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Credit Suisse 2013 Energy Summit

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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, 2011 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. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's web site at seadrill.com.



- Company profile
- Seadrill development
- Market outlook
- Rig economics
- Financial profile
- Summary

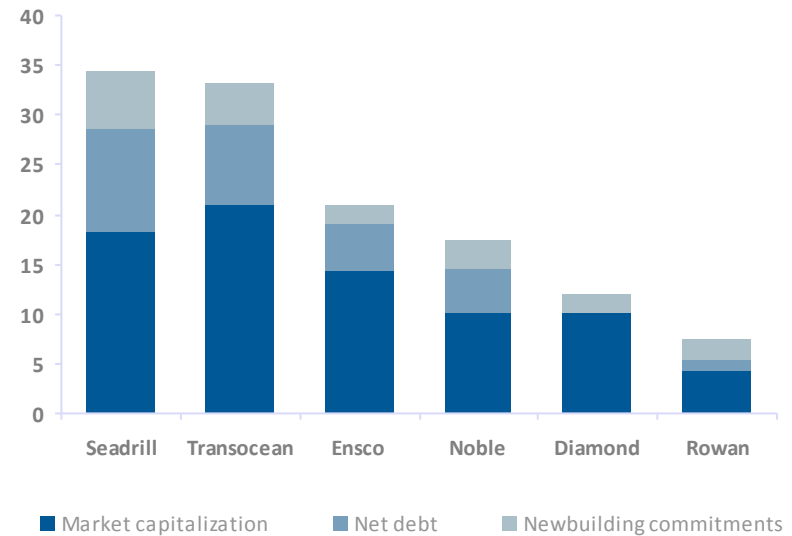


Company profile

- Most modern fleet of all the offshore drillers
- Diverse asset base of 73 units
 - 26 drillships & semi-submersibles
 - 26 jack-up rigs
 - 21 tender rigs
- Global reach including harsh environment
- Current market capitalization ~ US\$18.6 bn
- Broad customer base with contract backlog ~ US\$21.5 bn
- 3Q/12 EBITDA annualized ~ US\$2.4 bn
- Dividend annualized ~ US\$1.6 bn

