



Pareto Conference – Seadrill

Per Wulff, Seadrill Chief Executive Officer

Seadrill is ten this year

2005 / 2006

- Listed in Oslo in 2005
- Acquired Smedvig in early 2006 - 4 rigs in North Sea; 7 tender rigs in SE Asia
- 2005 Seadrill Rev: \$27mn (part year)

2012



- Seadrill Partners LLC listed on NYSE
- Receives US\$4 bn commitment for 19 rig years with BP



2008

- Receives US\$ 4.1bn commitment for 3 x 6 years contracts with Petrobras



- Delivery of UDW drillships – Polaris, Capella

2010

- Seadrill Limited listed on The New York Stock Exchange



Today

- 69 rigs, over 8,000 employees; recognized industry leader
- 2014 Seadrill consolidated (inc. NADL and Sevan) plus Seadrill Partners revenue: \$6.3bn

We've delivered on all five focus areas



2 Shipyards



3 Funding



1 Safe operations



5 Cash savings



4 Customers



1 Safe operations

Utilization across the fleet has been high...

- **Technical utilization high at 95%** YTD August (equal to results same period last year)
- **13 class projects executed** YTD all on time and budget
- **Four drill ships put in service** since August 2014 (West Saturn, West Neptune, West Jupiter and West Carina); all operating with technical utilization above 96%

...and HSE performance solid

- **Improved trend** in HSE focus areas (YTD Aug versus same period last year)
 - Hurts - 47%
 - Dropped Objects - 31%
- **Continual improvement** of the QHSE management system
 - Global alignment of HSE Directives
 - Systematic compliance process (Corporate Audit, Regional and Rig Verification)





2 Shipyards

Rigs	Rig type	Rig delivery timing	
		Original schedule	Revised schedule
• West Draco	• Drillship	• Q3 2015	• Q2 2017
• West Dorado	• Drillship	• Q4 2015	• Q2 2017
• West Titan	• Jack-up	• Q2 2015	• Q1 2016
• West Proteus	• Jack-up	• Q3 2015	• Q1 2016
• West Rhea	• Jack-up	• Q4 2015	• Q2 2016
• West Tethys	• Jack-up	• Q1 2016	• Q3 2016
• West Hyperion	• Jack-up	• Q2 2016	• Q2 2016
• West Umbriel	• Jack-up	• Q3 2016	• Q3 2016
• West Dione	• Jack-up	• Q1 2017	• Q1 2017
• West Mimas	• Jack-up	• Q2 2017	• Q2 2017
• West Aquila	• Drillship	• Q4 2015	• Q2 2016
• West Libra	• Drillship	• Q4 2015	• Q2 2016
• West Rigel	• Semi-submersible	• Q1 2015	• Q4 2015



3 Funding

Look back since last year

- Over the last year...
 - Instalments paid on loan facilities ▪ US\$1.1bn
 - Secured loan facilities refinanced ▪ US\$1.8bn
 - New debt - newbuilds, jack-up facility, others req. ▪ US\$4.25bn
 - Added cash to the balance sheet ▪ US\$760mn
- Agreed to a revised Leverage Ratio with our banking group

Going forward

- For the rest of 2015 we have the following funding requirements
 - West Mira facility ▪ US\$450mn
 - Bond maturing October, likely repaid with excess cash ▪ US\$350mn
- For 2016 we have two facilities maturing
 - West Eminence facility in June, balloon payment ▪ US\$337.5mn
 - 4 jack-ups facility maturing October, balloon payment ▪ US\$200mn



4 Customers

<u>Customer</u>	<u>Concession</u>	<u>Benefits received</u>	<u>Net Backlog Impact</u>
•Pemex	•\$60mn	•2 year extension	+ \$205mn
•ENI	•\$32mn	•18 month extension	+ \$53mn
•Total	•\$16mn	•6 month extension	+ \$46mn
•Customer "A"	•\$23mn	•3 year extension	+ \$113mn

