

Q2 2013 Presentation

Oslo, 15th of August 2013

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Agenda

- 1. Highlights
- 2. Q2 2013 Financial Results
- 3. Operational Update
- 4. Market Outlook
- 5. Summary
- 6. Q&A



1. Highlights

Highlights

Announcement of USD 1.00 dividend

- Contract signed with Apache and Taqa contract value USD 424 million
- Total Q2 Revenue approx. USD 59.5 million; EBITDA USD 38.6 million
- Q2 Opex per rig approx. USD 72,500 per day
- Total contract backlog per end of Q2 was USD 860 million
- Revenue efficiency during Q2 was 97.3%



2. Q2 2013 Financial Results

Q2 2013 Income Statement

Condensed statement of comprehensive income				
in USD thousands, except earnings per share		YTD		YTD
_	Q2 2013	30.06.13	Q2 2012	30.06.2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Ocation to second	50,000	440.000	00.440	E4 0E0
Contract revenue	58,698	110,990	32,142	51,658
Reimbursables	794	1,854	360	584
Other revenue	19	24	15	2,849
-	59,511	112,868	32,517	55,091
Rig operating expenses	13,190	26,740	14,927	28,692
Reimbursables	263	763	172	262
Provision for doubtful debts	=	=	695	3,165
General and administrative expenses	5,533	10,913	3,010	5,905
Other expense	1,900	1,900	-	-
Depreciation	4,398	8,789	4,456	8,816
<u> </u>	25,284	49,105	23,260	46,840
Operating profit	34,227	63,764	9,257	8,251
Interest income	46	62	4	10
Interest expense	(2,365)	(4,788)	(3,561)	(7,065)
Other financial items	57	(59)	68	(63)
Net financial items	(2,262)	(4,785)	(3,489)	(7,118)
Profit/(Loss) before tax	31,965	58,979	5,768	1,133
Tax (expense)	(2,596)	(4,896)	(570)	7
Net profit/(loss)	29,369	54,083	5,198	1,140
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Other comprehensive income	-	-	-	-
Total comprehensive income	29,369	54,083	5,198	1,140
Attributable to minority interests	-	-	-	-
Attributable to shareholders of the parent	29,369	54,083	5,198	1,140
Basic and diluted earnings per share	0.98	1.80	0.17	0.04



Q2 2013 Balance Sheet

Condensed statement of financial position

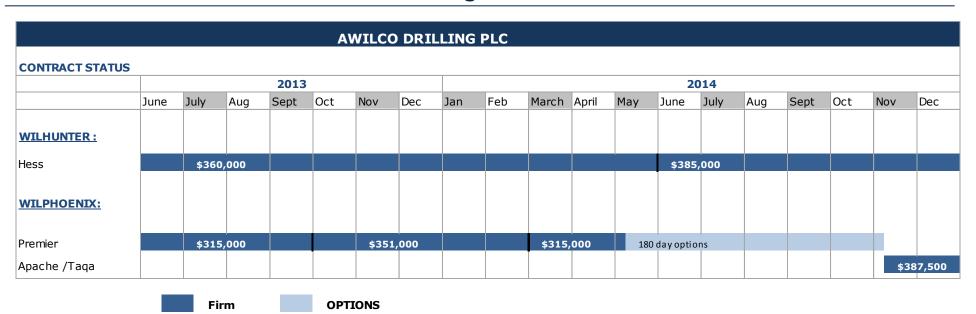
in USD thousands

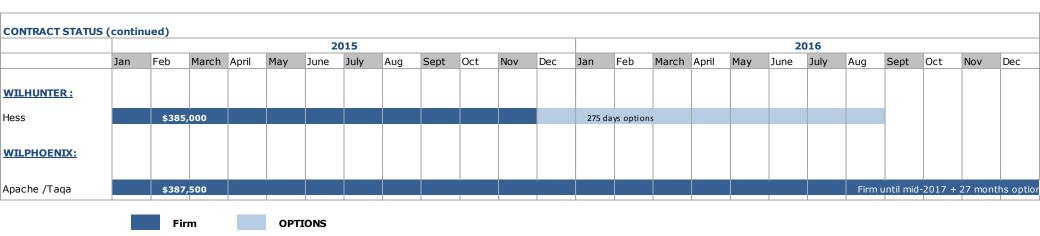
in USD thousands			
	30.06.2013	31.12.2012	
	(unaudited)	(audited)	
Rigs, machinery and equipment	246,516	250,173	
Deferred tax asset	1,914	853	
	248,430	251,026	
Trade and other receivables	18,356	22,285	
Prepayments and accrued revenue	23,006	15,529	
Inventory	4,800	4,800	
Cash and cash equivalents	38,535	16,926	
Current tax	15,951	6,542	
	100,648	66,082	
Total assets	349,078	317,108	
Paid in capital	130,142	130,142	
Retained earnings	72,257	48,206	
	202,399	178,348	
Deferred tax liability	769	769	
Long-term interest-bearing debt	92,598	98,098	
Ç Ç	93,367	98,867	
Command named on of land town dalet	44.000	40 500	
Current portion of long-term debt Trade and other creditors	11,000 2,250	16,500 1,965	
Accruals and provisions	2,230 19,540	12,041	
Current tax payable	20,522	9,387	
Current tax payable	53,312	39,893	
		23,000	
Total equity and liabilities	349,078	317,108	



