



# **AWILCO DRILLING**

**Q3 2020 presentation**

*24 November 2020*

# Agenda

1. Q3 Financials
2. UK Status
3. Newbuild Status
4. Q&A



# 1. Q3 Financials



# Q3 2020 Income Statement

## Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q3 2020 (unaudited)	YTD 30.09.20 (unaudited)	Q3 2019 (unaudited)	YTD 30.09.19 (unaudited)
Contract revenue	10,301	16,419	10,299	28,907
Reimbursables	3	3	12	(12)
Other revenue	306	614	5	921
	<u>10,610</u>	<u>17,036</u>	<u>10,316</u>	<u>29,816</u>
Rig operating expenses	5,885	15,516	6,319	18,703
Reimbursables	14	14	9	11
General and administrative expenses	2,996	8,709	1,420	6,352
Depreciation	2,518	7,554	2,932	8,329
	<u>11,413</u>	<u>31,793</u>	<u>10,680</u>	<u>33,395</u>
Operating loss	<u>(803)</u>	<u>(14,757)</u>	<u>(364)</u>	<u>(3,579)</u>
Interest income	-	385	72	675
Interest expense	(7)	(20)	-	-
Other financial items	(143)	(506)	(393)	(414)
Net financial items	<u>(150)</u>	<u>(141)</u>	<u>(321)</u>	<u>261</u>
Loss before tax	(953)	(14,898)	(685)	(3,318)
Tax expense	(8)	(94)	(168)	(280)
Net loss	<u>(961)</u>	<u>(14,992)</u>	<u>(853)</u>	<u>(3,598)</u>
Total comprehensive loss	<u>(961)</u>	<u>(14,992)</u>	<u>(853)</u>	<u>(3,598)</u>
Attributable to shareholders of the parent	(961)	(14,992)	(853)	(3,598)
Basic and diluted loss per share	(0.02)	(0.27)	(0.02)	(0.07)



# Q3 2020 Balance Sheet

## Condensed statement of financial position

in USD thousands

	30.09.2020	30.09.2019
	(unaudited)	(unaudited)
Rigs, machinery and equipment	156,978	225,115
Right-of-use asset	1,176	-
Deferred tax asset	17	185
	<u>158,171</u>	<u>225,300</u>
Trade and other receivables	58,487	7,076
Prepayments and accrued revenue	4,597	4,355
Inventory	4,647	4,808
Cash and cash equivalents	15,968	41,317
Current tax	-	340
	<u>83,699</u>	<u>57,896</u>
Total assets	<u><u>241,870</u></u>	<u><u>283,196</u></u>
Paid in capital	218,905	218,905
Retained earnings	17,088	59,073
	<u>235,993</u>	<u>277,978</u>
Trade and other creditors	2,685	1,077
Accruals and provisions	3,192	4,141
	<u>5,877</u>	<u>5,218</u>
Total equity and liabilities	<u><u>241,870</u></u>	<u><u>283,196</u></u>



## 2. UK Status



# UK Status

- Completion of the Petrofac contract on 2 September
- Commencement of the Serica contract on 14 September
- Operational uptime for standard dayrate work was 100% in Q3
- Opex average for WilPhoenix was USD 62 300 per day
- WilPhoenix expected to stay on contract with Serica until late January 2021
- Mostly seasonal opportunities in 2021 but more term demand appearing from 2022 both in development and P&A



