



AWILCO DRILLING

Q1 2015 Presentation

Oslo, 12th of May 2015

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. Q1 2015 Financial Results
3. Operational Update
4. Market Outlook
5. Summary
6. Q&A

1. Highlights

Highlights

- Announcement of USD 0.50 dividend
- Total Q1 Revenue USD 68.5 million; EBITDA USD 52.2 million
- Q1 Opex per rig approx. USD 79,800 per day
- Total contract backlog at end of Q1 was USD 441 million
- Revenue efficiency during Q1 was 97.6%



2. Q1 2015 Financial Results

Q1 2015 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q1 2015 (unaudited)	Q1 2014 (unaudited)
Contract revenue	67,840	62,211
Reimbursables	629	503
Other revenue	28	33
	<u>68,497</u>	<u>62,747</u>
Rig operating expenses	14,353	14,422
Reimbursables	268	195
General and administrative expenses	1,690	4,035
Other expense	-	12
Depreciation	4,519	4,400
	<u>20,830</u>	<u>23,064</u>
Operating profit	<u>47,667</u>	<u>39,683</u>
Interest income	71	38
Interest expense	(2,178)	(2,488)
Other financial items	(443)	-
Net financial items	<u>(2,550)</u>	<u>(2,450)</u>
Profit before tax	45,117	37,233
Tax (expense)	(5,880)	(2,753)
Net profit	<u>39,237</u>	<u>34,480</u>
Other comprehensive income	-	-
Total comprehensive income	<u>39,237</u>	<u>34,480</u>
Attributable to minority interests	-	-
Attributable to shareholders of the parent	39,237	34,480
Basic and diluted earnings per share	1.31	1.15

Q1 2015 Balance Sheet

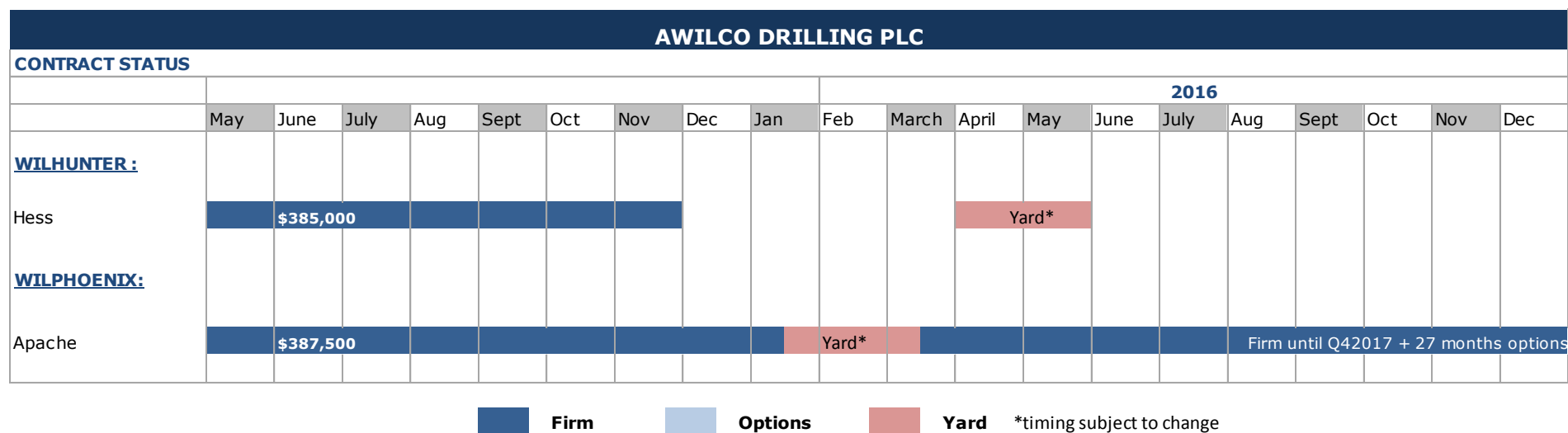
Condensed statement of financial position

