



Pareto Oil & Offshore Conference

CFO – Rune Magnus Lundetrae

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. 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.

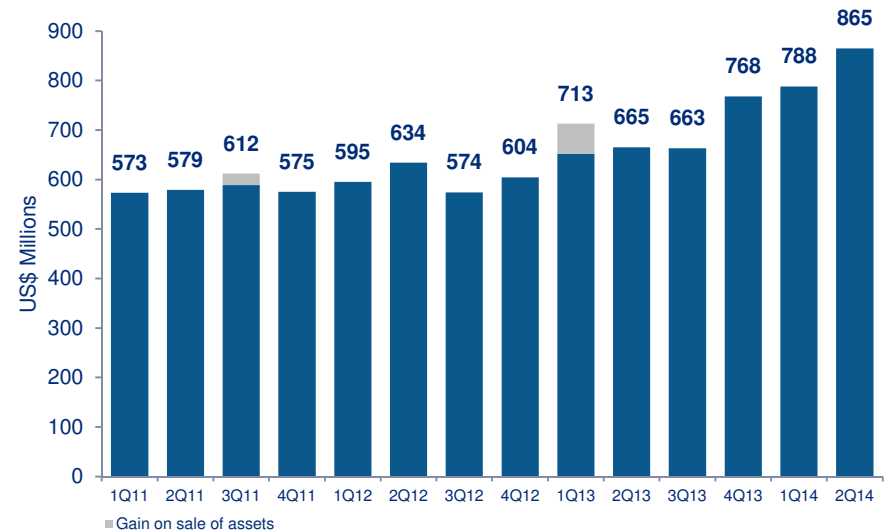


Record Breaking Earnings

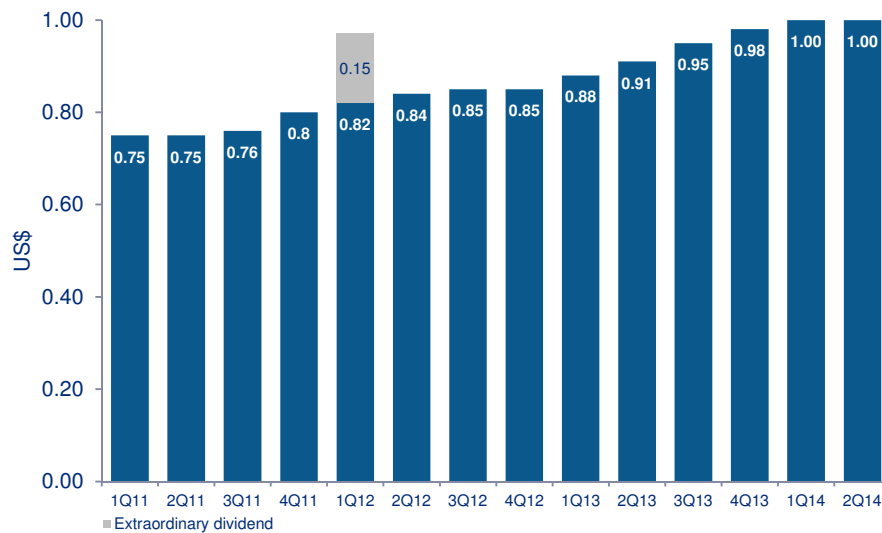


- Seadrill Group generates consolidated EBITDA of US\$865 million for the second quarter 2014
- Economic utilization for the Group’s floaters on a consolidated basis was 94 percent
- Seadrill Limited maintains the quarterly cash dividend of \$1.00 dollar per share

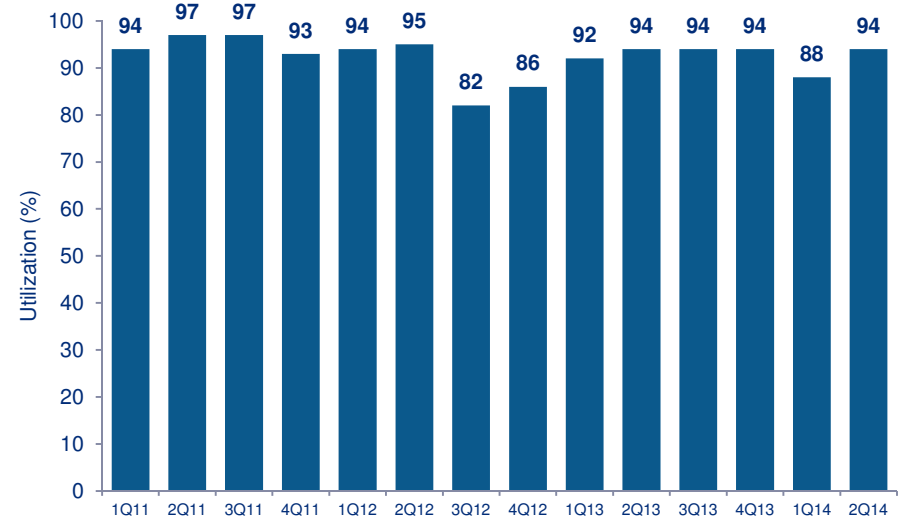
Quarterly EBITDA (proforma consolidated)



Dividend distribution per share



Ultra-Deepwater Economic Utilization (proforma consolidated)



Contract Wins = Increased Dividend Visibility



West Jupiter

5 Years @ 567 in Nigeria

Backlog: US\$1.04 billion



West Saturn

2 Years @ 633 in Nigeria

Backlog: US\$0.46 billion



Rosneft Contracts

30 Rig Years → 5 Year Contracts for 5 Rigs

Backlog: US\$4.1 billion

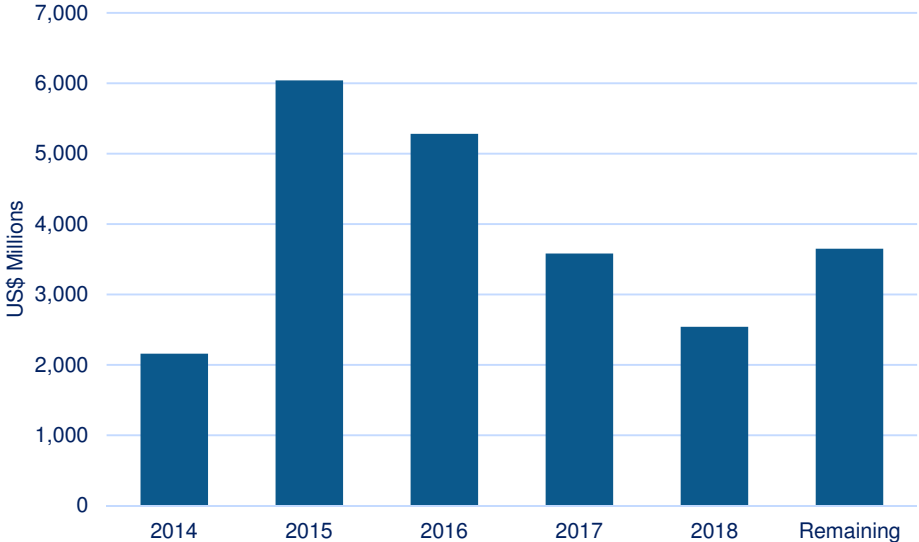


Increased Visibility from 2015 to Well into 2016!!!

