



AWILCO DRILLING

DNB Oil, Offshore and Shipping Conference

5 March 2013

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Agenda

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

1. Company Overview

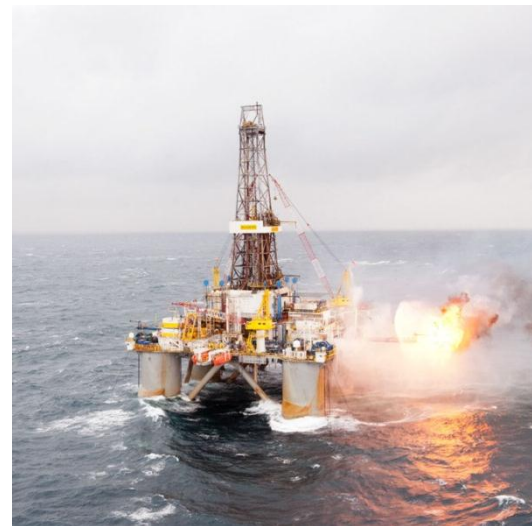
Awilco Drilling PLC

- Autonomous Aberdeen-based drilling contractor, established in December 2009
- Owning and operating 2 recently refurbished semi submersibles in the UK North Sea
- Listed on the Oslo Stock Exchange (Oslo Axess)
- Market cap' approx. USD 432 million
- 9 equity analysts covering the Company



WilPhoenix

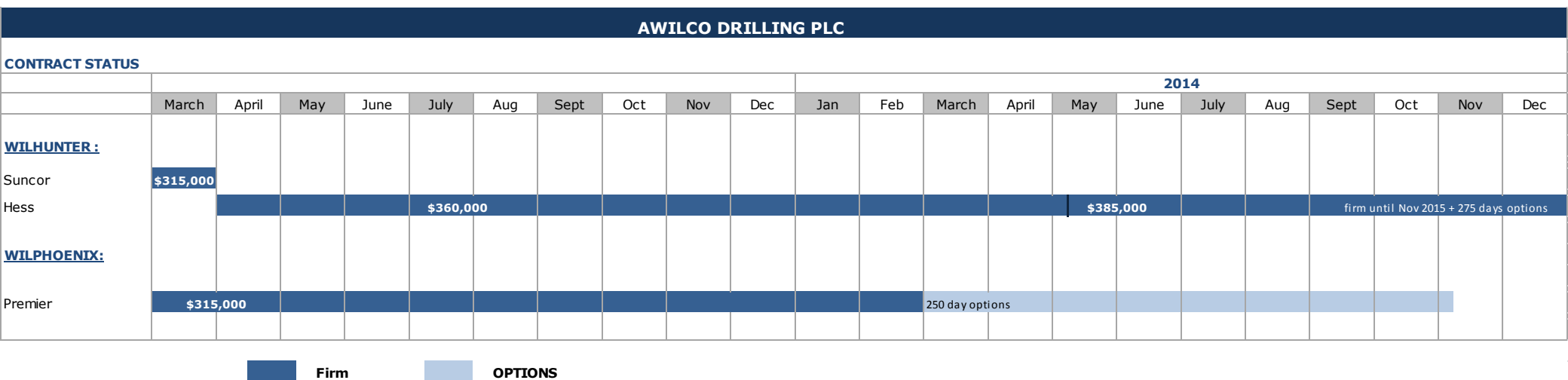
- Friede & Goldman L-907 Enhanced Pacesetter
- Built in 1982
- Upgraded in 2011



WilHunter

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

Contract Status – Backlog USD 470 million (incl. LOI)



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	<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)	(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	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>

