AWILCO DRILLING

Awilco Drilling Plc

USD 125 million Senior Secured Callable Bond Issue

Investor presentation

24 March 2014

Sole Manager & Bookrunner:

RS Platou Markets AS

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Content

Background

- Awilco Drilling is an Aberdeen-based drilling contractor, established in December 2009, owning and operating two mid water semi submersible drilling rigs in the UK North Sea
- Listed on the Oslo Stock Exchange with a market cap of USD 583 million*
- Awilco Drilling acquired the two semi submersibles from Transocean Inc. in January 2010:
  - GSF Arctic II built in 1982 (renamed: WilPhoenix)
  - GSF Arctic IV built in 1983 (renamed: WilHunter)
- The rigs were acquired for an aggregate price of USD 205m, which was financed by seller's credit of USD 165m (the "**Transocean Seller Note**") and equity of USD 50m
- Following the acquisition the rigs went through upgrade, maintenance and classification for an aggregate amount of approx. USD 97m for both rigs, financed by new equity and debt
- The rigs were redelivered from the yard in May 2011 and have since seen very strong utilization and an extensive long term contract backlog, today amounting to USD 712m**
- The only outstanding debt in the company per 1st of March 2014 is USD ~95,3m of the Transocean Seller Note
- The purpose of the Bond Issue is to refinance the Transocean Seller Note (the "**Refinancing**")
- Awilco Drilling will have no long term debt outstanding other than the bond loan after the Refinancing

** Shareprice as of close 21/3/2014 at NOK 117.5 and USD/NOK exchange rate of 6.0589*
*** As of 23/03/2014, excluding options*

Transaction Highlights

Pledge in proven, high quality asset

- 1st lien pledge in WilPhoenix, a F&G Enhanced Pacesetter semi submersible, equipped for drilling in water depths up to 1,200 ft.
- Financial efficiency of c. 90% since 2011 ~USD 65m upgrade

Solid contract coverage

- WilPhoenix is contracted up until Q3 2017 plus 27 months of options
- Firm company contract backlog of USD 712m (per 23/03/2014)
- Strong counterparties in Premier, Hess and Apache/Taqa

Strong sponsor

- Awilhelmsen AS is the largest shareholder in Awilco Drilling Plc through Awilco Drilling AS (48.7% ownership)
- Awilhelmsen AS is a diversified investment company with a strong track record in the shipping and offshore industry since 1939

Experienced management

- Senior Management with 27 years of avg. experience from the drilling industry
- Strong track record of operational efficiency and relationship with all key operators on the UK shelf

Strong balance sheet and credit metrics

- Net debt to Enterprise Value of 7.4% as of Q4 2013
- Total debt to 2013 EBITDA of 0.8x
- 2013 EBITDA to interest expense at 15.9x at Q4 2013

Summary of Main Terms

Issuer:	Awilco Drilling Plc.
Guarantors:	WilPhoenix (Malta) Ltd, WilPhoenix (UK) Ltd., Awilco Drilling Pte Ltd.
Amount:	USD 125 million
Use of proceeds:	Net proceeds from the Bond Issue shall be employed to (i) refinance the Transocean Seller Note and for (ii) general corporate purposes
Status:	The Bonds shall constitute senior debt of the Issuer and the Guarantors and shall be secured on a first priority basis against certain assets of the Issuer and the Guarantors. The Bonds shall rank ahead of any subordinated capital
Security:	To include inter-alia, Escrow Account Pledge, 1st priority Share Pledge in Rig Owning Guarantor, 1st priority mortgage in the rig WilPhoenix "the Rig", assignment in Earnings of the Rig, assignment in Drilling Contract, assignment in insurances
Coupon:	[6.5 – 7.25]% payable semi-annually in arrears
Issue Price:	100% of par value
Settlement Date:	Expected to be on or about 9 April '14
First Interest Payment Date:	Expected to be 9 Oct '14 (6 months after the Settlement Date)

Final Maturity Date:	Expected to be 9 April'19 (5 years after the Settlement Date)
Amortization:	USD 5 million on each Interest Payment Date with remaining balance on Final Maturity Date
Financial Covenants:	• Minimum Liquidity of USD 10 million • Minimum Book Equity Ratio of 35%
Other Covenants:	Customary and standard covenants including; negative pledge on Rig Owning Guarantor, restrictions on further indebtedness in Rig Owning Guarantor, financial assistance, merger, de-merger, disposal of business
Call Options (American):	Non-callable during the first 2 (two) years including make-whole at T+50bps • During year 3 (three) at 103.375% of par value • During year 4 (four) at 102.50% of par value • During year 5 (five) at 101.50% of par value
Mandatory Prepayment:	Mandatory prepayment at call-option levels upon sale of the Rig or sale of the Rig Owning Guarantor. At a price of 100% upon the occurrence of a Total Loss Event.
CoC:	Put at 101% of par value (plus accrued interest)
Trustee:	Norsk Tillitsmann ASA
Governing Law:	Norwegian law bond agreement, relevant applicable law for security documents
Sole Manager:	RS Platou Markets AS

Sources and Uses and Pro-forma Cap Structure

Sources and uses:

Sources	USDm
Bond Issue	125.0
Total	**125.0**

Uses	USDm
Transocean Seller Note per Jan 15, 2014	95.3
Transaction expenses	1.6
Cash	28.1
Total	**125.0**

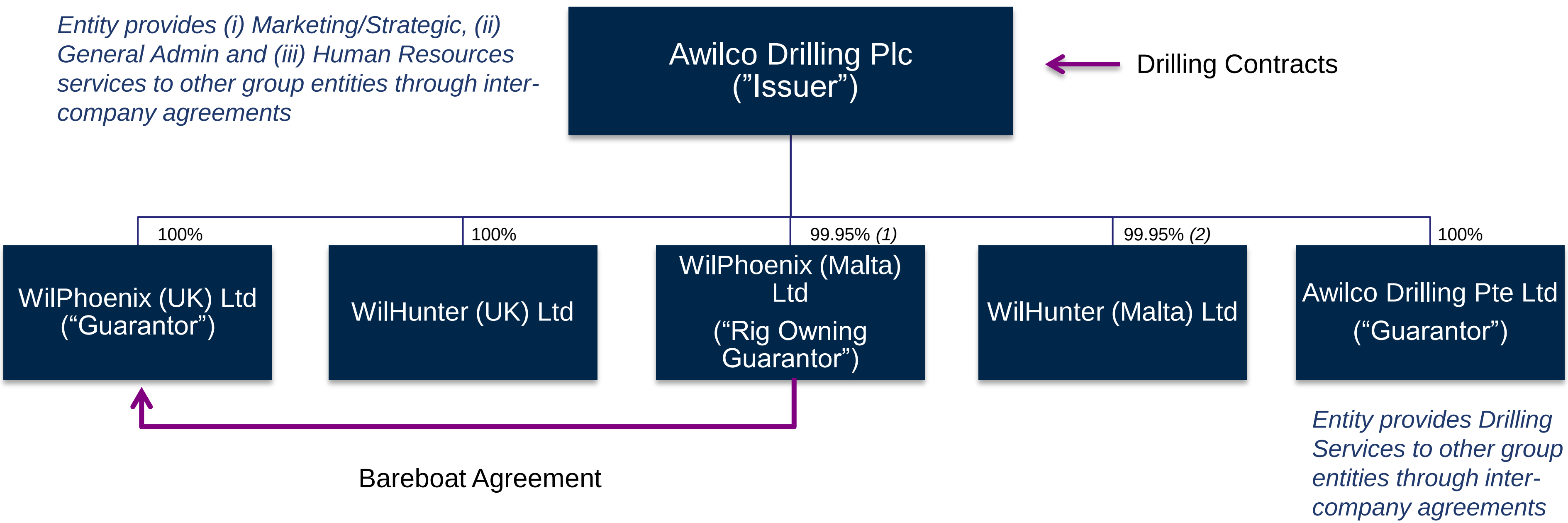
- Transocean Seller Note outstanding per March 1st 2014 of USD 95.3m
- Estimated transaction expenses of USD ~1.6m
- Change in cash of USD ~28.1m

Pro-forma cap structure:

Balance sheet	Q4 2013 Pro-forma
Rigs, machinery and equipment	245.3
Deferred tax assets	2.8
Fixed assets	**248.0**
Trade and other receivables	14.4
Prepayments and accrued revenue	25.8
Inventory	4.8
Cash and cash equivalents	77.6
Current tax	42.3
Current assets	**165.0**
Total assets	**413.0**
Deferred tax liability	0.6
Long term debt	-
Bond loan	125.0
Long term liabilties	**125.6**
Trade and other creditors	3.1
Accruals and provisions	25.2
Current tax payable	53.3
Short-term liabilities	**81.6**
Shareholder's equity	**205.9**
Total equity and liabilties	**413.0**

Pro-forma cap structure based on Q4 2013 reported figures

Corporate Structure



(1) WillPhoenix (UK) Ltd is 0.05% shareholder
(2) WilHunter (UK) Ltd is 0.05% shareholder

Content

WilPhoenix Specification



Name:	WilPhoenix
Flag:	Vanuatu
Owner:	WilPhoenix (Malta) Ltd.
Manager:	Awilco Drilling PLC.
Previous Name(s):	Vinland; Maersk Jutlander; Jutlander; GSF Arctic II; Arctic II
Year built:	1982
Builder:	Gotaverken Arendal, Sweden
Design:	Friede&Goldman L-907 Enhanced Pacesetter semi-submersible
Classification:	DnV 1A1 column stabilised drilling unit

MAIN DIMENSIONS

Length:	308 ft
Breadth:	200 ft main deck
Depth:	120 ft keel to main deck
Columns:	4 x corner column, 35 ft diameter with stability boxes 3.8 mts L x6.8mts W and length of columns; 2 x centre column, 35ft diameter
Pontoons:	2 x 260 ft x 50 ft wide x 25ft deep with sponsons 1.5mts W x 7.32 mts Hx48mts L

DRAFT AND DISPLACEMENT

Operation Draft:	64 ft
Transit Draft:	25 ft
Survival Draft:	50 ft
Operation Displacement:	26,353 ton
Transit Displacement:	17,556 ton

MACHINERY

Main Power:	4 x Nohab F312 12-cylinder diesel with maximum continuous power 2652 hp with 4 xSiemens 1808 kW ac generator
Power Distribution:	8 x Siemens SCR power unit, 720V dc, 1200amp; 4 x Sundberg AB transformer 1200 kVA; 3x Sundberg AB transformer 875 kVA
Emergency Power:	1 x MAN/D2542 MLE 401 kW diesel driving a Siemens emergency generator set

OPERATING PARAMETERS

Water Depth:	1200 ft
Maximum drilling Depth:	25000 ft
Survival Conditions:	Wind: 100 knots; wave height: 100 ft; period: 13.5 sec; draft: 65ft
Drilling Conditions:	Wind: 60 knots; wave height: 50ft; period 10 sec: draft: 47ft
Design Conditions:	Max wind speed: 100 knots; max wave height: 100 ft

DRILLING EQUIPMENT

Derrick:	Dreco 195x40x40ft, 1,250,000 lb static hook load with 14 lines; Crown block: Maritime Hydraulics, 650 ton
Drawworks:	National 1625 UDBE 3000 hp with 3 x GE 752 motors & disc brake and a Baylor 7838 auxiliary electric brake
Rotary:	Ideco 49 ½ in hydraulic motor driven, non-drilling
Top Drive:	Maritime Hydraulics DDM-650-HY-C-359, 570 ton, continuous drilling torque rating of 40,450ft/lb
Travelling:	Ideco integral block, 750 st
Riser Tensioners:	8 x 80,000 lb NL Shaffer 50 ft line travel
Guideline Tensioners:	4 x16,000 lb NL Shaffer, 40 ft line travel
Pod tensioners:	NL Shaffer 2 x16,000 lb, 40 ft travel
Motion Compensators:	Motion compensator with Travelling Block: Maritime Hydraulics MH 1659 Compensated capacity 540,000lb
Cementing:	Schlumberger remote operated
Mud Pumps:	2 x Ideco T-1600, 1600 hp triplex, each driven by 2 x Siemens dc motor rated to 5000 psi with plungers and high pressure liners; 1xNational Oilwell 12-P-160 1600 hp triplex driven by 2 x GE 752 dc traction motor, rated to 5000 psi with plungers and high pressure liners

WilPhoenix Specification cont'd

CAPACITIES

Variable Deck Load:	4167 Tonne
Bulk Mud/Cement:	3778/5777 ft3
Liquid Mud:	1743 bbls
Sacks:	6000 sacks (100 lb ea)
Drillwater:	13,737bbls
Potable Water:	332 Tonne
Fuel Oil:	8013 bbls
Others:	Base Oil 3711 bbls Brine 2016 bbls

SUBSEA SYSTEMS

BOP:	2 x 183/4 in Shaffer SLX double ram preventer, 15,000 psi; 1x 183/4 in Shaffer annular preventer, 10,000psi; 1x183/4 in Shaffer annular preventer, 5000 psi
Control System:	1 x 1190 gallon, 3000 psi air/electric powered BOP control system with three control panels
Riser Details:	1200 ft x Regan FC8 21in od ½ in wall thickness
Diverter:	Regan KFDS-3, 23in nominal size diverter with Regan DR-1 ball joint; All H2S and HPHT service
Drillpipe:	As required
Drillcollars:	As required
Choke and Kill:	Choke and kill manifold 2 9/16 in API bore 15,000 psi wp

MOORING

Winches: 4 x Norwinch 2A-76-2 E1-hydraulic double winch
Wire/Chain: 8 x 4250ft x 3in K4 anchor chain
Anchors: 8 x 12 te Stevpris MK6 with chain chasers

CRANES:	2 x Liebherr, 120ft boom, 29.5 Tonne (33 st) at 31 ft radius; 1x Liebherr 80 ft bom 40 Tonne (55st) at 31ft radius
HELIDECK:	S-61N, 85 ft x 87 ft
MOONPOOL:	75 ft x 20 ft
ACCOMMODATION:	110 berths - 2 man cabins- extensive additional offices, as a result of 2010 upgrades
ADDITIONAL DATA:	Solids control: 4 x Derrick 626 Dual Pool Shakers. STEP automated mud mix system.
Safety equipment:	Lifesaving and fire-fighting equipment in accordance with Danish Maritime Authority, UK DOE/DOT, Canadian Coast Guard regulations and IMO MODU code.

WilHunter Specification

Name:	WilHunter
Flag:	Vanuatu
Owner:	WilHunter (Malta) Ltd.
Manager:	Awilco Drilling PLC
Previous Name(s):	Benreoch; Stena Forth; Glomar Arctic IV, GSF Arctic IV
Year Built:	1983
Builder:	Daewoo Shipbuilding & Heavy Machinery Ltd, Korea; upgraded: 1999
Design:	Friede & Goldman L-907 Enhanced Pacesetter semi-submersible
Classification:	DnV 1A1

MAIN DIMENSIONS

Length:	281ft bp; 221ft main deck
Breadth:	207ft overall; 203ft main deck
Depth:	116ft main deck; 150ft drill floor
Columns Corner:	4 x 38ft diameter; Middle: 2 x 35ft diameter
Pontoons:	2 x 270ft long
Deck Area:	40,461.5ft2

DRAFT AND DISPLACEMENT

Operating Draft:	65ft
Transit Draft:	24.5ft
Survival Draft:	50ft
Operating Displacemen	t: 28421 ton
Transit Displacement:	18062 ton

MACHINERY

Main Power:	4 x Ruston 12-RKCZ diesel engine, 3320hp
Power Distribution:	6 x Hill Graham SCR unit, each rated at 1200amp; 2 xdistribution transformer 1300/1600kVA, 600-480V
Emergency Power:	1 x turbo Caterpillar 3512 diesel rated at 955kW
Propulsion:	2 x in-line fixed propeller with nozzles, 1492bhp each

OPERATING PARAMETERS

Water Depth:	1500ft
Maximum Drilling Dept	h: 25000ft
Transit Speed:	5 knots
Survival Conditions:	Wind: 100 knots; waves: 100ft
Drilling Conditions:	Wind: 75 knots; max wave height: 50ft; current: 1.5 knots
Design Conditions:	-20o C

