

1Q 2010



Conference call 1Q 2010 results

May 27, 2010



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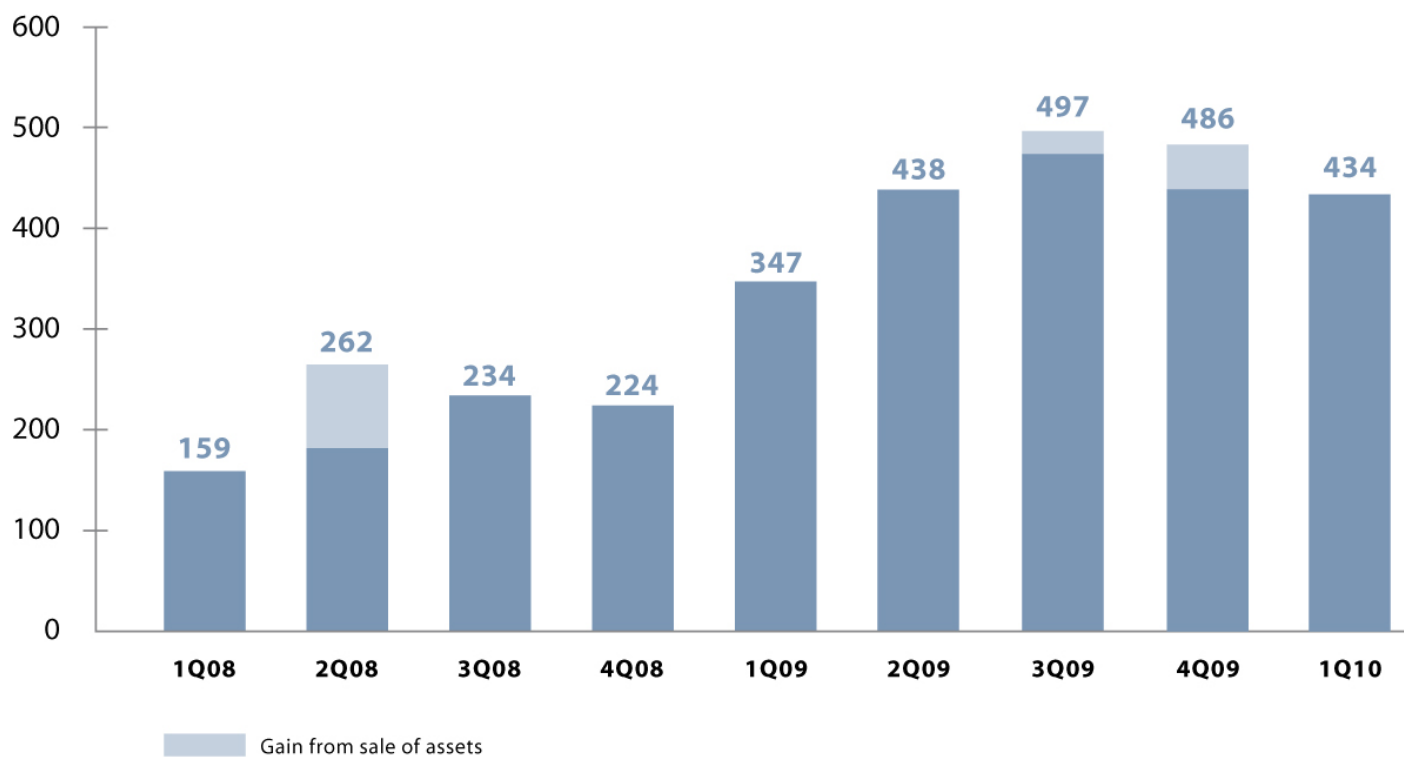


Highlights first quarter 2010

- EBITDA of US\$434 million compared to US\$486 million in the preceding quarter
- Earnings per share of US\$0.49
- Regular dividend increased to US\$0.60 per share
- Takes delivery of the three newbuilds
- Awarded new contracts totaling some US\$2.7 billion
- Acquires a new harsh environment jack-up rig
- Launches mandatory offer for outstanding shares in Scorpion
- Lists on the New York Stock Exchange

EBITDA contribution

US\$ MILLION



Quarterly EBITDA performance

Mobile units

<i>Unaudited accounts in USD millions</i>	1Q10	4Q09
Operating revenues	582	617
Reimbursables	8	10
Other revenues	10	11
Total revenues	600	638
Gain on sale of assets	0	50
Vessel and rig operating expenses	195	222
Reimbursable expenses	8	9
Depreciation and amortisation	85	88
General and administrative expenses	27	31
Total operating expenses	315	350
Operating profit	285	338

