

NYSE Euronext

OSLO
OSLO BORS VPS

2Q 2010



Conference call 2Q 2010 results

August 31, 2010

Seadrill



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Highlights second quarter 2010

- EBITDA of US\$493 million compared to US\$434 million in the preceding quarter
- Earnings per share of US\$0.77
- Regular cash dividend increased to US\$0.61 per share
- Acquires 7 jack-up rig company Scorpion Offshore
- Takes delivery of two ultra-deepwater units and two jack-up rigs
- Awarded new contracts totaling some US\$2.9 billion
- Seadrill subsidiary Seawell, announces proposed merger with Allis-Chalmers Energy Inc.

Acquisition of Scorpion

Numbers in US\$ million

Effects in our income statement 2Q report

Gain on bargain purchase	56
Remeasurement of previous holding in Scorpion	111

Effects in the balance sheet as per June 30

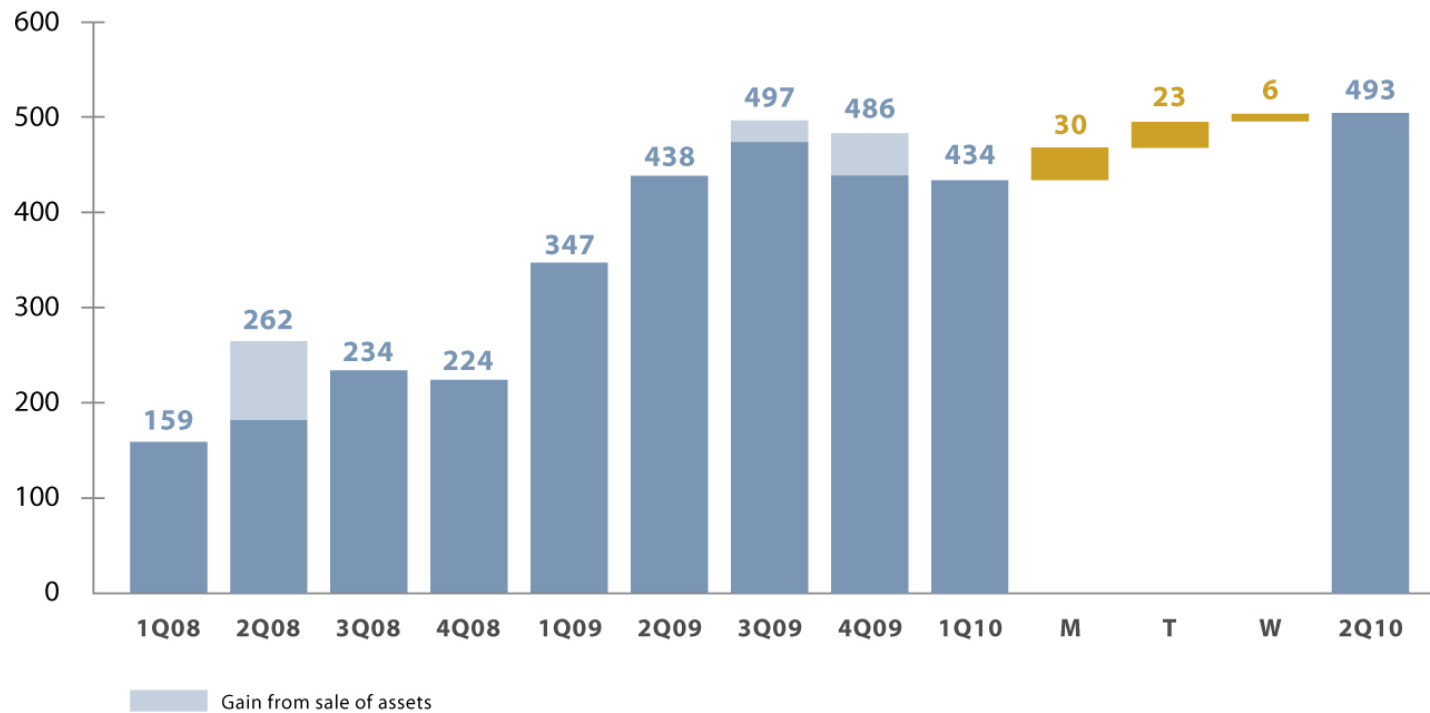
The basis is fair value

Broker value on the rigs - surplus value	107
Contract value	51
Non controlling interest - equity	282

