



AWILCO DRILLING

Q4 2013 Presentation

Oslo, 25th of February 2014

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Agenda

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2. Q4 2013 and Preliminary Full-Year 2013 Financial Results
3. Operational Update
4. Market Outlook
5. Summary
6. Q&A

1. Highlights

Highlights

- Announcement of USD 1.10 dividend
- Total Q4 Revenue USD 61.4 million; EBITDA USD 40.5 million
- Q4 Opex per rig approx. USD 88,700 per day
- Total contract backlog at end of Q4 was USD 762 million
- Revenue efficiency during Q4 was 95.6%

2. Q4 2013 and Preliminary Full-Year 2013 Financial Results

Q4 2013 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2013 (unaudited)	Full Year 2013 (unaudited)	Q4 2012 (unaudited)	Full Year 2012 (audited)
Contract revenue	60,733	233,152	51,799	147,210
Reimbursables	635	3,314	770	4,800
Other revenue	29	66	184	217
	<u>61,397</u>	<u>236,532</u>	<u>52,753</u>	<u>152,227</u>
Rig operating expenses	16,313	56,568	14,445	56,545
Reimbursables	204	1,239	450	951
Provision for doubtful debts	-	-	3,562	9,700
General and administrative expenses	5,688	20,887	1,702	11,132
Other (income)	(1,335)	(3,535)	-	-
Other expense	-	1,900	-	-
Depreciation	4,415	17,609	4,219	17,474
	<u>25,285</u>	<u>94,668</u>	<u>24,378</u>	<u>95,802</u>
Operating profit	<u>36,112</u>	<u>141,864</u>	<u>28,375</u>	<u>56,424</u>
Interest income	20	120	5	19
Interest expense	(2,238)	(9,379)	(3,001)	(13,447)
Other financial items	-	(128)	(626)	(920)
Net financial items	<u>(2,218)</u>	<u>(9,387)</u>	<u>(3,622)</u>	<u>(14,348)</u>
Profit before tax	33,894	132,477	24,753	42,076
Tax (expense)	(2,332)	(10,214)	(1,842)	(2,682)
Net profit	<u>31,561</u>	<u>122,263</u>	<u>22,911</u>	<u>39,394</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>31,561</u>	<u>122,263</u>	<u>22,911</u>	<u>39,394</u>
Attributable to minority interests	-	-	-	-
Attributable to shareholders of the parent	31,561	122,263	22,911	39,394
Basic and diluted earnings per share	1.05	4.07	0.76	1.31

