



## Barclays Energy & Power Conference

*CEO – Per Wulff*

*September 2014*

**Seadrill** 

# Forward Looking Statements



The statements described in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which could be made include, but are not limited to, statements involving prospects for the Company, expected revenues, capital expenditures, costs and results of operations and contingencies and other factors discussed in the Company's most recent annual report on the Form 20-F for the year ended December 31, 2013 and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.



**51** *# of Rigs in Five Regions*

**18** *# of Newbuilds Under Construction*

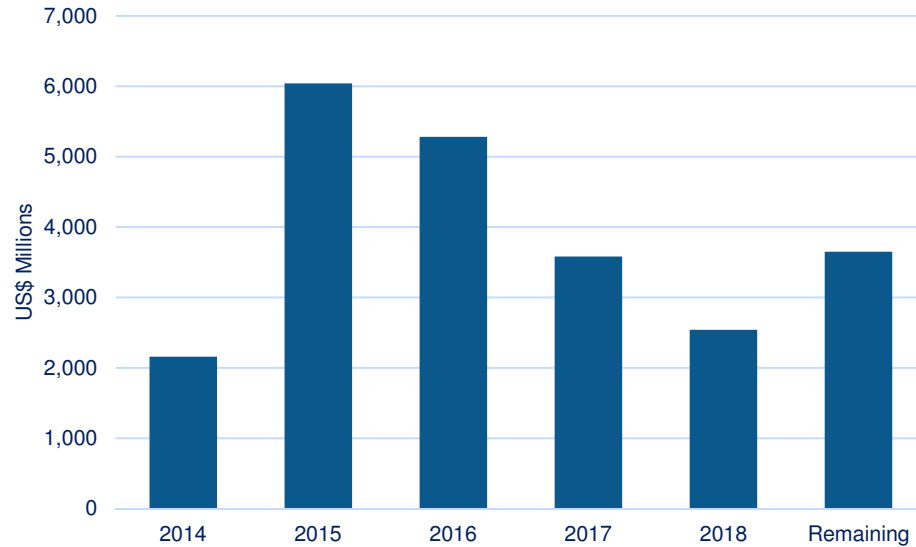
**94.7%** *Year to Date Technical Utilization*

**65** *Year to date TRI – total number of recordable injuries*

# Robust Backlog & High Quality Customers



**Seadrill Group Current Backlog  
US\$23.3 billion**



**Seabras Sapura Participacoes**



50% of US\$3.8 billion



30% of US\$8.7 billion

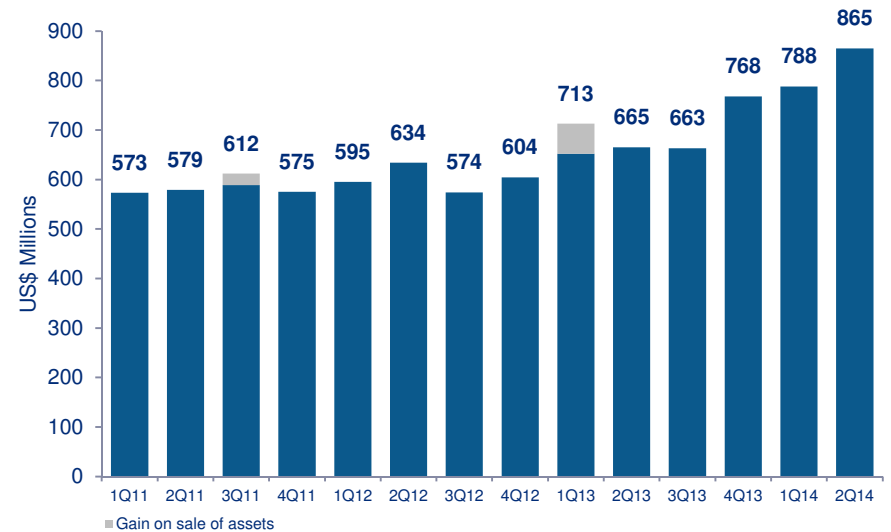


# Record Breaking Earnings

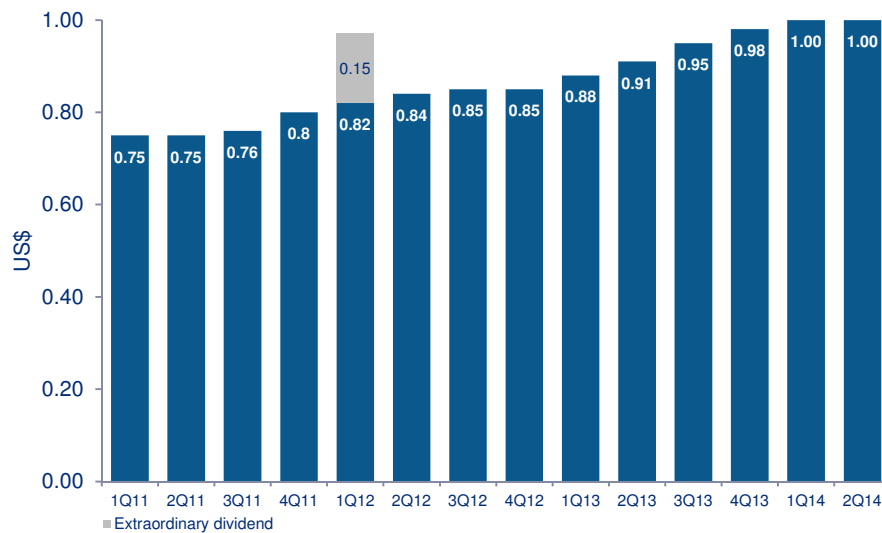


- Seadrill Group generates consolidated EBITDA of US\$865 million for the second quarter 2014
- Economic utilization for the Group’s floaters on a consolidated basis was 94 percent
- Seadrill Limited maintains the quarterly cash dividend of \$1.00 dollar per share

