



Conference call 1Q 2009 results

May 26, 2009





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Highlights first quarter 2009

- Seadrill generates EBITDA of US\$347 million up from US\$224 million in the preceding quarter
- Net income of US\$243 million equal to income per share of US\$0.55
- Delivery taken of the last two ultra-deepwater newbuilds of the initial eight rig batch
- Start-up of new deepwater operations in Brazil, Indonesia, Norway and Nigeria
- Well advanced discussions around replacing the US\$1 billion bridge with a larger and longer term credit facility
- 81 percent stake in Petromena NOK2,000 million bond acquired
- Reasonable prospects for the ultra-deepwater market
- Continued uncertain market outlook for jack-ups

Condensed income statement

<i>Unaudited accounts in USD millions</i>	1Q09	4Q08
Revenues		
Operating revenues	641,5	517,7
Reimbursables	43,6	49,1
Other revenues	11,1	11,7
Total revenues	696,2	578,5
Operating expenses		
Vessel and rig operating expenses	273,6	273,3
Reimbursable expenses	42,0	47,9
Depreciation and amortisation	88,6	72,6
General and administrative expenses	33,5	31,3
Total operating expenses	437,7	425,1
Operating profit	258,5	153,4
Interest income	14,3	10,6
Interest expense	(44,7)	(42,0)
Share of results from associated companies	20,2	(11,6)
Other financial items	25,5	(188,5)
Impairment loss - financial assets	0,0	(615,0)
Net financial items	15,3	(846,5)
Income (loss) before income taxes and minority interest	273,8	(693,1)
Income taxes	(30,6)	(19,2)
Gain on issuance of shares by subsidiary	0,0	25,2
Net income (loss)	243,2	(687,1)
Net income (loss) attributable to the parent	217,9	(706,5)
Net income attributable to the noncontrolling interest	25,3	19,4
Earnings (loss) per share <i>(in USD)</i>	0,55	(1,77)

Mobile units

<i>Unaudited accounts in USD millions</i>	1Q09	4Q08
Operating revenues	422,3	294,3
Reimbursables	5,9	6,8
Other revenues	10,7	10,5
Total revenues	438,9	311,6
Vessel and rig operating expenses	140,4	126,8
Reimbursable expenses	5,6	6,0
Depreciation and amortisation	73,5	56,2
General and administrative expenses	24,7	24,2
Total operating expenses	244,2	213,2
Operating profit	194,7	98,4

Tender rigs

<i>Unaudited accounts in USD millions</i>	1Q09	4Q08
Operating revenues	98,1	94,0
Reimbursables	5,3	5,6
Other revenues	0,4	1,2
Total revenues	103,8	100,8
Vessel and rig operating expenses	33,7	40,3
Reimbursable expenses	5,0	5,3
Depreciation and amortisation	10,7	10,7
General and administrative expenses	3,2	3,3
Total operating expenses	52,6	59,6
Operating profit	51,2	41,2

Well Services (Seawell Limited) *

<i>Unaudited accounts in USD millions</i>	1Q09	4Q08
Operating revenues	121,1	129,4
Reimbursables	32,4	36,6
Total revenues	153,5	166,0
Operating expenses	99,5	106,2
Reimbursable expenses	31,4	36,4
Depreciation and amortisation	4,4	5,7
General and administrative expenses	5,6	3,8
Total operating expenses	140,9	152,1
Operating profit	12,6	13,9

* 100% consolidated numbers
(Seadrill owns 74%)

Balance Sheet

Total assets

Unaudited accounts in USD millions

	31.03.09	31.12.08
<i>Current assets</i>		
Cash and cash equivalents	547,9	657,1
Marketable securities	326,3	134,7
Accounts receivables	479,6	341,1
Other current assets	530,4	530,9
Total current assets	1 884,2	1 663,8
<i>Non-current assets</i>		
Investment in associated companies	272,6	240,1
Newbuildings	1 752,3	3 660,5
Drilling units	7 162,8	4 645,5
Goodwill	1 557,7	1 547,3
Restricted cash	345,1	345,9
Other non-current assets	203,2	201,4
Total non-current assets	11 293,7	10 640,7
Total assets	13 177,9	12 304,5