Operational Performance

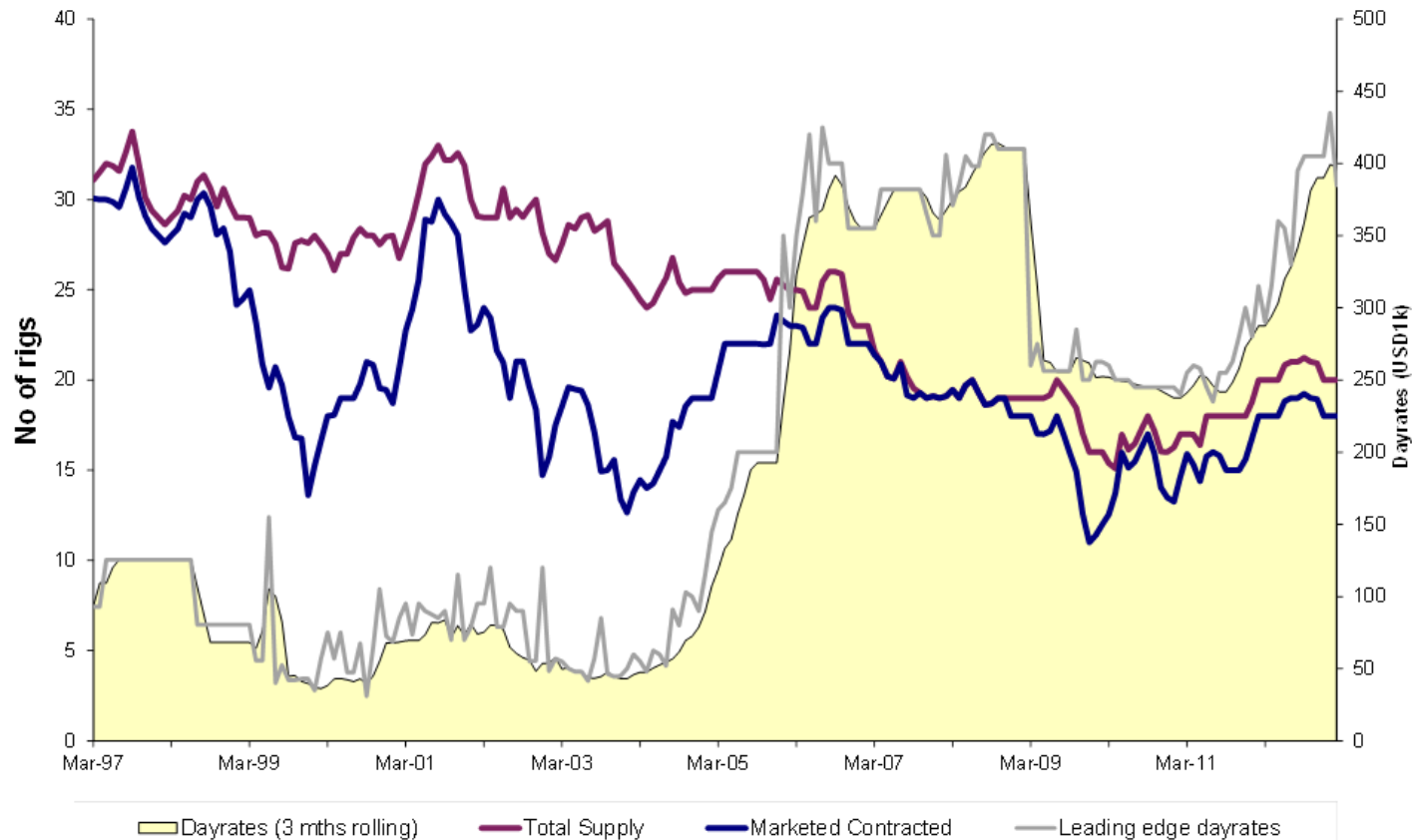
- Good operational performance in Q4 with 94.3% revenue efficiency
- Continued solid performance thus far in Q1 2013
- In Q4 2012 the rigs were tested with heavy duty work
 - WilPhoenix completed the Spaniards and the Cyclone wells for Premier
 - WilPhoenix did work-over activity on the Orion Tor well for Talisman (Premier Sublet)
 - WilHunter 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