Effects in the income statements quarter to come

Quarterly increased depreciation	1
Quarterly amortizing of the contract value - reduced other income	6

EBITDA contribution



Mobile Units Division

<i>Unaudited accounts in USD millions</i>	2Q10	1Q10
Operating revenues	621	582
Reimbursables	13	8
Other revenues	6	10
Total revenues	640	600
Vessel and rig operating expenses	200	195
Reimbursable expenses	12	8
Depreciation and amortisation	89	85
General and administrative expenses	29	27
Total operating expenses	330	315
Operating profit	310	285

Tender Rigs Division

<i>Unaudited accounts in USD millions</i>	2Q10	1Q10
Operating revenues	123	89
Reimbursables	2	3
Total revenues	125	92
Vessel and rig operating expenses	47	39
Reimbursable expenses	2	2
Depreciation and amortisation	15	12
General and administrative expenses	6	4
Total operating expenses	70	57
Operating profit	55	35

<i>Unaudited accounts in USD million</i>	2Q10	1Q10
Net operating income	383	332
Financial items		
Interest income	9	19
Interest expenses	-58	-48
Share in results from associated companies	5	18
Gain related to the acquisition of Scorpion	167	0
Other financial items	-123	-75
Total financial items	0	-86
Income before income taxes	383	246
Income taxes	54	29
Net income	329	217
Earnings per share (US dollar)	0.77	0.49

