



Pareto Oil & Offshore Conference

*CEO and President Alf C Thorkildsen
September 12, 2012*

Seadrill 

Forward looking statements



The statements described in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which could be made include, but are not limited to, statements involving prospects for the Company, expected revenues, capital expenditures, costs and results of operations and contingencies and other factors discussed in the Company's most recent annual report on the Form 20-F for the year ended December 31, 2011 and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's web site at seadrill.com.



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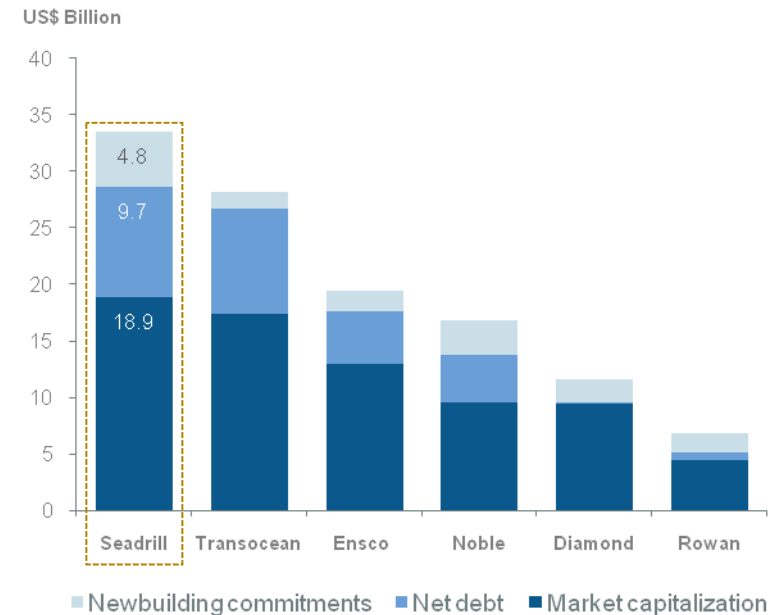


Company profile



- Most modern fleet of all major offshore drillers
- Diverse asset base of 66 units
 - 24 drillships & semi-submersibles
 - 21 jack-up rigs
 - 21 tender rigs
- Global reach including harsh environment
- Largest offshore driller based on Market Cap & Enterprise Value
- Broad customer base with revenue backlog ~ US\$19.7 bn**
- EBITDA annualized ~ US\$2.5 bn
- Dividend annualized ~ US\$1.6 bn

Enterprise value *



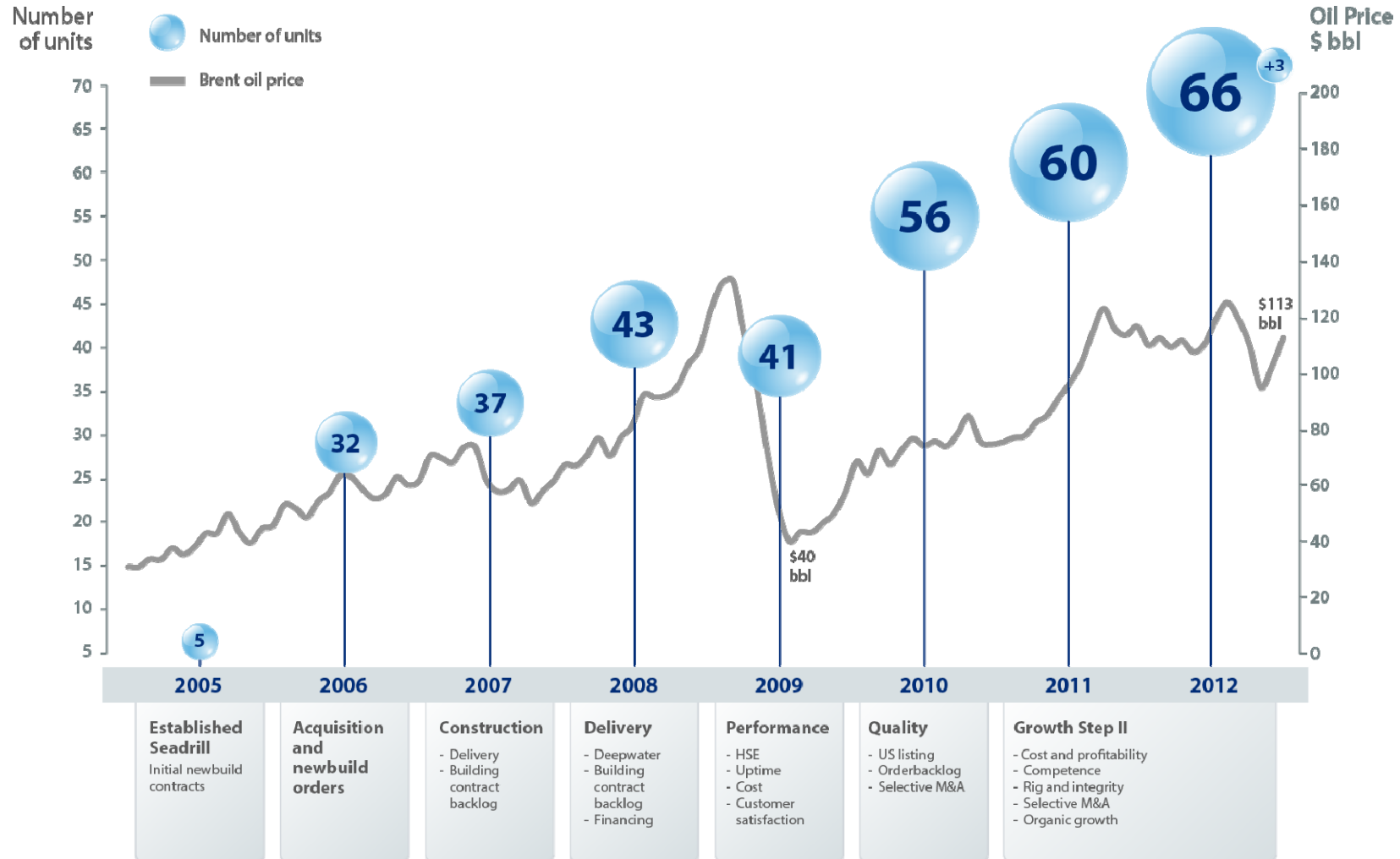
Largest offshore driller in market cap.....growth continues

*Fully invested enterprise value = market cap plus net debt plus newbuild commitments. ** Orderbacklog as of August 31, 2012

Building a fleet of modern high-spec units through organic growth and selective M&A



