



Finding Value in an Improving Market

11 September 2019



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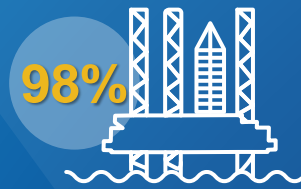
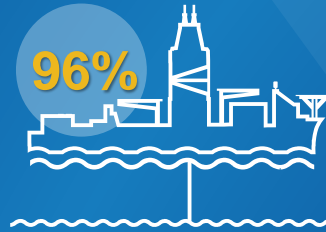
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SEADRILL AT A GLANCE

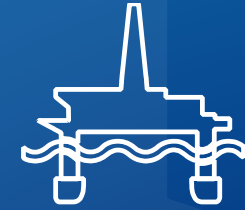
Leaders in safety...

Better than IADC safety average over the last 5 years

...as well as delivering strong operating uptime



Young and modern fleet



Seadrill fleet average age of **9**

We have drilled over **2500 wells** in every major oil and gas basin in the world



Industry leading cost competitiveness

\$ **20%**

reduction in our all-in operating costs over the last 5 years.

\$1.9bn backlog with a premium customer base



ConocoPhillips



BR PETROBRAS

ارامكو السعودية
Saudi Aramco



equinor

Seadrill

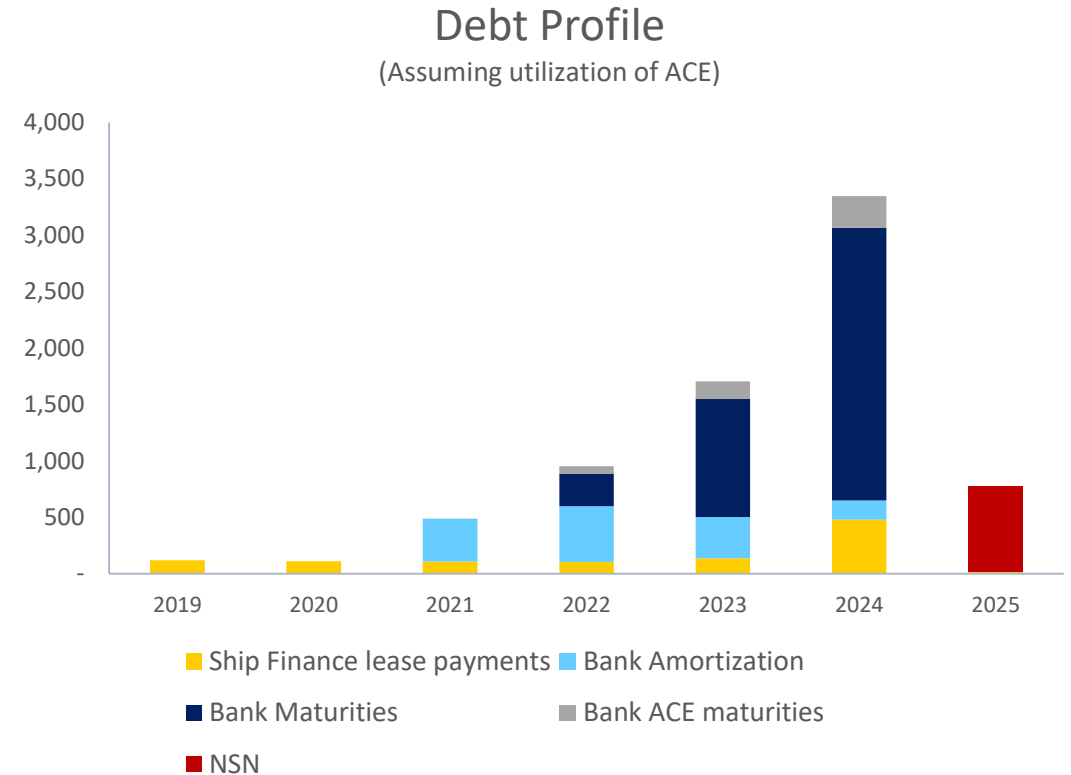
Our franchise: rigs, management & investments



Group			Seamex				<i>Non-drilling Investments</i>	
Rigs	19 floaters 16 jack-ups	8 floaters 3 tenders	5 jack-ups	4 floaters ¹	5 jack-ups ²	5 floaters	 The well company	
Backlog ³	\$1.9 billion	\$697 million	\$1.0 billion	-	\$656 million	\$345 million	-	\$1.5 billion
Ownership		65% (Economic Interest)	50%	50%	50%	None	16% equity \$45m convert	50%

- Cash of \$1.5 billion
- No debt amortisation payments until 2020, with the ability to defer up to 2021 using ACE
- No debt maturities until June 2022
- No financial covenants until 2021, other than minimum liquidity
- Net leverage and DSCR** covenants in 2021 only affect borrowing margin
- Remain focused on proactively management capital structure

