

Premium units working
on long-term contracts
for quality customers



4Q 2008 results conference call

February 26, 2009



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Contents

- Highlights 4Q 2008
- 4Q and preliminary results 2008 accounts
- Debt financing
- Project performance
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- Summary



Highlights fourth quarter 2008

- Fourth quarter EBITDA of US\$226 million
- Net loss of US\$739 million equal to a loss per share of US\$1.86
- US\$615 million impairment of Pride, Scorpion and SapuraCrest ownership holdings and US\$160 million mark-to-market loss on interest rate swaps
- 7 out of 8 ultra-deepwater newbuilds delivered
- Start-up of new deepwater operations in China, Brazil, Indonesia and Norway
- Uncertain jack-up market but reasonable outlook for the ultra-deepwater market
- US\$2 billion received from the sale leaseback arrangements and credit facilities secured a fully financed Company entering 2009



Condensed income statement

<i>Unaudited accounts in USD millions</i>	3Q08	4Q08	2008	2007
Revenues				
Operating revenues	517,2	517,7	1 867,8	1 318,5
Reimbursables	30,2	49,1	163,5	146,6
Other revenues	18,8	11,7	154,6	211,2
Total revenues	566,2	578,5	2 185,9	1 676,3
Operating expenses				
Vessel and rig operating expenses	270,7	273,3	1 021,6	755,5
Reimbursable expenses	28,9	47,9	156,6	139,4
Depreciation and amortisation	60,4	72,6	233,2	182,9
General and administrative expenses	32,6	31,3	125,8	109,8
Total operating expenses	392,6	425,1	1 537,2	1 187,6
Operating profit	173,6	153,4	648,7	488,8
Interest income	4,8	10,6	30,9	23,6
Interest expense	(25,9)	(42,0)	(130,0)	(112,7)
Share of results from associated companies	11,5	(11,6)	15,6	23,2
Other financial items	(61,2)	(188,5)	(49,8)	(36,2)
Impairment loss - financial assets		(615,0)	(615,0)	
Net financial items	(70,8)	(846,5)	(748,3)	(102,1)
Income (loss) before income taxes and minority interest	102,8	(693,1)	(99,6)	386,7
Income taxes	(21,7)	(19,2)	(48,3)	78,3
Minority interest	(11,8)	(19,4)	(41,7)	(13,0)
Gain on issuance of shares by subsidiary	0,0	(7,5)	(7,5)	50,0
Net income (loss)	69,3	(739,2)	(197,1)	502,0
Earnings (loss) per share <i>(in USD)</i>	0,18	(1,86)	(0,49)	1,28



Mobile units

<i>Unaudited accounts in USD millions</i>	3Q08	4Q08	2008	2007
Operating revenues	289,8	294,3	1 043,0	729,9
Reimbursables	3,0	6,8	32,0	32,8
Other revenues	17,7	10,5	149,2	198,9
Total revenues	310,5	311,6	1 224,2	961,6
Vessel and rig operating expenses	116,9	126,8	462,8	376,4
Reimbursable expenses	2,5	6,0	28,6	28,2
Depreciation and amortisation	43,1	56,2	173,0	135,1
General and administrative expenses	22,5	24,2	92,1	73,3
Total operating expenses	185,0	213,2	756,5	613,0
Operating profit	125,5	98,4	467,7	348,6
Utilization	97	84		



Tender rigs

<i>Unaudited accounts in USD millions</i>	3Q08	4Q08	2008	2007
Operating revenues	82,9	94,0	311,5	236,3
Reimbursables	7,3	5,6	24,5	17,2
Other revenues	1,1	1,2	5,4	12,2
Total revenues	91,3	100,8	341,4	265,7
Vessel and rig operating expenses	34,4	40,3	133,6	100,8
Reimbursable expenses	7,0	5,3	23,5	16,3
Depreciation and amortisation	11,1	10,7	41,7	38,6
General and administrative expenses	5,1	3,3	16,5	13,0
Total operating expenses	57,6	59,6	215,3	168,7
Operating profit	33,7	41,2	126,1	97,0
Utilization	97	98		



Well Services (Seawell Limited) *

<i>Unaudited accounts in USD millions</i>	3Q08	4Q08	2008	2007
Operating revenues	144,5	129,4	513,3	352,4
Reimbursables	19,9	36,6	106,9	96,7
Total revenues	164,4	166,0	620,2	449,1
Operating expenses	119,4	106,2	425,2	285,6
Reimbursable expenses	19,5	36,4	104,4	94,9
Depreciation and amortisation	6,2	5,7	18,5	9,2
General and administrative expenses	5,0	3,8	17,2	16,1
Total operating expenses	150,1	152,1	565,3	405,8
Operating profit	14,3	13,9	54,9	43,3

* 100% consolidated numbers
(Seadrill owns 74%)



