

AWILCO DRILLING Q4 2020 PRESENTATION

10 February 2021



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AGENDA

1. Main Events
2. Q4 2020 and preliminary 2020 results
3. UK Status
4. Arbitration Cases
5. Company Outlook
6. Q&A

1. Main Events





MAIN EVENTS

- Total Q4 revenue USD 8.6 million, EBITDA loss of USD 2.6 million, Net loss of USD 141.1 million
- Revenue efficiency was 54.1% during the quarter due to a combination of repair time and waiting on weather
- Total contract backlog at end of Q4 2020 was approx. USD 15.0 million
- Construction contract with Keppel FELS for new build Rig 2 terminated
- Substantial cost reduction in Norway
- Change of CEO effective from 1 February



2. Q4 2020 and preliminary 2020 results



Q4 2020 INCOME STATEMENT

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2020	Full Year	Q4 2019	Full Year
	(unaudited)	2020	(unaudited)	2019
		(unaudited)		(audited)
Contract revenue	8,264	25,293	8,097	37,004
Reimbursables	254	257	4	(8)
Other revenue	48	52	219	1,140
	<u>8,566</u>	<u>25,602</u>	<u>8,320</u>	<u>38,136</u>
Rig operating expenses	6,128	21,644	6,061	24,765
Reimbursables	23	38	3	14
General and administrative expenses	5,028	13,736	2,801	9,153
Depreciation	2,518	10,072	3,257	11,586
Impairment	25,000	25,000	23,000	23,000
De-recognition of assets	110,839	111,280	-	-
	<u>149,536</u>	<u>181,771</u>	<u>35,122</u>	<u>68,518</u>
Operating loss	<u>(140,970)</u>	<u>(156,169)</u>	<u>(26,802)</u>	<u>(30,382)</u>
Interest income	0	386	273	949
Interest expense	(7)	(28)	(14)	(14)
Other financial items	(67)	(132)	(303)	(717)
Net financial items	<u>(73)</u>	<u>226</u>	<u>(44)</u>	<u>218</u>
Loss before tax	(141,044)	(155,943)	(26,846)	(30,164)
Tax expense	(67)	(161)	(147)	(427)
Net loss	<u>(141,111)</u>	<u>(156,104)</u>	<u>(26,993)</u>	<u>(30,592)</u>
Total comprehensive loss	<u>(141,111)</u>	<u>(156,104)</u>	<u>(26,993)</u>	<u>(30,592)</u>
Attributable to shareholders of the parent	(141,111)	(156,104)	(26,993)	(30,592)
Basic and diluted loss per share	(2.59)	(2.86)	(0.49)	(0.57)



Q4 2020 BALANCE SHEET

Condensed statement of financial position

in USD thousands

	31.12.2020	31.12.2019
	(unaudited)	(audited)
Rigs, machinery and equipment	76,795	201,918
Right-of-use asset	1,096	1,417
Deferred tax asset	16	108
	<u>77,907</u>	<u>203,443</u>
Trade and other receivables	3,523	8,908
Prepayments and accrued revenue	2,800	502
Inventory	3,026	4,946
Cash and cash equivalents	14,738	41,249
	<u>24,087</u>	<u>55,605</u>
Total assets	<u>101,994</u>	<u>259,048</u>
Paid in capital	218,905	218,905
Retained earnings	(124,023)	32,080
	<u>94,882</u>	<u>250,985</u>
Trade and other creditors	2,231	1,284
Accruals and provisions	4,815	6,708
Current tax payable	66	71
	<u>7,112</u>	<u>8,063</u>
Total equity and liabilities	<u>101,994</u>	<u>259,048</u>



3. UK Status



UK STATUS

- Operational uptime for WilPhoenix was 65.5 % in Q4 due to downtime for repairs
- Opex average for WilPhoenix was USD 65,300 per day in the quarter
- WilPhoenix expected to stay on contract until late March 2021
- While the market of 2021 remains somewhat limited, WilPhoenix is currently bid against a number of programs commencing in both 2021 and 2022
- Longer term programs, particularly in the Plug & Abandonment space expected from Q2 2022



4. Arbitration Cases



STATUS AND TIMELINE FOR THE ARBITRATION CASES

- Preparations for arbitration related to termination of new build Rig 1 continue
 - *Claim amounts to USD 54.7 million*
 - *Expected time to resolution from today ~12-15 months*
- Preparations for arbitration related to termination of new build Rig 2 have started
 - *Claim amounts to USD 43.0 million*
 - *Expected time to resolution from today ~15-18 months*
- Total legal fees for both cases expected to be approx. USD 10 million



5. Company Outlook



COMPANY OUTLOOK

- Vigorously pursuing Keppel FELS to receive refund for paid instalments
- Working hard to build back-log for WilPhoenix
- Two main strategic alternatives:
 - *Considering attractive investment opportunities in the offshore space*
 - *Return capital to shareholders*



Q&A



