



Third quarter results 2007
Conference call



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Contents

- 3Q results 2007
- Current operations
- Newbuilding program
- Contract status
- Human resources
- Summary



Highlights 3Q 2007

- Net income of US\$32.8 million and EPS of US\$0.08
- All drilling units in operations with the exception of one jack-up, West Larissa
- Four new contracts
 - Mid-water semi West Alpha – 3Y at US\$473,000
 - UDW semi West Aquarius – 3Y at US\$523,000
 - UDW drillship West Capella – 5Y at US\$525,000
 - Tender barge rig T8 – 1Y at US\$125,000
- On track with delivery of the newbuild program
 - Tender rig T10 delivered in August
 - Jack-up West Atlas delivered end of September
 - All remaining projects in the main progressing as planned



Highlights 3Q 2007 – cont'd

- Divestment of the 1981-built jack-up West Titania for US\$146.5 million (to be completed in 1Q08)
- Sale of 32% shareholding in PT Apexindo (to be completed in 4Q07)
- Well services division established as a separate entity, Seawell Limited
 - NOK257 million raised in new equity
 - Seadrill ownership at 80 percent
 - OTC listed
- Seadrill issued US\$1 billion convertible bond
 - Coupon 3.6125%
 - Conversion premium 45%



Condensed Income Statement

3Q 2007

- Increased revenues and EBITDA for all business units
- Financial items impacted by higher debt and weaker US dollar
- Lower tax cost

<i>Unaudited accounts in USD million</i>	Actual 3Q07	Actual 2Q07
Revenues		
Operating revenues	323,6	307,9
Reimbursables	30,9	44,3
Other revenues	22,6	21,8
Total revenues	377,1	374,0
Operating expenses		
Vessel and rig operating expenses	178,4	180,9
Reimbursable expenses	28,8	42,8
Depreciation and amortisation	47,4	43,6
General and administrative expenses	26,3	29,8
Total operating expenses	280,9	297,1
Operating profit	96,2	76,9
Interest income	3,0	4,8
Interest expense	(30,8)	(20,9)
Share of results from associated companies	6,5	4,6
Other financial items	(33,0)	(10,3)
Net financial items	(54,3)	(21,8)
Income before income taxes and minority interest	41,9	55,1
Income taxes	(5,0)	(11,2)
Minority interest	(4,1)	(1,9)
Net income	32,8	42,0
Earnings per share (<i>in USD</i>)	0,08	0,11



Condensed Consolidated Segment Information

- Improved utilization
- Lower opex as drillship Chikyu returned to scientific operations
- Newbuild jack-up West Prospero started operations

Mobile Units

	Actual 3Q07	Actual 2Q07
<i>Unaudited accounts in USD million</i>		
Operating revenues	175,5	166,7
Reimbursables	6,9	11,9
Other revenues	19,6	18,7
Total revenues	202,0	197,3
Vessel and rig operating expenses	85,1	88,8
Reimbursable expenses	5,4	11,0
Depreciation and amortisation	35,2	31,8
General and administrative expenses	17,5	22,4
Total operating expenses	143,2	154,0
Operating profit	58,8	43,3
Utilization	86 %	84 %
Average dayrate US\$	184 244	172 785



Condensed Consolidated Segment Information

- 100% utilization
- Higher average dayrate
- Sound cost escalation clauses

Tender Rigs

	Actual 3Q07	Actual 2Q07
<i>Unaudited accounts in USD million</i>		
Operating revenues	60,6	55,9
Reimbursables	5,4	4,4
Other revenues	3,0	3,1
Total revenues	69,0	63,4
Vessel and rig operating expenses	24,7	23,8
Reimbursable expenses	5,1	4,2
Depreciation and amortisation	9,7	9,6
General and administrative expenses	3,9	3,6
Total operating expenses	43,4	41,2
Operating profit	25,6	22,2
Utilization	100 %	100 %
Average dayrate US\$	78 384	76 048



Condensed Consolidated Segment Information

- All time high contribution
- Reimbursable activities reduced with limited margin impact
- Good cost control

Well Services

	Actual 3Q07	Actual 2Q07
<i>Unaudited accounts in USD million</i>		
Operating revenues	87,5	85,3
Reimbursables	18,6	28,0
Total revenues	106,1	113,3
Vessel and rig operating expenses	68,6	68,3
Reimbursable expenses	18,3	27,6
Depreciation and amortisation	2,5	2,2
General and administrative expenses	4,8	3,8
Total operating expenses	94,2	101,9
Operating profit	11,9	11,4



