



AWILCO DRILLING

Oslo, 14th of February 2017

Disclaimer

This presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated («relevant persons»). Any person who is not a relevant person should not act or rely on these presentations or any of its contents. Information in the following presentations relating to price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to future performance of such investments. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Awilco Drilling PLC or any affiliated company thereof. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation may include certain forward-looking statements, estimates, predictions, influences and projections with respect to anticipated future performance and as to the market for products or services which may reflect various assumptions made by the management of the Company. These assumptions may or may not prove to be correct and no representation is made as to the accuracy of such statements, estimates, projections, predictions and influences. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The information and opinions contained in this presentation are subject to change without notice and the Company assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

Agenda

1. Highlights
2. Q4 2016 and Preliminary Full-Year 2016 Financial Results
3. Operational Update
4. Market Outlook
5. Summary
6. Q&A

1. Highlights

Highlights

- Announcement of USD 0.20 dividend
- Total Q4 Revenue USD 35.1 million; EBITDA of USD 25.4 million, net profit of USD 14.9 million.
- Q4 Opex average for WilPhoenix approx. USD 71,100 per day
- Total contract backlog at end of 2016 was USD 159 million



2. Q4 2016 and Preliminary Full-Year 2016 Financial Results

Q4 2016 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2016	Full Year	Q4 2015	Full Year
	(unaudited)	2016	(unaudited)	2015
		(unaudited)		(audited)
Contract revenue	34,823	94,582	38,797	193,949
Reimbursables	298	704	316	1,711
Other revenue	0	10	51,308	51,385
	<u>35,121</u>	<u>95,296</u>	<u>90,421</u>	<u>247,045</u>
Rig operating expenses	7,290	36,726	14,483	57,632
Reimbursables	74	187	107	645
General and administrative expenses	2,380	8,909	1,817	8,578
Depreciation	3,729	15,579	4,535	18,008
	<u>13,473</u>	<u>61,401</u>	<u>20,942</u>	<u>114,863</u>
Operating profit	<u>21,649</u>	<u>33,895</u>	<u>69,479</u>	<u>132,182</u>
Interest income	21	631	19	130
Interest expense	(1,805)	(7,658)	(2,126)	(8,349)
Other financial items	(1,125)	(2,479)	(152)	(445)
Net financial items	<u>(2,909)</u>	<u>(9,506)</u>	<u>(2,259)</u>	<u>(8,664)</u>
Profit before tax	18,740	24,390	67,220	123,518
Tax expense	(3,823)	(3,364)	(546)	(12,515)
Net profit	<u>14,917</u>	<u>21,026</u>	<u>66,674</u>	<u>111,003</u>
Total comprehensive income	<u>14,917</u>	<u>21,026</u>	<u>66,674</u>	<u>111,003</u>
Attributable to shareholders of the parent	14,917	21,026	66,674	111,003
Basic and diluted earnings per share	0.50	0.70	1.92	3.70

