



**AWILCO DRILLING**

**Q3 2019 presentation**

*12<sup>th</sup> of November 2019*

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# Q3 Highlights

- Marketing activities towards potential NCS customers for the newbuild rigs are progressing well
- Massive response to the announcement of our most recent vacancies in Norway
- Total Q3 2019 Revenue USD 10.3 million, EBITDA USD 2.4 million, Net Loss of USD 0.9 million
- Q3 Opex average for WilPhoenix approximately USD 67 000 per day



# Q3 2019 Income Statement

## Condensed statement of comprehensive income in USD thousands, except earnings per share

	Q3 2019 (unaudited)	YTD 30.09.19 (unaudited)	Q3 2018 (unaudited)	YTD 30.09.18 (unaudited)
Contract revenue	10,299	28,907	3,040	45,726
Reimbursables	12	(12)	135	545
Other revenue	5	921	12	15
	<u>10,316</u>	<u>29,816</u>	<u>3,187</u>	<u>46,286</u>
Rig operating expenses	6,319	18,703	7,159	21,823
Reimbursables	9	11	77	248
General and administrative expenses	1,420	6,352	2,486	8,713
Depreciation	2,932	8,329	3,726	10,274
	<u>10,680</u>	<u>33,395</u>	<u>13,448</u>	<u>41,058</u>
Operating (loss)/profit	<u>(364)</u>	<u>(3,579)</u>	<u>(10,261)</u>	<u>5,228</u>
Interest income	72	675	85	1,140
Interest expense	-	-	(4)	(4,671)
Other financial items	(393)	(414)	(78)	300
Net financial items	<u>(321)</u>	<u>261</u>	<u>3</u>	<u>(3,231)</u>
(Loss)/Profit before tax	<u>(685)</u>	<u>(3,318)</u>	<u>(10,258)</u>	<u>1,997</u>
Tax expense	<u>(168)</u>	<u>(280)</u>	<u>75</u>	<u>(681)</u>
Net (loss)/profit	<u>(853)</u>	<u>(3,598)</u>	<u>(10,183)</u>	<u>1,316</u>
Total comprehensive (loss)/income	<u>(853)</u>	<u>(3,598)</u>	<u>(10,183)</u>	<u>1,316</u>
Attributable to shareholders of the parent	(853)	(3,598)	(10,183)	1,316
Basic and diluted earnings per share	(0.02)	(0.07)	(0.21)	0.03



# Q3 2019 Balance Sheet

## Condensed statement of financial position

in USD thousands

	30.09.2019 <u>(unaudited)</u>	30.09.2018 <u>(unaudited)</u>
Rigs, machinery and equipment	225,115	212,919
Deferred tax asset	185	1,521
	<u>225,300</u>	<u>214,440</u>
Trade and other receivables	7,076	824
Prepayments and accrued revenue	4,355	4,126
Inventory	4,808	4,879
Cash and cash equivalents	41,317	66,321
Current tax	340	5,757
	<u>57,896</u>	<u>81,907</u>
Total assets	<u><u>283,196</u></u>	<u><u>296,347</u></u>
Paid in capital	218,905	198,719
Retained earnings	59,073	86,852
	<u>277,978</u>	<u>285,571</u>
Trade and other creditors	1,077	2,263
Accruals and provisions	4,141	8,513
	<u>5,218</u>	<u>10,776</u>
Total equity and liabilities	<u><u>283,196</u></u>	<u><u>296,347</u></u>





# Outstanding operational performance in Q3

- Operational uptime was 100% in Q3
- Customer feedback on WilPhoenix is very good
- Current contract with Shell UK expected to end late November/early December
- Awards pending in the UK for work for WilPhoenix in 2020 and forward
- Also seeking out opportunities outside of North Sea