Balance Sheet

Total assets

Unaudited accounts in USD millions

	31.12.08	31.12.07
<i>Current assets</i>		
Cash and cash equivalents	657,1	1 012,9
Marketable securities	134,7	240,4
Accounts receivables, net	341,1	220,5
Other current assets	530,9	223,1
Total current assets	1 663,8	1 696,9
<i>Non-current assets</i>		
Investment in associated companies	240,1	176,1
Newbuildings	3 660,5	3 339,8
Drilling units	4 645,5	2 451,9
Goodwill	1 567,3	1 509,6
Restricted cash	345,9	0,0
Other non-current assets	181,4	118,8
Total non-current assets	10 640,7	7 596,2
Total assets	12 304,5	9 293,1



Balance Sheet

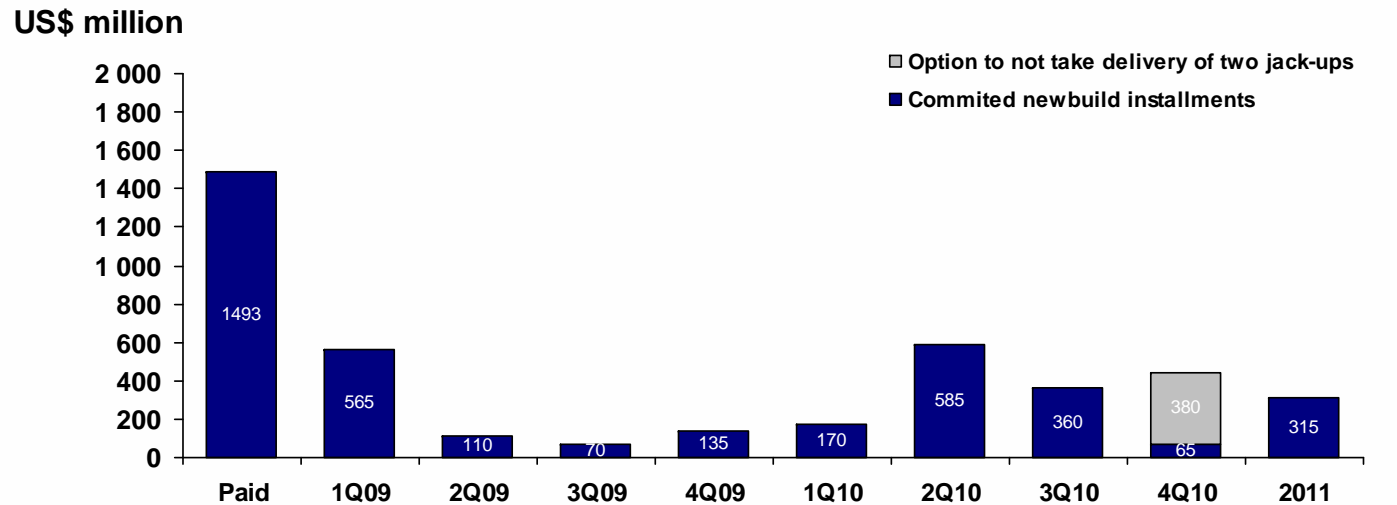
Liability and equity

Unaudited accounts in USD millions

	31.12.08	31.12.07
<i>Current liabilities</i>		
Short-term interest bearing debt	746,1	484,1
Other current liabilities	1 311,7	670,6
Total current liabilities	2 057,8	1 154,7
<i>Non-current liabilities</i>		
Long-term interest bearing debt	6 690,7	4 116,4
Deferred taxes	125,0	96,1
Other non-current liabilities	209,0	198,1
Total non-current liabilities	7 024,7	4 410,6
Minority interest	537,6	104,6
<i>Shareholders' equity</i>		
Paid-in capital	2 792,4	2 778,5
Retained earnings	-108,0	844,7
Total shareholders' equity	2 684,4	3 623,2
Total shareholders' equity and liabilities	12 304,5	9 293,1



Remaining newbuild installments



- Unpaid committed newbuild installment schedule amounts to approximately US\$2.8 billion
- The installments do not include spares, construction supervision, operation preparation and mobilization or capitalized interests
- Covers four semi-submersibles, one drillship, three tender rigs and four jack-ups

Installment schedules adjusted based on strong relationships



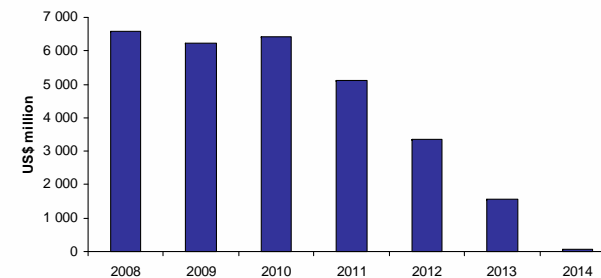
Debt financing

- Seadrill is fully financed and has a comfortable cash position in 2009
- US\$1 billion bridge facility that matures in May 2010 is in the process of being refinanced to add financial flexibility
- Debt maturity profile fully supported by cash generation
- 63% of debt has fixed interest rate

