



AWILCO DRILLING

Q1 2013 Presentation

Oslo, 15th of May 2013

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Agenda

1. Highlights Q1 2013
2. Q1 2013 Financial Results
3. Operational Update
4. Market Outlook
5. Summary
6. Q&A

1. Q1 2013 Highlights

Q1 2013 Highlights

- Announcement of USD 1.00 dividend
- Total Q1 Revenue approx. USD 53.4 million; EBITDA USD 33.9 million
- Q4 Opex per rig approx. USD 75,300 per day
- Total contract backlog per end of Q1 was USD 466 million
- Revenue efficiency during Q4 was 91.2%

2. Q1 2013 Financial Results

Q1 2013 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q1 2013 (unaudited)	Q1 2012 (unaudited)	Full Year 2012 (audited)
Contract revenue	52,292	19,516	147,210
Reimbursables	1,060	225	4,800
Other revenue	5	2,834	217
	<u>53,357</u>	<u>22,575</u>	<u>152,227</u>
Rig operating expenses	13,550	13,765	56,545
Reimbursables	500	90	951
Provision for doubtful debts	-	2,471	9,700
General and administrative expenses	5,379	2,894	11,132
Depreciation	4,391	4,360	17,474
	<u>23,820</u>	<u>23,580</u>	<u>95,802</u>
Operating profit	<u>29,537</u>	<u>(1,005)</u>	<u>56,424</u>
Interest income	16	6	19
Interest expense	(2,423)	(3,504)	(13,447)
Other financial items	(116)	(132)	(920)
Net financial items	<u>(2,523)</u>	<u>(3,630)</u>	<u>(14,348)</u>
Profit/(Loss) before tax	27,014	(4,635)	42,076
Tax (expense)	(2,300)	577	(2,682)
Net profit/(loss)	<u>24,714</u>	<u>(4,058)</u>	<u>39,394</u>
Other comprehensive income	-	-	-
Total comprehensive income/(loss)	<u>24,714</u>	<u>(4,058)</u>	<u>39,394</u>
Attributable to minority interests	-	-	-
Attributable to shareholders of the parent	24,714	(4,058)	39,394
Basic and diluted earnings per share	0.82	(0.14)	1.31

Q1 2013 Balance Sheet

Condensed statement of financial position

in USD thousands

	31.03.2013	31.12.2012
	(unaudited)	(audited)
Rigs, machinery and equipment	248,840	250,173
Deferred tax asset	1,159	853
	<u>249,999</u>	<u>251,026</u>
Trade and other receivables	15,728	22,285
Prepayments and accrued revenue	19,463	15,529
Inventory	4,800	4,800
Cash and cash equivalents	39,949	16,926
Current tax	13,534	6,542
	<u>93,474</u>	<u>66,082</u>
Total assets	<u>343,473</u>	<u>317,108</u>
Paid in capital	130,142	130,142
Retained earnings	72,919	48,206
	<u>203,061</u>	<u>178,348</u>
Deferred tax liability	770	769
Long-term interest-bearing debt	95,348	98,098
	<u>96,118</u>	<u>98,867</u>
Current portion of long-term debt	11,000	16,500
Trade and other creditors	3,229	1,965
Accruals and provisions	15,271	12,041
Current tax payable	14,794	9,387
	<u>44,294</u>	<u>39,893</u>
Total equity and liabilities	<u>343,473</u>	<u>317,108</u>

3. Operational Update

Contract Status – Current Backlog USD 468 million

AWILCO DRILLING PLC																				
CONTRACT STATUS																				
									2014											
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
WILHUNTER :																				
Hess			\$360,000											\$385,000						firm until end Nov 2015 + 275 days options
WILPHOENIX:																				
Premier			\$315,000				\$351,000				\$315,000		180 day options							