- ACE = Amortization Conversion Election
- **Debt Service Cover Ratio

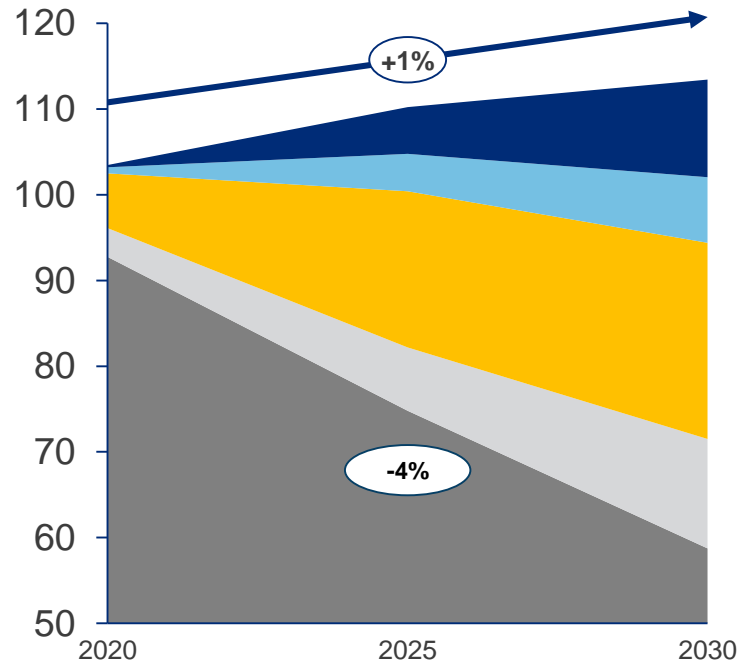


Offshore barrels critical to meet future demand

Total Liquids Supply and Demand

Million Barrels of oil per day

- Offshore Deepwater
- Offshore Shelf
- Tight Oil
- Onshore (incl NGLs)
- Existing Field Production

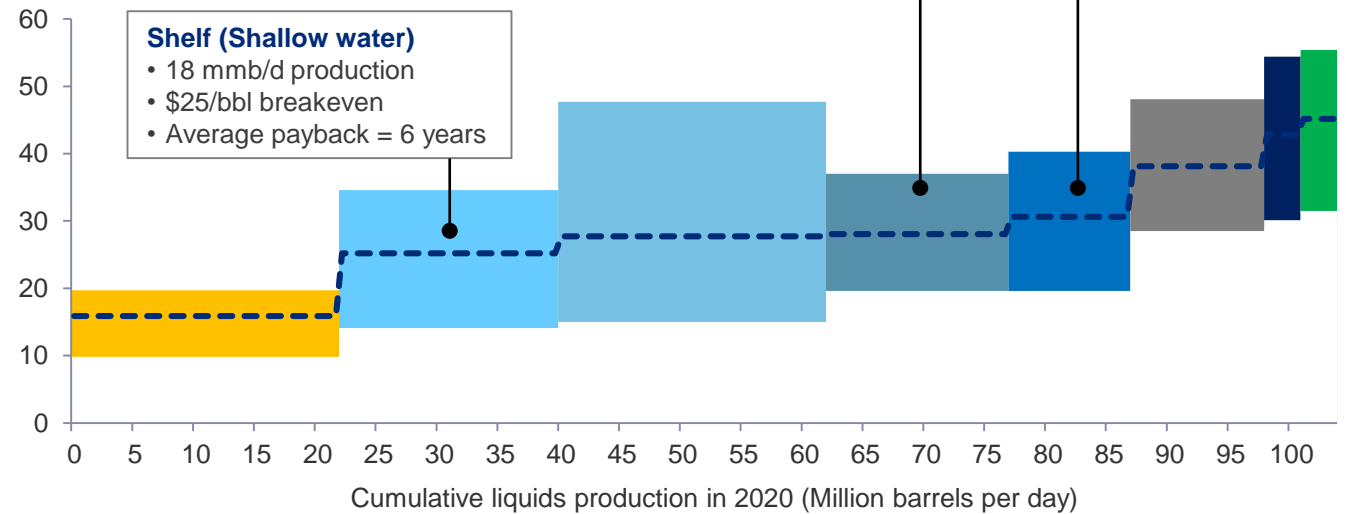


Offshore break-evens competitive with Shale

Cumulative liquids supply cost curve

USD/Barrel

Breakeven oil price (USD/barrel)