Approximately \$500mn in cash savings



5 Cash savings

- *Targets identified early*
- *Process in place*

- *Performance measured monthly*
- *Tracked at multiple levels*

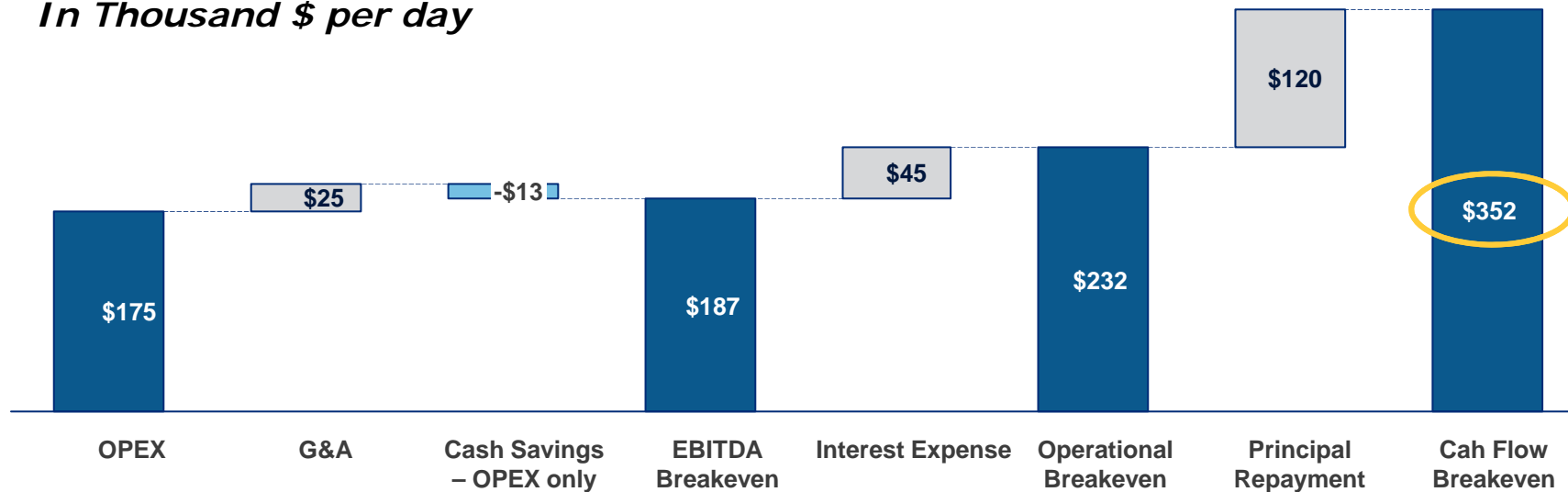
- *Estimated \$500mn cash savings*
- *Savings 2x original target*



Floater cash flow breakeven

1 Year Ago	6 Months Ago	Today
<ul style="list-style-type: none"> “Typical Floater” 2 – 3 years \$475,000 - \$525,000 	<ul style="list-style-type: none"> “Typical Floater” 1 – 2 years \$350,000 - \$400,000 	<ul style="list-style-type: none"> “Typical Floater” 6 months – 2 years \$250,000 - \$300,000

