



AWILCO DRILLING



Q2 2019 PRESENTATION

14th of August 2019

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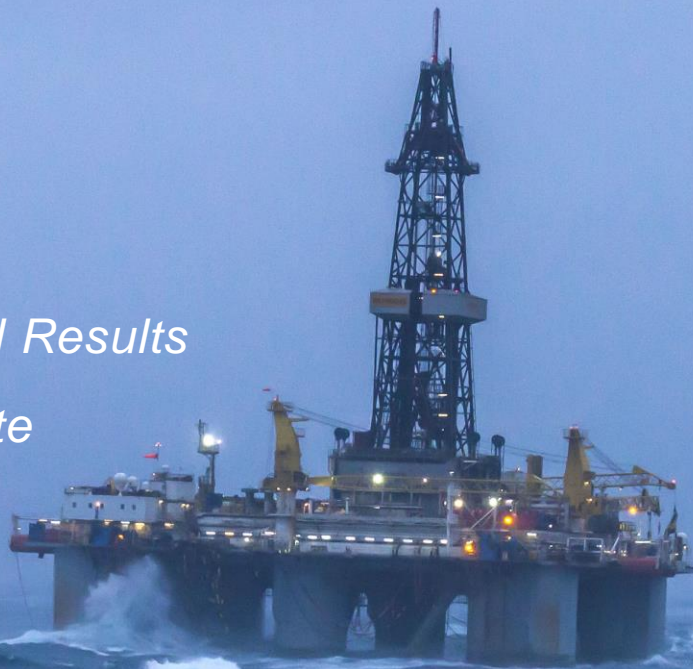
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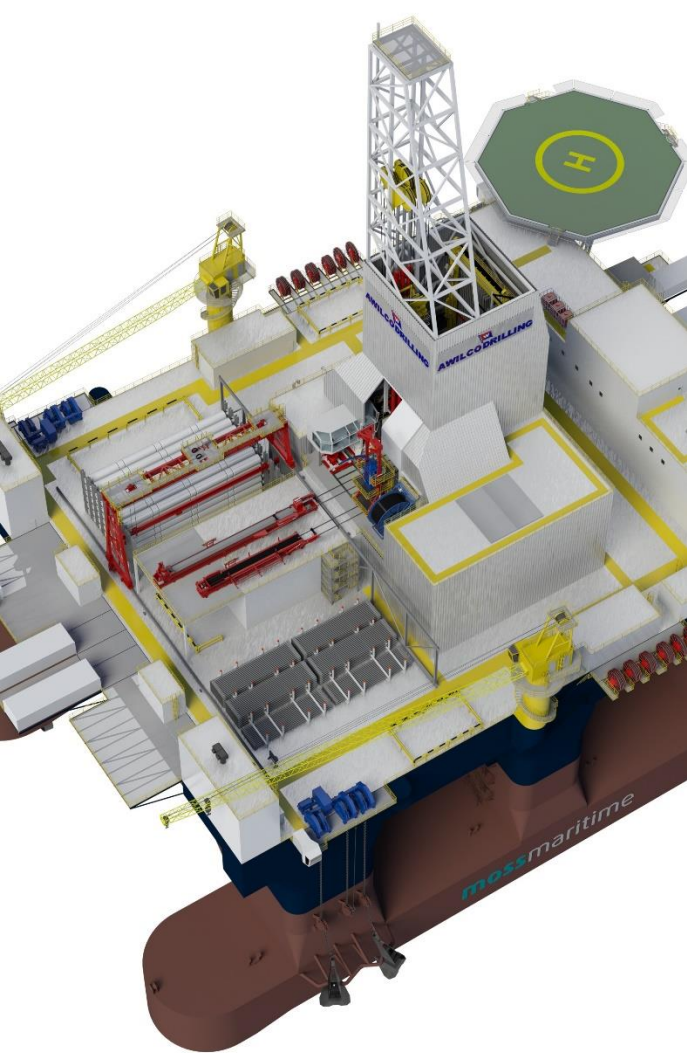
AGENDA