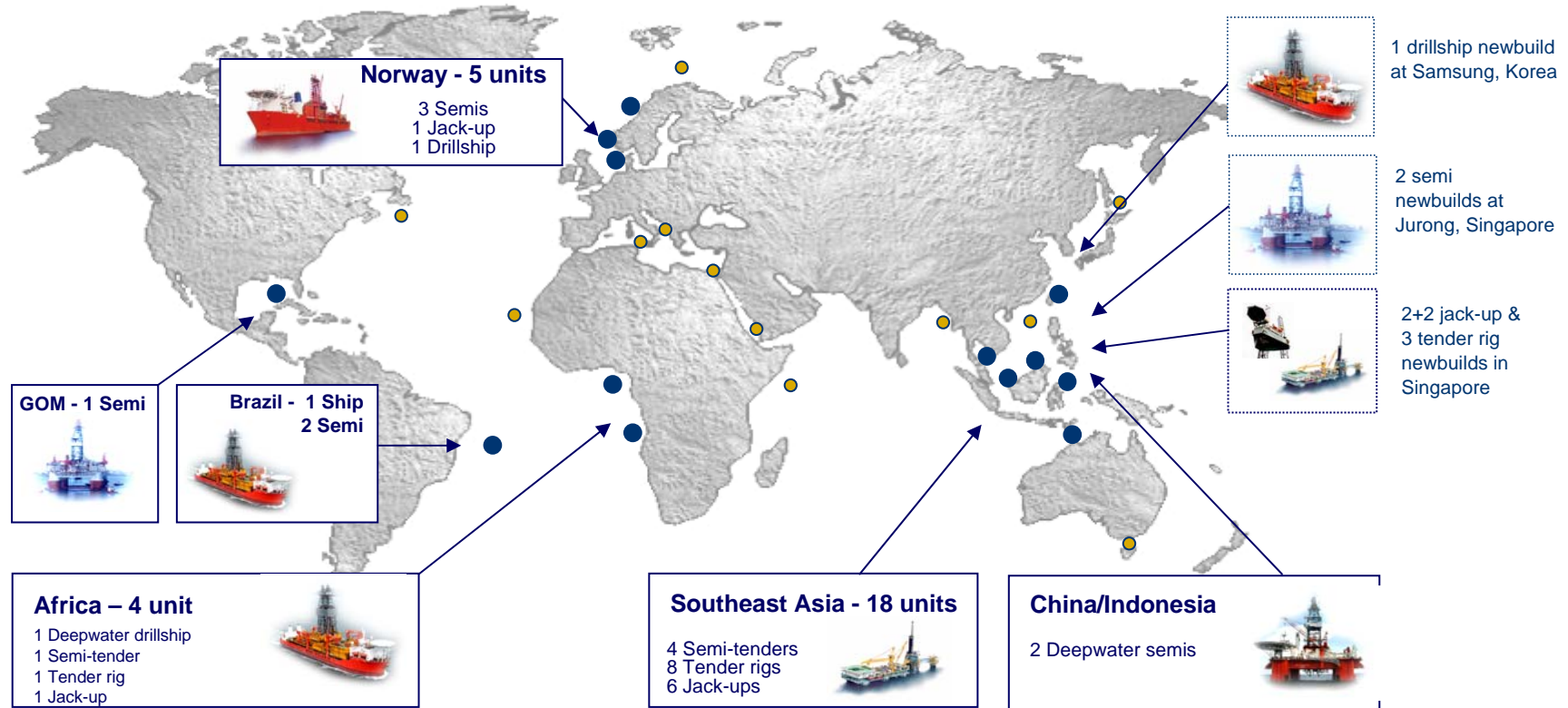
Balance Sheet

Liability and equity

<i>Unaudited accounts in USD millions</i>	31.03.09	31.12.08
<i>Current liabilities</i>		
Short-term interest bearing debt	733,2	746,1
Other current liabilities	1 395,7	1 311,7
Total current liabilities	2 128,9	2 057,8
<i>Non-current liabilities</i>		
Long-term interest bearing debt	7 131,6	6 690,7
Deferred taxes	136,9	125,0
Other non-current liabilities	266,6	209,0
Total non-current liabilities	7 535,1	7 024,7
<i>Shareholders' equity</i>		
Paid-in capital	2 796,4	2 791,9
Other equity	103,6	-162,7
Noncontrolling interest	613,9	592,8
Total shareholders' equity	3 513,9	3 222,0
Total shareholders' equity and liabilities	13 177,9	12 304,5