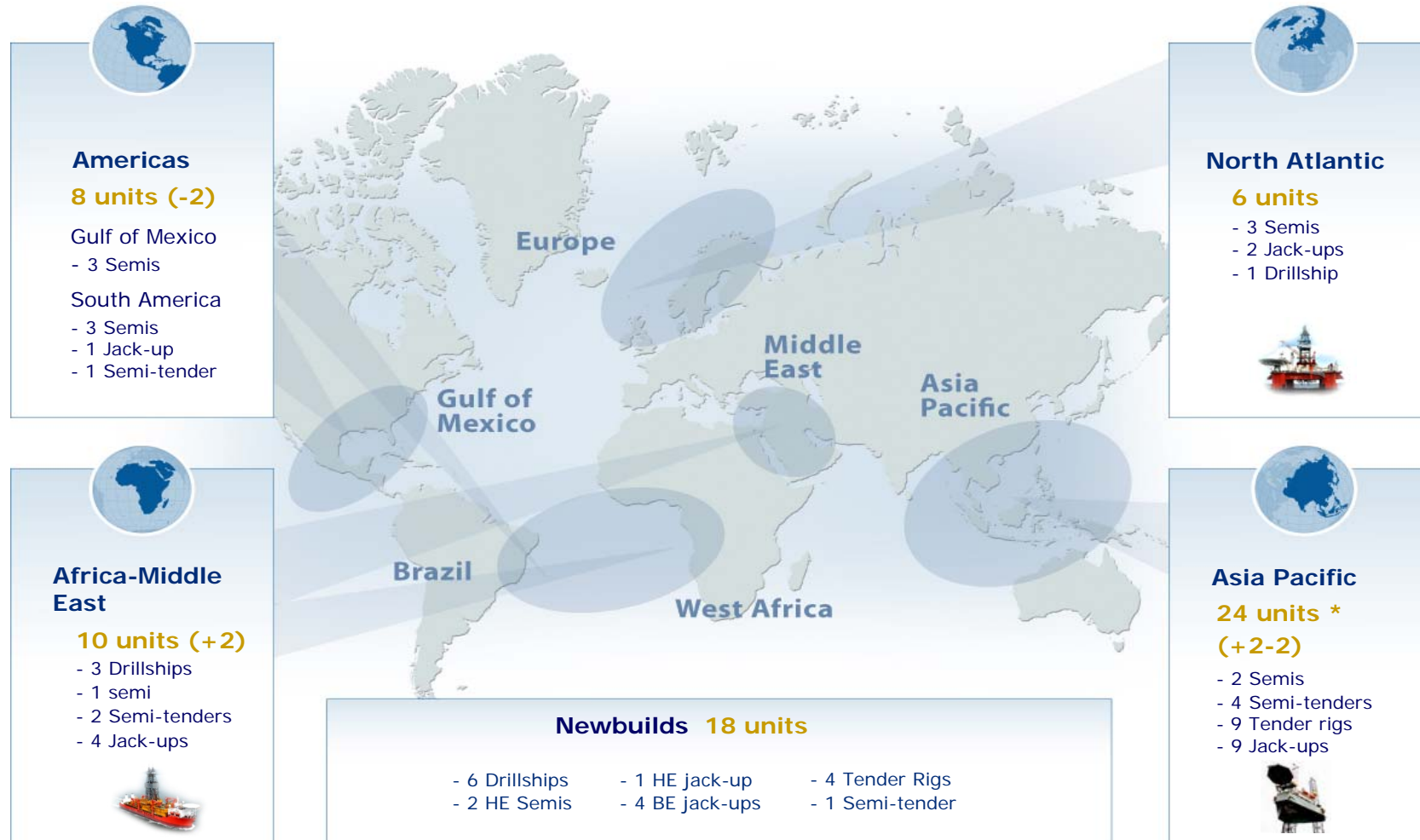
Key Steps in Developing Seadrill



Operational excellence....delivering growth

*Includes five tender rigs owned by Varia Perdana

Global Operational Footprint



Critical size in all important regions...Economies of scale developing

*Includes five tender rigs owned by Varia Perdana

Development last three years



	Sep. 2010	Sep. 2011	Sep. 2012
SDRL share price	US\$25	US\$31	US\$41
Dividend per share*	US\$2.26	US\$3.03	US\$3.37
Brent oil price	~US\$75	~US\$105	~US\$109
Deepwater dayrates	~US\$430,000	~US\$500,000	~US\$550,000 ++
Premium jack-up dayrates	~US\$125,000	~US\$130,000	~US\$140,000 +
Semi-tender rig dayrates	~US\$150,000	~US\$170,000	~US\$200,000
Current contract backlog**	US\$12.2 bn	US\$12.2 bn	US\$19.7 bn
Additions to contract backlog	US\$3.3 bn	US\$3.5 bn	US\$9.6 bn
Number of rigs (incl. Newbuilds)	44+4	45+14	48+18

***Last year accused of being too optimistic...
Not optimistic enough!***

*Dividends distributed during the last four quarters ** As of August 31, 2012

Highlights – last twelve months



Investments – US\$3.5 billion

- 3 Ultra-deepwater drillships at Samsung – US\$600 million per unit
- 2 Harsh environment semi-submersibles at Hyundai and Jurong – US\$650 million per unit
- 1 Semi-tender and 1 tender rig at Keppel FELS and COSCO – US\$230 million and US\$130 million

Contracts – US\$9.6 billion

- Orderbacklog totals US\$19.7 billion
- Average contract duration for floaters increased from 2.1 to 3.2 years
- Triple AAA customers accounting for more than 90% of our orderbacklog

Other significant events

- Filed initial registration statement with the SEC for Seadrill Partners LLC (MLP company)
- Increased regular cash dividend from US\$0.75 to US\$0.84
- Acquired 28.5 percent of Sevan Drilling
- Sete Brasil, 30% ownership in three drillships under construction in Brazil. Seadrill equity commitment of US\$130 million

Finance – US\$3.1 billion

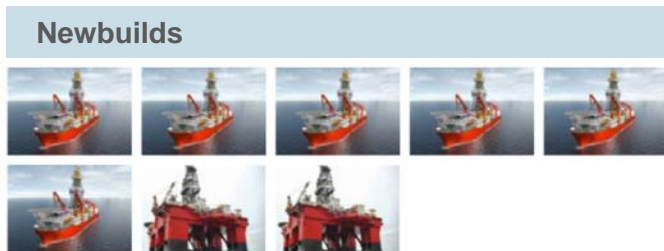
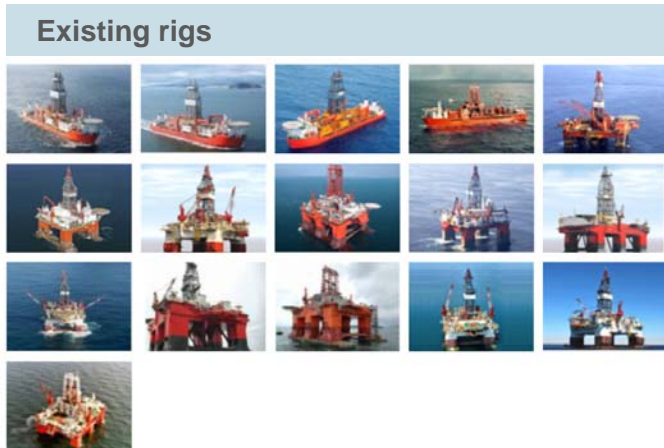
- US\$1,000 million unsecured bond
- Tender rig refinancing US\$900 million
- New NOK1,250 million bond
- US\$550 million debt on West Capricorn
- US\$400 million debt secured by four premium jack-ups

Growth....Visibility....Funding....Dividend

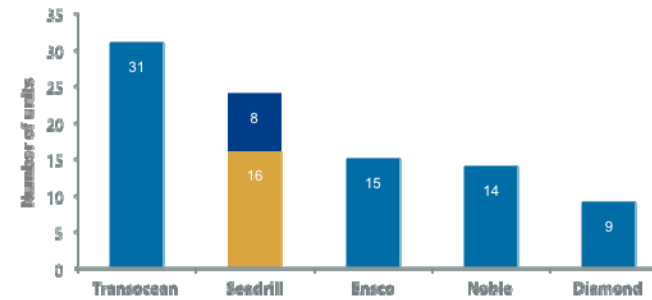
**A diverse portfolio of
modern quality rigs
for all waters and weather**