DRILLING EQUIPMENT

Derrick:	Derrick Services International 175x40x40ft: 1,400,000 lb static hook load capacity with 14 lines
Drawworks:	National Oilwell 1625-DE, 3000hp, driven by 3 x Unirig DM7661DC electric motor and with a Baylor 7838 auxiliary electric brake
Rotary:	National Oilwell C-495 with 49½ in opening, Unirig motor driven
Top Drive:	Maritime Hydraulics DDM-650, 570 ton, continous drilling torque rating 40,400ft/lb, max rpm 265
Travelling Block:	National 760-H650; rotary swivel: Wirth, 580 ton
Handling:	BJ V-34-238FB 3-arm racking with power supply; Maritime Hydraulics Iron Roughneck
Riser Tensioners:	8 x Brown Brother, 110,000lb, 50ft line travel
Guideline Tensioners:	4 x Brown Brothers, 16,000lb, 40ft line travel
Motion Compensators:	Brown Brothers in-line 600,000 lb compensating, 20ft stroke, 1,500,000 lb locked capacity; active heave compensator: Maritime Hydraulics In Line, 17ft stroke
Cementing:	Schlumberger remote operated
Mud Pumps:	2 x National Oilwell 12-P-160 1600hp; 1 x Continental Emsco FB 16001600hp triplex, each driven by 2 x Unirig dc traction motor,rated to 5000psi with plungers and hi-pressure liners

WilHunter Specification cont'd

CAPACITIES

Variable Deck Load:	4017ton (8,998,000 lb)
Bulk Mud/Cement:	11400/11400ft3
Liquid Mud:	2235bbl
Drillwater:	8600bbl
Potable Water:	981bbl
Fuel Oil:	8600bbl
Others Base oil:	3424bbl; brine: 3245bbl

SUBSEA SYSTEMS

BOP:	2 x 183/4 in Cameron D 10,000psi annular preventer; 2 x 183/4 in Cameron U2 15,000psi double ram preventer; 183/4 in x 15,000psi Vetco H4 E x F connector; LMRP: Cameron Model 70 Collet connector
BOP Handling:	Normar 205.36 ton (230st) BOP elevator
Control System:	Cameron hydraulic system with 2xsubsea hose
Riser Details:	1600ft x Cameron RD 21" od
Diverter:	Regan KFDS 24in nominal size diverter with Regan type DR-1 ball joint
Drillpipe:	As required
Drillcollars:	As required
Choke and Kill:	3 1/16" 15,000psi, 1 x adjustable choke , 2 x hydraulic chokes.

MOORING

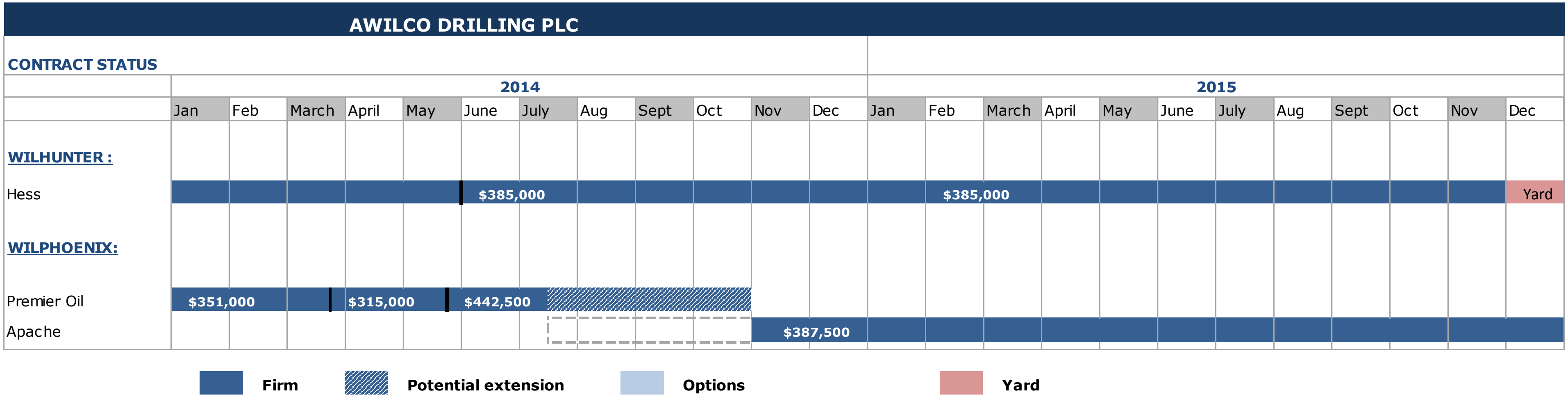
Winches:	4 x Skagit WMD-48 double wildcat with dynamic disc brakes
Wire/Chain:	8 x 6300/6500ft x 3in diameter K-4 chain
Anchors:	8 x 26,500 lb Bruce TS

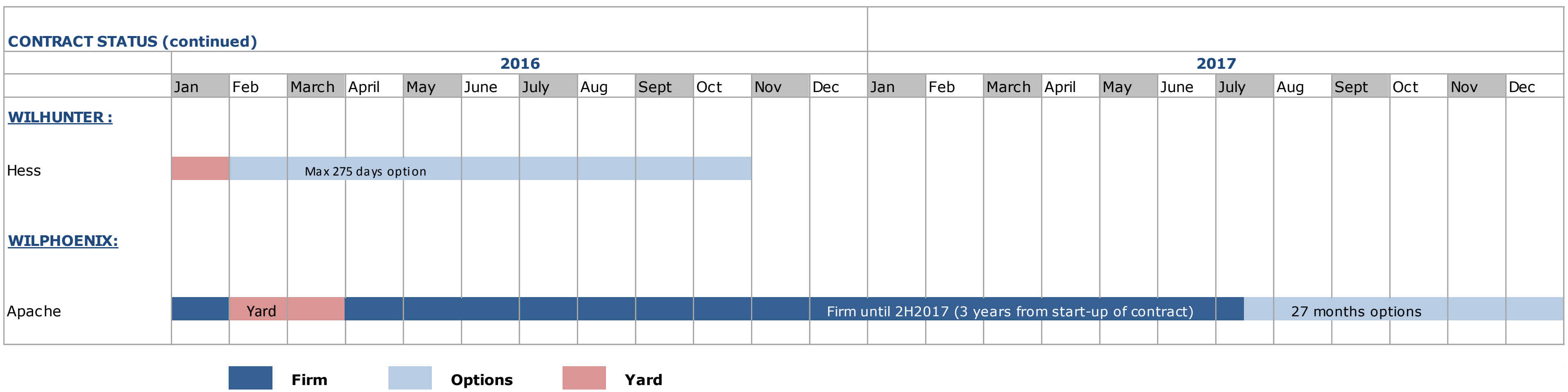
CRANAGE:	3 x National OS-435 hydraulic; 2x140ft boom, 43.5 ton (48.75st) at 3ft; 1 x 80ft boom, 45.89 ton (51.4st) at 33ft
HELIDECK:	72ft x 88ft
MOONPOOL:	72ft x 23 ft
ACCOMMODATION:	110 berths
ADDITIONAL DATA:	Solids control: 3 x Axiom AX-1 shale shaker; piping and electrical hook-ups for one centrifuge

About Awilhelmsen

- Awilco Drilling was founded in 2009 by Awilhelmsen AS, currently holding 48.7% through Awilco Drilling AS
- Awilhelmsen AS is a privately held investment company
- Awilhelmsen AS' shipping/offshore arm was established in 1939 managing shipping and oil services businesses of the Group. In addition to various holdings in the shipping industry, Awilco AS has been a reputable player in the offshore oil service segment including ownership and operations in offshore drilling, floating production, offshore supply vessels, accommodation rigs and diving support vessels