Worldwide operations



Quality fleet with global presence

● Previous ● Current



Original 2008 deepwater projects completed



USA-3Q08



Brazil-4Q08



China-4Q08



Norway-1Q09



Brazil-1Q09



Nigeria-1Q09



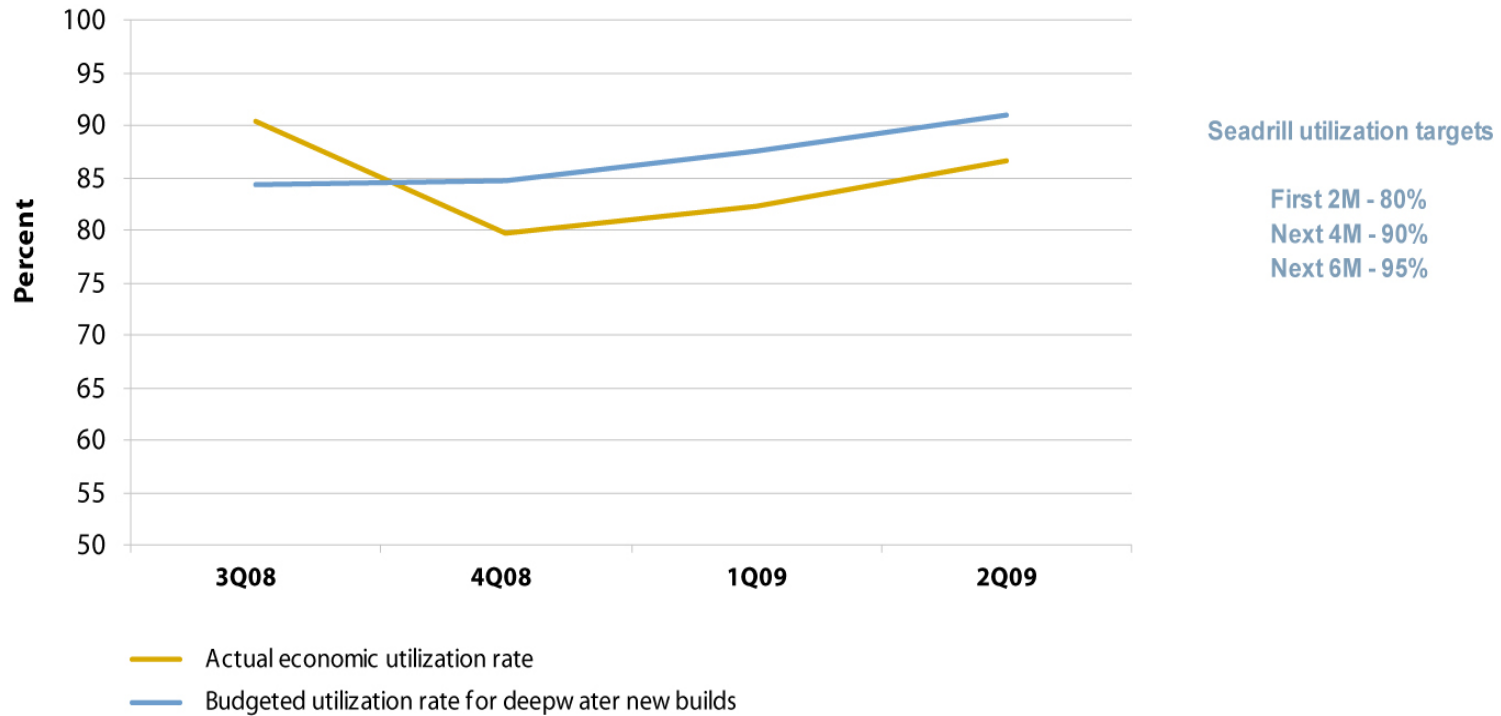
Indonesia-1Q09



Brazil-2Q09



Average utilization rate deepwater newbuilds



Start-up experience transferred to sister vessel

* 2Q09 number is quarter to date

US\$10 billion floaters order backlog

Customer	2009				2010				2011				2012				2013				2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Semi-submersibles																								
West Alpha ¹	US\$473,000																							
West Venture ¹	US\$248,000																							
West Phoenix ¹	US\$495,000																							
West Aquarius	US\$529,500																							
West Sirius	US\$473,000																							
West Hercules	US\$541,000																							
West Eminence ²	US\$599,000																							
West Taurus ²	US\$629,000																							
West Orion ²	US\$599,000																							
West Capricorn	Newbuild																							
Drillships																								
West Navigator ¹	US\$560,000																							
West Polaris	US\$559,000																							
West Capella	US\$546,000																							
West Gemini	Newbuild																							

■ Yard plus transit period
 ■ Contract
 ■ Option

¹ Dayrate is partly in Norwegian kroner
² Dayrate is partly in Brazilian Real and include five percent performance incentive as well as estimated compensation for tax

Continued strong earnings visibility



Contract status jack-ups

Customer		2009				2010				2011			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Jack-ups													
West Epsilon	StatoilHydro	US\$306,000											
West Janus	PCPPOC	US\$149,500											
West Atlas	Coogee	US\$255,000											
West Triton	-												
West Ceres	-												
