



AWILCO DRILLING

Q1 2016 Presentation

Oslo, 11th of May 2016

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Agenda

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2. Q1 2016 Financial Results
3. Operational Update
4. Market Outlook
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6. Q&A

1. Highlights

Highlights

- Announcement of USD 0.10 dividend
- Total Q1 Revenue nil; EBITDA loss of USD 13.4 million, net loss of USD 18.7 million
- Q1 Opex average per rig approx. USD 63,500 per day
- Total contract backlog at end of Q1 was USD 258 million
- The WilPhoenix SPS project and BOP installation were completed under budget
- WilHunter received IADC's Chairman's Award for best safety performance 2015 (runner up)



2. Q1 2016 Financial Results

Q1 2016 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q1 2016 (unaudited)	Q1 2015 (unaudited)
Contract revenue	-	67 840
Reimbursables	33	629
Other revenue	13	28
	<u>46</u>	<u>68 497</u>
Rig operating expenses	11 550	14 353
Reimbursables	-	268
General and administrative expenses	1 876	1 690
Depreciation	4 921	4 519
	<u>18 347</u>	<u>20 830</u>
Operating (loss)/profit	<u>(18 301)</u>	<u>47 667</u>
Interest income	287	71
Interest expense	(2 014)	(2 178)
Other financial items	(514)	(443)
Net financial items	<u>(2 241)</u>	<u>(2 550)</u>
(Loss)/profit before tax	(20 542)	45 117
Tax benefit/(expense)	1 860	(5 880)
Net (loss)/profit	<u>(18 682)</u>	<u>39 237</u>
Total comprehensive (loss)/income	<u>(18 682)</u>	<u>39 237</u>
Attributable to shareholders of the parent	(18 682)	39 237
Basic and diluted earnings per share	(0,62)	1,31

Q4 2016 Balance Sheet

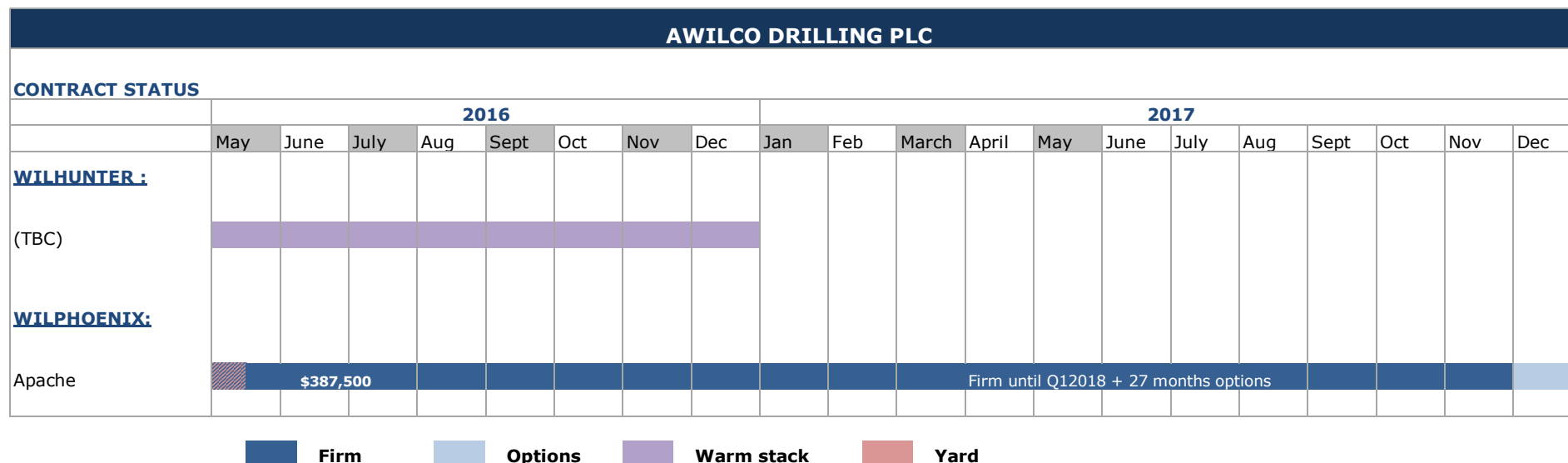
Condensed statement of financial position

in USD thousands

	31.03.2016	31.12.2015
	(unaudited)	(audited)
Rigs, machinery and equipment	243 782	234 336
Deferred tax asset	3 862	2 002
	<u>247 644</u>	<u>236 338</u>
Trade and other receivables	104	7 352
Prepayments and accrued revenue	3 545	2 682
Inventory	4 882	5 015
Cash and cash equivalents	101 110	135 257
Current tax	68 899	68 899
	<u>178 540</u>	<u>219 205</u>
Total assets	<u>426 184</u>	<u>455 543</u>
Paid in capital	130 142	130 142
Retained earnings	87 946	114 135
	<u>218 088</u>	<u>244 277</u>
Deferred tax liability	0	0
Long-term interest-bearing debt	100 000	100 000
	<u>100 000</u>	<u>100 000</u>
Current portion of long-term debt	10 000	10 000
Trade and other creditors	3 959	5 990
Accruals and provisions	16 563	17 702
Current tax payable	77 574	77 574
	<u>108 096</u>	<u>111 266</u>
Total equity and liabilities	<u>426 184</u>	<u>455 543</u>