Enterprise value

US\$ Billion



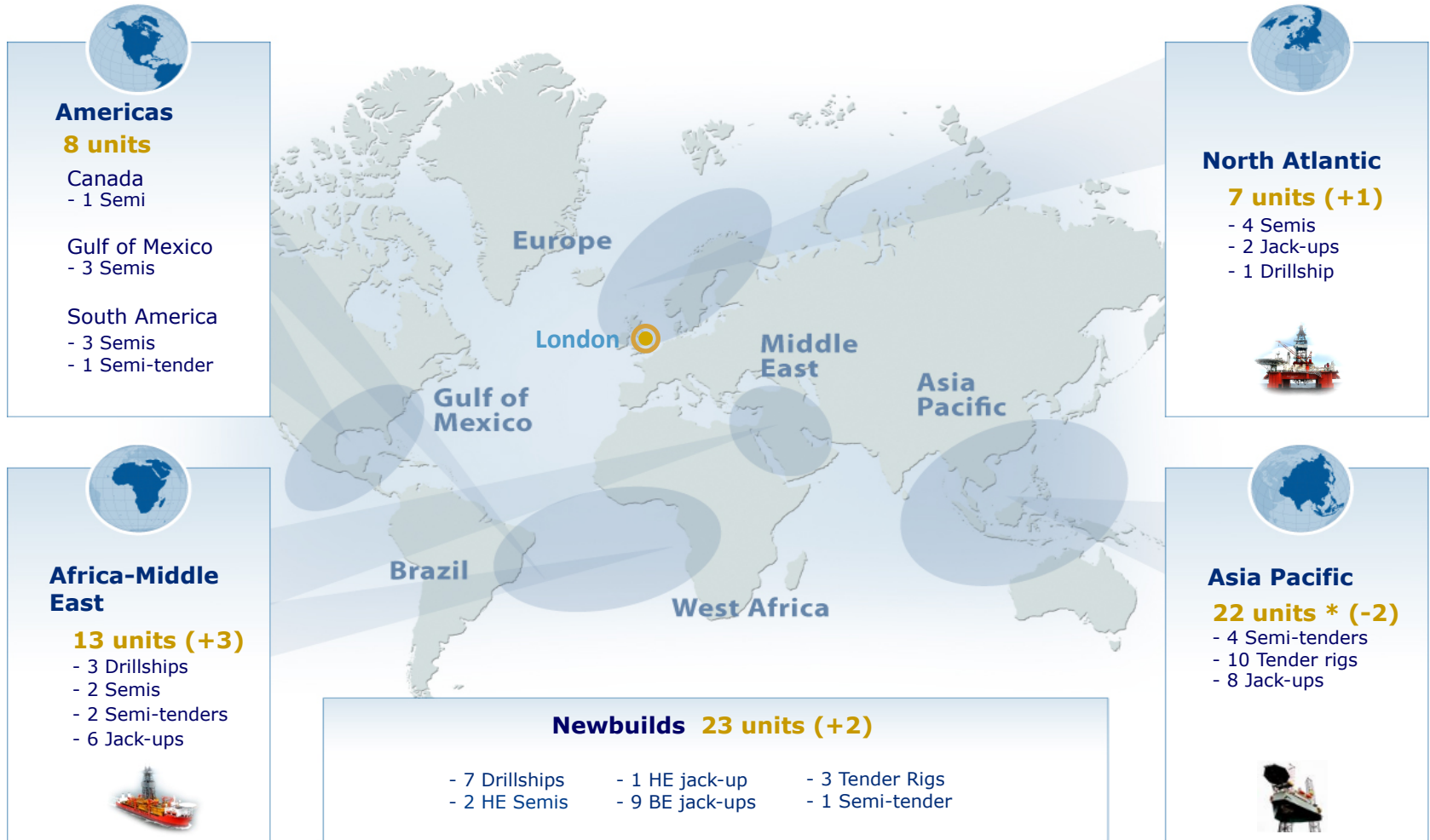
Key Steps in Developing Seadrill



Operational excellence....delivering growth

*Total fleet including latest newbuilds = 73 rigs

Global Operational Footprint



Critical size in all important regions...Economies of scale developing

*Includes five tender rigs owned by Varia Perdana

Performance and uptime

2009: 93% TU, Third quarter: 96% TU

- Aligned Regions, operationally and technically
- Daily, weekly and monthly KPIs
- Detailed downtime root cause analysing
- Enhanced subsea and well control training

Safety

2009: 2.48 LTI freq.*, Present: 0.82 LTI freq.*

- Daily Senior Management focus on safety
- Advanced reporting and analysing tools
- Aligned culture

Managing risks

2009: 2.77 HIPO freq.*, Present: 1.11 HIPO freq.*

- Systems – proven designs
- Structure – clear operating requirements
- People – operational knowledge at all managerial levels

Operations

2009: 30 rigs, Present: 50 rigs

- Transfer of learning across the fleet
- Standardised approach
- Specialised personnel



