



Howard Weil Energy Conference
Per Wulff, CEO

March 2015

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, 2013 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.



1

Seadrill Summary

2

Rising to the Market Challenge

3

Market Outlook

Successful 2014, Expecting Challenges in 2015

- Operational excellence – Three drillships taken into service in the fourth quarter
- Strong financial and operational performance during 2014
- Secured 5 new contracts, adding \$1.3 billion to contract backlog in 4Q
- Prudent action taken during 2014, will continue to do so in 2015
- Utilization and pricing challenges expected to continue in 2015
- Subdued upstream spending in a low oil price environment

Well Positioned for Downturn

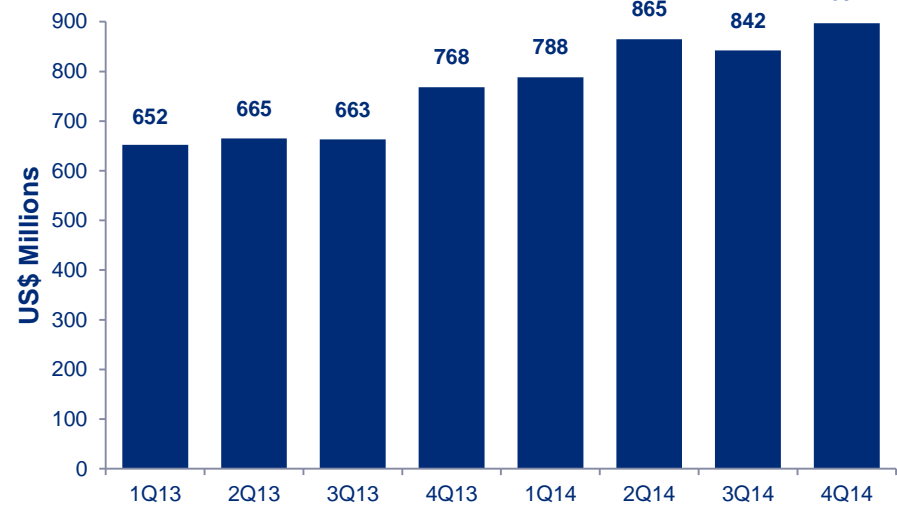
- Modern fleet, strong operational organization, focus on driving efficiencies
- Secured nearly \$10 billion in financing commitments in 2014
- Limited exposure to current dayrate environment
- Strategic adjustments to newbuild delivery schedule
- Well defined and manageable funding requirements
- Ability to act as consolidator when the time is right

Seadrill Group generated combined EBITDA of \$897 million for the fourth quarter 2014

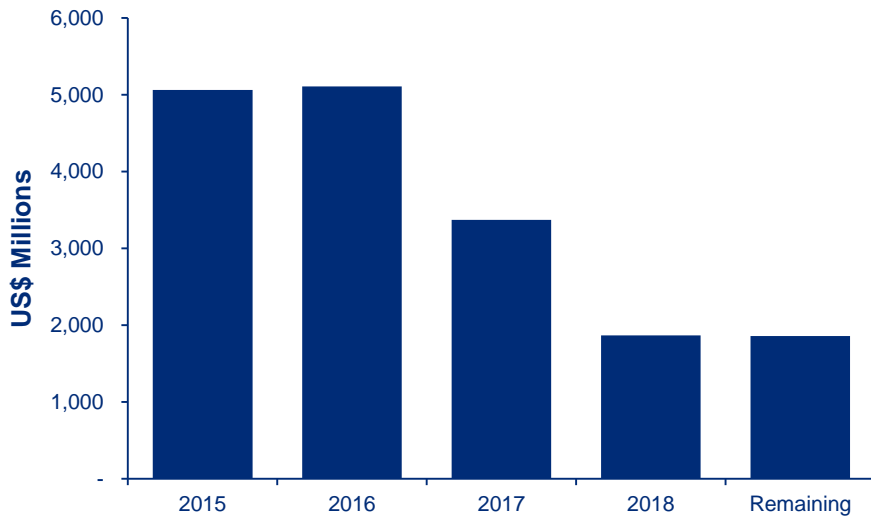
Economic utilization for the Group's floaters on a combined basis was 91% for 2014

\$17 billion current orderbacklog for the Seadrill Group

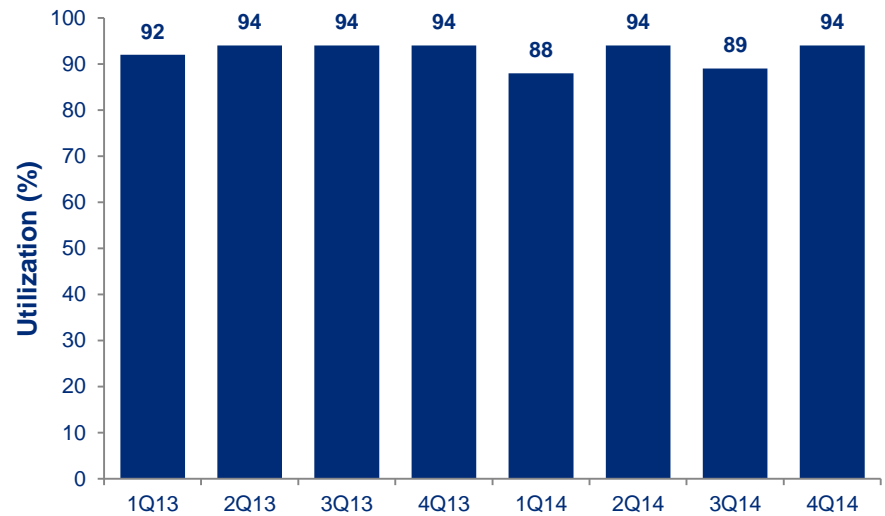
Quarterly EBITDA (Including Seadrill Partners)



Current Backlog (Including Seadrill Partners)



Ultra-Deepwater Economic Utilization (incl. Seadrill Partners)



Rising to the Market Challenge



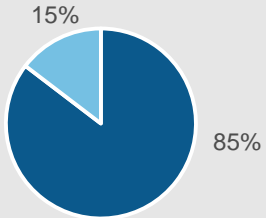


- Approximately \$17 billion in contract backlog
- Strong relationships with solid counterparties, built through strong operational performance
- Adjusted deliveries of our new builds to be better in line with market conditions
- Taken a prudent decision on dividends to strengthen our cash and balance sheet position
- Significant expansion on our cost savings program this year...

