



AWILCO DRILLING

UTILISING THE OPTIONALITY TO THE FULL

Pareto Oil & Offshore Conference 2018

Oslo, 12th September 2018

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AWILCO DRILLING – EXPOSURE TO THE ATTRACTIVE HARSH ENVIRONMENT SEGMENT WITH MAXIMUM OPTIONALITY

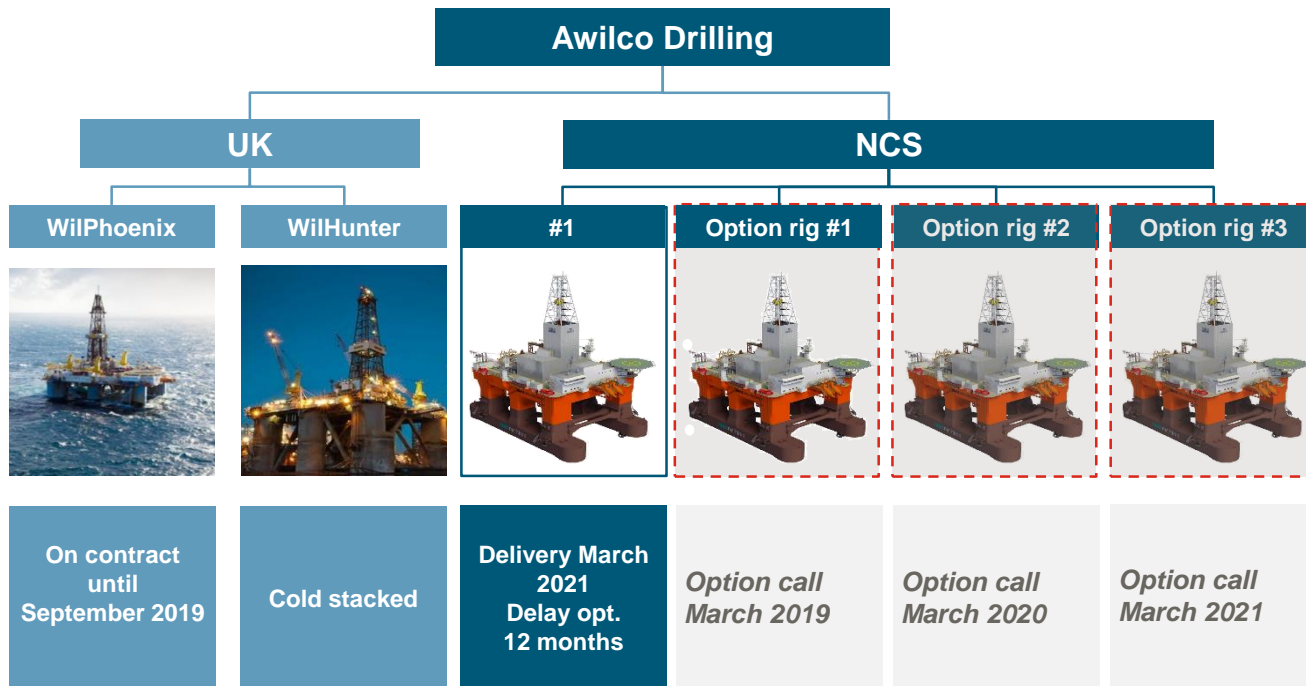
- Optimum mid-water harsh environment rigs with USD 25,000-35,000 less running cost than a DP3 unit
- Optionality and flexibility in both financing and contract timing
 - *Good cash position and no cash drain on legacy units*
 - *New capital earliest needed in March 2020, even if exercising the first option*
 - *Optionality to secure a contract when the market is right, flexible rig delivery*
- Market outlook show undersupply of modern, high-spec'ed rigs in 2021, and increasing into 2022