Contract Status – Current Backlog USD 712 million*





*as of 23 March 2014

Drilling contracts overview

	WilPhoenix				WilHunter
Operator	Premier sublet	Premier	Premier	Apache	Hess
Nature of Work	Drilling	Drilling	Drilling	Drilling	Decommissioning
Contract Execution Date	3rd May 2012	3rd May 2012	3rd May 2012	12th August 2013	30th August 2012
Contract Entity	Awilco Drilling Plc	Awilco Drilling Plc	Awilco Drilling Plc	Awilco Drilling Plc	Awilco Drilling Plc
Contract Location	Central North Sea	Central North Sea	Central North Sea	Central & Northern North Sea	Central North Sea
Contract End	28/02/2014	19/05/2014	18/07/2014	07/07/2017 (in direct continuation)	01/12/2015
Remaining Term - Days (Fm 1st January 2014)	59	80	60 min but poss up to 31 Oct	1085	699
Day Rate - USD	351k	315k	442.5k	387.5k	365/385
Backlog Value - USD	21 million	25 million	27 million	424 million	266 million
Options - Unpriced	N/A	N/A	N/A	9 x 3 mths	275 days
Declaration	N/A	N/A	N/A	18 mths before contract end	1st March 2015 (1 yr 10 mths after commencement)
Termination Provisions	Material Breach with 7 day right to remedy Force Majeure 14 days Breakdown of equipment - 20 consecutive days			Convenience - standby rate for remaining term Material Breach with 10 day right to remedy Force Majeure - 30 days (or 40 over 60 day period) Breakdown of equipment - 30 consecutive days Failure to comply with Business Ethics/Anti-Bribery Act	Material Breach with 10 day right to remedy Force Majeur - 15 days Breakdown of equipment - 20 consecutive days

AWILCO DRILLING

Shareholder Overview (as of 31 Dec, 2013)

Rank	Name	Shares	Percentage
1	Awilco Drilling AS	14,633,100	48.73%
2	Euroclear Bank SA	1,939,013	6.46%
3	ML Proffessional Clearing Group	1,129,000	3.76%
4	Citibank	855,884	2.85%
5	QVT Fund V LP	851,898	2.84%
6	JPMorgan Chase Bank	579,571	1.93%
7	Citibank	523,643	1.74%
8	Deutsche Bank AG	491,387	1.64%
9	Merrill Lynch, Pierce, Fenner & Son	438,436	1.46%
10	Goldman Sachs & Co Equity	404,604	1.35%
11	UBS Securities LLC	378,166	1.26%
12	Morgan Stanley & Co LLC	346,877	1.16%
13	Avanza Bank AB	333,253	1.11%
14	Citibank	258,806	0.86%
15	Nordnet Bank AB	236,578	0.79%
16	J.P. Morgan Chase Bank London	236,081	0.79%
17	JPMorgan Chase Bank	234,627	0.78%
18	VPF Nordea Norge Verdi	232,749	0.78%
19	Skandinaviska Enskilda Banken	232,433	0.77%
20	State Street Bank and Trust Co.	226,944	0.76%
	Other	5,468,450	18.21%
	Total	30,031,500	100.00%

AWILCO DRILLING

Content

Summary of Key Historical Financials

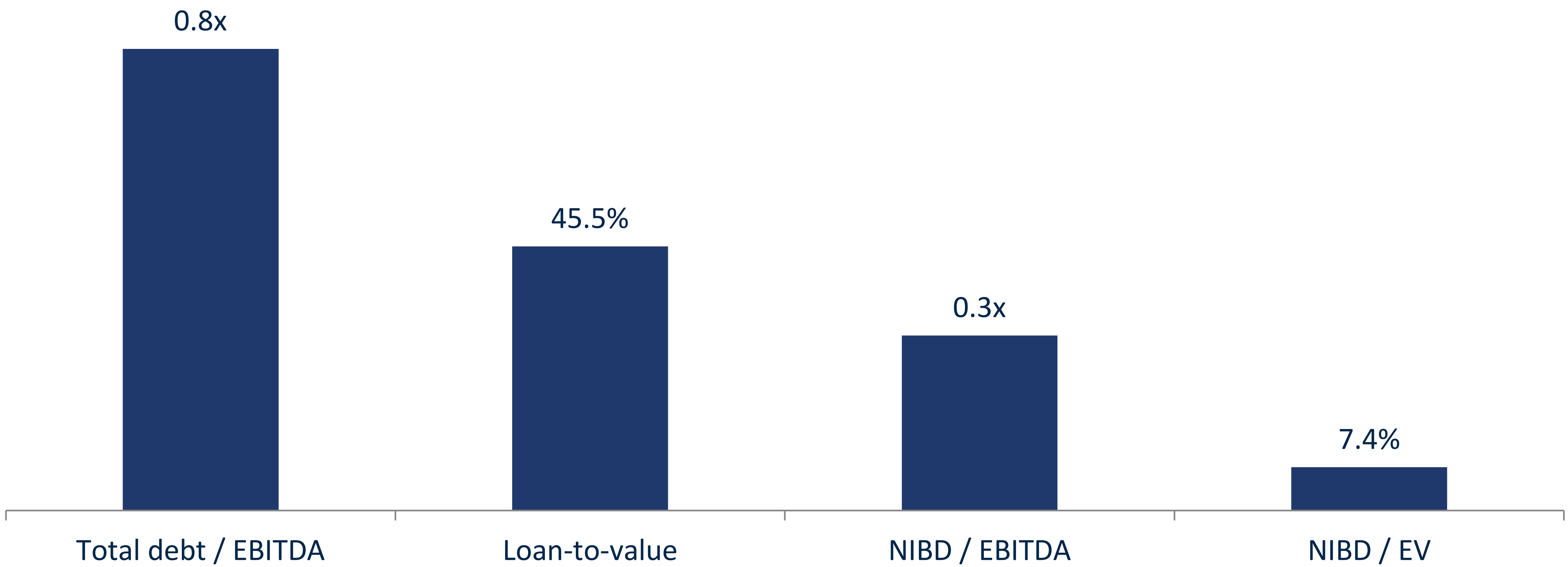
Summary of P&L and CF	2011A*	2012A	2013A**
Turnover	76	152	237
EBITDA	8	74	157
EBITDA Margin	*10%*	*49%*	*66%*
Net Cash Capex	(68)	(5)	(13)
Net Cash Taxes	(0)	(3)	(10)
Cash flow for Debt Services	**(61)**	**66**	**134**
Net Cash Financials	(14)	(14)	(10)
Other financial items	3	(0)	3
Debt Amortization	(9)	(50)	(17)
Excess Cash Flow	**(80)**	**2**	**111**
Equity financing	19	-	-
Debt financing	29	10	-
Dividend paid	-	-	(93)
Total Excess Cash Flow	**(33)**	**12**	**18**
Total Cash	25	17	78
Total Debt	155	115	125
Net Debt	**130**	**98**	**47**

Summary Credit Statistics	2011A*	2012A	2013**
Equity ratio	44%	56%	50%
EBITDA/Interest Expenses	0.5x	5.2x	16.1x
Total Debt/EBITDA	20.3x	1.6x	0.8x
Net Debt/EBITDA	17.0x	1.3x	0.3x

