

PROSPECTUS SUPPLEMENT



Seadrill Limited

(An exempted company limited by shares incorporated under the laws of Bermuda)

Supplementing information contained in the prospectus dated 27 April 2022, as supplemented by a prospectus supplement dated 12 May 2022, for the listing of the Company's common shares on Euronext Expand and the subsequent transfer to and listing of the Company's common shares on the Oslo Stock Exchange

This document (the "**Prospectus Supplement**") is a supplement to the prospectus dated 27 April 2022, as supplemented by a prospectus supplement dated 12 May 2022 (the "**Prospectus**"), prepared in connection with the listing by Seadrill Limited, an exempted company limited by shares incorporated under the laws of Bermuda with registration number 202100496 (the "**Company**", "**New Seadrill**" or the "**Successor**" and from the Effective Date (as defined in the Prospectus) together with its consolidated subsidiaries, the "**Group**"), (i) on Euronext Expand (the "**Euronext Expand Listing**"), a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**") of 49,999,998 common shares in the Company, each with a par value of USD 0.01 (the "**Shares**"), and (ii) the subsequent transfer to and listing of the Shares on the Oslo Stock Exchange, a stock exchange operated by Oslo Børs (the "**OSE Listing**" and together with the **Euronext Expand Listing**, the "**Listings**").

This Prospectus Supplement constitutes a supplement to the Prospectus. The information included herein is to be considered as part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Prospectus Supplement modifies such statement. This Prospectus Supplement must be read together with the Prospectus. Capitalized terms and expressions defined in the Prospectus shall have the same meaning when used in this Prospectus Supplement unless otherwise defined herein or the context otherwise requires. References in the Prospectus to the "Prospectus" should, unless the context otherwise requires, hereafter be read to refer to the Prospectus, as supplemented hereby.

Investing in the Shares involves certain risks. See Section 2 "Risk Factors" of the Prospectus and Section 2.1 "Additional Risk Factor regarding the 2022 Outlook" of this Prospectus Supplement.

Information in the Prospectus shall still apply unless, and then only to the extent it has not been amended, supplemented or deleted by this Prospectus Supplement, as described above.

THIS PROSPECTUS SUPPLEMENT SERVES AS A SUPPLEMENT TO AN EXISTING PROSPECTUS ONLY. THE PROSPECTUS SUPPLEMENT DOES NOT CONSTITUTE AN OFFER, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL, ANY OF THE SECURITIES DESCRIBED HEREIN OR IN THE PROSPECTUS, AND NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS SUPPLEMENT. THE PROSPECTUS SUPPLEMENT MUST BE READ TOGETHER WITH THE PROSPECTUS.

Manager

DNB Markets



The date of this Prospectus Supplement is 16 November 2022

IMPORTANT INFORMATION

This Prospectus Supplement is a supplement to the Prospectus published by the Company in connection with the listing of the Shares on Euronext Expand and the subsequent transfer to and listing of the Shares on the Oslo Stock Exchange.

This Prospectus Supplement and the Prospectus have been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus Supplement has been prepared solely in the English language. This Prospectus Supplement has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus Supplement. Investors should make their own assessment as to the suitability of investing in the securities.

DNB Markets, a part of DNB Bank ASA, is acting as the Company's financial advisor in connection with the Listings (the "**Manager**").

For definitions of certain other terms used throughout this Prospectus Supplement and in the Prospectus, see Section 20 "Definitions and glossary" of the Prospectus.

The information in this Prospectus Supplement is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Prospectus Supplement modifies such statement. Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Prospectus Supplement.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. The publication and distribution of this Prospectus Supplement shall not under any circumstances imply that there has been no change in the Group's affairs or that the information contained herein is correct as of any date subsequent to the date of this Prospectus Supplement.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listings or the Shares other than as contained in the Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Manager or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus Supplement. The distribution of this Prospectus Supplement in certain jurisdictions may be restricted by law. This Prospectus Supplement does not constitute an offer of, or an invitation to purchase, subscribe or sell any of the securities described herein or in the Prospectus. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus Supplement nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus Supplement are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

A reproduction or distribution of this Prospectus Supplement, in whole or in part, and any disclosure of its content is prohibited.

