HOUSTON, Oct. 4, 2013 /PRNewswire/ -- Northern Offshore, Ltd. (Oslo Bors: NOF.OL) today announced that two of its subsidiaries have executed contracts for the construction of two LeTourneau Super 116E Class jackup drilling rigs, with a priced option for the construction of two additional rigs of the same design. The yard contract price is less than US$180 million, with favorable tail-end-heavy payment terms. Delivery of the rigs is expected during the first and third quarters of 2016, respectively. Construction will be carried out by an experienced and well qualified Chinese shipyard.

Gary W. Casswell, president and chief executive officer of Northern Offshore said, "This is a turning point for our company, as we continue to execute our stated corporate strategy of transitioning into the ownership and operation of new, state-of-the-art jackup rigs. We believe, after evaluating several investment alternatives, that investing in this class of jackup will give the best return on capital. We are confident there will continue to be strong demand for jackup rigs with the technical specifications and capabilities of these new assets, which are ideally suited for marketplaces in South East Asia, the Middle East, West Africa and Latin America. Further, this order represents the strong commitment of the board of directors to the future development of the company and strengthening of earnings growth for our shareholders."

About the Company

Northern Offshore, Ltd. is a Bermuda holding company which operates offshore oil and gas drilling units and one production vessel in various markets around the world, including the North Sea, the Indian Ocean and Southeast Asia. The company's fleet consists of four drilling units (a drillship, a semisubmersible and two jackup drilling rigs) and one floating production facility. More information on Northern Offshore, Ltd. may be found by visiting the company's website at http://www.northernoffshorelimited.com

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This announcement contains statements that reflect the company's expectations or predictions of the future. These statements are forward-looking statements. These forward-looking statements may include statements regarding earnings guidance, capital allocation strategy, the impact of activity levels, business performance, and other market and industry conditions. The company's actual results could differ materially from those reflected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the company's regulatory filings. The company disclaims any intention or obligation to revise any forward-looking statements, including financial estimates, whether as a result of new information, future events or otherwise.

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