



AWILCO DRILLING

Q2 2020 presentation

12 August 2020

Agenda

1. Q2 financials
2. UK status
3. Newbuild status
4. Financing
5. Q&A



1. Q2 Financials



Q2 2020 Income Statement

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

	Q2 2020 (unaudited)	YTD 30.06.20 (unaudited)	Q2 2019 (unaudited)	YTD 30.06.19 (unaudited)
Contract revenue	6,118	6,118	9,636	18,608
Reimbursables	-	-	-	(24)
Other revenue	306	308	802	916
	<u>6,424</u>	<u>6,426</u>	<u>10,438</u>	<u>19,500</u>
Rig operating expenses	4,774	9,630	6,131	12,384
Reimbursables	-	-	-	2
General and administrative expenses	3,138	5,713	1,799	4,932
Depreciation	2,518	5,036	2,746	5,397
	<u>10,430</u>	<u>20,379</u>	<u>10,676</u>	<u>22,715</u>
Operating loss	<u>(4,006)</u>	<u>(13,953)</u>	<u>(238)</u>	<u>(3,215)</u>
Interest income	14	386	71	604
Interest expense	(7)	(14)	-	
Other financial items	(620)	(363)	(163)	(21)
Net financial items	<u>(613)</u>	<u>9</u>	<u>(92)</u>	<u>583</u>
Loss before tax	(4,619)	(13,944)	(330)	(2,632)
Tax expense	(8)	(86)	(62)	(112)
Net loss	<u>(4,627)</u>	<u>(14,030)</u>	<u>(392)</u>	<u>(2,744)</u>
Total comprehensive loss	<u>(4,627)</u>	<u>(14,030)</u>	<u>(392)</u>	<u>(2,744)</u>
Attributable to shareholders of the parent	(4,627)	(14,030)	(392)	(2,744)
Basic and diluted loss per share	(0.08)	(0.26)	(0.01)	(0.05)



Q2 2020 Balance Sheet

Condensed statement of financial position

in USD thousands

	30.06.2020	30.06.2019
	(unaudited)	(unaudited)
Rigs, machinery and equipment	157,914	226,501
Right-of-use asset	1,257	-
Deferred tax asset	22	352
	<u>159,193</u>	<u>226,853</u>
Trade and other receivables	56,638	7,970
Prepayments and accrued revenue	5,406	2,059
Inventory	4,648	4,808
Cash and cash equivalents	16,651	42,397
Current tax	-	340
	<u>83,343</u>	<u>57,574</u>
Total assets	<u><u>242,536</u></u>	<u><u>284,427</u></u>
Paid in capital	218,905	218,905
Retained earnings	18,050	59,927
	<u>236,955</u>	<u>278,832</u>
Trade and other creditors	2,903	983
Accruals and provisions	2,607	4,612
Current tax payable	71	0
	<u>5,581</u>	<u>5,595</u>
Total equity and liabilities	<u>242,536</u>	<u>284,427</u>



2. UK Status

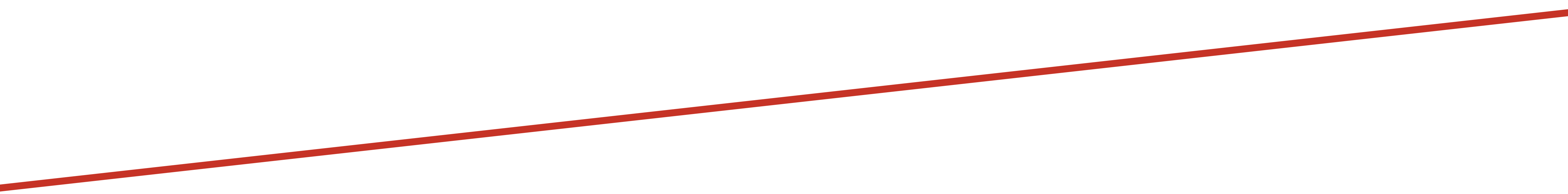


UK Status

- Commencement of the Petrofac contract started on 1 May 2020
 - Stand-by rate to cover Opex in the period 1-24 May
- Operational uptime was 100% in Q2
- Opex average was approximately USD 51 000 per day
- The WilPhoenix team continues to build on its extensive P&A track record
- Indications of term demand appearing in the UK from 2022 both in development and P&A



3. Newbuild Status



Construction contract for Nordic Winter terminated

- On 8 June, the rig owning company terminated the construction contract for Nordic Winter (Rig 1) due to contractual breaches by Keppel FELS and claims full refund of paid instalments (USD 54.7 million)
- Keppel FELS rejected this termination
- On 22 June, Keppel FELS terminated the construction contract with the rig owning company for non-payment of the remaining part of the second instalment (USD 31.9 million)
- The rig owning company does not accept Keppel FELS' grounds for termination
- Arbitration process is ongoing