This Prospectus Supplement shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Prospectus or this Prospectus Supplement.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the Shares, including the merits and risks involved. Neither the Company or the Manager, or any of their respective affiliates, representatives, advisors or selling agents are making any representation to any purchaser of the Shares regarding the legality or suitability of an investment in the Shares by such purchaser under the laws applicable to the purchaser. Each prospective investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

EXCHANGE CONTROL

The permission of the Bermuda Monetary Authority is required, under the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of shares (which includes the Shares) of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general or specific permission. The Bermuda Monetary Authority, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from and/or to a non-resident of Bermuda for exchange control

purposes for so long as any "Equity Securities" of the company (which would include the Shares) are listed on an "Appointed Stock Exchange" (which would include Euronext Expand, the Oslo Stock Exchange, New York Stock Exchange and NASDAQ). In granting the general permission the Bermuda Monetary Authority accepts no responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Prospectus Supplement. Specific consent under the Bermuda Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of all of its common shares from and/or to non-residents and residents of Bermuda for exchange control purposes provided its shares are listed on an Appointed Stock Exchange, which includes Euronext Expand, the Oslo Stock Exchange and the New York Stock Exchange. In granting such consent, neither the Bermuda Monetary Authority nor any other relevant Bermuda authority or government body accepts any responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Prospectus.

See Section 18 "Selling and transfer restrictions" of the Prospectus for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to any subsequent offering or sale of the Shares.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law and the Company's memorandum of association and the Company's bye-laws attached to the Prospectus as Appendix A (the "**Bye-Laws**"). The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The majority of the Company's board of directors (the "**Board of Directors**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its directors and executive officers in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States (including any State or territory within the United States).

The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters with either Norway or Bermuda. Uncertainty exists as to whether courts in Norway or Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Norway or Bermuda against the Company or its directors or officers under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway and/or Bermuda.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (as amended) (the "**U.S. Exchange Act**"), nor exempt from reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

1 RESPONSIBILITY FOR THE PROSPECTUS

The Board of Directors of Seadrill Limited accepts responsibility for the information contained in this Prospectus Supplement. The members of the Board of Directors confirms that the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

16 November 2022

The Board of Directors of Seadrill Limited

Julie Johnson Robertson
(Chair)

Mark McCollum
(Director)

Jean Cahuzac
(Director)

Jan Kjærviik
(Director)

Andrew Schultz
(Director)

Paul Smith
(Director)

2 SUPPLEMENTAL INFORMATION

2.1 Additional Risk Factor regarding the 2022 Outlook

The Group's future results may differ materially from what is expressed or implied by the forecast of combined financial information included in this Prospectus Supplement, and investors should not place undue reliance on this information. The Group's financial outlook for the year ending 31 December 2022 included in Section 2.5 "The Group's 2022 Outlook" in this Prospectus Supplement reflect various material assumptions some of which are outside Management's control. These, and the other assumptions included in Section 2.5, may or may not prove to be correct. The outlook has been prepared in accordance with the Group's ordinary forecasting procedures which have been prepared in accordance with the Company's accounting policies and on a basis comparable to the historical financial information. However, the forecast of combined financial information is based on estimates made by the Group based on assumptions about future events. Certain of the assumptions, uncertainties and contingencies relating to the forecast of combined financial information and the projections of financial targets are wholly or partially within the Group's control, while others are outside or substantially outside of its control. In addition, the Group's independent auditors have not audited, reviewed or produced the Group's financial outlook. The Group's actual future results may vary from the projections contained in Section 2.5, and such variations could be material. Therefore, investors should not place undue reliance on this information. The outlook statements are forward looking statements (see Section 4.4 of the Prospectus "Cautionary note regarding forward-looking statements").

2.2 Unaudited financial information for the six month period ended 30 June 2022

On 31 August 2022, the Company published its unaudited interim condensed consolidated financial statements as of and for the six month period ended 30 June 2022 (the "**Q2 Financial Statements**").

The Q2 Financial Statements are incorporated by reference to this Prospectus Supplement. The information in the Q2 Financial Statements are relevant to the information included in Section 10 "Selected Financial Information" of the Prospectus. The Q2 Financial Statements are available at the following link:

https://www.seadrill.com/application/files/9516/6198/4769/Seadrill_Interim_Financial_Statements_on_Form_6-K_2Q22.pdf.

2.3 Listing on the New York Stock Exchange

On 7 October 2022, the Company applied to the New York Stock Exchange for a listing of the Shares on the New York Stock Exchange. The listing of the Shares on the New York Stock Exchange was approved by the New York Stock Exchange on 11 October 2022, and the Shares started trading on the New York Stock Exchange on 14 October 2022.