in USD thousands

	31.03.2015	31.12.2014
	(unaudited)	(audited)
Rigs, machinery and equipment	250,835	251,165
Deferred tax asset	2,096	2,486
	<u>252,931</u>	<u>253,651</u>
Trade and other receivables	10,750	12,116
Prepayments and accrued revenue	28,770	28,938
Inventory	4,698	4,800
Cash and cash equivalents	85,258	75,951
Current tax	53,142	82,594
	<u>182,618</u>	<u>204,399</u>
Total assets	<u><u>435,549</u></u>	<u><u>458,050</u></u>
Paid in capital	130,142	130,142
Retained earnings	87,417	78,211
	<u>217,559</u>	<u>208,353</u>
Long-term interest-bearing debt	110,000	110,000
	<u>110,000</u>	<u>110,000</u>
Current portion of long-term debt	10,000	10,000
Trade and other creditors	3,855	3,233
Accruals and provisions	20,177	17,942
Current tax payable	73,958	108,522
	<u>107,990</u>	<u>139,697</u>
Total equity and liabilities	<u><u>435,549</u></u>	<u><u>458,050</u></u>

3. Operational Update

Contract Status – Current Backlog USD 410 million*



*as of 11 May 2015

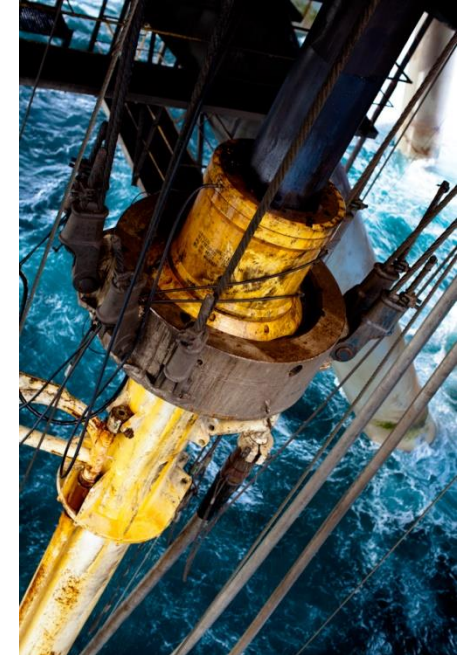
Excellent Operational Performance Continues

- Very good operational performance in Q1 with 98.8 % operational uptime
- Opex in Q1 lower than guidance
 - Favourable exchange rates
 - Continued focus on cost discipline
- Revised opex guidance for 2015 is USD 85,000-90,000 per day
- Continued positive customer feedback
 - HESS "Rig of the Year" award for 2014
- International Association of Drilling Contractors (IADC) Safety Performance Awards
 - Awilco Drilling – 2014 Best Safety Performance (Floating Rigs, under 1 million man hours)
 - WilHunter – 2014 Chairman's Award for Best Safety Performance



Upcoming SPS Yard Stay Projects

- Experienced project team – planning started in 2013
- Budget for SPS project – USD 20 million per rig
- Budget for new BOP's – USD 22.5 million per rig
- WilPhoenix yard stay scheduled for late 2015/early 2016
- WilHunter yard stay scheduled for Q2 2016
- WilHunter SPS will position rig well for market opportunities in 2016/2017
- WilHunter yard stay to be postponed if no attractive follow-on work secured