** Both rigs started operation in May 2011*

*** All P&L items as reported in Q4 2013, all balance sheet items based on pro-forma Q4 balance sheet*

Credit Statistics



Total debt / EBITDA: Total debt of USD 125m, pro forma Q4 2013

2013 EBITDA

Loan-to-value: Total debt of USD 125m, pro forma Q4 2013

Mid-range charter free valuation of USD 275m per rig

NIBD / EBITDA: NIBD of USD 47m, pro forma Q4 2013

2013 EBITDA

NIBD / EV: NIBD of USD 47m, pro forma Q4 2013

M.Cap as of 21/3/2014, NIBD and working capital adj. pro forma Q4 2013

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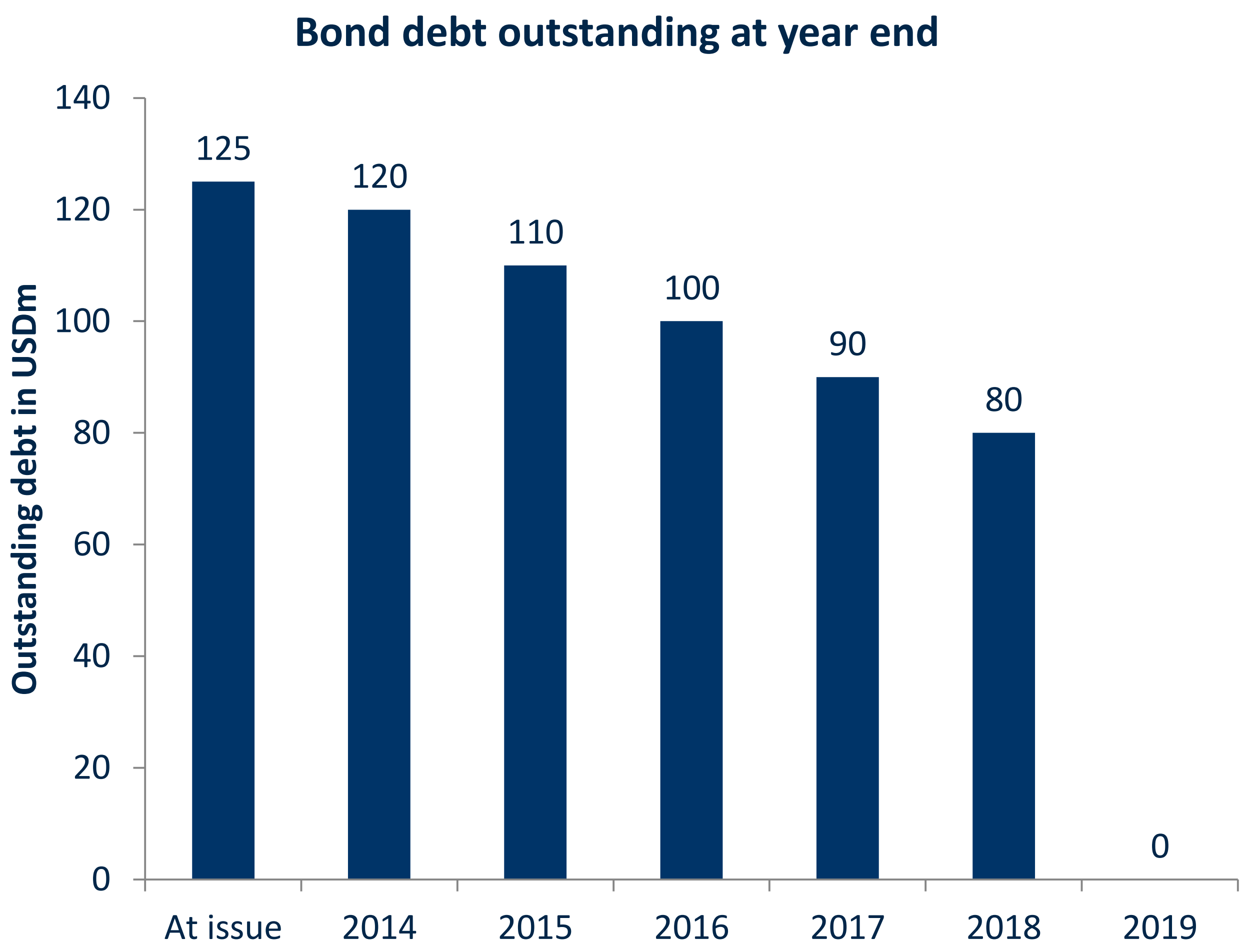
Amortisation Overview



- Semi-annually amortisation of USD 5m
- Bond maturity in Q2 2019

Content

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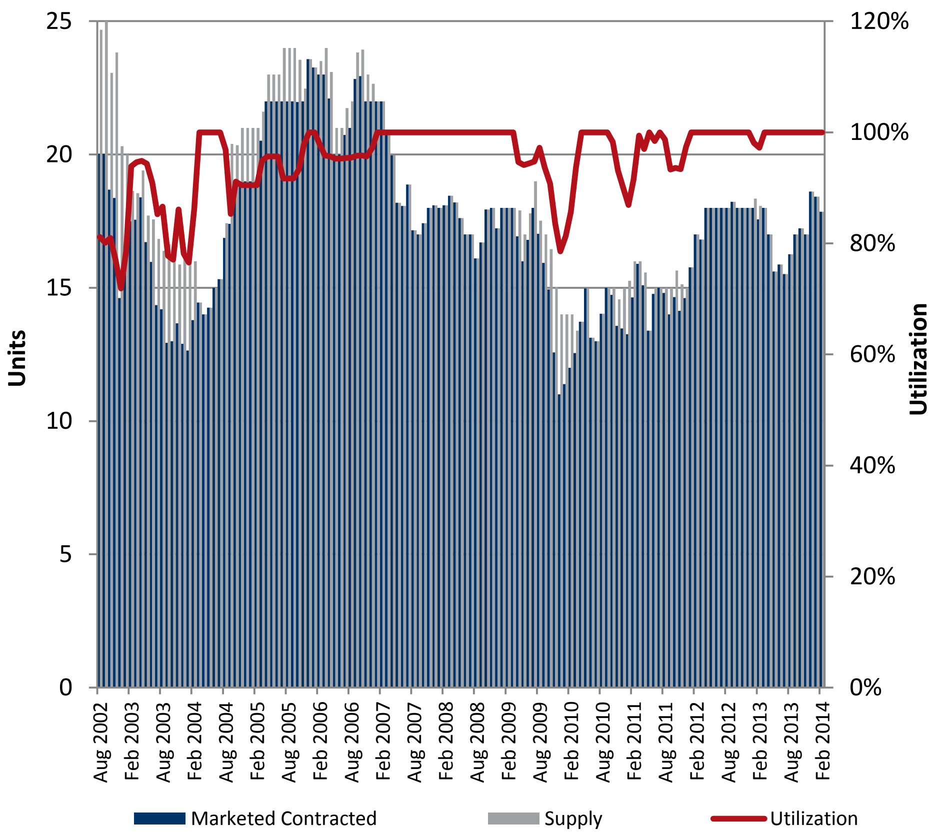
Why do we expect the UK market to be tight beyond 2014?

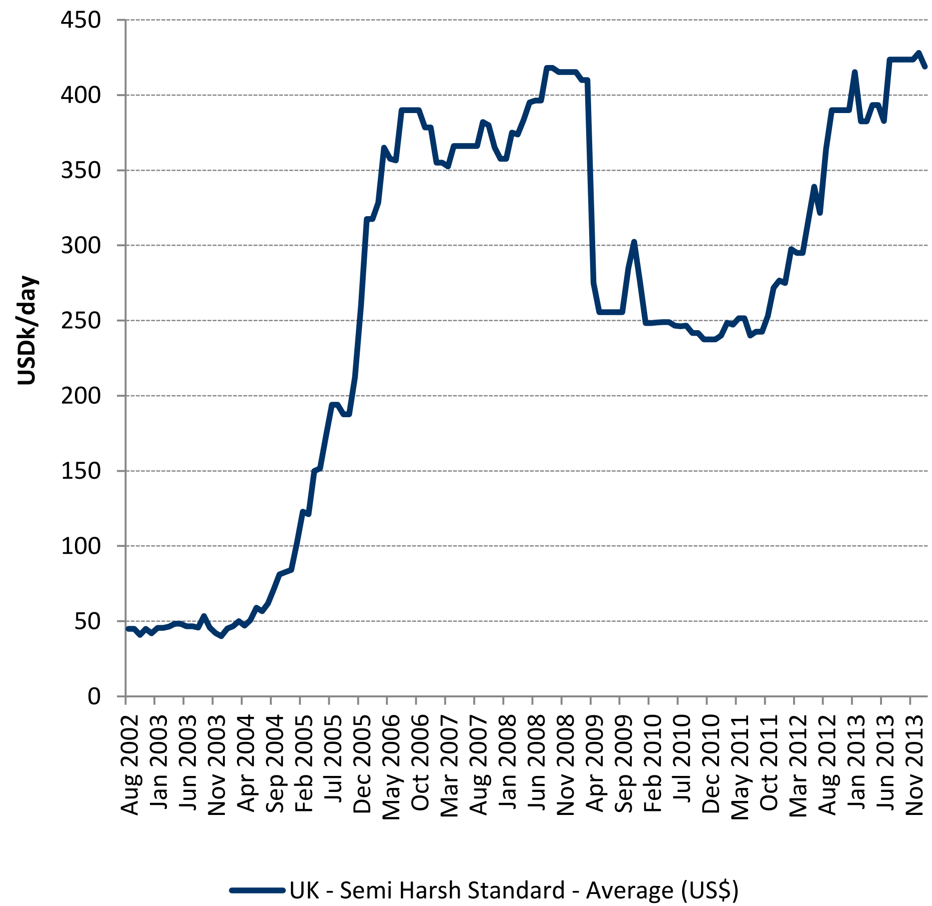
- Sustained “high” oil price well above investment triggers under-pinning operator confidence
- UK Government has set out a new vision to maximise the recovery of hydrocarbon reserves
- Major Operators increasing activity in new developments West of Shetland
- Major Operators increasing decommissioning and well abandonment activity
- Independent Operators continuing to exploit marginal fields & push the sublet market
- UK market has barriers to entry