West Prospero													
West Larissa	VietsoPetro	US\$126,000											
West Ariel	VietsoPetro	US\$194,000											
West Callisto	-	Newbuild at KFELS											
West Juno	-	Newbuild at KFELS											
West Leda	-	Newbuild at PPL											
West Elara	-	Newbuild at PPL											

■ Yard
 ■ Contract
 ■ Option not to take delivery

US\$500 million order backlog



US\$2 billion tender rig order backlog

Customer	2009				2010				2011				2012				2013				2014				
	1Q	2Q	3Q	4Q	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\$83,000																							
T4	Chevron	US\$101,000																							
T6 ¹	Carigali/CTOC	US\$101,000																							
T7	Chevron	US\$58,000																							
T8	Total	US\$125,000																							
T9 ¹	Exxon	US\$115,000				US\$135,000																			
T10 ¹	Carigali/Hess	US\$86,000								US\$86,000															
T11	Chevron	US\$134,000																							
T12	-	Newbuild																							
Teknik Berkas ¹	Carigali	US\$121,000																							
Semi-tenders																									
West Alliance	Shell	US\$95,000				US\$170,000																01.2015			
West Berani	Newfield/Conoco	US\$165,000																							
West Menang ²	Total	US\$127,000																							
West Pelaut	Shell	US\$67				US\$140,000																			
West Setia	Murphy/Chevron	US\$165				US\$163,000																			
West Vencedor	Chevron	Newbuild				US\$200,000																03.2015			
West Berani III	-	Newbuild																							

■ Yard ■ Contract ■ Option

¹ Ownership 49%

² Early terminatin fee will be received from June, 2009

Strong portfolio of term contracts



Market outlook

- Jack-up market
 - Uncertain and fragile market short term
 - Continued pricing pressure from operators
 - Signs of more tenders late 2009 and 2010
 - Increase in oil prices a positive catalyst
 - New efficient quality units should replace vintage units

