

# Shaping the future



## **US Roadshow**

March 15-18, 2010

**Seadrill** 

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## Company profile

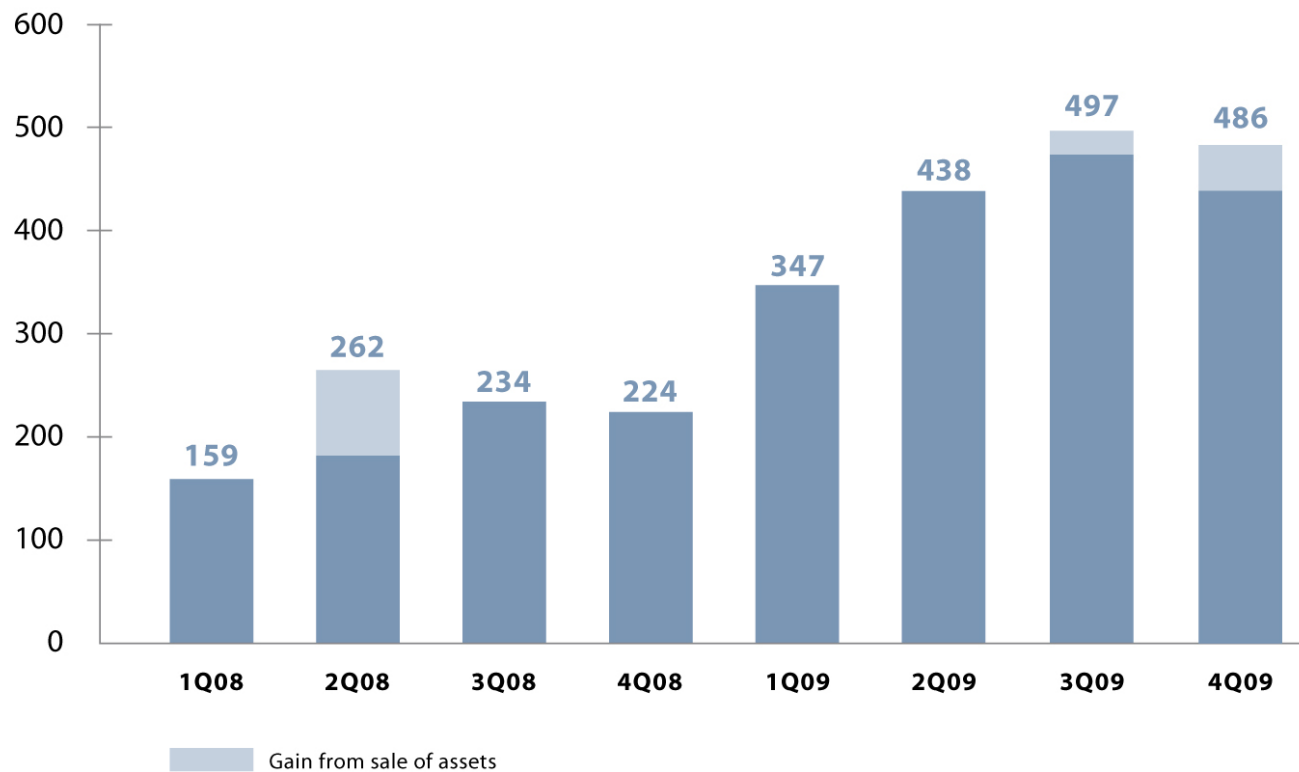
- Formed in 2005
- 2<sup>nd</sup> largest offshore driller based on EV
- 2<sup>nd</sup> largest ultra-deepwater fleet
- Most modern offshore drilling rig fleet
- Q4/09 EBITDA annualized ~ US\$2.0 billion
- Contract backlog ~ US\$10.8 billion
- Quarterly dividend policy in place
- Strong shareholder involvement