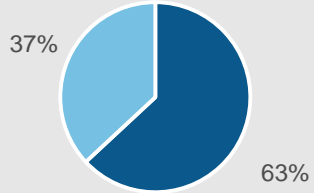
Seadrill Contract Coverage

- Contracted
- Uncontracted

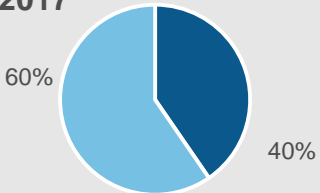
2015



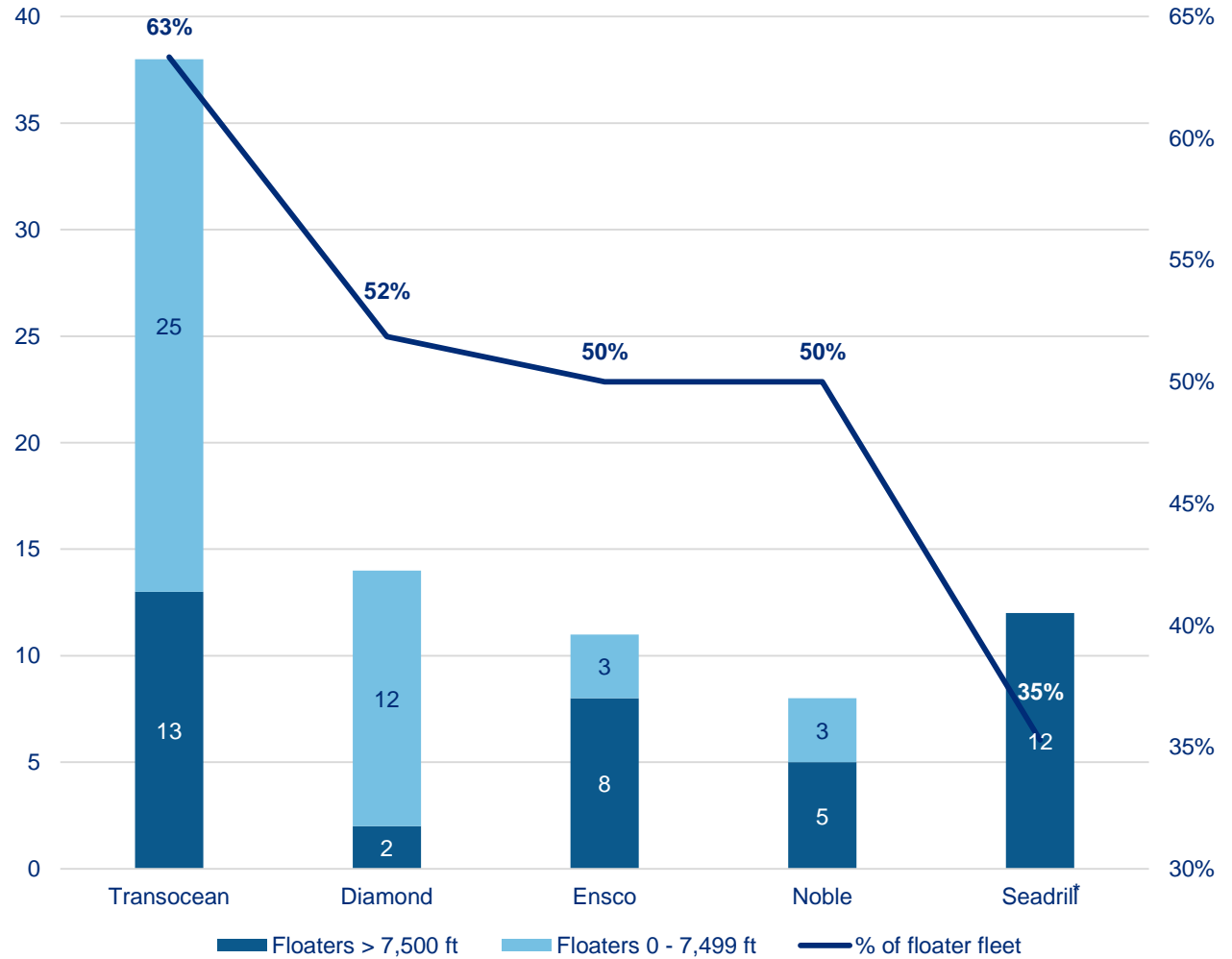