Robust Backlog & High Quality Customers



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



Seabras Sapura Participacoes



50% of US\$3.8 billion



setebras

30% of US\$8.7 billion

Seadrill Strategy



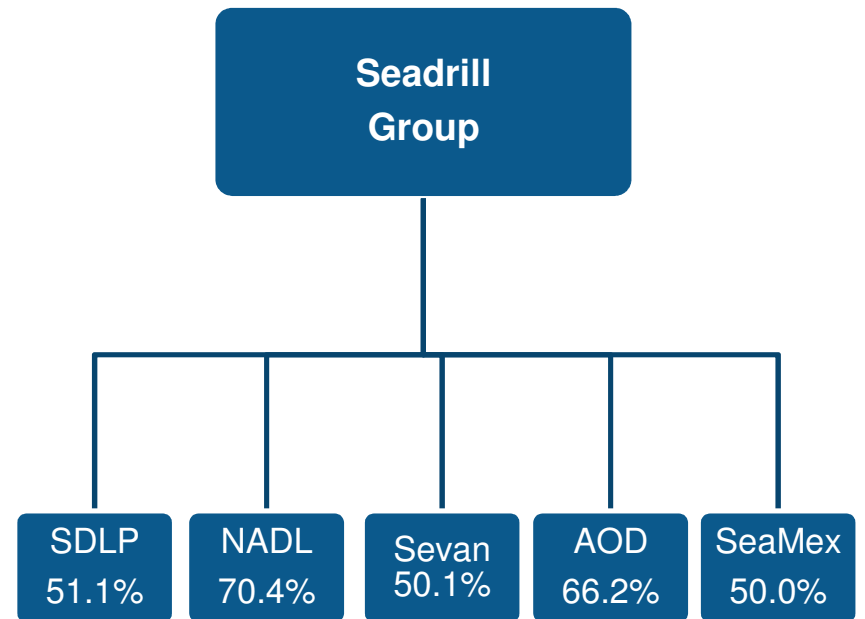
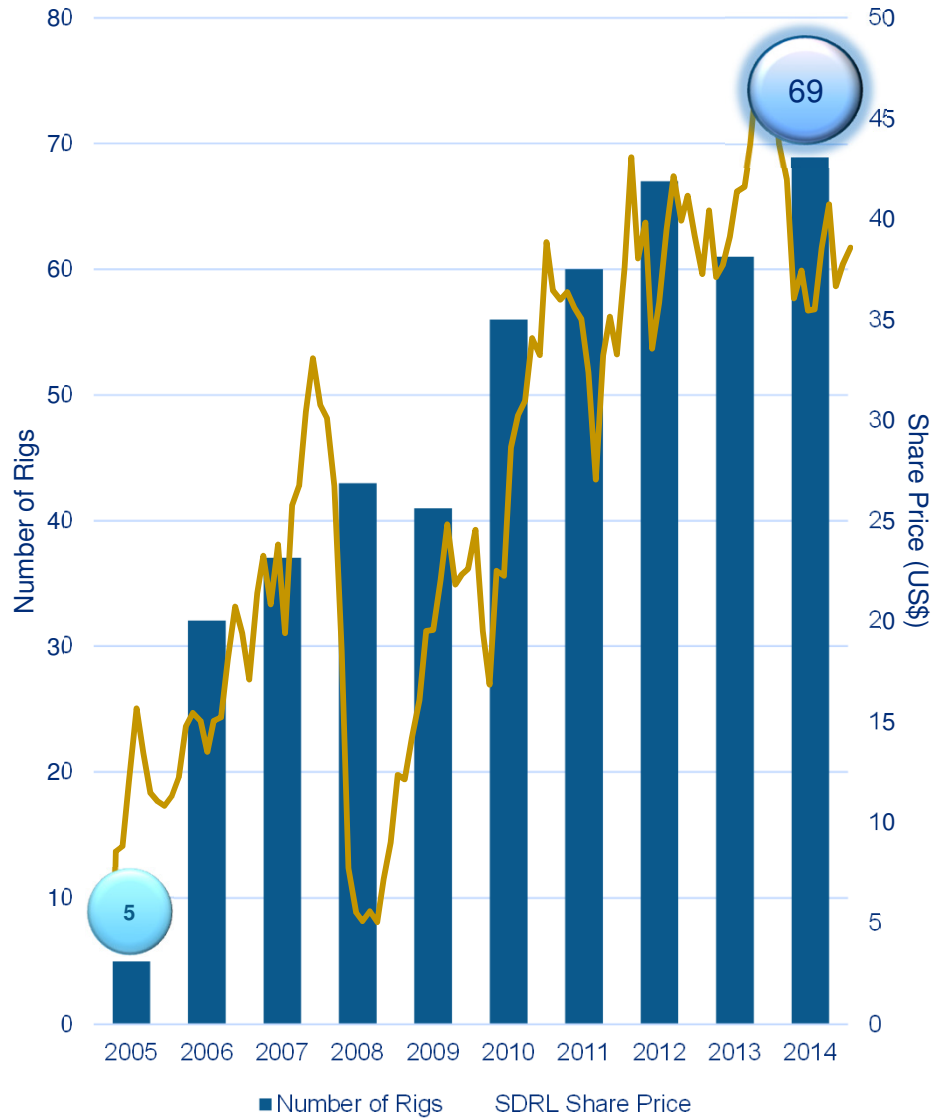
2005:

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 here?

