



Seadrill Investor Presentation

Pareto Securities Oil & Offshore Conference, Oslo

12 September 2018



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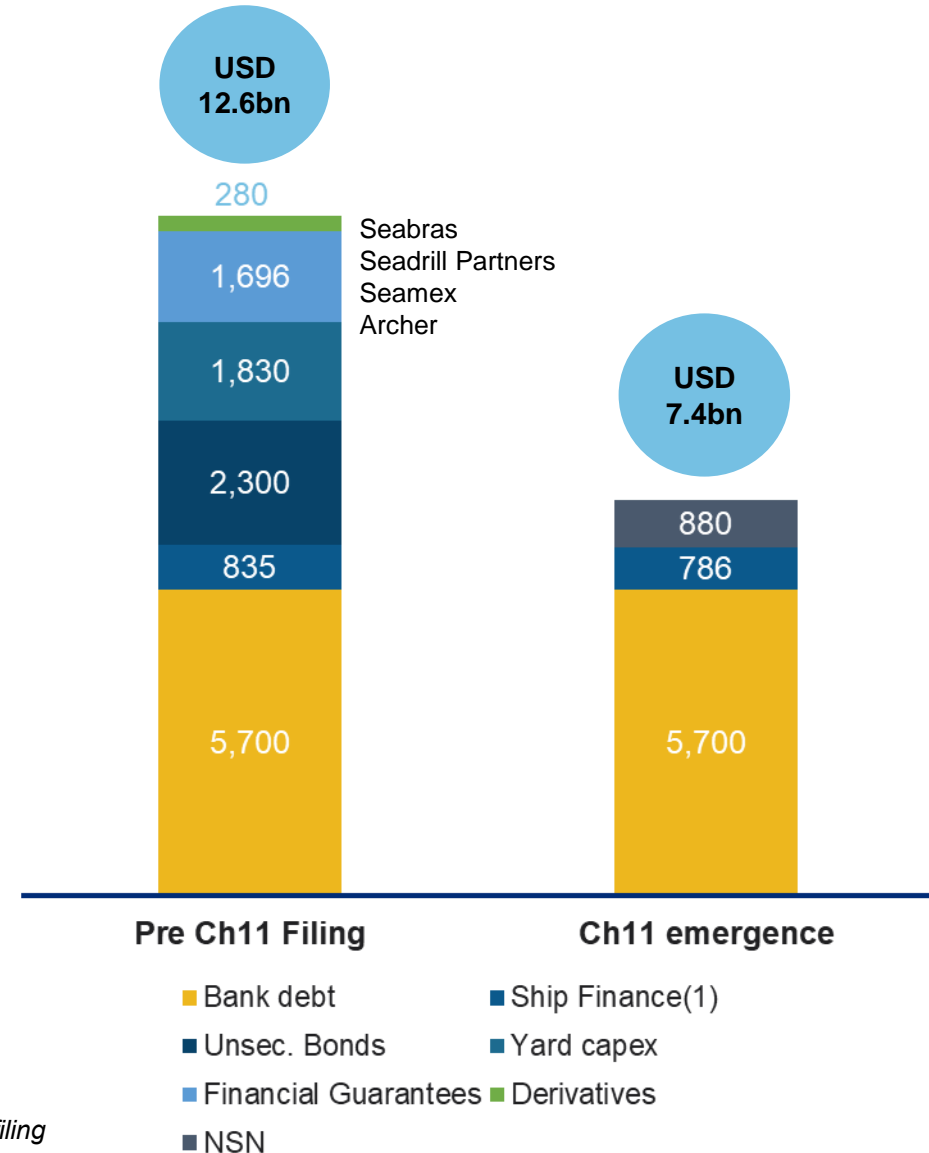
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- **Restructured and strengthened balance sheet**
- **Our business**
- **Market development**
- **Investment proposition**



Restructured and strengthened balance sheet

- **c.\$6 billion of debt and other liabilities removed**
- **Raised \$1.08 billion of fresh capital**
 - \$880 million of New Secured Notes
 - \$200 million of New Equity
- **\$2.1 billion cash at emergence**
 - \$1.6 billion unrestricted
- **No Financial covenants until 2021 other than Minimum Liquidity**
- **No bank facility maturities until June 2022**



Notes

1) Represents SFL debt consolidated on Seadrill's balance sheet. The change is paydown of debt during the filing period. Total lease liability is \$1.1bn pre and post emergence.