2016



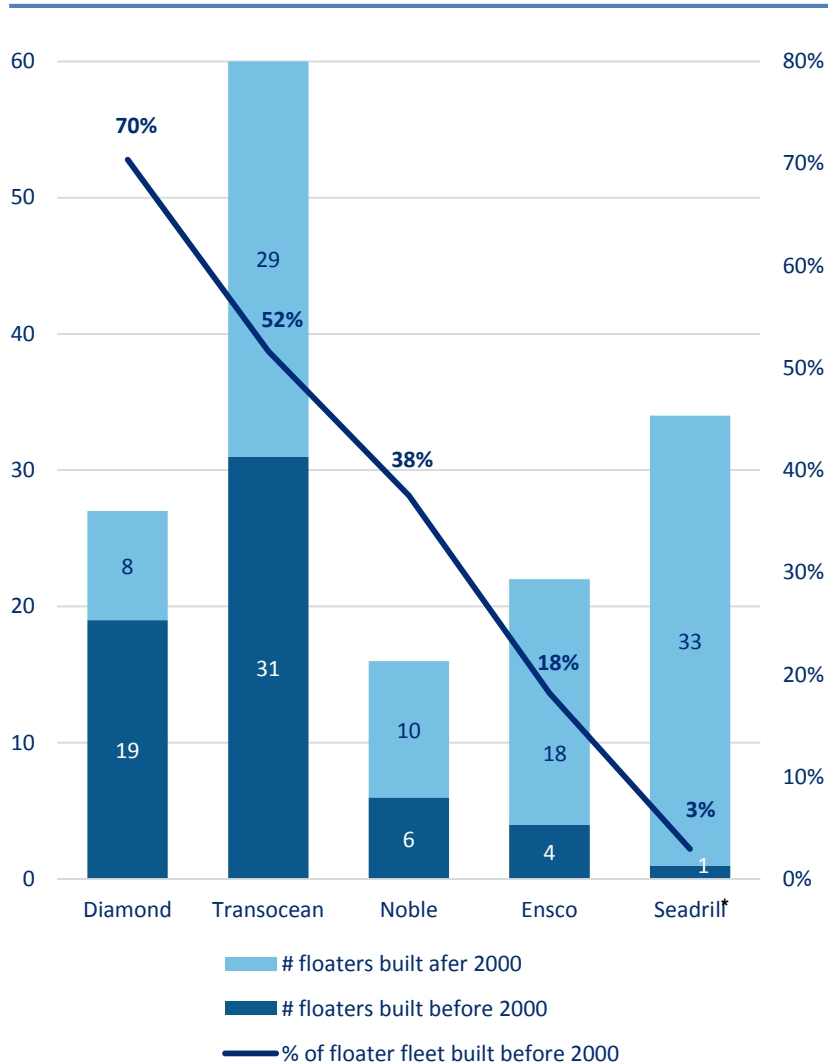
2017



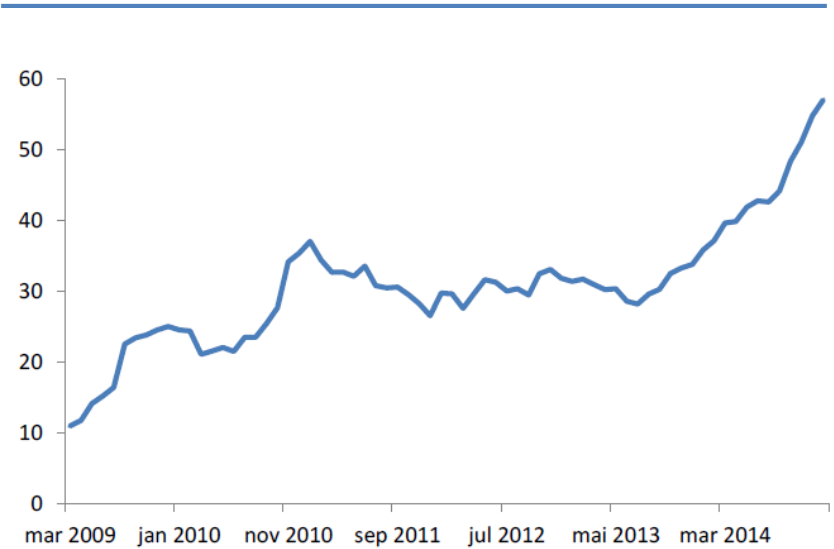
Marketed Floater Availability Until End of 2016