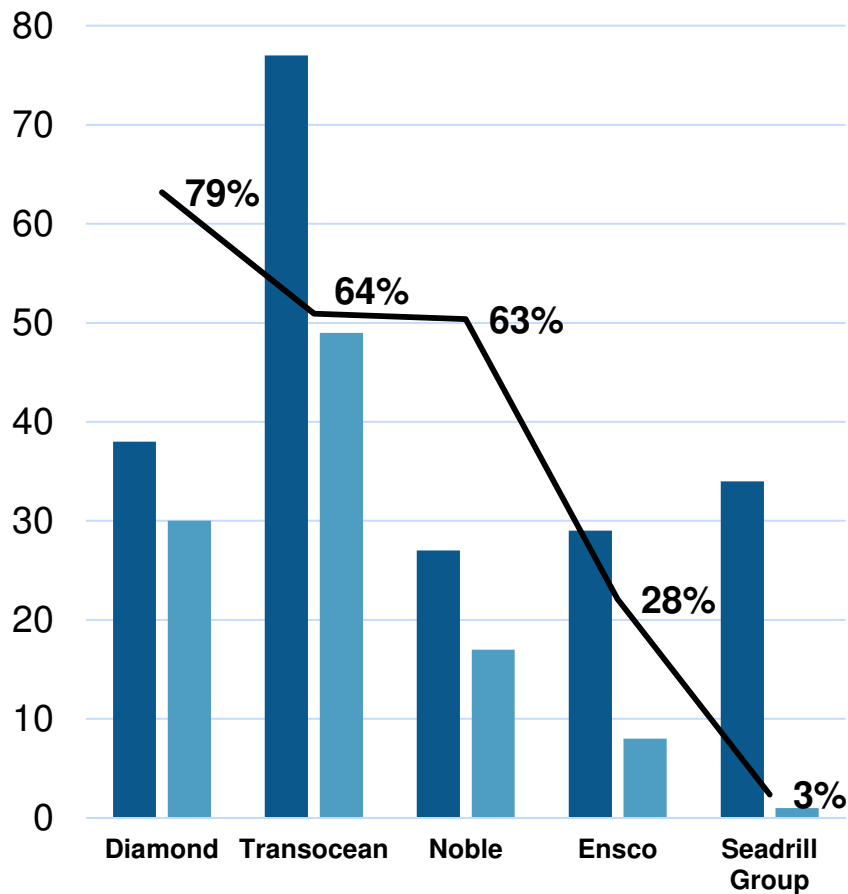
The World's Leading Drilling Company



Strongest Fleet Profile in the Industry

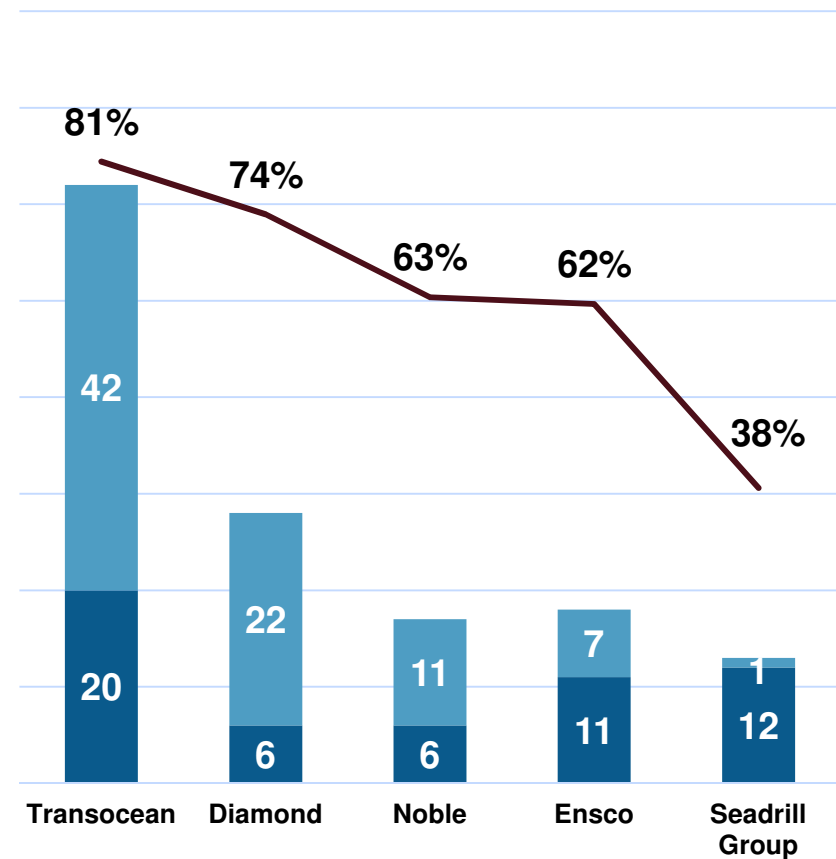


% of Floaters Built Before 2000



■ Total delivered floater fleet by end of 2016
■ # floaters built before 2000
— % of floater fleet built before 2000

