

NYSE Euronext

OSD
OSD ENERGY LTD.

4Q 2012

Conference call – 4Q 2012 results

February 28, 2013

Seadrill

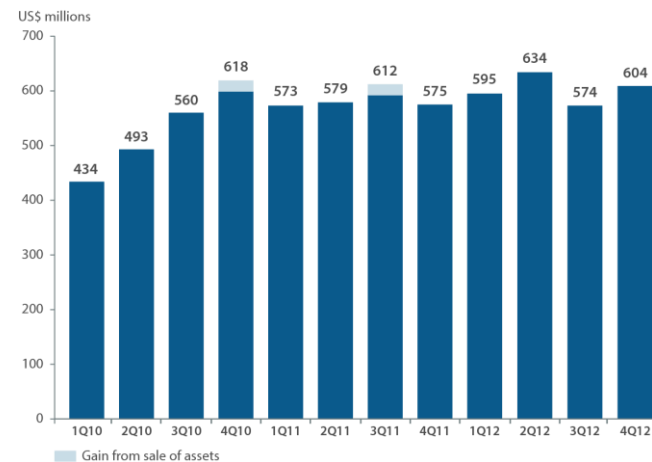
- Highlights 4Q 2012
- Company status
- Market outlook
 - Floaters
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 - Tender rigs
- Contract backlog
- 4Q 2012 accounts
 - Seadrill
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 - Seadrill Partners
- Q&A session



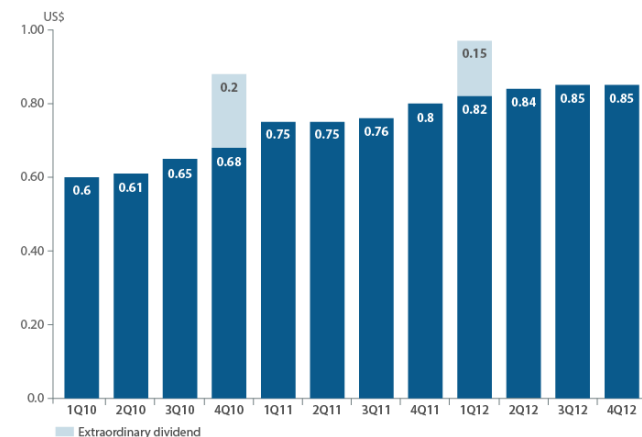
Financial performance highlights

- Seadrill generates fourth quarter 2012 EBITDA of US\$604 million
- Seadrill reports fourth quarter 2012 net income of US\$50 million and earnings per share of US\$0.04
- Seadrill secured during the fourth quarter new contracts and commitments totaling US\$2.3 billion
- Seadrill distributed an accelerated cash dividend of US\$0.85 for the fourth quarter 2012 December last year

Quarterly EBITDA



Dividend distribution per share



Highlights - fourth quarter 2012

- Listing of Seadrill Partners LLC on NYSE raising US\$207 million
- Secured a five-year contract and a two-year extension for the West Mira and West Epsilon respectively, with total US\$1.4 billion revenue potential
- Took delivery of the newbuild tender rig T15
- Secured contracts with estimated revenue potential of US\$820 million for seven jack-up rigs
- Increases ownership stake to 66.16% in Asia Offshore Drilling
- North Atlantic Drilling submits its initial registration statement to the SEC