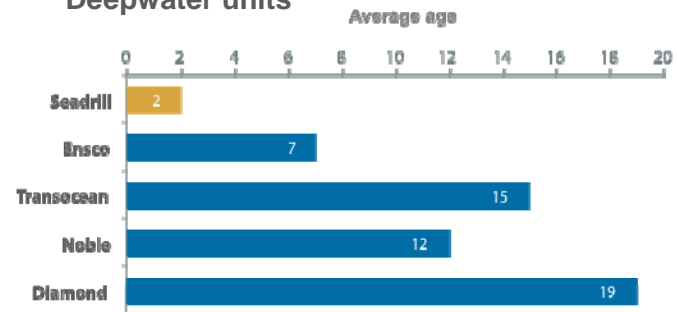
Second Largest Ultra-deepwater Player



Deepwater units



Deepwater units



50% growth in fleetCost of ageing underestimated

Markets trends in ultra-deepwater

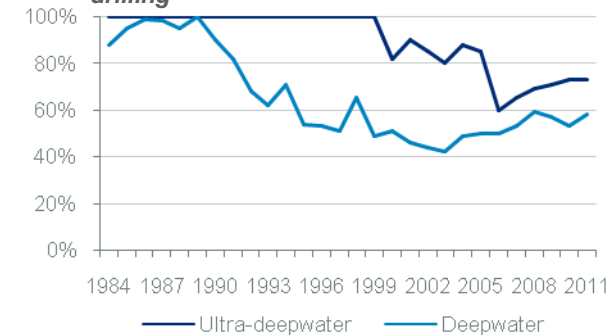
- Significant exploration successes in ultra-deepwater areas
- GoM, Brazil and Africa continue to be the main drivers for demand
- Development drilling programs are materializing – activity expected to increase
- New high capacity rigs are replacing older units
- Emphasis from customers on quality equipment and operational track record
- Deeper and more complicated wells requiring more rig years

Strong demand for high-spec quality ultra-deepwater rigs

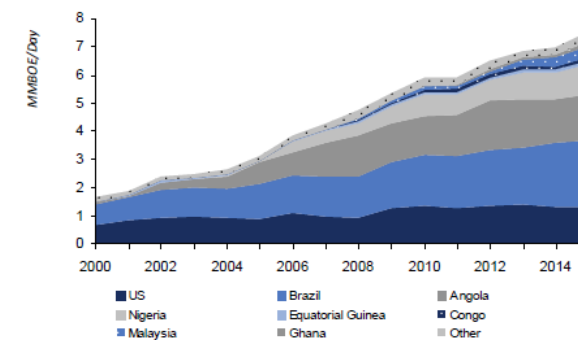
Growing market for deepwater rigs



Percent of fleet performing exploration drilling

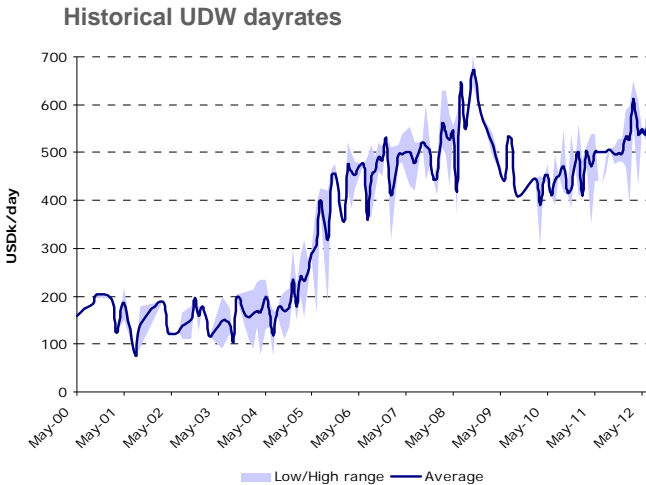


Growing deepwater production

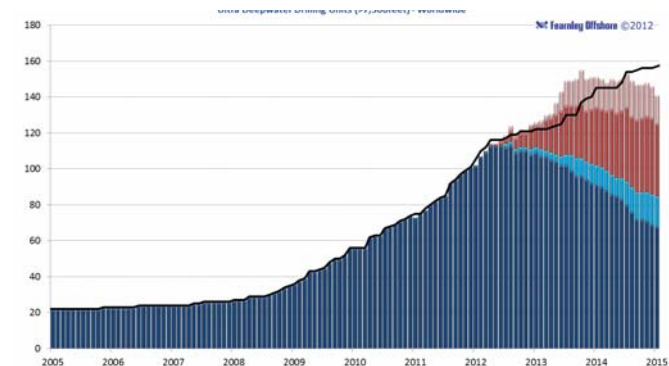


Market trends in ultra-deepwater

- Newbuild prices stable daily rates improving in conjunction with duration
- Oil companies securing capacity early, and contracts with longer term
- High contract and tendering activity year to date
- Barriers to entry for new entrants increasingly higher. Financing constraints – stringent customer requirements
- 39 deepwater rigs, 21% of deepwater fleet older than 25 years, with less efficiency and capacity compared to modern units

