

# AWILCO DRILLING Q1 2021 PRESENTATION

*12 May 2021*



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# AGENDA

1. Main Events
2. Q1 2021 Results
3. Operations Update
4. Arbitration Update
5. Company Outlook
6. Q&A

# 1. Main Events





# MAIN EVENTS

- Total Q1 revenue USD 12.6 million, EBITDA of USD 3.7 million, Net profit of USD 1.3 million
- Revenue efficiency was 87.5% during the quarter
- Total contract backlog at end of Q1 2021 was approx. USD 8.0 million
- WilPhoenix awarded one well contract with Ithaca Oil & Gas in April



## 2. Q1 2021 results



# Q1 2021 INCOME STATEMENT

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

	Q1 2021 (unaudited)	Q1 2020 (unaudited)
Contract revenue	12.466	-
Reimbursables	155	-
Other revenue	19	3
	<u>12.640</u>	<u>3</u>
Rig operating expenses	5.162	4.857
Reimbursables	24	-
General and administrative expenses	3.762	2.575
Depreciation	2.485	2.518
	<u>11.433</u>	<u>9.950</u>
Operating profit/(loss)	<u>1.207</u>	<u>(9.947)</u>
Interest income	-	371
Interest expense	(16)	(7)
Other financial items	88	258
Net financial items	<u>72</u>	<u>622</u>
Profit before tax	1.279	(9.325)
Tax expense	(1)	(78)
Net profit/(loss)	<u>1.278</u>	<u>(9.403)</u>
Total comprehensive profit/(loss)	<u>1.278</u>	<u>(9.403)</u>
Attributable to shareholders of the parent	1.278	(9.403)
Basic and diluted earnings per share	0,02	(0,17)



# Q1 2021 BALANCE SHEET

## Condensed statement of financial position

in USD thousands

	31.03.2021	31.03.2020
	(unaudited)	(unaudited)
Rigs, machinery and equipment	64,482	212,382
Right-of-use asset	1,016	1,337
Deferred tax asset	15	30
	<u>65,513</u>	<u>213,749</u>
Trade and other receivables	4,711	259
Prepayments and accrued revenue	4,873	1,109
Inventory	3,026	4,695
Cash and cash equivalents	13,195	27,718
	<u>25,805</u>	<u>33,781</u>
Total assets	<u>91,318</u>	<u>247,530</u>
Paid in capital	218,905	218,905
Retained earnings	(134,500)	22,677
	<u>84,405</u>	<u>241,582</u>
Trade and other creditors	1,139	2,459
Accruals and provisions	5,708	3,418
Current tax payable	66	71
	<u>6,913</u>	<u>5,948</u>
Total equity and liabilities	<u>91,318</u>	<u>247,530</u>





# 3. Operations Update



# OPERATIONS UPDATE

- Operational uptime for WilPhoenix in Q1 was 95.9 % with average OPEX of approximately USD 56,100 per day in the quarter
- Tendering for 2021, 2022 and 2023 in the UK is at levels not seen for 10 years
- Reduced supply through attrition is contributing to a tighter supply/demand balance in the UK
- WilPhoenix 5-year SPS is scheduled to take place after the Ithaca Fotla well and prior to any follow-on work
- SPS is estimated at USD 10 mill
- High levels of tendering activity in the UK are expected to lead to contract awards from late June 2021



# 4. Arbitration Update



# ARBITRATION UPDATE

- Arbitration process related to the termination of new build Rig 1 continues
  - *Claim amounts to USD 54.7 million*
  - *Tribunal hearing has been scheduled to commence in October 2022 with award expected in Q1 2023*
- Arbitration process related to the termination of new build Rig 2 has commenced
  - *Claim amounts to USD 43.0 million*
  - *Expected commencement of tribunal hearing is late 2022*
- Total legal fees for both cases expected to be approx. USD 10 million



# 5. Company Outlook



# COMPANY OUTLOOK

- Actively managing the arbitration processes towards Keppel FELS to receive refund for paid instalments
- Actively pursuing opportunities in a recovering global rig market
  - *Consolidation*
  - *Acquisition*
  - *Management of units*



Q&A