1. *Highlights*
2. *Q2 2019 Financial Results*
3. *Operational Update*
4. *Newbuild Update*
5. *Market Outlook*
6. *Summary*
7. *Q&A*



1. HIGHLIGHTS





HIGHLIGHTS

- Office in Stavanger, Norway opened 1st of August
 - 6 new key employees hired, of which 3 already started
- Ramping up marketing activities towards potential NCS customers for the newbuild rigs with good progress
- Total Q2 2019 Revenue USD 10.4 million, EBITDA USD 2.4 million, Net Loss of USD 0.4 million
- Q2 Opex average for WilPhoenix approximately USD 66 000 per day



2. Q2 FINANCIAL RESULTS



Q2 2019 INCOME STATEMENT

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q2 2019	YTD	Q2 2018	YTD
	(unaudited)	30.06.19 (unaudited)	(unaudited)	30.06.18 (unaudited)
Contract revenue	9,636	18,608	8,927	42,686
Reimbursables	-	(24)	67	411
Other revenue	802	916	2	2
	<u>10,438</u>	<u>19,500</u>	<u>8,996</u>	<u>43,099</u>
Rig operating expenses	6,131	12,384	7,440	14,663
Reimbursables	-	2	30	172
General and administrative expenses	1,799	4,932	3,445	6,228
Depreciation	2,746	5,397	3,146	6,548
	<u>10,676</u>	<u>22,715</u>	<u>14,061</u>	<u>27,611</u>
Operating (loss)/profit	<u>(238)</u>	<u>(3,215)</u>	<u>(5,065)</u>	<u>15,488</u>
Interest income	71	604	506	1,056
Interest expense	-	-	(3,025)	(4,667)
Other financial items	(163)	(21)	19	378
Net financial items	<u>(92)</u>	<u>583</u>	<u>(2,500)</u>	<u>(3,233)</u>
(Loss)/Profit before tax	(330)	(2,632)	(7,565)	12,255
Tax expense	(62)	(112)	(50)	(756)
Net (loss)/profit	<u>(392)</u>	<u>(2,744)</u>	<u>(7,615)</u>	<u>11,499</u>
Total comprehensive (loss)/income	<u>(392)</u>	<u>(2,744)</u>	<u>(7,615)</u>	<u>11,499</u>
Attributable to shareholders of the parent	(392)	(2,744)	(7,615)	11,499
Basic and diluted earnings per share	(0.01)	(0.05)	(0.16)	0.29



Q2 2019 BALANCE SHEET

Condensed statement of financial position

in USD thousands

	<u>30.06.2019</u>	<u>30.06.2018</u>
	(unaudited)	(unaudited)
Rigs, machinery and equipment	226,501	215,182
Deferred tax asset	352	1,435
	<u>226,853</u>	<u>216,617</u>
Trade and other receivables	7,970	-
Prepayments and accrued revenue	2,059	1,021
Inventory	4,808	4,958
Cash and cash equivalents	42,397	75,787
Current tax	340	5,995
	<u>57,574</u>	<u>87,761</u>
Total assets	<u>284,427</u>	<u>304,378</u>
Paid in capital	218,905	198,719
Retained earnings	59,927	97,035
	<u>278,832</u>	<u>295,754</u>
Trade and other creditors	983	1,068
Accruals and provisions	4,612	7,556
Current tax payable	0	0
	<u>5,595</u>	<u>8,624</u>
Total equity and liabilities	<u>284,427</u>	<u>304,378</u>