Q4 2016 Balance Sheet

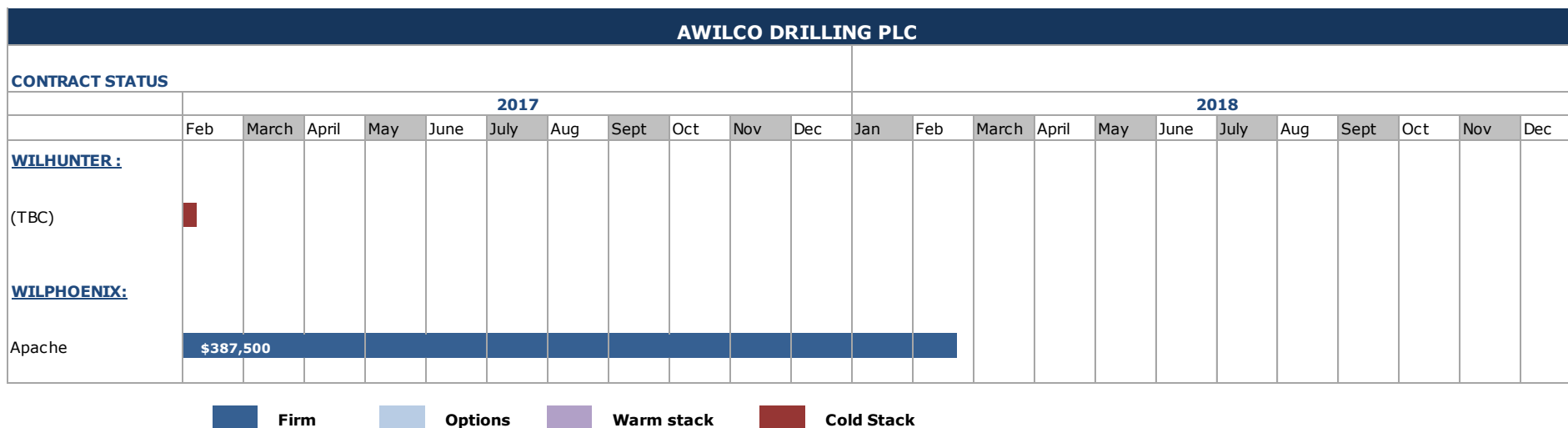
Condensed statement of financial position

in USD thousands

	31.12.2016	31.12.2015
	(unaudited)	(audited)
Rigs, machinery and equipment	238,868	234,336
Deferred tax asset	476	2,002
	<u>239,344</u>	<u>236,338</u>
Trade and other receivables	17,269	7,352
Prepayments and accrued revenue	30,036	2,682
Inventory	4,845	5,015
Cash and cash equivalents	70,070	135,257
Current tax	22,079	68,899
	<u>144,299</u>	<u>219,205</u>
Total assets	<u>383,643</u>	<u>455,543</u>
Paid in capital	130,142	130,142
Retained earnings	115,641	114,135
	<u>245,783</u>	<u>244,277</u>
Deferred tax liability	1,129	0
Long-term interest-bearing debt	90,000	100,000
	<u>91,129</u>	<u>100,000</u>
Current portion of long-term debt	10,000	10,000
Trade and other creditors	574	5,990
Accruals and provisions	10,708	17,702
Current tax payable	25,449	77,574
	<u>46,731</u>	<u>111,266</u>
Total equity and liabilities	<u>383,643</u>	<u>455,543</u>

3. Operational Update

Contract Status – Current Backlog USD 144 million*



*as of 13 February 2017

Operational Update

- Operational uptime in Q4 was 99.5 %
- Continued excellent HSE performance
- Started drilling operations for TAQA mid-December 2016 as part of the rig sharing agreement under the Apache contract
- In dialogue with Apache about the standby period between the 21st of April and the 22nd of June