Marketed Floater Age

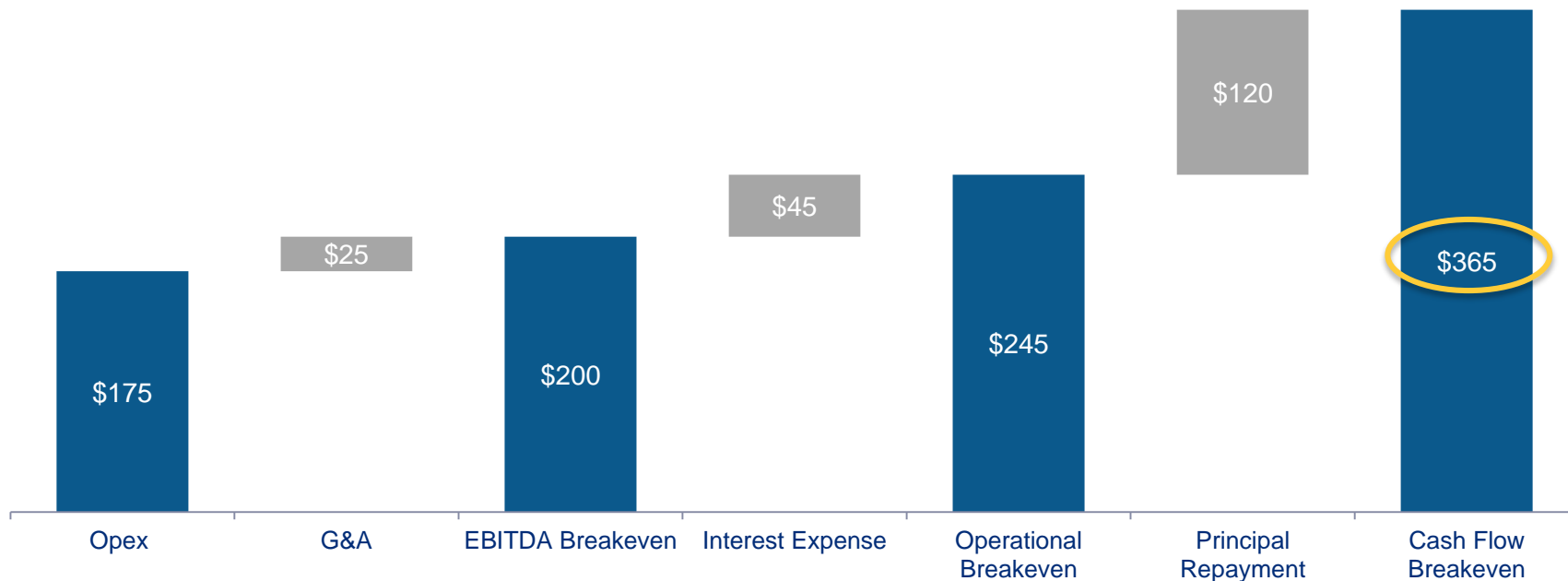


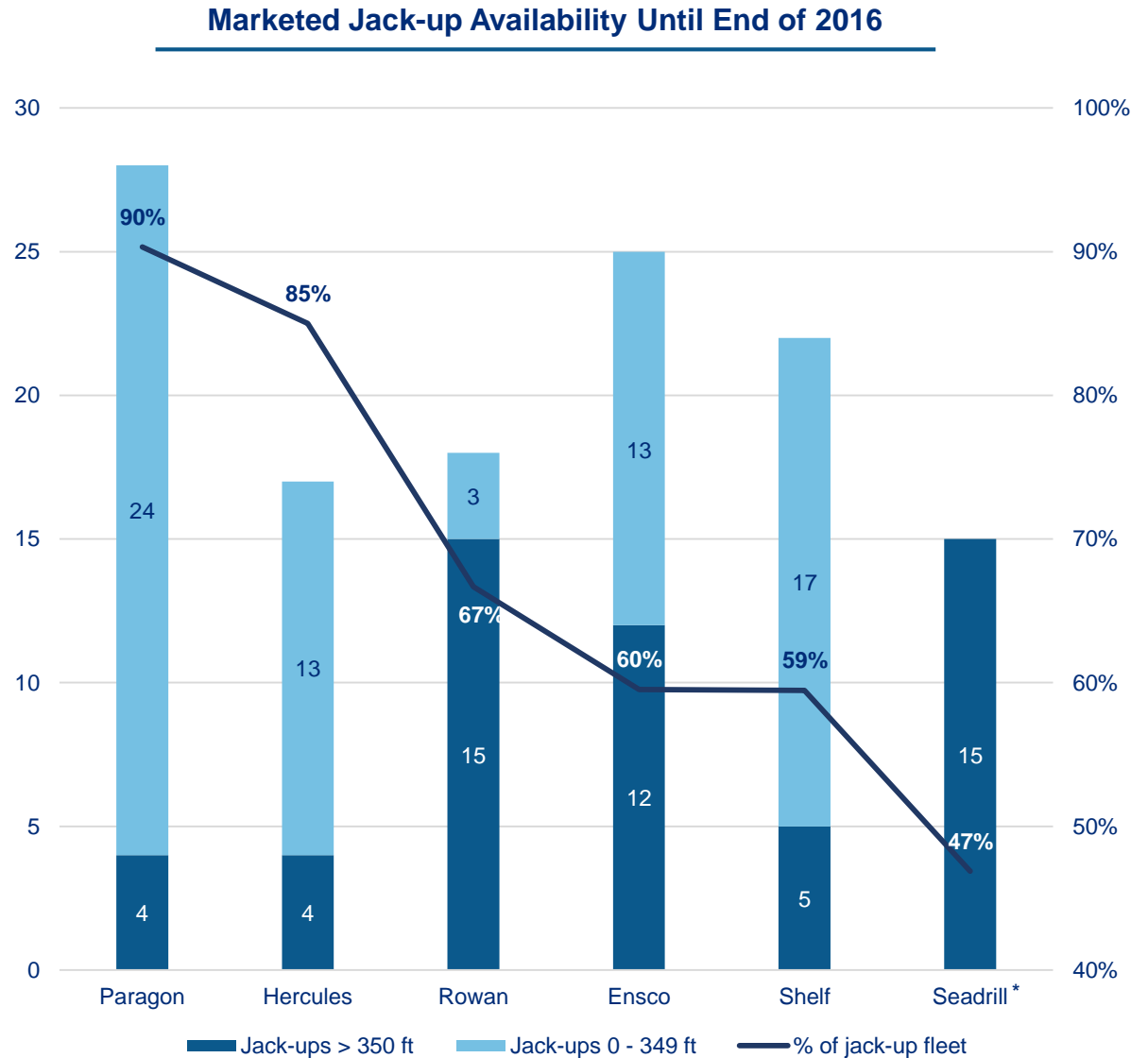
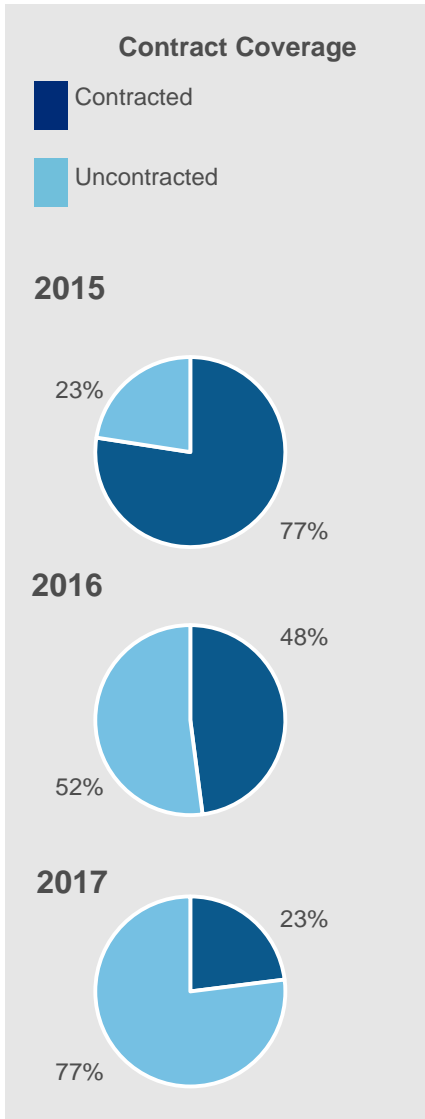
Stacking of Old Floaters