UK Mid-water Market

UK mid-water supply/demand & utilization



UK mid-water dayrates development



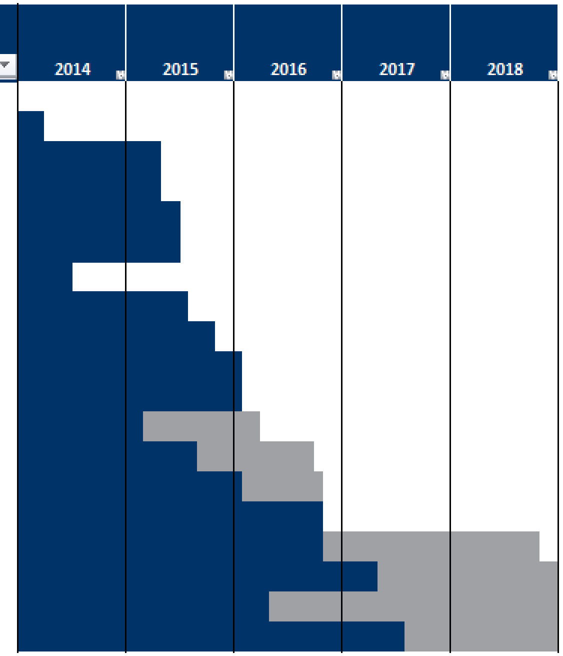
Mid-water Fixtures

UK mid-water fixtures (New contracts, excluding declaration of options)										
Rig Name	Rig type	Manager	WD (ft)	Fixture date	Contract start	Duration (days)	Dayrate (USDk)	Country	Operator	Contract Lead Time (days)
GSF Arctic III	SS	Transocean	1 800	17-Jan-14	5-Feb-14	120	410	UK	Chevron	19
WilPhoenix	SS	Awilco Drilling	1 200	24-Jun-13	10-Jun-14	1 095	388	UK	Apache	351
Sedco 704	SS	Transocean	1 000	14-Jun-13	15-Jul-15	180	373	UK	Maersk Oil	761
Transocean John Shaw	SS	Transocean	1 800	24-Apr-13	28-Feb-15	365	NA	UK	TAQA	675
Sedco 712	SS	Transocean	1 600	15-Feb-13	1-Oct-13	1 095	380	UK	Operator Tba	228
WilHunter	SS	Awilco Drilling	1 500	5-Feb-13	19-Apr-14	550	385	UK	Hess	438
Sedco 714	SS	Transocean	1 600	18-Jan-13	1-Apr-14	548	435	UK	Total	438
Ocean Patriot	SS	Diamond Offshore	1 640	15-Jan-13	1-Apr-14	1 096	NA	UK	Shell	441
Transocean Prospect	SS	Transocean	1 500	19-Sep-12	1-Jan-14	423	375	UK	ConocoPhillips	469
Transocean Prospect	SS	Transocean	1 500	19-Sep-12	1-Jan-14	423	405	UK	ConocoPhillips	469
Transocean John Shaw	SS	Transocean	1 800	16-Aug-12	1-Dec-13	365	360	UK	TAQA	472
GSF Arctic III	SS	Transocean	1 800	16-Aug-12	30-Dec-12	92	335	UK	ATP Oil & Gas	136
Sedco 714	SS	Transocean	1 600	3-Aug-12	31-Dec-12	365	395	UK	Total	150
GSF Arctic III	SS	Transocean	1 800	19-Jul-12	30-Dec-12	700	313	UK	ATP Oil & Gas	164
Ocean Nomad	SS	Diamond Offshore	1 200	16-Jul-12	13-Jun-13	730	330	UK	Dana Petroleum	332
Average						**543**	**376**			**370**

Source: ODS-Petrodate, RS Platou Markets

UK – Floater Availability

Rig Name	Manager	Rig type	Rig WD (ft)	Free Date	Free And Clear	Region	DP
J.W. McLean	Transocean	SS	1250	13.04.2011	13.04.2011	NW Europe	N
Ocean Princess	Diamond Offshore	SS	1500	07.05.2014	20.02.2014	NW Europe	N
West Phoenix	North Atlantic Drilling	SS	10000	01.07.2015	01.04.2015	NW Europe	Y
Paul B. Loyd, Jr.	Transocean	SS	2000	10.04.2015	10.04.2015	NW Europe	N
Noble Ton van Langeveld	Noble	SS	1500	21.06.2015	21.06.2015	NW Europe	N
Transocean Prospect	Transocean	SS	1500	21.06.2015	21.06.2015	NW Europe	N
GSF Arctic III	Transocean	SS	1800	05.06.2014	30.06.2015	NW Europe	N
Ocean Guardian	Diamond Offshore	SS	1500	17.07.2015	17.07.2015	NW Europe	N
Sedco 714	Transocean	SS	1600	30.11.2015	11.10.2015	NW Europe	N
Sedco 711	Transocean	SS	1800	10.01.2016	09.01.2016	NW Europe	N
Sedco 704	Transocean	SS	1000	17.01.2016	17.01.2016	NW Europe	N
Stena Spey	Stena	SS	1500	15.02.2016	15.02.2016	NW Europe	N
Ocean Nomad	Diamond Offshore	SS	1200	16.08.2015	10.08.2016	NW Europe	N
WilHunter	Awilco Drilling	SS	1500	10.01.2016	11.10.2016	NW Europe	N
Sedco 712	Transocean	SS	1600	24.10.2016	24.10.2016	NW Europe	N
Blackford Dolphin	Dolphin	SS	6000	25.10.2016	16.09.2018	NW Europe	N
Stena Carron	Stena	DS	7500	10.04.2017	05.04.2019	NW Europe	Y
Byford Dolphin	Dolphin	SS	1500	19.04.2016	19.04.2019	NW Europe	N
WilPhoenix	Awilco Drilling	SS	1200	18.07.2017	07.09.2019	NW Europe	N



Rig on contract
Options
Rig under construction

Source: ODS-Petrodata, RS Platou Markets

AWILCO DRILLING

Content

AWILCO DRILLING

Risk Factors

Investing in the Bonds involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out below before making an investment decision. The risks described below are not the only ones facing the Issuer. Additional risks not presently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the Issuer's business operations and adversely affect the price of the Bonds and the Issuer's ability to service its debt obligations. If any of the events or circumstances discussed below actually occur, the Issuer's business, financial position and operating results could be materially and adversely affected, and this might have a material adverse effect on the Issuer's ability to meet its obligations (including the payment of principal and interest) under the Bonds. A prospective investor should carefully consider all of the information set forth in this Presentation and particularly the risk factors set forth below, and should consult his or her own expert advisors as to the suitability of an investment in the Bonds. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. The information provided below is presented as of the date hereof and is subject to change, completion or amendment without notice.

Risks specific to the Issuer

The Issuer's drilling contracts may be terminated early due to certain events

The Issuer's current and potential customer may have the right to terminate a potential drilling contact upon the payment of an early termination fee. However, such payments may not fully compensate the Issuer for the loss of the contract. Under certain circumstances the Issuer's existing or future contracts may permit a customer to terminate their contract early without the payment of any termination fee, as a result of non-performance, longer periods of downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to force majeure or other events. The ability of the Issuer's customers from time to time to perform their obligations under their drilling contracts with the Issuer may also be negatively impacted by the prevailing uncertainty surrounding the development of the world economy and the credit markets.

A reduced demand for and/or oversupply of drilling rigs in the market will adversely affect the business of the Issuer

The offshore drilling industry is highly cyclical and an oversupply of drilling units may lead to a reduction in day rates which would negatively impact the Issuer's revenues, profitability and cash flows.

Dependence on limited number of rigs and charter contracts

Since the Issuer's fleet consists of only two rigs, any operational downtime or any failure to secure employment at satisfactory rates will affect the Issuer's results more significantly than for a group with a larger fleet. Furthermore, frequent rig mobilizations could be disruptive to the Issuer's financial results if it experiences delays due to adverse weather, third party services or physical damage to its rigs.

