



Seadrill Limited

Per Wulff, Chief Executive Officer

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- **Seadrill Overview**
- Oil Market Fundamentals
- Seadrill Focus Areas

6,500 employees operating in over 18 countries

Seadrill Limited (includes NADL, Sevan and AOD)

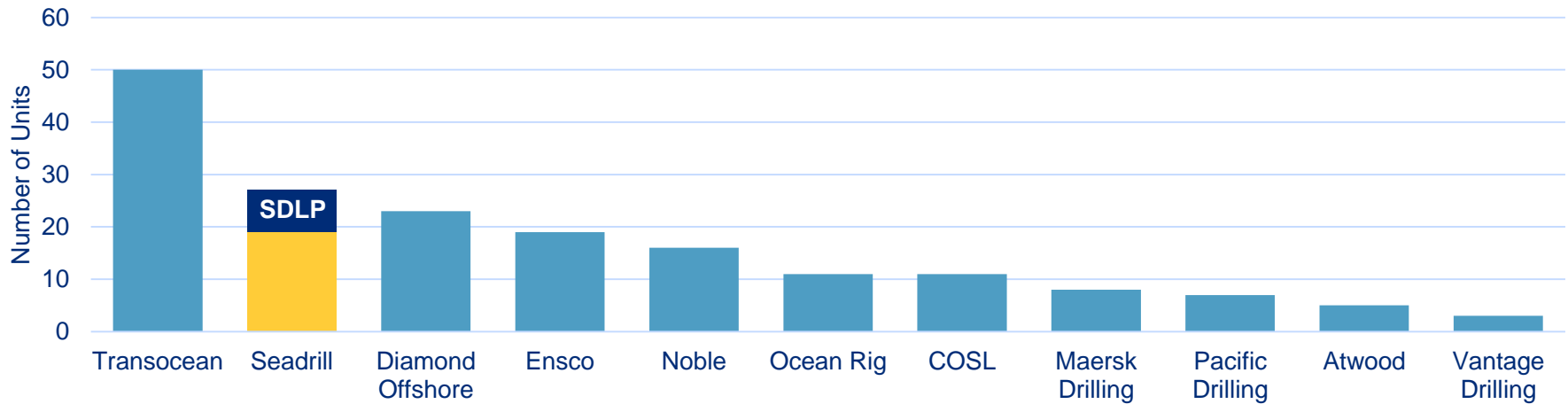
- 38 rigs in operation: 19 floaters and 19 jack-ups (11 idle units)
- 2015 Revenue: \$4.3 billion
- 2015 EBITDA: \$2.4 billion

Seadrill Group (Seadrill Limited, SDLP and Seamex)

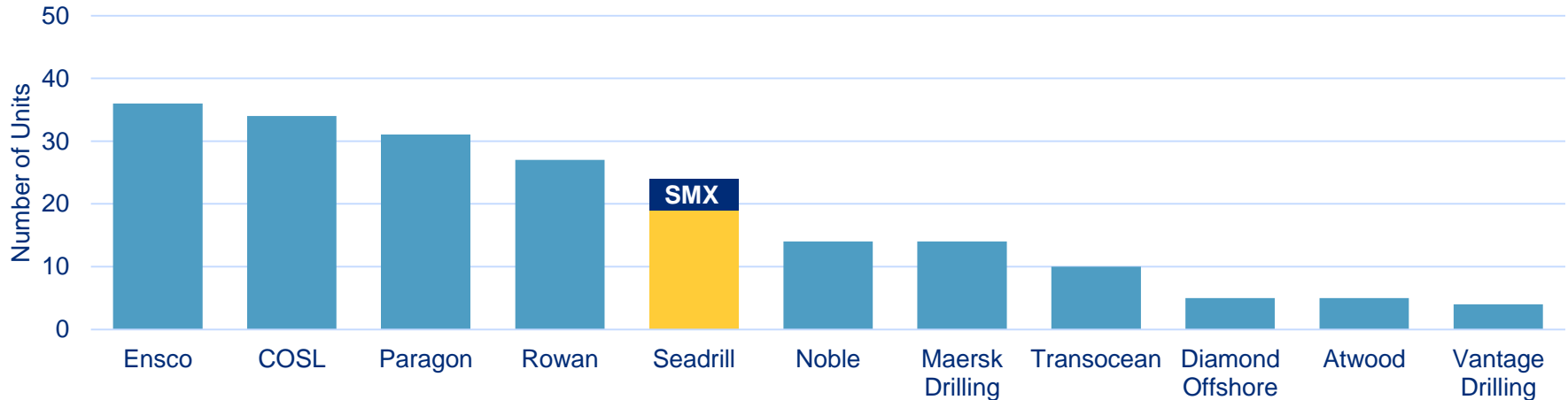
- 54 rigs in operation: 27 floaters, 24 jack-ups and 3 tender rigs (13 idle units)
- 2015 Revenue: \$6.3 billion
- 2015 EBITDA: \$3.6 billion

One of the largest Offshore Drillers...

