



# AWILCO DRILLING

*«Strongly positioned with the best standard rigs in the UK market»*

## Awilco Drilling PLC

Private placement to raise \$15-20 million in new equity in connection with listing on Oslo Axess

Awilco Drilling AS will as a minimum subscribe for its pro rata share of \$15 mill, but may accept dilution for distribution purposes for the portion above

30 May 2011



# Important Notice

---

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO ANY JURISDICTION IF TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

This Confidential Presentation (the "Presentation") of Awilco Drilling PLC (the "Company") has been prepared solely for information purposes.

The shares referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or qualified for sale in any state of the United States and may not be offered or sold in the United States, unless they are offered pursuant to an exemption from registration or in a transaction not subject to the registration requirements of the Securities Act. The distribution of this Presentation in some jurisdictions may be restricted by law, and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restrictions.

This Presentation does not constitute an offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor does it constitute a recommendation regarding the shares of the Company.

This Presentation is confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any person or published, in whole or part, for any purpose.

In the United Kingdom, this Presentation is only addressed to, and directed at, persons who are (i) persons ("FSMA Qualified Investors") who are "qualified investors" as defined in section 86(7) of the Financial Services and Markets Act 2000 ("FSMA"), being a person falling within Article 2.1(e)(i), (ii) or (iii) of Directive 2003/71/EC (known as the "Prospectus Directive") and/or persons at or to whom any private communication relating to the Company that is a "financial promotion" (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an "authorised person" as defined in FSMA, being to persons falling within Article 19 (investment professionals) and Article 49 (high net-worth entities) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI. 2005/No. 1529) made pursuant to section 21(5) of FSMA (the "Order") or (ii) other persons to whom it may otherwise lawfully be issued or passed on. This Presentation is exempt from the general restriction in section 21 of FSMA on the communication of invitations or inducements to enter into investment activity on the grounds that it is communicated only to persons who fall within Articles 19 and 49 of the Order. This Presentation has not been approved by an authorised person. Any investment to which this Presentation relates is available to (and any investment activity to which it relates will be engaged with) only those persons falling within Articles 19 and 49 of the Order. Persons who do not fall within such categories of investor should not rely or take any action upon this Presentation. Any person who is in any doubt about the investment to which this Presentation relates should consult an authorised person specialising in advising on investments of the kind referred to in this Presentation.

The information contained herein has been prepared to assist outside parties in making their own evaluation of the Company and does not purport to contain all information that such interested parties may desire. In all cases, interested parties should conduct their own investigation and analysis of the Company, its business, prospects, results of operations and financial condition. No party has made any kind of independent verification of any of the information set forth herein, including any statements with respect to projections or prospects of the Company or its business or the assumptions on which such statements are based, and does not undertake any obligation to do so. Neither the Board of Directors of the Company, the Company nor any of the Company's advisors make any representation or warranty, express or implied, as to the accuracy or completeness of this Presentation or of the information contained herein and none of such parties shall have any liability for the information contained in, or any omissions from, this Presentation, nor for any of the written, electronic or oral communications transmitted to the recipient in the course of the recipient's own investigation and evaluation of the Company or its business.

Included in this Presentation are various "forward-looking statements", including statements regarding the intent, opinion, belief or current expectations of the Company or its management with respect to, among other things, (i) goals and strategies, (ii) evaluation of the Company's markets, competition and competitive position, and (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements.

Neither the receipt of this Presentation by any person, nor any information contained herein, constitutes, or shall be relied upon as constituting, any advice relating to the future performance of the Company. Each person should make their own independent assessment of the merits of the Company and its business and should consult their own professional advisors.

This Presentation is subject to Norwegian law, and any dispute arising in respect of the Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as venue in the first instance.

This Presentation is updated as of 30 May 2011. Neither the delivery of this Presentation nor any further discussions of the Company or any of its advisors with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

# Agenda

---

1. Company Overview
2. Transaction Details
3. Fleet Overview – Upgrades Completed and Contracts Secured
4. Market Outlook
5. Company Strategy

# **1. Company Overview**

## Awilco Drilling PLC - a mid-water drilling contractor

---

- Owner and operator of two “workhorse” 3rd generation mid-water semi submersible drilling units
- Substantial upgrades and re-classification of the units completed
- Organisation and business management systems in place and ready for operation
- Late April, Oslo Børs approved the Company for Listing at the Oslo Stock Exchange (Oslo Axess)
  - The first day of Listing expected in early June 2011
  - Currently traded on the Norwegian OTC (ticker AWDR)
- Market cap’ approximately \$165 million, Awilco Drilling AS owns 49.0%

---

## 2. Transaction Details

# Equity funding to complete rig upgrade/classing and to secure sufficient working capital

---

- **Equity financing**

- Issuer: Awilco Drilling PLC (England and Wales)
- Private placement to raise \$15-20 million in connection with listing on Oslo Axess. Awilco Drilling AS will as a minimum subscribe for its pro rata share of \$15 mill, but may accept dilution for distribution purposes for the portion above
- Offering to raise approximately \$15-20 million, consisting of a maximum of 3,550,000 shares, par value £ 0.0065, at a subscription price of NOK 31 to 35.
- Private placement expected to be closed on 1 June 2011 at 15:00 Oslo time, with the Company reserving the right to earlier close or extension
- Placement towards professional investors, minimum subscription to exceed EUR 50,000 however up to 99 retail investors in Norway shall be allowed to subscribe for smaller amounts of New Shares
- On 27 April 2011 Board of Directors of Oslo Børs approved the Company for Listing at the Oslo Stock Exchange (Oslo Axess)
- The first day of Listing is expected to be no later than 10 June 2011
- Arctic Securities ASA and Fearnley Fonds ASA are acting as joint lead managers and bookrunners

- **Total funding requirements**

- The capital requirement for the upgrading of the two rigs will be funded through new equity as described, current cash balance, and available funds for draw down (Working Capital Loan Facilities)

- **Debt facilities in place**

- Seller's Credit (\$165 million)
  - Outstanding balance per date of this presentation: \$ 125.6 million
  - 9% interest
  - 5 years maturity
  - Repayment profile: 15 yrs with a balloon after 5yrs (during bare boat charter 80% of the revenue is offset against the Seller's Credit as early down payment and interest payment)
- Working Capital Loan Facility (\$35 million)
  - Drawn amount per date of this presentation: \$35 million
  - 10% interest
  - 3 years maturity
  - Repayment profile: 1.5 year from 14 July 2011 + mandatory repayments as 25% of an adjusted Net Income. No interest or repayments before 14 July 2011
- Shareholder loan (\$10 million) – liquidity buffer for start-up of operations
  - Drawn amount per date of this presentation: \$ 0 million
  - 3% per annum is payable on committed amount (\$10 million)
  - 12% interest
  - The loan falls due for repayment on 30 June 2012
  - Can be cancelled at no cost at any time, or reduced to 50% at no cost at any time

# Risk factors

All equity investments involve elements of risk. The following sets forth various risk elements that are considered particularly relevant for Awilco Drilling PLC ("the Company"). The description is not necessarily exhaustive, and factors not discussed may have an impact on the evaluation of the risks associated with an investment in the Company's shares. Prospective investors should carefully consider each of the following risk factors and other information contained in this Presentation, and perform an independent evaluation before making an investment decision.

