



AWILCO DRILLING

Q2 2012 Presentation

Oslo, 24th of August 2012

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Agenda

1. Highlights Q2 2012
2. Contract Overview
3. Q2 2012 Financial Results
4. Market Outlook
5. Summary
6. Q&A

1. Highlights Q2 2012

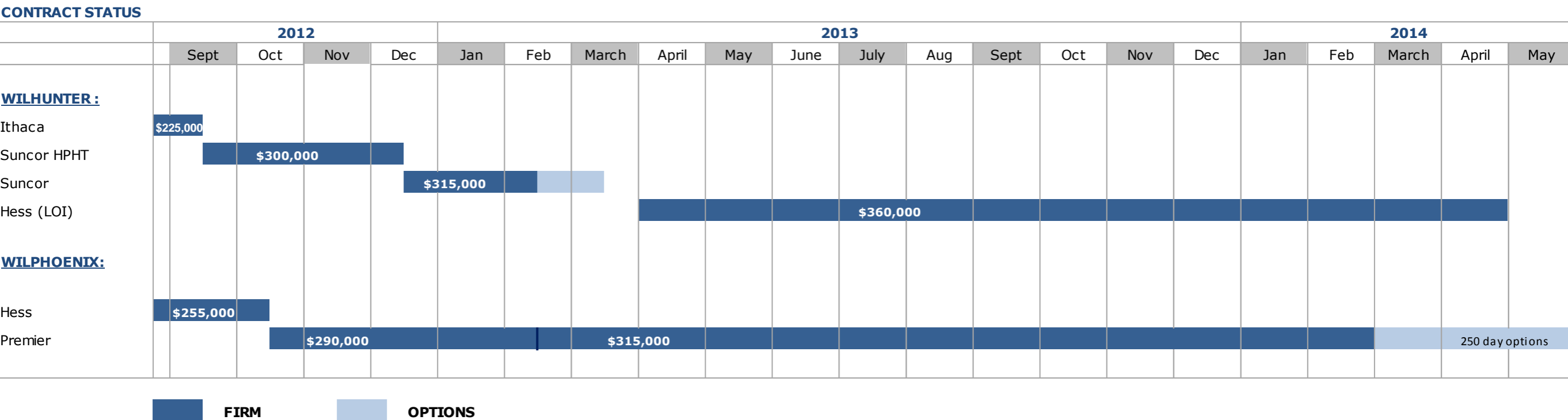
Q2 2012 Highlights

- Total Q2 Revenue approx. USD 32.5 million; EBITDA USD 13.7 million
 - Impact from WilHunter downtime
- Q2 Opex per rig approx. USD 82,000 per day
- Value of new contracts and LOIs secured during Q2 was USD 311 million
- Current total contract backlog USD 380 million

2. Contract Overview

Contract Status until 2014 – Total Backlog USD 380 million

AWILCO DRILLING PLC



3. Q2 2012 Financial Results

Q2 2012 Income Statement

Condensed statement of comprehensive income in USD thousands, except earnings per share

	Q2 2012 (unaudited)	YTD 30.06.2012 (unaudited)	Q2 2011 (audited)	YTD 30.06.2011 (audited)
Contract revenue	32 142	51 658	509	509
Reimbursable	360	584	5	5
Other revenue	15	2 849	-	-
	<u>32 517</u>	<u>55 091</u>	<u>514</u>	<u>514</u>
Rig operating expenses	14 927	28 692	11 595	16 225
Reimbursable	172	262	5	5
Provision of doubtful debt	695	3 165	-	-
General and administrative expenses	3 010	5 905	2 812	5 999
Depreciation	4 456	8 816	3 120	6 241
	<u>23 260</u>	<u>46 840</u>	<u>17 533</u>	<u>28 471</u>
Operating profit/(loss)	<u>9 257</u>	<u>8 251</u>	<u>(17 019)</u>	<u>(27 957)</u>
Interest income	4	10	12	76
Interest expense	(3 561)	(7 065)	(3 408)	(6 450)
Other financial items	68	(63)	858	2 779
Net financial items	<u>(3 489)</u>	<u>(7 118)</u>	<u>(2 538)</u>	<u>(3 594)</u>
Profit/(Loss) before tax	5 768	1 133	(19 556)	(31 551)
Tax benefit/ (expense)	(570)	7	1 093	(1 247)
Net profit/(loss)	<u>5 198</u>	<u>1 140</u>	<u>(18 463)</u>	<u>(32 798)</u>
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	<u>5 198</u>	<u>1 140</u>	<u>(18 463)</u>	<u>(32 798)</u>
Attributable to minority interests	0	0	0	0
Attributable to shareholders of the parent	5 198	1 140	(18 463)	(32 798)
Basic and diluted earnings per share	0,17	0,04	(0,66)	(1,19)