ASSETS

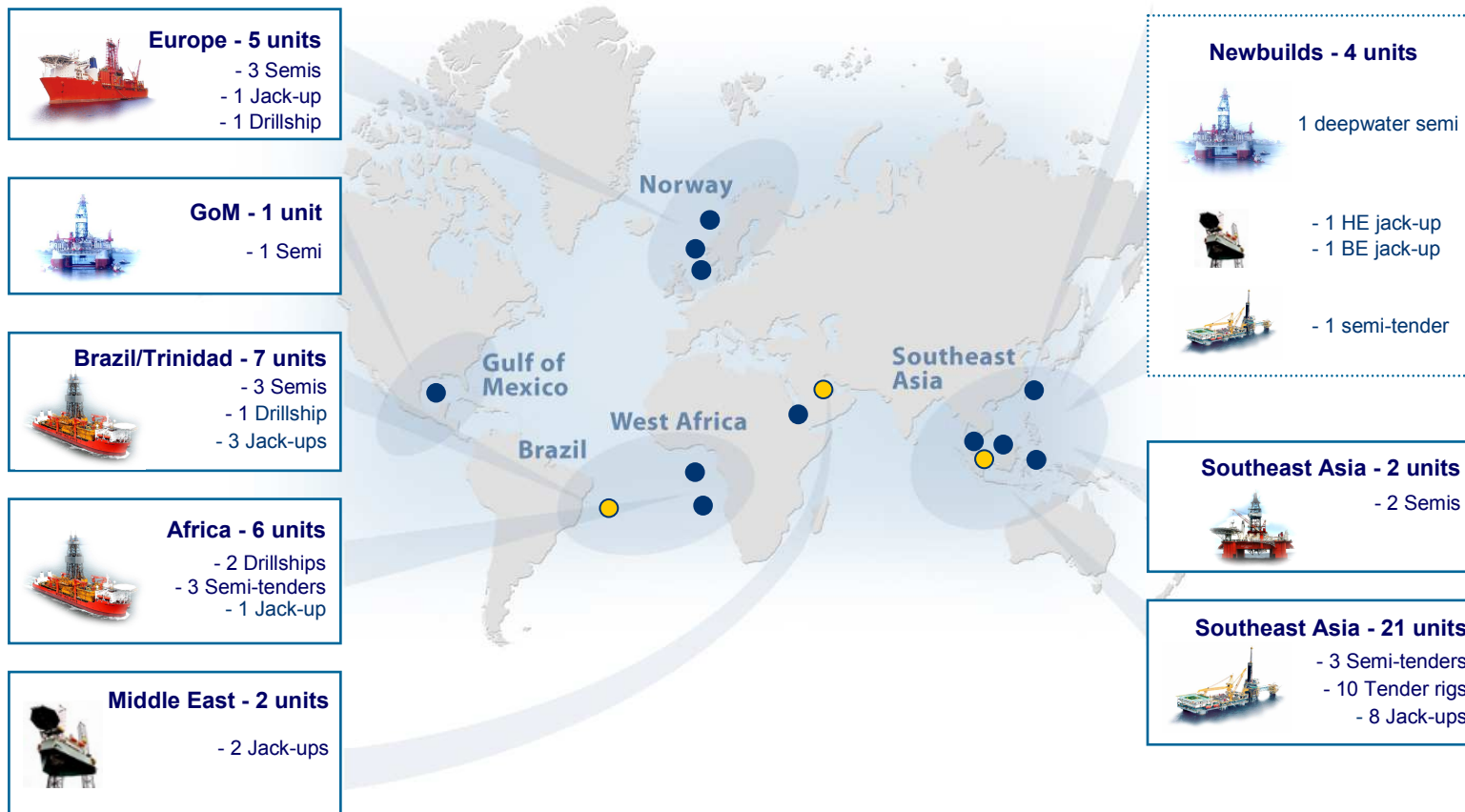
<i>Unaudited accounts in USD million</i>	30.06.10	31.03.10
Current assets		
Cash (incl restrictive)	893	449
Marketable securities	408	708
Accounts receivables	536	402
Other current assets	578	611
Total current assets	2 415	2 170
Non-current assets		
Investment in associated companies	212	317
Newbuildings	2 127	1 347
Drilling units	8 997	7 782
Goodwill	1 571	1 586
Other non-current assets	572	578
Total non-current assets	13 479	11 610
Total assets	15 894	13 780

LIABILITIES AND SHAREHOLDERS' EQUITY

<i>Unaudited accounts in USD million</i>	30.06.10	31.03.10
Current liabilities		
Current portion of long-term debt	1 356	825
Other current liabilities	1 720	1 158
Total current liabilities	3 076	1 983
Non-current liabilities		
Long-term interest bearing debt	7 239	6 706
Other non-current liabilities	339	340
Total non-current liabilities	7 578	7 046
Shareholders' equity		
Total shareholders' equity	5 240	4 751
Total liabilities and shareholders' equity	15 894	13 780