2.4 Listing on Oslo Børs

On 13 October 2022, the Company applied to Oslo Børs for a transfer to and listing of the Shares on Oslo Børs (i.e. the OSE Listing). The OSE Listing was approved by the board of directors of Oslo Børs on 10 November 2022, and it is expected that the Shares will start trading on Oslo Børs on or about 17 November 2022.

The Shares are primary listed on the New York Stock Exchange, and the OSE Listing is a secondary listing.

2.5 The Group's 2022 Outlook

2.5.1 Introduction

The Group's future growth will depend on the successful implementation of the Group's business strategy. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. The forecasts included in this Prospectus Supplement have been prepared by the Company to give guidance into how Management views the Group's expected financial performance for the financial year ending 31 December 2022. The profit forecast has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Company's accounting policies.

The outlook statements are forward looking statements and carry the risk associated therewith (see Section 4.4 "Cautionary note regarding forward-looking statements" of the Prospectus and Section 2.1 "Additional Risk Factor regarding the 2022 Outlook" of this Prospectus Supplement).

The Group's 2022 outlook included in this Prospectus Supplement has been prepared by and are the sole responsibility of the Company. The Company's independent auditor, PricewaterhouseCoopers LLP ("**PwC**"), has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the Group's 2022 outlook, and, accordingly, PwC does not express an opinion or any other form of assurance with respect thereto. PwC's audit reports included in the Prospectus relate solely to the Company's previously issued consolidated financial statements. They do not extend to the Group's 2022 outlook and should not be read to do so.

2.5.2 *Methodology and assumptions*

The outlook of combined financial information for the financial year ending 31 December 2022 has been prepared on the basis of the Company's accounting policies. The outlook for 2022 has been prepared in accordance with the Group's ordinary forecasting procedures. However, the forecast of combined financial information is based on a large number of estimates made by the Group based on assumptions about future events, which are subject to numerous and significant uncertainties, for example, caused by business and/or wider economic risks and uncertainties, which could cause the Company's actual results to differ materially from the forecast of financial targets presented herein. Certain of the assumptions, uncertainties and contingencies relating to the forecast of combined financial information and the projections of financial targets are wholly or partially within the Group's control, while others are outside or substantially outside of its control.

2.5.3 *Key Management assumptions that can be influenced by Management*

The Group's outlook for revenue, adjusted EBITDA, and capital expenditure is measured in USD and is based on the following key assumptions that can be influenced by Management: (i) forecasted revenues include revenues from contracted units as of 30 September 2022 only and assume economic utilization levels consistent with historical performance; (ii) forecasted rig operating expenses and general and administrative costs assume that costs continued to be incurred at current run rates adjusted for known changes in rig activity; and (iii) forecast capital expenditures are incurred in line with forecasted project outlays.

2.5.4 *Key Management assumptions outside of Management's influence*

The Group's outlook for revenue, Adjusted EBITDA¹, and capital expenditure is measured in USD and is based on the following key assumptions, outside of Management's influence, that could materially change the outcome of the forecasts: (i) there is a stable macroeconomic situation across the Group's footprint; (ii) there are no major variances in activity compared to the Group's operating plan (such variances could occur for a variety of reasons such as delays in contract commencement dates or cancellation, suspension, renegotiation, or termination (with or without cause) of drilling contracts as a result of general or industry-specific economic, mechanical difficulties, performances, or delays in the delivery of critical drilling equipment); and (iii) there are no material changes to governing laws or regulations impacting the Group's ability to deliver drilling activity efficiently across its regions.

2.5.5 *Key Management assumptions that could materially change the outcome of the forecasts*

The Group has identified the following factors that could materially change the outcome of the forecasts: (i) adverse operating performance resulting from one or more significant downtime events leading to economic utilization and revenues being significantly below forecast levels; (ii) a deviation from the Group's operating plan (as described above); (iii) a material change to governing laws or regulations impacting the Group's ability to deliver drilling activity efficiently across its regions; (iv) a requirement to make significant additional expenditures, or a change in the anticipated timing of such expenditures, in connection with rig reactivations, customer drilling requirements, or to comply with governing laws or regulations in the

¹ For the purpose of this Section 2.5 "The Group's 2022 Outlook", adjusted EBITDA represents operating profit or loss before depreciation, amortization, changes in credit loss allowances on operating items, and similar non-cash charges ("**Adjusted EBITDA**"). Additionally, in any given period the Company may have significant, unusual or non-recurring gains or losses, such as bad debt write-offs, which it may exclude from its Adjusted EBITDA for that period. See also in this respect Section 12.1.4 "Non-U.S. GAAP financial measures" in the Prospectus.

regions the Group operate; or (v) a major labor dispute impacting the Group's ability to retain skilled personnel on commercially reasonable terms.