Condensed Consolidated Balance Sheet

- YTD investments of US\$1,300 million
- 3Q newbuild instalments of US\$251 million
- Newbuild jack-up West Atlas delivered in September

Unaudited accounts in USD million

	30.09.07	31.12.06
<i>Current assets</i>		
Cash and cash equivalents	294,0	210,4
Receivables	505,9	463,5
Other investments	203,3	105,9
Total current assets	1 003,2	779,8
<i>Non-current assets</i>		
Investment in associated companies	167,3	238,1
Other non-current assets	83,5	46,1
Newbuildings	2 706,6	2 027,4
Drilling units	2 530,2	2 293,3
Goodwill	1 497,9	1 284,2
Total non-current assets	6 985,5	5 889,1
Total assets	7 988,7	6 668,9



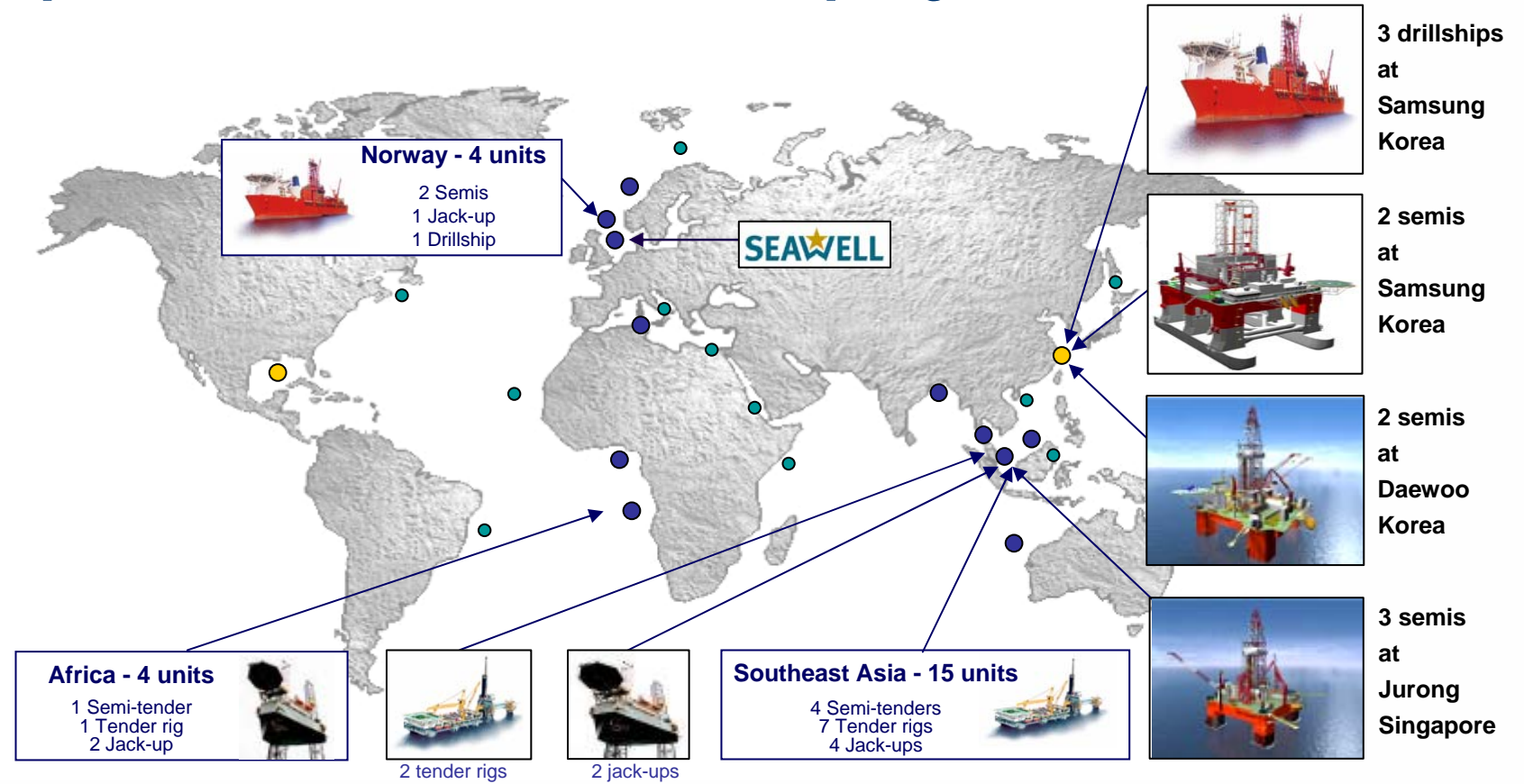
Condensed Consolidated Balance Sheet

- New loan facilities
- Two share issues
- Net interest bearing debt of US\$3.2 billion