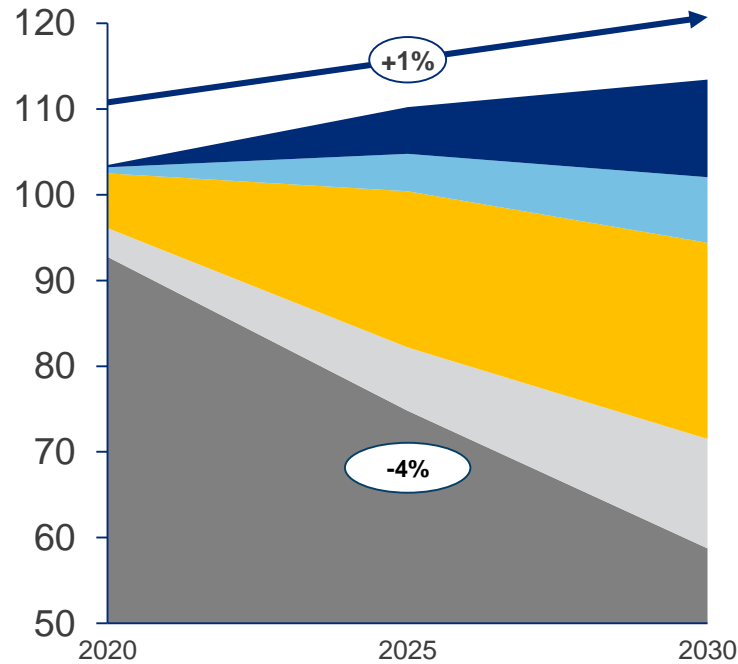
- Onshore Middle East
- Shelf
- Row onshore
- NA tight liquids
- DW and UDW
- Russia onshore
- Extra heavy oil
- Oil Sands
- Weighted average breakeven price

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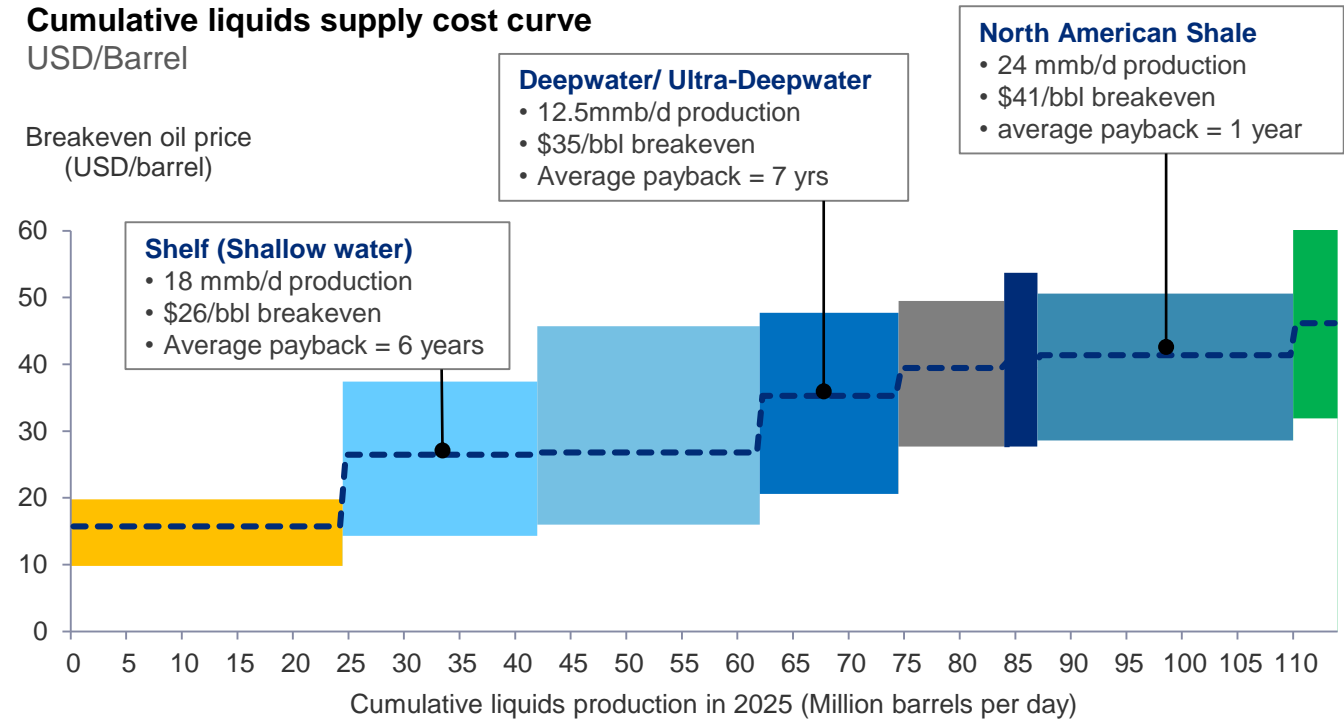


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Cumulative liquids supply cost curve