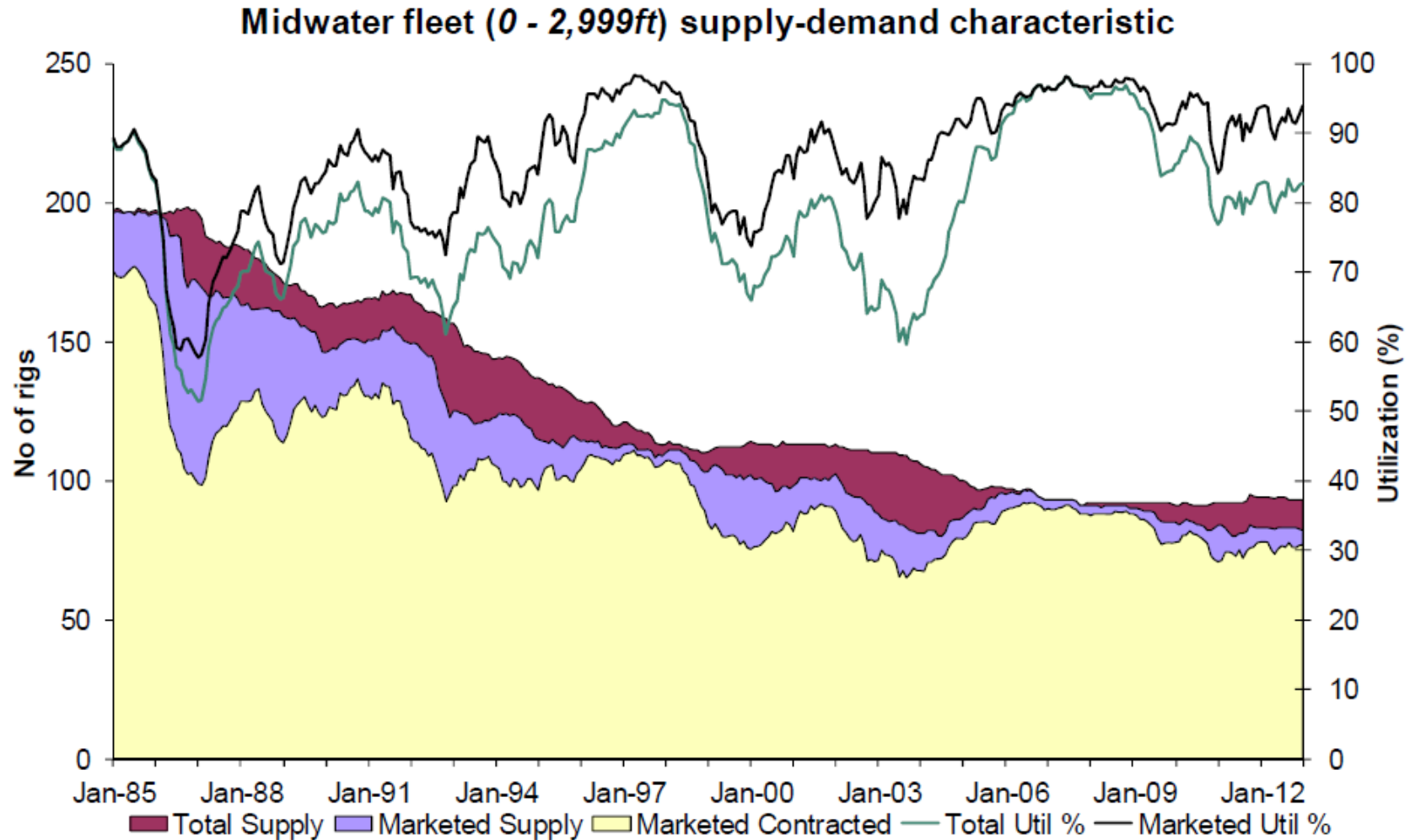
2. Market Outlook

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