# Both newbuild projects are progressing

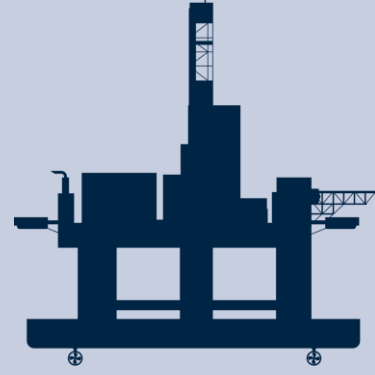
Progress on building of Rig #1



Steelcut on Rig #2



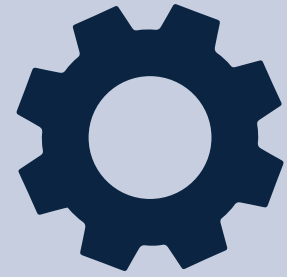




First rig with hybrid energy solution built into design



Substantial fuel savings and vast reduction in carbon emissions



Unique energy management system with closed-bus technology



Optimized lay-out and higher degree of automation, ensuring a safer workplace

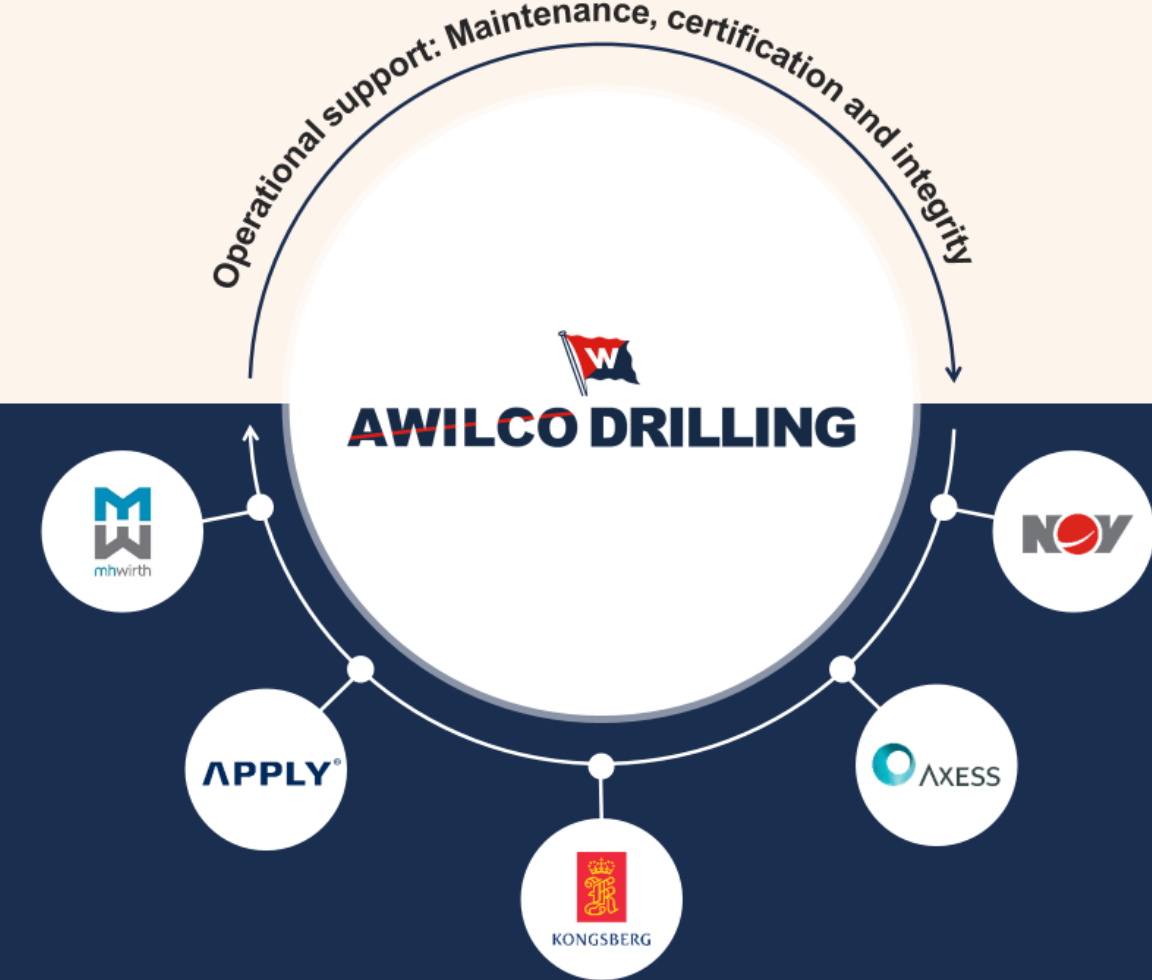


Energy regeneration from moving equipment and heat regeneration from exhaust gas

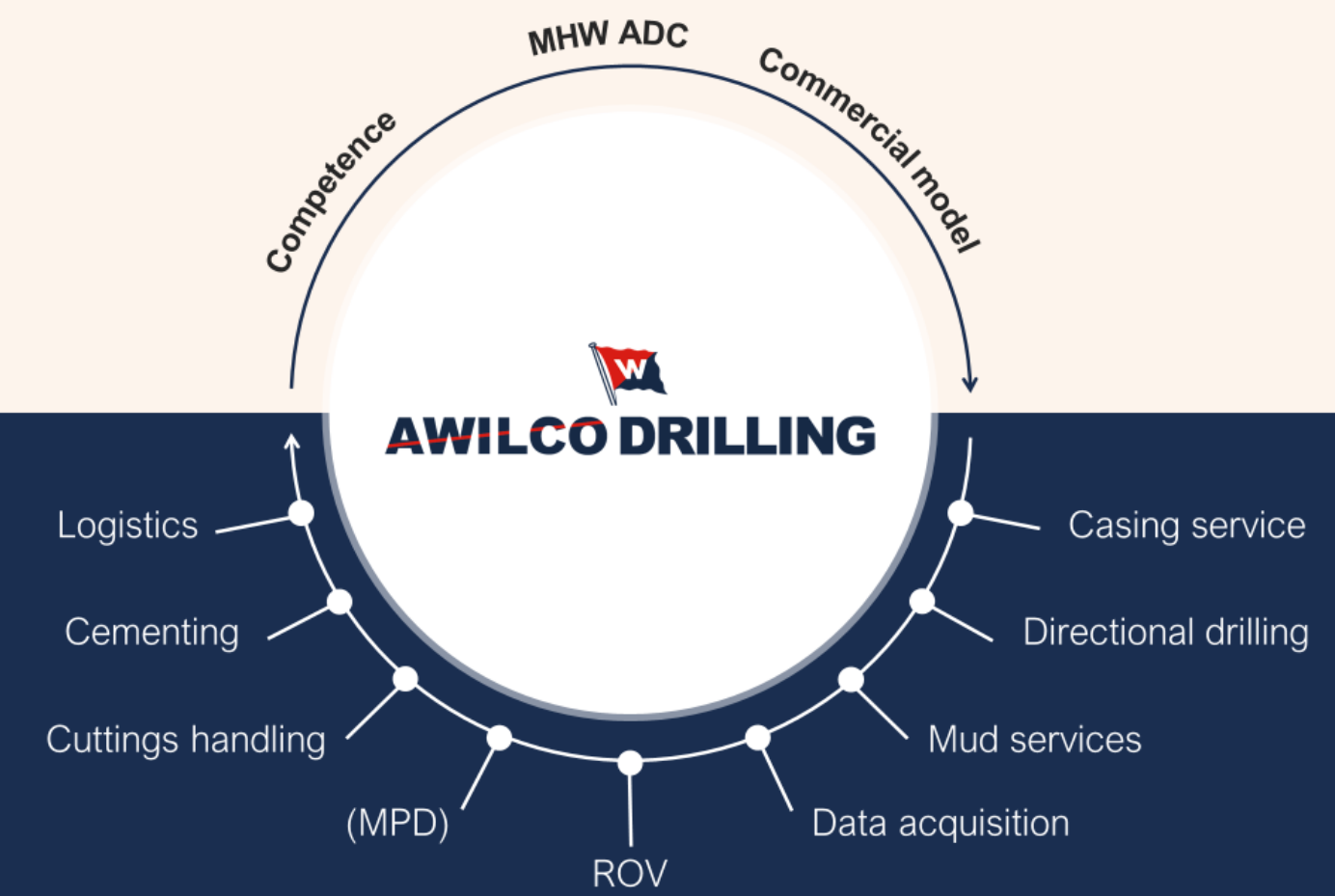


Open interface network with unique digital infrastructure, enabling the use of any applicable software application