Tender rigs

<i>Unaudited accounts in USD millions</i>	1Q10	4Q09
Operating revenues	89	84
Reimbursables	3	4
Total revenues	92	88
Vessel and rig operating expenses	39	40
Reimbursable expenses	2	3
Depreciation and amortisation	12	10
General and administrative expenses	4	5
Total operating expenses	57	58
Operating profit	35	29

Condensed income statement

<i>Unaudited accounts in USD million</i>	1Q10	4Q09
Net operating income	332	382
Financial items		
Interest income	19	17
Interest expenses	-48	-63
Share in results from associated companies	18	30
Other financial items	-75	36
Total financial items	-86	20
Income before income taxes	246	401
Income taxes	29	0
Net income	217	401
Earnings per share (US dollar)	0.49	0.95

Balance sheet

Total assets

<i>Unaudited accounts in USD million</i>	31.03.10	31.12.09
<i>Current assets</i>		
Cash (incl restrictive)	449	602
Marketable securities	708	742
Accounts receivables	402	452
Other current assets	611	465
Total current assets	2 170	2 261
<i>Non-current assets</i>		
Investment in associated companies	317	321
Newbuildings	1 347	1 431
Drilling units	7 782	7 514
Goodwill	1 586	1 596
Other non-current assets	578	708
Total non-current assets	11 610	11 570
Total assets	13 780	13 831

Balance sheet

Liability and equity

<i>Unaudited accounts in USD million</i>	31.03.10	31.12.09
<i>Current liabilities</i>		
Current portion of long-term debt	825	774
Other current liabilities	1 159	1 260
Total current liabilities	1 984	2 034
<i>Non-current liabilities</i>		
Long-term interest bearing debt	6 706	6 622
Other non-current liabilities	340	362
Total non-current liabilities	7 046	6 984
<i>Shareholders' equity</i>		
Total shareholders' equity	4 750	4 813
Total liabilities and shareholders' equity	13 780	13 831

