



AWILCO DRILLING

Q1 2012 Presentation

Oslo, 31st of May 2012

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Agenda

1. Highlights Q1 2012
2. Contract Overview
3. Q1 2012 Financial Results
4. Market Outlook
5. Summary
6. Q&A

1. Highlights Q1 2012

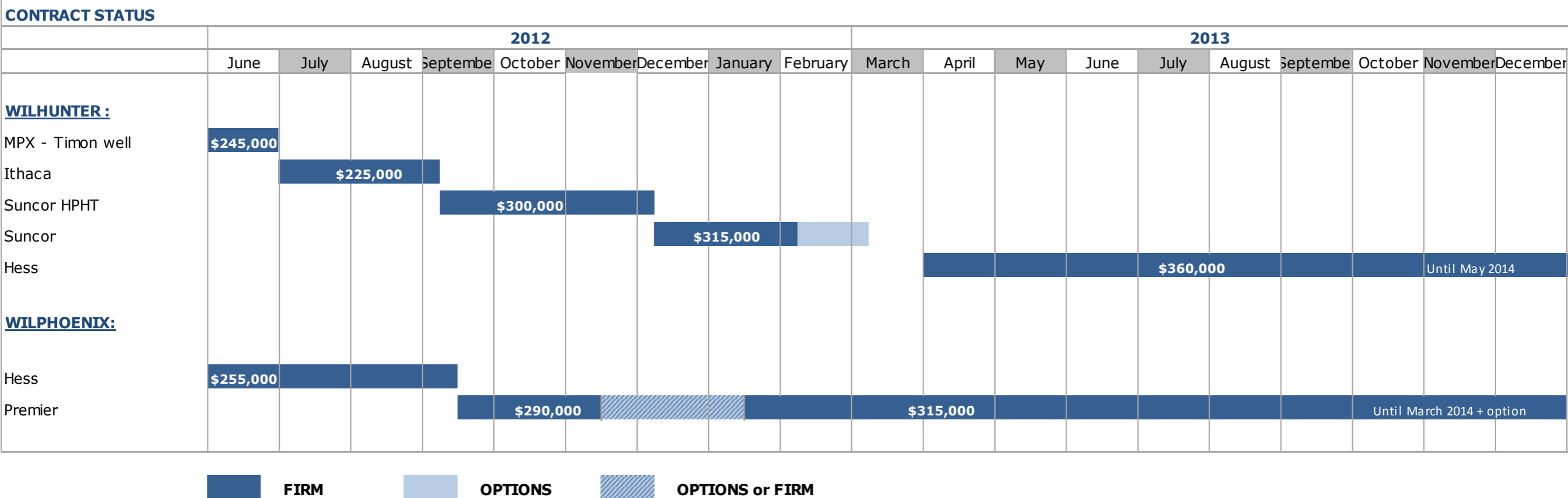
Q1 2012 Highlights

- Total Q1 Revenue approx. USD 22.6 million; EBITDA USD 3.4 million
 - Impact from WilPhoenix planned idle time and WilHunter downtime
- Q1 Opex per rig approx. USD 76,000 per day
- High tendering activity during the quarter
- Current total contract backlog USD 394 million

2. Contract Overview

Contract Status 2012 and 2013

AWILCO DRILLING PLC



3. Q1 2012 Financial Results

Q1 2012 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q1 2012 (unaudited)	Q1 2011 (audited)	31 Dec 2011 audited
Contract revenue	19 516	0	75 830
Reimbursable	225	0	420
Other revenue	2 834	0	12
	<u>22 574</u>	<u>0</u>	<u>76 262</u>
Rig operating expenses	13 765	4 630	42 416
Reimbursable	90	0	262
Provision of doubtful debt	2 471	0	-
General and administrative expenses	2 894	3 188	10 918
Depreciation	4 360	3 120	15 041
	<u>23 580</u>	<u>10 938</u>	<u>68 638</u>
Operating profit/(loss)	<u>(1 006)</u>	<u>(10 938)</u>	<u>7 625</u>
Interest income	6	65	120
Interest expense	(3 504)	(3 042)	(14 023)
Other financial items	(132)	1 921	2 751
Net financial items	<u>(3 629)</u>	<u>(1 056)</u>	<u>(11 153)</u>
Profit/(Loss) before tax	(4 635)	(11 994)	(3 528)
Tax benefit/ (expense)	577	(2 340)	(104)
Net profit/(loss)	<u>(4 058)</u>	<u>(14 334)</u>	<u>(3 632)</u>
Other comprehensive income	0	0	-
Total comprehensive income/(loss)	<u>(4 058)</u>	<u>(14 334)</u>	<u>(3 632)</u>
Attributable to minority interests	0	0	0
Attributable to shareholders of the parent	(4 058)	(14 334)	(3 632)
Basic and diluted earnings per share	(0,14)	(0,53)	(0,13)