<i>Unaudited accounts in USD million</i>	30.09.07	31.12.06
<i>Current liabilities</i>		
Short-term interest bearing debt	689,9	255,4
Other current liabilities	566,6	465,3
Total current liabilities	1 256,5	720,7
<i>Non-current liabilities</i>		
Deferred taxes	237,9	227,8
Long-term interest bearing debt	2 855,6	2 559,3
Other non-current liabilities	183,7	195,4
Total non-current liabilities	3 277,2	2 982,5
Minority interest	86,5	208,0
<i>Shareholders' equity</i>		
Paid-in capital	2 753,7	2 449,8
Retained earnings	614,8	307,9
Total shareholders' equity	3 368,5	2 757,7
Total shareholders' equity and liabilities	7 988,7	6 668,9



Operations and newbuild projects



37 units of which 14 under construction

- Current
- Previous
- Future



West Phoenix

Progress

- 96% complete
- On target for delivery* in February/March 2008
- Commencement of operations in Norway within the second quarter 2008
- In commissioning phase/ Integrated team

Challenges

- AKMH support
- Commissioning
- Client TEPN NOCS operations

Cost - On budget



* Delivery date adjusted to accommodate customer shallow water requirements



West Eminence

Progress

- 80% Complete
- Delivery planned in the fourth quarter 2008

Challenges

- AKMH support
- Yard capacity
- Commissioning

Cost - On budget



West Hercules

Progress

- 85% complete
- Delivery planned in April/May 2008
- Tightest schedule of all projects
- Commencement of operations in China within the second quarter 2008

Challenges

- AKMH equipment
- DAT cylinders, LIR and Derrick

Cost - On budget



West Aquarius

Progress

- 70% complete
- Delivery planned in the third quarter 2008
- Tightest schedule of all projects
- Commencement of operations in the third quarter 2008

Challenges

- AKMH equipment
- DAT cylinders, LIR and Derrick
- Commissioning

Cost - On budget



West Polaris

Progress

- 88% complete
- Delivery planned end June 2008
- Commencement of operations in the third quarter 2008

Challenges

- Shaffer subsea system
- Commissioning

Cost - On budget



West Capella

Progress

- 52% complete
- Delivery planned in the fourth quarter 2008
- Commencement of operations in the fourth quarter 2008

Challenges

- Shaffer subsea system
- Commissioning

Cost - On budget



West Sirius

Progress

- 93% complete
- Delivery planned in February/March 2008
- Commencement of operations in the GOM in the second/third quarter 2008

Challenges

- AKMH equipment
- Commissioning

Cost - On budget



West Taurus

Progress

- 74% complete
- Delivery scheduled in the fourth quarter 2008

Challenges

- AKMH equipment
- Commissioning

Cost - On budget



Status deepwater newbuild projects

Unit	Order date	% complete	Delivery ahead/ behind	Comment
West Phoenix	2005	96%	- 3,5%	Start-up Norway – 2Q08 as planned
West Sirius	2005	93%	- 2,4%	Start-up GoM – 2/3Q08 as planned
West Hercules	2005	85%	- 3,2%	Start-up China – 2Q08 as planned
West Polaris	2005	88%	- 1,2%	Start-up as planned – 3Q08
West Aquarius	2006	70%	- 2,7%	Start-up as planned – 3Q08
West Eminence	2006	80%	- 4,1%	Delivery 4Q08 – no contract
West Taurus	2006	74%	0%	Delivery 4Q08 – no contract
West Capella	2006	52%	0%	Start-up 4Q08 as planned
West Orion	2007	NA	-	Delivery 2Q10
West Gemini	2007	NA	-	Delivery 2Q10

Percentage of total construction period, 1% ≈ 10 days

Delivery overall progressing as planned



Remaining risks

- Major component delays and/or failures
- Commissioning/testing
- Knock-on effects from other yard activities
- Sub-contractor support

Risk mitigation and contingency plans in place



Commissioning and testing



Commissioning ---> yard responsibility



Newbuild deepwater projects

- Progress to date generally as planned
- Cost risk insignificant
- Still schedule risks remaining