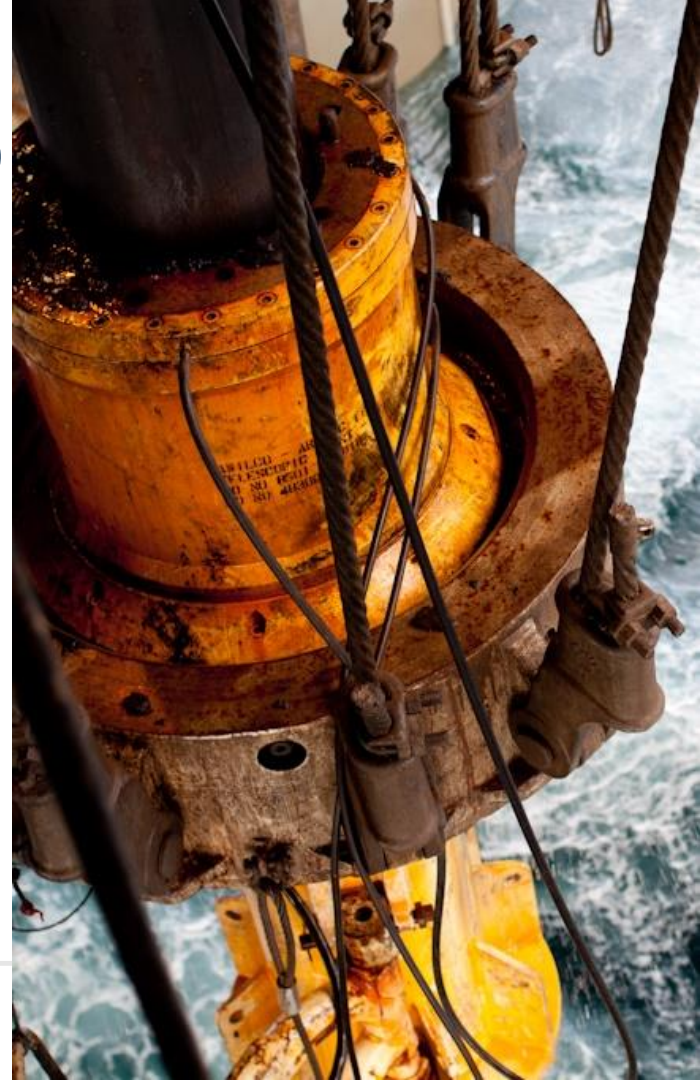


3. OPERATIONAL UPDATE



WILPHOENIX' SHELL PROGRAMME EXPECTED TO END IN NOVEMBER 2019

- Operational uptime was 95.9% in Q2 2019
 - *Reduction mainly caused by BOP downtime 3 days in June*
 - *Otherwise WilPhoenix performs very well*
- Total contract backlog as of today is approximately USD 9 million
- Current programme with Shell UK expected to end early November 2019
- Actively pursuing new work for WilPhoenix, with several leads
 - *However, limited number of opportunities during winter 2019/2020*