Free and Clear Floater Availability Until End of 2016

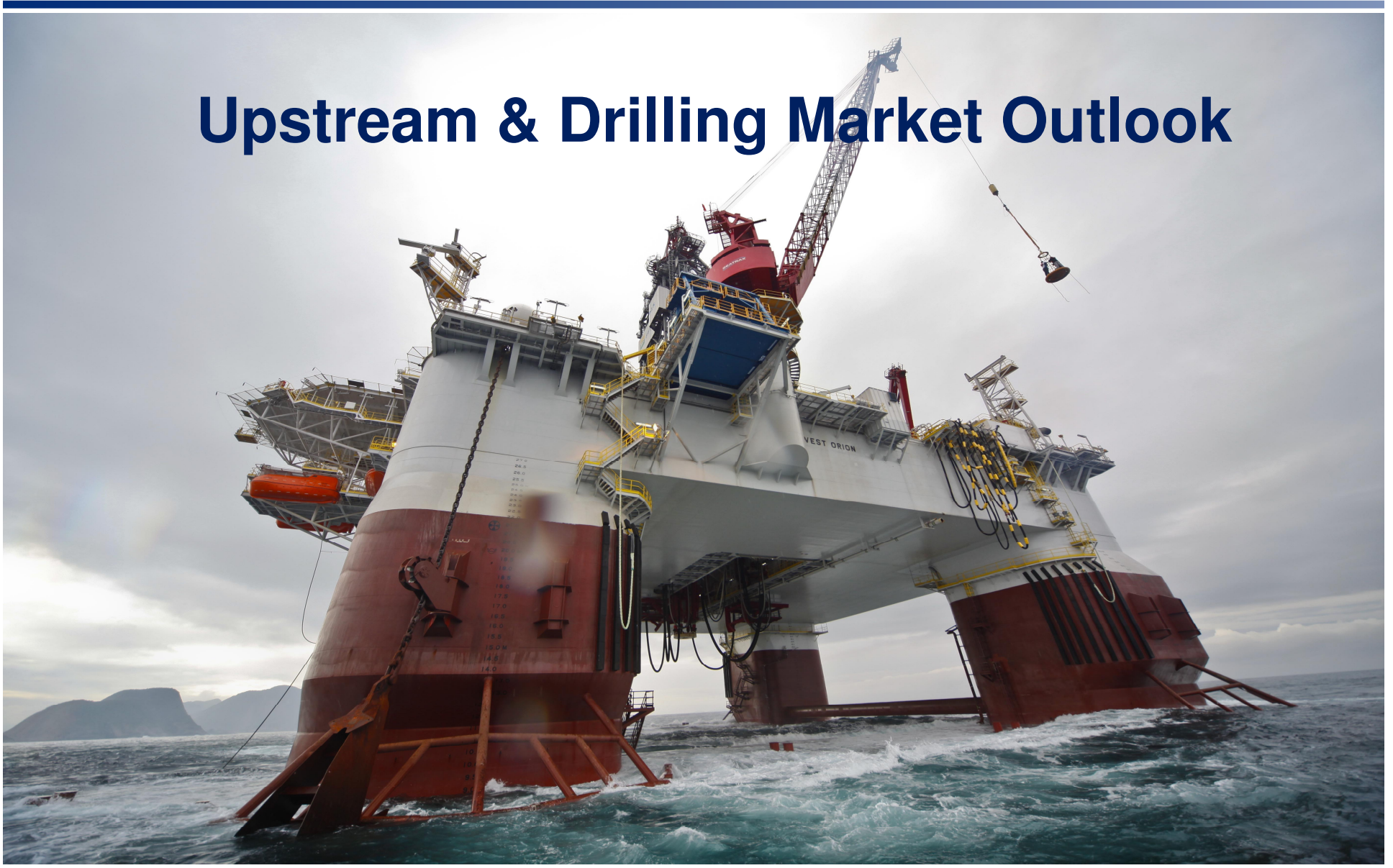


■ Floaters > 7,500 ft ■ Floaters 0 - 7,500 ft
— % of floater fleet

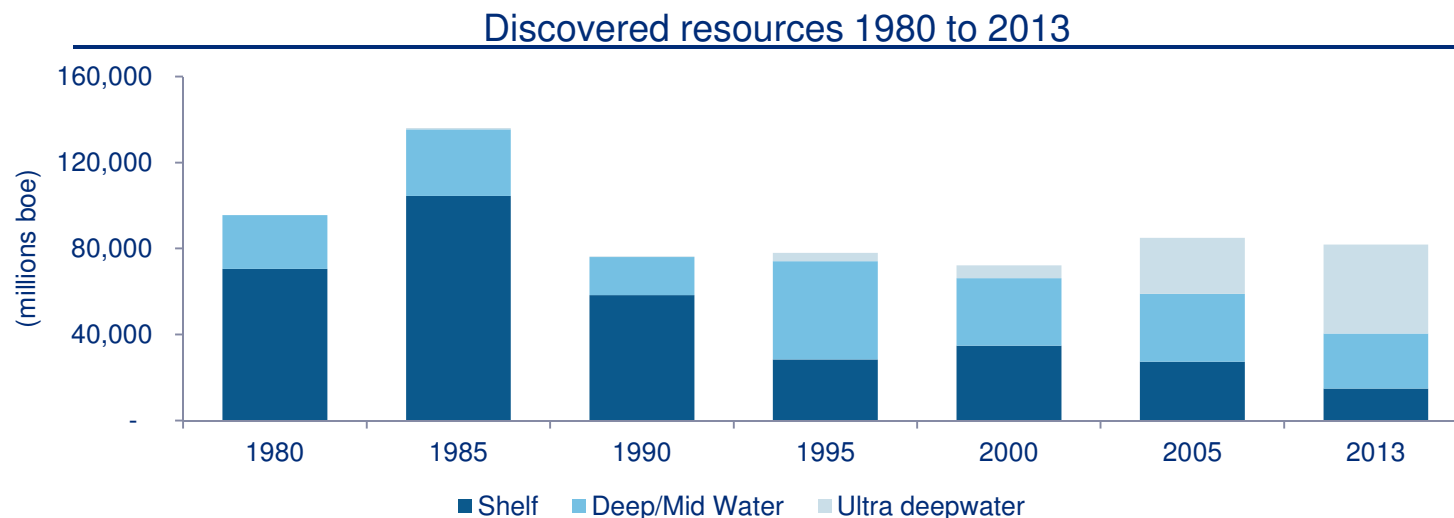
Source: IHS PetroData

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

Upstream & Drilling Market Outlook



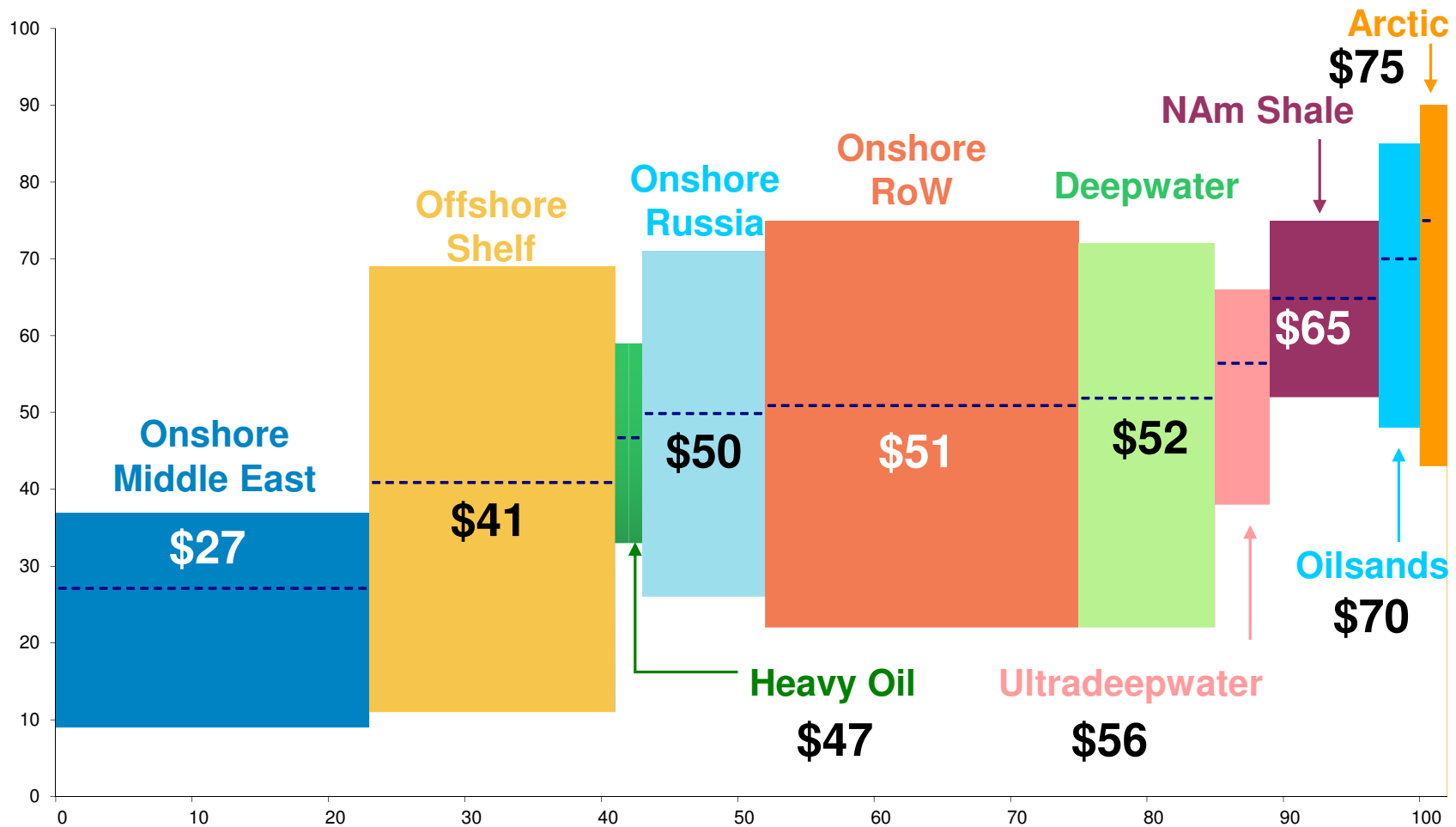
Recent Discoveries to Become Produced Volumes