Floater Units

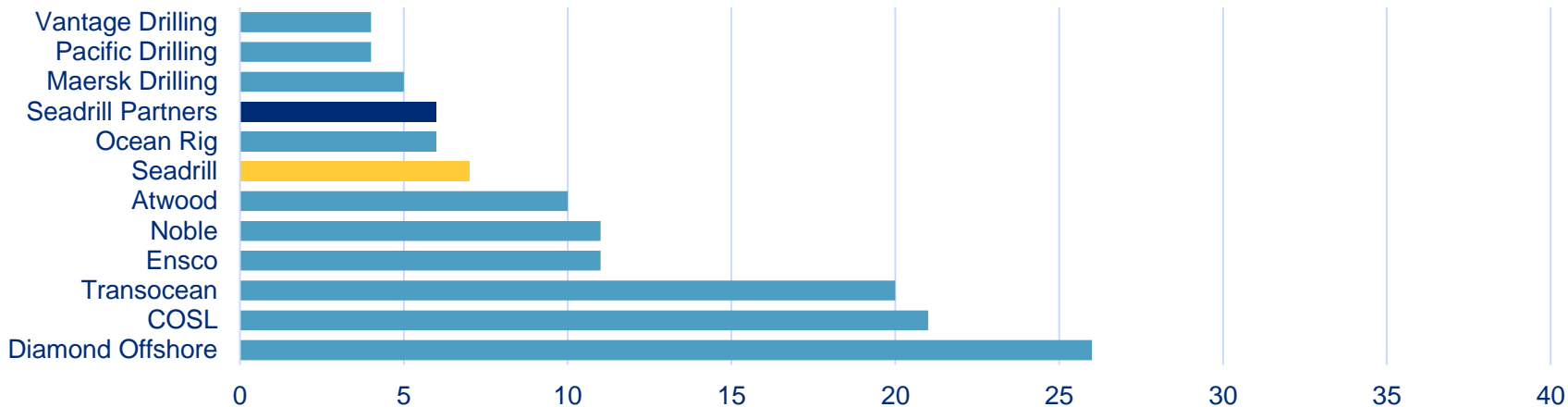


Jack-up Units

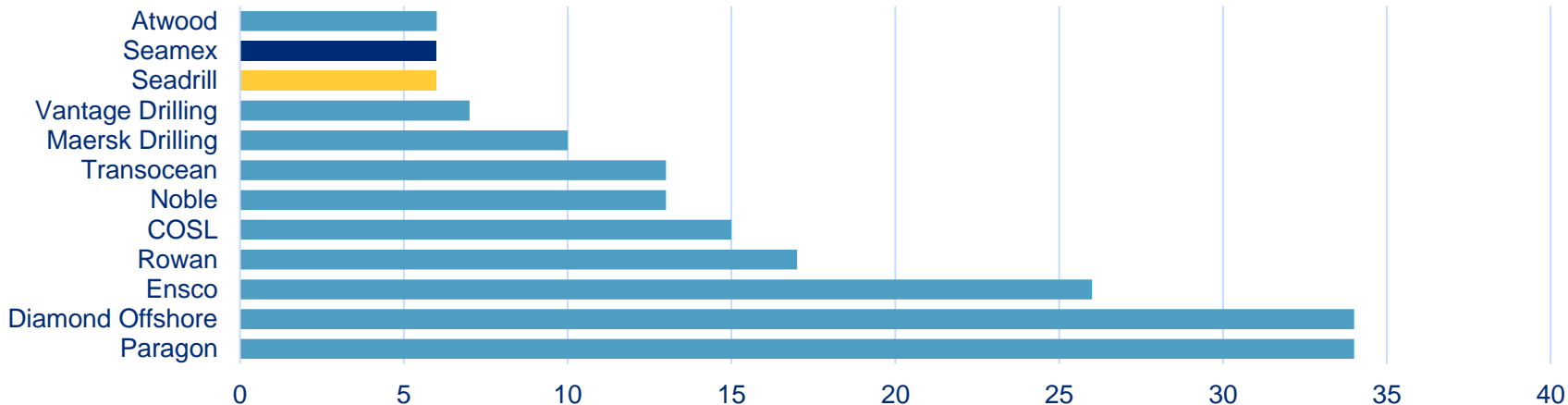


Second largest floater and fifth largest jack-up fleet

Average Floater Age

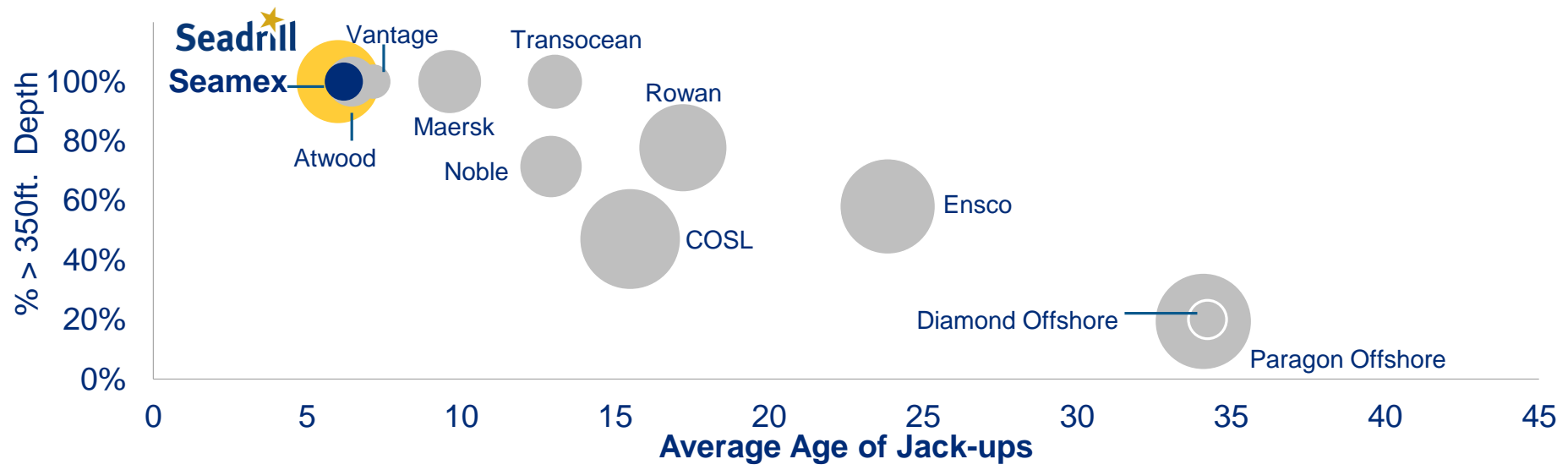