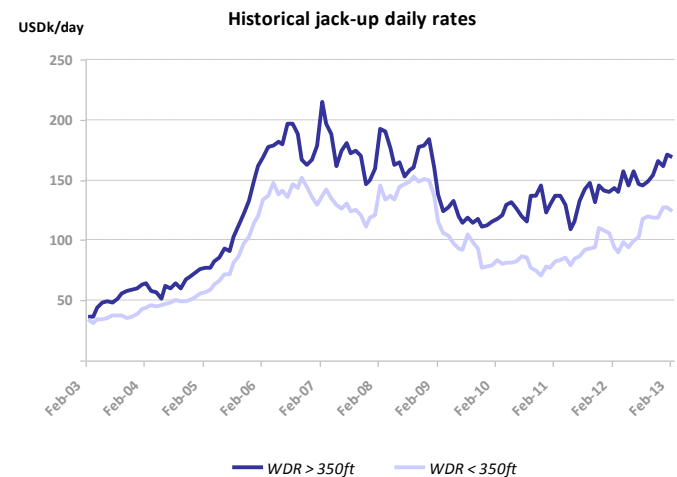
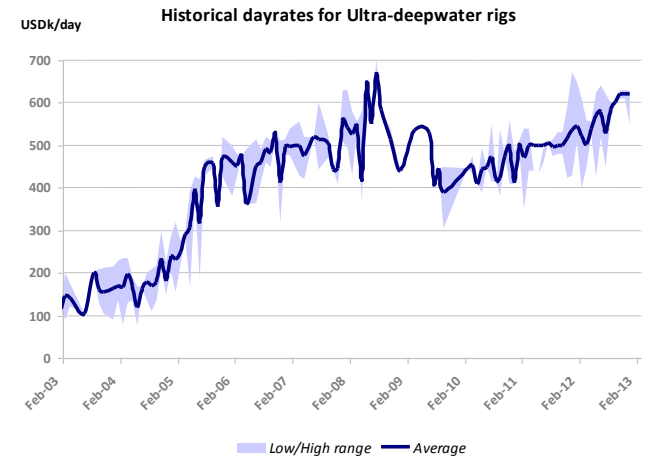
Subsequent events

- Signed sale and purchase agreement for the integration of 18 tender rigs into SapuraKencana for a total consideration of US\$2.9 billion
- Acquires the ultra-deepwater rig Songa Eclipse for US\$590 million
- Orders two new premium jack-ups for US\$230 million each, delivery 2015
- Participates in private placements for Archer and Sevan Drilling
- Asia Offshore Drilling takes delivery of its first jack-up, AOD I
- Delayed delivery of four JU2000E units due to faulty jacking gear pinions



Highlights – Market trends

- Ultra Deepwater international
 - Increased spend from Oil and Gas companies
 - Exploration to offset declining maturing fields
 - Newbuild prices stable – daily rates are solid
 - Strong demand from GoM, West Africa, East Africa & North Sea
 - Operational and financial risks – has increased barriers to entry
- Harsh environment units
 - Significant discoveries in harsh environment areas
 - Very limited rig availability in 2014 and 2015
 - Ageing rig fleet – newbuilds replacing existing rigs
- Jack-up rigs
 - Increased demand for premium jack-up rigs
 - Driven by Middle East, Asia and West Africa
 - Trend of replacing aged units to receive efficiency that reduce well delivery times
- Tender rigs
 - Efficiency gains in TLP, Spar, development drilling
 - Market has further room for growth and development



