

## **US Roadshow**

March 15-18, 2010





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## **Company profile**

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- Formed in 2005
- 2<sup>nd</sup> largest offshore driller based on EV
- 2<sup>nd</sup> largest ultra-deepwater fleet
- Most modern offshore drilling rig fleet
- Q4/09 EBITDA annualized ~ US\$2.0 billion
- Contract backlog ~ US\$10.8 billion
- Quarterly dividend policy in place
- Strong shareholder involvement



Seadrill

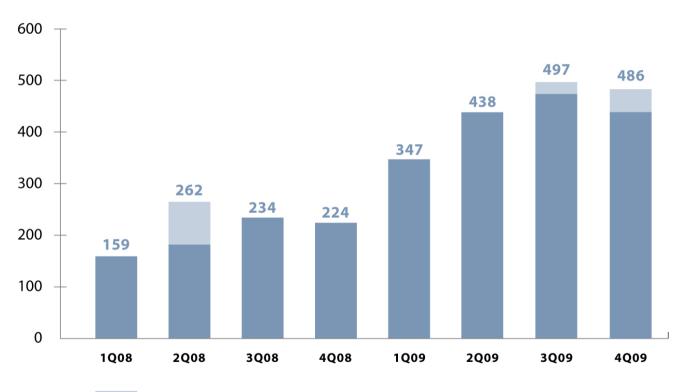
## Focus on shareholder value

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## **EBITDA development**



#### **US\$ MILLION**

Gain from sale of assets

**Contribution on a quarterly basis** 



## **Worldwide operations**



**Quality fleet with global presence** 



## New ultra-deepwater unit fleet



Brazil-4Q08

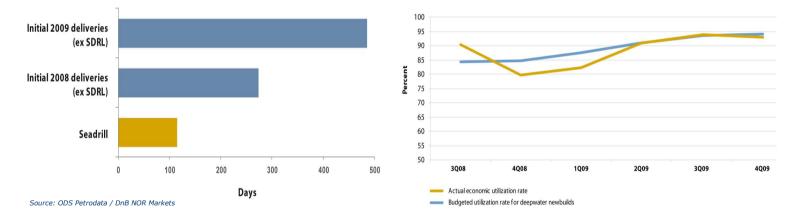






# **Strong project execution and start-up performance**

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Delays in delivery deepwater newbuilds

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+ why

Effective start-up of deepwater newbuilds

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Strong execution compared to peers

## **Maintenance capital expenditures**

Maintenance & upgrade CAPEX in % of EBITDA in 2010 - 2012

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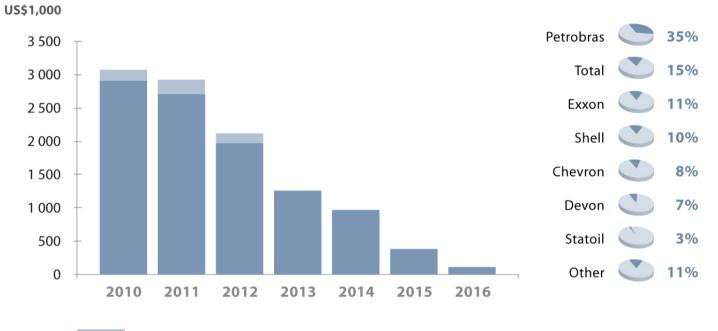
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#### Seadrill will spend significantly less on maintenance

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## **US\$10.8** billion revenue backlog \*



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Additions since November 2009

**Quality contracts with the best credits in the industry** 

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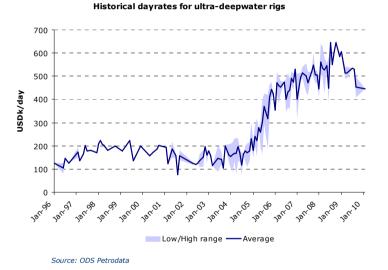
## **Deepwater market outlook**

