



# Conference Call – 4Q 2014 Results

*February 26, 2015*



# Forward Looking Statements

This news release includes forward looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. These statements are made based upon management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to offshore drilling market conditions including supply and demand, day rates, customer drilling programs and effects of new rigs on the market, contract awards and rig mobilizations, contract backlog, dry-docking and other costs of maintenance of the drilling rigs in the Company's fleet, the cost and timing of shipyard and other capital projects, the performance of the drilling rigs in the Company's fleet, delay in payment or disputes with customers, our ability to successfully employ our drilling units, procure or have access to financing, ability to comply with loan covenants, liquidity and adequacy of cash flow from operations, fluctuations in the international price of oil, international financial market conditions changes in governmental regulations that affect the Company or the operations of the Company's fleet, increased competition in the offshore drilling industry, and general economic, political and business conditions globally. Consequently, no forward-looking statement can be guaranteed. When considering these forward-looking statements, you should keep in mind the risks described from time to time in the Company's filings with the SEC, including its Annual Report on Form 20-F. The Company undertakes no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, the Company cannot assess the impact of each such factors on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward looking statement.



# Agenda

1 Highlights Q4 2014

2 Financial Performance Highlights

3 Market Outlook

4 Appendix: Seadrill Limited Financials



## Successful 2014, Expecting Challenges in 2015

- Operational excellence – Three drillships taken into service in the fourth quarter
- Strong financial and operational performance during 2014
- Secured 5 new contracts, adding US\$1.3 billion to contract backlog (full year)
- Prudent action taken during 2014, will continue to do so in 2015
- Utilization and pricing challenges expected to continue in 2015
- Subdued upstream spending in a low oil price environment

## Well Positioned for Downturn

- Modern fleet, strong operational organization, focus on driving efficiencies
- Secured nearly US\$10 billion in financing commitments in 2014
- Limited exposure to current dayrate environment
- Preliminary steps taken to match delivery dates with expected demand
- Well defined and manageable funding requirements
- Ability to act as consolidator when the time is right

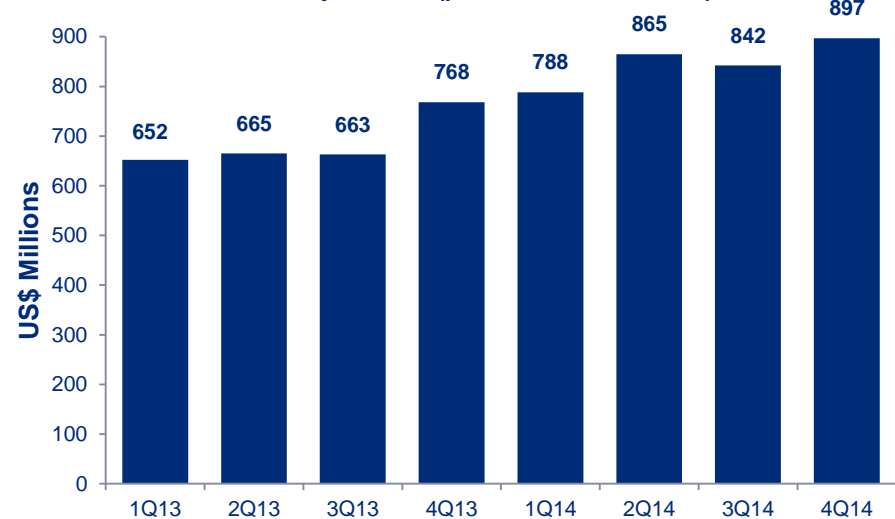
# Company Highlights – Q4 2014

Seadrill Group generated combined EBITDA of US\$897 million for the fourth quarter 2014

