



AWILCO DRILLING

Q4 2019 presentation

25 February 2020

Agenda

1. Q4 performance

2. Tender and Market activity

- UK Status
- Newbuild Status
- Tender activity and employment strategy for Newbuilds
- Performance advantages & ESG commitment

3. Financing

- Status 2nd instalment Rig #1
- Debt target 60%
- Beauty of financing flexibility

4. Q&A



1. Q4 performance



Q4 2019 Income Statement

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2019 (unaudited)	Full Year 2019 (unaudited)	Q4 2018 (unaudited)	Full Year 2018 (audited)
Contract revenue	8 097	37 004	10 192	55 917
Reimbursables	4	(8)	40	586
Other revenue	219	1 140	4	19
	<u>8 320</u>	<u>38 136</u>	<u>10 236</u>	<u>56 522</u>
Rig operating expenses	6 061	24 765	5 520	27 342
Reimbursables	3	14	15	263
General and administrative expenses	2 801	9 153	53	8 766
Depreciation	3 257	11 586	3 151	13 425
Impairment	23 000	23 000	25 000	25 000
	<u>35 122</u>	<u>68 518</u>	<u>33 739</u>	<u>74 796</u>
Operating loss	<u>(26 802)</u>	<u>(30 382)</u>	<u>(23 503)</u>	<u>(18 274)</u>
Interest income	273	949	802	1 943
Interest expense	(14)	(14)	-	(4 671)
Other financial items	(303)	(717)	(466)	(167)
Net financial items	<u>(44)</u>	<u>218</u>	<u>336</u>	<u>(2 895)</u>
(Loss)/Profit before tax	(26 846)	(30 164)	(23 167)	(21 169)
Tax expense	(147)	(427)	(1 013)	(1 695)
Net (loss)/profit	<u>(26 993)</u>	<u>(30 592)</u>	<u>(24 180)</u>	<u>(22 864)</u>
Total comprehensive (loss)/income	<u>(26 993)</u>	<u>(30 592)</u>	<u>(24 180)</u>	<u>(22 864)</u>
Attributable to shareholders of the parent	(26 993)	(30 592)	(24 180)	(22 864)
Basic and diluted earnings per share	(0,49)	(0,57)	(0,49)	(0,52)



Q4 2019 Balance Sheet

Condensed statement of financial position

in USD thousands

	31.12.2019 (unaudited)	31.12.2018 (audited)
Rigs, machinery and equipment	201 918	186 761
Right-of-use asset	1 417	0
Deferred tax asset	108	461
	<u>203 443</u>	<u>187 222</u>
Trade and other receivables	8 908	9 075
Prepayments and accrued revenue	502	2 862
Inventory	4 946	4 809
Cash and cash equivalents	41 249	63 865
Current tax	0	340
	<u>55 605</u>	<u>80 951</u>
Total assets	<u>259 048</u>	<u>268 173</u>
Paid in capital	218 906	198 719
Retained earnings	32 079	62 671
	<u>250 985</u>	<u>261 390</u>
Trade and other creditors	1 284	1 213
Accruals and provisions	6 708	5 504
Current tax payable	71	66
	<u>8 063</u>	<u>6 783</u>
Total equity and liabilities	<u>259 048</u>	<u>268 173</u>