Q1 2012 Balance Sheet

Condensed statement of financial position

in USD thousands

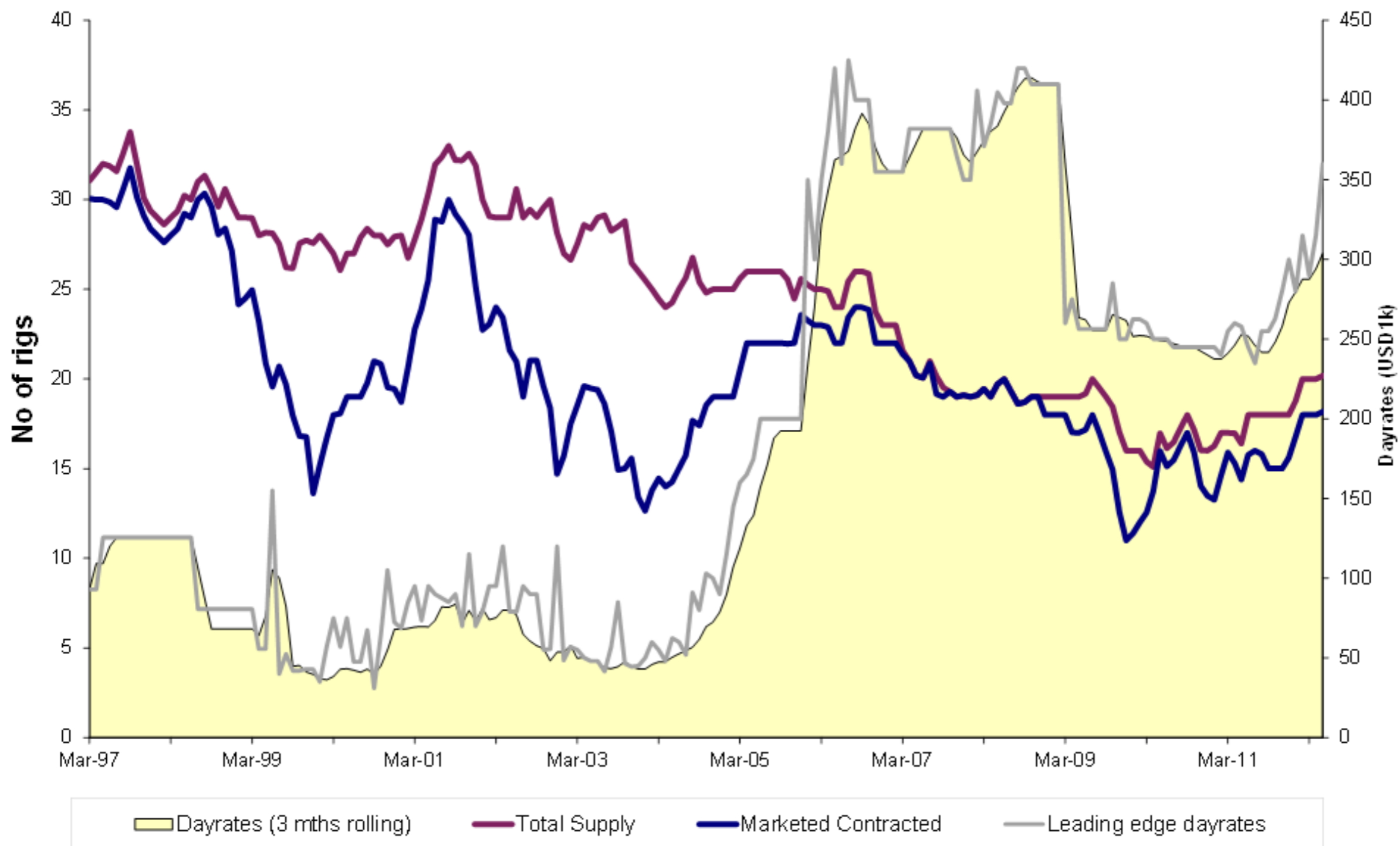
	31.03.2012	31.12.2011
	(unaudited)	(audited)
Rigs, machinery and equipment	259 249	262 573
Other non-current assets		
	<u>259 249</u>	<u>262 573</u>
Trade and other receivables	9 641	8 857
Prepayments and accrued revenue	15 049	14 271
Inventory	4 800	4 800
Derivative financial instruments	0	0
Cash and cash equivalents	13 843	25 100
Deferred tax asset	246	
	<u>43 579</u>	<u>53 028</u>
Total assets	<u>302 828</u>	<u>315 601</u>
Paid in capital	130 142	130 141
Other Equity	4 753	8 812
Revaluation reserves	0	0
Minority interests	0	0
	<u>134 895</u>	<u>138 953</u>
Deferred tax liability	0	657
Long-term interest-bearing debt	106 348	109 098
Other non-current liabilities	0	0
	<u>106 348</u>	<u>109 755</u>
Current portion of long-term debt	36 319	45 667
Trade and other creditors	5 168	3 124
Accruals and provisions	17 831	16 122
Current tax payable	2 267	1 980
	<u>61 585</u>	<u>66 893</u>
Total equity and liabilities	<u>302 828</u>	<u>315 601</u>