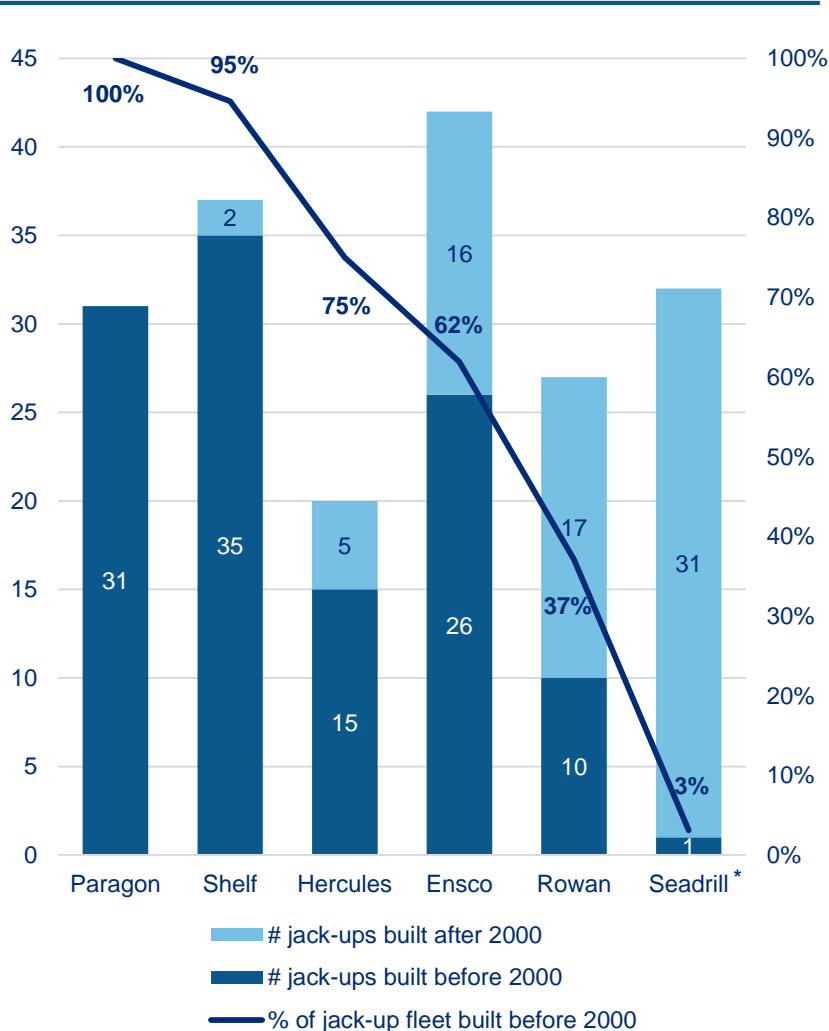
- 54 floaters are currently stacked
- This is an increase from 34 one year ago
- 15 floaters were retired last year. YTD 15 more are planned for scrapping.
- Out of ~240 currently contracted floaters approximately 70 rigs are coming off contract in the next 12 months

1 Year Ago	6 Months Ago	Today
<ul style="list-style-type: none"> “Typical Floater” 3 – 5 years \$525,000 - \$575,000 	<ul style="list-style-type: none"> “Typical Floater” 2 – 3 years \$475,000 - \$525,000 	<ul style="list-style-type: none"> “Typical Floater” 1 – 2 years \$350,000 - \$400,000