Debt repayment and maturity schedule

Year	Credit Facilities	Ship Finance Facilities	Bonds	Total
2009	343	233	144	720
2010	1,569	248	-	1,817
2011	453	255	-	708
2012	490	270	1,101	1,861
2013	368	245	-	613
2014 onwards	530	808	-	1,338

Net debt development *



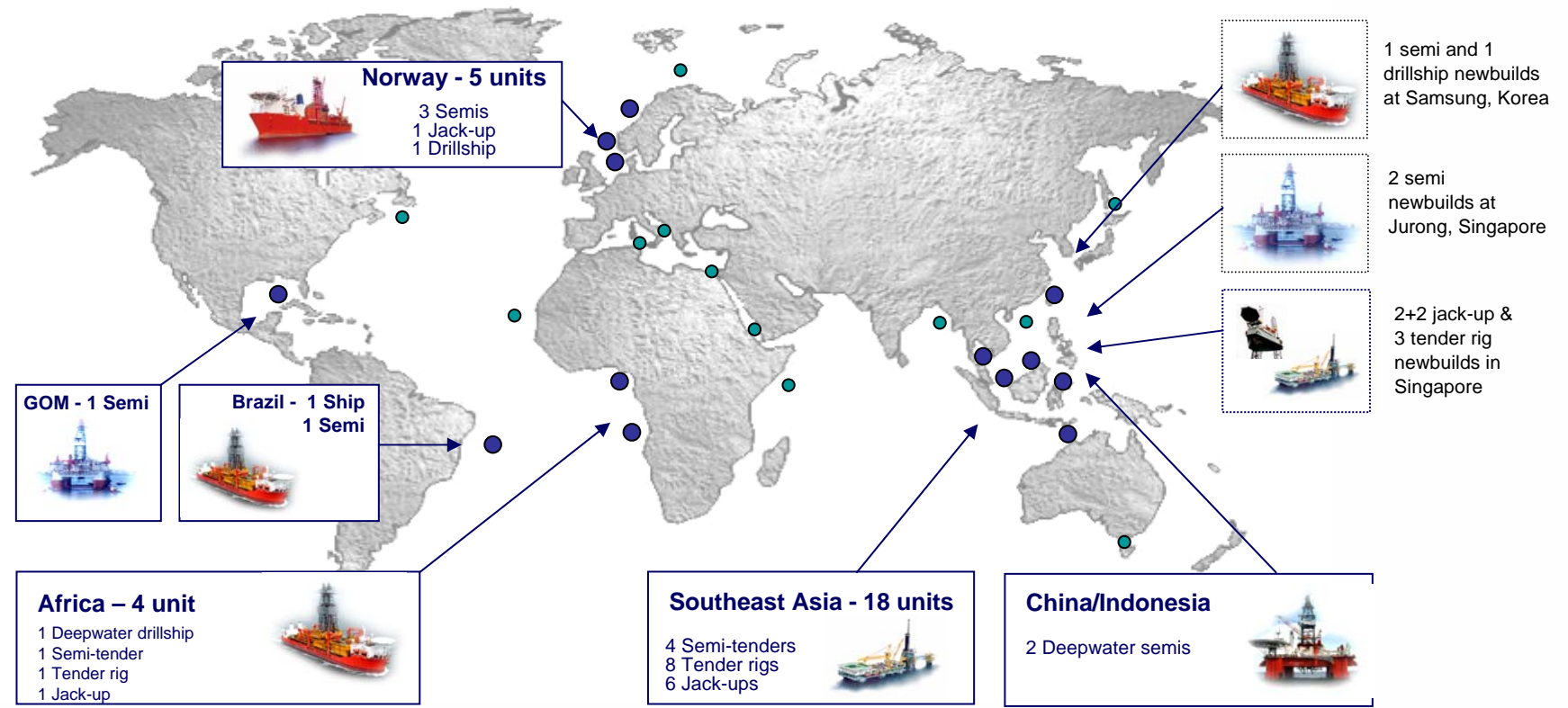
* Source: Pareto Securities

Seadrill is in compliance with all covenants



Seadrill

Operations and newbuild projects



Quality fleet with global presence

● Previous
● Future ● Current



Deepwater newbuilds investment

- Seadrill has since March 2008 taken delivery of ultra-deepwater newbuilds for some US\$4.5 billion
 - 2 drillship
 - 5+1 semi-submersible drilling rigs
- The vessels have been delivered in line with initial cost indications
- Secured average contract length and dayrate close to five years and US\$543,000 respectively
- Corresponding EBITDA margins for the term contracts exceed 70%