## Market and industry risks

- Macro economic fluctuations: The Company is exposed to economic cycles. Changes in the general economic situation could affect the investments of the Company.
- Demand for drilling rigs is particularly sensitive to price fluctuations for oil, which in turn is dependent on general economic trends as well as availability of oil in the world markets.
- The Company's investments may be negatively impacted by increased supply of similar or other vessels.
- The market for the Company's investments is competitive. The failure of the Company to maintain competitive equipment and services could have a material adverse effect on the Company's business, operating results or financial condition.
- International operations: Operations in international markets are subject to risks inherent in international business activities, including, in particular, general economic conditions in each such market, overlapping differing tax structures, management and organization spread over various jurisdictions, unexpected changes in regulatory requirements, complying with a variety of foreign laws and regulations.
- Environmental concerns and incidents such as the Deepwater Horizon explosion may lead to more stringent laws and regulations and may adversely affect the drilling rig market.
- Any oversupply of rigs may adversely affect the drilling rig market.

## Maritime risks

- The Company will operate in the maritime environments and can be exposed to disasters which can have a material adverse effect on the Company's business, operating results or financial condition.
- In the event of a casualty to a rig or other catastrophic events, the Company will rely on insurance to pay the insured value of the rig or the damage incurred. However, the Company may not have insurance cover for the full range of risks to which the Company are exposed and/or any particular claim may not be paid. A significant loss that is not covered by insurance may have material adverse effect for the Company.

## Risks related to the Company

- The rigs: "The Company is the owner of two semi-submersible drilling rigs originally built in 1982 and 1983, respectively. Although the rigs have been subject to maintenance and upgrades, there can be no assurance as to the length of their remaining technical and economical service life."
- Upgrading: All costs for upgrading/reclassification, etc. are current estimates only, the final cost will only be known once the project has been fully wrapped up and all invoices have been paid. This will be some time after the re-delivery of the rigs.
- Management agreements: The Company is outsourcing technical and commercial services related to the operations of its assets. The Company is dependent on the performance of such parties operating under management agreements.

## Financial risks

- Lack of historical financial information: The Company was incorporated in December 2009. As a result, the Company has limited historical financial statements. Forward looking financial statements are associated with uncertainty. Potential investors are therefore urged to make their own assessment of the Company's future financial results.
- Investments and financial leverage: Leverage amplifies the effect of fluctuation in earnings and values. Financing may not always be available in the amounts and terms deemed to be required by the Company. Additional equity financing may be required.
- Currency and interest rate: The Company may have operational and financial revenues and expense in various currencies and as such is exposed to currency fluctuations. The company will incur debt obligations and these obligations may be subject to fluctuation in interest rates
- Risks in the shares: The Oslo Stock Exchange has approved the Company's listing on the Oslo Stock Exchange subject to three conditions being met prior to the first day of listing. Hence, no assurances can be made in respect of listing on Oslo Stock Exchange nor any other market. The Company cannot give any assurances in respect of the liquidity of trade of the Company's shares on Oslo Stock Exchange nor any other market if so registered.
- Future capital raising may be dilutive for the Company's shareholders and the market conditions for future capital raising may be less favourable



### **3. Fleet Overview – Upgrades Completed and Contracts Secured**

# WilPhoenix – “best in class” of the UK mid-water market

- **Specification**

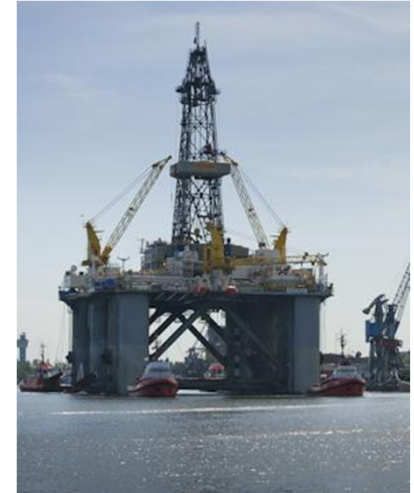
- Friede & Goldman L-907 Enhanced Pacesetter
- Built 1982 at Gotaverken Arendal, Sweden
- 1,250 ft water depth / 25,000 ft drilling depth
- Cold stacked since mid 2008
- Substantial reactivation and upgrading programme completed

- **Upgrade**

- New increased accommodation for 110 persons
- Increased Variable Deck Load (VDL) / Additional deck area – 500m<sup>2</sup>
- New and improved mud handling/working environment
- New power control supply system
- Upgrading of anchor winches
- General maintenance and Class Renewal
- Overhaul and Refurbishment of Well Control System

- **Contract**

- Contract signed with AGR Petroleum Services (AGR) in February 2011 for 1 firm and 6 optional well operations in the UK
- Further 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> options declared in April
- All contracts represent AGR's multi well multi client 2011 drilling program
- The contract value for the firm part is approx USD 29 million
- Drilling operations are expected to commence beginning of June 2011



The upgrade and enhancements to WilPhoenix will ensure an attractive rig with much improved operational qualities, good working environment as well as a complete new accommodation facility.

# WilHunter – the enhancement of a renowned UK mid-water unit

- **Specification**

- Friede & Goldman L-907 Enhanced Pacesetter
- Built 1983 at Daewoo in Korea /upgraded in 1999
- 1,500 ft water depth / 25,000ft drilling depth
- Operated by Transocean under bareboat until mid-November 2010
- “In class” through May 2011
- Reclassification and accommodation upgrade completed

- **Upgrade**

- 5 year Special Periodic Survey
- Enhancement and upgrading work including an additional accommodation level increasing persons onboard from 97 to 110, increased office space, a dedicated heli-lobby and increased lifeboat capacity