Q4 2013 Balance Sheet

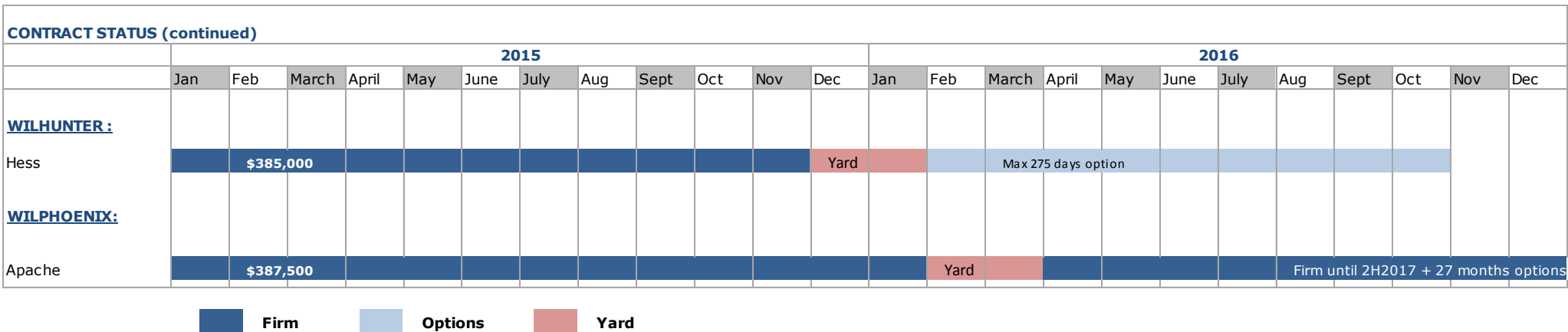
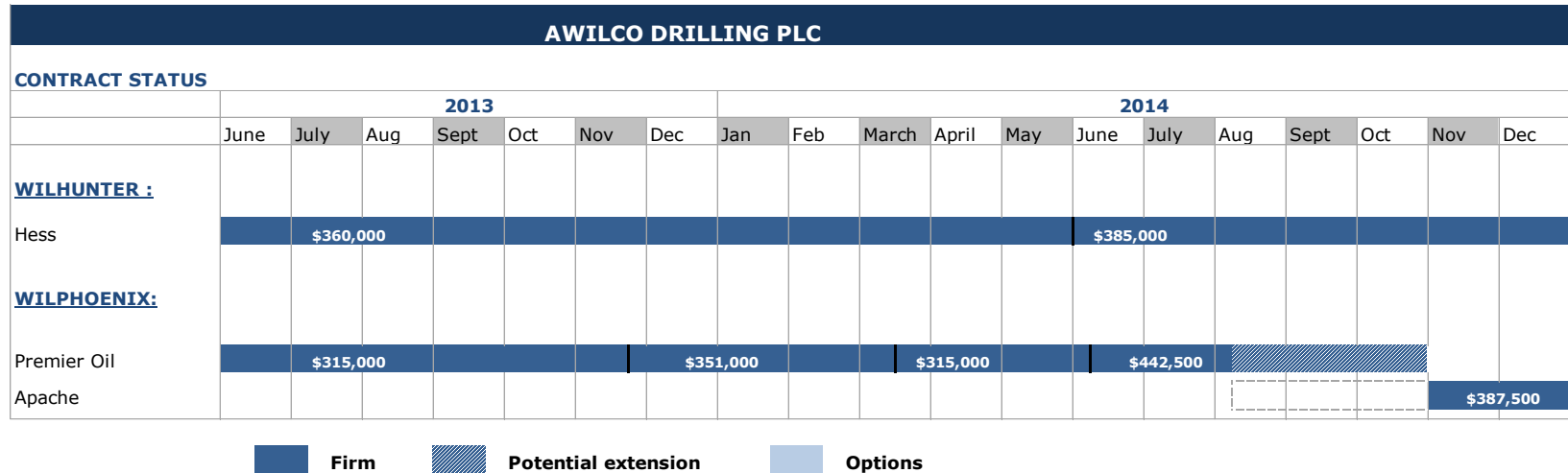
Condensed statement of financial position

in USD thousands

	31.12.2013	31.12.2012
	(unaudited)	(audited)
Rigs, machinery and equipment	245,279	250,173
Deferred tax asset	2,763	853
	<u>248,042</u>	<u>251,026</u>
Trade and other receivables	14,417	22,285
Prepayments and accrued revenue	25,835	15,529
Inventory	4,800	4,800
Cash and cash equivalents	52,347	16,926
Current tax	42,317	6,542
	<u>139,716</u>	<u>66,082</u>
Total assets	<u>387,758</u>	<u>317,108</u>
Paid in capital	130,142	130,142
Retained earnings	77,370	48,206
	<u>207,512</u>	<u>178,348</u>
Deferred tax liability	554	769
Long-term interest-bearing debt	87,098	98,098
	<u>87,652</u>	<u>98,867</u>
Current portion of long-term debt	11,000	16,500
Trade and other creditors	3,140	1,965
Accruals and provisions	25,182	12,041
Current tax payable	53,272	9,387
	<u>92,594</u>	<u>39,893</u>
Total equity and liabilities	<u>387,758</u>	<u>317,108</u>

3. Operational Update

Contract Status – Current Backlog USD 724 million*



*as of 24 Feb 2014

Operational Performance

- Good operational performance in Q4 with 98.5% operational uptime
- Adverse weather conditions caused extensive waiting-on-weather
- Continued positive customer feedback
- Opex in Q4 close to guiding for 2013
 - Increased spend on major expense projects as planned