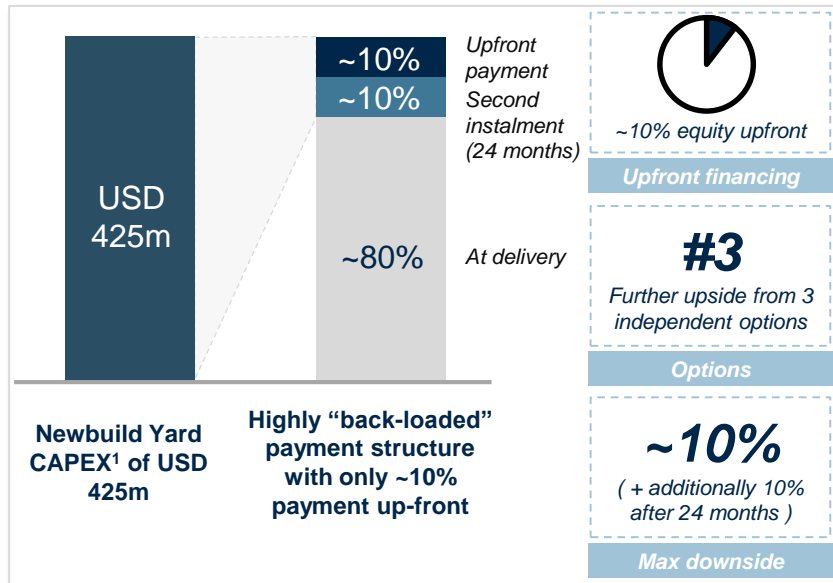
1. AWILCO DRILLING'S NEW RIG DEAL IN DETAIL

TRANSFORMING THE COMPANY THROUGH A NEWBUILDING PROGRAMME



ATTRACTIVE UPSIDE POTENTIAL FROM NEWBUILDS THROUGH SIGNIFICANT LEVERAGE AND OPTIONS

Attractive financing structure of newbuilds...



...with significant flexibility and upside potential

- "Sleeping beauty provision" – flexibility to delay delivery up to 12 months to optimise impact of delivery to market
- An early bet on a recovering market with low initial equity investment and limited downside enabled through an attractive financing structure
- Deal agreement providing sufficient time to secure further debt/equity financing at attractive terms

UTILISING OPTIONALITY – EARLIEST NEW CAPITAL NEEDED IS MARCH 2020, EVEN WITH FIRST OPTION DECLARED

(USD mill)	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024
Rig #1	42,5	-	42,5	340			
Rig #2		42,5	-	42,5	340		
Rig #3			42,5	-	42,5	340	
Rig #4				42,5	-	42,5	340
Total	✓ 42,5	42,5	85	425	382,5	382,5	340

***Paid in
March
2018***

***Can be funded
by Company
Cash***

***External
funding
likely***

External funding, Combination of Debt and Equity

THE *OPTIMUM* SEMI-SUB RIG FOR HE MW OPERATIONS, DIFFERENTIATING ITSELF FROM PEERS

CS 60 ECO MW - “Premium” Harsh Environment Drilling Rig

A Bespoke Mid-Water Rig Design



Category	Specs
Yard	Keppel FELS, Singapore
Design	Moss Maritime CS60 ECO MW
Displacement	63,000 tonnes
Water Depth	Up to 1,500 m
Variable Deck Load	5,000 t (contract minimum, expected to be ~7,000 t)
Hook Load	2.0 million lbs
Station Keeping	12 Point Mooring + DP2
Drilling Package	MH Wirth
Thruster Capacity	4 x 3,600 kW
Main Generators	5 x 4,900 kW
Accommodation	140 POB in one-person cabins
BOP	15k 18 3/4" 5 Ram
Certification	NCS AOC & UK Safety Case
Certificates	DNV Drill (N), Winterised (Basic) Ice (T) Battery (Safety & Power)