2. Tender and Market activity



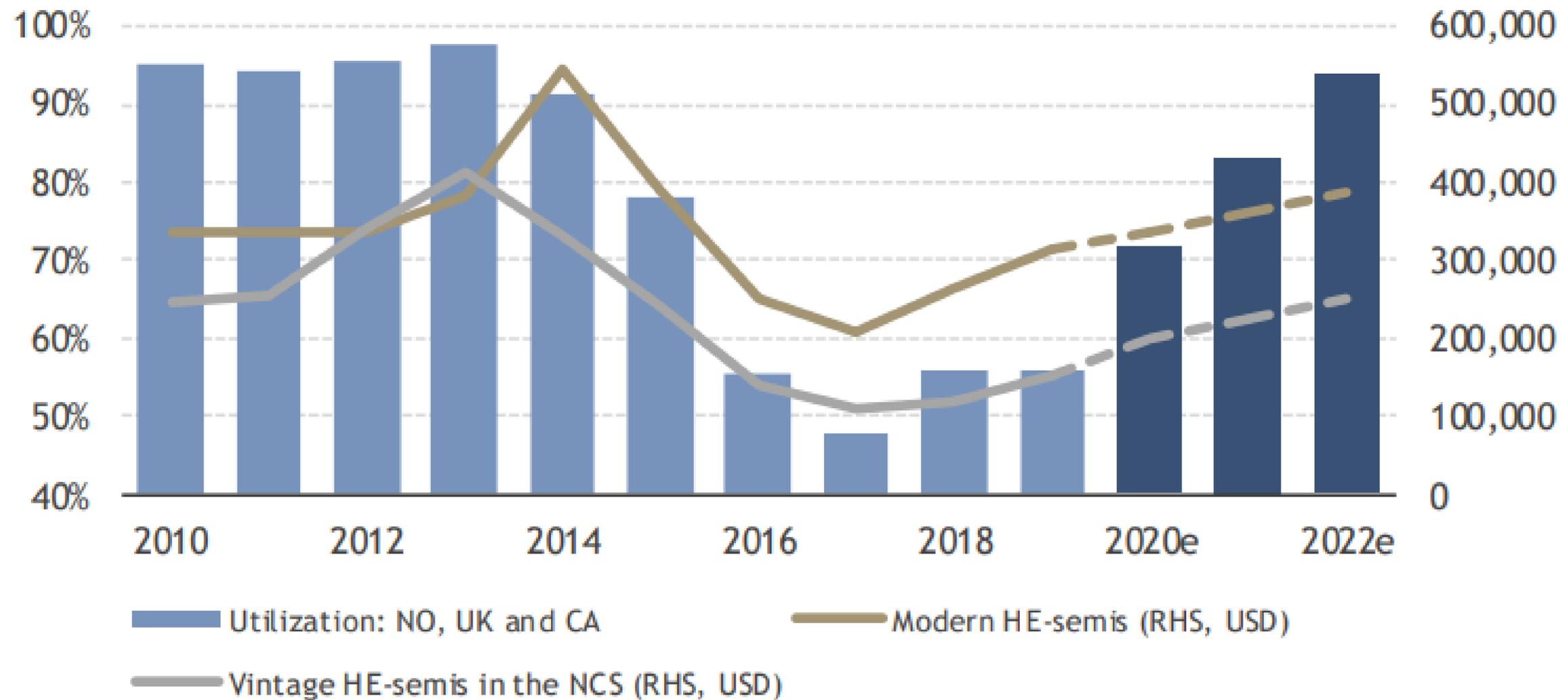
UK Status

- Letter of Intent no. 1 for three P&A wells secured with commencement early May 2020 estimated at 100 days
- Letter of Intent no. 2 secured with Serica Energy (UK) Ltd. for one well estimated at 45-70 days with commencement early September 2020
- Positive outlook for follow-on work for WilPhoenix beyond secured programmes