 Long-term market drivers intact as global oil basins mature and decline rates steepening

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- Exploration for larger reserves taking place in more challenging and rig intensive deepwater markets
- Dayrates for new rigs in 2010 slightly impacted by postponed start-up of activities
- Still strong contract coverage for ultra deepwater fleet medium term
- Brazilian exploration success and presalt development



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#### Halt in newbuild orders secures balanced market

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## **US\$9** billion order backlog floaters

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			2010			2011				2012				2013				2014				
	Unit	Customer	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	West Venture <sup>1</sup>	Statoil	US	\$267,	000		1															
	West Capricorn <sup>3</sup>	-																				
les	West Hercules	Husky	US	\$531	,000																	
sib	West Phoenix 1	Total	US	\$529	,000																	
mei	West Alpha 1	Consortium	US:	\$485	000																	
Iqn	West Aquarius	Exxon	US	\$529	,500																	
ni-s	West Sirius	Devon	US	\$473	,000																	
Sen	West Taurus <sup>2</sup>	Petrobras	US	\$647	,000																02.2	015
•••	West Eminence 2	Petrobras	US	\$615	,000																07.2	015
	West Orion 2/3	Petrobras									U	S\$61	5,00	0	1				Ŷ		07.2	016
ships Semi-s	West Polaris	Exxon	US	\$559	,000			US\$614,000														
hip	West Navigator 1	Shell	US	\$594	,000																	
ills	West Gemini 3	-				1		US	\$445	,000					US\$4	45,0	00					
ō	West Capella	Total	US	\$546	.000				.0					-								

Contract Option Yard plus transit period

<sup>1</sup> Dayrate is partly in Norwegian kroner

<sup>2</sup> Dayrate is partly in Brazilian Real and include five percent performance incentive as well as estimated compensation for tax

<sup>3</sup> Newbuild

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## Improved earnings visibility

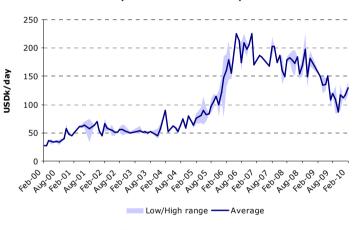
## Market outlook – Jack-up rigs

 Demand is increasing on the back of more stable oil prices

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- Incremental demand is focused on high spec. jackups
- Longer and more complicated wells demand higher technical and water depth capacity
- Majority of existing fleet are old and lack these qualities
- Huge portion of the newbuilds are headed for Iran and China



Historical dayrates for 300+ ft Jack-ups SE Asia

\* Source: ODS Petrodata

#### Improved demand for modern high capability jack-ups

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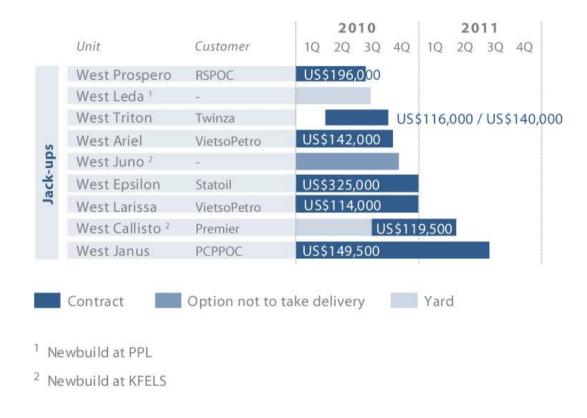
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## **US\$380 million contract backlog - Jack-ups**

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**Several new contracts** 

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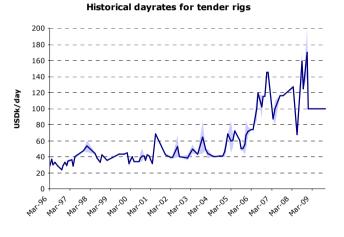
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## **Market outlook – Tender rigs**