Q2 2012 Balance Sheet

Condensed statement of financial position

in USD thousands

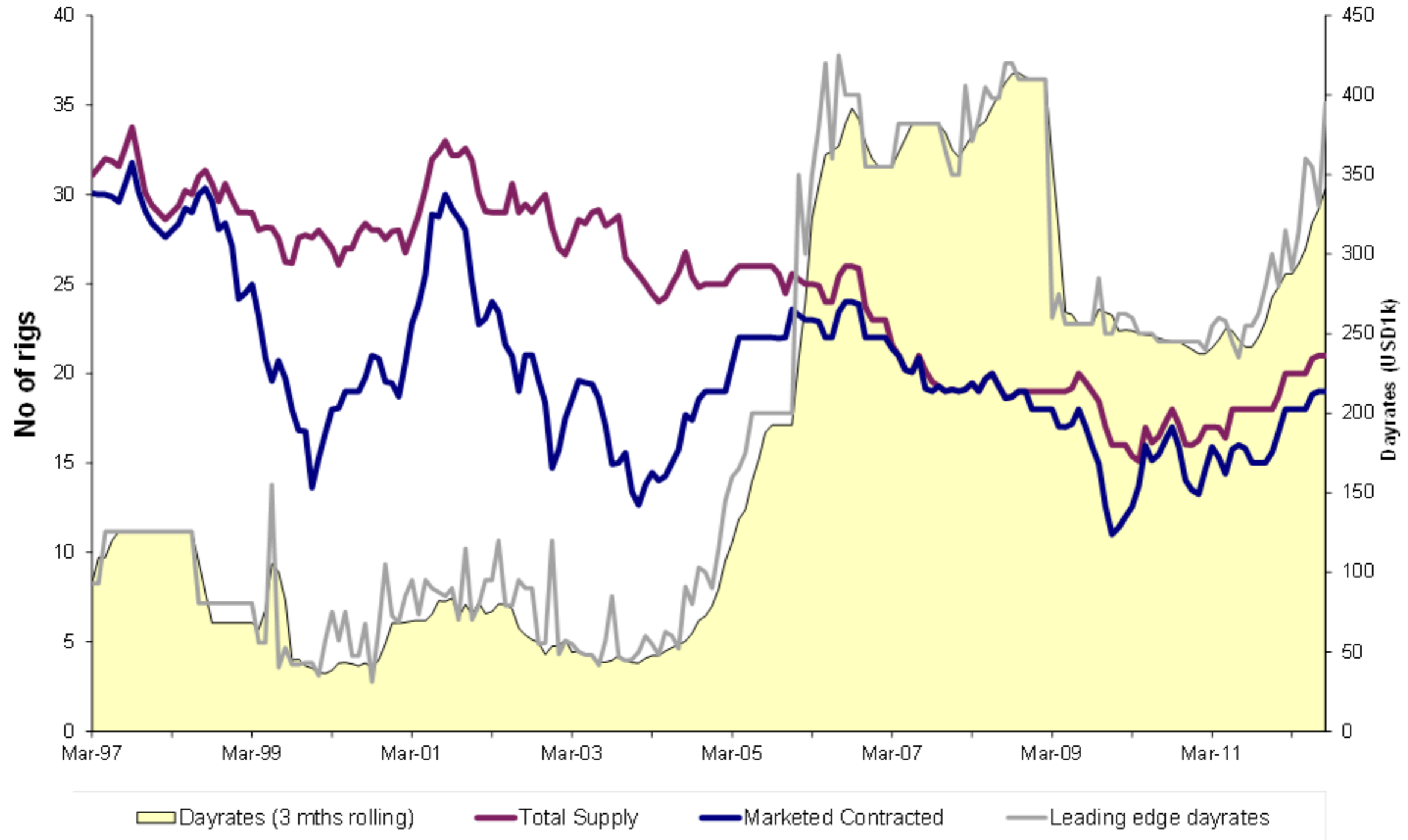
	30.06.2012 (unaudited)	31.12.2011 (audited)
Rigs, machinery and equipment	256,069	262,573
Other non-current assets		
	<u>256,069</u>	<u>262,573</u>
Trade and other receivables	22,057	8,857
Prepayments and accrued revenue	12,570	14,271
Inventory	5,134	4,800
Derivative financial instruments	0	0
Cash and cash equivalents	10,556	25,100
Deferred tax asset	354	
	<u>50,671</u>	<u>53,028</u>
Total assets	<u>306,740</u>	<u>315,601</u>
Paid in capital	130,142	130,142
Other Equity	9,942	8,811
Revaluation reserves	0	0
Minority interests	0	0
	<u>140,084</u>	<u>138,953</u>
Deferred tax liability	0	657
Long-term interest-bearing debt	103,598	109,098
Other non-current liabilities	0	0
	<u>103,598</u>	<u>109,755</u>
Current portion of long-term debt	37,464	45,667
Trade and other creditors	3,482	3,124
Accruals and provisions	19,516	16,122
Current tax payable	2,595	1,980
	<u>63,058</u>	<u>66,893</u>
Total equity and liabilities	<u>306,740</u>	<u>315,601</u>