5% uptime improvement ~ US\$225m in revenue annually

Deliver superior uptime and win repeat business

Second Largest Ultra-deepwater Player

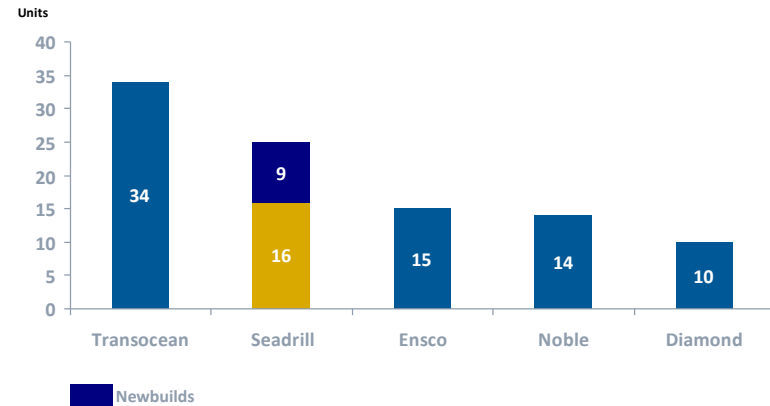
Existing rigs



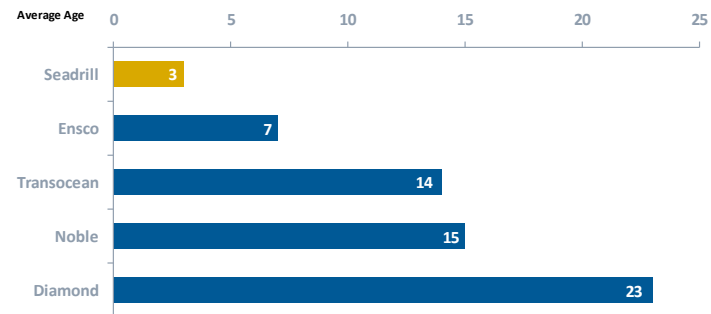
Newbuilds



Ultra-Deepwater units



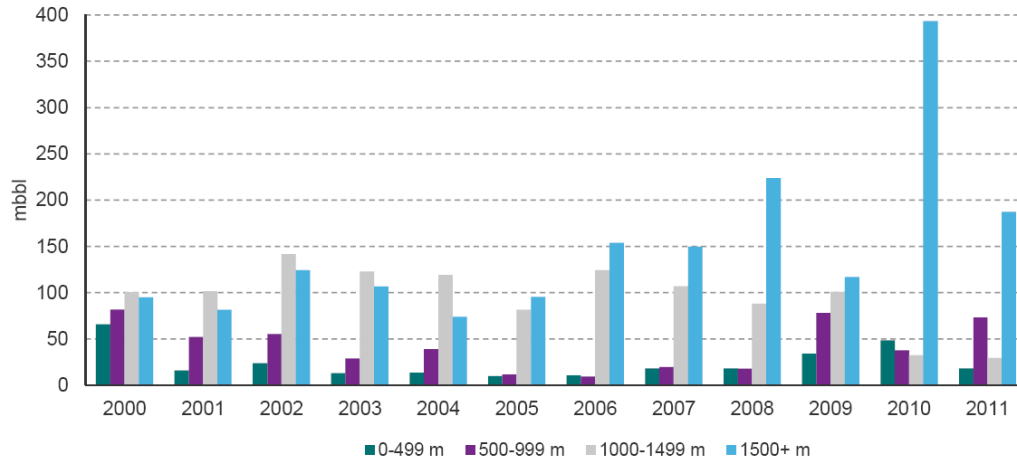
Deepwater units



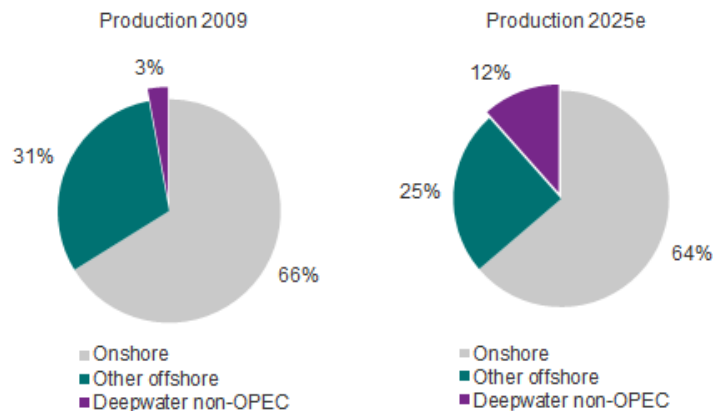
Significant fleet growth....Cost of ageing underestimated

The bigger finds are in deeper water

Average size of new discoveries by water depth

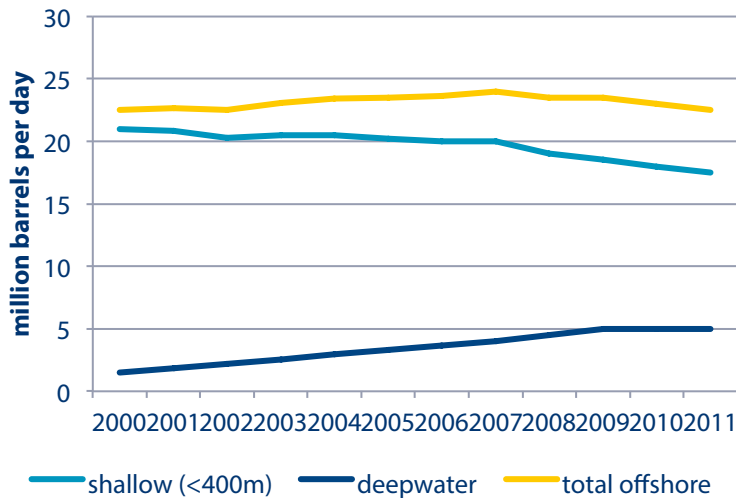


Deepwater production

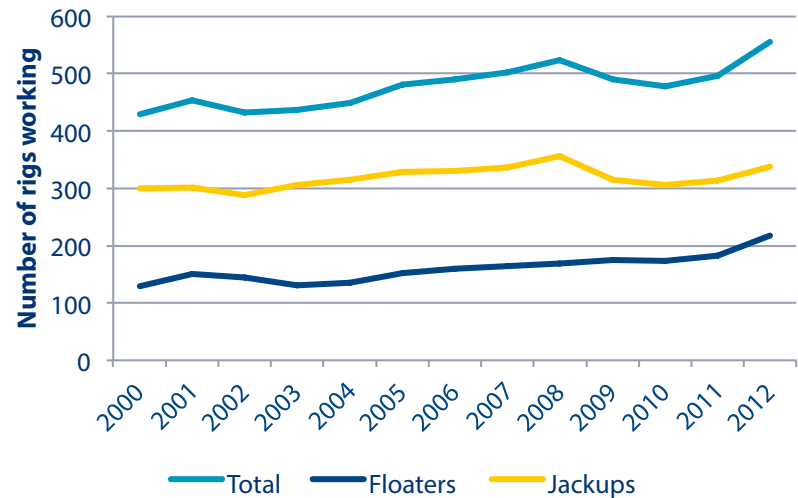


- Since 2000 number of rigs in operation has increased by 40% -> While offshore oil production has been flat

