

BERMUDA

## Norway Bulletin

We are pleased to bring you the Conyers Norway Bulletin for 2023, in which we highlight developments affecting Bermuda-based companies in the Norwegian market over the past year.

Compared with global markets, the Oslo exchanges remained resilient in 2022. Oslo Børs, for example, experienced only a one per cent fall in value during the year, largely due to strong performance in both shipping and oil and gas, which remain core sectors in Norway. The average fall in value of companies in other sectors was generally in line with global patterns.

As in many jurisdictions, fewer acquisitions happened in 2022 than had been expected in Norwegian sectors. M&A activity is predicted to be strong in 2023 as companies experience tighter access to credit and the anticipated takeovers of some Euronext Growth Oslo-listed companies will start to materialise.

### The Bermuda Connection for Norway IPOs — “Appointed Stock Exchange” Status

Since Norway adopted the European Union’s Central Securities Depository Regulation (CSDR), Bermuda has become an even more attractive domicile for companies seeking to list on a Norwegian exchange: Bermuda is one of the few jurisdictions that both is CSDR compliant and has given all three Norwegian exchanges “appointed stock exchange” status. The Euronext Growth Oslo exchange,

in particular, is popular for new listings because it allows typically small and medium-sized companies an ability to raise capital through a quick admissions process, along with the potential to “uplist” to a larger exchange, such as Oslo Børs.

One recent example that Conyers advised on was the Euronext Growth Oslo IPO by Shelf Drilling (North Sea), Ltd. in November 2022. The company is a shallow-water offshore drilling contractor, operating primarily in the North Sea, that had been domiciled previously in the Cayman Islands, which has not recognised the Euronext Growth Oslo as an approved exchange. As part of the preparation for and execution of the IPO, Conyers provided Bermuda law advice and assistance to the company on its continuance to Bermuda, the completion of its private placement of new shares in connection with its acquisition of five jack-up rigs and its admission to and listing on Euronext Growth Oslo (ticker: SDNS).

Another recent Norwegian IPO was completed by Seacrest Petroleo Bermuda Limited, an upstream oil and gas company that specialises in operating mid-life oil and gas fields in Brazil. Seacrest Petroleo, which began trading on the Euronext Expand Oslo in February 2023, was the only company to complete a Norwegian IPO in the first quarter of 2023.

Two other Oslo-listed Bermuda companies commenced dual listings on the New York Stock Exchange (NYSE) in March this year: Himalaya Shipping Ltd., primarily listed on Euronext Expand Oslo, completed a US\$45 million New York IPO; and Cool Company Ltd moved its primary listing to the NYSE after its IPO there, making Euronext Growth Oslo a secondary listing.

### Oslo Exchange Up-listing

Norwegian markets also saw a significant increase in up-listings from Euronext Growth Oslo to Oslo Børs. One such up-listing was by Seadrill Limited, which relisted on Oslo Børs and the NYSE following its successful restructuring in Bermuda.

During 2021, Conyers’ Bermuda, London and Cayman Islands offices advised Seadrill Limited and certain of its consolidated subsidiaries (Seadrill Group) in connection with its Chapter 11 filing with the US Bankruptcy Court and subsequent restructuring. Following that restructuring, Seadrill received approval to uplist from Euronext Expand Oslo back to Oslo Børs in November 2022. (It had previously relisted its common shares on the NYSE in October 2022.)

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Seadrill's successful restructuring and relisting on major exchanges quickly put it in a position to pursue and finalise new M&A deals in 2022:

- In September, Seadrill sold the legal entities that own and operate seven jack-up drilling rigs in Saudi Arabian waters for approximately US\$628 million. The proceeds from this sale enabled Seadrill to significantly de-leverage its balance sheet and to eliminate outstanding capital expenditures.
- In October, Seadrill entered into a binding agreement to sell its entire 35% stake in Paratus Energy Services Limited (formerly Seadrill New Finance Limited) and certain other interests to an undisclosed buyer.
- In December, Seadrill and Aquadrill LLC entered into a definitive merger agreement, under which Seadrill acquired Aquadrill in an all-stock transaction at an implied equity value of approximately US\$958 million. That acquisition completed on 3 April 2023.

