



AWILCO DRILLING

Q4 2012 Presentation

Oslo, 13th of February 2013

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Agenda

1. Highlights Q4 2012
2. Q4 2012 and Preliminary Full Year 2012 Financial Results
3. Operational Update
4. Market Outlook
5. Summary
6. Q&A

1. Q4 2012 Highlights

Q4 2012 Highlights

- Total Q4 Revenue approx. USD 52.8 million; EBITDA USD 32.6 million
- Q4 Opex per rig approx. USD 78,500 per day
- Total contract backlog per end of Q4 was USD 297 million
- Revenue efficiency during Q4 was 94.3%

2. Q4 2012 and Preliminary Full Year 2012 Financial Results

Q4 2012 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2012 (unaudited)	Full Year 2012 (unaudited)	Q4 2011 (unaudited)	Full Year 2011 (audited)
Contract revenue	51,799	147,210	39,492	75,830
Reimbursables	770	4,800	185	420
Other revenue	184	217	9	12
	<u>52,753</u>	<u>152,227</u>	<u>39,686</u>	<u>76,262</u>
Rig operating expenses	14,445	56,545	12,936	42,416
Reimbursables	450	951	113	262
Provision for doubtful debts	3,562	9,700	-	-
General and administrative expenses	1,702	11,132	2,600	10,918
Depreciation	4,219	17,474	4,360	15,041
	<u>24,378</u>	<u>95,802</u>	<u>20,009</u>	<u>68,637</u>
Operating profit/(loss)	<u>28,375</u>	<u>56,424</u>	<u>19,677</u>	<u>7,625</u>
Interest income	5	19	25	120
Interest expense	(3,001)	(13,447)	(3,792)	(14,023)
Other financial items	(626)	(920)	(129)	2,751
Net financial items	<u>(3,622)</u>	<u>(14,348)</u>	<u>(3,896)</u>	<u>(11,152)</u>
Profit/(Loss) before tax	24,753	42,076	15,781	(3,528)
Tax (expense)/benefit	(1,842)	(3,669)	(1,243)	(104)
Net profit/(loss)	<u>22,911</u>	<u>38,407</u>	<u>14,538</u>	<u>(3,632)</u>
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	<u>22,911</u>	<u>38,407</u>	<u>14,538</u>	<u>(3,632)</u>
Attributable to minority interests	-	-	-	-
Attributable to shareholders of the parent	22,911	38,407.00	14,538	(3,632)
Basic and diluted earnings per share	0.76	1.28	0.48	(0.13)

Q4 2012 Balance Sheet

Condensed statement of financial position

in USD thousands

	31.12.2012	31.12.2011
	(unaudited)	(audited)
Rigs, machinery and equipment	250,173	262,573
	<u>250,173</u>	<u>262,573</u>
Trade and other receivables	22,285	8,857
Prepayments and accrued revenue	15,528	14,271
Inventory	4,800	4,800
Cash and cash equivalents	16,926	25,100
Current tax	6,542	0
	<u>66,081</u>	<u>53,028</u>
Total assets	<u>316,254</u>	<u>315,601</u>
Paid in capital	130,142	130,142
Retained earnings	47,218	8,811
Revaluation reserves	0	0
Minority interests	0	0
	<u>177,360</u>	<u>138,953</u>
Deferred tax liability	769	657
Long-term interest-bearing debt	98,098	109,098
Other non-current liabilities	0	0
	<u>98,867</u>	<u>109,755</u>
Current portion of long-term debt	16,500	45,667
Trade and other creditors	1,965	3,124
Accruals and provisions	12,041	16,122
Current tax payable	9,521	1,980
	<u>40,027</u>	<u>66,893</u>
Total equity and liabilities	<u>316,254</u>	<u>315,601</u>

3. Operational Update

Contract Status – Backlog USD 490 million (incl. LOI)

AWILCO DRILLING PLC																									
CONTRACT STATUS												2014													
	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec		
WILHUNTER:																									
Suncor	\$315,000																								
Hess						\$360,000											\$385,000							firm until Nov 2015 + 275 days options	
WILPHOENIX:																									
Premier		\$315,000																							250 day options