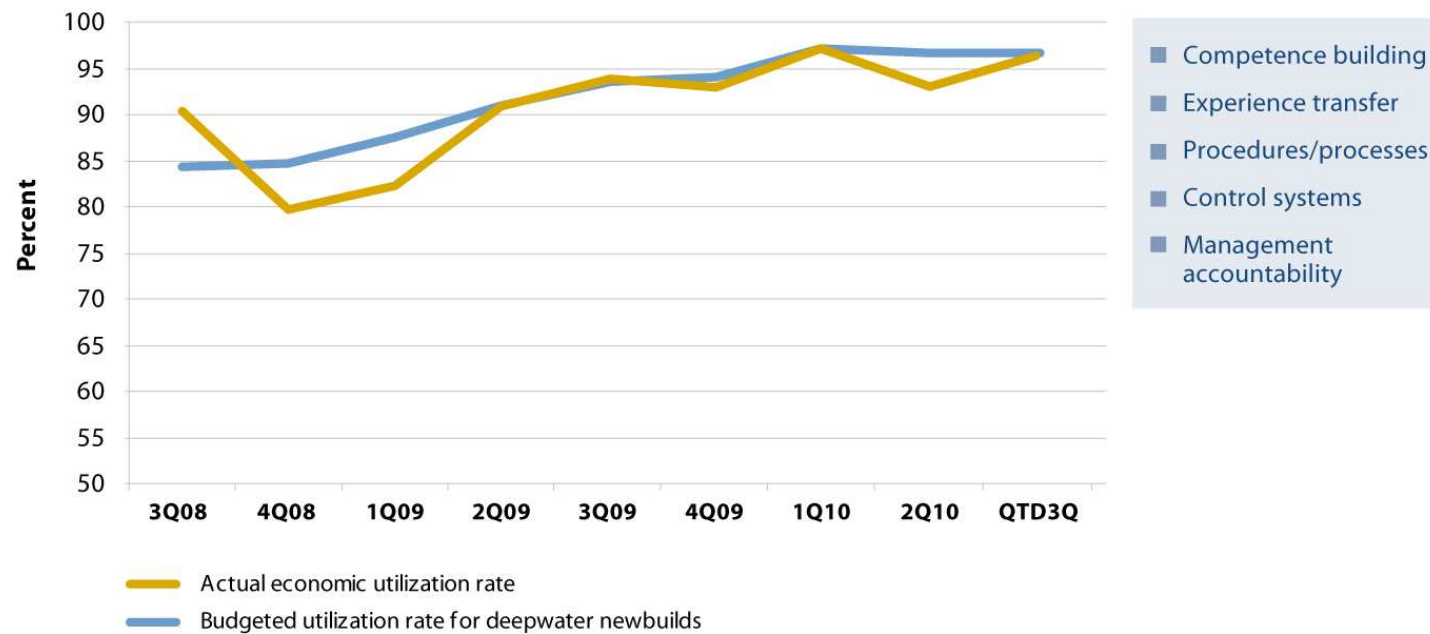


Worldwide operations



Increased presence in important oil and gas regions

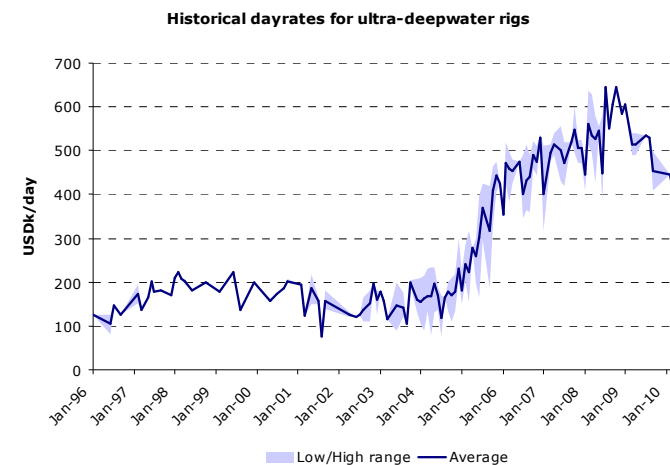
Average utilization rate deepwater newbuilds