Declining offshore oil production



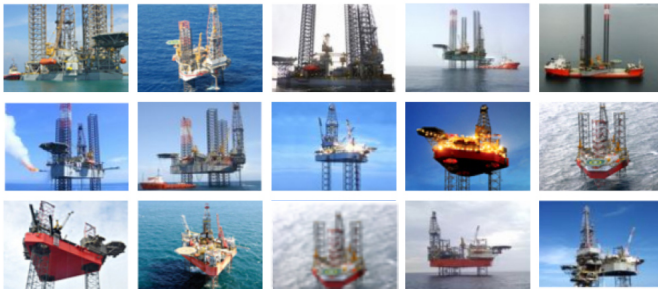
Increased number of rigs working



High decline rate on ageing fields.....Easy oil is over

Largest Operator of Premium Jack-Ups

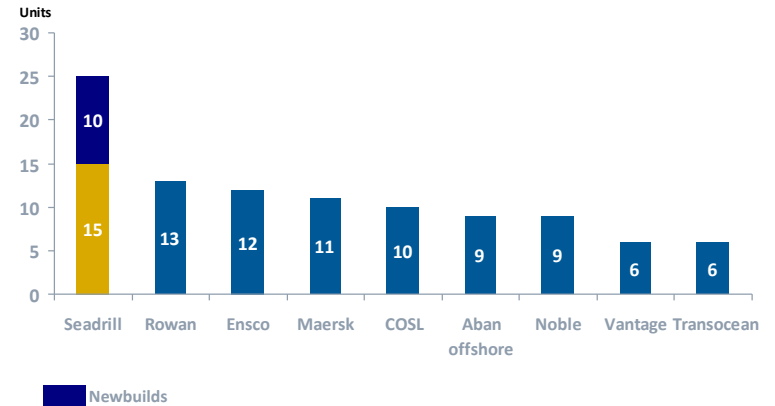
Existing rigs



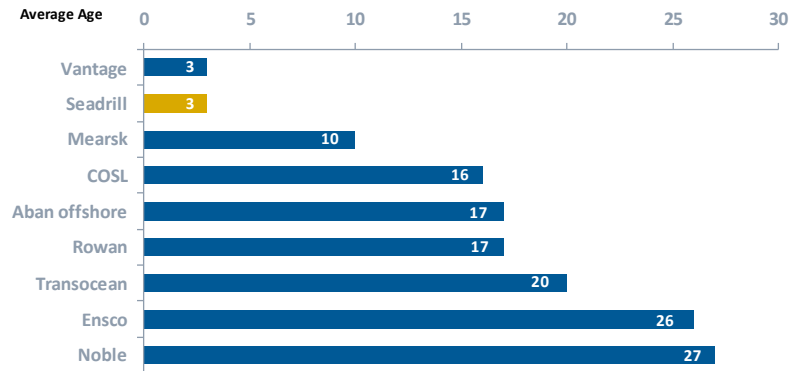
Newbuilds



Jack-ups < 350 feet built after 2000

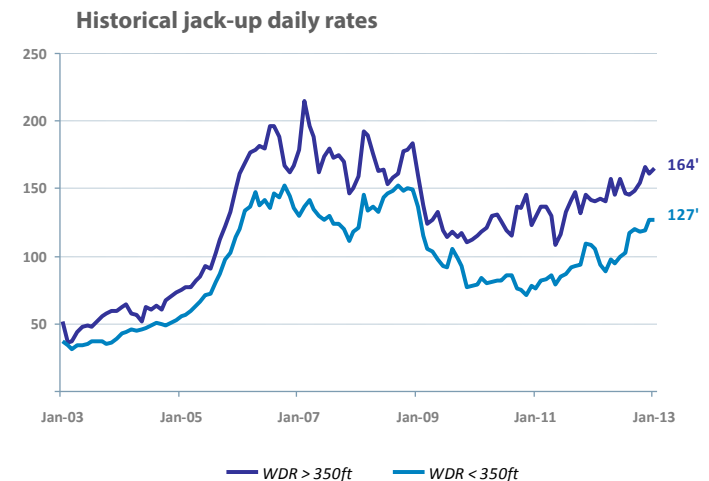
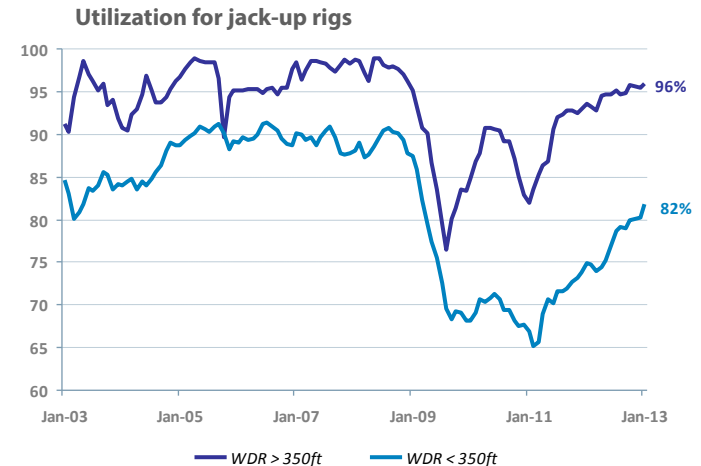


Jack-ups - Total fleet



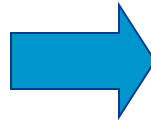
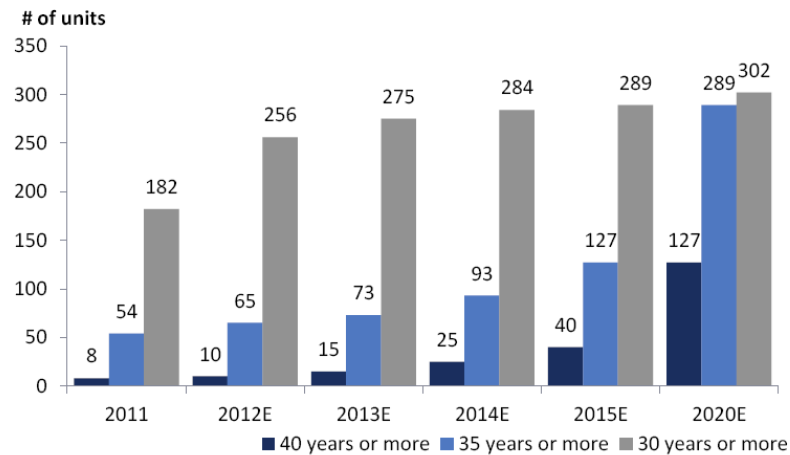
New fleet to meet future drilling challenges