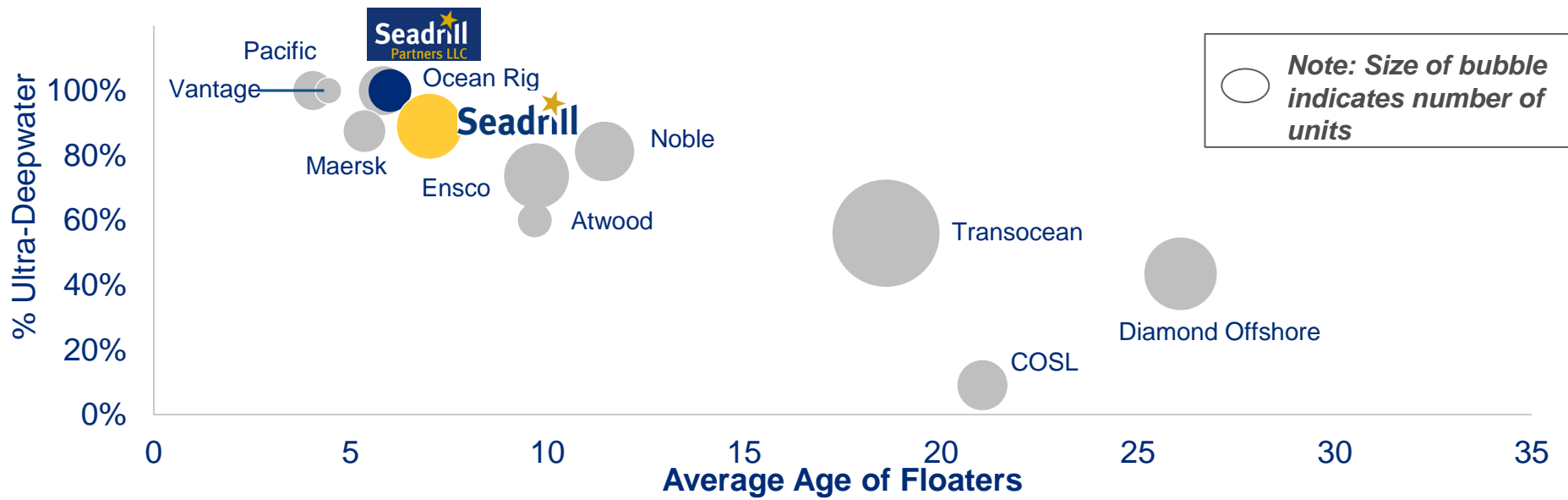


Average Jack-up Age



Youngest fleet among major drillers

...and Exposure to Premium Segments





Operations

- Pursue best in class, safe and efficient operations
 - Achieve sustainable, competitive cost structure
-



