



Conference Call – 2Q 2015 Results

August 27, 2015



Forward Looking Statements

This presentation includes forward looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. These statements are made based upon management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to offshore drilling market conditions including supply and demand, day rates, customer drilling programs and effects of new rigs on the market, contract awards and rig mobilizations, contract backlog, dry-docking and other costs of maintenance of the drilling rigs in the Company's fleet, the cost and timing of shipyard and other capital projects, the performance of the drilling rigs in the Company's fleet, delay in payment or disputes with customers, our ability to successfully employ our drilling units, procure or have access to financing, ability to comply with loan covenants, liquidity and adequacy of cash flow from operations, fluctuations in the international price of oil, international financial market conditions changes in governmental regulations that affect the Company or the operations of the Company's fleet, increased competition in the offshore drilling industry, and general economic, political and business conditions globally. Consequently, no forward-looking statement can be guaranteed. When considering these forward-looking statements, you should keep in mind the risks described from time to time in the Company's filings with the SEC, including its Annual Report on Form 20-F. The Company undertakes no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, the Company cannot assess the impact of each such factors on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward looking statement.



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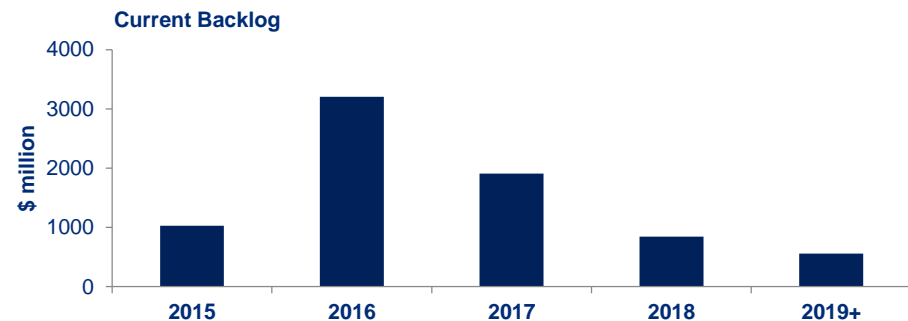
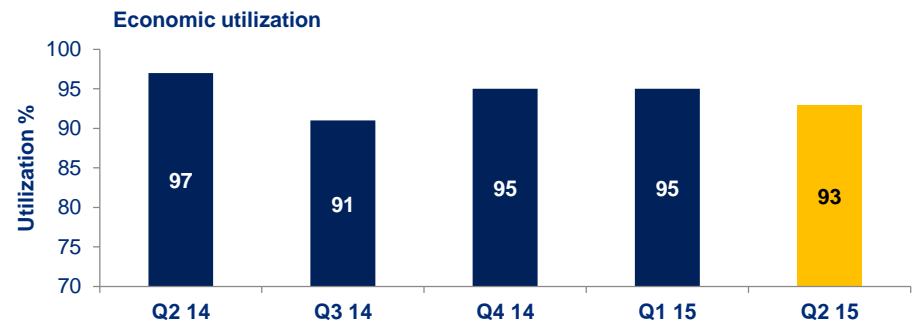
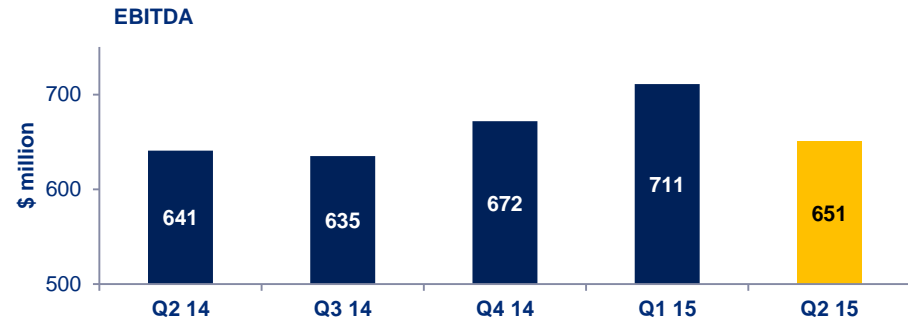
Highlights: Second Quarter 2015