Our business

- **Seadrill Ltd. consolidated (includes AOD):**

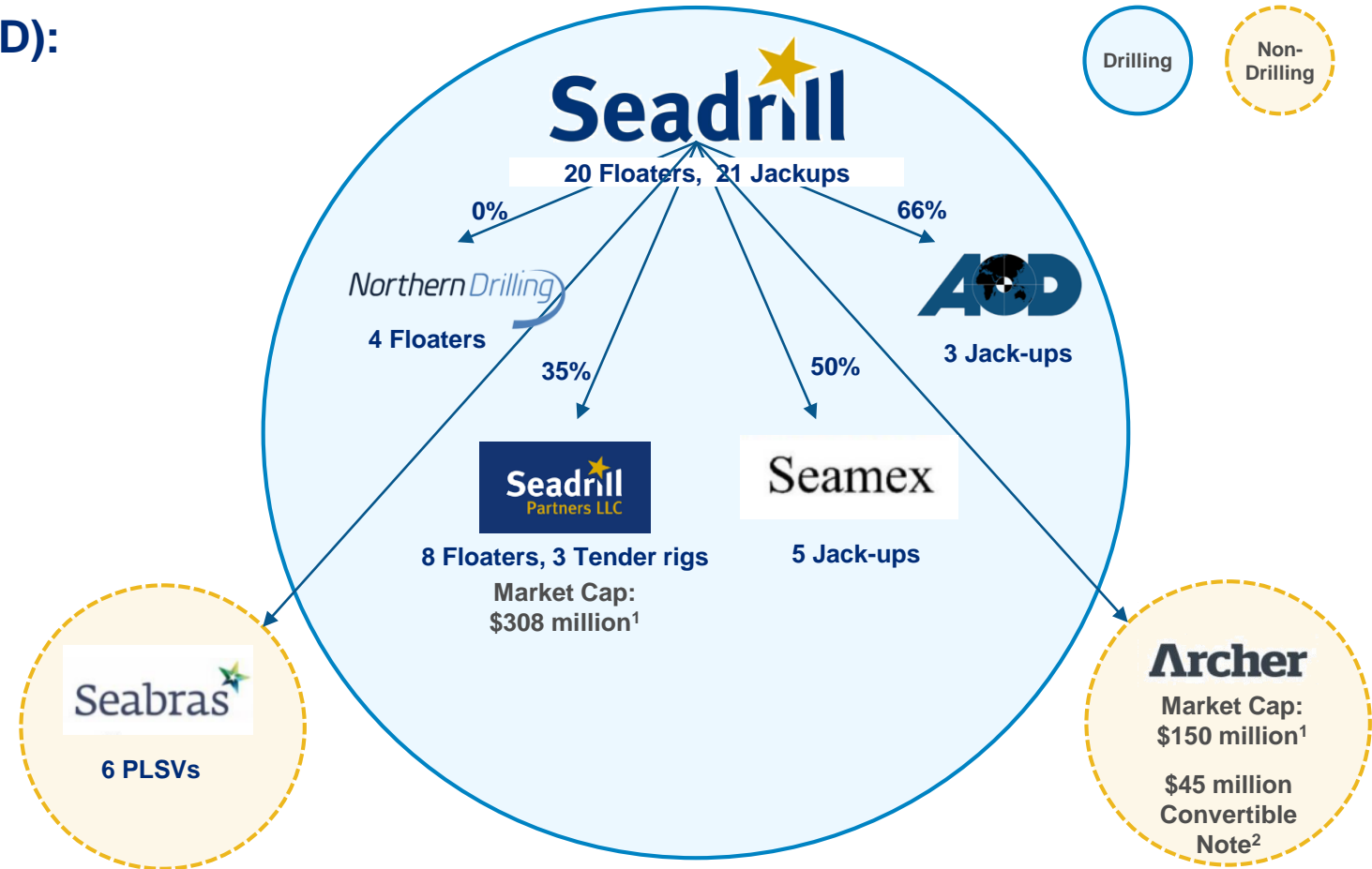
- 35 delivered rigs
- 9 newbuilds

- **Managed drilling rigs:**

- 16 delivered rigs on behalf of Seadrill Partners and Seamex
- 4 newbuilds on behalf of Northern Drilling



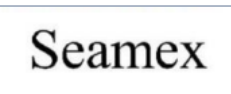

- **Other non-drilling investments**

- Seabras Sapura
- Archer



Notes

- 1) Market cap as of as of 03 September 2018 for Seadrill Partners, and as of 1 June 2018 for Archer
- 2) In April 2017 Seadrill converted a subordinated loan made to Archer into a \$45MM convertible note. The convertible note has an annual PIK coupon of 5.5%, matures in 2021 and has a conversion price of \$2.083

					Total
<i>Delivered:</i>					
Floaters	19	8	-	-	27
Jack-Ups/Tenders	16	3	5	-	24
Total Delivered	35	11	5	-	51
<i>Newbuilds:</i>					
Floaters	1	-	-	4	5
Jack-Ups/Tenders	8	-	-	-	8
Total Fleet	44	11	5	4	64
Backlog	\$2.2 bn	\$1.2 bn	\$1.3 bn	\$0.1 bn	\$4.8 bn



- **Seadrill owns:**
 - 35% stake in SDLP common units (c.\$300 million market cap)
 - 16 million subordinated units
 - 49% stake in Seadrill Capricorn Holdings LLC
 - 42% stake in Seadrill Operating LP
- **\$1.2 billion backlog as of August 2018**
- **2017 revenue of \$1.13 billion and EBITDA of \$648 million**
- **Debt of \$3.3 billion and cash position of \$805 million**



- **Seadrill owns:**
 - 16% equity stake (c.\$150 million market cap)
 - \$45 million convertible note



- **50/50 joint venture with Fintech**
- **5 high-spec jack-ups**
- **\$1.3 billion of backlog with PEMEX as of August 2018**
- **2017 revenue of \$239 million and EBITDA of \$123 million**
- **Debt of \$730 million comprised of:**
 - \$350 million bank debt
 - \$380 million Seller's Credit and working Capital loan (both provided by Seadrill)
- **Cash position of \$120 million**



- **50/50 joint venture with Sapura Energy**
- **6 Pipelay Support Vessels**
- **\$1.8 billion of backlog with Petrobras**
- **2017 revenue of \$476 million and EBITDA of \$312 million**
- **Debt of \$1.1 billion and cash position of \$470 million**

Note: Cash and debt figures are as of Q2 2018. Revenue and EBITDA figures are YTD 2017.

■ Integrated Services

- Full suite of third party services e.g. ROV, casing, cuttings, logistics

■ Managed Pressure Drilling

- First Column Stabilized Drilling Unit to receive the ABS MPD notation

■ Integrated Performance Management

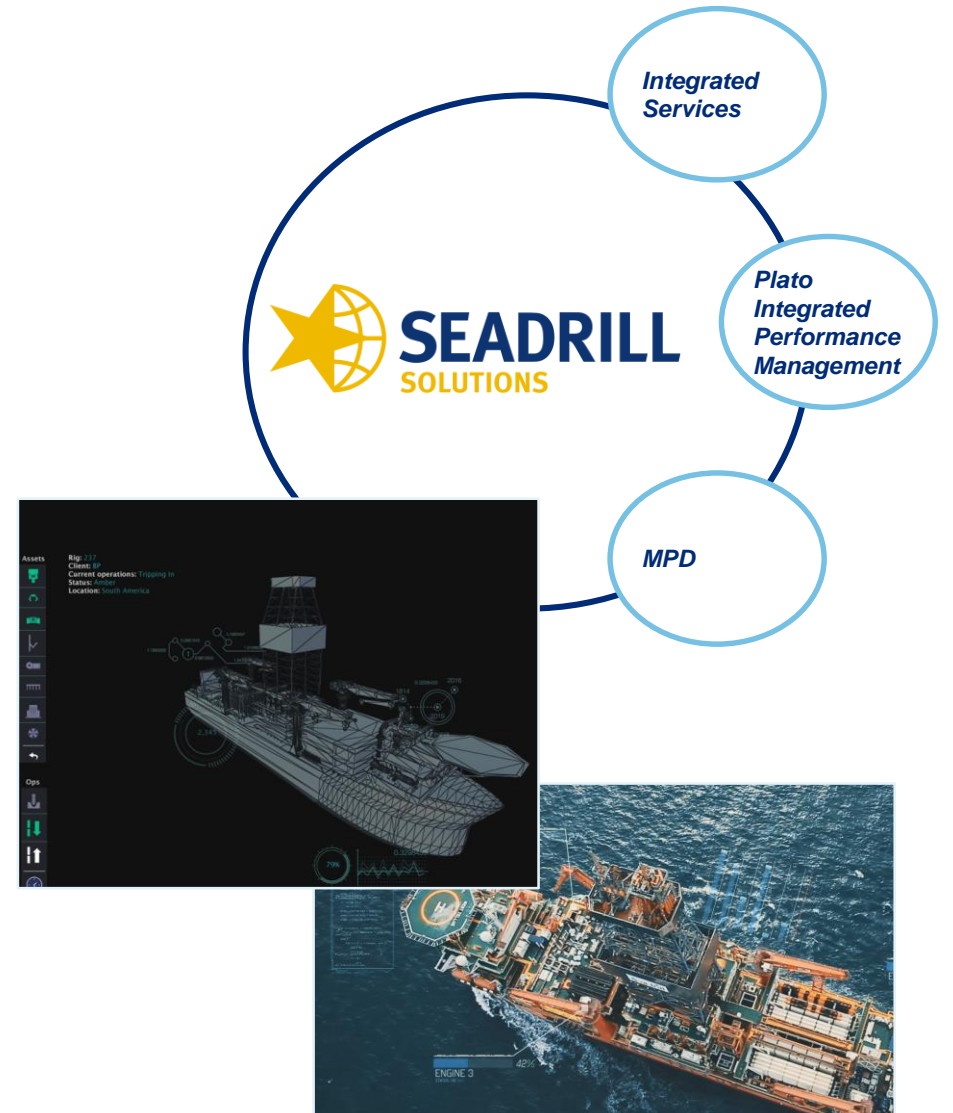
- Data driven operational efficiency improvements
- Rig equipment integrity integrated with asset management system

