

# 4Q 2009



## Conference call 4Q 2009 results

February 25, 2010

**Seadrill** 

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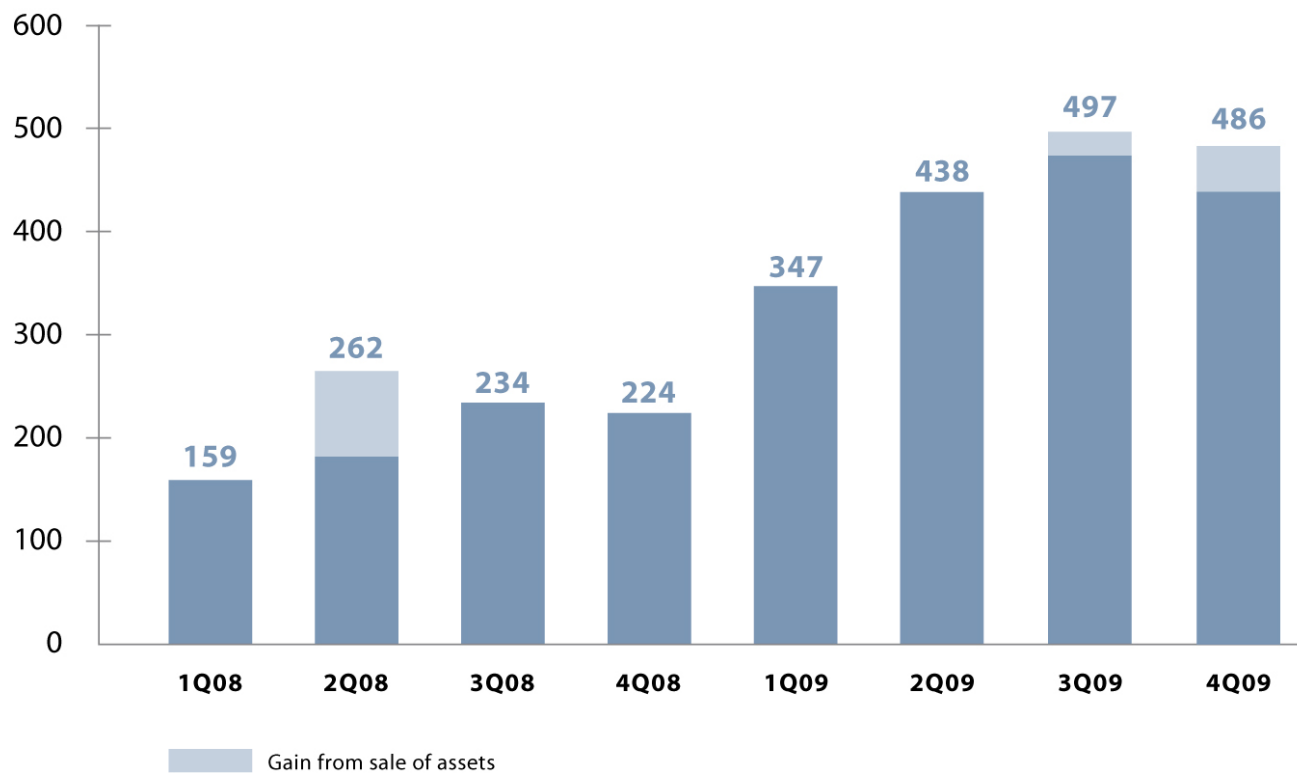


## Highlights fourth quarter 2009

- EBITDA of US\$486 million compared to US\$497 million in the preceding quarter
- Net income of US\$401 million or income per share of US\$0.95
- Jack-up rig West Atlas declared a total loss resulting in US\$58 million gain on disposal
- Declares US\$0.55 per share in cash dividends
- Takes delivery of the tender rig newbuilds T12 and West Vencedor
- Awarded new contracts amounting to some US\$90 million for tender and jack-up rigs
- Awarded a US\$345 million two-year contract for the ultra-deepwater drillship West Gemini under construction
- Increased tender activities in all market segments