# Total lifecycle management



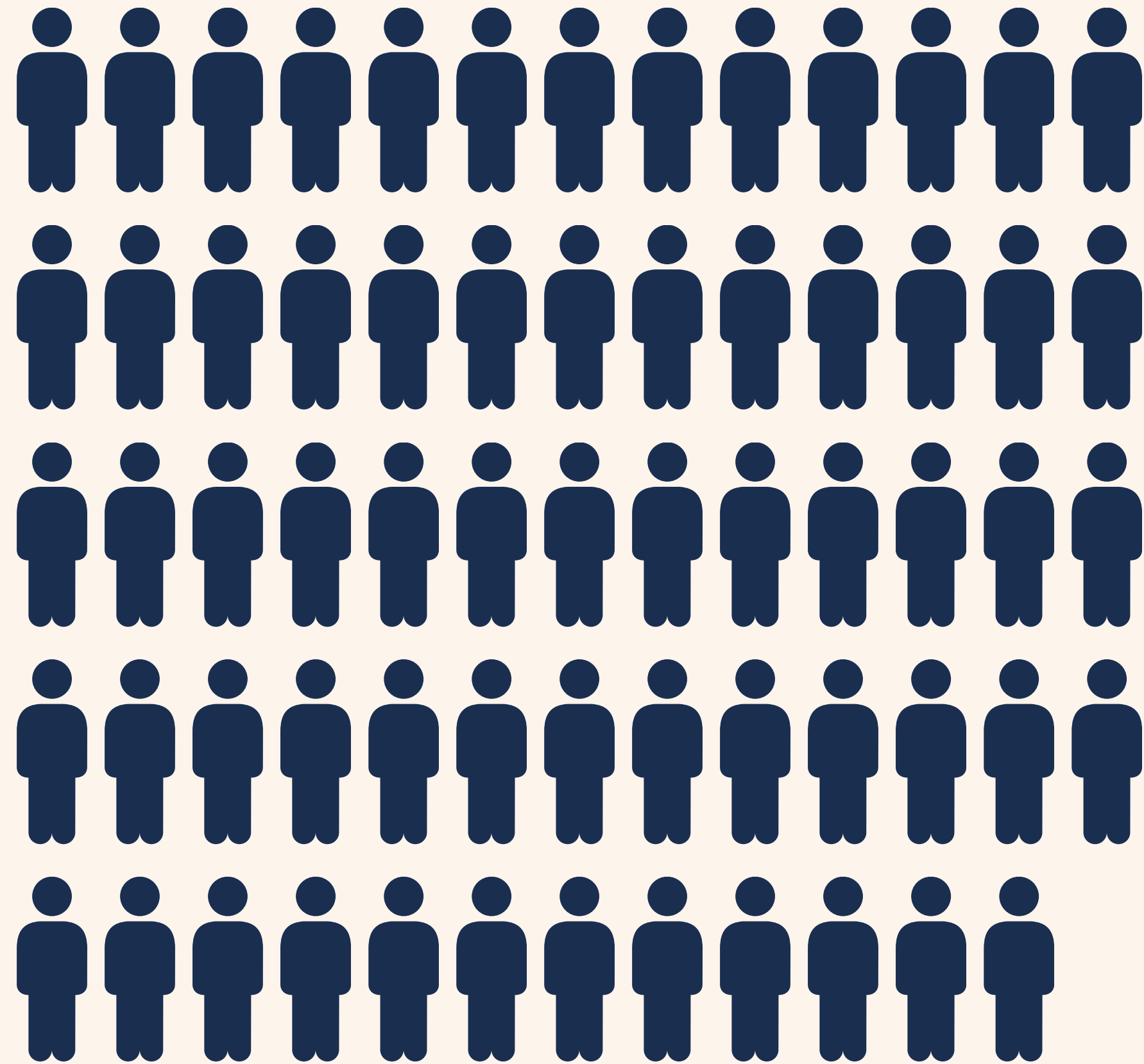
# Integrated services





# People on board today – traditional operating model and little integration

CONTRACTOR

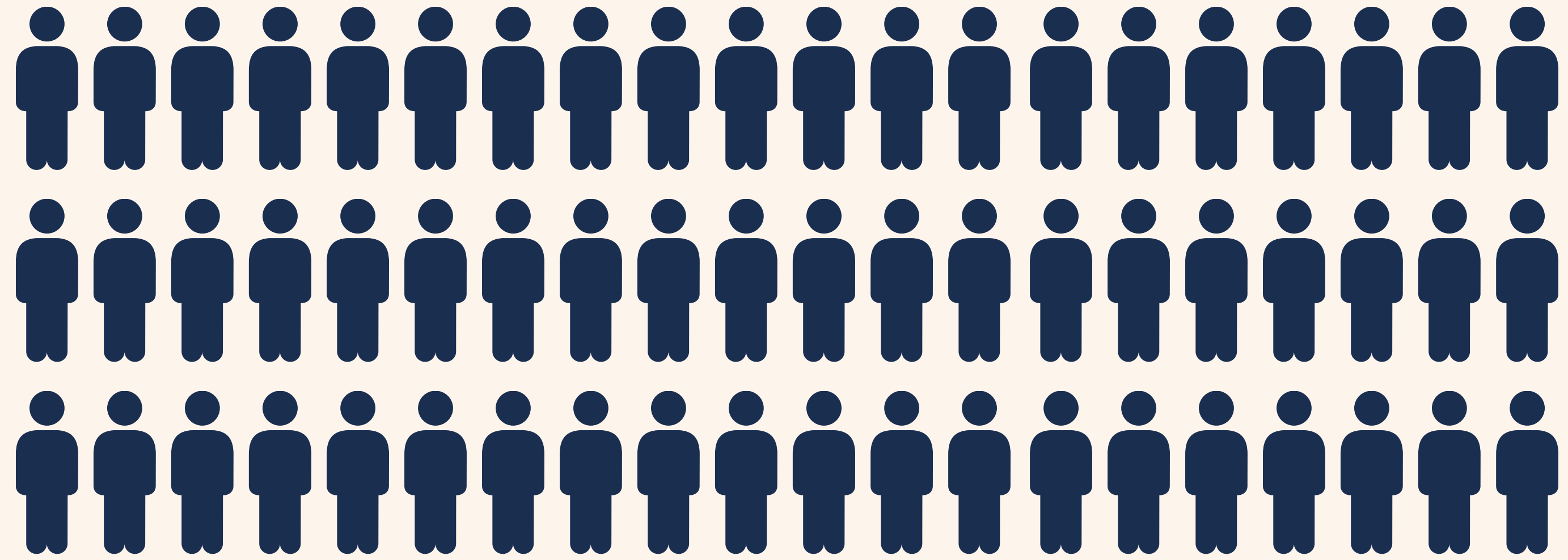


OPERATOR