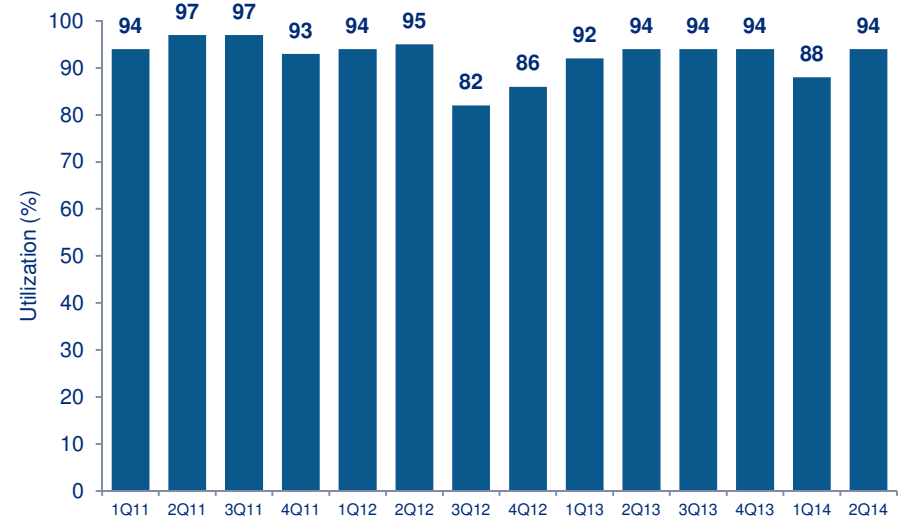
Quarterly EBITDA (proforma consolidated)



Dividend distribution per share



Ultra-Deepwater Economic Utilization (proforma consolidated)



# Second Quarter Highlights

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- Seadrill secures a 5 year contract for the West Jupiter in Nigeria with a total revenue potential for the of approximately US\$1.1 billion.
- Seadrill secures contracts for the jack-up units West Tucana, West Telesto, West Ariel, and West Prospero and extends contract for the West Mischief. The total revenue potential for the new contracts is approximately US\$433 million.
- Seadrill sells 230 million shares of SapuraKencana raising approximately US\$300 million in proceeds.
- North Atlantic Drilling announces extensive Investment and Co-operation Agreement with Rosneft to partner in the Russian market.
- Seadrill Partners completes US\$1.1 billion add-on term loan B

# Third Quarter to Date Highlights

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- Seadrill secures a 2 year contract with ExxonMobil for the West Saturn in Nigeria with total revenue potential for of approximately US\$497 million
- Seadrill sells an additional 28% interest in Seadrill Operating LP to Seadrill Partners for approximately US\$373 million.
- North Atlantic Drilling secures 5 contracts with Rosneft commencing in Russian waters from 2015 through 2017 with a total revenue potential for the primary contract term of US\$4.1 billion.
- North Atlantic Drilling enters into agreement to acquire a significant portion of Rosneft's land drilling fleet in Russia. Rosneft will receive a 30% ownership stake in NADL.
- Seadrill receives commitments for a US\$1.35 billion credit facility to refinance the credit facilities secured by the West Pegasus, West Gemini, and West Orion
- Seadrill completes voluntary exchange offer for US\$650mm convertible bond
- Seadrill completes US\$1.5 billion ECA facility to finance the West Saturn, West Neptune, and West Jupiter.

