



AWILCO DRILLING

DNB Oil, Offshore & Shipping Conference

Oslo, 4 March 2014

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Agenda

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

1. Company Overview

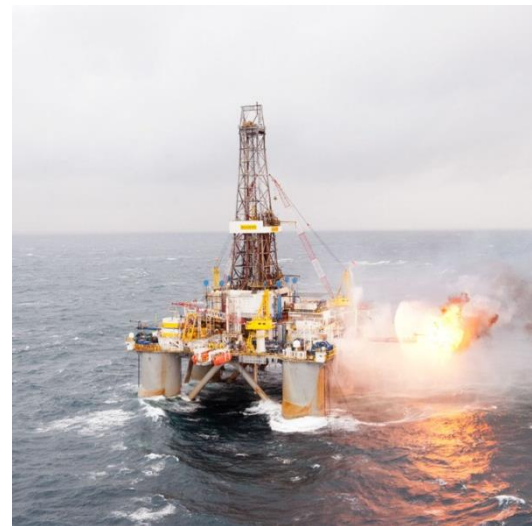
Awilco Drilling PLC

- Aberdeen-based drilling contractor, established in December 2009
- Owning and operating 2 recently refurbished mid water semi submersibles in the UK North Sea
- Listed on the Oslo Stock Exchange (Oslo Axess)
- Market cap' approx. USD 610 million
- 13 equity analysts covering the Company



WilPhoenix

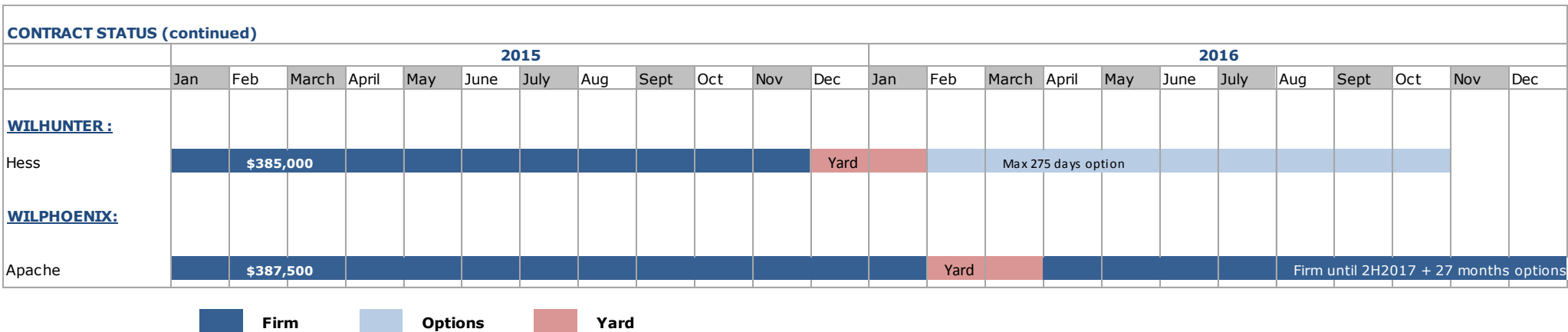
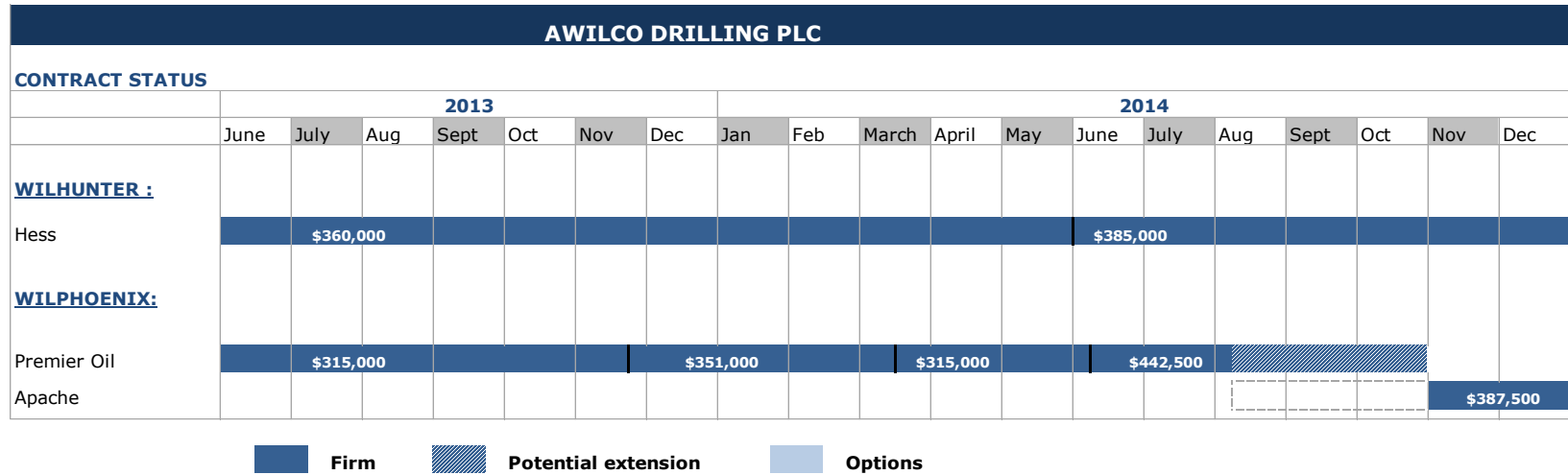
- Friede & Goldman L-907 Enhanced Pacesetter
- Built in 1982
- Upgraded in 2011