- Daily rates are improving
- Near term availability decreasing – improving utilization
- Bifurcation between premium and standard jack-ups continuing, efficiency and safety benefits
- Strong demand from Middle East and SE Asia, increasing interest from Australia and West Africa
- Decrease in stacked jack-ups, but not many more to reactivate

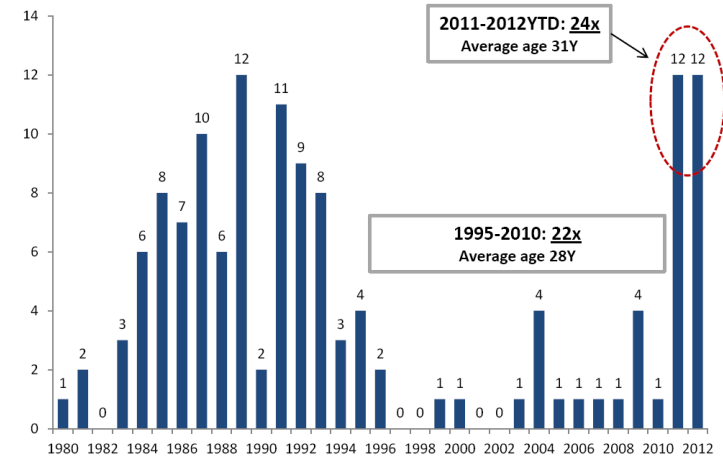


Jack-up market - showing continued improvement

Age development global jackup fleet



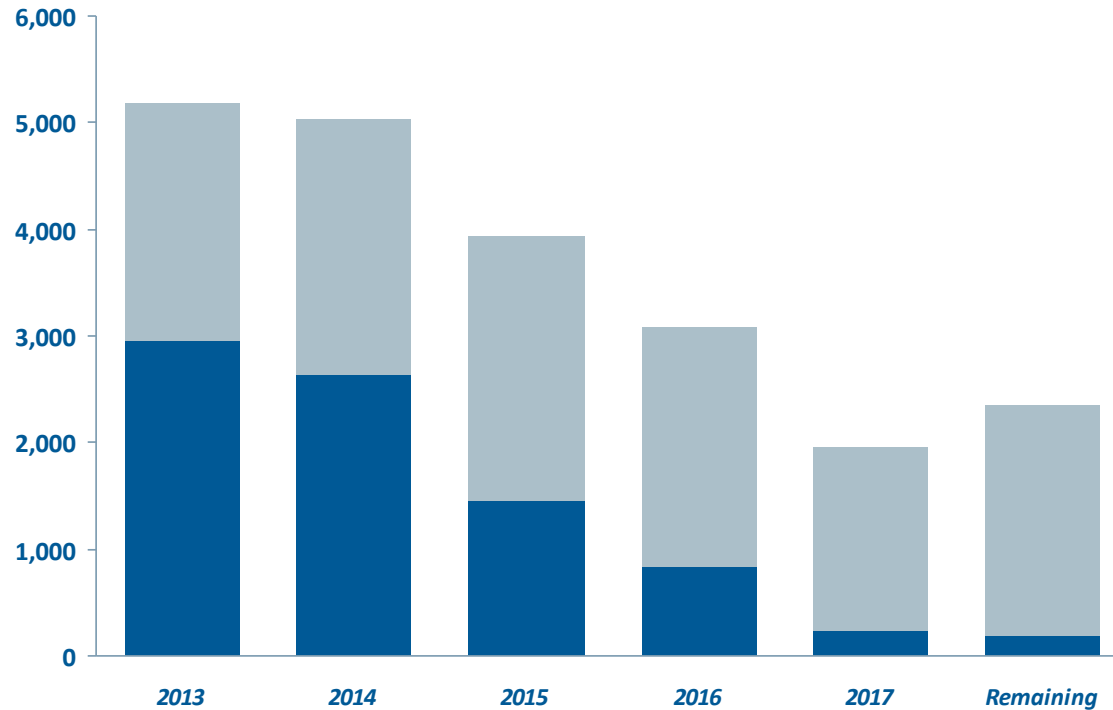
Jackups removed from the market (excl. accidents) per year 1980-2012YTD



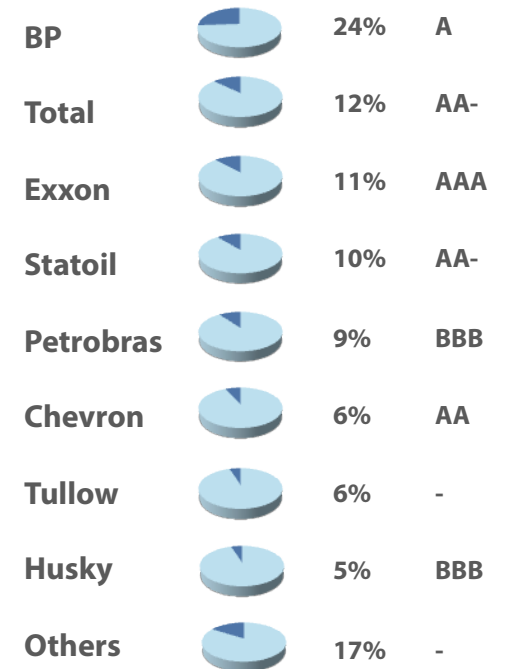
- In 2015 more than 289 JUs will be more than 30 years old
- Scrapping & Conversion of older units increased in 2011 and 2012 with trend expected to continue
- Current order books have close to 90 JUs under construction with majority arriving in 2013