**Focus on shareholder value**

# EBITDA development

US\$ MILLION



**Contribution on a quarterly basis**



# Worldwide operations



**Quality fleet with global presence**



# New ultra-deepwater unit fleet



USA-3Q08



Brazil-4Q08



China-4Q08



Norway-1Q09



Brazil-1Q09



Nigeria-1Q09



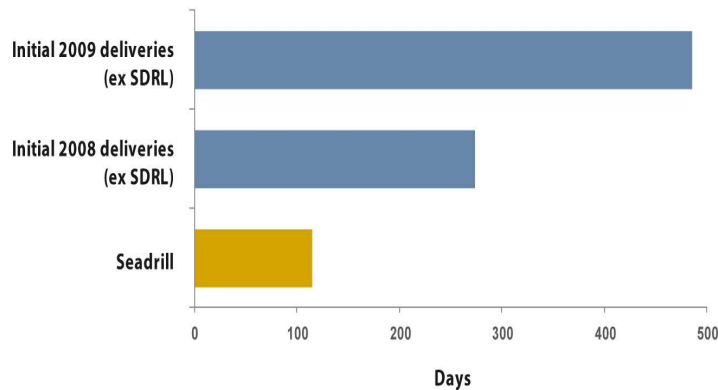
Indonesia-1Q09



Brazil-3Q09

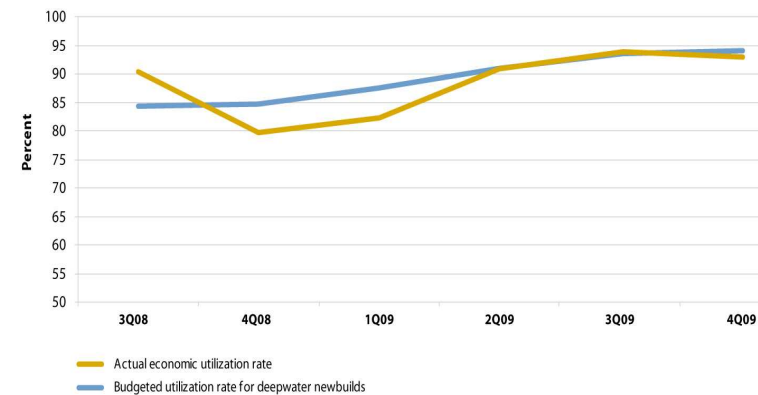
# Strong project execution and start-up performance

Delays in delivery deepwater newbuilds



Source: ODS Petrodata / DnB NOR Markets

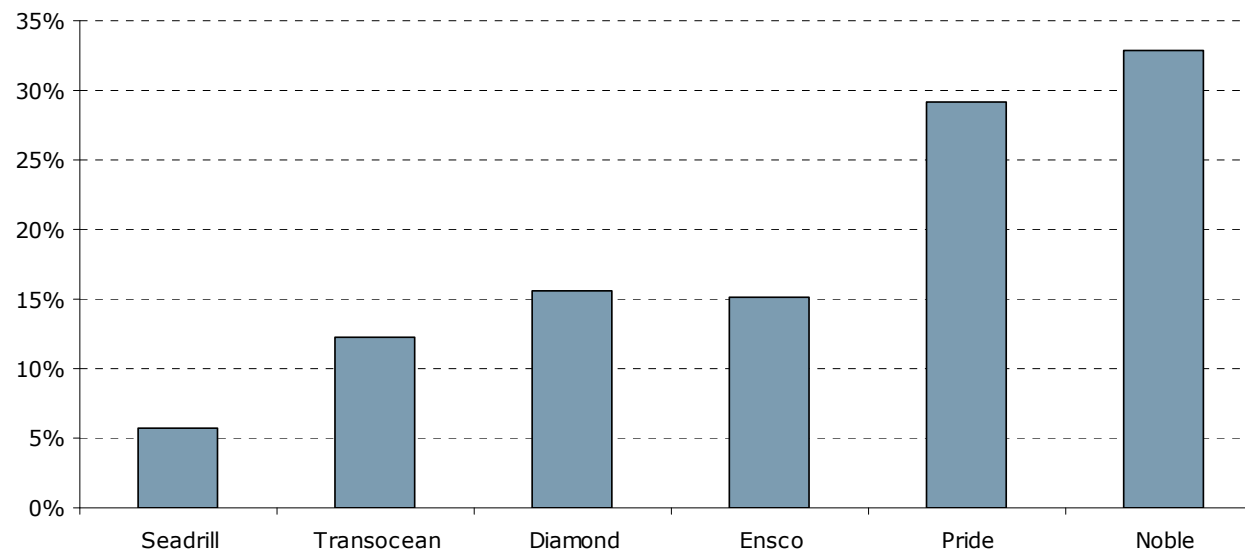
Effective start-up of deepwater newbuilds



