

Shaping the future



Conference call 3Q 2009 results

November 5, 2009

Seadrill 

Disclaimer

THIS PRESENTATION AND ITS ENCLOSURES AND APPENDICES (HEREINAFTER JOINTLY REFERRED TO AS THE "PRESENTATION" HAS BEEN PREPARED BY SEADRILL LIMITED. ("SDRL", "SEADRILL" or THE "COMPANY") EXCLUSIVELY FOR INFORMATION PURPOSES. THIS PRESENTATION HAS NOT BEEN REVIEWED OR REGISTERED WITH ANY PUBLIC AUTHORITY OR STOCK EXCHANGE. RECIPIENTS OF THIS PRESENTATION MAY NOT REPRODUCE, REDISTRIBUTE OR PASS ON, IN WHOLE OR IN PART, THE PRESENTATION TO ANY OTHER PERSON.

THE DISTRIBUTION OF THIS PRESENTATION AND THE OFFERING, SUBSCRIPTION, PURCHASE OR SALE OF SECURITIES ISSUED BY THE COMPANY IN CERTAIN JURISDICTIONS IS RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS PRESENTATION MAY COME ARE REQUIRED BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN OR FROM WHICH IT INVESTS OR RECEIVES OR POSSESSES THIS PRESENTATION AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED UNDER THE LAWS AND REGULATIONS IN FORCE IN SUCH JURISDICTION, AND THE COMPANY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY FOR THESE OBLIGATIONS. IN PARTICULAR, NEITHER THIS PRESENTATION NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS STRICTLY CONFIDENTIAL AND IS BEING FURNISHED SOLELY IN RELIANCE ON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THE SHARES OF SDRL HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IS AVAILABLE. ACCORDINGLY, ANY OFFER OR SALE OF SHARES IN SDRL WILL ONLY BE OFFERED OR SOLD (I) WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, ONLY TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN PRIVATE PLACEMENT TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING AND (II) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S. ANY PURCHASER OF SHARES IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF U.S. PERSONS, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND ACKNOWLEDGEMENTS, INCLUDING WITHOUT LIMITATION THAT THE PURCHASER IS A QIB.

NONE OF THE COMPANY'S SHARES HAS BEEN OR WILL BE QUALIFIED FOR SALE UNDER THE SECURITIES LAWS OF ANY PROVINCE OR TERRITORY OF CANADA. THE COMPANY'S SHARES ARE NOT BEING OFFERED AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN CANADA OR TO OR FOR THE ACCOUNT OF ANY RESIDENT OF CANADA IN CONTRAVENTION OF THE SECURITIES LAWS OF ANY PROVINCE OR TERRITORY THEREOF.

This Presentation includes "forward-looking" statements (defined in Section 27A of the US Securities Act and Section 21E of the US Exchange Act as all statements other than statements of historical facts) including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives for future operations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate. Among the important factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements are, among others, the competitive nature of the markets, technological developments, government regulations, changes in economical conditions or political events.



Contents

- Highlights 3Q 2009
- 3Q 2009 accounts
- Operational status
- Performance newbuild
- Fleet contract status
- Market outlook
- Dividend policy
- Strategy
- Summary