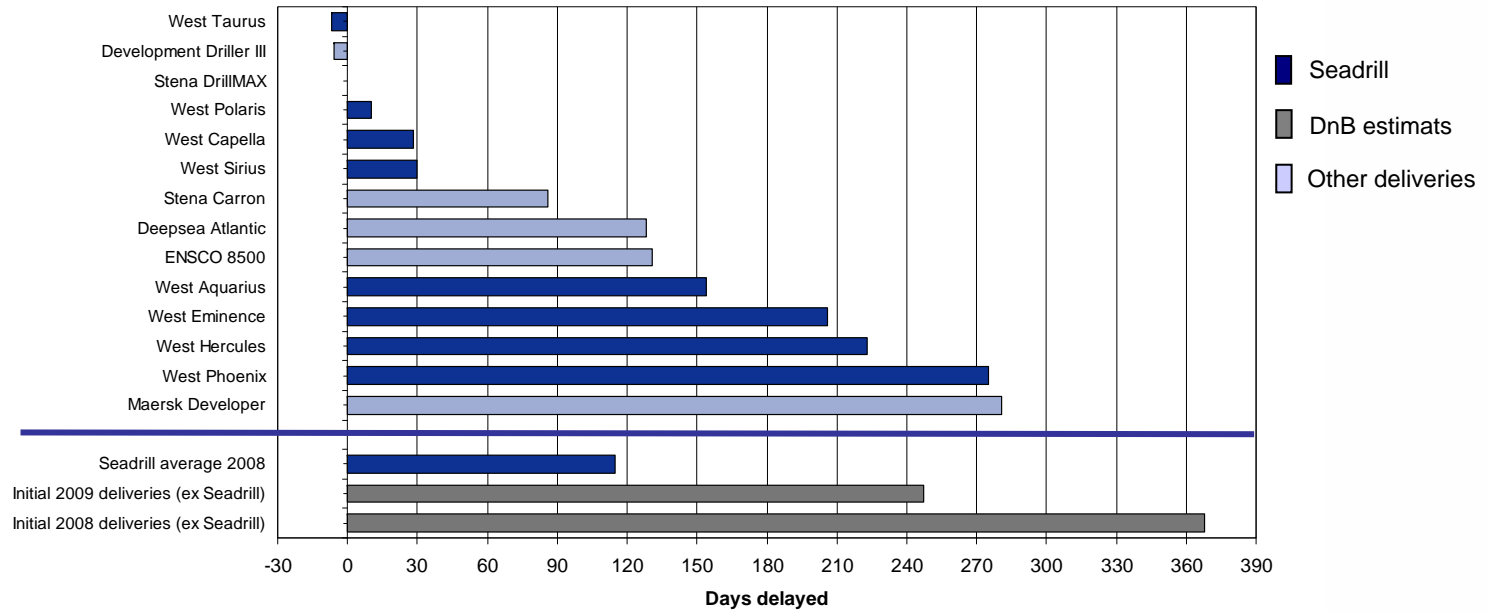


Average 5 year contracts with 70% EBITDA margin



Projects execution vs. peer group

Delivery of deepwater newbuilds compared to original yard schedule

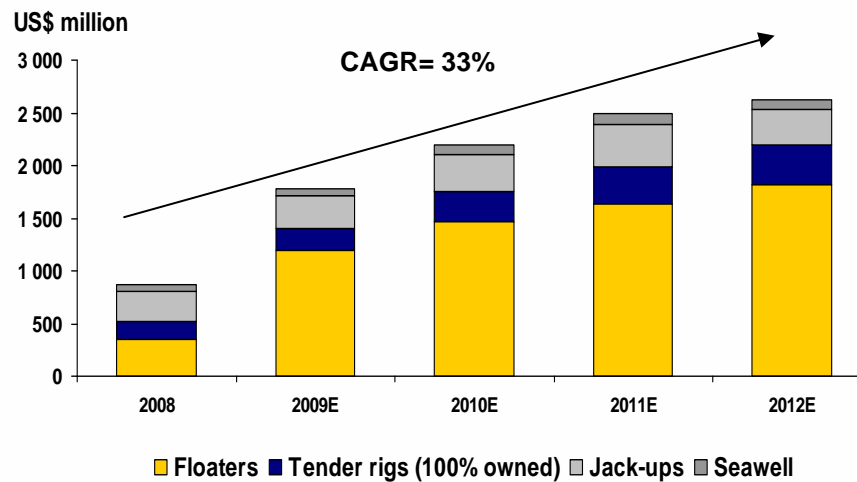


Strong performance compared to peers

Source: DnB Nor Markets



EBITDA* growth



* EBITDA = Operating profit plus depreciation and amortization excl. gain on sale of assets

Contracted EBITDA

	2009	2010	2011	2012
Seadrill	89 %	81 %	67 %	43 %
Diamond	92 %	70 %	45 %	27 %
Transocean	90 %	69 %	50 %	36 %
Noble	89 %	64 %	49 %	34 %
Pride	83 %	60 %	60 %	53 %
EnSCO	71 %	35 %	30 %	19 %