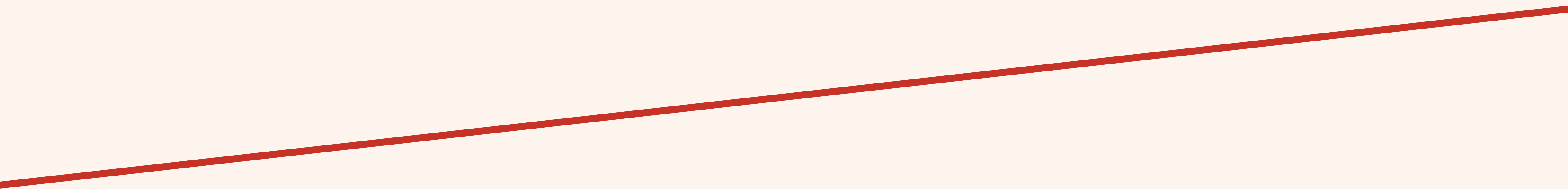


# Awilco Drilling can improve this

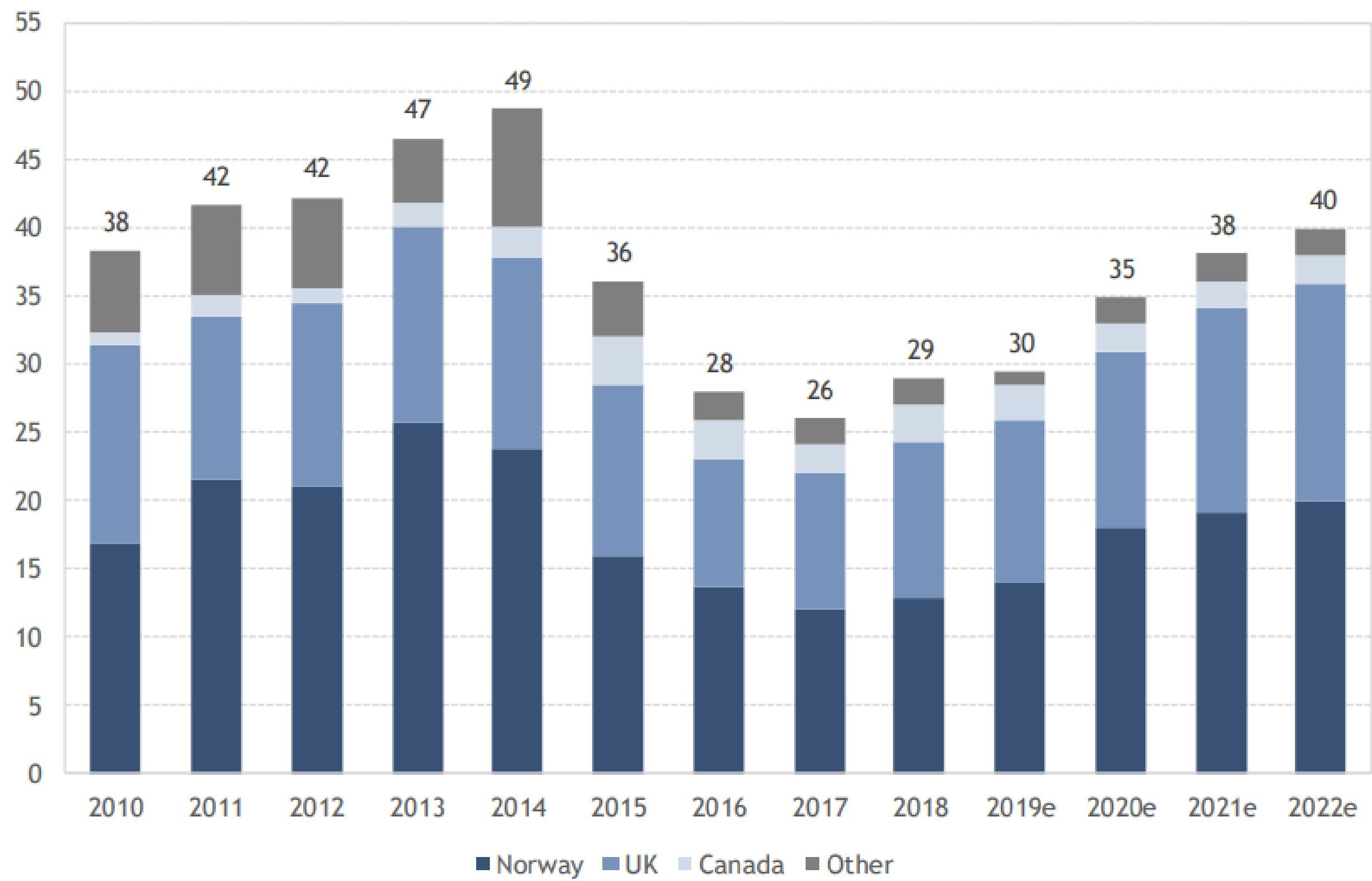