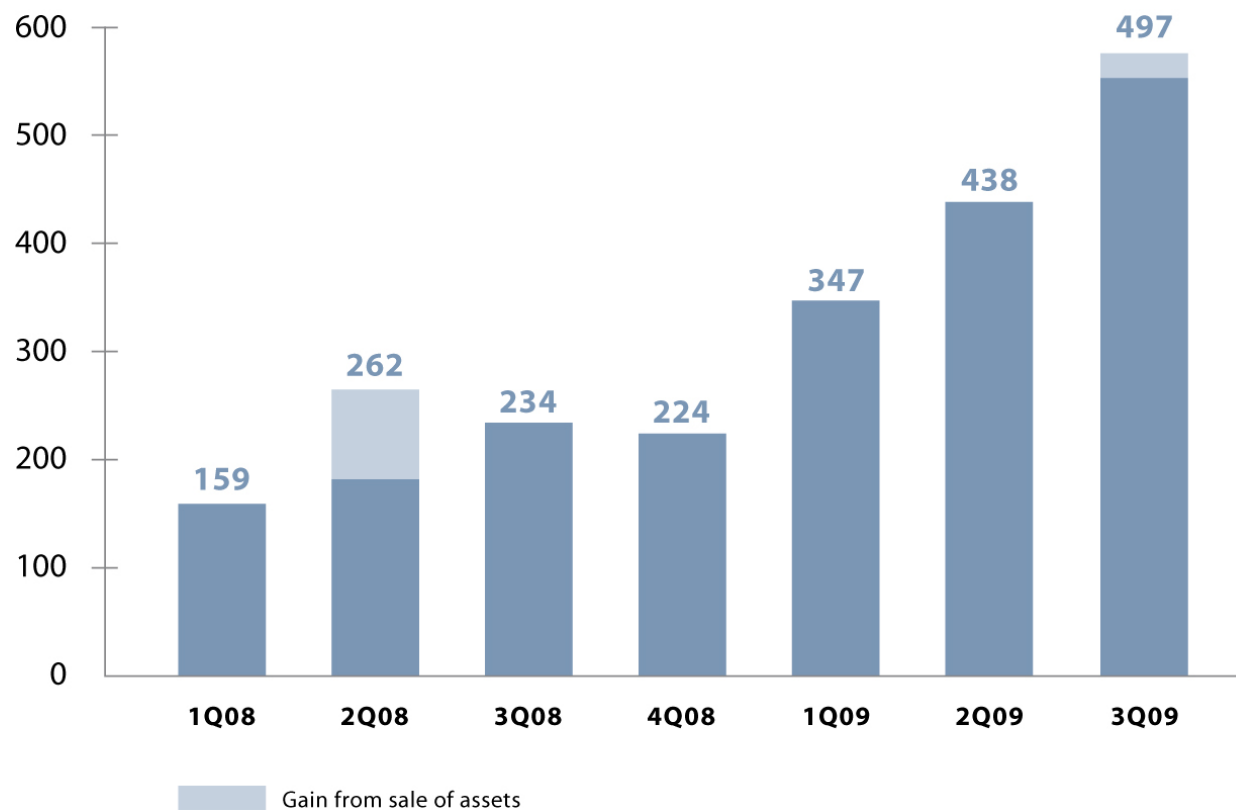


Highlights third quarter 2009

- Record EBITDA of US\$497 million up from US\$438 million in the preceding quarter
- Net income of US\$345 million or income per share of US\$0.82
- Idle benign environment 300ft jack-up West Ceres sold for a total consideration of US\$178 million
- US\$2.1 bn. raised in new financing while repaying short term bridge loan of US\$1 bn.
- Dividend of US\$0.50 per share resolved
- Increased tender activity for ultra-deepwater market
- Increased tender activities for benign environment jack-ups
- Uncertain near term tender rig market

EBITDA development

US\$ MILLION



Significant Q/Q increase in contribution

Mobile units

| <i>Unaudited accounts in USD million</i> | 3Q09 | 2Q09 |
|--|-------------|-------------|
| Operating revenues | 604 | 532 |
| Reimbursables | 12 | 6 |
| Other revenues | 10 | 11 |
| Total revenues | 626 | 549 |
| Gain on sale of assets | 21 | 0 |
| Vessel and rig operating expenses | 181 | 168 |
| Reimbursable expenses | 9 | 6 |
| Depreciation and amortisation | 88 | 84 |
| General and administrative expenses | 28 | 25 |
| Total operating expenses | 305 | 282 |
| Operating profit | 342 | 267 |