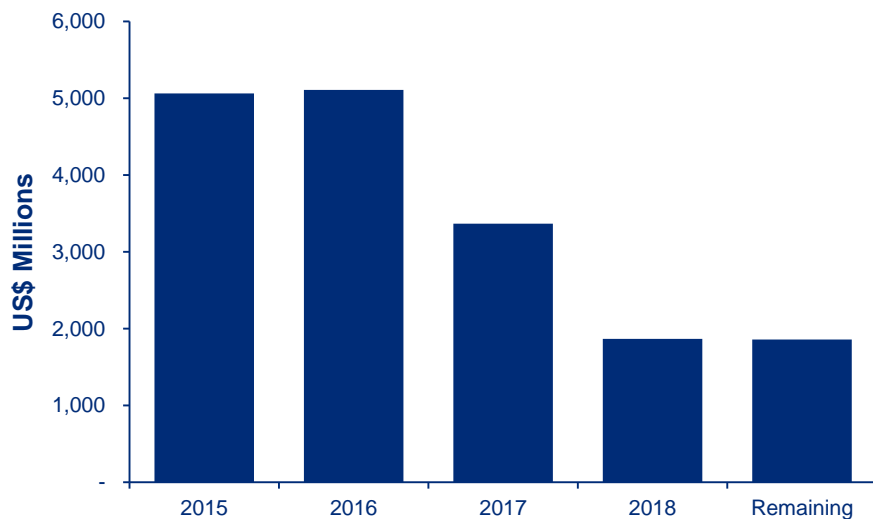
Economic utilization for the Group's floaters on a consolidated basis was 94 percent

US\$17 billion current orderbacklog for the Seadrill Group

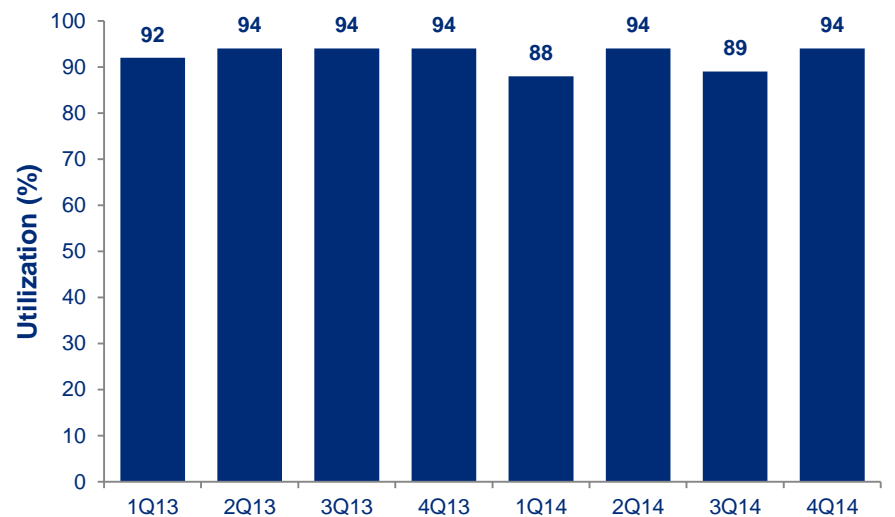
Quarterly EBITDA (proforma consolidated)



Current Backlog (proforma consolidated)



Ultra-Deepwater Economic Utilization (proforma consolidated)



# Financial Performance Highlights



# Financial Performance Highlights



	Q4 2014 Stand alone	Q4 2014 Combined	Q3 2014 Combined	Q4 2013 Combined
Total Operating Revenue	US\$1,261 m	US\$1,610 m	US\$1,610 m	US\$1,069 m
Gain on sale of assets	US\$192 m	-	-	-
Total Operating Expenses*	US\$1,001 m	US\$1,181 m	US\$984 m	US\$638 m
Net Operating Income	US\$452 m	US\$429 m	US\$626 m	US\$431 m
EBITDA	US\$672 m	US\$897 m	US\$842 m	US\$768 m