2.5.6 Other key management assumptions

The Group's outlook for revenue, Adjusted EBITDA, and capital expenditure is measured in USD and includes 12 months of revenues and expenditures for all units owned by the Group as of 30 September 2022, including the seven jackup units that would be sold on closing of the recently announced sale of jackup units to ADES Arabia Holdings Ltd. The sale is not expected to have a material impact on revenue or Adjusted EBITDA guidance for fiscal year 2022 but will have a material impact on capital expenditure guidance which is now no longer valid as a result of the transaction completing on 18 October 2022.

2.5.7 The Group's 2022 Outlook Summary

Item	2022 Outlook (1)
Total revenue (2)	USD 1,050 - 1,125 million
Adjusted EBITDA (3)	USD 240 - 280 million
Capital expenditures and long-term maintenance (4)	USD 320 - 360 million

Notes:

1. Full Year 2022 Outlook is a non-GAAP financial measure, including predecessor period;
2. Total Revenue for the year ending 31 December 2022 forecasted to be in the range of USD 1,050-1,125 million excludes forecasted mobilization revenues² to be received of approximately USD 65 million which will be deferred on the balance sheet and amortized through revenue over firm contract periods beyond 2022;
3. Adjusted EBITDA for the year ending 31 December 2022 forecasted to be in the range of USD 240-280 million excludes both forecasted mobilization revenue and forecasted mobilization costs³ to be incurred of approximately USD 95 million which will be deferred on the balance sheet and amortized through operating expenses over firm contract periods beyond 2022; and
4.
 - a. Capital expenditures for the year ending 31 December 2022 were forecasted to be in the range of USD 320-360 million. This included upgrades, special periodic surveys, reactivations and long-term maintenance but excluded mobilization costs which are deferred on the balance sheet and amortized through operating expenses over the firm term of the relevant contract. Several reactivation and upgrade projects are expected to span the year-end and could materially impact the level of expenditure recognized in 2022 compared with the guidance provided; and
 - b. The above outlook has not been adjusted to reflect the closing of the sale of seven jackup rigs (AOD I, AOD II, AOD III, West Callisto, West Ariel, West Cressida and West Leda). Approximately USD 120 million of expenditures relating to the reactivation and upgrading of West Leda, West Ariel and West Cressida were included within the range disclosed in the above table. Capital expenditures will be reduced given the transaction closed on 18 October 2022.

² A drilling contract may include a mobilization rate or fee which compensates the Group for the cost of mobilization activities (moving the drilling unit from the stacked or previously contracted location to the location specified by the customer for drilling, preparing the drilling unit for the drilling conditions found at the contractual drilling location and making upgrades to the drilling unit to meet contract requirements). The mobilization rate or fee may take the form of either a lump sum fee, a re-imbusement for the cost of capital upgrades or a dayrate that is applied during the mobilization period (or a combination thereof). The mobilization period commences when the Group obtain a signed letter of award of contract for a new drilling contract and finishes when it arrives at the contractual start point specified under the contract and has completed any relevant initial acceptance procedures. The Group initially defer mobilization revenue as a contract liability on the balance sheet, and amortize this liability over the expected term of the drilling contract. The Group classify the amortization as revenue in the statements of operations.

³ The Group incur significant incremental expenditures preparing and mobilizing drilling rigs for contracts. Unless it is a rig's first mobilization, the Group initially defer mobilization and preparation costs on the balance sheet as a deferred contract expense, and then amortize the asset over the term of the drilling contract, classifying the amortization as an operating expense. One exception to this is that if a rig upgrade required for a drilling contract also increases the capability and marketability of a rig for subsequent contracts, the cost will be accounted for as capital expenditure and depreciated over the relevant useful economic life.

Furthermore, any capital expenditures that were incurred on these rigs prior to closing will be fully reimbursed by the buyer in accordance with the terms of the sale.

* * *



Seadrill Limited

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