WORLD OIL AFRICA · GABON · DRILLING

Borr Drilling writes off Prospector 5 at $200m

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Borr Drilling has declared its jackup rig Prospector 5 a total loss following the unit's sinking offshore Gabon in October, triggering an insurance claim at the rig's insured value of $200 million. The declaration marks the formal end of the asset after the incident, which removed one drilling unit from Borr's active fleet and prompted immediate questions about the company's near-term earnings capacity.

Despite the loss, Borr Drilling has indicated it expects fourth-quarter EBITDA to come in broadly in line with the third quarter, suggesting the company's remaining fleet has continued to generate revenue without material disruption from the Prospector 5 incident. The rig had been working in Gabonese waters at the time of sinking, though the article does not specify the operator or the precise work programme the rig was supporting.

The Prospector 5 was a jackup, a class of mobile offshore drilling unit suited to shallow-water operations. Its loss offshore Gabon reduces supply in the West African jackup market, at least temporarily, and may tighten availability for operators planning shallow-water drilling programmes in the region. Borr Drilling, headquartered in Bermuda with operations managed through Norway, operates one of the larger modern jackup fleets globally, and the Prospector 5 represented a meaningful portion of that fleet's insured value.

A $200 million insurance recovery, if settled in full, would provide Borr with capital that could be redeployed toward fleet investment, debt service, or other operational priorities. The company has not publicly disclosed the timeline for insurance

settlement or whether it intends to replace the rig. The Gabon sinking adds to a series of challenges facing offshore drillers managing ageing or mid-life assets in environments where operational risk remains elevated.

For the broader West African drilling market, the removal of a jackup from active service — even if temporary while insurance and replacement decisions are resolved — has implications for rig availability and day-rate dynamics in the sub-region. Operators with drilling commitments in shallow-water Gabon and neighbouring jurisdictions may need to source alternative units, potentially from outside the immediate region, adding mobilisation cost and scheduling complexity to their programmes.

Why this matters to partners and clients of Saga

The total loss declaration and $200 million insurance claim may lead Borr Drilling to consider fleet replacement or refurbishment, creating potential scope for rig equipment suppliers, marine salvage specialists, and subsea inspection firms. Norwegian companies active in well services, drilling equipment supply, or marine casualty response should monitor Borr's fleet reinvestment announcements. The tightening of jackup availability in West Africa may also prompt operators in Gabon and neighbouring markets to accelerate contracting processes for replacement units.

PARTNER ANGLES

- **Drilling:** Monitor Borr Drilling's replacement or reinvestment decision following the $200 million insurance settlement, as new rig procurement or reactivation could require equipment and services supply.
- **Subsea/FPSO:** Wreck removal and seabed clearance work following the sinking may require subsea survey, ROV inspection, and marine salvage contracting in Gabonese waters.
- **Service:** Well services companies should track which operator held the Prospector 5 contract, as that operator will need to source an alternative rig and associated services to maintain its drilling schedule.

- **Pipeline:** Reduced jackup availability in West Africa may delay tie-back or pipeline-related drilling campaigns; pipeline contractors should factor potential schedule slippage into project planning for the sub-region.

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