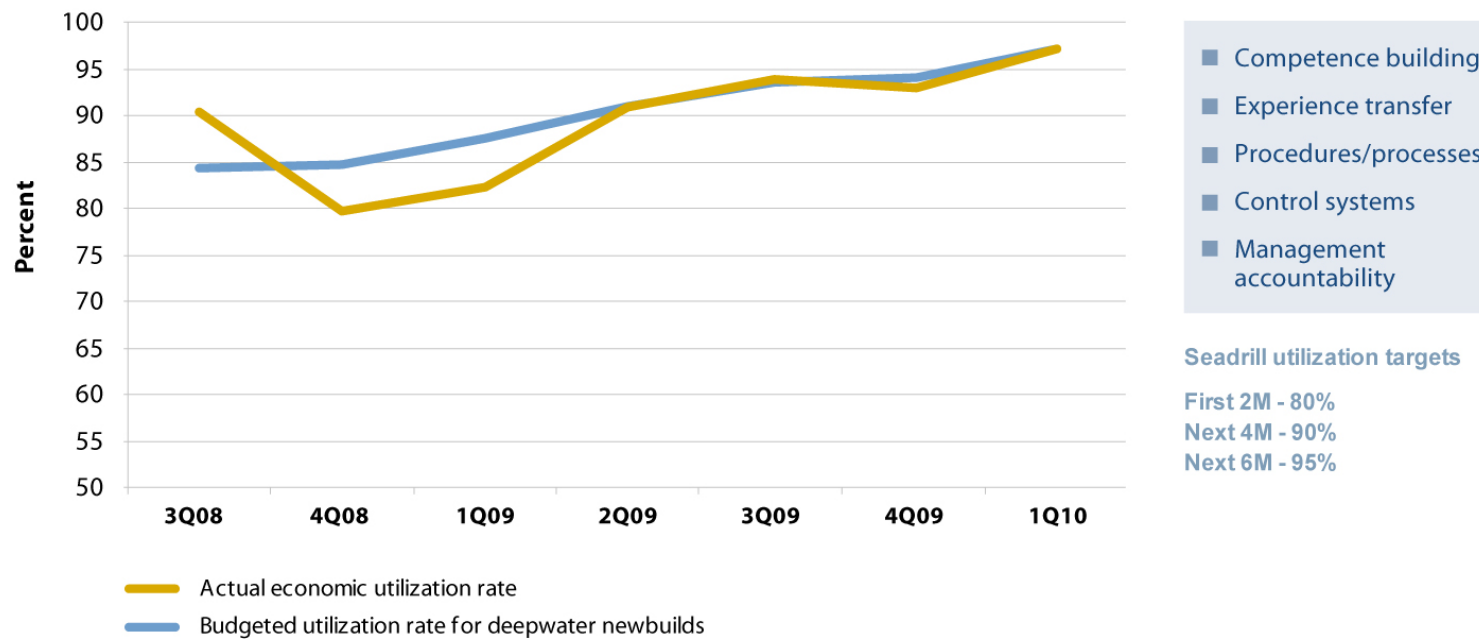


Worldwide operations



Quality fleet with global presence

Average utilization rate deepwater newbuilds



Performance closer to expectations



Seven more newbuilds that secure growth

- **Deepwater floaters**
 - Drillship West Gemini – 2Q2010
 - Semi West Capricorn – 4Q2011
- **Tender rigs**
 - Semi-tender West Jaya – 1Q2011
- **Benign environment Jack-ups**
 - West Leda – 3Q2010
 - West Callisto – 3Q2010
 - West Juno – 4Q2010
- **Harsh environment Jack-up**
 - CJ70 – 2Q2011



All projects on schedule and on budget



Investment in new harsh environment jack-up rig

- Gusto MSC CJ70 X150A design
- 150 meter water depth capacity
- Ultra-large harsh environment jack-up
- Yard price approximately US\$356 million
- Delivery scheduled end of 2Q2011
- 5-year contract awarded by Statoil for operations in Norway
- Dayrate US\$340,000 *

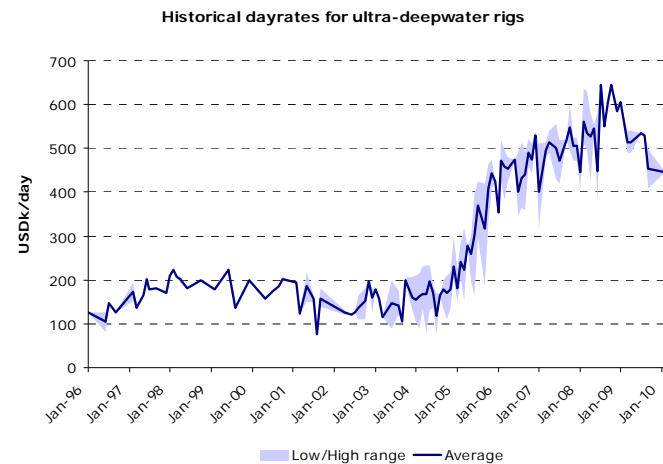


Investment repaid over the secured Statoil contract



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
- Brazilian exploration success and pre-salt development
- Demand for deepwater rigs adversely impacted by postponed start-up of activities
- Macondo oil spill poses short term risk