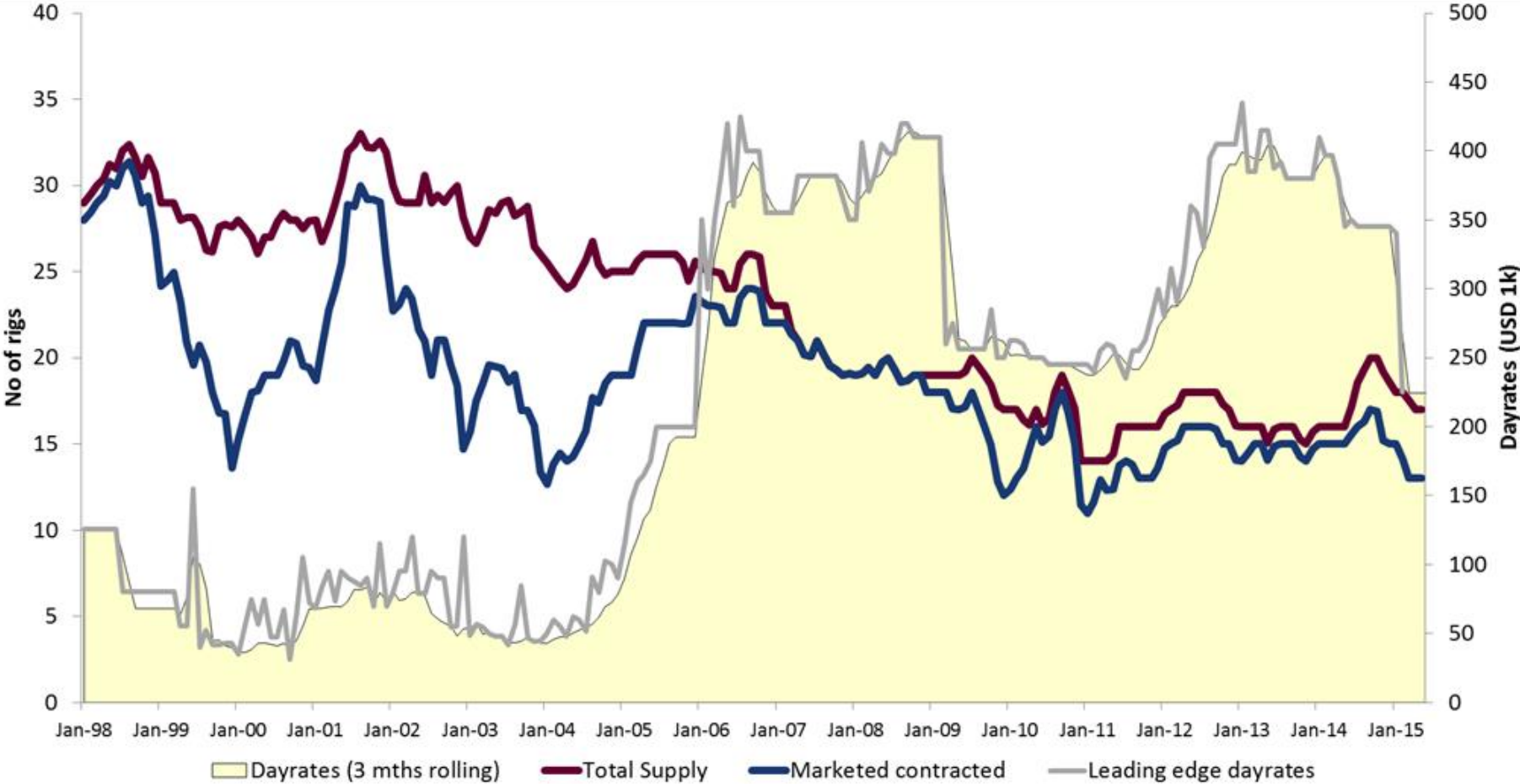


Dividend Distribution

- Announcement of dividend payable of USD 0.50 per share
- Dividend payable on or around the 19th June 2015
- Share will trade ex-dividend on 19th May 2015, the record date will be 18th 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.”
- Current levels of dividends will continue to be challenged by upcoming capital expenditure and future market prospects