USD/Barrel

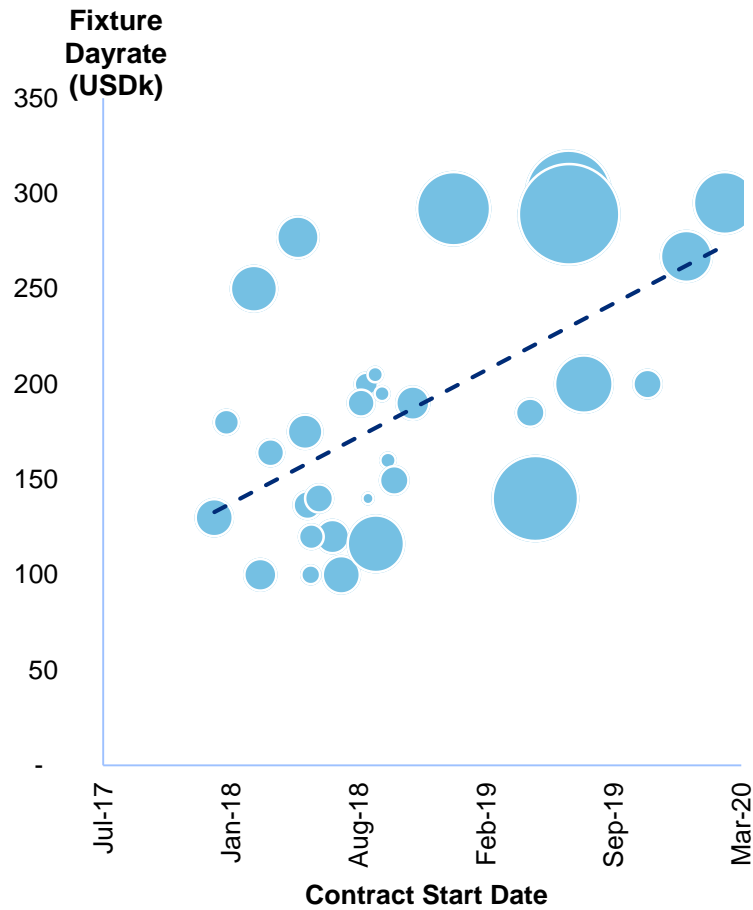
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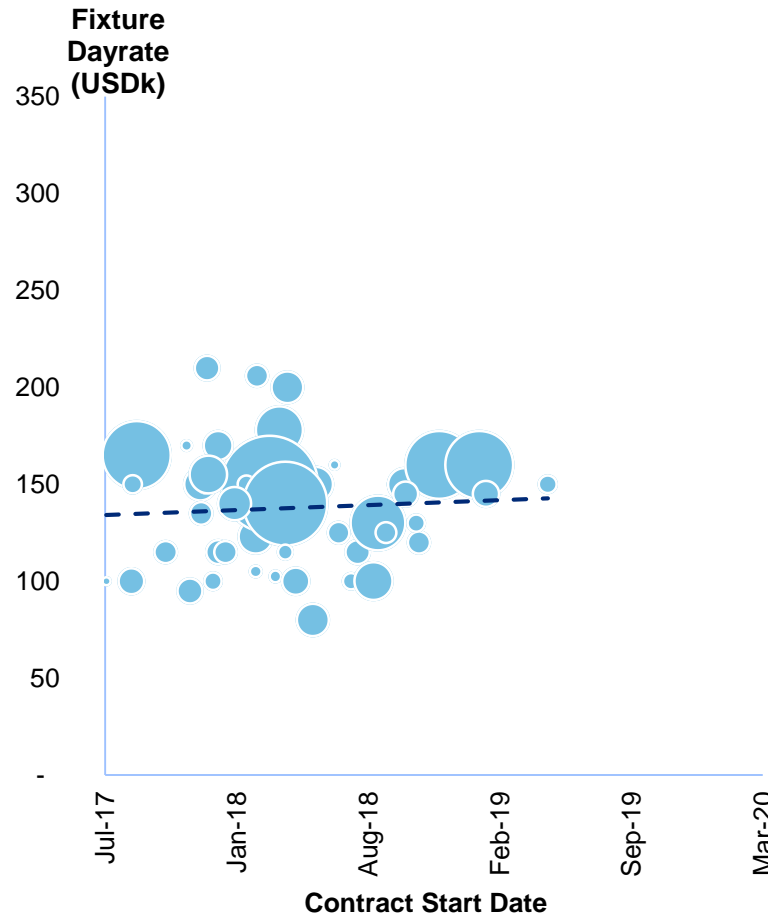
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The recovery is progressing