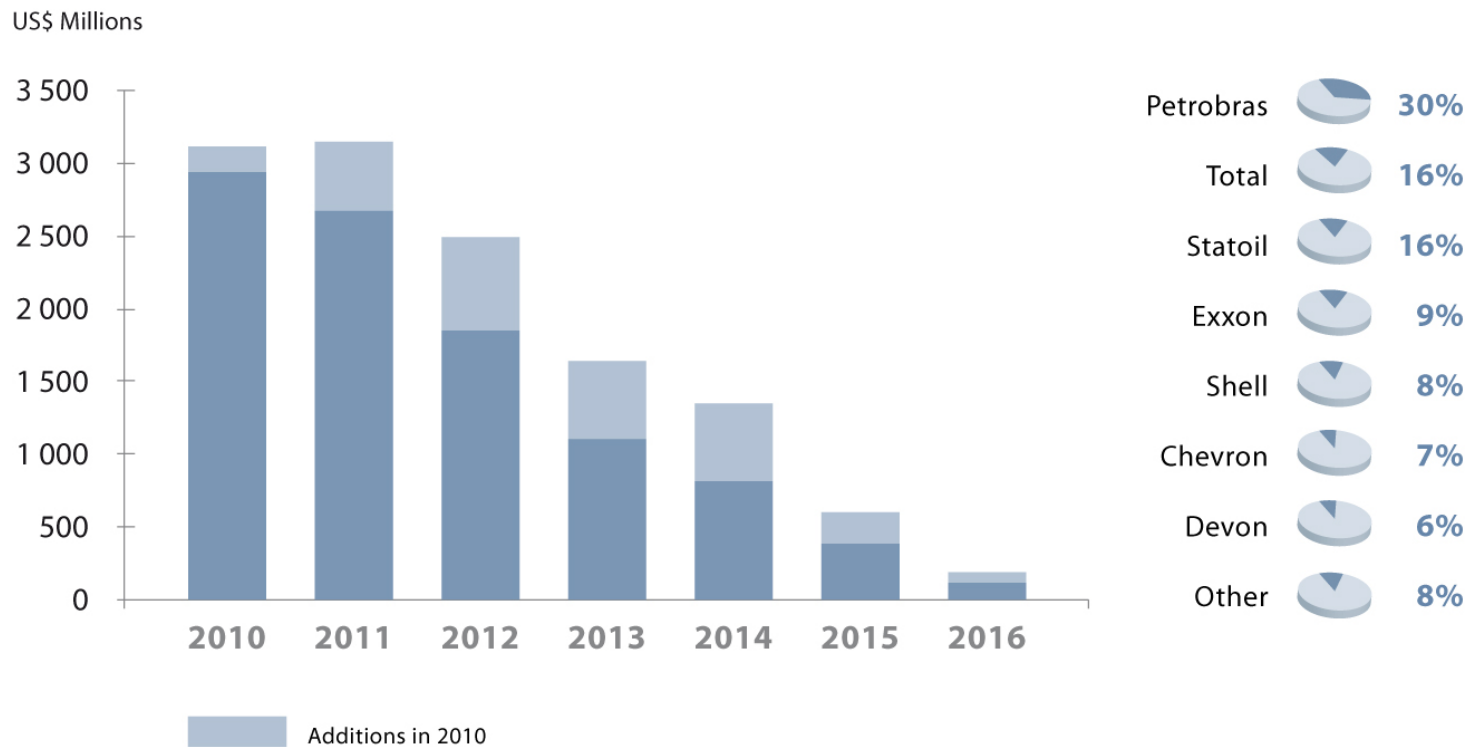


Source: ODS Petrodata / DnB NOR Markets

Financial turbulence could pose risk to near term demand

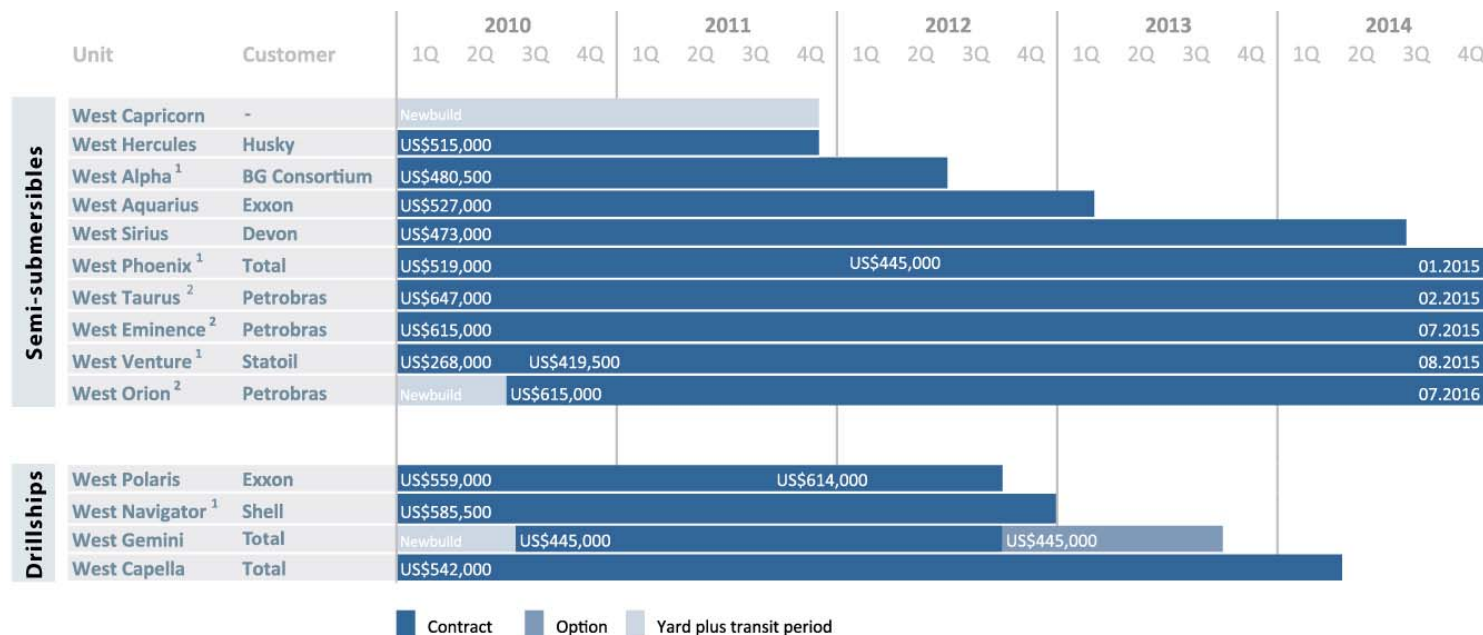


Contract backlog



Strongest growth in backlog in our peer group

US\$9.5 billion contract backlog - Floaters



¹ Dayrate is partly in Norwegian kroner