First in line ... a clear advantage



Status shallow water newbuild projects

Unit	Delivery
West Ceres	May 2006 ✓
West Berani	December 2006 ✓
West Prospero	June 2007 ✓
T10	August 2007 ✓
West Atlas	September 2007 ✓
West Triton	On schedule - <i>1Q08</i>
West Ariel	On schedule - <i>2Q08</i>
T11	On schedule - <i>2Q08</i>
West Berani II	On schedule - <i>1Q10</i>

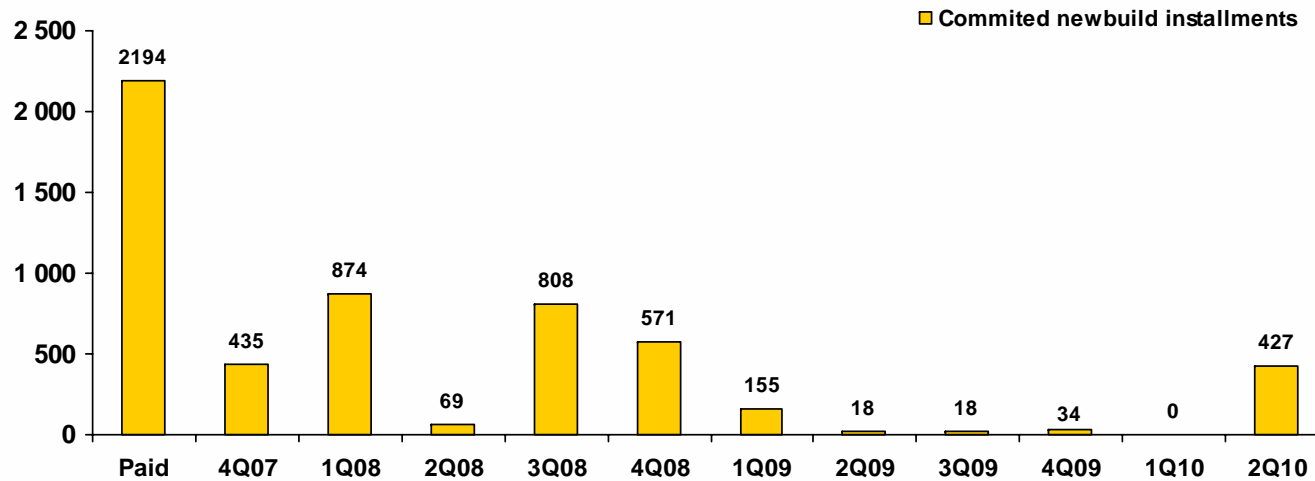


Deliveries on time and budget



Committed newbuild installments

US\$ million



- Committed newbuild installment schedule amounts to approximately US\$5.6 billion
- The installments do not include spares, construction supervision, operation preparation and mobilization or capitalized interests
- Covers seven semi-submersibles, three drillships, two tender rigs and two jack-ups

Scheduled delivery incentives through backloaded payments



Contract backlog of US\$7.7 billion

Deepwater newbuilds



US\$4,000 mill.

Existing deepwater units



US\$1,725 mill.

Jack-up rigs



US\$750 mill.

Tender rigs



US\$1,200 mill. *

* 100% owned units only



Quality contract awards

Unit	Customer	Dayrate (US\$/d)	Term	Contract value (US\$ mill.) *
West Sirius	Devon	476,000	4 yrs	US\$ 695 mill.
West Phoenix	Total	512,000	3 yrs	US\$ 561 mill.
West Polaris	Exxon	538,000	3 yrs	US\$ 589 mill.
West Hercules	Husky	519,000	3 yrs	US\$ 568 mill.
West Capella	TBN	525,000	5 yrs	US\$ 958 mill.
West Aquarius	Exxon	523,000	3 yrs	US\$ 573 mill.
West Navigator	Shell/Hydro	577,000	4 yrs	US\$ 842 mill.
West Alpha	Consortium	473,000	3 yrs	US\$ 518 mill.

US\$ 5,304 mill.