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
	Total	227	239	1.1
On-shore	On-shore	485	456	0.9
On-shore Off-shore	Global	712	695	1.0

Margin Drives Long Term Investments



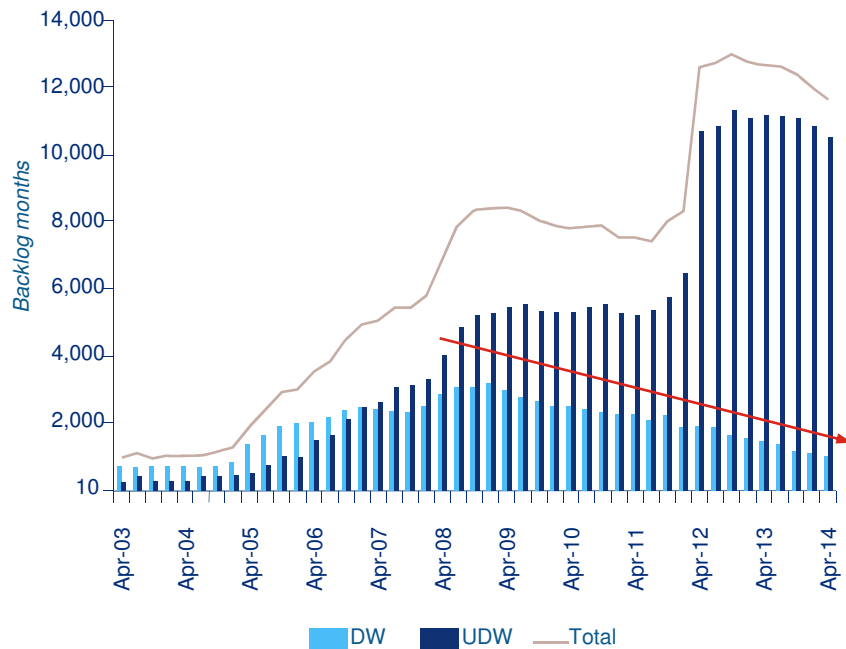
Deep and Ultra-deep Well Positioned on Cost Curve

(1) Average IEA crude oil import price
Source: Morgan Staley Equity Research

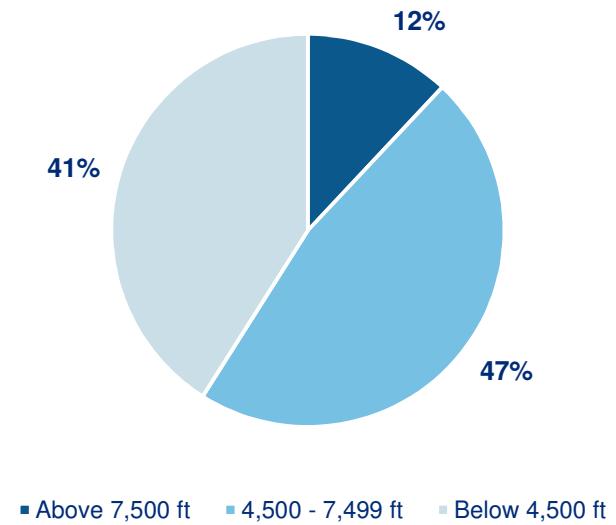
Preferential Demand for Newer Rigs



Contract Backlog UDW & DW



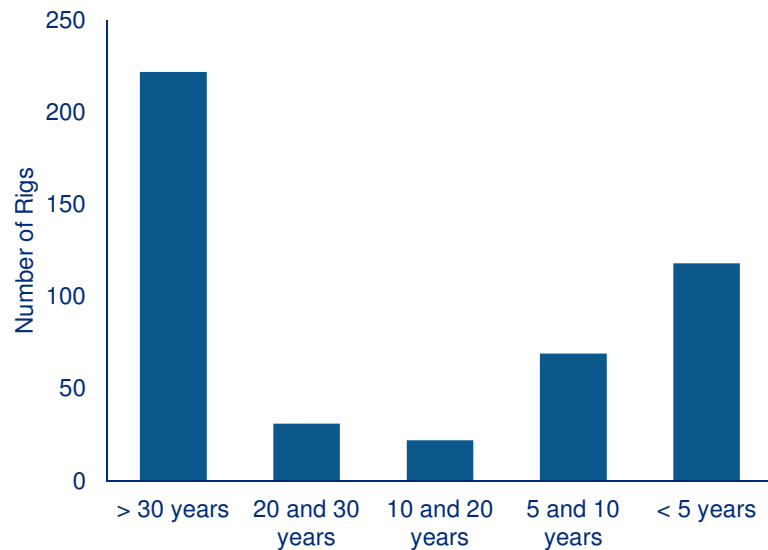
Operating Water Depth



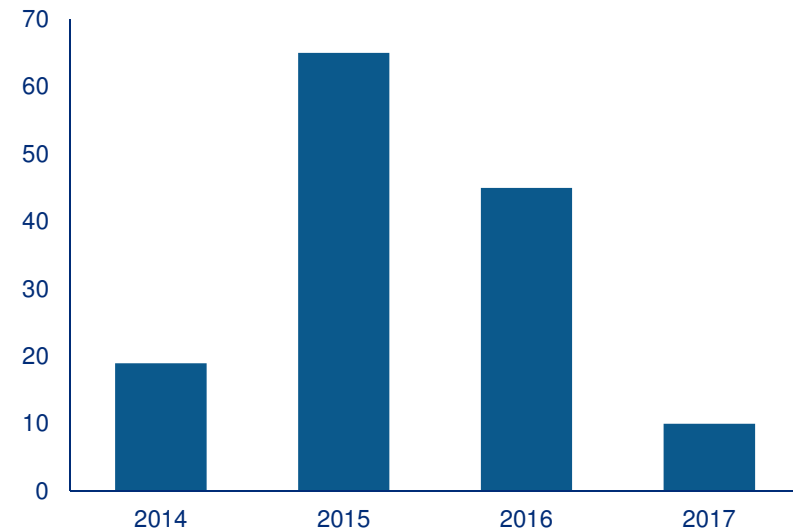
Bifurcation is a Reality

Jack-Up Market Fundamentals

Jack-up Fleet Age



Jack-up Delivery Schedule



- **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**

Funding Strategy & Outlook



Over \$7 Billion Raised in 2014



Capital Market Transactions

- NADL completes listing on NYSE with **US\$125 million** IPO
- **US\$600 million** NADL Bond Issue
- **SEK 1,500 million** Bond Issue
- **US\$650 million** Convertible Bond Flush

