreement.
  10. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof, except to the extent the laws of the State of Delaware are preempted by federal law of the United States.
  11. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.
  12. **Prior Communications; Amendment.** This Agreement, together with any Schedules and Exhibits and any other writings referred to herein or delivered pursuant hereto, evidences the
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Award granted hereunder, which shall be subject to the restrictions, terms and conditions hereof, and supersedes all prior agreements and understandings, whether written or oral, between the parties with respect to the subject matter hereof. To the fullest extent provided by applicable law, this Agreement may only be amended, modified and supplemented in accordance with the applicable terms and conditions set forth in the Plan.

13. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if directed in the manner specified below, to the parties at the following addresses and numbers:

(a) If to the Company, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

Seadrill Management Limited,  
11025 Equity Drive  
Suite 150  
Houston, Texas 77041

Attention: General Counsel

(b) If to Participant, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

The last known address and number for Participant as maintained in the personnel records of the Company.

For purposes of this Section 13, the Company shall provide Participant with written notice of any change of the Company's address, and Participant shall be responsible for providing the Company with proper notice of any change of Participant's address pursuant to the Company's personnel policies, and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

14. **Severability.** If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects the restrictions, terms and conditions set forth in this Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

15. **Description Headings.** The descriptive headings herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

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16. **Gender.** Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

17. **References.** The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Whenever the words “include,” “includes” and “including” are used in this Agreement, such words shall be deemed to be followed by the words “without limitation.”

18. **Unfunded Awards.** The awards made under this Agreement are unfunded and unsecured obligations and rights to provide or receive compensation in accordance with the provisions hereof, and to the extent that Participant acquires a right to receive compensation from the Company or a Subsidiary of the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company or such affiliate.

19. **Compliance with Code Section 409A.** The compensation payable to or with respect to Participant pursuant to the Awarded Restricted Stock Units is intended to be compensation that is exempt from Code Section 409A or, to the extent subject to Code Section 409A, compliant with Code Section 409A or not subject to the tax imposed by Code Section 409A, and this Agreement shall be administered and construed to the fullest extent possible to reflect and implement such intent.

IN WITNESS WHEREOF, the Company has signed and delivered this Agreement as of the date first above written.

**Seadrill Limited**

By: \_\_

Name:

Title:

Acknowledged, Agreed and Accepted:

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[Participant]

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**SCHEDULE I**  
**AMENDED AND RESTATED**  
**SEADRILL LIMITED**  
**2022 MANAGEMENT INCENTIVE PLAN**  
**VESTING DATES**  
**FOR AWARD OF TIME-VESTED RESTRICTED STOCK UNITS**

The Committee has determined that one hundred percent (100%) of the Awarded Restricted Stock Units will vest either (1) on the next annual general meeting of shareholders held after the Annual Meeting (the “Next Annual Meeting”) if the Next Annual Meeting occurs at least fifty (50) weeks from the Grant Date or, (2) if (a) earlier than the Next Annual Meeting or (b) the Next Annual Meeting occurs less than fifty (50) weeks from the Grant Date, on the first anniversary of the Grant Date. Each date on which the Awarded Restricted Stock Units may vest is referred to as the “Vesting Date”.

**AMENDED AND RESTATED  
SEADRILL LIMITED  
2022 MANAGEMENT INCENTIVE PLAN**

**TIME-VESTED RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AWARD AGREEMENT (this “Agreement”), made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Grant Date”) by Seadrill Limited, an exempted company incorporated and existing under the laws of Bermuda (the “Company”) and \_\_\_\_\_ (“Participant”) shall, subject to Participant signing and returning the signature page hereto to the Company, become effective immediately following the Company’s annual general meeting of shareholders held on or before \_\_\_\_\_ (the “Annual Meeting”) if the shareholders of the Company approve, in accordance with the rules and regulations applicable to such approval, the remuneration of the directors of the Company in accordance with the Company’s bye-laws (the “Remuneration Approval”). If the Remuneration Approval is not obtained at the Annual Meeting, this Agreement shall be null and void *ab initio*, and the Awarded Restricted Stock Units (as defined below) subject to this Agreement shall be cancelled in full for no consideration. Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meanings set forth in the Plan.

**WITNESSETH**

WHEREAS, the Committee acting under the Amended and Restated Seadrill Limited 2022 Management Incentive Plan, as may be amended (the “Plan”), has determined that it is desirable to award time-vested Restricted Stock Units to Participant pursuant to the Plan;

WHEREAS, pursuant to the Plan, the Committee has determined that the time-vested Restricted Stock Units so awarded shall be subject to the restrictions, terms and conditions set forth in this Agreement; and

WHEREAS, in 2024, the Participant elected to have the time-based Restricted Stock Units settled as set forth in this Agreement.