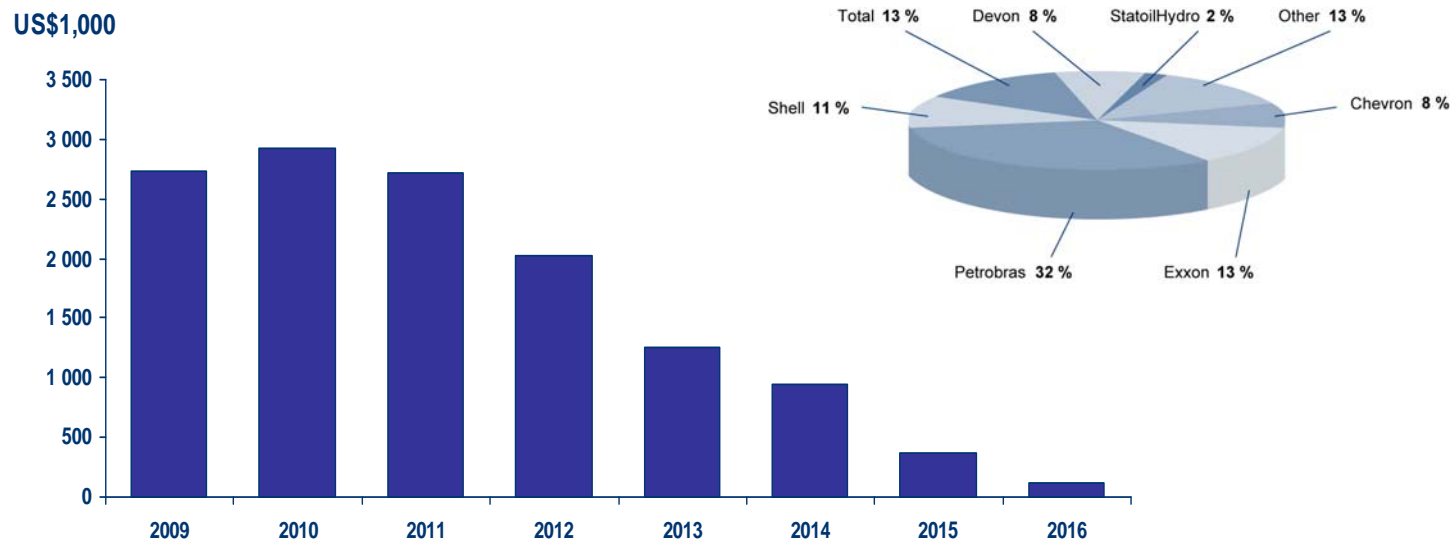
- Tender rig market
 - Strong long term fundamental drivers in place but short term activity adversely impacted by drop in oil prices and shallow water market weakness
 - Application of tender rigs in deep waters continues to create an attractive niche for this rig concept

- Deepwater market
 - Long-term market drivers remain with global oil basin maturing and steepening decline rates
 - Increasing global demand driven by emerging markets
 - Exploration for larger reserves taking place in more challenging and rig intensive deepwater markets
 - Floater market driven by more stable capital spending of oil majors and national oil companies
 - Strong contract coverage for ultra deepwater fleet