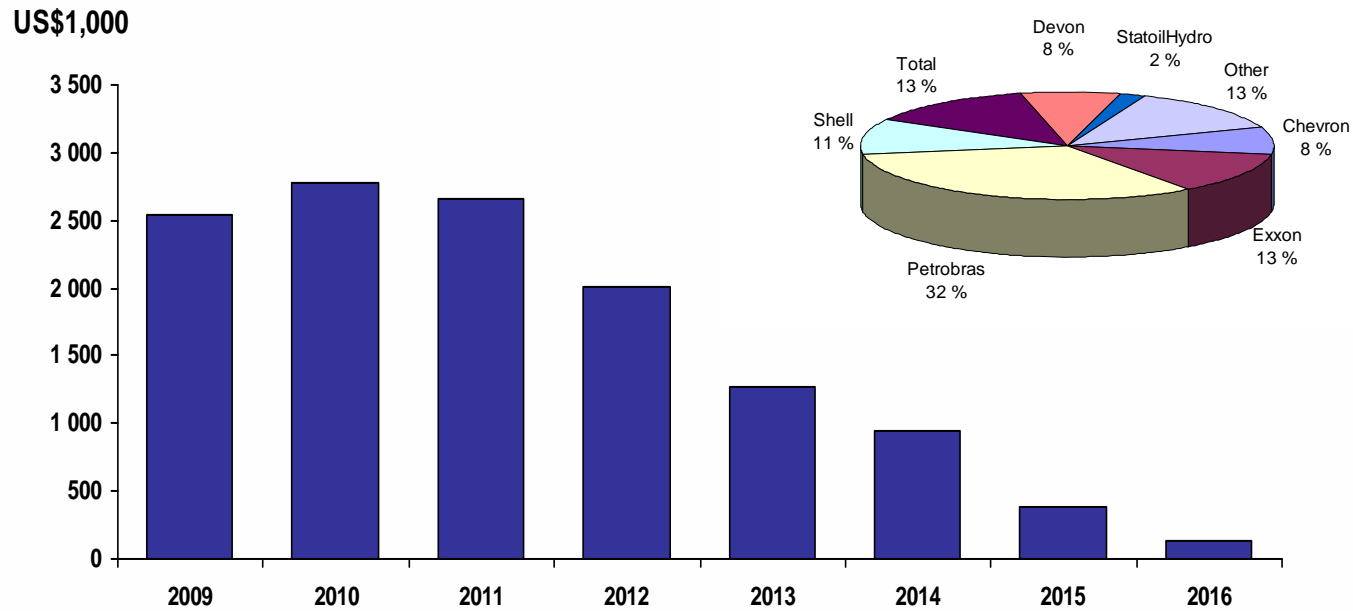
Contract backlog secures strong EBITDA growth

Source: DnBNor



Seadrill

US\$12.7bn revenue backlog *



Quality contract with best credits in the industry

* Licence partners –are jointly and severally liable



Contract robustness

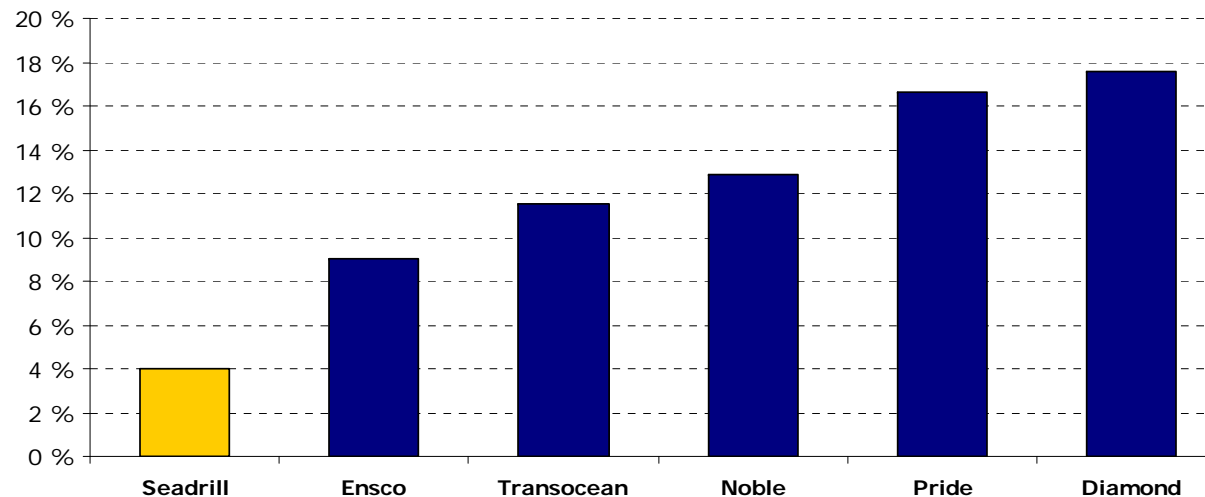
- Sound dayrate escalation clauses for various operating costs
- Favorable downtime provisions
- Planned equipment maintenance integrated in operations
- Balanced liability provisions regarding people, third party, equipment and well control
- No cancellation for convenience