Performance closer to expectations

Market outlook

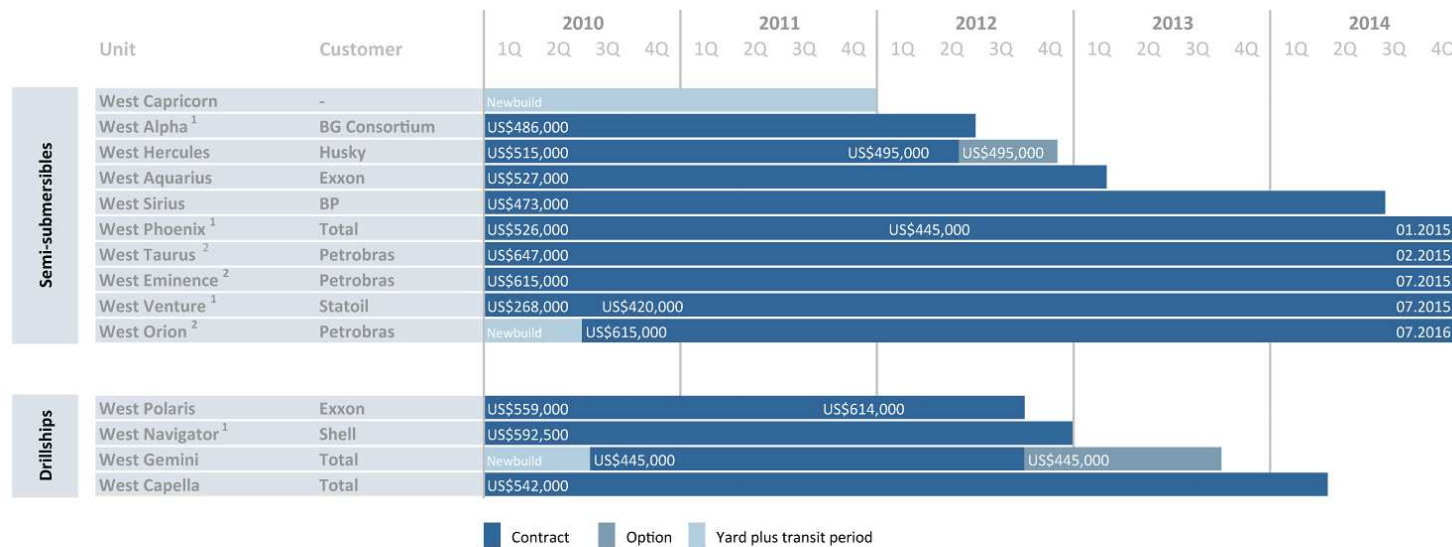
- Oil prices continue to trade in the mid-\$70s per barrel
- Long term market drivers intact as global oil basins mature and decline rates increase/stay high
- Exploration for oil and gas reserves takes place in more challenging areas
- Significant exploration success in new areas will lead to more growth in development activities
- Macondo oil spill in the GoM reminds the industry of the risk involved and stresses the requirement to high-grade the world rig fleet