* Excluding mob. fee



Contract status floaters

Customer	2007				2008				2009				2010				2011					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Semi-submersibles																						
West Alpha	Statoil	US\$266,000																US\$473,000 ⁵		02.2012		
West Venture	Norsk Hydro	US\$259,000																US\$259,000				
West Phoenix ^{1 & 2}	Total	Newbuild - US\$502M				US\$512,000								US\$497,000								
West Eminence ¹	-	Newbuild - US\$520M																				
West Hercules ¹	Husky	Newbuild - US\$512M				US\$519,000																
West Aquarius ^{1 & 3}	Exxon	Newbuild - US\$526M				US\$523,000																
West Sirius ^{1 & 4}	Devon	Newbuild - US\$443M				US\$476,000								06.2012								
West Taurus ¹	-	Newbuild - US\$451M																				
West Orion ¹	-	Newbuild - US\$532M																				
Drillships																						
West Navigator	Shell	US\$248,000																US\$577,000		01.2013		
West Polaris ¹	Exxon	Newbuild - US\$478M				US\$538,000																
West Capella ¹	-	Newbuild - US\$478M				US\$525,000								12.2013								
West Gemini ¹	-	Newbuild - US\$598M																				

■ Yard ■ Contract ■ Option

¹ Ex. spares, construction supervision, operation preparation and mobilization or capitalized interests

² The West Phoenix contract could be extended by two years at dayrate US\$497,000

³ The West Aquarius contract could be extended by one year reducing the dayrate for the contract period to US\$508,000

⁴ The West Sirius contract could be extended by one or two years reducing the dayrates for the contract period to US\$466,000 or US\$456,000 respectively

⁵ 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

Order backlog of approx. US\$5,710 million



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Contract status jack-ups

Customer	2007				2008				2009				2010				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Jack-ups																	
West Epsilon	Statoil	US\$317,000												US\$317,000			
West Atlas ¹	Coogee	Newbuild - US\$129M		US\$257,500													
West Triton ¹	ADA	Newbuild - US\$129M		US\$275,000													
West Ceres	Total	US\$166,000				Market rate											
West Prospero ¹	Exxon	Newbuild - US\$128M		US\$205,000													
West Larissa	VietsoPetro			US\$183,500													
West Janus	PCPPOC	US\$185,000															
West Titania	Ecumed	US\$150,000															
West Ariel ¹	-	Newbuild - US\$132M															

■ Yard
 ■ Contract
 ■ Option

¹ Ex. spares, construction supervision, operation preparation and mobilization or capitalized interests

Order backlog of approx. US\$750 million



Contract status tender rigs

	Customer	2007				2008				2009				2010				2011			
		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\$42'	US\$51,000	US\$58,000	US\$74,000																06.2012
T4	Chevron	US\$48,000			US\$88,000																06.2013
T6 ¹	Carigali/CTOC	US\$68,000		US\$93,000																	
T7	Chevron	US\$57,000																			
T8	Total	US\$63'	US\$90,000		US\$125,000																
T9 ¹	Exxon	US\$70,000						Market rate													
T10 ^{1 & 3}	Carigali/Hess	Newb - US\$89M	US\$85,000										US\$85,000								
T11 ³	Chevron	Newbuild - US\$100M			US\$116,000																07.2013
Teknik Berkat ¹	Carigali	US\$57,000	US\$72,000					US\$72,000													
Semi-tenders																					
West Alliance	Shell	US\$76,000			US\$93,000																
West Berani	Newfield/Chevron	US\$124,000						US\$151,000 ²													03.2012
West Menang	Total	US\$88,000			US\$119,000																
West Pelaut	Shell	US\$64,000						US\$64,000													03.2014
West Setia	Murphy/Conoco	US\$85,000						US\$163,000 ²													02.2012
West TBA ³	-	Newbuild - US\$180M																			

■ Yard ■ Contract ■ Option

¹ Ownership 49%

² Seadrill has the option to use either West Berani or West Setia depending on rig availability

³ Ex. spares, construction supervision, operation preparation and mobilization or capitalized interests