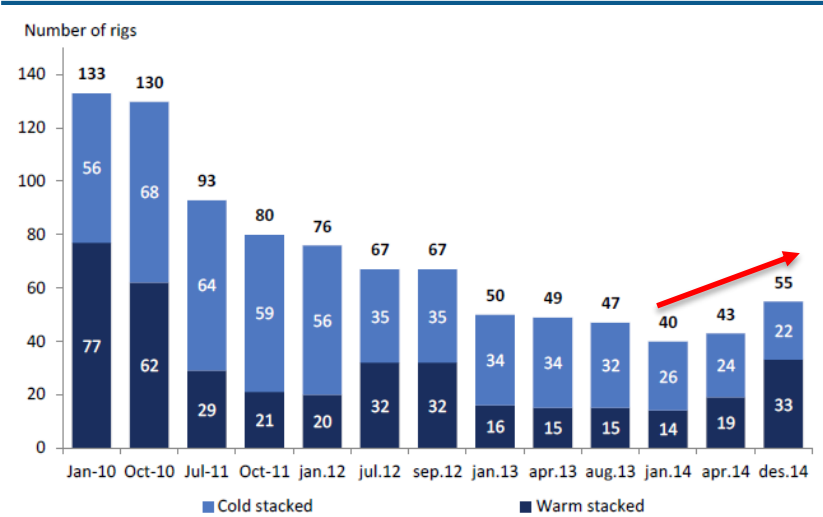




Marketed Jack-up Age

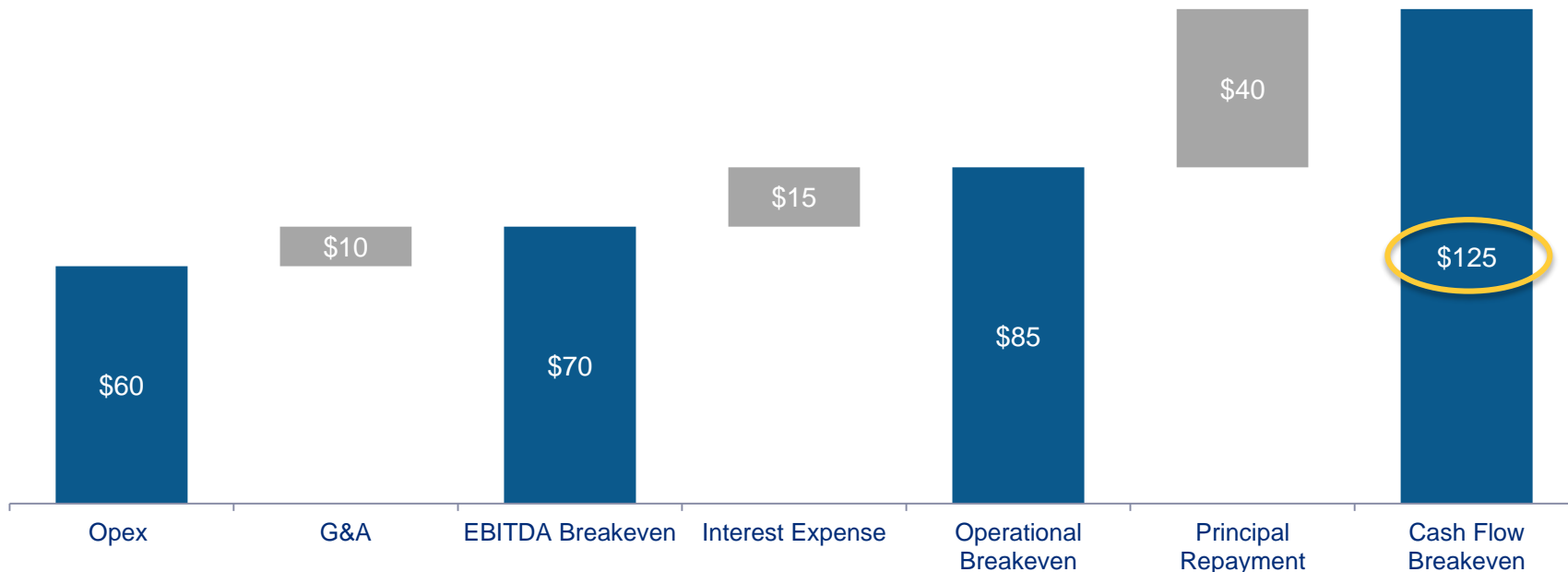


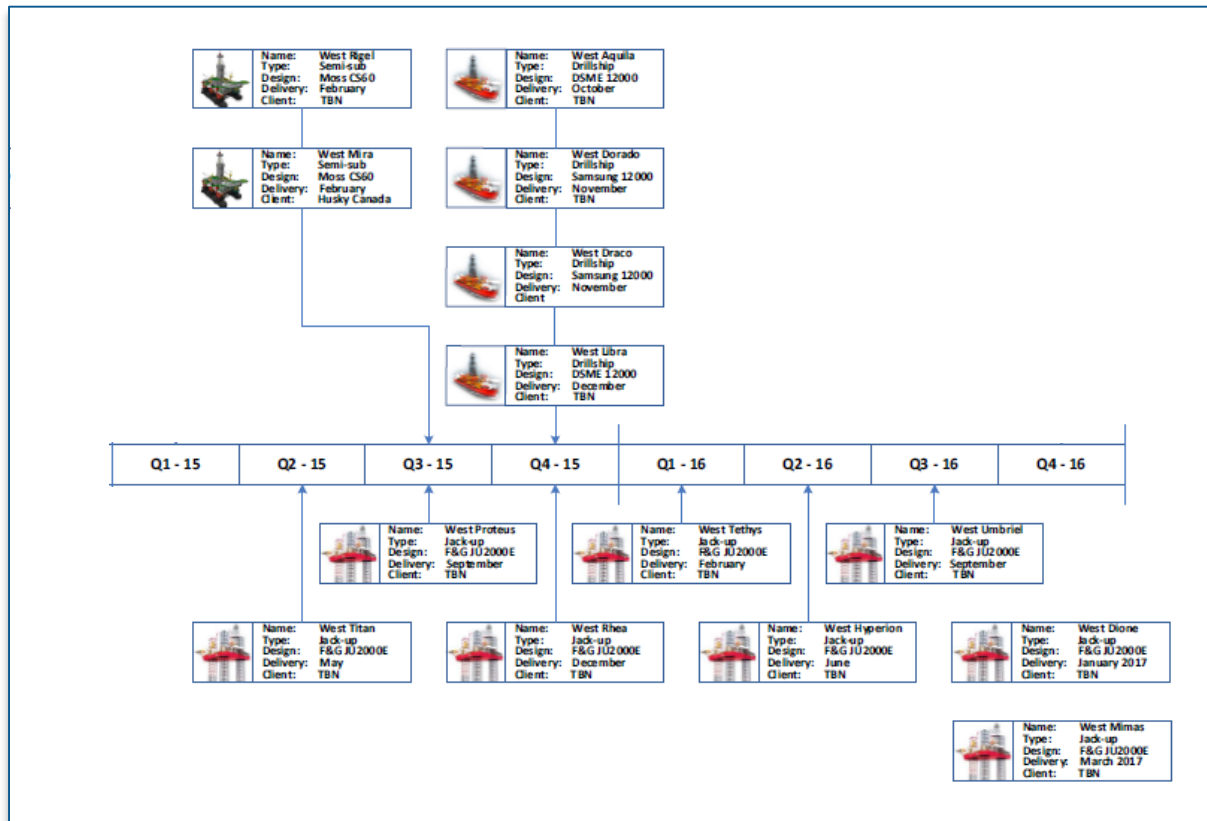
Stacking of Jack-ups



- In 2010 133 jack-ups were stacked (56 cold & 77 warm)
- Both warm stacked and cold stacked numbers are increasing again due to reduced activity and age of fleet. 109 jack-up units are currently stacked.
- Out of ~405 currently contracted jack-ups approximately 190 rigs are coming off contract in the next 12 months

1 Year Ago	6 Months Ago	Today
<ul style="list-style-type: none"> “Typical Jack-up” 1 - 2 years \$165,000 	<ul style="list-style-type: none"> “Typical Jack-up” 6 months - 2 years \$145,000 	<ul style="list-style-type: none"> “Typical Jack-up” 1 well - 2 years \$115,000





- We have the benefit of being part of the bigger Fredriksen Group
- We've adjusted the delivery timings of our new builds in light of market conditions
 - 4 JUs – pushed back 4 months
 - 2 JUs – pushed back 6 months
 - 2 JUs – pushed back 8 months
 - 1 SS – pushed back 12 months
- Discussions to defer other rigs ongoing