² Dayrate is partly in Brazilian Real and includes five percent performance incentive as well as estimated compensation for tax
Dayrate will in the accounts be booked partly net of tax.

Superb earnings visibility





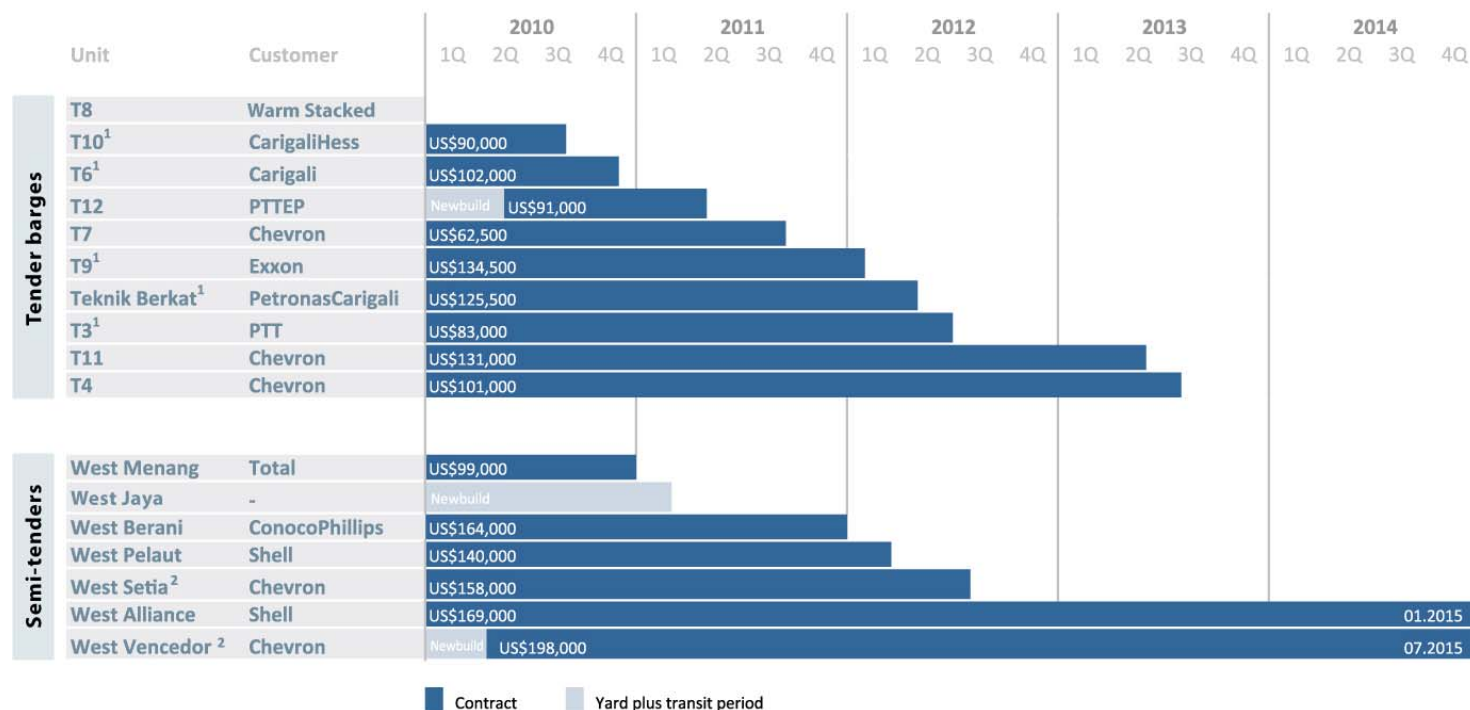
US\$1.3 billion contract backlog - Jack-ups



