



AWILCO DRILLING

DNB's Oil, Offshore & Shipping conference

Oslo, 1st of March 2017

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Agenda

1. Company Overview
2. Market Outlook
3. Summary
4. Q&A

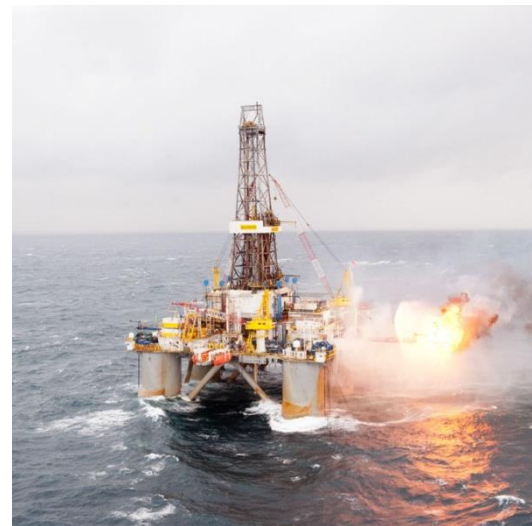
Awilco Drilling Basics

- **Aberdeen-based** drilling contractor, established in December 2009
- Owning and operating two refurbished **mid-water semi submersibles** in the UK North Sea
- **Listed** on the Oslo Stock Exchange (Oslo Axess)
- Market cap' approx. **USD 126 million**
- Fully financed with senior **secured bond** listed at Oslo ABM
 - Outstanding amount USD 100 million
 - Coupon rate 7%
 - Maturity April 2019



WilPhoenix

- Friede & Goldman L-907 Enhanced Pacesetter
- Built in 1982
- Upgraded in 2011 and 2016



WilHunter

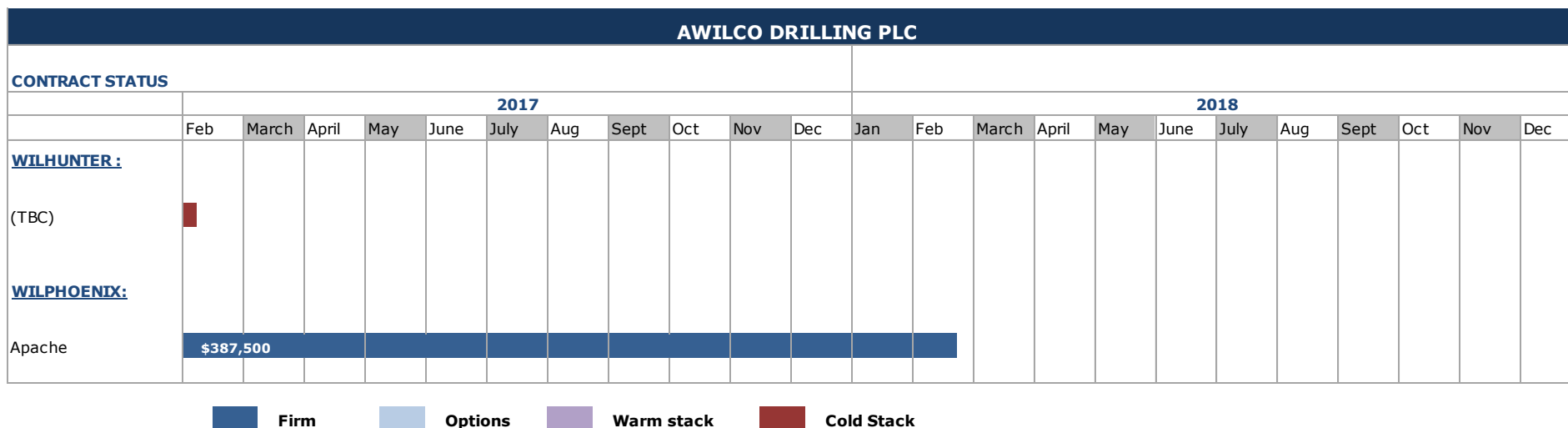
- Friede & Goldman L-907 Enhanced Pacesetter
- Built in 1983
- Upgraded in 1999 and 2011