Portfolio of favorable contract conditions



Maintenance and upgrade capital expenditure

Maintenance & upgrade expenditures in % of EBITDA in 2009 - 2012



Modern fleet with limited upgrade requirements

Source: DnBNor Markets



Seadrill

Deepwater operational performance

Unit	Type	Utilization		Delivered from yard	Commencement operations
		4Q08	YTD 09		
West Sirius *	Semi	95 %	65 %	Mar 08	Jul 08
West Hercules	Semi	84 %	97 %	Oct 08	Nov 08
West Polaris *	Drillship	54 %	99 %	Jul 08	Oct 08
West Phoenix	Semi	-	80 %	Mar 08	Jan 09
Other Seadrill floaters		98 %	-		
West Aquarius	Semi	-	-	Jan 09	Feb 09
West Capella	Drillship	-	-	Dec 08	Mar 09
West Taurus	Semi	-	-	Nov 08	Feb 09
West Eminence	Semi	-	-	Mar 09	Jun 09

Seadrill utilization targets

First 2M - 80 %
 Next 4M - 90 %
 Next 6M - 95 %

Start-up challenges replaced by step-by-step improvements

* BOP challenges



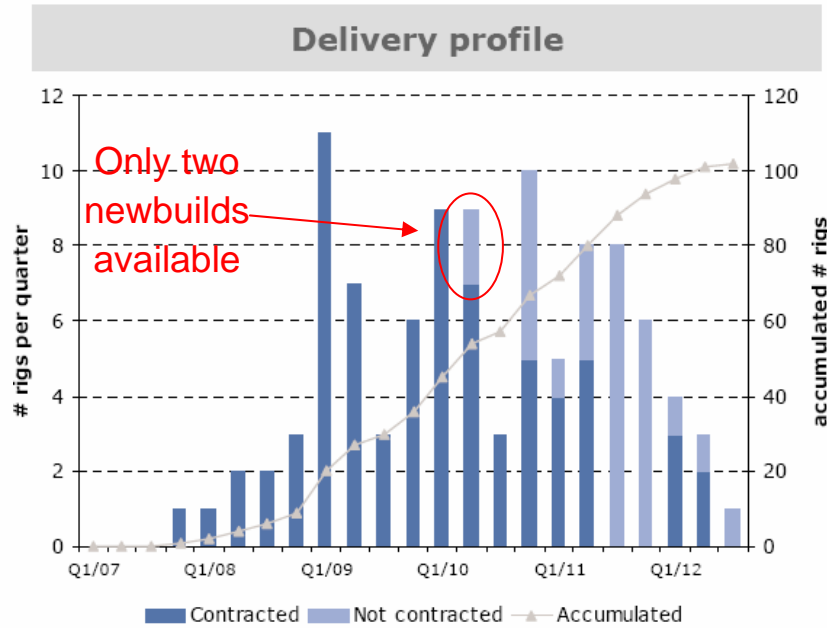
Seadrill

Market outlook

- Continued financial turmoil, prevailing low oil prices and economic recessions are impacting activity levels
- The crisis is more widespread than the financial crisis that hit the oil price in 1998
- Near term jack-up market remains uncertain
- Brazil with the sub-salt discoveries is still a game changer for deepwater
- National Oil Companies have strategic interests that differ from listed companies
- Availability combined with operational track record is key



Ultra-deepwater rig availability



Water depth (ft)	Name	2009				2010				2011				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
7 500	Leiv Eiriksson	█	█	█	█									
10 000	Noble Clyde Boudreaux	█	█	█	█									
8 500	Cajun Express	█	█	█	█									
10 000	Deepsea Stavanger	█	█	█	█									
10 000	West Gemini	█	█	█	█									
8 000	Deepwater Horizon	█	█	█	█									
7 500	Tanker Pacific Drsh Tbn1	█	█	█	█									
7 500	Pride North America	█	█	█	█									
10 000	Maersk Semi Tbn3	█	█	█	█									
10 000	Cardiff Marine Drsh Tbn1	█	█	█	█									
10 000	SDO II	█	█	█	█									
8 450	Discoverer Enterprise	█	█	█	█									
8 100	Stena Tay	█	█	█	█									
10 000	Discoverer Deep Seas	█	█	█	█									
8 000	Noble Amos Runner	█	█	█	█									
10 000	Cardiff Marine Drsh Tbn2	█	█	█	█									
10 000	PetroRig IV	█	█	█	█									
7 500	Tanker Pacific Drsh Tbn2	█	█	█	█									
10 000	Deepsea Metro I	█	█	█	█									
7 500	Tanker Pacific Drsh Tbn3	█	█	█	█									