- EBITDA of \$651 million
 - Realizing benefits of cost management program

- Safe and efficient operations
 - 92% economic utilization for floater fleet and 97% for jack-up fleet

- Positive outcome to discussions with banking group, shipyards and customers

- Current order backlog of \$7.5 billion
 - \$14.0 billion for Seadrill Group¹



(1) Seadrill Group is defined as all companies currently consolidated into Seadrill Limited plus Seadrill Partners and SeaMex

Financial Performance Highlights



Financial Performance Highlights

- Delivered a resilient performance with revenue of \$1,147 million and EBITDA of \$651 million
- 2Q net operating income impacted by loss on sale of the West Polaris to Seadrill Partners
- Savings initiatives established at start of 2014 continue to progress
 - Seadrill Group¹ realized \$250 million of cash savings in 2014
 - Targeting approximately \$500 million for 2015
- 5% year on year underlying² EBITDA margin expansion

	2Q 2015	1Q 2015	2Q 2014
Total Operating Revenue	\$1,147	\$1,244	\$1,222
(Loss)/gain on disposals	(\$75)	\$186	\$—
Contingent consideration realized	\$6	\$4	\$—
Total Operating Expenses	\$694	\$731	\$746
Net Operating Income	\$384	\$703	\$476
EBITDA	\$651	\$711	\$641

(1) Seadrill Group is defined as all companies currently consolidated into Seadrill Limited plus Seadrill Partners and SeaMex
 (2) 2Q 2014 Underlying is defined as reported 2Q 2014 results, adjusted for certain exclusions as discussed in the Appendix I of our 2Q report 2015

Balance Sheet Summary



- Total assets of \$25,144 million as at June 30, 2015
- Total non-current assets decreased to \$21,956 million due to dropdown of drilling unit West Polaris
- Total net interest bearing debt decreased to \$10,337 million due to disposal of West Polaris and general debt repayments

	June 30, 2015	March 31, 2015
Total Current Assets	\$3,188	\$2,981
Non-current assets		
Newbuildings	\$1,920	\$2,482
Drilling units	\$15,086	\$15,071
Other	\$4,950	\$5,139
Total non-current assets	\$21,956	\$22,692
TOTAL ASSETS	\$25,144	\$25,673
Current Liabilities		
Current portion of long-term debt	\$1,662	\$1,386
Other	\$1,789	\$1,943
Total current liabilities	\$3,451	\$3,329
Non-current liabilities		
Total Long-term Debt	\$9,518	\$10,537
Other	\$1,016	\$1,097
Total non-current liabilities	\$10,534	\$11,634
TOTAL LIABILITIES	\$13,985	\$14,963
Equity		
Total shareholder's equity	\$11,159	\$10,710
Total liabilities and shareholder's equity	\$25,144	\$25,673

- The Seadrill group¹ successfully completed \$2.15 billion of new funding in 2015 to date
- Completed leverage ratio waiver with banking group
- Deferred delivery for two floaters and eight jack-ups with two shipyards
 - Two floaters deferred to 2Q 2017
 - One jack-up deferred to 4Q 2015, five to 2016 and two to 2017

~~1Q 2015~~

<i>Figures in USD millions, unaudited</i>	2015	2016	2017
Yard Instalments ²	1,410	2,110	370

~~2Q 2015~~

<i>Figures in USD millions, unaudited</i>	2015	2016	2017
Yard Instalments ²	1,040	1,750	1,100

Market Outlook



- **Strong operating performance**
 - Underpinned by safe and efficient operations
- **Realizing the benefits of the cost management**
 - Targeting an increased level of cost savings for 2015
- **Continuing to be proactive**
 - Contract renegotiations with our customers are progressing
 - Managing our delivery schedule
 - Successfully completed discussions with our banking group
- **Challenging market through 2016**
 - Focus on safety, efficient operations and cost management



Appendix: Seadrill Limited Financials



Operating Income - Floaters

<i>Unaudited accounts in USD millions</i>	2Q15	1Q15 ⁽¹⁾	4Q14	3Q14
Total operating revenues	786	846	801	842
(Loss)/gain on disposals*	(75)	—	192	—
Contingent consideration realized	6	4	—	—
Vessel and rig operating expenses	265	267	268	298
Reimbursable expenses	12	19	12	39
Depreciation and amortization	142	141	132	128
General and administrative expenses	41	47	58	53
Total operating expenses	460	474	470	518
Net operating income	257	376	523	324