■ Proven track record of project execution

- More than 40 rigs delivered since 2007
- 6 rigs reactivated in the last year

■ Addressing new market sectors

- Sevan design: DP station-keeping in midwater depths
- Addition of mooring capability to 6th Gen, BE semisubmersibles



Backlog awarded during restructuring¹

Jack-ups: \$39 million



West Tucana

- Working for GDI, Qatar
- Starting October 2018



West Telesto

- Working for Schlumberger, India
- Starting April 2018



West Cressida

- Working for Ophir Energy, Thailand
- Starting July 2018

Floaters BE: \$215 million



West Gemini

- Working for Eni, Angola
- Recently excised options on 3 wells
- Starting January 2018



West Neptune

- Working for LLOG, US-GOM
- Recently added 1 year extension



West Capella

- Working for Repsol, Aruba
- Starting October 2018 for Shell Malaysia

Floaters HE: \$156 million



West Hercules

- Working for Siccar Point, UK and Equinor Norway
- Starting April 2018



West Phoenix

- Working for multiple customers (Anasuria, Statoil, VNG) in UK and Norway
- Starting May 2018

Note:

¹ Contracts highlighted above include those awarded to rigs owned by Seadrill Limited, Seadrill Partners, and SeaMex, and do not include recent West Mira contract awarded (\$106m in backlog)

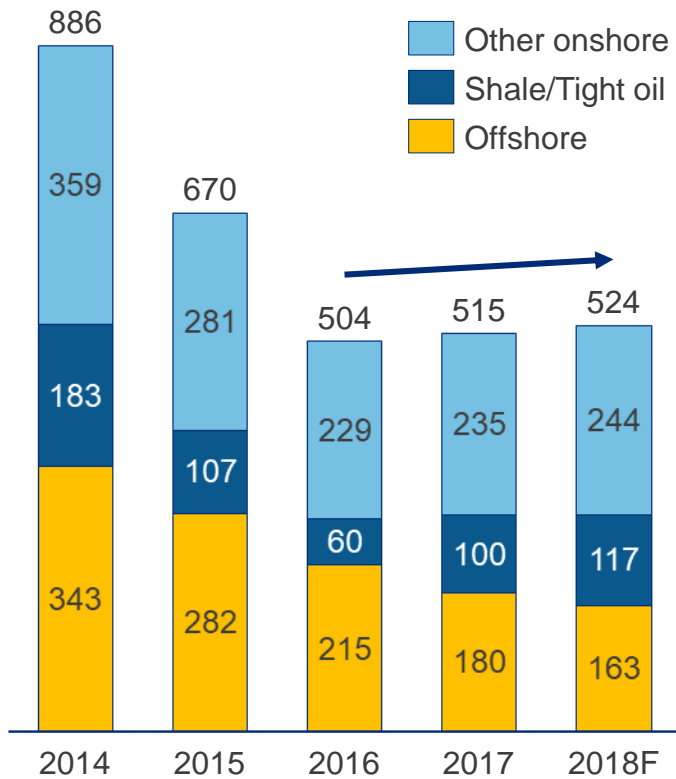


Market development

...Market showing signs of a recovery...

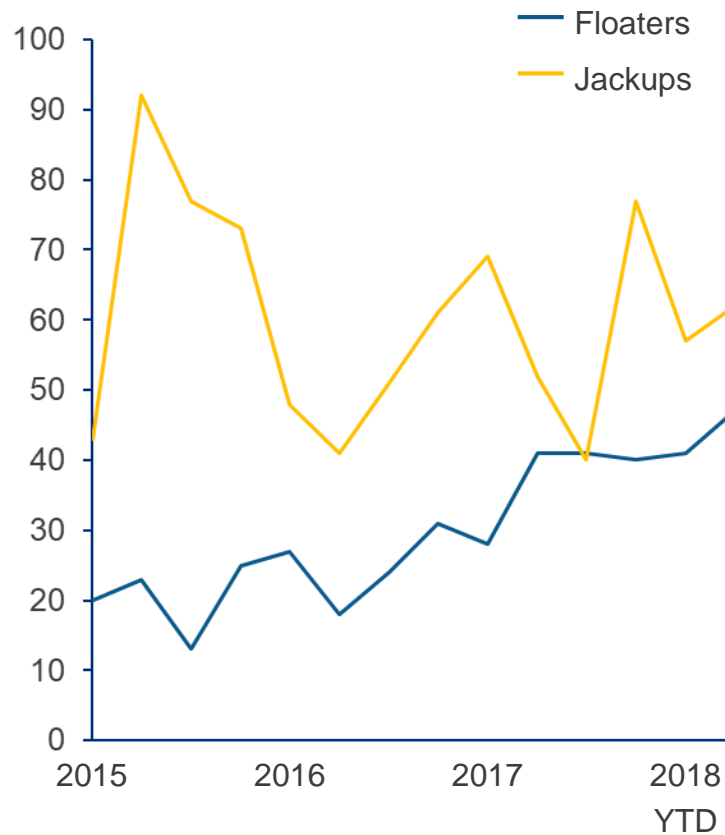
Upstream spending is increasing...