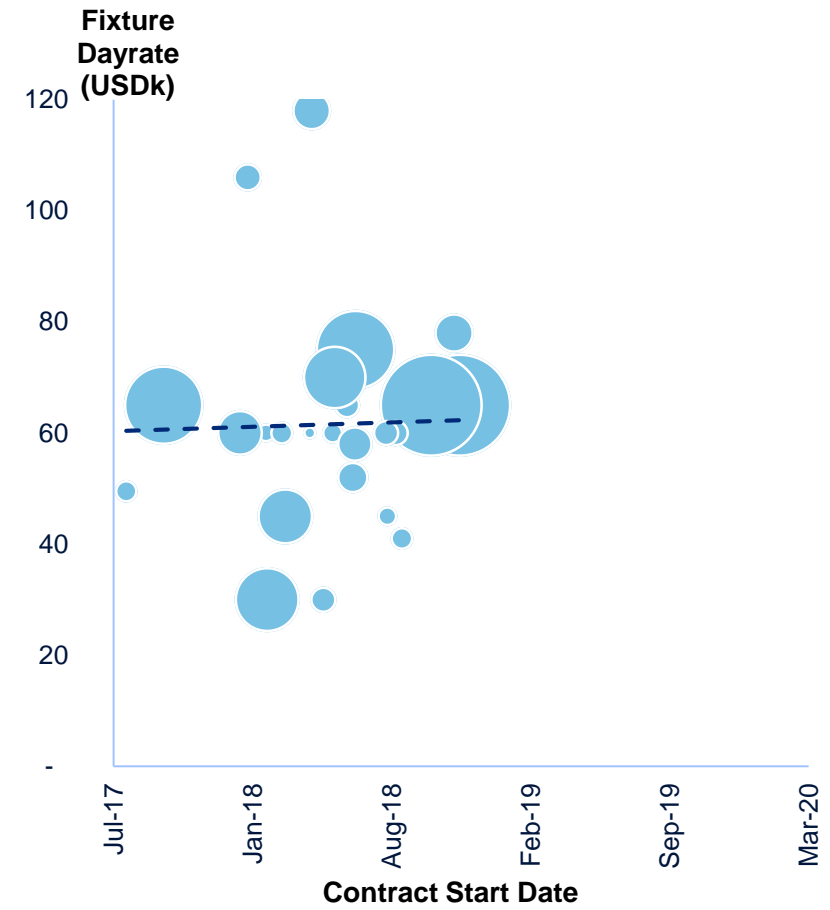
Harsh Environment Floaters



Benign Environment Floaters



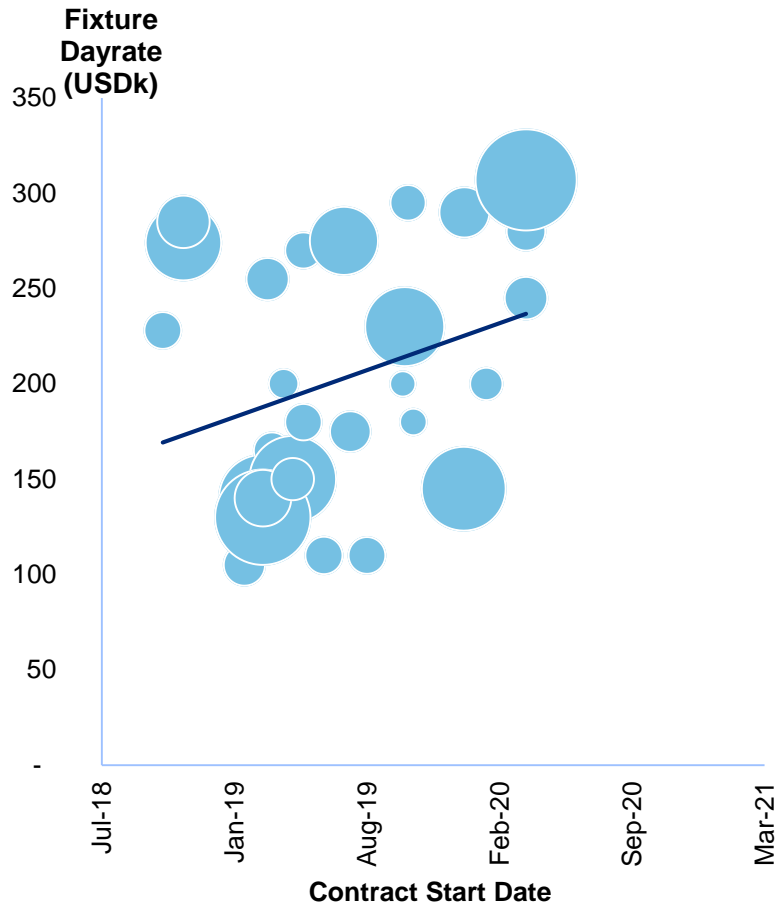
Premium BE Jack-ups¹



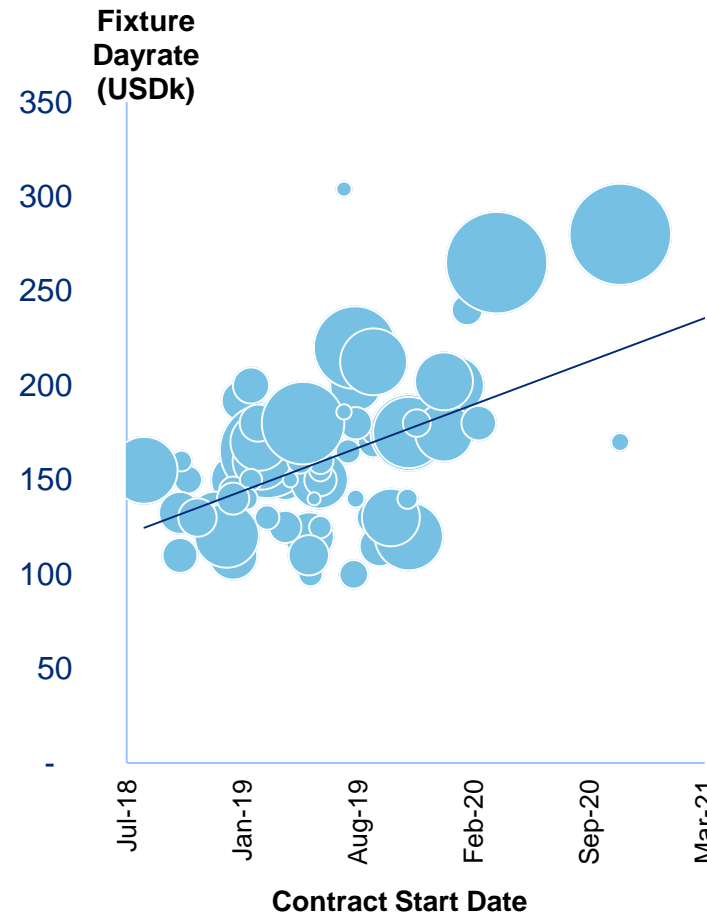
Key: — — Linear trend line (fixtures awarded July 2017 – June 2018) ● Bubble size represents contract duration (rig-days)