Risk of change in legislation and tax laws

A change in tax laws of any country in which the Issuer operates from time to time, or complex tax laws associated with international operations which the Issuer may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Issuer's earnings and/or assets. The Issuer and the Bondholders may become subject to future changes to current legislation and tax laws under which the Issuer operates, which the Issuer may not be able avoid or influence. Any change to the tax rate, or other changes to the tax laws applicable to the Issuer, will have a material effect on the Issuer's cash flows, financial state and result of operations, and the price of the Bonds.

Risks related to future operations of the Issuer

The Issuer may assume substantial responsibilities

The operation of drilling rigs requires very high standards of safety, and such operations are associated with considerable risks and responsibilities. These include technical, operational, commercial and political risks. The Issuer have insurance deemed adequate for its business, but it is impossible to insure against all applicable risks and liabilities. As a result of this, the Issuer could be exposed to substantial liabilities.

Risk Factors cont'd

Operating hazards and insurance

The Issuer's operations are subject to hazards inherent to the marine and drilling industry, such as blowouts, loss of well control, lost or stuck drill strings, equipment defects, cratering, fires, explosions and pollution. Contract drilling and well servicing require the use of heavy equipment and exposure to hazardous conditions, which may subject the Issuer to liability claims by employees, customers and third parties. These hazards can cause e.g. personal injury or loss of life, damage to or destruction of property and equipment, pollution or other environmental damage, claims by third parties or customers and suspension of operations. The operation of the Rigs is also subject to hazards inherent in such operations, either while on-site or during mobilization, such as e.g. capsizing, sinking, grounding, collision and damage from severe weather. Operations may also be suspended because of equipment breakdowns, abnormal drilling conditions, and failure of subcontractors to perform or supply goods or services, or personnel shortages.

Environmental risks

The Issuer's future operations will be subject to strict regulations controlling the discharge of materials into the environment, requiring removal and clean-up of materials that may harm the environment or otherwise relating to the protection of the environment. As an owner and operator of mobile drilling rigs the Issuer may be liable (under applicable laws and regulations or contractually) for damages and costs incurred in connection with spills of oil, gas, chemicals and other harmful substances related to its operations, and the Issuer may also be subject to significant fines in connection with spills.

Counterparty risk

The Issuer relies on timely delivery of goods and services by numerous vendors and suppliers. Failure to perform or financial difficulties encountered by any such counterparty may have an adverse effect on the Issuer's business, liquidity, results and financial situation.

Dependence on key executives and personnel, and highly skilled personnel

The Issuer's development and prospects are dependent upon the continued services and performance of the senior management and other key personnel that provides services to the Issuer. The loss of the services of any of the senior management or key personnel may have an adverse impact on the Issuer.

Technical risk and risk of high operating costs

Exposure to technical risks, unforeseen operational problems leading to service down-time and unexpectedly high operating costs and/or loss of earnings could have a material adverse effect on the financial position of the Issuer. If the Issuer is not successful in acquiring new equipment or upgrading its existing equipment on a timely and cost effective basis when required by the oil and gas industry, in response to technological developments or changes in standards in the industry, this could have a material adverse effect on the Issuer's business.

Risks associated with upgrade, refurbishment and repair of rigs

The timing and costs of repairs on rigs are difficult to predict with certainty and may be substantial. Many of these expenses, such as dry-docking and repairs for normal wear and tear, are typically not covered by insurance. Large repair expenses could decrease the Issuer's profits. In addition, repair time means a loss of revenue.

Risks related to international operations

Operations in international markets are subject to risks inherent in international business activities, including, in particular, general economic conditions in each such market, overlapping differing tax structures, managing and organization spread over various jurisdictions, unexpected changes in regulatory requirements, and complying with a variety of foreign laws and regulations

Intellectual Property Rights

The Issuer must observe third parties' patent rights and intellectual rights. There is an inherent risk of third parties claiming that the technology being utilized on the Rigs or in their operations infringes third parties' patents or intellectual property rights. If any such third party claim should be successful, this could have a material adverse effect on the Issuer's results of operation.

Risk Factors cont’d

Market and political risk

Risks related to oil and gas prices

The Issuer’s business and operations will depend substantially on oil and gas price developments, general demand, the level of activity and capital spending by oil and gas companies, in particular in relation to offshore development and exploration. The Issuer’s customers are mainly oil and gas companies and the activities of such companies tend to follow the prices of oil and gas which have fluctuated widely over the recent years.

The market value of the Issuer’s Rigs and those it acquires in the future may decrease, which could cause the Issuer to incur losses if it is decided to sell them following a decline in their market values

If the offshore drilling industry suffers adverse developments in the future, the fair market value of the Issuer’s Rigs may decline. The fair market value of the Rigs or other rigs it may acquire in the future, may increase or decrease depending on a number of factors. Should the Issuer sell any drilling unit when drilling unit prices have fallen, the sale may be at a loss.

Competition

The drilling market is highly competitive. Drilling contracts are often awarded on a competitive bid basis, with intense price competition frequently being the primary factor determining which qualified contractor is awarded the job.

Requisition or arrest of the Rigs

The Rigs could be requisitioned by a government in the case of war or other emergencies or become subject of arrest or detention. This could significantly and adversely affect the earnings of the Issuer as well as the Issuer's liquidity.

War, other armed conflicts and terrorist attacks

War, military tension and terrorist attacks have caused, among other things, instability in the world’s financial and commercial markets. This has in turn significantly increased political and economic instability in some of the geographic markets in which the Issuer may operate in the future, and has contributed to high levels of volatility in prices for among other things oil and gas. Continuing instability may cause further disruption to financial and commercial markets and contribute to even higher level of volatility in prices.

Financial risk

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposed clients, including outstanding receivables and committed transactions. Although the Bond Agreement contains certain covenants as to the liquidity and financial indebtedness of certain Obligors, it does not explicitly restrict the Issuer as a whole from changing its cash management and investment policies.

Foreign exchange risk

The Issuer expects the majority of its income and expenses to be denominated in USD. However, the bias on expenses is expected to be in currencies other than USD. Hence, a depreciation of the USD will have an adverse effect on the Issuer’s financial performance as the Issuer will typically have higher revenues than expenses denominated in USD.

Risk Factors cont'd

Overall tax structure

The Issuer's income tax expense is based upon its interpretation of the tax laws in effect in various countries at the time that the expense was incurred. From time to time the Issuer's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Issuer operates from time to time. If any tax authority successfully challenges the Issuer's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries; or if the Issuer loses a material tax dispute in any country, or any tax challenge of the Issuer's tax payments is successful, the Issuer's effective tax rate on its earnings could increase substantially and the Issuer's earnings and cash flows from operations could be materially adversely affected, including the imposition of a higher effective tax rate on its worldwide earnings or a reclassification of the tax impact of its significant corporate restructuring transactions.

Risks associated with disputes

In the course of its activities, the Issuer may become party to legal proceedings and disputes. The Issuer makes provisions in such cases to cover the expected outcome of the proceedings and disputes, to the extent that negative outcomes are likely and reliable estimates can be made. However, the final outcome of legal proceedings and disputes is subject to uncertainties, and resulting liabilities may exceed booked provisions. Any proceedings, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Regulatory risks

Regulations governing operations

The Issuer is subject to the international laws and regulations governing the oil and gas industry and, to some extent, the shipping industry. The Issuer and its subsidiaries are required to comply with the various regulations introduced by the authorities where the operations take place, the applicable legislation of various flag states as well as the guidelines introduced by international agencies such as the International Maritime Organization (IMO) where applicable. In the event that the Issuer is unable at any time to comply with the existing regulations or any changes in such regulations, or any new regulations introduced by local or international bodies, the operations may be adversely affected. Any change in or introduction of new regulations, may increase the costs of operations, which could have an adverse effect on the Issuer's profitability. Furthermore, if the Rigs do not comply with the extensive regulations applicable from time to time, the consequence may be that Rigs are unable to continue their operations.

Political and geo-political risks

Changes in the legislative, political, fiscal and regulatory framework governing the activities of the Issuer, oil companies, oil service companies, construction yards and/or major suppliers or service providers on which the Issuer depend, could have material impact on the demand for the Issuer's services by impacting exploration, production and development activity or affect the Issuer's operations and/or financial condition directly.