Upstream E&P Spend (CAPEX)
\$ billion (as of May 2018)



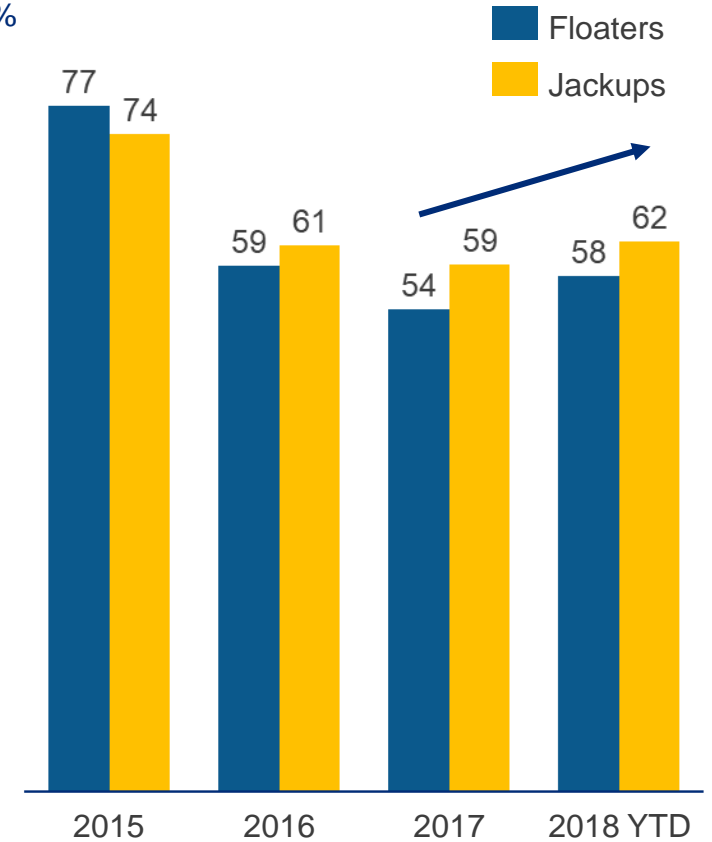
...as is contracting activity...