**Strong execution compared to peers**

# Maintenance capital expenditures

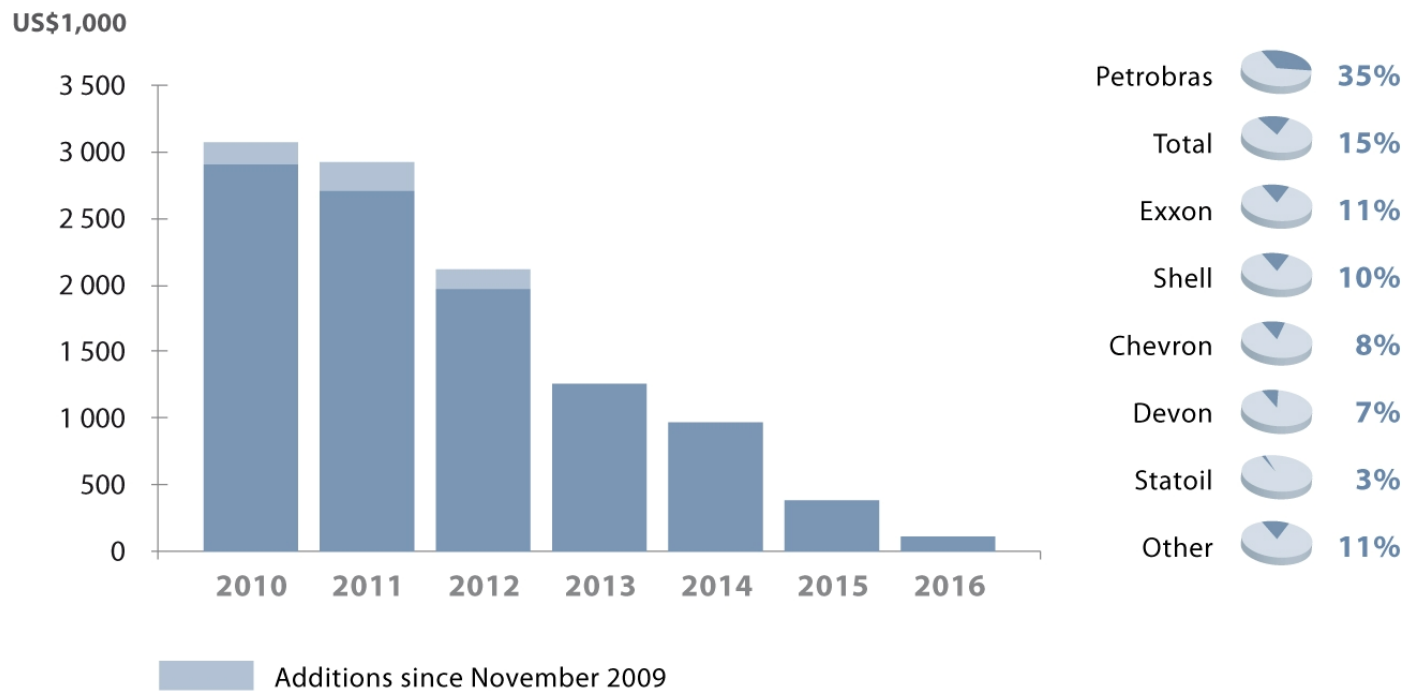
Maintenance & upgrade CAPEX in % of EBITDA in 2010 - 2012