- Tender rigs focused on production drilling
- Cheaper to build than jack-ups

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- Similar operational expenses as jack-ups but same or higher capabilities
- Limited number of market players provide stability
- Incremental market demand outside the traditional markets in West Africa and Southeast Asia
- Increased interest for the use of tender rigs in deepwater developments



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\* Source: ODS Petrodata

#### Novel drilling concept for deepwater developments

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# **US\$1.7** billion tender rig order backlog

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nit		2010			20	11		2012				2013				2014					
1110	Customer	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
8	-																				
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12 <sup>2</sup>	PTTEP		US	\$91,	000					8											
7	Chevron	US\$	64,50	0																	
9 1	Exxon	US\$	134,5	00																	
eknik Berkat <sup>1</sup>	Petronas Carigali	US\$	125,5	00																	
3 <sup>1</sup>	PTT	US\$	83,00	0																	
11	Chevron	US\$	134,5	00																	
4	Chevron	US\$	101,0	00																	
/est Menang	Total	US\$	99,00	0																	
/est Berani III <sup>2</sup>	-																				
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/est Pelaut	Shell	US\$	140,0	00																	
/est Setia	Chevron	US\$	165,5	00																	
/est Alliance	Shell	US\$	169,0	00															(	1.20	15
/est Vencedor <sup>2</sup>	Chevron					US\$	211,	000											C	4.20	15
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<sup>1</sup> Ownership 49%

Contract

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Yard plus transit period

<sup>2</sup> Newbuild

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**Strong portfolio of term contracts** 

## 9 more newbuilds that secure growth

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#### Deepwater floaters

- Drillship West Gemini

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- Semi West Orion
- Semi West Capricorn 4Q2011

#### Tender rigs

- Tender barge T12
- Semi-tender West Vencedor 1Q2010 (delivered)
- Semi-tender West Berani III 1Q2011

#### Jack-ups

- West Leda
- West Callisto
- West Juno

- 3Q2010
- 3Q2010
- 4Q2010

# - 2Q2010 - 4Q2011 - 1Q2010 (delivered) - 1Q2010 (delivered)

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Transfer of experience ensuring quality delivery and performance

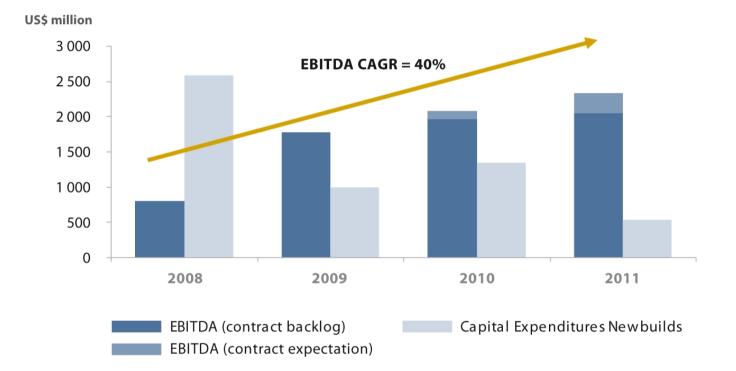
## **EBITDA growth replacing investments**

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**Majority of EBITDA secured through long-term contracts** 

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## **Dividend distribution and policy**

 Dividend resolved at US\$0.55 per share

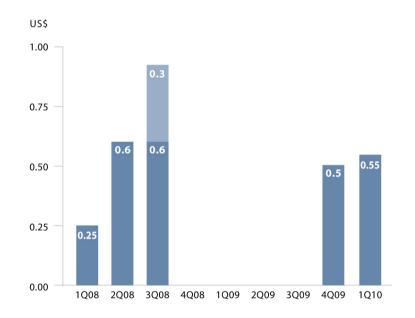
+ why

- Increase reflects improved earnings visibility and more favorable debt markets related to financing of our operations
- Future dividend depends on:
  - Debt leverage