Tender rigs

| <i>Unaudited accounts in USD million</i> | 3Q09 | 2Q09 |
|--|-------------|-------------|
| Operating revenues | 85 | 106 |
| Reimbursables | 4 | 6 |
| Total revenues | 89 | 112 |
| Vessel and rig operating expenses | 35 | 36 |
| Reimbursable expenses | 3 | 6 |
| Depreciation and amortisation | 10 | 10 |
| General and administrative expenses | 3 | 4 |
| Total operating expenses | 52 | 56 |
| Operating profit | 37 | 56 |

Condensed income statement

| <i>Unaudited accounts in USD million</i> | 3Q09 | 2Q09 |
|---|-------------|-------------|
| Operating profit | 394 | 339 |
| Interest income | 40 | 7 |
| Interest expense | -63 | -57 |
| Share of results from associated companies | 27 | 16 |
| Other financial items | -5 | 102 |
| Net financial items | -1 | 67 |
| Income before income taxes and minority interest | 392 | 406 |
| Income taxes | -48 | -42 |
| Net income | 345 | 364 |
| Net income attributable to the parent | 325 | 339 |
| Net income attributable to the noncontrolling interest | 20 | 25 |
| Earnings per share (in USD) | 0,82 | 0,85 |

Balance sheet

Total assets

| <i>Unaudited accounts in USD million</i> | 30.09.09 | 30.06.09 |
|--|-----------------|-----------------|
| <i>Current assets</i> | | |
| Cash | 903 | 603 |
| Marketable securities | 728 | 386 |
| Accounts receivables | 491 | 536 |
| Other current assets | 483 | 318 |
| Total current assets | 2 606 | 1 844 |
| <i>Non-current assets</i> | | |
| Investment in associated companies | 314 | 290 |
| Newbuildings | 1 340 | 1 177 |
| Drilling units | 7 624 | 7 820 |
| Goodwill | 1 591 | 1 570 |
| Other non-current assets | 647 | 583 |
| Total non-current assets | 11 517 | 11 440 |
| Total assets | 14 122 | 13 284 |

Balance sheet

Liability and equity

| <i>Unaudited accounts in USD million</i> | 30.09.09 | 30.06.09 |
|---|-----------------|-----------------|
| <i>Current liabilities</i> | | |
| Short-term interest bearing debt | 805 | 1 779 |
| Other current liabilities | 1 237 | 1 084 |
| Total current liabilities | 2 042 | 2 863 |
| <i>Non-current liabilities</i> | | |
| Long-term interest bearing debt | 7 094 | 5 976 |
| Other non-current liabilities | 415 | 433 |
| Total non-current liabilities | 7 510 | 6 409 |
| <i>Shareholders' equity</i> | | |
| Total shareholders' equity | 4 571 | 4 012 |
| Total shareholders' equity and liabilities | 14 122 | 13 284 |



Taking advantages of more favorable debt markets

- July 2009: Raised new US\$1,500m secured facility with export credit agencies and commercial banks
- September 2009: Issued US\$500m convertible bond with 4.875% coupon and 35% conversion premium
- October 2009: Issued NOK800m (US\$140m) unsecured bond at NIBOR + 275bp

Incremental funding of US\$1,140m (after repayment of bridge loan) is creating financial flexibility