US\$21.5 billion contract backlog

US\$ Millions

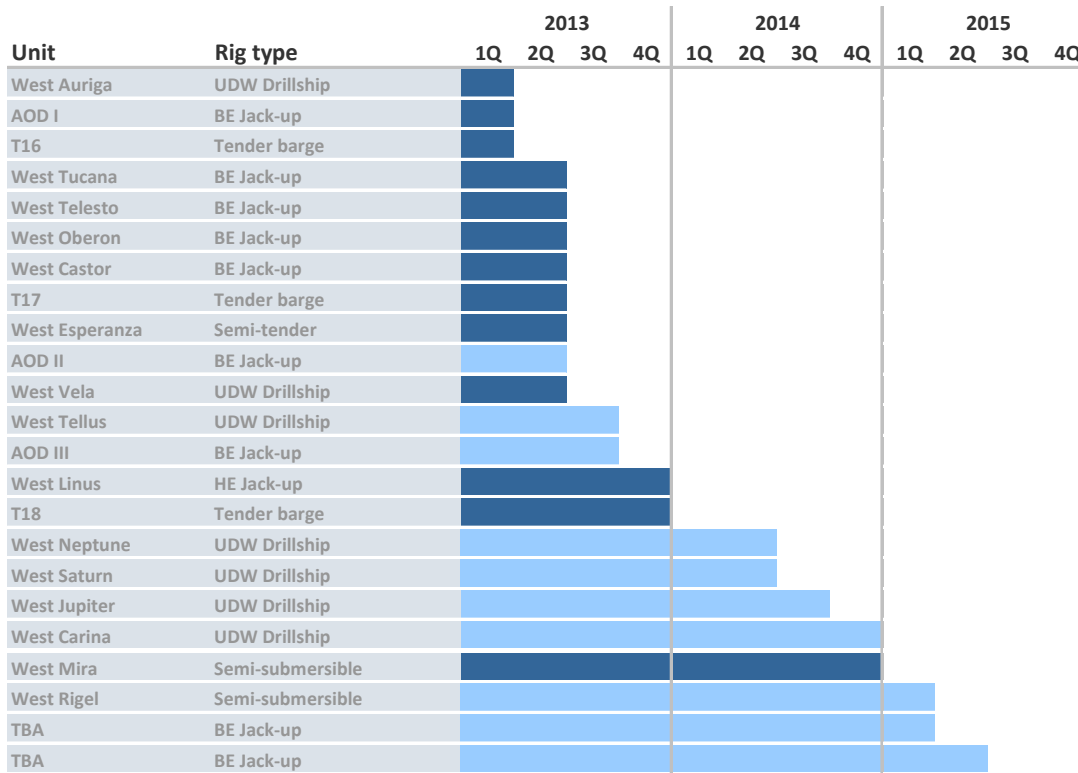


■ Additions 2012



Attractive backlog.....quality customers...superb visibility

Newbuilding program



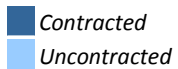
23 newbuilds ordered at attractive prices and delivery slots

2 Semi-submersible rigs

7 Drillships

4 Tender rigs

10 Jack-up rigs



Newbuilding program ensuring future growth

EBITDA* Potential Development



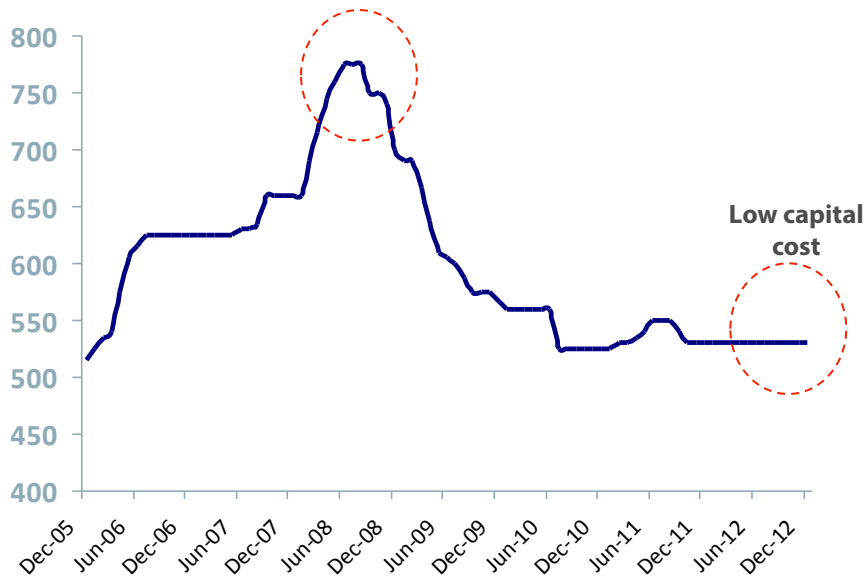
Second upturn cycle....US\$4 billion in 2016