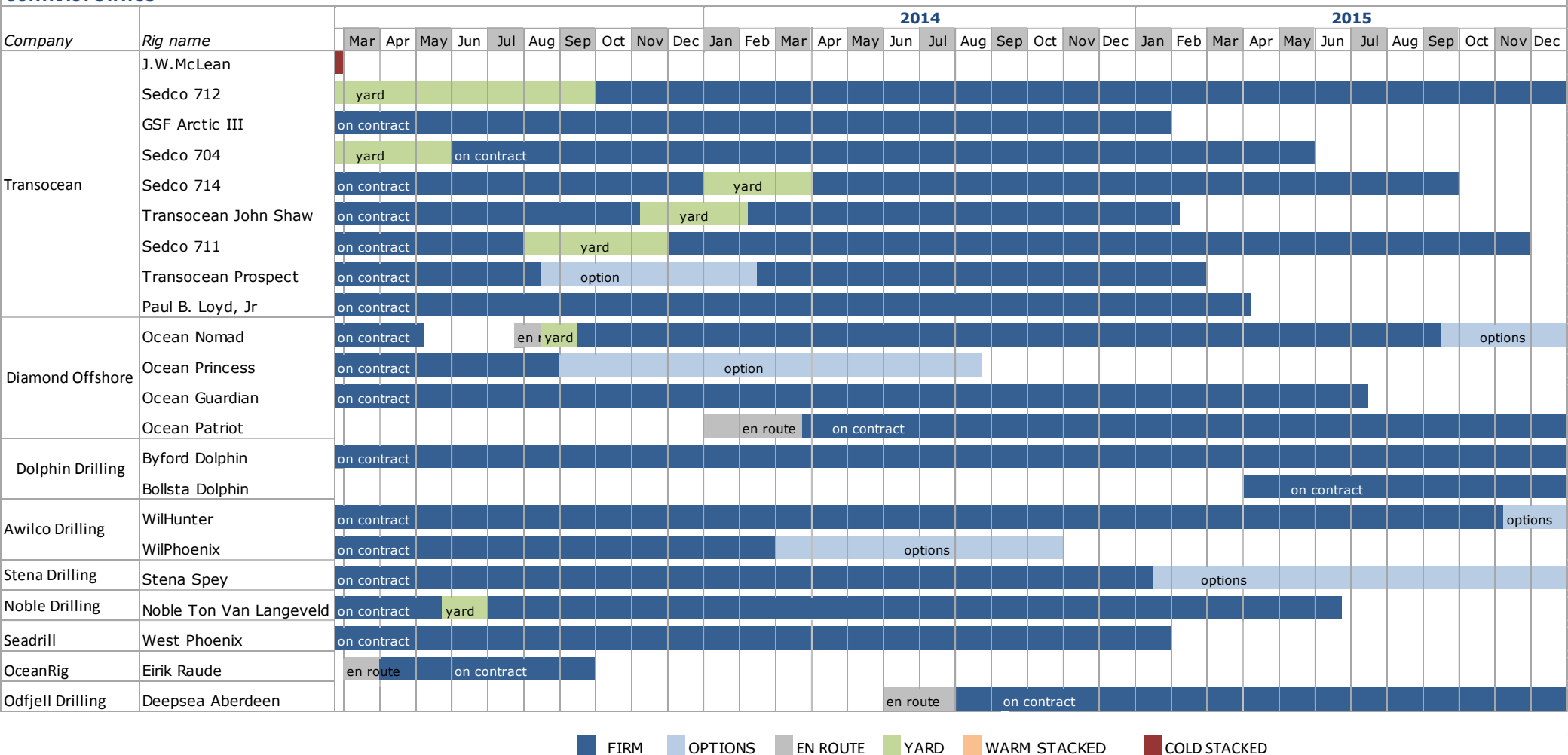
Utilisation Increasing in International Markets, Stable Supply