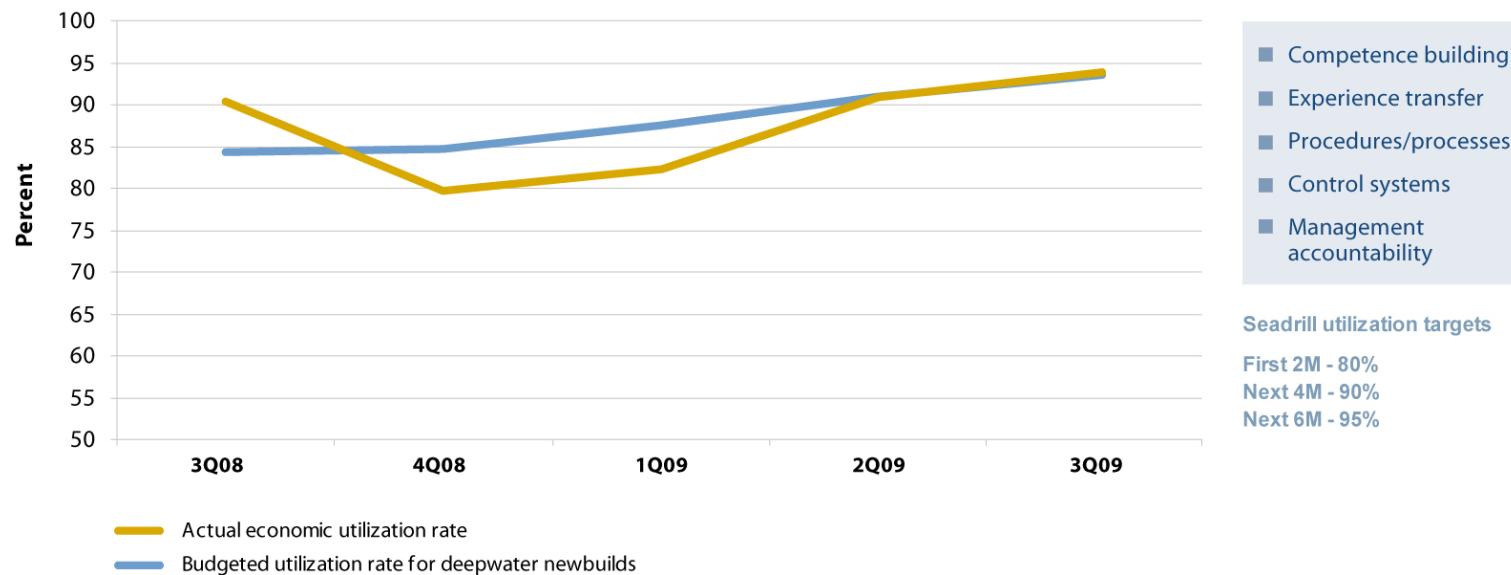
Worldwide operations



Quality fleet with global presence

● Current ● Previous

Average utilization rate deepwater newbuilds



Start-up experience transferred to sister rigs



Semi-submersible rig West Alpha

- 25-year survey with significant upgrades
- New cranes installed
- Upgrade power management and electrical systems
- Thrusters changed
- New top-drive
- New catwalk machine
- Accommodation section upgrade
- Project on time & on budget