# EBITDA development

US\$ MILLION



**Contribution quarter to quarter**

## Mobile units

<i>Unaudited accounts in USD million</i>	<b>4Q09</b>	<b>3Q09</b>
Operating revenues	617	604
Reimbursables	10	12
Other revenues	11	10
<b>Total revenues</b>	<b>638</b>	<b>626</b>
Gain on sale of assets	50	21
Vessel and rig operating expenses	223	181
Reimbursable expenses	9	9
Depreciation and amortisation	88	88
General and administrative expenses	31	28
<b>Total operating expenses</b>	<b>351</b>	<b>305</b>
<b>Operating profit</b>	<b>338</b>	<b>342</b>

## Tender rigs

<i>Unaudited accounts in USD million</i>	<b>4Q09</b>	<b>3Q09</b>
Operating revenues	84	85
Reimbursables	3	4
<b>Total revenues</b>	<b>88</b>	<b>89</b>
Vessel and rig operating expenses	40	35
Reimbursable expenses	3	3
Depreciation and amortisation	10	10
General and administrative expenses	5	3
<b>Total operating expenses</b>	<b>58</b>	<b>52</b>
<b>Operating profit</b>	<b>29</b>	<b>37</b>

## Condensed income statement

<i>Unaudited accounts in USD million</i>	<b>4Q09</b>	<b>3Q09</b>
<b>Net operating income</b>	<b>382</b>	<b>394</b>
Interest income	17	40
Interest expense	-63	-63
Share of results from associated companies	30	27
Other financial items	36	-5
<b>Net financial items</b>	<b>20</b>	<b>-1</b>
<b>Income before income taxes and minority interest</b>	<b>401</b>	<b>392</b>
Income taxes	0	-48
<b>Net income</b>	<b>401</b>	<b>345</b>
Earnings per share (in USD)	0.95	0.82



# Balance sheet

## Total assets

<i>Unaudited accounts in USD million</i>	<b>31.12.09</b>	<b>30.09.09</b>
<i>Current assets</i>		
Cash	602	903
Marketable securities	742	728
Accounts receivables	452	491
Other current assets	465	483
<b>Total current assets</b>	<b>2 261</b>	<b>2 606</b>
<i>Non-current assets</i>		
Investment in associated companies	321	314
Newbuildings	1 431	1 340
Drilling units	7 514	7 624
Goodwill	1 596	1 591
Other non-current assets	708	647
<b>Total non-current assets</b>	<b>11 570</b>	<b>11 517</b>
<b>Total assets</b>	<b>13 831</b>	<b>14 122</b>

# Balance sheet

## Liability and equity

<i>Unaudited accounts in USD million</i>	<b>31.12.09</b>	<b>30.09.09</b>
<i>Current liabilities</i>		
Short-term interest bearing debt	774	805
Other current liabilities	1 260	1 237
<b>Total current liabilities</b>	<b>2 034</b>	<b>2 042</b>
<i>Non-current liabilities</i>		
Long-term interest bearing debt	6 622	7 094
Other non-current liabilities	363	415
<b>Total non-current liabilities</b>	<b>6 984</b>	<b>7 510</b>
<i>Shareholders' equity</i>		
<b>Total shareholders' equity</b>	<b>4 813</b>	<b>4 571</b>
<b>Total shareholders' equity and liabilities</b>	<b>13 831</b>	<b>14 122</b>