**Seadrill will spend significantly less on maintenance**



# US\$10.8 billion revenue backlog \*

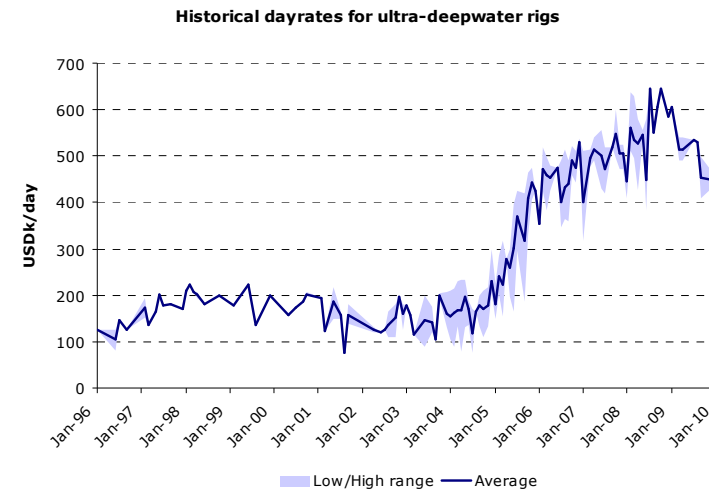


**Quality contracts with the best credits in the industry**



## Deepwater market outlook

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

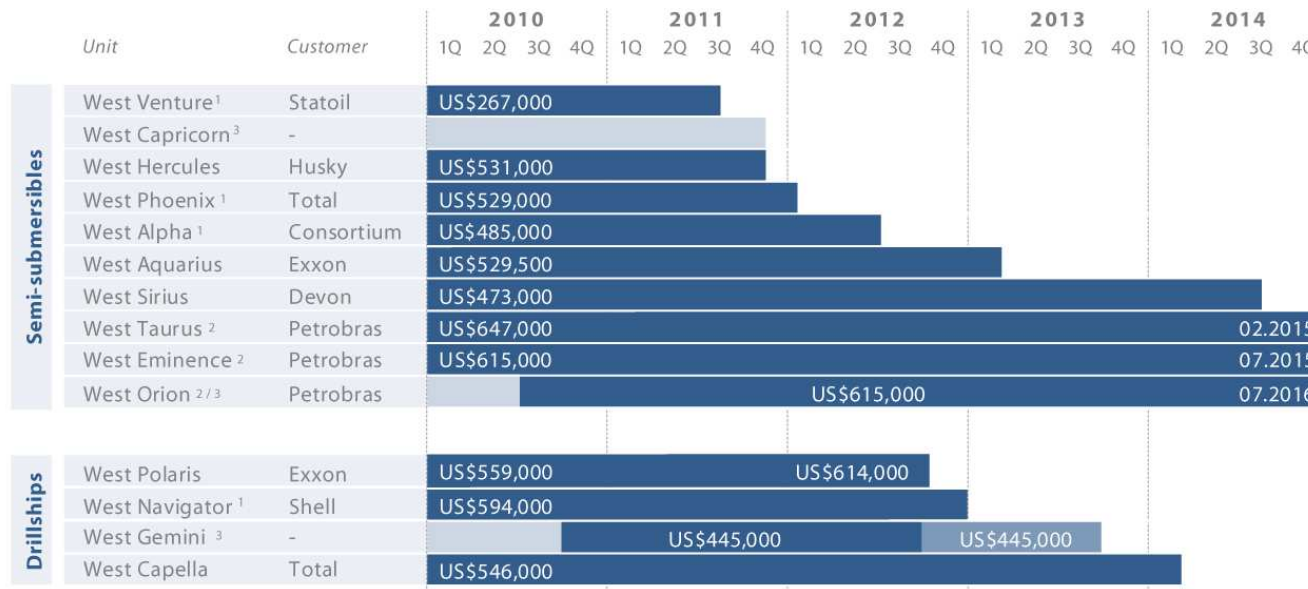


Source: ODS Petrodata

**Halt in newbuild orders secures balanced market**



# US\$9 billion order backlog floaters



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

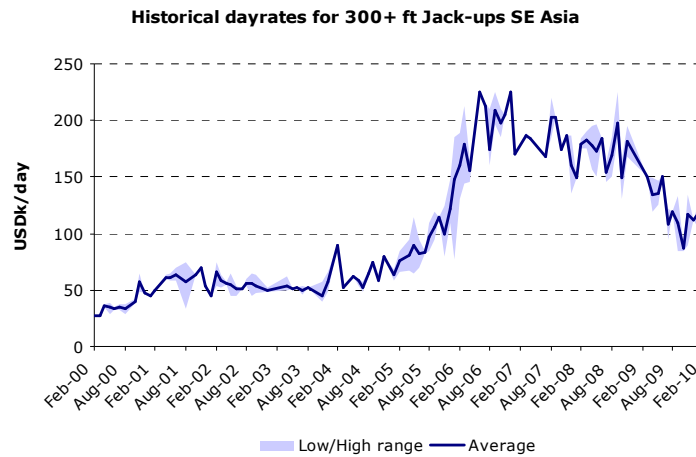
Improved earnings visibility





## Market outlook – Jack-up rigs

- Demand is increasing on the back of more stable oil prices
- Incremental demand is focused on high spec. jack-ups
- 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