Operations Improvement measures

- As a 2 rig company, revenue preservation through operational efficiency is a primary focus
- Actions taken include:
 - Strengthened the organisation with new Operations Director
 - ❑ Gary Holman
 - ❑ 30 years of experience in the drilling industry
 - ❑ WilRig, Noble, Seawell/Archer
 - Independent review of downtime incidents identifies 3 main root causes
 - ❑ Cultural Issues
 - ❑ Procedural Issues
 - ❑ Project Issues
 - Implementation of change includes:
 - ❑ Maximise organisational efficiencies onshore and offshore
 - ❑ Systems & Procedures Improvements
 - ❑ Review Inventory and Critical Spares

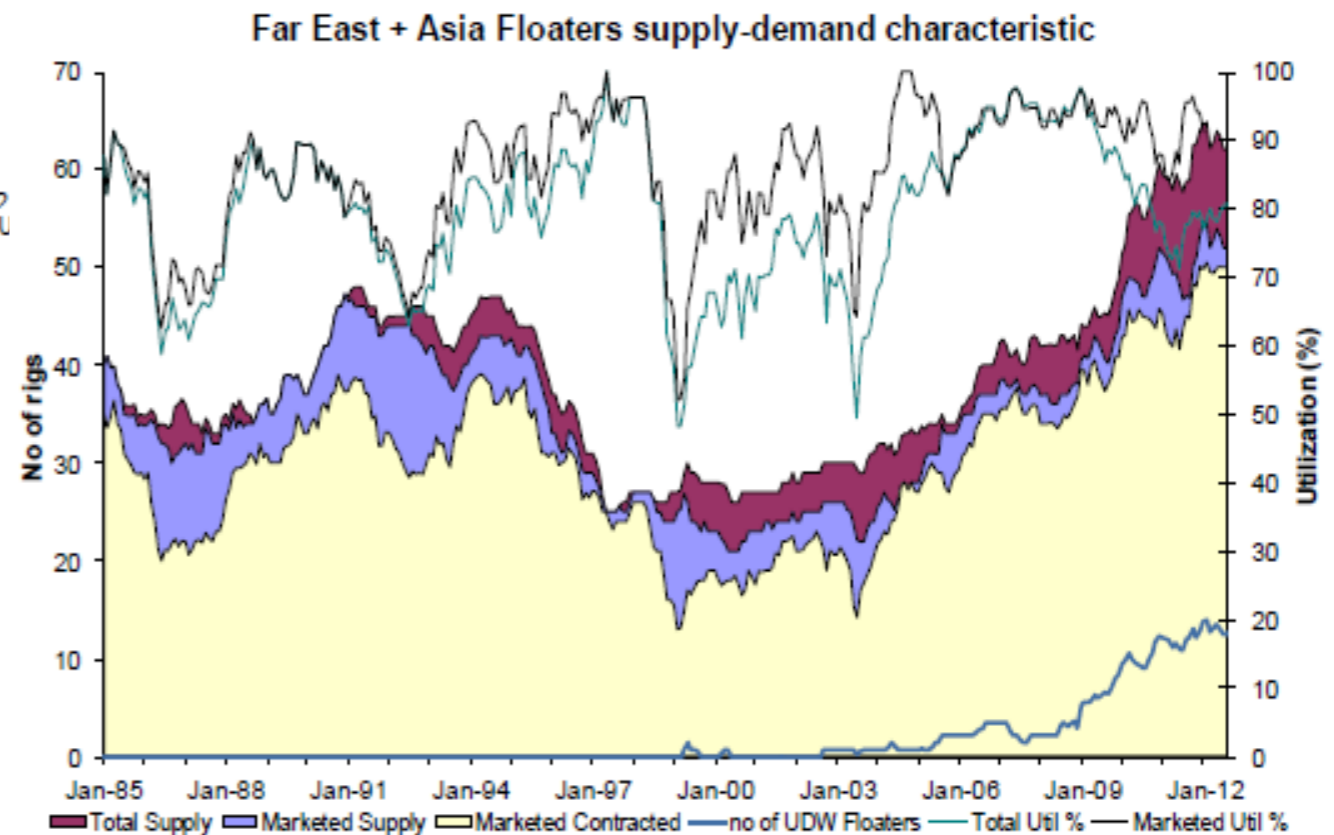
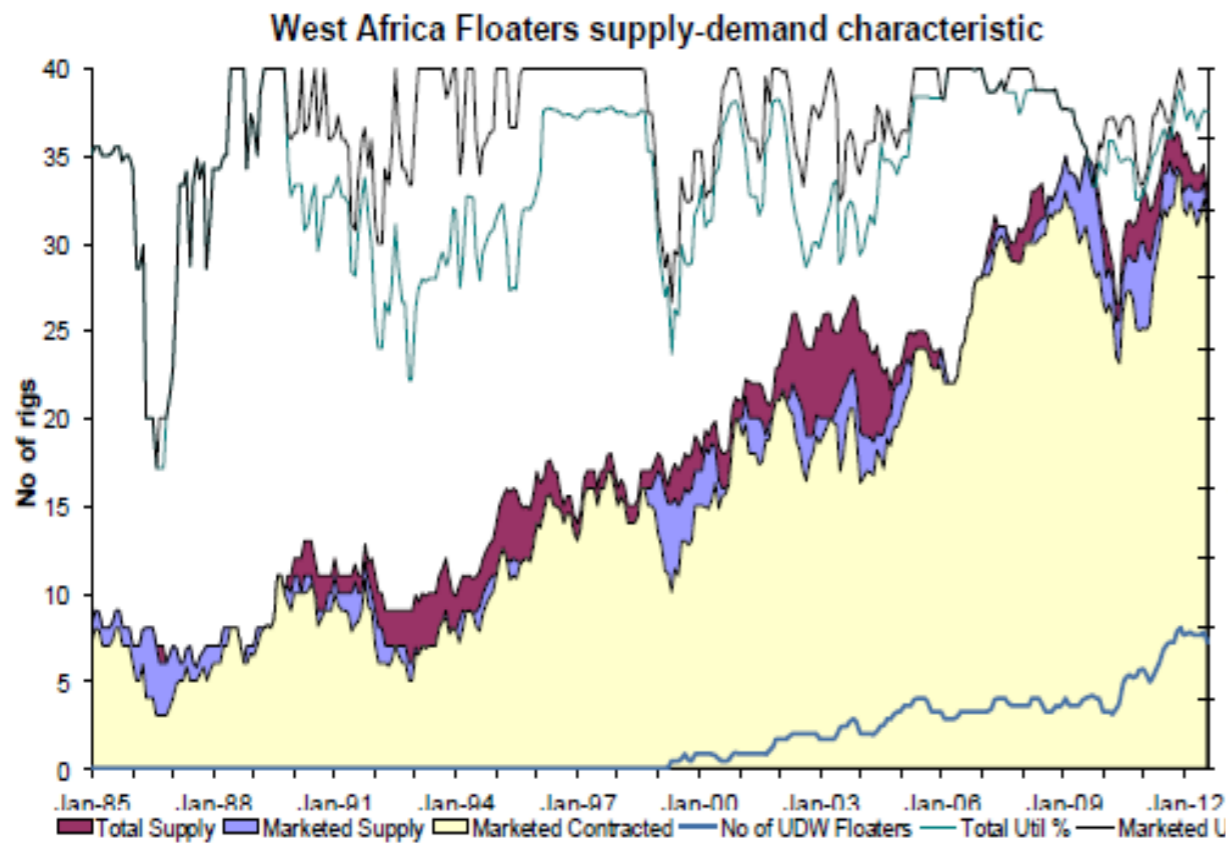
4. Market Outlook

The UK Market is Tight...