- Contract coverage
- Capital expenditures
- Business outlook
- Distribution of cash dividend is an important objective

#### **Dividend distribution per share**

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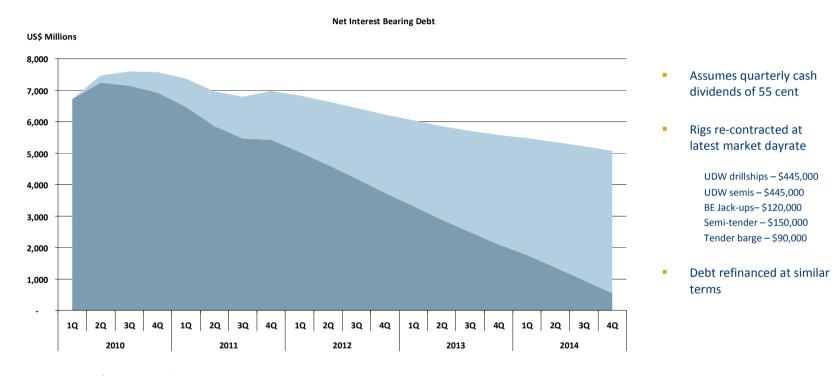
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### Ambition to increase dividend on annual basis

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# **Capital structure and dividend**



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Net Debt w/ 55 cent dividend
 Net Debt without dividend

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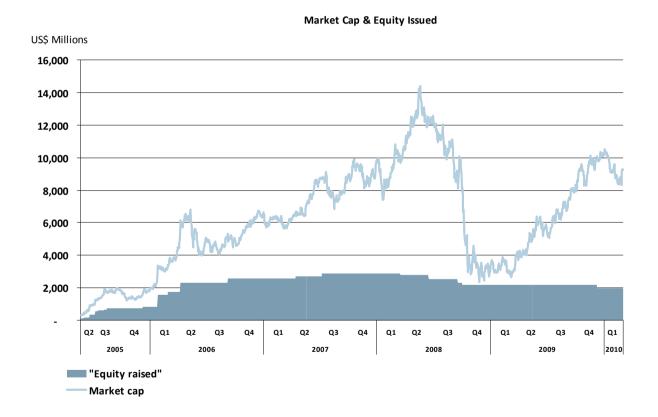
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Dividend policy is sustainable and have upside

## How leverage benefits equity

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Leverage helped equity boost shareholder return

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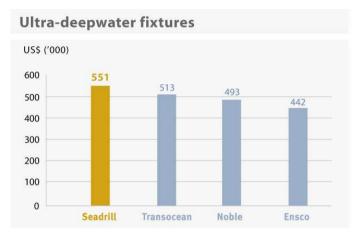


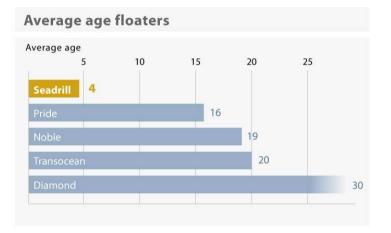
## Strategy

- Complete US listing process in March/April 2010
- Ambition to grow fleet of premium assets
- Focus on quality operations
- Maintain financial leverage
- Distribution of cash dividends
- Develop current shareholdings
- Entertain further consolidation through M&A activities

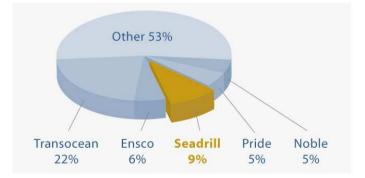
**Grow our Company .... build shareholder value** 







#### Ultra-deepwater market share



#### **EBITDA contribution ultra-deepwater**

	2008	2010*
Seadrill Limited	15%	68%
Pride International	19%	38%
Transocean	23%	37%
Noble Corp.	7%	26%
Diamond Offshore Inc.	15%	19%
* Source: DnB Nor Market		

## Sound platform for shaping the future