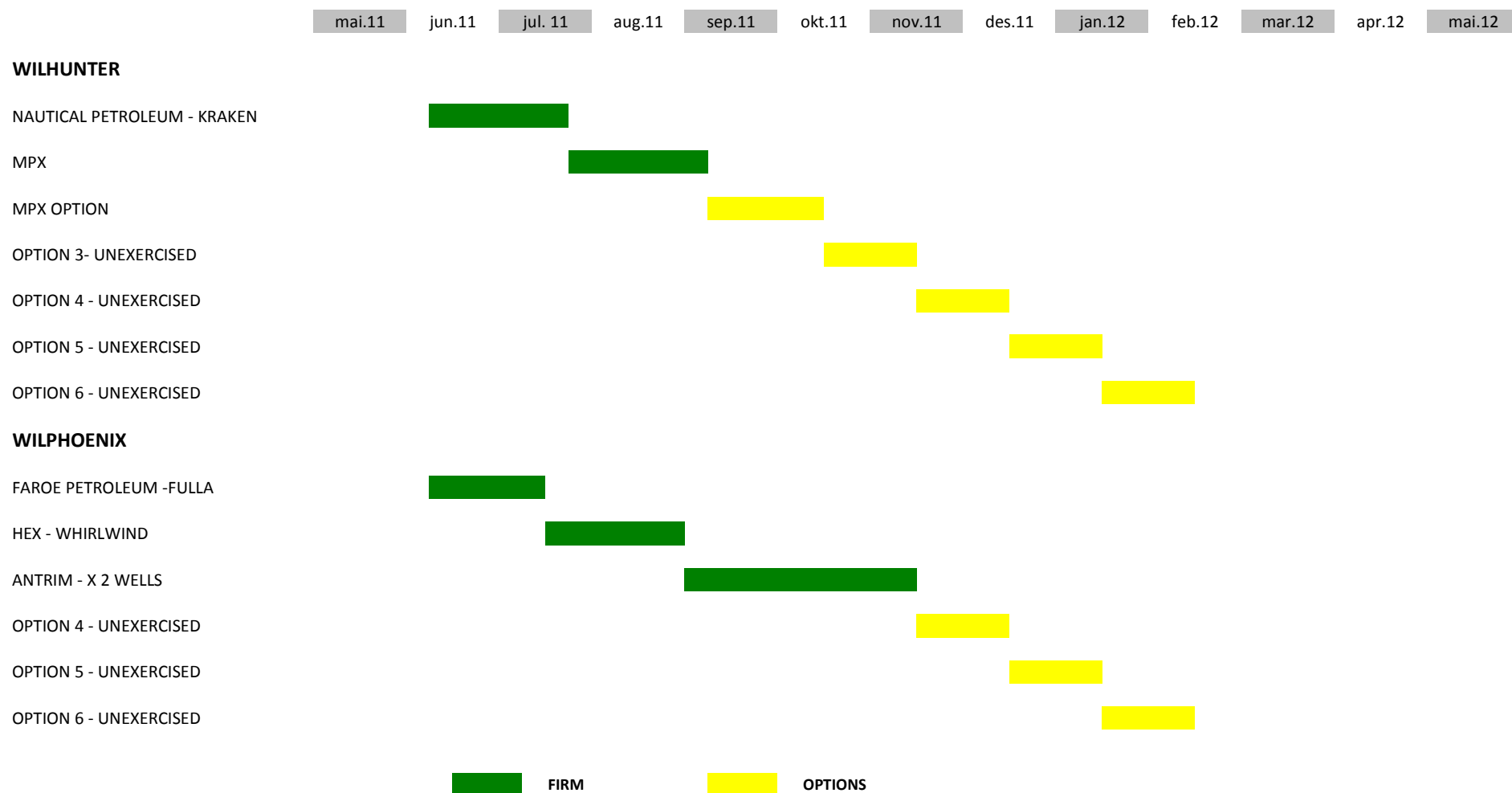
- **Contract**

- MoU signed with SPD Limited in February 2011 for 1 firm and 6 optional well operations in the UK
- The Company signed a contract with Nautical Petroleum plc for 1 firm well and 1 optional well for WilHunter in March 2011. The contract represents the first well in the SPD multi well multi client 2011 drilling programme.
- In April, the Company signed a contract with MPX North Sea Ltd for 1 firm and 1 optional well for WilHunter. This represents the second and the third well of the SPD multi well multi client 2011 drilling programme.