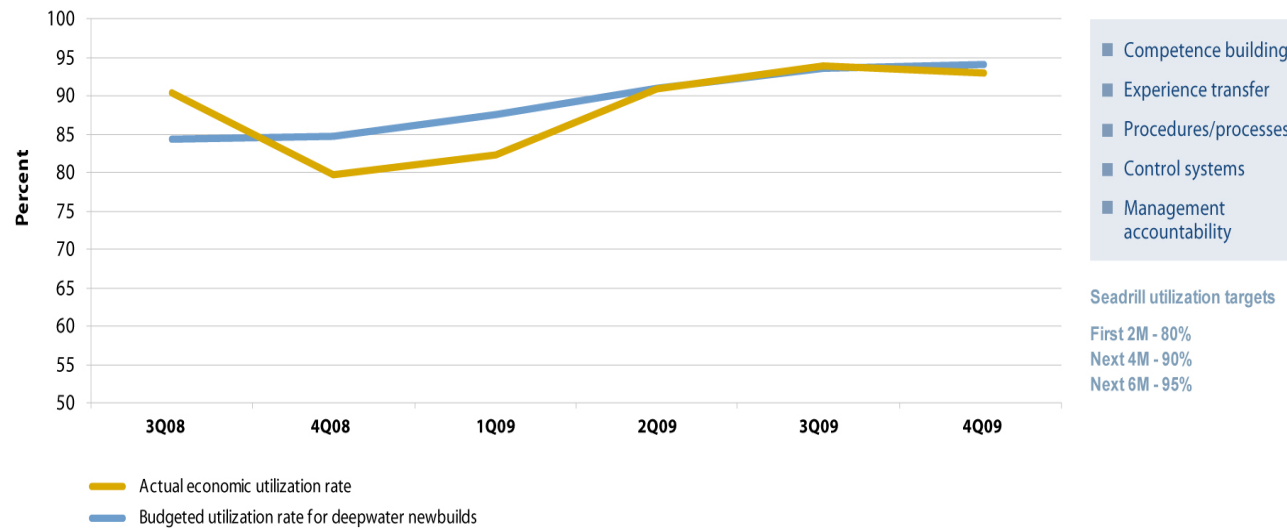


# Worldwide operations



**Quality fleet with global presence**

# Average utilization rate deepwater newbuilds



**Start-up experience transferred to sister rigs**



## Ultra-deepwater drillship West Navigator

- 10-year survey
- New top-drive
- New iron roughneck
- Recertified pipe-handling equipment
- Thruster replaced
- Steel replacement