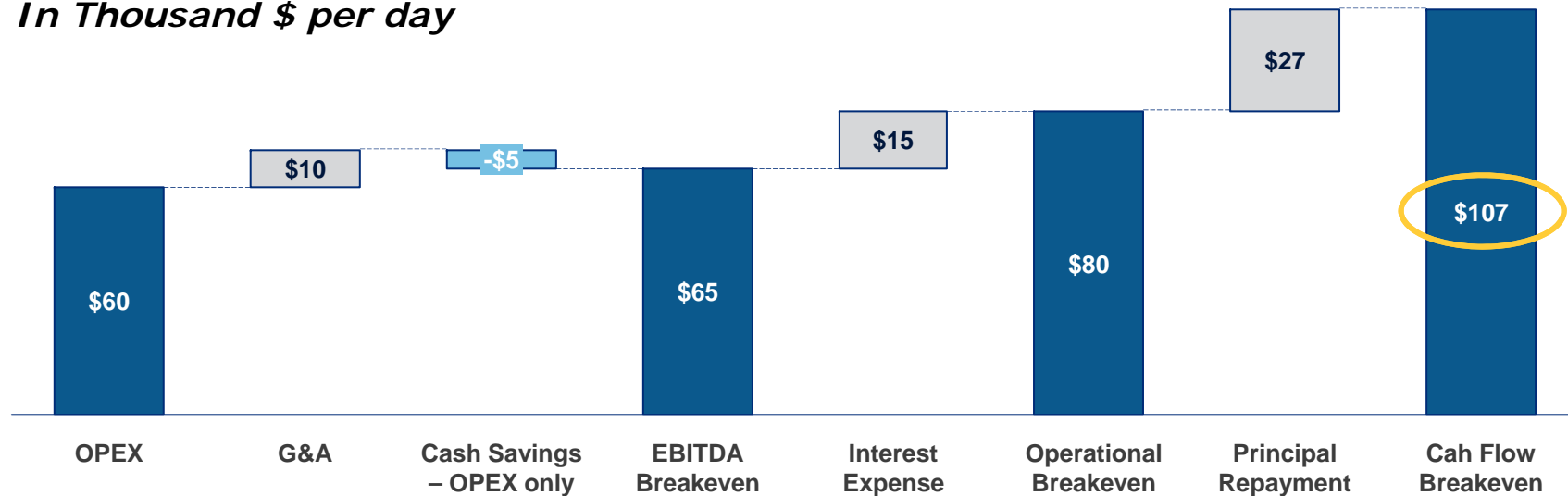
In Thousand \$ per day



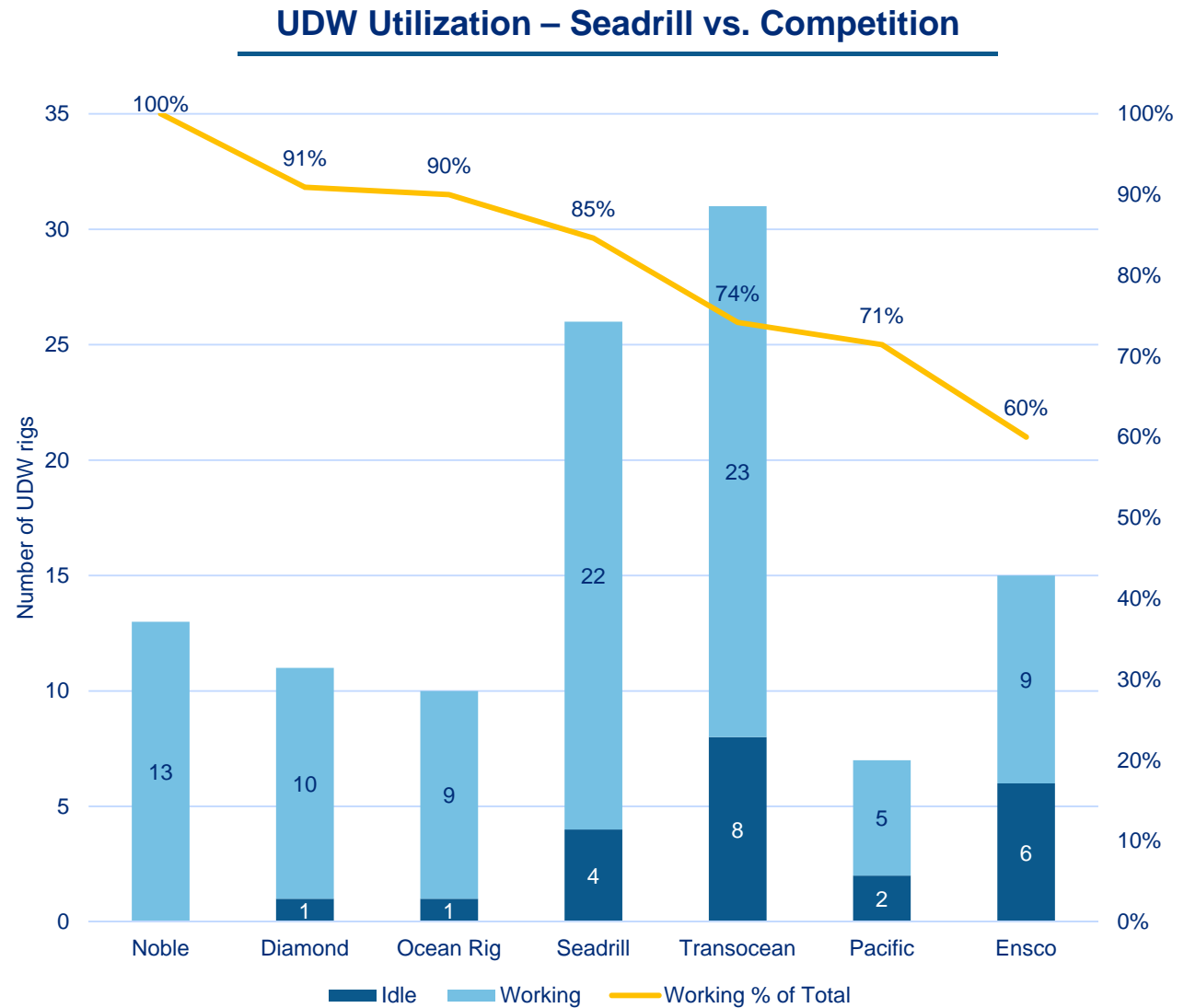