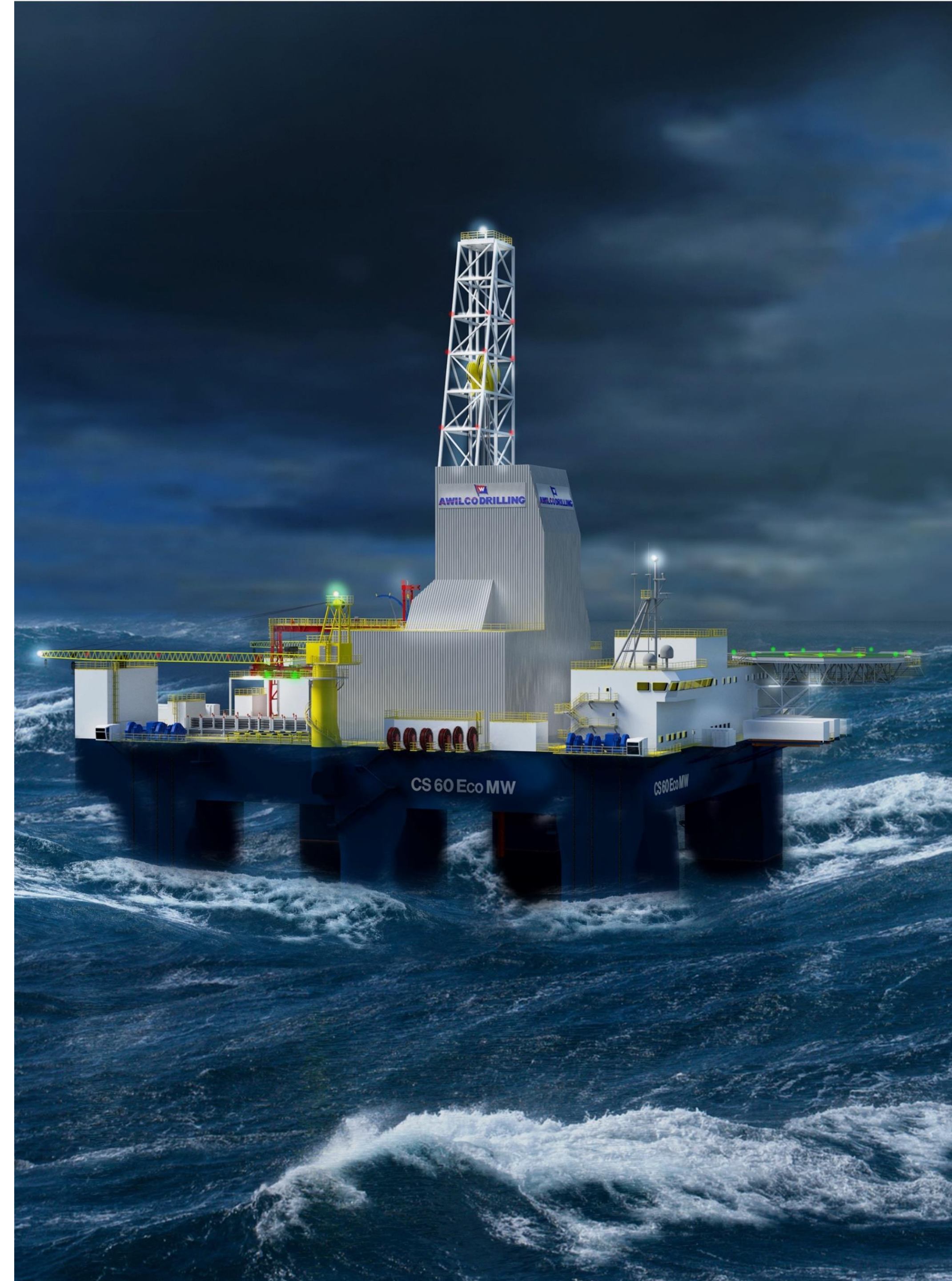
# 3. Newbuild Status





# Newbuild Update

- Preparations for arbitration related to termination of new build Rig 1 (Nordic Winter) continue
- Substantial delay of new build Rig 2 (Nordic Spring) predominantly due to Covid-19
- It is not possible at this stage to give a definitive prediction of when delivery may take place