Still limited alternatives for oil companies in 2010

Source: DnB Nor Markets, ODS Petrodata



US\$10 billion floaters order backlog

Customer	2008				2009				2010				2011				2012				2013				2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Semi-submersibles																												
West Alpha ¹	US\$258,000				US\$473,000 ²																							
West Venture ¹	US\$248,000								US\$248,000																			
West Phoenix ¹	Newbuild				US\$495,000								US\$495,000															
West Aquarius	Newbuild				US\$529,500																							
West Sirius	Newbuild				US\$475,000																							
West Hercules	Newbuild				US\$538,000																							
West Eminence ³	Newbuild				US\$590,000																05.2015							
West Taurus ³	Newbuild				US\$620,000																02.2015							
West Orion ³	Newbuild				US\$590,000																07.2016							
West Capricorn	Newbuild																											
Drillships																												
West Navigator ¹	US\$246,000				US\$560,000																							
West Polaris	Newbuild				US\$559,000								US\$614,000															
West Capella	Newbuild				US\$546,000																							
West Gemini	Newbuild																											

■ Yard plus transit period
 ■ Contract
 ■ Option

¹ Dayrate is partly in Norwegian kroner

² The West Alpha contract could be extended by one or two years reducing the dayrates for the contract period to US\$453,000 or US\$433,000, respectively

³ Dayrate is partly in Brazilian Real and include five percent performance incentive

Strong earnings visibility



Seadrill



US\$2 billion tender rig order backlog

	Customer	2008				2009				2010				2011				2012				2013				2014			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Tender barges																													
T3 ¹	PTT	US\$58,000		US\$83,000																									
T4	Chevron	US\$49'		US\$101,000																									
T6 ¹	Carigali/CTOC	US\$101,000																											
T7	Chevron	US\$58,000																											
T8	Total	US\$90'		US\$125,000																									
T9 ¹	Exxon	US\$73,000		US\$115,000		US\$135,000																							
T10 ¹	Carigali/Hess	US\$86,000																											
T11	Chevron	Newbuild US\$134,000																											
T12	-	Newbuild																											
Teknik Berkas ¹	Carigali	US\$72'		US\$121,000																									
Semi-tenders																													
West Alliance	Shell	US\$95,000		US\$170,000																									
West Berani	Newfield/Conoco	US\$124,000		US\$165,000																									
West Menang	Total	US\$127,000																											
West Pelaut	Shell	US\$67,000		US\$140,000																									
West Setia	Murphy/Chevron	US\$86,000		US\$165'		US\$163,000																							
West Vencedor	-	Newbuild		US\$200,000																									
West Berani III	-	Newbuild																											

■ Yard ■ Contract ■ Option

¹ Ownership 49%

Four years average contract term



Contract status jack-ups

Customer	2008				2009				2010				2011				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Jack-ups																	
West Epsilon	StatoilHydro	US\$306,000															
West Janus	PCPPOC	US\$185,000 US\$149,500															
West Atlas	Coogee	US\$257,500				US\$255,000											
West Triton	ADA	US\$276,000															
West Ceres	Total/Tullow	US\$183'/US\$221'															
West Prospero	Exxon/Talisman	US\$205,000/US\$130'															
West Larissa	VietsoPetro	US\$183,500															
West Ariel	VietsoPetro	Newbuild		US\$182'		US\$194,000											
West Callisto	-	Newbuild at KFELS															
West Juno	-	Newbuild at KFELS															
West Leda	-	Newbuild at PPL															
West Elara	-	Newbuild at PPL															

■ Yard
 ■ Contract
 ■ Option

Order backlog of approx. US\$600 million



Strategic shareholdings

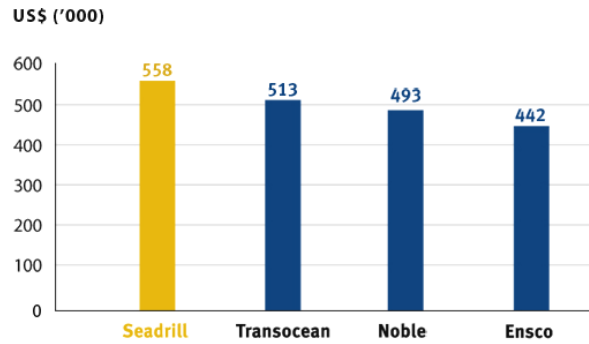
- Seadrill has a 39.7% ownership in the jack-up company Scorpion Offshore Ltd
- Seadrill has a 24.6% ownership in the Malaysian oil service company SapuraCrest Bhd
- Seadrill has a 9.5% ownership in the US listed offshore contractor Pride International Inc.