Market environment conducive for further growth

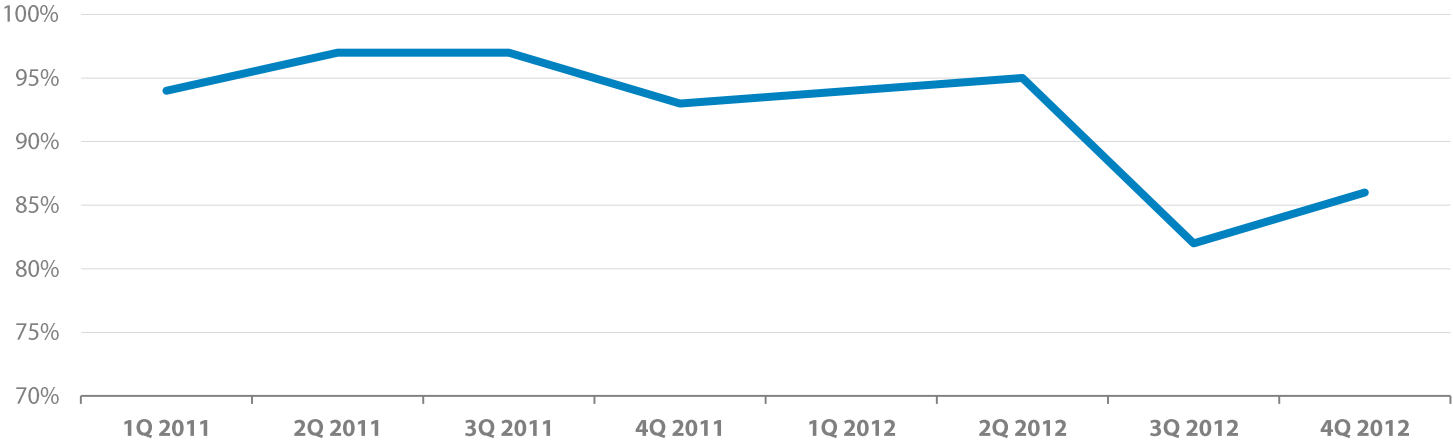
Global operational footprint



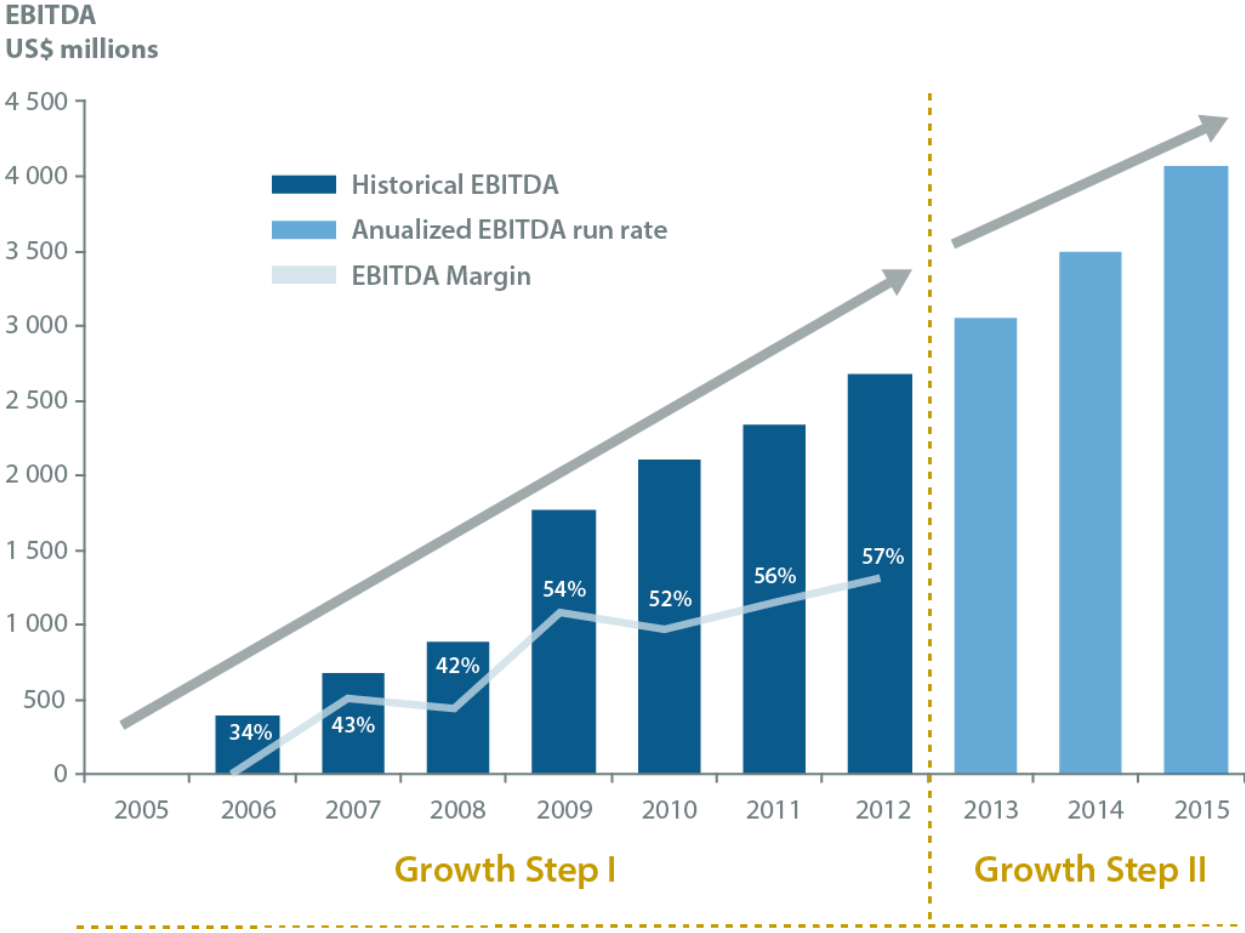
Increasing presence in AME and Americas....further economies of scale