3. Operational Update

Contract Status – Current Backlog USD 251 million*



- Timing of the upcoming WilHunter SPS will depend on when sufficient follow-on work is secured
- WilHunter crew downsized, the rig is now warm stacked

*as of 10 May 2016

WilPhoenix Status

- Special Periodic Survey (SPS) completed at USD 16 million versus budget of USD 20 million
- Installation of new BOP completed at a cost consistent with budget of USD 22.5 million
- In dialog with Apache about how and when to resume operations
- A further update will be given as and when appropriate

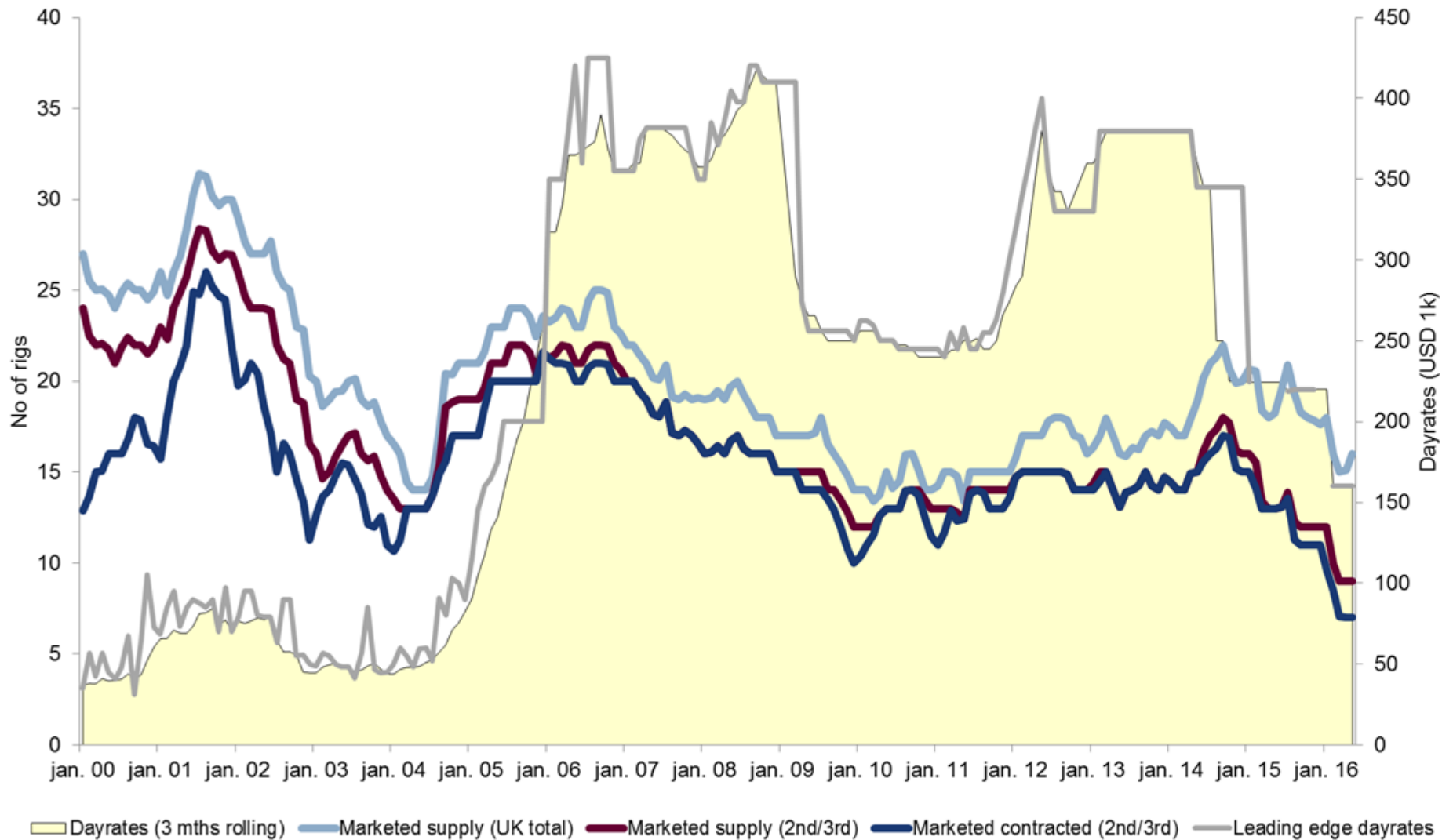


Dividend Distribution

- Announcement of dividend payable of USD 0.10 per share
 - Reflection of nil revenue in the quarter
- Dividend payable on or around the 24th June 2016
- Share will trade ex-dividend on 24th May 2016, the record date will be 25th May
- The Company's dividend policy remains unchanged:
“The Company intends to distribute all free cash flow above a robust cash buffer to support operational working capital requirements and capital expenditure, including SPS.”