Healthy Market Outlook for Tier 1 HE rigs

Utilization vs. dayrates





Keppel Nantong

振华港机



Tender activity and employment strategy for the Newbuilds



In tender process for several term contracts

Environmental footprint

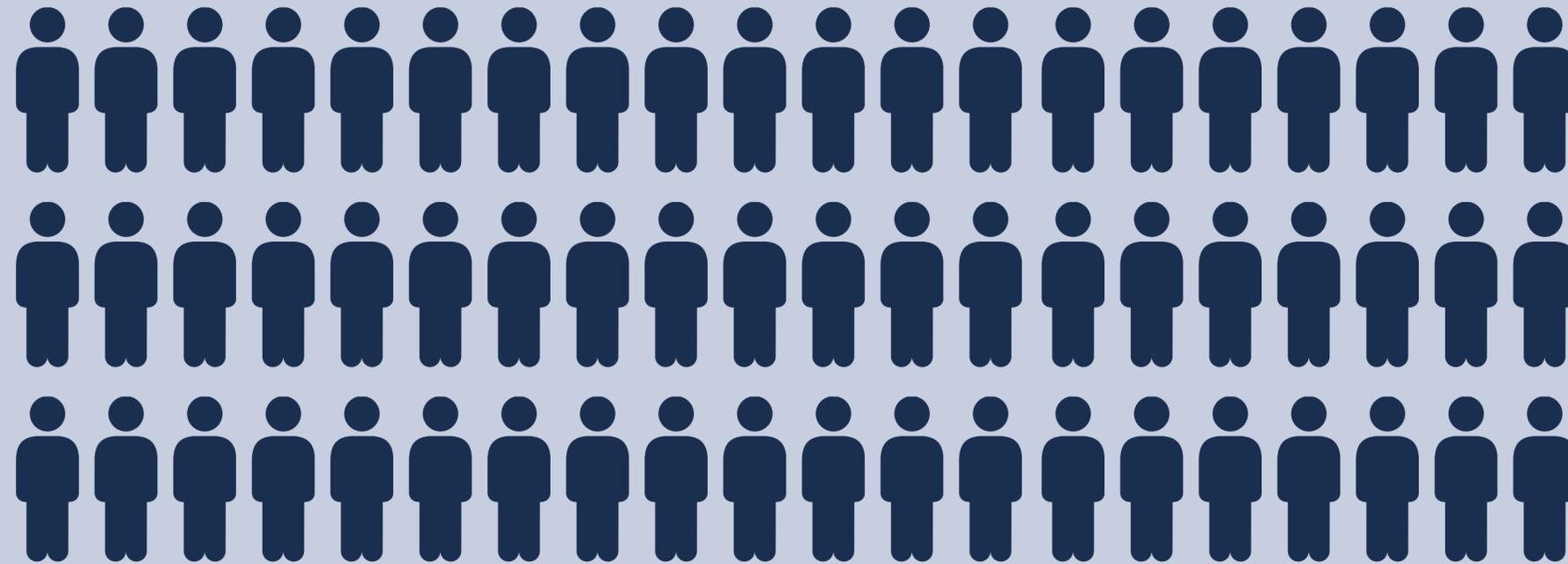
Norsk Olje og Gass:
GHG reduction goals*:

- 40%
in 2030

We commit to achieving this in 2021!