*Includes five tender rigs owned by Varia Perdana.

Economic utilization



Growth through newbuild program



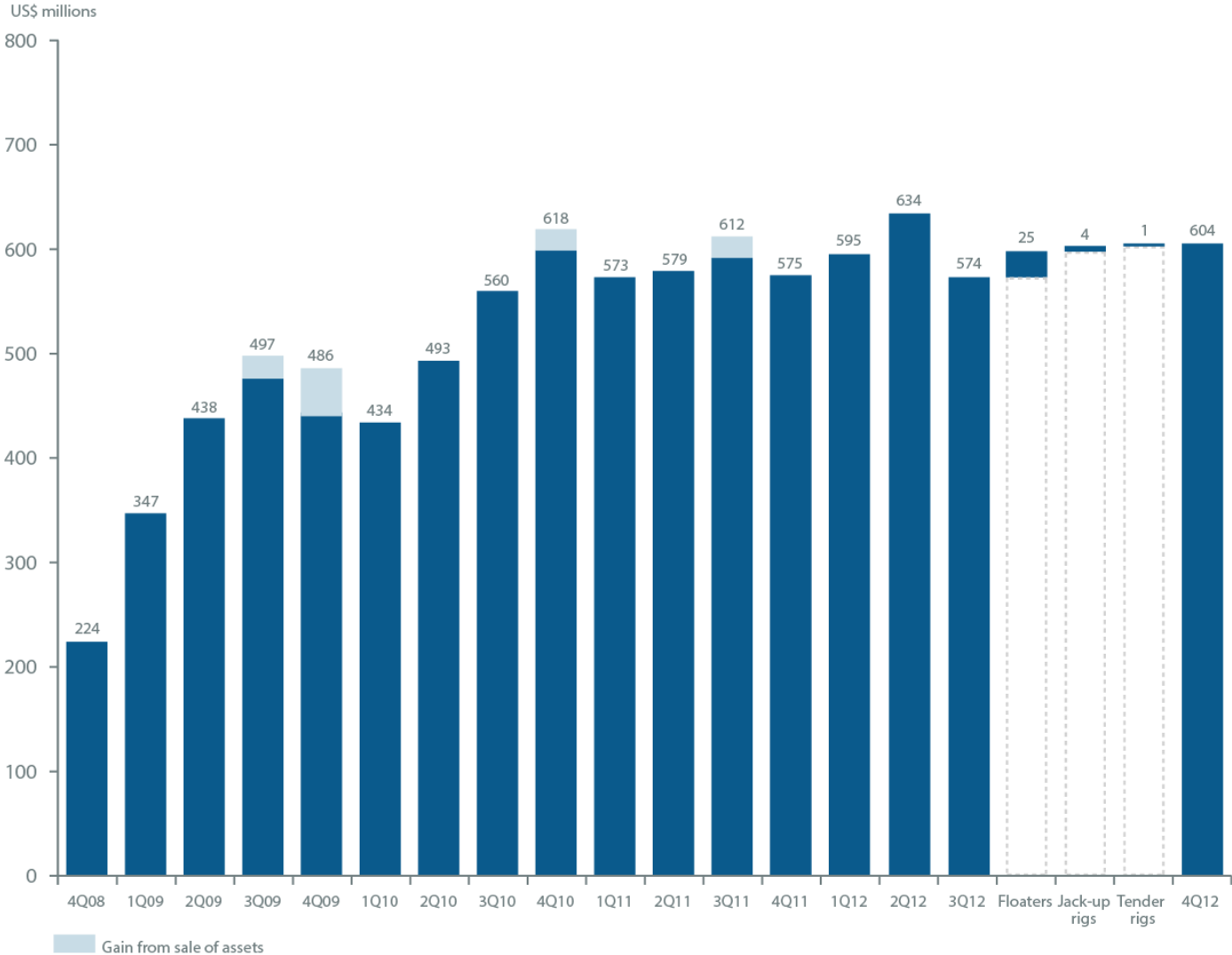
Financial performance highlights



Financial performance highlights

	This quarter	Previous quarter
EBITDA	US\$604 m	US\$574 m
Earnings per share	US\$0.04	US\$0.40
Operating profit	US\$441 m	US\$413 m
Financial items	US\$(335) m	US\$(158) m
Cash flow from operating activities	US\$318 m	US\$372 m
Dividend declared per share In addition, accelerated dividend for fourth quarter – per share	US\$0	US\$0.85 US\$0.85

EBITDA contribution



Operating Income - Floaters

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Operating revenues	700	674	718	656
Reimbursables	63	22	11	9
Other revenues	1	3	0	0
Total operating revenues	764	699	728	665
Gain on sale of assets	-	-	-	-
Vessel and rig operating expenses	243	254	247	212
Reimbursable expenses	59	21	9	8
Depreciation and amortisation	109	107	101	94
General and administrative expenses	49	35	26	33
Total operating expenses	460	417	383	347
Net operating income	304	282	346	318

Operating Income – Jack-up rigs

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Operating revenues	233	203	186	199
Reimbursables	14	5	16	11
Other revenues	0	0	(3)	(3)
Total operating revenues	247	209	199	207
Gain on sale of assets	0	0	0	0
Vessel and rig operating expenses	121	98	73	88
Reimbursable expenses	11	5	16	10
Depreciation and amortisation	38	39	36	32
General and administrative expenses	25	20	15	10
Total operating expenses	195	162	140	140
Net operating income	52	47	59	67

Operating Income – Tender rigs