3. Operational Update

Contract Status – Current Backlog USD 830 million







Operational Performance

- High operational performance in Q2 with 97.3% operational uptime
- Continued positive customer feedback
- Opex still lower than guidance in Q2
 - Lower than planned spend on major expense projects due to timing



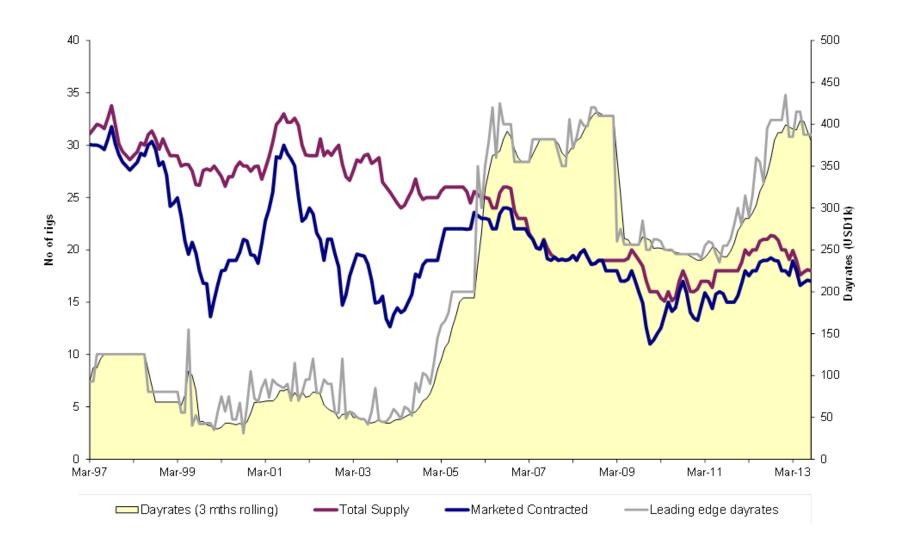
Dividend Distribution

- Announcement of dividend payable in Q3 of USD 1.00 per share
- Dividend payable on or around the 20th September 2013
- Share will trade ex-dividend on 21st August 2013, the record date will be 23rd August
- 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



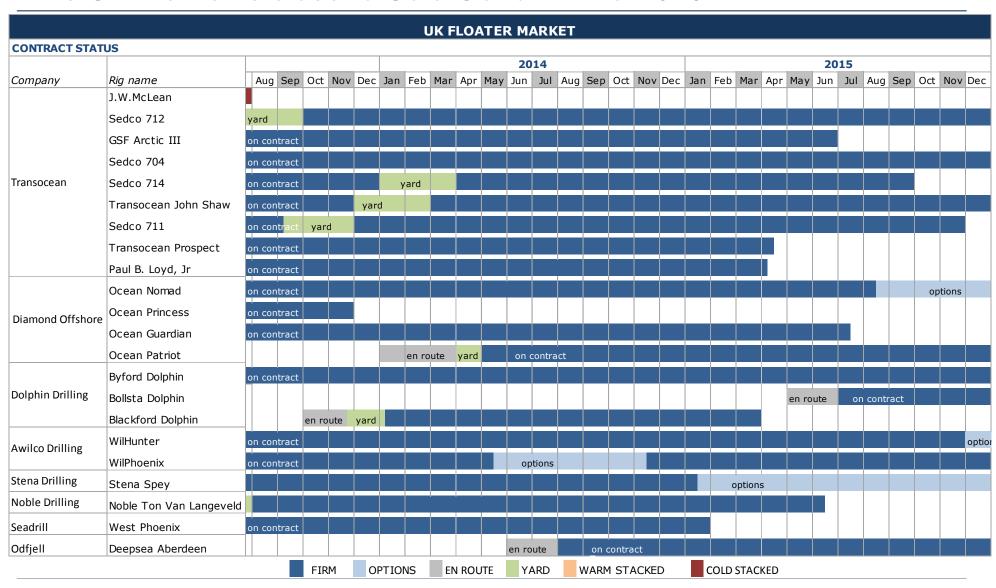
4. Market Outlook

Dayrates and Contract Duration remain Attractive in the UK Market





The UK Market is close to Sold Out until mid-2015





Why do we expect the UK market to be tight beyond 2014?

- Sustained "high" oil price well above investment triggers and combined with the UKs stable tax regime is under-pinning operator confidence
- UK Government encouraging drilling activity through licensing
- Major Operators increasing activity in established Northern and Central North Sea
- Major Operators increasing activity in new developments West of Shetland
- Major Operators increasing decommissioning and well abandonment activity
- Independents 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 830 million
- Continued focus on operational efficiency
- Announcement of dividend payable in Q3 of USD 1.00
- Evaluating growth opportunities on a case-by-case basis

Q&A