# Seadrill Strategy & Market Outlook





*2005:*

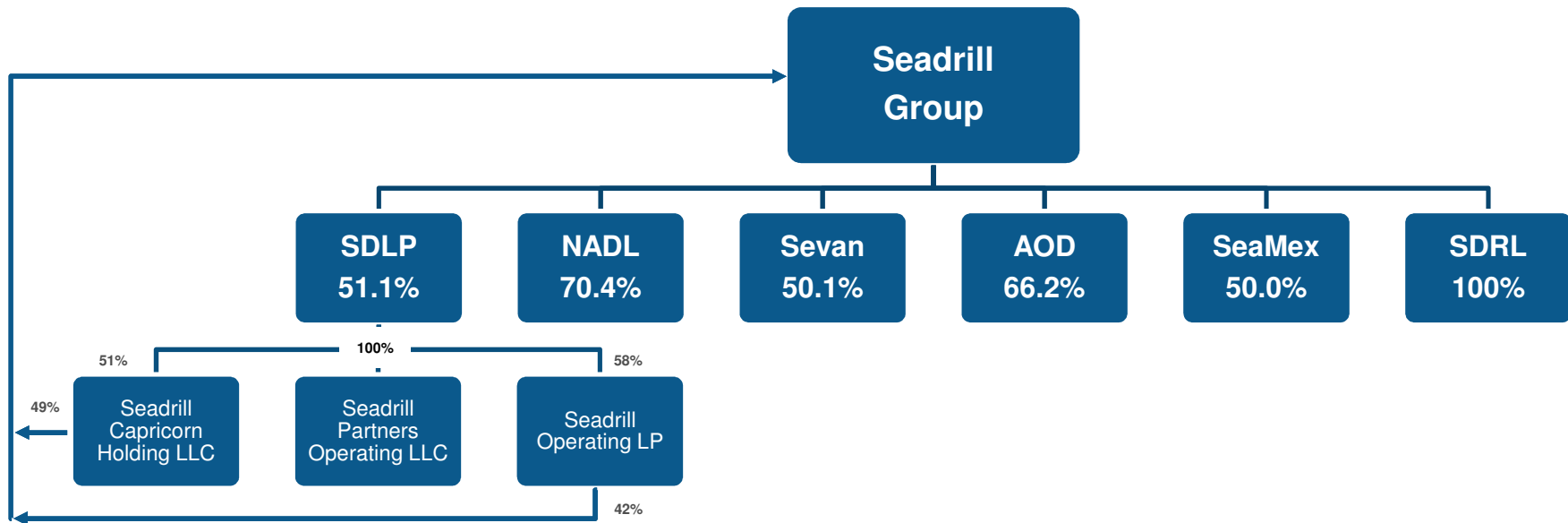
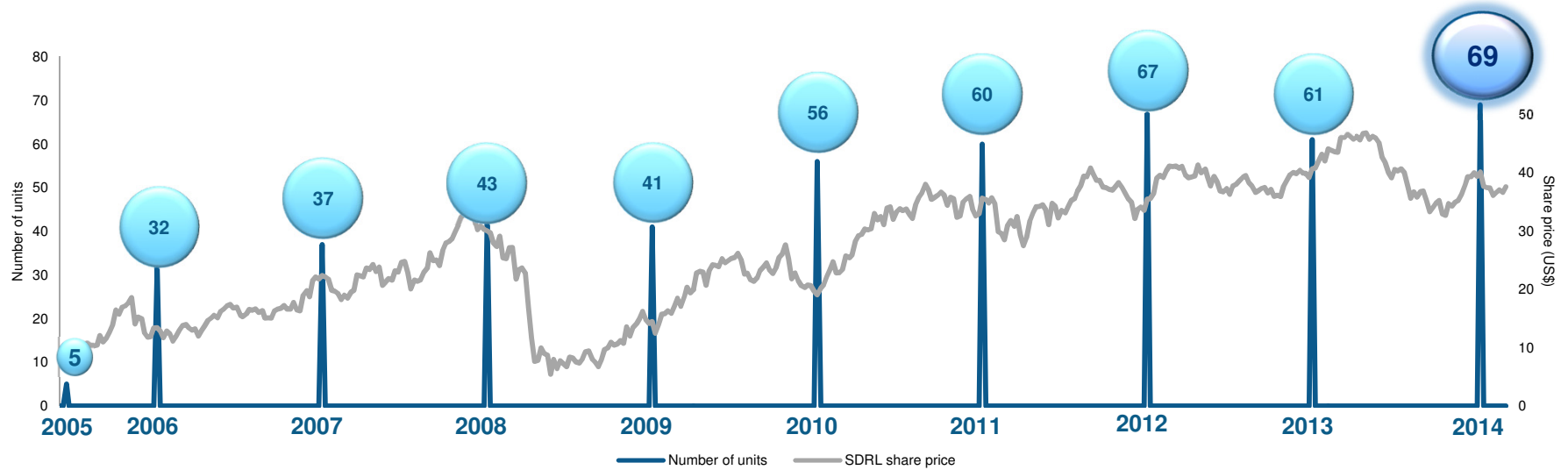
## **This was the story**

- "Crazy speculators..."
- "They cannot build all these rigs..."
- "No one will ever award them a contract..."
- "They have no people and cannot operate..."

**...Where did we go from there?**

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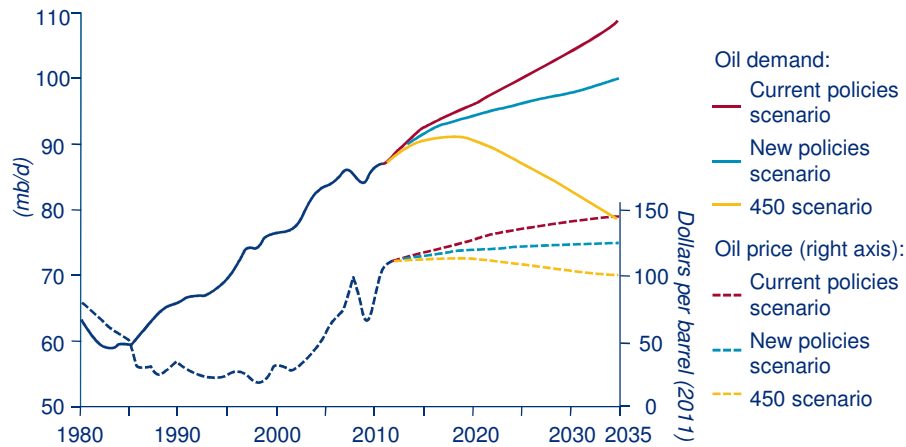
# Evolution of Seadrill