WilHunter

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

Contract Status – Current Backlog USD 725 million*



*as of 1 March 2014

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

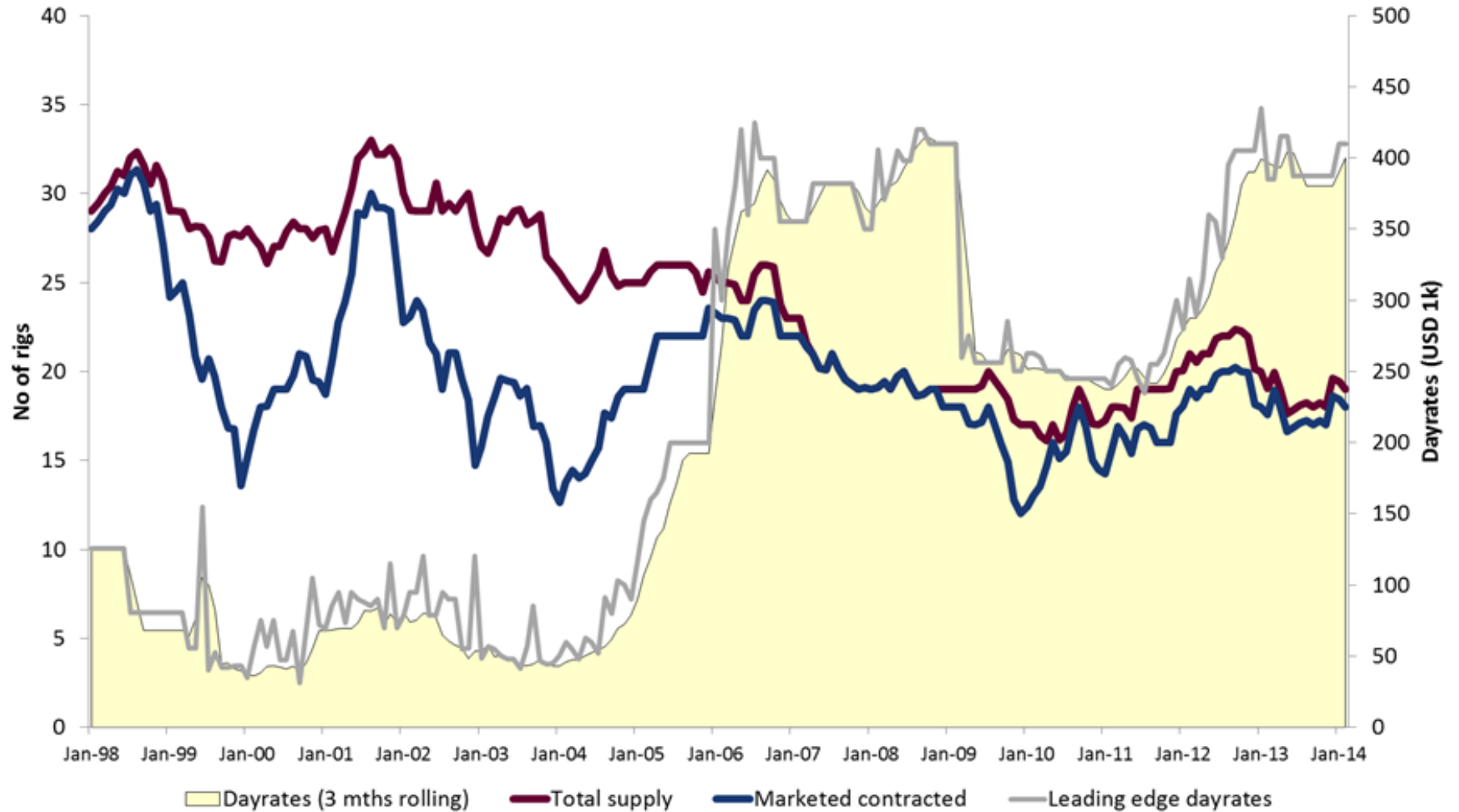
| | 31.12.2013 (unaudited) | 31.12.2012 (audited) |
|-----------------------------------|---------------------------|-------------------------|
| Rigs, machinery and equipment | 245,279 | 250,173 |
| Deferred tax asset | 2,763 | 853 |
| | <u>248,042</u> | <u>251,026</u> |
| Trade and other receivables | 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> |