Source: ODS Petrodata / DnB NOR Markets

New drilling rigs coupled with track record in demand

US\$9.1 billion contract backlog - Floaters



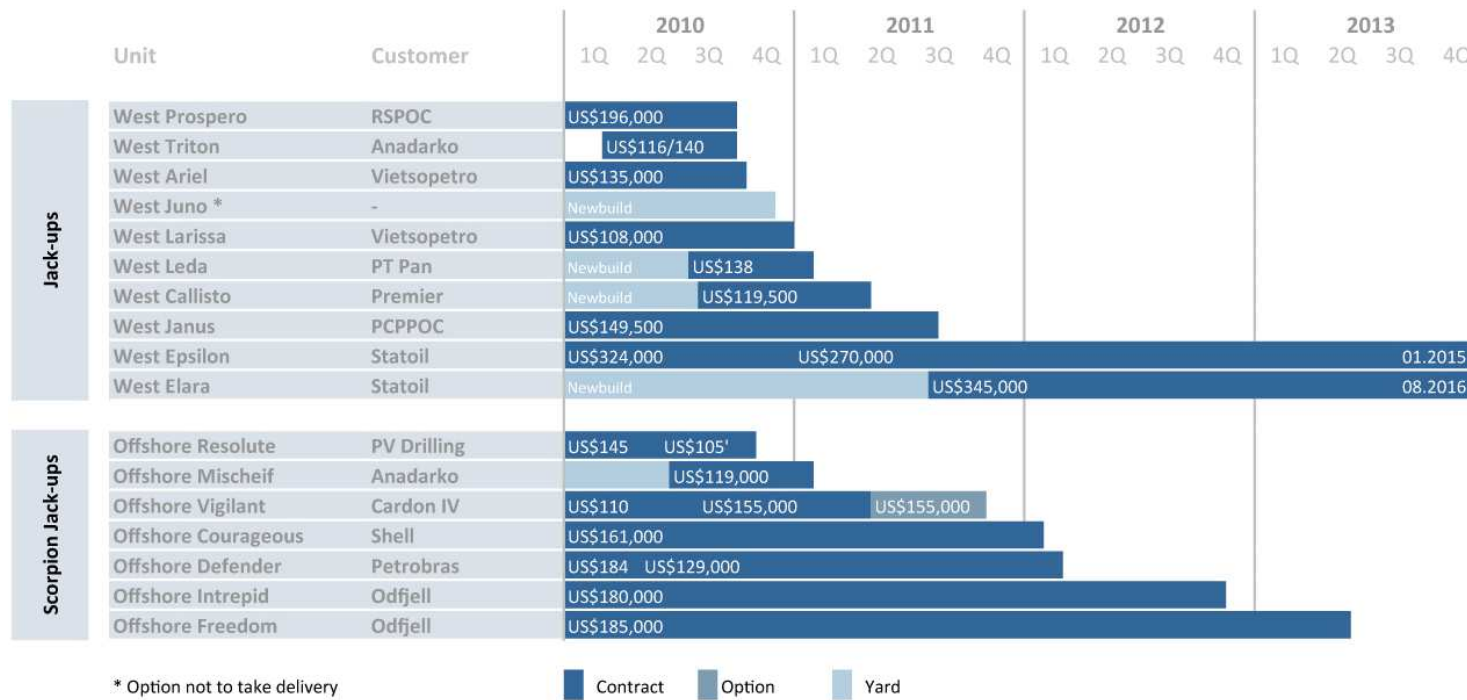
¹ Dayrate is partly in Norwegian kroner

² Dayrate is partly in Brazilian Real and includes five percent performance incentive as well as estimated compensation for tax. Dayrate will in the accounts be booked partly net of tax.