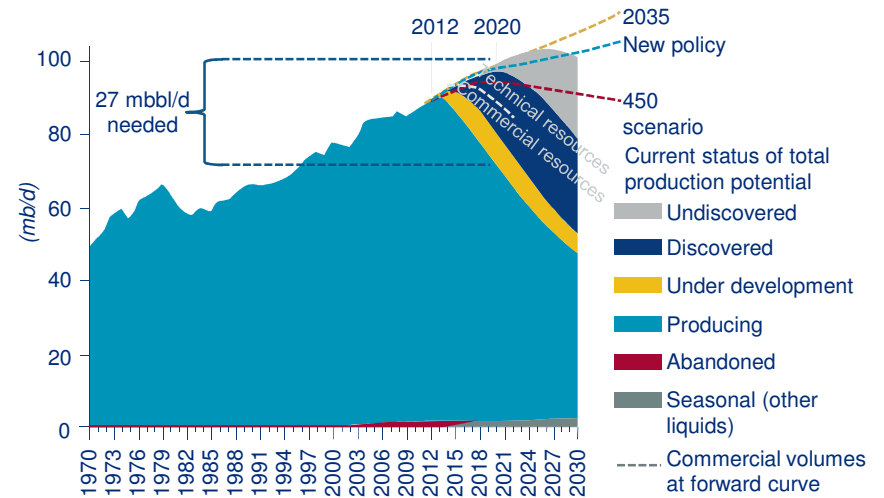
# Robust Long Term Industry Fundamentals



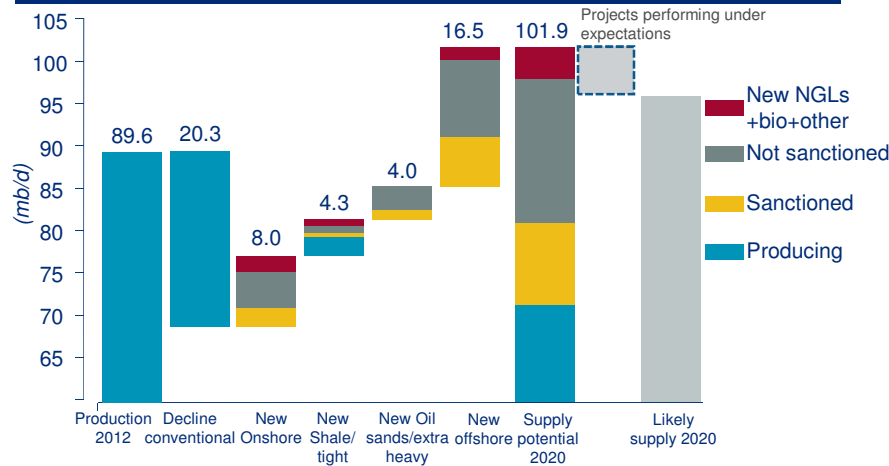
World oil demand and oil price<sup>(1)</sup> by scenario



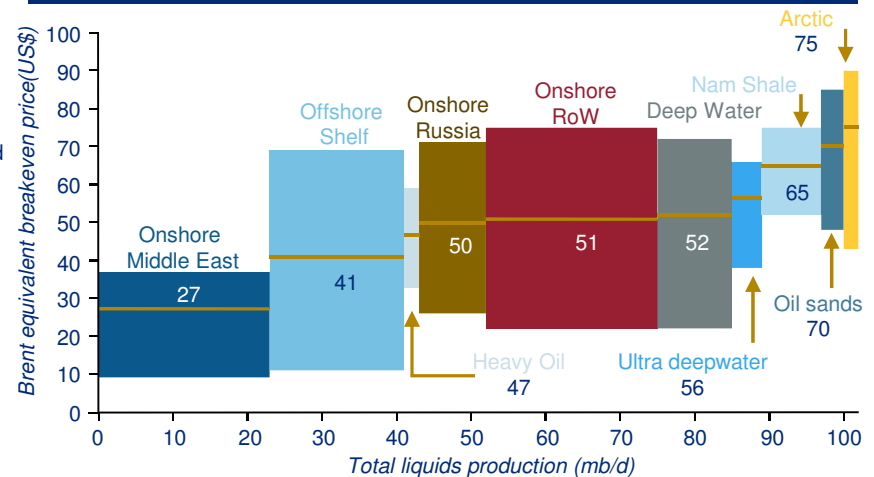
Tight supply-demand balance going forward