* EBITDA – earnings before interest, tax, depreciation and amortization ** Assumes daily rates of \$550,000 for floaters, \$170,000 for semi-tenders, \$120,000 for tender barges and \$140,000 for jack-ups

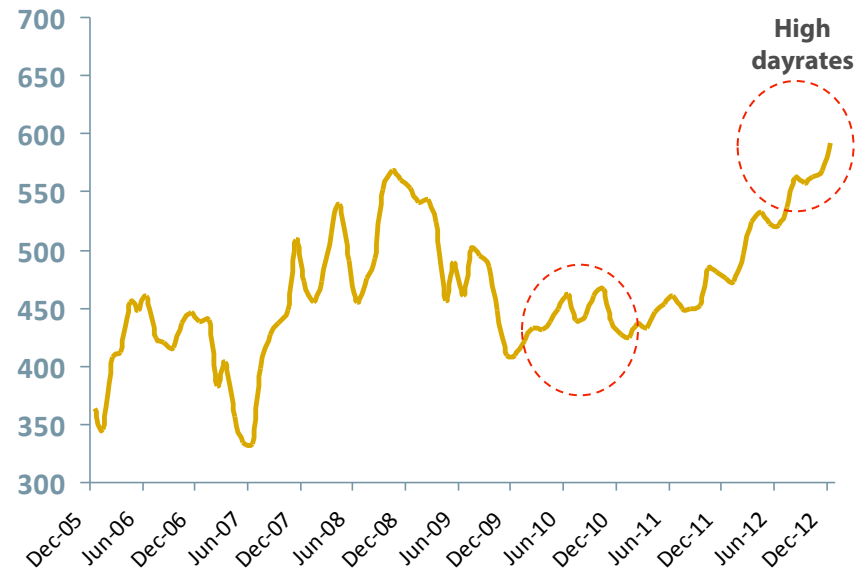
	UDW floaters	Jack-ups	Tender rigs
Dayrate	US\$550,000	US\$150,000	US\$170,000
Opex incl. G&A	US\$170,000	US\$60,000	US\$60,000
Tax (of revenues)	4.0%	4.0%	4.0%
5Y cash-flow	US\$605 m	US\$140 m	US\$223 m
Investment	US\$600 m	US\$210 m	US\$200 m
Repaid in	5.0Y	7.5Y	5.5Y
ROE*	49%	27%	39%

Yard prices....funding....cycle....all-time high equity return

Newbuild prices, yard (USDm)



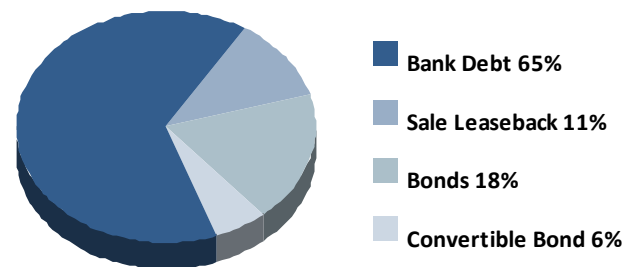
Day rate (USDk/day) 3m rolling avg



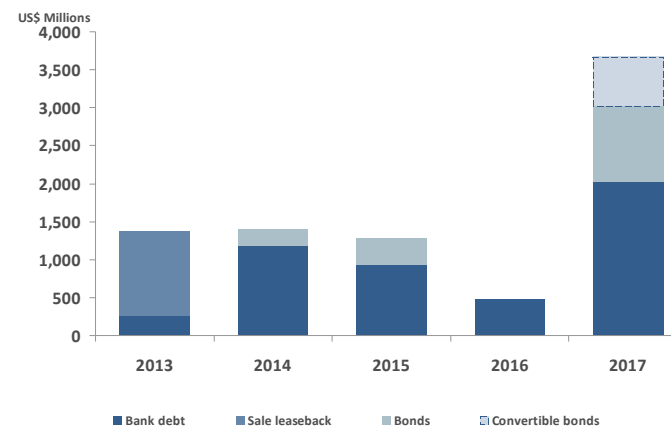
Low newbuild prices combined with high day rates create unique opportunities for investments

- Actively use bank syndication market to finance our rigs
- Combination of modern assets and quality clients is attractive to bankers
- Long contracts and strong cash flow cater for solid repayment profiles
- US\$8.4 billion in secured debt of a US\$11.3 billion total debt portfolio
- US\$650 million in convertible debt due in 2017 is in the money
- Average remaining tenor on debt 3.1 years