**25-year survey and upgrade successfully completed
in 30 days**



Jack-up rig West Atlas

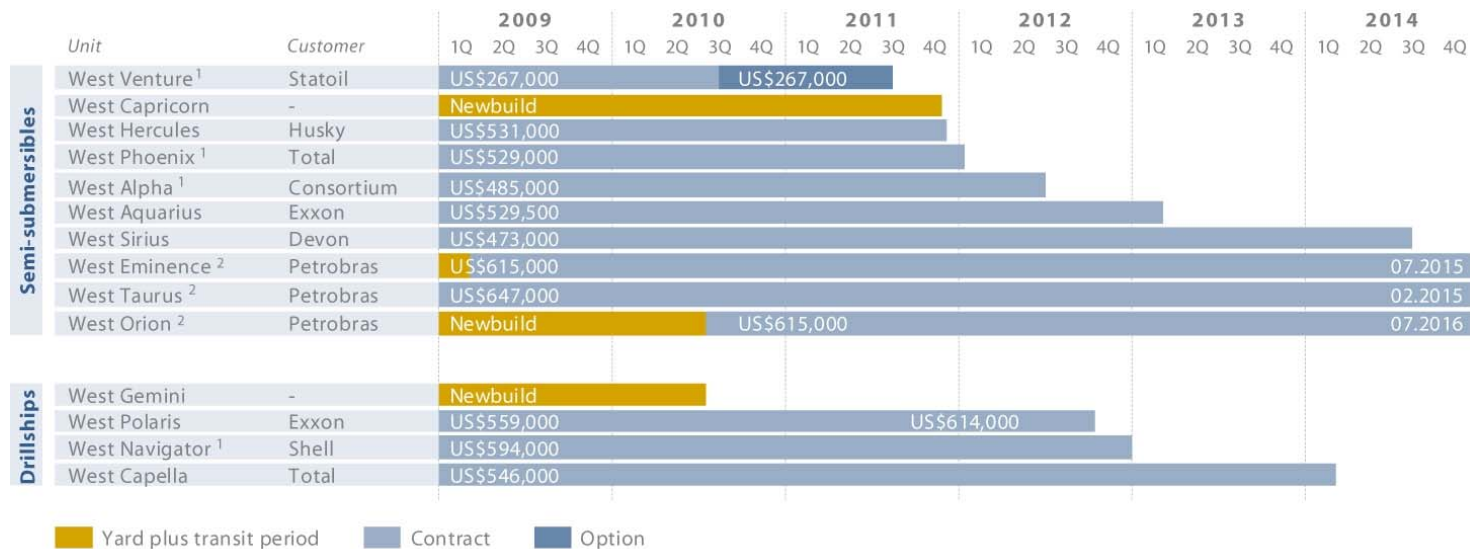
- Located north west of Australia in the Timor Sea working for PTTEP Australasia
- On August 21, a well on the Montara wellhead platform started to leak gas and crude in an uncontrolled manner
- All personnel was safely evacuated and the rig has thereafter been unmanned
- On November 1, the gas from the Montara platform ignited and the fire engulfed the drilling tower cantilevered over the wellhead platform
- The fire has been subsided and the well has been killed
- West Atlas is possibly a constructive total loss due to the severe damages caused by the heat from the recent fire
- The relief well drilled to stop the leakage was drilled by the jack-up sister vessel West Triton from a location two kilometers from the Montara platform



Severe accident ... no-one being hurt



US\$9 billion order backlog floaters



¹ Dayrate is partly in Norwegian kroner

² Dayrate is partly in Brazilian Real and include five percent performance incentive as well as estimated compensation for tax