- The contract value for the firm part is approx USD 22 million
- Drilling operations are expected to commence beginning of June 2011



The increase and upgrading of the accommodation at WilHunter will enhance both crew capacity and comfort onboard , adding operational benefits to an already renowned UK ‘workhorse’ rig.

# Contract Status





## WilHunter – Refurbished Moonpool Area

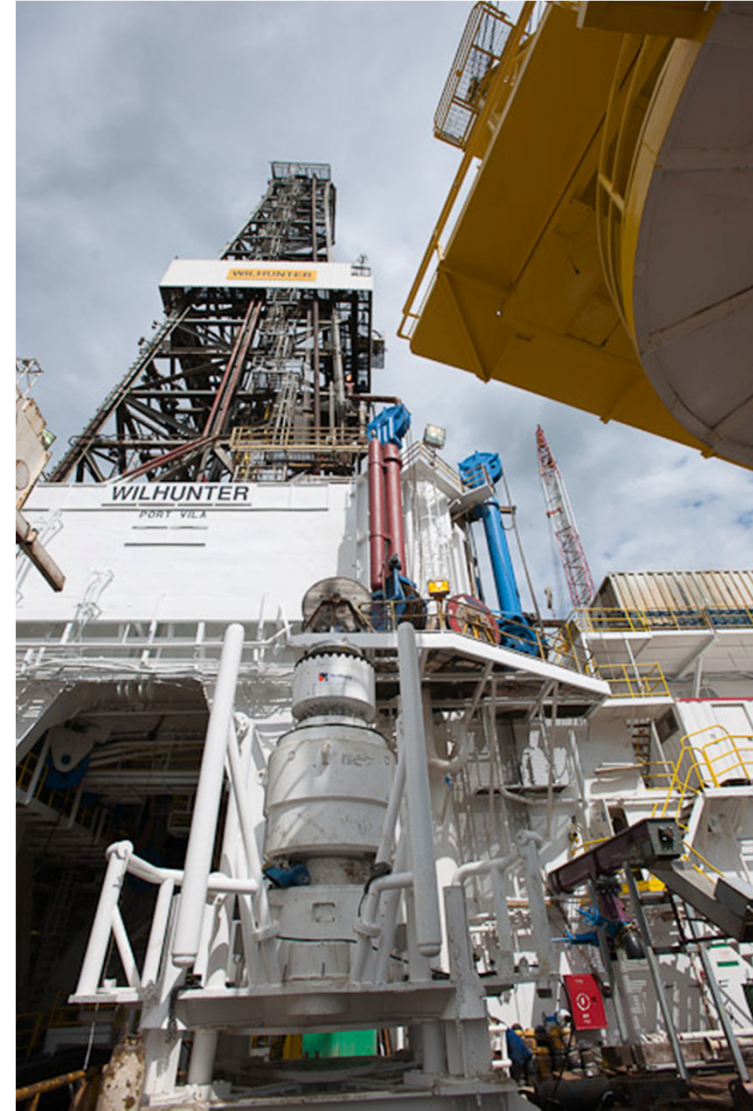
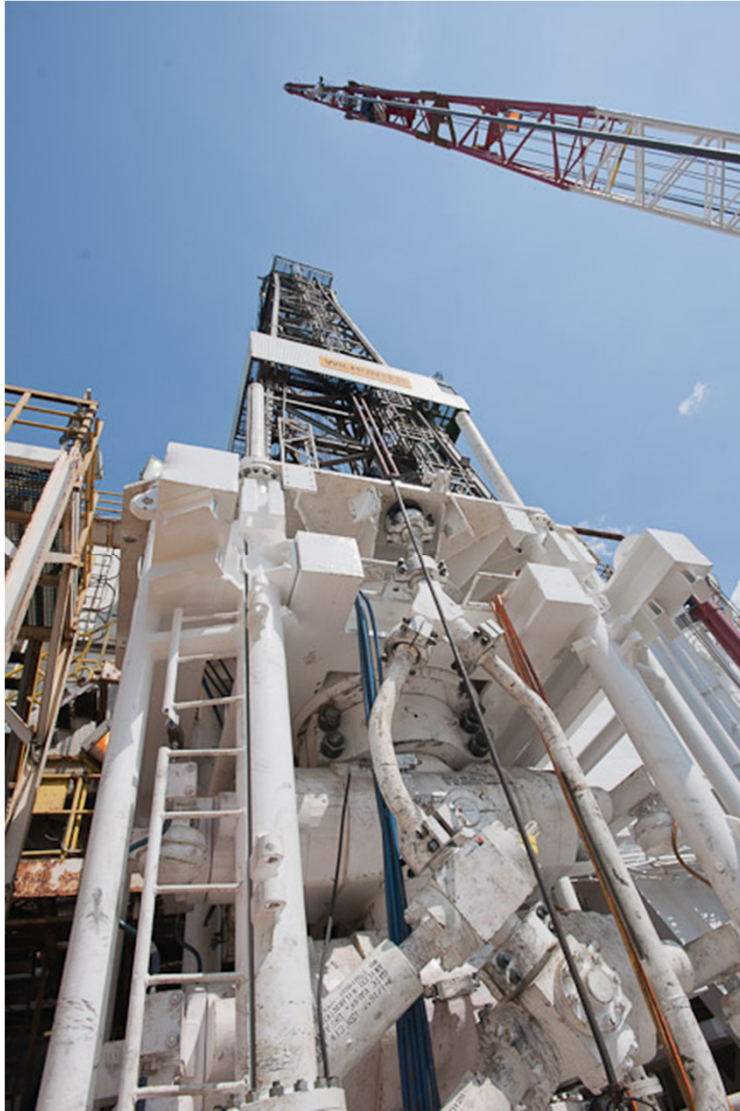
---