# Market Outlook







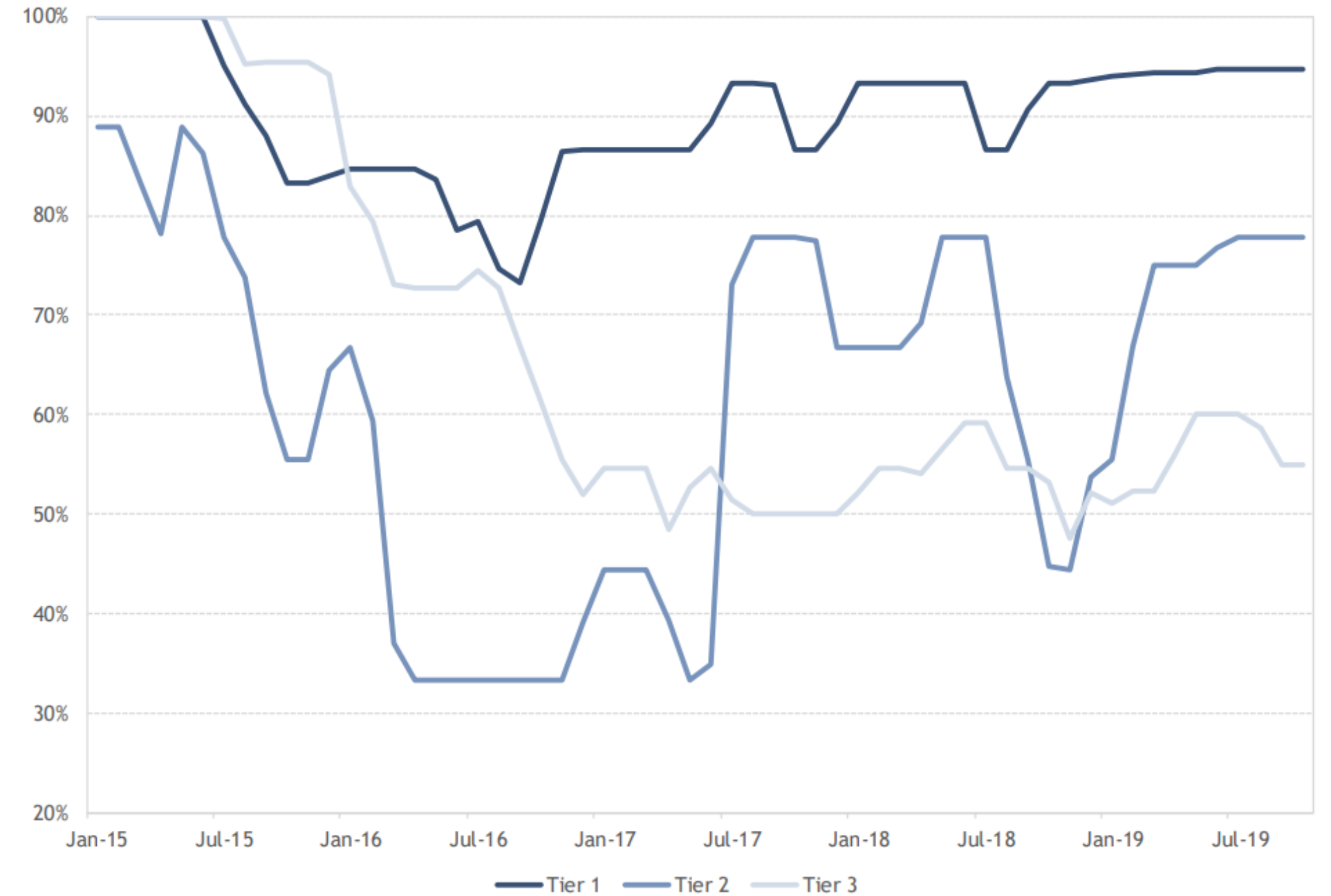
**Demand for harsh environment rigs expected to increase.**