Strong cash-flows and good assets compositions

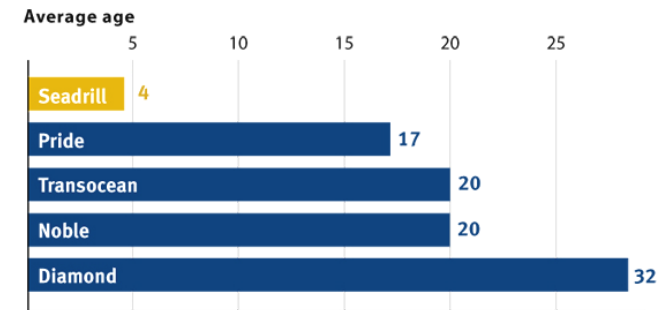


Summary

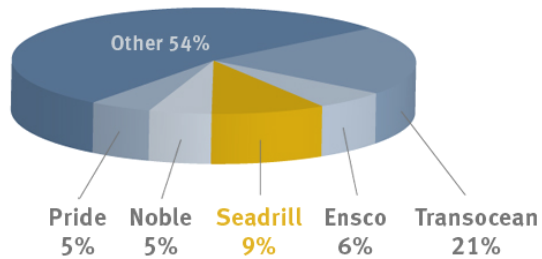
Ultra-deepwater fixtures



Average age floaters



Ultra-deepwater market share

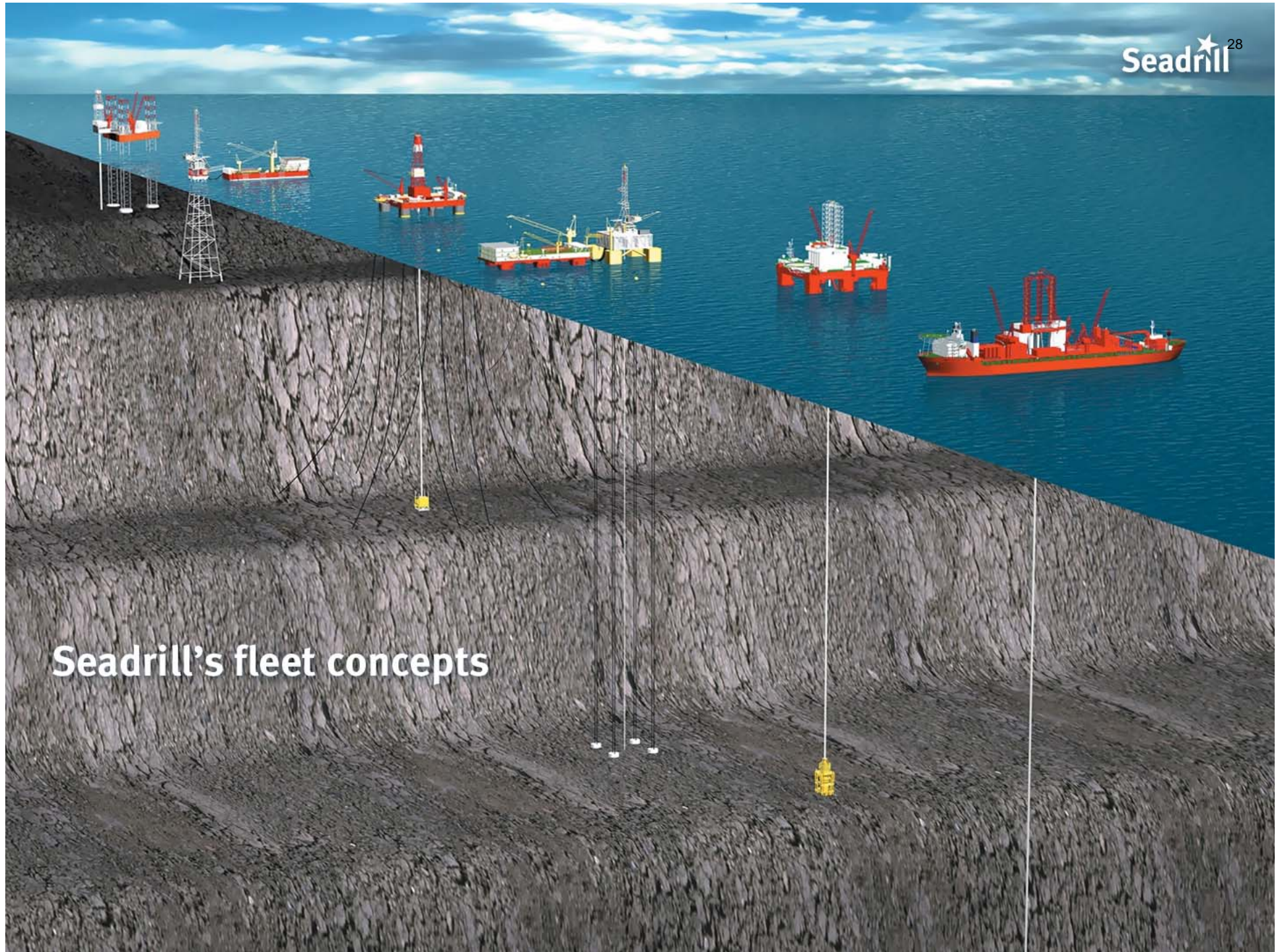


EBITDA contribution deepwater

	2008	2010
Seadrill Limited	15%	63%
Transocean	22%	32%
Pride International	18%	27%
Noble Corp.	7%	23%
Diamond Offshore Inc.	9%	11%

Unique position created at attractive market terms





Seadrill's fleet concepts