Fixture Awards
awards

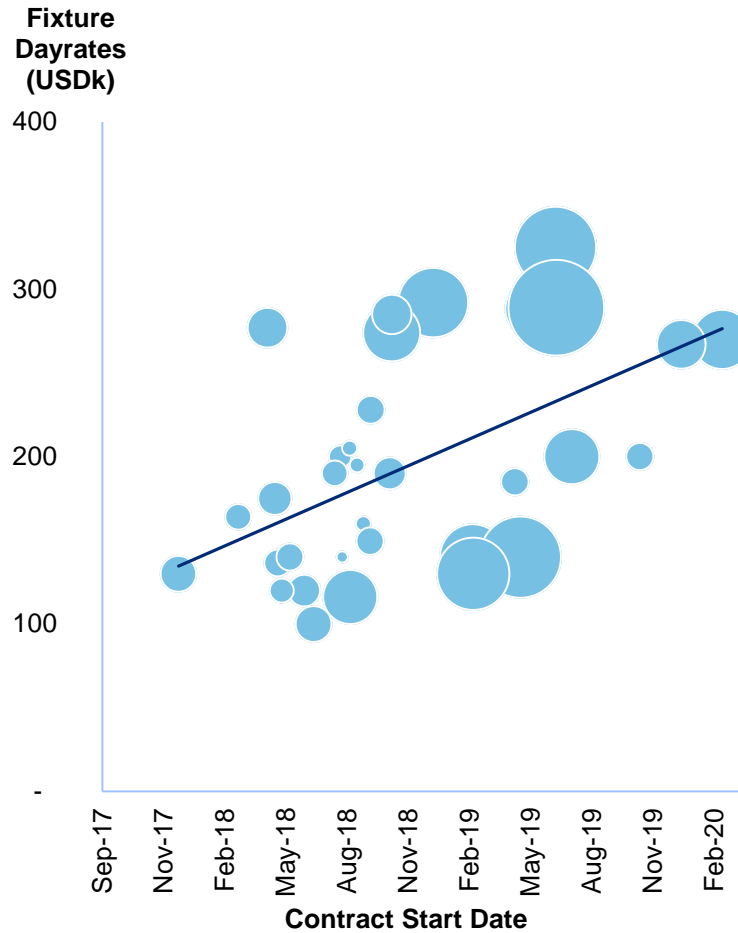


...and utilization

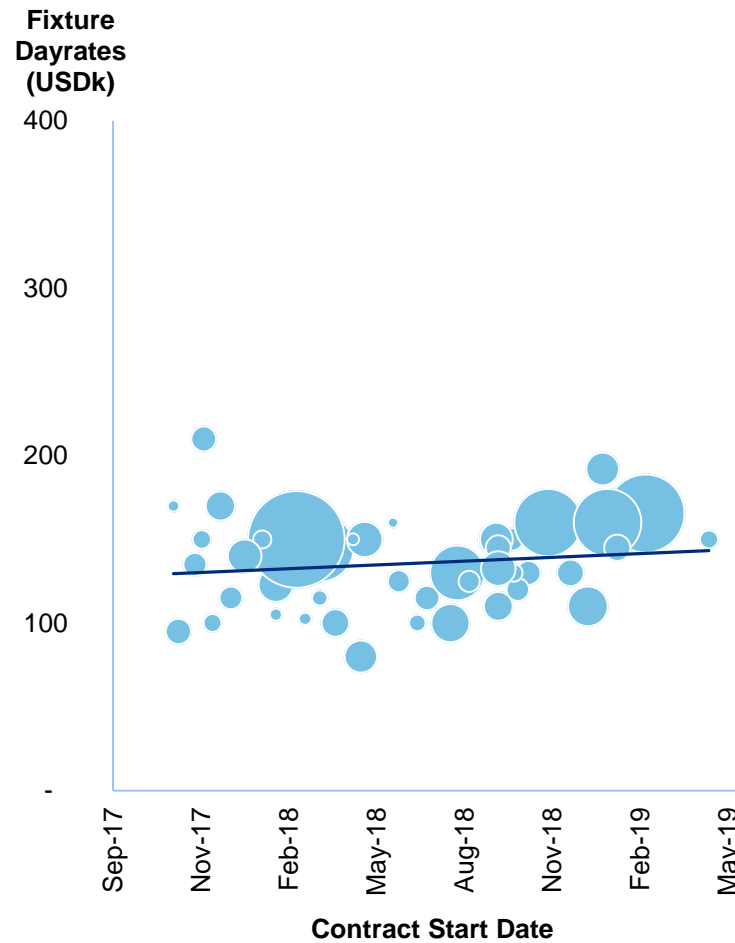
Total Fleet Utilization
%



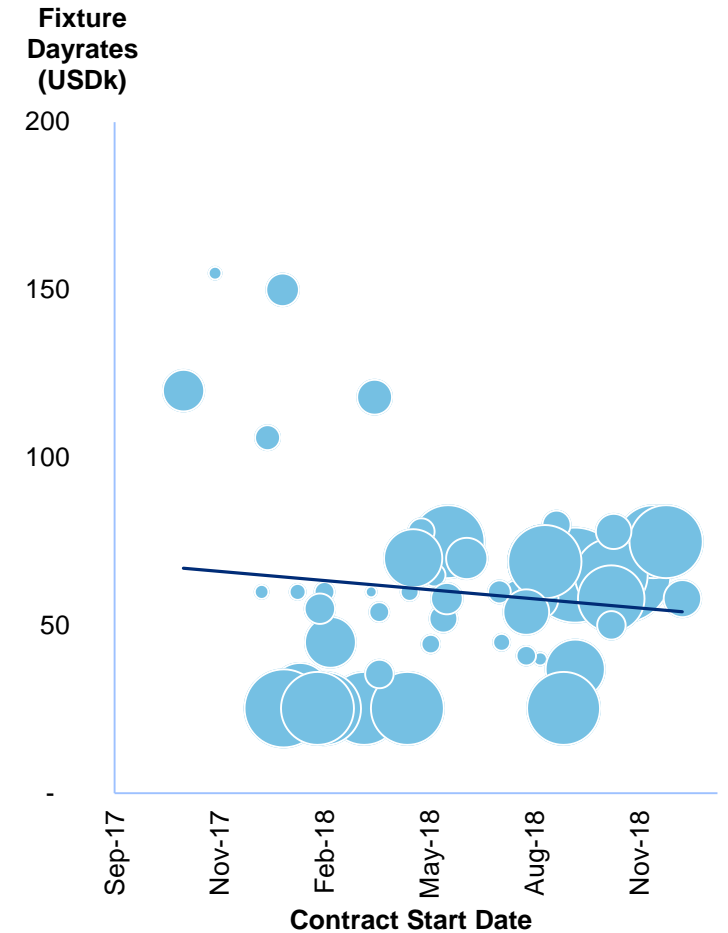
Harsh Environment Floaters



Benign Environment Floaters



Premium Jack-ups¹



Notes

1) Benign environment jack-ups capable of operating in +350 ft water depths

Key: Bubble size represents contract duration (rig-days)



Investment proposition

- **Scale with a modern fleet**
- **Competitive cost structure**
- **Proven track record of safe and efficient operations**
- **Restructured balance sheet provides five year runway and enables contracting discipline**

Scale: significant global presence

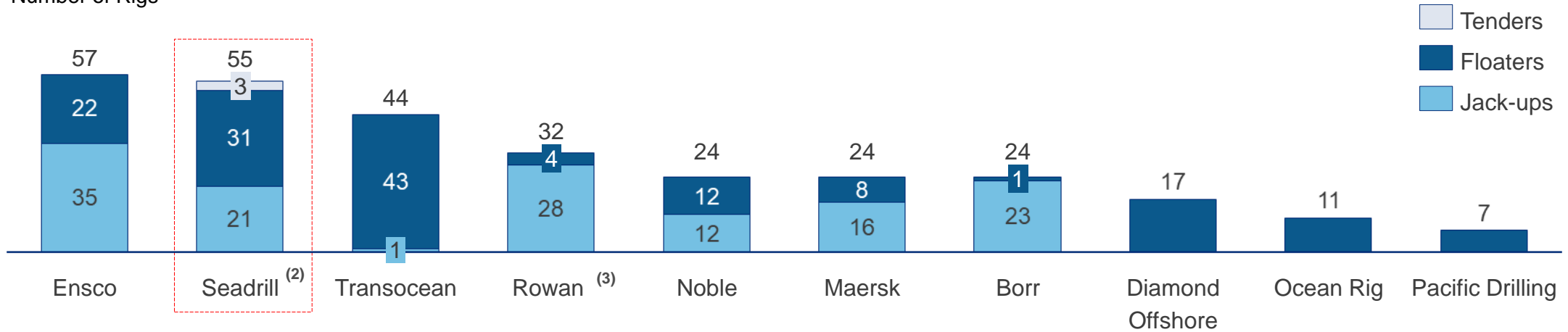
- 4300 employees in 24 countries
- Corporate office in London, with 2 Hemisphere offices / 2 Technical Service Centers covering all major offshore markets



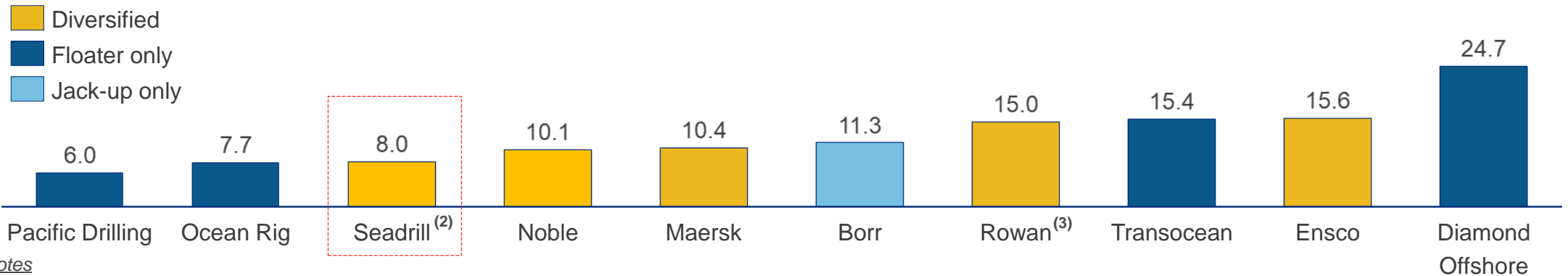
- Ultra Deepwater Floaters
- HE Floaters²
- Jack-ups
- Tender rigs
- Corporate and Hemisphere Offices
- Technical Services Centres