Rigs

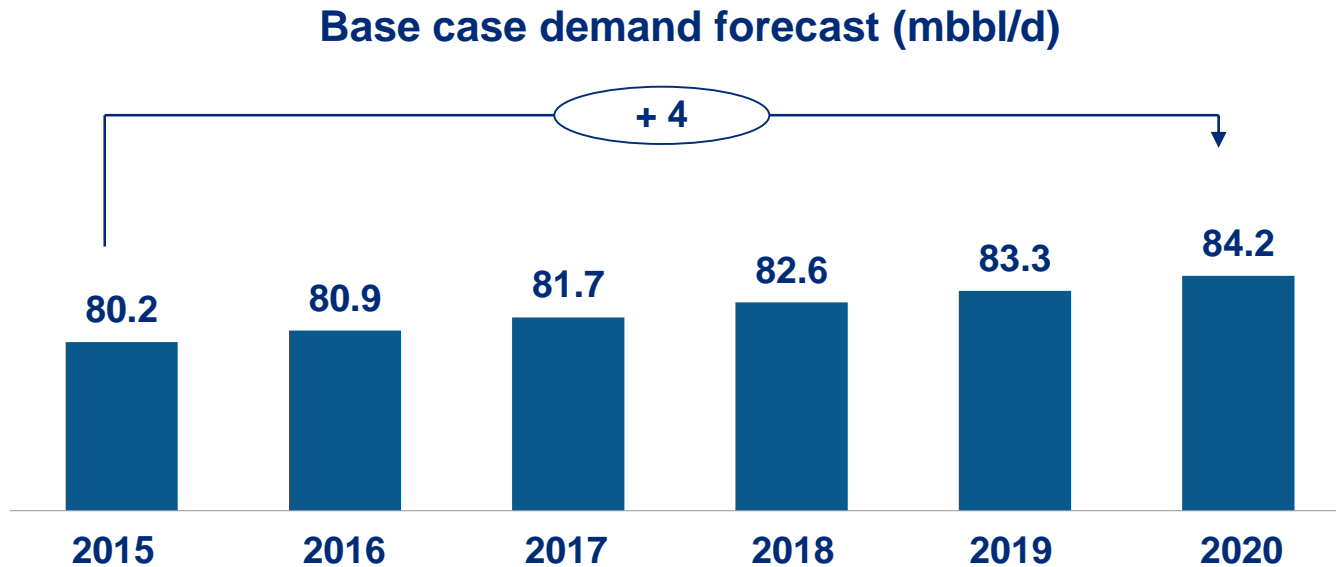
- Maintain a young fleet
 - Composition of fleet to reflect customer demand
-



Customers and organization

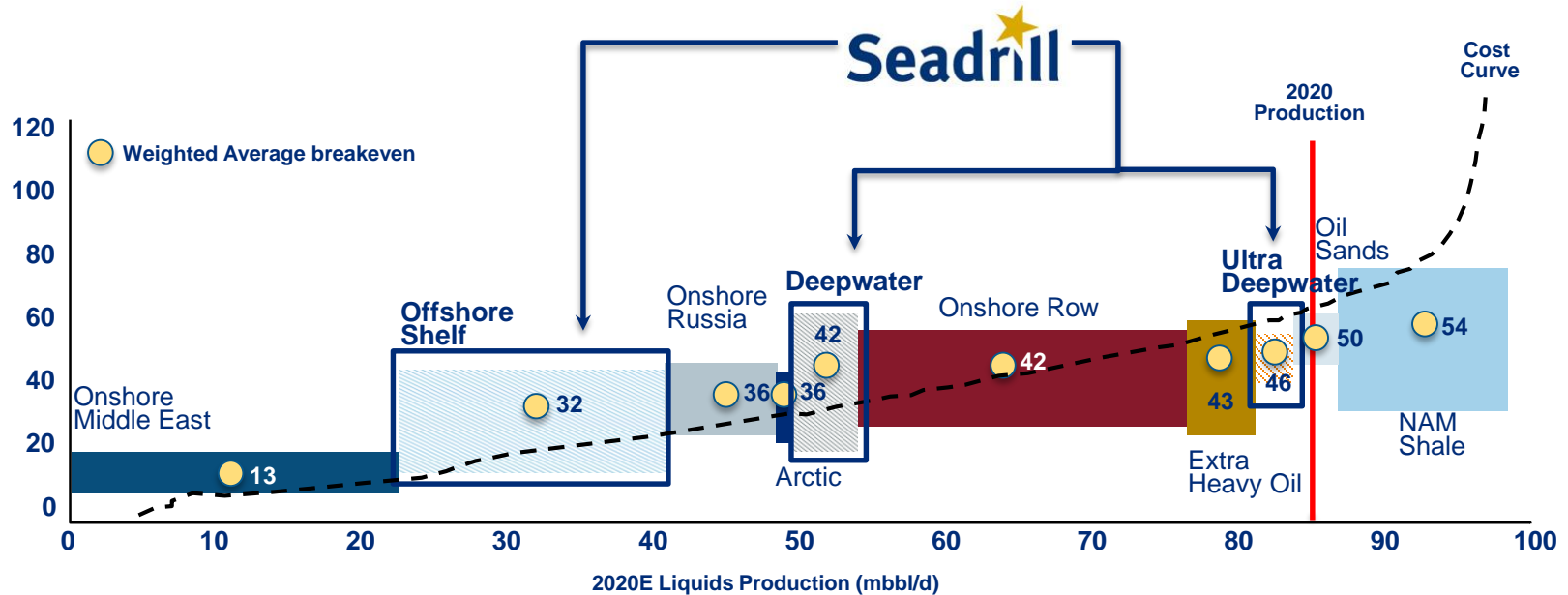
- Identify opportunities for long-term strategic partnerships
- Develop a lean and scalable organization
- Grow market share