\* Loss on impairment included 4Q14 operating expenses

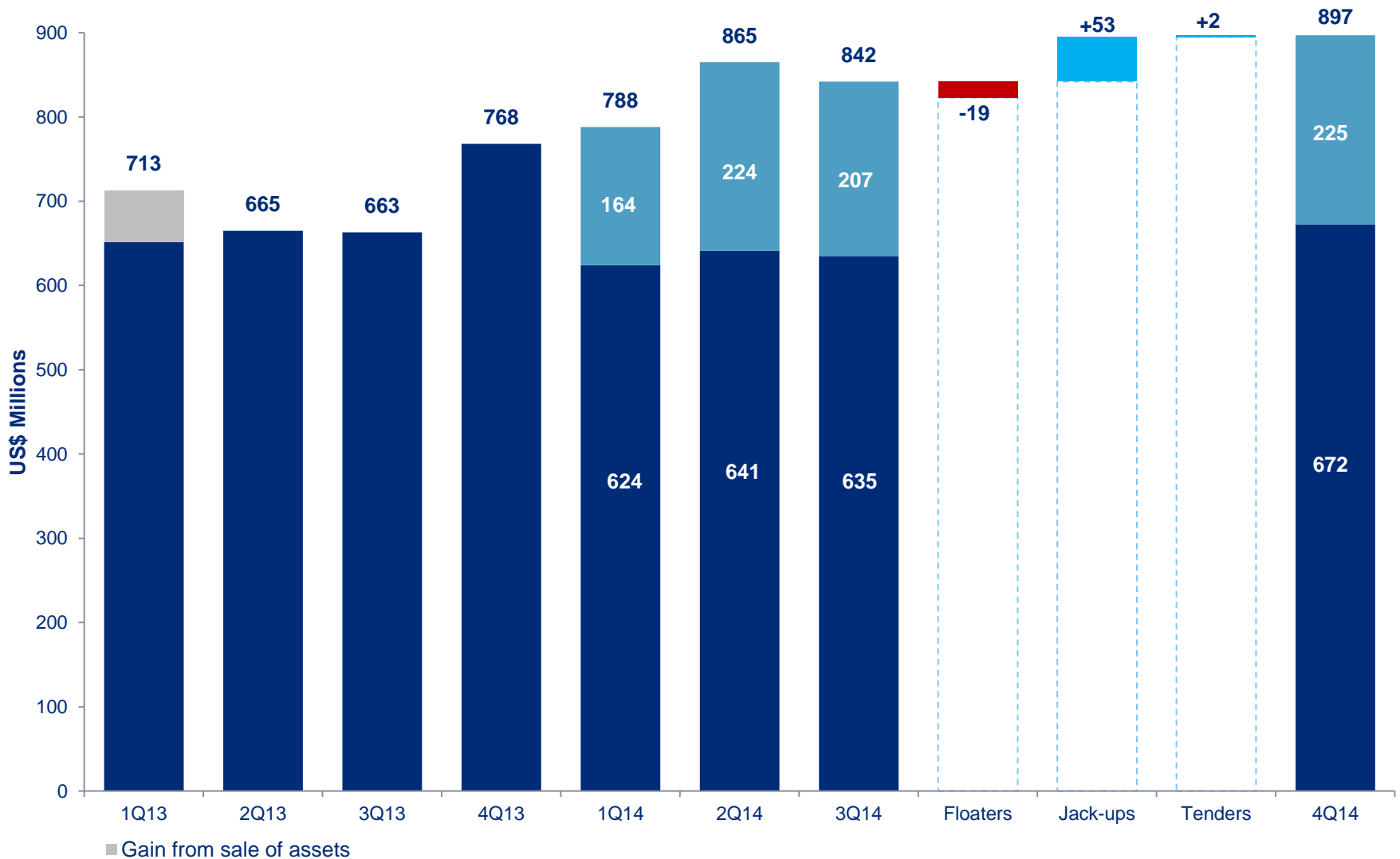
# Balance Sheet Summary



	December 31, 2014	September 30, 2014
<b>Total Current Assets</b>	<b>3,415</b>	<b>3,422</b>
<b>Non-current assets</b>		
Newbuildings	2,030	3,794
Drilling units	15,145	13,932
Other	5,916	6,239
<b>Total non-current assets</b>	<b>23,091</b>	<b>23,965</b>
<b>TOTAL ASSETS</b>	<b>26,506</b>	<b>27,387</b>
<b>Current Liabilities</b>		
Current portion of long-term debt	2,309	1,689
Other	2,265	1,920
<b>Total current liabilities</b>	<b>4,574</b>	<b>3,609</b>
<b>Non-current liabilities</b>		
Total Long-term Debt	10,311	11,422
Other	1,231	1,412
<b>Total non-current liabilities</b>	<b>11,542</b>	<b>12,834</b>
<b>TOTAL LIABILITIES</b>	<b>16,116</b>	<b>16,443</b>