4. NEWBUILD UPDATE




THE NEW RIGS



BUILDING IS ON TRACK, AND PROGRESS IS BEING MADE



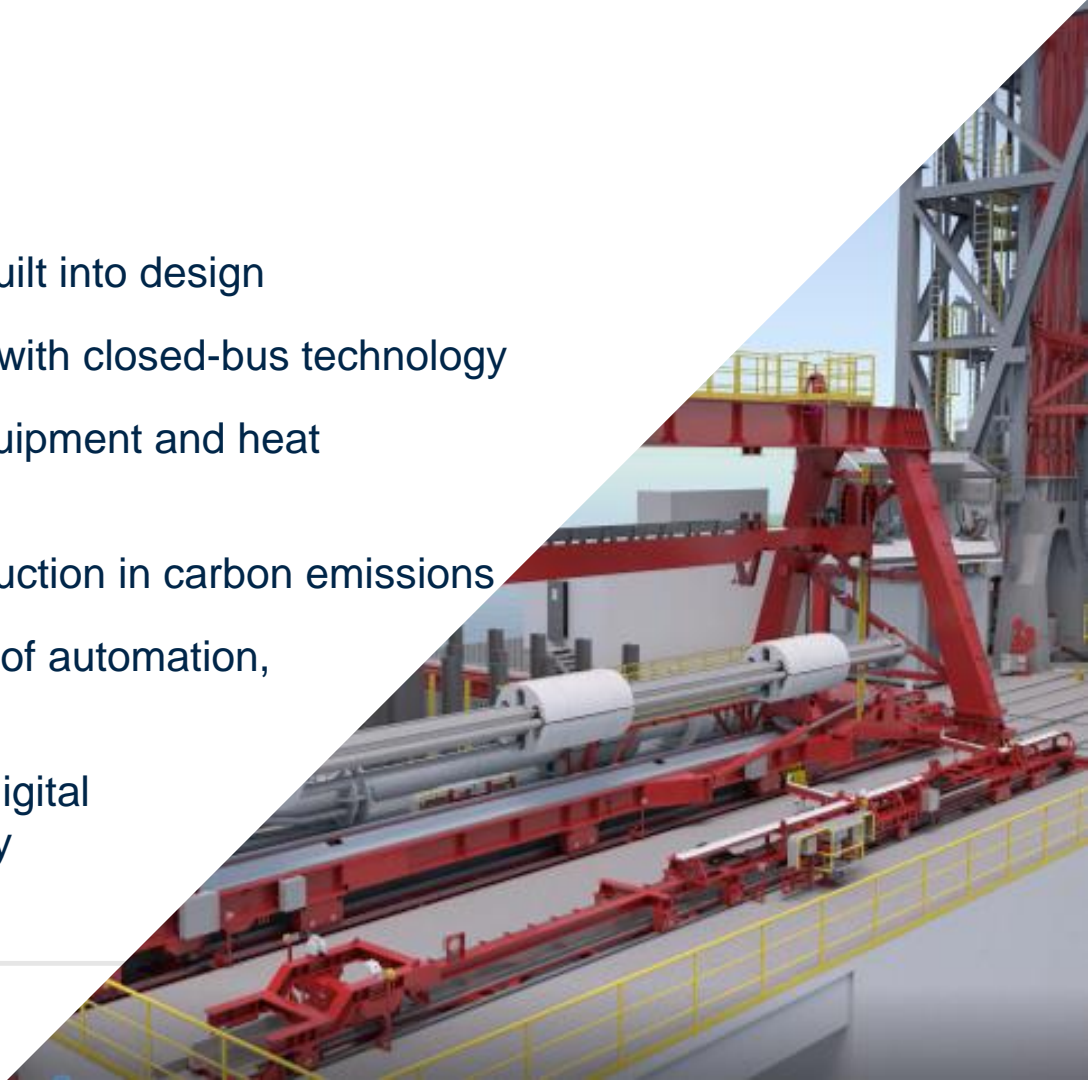
KEY FEATURES

- 
- ✓ CS60 ECO MW
 - ✓ 6-column hull
 - ✓ DP2, 12-point mooring with Thruster Assist
 - ✓ MH Wirth drilling package
 - ✓ RamRig
 - ✓ NOV BOP
 - ✓ Rolls Royce Tier III generator set
 - ✓ Variable Frequency technology (VFD)
 - ✓ Azimuth thrusters
 - ✓ Fully electric cranes
 - ✓ 140 one-person cabins
 - ✓ Hybrid-technology
 - ✓ Energy management system
 - ✓ Data transmission and exchange
 - ✓ Open Source technology
 - ✓ Extensive use of sensors
 - ✓ Condition-based monitoring
 - ✓ Automated Drilling Controls
 - ✓ 75 ft telescopic joint
 - ✓ QTR riser
 - ✓ Optimised Gooseneck handling system
 - ✓ Heat regeneration from exhaust gas



IN PRACTICAL TERMS:

- First rig with hybrid energy solution built into design
- Unique energy management system with closed-bus technology
- Energy regeneration from moving equipment and heat regeneration from exhaust gas
- Substantial fuel savings and vast reduction in carbon emissions
- Optimized lay-out and higher degree of automation, ensuring a safer workplace
- Open interface network with unique digital infrastructure, enabling the use of any applicable software application