Operations Summary

- The rigs have worked for 6 customers on the UKCS since their launch in 2011
- The rigs have drilled 5 wells and 2 sidetracks (with 4 geological successes) as well as performing 2 well abandonments
- Both units are operating successfully, however, we've had more operational issues than we like with WilHunter
- Focus going forward
 - Evaluate all aspects of the operations
 - Investigation into root cause of significant incidents
 - Continued high focus on competency and training
 - Review of operational procedures and maintenance system
- Lessons learned
 - Close proximity to established supply chain making follow-up easier
 - Continuous improvement is an integral part of our business management system

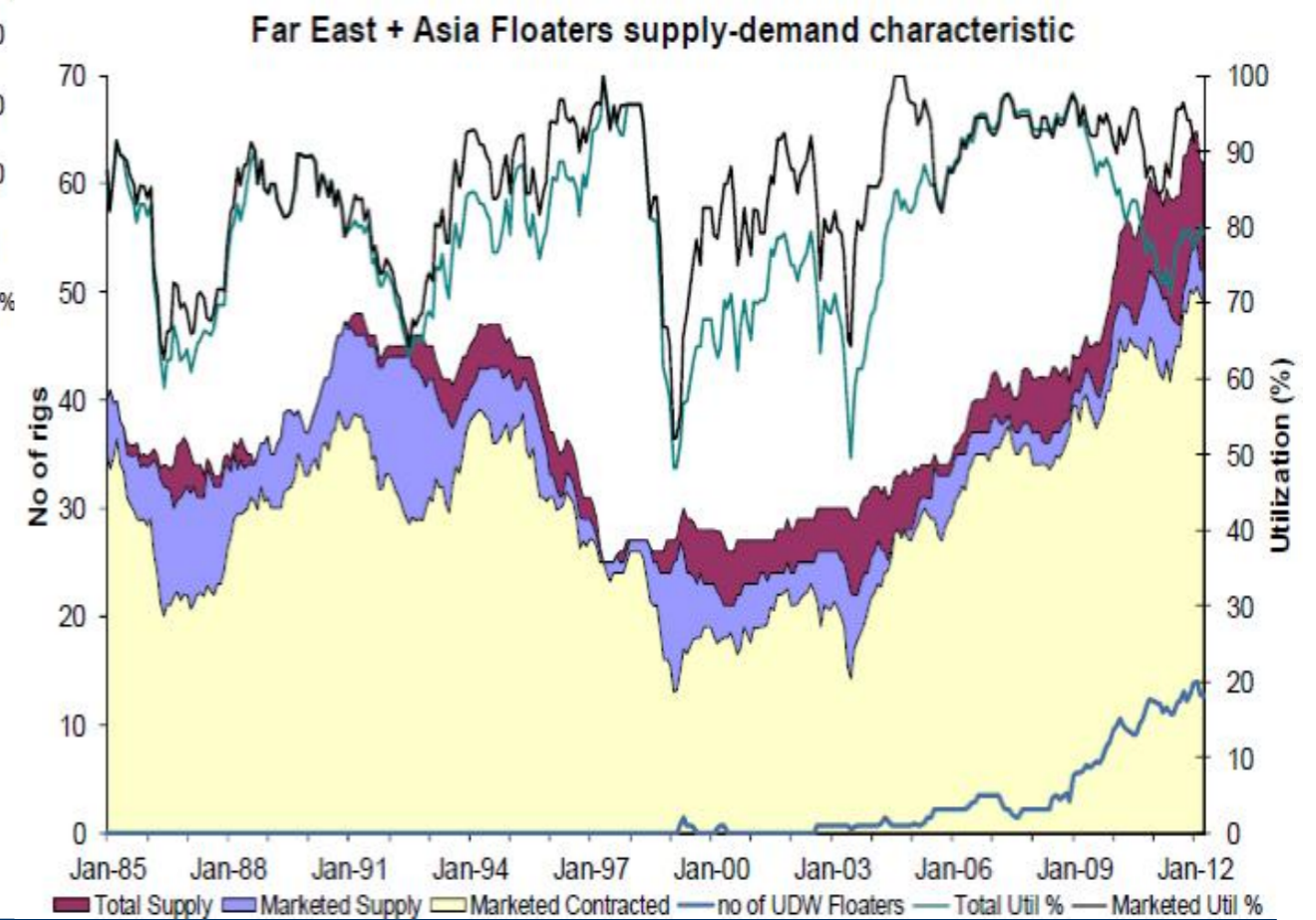
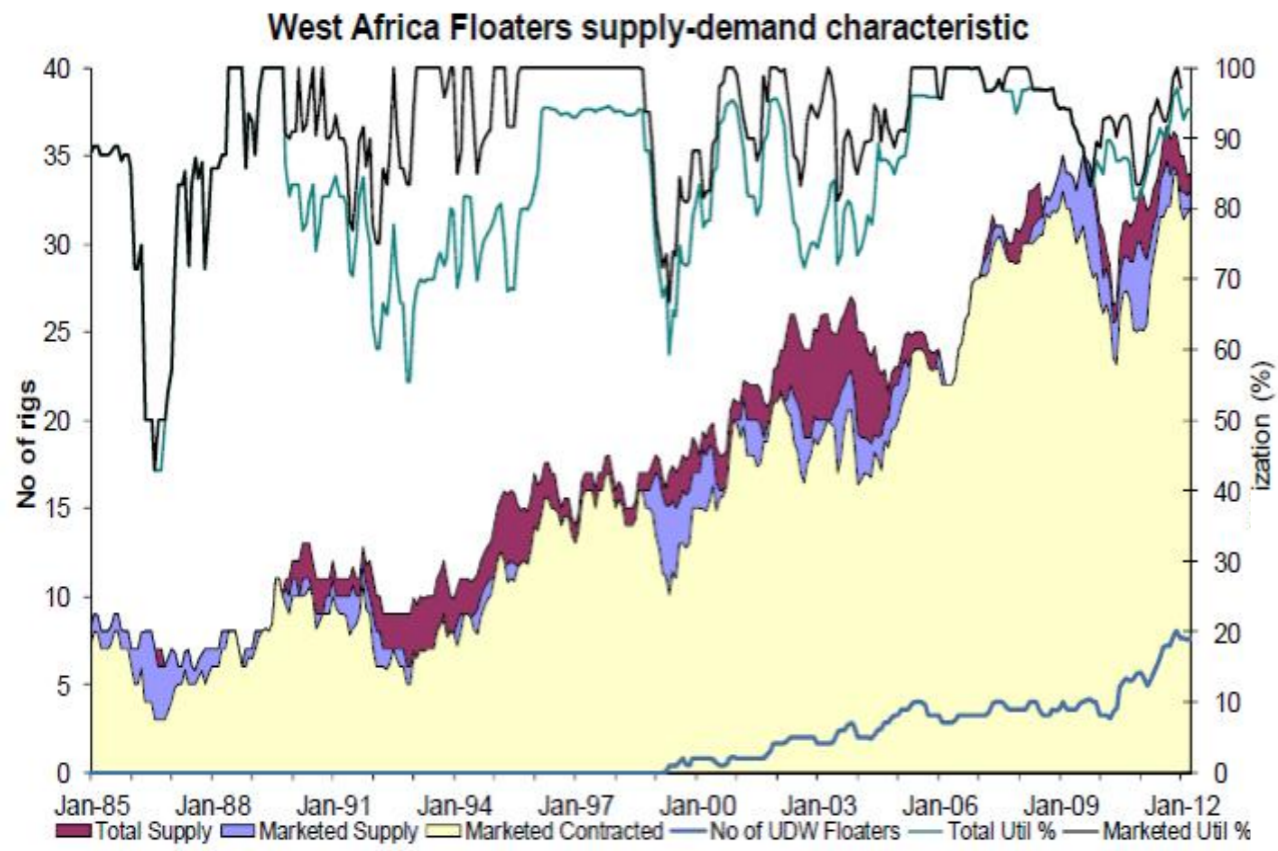
4. Market Outlook

The UK Market is Tight...