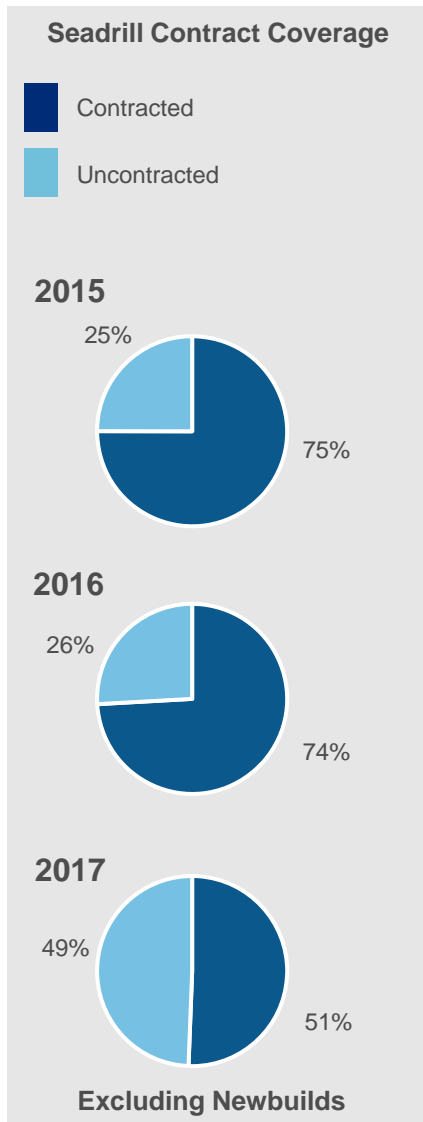
Jack-up cash flow breakeven