Secured Bank & ECA Funding

- **US\$1,500 million** (Korea II) facility
- **US\$1,350 million** facility
- Seadrill Limited is now **fully financed** in 2014

MLP Transactions

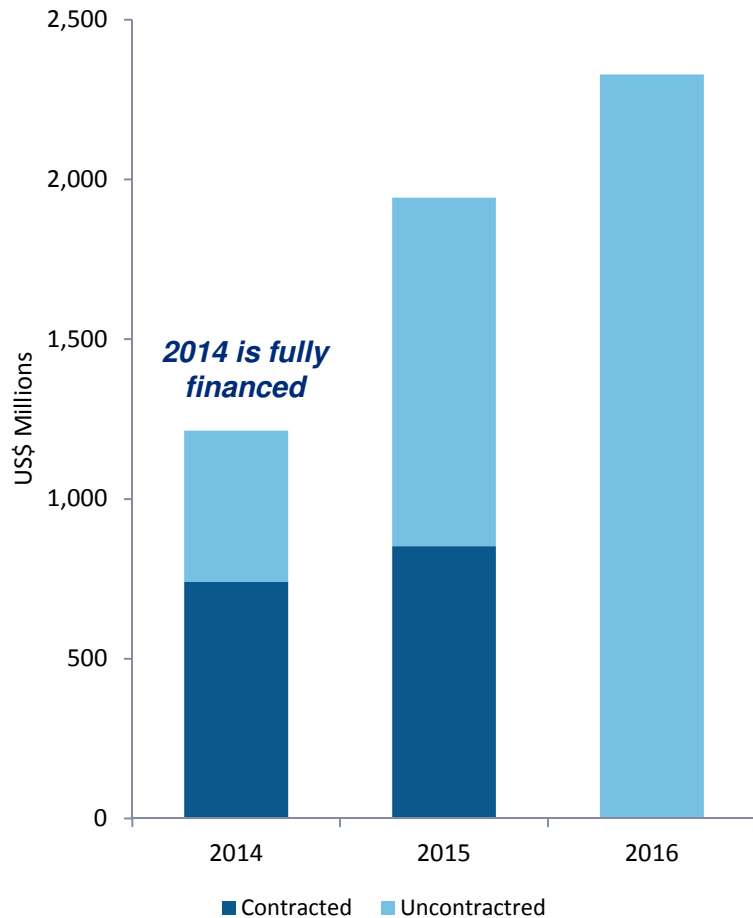
- **US\$1,800 million** SDLP TLB facility and **US\$1,100 million** add-on
- West Auriga drop down to SDLP
 - **US\$400 million** equity raised & **US\$350 million** cash proceeds to SDRL
- Public Offering of 6,100,000 common units for net proceeds of **US\$192 million**
- Acquired additional 28% interest in Seadrill Operating LP for **US\$373 million**

Demonstrated Access to Capital Markets

Illustrative Funding Profile



Remaining Yard Instalments



2015 Funding Required

- Floaters**
- West Rigel
 - West Mira
 - West Carina

- Jack-ups**
- West Titan
 - West Proteus
 - West Rhea
 - West Tethys

2016 Funding Required

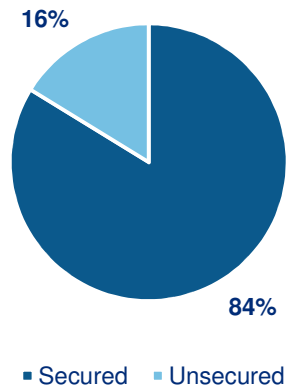
- Floaters**
- West Draco
 - West Dorado
 - West Aquila
 - West Libra

- Jack-ups**
- West Hyperion
 - West Umbriel
 - West Dione
 - West Mimas

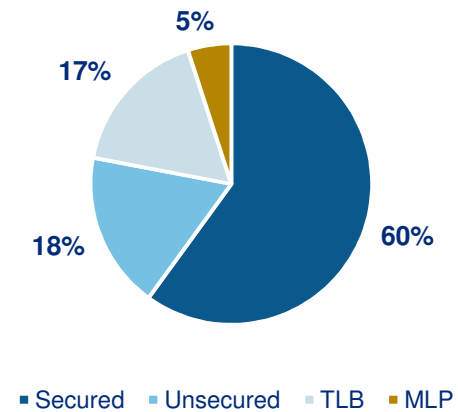
Well Defined & Manageable Funding Requirements