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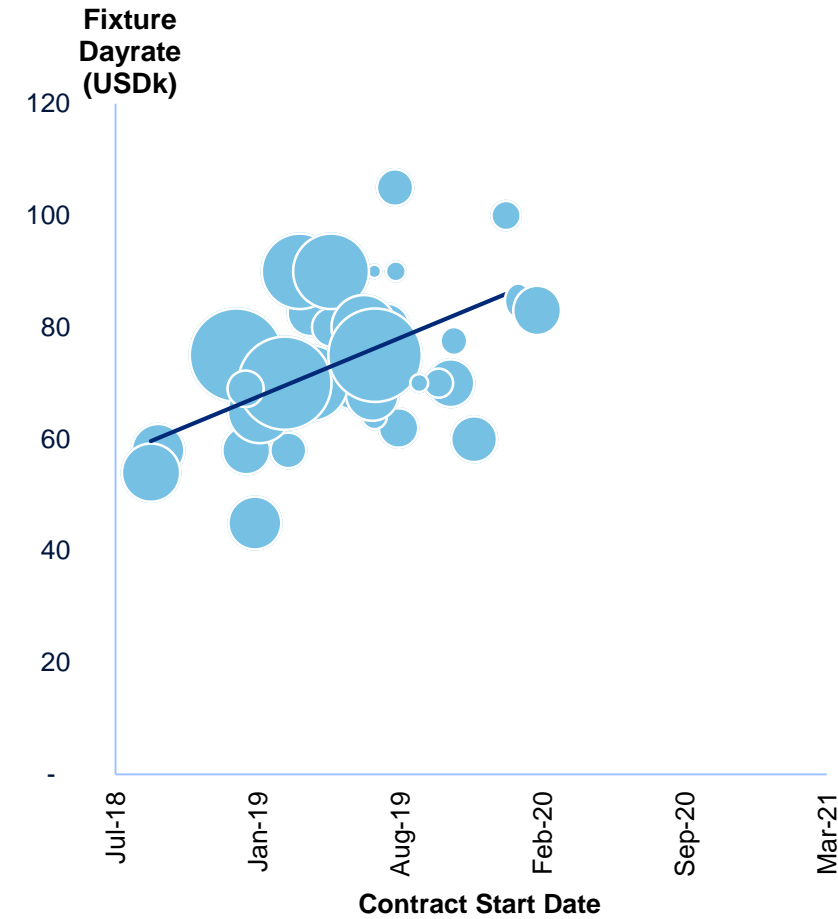
Harsh Environment Floaters