Order backlog of approx. US\$1,390 million



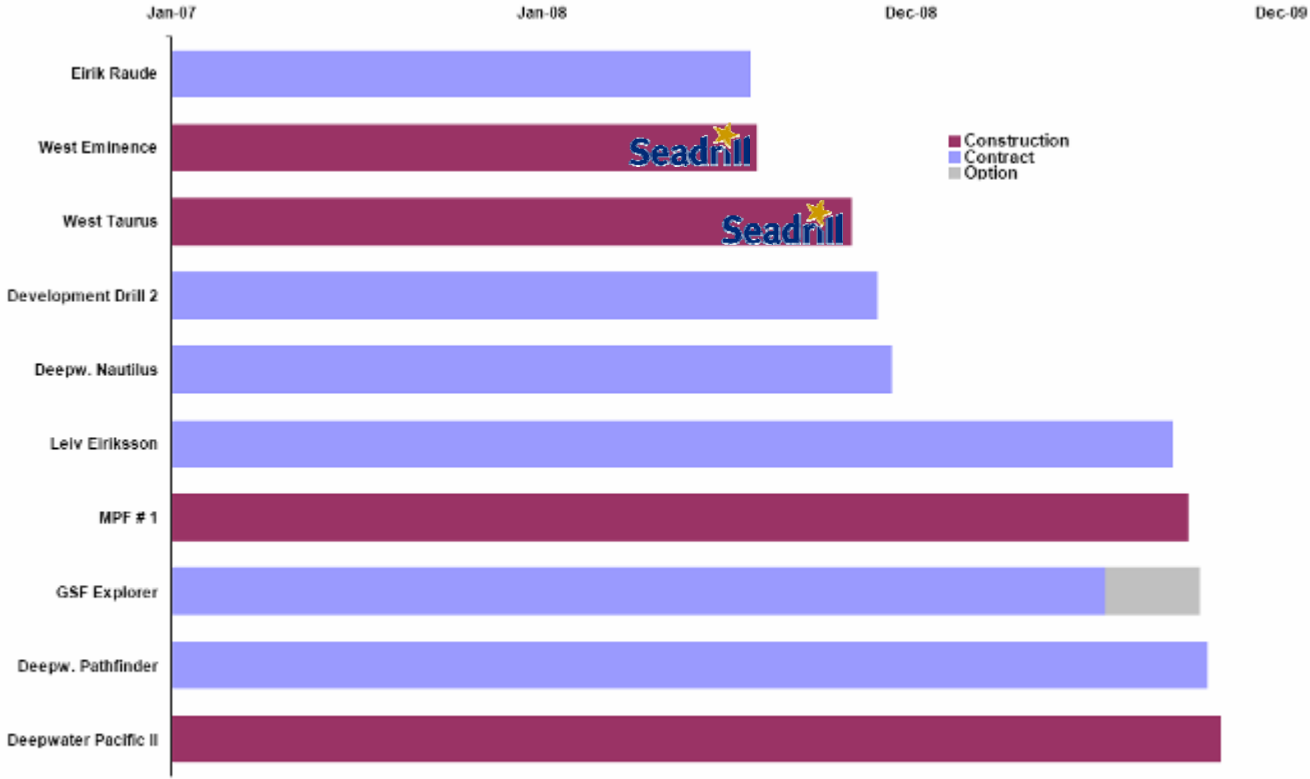
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Market status right now

- UDW capacity shortage 2008/2009
- Can 2008/09 commencement dayrates be pushed further up?
- A dayrate is not necessarily a dayrate
 - Operating expenses
 - Mobilization
 - Modifications
 - Tax
 - Contract provisions