Debt portfolio as of year-end 2012

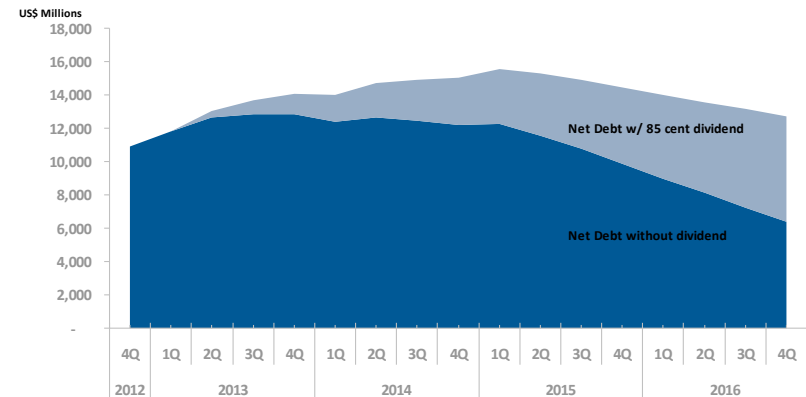


Balloon maturities by year

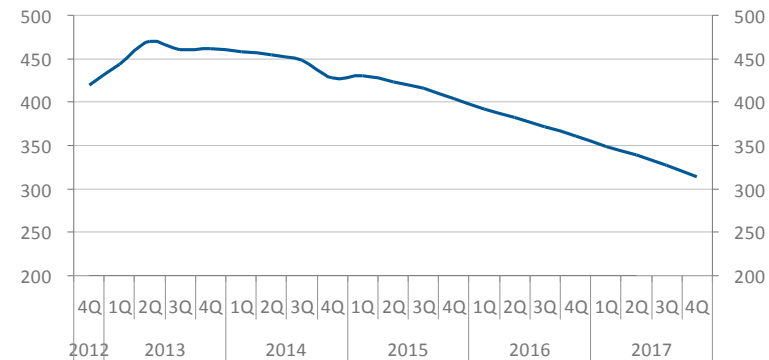


- Growth funded through equity, convertible bonds, bonds, sale leaseback arrangement and secured bank financing
- Secured bank financing favored due to its attractive pricing and flexibility
- Combination of new premium assets and term contracts with quality customers seen as attractive security
- Bank credit market remains open for good projects and existing clients
- Newbuild program provides opportunities for Export Credit Financing (ECA)

Net debt per development *



Net debt per UDW equivalent unit *



Premium assets and term contracts are key to financing

* Assumes daily rates of \$550,000 for floaters, \$170,000 for semi-tenders, \$120,000 for tender barges and \$140,000 for jack-ups

If investors prefer...

- Long-term, contracted ultra-deepwater drilling assets
- Yield-oriented returns
- Managed growth via drop-downs and third party acquisitions

...they should consider



- Shorter-term contracts with day rate exposure
- Larger, diversified pool of jack-up, tender and ultra-deepwater rigs
- Exposure to spec newbuild projects
- Large-scale, corporate M&A potential



Sale of Tender Rigs – Realising US\$1.2 billion in cash

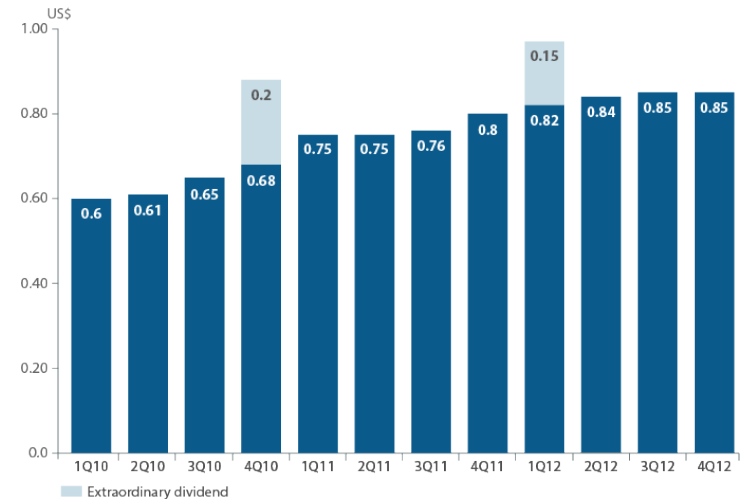


- Sapura Kencana acquires 15 tender rigs and Seadrill's tender rig organisation
 - West Vencedor, T-15 and T-16, are owned or planned to be owned by Seadrill Partners LLC and not included in the transaction
- Total Enterprise Value of US\$ 2.9 billion
 - US\$363 million in remaining capex and US\$ 800 million in debt
 - Equity value of US\$ 1.74 billion
- Seadrill proceeds:
 - Shares in Sapura Kencana: US\$ 350 million
 - Sellers note: US\$ 187 million
 - Cash: US\$ 1.2 billion
- Seadrill will use the proceeds to grow the ultra-deepwater and jack-up fleet

Dividend Policy and Track-record

- Quarterly cash dividend is a key objective
- Strong operational performance, record-high orderbacklog, and positive market outlook have supported higher dividend
- Last quarters regular dividend is set as a guideline dividend floor for the foreseeable future
- Maintaining our ambition to further grow our dividend capacity
- Since 2005, raised and converted US\$4.8 billion, distributed US\$5.3 billion

Dividend distribution per share



	Share price Jan-13	Share price increase 24m*	Dividend Yield
Seadrill	38.7	40.5%	8.8%
Ensco	61.8	24.1%	2.4%
Diamond	73.4	9.5%	4.8%
Noble	39.9	8.9%	1.4%
Rowan	34.2	2.1%	-
Transocean	55.8	-24.9%	-

Superior value\$3.40 annualized dividend

- Sound operational performance
- Record high revenue backlog and earnings visibility
- US\$7 billion investment program in a historic strong cycle
- US\$4 billion EBITDA target
- Funding through the newbuilding program, ECA financing, bonds, strong support from commercial banks
- Long-term dividend backed by orderbacklog

Frontrunner in a continuing strong cycle