Global change of supply of liquids from 2012 to 2020

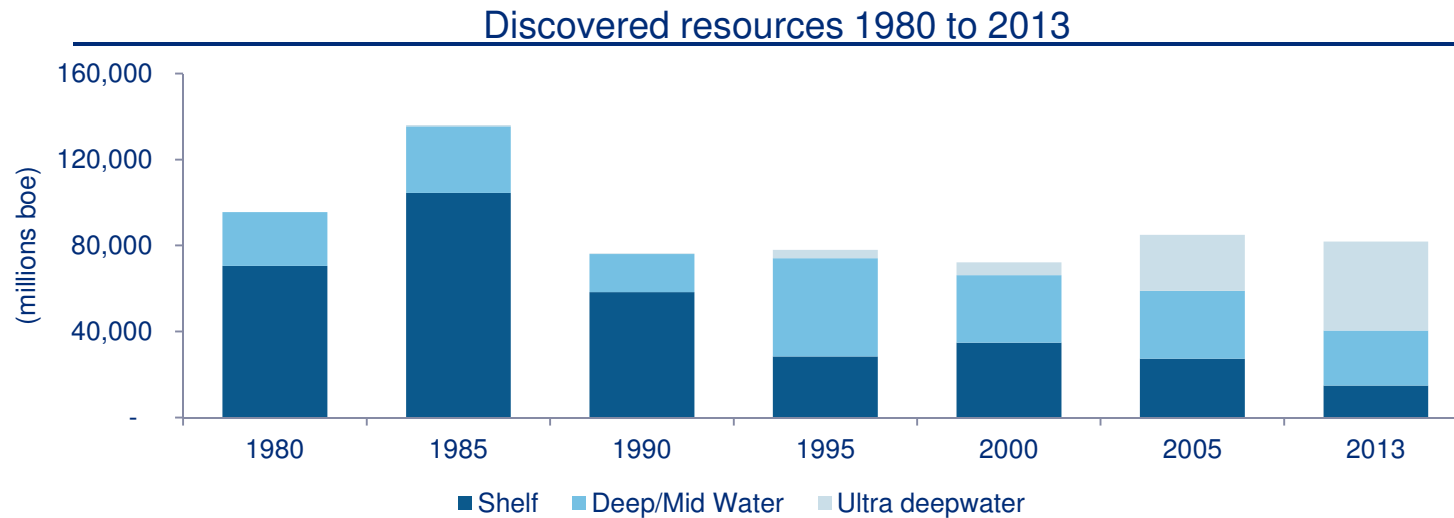


Deep and ultra-deep well positioned on cost curve



(1) Average IEA crude oil import price

# Recent Discoveries to Become Produced Volumes



## Resources discovered and produced 2000-2013

Group	Waterdepth	Produced (bn boe)	Discovered (bn boe)	Replacements (ratio)
Off-shore	Ultra Deepwater: 7,500 ft	1	8	16.4
	Deep / Mid: 400 - 7,599 ft	63	154	2.5
	Shelf: 400 ft	163	77	0.5
	<b>Total</b>	<b>227</b>	<b>239</b>	<b>1.1</b>
On-shore	On-shore	485	456	0.9
On-shore Off-shore	<b>Global</b>	<b>712</b>	<b>695</b>	<b>1.0</b>

# Floater – US\$17.4 Billion Contract Backlog



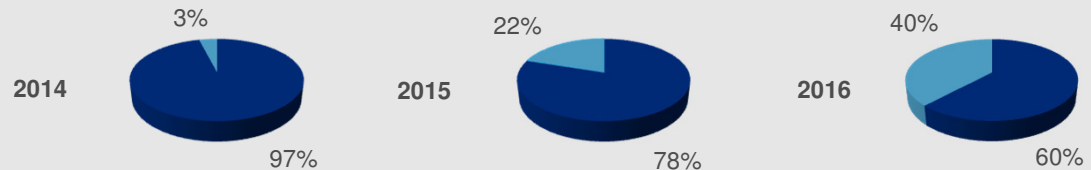
Unit	Customer	2014			2015				2016				2017			
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Drillships	West Tellus	Chevron	\$635													
	West Carina	-	Newbuild													
	West Draco	-	Newbuild													
	West Dorado	-	Newbuild													
	West Aquila	-	Newbuild													
	West Libra	-	Newbuild													
	West Saturn	ExxonMobil	Newbuild													
	West Capella	ExxonMobil	US\$627,500													
	West Gemini	Total	US\$656,000													
	West Neptune	LLOG	Newbuild	Transit												
	West Polaris	ExxonMobil	US\$656,736													03.2018
	West Jupiter	Total	Newbuild	Transit												11.2019
	West Navigator	Shell / Centrica Energi NUF / Rosneft	US\$589'	US\$628'												01.2020
	West Auriga	BP	US\$565,000													10.2020
West Vela	BP	US\$565,000													11.2020	

Semi-submersibles	Sevan Developer	-	Newbuild												
	West Taurus	Petrobras	US\$656,662												
	West Eminence	Petrobras	US\$624,460												
	West Venture	Statoil	US\$448,000												
	West Phoenix	Total	US\$465,000												
	Sevan Driller	Petrobras	US\$421,641												
	West Orion	Petrobras	US\$624,460												
	West Pegasus	PEMEX	US\$555'	US\$461,362											
	West Eclipse	Total	US\$450,000												
	Sevan Louisiana	LLOG	US\$505,000												
	West Aquarius	ExxonMobil	US\$540,000												
	West Hercules	Statoil	US\$503,000												
	West Capricorn	BP	US\$495,650												
	West Leo	Tullow Oil	US\$605,000												
	Sevan Brasil	Petrobras	US\$396,572												
	West Sirius	BP	US\$490	US\$535,000											
	West Mira	Husky	Newbuild	Transit											
	West Rigel	Rosneft	Newbuild												
	West Alpha	ExxonMobil / Rosneft	US\$537,000												