Key Rig Attributes



Lowest Environmental Footprint



Enhanced Operational Efficiency and Safety Performance



Reduced Operating Cost for Both Rig Owner and Customer



Latest Design and Technology



NCS and Barents Sea Targeted

MOSS CS60 ECO MW REPRESENTS A GAME CHANGER IN DRILLING DESIGN, TECHNOLOGY & PERFORMANCE

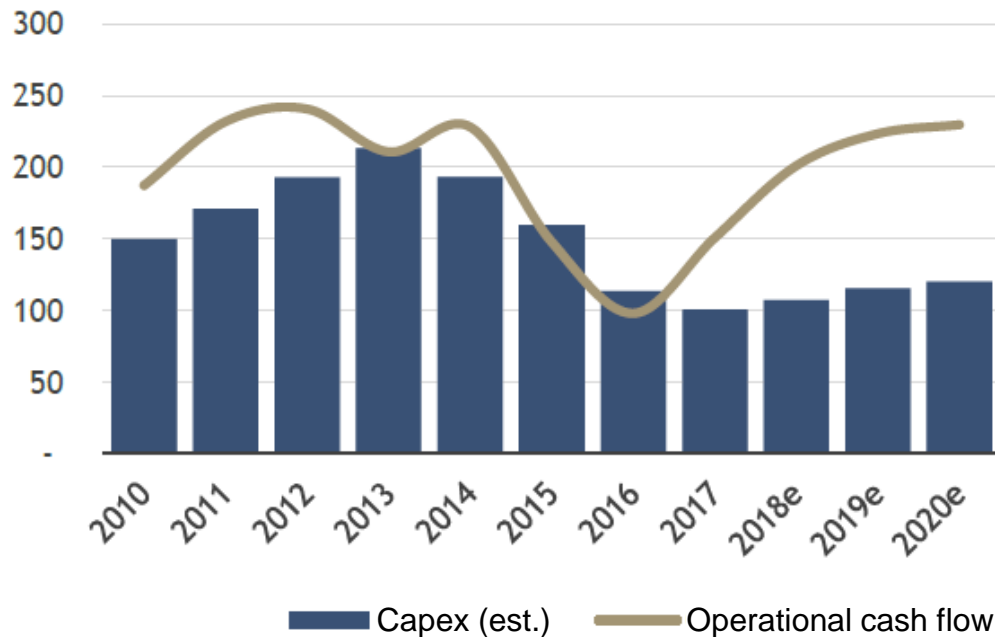
Station Keeping <i>Reduced Cost</i>	Power Generation <i>Reduced Cost</i>	Operational Data <i>Reduced Cost & Risk</i>	Equipment Maintenance <i>Reduced Cost & Risk</i>
<p>Moored + Dynamic Positioning (DP2)</p> <ul style="list-style-type: none"> Offering a “best of both worlds” rig positioning solution 12 Point chain, or pre-laid, mooring system Delivering a significant cost savings compared to a DP3 unit Flexibility to provide rig move and top-hole drilling activity through DP2 	<p>Hybrid Engine & Battery Technology</p> <ul style="list-style-type: none"> Delivering a load “peak shaving” facility & also eliminating the need for a “spinning reserve” engine through battery power Reducing engine size Optimizing engine performance Reducing engine fuel consumption Minimizing emissions and NOX / SOX duty 	<p>“Digitalization”</p> <ul style="list-style-type: none"> A collaborative real-time operational monitoring system, reducing well delivery risk Optimization of rig and 3-party equipment data Onshore competence continuously available for interpretation data and support, allowing faster & more informed decision making Reduced cost and time per well 	<p>Condition Monitoring</p> <ul style="list-style-type: none"> Real-time monitoring of rig equipment Generating planned, proactive & reactive maintenance routines Reduced likelihood of equipment down time Reduced maintenance activity during off-hire 5yr special survey Reduced OPEX Increased revenue efficiency

The improved drilling efficiency and reliability of the CS60 ECO MW will deliver significant OPEX and spread cost savings in the range of USD 25,000 – 35,000 per day compared to a DP3 unit