1 Year Ago	6 Months Ago	Today
<ul style="list-style-type: none"> “Typical Jack-up” 1 - 2 years \$150,000 	<ul style="list-style-type: none"> “Typical Jack-up” 6 months - 2 years \$130,000 	<ul style="list-style-type: none"> “Typical Jack-up” 1 well - 2 years \$90,000 - \$100,000

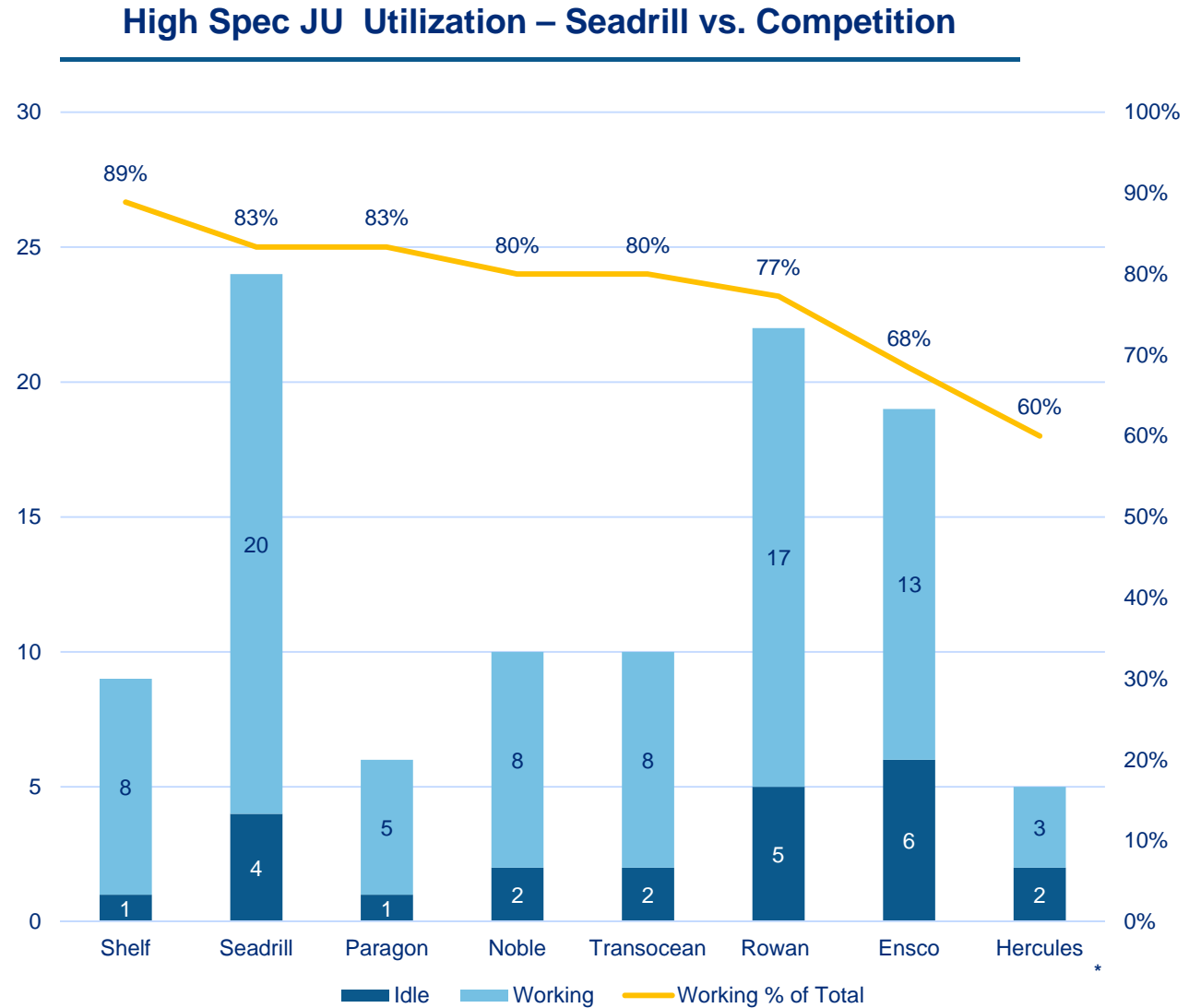
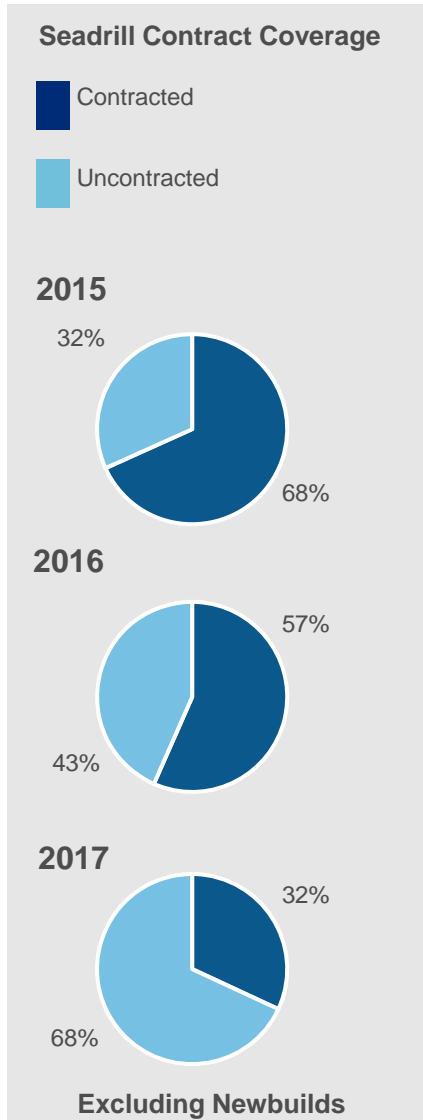
In Thousand \$ per day