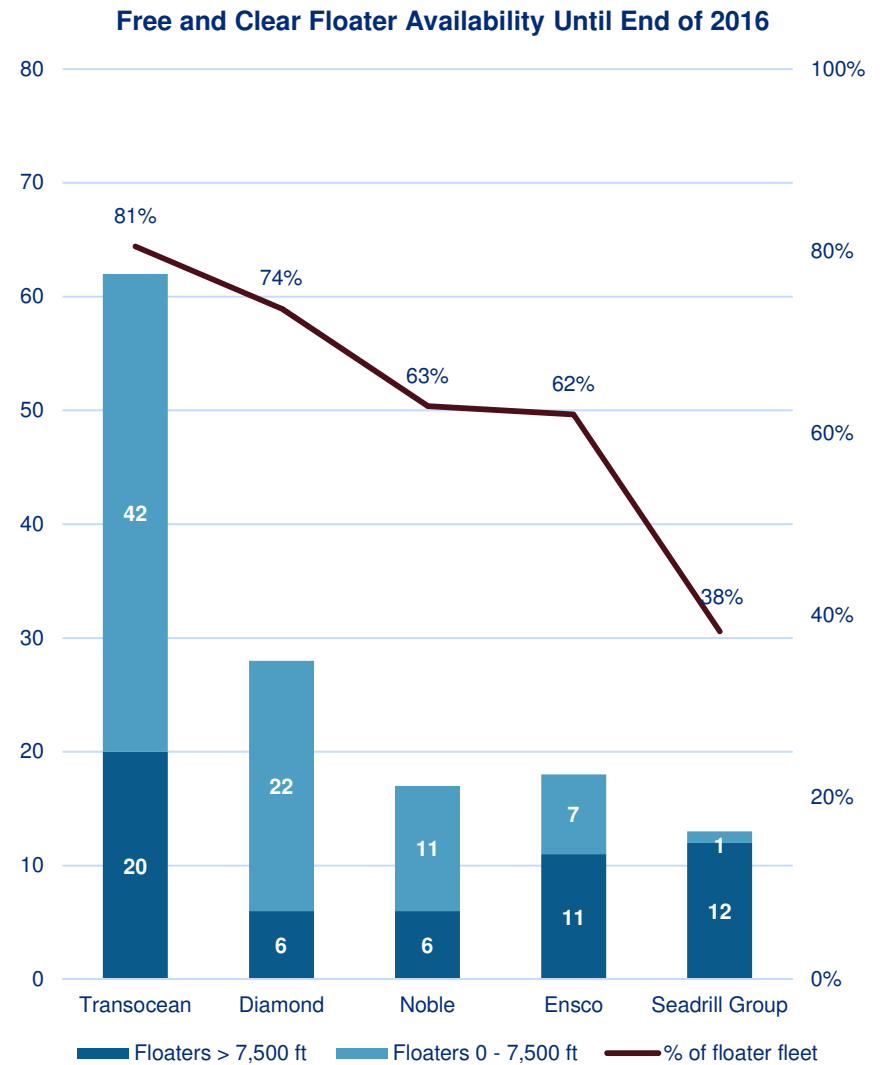
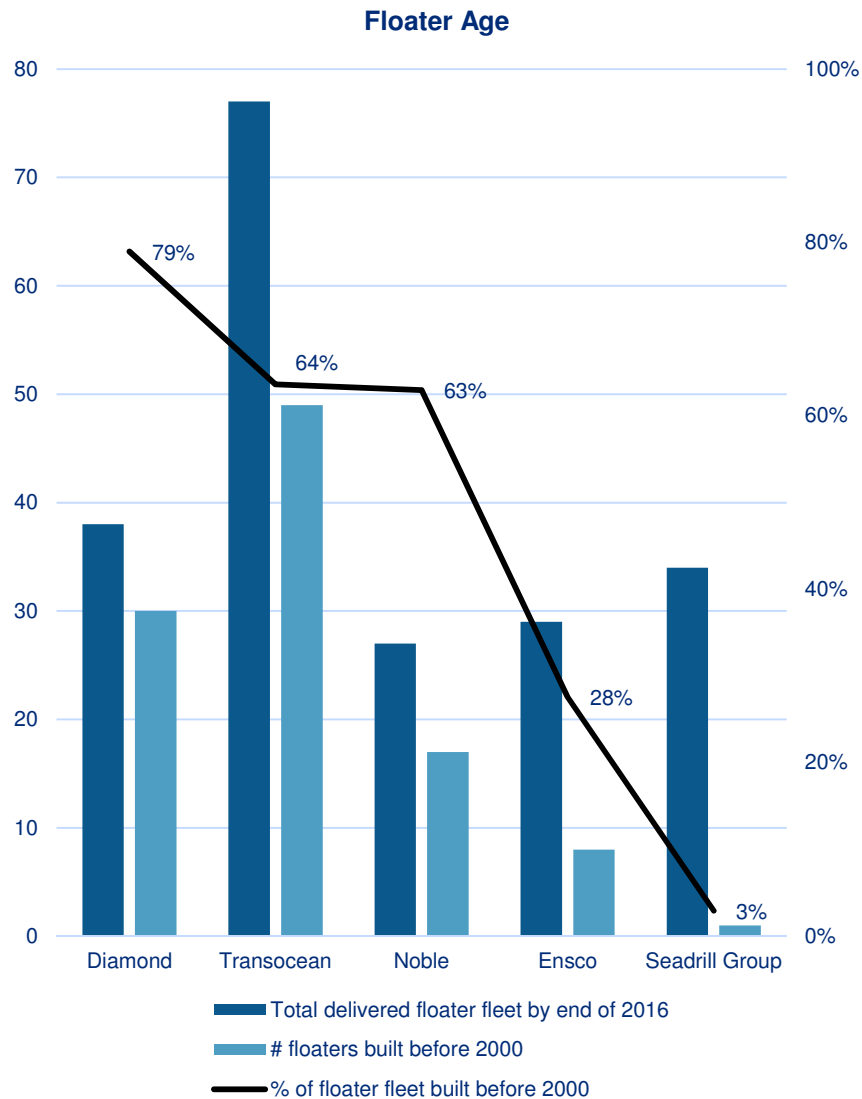
Option Yard or transit period

