



AWILCO DRILLING

Oslo, March 2015

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Agenda

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

1. Company Overview

Awilco Drilling PLC

- Aberdeen-based drilling contractor, established in December 2009
- Owning and operating two refurbished mid-water semi submersibles in the UK North Sea
- Listed on the Oslo Stock Exchange (Oslo Axess)
- Market cap' approx. USD 300 million
- 13 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 – Current Backlog USD 464 million*

AWILCO DRILLING PLC

CONTRACT STATUS

	2015												2016											
	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
WILHUNTER:																								
Hess	\$385,000											Yard*												
WILPHOENIX:																								
Apache	\$387,500												Yard*		Firm until Q42017 + 27 months options									

Firm
 Options
 Yard *timing subject to change

*as of 2 March 2015

Q4 2014 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2014 (unaudited)	Full Year 2014 (unaudited)	Q4 2013 (unaudited)	Full Year 2013 (audited)
Contract revenue	70,116	271,971	60,733	233,152
Reimbursables	699	3,969	635	3,314
Other revenue	55	198	29	66
	<u>70,870</u>	<u>276,138</u>	<u>61,397</u>	<u>236,532</u>
Rig operating expenses	15,687	64,178	16,313	56,568
Reimbursables	283	1,157	204	1,239
General and administrative expenses	2,134	15,706	5,688	20,887
Other (income)	(2,485)	(2,485)	(1,335)	(3,535)
Other expense	382	180	-	1,900
Depreciation	4,542	17,912	4,415	17,609
	<u>20,543</u>	<u>96,648</u>	<u>25,285</u>	<u>94,668</u>
Operating profit	<u>50,326</u>	<u>179,490</u>	<u>36,112</u>	<u>141,864</u>
Interest income	46	161	20	120
Interest expense	(2,221)	(11,861)	(2,238)	(9,379)
Other financial items	-	-	-	(128)
Net financial items	<u>(2,175)</u>	<u>(11,700)</u>	<u>(2,218)</u>	<u>(9,387)</u>
Profit before tax	48,151	167,790	33,894	132,477
Tax (expense)	(9,215)	(30,306)	(2,332)	(10,214)
Net profit	<u>38,935</u>	<u>137,484</u>	<u>31,562</u>	<u>122,263</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>38,935</u>	<u>137,484</u>	<u>31,562</u>	<u>122,263</u>
Attributable to shareholders of the parent	38,935	137,484	31,562	122,263
Basic and diluted earnings per share	1.30	4.58	1.05	4.07

Q4 2014 Balance Sheet

Condensed statement of financial position

in USD thousands

	31.12.2014	31.12.2013
	(unaudited)	(audited)
Rigs, machinery and equipment	251,165	245,279
Deferred tax asset	2,486	2,763
	<u>253,651</u>	<u>248,042</u>
Trade and other receivables	12,116	14,417
Prepayments and accrued revenue	28,938	25,835
Inventory	4,800	4,800
Cash and cash equivalents	75,951	52,347
Current tax	82,594	42,317
	<u>204,399</u>	<u>139,716</u>
Total assets	<u>458,050</u>	<u>387,758</u>
Paid in capital	130,142	130,142
Retained earnings	78,211	77,370
	<u>208,353</u>	<u>207,512</u>
Deferred tax liability	-	554
Long-term interest-bearing debt	110,000	87,098
	<u>110,000</u>	<u>87,652</u>
Current portion of long-term debt	10,000	11,000
Trade and other creditors	3,233	3,140
Accruals and provisions	17,942	25,182
Current tax payable	108,522	53,272
	<u>139,697</u>	<u>92,594</u>
Total equity and liabilities	<u>458,050</u>	<u>387,758</u>

Performance and Ability to Return Cash to Shareholders

- High operational performance in 2014, with revenue efficiency of 98.7 %
- Continued positive customer feedback, driving contract backlog
- Full Year 2014 Revenue USD 272 million and EBITDA USD 197.4 million
- Dividend distribution of USD 4.45 per share related to results generated in 2014
- Continued operational performance driving dividends. 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 capital expenditure, including SPS.
- Current levels of dividends will be challenged by upcoming capital expenditure and future market prospects