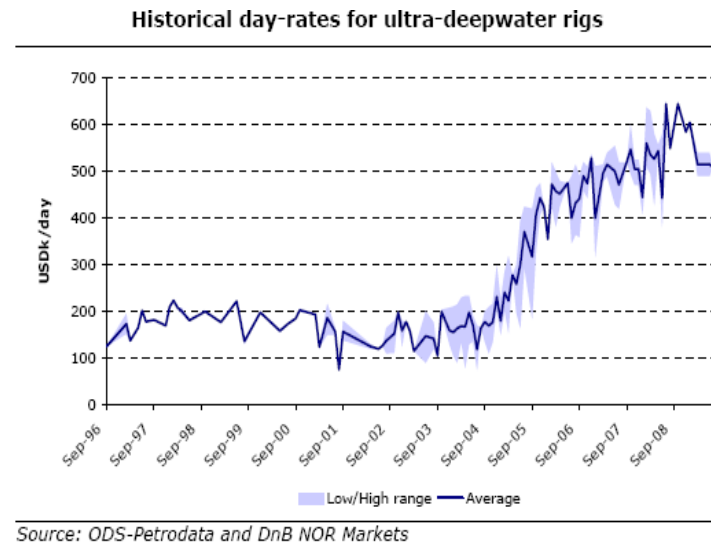
Continued strong earnings visibility





Deepwater market outlook

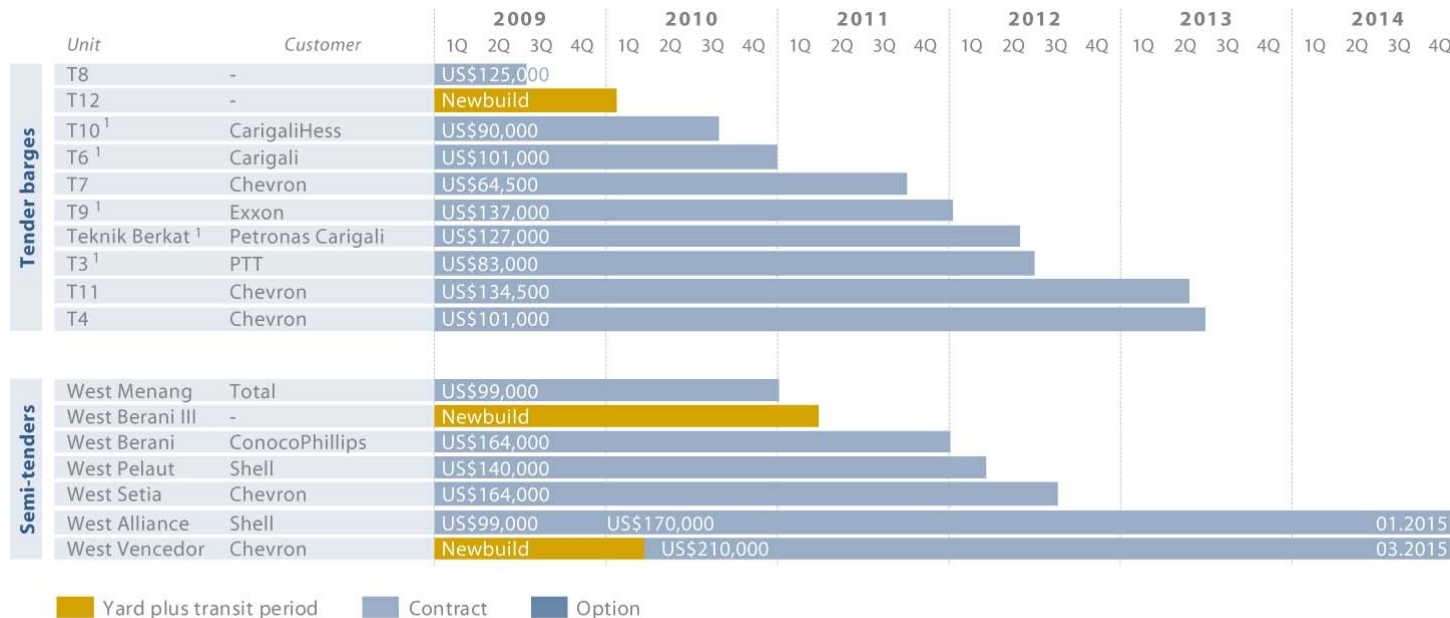
- Long-term market drivers intact as global oil basins mature and decline rates steepening
- Exploration for larger reserves taking place in more challenging and rig intensive deepwater markets
- Floater market driven by more stable capital spending of oil majors and national oil companies
- Strong contract coverage for ultra deepwater fleet
- Brazilian exploration success and pre-salt development