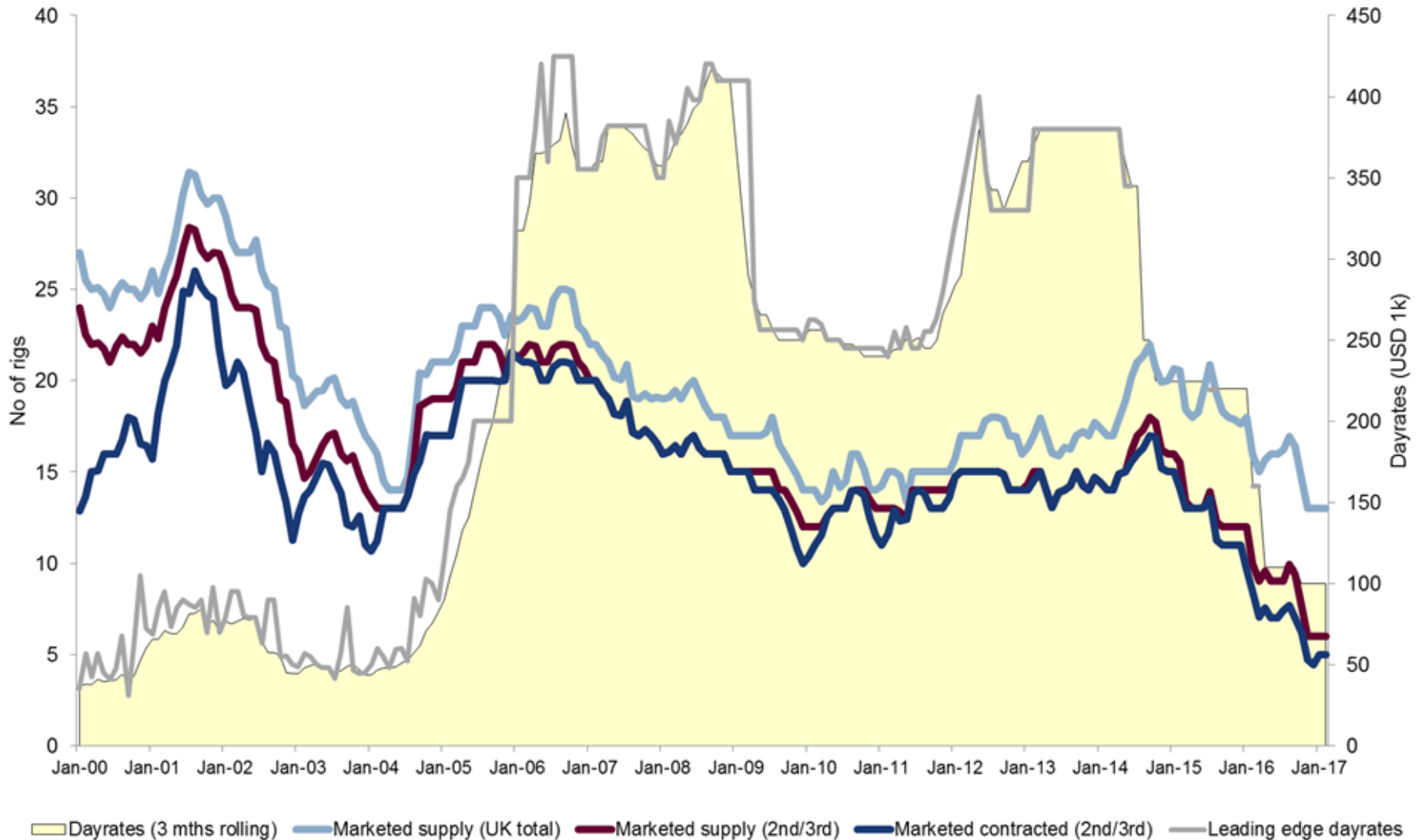


Dividend Distribution

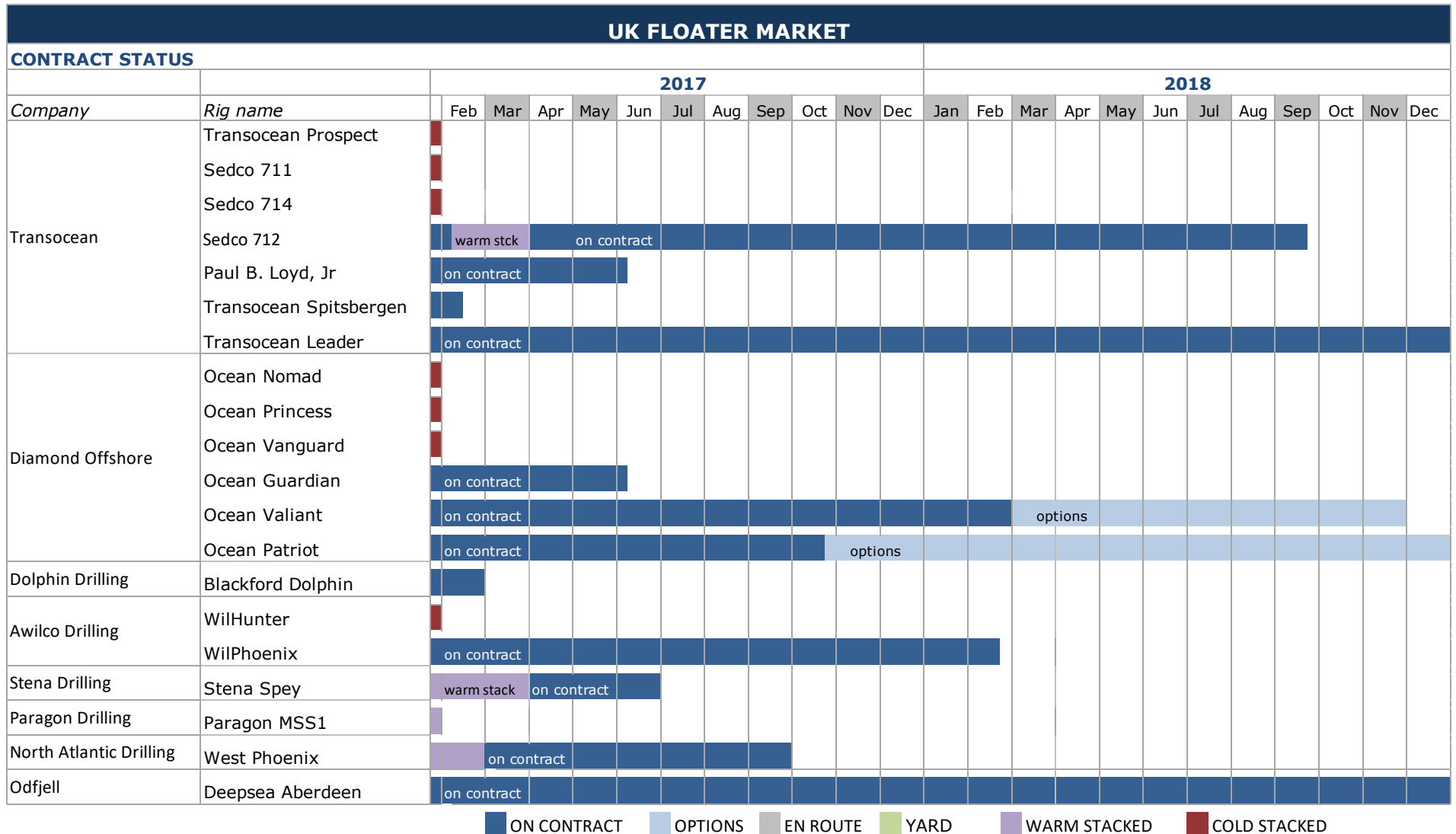
- Announcement of dividend payable of USD 0.20 per share
- Dividend payable on or around the 24th of March 2017
- Shares will trade ex-dividend on 21st of February 2017, the record date will be 22nd of February
- The Company's dividend policy remains unchanged:
“The Company intends to distribute all free cash flow above a robust cash buffer to support operational working capital requirements and capital expenditure, including SPS.”

4. Market Outlook

Dayrates in the UK Market have Plateaued while Marketed Fleet has been Considerably Reduced...