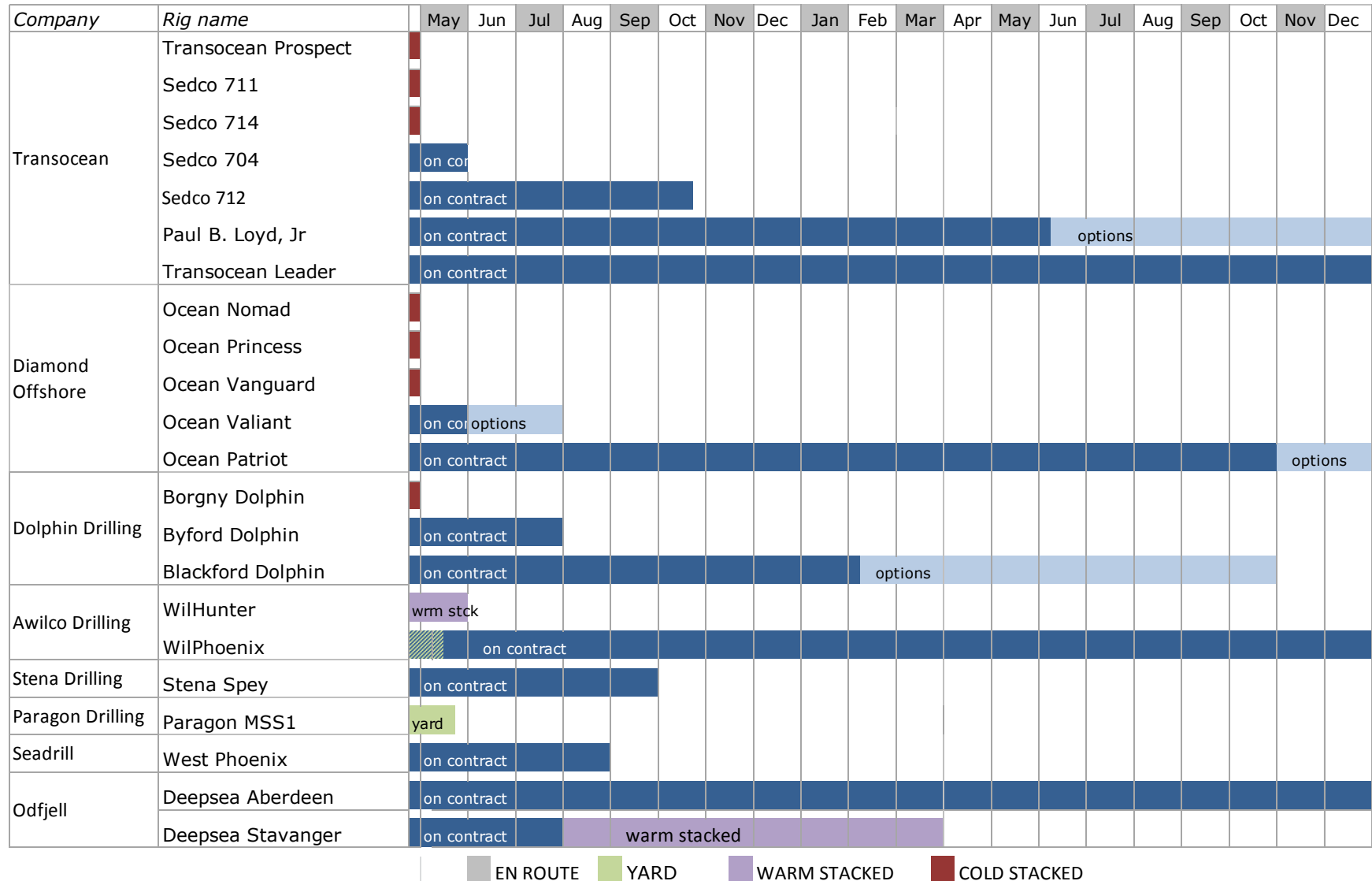
4. Market Outlook

Low UK Contracting Activity and Continued “Bleak” Prospects...



Source: Fearnley Fonds and IHS Petrodata

...Results in Increased Rig Surplus in 2016



Market Recovery seems to be Pushed even Further Out in Time

- Due to low oil price, operators have reduced current E&P expenditure
- Increased number of available rigs expected to continue through 2016 and potentially beyond
- Increased rig attrition is positive for future rebalancing of the rig market
- Recent oil price increase leading to first signs of higher enquiry and tendering activity for 2017 and 2018



5. Summary

Summary

- Announcement of dividend payable of USD 0.10
- In dialog with Apache about how and when WilPhoenix is to resume operations
- Contract backlog of USD 251 million, still working to secure new work for WilHunter
- Market uncertainty continues with respect to the timing and shape of recovery
- Evaluating market opportunities on a case-by-case basis

Q&A