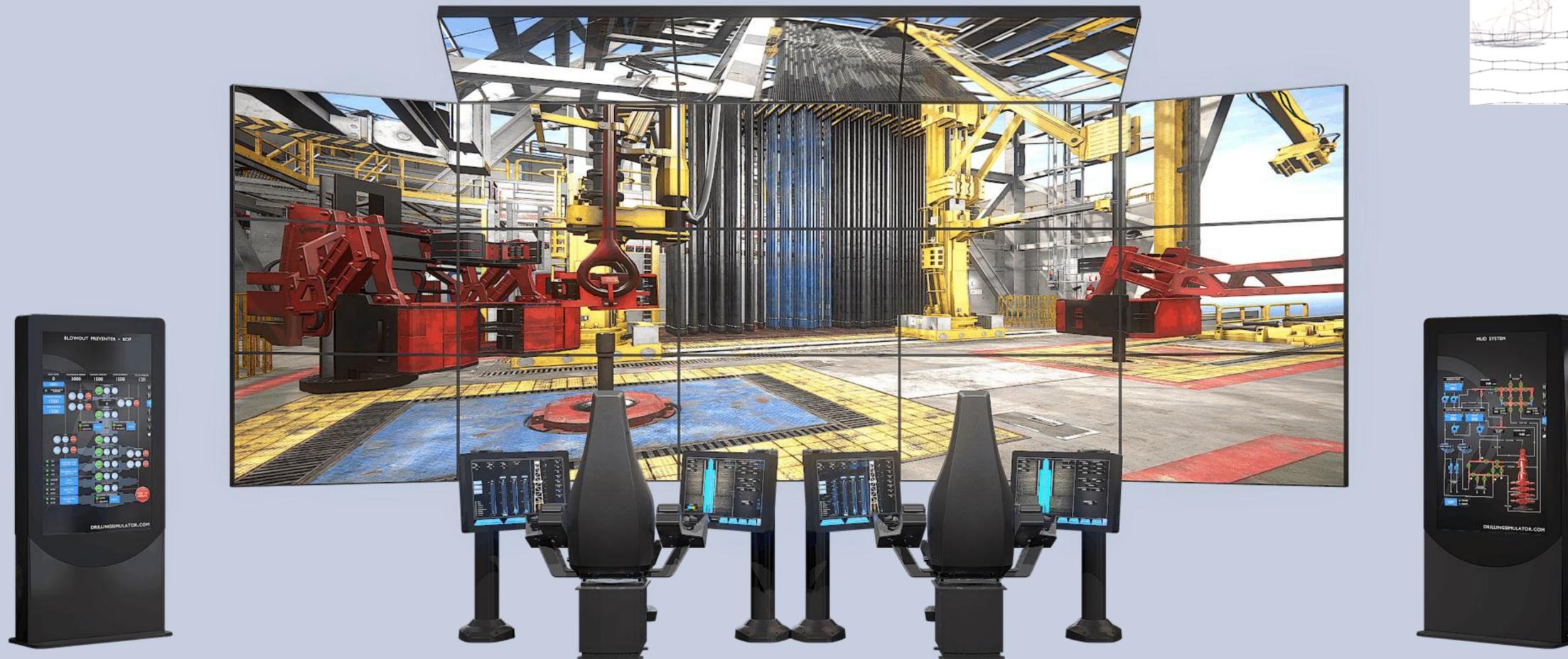
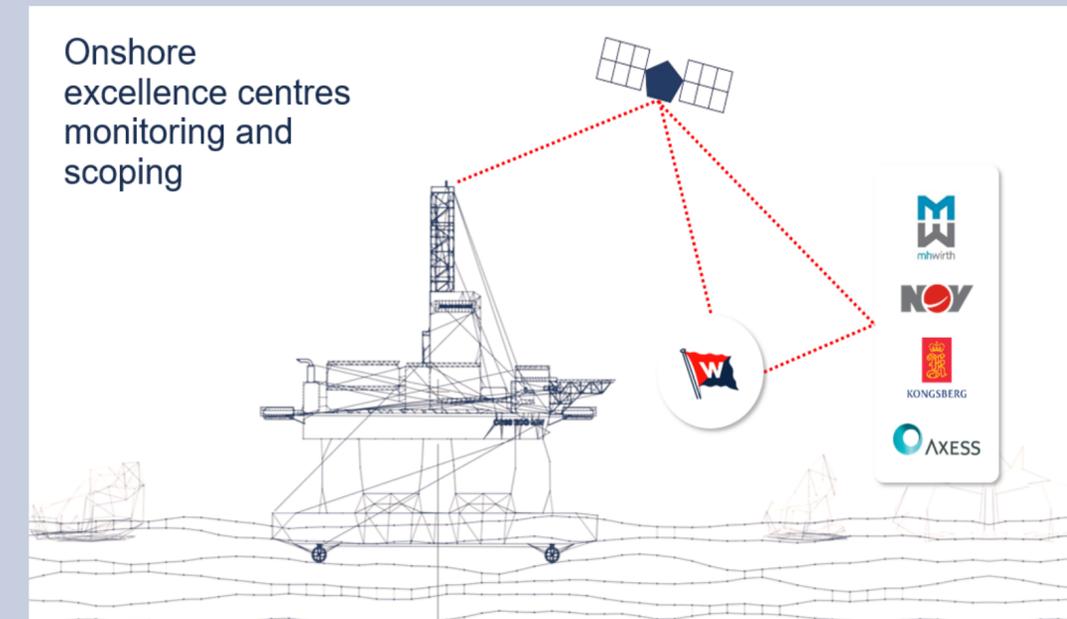
Offshore headcount can be reduced by 20-30%



With our technology we can perform far more tasks with less people



Digitization and Service Integration



Unique features differentiating ourselves significantly from peers



3. Financing



Financing

- 75% of the 2nd instalment of Rig #1 postponed to mid-June
- Next equity issue postponed accordingly
- All equity to be raised on a “when needed” basis

- Debt target is 60%
- Wide range of financing alternatives being explored (to optimize value creation for shareholders)
- Financing structure will depend on term and value of rig contract



Exciting times ahead

- Thrilled to secure more work in the UK
- Important milestone reached with Rig #1 leaving China
- In tender process for several term contracts for newbuilds
- Newbuilds will establish a new benchmark
- Beauty of financing flexibility



Q&A