Risk related to the Bonds

Upon the occurrence of a Change of Control Event (as defined in the Bond Agreement), each individual bondholder shall have a right of pre-payment of the Bonds plus all accrued and unpaid interest to the date of redemption together with a prepayment premium established in the Bond Agreement. However, it is possible that the Issuer will not have sufficient funds at the time of the Change of Control Event to make the required redemption of Bonds. The Issuer's failure to redeem tendered Bonds would constitute an event of default under the Bond Agreement.

Mandatory prepayment events may lead to a prepayment of the Bonds in circumstances where an investor may not be able to reinvest the prepayment proceeds at an equivalent rate of interest.

In accordance with the terms and conditions of the Bond Agreement, the Bonds are subject to mandatory prepayment by the Issuer on the occurrence of certain specified events. Following any early redemption after the occurrence of a Mandatory Prepayment Event, it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the Mandatory Prepayment Event to make the required redemption of Bonds.

Risk Factors cont'd

There will only be a limited trading market for the Bonds.

There is no existing market for the Bonds, and there can be no assurance given regarding the future development of a trading market for the Bonds. Potential investors should note that it may be difficult or even impossible to trade and sell the Bonds in the secondary market.

The market price of the Bonds may be volatile.

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors.

The bondholders may be subject to restrictions on transfers of the Bonds

The Bonds are freely transferable and may be pledged, subject to the following: (i) bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

The terms and conditions of the Bond Agreement will allow for modification of the Bonds or security, waivers or authorizations of breaches and substitution of the Issuer which, in certain circumstances, may be effected without the consent of bondholders.

The Bond Agreement will contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority. The Trustee may agree, without the consent of the bondholders, to certain modifications to the Bond Agreement and other finance documents (as defined in the Bond Agreement) which are, in the opinion of the Trustee, proper to make. Such modifications which will be binding upon the bondholders will be further described in the Bond Agreement.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or use of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

The value of the collateral securing the Bonds may not be sufficient to satisfy the Issuer's obligations under the Bonds.

There can be no assurance that the Trustee will be able to sell any of the security for the Bond Issue, without delays (or even at all) or that the proceeds obtained will be sufficient to pay all of the secured obligations. Neither the Issuer nor the Guarantors have any obligation to pledge additional vessels or assets to secure the Bonds in the event the Bonds become under-secured. If this were to coincide with the time in which the collateral was sold to satisfy payment obligations on the Bonds, there may be insufficient proceeds from such sales to satisfy all payment obligations due under the Bonds.

Following a default, the Trustee may not be able to realize any or all of the security.

It may be difficult or even impossible for the Trustee to enforce the security. In particular, the enforcement of vessel mortgages (including the one to be provided over WilPhoenix) can be complicated. For example, it can be difficult to locate WilPhoenix without the assistance of a specialist agency, or problematic to enforce the mortgage as it would be subject to the laws of the place where the rig is situated at the time of enforcement.

Risk Factors cont'd

Failures or inadequacies in perfecting security

It is possible that inadequacies or failures in perfecting the security may arise. Such inadequacies or failures may lead to unexpected and/or conflicting claims of Bondholders.

Maritime liens may arise and take priority over the liens securing the Bonds.

The laws of jurisdictions in which WilPhoenix is constructed, travels through on mobilization or operates may give rise to the existence of maritime or other liens which may take priority over the security securing the Bonds, including the mortgage to be provided over WilPhoenix. Such liens may arise in support of, among other things, claims by unpaid shipbuilders or rig repairers remaining in possession of WilPhoenix, claims for salvage, claims for damage caused by a vessel in collision, claims for crew wages and other employment benefits, as well as potentially claims for necessary goods and services supplied to a vessel, pilotage dues, claims for loss of life or personal injury occurring in connection with the operation of a vessel and claims for port, canal and other waterway dues.

The Issuer will assume substantial indebtedness

Following the issuance of Bonds, the Issuer will have substantial indebtedness which could have negative consequences for the bondholders

The Issuer's ability to service its indebtedness depends on many factors beyond its control.

The Issuer's ability to make scheduled payments on or to refinance its obligations under, the Bonds will depend upon the Issuer's financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business factors, many of which may be beyond the Issuer's control.

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances

The terms and conditions of the Bond Agreement will impose significant operating and financial restrictions, which may prevent the Issuer from capitalizing on business opportunities and taking some actions.

The terms and conditions of the Bond Agreement will contain restrictions on the Issuer's activities. The restrictions in the terms and conditions of the Bond Agreement may prevent the Issuer from taking actions that it believes would be in the best interest of the Issuer's business, and may make it difficult for the Issuer to execute its business strategy successfully or compete effectively with companies that are not similarly restricted. The Issuer cannot assure investors that it will be granted waivers or amendments to these agreements if for any reason it is unable to comply with these agreements. The breach of any of these covenants and restrictions could result in an event of default under the Bond Agreement.

The price of the Bonds are subject to risks of interest rate and currency fluctuation

The price of a single bond will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of these bonds in the market. The interest rates can, and will, experience substantial fluctuations caused by a number of factors based on the development in the international economy.

The Bonds may be subject to optional redemption by the Issuer, which may have a material adverse effect on the value of the Bonds, and in such circumstances an investor may not be able to reinvest the redemption proceeds at an equivalent rate of interest.

In accordance with the terms and conditions of the Bond Agreement, the Bonds are subject to optional redemption by the Issuer at their outstanding principal amount, plus accrued and unpaid interest to the date of redemption, plus in some events an amount calculated in accordance with the terms and conditions of the Bond Agreement. This feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

Risk Factors cont'd

Enforcement of the mortgage over the Rig in UK

WilPhoenix is operates on the UK Continental Shelf. In the event of a default the mortgagee must either initiate an arrest to temporarily secure its claim over the rig. There is a risk that the enforcement process could take a long time and involve considerable costs, which may have an adverse effect on the Bondholders' ability to recover.

Insolvency of the Issuer

As the Issuer is incorporated under the laws of United Kingdom, an insolvency proceeding relating to the Issuer, even if brought in another jurisdiction, would likely involve UK insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of those of other jurisdictions with which investors are familiar. Investors should also note that the process of making a claim as creditor of the Issuer under UK laws may be complex and time-consuming, and could result in substantial reduction in payments to holders of the Bonds.

The ability to receive payment on the Bonds may be affected by UK insolvency laws

If winding up proceedings against the Issuer commences, Bondholders' ability to receive payment on the Bonds may be affected because although creditors have priority over members to the residual assets of the Issuer, the assets of the Issuer needs to be distributed pro rata to all creditors of the Issuers.

The ability to take any action or enforce any judgment against the Issuer may be affected by UK insolvency laws

In addition, as the Issuer will also be in "freeze mode" during the winding up period, your ability to take any action or enforce any judgments against the Issuer may also be affected, including your right to acceleration of payments under the bond documentation in response to an event of default. In addition, the provisions relating to the enforcement of the Bonds by the Trustee on behalf of the Bondholders pursuant to the Trust Deed will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions under UK insolvency law that apply in these circumstances.

Change of law

The terms and conditions of the Bonds are governed by Norwegian law and the terms and conditions of the security documents are governed by Norwegian, English, and Maltese law, in each case in effect as at the date of this Presentation. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Presentation.

Content

SPS Project – plan far ahead for a smooth and quick SPS

- Planning focus: to ensure long term future of both rigs
- Limited in scope: SPS project not to include historically risky elements, e.g. large steel renewal or water depth change
- SPS cost still estimated to be approx. USD 20 million per rig
- Remaining Fatigue Life of each rig post SPS of 15 years
- Commitment to ordering long lead items for BOP replacements on both rigs
- Total cost for BOP replacements estimated to be USD 45 million for both rigs
- New BOP installation to be undertaken during 2016 SPS yard stays – off-hire still estimated to be about 2 months per rig

New BOPs Maximise Rig Uptime, Economic Lifetime and Customer Base

In November, Awilco Drilling committed to acquire new premium BOP systems for each rigs, so as to:

- Ensure continued compliance with regulatory and customer requirements and address potential strengthening of standards
- Mitigating operational risks
  - BOPs are typically the #1 source of semi-sub rig downtime
- Mitigating project risks
  - Refurbishing existing BOPs increases yard stay duration risk
- Maximising potential customer base
  - Certain supermajors may otherwise be excluded
- Maximising rig lifetime
  - Rig remaining fatigue life = 15 years post upcoming SPS; market expected to remain in balance