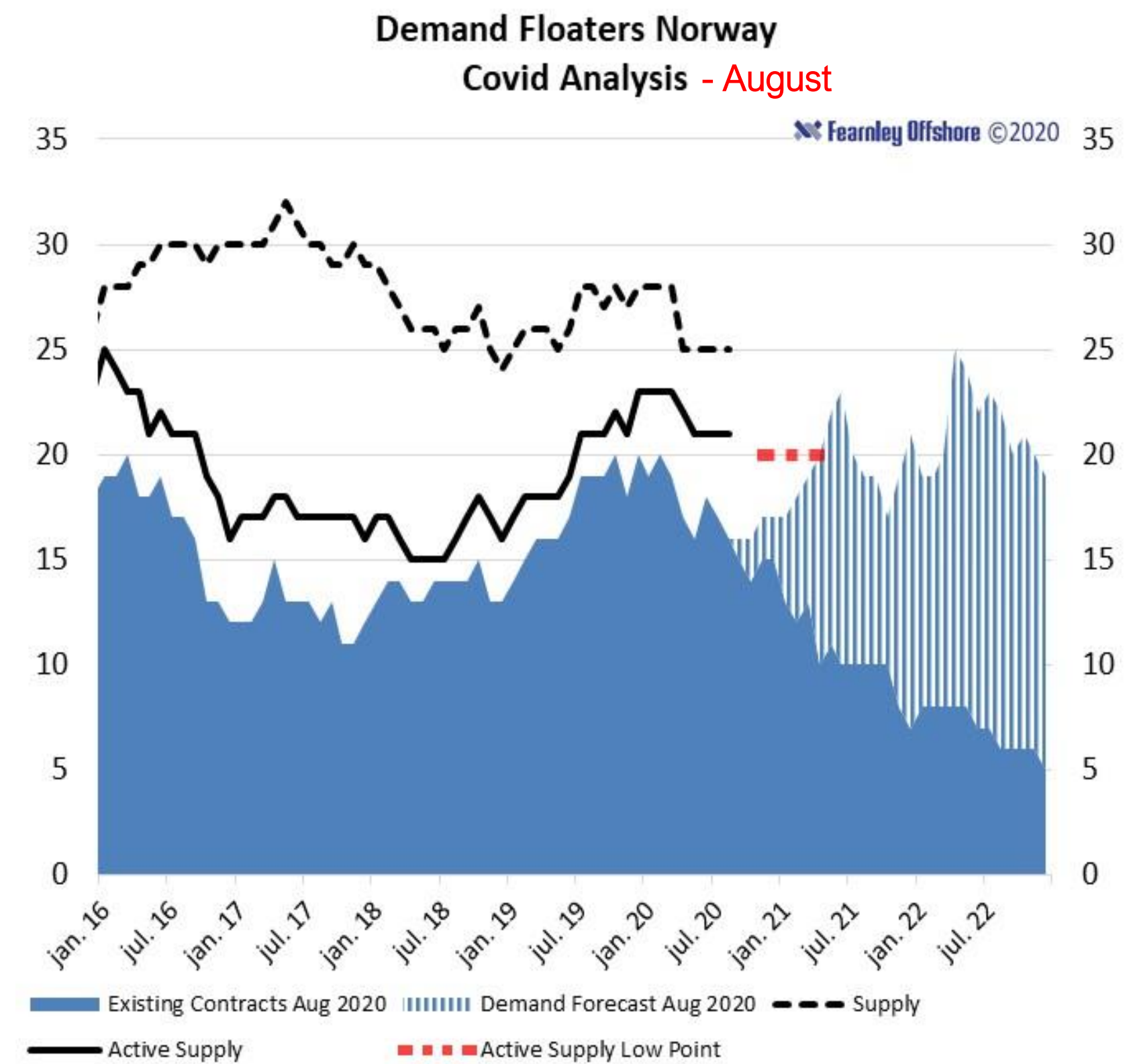
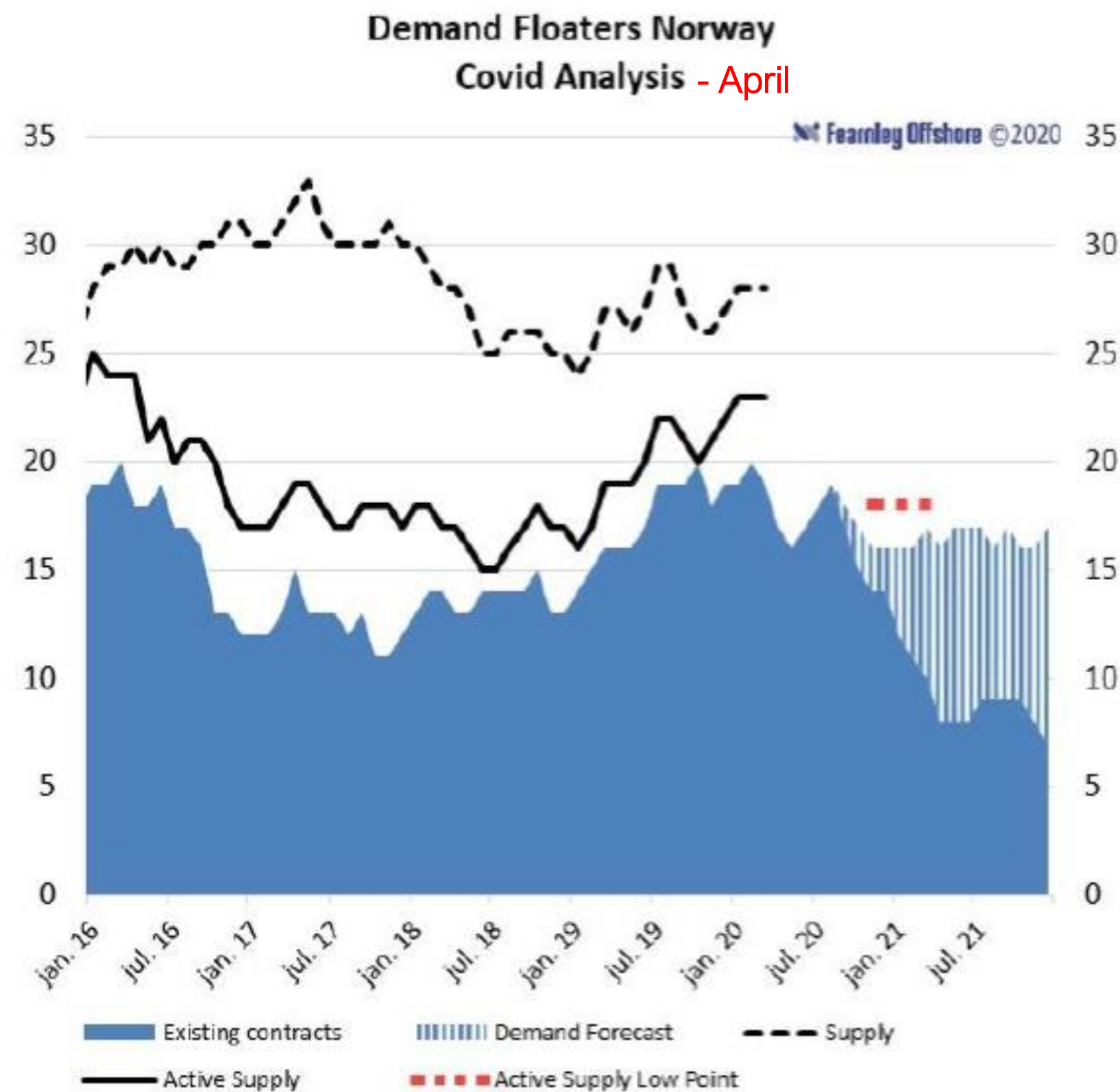