Q4 2016 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



Contract Status – Current Backlog USD 138 million*



*as of 1 March 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

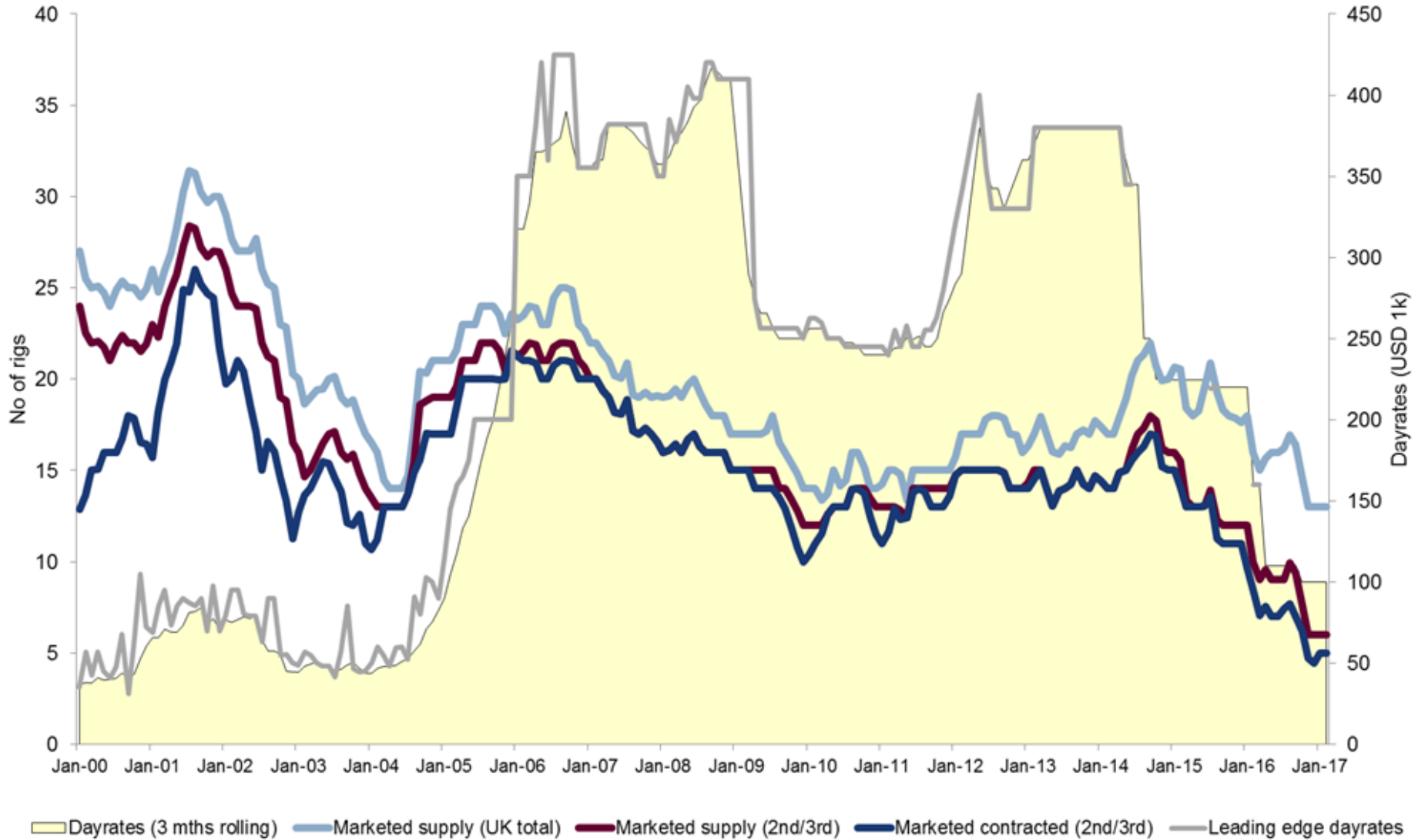


Dividend Distribution

- Announcement of dividend payable of USD 0.20 per share
- Dividend payable on or around the 24th of March 2017
- Shares traded ex-dividend on 21st of February 2017
- 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.”