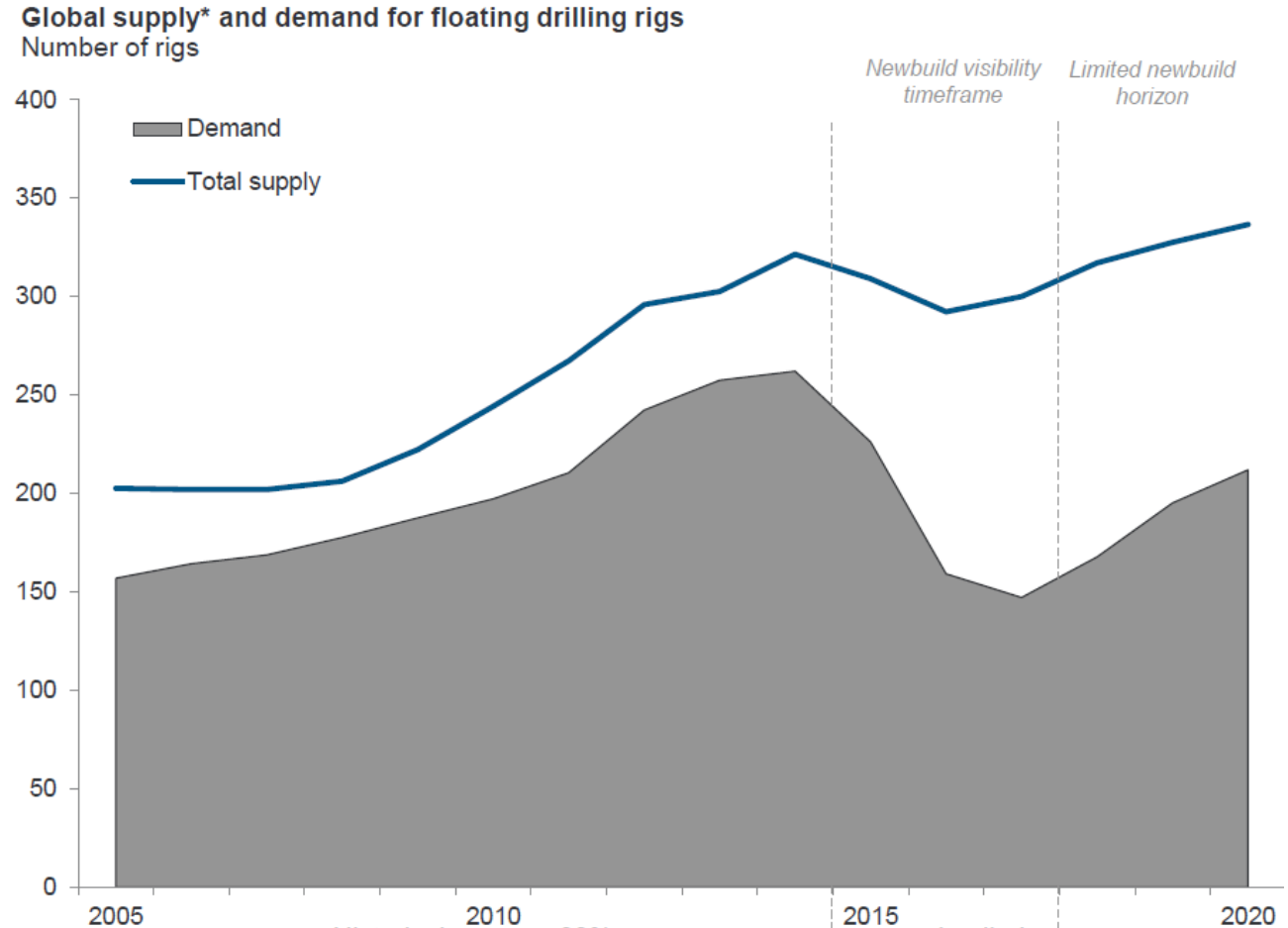
...and Shorter Contracts give a Highly Seasonal UK Market



Source: IHS-Petrodata, Awilco Drilling

Global Floater Fleet Utilization Potentially Recovering from 2018

- The decline in E&P spending seems to be bottoming out in 2017, 2018 green shoots...
- Flat E&P 2017 spending could actually mean an uptick due to reduced cost of oil field services
- Further attrition will improve market balance



UK Floater Fleet

- Attrition and cold stacking has resulted in a reduced marketed supply
- Seasonal demand for the rigs remaining in the market, but this does not justify reactivation of cold rigs
- Dayrates are expected to remain low during 2017
- Decommissioning demand now firming up from spring 2018
- Operators are showing an interest in returning to activity and potentially accelerating plans towards 2018

5. Summary

Summary

- Announcement of dividend payable of USD 0.20
- Contract backlog of USD 144 million
- Some optimism for better market prospects from 2018 – green shoots
- Evaluating market opportunities on a case-by-case basis, Awilco Drilling's fundamentals are good

Q&A