Floater contract coverage

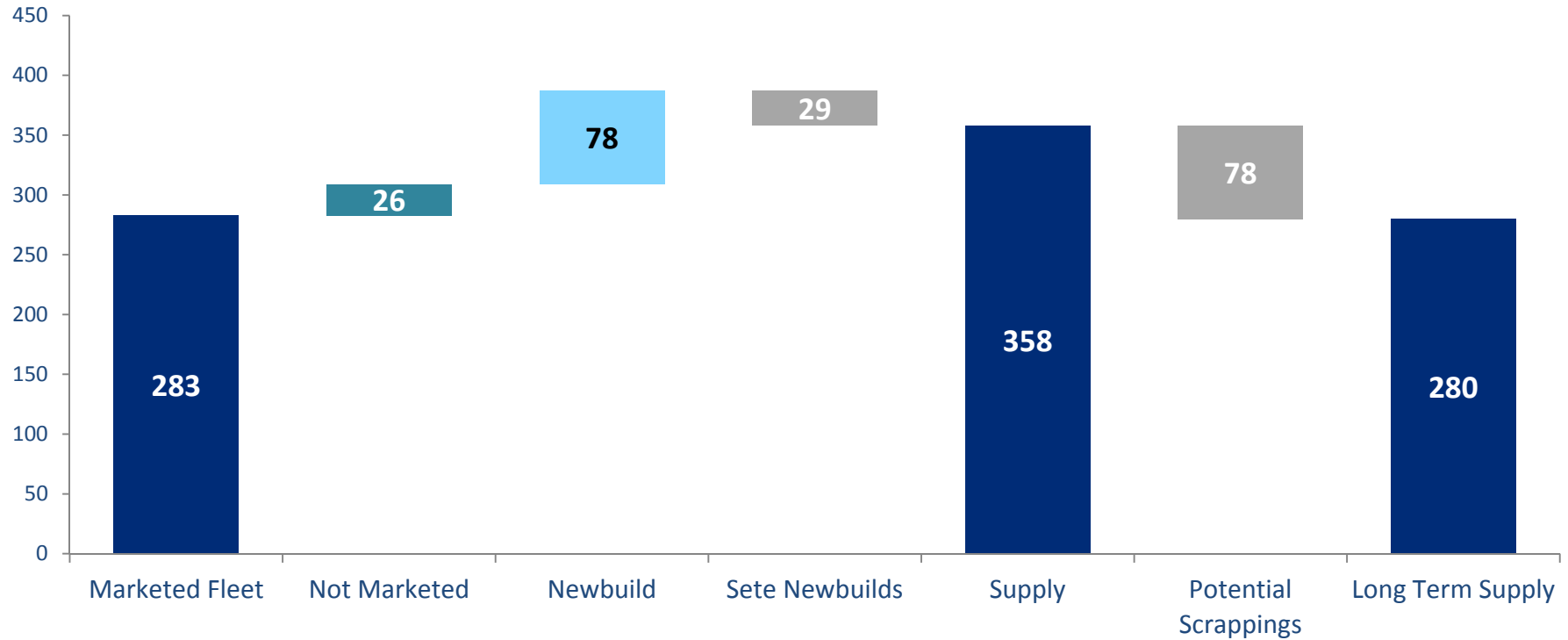


Jack-up contract coverage



Adjusted long term active floater fleet

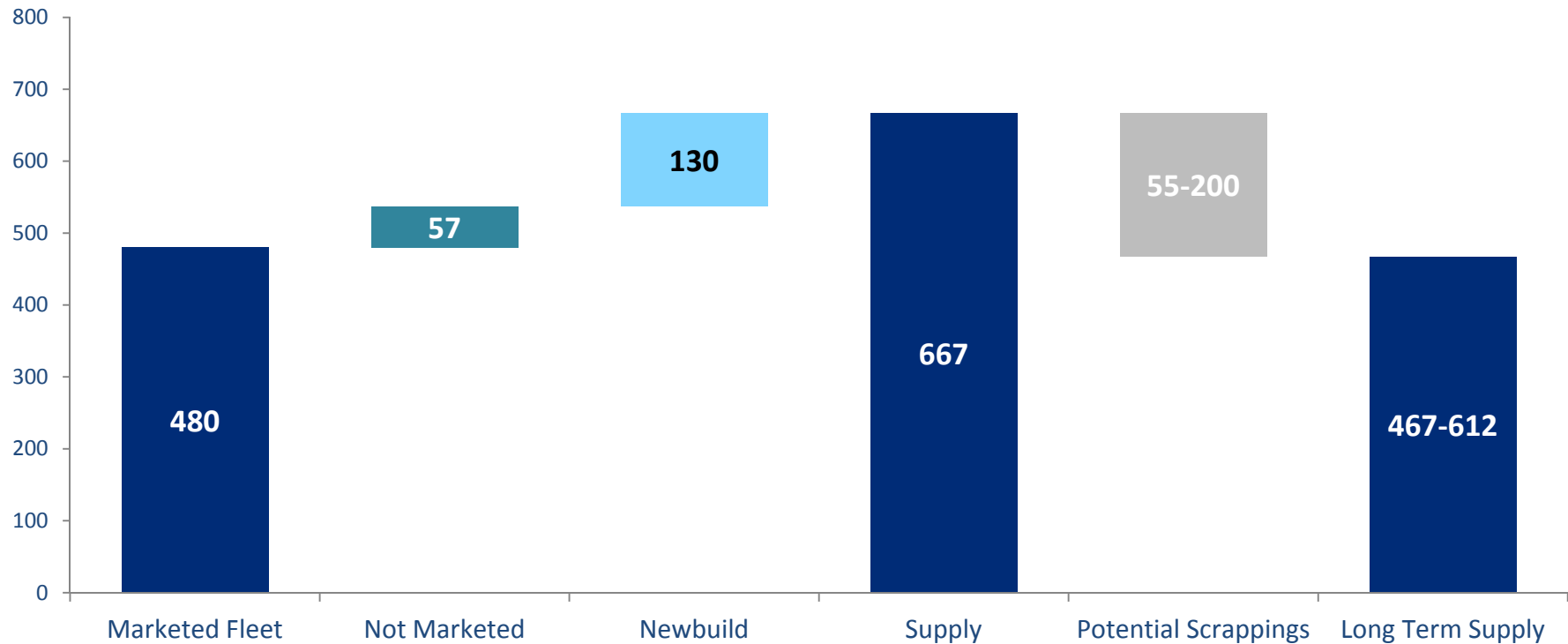
Projected long-term active fleet of floaters