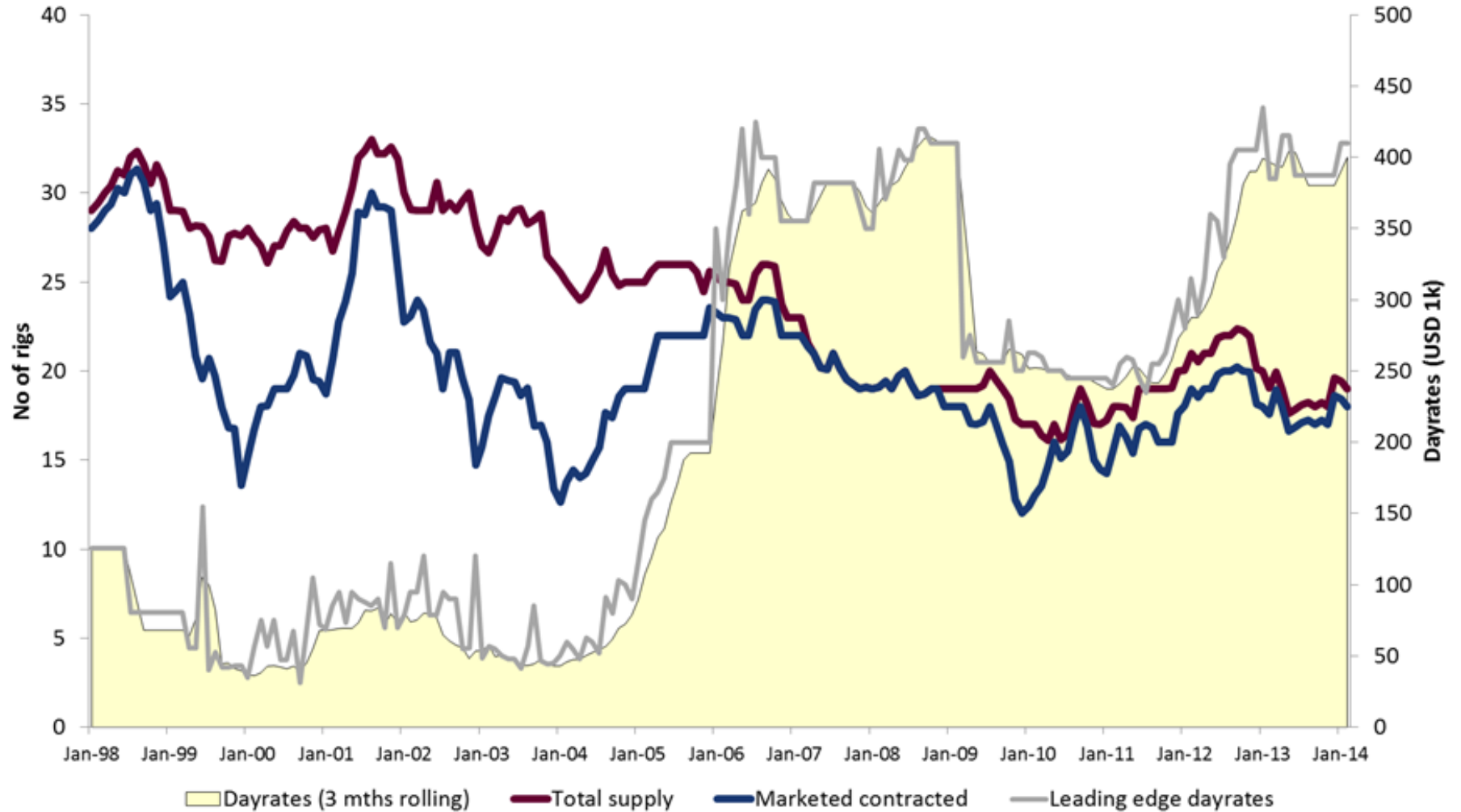


Dividend Distribution

- Announcement of dividend payable in Q1 of USD 1.10 per share
- Dividend payable on or around the 20th March 2014
- Share will trade ex-dividend on 4th March 2014, the record date will be 6th March
- 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