Improved market outlook



US\$1.5 billion contract backlog - Tender rigs



¹ Ownership 49%

² Dayrate is partly in Euro

Balanced contract portfolio



Dividend distribution and policy

- Dividend resolved at US\$0.60 per share, up from US\$0.55
- Increase reflects significant improvement in earnings visibility and more favorable debt markets related to financing of our operations
- Future dividend depends on:
 - Debt leverage
 - Contract coverage
 - Capital expenditure programs and other investments
 - Free cash flow
 - Business outlook
- Distribution of cash dividend is an important objective

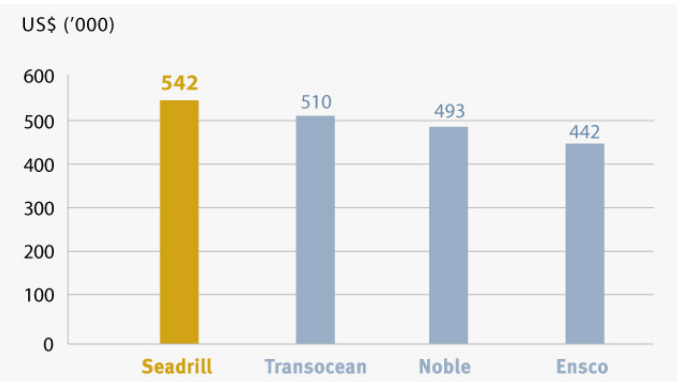
Ambition to grow dividend on an annual basis

Strategy

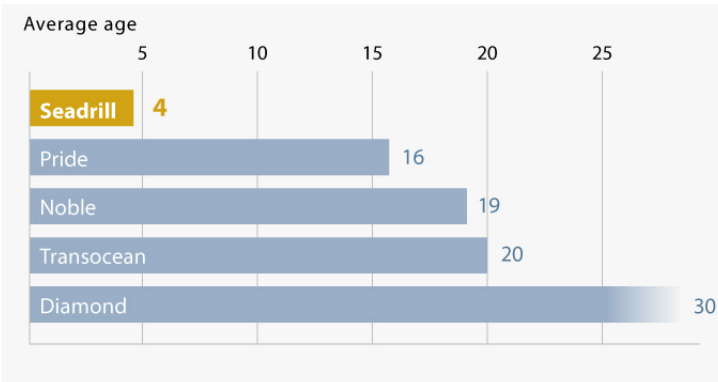
- Ambition to grow in fleet of premium assets
- Focus on operations with operation excellence
- Maintain financial leverage
- Distribution of cash dividends
- Develop current shareholdings
- Entertain further consolidation through M&A activities

Grow our Company build shareholder value

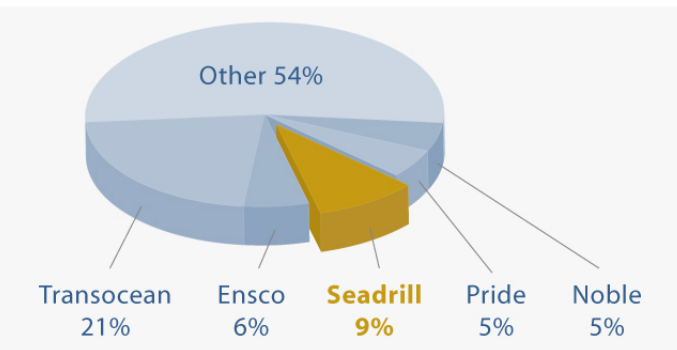
Ultra-deepwater fixtures



Average age floaters



Ultra-deepwater market share



EBITDA contribution ultra-deepwater

	2008	2010*
Seadrill Limited	15%	67%
Pride International	19%	38%
Transocean	23%	39%
Noble Corp.	7%	26%
Diamond Offshore Inc.	15%	20%

* Source: DnB Nor Market

Strong platform for growth