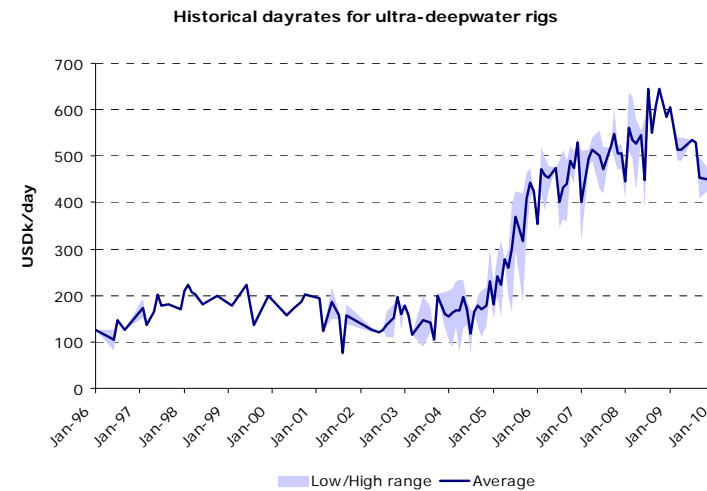


Survey completed in 21 days



# Deepwater market outlook

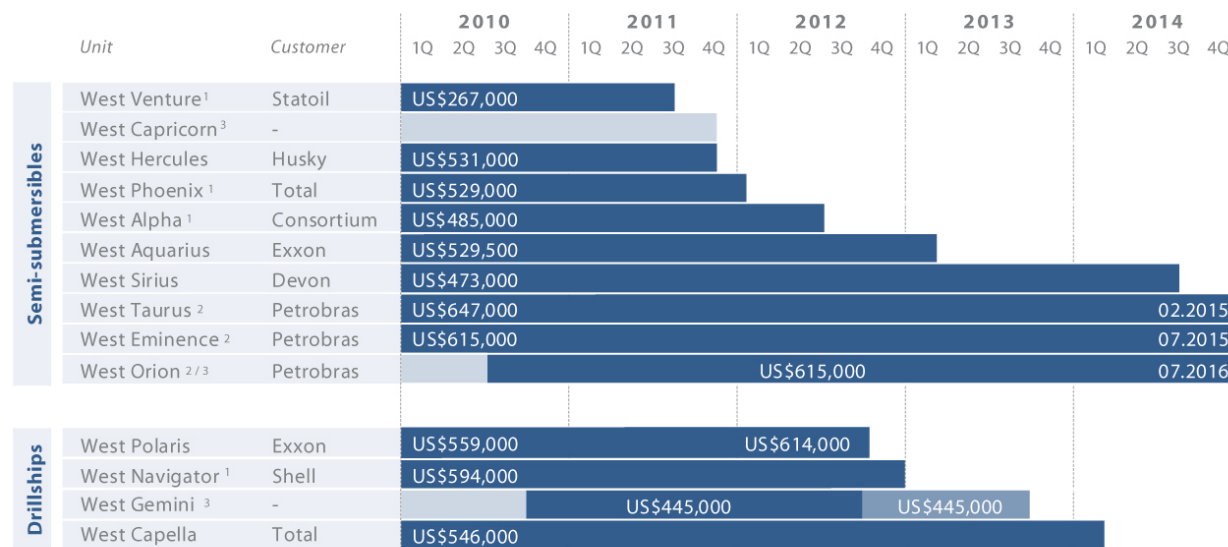
- Long-term market drivers intact as global oil basins mature and decline rates steepening
- Exploration for larger reserves taking place in more challenging and rig intensive deepwater markets
- Dayrates for new rigs in 2010 slightly impacted by postponed start-up of activities
- Still strong contract coverage for ultra deepwater fleet medium term
- Brazilian exploration success and pre-salt development