2. MARKET OUTLOOK

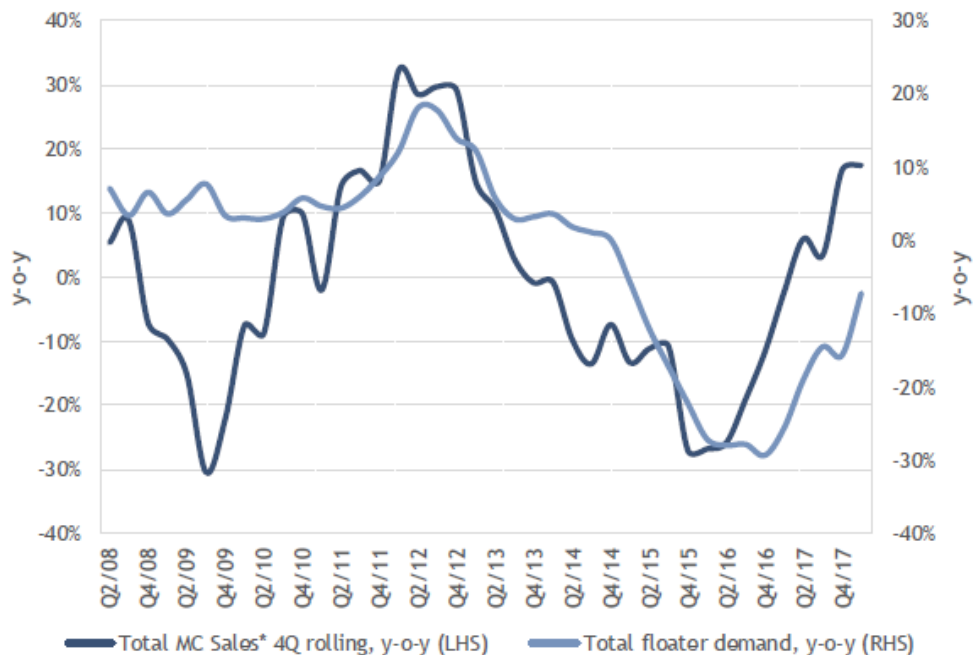


OIL COMPANIES' CAPACITY TO SPEND IS INCREASING...