Firm
 OPTIONS

Operational Performance

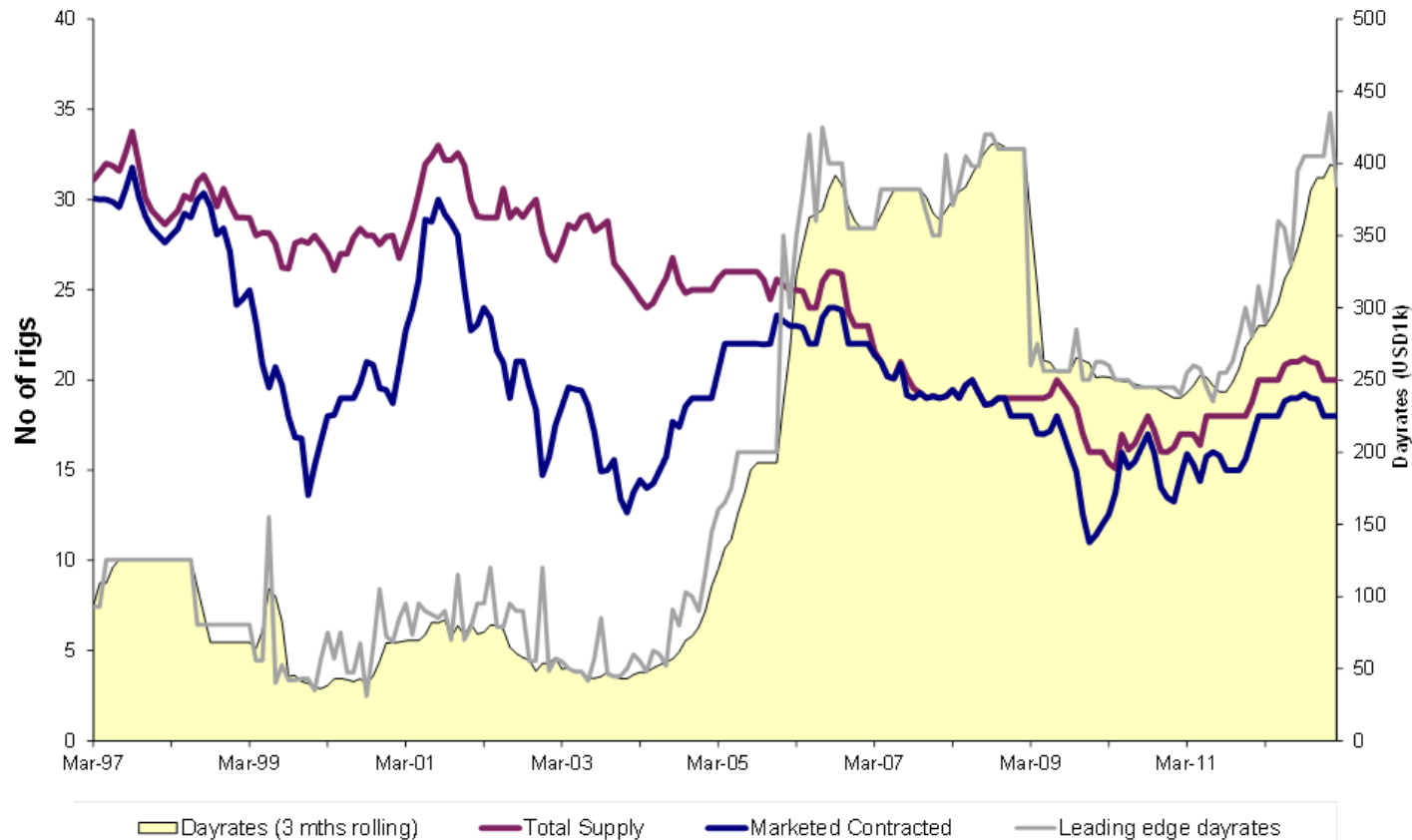
- Good operational performance in Q4 with 94.3% operational uptime
- In Q4 2012 the rigs have been tested with heavy duty work
 - WilPhoenix has completed the Spaniards and the Cyclone wells for Premier
 - WilPhoenix has commenced work-over activity on the Orion Tor well for Talisman (Premier Sublet)
 - WilHunter has completed the Romeo HPHT well for Suncor
 - Both rigs have undertaken very demanding drilling programmes during the quarter
- Positive customer feedback
- Opex in line with guidance
- Operational improvement measures continue

Dividend Prospects

- All free cash flow over a robust cash buffer of approximately USD 35 million for operational requirements and capex commitments to be distributed
- In the case of attractive growth opportunities the company will endeavour to retain a significant dividend distribution
- Quarterly dividend payments expected to commence in Q2 2013