The quick return by Seadrill to participation in major industry deals demonstrates the success of its restructuring efforts. Bermuda played an integral role alongside the US bankruptcy courts in the impressive collaboration required on this complex matter.

## Sponsored Norwegian Depository Receipts

One of the new developments for Norwegian markets is that non-Norwegian companies can now list Sponsored Norwegian Depository Receipts (SNDRs). This change came about when Norway adopted the European Union's Central Securities Depository Regulation. Unlike other methods for making foreign shares available in Norway, SNDRs do not require local law to recognise the Norwegian Central Securities Depository as a foreign shareholder register, nor do companies have to set up complicated intermediary links.

SNDRs are typically used for unlisted Bermuda companies, such as Avenir LNG and GoodBulk, where investors can participate in the company with such interests being tradeable on the Norwegian over-the-counter market (Euronext NOTC).

The underlying shares are deposited and held with a Norwegian financial institution, with that institution issuing the SNDRs held by the investors. Shares previously registered in Norway through the now-defunct single security link method can be converted to SNDRs through a relatively simple process.

## Marine Money 2023: Equity Follow-on Deal of the Year

Conyers was recognised by Marine Money magazine for our involvement in a transaction that won Equity Follow-on Deal of the Year 2022. Conyers advised Hafnia Limited in connection with a US\$100 million private placement of new shares in May 2022. Hafnia put some of those proceeds towards working capital for its new fleet of 32 IMO II tankers, which it gained through its acquisition of Chemical Tankers Inc. in January 2022. (Conyers was also recognised for our involvement in that acquisition, which won M&A Deal of the Year 2021.)



## 23 Bermuda Companies Listed in Oslo with Combined Market Capitalisation of US\$26 billion\*

- 18** Bermuda companies listed on Oslo Børs
- 2** Bermuda companies listed on Growth Oslo
- 3** Bermuda companies listed on Expand Oslo

\*As of 30 April 2023

### 2 New Listings of Bermuda Companies in the Past Year:

Seacrest Petroleo Bermuda Limited (Expand Oslo) and Shelf Drilling (North Sea) Ltd. (Growth Oslo)

## World Federation of Exchanges to Convene Global Meeting in Bermuda in 2023

This year, the Bermuda Stock Exchange (BSX) will host the general assembly and annual meeting of the World Federation of Exchanges (WFE) on 19–21 September 2023. The BSX, which became a WFE member in 1999, has been a WFE board member since 2016.

The Oslo Børs exchange is also a WFE member, and the assembly will be an opportunity to strengthen ties between the two jurisdictions. The BSX is particularly popular for debt listings, and we note, for example, that Norwegian Cruise Lines has previously listed nearly US\$2 billion of its senior notes on the BSX.

Conyers recently expanded its services to include BSX listing sponsorship following the approval of Conyers Securities (Bermuda) Limited as a full trading member of the BSX. The BSX requires a listing sponsor for all new listings to better ensure the legitimacy of the entity and its regulatory compliance. Conyers has helped clients list new entities on the BSX for many years, and this new service capability means Conyers can also look after the final step of listing sponsorship. As a full trading member, Conyers can sponsor any type of listing on the BSX, including primary equity listings, which is particularly useful for dual listings involving the BSX.

## Other Market Activity

In February 2023, Golden Ocean Group Limited, the world's leading owner of Capesize dry bulk vessels, entered into an agreement to acquire six modern 208,000 deadweight-ton vessels equipped with exhaust gas cleaning systems (scrubbers) for a total consideration of US\$291 million. The newly-acquired vessels will be chartered back to their former owner, an unrelated third party, for approximately 36 months at an average daily time charter equivalent rate of approximately US\$21,000 net.

The acquisition will be financed by a new US\$233 million credit facility, which will be secured by the newly acquired vessels and two unencumbered vessels, and cash on hand (largely from the proceeds of the sale of 11 older vessels over the previous 24 months). Golden Ocean expects to have sufficient remaining cash to fund the majority of the expected equity required for 10 Kamsarmax currently under construction.