Source: Arctic Securities



**Limited HE rig availability and increase in utilization support uptick in dayrates for Tier 1 rigs.**

HE utilization by RigScore, 2015 - 2019

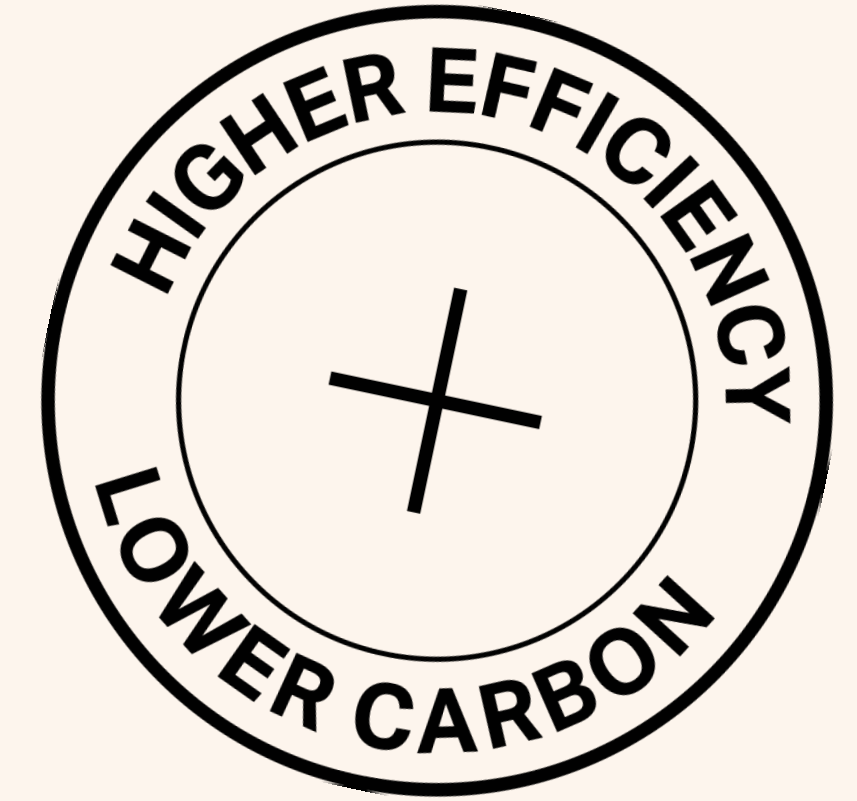


Source: IHS Petrodata, Arctic Securities





# Awilco Drilling is a unique growth opportunity.



- “Greenest” rigs ever built – meeting increased focus on lower emissions
- New technology improves safety and reduces total well cost
- Building the best team to operate the new rigs – massive applicant interest
- Active discussions with several potential clients in Norway
- Market outlook for harsh environment is positive, with already high utilization of Tier 1 rigs





# AWILCO DRILLING