Newbuild progress on Nordic Spring



- Keel laying of Nordic Spring (Rig 2) in Nantong, China, on 31 July
- The situation at the yard in Singapore is uncertain due to Covid-19
- There is delay in construction but the yard is unable to quantify this until the Covid-19 situation is under control and work is fully resumed in Singapore

Norwegian tax package sparks optimism



- Reduced market supply after Covid-19 and the oil price fall
- Norwegian tax incentive is expected to accelerate new projects on the NCS
- Continued preference for Tier 1 rigs and high ESG focus expected



ESG

Will achieve the 2030
GHG ambition in 2021

- 40%
in 2021

Each of our newbuilds creates
1360 jobs for Norwegian suppliers

340
(Direct jobs)
1020
(Indirect jobs)



Contract Opportunities

- Well positioned for future long term drilling programs with the most efficient technical rig configuration to date and unparalleled ESG profile
- Currently discussing opportunities straight from delivery
- Only considering long term opportunities
 - *Could be one program or a combination of several programs*



3. Financing



Financing availability dependent on commercial achievement

- Exploring all viable financing alternatives for Nordic Spring (Rig 2)
- Capital to be raised only when required
- Financing structure will depend on term and value of rig contract
- Flexibility remains key in these unprecedented times



Q&A



**HIGHER
EFFICIENCY**

**LOWER
CARBON**