## WilHunter – Refurbished and ReCertified BOP

---



## WilHunter – Upgraded Accommodation

---





## WilHunter – New Heli-lounge and Office space

---

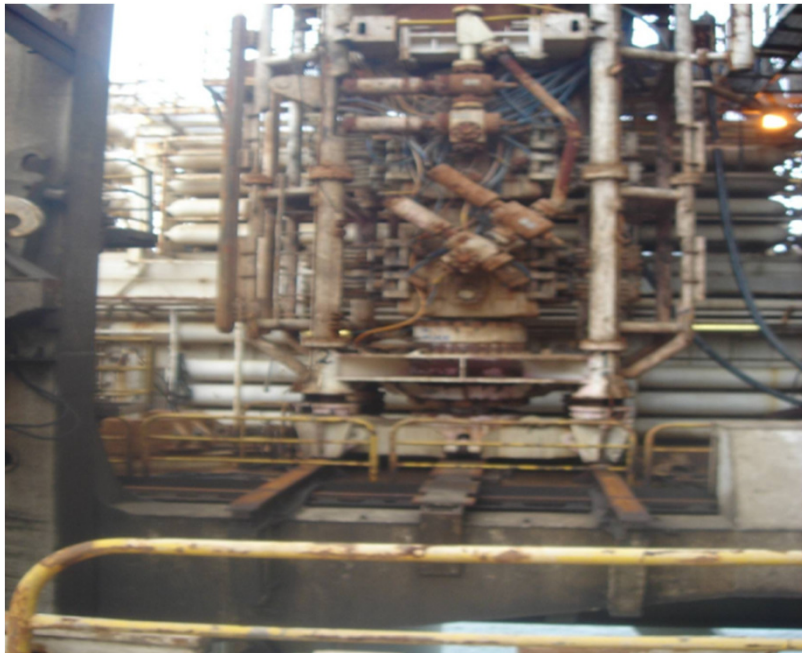




## WilPhoenix – BOP

---

Before

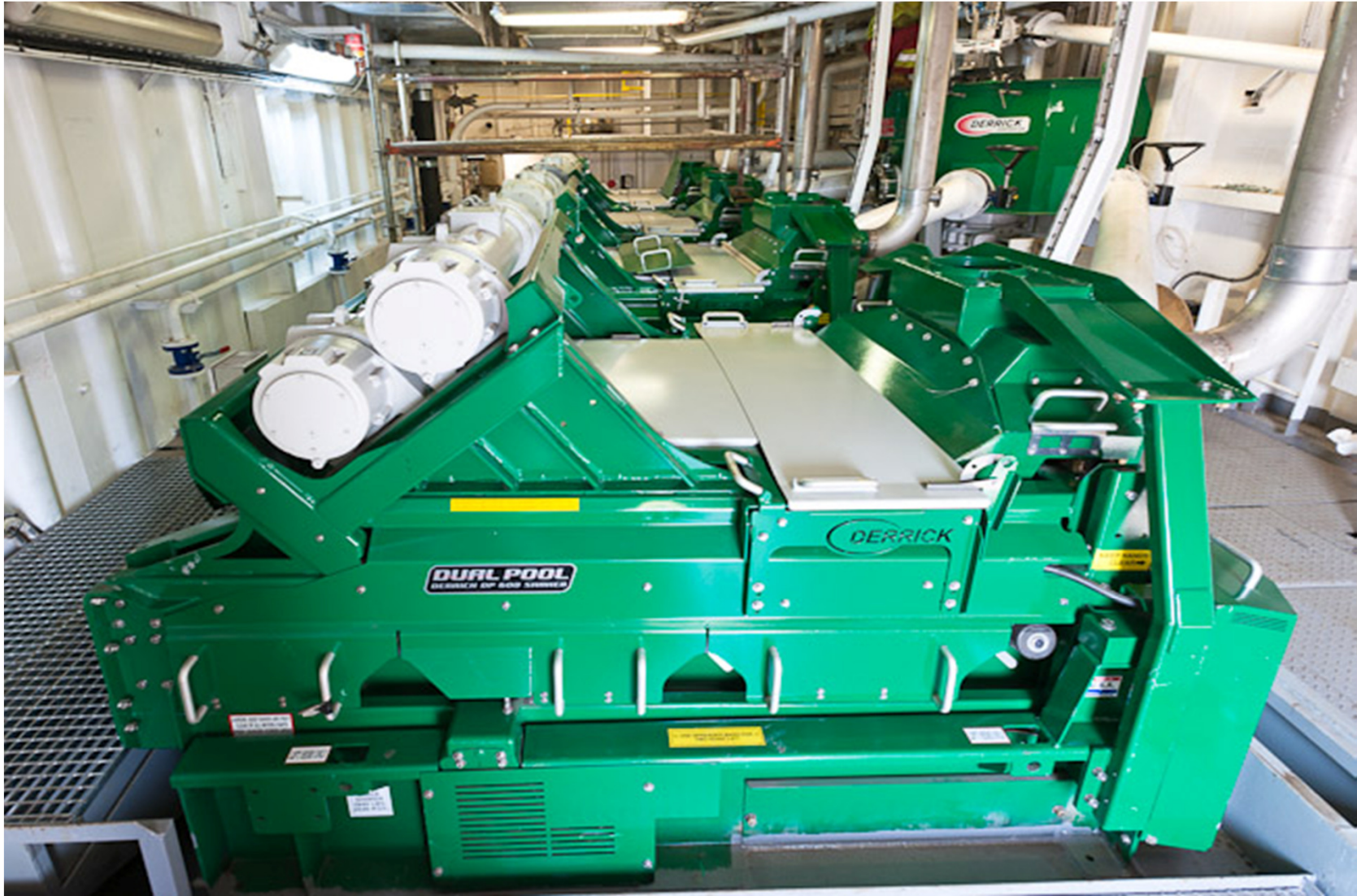


After



## WilPhoenix – New Shale Shaker System

---





# WilPhoenix – New Galley



## WilPhoenix – New Internet Café and Recreation Rooms

---



## Capital Requirements – Capex Overview for the Two Rigs

---

- Estimated total project cost for both rigs (incl. Mob)      USD 94.0 million
  - WilPhoenix      approx USD 70 million
  - WilHunter      approx USD 24 million

- The project cost includes items not included in the original project scope:

### WilPhoenix:

- 4 new anchor chains      USD 3.5 million
- Extended Mudhandling system upgrade      USD 3.0 million

### WilHunter:

- Accommodation upgrade and life-boat capacity      USD 4.0 million
- BOP upgrade for increased pressure tolerance      USD 1.0 million

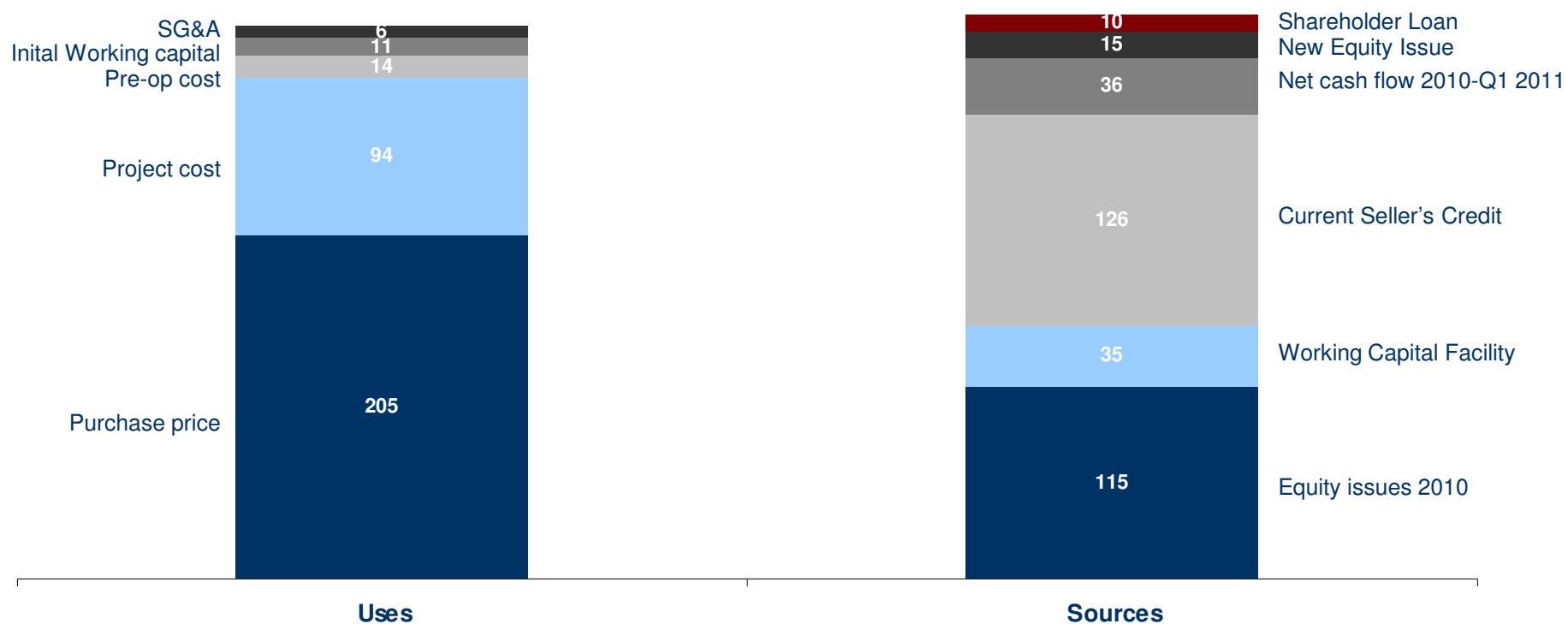
## Capital Requirements – Working Capital Needs

---

- In addition to the rig projects, the company has capital requirements of about USD 20 mill related to:
  - Pre-operational costs
  - Tax and other costs related to corporate restructuring (move to Malta)
  - Working capital