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Operating revenues	193	178	183	169
Reimbursables	7	6	10	6
Other revenues	2	(1)	2	3
Total operating revenues	202	183	195	178
Gain on sale of assets	-	0	0	0
Vessel and rig operating expenses	85	69	85	79
Reimbursable expenses	7	5	9	6
Depreciation and amortisation	15	15	14	13
General and administrative expenses	10	10	8	9
Total operating expenses	117	99	117	107
Net operating income	85	84	78	71

Operating Income – Total Seadrill Limited

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Operating revenues	1 126	1 056	1 087	1 025
Reimbursables	85	33	37	25
Other revenues	3	2	(1)	0
Total operating revenues	1 215	1 092	1 122	1 050
Gain on sale of assets	-	0	0	0
Vessel and rig operating expenses	448	423	404	381
Reimbursable expenses	78	30	34	23
Depreciation and amortisation	163	161	151	139
General and administrative expenses	84	65	50	51
Total operating expenses	774	679	639	594
Net operating income	441	413	483	456

Net Income – Total Seadrill Limited

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Net operating income	441	413	483	456
Financial items				
Interest income	11	5	4	4
Interest expense	(91)	(102)	(76)	(71)
Share in results from associated companies	(214)	(38)	15	18
Gain/(Loss) in financial derivatives	(12)	20	(96)	91
Foreign exchange gain/(loss)	(19)	(43)	12	(20)
Realization of marketable securities	(1)	0	85	0
Gain on decline in ownership interest	0	0	169	0
Other financial items	(9)	0	1	2
Total financial items	(335)	(158)	114	24
Income before income taxes	106	255	597	480
Income taxes	(56)	(39)	(43)	(41)
Net income	50	216	554	439
Earnings per share (US\$)	0.04	0.40	1.12	0.89