Flex LNG Ltd finalised its Balance Sheet Optimization Programme in March 2023 with the signing of a US\$290 million loan agreement for the refinancing of Flex Freedom and Flex Vigilant. Previously, Flex LNG had completed the refinancing of Flex Aurora, Flex Artemis and Flex Amber in



February and closed the lease for Flex Rainbow earlier in March. These financings provided Flex LNG with US\$204 million in net cash proceeds for the first quarter of 2023.

Effective 30 December 2022, Frontline plc (formerly Frontline Ltd.) redomiciled to Cyprus from Bermuda. Frontline's management described the move as one of the conditional steps toward a previously announced proposal to combine operations with Belgium-based tanker firm Euronav. That planned merger fell through in January 2023.

## Recent Transactions by Bermuda-based Companies

- **Archer Limited** (OB:ARCH) made a successful private placement of 1.04 billion new common shares (equivalent to approximately US\$100 million in gross proceeds) followed by a public placement of 17,773,685 new common shares (April 2023).
- **Himalaya Shipping Ltd.** (OB:HSHP; NYSE:HSHP) moved to a dual listing through a US\$45 million IPO on the New York Stock Exchange (March 2023).
- **Northern Drilling Ltd.** (OB:NODL) issued 3,214,806 new shares at a subscription price of NOK 31.00 per new share, for gross proceeds of NOK 99,658,986 (US\$9.5 million) (February 2023).
- **Borr Drilling Limited** (OB:BORR; NYSE:BORR) announced a public offering of senior unsecured convertible bonds for gross proceeds of up to US\$250 million. Interest on the bonds is secured by, among other assets, first priority mortgages over the jack-up rigs Frigg, Odin and Ran (February 2023).
- **Seacrest Petroleo Bermuda Limited** (OB:SEAPT) began trading on the Euronext Expand Oslo exchange with an IPO that raised gross proceeds of approximately NOK 2,662 million (US\$260 million) (February 2023).
- **Northern Ocean Ltd.** (OB:NOL) made a public offering of up to 2.5 million new shares following the completion of a private placement with gross proceeds of US\$45 million (December 2022).
- **Shelf Drilling (North Sea), Ltd.** (OB:SDNS) completed its continuance to Bermuda, private placement of 40 million new shares with gross proceeds of US\$80 million and listing on the Euronext Growth Oslo in connection with its acquisition of five jack-up rigs from subsidiaries of Noble Corporation (November 2022).
- **FLEX LNG Ltd.** (OB:FLNG; NYSE:FLNG) registered US\$100 million of ordinary shares, which may be issued to eligible participants under the company's dividend reinvestment plan and direct stock purchase plan, and entered into an Equity Distribution Agreement with Citigroup Global Markets Inc. and Barclays Capital Inc. as sales agents, under which they may offer and sell its ordinary shares having an aggregate offering price of up to \$100 million (November 2022).
- **Cool Company Ltd** (OB:CLCO; NYSE CLCO) was subject to two share offerings of approximately US\$270 million, with Golar LNG Ltd as the selling shareholder for the offerings (November 2022).
- **Northern Ocean Ltd.** (OB:NOL) made a public offering of shares resulting in gross proceeds of US\$40 million (August 2022).
- **Borr Drilling Limited** (OB:BORR; NYSE:BORR) made a public offering of shares resulting in gross proceeds of approximately US\$250 million (August 2022).
- **Hafnia Limited** (OB:HAFNI) made a private placement of shares resulting in gross proceeds of approximately US\$100 million (May 2022).

**Chambers Global 2023**  
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**The Legal 500**  
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Top Tier in Bermuda



Financial & Corporate  
8 Ranked Bermuda Lawyers

**Marine Money 2022**



Equity Follow-on  
Deal of the Year

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This bulletin details capital markets activity among Bermuda companies listed on the NYSE and Nasdaq using data from S&P Global Market Intelligence. The date range for this analysis is 1 June 2022 to 30 April 2023 inclusive. Where necessary, deal values have been converted to USD at a rate set by S&P Global Market Intelligence. Not all deals have a publically known value. Not all deal details are reported immediately, and figures are subject to change as new information becomes available.

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