Benign Environment Floaters



Premium BE Jack-ups¹



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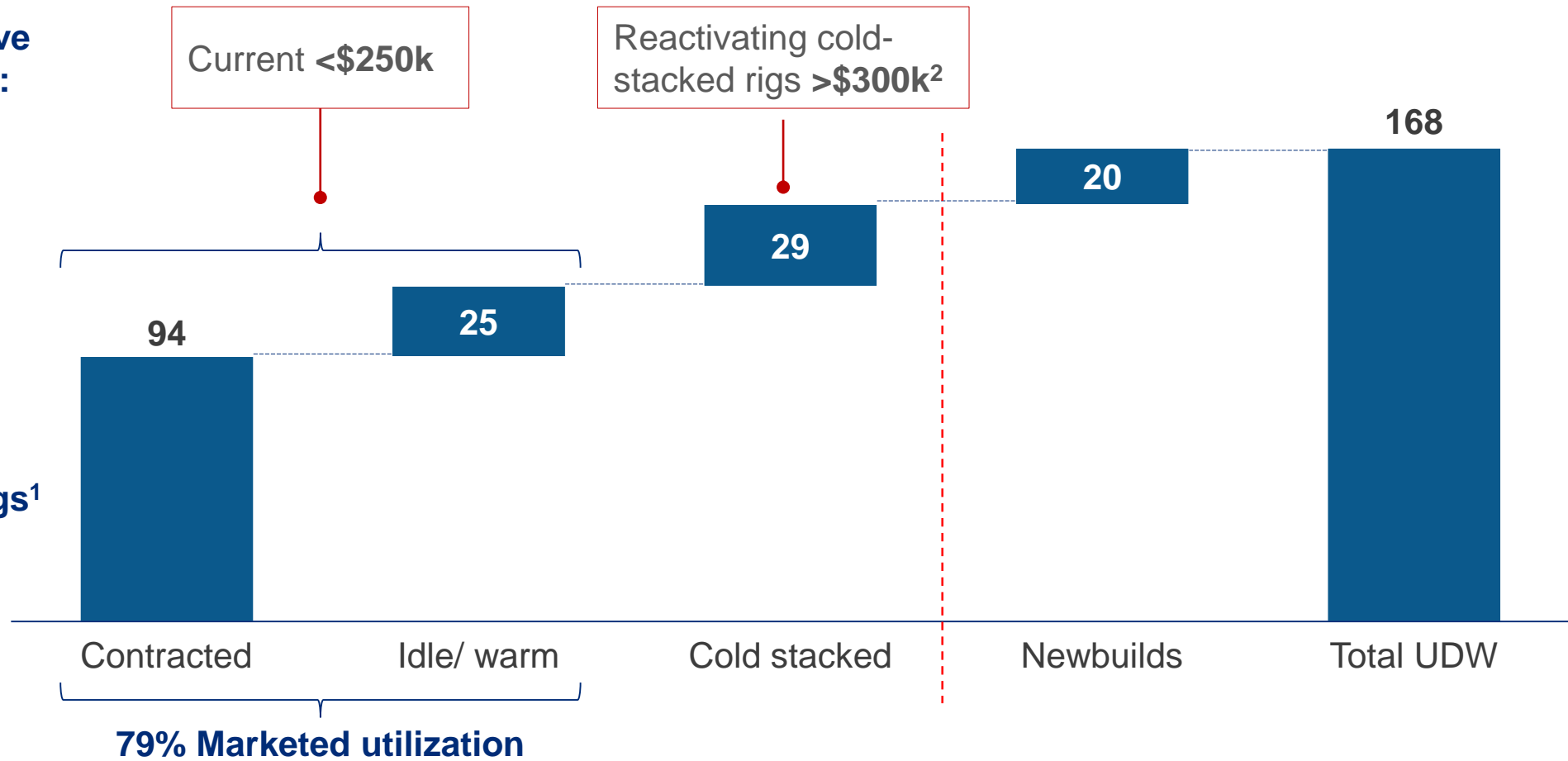
Deepwater pricing dynamics

Illustrative dayrates:

Current <\$250k

Reactivating cold-stacked rigs >\$300k²

No. of rigs¹



“where there is a mobilization cost, then we are seeing **mobilization fees getting paid**”

“customers are once again **providing** downtime, and **reimbursements** for **mobilization** and **demobilization.**”

“the rig is in transit to the US, Gulf of Mexico and in the shipyard **receiving customer requested upgrades.**”

“we will be performing **additional upgrades** to the rig requested for and **paid entirely out** by the rig's next customer.”

“**No reactivations** unless good return for stakeholders”

“We have established a **very high bar** for **reactivating** an asset at this point in time”

“we will **carefully** evaluate **reactivating** jack-ups to meet cuts of demands when **day rates justify cost** to return these rigs to our active fleet”



\$130m

West Hercules

- Equinor, Norway
- 2 x contract award



\$85m

West Saturn

- Equinor, Brazil
- Option exercise



\$82m

AOD I

- Saudi Aramco
- 3 year extension



\$158m

West Phoenix

- Equinor, UK & Norway
- 2 x contract award



\$104m

West Gemini

- West Africa
- Extension + contract award



\$25m

West Castor

- Staatsolie, Mexico
- Contract award



\$34m

West Carina

- Petronas, Malaysia & Brunei
- 2 x contract award



\$131m

West Neptune

- LLOG, GoM
- Extension + contract award



\$17m

West Telesto

- Malaysia
- Contract award

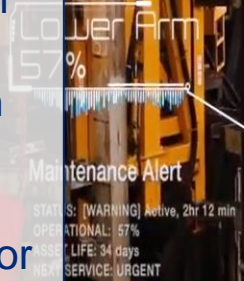
- Improved access to market
- High growth regions
- Strengthens customer relationships
- Day 1 cash flow and future dividend potential
- Limited upfront investment
- Potential for growing asset base
- \$656 million in total contract value for GDI, option value of \$700 million





Condition-based Maintenance

- Predicts failures before they happen
- Reduced overhaul interval results in lowered maintenance spend
- Reduces out of service time for major maintenance



Hybrid Power

- 10-15% lower CO₂, SO_x and NO_x
- 10-15% lower operating cost
- 40% lower maintenance costs related to power generation systems