- Seadrill Overview
- **Oil Market Fundamentals**
- Seadrill Focus Areas



Source: Morgan Stanley Research

Oil demand expected to increase

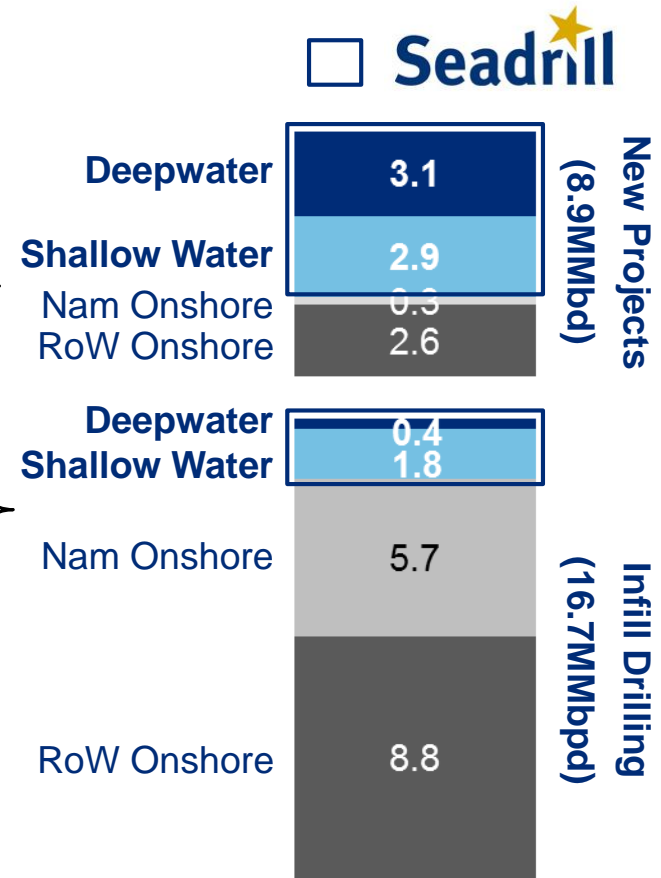
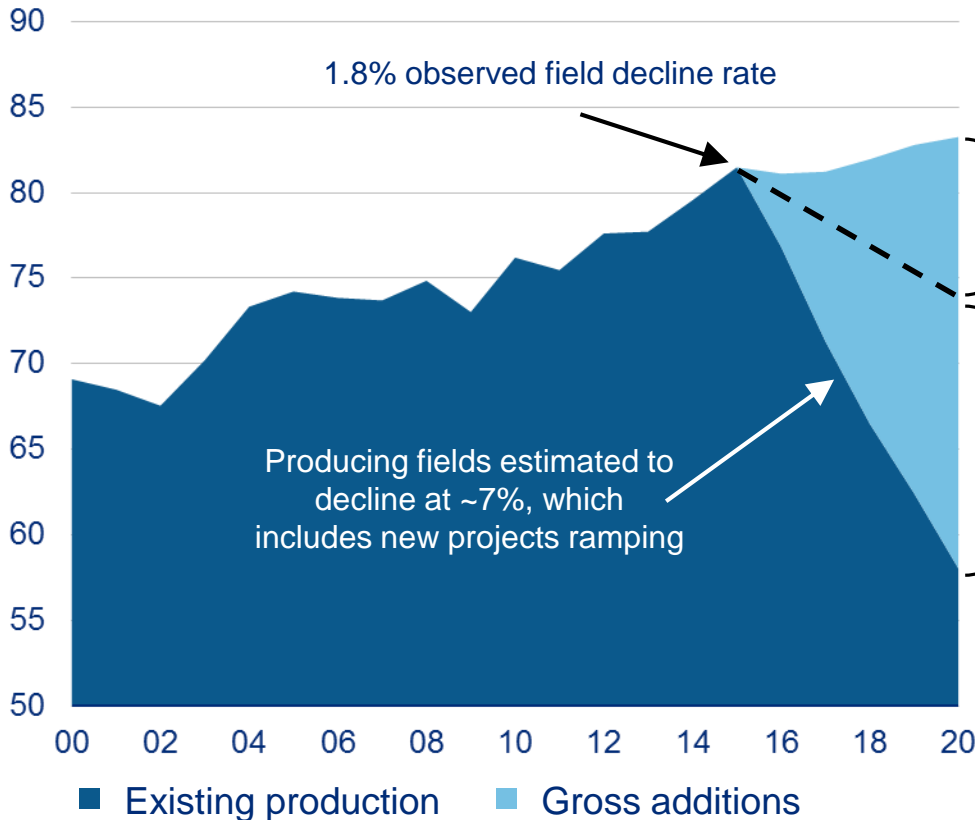