4. Market Outlook

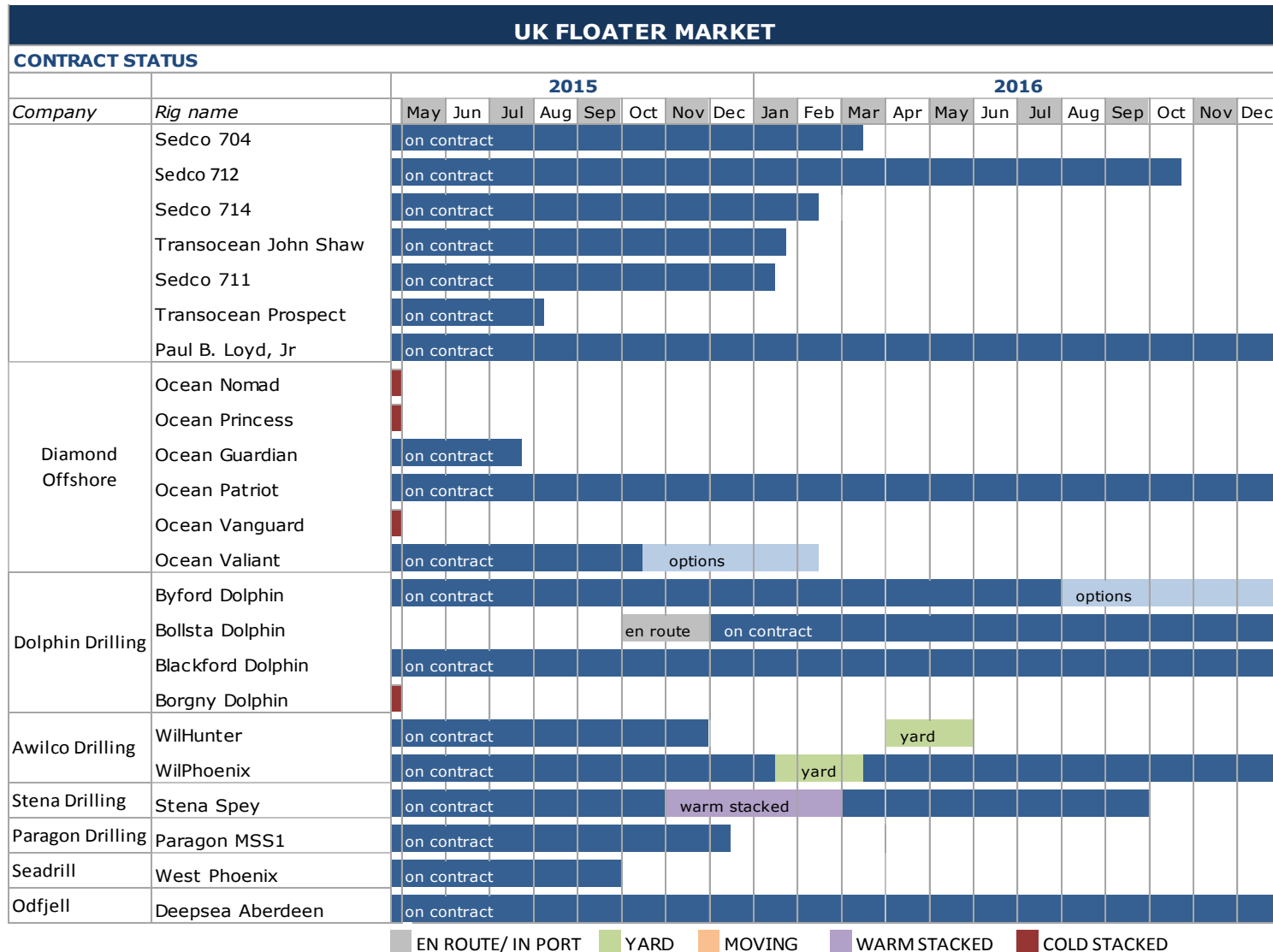
Continued Low Contracting Activity in the UK market



Source: Fearnley Fonds and IHS Petrodata



Up to 10 Rigs Available for New Contracts the Next 12 Months



Timing of Return to Higher Activity Levels Remains Unknown

- Market uncertainty continues with respect to the timing and shape of recovery
- Operators continue with reductions in current and planned E&P expenditure
- Recent UK tax incentives aimed at operators have had little impact to date
- Increased number of available rigs expected to last through 2015 and beyond
- Lack of new contract opportunities currently leading to rig cold-stacking and attrition

5. Summary

Summary

- Announcement of dividend payable of USD 0.50
- Revenue efficiency during Q1 was 97.6 %, continued focus on cost discipline
- Solid contract backlog of USD 410 million, with close to 100 % contract coverage through 2015
- Market uncertainty continues with respect to the timing and shape of recovery
- Evaluating market opportunities on a case-by-case basis

Q&A