

Aramco suspends another Shelf Drilling jackup

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Shelf Drilling

United Arab Emirates-based jackup rig pure-play Shelf Drilling has received another notice of suspension of operations for one of its rigs.

Shelf Drilling said the rig in question was the *High Island II* jackup currently under contract with Saudi giant Aramco.

The company did not reveal the customer in its Oslo Bors filing, however, its fleet status report indicates that the rig has been working for Aramco since March 2020. Its contract is set to expire in March 2030.

According to Shelf Drilling, the start date of the suspension is expected to be in the coming weeks. During the suspension period, the offshore driller will have the right to actively market the rig to other customers and opportunities as well as terminate the contract. This latest suspension from Aramco is the second in quick succession for the company and the seventh in total. Shelf Drilling was recently given a notice for its <u>*High Island IV*</u> jackup. The rig has been on hire with Aramco since February 2020 until November this year.

If the suspension goes for the full year, it is scheduled to resume operations in November next year 2024 and work for the company until July 2031.

In April this year, Aramco gave a suspension to <u>four Shelf Drilling jackups</u> – the *Harvey H. Ward, Shelf Drilling Victory, Shelf Drilling Achiever*, and *Main Pass I*. The Saudi firm suspended the *Main Pass IV* rig as well.

From the initial nine jackups under contract with Aramco, Shelf Drilling now only has the High Island V and High Island IX working for the company.

Of the suspended rigs, the Shelf Drilling Achiever secured and started new three-year contract in Nigeria with an undisclosed customer while Main Pass IV is in West Africa preparing for an upcoming contract which should begin in December 2024.

The same 12-month suspension notice was also recently given to Borr Drilling's <u>Arabia II</u> jackup. The rig has been employed by the Saudi firm since October 2022 and was set to end its deal in October 2025. This suspension is on top of the temporary suspensions given to the <u>Arabia I</u> rig, also in April.

This is a result of Aramco's jack-up fleet expansion program going sour. Namely, the company said in 2022 that it wanted to increase the number of rigs under contract from 49 to 90. This was almost achieved early this year but it all fell apart one rig short of the target after the Saudi government halted the oil expansion plan with production set to remain at 12 mbpd.