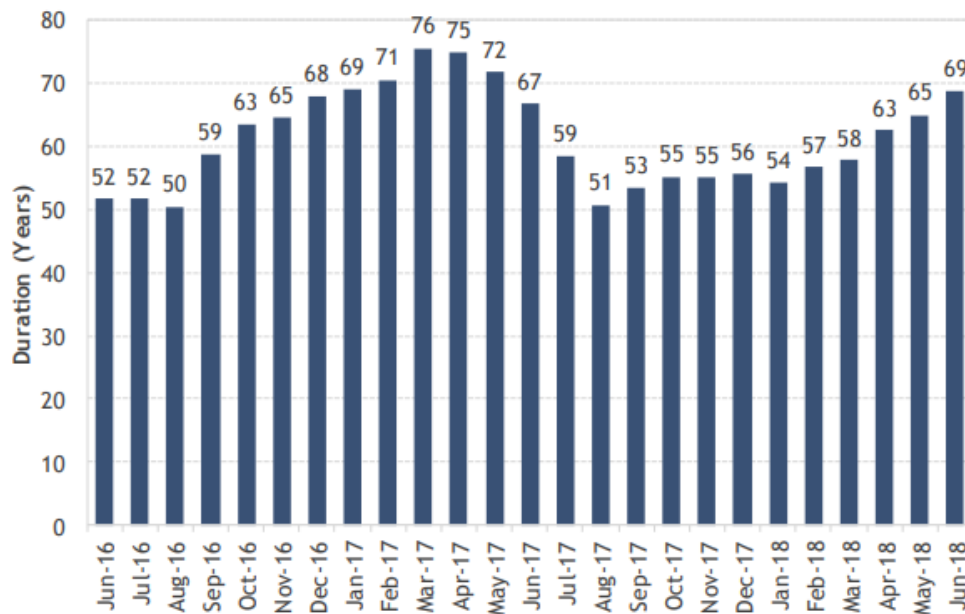
DON'T LISTEN TO WHAT THEY SAY, LOOK AT WHAT THEY DO

Multi-client seismic sales versus Floater demand

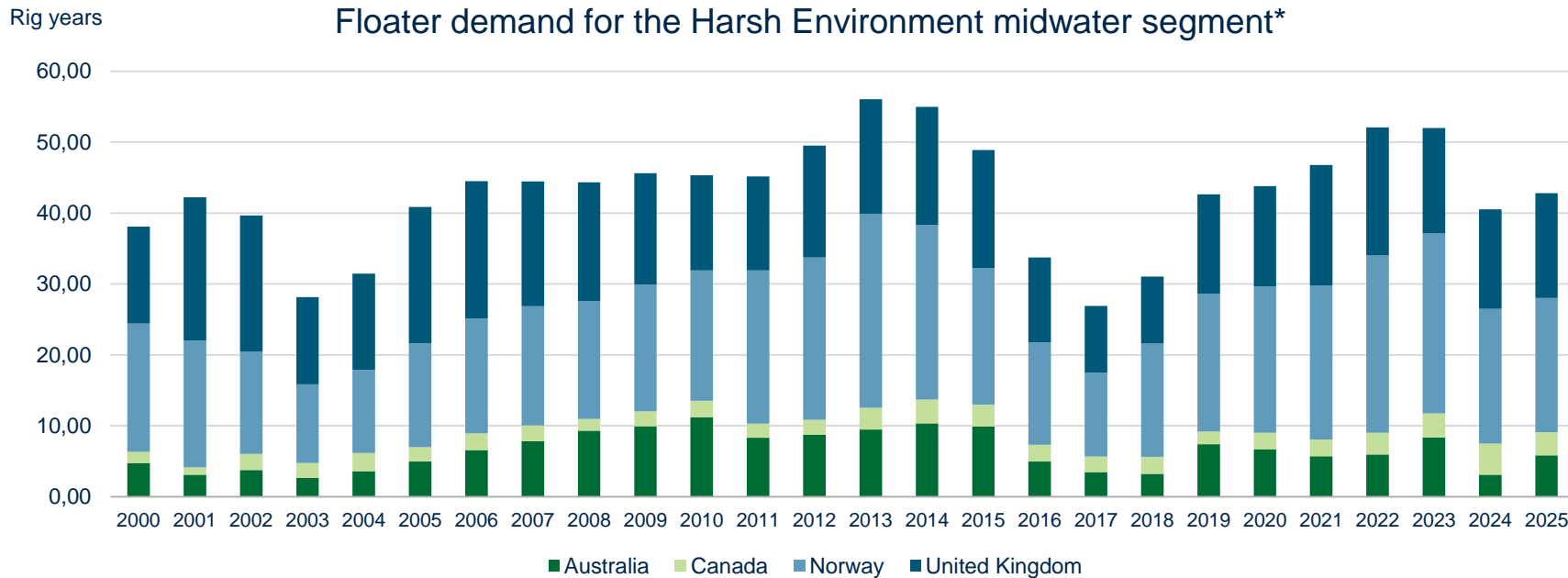


WE SEE IMPROVED GLOBAL FLOATER TENDER ACTIVITY – FURTHER INCREASE ANTICIPATED

Demand for floating rigs, June/16 – June/18