Firm
 OPTIONS

Operational Performance

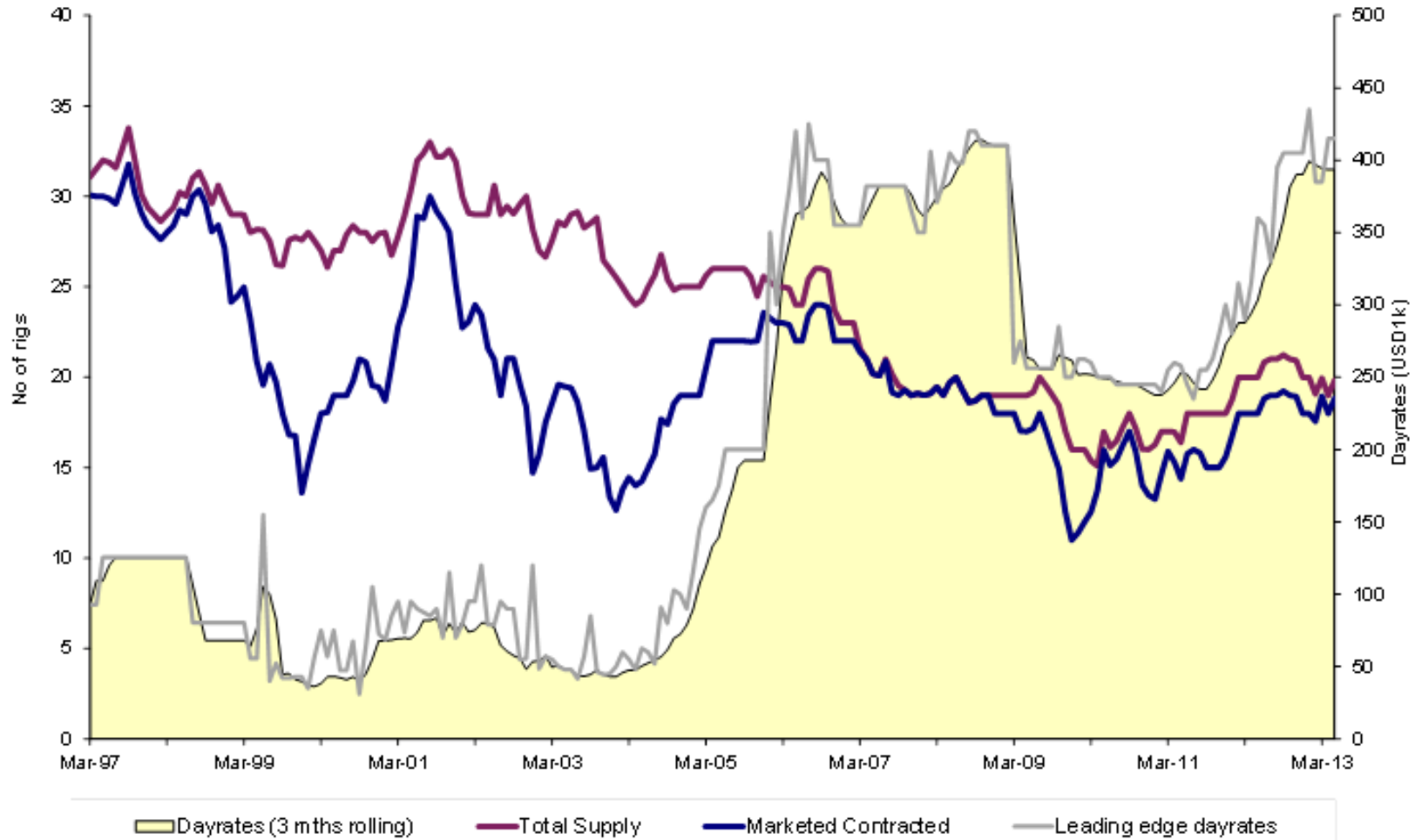
- Acceptable operational performance in Q1 with 91.2% operational uptime
- Performance in Q1 reduced from Q4 2012 by downtime on WilHunter
 - Small repair delayed by waiting on weather
- Continued positive customer feedback
- Opex lower than guidance in Q1
 - Lower than planned spend on major expense projects due to timing
- Operational improvement measures continue

Dividend Distribution

- Announcement of dividend payable in Q2 of USD 1.00
- Dividend payable on or around the 20th June 2013
- Future quarterly dividend payments will be in line with the Company's intent of distributing all free cash flow above a robust cash buffer to support operational working capital requirements and planned capital expenditure

4. Market Outlook

Dayrates and Contract Duration remain Attractive in the UK Market



Source: Fearnley Fonds and IHS Petrodata

The UK Market is close to Sold Out until mid-2015

UK FLOATER MARKET

CONTRACT STATUS

Company	Rig name	2014												2015																				
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Transocean	J.W. McLean																																	
	Sedco 712			yard																														
	GSF Arctic III																																	
	Sedco 704		yard																															
	Sedco 714												yard																					
	Transocean John Shaw												yard																					
	Sedco 711						yard																											
	Transocean Prospect																																	
	Paul B. Loyd, Jr																																	
Diamond Offshore	Ocean Nomad				yard																												options	
	Ocean Princess					yard																												
	Ocean Guardian																																	
	Ocean Patriot												en route	yard		on contract																		
Dolphin Drilling	Byford Dolphin																																	
	Bollsta Dolphin																													en route	on contract			
Awilco Drilling	WilHunter																																	options
	WilPhoenix																																	options
Stena Drilling	Stena Spey		yard																														options	
Noble Drilling	Noble Ton Van Langeveld		yard																															
Seadrill	West Phoenix																																	
OceanRig	Eirik Raude																																	
Odfjell Drilling	Deepsea Aberdeen															en route				on contract														



Why do we expect the UK market to be tight beyond 2014?

- Sustained “high” oil price well above investment triggers and combined with the UKs stable tax regime is under-pinning operator “longer term” confidence
- UK Government encouraging drilling activity through licensing
- Major Operators increasing activity in established Northern and Central North Sea
- Major Operators increasing activity in new developments West of Shetland
- Major Operators increasing decommissioning and well abandonment activity
- Independents Operators continuing to exploit marginal fields & push the sublet market
- UK market has barriers to entry

5. Summary

Summary

- Market fundamentals remain positive
- Solid contract backlog of USD 468 million
- Continued focus on operational efficiency
- Announcement of dividend payable in Q2 of USD 1.00
- Evaluating growth opportunities on a case-by-case basis

Q&A