<b>Equity</b>		
<b>Total shareholder's equity</b>	<b>10,390</b>	<b>10,944</b>
<b>Total liabilities and shareholder's equity</b>	<b>26,506</b>	<b>27,387</b>



# EBITDA Contribution



# Manageable Funding Requirements

<i>Unaudited accounts in USD millions</i>	<b>Next 2 Years</b>
<b>Debt Maturities</b>	<b>1,300</b>
Yard Instalments	3,500
<b>Total Funding Requirement</b>	<b>4,800</b>
<b>Debt Amortization</b>	<b>2,400</b>

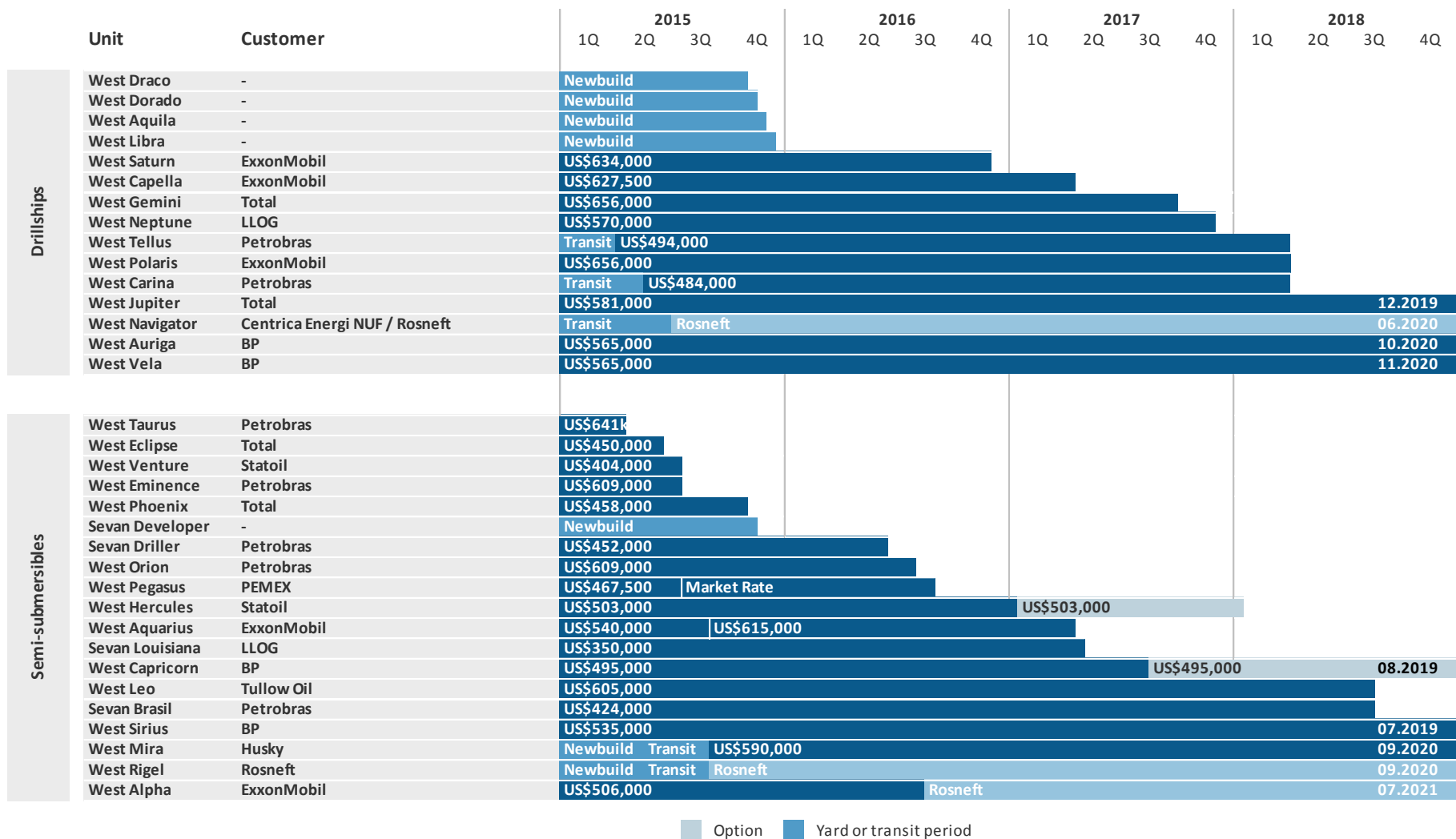
- US\$1.3 billion in debt maturing in 2015 and 2016
- US\$3.5 billion in yard instalments over the next two years.
- In the fourth quarter Seadrill was able to raise a total of US\$1.7 billion in secured bank funding and has adequate headroom for secured funding going forward