Superb earnings visibility

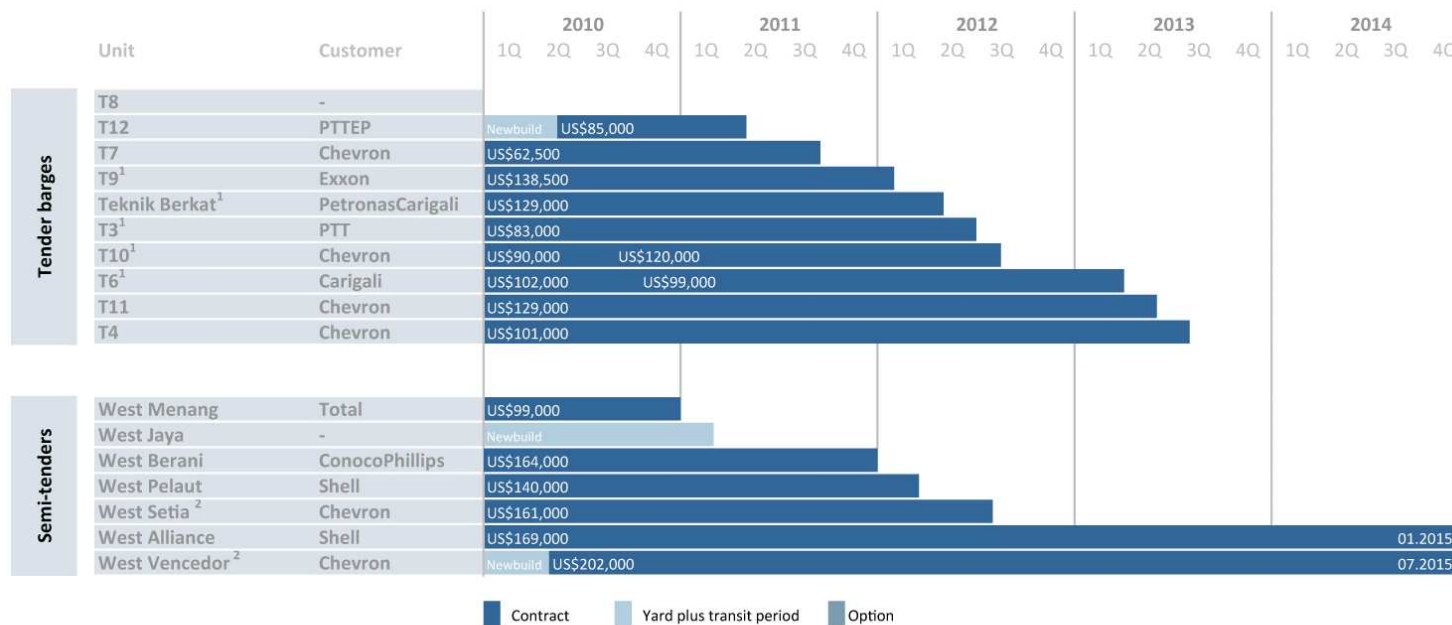


US\$1.9 billion contract backlog - Jack-ups



Sound market outlook for premium rigs

US\$1.5 billion contract backlog - Tender rigs



¹ Ownership 49%

² Dayrate is partly in Euro

Improved market condition

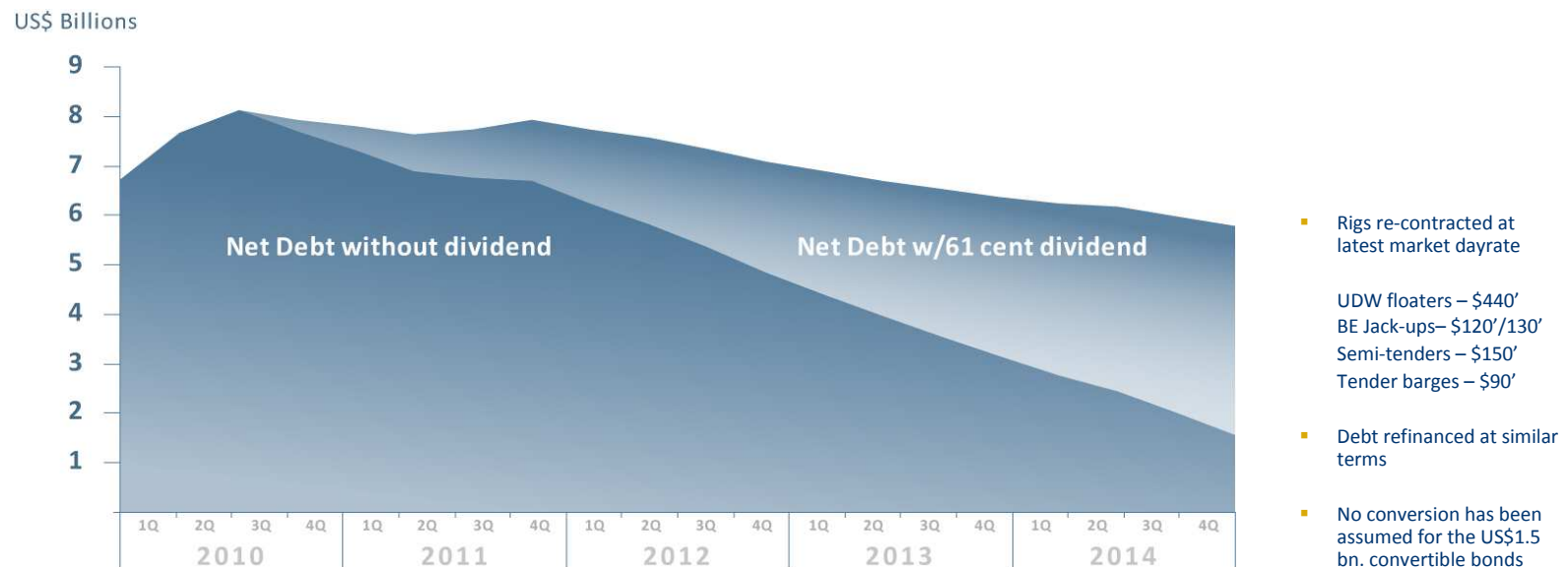


Dividend distribution and policy

- Quarterly dividend increased from 60 cent to 61 cent per share
- Increase reflects sound financial position, strong order backlog and earnings visibility as well as improving market conditions
- Future dividend depends on:
 - Debt leverage
 - Contract coverage
 - Capital expenditure programs and other investments
 - Free cash flow
 - Business outlook
- Distribution of cash dividend is an important objective

Ambition to grown on an annual basis