Limited Influx of Rigs to the UK and Limited Orderbook should keep the Market in Balance

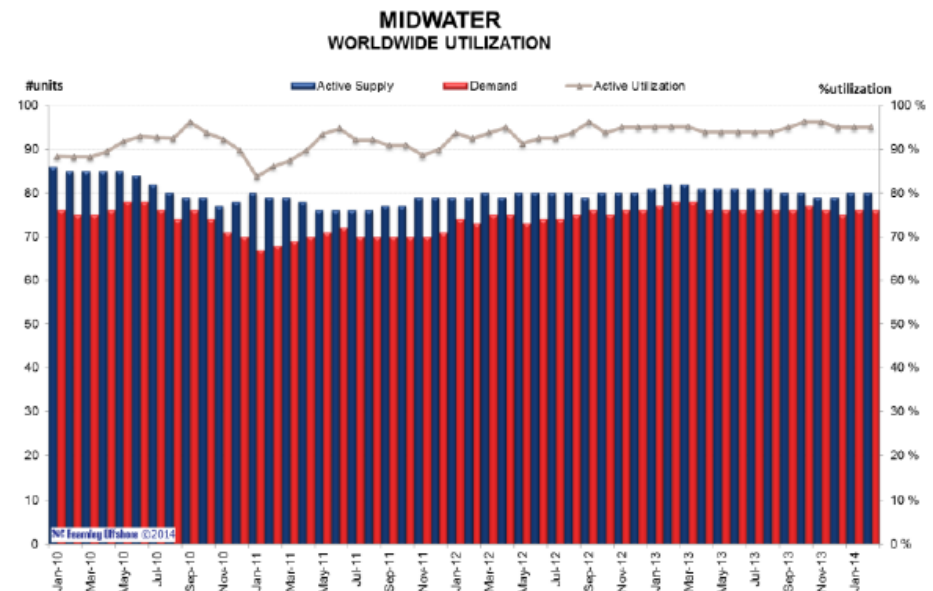
MW Region

ASIA PACIFIC, INDIAN SUBC. & AUS/NZ	Active Supply	23
	Demand	21
	Cold stacked	4
	Active Utilization	91,3 %
NORTH SEA	Active Supply	35
	Demand	35
	Cold stacked	1
	Active Utilization	100,0 %
WEST AFRICA	Active Supply	4
	Demand	3
	Cold stacked	1
	Active Utilization	75,0 %
GULF OF MEXICO	Active Supply	3
	Demand	3
	Cold stacked	4
	Active Utilization	100,0 %
SOUTH AMERICA	Active Supply	9
	Demand	8
	Cold stacked	0
	Active Utilization	88,9 %

MW (<3000ft)

<i>Current fleet</i>	Semis	Drillships	Total
Active Supply	75	5	80
Demand	72	4	76
Cold stacked	12	0	12
Active Utilization	96,0 %	80,0 %	95,0 %

<i>Orderbook</i>	Semis	Drillships	Total
Orderbook	4	0	4
Delivery 2014	2	0	2
Delivery 2015	2	0	2



Why do we expect the UK market to be tight beyond mid-2015?

- Sustained “high” oil price well above investment triggers is under-pinning operator confidence
- UK Government has set out a new vision to maximise the recovery of hydrocarbon reserves
- Major Operators increasing activity in new developments West of Shetland
- Major Operators increasing decommissioning and well abandonment activity
- Independent Operators continuing to exploit marginal fields & push the sublet market
- UK market has barriers to entry

5. Summary

Summary

- Market fundamentals remain positive
- Solid current contract backlog of USD 724 million
- Continued focus on operational efficiency
- Announcement of dividend payable in Q1 of USD 1.10
- Evaluating growth opportunities on a case-by-case basis

Q&A