# Uses and Sources To Date

---

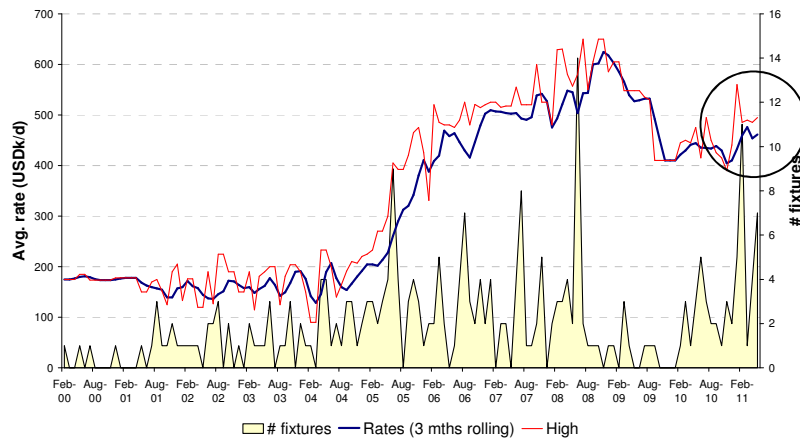


## **5. Market Outlook**

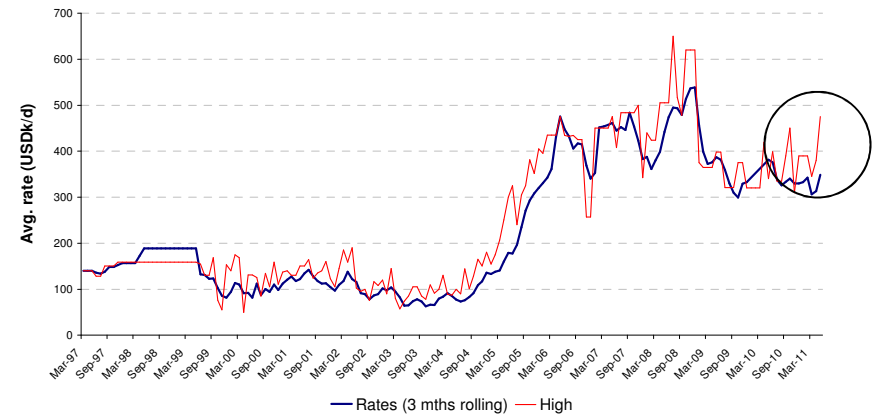


# Dayrates are Increasing in all Segments

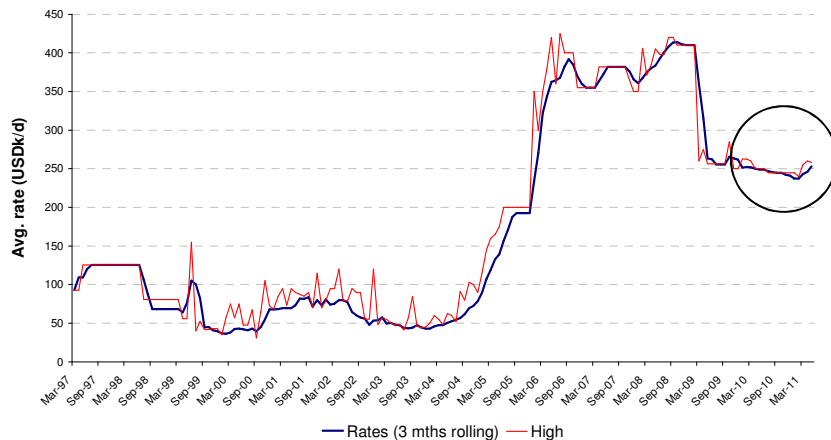
UDW rates (>7,500 ft)



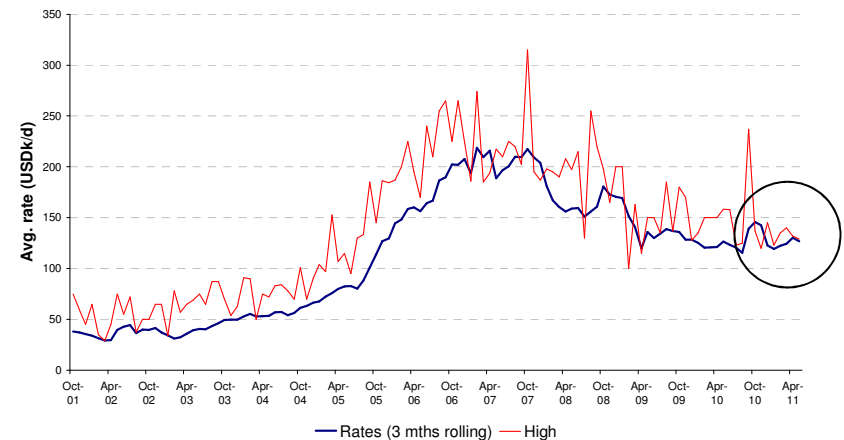
4<sup>th</sup> generation floaters (excl. Norway)



2<sup>nd</sup>/3<sup>rd</sup> generation UK floaters



Jackups (350ft, non-harsh environment)



Source: Managers' research, ODS Petrodata

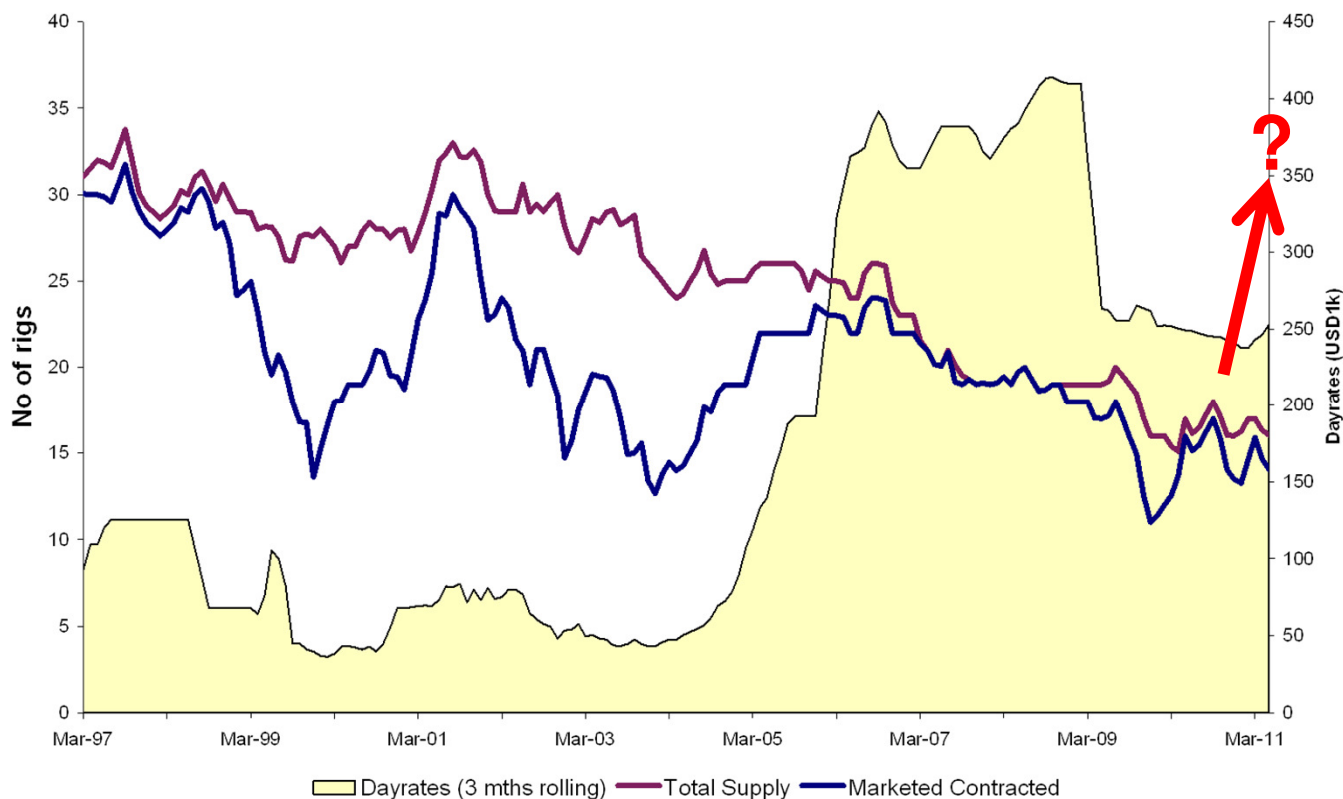
# UK market heading towards full utilisation