Stop in newbuild orders secures balanced market



US\$1.7 billion tender rig order backlog



¹ Ownership 49%

Strong portfolio of term contracts





9 remaining newbuilds will deliver growth

- **Deepwater floaters**

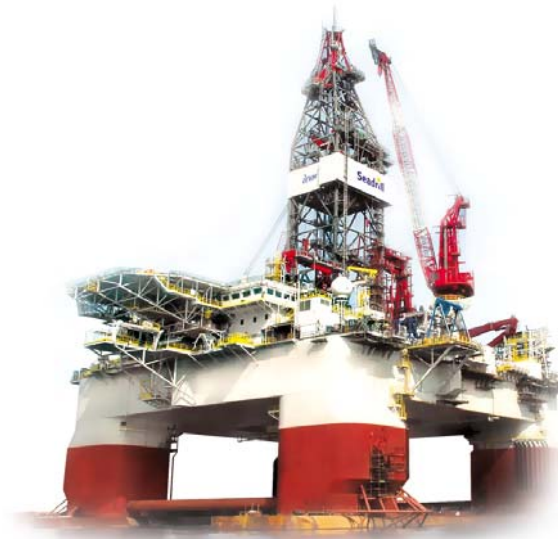
- Drillship West Gemini – 2Q2010
- Semi West Orion – 2Q2010
- Semi West Capricorn – 4Q2011

- **Tender rigs**

- Tender barge T12 – 1Q2010
- Semi-tender West Vencedor – 1Q2010
- Semi-tender West Berani III – 1Q2011

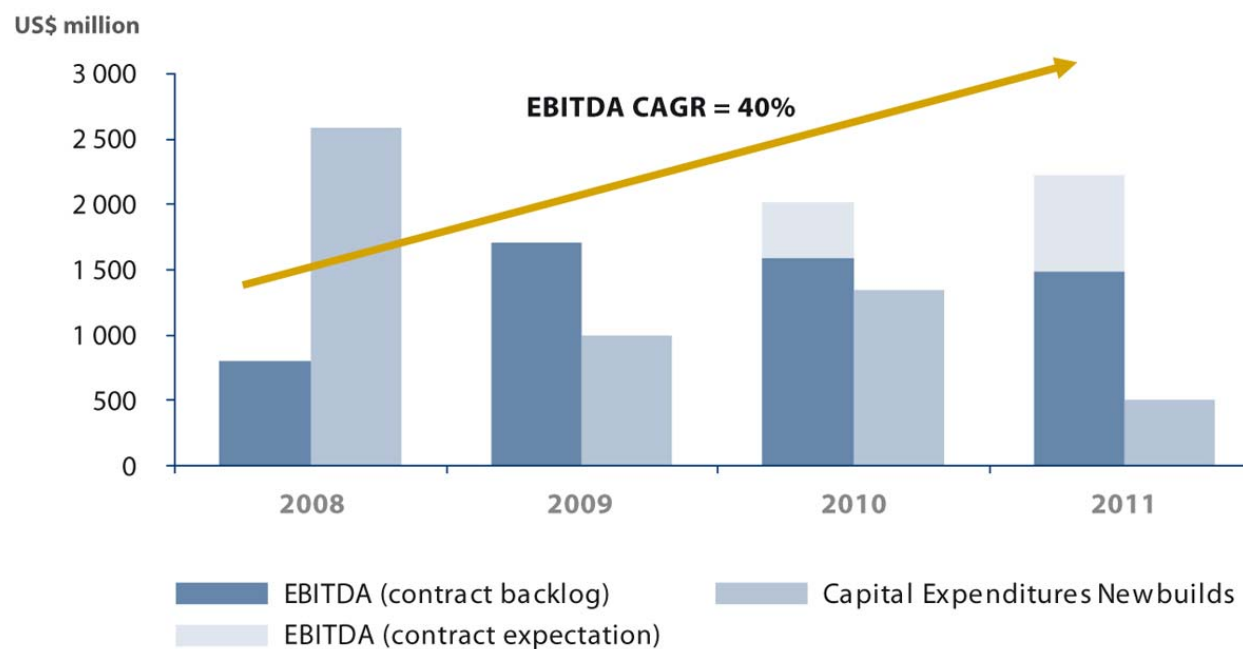
- **Jack-ups**

- West Leda – 3Q2010
- West Callisto – 3Q2010
- West Juno – 4Q2010



Transfer of experience ensuring quality delivery
and performance

EBITDA growth replacing investments



Majority of EBITDA secured through long-term contracts

Dividend distribution and policy

- Distribution of cash dividend is an important objective
- Resolved to distribute US\$0.50 per share
 - Ex. dividend date is November 23, 2009
 - Record date is November 25, 2009
 - Payable date on or about December 7, 2009
- Seadrill sees a strong improvement in the financial markets related to financing of its operations
- Future dividend depends on contract coverage, capital expenditure programs, other investments, free cash flow and business outlook