\* Source: ODS Petrodata

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



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



<sup>1</sup> Newbuild at PPL

<sup>2</sup> Newbuild at KFELS

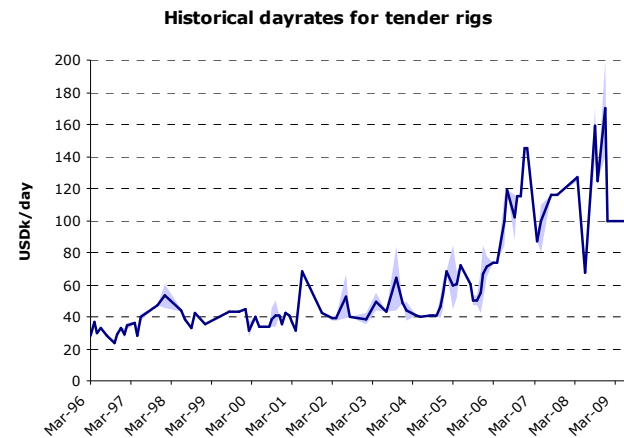
**Several new contracts**





## Market outlook – Tender rigs

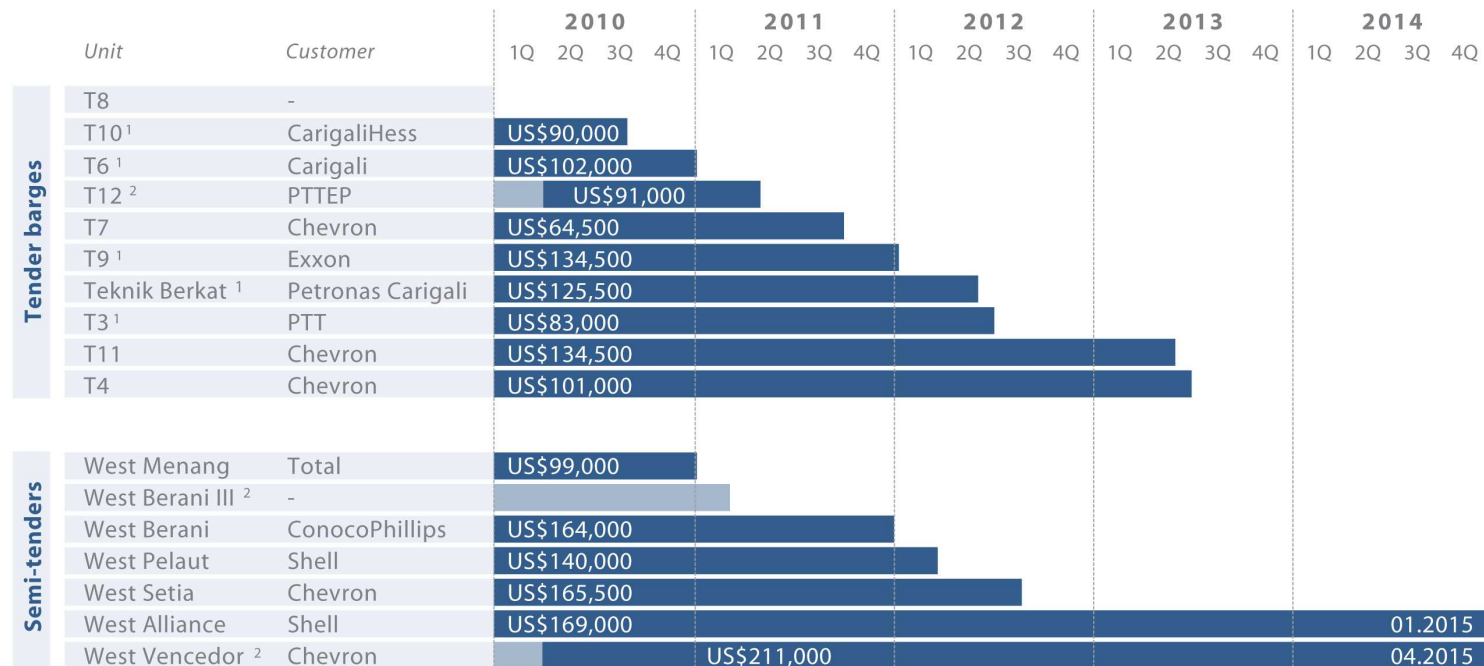
- Tender rigs focused on production drilling
- Cheaper to build than jack-ups
- Similar operational expenses as jack-ups but same or higher capabilities
- Limited number of market players provide stability
- Incremental market demand outside the traditional markets in West Africa and Southeast Asia
-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



\* Source: ODS Petrodata

**Novel drilling concept for deepwater developments**

# US\$1.7 billion tender rig order backlog



■ Contract    ■ Yard plus transit period

<sup>1</sup> Ownership 49%

<sup>2</sup> Newbuild

**Strong portfolio of term contracts**





## 9 more newbuilds that secure growth

### ■ Deepwater floaters

- Drillship West Gemini – 2Q2010
- Semi West Orion – 2Q2010
- Semi West Capricorn – 4Q2011