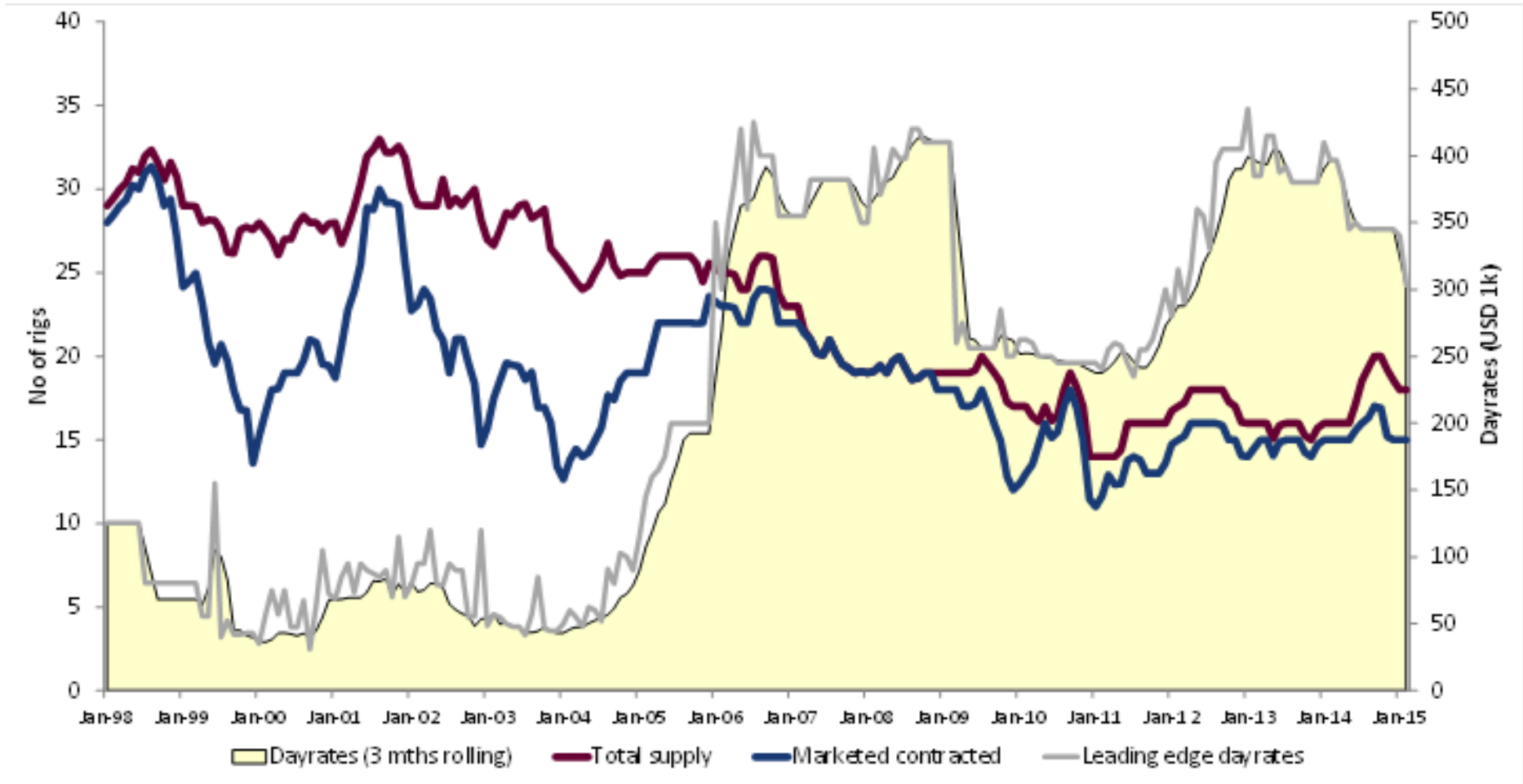
Operational Performance Snapshot

- Very good operational performance in Q4 with 99.0 % operational uptime
- Continued positive customer feedback
- Opex in Q4 lower than guidance
 - Favourable exchange rates
 - Increased focus on cost discipline
- Revised opex guidance for 2015 is USD 95,000 per day
- Continued Yard Stay projects planning and preparations