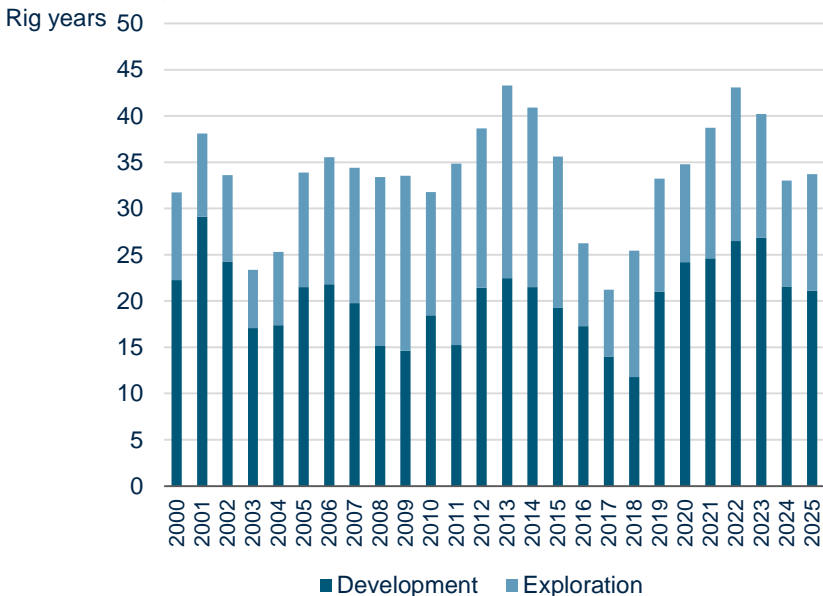


HARSH ENVIRONMENT DEMAND IS DRIVEN BY NORWAY AND UK

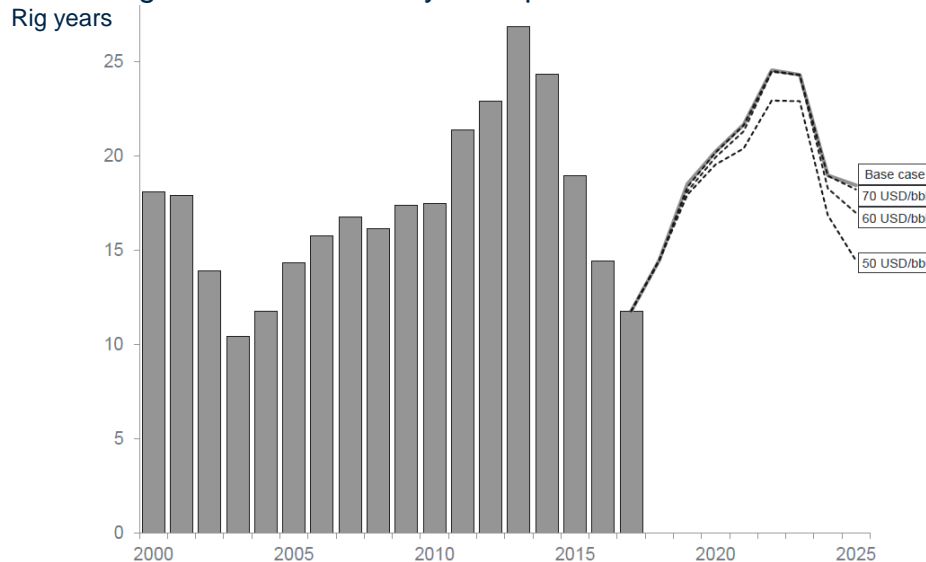


INCREASE IN BOTH EXPLORATION AND DEVELOPMENT DRILLING IN NORWAY – AND LITTLE OIL PRICE SENSITIVITY

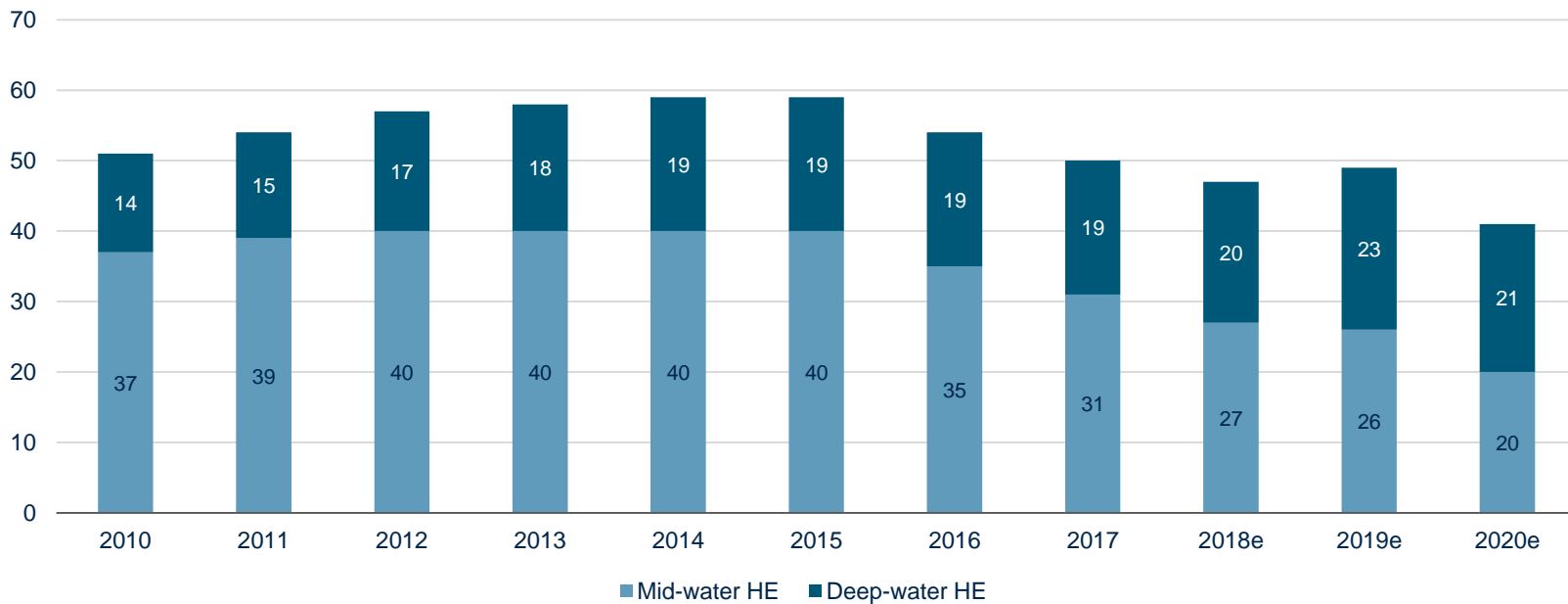
Floater rig demand for the midwater segment by drilling purpose