### ■ Tender rigs

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

### ■ Jack-ups

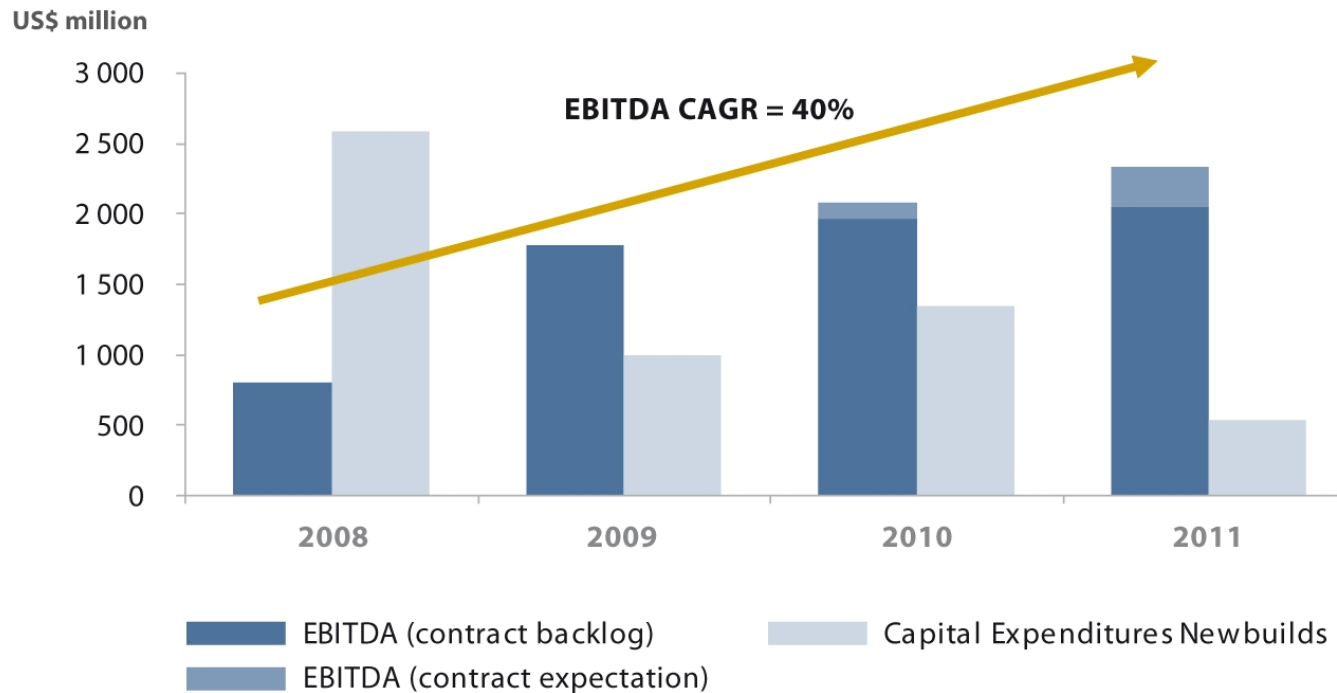
- West Leda – 3Q2010
- West Callisto – 3Q2010
- West Juno – 4Q2010