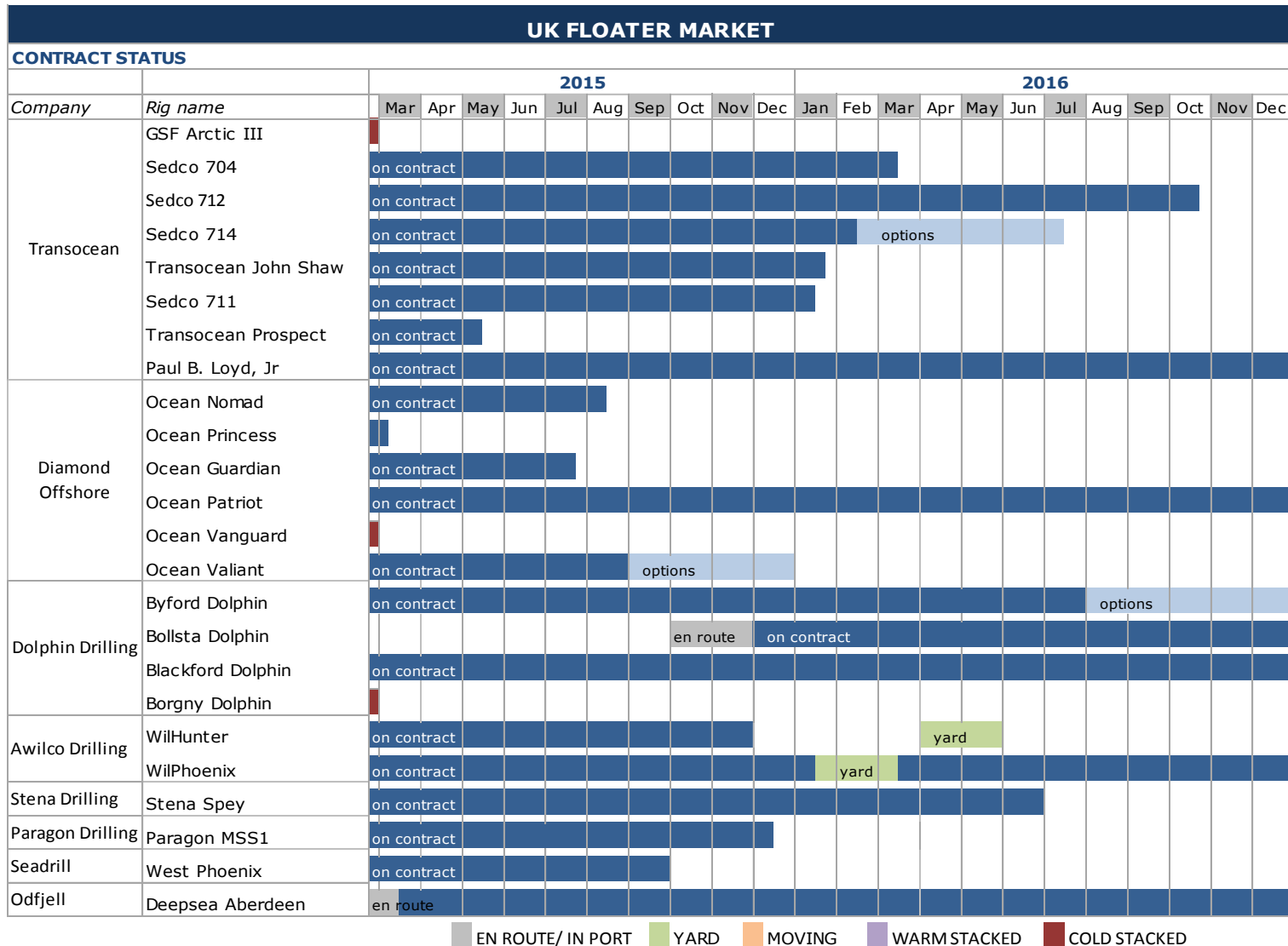
4. Market Outlook

Falling Dayrates and Low Contracting Activity in the UK market



Source: Fearnley Fonds and IHS Petrodata

Up to 6 Rigs Available for New Contracts during 2015



EN ROUTE/ IN PORT
 YARD
 MOVING
 WARM STACKED
 COLD STACKED

Timing of Return to Higher Activity Levels is Uncertain

- Significant market change during the quarter due to sharply falling oil price
- Prompt reaction from Operators with reductions in current and planned expenditure
- Continued low level of rig contract activity in the UK
- Hints on potential stimulus /tax treatment from UK government but nothing confirmed
- Increased number of available rigs expected to last through 2015 and 2016
- The UK market still has barriers to entry
- Globally, some increase in mid-water Semi Submersible rig attrition programmes
- Accelerated market downturn leads to increased uncertainty with respect to the market recovery

5. Summary

Summary

- Total dividend for 2014 was USD 4.45
- Revenue efficiency during 2014 was 98.7 %, continued focus on operational efficiency
- SPS and Yard Stay Projects Planning continues
- Solid contract backlog of USD 464 million, with close to 100 % contract coverage through 2015
- Short and medium term rig market is challenging, timing of upturn is uncertain
- Evaluating market opportunities on a case-by-case basis



Q&A