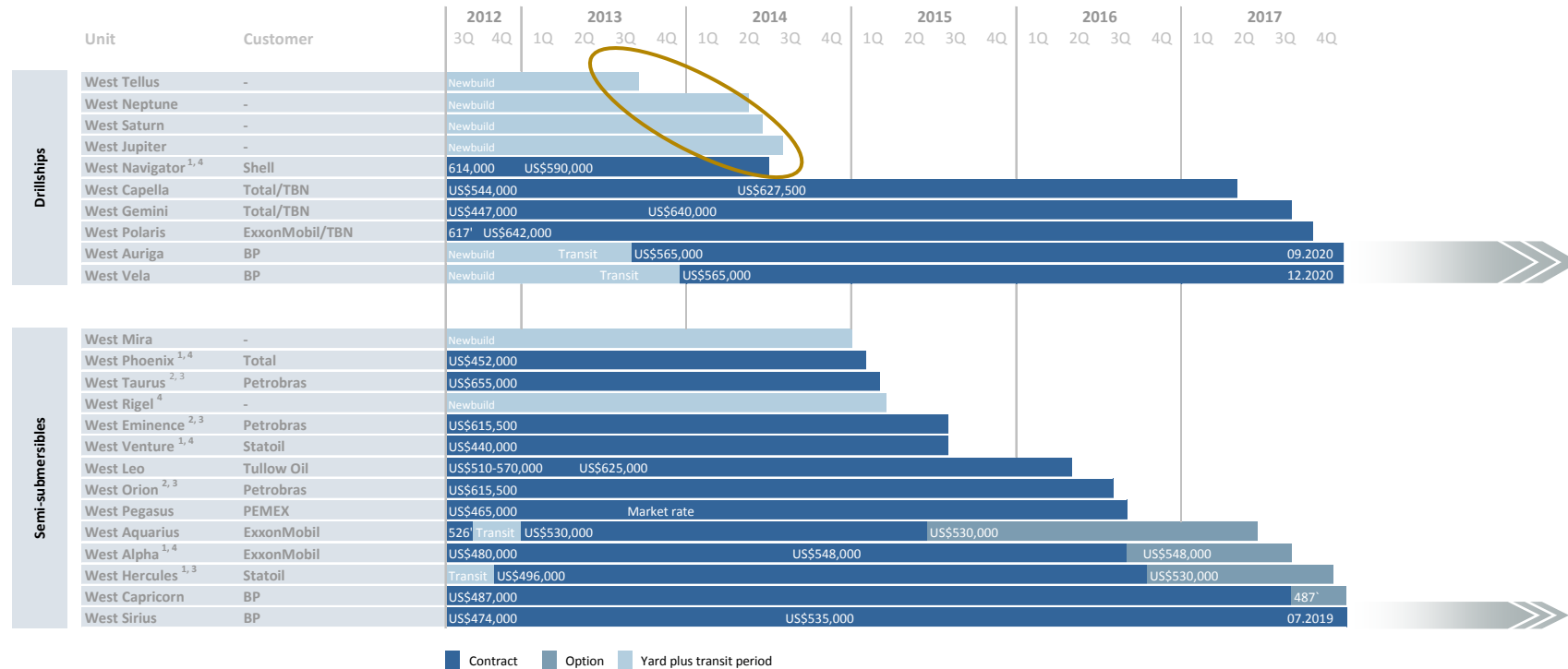


Ultra-deepwater supply/demand



Market is sold out for 2012 and 2013

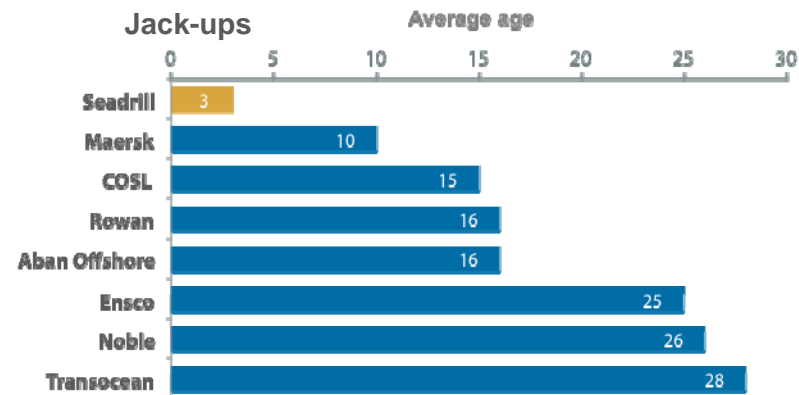
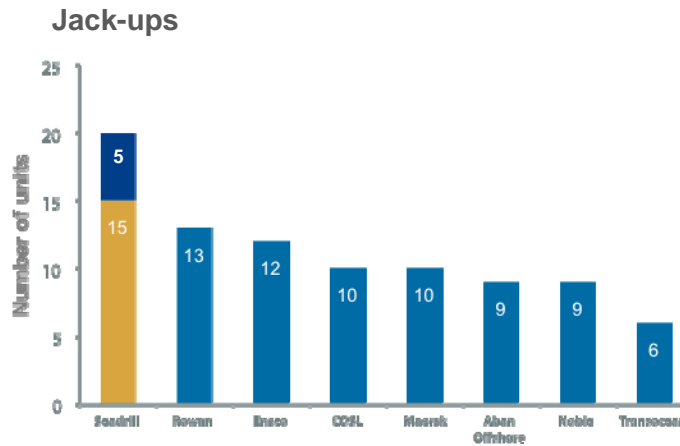
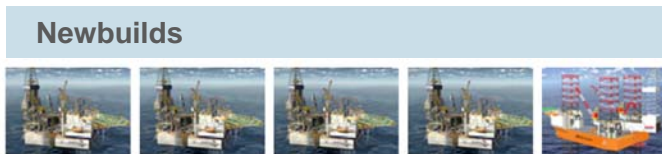
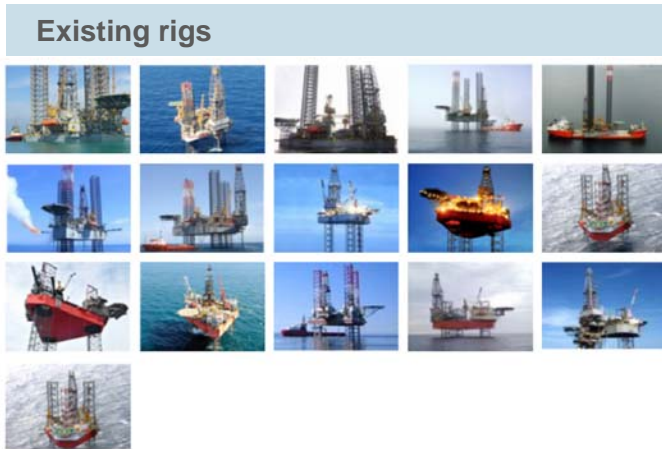
Floaters - US\$15.1 billion contract backlog



Sold out 2013...prime position with newbuilds in 2014



Largest Operator of Premium Jack-Ups



New fleet to meet future drilling challenges

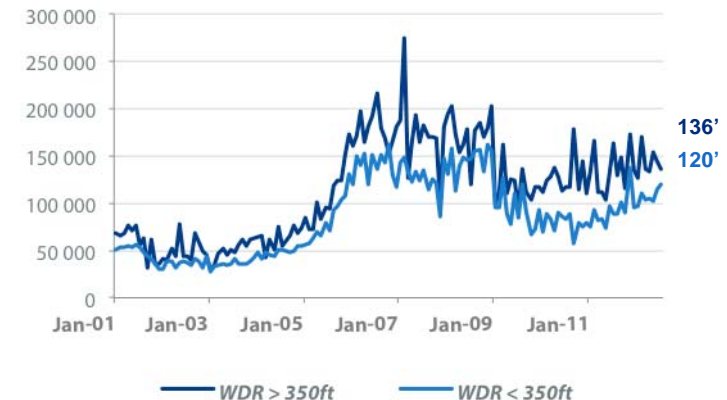
Market development - Jack-ups

- Daily rates are improving
- Near-term availability decreasing
- Bifurcation between premium and standard jack-ups continuing
- Strong demand from Middle East and SE Asia
- Slight increase in newbuild prices and reduction in newbuild orders
- Decrease in stacked jack-ups, but not many more to reactivate
- 301 jack-ups and 64% of fleet are older than 25 years