**Transfer of experience ensuring quality delivery  
and performance**



# EBITDA growth replacing investments

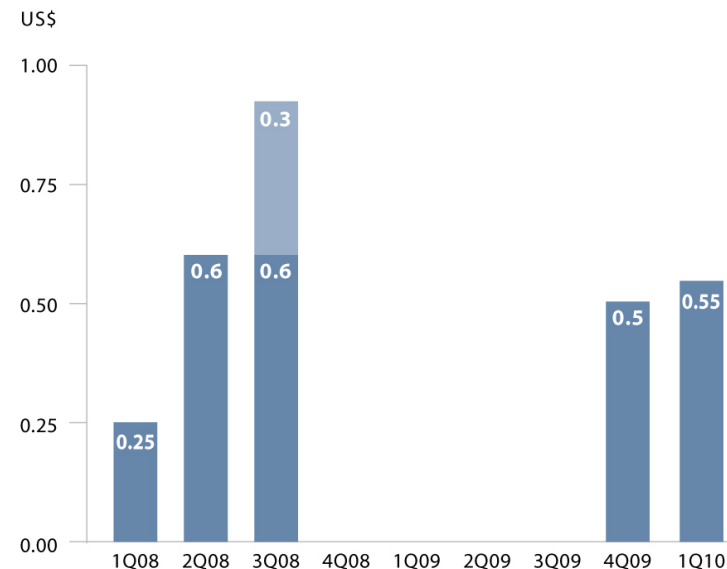


**Majority of EBITDA secured through long-term contracts**

## Dividend distribution and policy

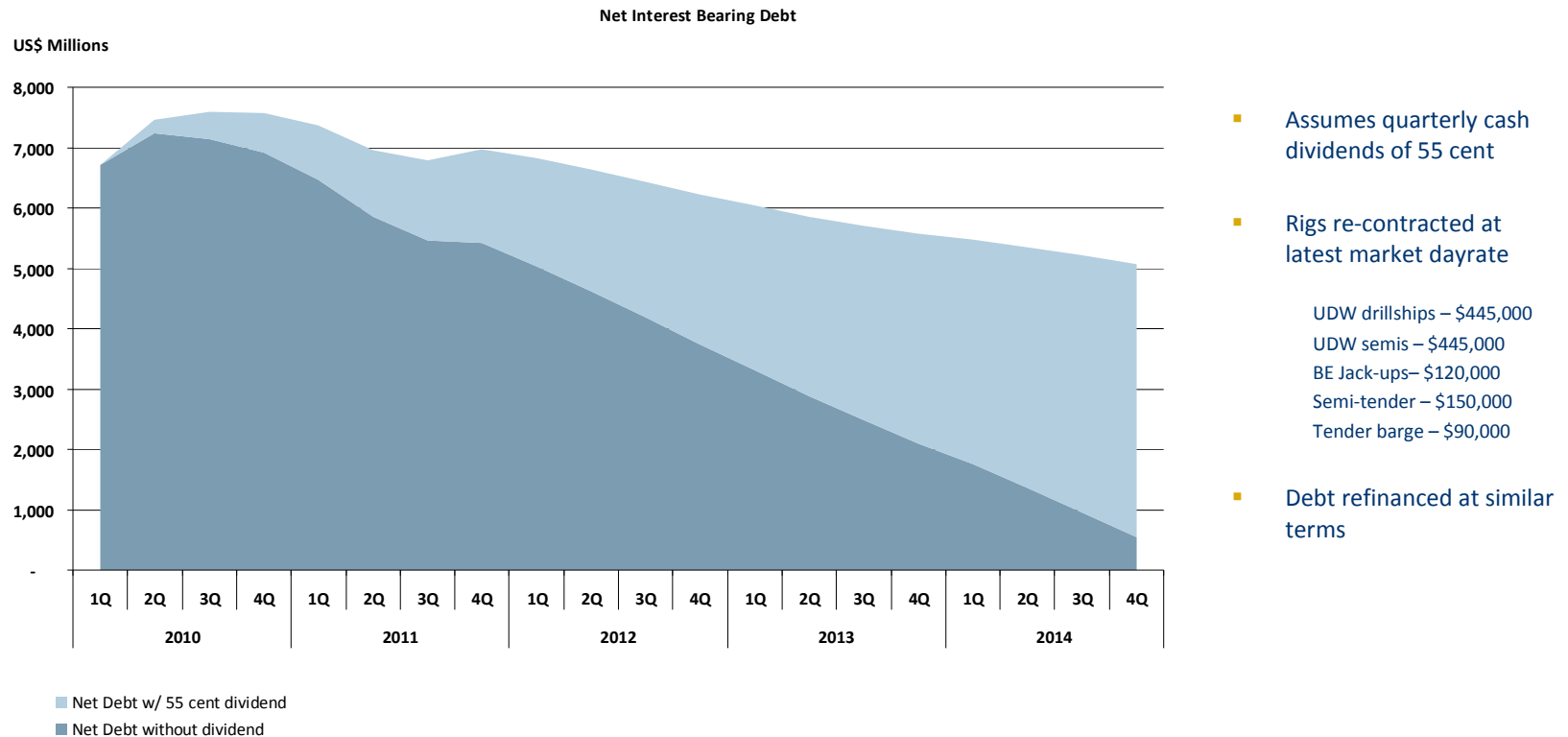
- Dividend resolved at US\$0.55 per share
- Increase reflects improved earnings visibility and more favorable debt markets related to financing of our operations
- Future dividend depends on:
  - Debt leverage
  - Contract coverage
  - Capital expenditures
  - Business outlook
- Distribution of cash dividend is an important objective

Dividend distribution per share



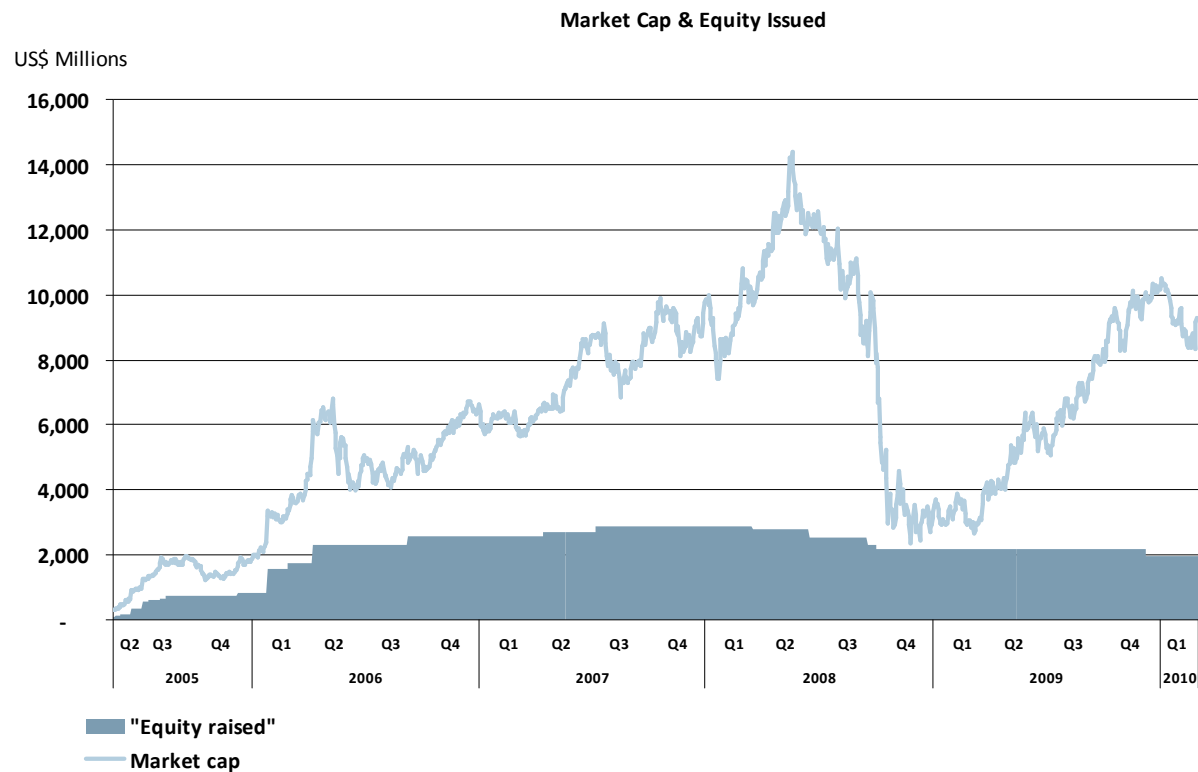
**Ambition to increase dividend on annual basis**