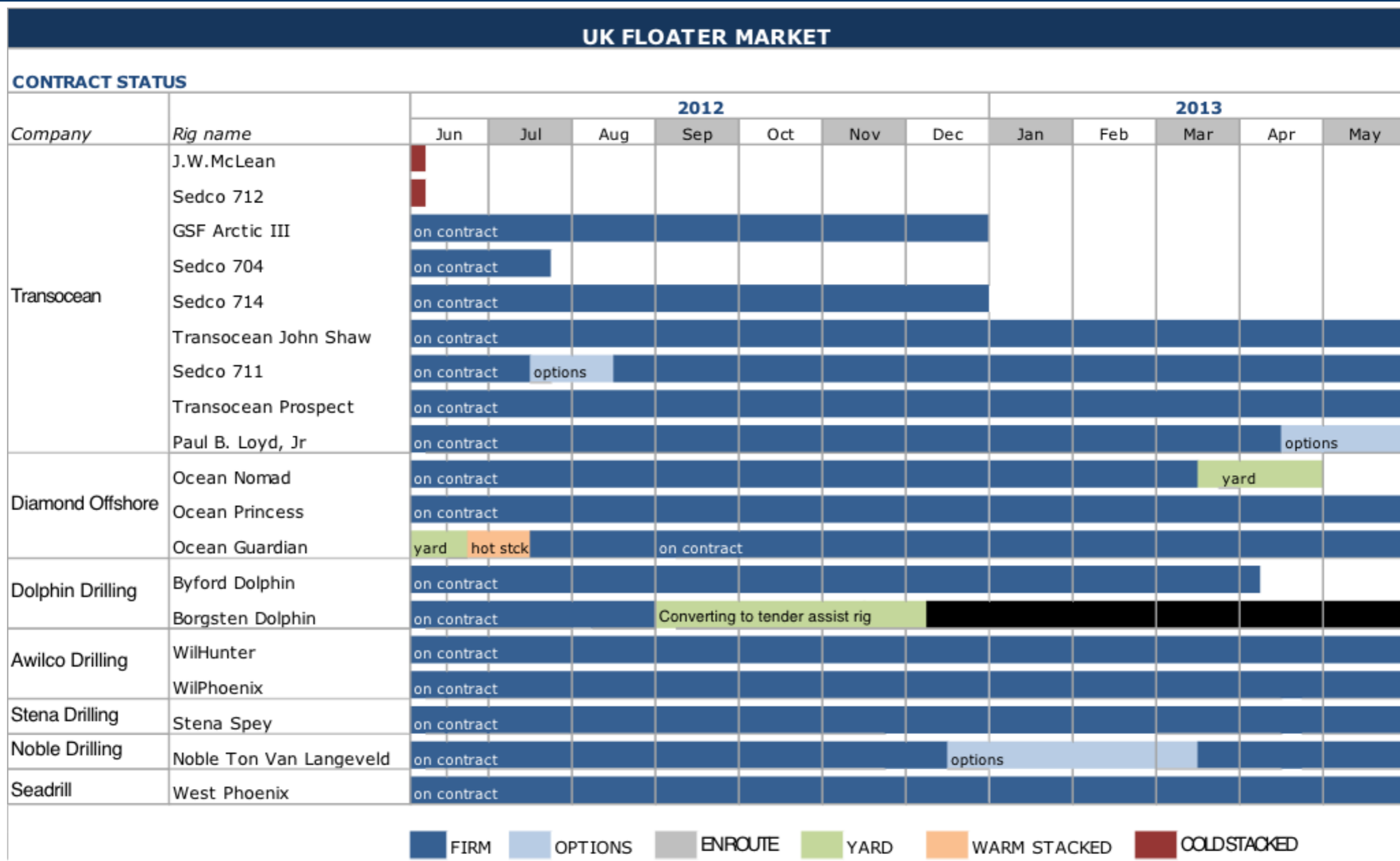
Source: Fearnley Fonds

...but int'l markets also improving – limited influx going forward



Source: Fearnley and ODS-Petrodata

The UK Market is sold out for 2012 and most of 2013



■ FIRM
 ■ OPTIONS
 ■ ENROUTE
 ■ YARD
 ■ WARM STACKED
 ■ COLDSTACKED

Source: ODS-Petrodata

5. Summary

Summary

- Market continues to strengthen
- Term contracts secured
 - Employment secured through Q2 2014
 - Total contract backlog of USD 394 million
- Well positioned to start dividend payments in 2013
- Evaluating growth opportunities on a case-by-base basis

Q&A