Utilization for jack-up rigs

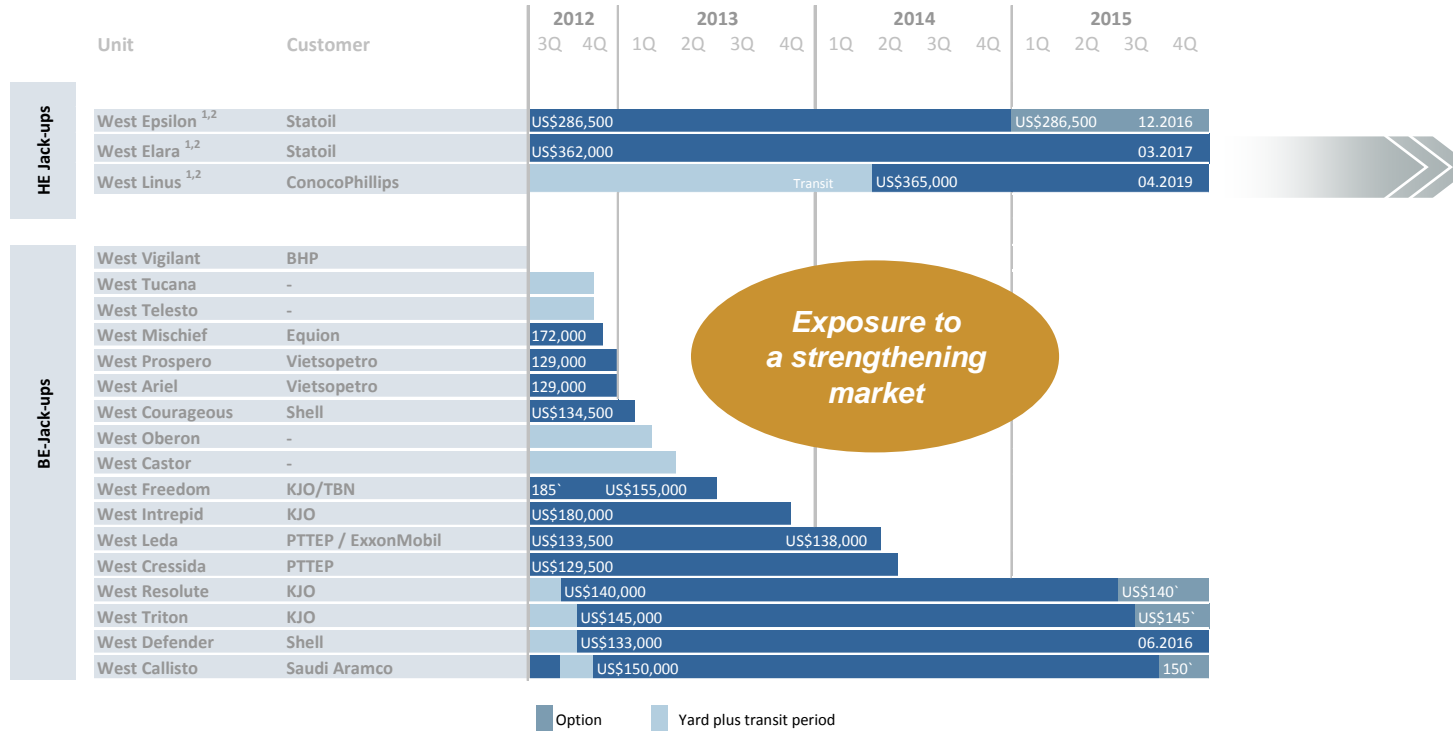


Historical jack-up daily rates



Market improving – newbuilds from 2010 & 2011 being absorbed

Jack-ups - US\$2.5 billion contract backlog



Diverse portfolio of short and long-term contracts



Largest Tender Rig Fleet

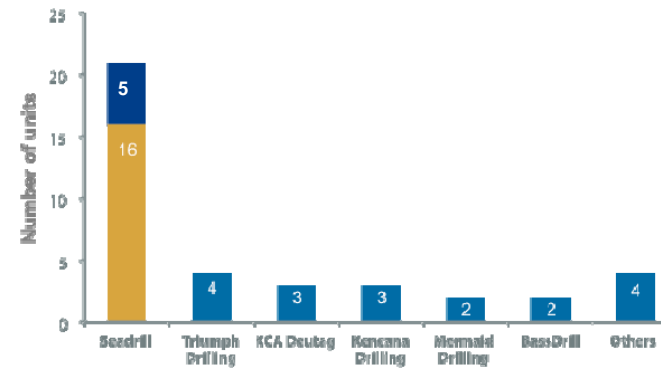
Existing rigs



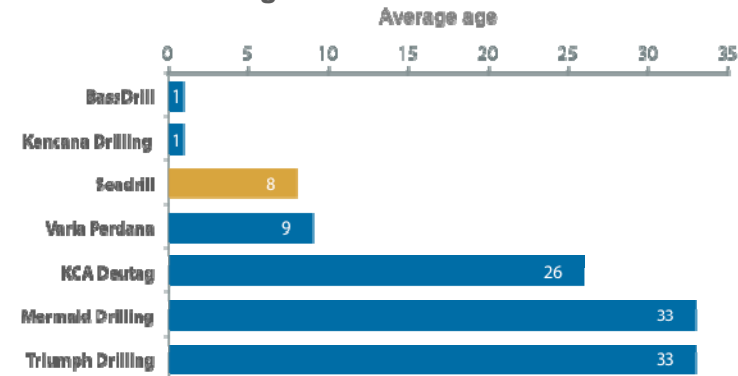
Newbuilds



Tender rigs



Tender rigs

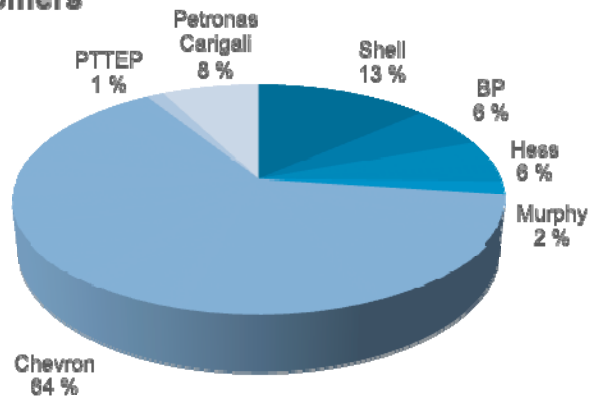


Expanding concept...technology & geographic...improving margins

Tender rig market development

- Daily rates improving with long-term contracts
- West Africa is increasingly attracted to this concept
- New rigs replacing an ageing fleet
- Seadrill has 54% of the market, customers increasingly value track-record
- Seadrill is driving the market and has the technological know-how