AWILCO DRILLING IS NOW ALSO ESTABLISHED IN NORWAY

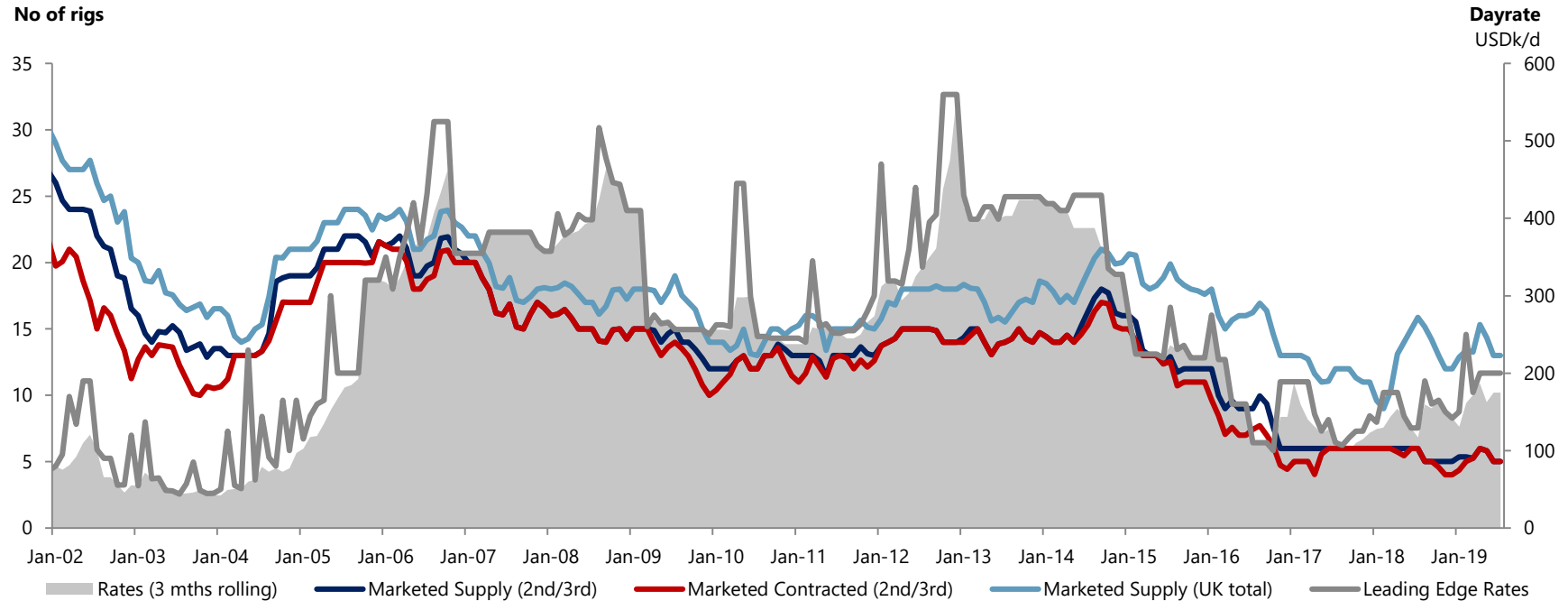
An aerial photograph of a coastal city in Norway, likely Trondheim, showing a mix of residential buildings, a harbor with boats, and a large blue semi-transparent overlay in the center containing white text. The background shows a cityscape extending to a hillside under a blue sky with light clouds.