⁽¹⁾ Q115 recasted for segment reallocation

Operating Income – Jack-up Rigs

<i>Unaudited accounts in USD millions</i>	2Q15	1Q15 ⁽¹⁾	4Q14	3Q14
Total operating revenues	328	385	420	408
(Loss)/gain on disposals*	—	186	—	—
Contingent consideration realized	—	—	—	—
Vessel and rig operating expenses	128	168	184	184
Reimbursable expenses	7	3	4	14
Depreciation and amortization	50	57	48	46
Loss on impairment	—	—	232	—
General and administrative expenses	20	18	25	31
Total operating expenses	205	246	493	275
Net operating income (loss)	123	325	(73)	133

⁽¹⁾ Q115 recasted for segment reallocation

Operating Income – Total Seadrill Limited



<i>Unaudited accounts in USD millions</i>	2Q15	1Q15	4Q14	3Q14
Total operating revenues	1,147	1,244	1,261	1,293
(Loss)/gain on sale of assets*	(75)	186	192	—
Contingent consideration realized	6	4	—	—
Vessel and rig operating expenses	422	446	488	521
Reimbursable expenses	19	22	18	53
Depreciation and amortization	192	198	180	174
Loss on impairment	—	—	232	—
General and administrative expenses	61	65	83	84
Total operating expenses	694	731	1,001	832
Net operating income	384	703	452	461

*Gain on sale of assets at 4Q14 relates to the disposal of West Vela to Seadrill Partners
 Gain on sale of assets at 1Q15 relates to the deconsolidation of Seamex
 Loss on sale of assets at 2Q15 relates to the disposal of West Polaris to Seadrill Partners

Net Income – Total Seadrill Limited



<i>Unaudited accounts in USD millions</i>	2Q15	1Q15	4Q14	3Q14
Net operating income	384	703	452	461
Financial items and other income				
Interest income	17	17	18	2
Interest expense	(100)	(112)	(122)	(114)
Share in results from associated companies	115	32	41	(26)
Gain/(loss) on derivative financial instruments	44	(181)	(285)	(80)
Foreign exchange (loss)/gain	(22)	50	105	52
Gain on sale of tender rig business	22	-	-	-
Other financial items	8	(3)	(8)	(66)
Total financial items and other income	84	(197)	(251)	(232)
Income before income taxes	468	506	201	229
Income taxes	(45)	(58)	(51)	(39)
Net income	423	448	150	190
Basic earnings per share (\$)	0.77	0.86	0.32	0.31

Balance Sheet - Assets



Unaudited accounts in USD millions

	June 30, 2015	March 31, 2015	December 31, 2014
Current assets			
Cash and cash equivalents	918	903	831
Restricted cash	71	72	268
Marketable securities	324	309	426
Accounts receivables, net	837	956	1,017
Other current assets	1,038	741	767
Total current assets	3,188	2,981	3,309
Non-current assets			
Newbuildings	1,920	2,482	2,030
Drilling units	15,086	15,071	15,145
Assets held for sale – non current	—	—	1,105
Restricted cash	155	161	181
Deferred tax assets	99	27	30
Other non-current assets	4,696	4,951	4,497
Total non-current assets	21,956	22,692	22,988
Total assets	25,144	25,673	26,297

Balance Sheet – Liabilities & Shareholder's Equity



Unaudited accounts in USD millions

	June 30, 2015	March 31, 2015	December 31, 2014
Current liabilities			
Current portion of long-term debt	1,662	1,386	2,267
Trade accounts payable	56	96	84
Other current liabilities	1,733	1,847	2,181
Total current liabilities	3,451	3,329	4,532
Non-current liabilities			
Long-term interest bearing debt	9,518	10,537	10,208
Deferred taxes	121	55	67
Other non-current liabilities	895	1,042	1,100
Total non-current liabilities	10,534	11,634	11,375
Equity			
Total shareholder's equity	11,159	10,710	10,390
Total liabilities and shareholder's equity	25,144	25,673	26,297