How long will it take for the industry to get back into balance?

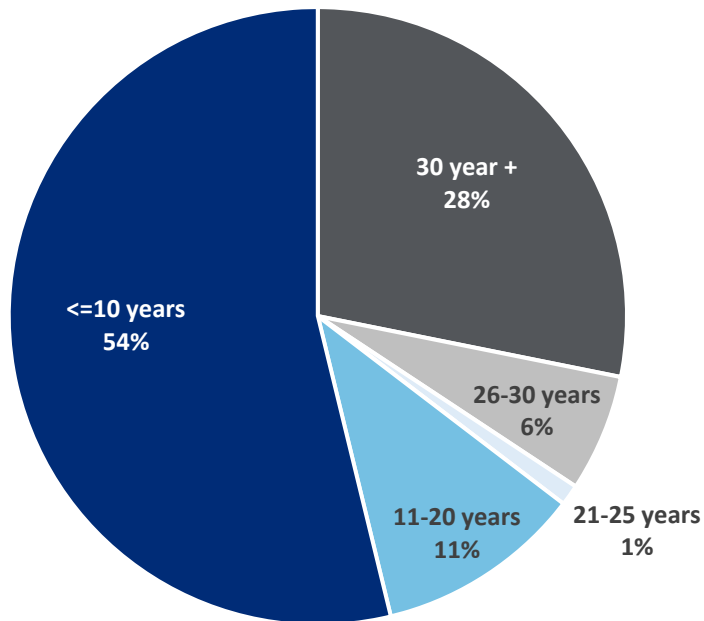
Adjusted long term active jack-up fleet

Projected long-term active fleet of jack-ups

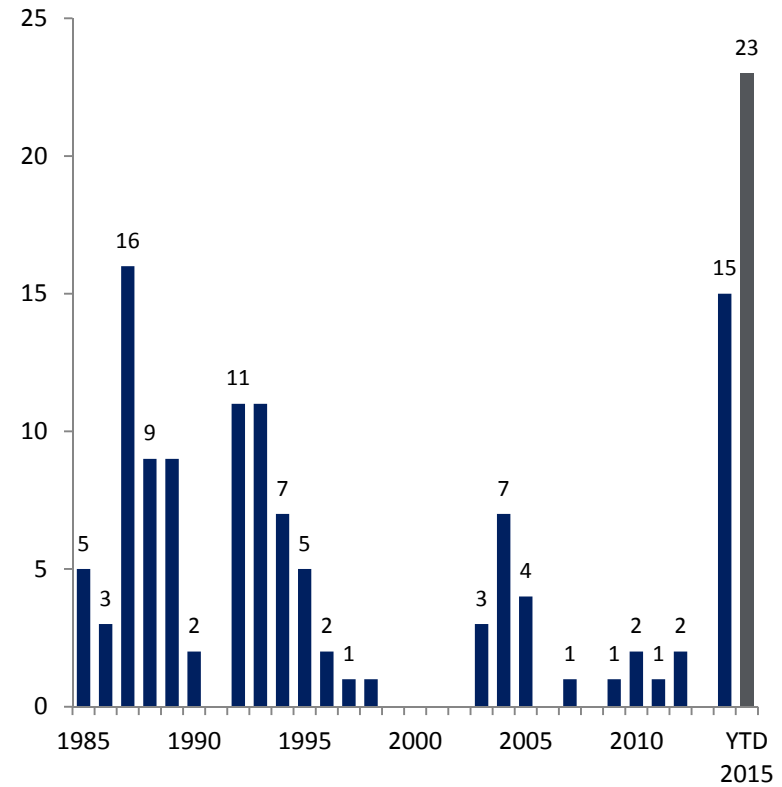


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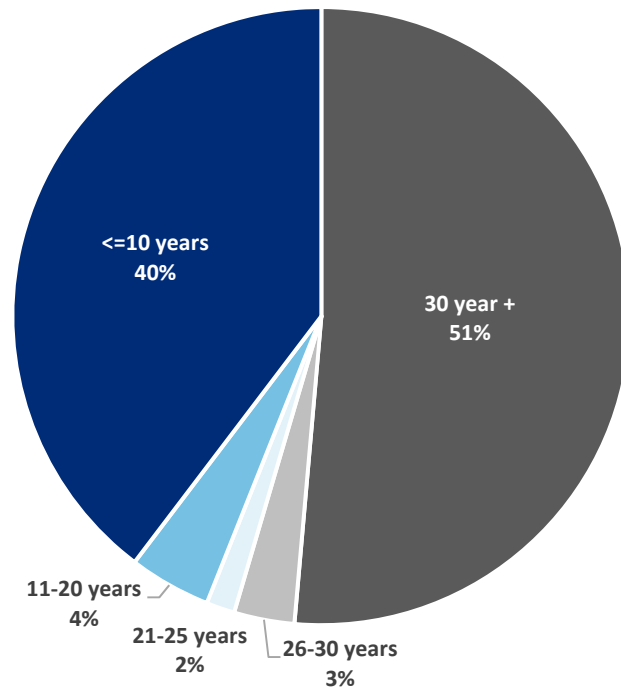
Fleet Age



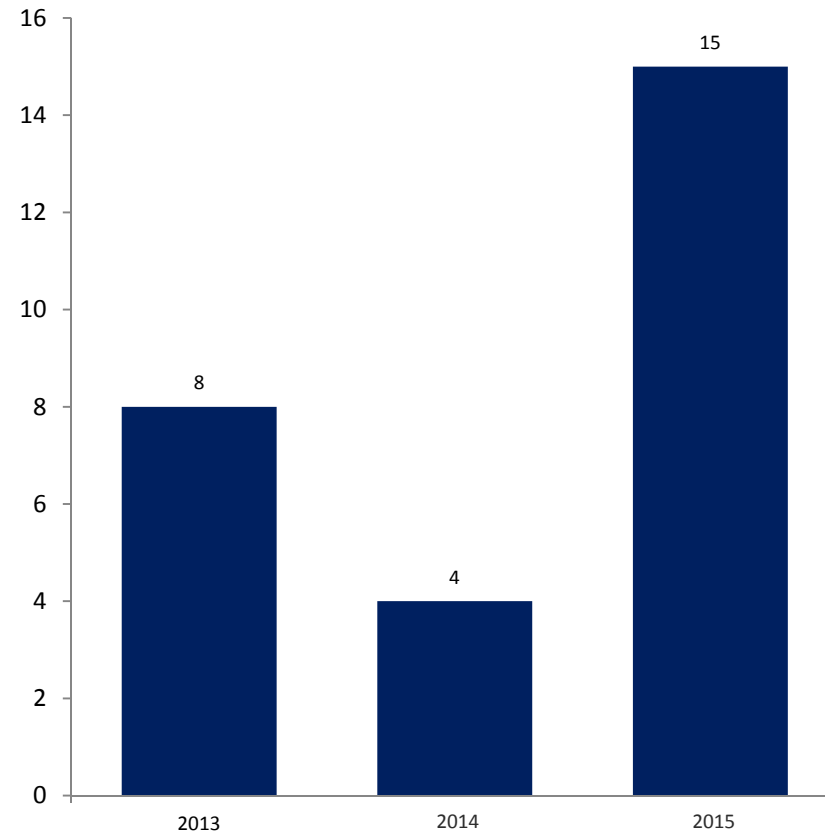
Floater Scrapping Picking up



Fleet Age



Jackup Scrapping Picking up



Delivered on the most important actions this year

- Strengthened the balance sheet
- Reset operating costs and saved cash
- Negotiated effectively with customers, shipyards, and banks

Consolidation will happen and we will be sitting in the driver's seat when the industry returns to growth