Customers

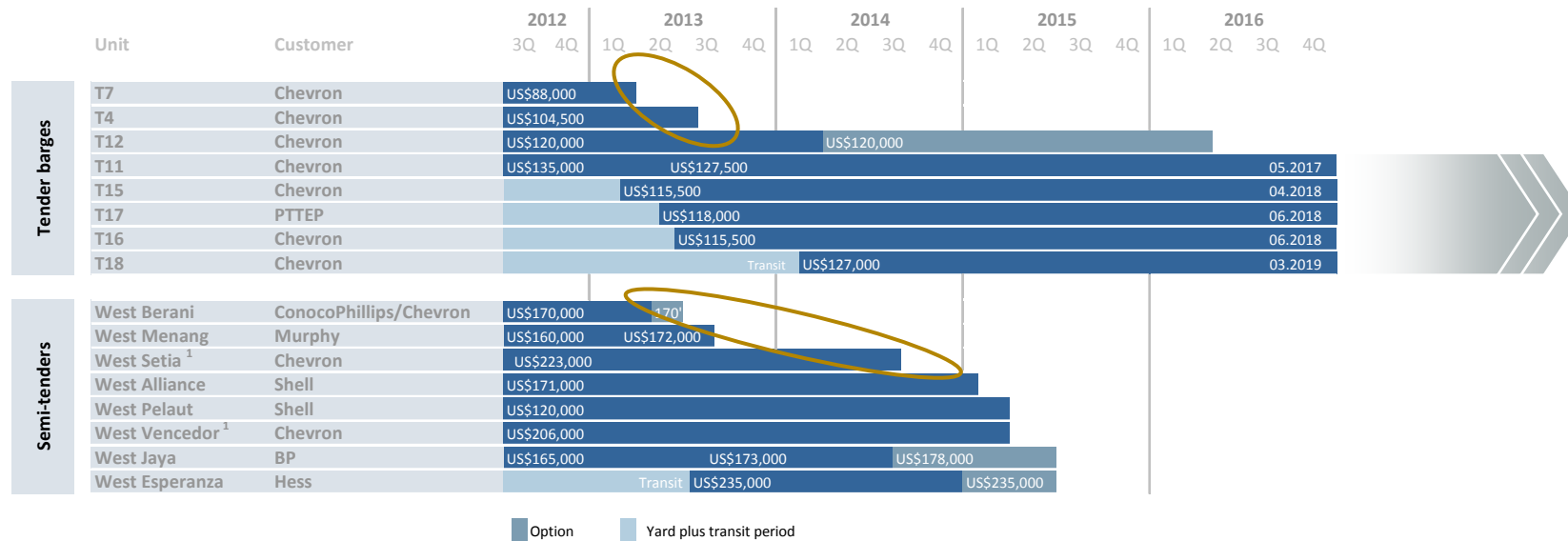


Recent Fixtures

Unit	Dayrate	Term	Area
West Setia	US\$223,000	2.0yr	West Africa
West Esperanza	US\$235,000	1.5yr	Equatorial Guinea
T11	US\$127,500	4.0yr	Thailand
T17	US\$118,000	5.0yr	Thailand

Quality equipment required for enhanced reservoir recovery

Tender rigs - US\$2.1 billion contract backlog



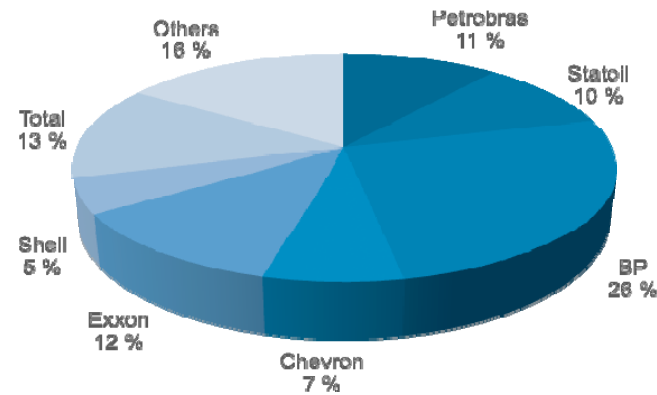
Strong performance...solid customers...long-term contracts



US\$19.7 bn - Revenue Backlog

	#units	Average term	Average dayrate	Current market rate	
Floaters	24	3.2Y	US\$552,000	US\$550,000++	
HE Jack-up rigs	3	4.1Y	US\$344,000	US\$360,000	
Jack-up rigs	18	1.1Y	US\$143,000	US\$140,000+	
Semi-tenders	8	1.9Y	US\$180,000	US\$200,000+	
Tender barges	8	2.4Y	US\$118,000	US\$120,000+	

Orderbacklog by client as per 06.30.2012



Attractive backlog ... daily rates back to previous all-time high

**Seadrill offers
attractive growth through
its newbuild program
and open market positions**



Rig Investment Economics I



	UDW floaters	Jack-ups	Tender rigs
Dayrate	US\$550,000	US\$150,000	US\$170,000
Opex incl. G&A	US\$170,000	US\$60,000	US\$60,000
Tax (of revenues)	4.0%	4.0%	4.0%
5Y cash-flow	US\$605 m	US\$140 m	US\$223 m
Investment	US\$600 m	US\$210 m	US\$200 m
Repaid in	5.0Y	7.5Y	5.5Y
ROE*	49%	27%	39%

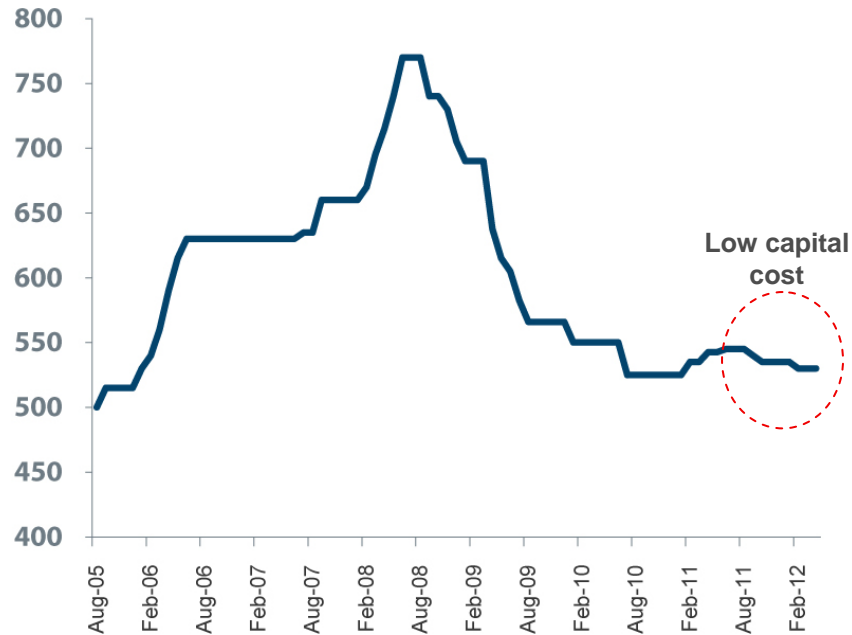
Yard prices....funding....cycle....all-time high equity return

* ROE calculated with 9% WACC, 4.75% cost of debt, and includes maintenance capex

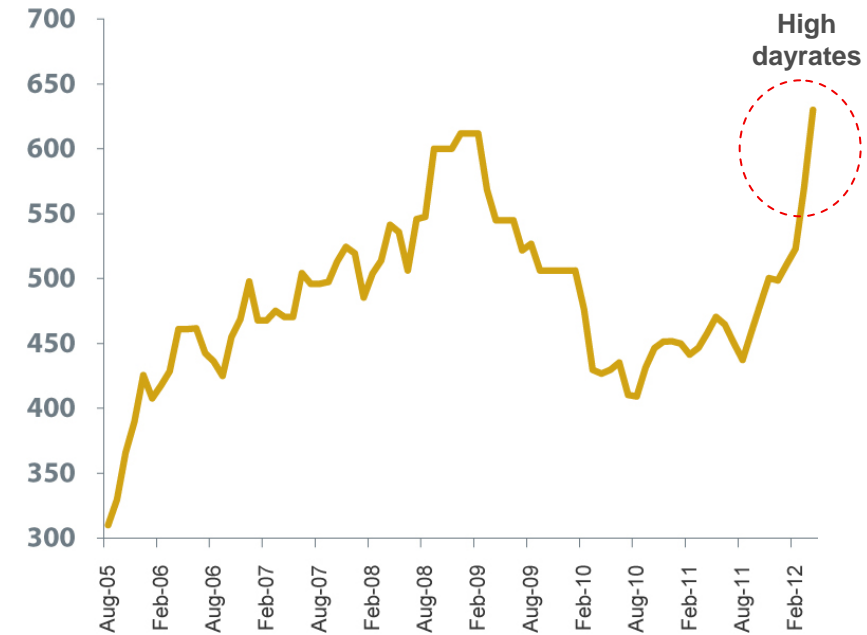
Rig investment economics II



Newbuild prices, yard (USDm)