Changes in SDRL Loan Structure

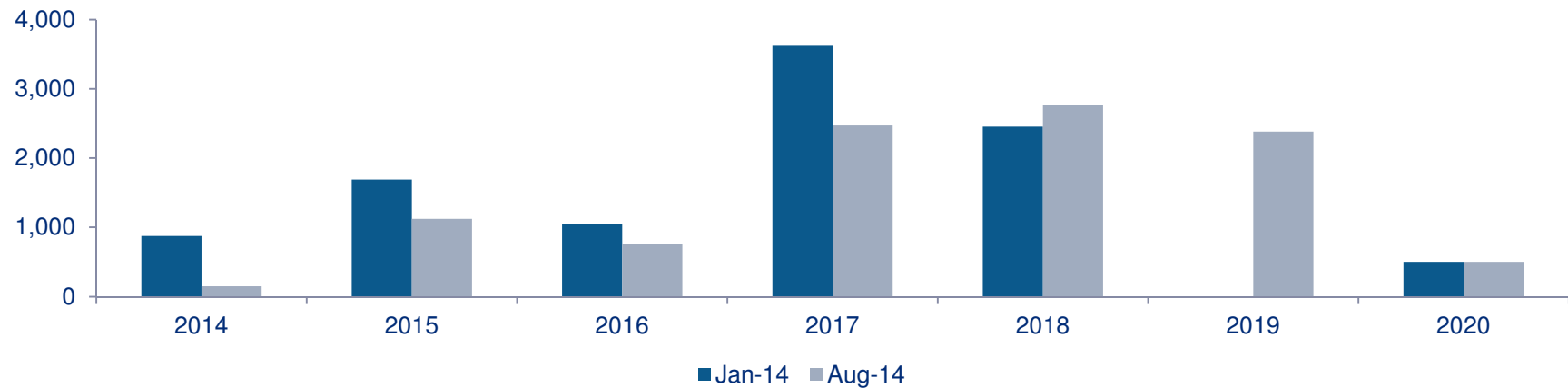
2009 Capital Structure



Current Capital Structure



Debt Maturity Profile

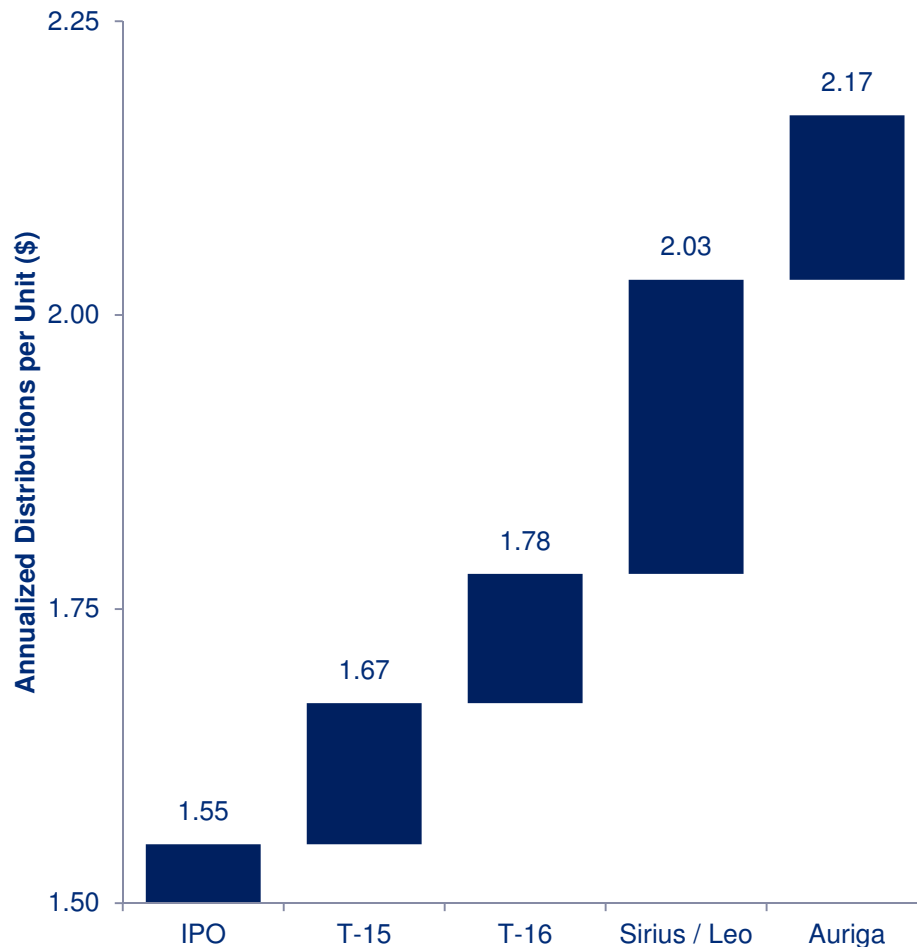
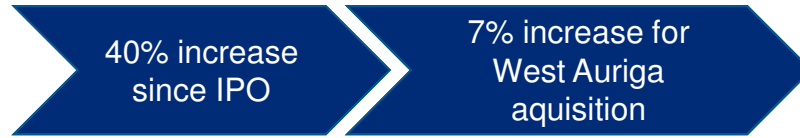


US\$3bn Reduction in Bank & ECA Debt in 2014

Seadrill Partners



Significant Progress Since IPO – More Growth to Come



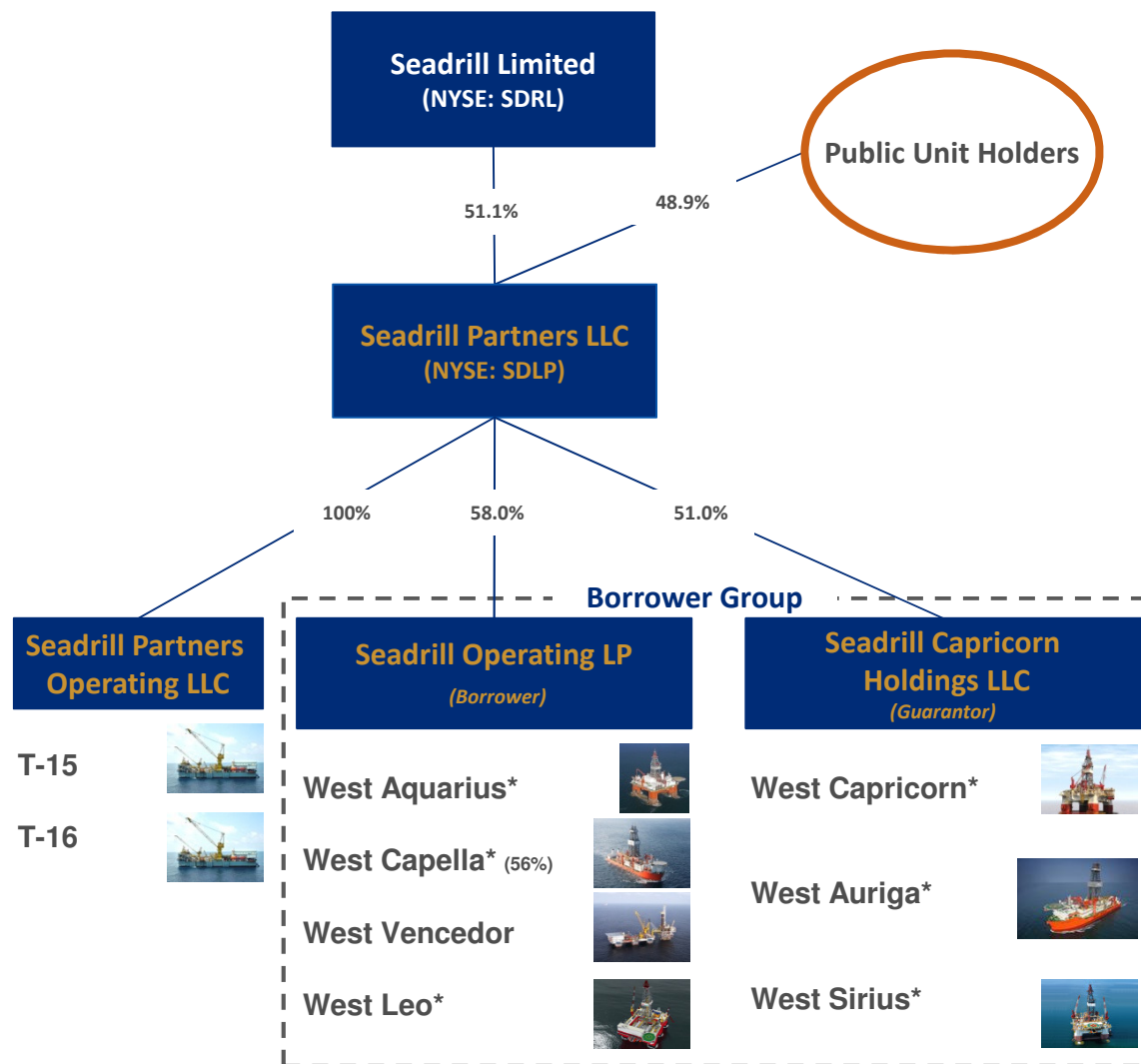
Major Events to Date

- Tender rig T-15 acquired for US\$210 million
- Tender rig T-16 acquired for US\$200 million
- West Sirius and West Leo acquired for a total consideration of US\$2.3 billion on a 100% basis
- US\$1.8 billion term loan B and US\$100 million revolver executed, creating a more efficient capital structure
- West Auriga acquired for a US\$1.24 billion on a 100% basis
- US\$1.1 billion add-on term loan B
- Public offering of \$192 million, and private placement to Seadrill Limited of \$100 million
- Acquired an additional 28% interest in Seadrill Operating LP for approximately \$373 million