## Contract coverage

Contracted  
Uncontracted



# Strongest Fleet Profile in the Industry



Source: IHS PetroData

- Free and Clear Availability
- Includes stacked units
- Total fleet measured including deliveries until end of 2016

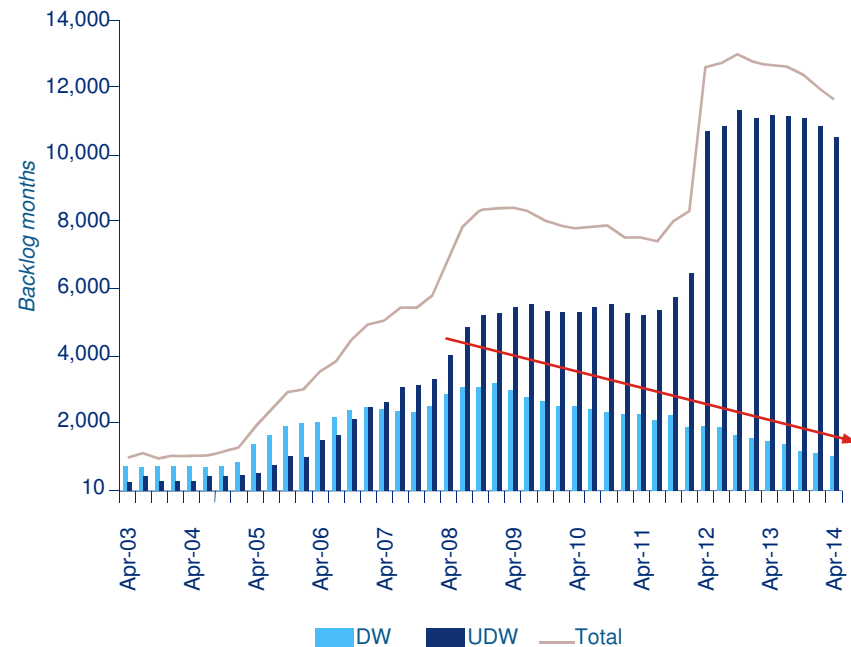
# Preferential Demand for Newer Rigs



## Industry trends

- Challenges of remote drilling sites
- Drilling deeper wells with longer offsets
- Greater drilling efficiency to reduce total well costs
- Advances in well construction techniques
- More demanding downhole environments (e.g., high pressure and high temperature drilling)
- Increasingly demanding regulatory climate