The UK Market is close to Sold Out until 2015

UK FLOATER MARKET

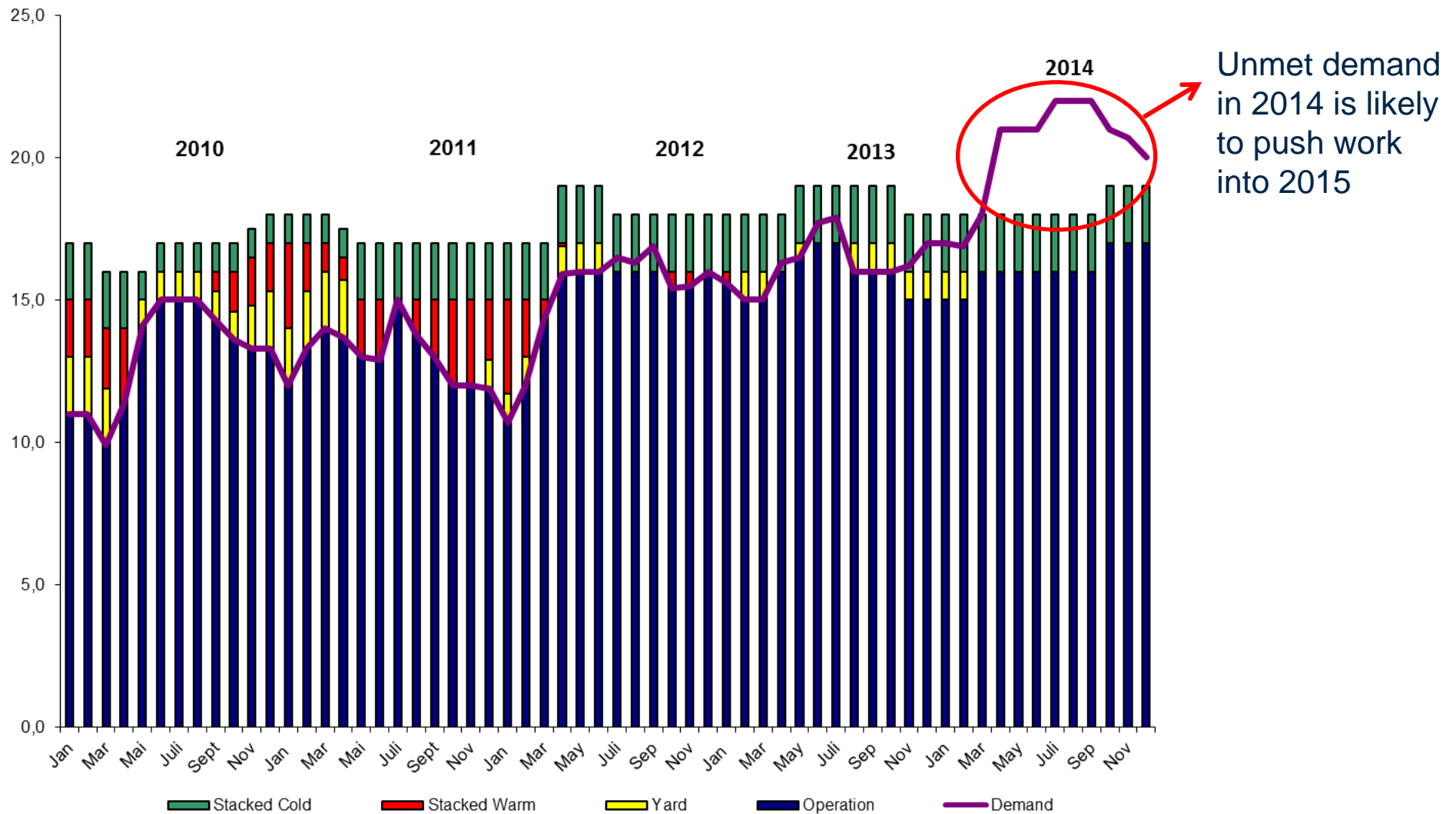
CONTRACT STATUS



■ FIRM
 ■ OPTIONS
 ■ EN ROUTE
 ■ YARD
 ■ WARM STACKED
 ■ COLD STACKED

Source: ODS-Petrodata

Demand Outstrips Supply in 2014



Kilde ODS Petrodata

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

3. Summary

Summary

- Market fundamentals remain positive
- Solid contract backlog of USD 470 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