Add-on Term Loan B Refinancing

Refinances Existing Debt Facilities

- Issued \$1.1bn add-on to existing \$1.8bn Term Loan B facility
- More efficient 1% annual amortization profile
- Frees additional funds to re-invest in fleet growth
- Debt maturity profile staggered against contract rollovers and extends maturity profile
- Priced at existing rate of Libor plus 3%, swapped to fixed of ~5.5%

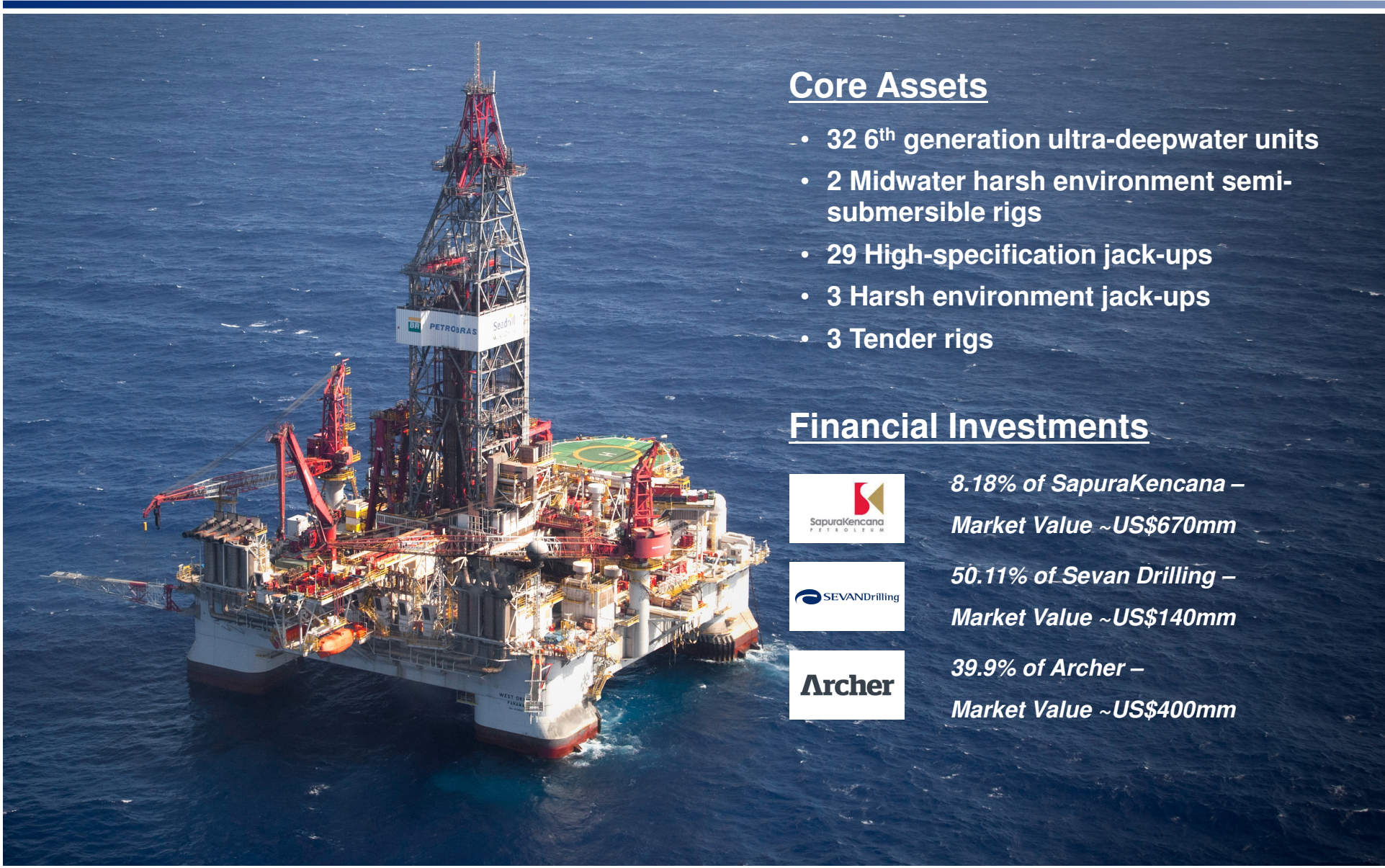


Growth - Additional UDW rigs from Seadrill



Unit	Customer	2014			2015				2016				2017			
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
West Alpha	ExxonMobil	US\$537,000											US\$552,000		Rosneft	
West Vela	BP	US\$565,000											11.2020			
West Auriga	BP	US\$565,000											10.2020			
West Rigel	Rosneft	Newbuild					Rosneft				07.2020					
West Mira	Husky	Newbuild					Transit				US\$590,000					
West Navigator	Centrica Energi NUF / Rosneft	US\$589'		US\$628'		Rosneft				01.2020						
West Jupiter	Total	Newbuild		Transit		US\$567,000				11.2019						
West Sirius	BP	US\$490		US\$535,000						07.2019						
Sevan Brasil	Petrobras	US\$396,572											07.2018			
West Leo	Tullow Oil	US\$605,000											07.2018			
West Polaris	ExxonMobil	US\$656,736											03.2018			
West Capricorn	BP	US\$495,650											US\$495'			
West Hercules	Statoil	US\$503,000											US\$503,000			
West Neptune	LLOG	Newbuild		Transit		US\$570,000										
West Gemini	Total	US\$656,000														
West Capella	ExxonMobil	US\$627,500														
West Aquarius	ExxonMobil	US\$540,000					US\$615,000									
Sevan Louisiana	LLOG	US\$505,000														
West Saturn	ExxonMobil	Newbuild					US\$610,000									
West Eclipse	Total	US\$450,000					US\$455,000									
West Pegasus	PEMEX	US\$555'		US\$461,362		Market Rate										
West Orion	Petrobras	US\$624,460														
Sevan Driller	Petrobras	US\$421,641														
West Phoenix	Total	US\$465,000														
West Venture	Statoil	US\$448,000														
West Eminence	Petrobras	US\$624,460														
West Taurus	Petrobras	US\$656,662														
West Tellus	Chevron	\$635														
Sevan Developer	-	Newbuild														
West Carina	-	Newbuild														
West Draco	-	Newbuild														
West Dorado	-	Newbuild														
West Aquila	-	Newbuild														
West Libra	-	Newbuild														

Option Yard or transit period SDLP Rigs



Core Assets

- 32 6th 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*