Source: Evercore ISI Energy Research

- 1. Offshore barrels are required to meet demand**
- 2. The marginal cost of extraction suggests prices must rise**
- 3. Offshore is competitive and sustainable**

- Over half of production growth through 2020 expected to come from the offshore segment

Global Liquid Production (mbbl/d)



Source Rystad Energy, Morgan Stanley Research estimates

Offshore will drive future supply growth

- Seadrill Overview
- Oil Market Fundamentals
- **Seadrill Focus Areas**

Last year, we spoke about five focus areas



2 Shipyards



3 Cost competitiveness



1 Safe and efficient operations



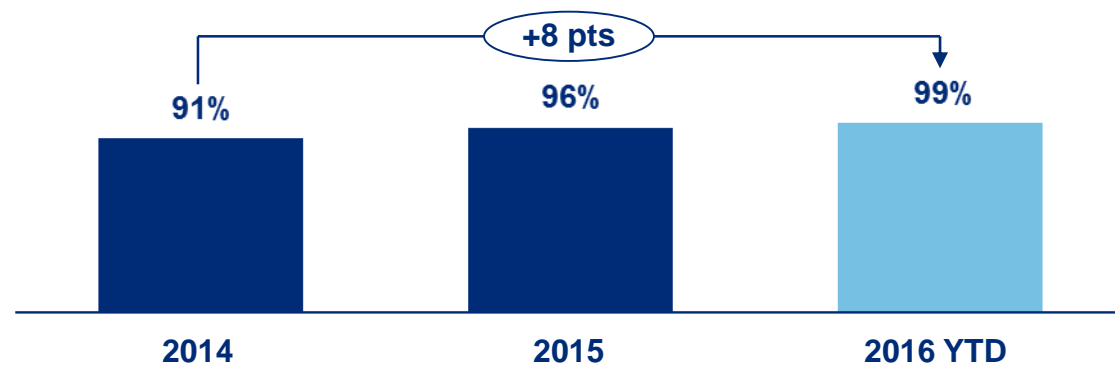
5 Financing



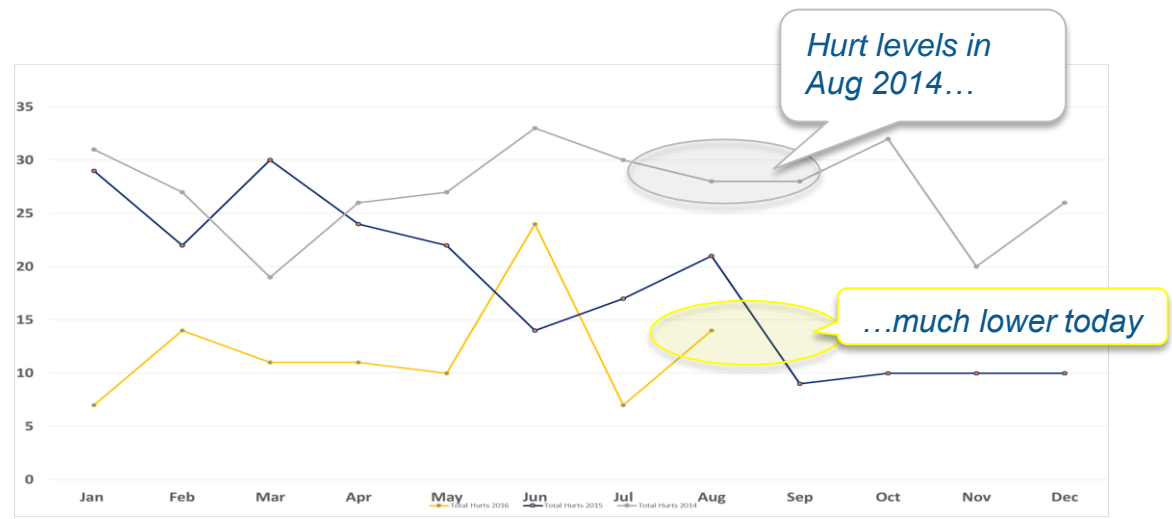
4 Commercial

1

Safe and efficient operations



Economic utilization – 2014, 2015, 2016 YTD



Hurts Trend – 2014, 2015, 2016 YTD



2 drillships
(Samsung)