Floater rig demand for the harsh midwater segment with sensitivity to oil price



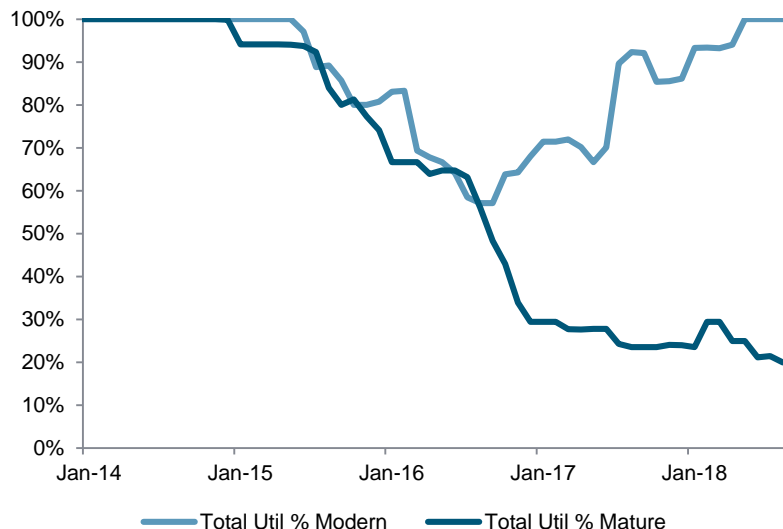
SUPPLY OF MID-WATER HARSH ENVIRONMENT RIGS IS SET TO DROP DUE TO SPS COSTS AND OILCO'S PREFERENCES



THERE IS ALREADY DIFFERENCE BETWEEN RIG SEGMENTS

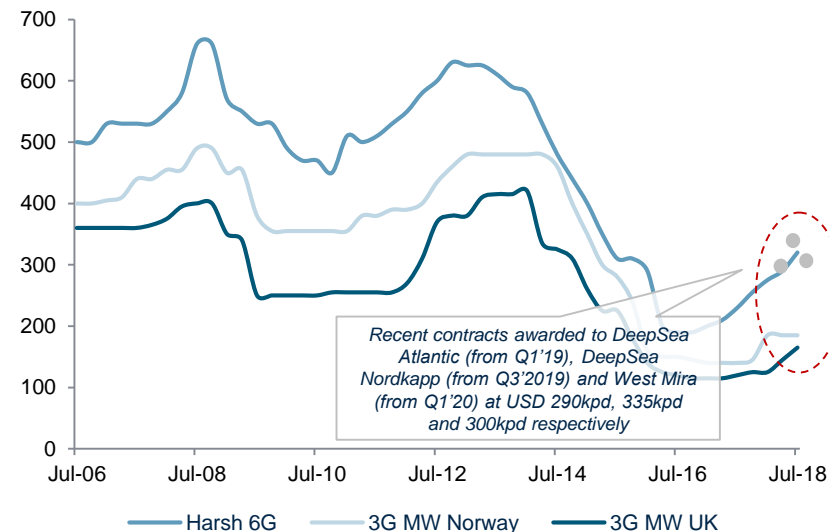
Rig utilisation – modern vs. old rigs (Norway)

Rig utilisation (%)



Dayrates – 6G vs. 3G rigs

Dayrates (USD 000')