Ultra deepwater units available before 2010



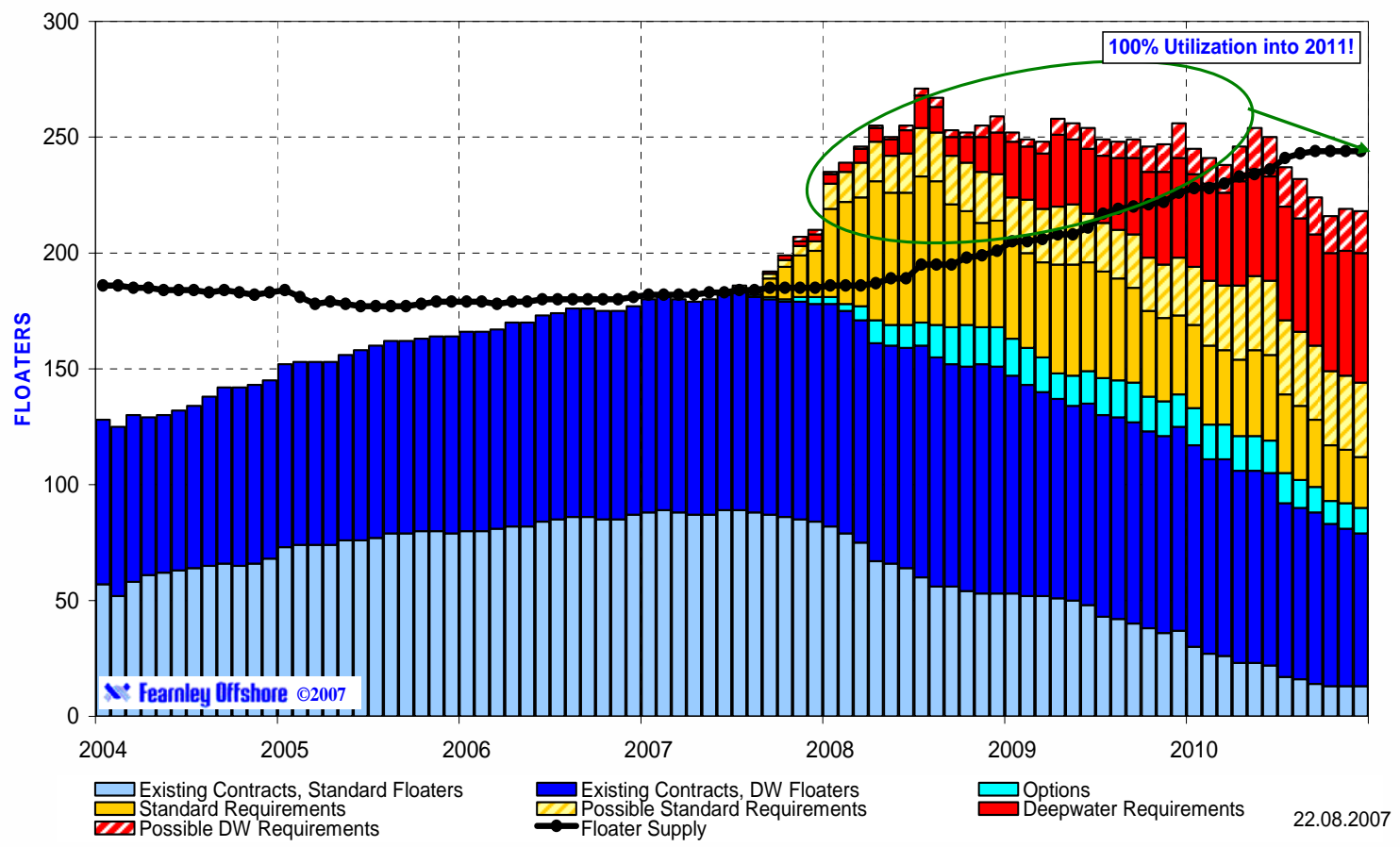
Pareto Securities ASA

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Source: Pareto Securities



Floater demand worldwide

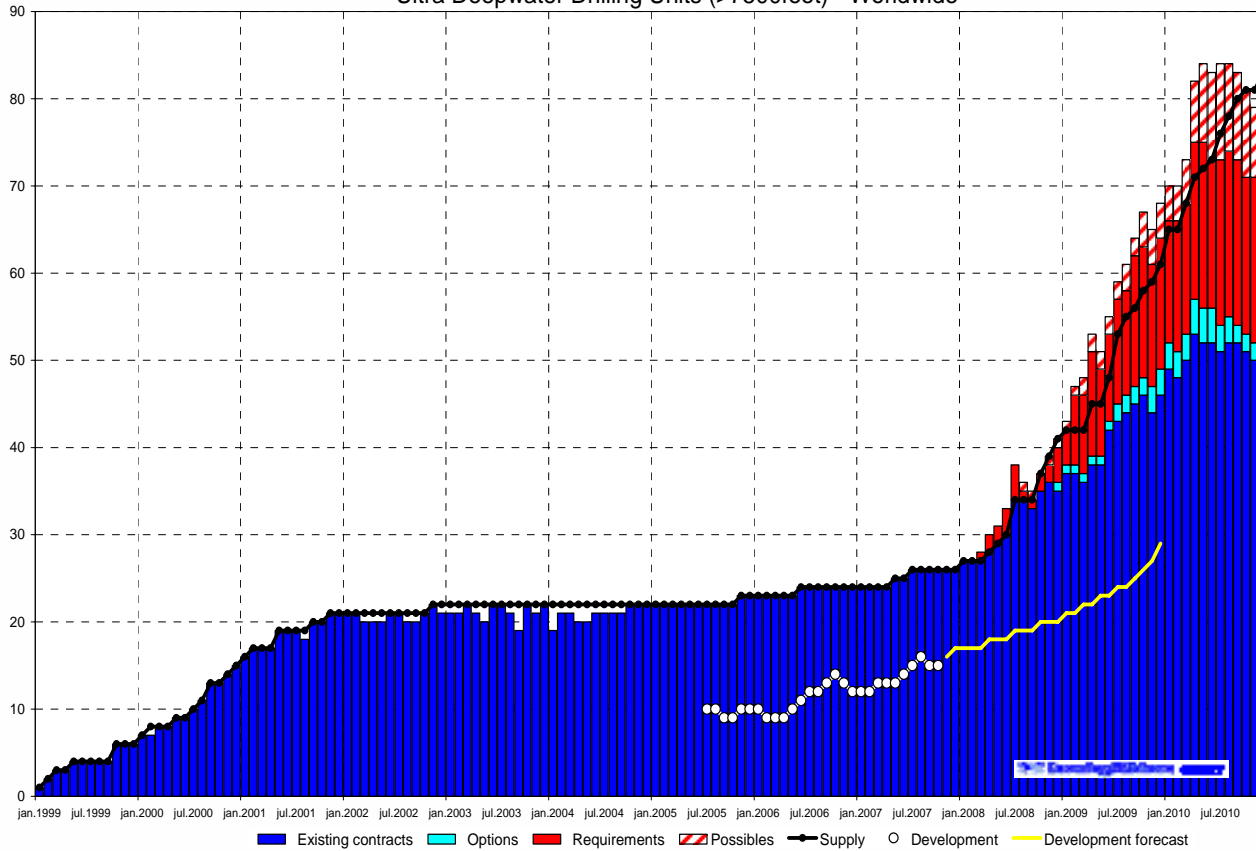


Source: Fearnley Offshore



Ultra deepwater demand worldwide

Contract Status & Expected Demand 1999-2011:
Ultra Deepwater Drilling Units (>7500feet) - Worldwide



Source: Fearnley Offshore



UDW Market summary

- The UDW market remains strong with 100% utilization
- First fixture of US\$600,000 is confirmed (6 months)
- 65 units on order - 62 of these are DW units
- 46 already have a contract in place
- Strong undersupply of floaters next couple of years will lead to postponed drilling programs



UDW Market summary cont'd

- Market could see some sublet activity because operators have been forced to commit to units several years before drilling plans are firm
- Operators enter consortiums to secure rig capacity
- Strong demand for rigs allocated for exploration work
- Back-log months for all deepwater units have reached 5,434 months (~ 453 rig years)
- Back-log for ultra-deepwater units is 3,126 months (~ 261 rig years)



Status HR recruiting deepwater units

Units	Core crew recruitment % complete
West Phoenix	100%
West Sirius	110%
West Hercules	100%
West Polaris	100%
West Aquarius	71%
West Eminence	35%
West Capella	24%
West Taurus	21%



Core crew recruitment on plan



HR – organizational development

- Houston organization in place
- Recruiting hubs in Stavanger, Houston, Singapore and Lagos
- HR managers in place for Nigeria and China
- Established a Seadrill Engineering Program