Balance sheet - Assets

<i>Unaudited accounts in USD millions</i>	December 31, 2012	September 30, 2012	June 30, 2012
Current assets			
Cash and cash equivalents	318	518	276
Restricted cash	184	151	102
Marketable securities	333	246	227
Accounts receivables, net	918	835	866
Amount due from related party	293	213	190
Other current assets	309	335	251
Total current assets	2 355	2 298	1 972
Non-current assets			
Investment in associated companies	509	658	700
Newbuildings	1 882	1 629	1 404
Drilling units	12 894	12 956	13 011
Goodwill	1 320	1 320	1 320
Restricted cash	218	231	227
Deferred tax assets	13	31	21
Equipment	40	38	33
Other non-current assets	402	318	245
Total non-current assets	17 278	17 181	16 962
Total assets	19 633	19 479	18 934

Balance Sheet – Liabilities and Shareholder's Equity

	December 31, 2012	September 30, 2012	June 31, 2012
Current liabilities			
Current portion of long-term debt	2 066	1 523	1 462
Trade accounts payable	72	62	55
Other current liabilities	1 423	1 311	1 271
Total current liabilities	3 561	2 896	556
Non-current liabilities			
Long-term interest bearing debt	8 695	9 296	8 376
Long-term debt to related party	935	435	787
Deferred taxes	77	19	15
Other non-current liabilities	288	266	253
Total non-current liabilities	9 995	10 016	9 431
Equity			
Total shareholder's equity	6 077	6 567	6 715
Total liabilities and shareholder's equity	19 633	19 479	18 934

Non-financial highlights

- Statoil exercises its option to extend the contract for West Epsilon by two years to December 2016. The estimated value of the contract extension is US\$215 million.
- North Atlantic Drilling Ltd. files its draft registration statements for initial public offering in the US to the SEC and applies for listing on the NYSE in December 2012
- West Hercules commences its contract with Statoil in January 2013
- The Company expects to re-file its registration statements to the SEC in the first quarter 2013. We aim for the initial public offering of our shares in the US to commence after the SEC has completed its review process in the second quarter of 2013.



Financial reporting highlights

	This quarter	Previous quarter
EBITDA	US\$140 m	US\$148 m
Earnings per share	US\$0.218	US\$0.286
Operating profit	US\$98 m	US\$106 m
Financial items	US\$(19) m	US\$(32) m
Cash flow from operating activities	US\$15 m	US\$42 m
Dividend declared per share	US\$0.225	US\$0.225

Operating Income - Total

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Operating revenues	241	244	251	219
Reimbursables	42	17	16	14
Other revenues	0	0	0	0
Total operating revenues	283	261	267	233
Vessel and rig operating expenses	89	86	86	86
Reimbursable expenses	38	16	15	13
Depreciation and amortisation	43	42	42	37
General and administrative expenses	16	12	11	11
Total operating expenses	186	155	153	147
Net operating income	98	106	114	86

Net Income - Total

<i>Unaudited accounts in USD millions</i>	4Q12	3Q12	2Q12	1Q12
Net operating income	98	106	114	86
Financial items				
Interest expense	(22)	(19)	(20)	(22)
Gain on derivatives	2	(4)	(21)	6
Other financial items	1	(9)	8	(13)
Total financial items	(19)	(32)	(33)	(28)
Income before income taxes	79	74	81	58
Income taxes	(29)	(9)	(10)	(7)
Net income	50	65	71	51
Earnings per share (US\$)	0.218	0.286	0.310	0.255