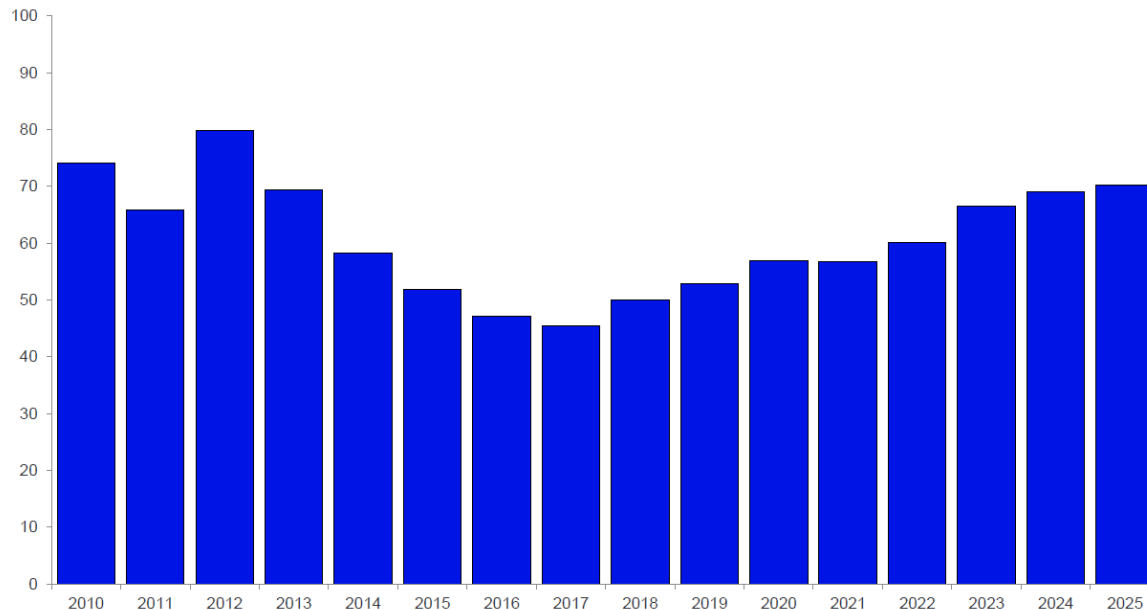


Clear market preference for modern high spec rigs demonstrated in utilisation bifurcation

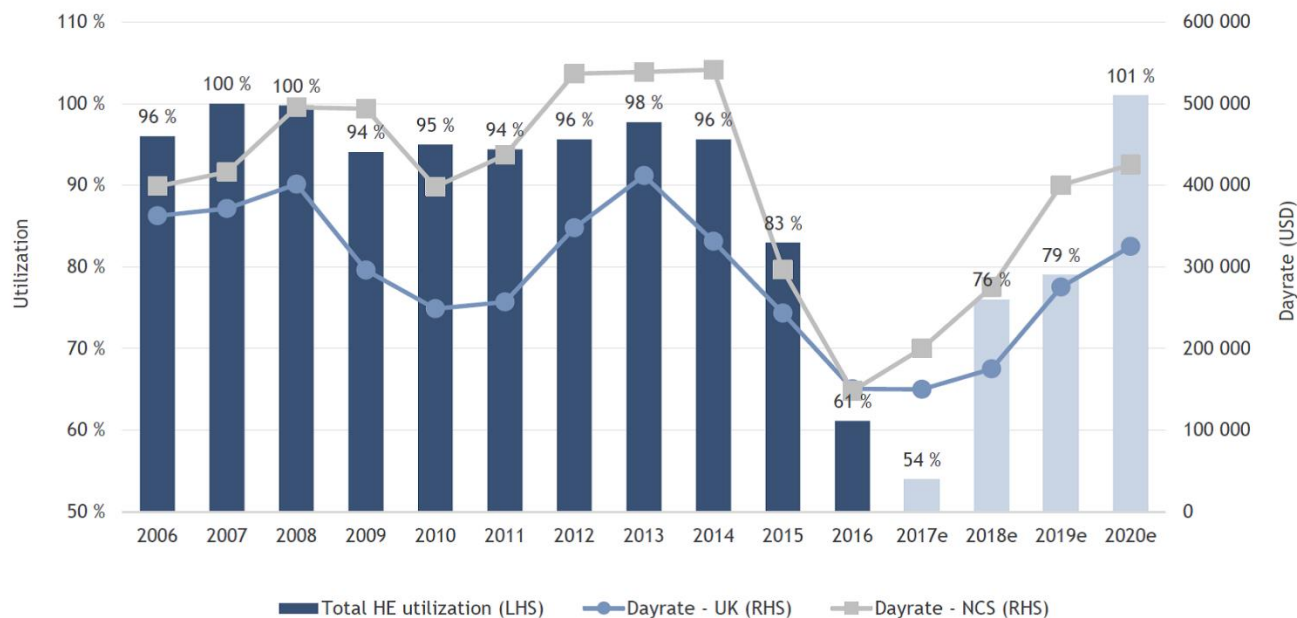
CHALLENGING AND COMPLEX DRILLING PROGRAMS IN FRONTIER AREAS WILL LEAD TO MORE DAYS PER WELL

Days per well expected to see reversal in Norway towards 2025

Floater drilling efficiency
days per well



HARSH ENVIRONMENT RIG UTILISATION AND DAYRATES ARE ON THE RISE



3. SUMMARY



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Q&A



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