Seadrill and Peer Group Fleet

Number of Rigs¹



Fleet Average Age⁴

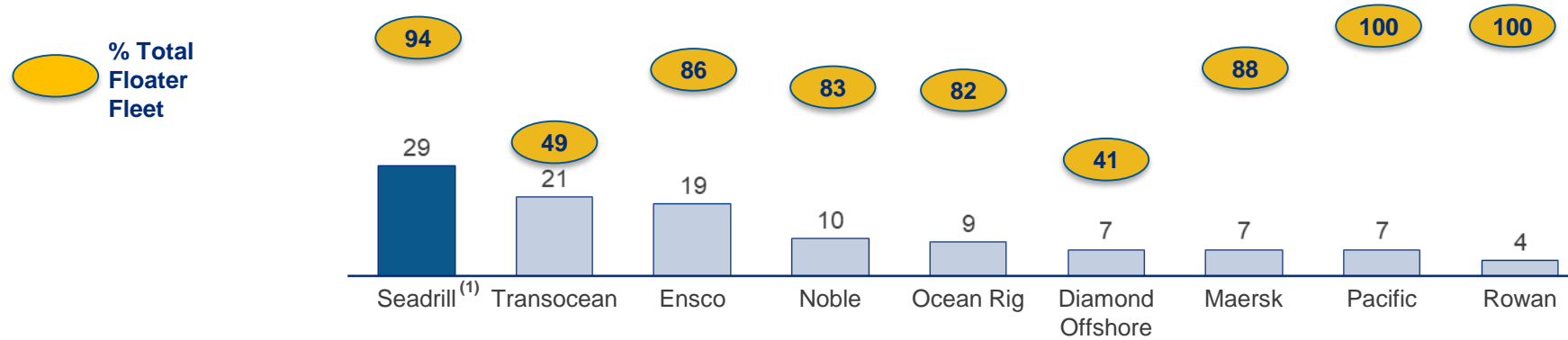


Notes

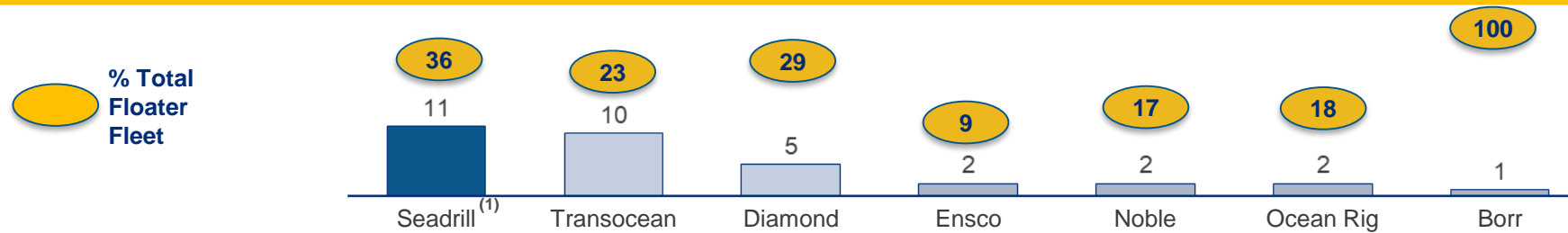
- 1) Excludes newbuilds
- 2) Seadrill fleet figures include rigs owned by Seadrill Ltd. (excluding 9 newbuilds), and those managed on behalf of Seadrill Partners, SeaMex, and Northern Drilling
- 3) Fleet age excludes newbuild rigs
- 4) Includes ARO Drilling

Scale: focused in the right markets

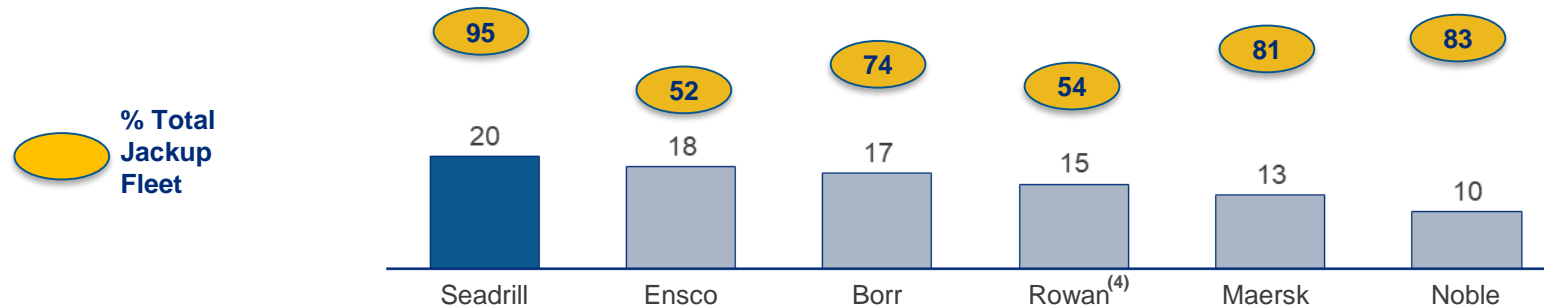
6th & 7th Generation Floaters



Harsh Environment Floaters



Premium Jack-ups³

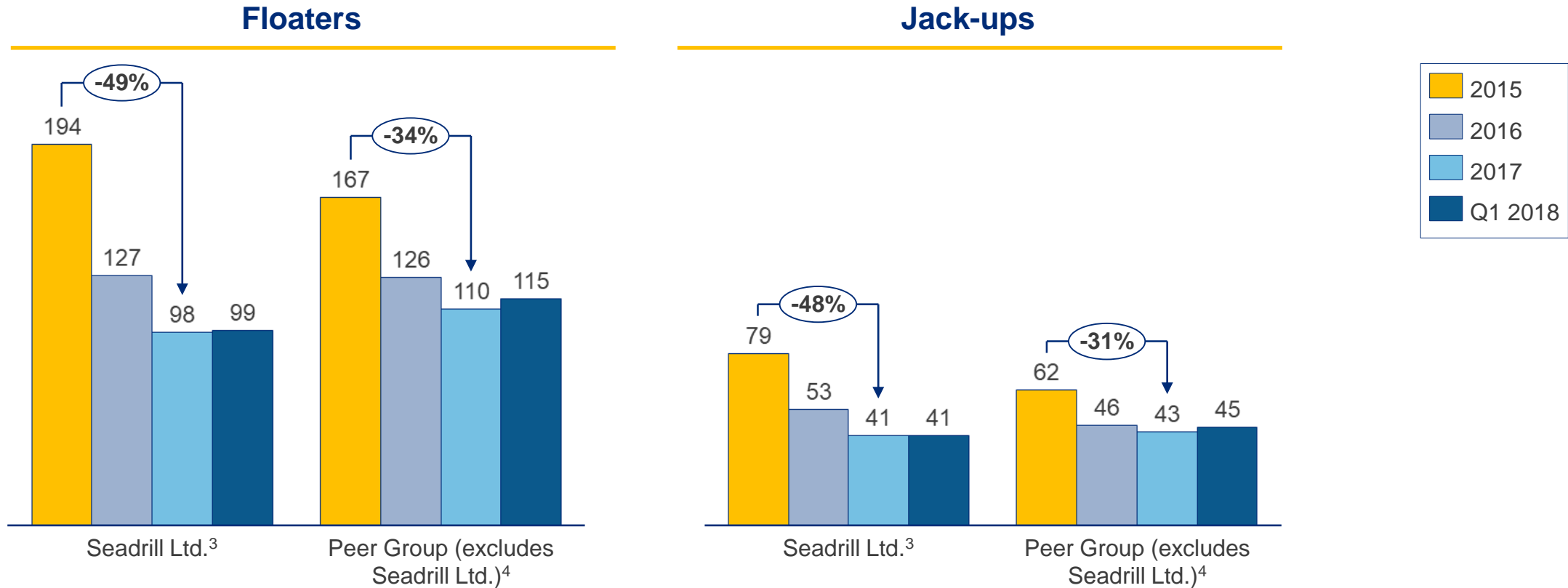


Notes:

- 1) Seadrill fleet figures include rigs owned by Seadrill Ltd. (excluding 9 newbuilds), and those managed on behalf of Seadrill Partners, SeaMex, and Northern Drilling
- 2) Premium jack-ups defined as all BE and HE rigs built after 2000 and capable of operating in water depths of +350 ft
- 3) Includes ARO Drilling

Competitive cost structure

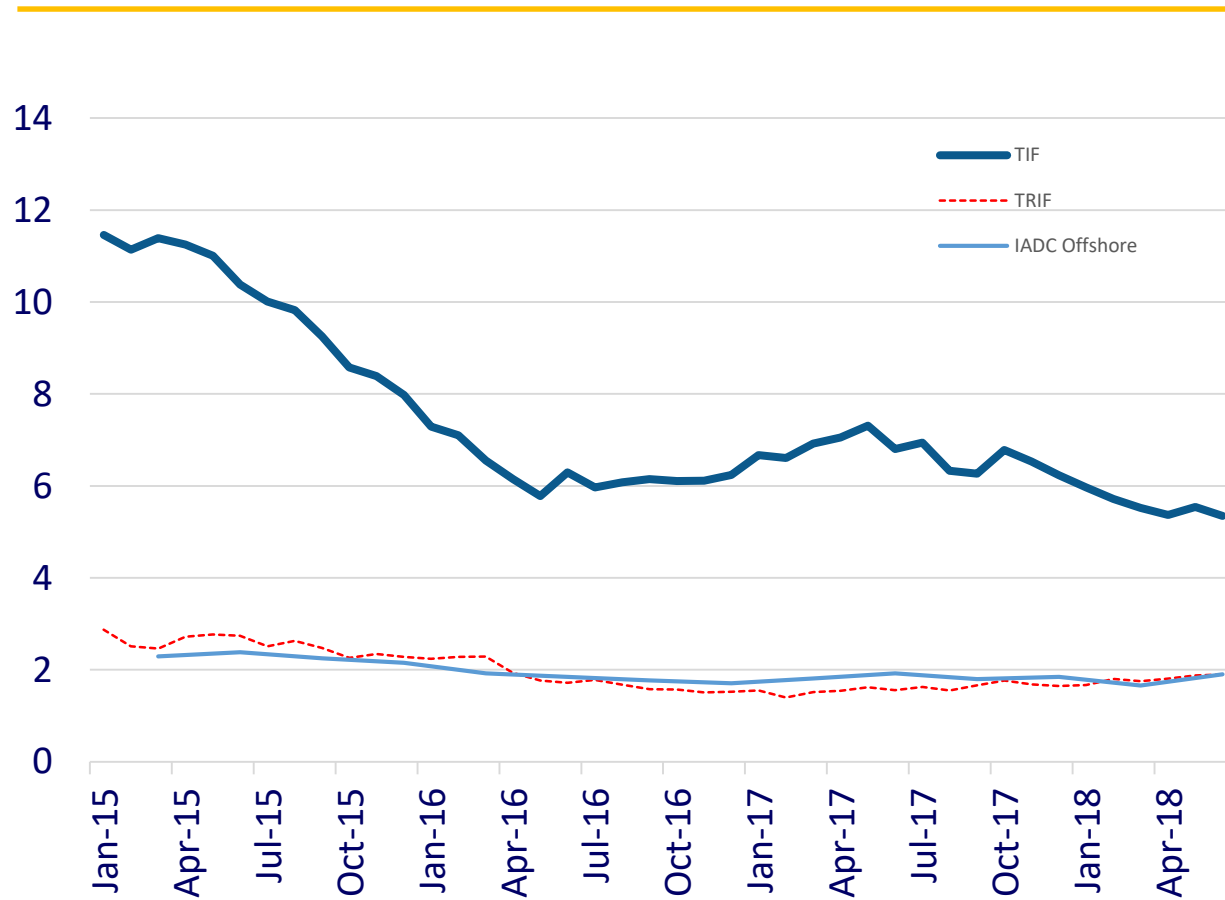
All-in operating cost per rig¹
\$k/day²



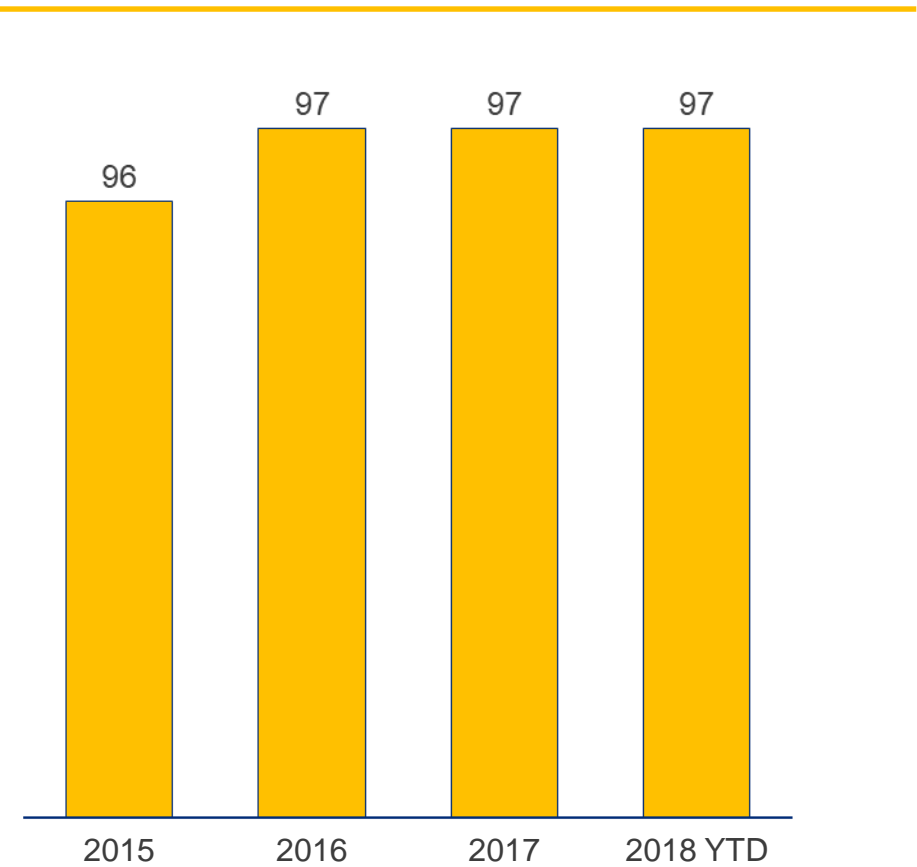
Notes:

- 1) All-in operating cost per rig comprises reported vessel and rig opex, reimbursable expenses, and G&A (less any restructuring costs); assumes a ratio for daily vessel and rig opex between floaters and jack-ups of 2.5, and a ratio for G&A allocation between floaters and jack-ups of 2.0 (according to Seadrill accounting practices)
- 2) Per day figures reflect fleet size based on the average of the rig count at the start and end of each reporting period, and excludes newbuilds
- 3) Peer group includes: Transocean, Ensco, Noble, Diamond Offshore, Rowan, Pacific Drilling, Ocean Rig, Shelf Drilling

Total Incident Frequency & Total Recordable Incident Frequency



Technical Utilization (%)



- **5-year financial runway**

- No debt maturities until June 2022
- No debt amortisation payments until Q1 2020, with the ability to defer up to Q2 2021
- No financial covenants until Q1 2021, other than minimum liquidity
- Net leverage and DSCR covenants post-2021 only affect borrowing margin – no event of default risk

- **Good liquidity**

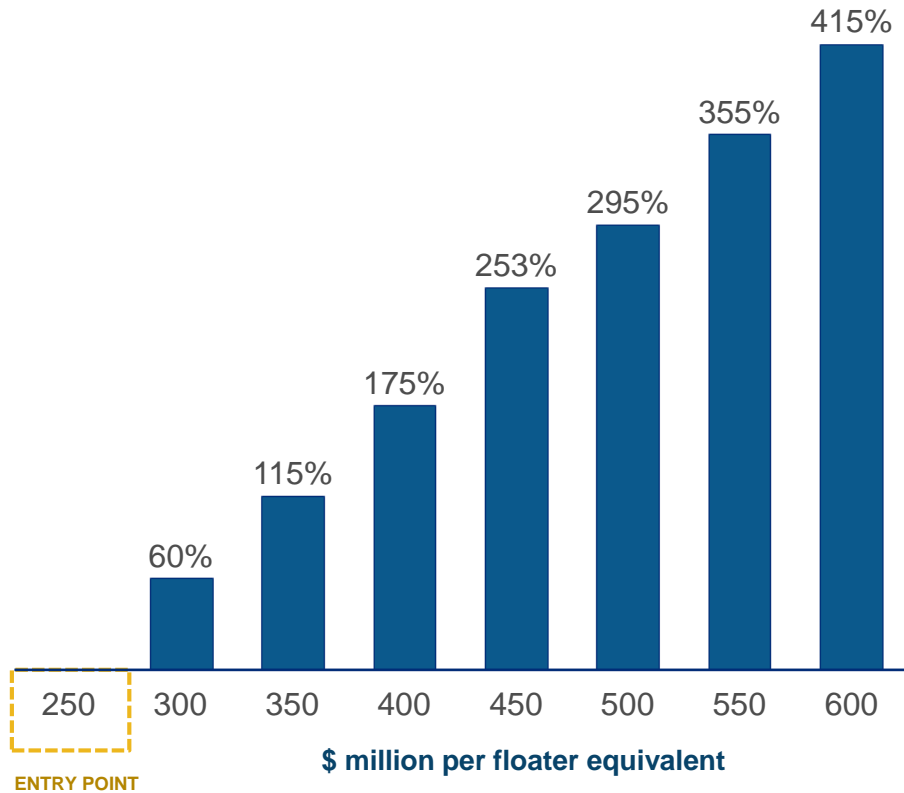
- \$2.1 billion upon emergence
 - \$1.6 billion unrestricted

- **Rig deployment**

- Strengthened financial position provides flexibility in when and how we reactivate and contract our rigs

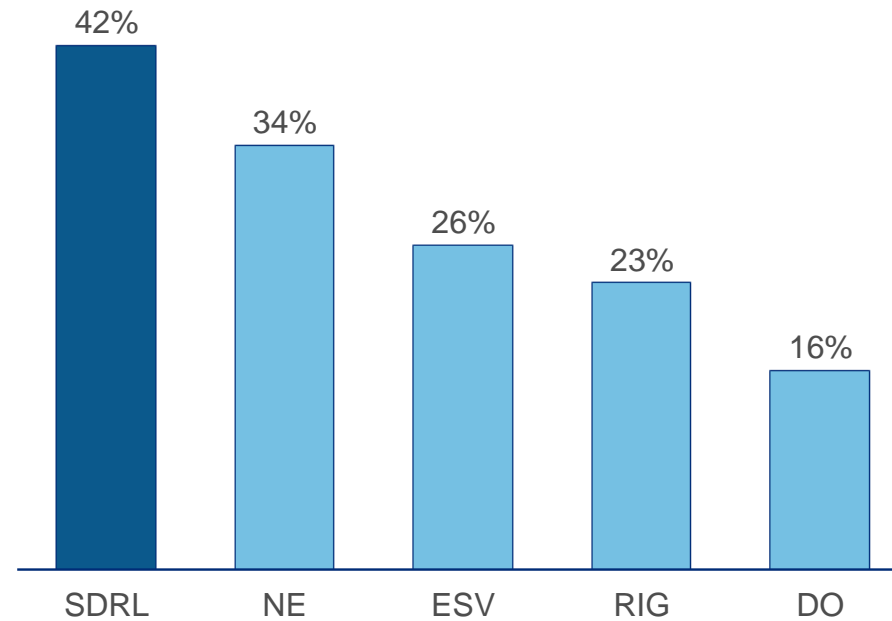
Illustrative Equity Returns

Increase in equity value vs change in asset value¹



Illustrative Return Sensitivity

Increase in equity value resulting from a 10% change in enterprise value



Note:

1) Based on a Seadrill Ltd. share price of \$19 as of August 2018

Source: Arctic Securities

- **Strongly believe in an offshore market recovery**
- **Proven track record of safe and efficient operations**
- **Competitive on cost**
- **Well positioned, asset, balance sheet and liquidity wise**
- **Ability to deploy our assets intelligently and leverage the recovery**