- **Original deliveries deferred to 2017**
- **Discussions on further deferrals ongoing**

2 drillships
(DSME)

- **Original deliveries deferred to 2018 and 2019**

8 jack-ups
(Dalian)

- **Original deliveries deferred to 2017 and 2018**
- **Discussions on further deferrals ongoing**

West Mira

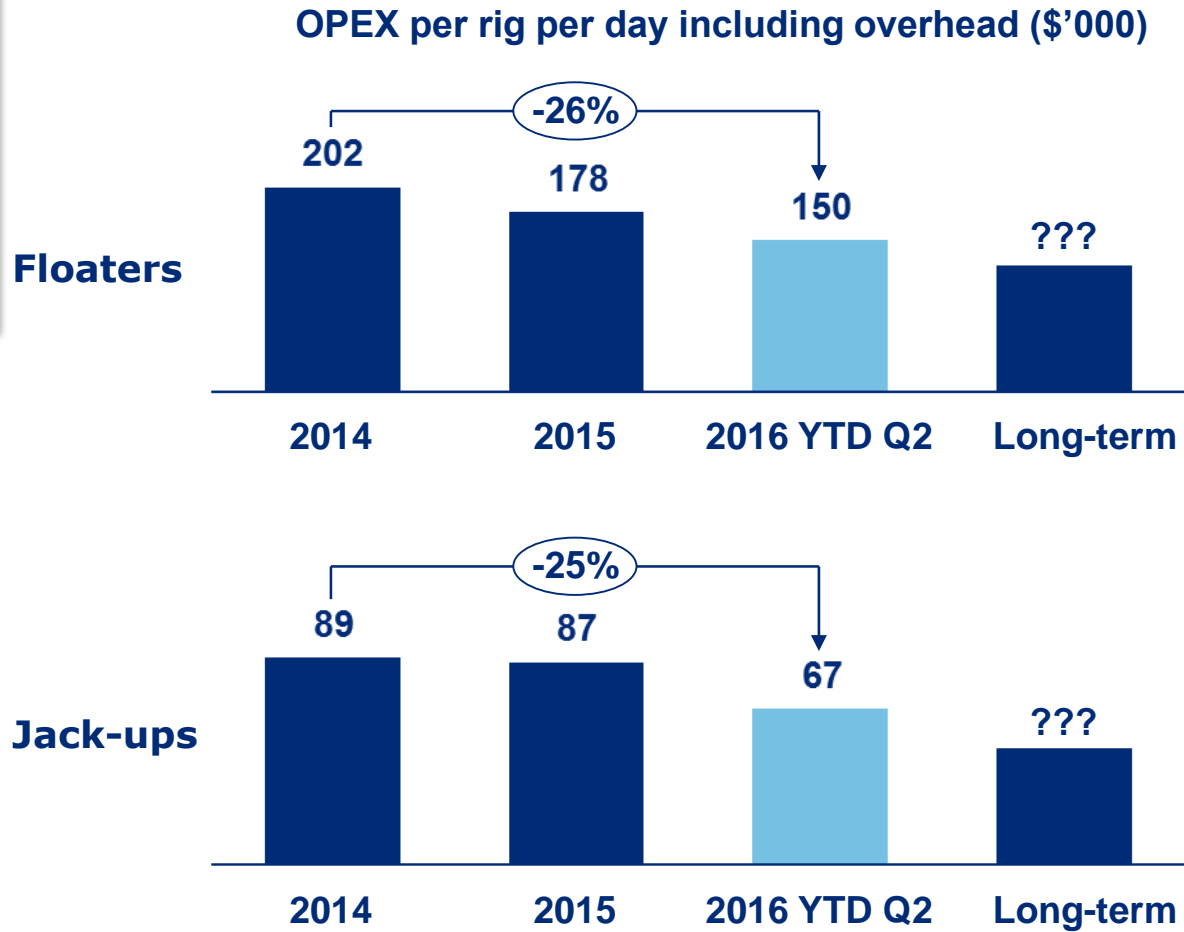
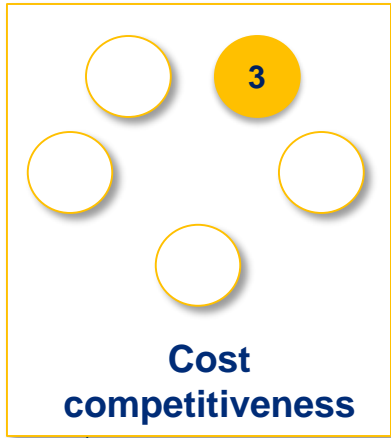
- **Cancelled**

West Rigel

- **Agreement reached with shipyard**
- **Potential JV or another mutually agreed structure**

Sevan Developer

- **Agreement reached with shipyard**
- **50% of pre-delivery instalments returned**