Balance Sheet - Assets

	December 31, 2012	September 30, 2012	June 30, 2012
Current assets			
Cash and cash equivalents	98	235	107
Restricted cash	24	16	19
Accounts receivables, net	212	173	172
Related party receivables	196	90	175
Deferred tax assets	10	10	10
Other current assets	59	65	32
Total current assets	599	589	515
Non-current assets			
Newbuildings	249	238	225
Drilling units	2 416	2 425	2 448
Goodwill	481	481	481
Deferred tax assets	26	20	22
Other non-current assets	138	142	144
Total non-current assets	3 310	3 306	3 321
Total assets	3 909	3 895	3 836

Balance Sheet – Liabilities and Shareholder’s Equity

	December 31, 2012	September 30, 2012	June 30, 2012
Current liabilities			
Current portion of long-term debt	167	167	167
Related party transaction	67	61	63
Tax payable	114	150	145
Deferred taxes	12	12	11
Other current liabilities	262	210	171
Total current liabilities	622	599	556
Non-current liabilities			
Long-term interest bearing debt	1 583	1 625	1 667
Related party liability	703	700	660
Deferred taxes	67	25	18
Pension liabilities	50	37	36
Other non-current liabilities	40	47	49
Total non-current liabilities	2 443	2 434	2 430
Equity			
Total shareholder’s equity	844	862	850
Total liabilities and shareholder’s equity	3 909	3 895	3 836

Seadrill Partners – Highlights

- Seadrill Partners LLC reports results for its first quarter after completing its successful initial public offering (“IPO”) on October 24, 2012.
- Generated distributable cash flow of \$14.1 million for the period from the IPO Closing Date through December 31, 2012.
- Net income attributable to Seadrill Partners LLC members for the fourth quarter of US\$20.9 million and net operating income of US\$72.2 million for the fourth quarter 2012.
- Declared distribution for the period from IPO Closing Date through December 31, 2012 of \$0.2906 per unit (\$0.3875 per unit on a pro-rata basis for the fourth quarter 2012), which was paid on February 14, 2013.
- Significant potential for future growth through various dropdown opportunities from Seadrill Limited, attractive long-term contracts with global oil majors and strong relationship with Seadrill Limited.



Income statement – Operating income

	4Q12
<i>Unaudited accounts in USD millions</i>	
Operating revenues	\$157.6
Reimbursables	23.5
Other revenues	-
Total operating revenues	181.1
Vessel and rig operating expenses	58.0
Reimbursable expenses	23.4
Depreciation and amortisation	22.1
General and administrative expenses	5.4
Total operating expenses	108.9
Net operating income	72.2

Income statement – Net income

<i>Unaudited accounts in USD millions</i>	4Q12
Net operating income	72.2
Financial items	
Interest income	1.7
Interest expense	(8.7)
Other financial items	(9.0)
Total financial items	(16.0)
Income/(loss) before income taxes	56.2
Income taxes	(5.4)
Net income/(loss)	\$50.8
Net income attributable to non-controlling interests	(29.9)
Net income for the fourth quarter	\$20.9

Balance Sheet - Assets

	December 31, 2012
Current assets	
Cash and cash equivalents	\$19.4
Mobilization revenue receivable – short-term	13.6
Accounts receivables, net	134.1
Related party receivables	36.4
Other current assets	34.4
Total current assets	237.9
Non-current assets	
Drilling units	2,103.0
Mobilization revenue receivable – long-term	49.4
Deferred tax assets	0.6
Other non-current assets	8.0
Total non-current assets	2,161.0
Total assets	\$2,398.9