- Management training conducted for 400 key offshore managers

On track in building a great organization



Strategy

- Execute current program as planned
- Divest older jack-ups
- Further develop market leader position in the tender rig market
- Financing structures geared towards capital repayment
- Open for consolidation

Focus on shareholder value - equity return





Well services company established

- Seawell Limited established as a separate entity for our well services division
- Platform Drilling, Engineering Services and Well intervention
- US\$50 million raised in private placement
- Seadrill retains 80% ownership for now
- OTC-listed (ticker SEAW) with the intention to list the company on the Oslo Stock Exchange



Build a large international Well Services company

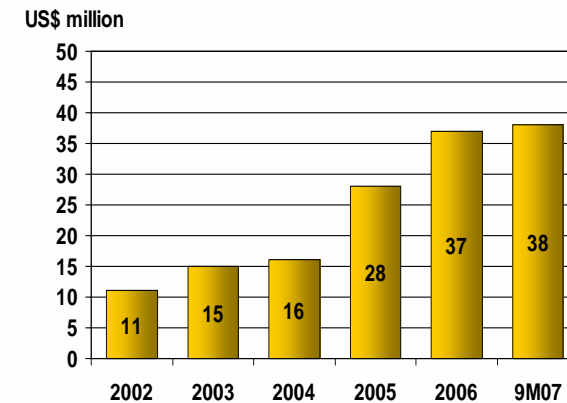




Seawell strategy

- Seawell seeks international expansion
- Strengthen the core business
- M&A is key to the growth strategy
- Recruitment of top talents where we operate
- GOM and Asia/Middle East presence in 2008

Seawell results
2002 – 2007
EBITDA US\$ mill.



Build a large International Well Services company



Summary

- Newbuilding projects in the main progressing as planned
- Recruitment progressing as planned
- Acceptable term assignments secured for six out of ten deepwater newbuilds
- Continued strong market outlook deepwater
- Uncertainty regarding 2008 jack-up market
- Actively pursuing leveraged financing structures for existing as well as new assets
- Continue to look for consolidation opportunities but main focus equity return

Creating a world leading drilling contractor



Seadrill