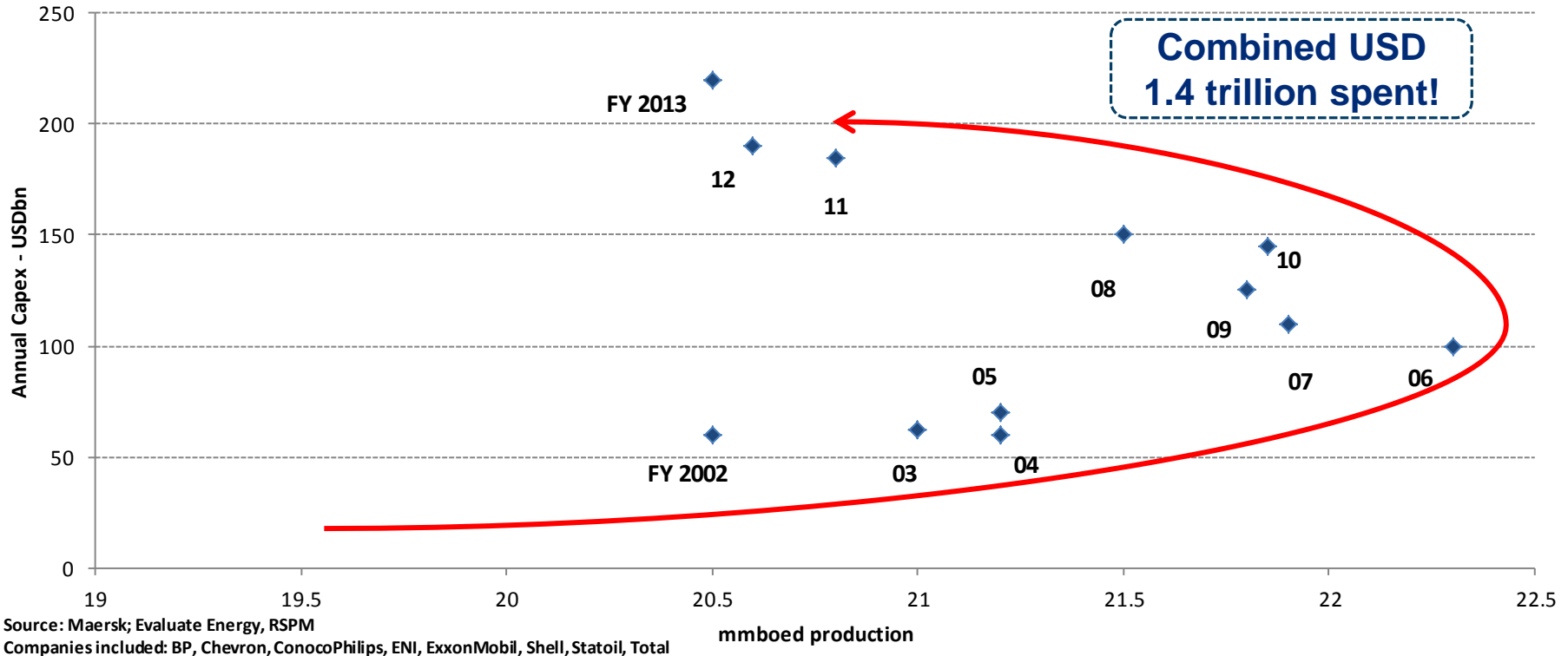
- Efforts we put in place in 2014 helped us deliver approximately \$220 million in savings versus budget in CAPEX, personnel cost, G&A, and other operating costs
- To keep costs a focus in 2015, we have put in place a cost savings program to identify both short-term and long-term cost savings across a wide range of opportunities, including the following
 - Purchasing and supply chain
 - Personnel costs
 - Other onshore costs
- Without compromising our safe operations, we believe savings opportunities in excess of \$250 million exist to be captured across our cost base...



Market Outlook



Major oil companies production and upstream investment 2002-13

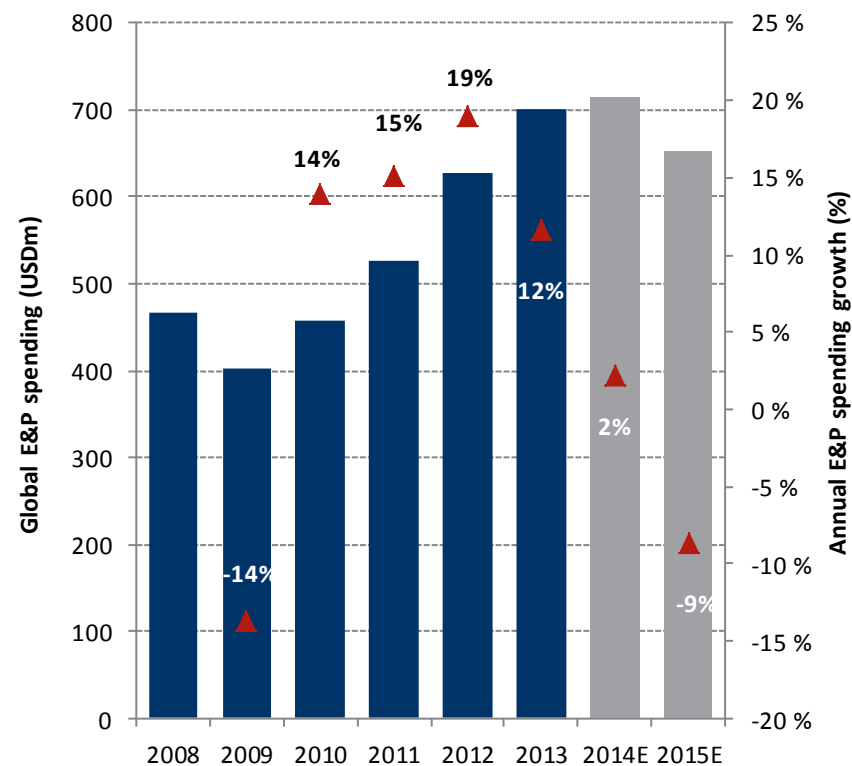


Massive cost inflation – you get less for more!