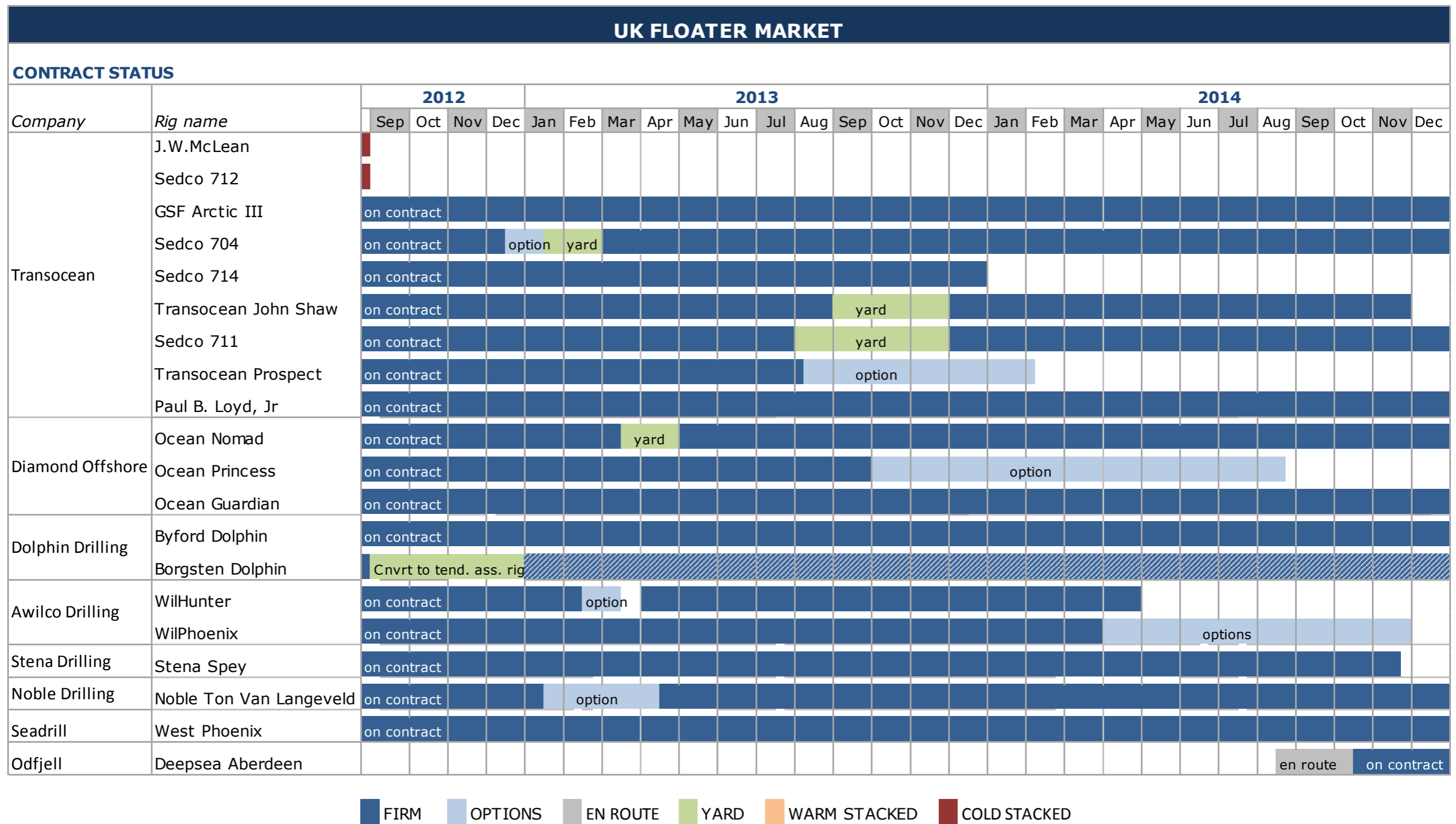
Source: Fearnley Fonds

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



Source: Fearnley and ODS-Petrodata

The UK Market is Sold Out for 2013 and 2014 is Filling Up



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

Source: ODS-Petrodata

5. Summary

Summary

- Market remains strong
- Employment secured through Q2 2014, contract backlog of USD 380 million
- Focus is on operational efficiency
- Well positioned to start dividend payments in 2013
- Evaluating growth opportunities on a case-by-case basis

Q&A