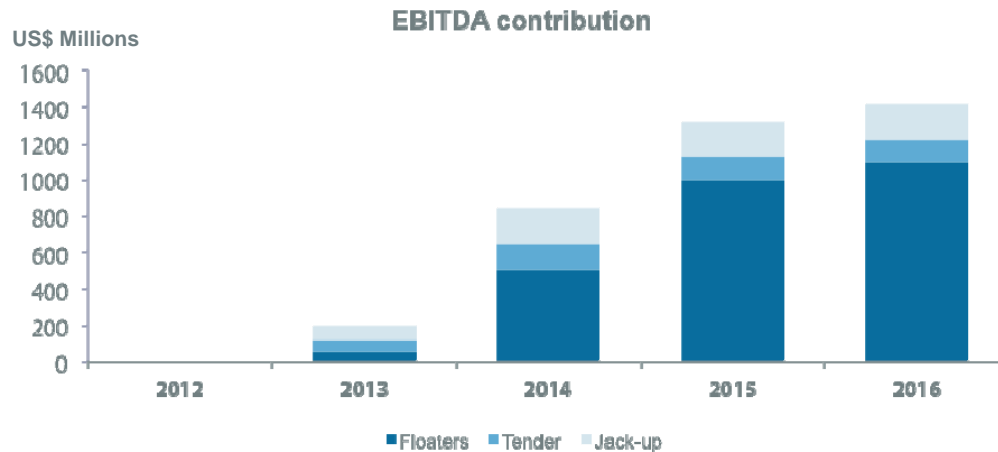


Day rate (USDk/day) 3m rolling avg



Low newbuild prices combined with high day rates creates unique opportunities for investments

Newbuild program – EBITDA growth

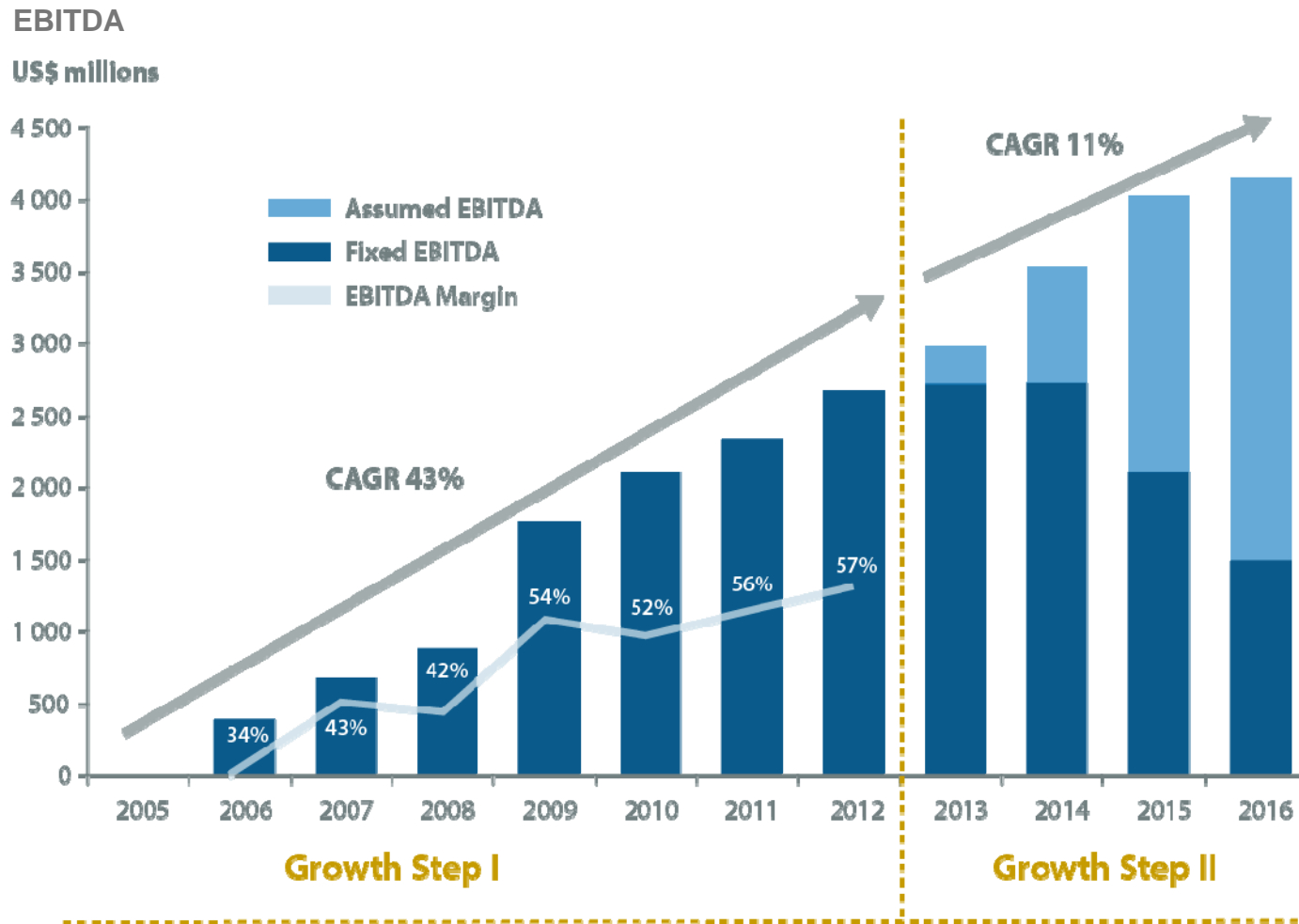


- 18 rigs under construction
- US\$6.9 bn newbuild program
- US\$1.4 bn already paid
- 8 newbuilds have contracts with an estimated revenue potential of US\$4.7 bn

US\$ Millions	#	2012	2013	2014	2015	2016
Jack-ups	5		85	190	194	194
Tender rigs	5		56	141	126	124
Drillships	6		56	464	782	785
Semi-Semi-subs	2				175	268
Total	18	-	197	795	1,276	1,371

US\$6 bn investment program providing US\$1.4 bn EBITDA annually

EBITDA* Potential Development



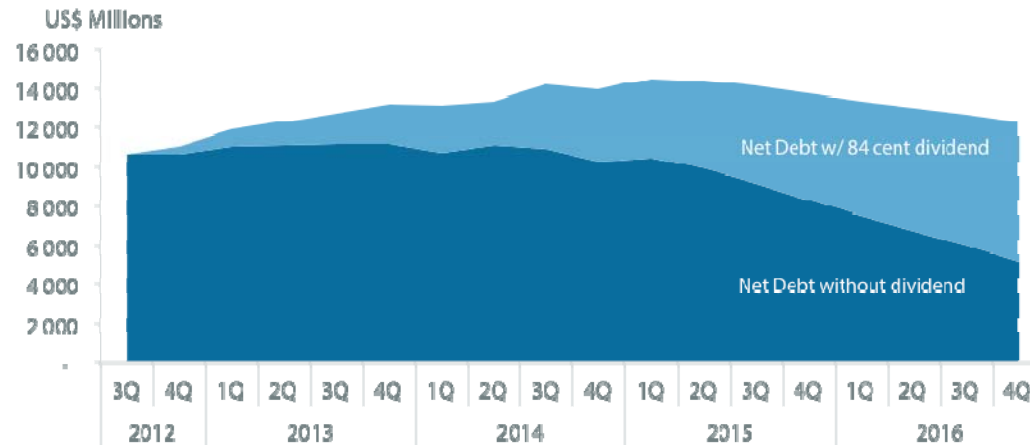
Second upturn cycle....US\$4 billion in 2016