## – should result in increased rates as influx of new rigs is limited

### Comments

- The UK midwater market is a niche market with high barriers of entry
  - Comprehensive regulatory and HSE regime
- Number of midwater rigs in the UK market has been in decline
  - Fleet not expected to increase in the years to come
- 15 UK mid-water rigs actively marketed – all with contracts
- AWDR strongly positioned with high standard rigs in the market place

### Number of rigs, dayrates and utilisation for UK floaters



---

## 5. Company Strategy

# The Company's strategy is two-phased

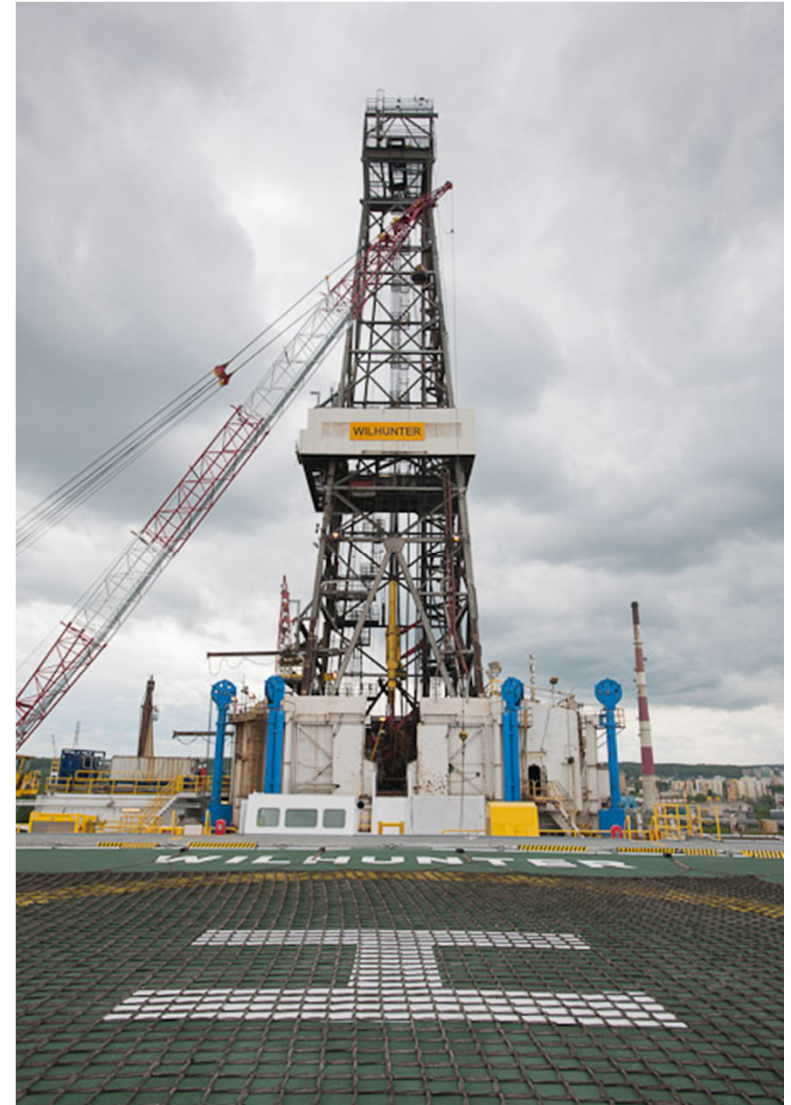
---

## Phase 1:

- Ensure successful start-up of drilling operations
- Continue building contract backlog

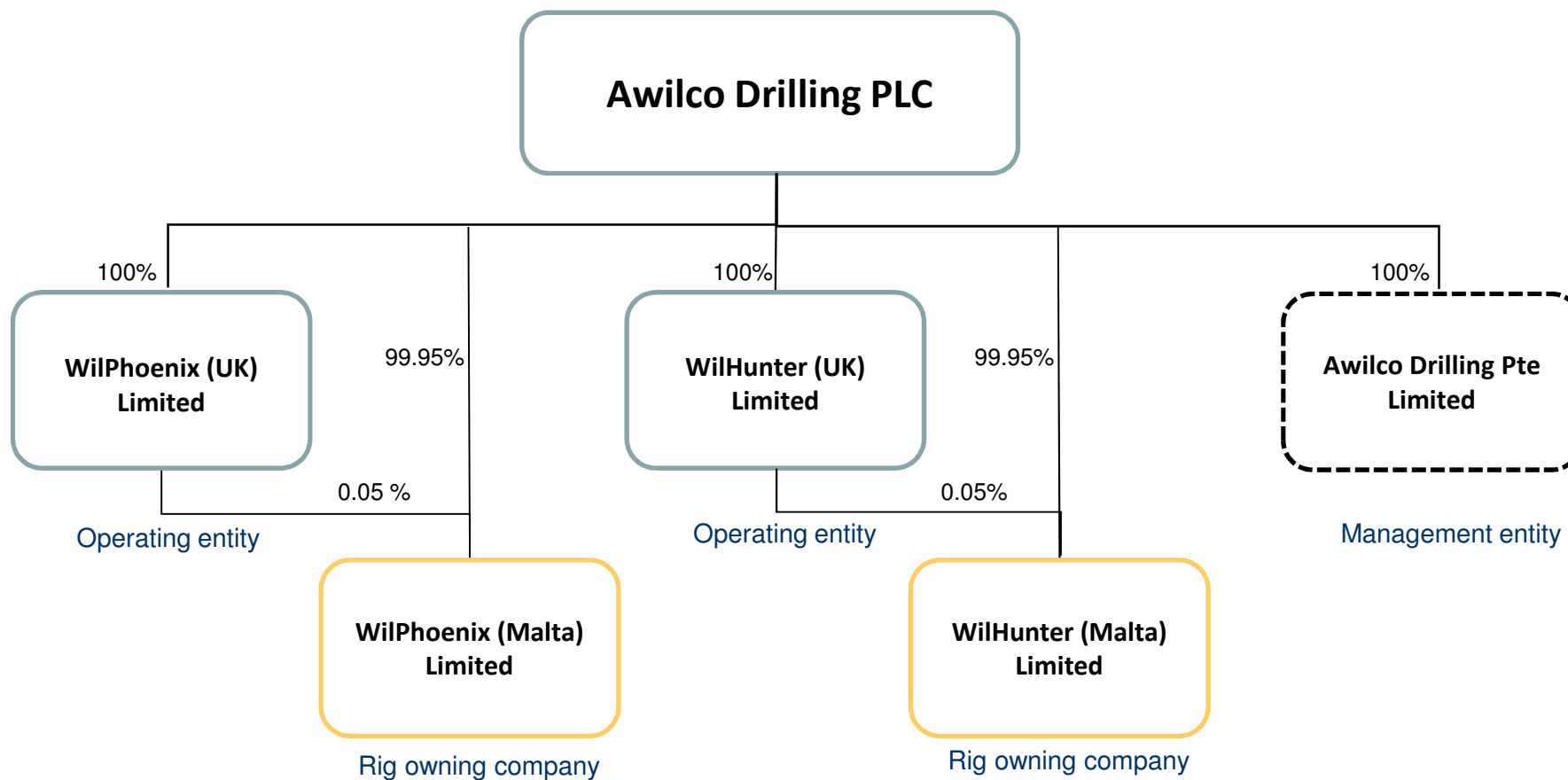
## Phase 2:

- Grow Awilco Drilling through value-adding new projects in the mid-water market
- Refinance and pay dividend to shareholders



## **6. Appendix**

# Legal Structure of Awilco Drilling



# Board of Directors

---

- **Sigurd E. Thorvildsen** – Chairman and Non-executive Director

Mr. Thorvildsen is the CEO of the AWILHELMSSEN Group of companies. He has more than 20 years of experience from the Shipping and Offshore industry. Mr. Thorvildsen holds and has previously held several senior positions, among them the position as CEO of Awilco AS, the Chairman of the Board of Awilco Offshore ASA and Awilco Heavy Transport ASA (later Ocean HeavyLift ASA). He holds a MSc in Business and Economics from the Norwegian School of Management.

- **Henrik Fougner** – Non-executive Director

Mr. Fougner is the COO of the AWILHELMSSEN Group. He has more than 20 years of experience from the Shipping, Offshore and Banking industry in both Norway and internationally. Mr. Fougner has previously held several senior positions, among them the position as CEO of Awilco Offshore ASA, CFO of Awilco AS and CFO in Osprey Maritime Limited (the predecessor to Golar LNG). He holds an MSc in Business and Economics, and an MBA, both from the Norwegian School of Economics and Business Administration.

- **Dan Gold** – Non-executive Director

Mr. Gold is the CEO of QVT Financial LP, an asset management company with offices including New York, London, Singapore, and New Delhi. QVT Financial, through its managed funds, is an experienced global investor in the shipping and offshore industries. Mr. Gold holds an AB in Physics from Harvard College.

- **John Simpson** – Non-executive Director

Mr Simpson has over 30 years experience in banking and in shipping finance. Currently he is an Executive Director of Marine Capital Limited, a shipping investment management company. He also has a number of non-executive roles in the UK, including as Chairman of Sovereign Housing Group. Previously Mr Simpson was CEO of Den norske Bank (now DnB NOR) in London and Regional Director of DnB's Asia -Pacific operations. Mr Simpson is authorised by the UK FSA. He holds an MSc from the London Business School and a BSc from the University of Southampton.

- **Synne Syrrist** – Non-executive Director

Mrs. Syrrist has work experience as an independent consultant to Norwegian companies, and as financial analyst in Elcon Securities ASA and First Securities ASA. She has also an extensive non-executive experience from both listed and private companies. She holds a Master of Science from the Norwegian Institute of Technology.

- **Jon Oliver Bryce** – Executive Director and CEO

Mr. Bryce has more than 20 years of experience in the drilling industry and has held several senior positions, most recently as General Manager for Odfjell Drilling (UK) Ltd. His extensive experience includes international onshore and offshore operations. Mr. Bryce holds a Bachelor of Science degree in Engineering.

# Management

---

- **Jon Oliver Bryce** – Chief Executive Officer  
Mr. Bryce has more than 20 years of experience in the drilling industry and has held several senior positions, most recently as General Manager for Odfjell Drilling (UK) Ltd. His extensive experience includes international onshore and offshore operations. Mr. Bryce holds a Bachelor of Science degree in Engineering.
- **Roddy Smith** – Chief Operating Officer  
Mr. Smith has more than 25 years experience in the offshore and marine industries. During this time he has held a range of senior operational, management and development positions, most recently as Director QHSE at Northern Offshore Ltd. Mr. Smith holds a licence as a Master Mariner.
- **Ian Wilson** – Finance Director  
Mr. Wilson has more than 25 years of experience in the drilling industry and has held several key positions most recently as Director – Finance and Administration for ENSCO's European and African operation. He has extensive experience in international and domestic operations and has worked in many different geographic jurisdictions. Mr. Wilson is a Chartered Accountant.
- **Claus Mørch** – Technical Director  
Mr. Mørch had the overall technical responsibility in Awilco Offshore ASA. He has more than 35 years of experience from various newbuilding and conversion projects and from operation of rigs, ships and other shipping and offshore vessels. Mr. Mørch has the overall technical responsibility for the upgrading of the Awilco Drilling rigs. Mr. Mørch holds a MSc Mechanical Engineering.
- **Jan Børge Usland** – Commercial Advisor  
Mr. Usland previously held the position as Director Business Development in Awilco Offshore ASA, where he had the overall responsibility for the follow-up and development of Premium Drilling. Mr Usland has more than 25 years of experience from the offshore industry and has previously held the position as marketing manager with an international drilling contractor, responsible for UK. Mr. Usland holds a MSc Marine Engineering.
- **Knut M. Wadet** – Commercial Advisor  
Mr. Wadet previously held the position as Vice President in Awilco Offshore ASA, where he was responsible for the commercial management of the two accommodation units. Mr Wadet has more than 35 years of experience from the offshore oil and gas and marine industries. He holds a MSc in Business and Economics and a BSc in engineering.



## Largest Shareholders of Awilco Drilling as of 30 May 2011

---

Ranking	Shares	Ownership
Awilco Drilling AS	13 230 000	49,00
Deutsche Bank AG London	3 993 500	14,79
Odin Offshore	1 668 000	6,18
Frank Mohn AS	1 500 000	5,56
Skips AS Tudor	775 000	2,87
Euroclear Bank SA	571 834	2,12
Regni AS	552 640	2,05
JP Morgan Clearing	529 749	1,96
Glaamene Industrier	524 000	1,94
Sabaro Investments	515 000	1,91
Skandinaviska Enskilda Banken	463 800	1,72
JP Morgan Chase Bank	309 000	1,14
Bergen Kommunale Pensjonska	200 000	0,74
KLP Aksje Norge VPF	164 000	0,61
MP Pensjon PK	107 000	0,40
Tycoon Industrier AS	100 000	0,37
Finn Harald Ruud	100 000	0,37
Pibco AS	100 000	0,37
LGJ Invest AS	100 000	0,37
Rufi AS	85 000	0,31
Other shareholders	1 411 477	5,23
	<b>27 000 000</b>	<b>100,00</b>