***Well Defined & Manageable Funding Requirements***

# Market Outlook



# Seadrill Group US\$17.2 Billion Contract Backlog





## Core Assets

- 32 6<sup>th</sup> 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\$382mm*



*50.11% of Sevan Drilling –  
Market Value ~US\$26mm*



*39.9% of Archer –  
Market Value ~US\$78mm*

# Appendix: Seadrill Limited Financials



# Operating Income - Floaters

<i>Unaudited accounts in USD millions</i>	4Q14	3Q14	2Q14	1Q14
<b>Total operating revenues</b>	<b>801</b>	<b>842</b>	<b>852</b>	<b>813</b>
Gain on Sale*	192	-	-	440
Vessel and rig operating expenses	268	298	263	271
Reimbursable expenses	12	39	58	23
Depreciation and amortisation	132	128	121	127
General and administrative expenses	58	53	49	48
<b>Total operating expenses</b>	<b>470</b>	<b>518</b>	<b>491</b>	<b>469</b>
<b>Net operating income</b>	<b>523</b>	<b>324</b>	<b>361</b>	<b>784</b>

# Operating Income – Jack-up Rigs

<i>Unaudited accounts in USD millions</i>	4Q14	3Q14	2Q14	1Q14
<b>Total operating revenues</b>	<b>420</b>	<b>408</b>	<b>335</b>	<b>315</b>
Vessel and rig operating expenses	184	184	142	130
Reimbursable expenses	4	14	11	9
Depreciation and amortisation	48	46	44	48
Loss on impairment	232			
General and administrative expenses	25	31	26	25
<b>Total operating expenses</b>	<b>493</b>	<b>275</b>	<b>223</b>	<b>212</b>
<b>Net operating income</b>	<b>-73</b>	<b>133</b>	<b>112</b>	<b>103</b>