* EBITDA – earnings before interest, tax, depreciation and amortization ** Assumes daily rates of \$550,000 for floaters, \$170,000 for semi-tenders, \$120,000 for tender barges and \$140,000 for jack-ups 26

**Financial profile
mirrors the revenue backlog,
modern assets
and strong cycle**



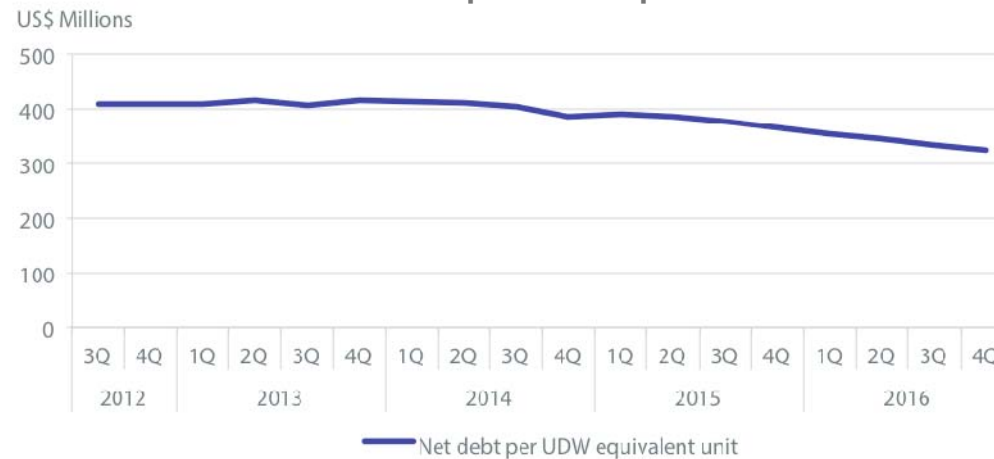
Net debt development



- Rigs re-contracted at latest market dayrate

UDW floaters – \$550'
 BE Jack-ups – \$140'
 Semi-tenders – \$170'
 Tender barges – \$120'

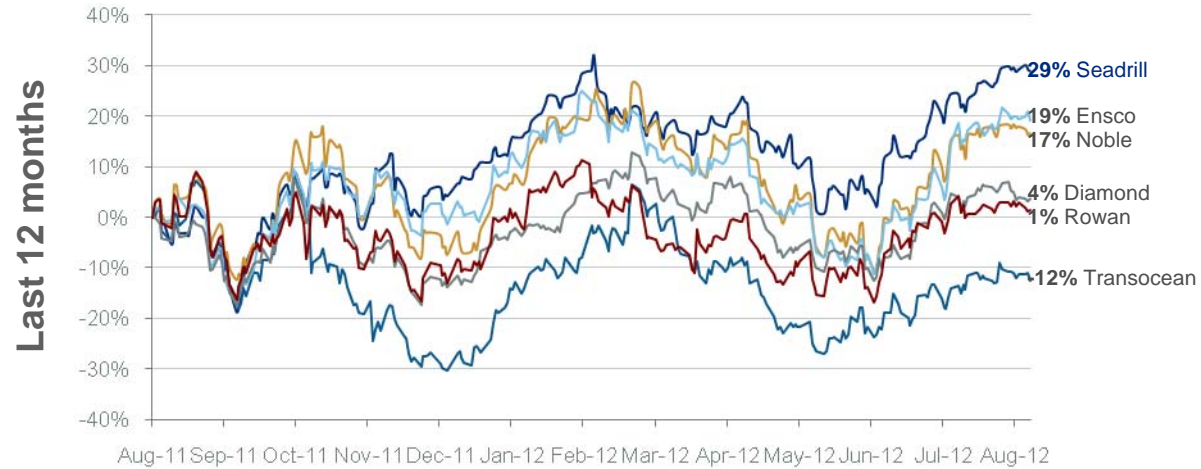
Net debt per UDW equivalent unit



- Debt refinanced at existing terms
- No conversion has been assumed for the US\$650m convertible bonds

Gearing decreasing....cash flow increasing

Share price development

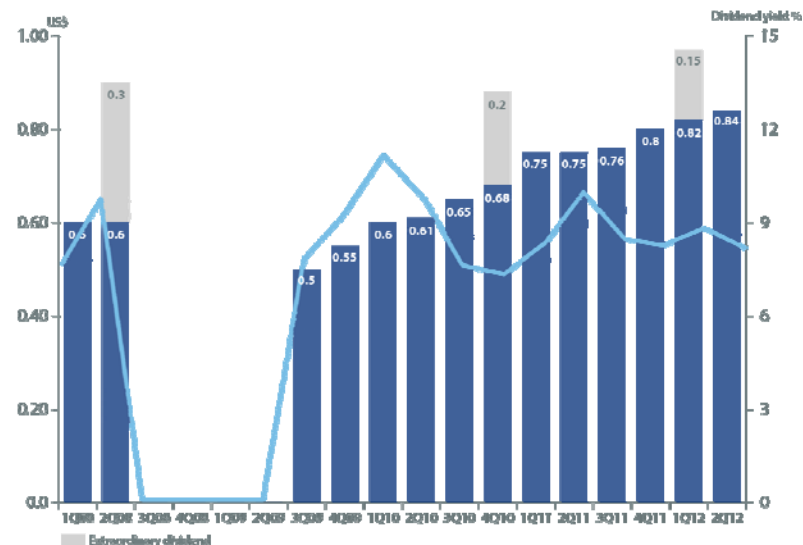


Consistently higher valued and outperforming peers

Dividend Policy and Track-record



- Quarterly cash dividend is a key objective
- Strong operational performance, record-high orderbacklog, and positive market outlook have supported higher dividend
- Last quarters regular dividend is set as a guideline dividend floor for the foreseeable future
- Maintaining our ambition to further grow our dividend capacity
- Since 2005, raised and converted US\$4.8 billion, distributed US\$4.6 billion



	Share price Sep-12	Share price increase 12m*	Dividend Yield
Seadrill	41.3	38.1%	8.1%
EnSCO	56.5	20.0%	2.5%
Noble	38.1	14.5%	1.7%
Diamond	67.0	10.6%	5.2%
Rowan	34.9	-3.3%	-
Transocean	48.9	-10.0%	6.5%

Superior value\$3.36 annualized dividend

- Strong operational performance
- Record high revenue backlog and earnings visibility
- US\$6 billion investment program in a historic strong cycle
- US\$4 billion EBITDA target still remains
- Funding through the newbuilding program, ECA financing, bonds, strong support from commercial banks
- Long-term dividend backed by orderbacklog
- Back to all-time high daily rates

Frontrunner in strong cycle