# Capital structure and dividend



**Dividend policy is sustainable and have upside**

# How leverage benefits equity



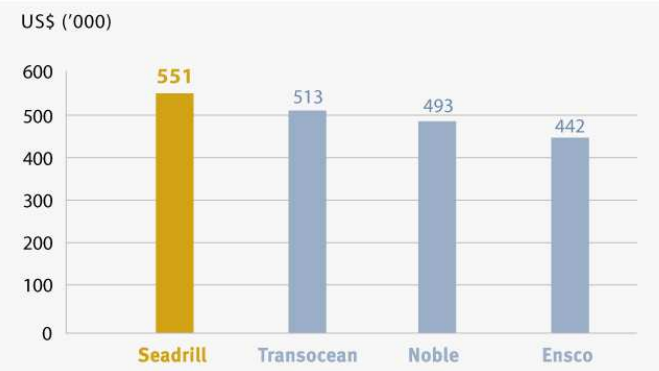
**Leverage helped equity boost shareholder return**

## Strategy

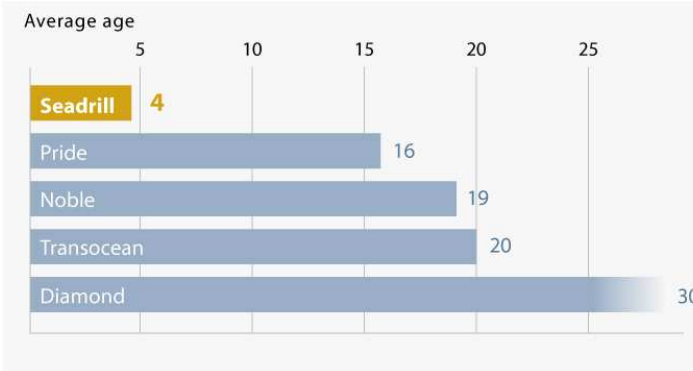
- Complete US listing process in March/April 2010
- Ambition to grow fleet of premium assets
- Focus on quality operations
- Maintain financial leverage
- Distribution of cash dividends
- Develop current shareholdings
- Entertain further consolidation through M&A activities

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

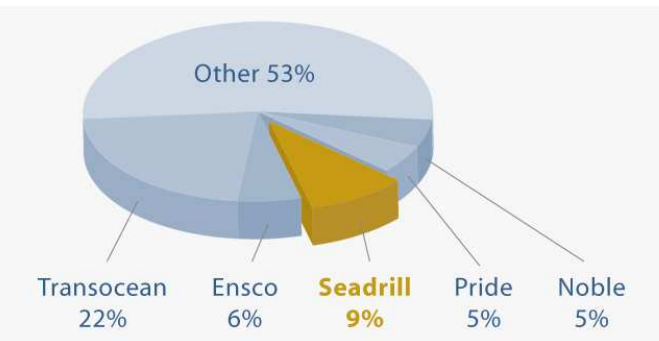
### Ultra-deepwater fixtures



### Average age floaters



### Ultra-deepwater market share



### EBITDA contribution ultra-deepwater

	2008	2010*
<b>Seadrill Limited</b>	<b>15%</b>	<b>68%</b>
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**



Statoil



TOTAL



# Seadrill<sup>★</sup>

Seadrill working for quality customers