Offshore rig market more diversified and segmented



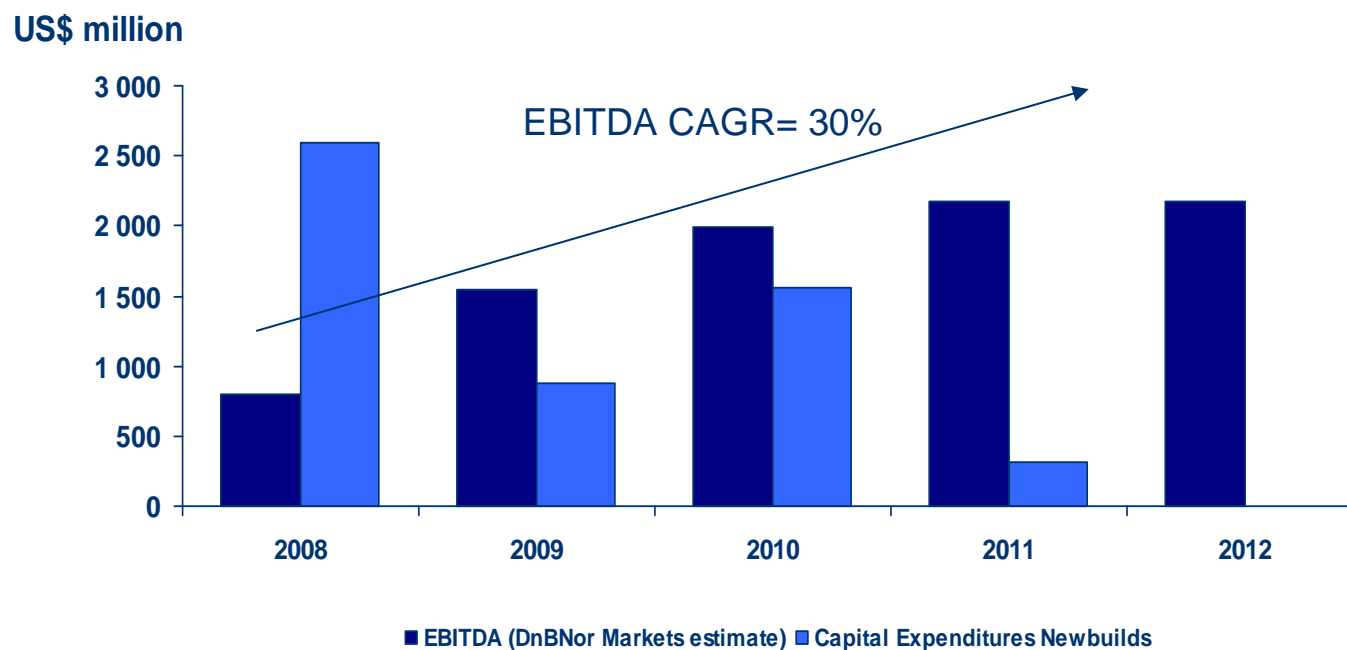
US\$12.3bn revenue backlog *



Quality contracts with the best credit in the industry

* Licence partners –are jointly and severally liable

EBITDA growth replacing investments



Majority of EBITDA secured through long term contracts



Key focus areas 2009

- Operations
 - HSE
 - Uptime
 - Optimize cost
- Customer satisfaction
- Financial flexibility
 - Secure additional financing
 - Develop backlog
- Opportunities



All about delivering on our promises



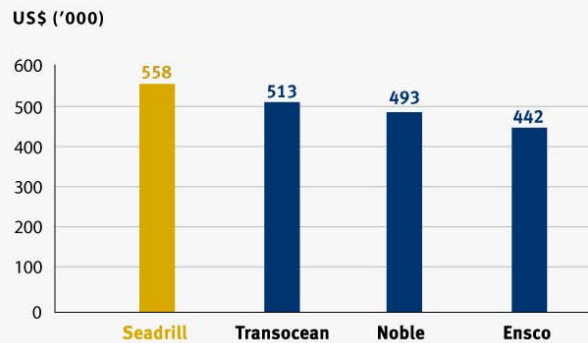
Petromena bond

- Seadrill holds 81 percent of the Petromena NOK2 bn bond
- Bought at approximately 70 percent of face value
- Secured in the deepwater newbuilds Petrorig 1 (delivered April) and Petrorig 2 (delivery scheduled in September)
- Yard has initiated sale process for Petrorig 1
- Completion of sale support repayment of the majority of the bond amount
- Investment based on knowledge of specification of the rig and deepwater market demand

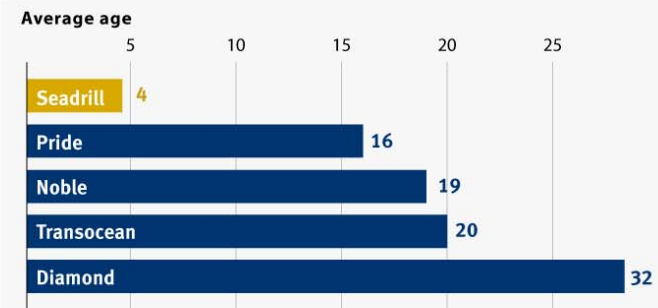
Confident in solid return on investment

Summary

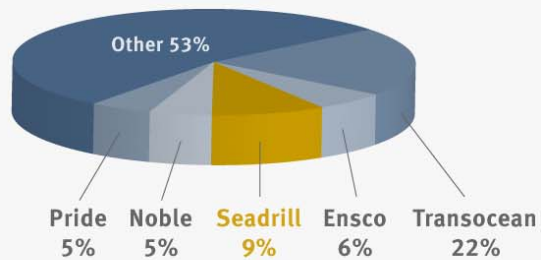
Ultra-deepwater fixtures



Average age floaters



Ultra-deepwater market share



EBITDA contribution deepwater

	2008	2010
Seadrill Limited	15%	68%
Transocean	23%	37%
Pride International	19%	29%
Noble Corp.	7%	29%
Diamond Offshore Inc.	15%	14%

Sound platform for shaping the future



TOTAL



Seadrill 

Seadrill working for quality customers