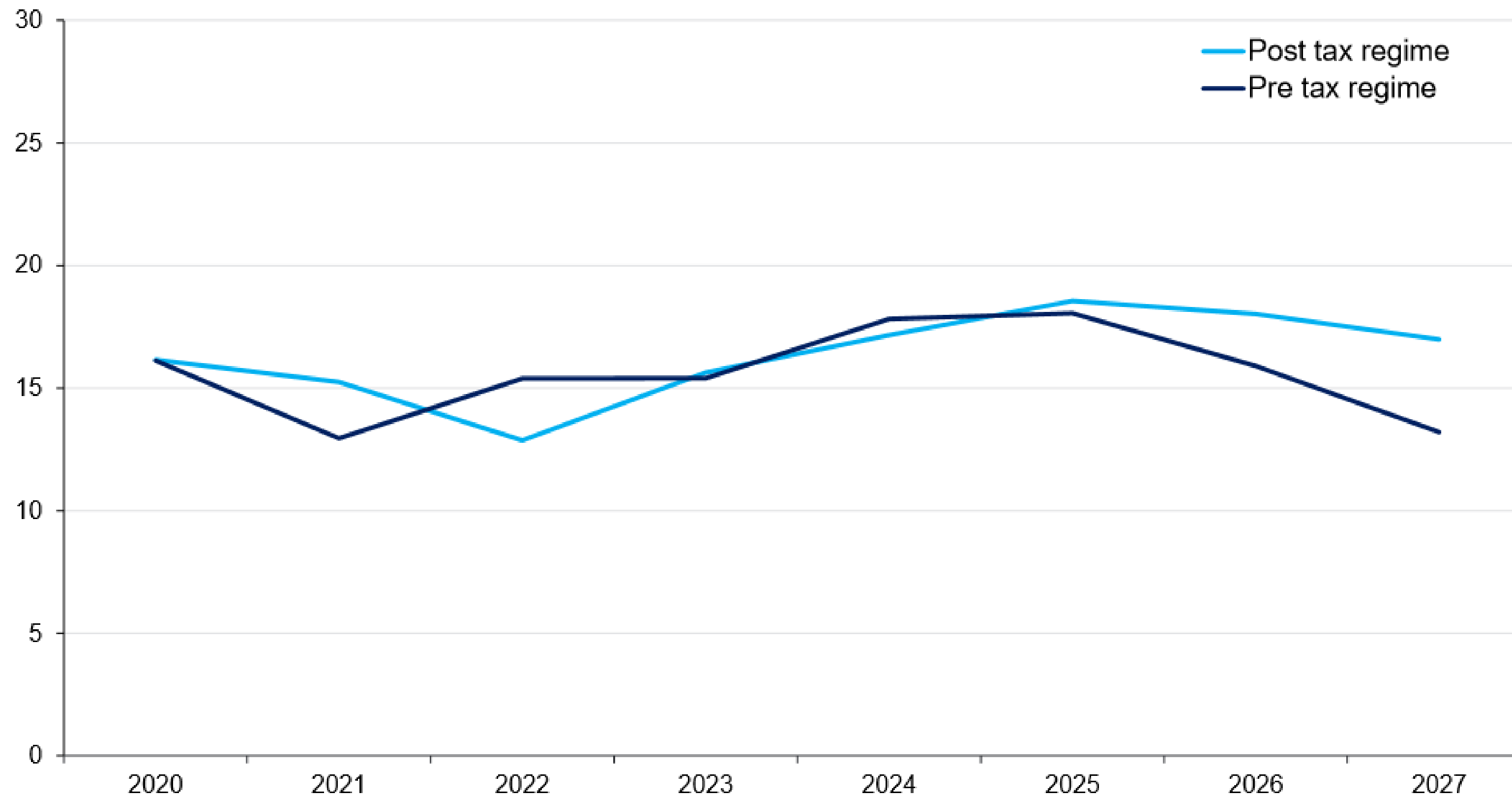
# Cost reduction measures

- The organisation in Stavanger was established in 2019 to prepare for operation of Nordic Winter in 2021 but with the termination of Nordic Winter and the expected delay of Nordic Spring, operational readiness in Norway has been postponed for the time being.
- The effect of the cost savings are yet to be concluded on, but is expected to be in the range of USD 7-8 million annually
- The site team in Singapore and China, and the organisation in the UK remains intact
  - The remaining organisation possesses all required disciplines to support the newbuild project with sufficient operational input during construction at this stage



# Market Opportunities

Norwegian Floater  
Demand (years)



- Norwegian tax incentive accelerates new projects on the NCS
- Positive demand trend from 2022 onward



# Financing

- Exploring financing options for next instalment on Nordic Spring, due March 2021



# Q&A