NOW, THEREFORE, subject to the terms of this Agreement, the award of time-vested Restricted Stock Units is hereby granted to Participant as follows:

1. **Time-Vested Restricted Stock Unit Award.** On the terms and conditions and subject to the restrictions, including cancellation of, forfeiture to or acquisition for no further consideration by the Company, hereinafter set forth, the Company hereby awards \_\_\_\_\_ Restricted Stock Units (the “Awarded Restricted Stock Units”) to Participant pursuant to the Plan. The Awarded Restricted Stock Units are being awarded to Participant effective as of the Grant Date and shall vest or be forfeited in accordance with (and otherwise be subject to) the provisions of this Agreement. The Awarded Restricted Stock Units are being awarded to Participant without the payment of any cash consideration by Participant, except that payment of the aggregate par value in respect of any Shares delivered hereunder may be
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required by the Committee or pursuant to procedures of the Committee in respect of the allotment and issuance, transfer or delivery of such Shares.

## 2. **Vesting and Forfeiture.**

(a) Except as set forth in Section 3 of this Agreement, the Awarded Restricted Stock Units shall vest and the forfeiture restrictions applicable to them under this Agreement shall terminate in accordance with the provisions of the attached Schedule I, provided that Participant continuously serves as a member of the Company's Board from the Grant Date through the applicable Vesting Date (as set forth on Schedule I hereto). For the avoidance of doubt, the Awarded Restricted Stock Units shall vest pursuant to this Section 2 only if the Remuneration Approval is obtained at the Annual Meeting.

(b) If the Remuneration Approval is not obtained at the Annual Meeting, this Agreement shall be null and void *ab initio* and all Awarded Restricted Stock Units (whether outstanding or vested) shall be cancelled in full for no consideration.

## 3. **Acceleration of Vesting; Forfeiture.**

(a) Notwithstanding Section 2 of this Agreement, the Awarded Restricted Stock Units shall become vested under this Agreement:

i) in the event of a Change in Control; or

ii) if Participant's service as a member of the Company's Board terminates:

(1) by reason of Participant's death,

(2) by reason of Participant's Disability, or

(3) by any other reason other than by removal or in accordance with the Company's bye-laws.

(b) The Awarded Restricted Stock Units shall terminate and be forfeited for no consideration if Participant's service as a member of the Company's Board terminates prior to the Vesting Date by reason of removal in accordance with the Company's bye-laws.

(c) For the avoidance of doubt, the Awarded Restricted Stock Units shall vest pursuant to Section 3(a) only if the Remuneration Approval is obtained at the Annual Meeting. To the extent any of the events set forth in Section 3(a) occurs prior to Remuneration Approval being sought, the Awarded Restricted Stock Units shall remain outstanding until the Remuneration Approval is sought and shall thereafter vest, to the extent such Remuneration Approval is obtained.

## 4. **Allotment and Issuance of Shares.** The Company shall allot and issue or transfer to Participant one Share in settlement of each Awarded Restricted Stock Unit that vests within 30 days following the earlier of (a) the date the Participant incurs a "separation from service"

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from the Company within the meaning of Code Section 409A (the “Termination Date”) or (b) a “change in ownership,” a “change in effective control,” or a “change in the ownership of a substantial portion of assets” of the Company as such terms are defined in Treasury Regulation §1.409A-3(i)(5); provided, however, that if the Termination Date is the event triggering settlement of the Awarded Restricted Stock Units, and if on the Termination Date, the Participant is treated by the Company as a “specified employee” within the meaning of Code Section 409A, then any such payment shall be made on the 30<sup>th</sup> day following the earlier of (i) the expiration of six months from the Termination Date or the Participant’s death (the “409A Payment Date”) but, in any event, no later than the last day of the calendar year in which the 409A Payment Date occurs.

5. **No Rights as Shareholder.** Except as provided in Section 6, Participant shall have no rights as a shareholder of the Company, including, without limitation, voting rights or the right to receive dividends and distributions as a shareholder, with respect to the Shares subject to the Awarded Restricted Stock Units, unless and until and to the extent such Shares are allotted and issued or transferred to Participant as provided herein.
  6. **Dividend Equivalents.** In connection with the Awarded Restricted Stock Units the Company hereby awards to Participant Dividend Equivalents with respect to any cash dividends payable with respect to the Shares. Such cash Dividend Equivalents shall be payable at the same time, and shall be subject to the same conditions, that are applicable to the Awarded Restricted Stock Units, and shall be payable in cash at the same time of settlement of the underlying Awarded Restricted Stock Unit that ultimately vest. Accordingly, the right to receive such cash Dividend Equivalent payments shall be forfeited to the extent that the Awarded Restricted Stock Units do not vest, are forfeited, are acquired by the Company or are otherwise cancelled pursuant to this Agreement.
  7. **Taxes.** Participant is responsible to pay all required taxes associated with the Awarded Restricted Stock Units (including the issuance of the Shares, the subsequent sale of the Shares and the receipt of Dividend Equivalents or dividends, if any).
  8. **Non-Assignability.** This Agreement is not assignable or transferable by Participant. No right or interest of Participant under this Agreement or the Plan may be assigned, transferred or alienated, in whole or in part, either directly or by operation of law (except pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code or a similar domestic relations order under applicable foreign law, either in such form as is acceptable to the committee), and no such right or interest shall be liable for or subject to any debt, obligation or liability of Participant.
  9. **Plan Provisions.** The Awarded Restricted Stock Units and the Dividend Equivalents subject to this Agreement shall be governed by and subject to all applicable provisions of the Plan. This Agreement is subject to the Plan, and the Plan shall govern where there is any inconsistency between the Plan and this Agreement.
  10. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of
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conflicts of laws thereof, except to the extent the laws of the State of Delaware are preempted by federal law of the United States.

11. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.
12. **Prior Communications; Amendment.** This Agreement, together with any Schedules and Exhibits and any other writings referred to herein or delivered pursuant hereto, evidences the Award granted hereunder, which shall be subject to the restrictions, terms and conditions hereof, and supersedes all prior agreements and understandings, whether written or oral, between the parties with respect to the subject matter hereof. To the fullest extent provided by applicable law, this Agreement may only be amended, modified and supplemented in accordance with the applicable terms and conditions set forth in the Plan.
13. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if directed in the manner specified below, to the parties at the following addresses and numbers:

(a) If to the Company, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

Seadrill Management Limited,  
11025 Equity Drive  
Suite 150  
Houston, Texas 77041

Attention: General Counsel

(b) If to Participant, when delivered by hand or mail (registered or certified mail with postage prepaid) to:

The last known address and number for Participant as maintained in the personnel records of the Company.

For purposes of this Section 13, the Company shall provide Participant with written notice of any change of the Company's address, and Participant shall be responsible for providing the Company with proper notice of any change of Participant's address pursuant to the Company's personnel policies, and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

14. **Severability.** If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects the restrictions, terms and conditions set forth in this Agreement shall remain in full force and effect; provided, however, that if any
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such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

15. **Description Headings.** The descriptive headings herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.
16. **Gender.** Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.
17. **References.** The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Whenever the words “include,” “includes” and “including” are used in this Agreement, such words shall be deemed to be followed by the words “without limitation.”
18. **Unfunded Awards.** The awards made under this Agreement are unfunded and unsecured obligations and rights to provide or receive compensation in accordance with the provisions hereof, and to the extent that Participant acquires a right to receive compensation from the Company or a Subsidiary of the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company or such affiliate.
19. **Compliance with Code Section 409A.** The compensation payable to or with respect to Participant pursuant to the Awarded Restricted Stock Units is intended to be compensation that is compliant with Code Section 409A and this Agreement shall be administered and construed to the fullest extent possible to reflect and implement such intent. If any provision of this Agreement would result in the imposition of an additional tax under Code Section 409A, that provision will be reformed to avoid imposition of such tax thereunder.

IN WITNESS WHEREOF, the Company has signed and delivered this Agreement as of the date first above written.

**Seadrill Limited**

By: \_\_\_

Name:

Title:

Acknowledged, Agreed and Accepted:

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[Participant]

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**SCHEDULE I**  
**AMENDED AND RESTATED**  
**SEADRILL LIMITED**  
**2022 MANAGEMENT INCENTIVE PLAN**  
**VESTING DATES**  
**FOR AWARD OF TIME-VESTED RESTRICTED STOCK UNITS**

The Committee has determined that one hundred percent (100%) of the Awarded Restricted Stock Units will vest either (1) on the next annual general meeting of shareholders held after the Annual Meeting (the “Next Annual Meeting”) if the Next Annual Meeting occurs at least fifty (50) weeks from the Grant Date or, (2) if (a) earlier than the Next Annual Meeting or (b) the Next Annual Meeting occurs less than fifty (50) weeks from the Grant Date, on the first anniversary of the Grant Date. Each date on which the Awarded Restricted Stock Units may vest is referred to as the “Vesting Date”.

## CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, Simon Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seadrill Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Simon Johnson  
Simon Johnson  
Chief Executive Officer

## CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Grant Creed, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seadrill Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Grant Creed  
Grant Creed  
Chief Financial Officer

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

In connection with the quarterly report on Form 10-Q of Seadrill Limited (the "Company") for the period ended June 30, 2025 as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Simon Johnson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

/s/ Simon Johnson  
Simon Johnson  
Chief Executive Officer

PRINCIPAL FINANCIAL OFFICER CERTIFICATION

In connection with the quarterly report on Form 10-Q of Seadrill Limited (the "Company") for the period ended June 30, 2025 as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Grant Creed, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

/s/ Grant Creed  
Grant Creed  
Chief Financial Officer