Ambition to increase dividend on annual basis in 2010

Petromena NOK 2,000 million bond

- Seadrill holds 81 percent of the Petromena NOK2,000 million bond following investment of US\$183 million in March
- Secured in the deepwater newbuilds Petrorig 1 and Petrorig 2 that both have been sold to Diamond Offshore
- Expects to receive payments equal to 100% of the principal amount plus 7% early redemption fee and accrued interest including penalty interest
- Total amount to be received is estimated to US\$292 million of which US\$101 million was distributed in October

Confident in solid return on investment

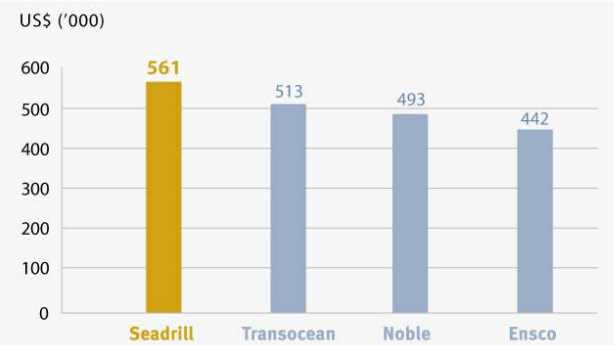
Strategy

- Focus Seadrill on premium deepwater operations
- Entertain further consolidation through M&A activities
- Develop current shareholdings in Pride, Scorpion and Sapura
- Seek alliances for our jack-up exposure
- Leverage the balance sheet and add term and flexibility
- Maintain distribution of cash dividends
- Target US listing within first quarter 2010

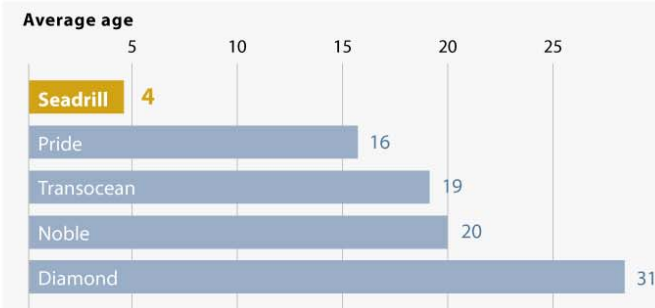
Grow our Company build shareholder value

Summary

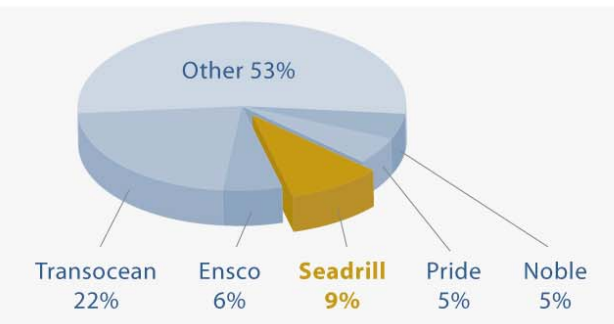
Ultra-deepwater fixtures



Average age floaters



Ultra-deepwater market share



Financial contribution deepwater

| | 2008 | 2010 |
|-------------------------|------------|------------|
| Seadrill Limited | 15% | 68% |
| Transocean | 23% | 40% |
| Pride International | 19% | 36% |
| Noble Corp. | 7% | 30% |
| Diamond Offshore Inc. | 15% | 18% |

Sound platform for shaping the future



Seadrill

Seadrill working for quality customers