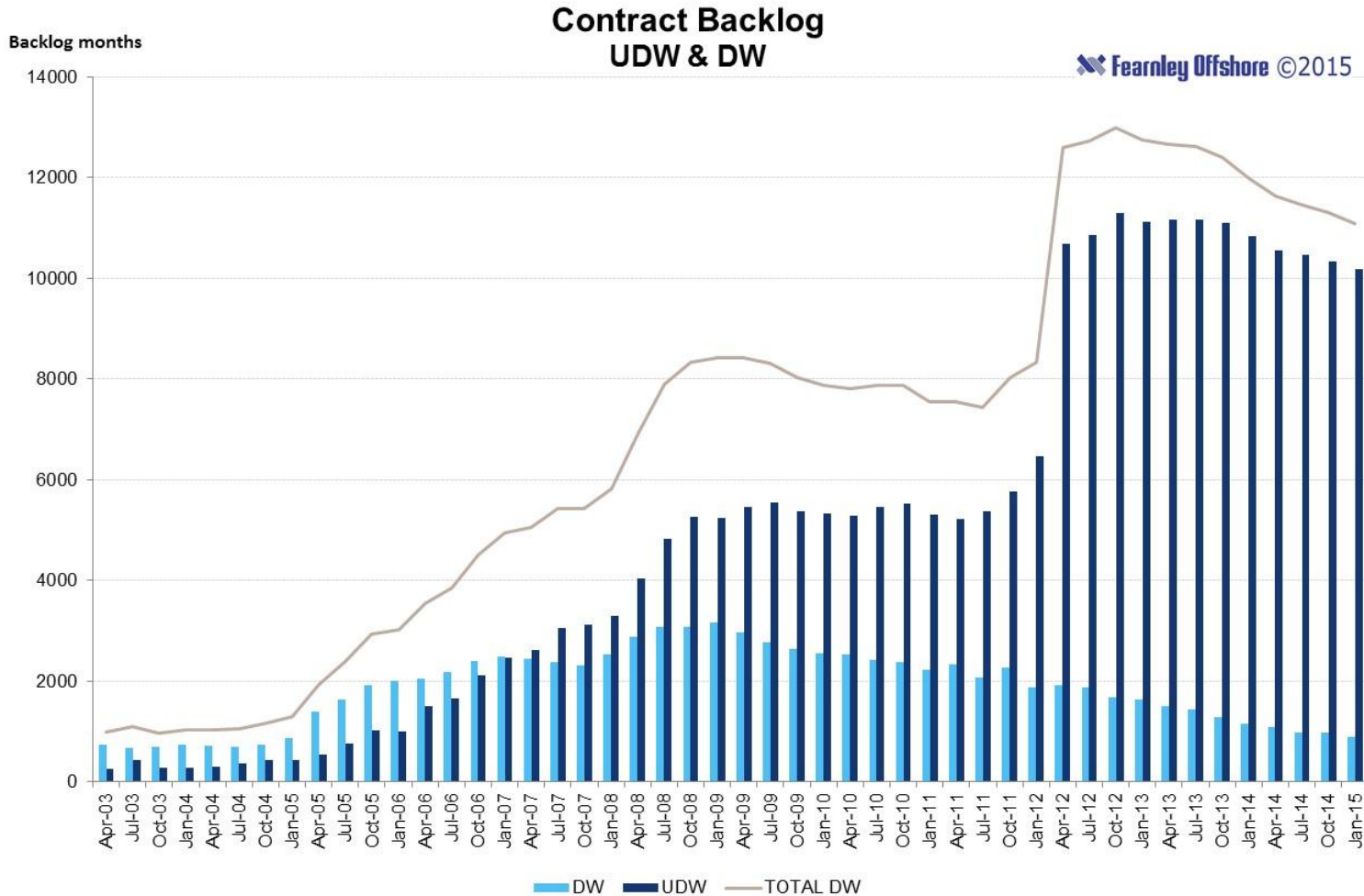
Brent back to 2009 level



2015 E&P Spending Estimates

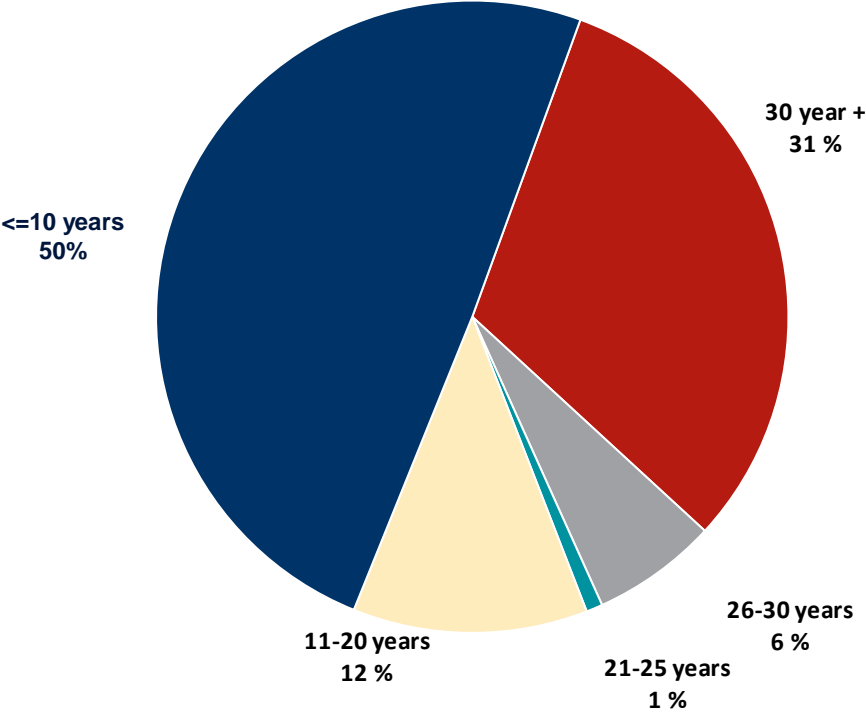


Expect a significant drop in E&P spending

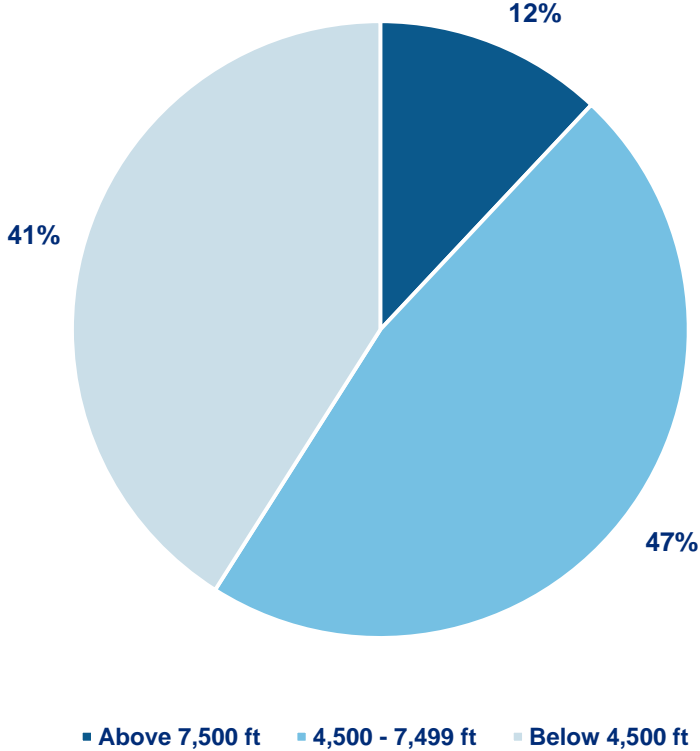


Bifurcation is a Reality

Average floater age today: 17 years



Operating Water Depth





- Modern, industry-leading fleet
- Long-standing reputation among customers for reliable operations
- Deep commercial backlog and close relationship with customers
- Experienced management team with strong backing and engagement from the Board
- Ability to take tough decisions and to quickly respond to opportunities in the market

**We will demonstrate better
and safer operations**