Operational Performance and Ability to Return Cash to Shareholders

- High operational performance in 2013, with revenue efficiency in excess of 95%
- Continued positive customer feedback, driving contract backlog
- Full-Year 2013 Revenue USD 236.5 million and EBITDA USD 159.5 million
- Dividend distribution last 12 months USD 4.20 per share
- Continued operational performance driving dividends. 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

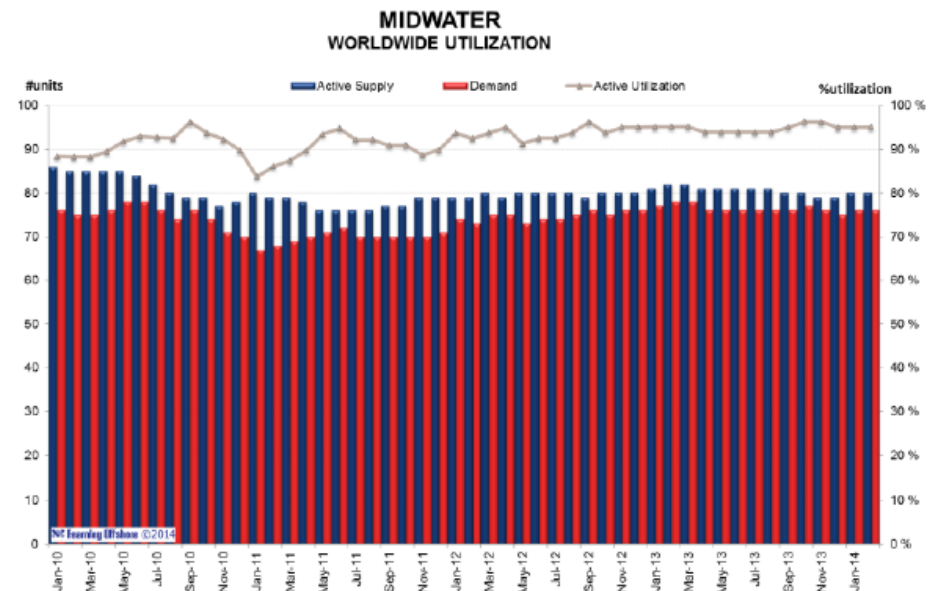
MW Region

| | | |
|---|--------------------|---------|
| 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 725 million
- Continued focus on operational efficiency
- Dividend story continues
- Evaluating growth opportunities on a case-by-case basis



Q&A