# Operating Income – Total Seadrill Limited



<i>Unaudited accounts in USD millions</i>	4Q14	3Q14	2Q14	1Q14
<b>Total operating revenues</b>	<b>1,261</b>	<b>1,293</b>	<b>1,222</b>	<b>1,221</b>
<b>Gain on sale of assets*</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>440</b>
Vessel and rig operating expenses	488	521	437	492
Reimbursable expenses	18	53	69	32
Depreciation and amortisation	180	174	165	174
Loss on impairment	232	-	-	-
General and administrative expenses	83	84	75	73
<b>Total operating expenses</b>	<b>1,001</b>	<b>832</b>	<b>746</b>	<b>771</b>
<b>Net operating income</b>	<b>452</b>	<b>461</b>	<b>476</b>	<b>890</b>

\* Gain on sale of assets at 4Q14 relates to the disposal of Vela to Seadrill Partners

# Net Income – Total Seadrill Limited



<i>Unaudited accounts in USD millions</i>	<b>4Q14</b>	<b>3Q14</b>	<b>2Q14</b>	<b>1Q14</b>
<b>Net operating income</b>	452	461	476	890
<b>Financial items and other income</b>				
Interest income	18	2	32	11
Interest expense	(122)	(114)	(124)	(118)
Share in results from associated companies	41	(26)	54	20
(Loss)/Gain in financial derivatives	(285)	(80)	(95)	(37)
Foreign exchange gain/(loss)	105	52	22	(15)
Gain on realization of marketable securities	-	-	131	-
Other financial items	(8)	(66)	51	39
Gain on deconsolidation of Seadrill Partners	-	-	-	2,339
<b>Total financial items and other income</b>	<b>(251)</b>	<b>(232)</b>	<b>71</b>	<b>2,239</b>
Income before income taxes	201	229	547	3,129
Income taxes	(51)	(39)	106	(35)
<b>Net income</b>	<b>150</b>	<b>190</b>	<b>653</b>	<b>3,094</b>
<b>Earnings per share (US\$)</b>	<b>0.32</b>	<b>0.31</b>	<b>1.29</b>	<b>6.54</b>

# Balance Sheet - Assets

<i>Unaudited accounts in USD millions</i>	December 31, 2014	September 30, 2014	June 30, 2014
<b>Current assets</b>			
Cash and cash equivalents	831	638	543
Restricted cash	268	279	237
Marketable securities	426	878	933
Accounts receivables, net	1,017	797	824
Other current assets	873	830	648
<b>Total current assets</b>	<b>3,415</b>	<b>3,422</b>	<b>3,185</b>
<b>Non-current assets</b>			
Newbuildings	2,030	3,794	2,593
Drilling units	15,145	13,932	14,008
Assets held for sale – non current	1,105	1,079	1,048
Restricted cash	181	114	126
Deferred tax assets	30	48	47
Other non-current assets	4,600	4,998	5,597
<b>Total non-current assets</b>	<b>23,091</b>	<b>23,965</b>	<b>23,419</b>
<b>Total assets</b>	<b>26,506</b>	<b>27,387</b>	<b>26,604</b>

# Balance Sheet – Liabilities & Shareholder’s Equity



<i>Unaudited accounts in USD millions</i>	December 31, 2014	September 30, 2014	June 30, 2014
<b>Current liabilities</b>			
Current portion of long-term debt	2,309	1,689	2,147
Trade accounts payable	84	90	61
Other current liabilities	2,181	1,830	1,895
<b>Total current liabilities</b>	<b>4,574</b>	<b>3,609</b>	<b>4,103</b>
<b>Non-current liabilities</b>			
Long-term interest bearing debt	10,311	11,442	10,025
Deferred taxes	67	79	73
Other non-current liabilities	1,164	1,313	1,656
<b>Total non-current liabilities</b>	<b>11,542</b>	<b>12,834</b>	<b>11,754</b>
<b>Equity</b>			
<b>Total shareholder’s equity</b>	<b>10,390</b>	<b>10,944</b>	<b>10,747</b>
<b>Total liabilities and shareholder’s equity</b>	<b>26,506</b>	<b>27,387</b>	<b>26,604</b>