4

Commercial

Key questions for the industry in these tough times

- ***What will it take for the rig market to be back in balance?***
 - *Some 120 rigs have been cold stacked since the downturn started, but we need more stacking / retirements to balance*
- ***Have we hit bottom on rates?***
 - *If yes, perhaps we'll see bottom of utilization in Q3 / Q4*
 - *Then time and oil price will determine how quickly rates will recover*
- ***When will stacked rigs come back?***
 - *As long as utilization is low, oil companies will not hire cold stacked rigs*
 - *Difficult to see 4th and 5th generation rigs coming back to market anytime soon*
- ***What's our view of the market's future?***
 - *Some people talk this market down – I won't do that*
 - *Two years ago... "nothing at all"*
 - *And today...some stirring in the spot market*

We have delivered on the first four areas



2 Shipyards



3 Cost competitiveness



1 Safe and efficient operations

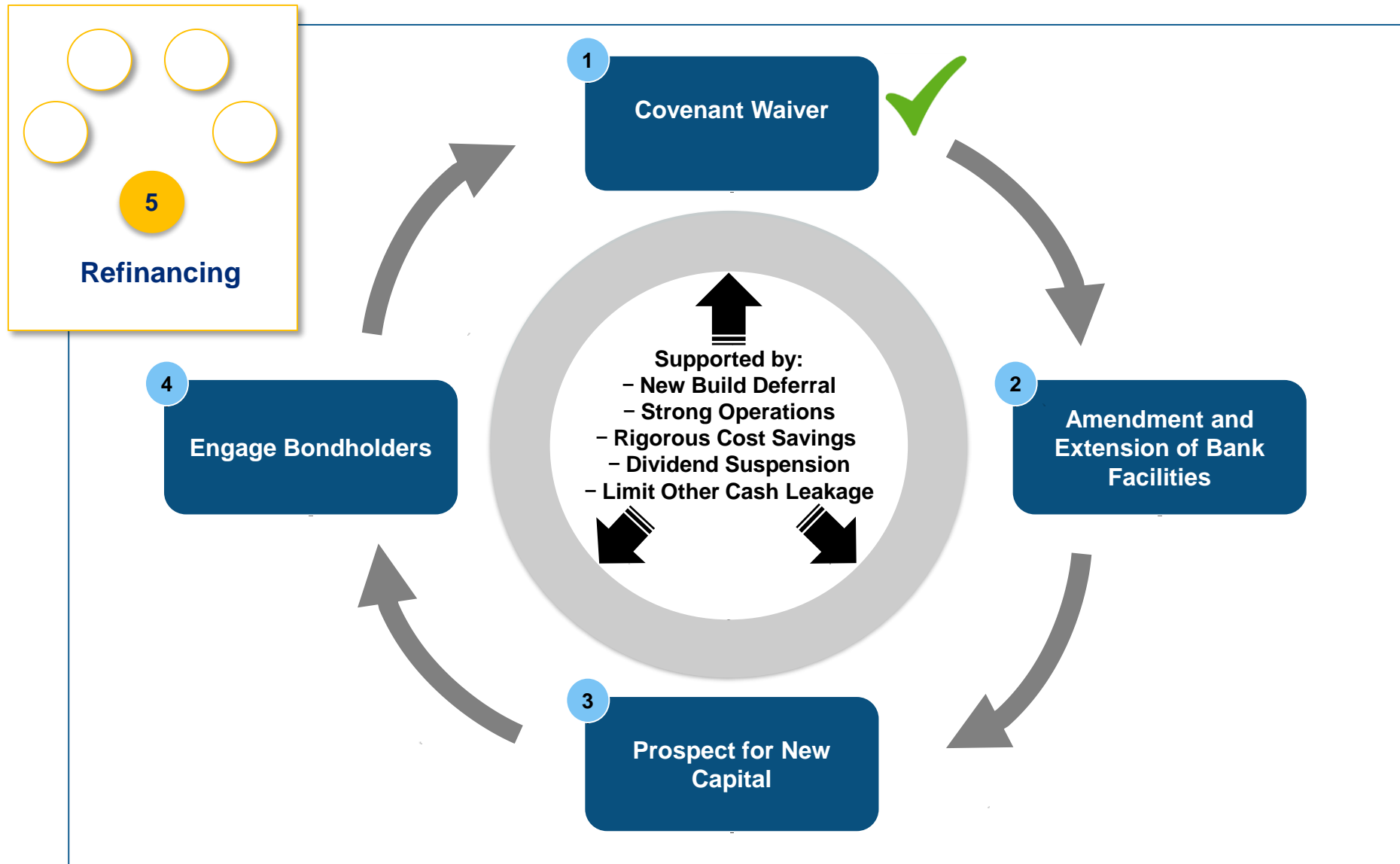


5 Financing



4 Customers







- Strong operations and a young fleet
- There is **a future for offshore drilling**
- **High barriers to entry** and investment costs for new entrants
- We have **focused on the right things**
- And now we're focused on **the financing plan**