Balance Sheet – Liabilities and Shareholder’s Equity

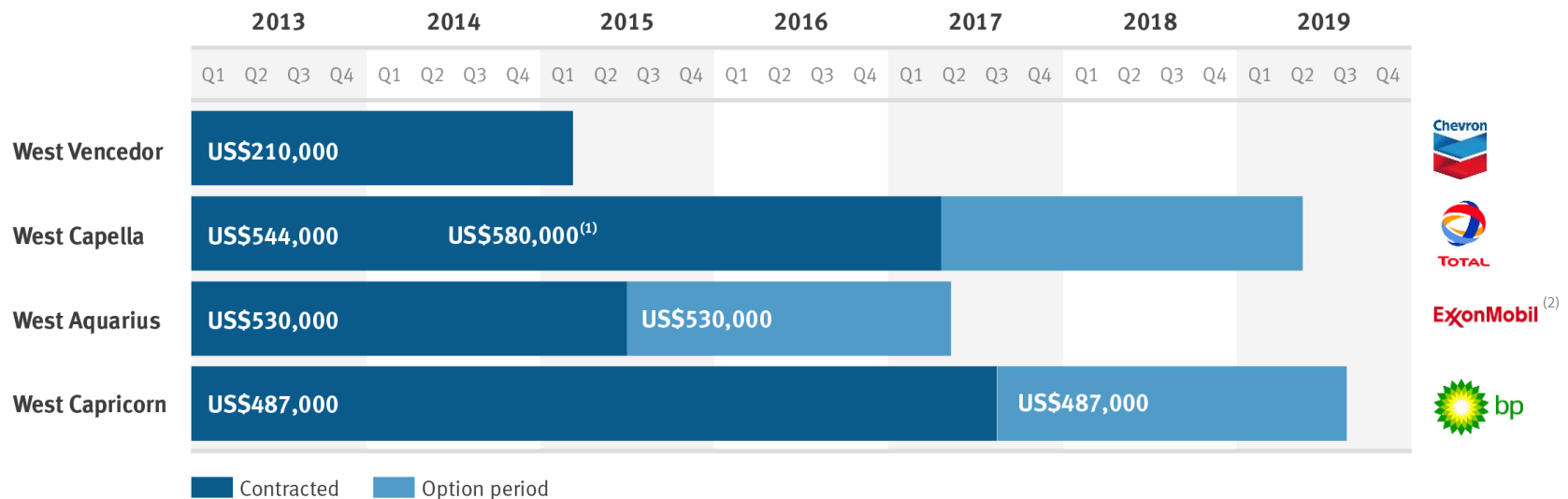
	December 31, 2012
Current liabilities	
Current portion of long-term related party payable	225.5
Trade accounts payable and accruals	28.2
Current portion of deferred mobilization revenue	19.9
Related party payable	122.2
Other current liabilities	23.2
Total current liabilities	419.0
Non-current liabilities	
Long-term related party payable	966.7
Deferred mobilization revenue – long-term	41.1
Other non-current liabilities	0.4
Total non-current liabilities	1,008.2
Equity	
Total shareholder’s equity	971.7
Total liabilities and shareholder’s equity	\$2,398.9

95% of debt swapped to a fixed rate of 1.16% and US\$300 million revolver undrawn

Distributable cash flow

	4Q12
<i>Unaudited accounts in USD millions</i>	
Net Income attributable for the fourth quarter 2012	50.8
Add:	
Depreciation & Amortization	22.0
Amortization of loan fees	1.6
Unrealized Gain/Loss on interest rate swaps	5.1
Non-cash effect of interest rate swaps	1.2
Less:	-
Amortization of mobilization revenue and expenses	(3.0)
Estimated maintenance and replacement capex	(19.1)
Cash flow attributable to non-controlling interests	(32.2)
Distributable cash flow for the fourth quarter 2012	26.4
Less	
Pre IPO distributable cash flow (1 October – 23 October)	(12.3)
Net operating income	14.1

Seadrill Partner's long-term contract coverage



Average remaining contract term: 3.7 years⁽³⁾

- (1) Five-year contract extension starts in April 2014. Customer has an option to reduce the extension period to three or four years at an increased day rate of \$627,500 or \$615,000, respectively, from April 2014
- (2) Once *West Aquarius* arrives in Canada (December 2012), it will operate under a sub-contract to Statoil ASA
- (3) As of December 31, 2012; excluding any optional extension periods

Dropdown candidates