- Office opened 1st of August
- VP Technical, VP Operations and Offshore Installation Manager started
- VP HR, VP HSEQ, and ICT Director start by 1st of October
- Meetings scheduled with a number of potential clients
- Next recruitment steps are already in progress

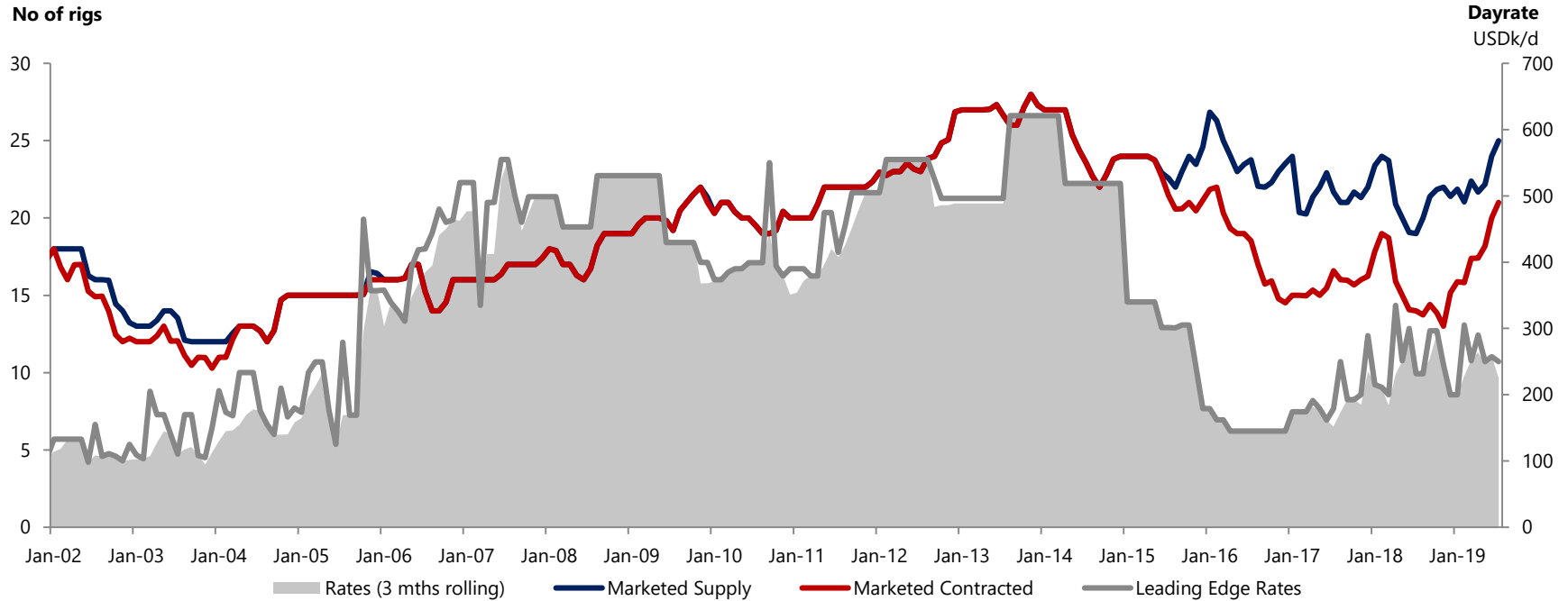
4. MARKET OUTLOOK



UK MARKET DAYRATES ARE TRENDING SLOWLY UPWARDS, BUT SEASONALITY EXPECTED TO CONTINUE



DAYRATES ARE INCREASING IN THE NORWEGIAN MARKET



LIMITED RIG AVAILABILITY AND INCREASE IN UTILISATION SUPPORT UPTICK IN DAYRATES FOR ALL HE SEGMENTS

HE utilization by RigScore, 2015 - 2019



AWILCO DRILLING IS IN GOOD SHAPE

- WilPhoenix operations going well, strong focus on securing new work
- Newbuild project progressing according to plan and budget
- Stavanger-office (Norway) opened and further recruitment ongoing
- Active discussions with several potential clients in Norway
- Market outlook for harsh environment is positive, with already high utilisation of Tier 1 rigs





AWILCO DRILLING

Q&A