Source: ODS Petrodata / DnB NOR Markets

**Halt in newbuild orders secures balanced market**

# US\$9 billion contract backlog - Floaters



Contract
  Option
  Yard plus transit period

<sup>1</sup> Dayrate is partly in Norwegian kroner

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

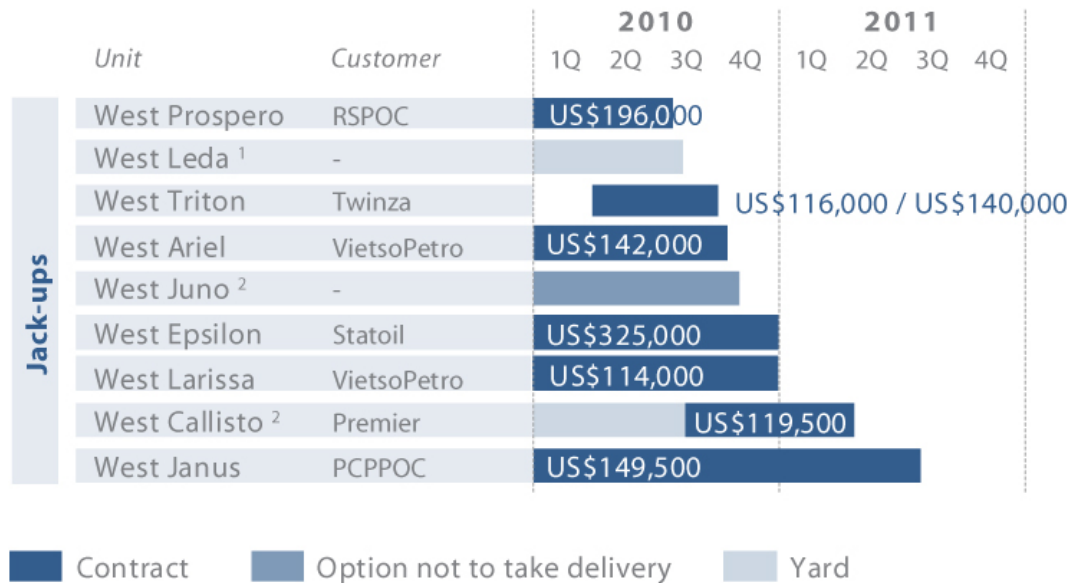
<sup>3</sup> Newbuild

**Improved near earnings visibility**





## US\$380 million contract backlog - Jack-ups



<sup>1</sup> Newbuild at PPL

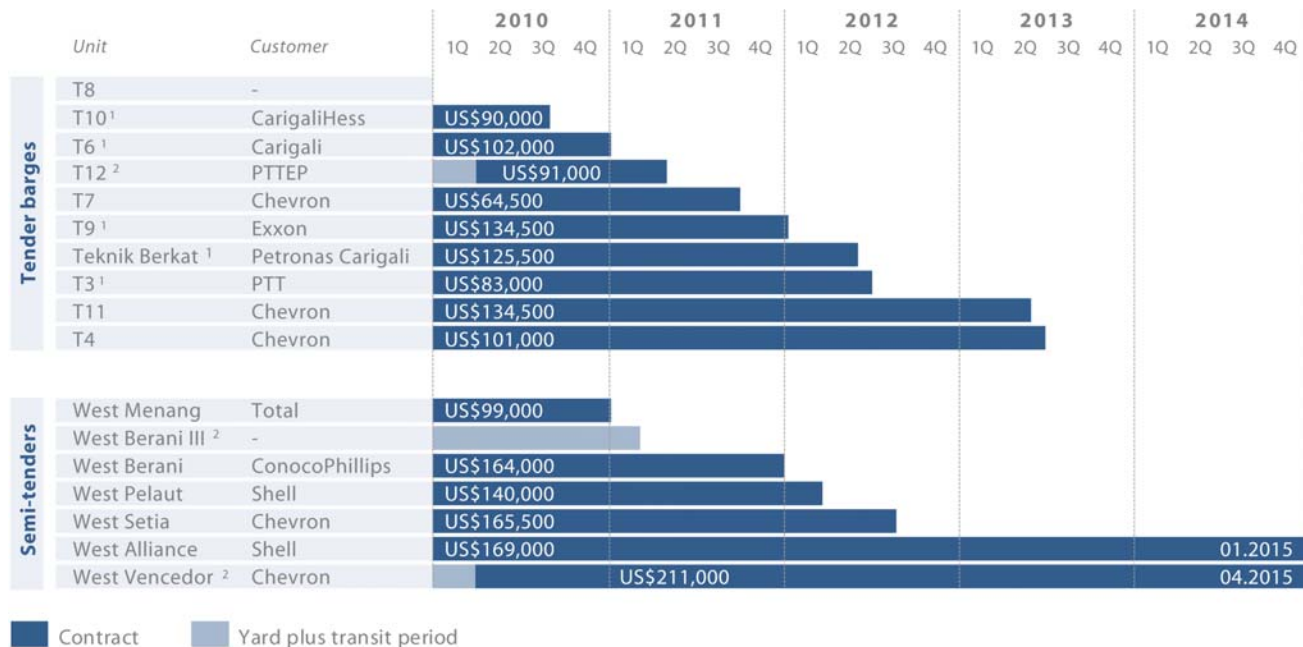
<sup>2</sup> Newbuild at KFELS

**Several new contracts**





# US\$1.7 billion contract backlog - Tender rigs



<sup>1</sup> Ownership 49%

<sup>2</sup> Newbuild

Balanced contract portfolio





## 9 more newbuilds that secures growth

### ■ Deepwater floaters

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

### ■ Tender rigs

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

### ■ Jack-ups

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

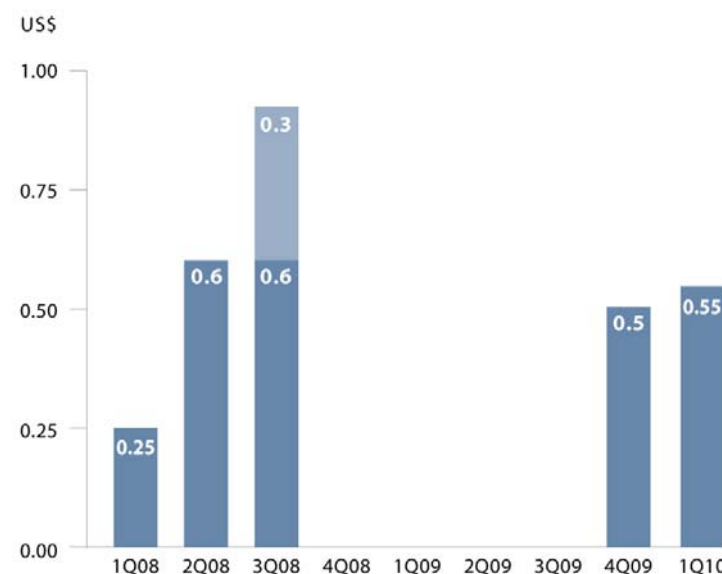


**Transfer of experience ensuring quality delivery  
and performance**