## Contract Backlog UDW & DW



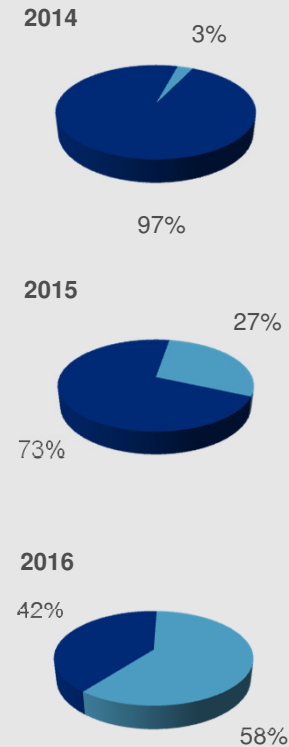
***Bifurcation is a Reality***

# Jack-ups - US\$5.5 Billion Contract Backlog



	Unit	Customer	2014			2015			2016			
			2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
HE Jack-ups	West Epsilon	Statoil	US\$289,000									
	West Elara	Statoil	US\$365,000									
	West Linus	ConocoPhillips	US\$377,000									
BE Jack-ups	West Titania	-	Transit									
	West Cressida	PTTEP / Kris Energy	US\$129, \$155									
	West Vigilant	Talisman	US\$167,000									
	West Triton	KJO	US\$145,000									
	West Titan	-	Newbuild									
	West Leda	ExxonMobil	US\$165,000									
	West Telesto	Premier / Origin Energy Limited	US\$156,975 US\$265,000									
	West Mischief	ENI	US\$175,000 US\$195,000									
	West Proteus	-	Newbuild									
	West Rhea	-	Newbuild									
	West Tethys	-	Newbuild									
	West Hyperion	-	Newbuild									
	West Umbriel	-	Newbuild									
	West Dione	-	Newbuild									
	West Prospero	Lundin	US\$155,700									
	AOD I	Saudi Aramco	US\$180,000									
	West Castor	Shell	US\$155,000									
	AOD II	Saudi Aramco	US\$180,000									
	West Mimas	-	Newbuild									
	West Ariel	ENI	US\$205,000									
	AOD III	Saudi Aramco	US\$180,000									
	West Rolute	KJO	US\$140,000 US\$140,000									
	West Callisto	Saudi Aramco	US\$150,000									
	West Freedom	Repsol / Cardon IV	US\$225,000									
	West Tucana	PVEP / Cabina Gulf Oil	US\$167,000 Transit US\$220,000									
	West Oberon	PEMEX	US\$171,500									
West Defender	PEMEX	US\$155,500										
West Intrepid	PEMEX	US\$155,500										
West Courageous	PEMEX	US\$155,500										

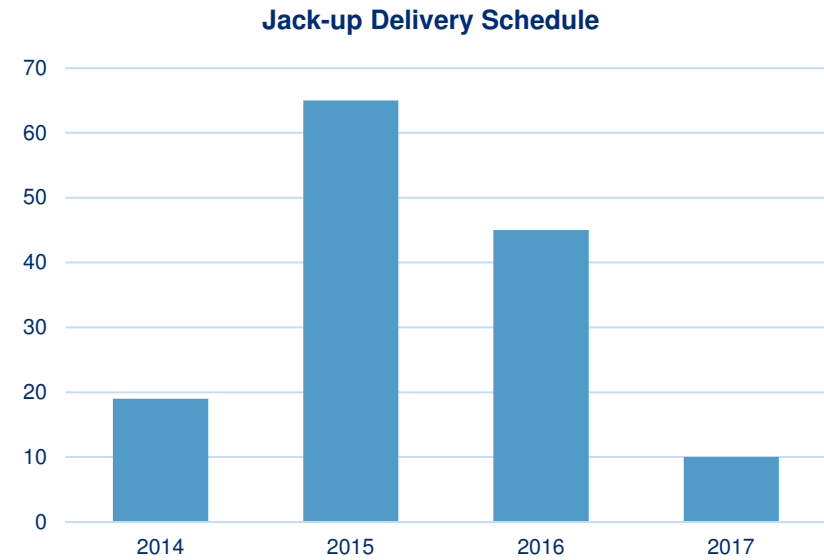
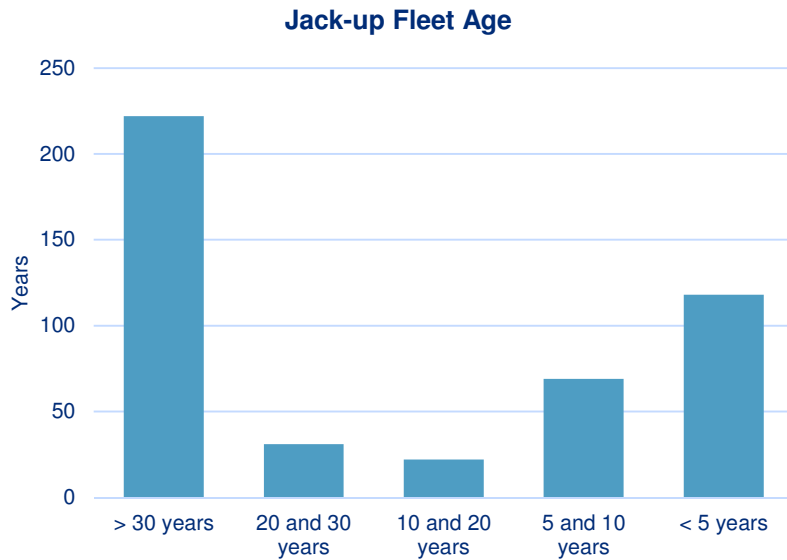
■ Contracted  
■ Uncontracted



Note: Backlog generated by the tender rigs (T15, T16 and West Vencedor) is US\$0.4 billion. Proforma consolidated backlog



# Jack-Up Market Fundamentals



- Current Jack-up market is tight, however...
- 139 Jack-ups to be delivered until the end of 2017, or ~30% addition to supply  
→ This picture is not as bad as it seems...
- 222 rigs in the current fleet are in excess of 30 years old, and scrapping of units likely
- Long term fundamentals are intact, operators continue to appreciate benefits of high specification units



## Core Assets

- 32 6<sup>th</sup> generation ultra-deepwater units
- 2 Midwater harsh environment semi-submersible rigs
- 29 High-specification jack-ups
- 3 Harsh environment jack-ups
- 3 Tender rigs

## Financial Investments



*8.18% of SapuraKencana –  
Market Value ~US\$670mm*



*50.11% of Sevan Drilling –  
Market Value ~US\$140mm*



*39.9% of Archer –  
Market Value ~US\$400mm*