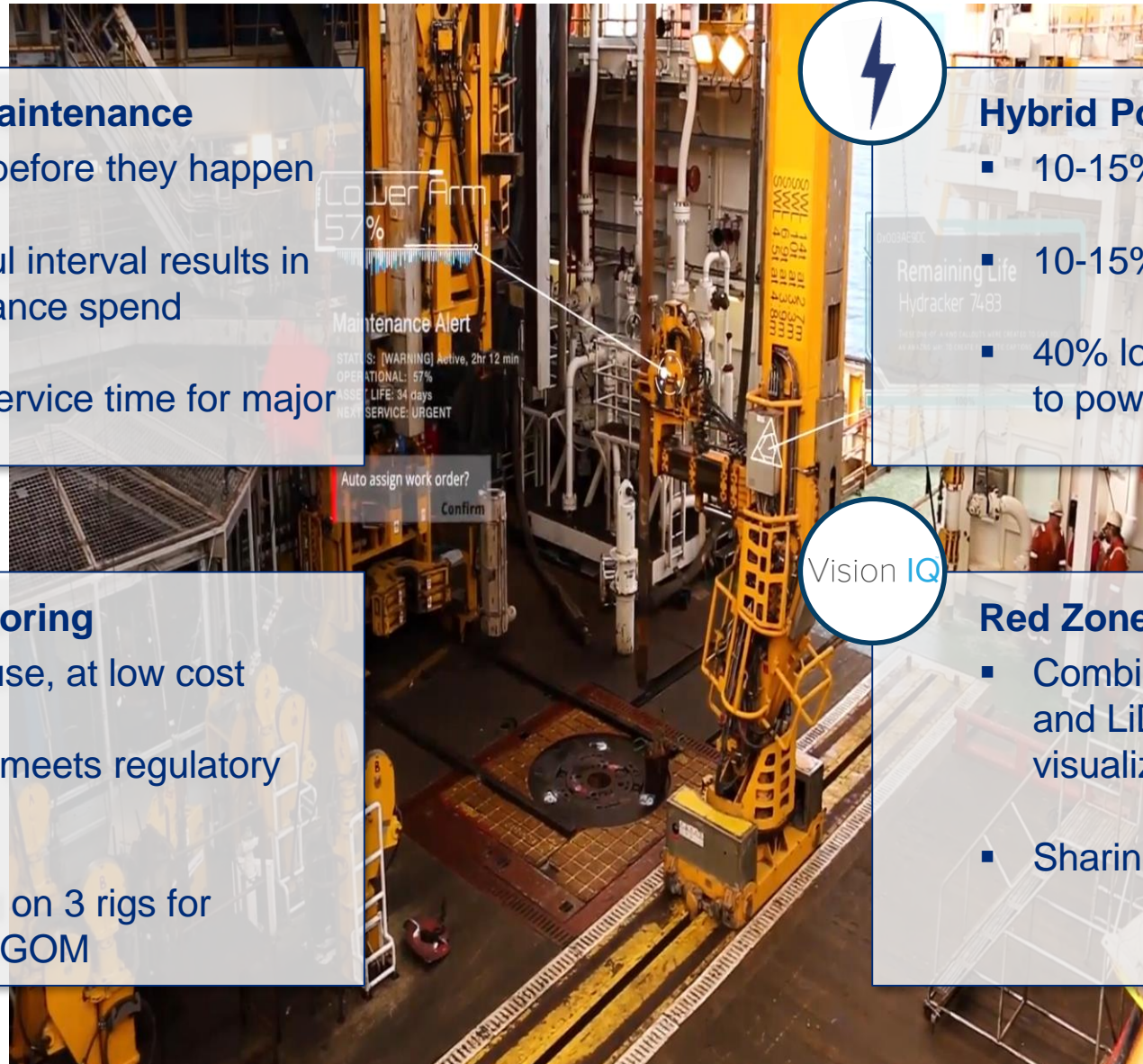
BOP Remote monitoring

- Developed in-house, at low cost
- BSEE approved, meets regulatory requirements
- Already deployed on 3 rigs for customers in US-GOM



Red Zone Management using Vision IQ

- Combines Artificial Intelligence (AI), and LiDAR technology for 3D visualizations
- Sharing with the wider industry





Large and modern fleet



Proven track record



Capital, cost and contract discipline



Leveraged play on the recovery



Seadrill Q&A



Our franchise: rigs, management & investments

- 1) *Includes 2 Seadrill UDW drillships from Seadrill's owned and managed fleet, and 2 UDW newbuild drillships from Sonangol*
- 2) *Includes 2 Seadrill jack-ups from Seadrill's fleet, and 3 newbuild jack-ups from a third party shipyard*
- 3) *Backlog is as of 30 June 2019.*

The recovery is progressing

- 1) *Premium jack-ups defined as benign environment jack-ups capable of operating in +350 ft water depths*

Deepwater Pricing Dynamics

- 1) *UDW fleet based on rigs classified by IHS Markit Rigpoint as of August 2019, as 'Competitive', and capable of operating in water depths > 7500ft*
- 2) *Estimate based on unlevered free cash flow, two-year pay-back period, \$75m investment cost (includes reactivation cost, SPS, and operations preparation), and a 10% WACC*