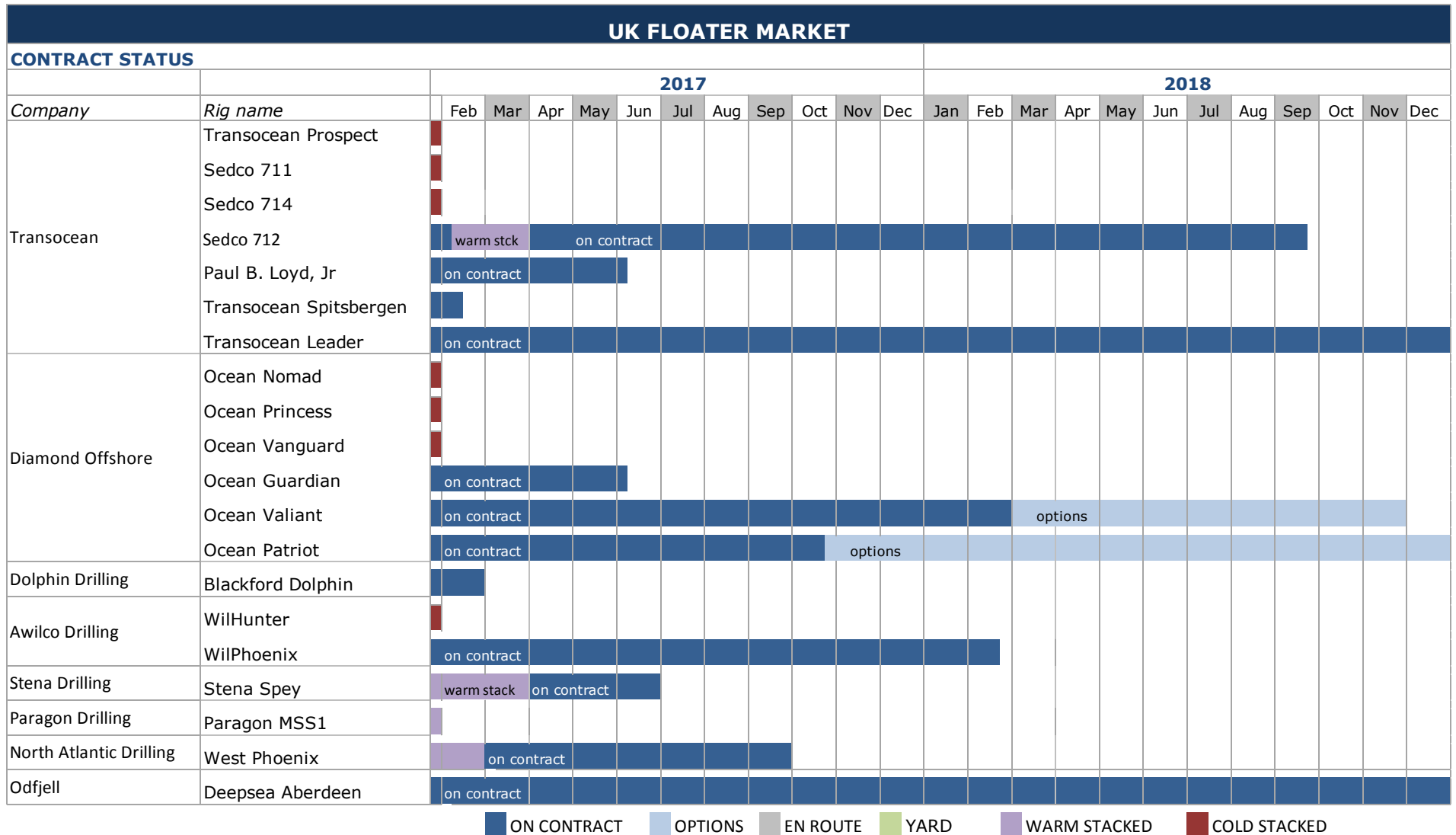
4. Market Outlook

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



Source: Fearnley Securities

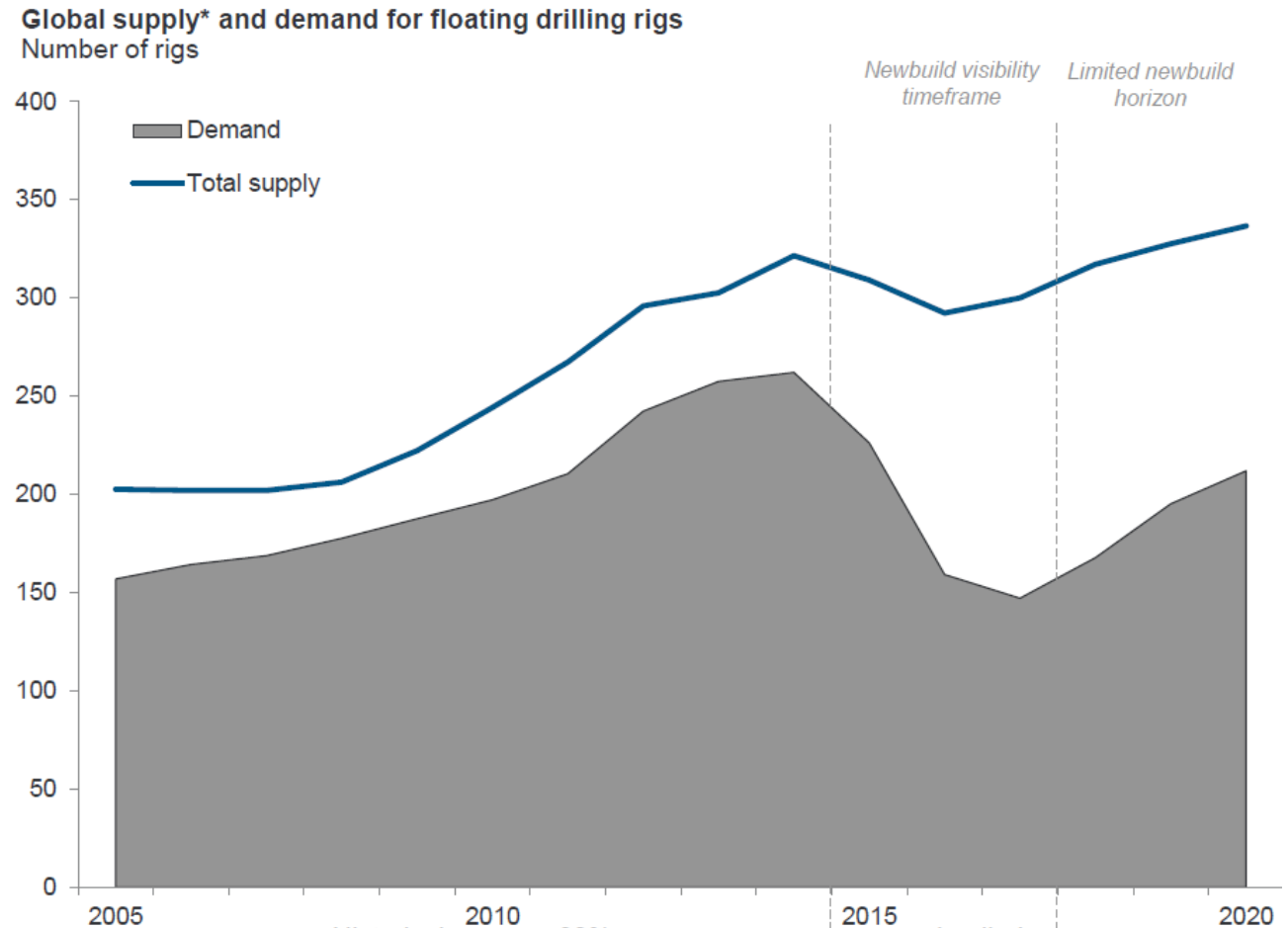
...and Shorter Contracts give a Highly Seasonal UK Market



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

- High operational performance and good cost control
- Q4 2016 dividend payable of USD 0.20
- Contract backlog of USD 138 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

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	18,946	193,949
Reimbursables	298	704	181	1,711
Other revenue	0	10	15	51,385
	<u>35,121</u>	<u>95,296</u>	<u>19,142</u>	<u>247,045</u>
Rig operating expenses	7,290	36,726	12,797	57,632
Reimbursables	74	187	64	645
General and administrative expenses	2,380	8,909	2,597	8,578
Depreciation	3,729	15,579	4,427	18,008
Impairment	-	-	30,000	30,000
	<u>13,473</u>	<u>61,401</u>	<u>49,885</u>	<u>114,863</u>
Operating profit	<u>21,649</u>	<u>33,895</u>	<u>(30,743)</u>	<u>132,182</u>
Interest income	21	631	20	130
Interest expense	(1,805)	(7,658)	(1,979)	(8,349)
Other financial items	(1,125)	(2,479)	(235)	(445)
Net financial items	<u>(2,909)</u>	<u>(9,506)</u>	<u>(2,194)</u>	<u>(8,664)</u>
Profit before tax	18,740	24,390	(32,937)	123,518
Tax expense	(3,823)	(3,364)	26	(12,515)
Net profit	<u>14,917</u>	<u>21,026</u>	<u>(32,911)</u>	<u>111,003</u>
Total comprehensive income	<u>14,917</u>	<u>21,026</u>	<u>(32,911)</u>	<u>111,003</u>
Attributable to shareholders of the parent	14,917	21,026	(32,911)	111,003
Basic and diluted earnings per share	0.50	0.70	(1.10)	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>