Net interest bearing debt and dividend



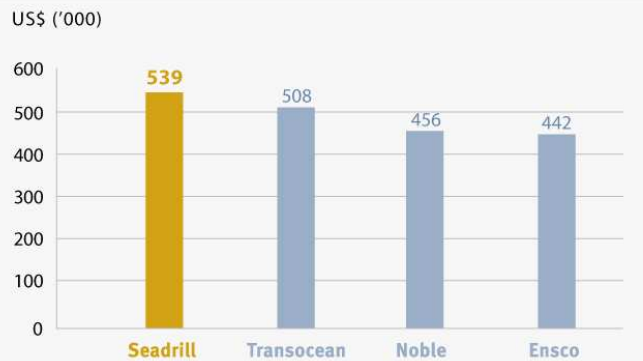
Dividend level sustainable ... currently US\$1 bn per year

Seadrill is uniquely positioned

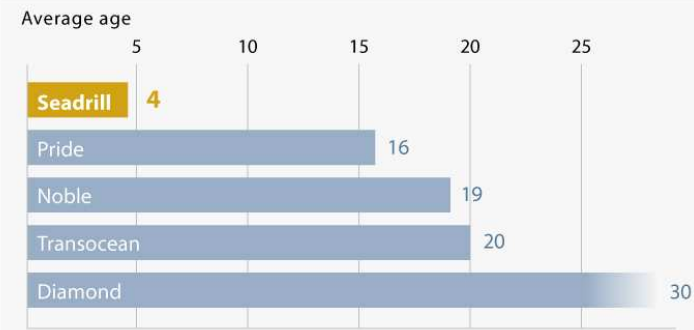
- Brand new fleet of rigs
- Sound operations
- Global presence
- Strong contract backlog and earnings visibility
- Unique bank relationships
- Confidence and trust from the equity markets
- Track record of accretive investments and M&A transactions

Thinking shareholder value 24/7

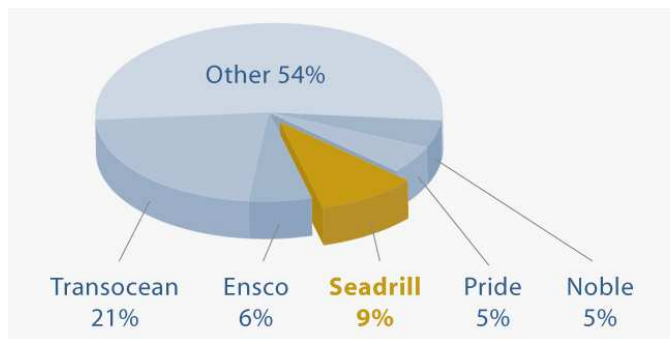
Ultra-deepwater fixtures



Average age floaters



Ultra-deepwater market share



EBITDA contribution ultra-deepwater

	2008	2010*
Seadrill Limited	15%	67%
Pride International	19%	37%
Transocean	23%	39%
Noble Corp.	7%	17%
Diamond Offshore Inc.	15%	18%

* Source: DnB Nor Market

Strong platform for growth