## Dividend distribution and policy

- Dividend resolved at US\$0.55 per share
- Increase reflects improved 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

Dividend distribution per share



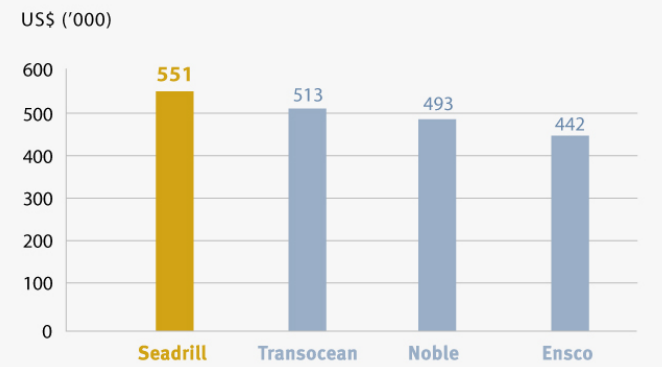
**Ambition to increase dividend on annual basis**

## Strategy

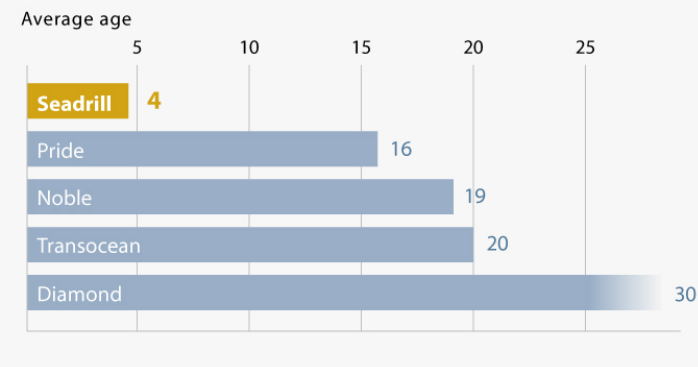
- Complete US listing process in March/April 2010
- Ambition to grow fleet of premium assets
- Focus on quality operations
- Maintain financial leverage
- Distribution of cash dividends
- Develop current shareholdings
- Entertain further consolidation through M&A activities

**Grow our Company .... build shareholder value**

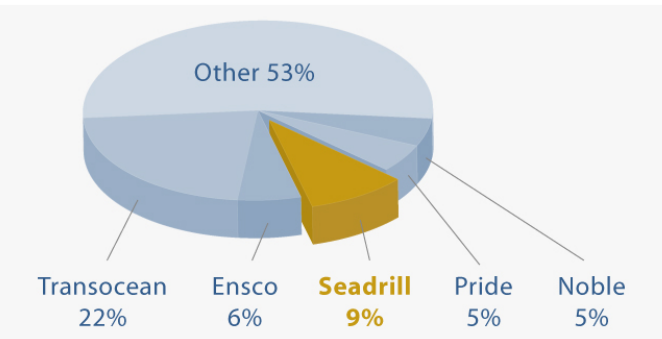
### Ultra-deepwater fixtures



### Average age floaters



### Ultra-deepwater market share



### EBITDA contribution ultra-deepwater

	2008	2010*
<b>Seadrill Limited</b>	<b>15%</b>	<b>68%</b>
Pride International	19%	38%
Transocean	23%	37%
Noble Corp.	7%	26%
Diamond Offshore Inc.	15%	19%

\* Source: DnB Nor Market

**Sound platform for shaping the future**



Statoil



TOTAL



# Seadrill

Seadrill working for quality customers