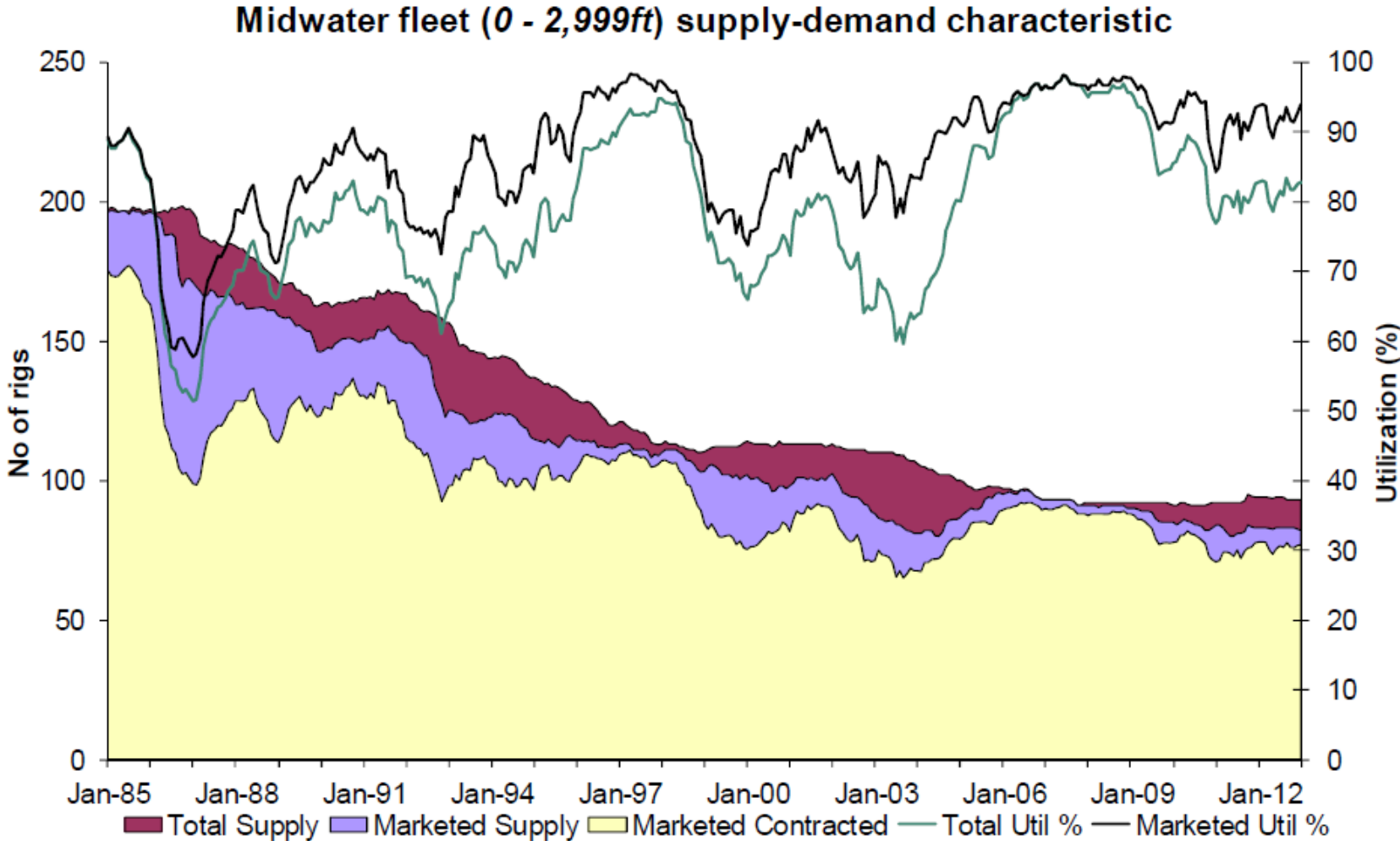
4. Market Outlook

Dayrates, Duration and Leadtime Increasing in the UK Market



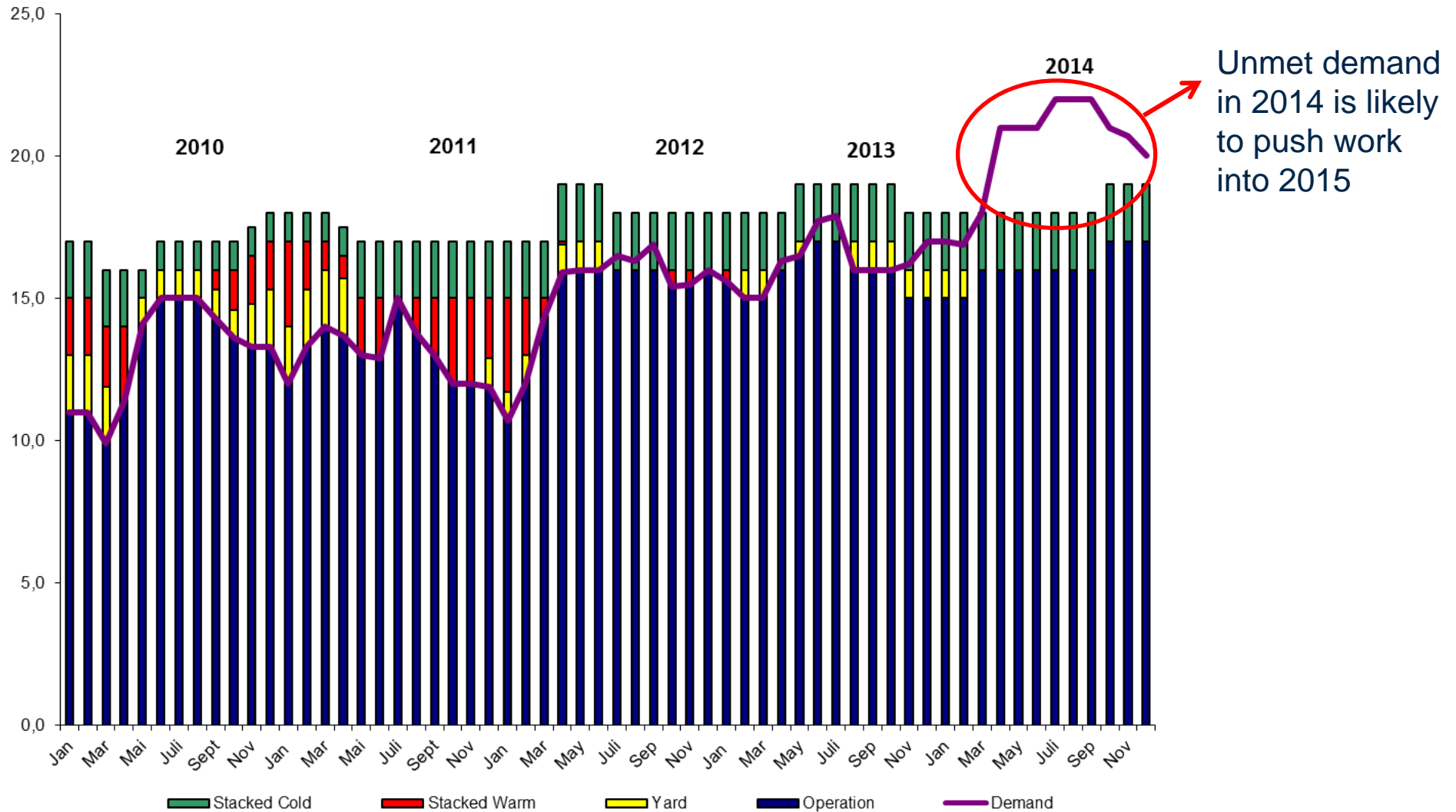
Midwater UK	Year 2011	Year 2012	Year 2013
<i>Avg dayrate (USDk)</i>	264	337	406
<i>Avg duration (days)</i>	233	361	731
<i>Avg leadtime (days)</i>	168	282	456

Utilisation Increasing in International Markets, Stable Supply



Source: Fearnley Fonds

Demand Outstrips Supply in 2014



Kilde: ODS Petrodata



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

- Sustained “high” oil price under-pinning operator confidence
- UK market has barriers to entry
- UK Government encouraging activity through licensing
- Operators increasing activity in established Northern and Central North Sea
- Operators increasing activity in new developments West of Shetland
- Operators increasing decommissioning and well abandonment activity
- Independents continuing to exploit marginal fields

5. Summary

Summary

- Market fundamentals remain positive
- Solid contract backlog of USD 490 million
- Continued focus is on operational efficiency
- Free cash flow to be distributed, dividend payments expected to start in Q2 2013
- Evaluating growth opportunities on a case-by-case basis

Q&A