

Conference Call – 2Q 2013 results

August 28, 2013

Seadrill

Forward Looking Statements

The statements described in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which could be made include, but are not limited to, statements involving prospects for the Company, expected revenues, capital expenditures, costs and results of operations and contingencies and other factors discussed in the Company's most recent annual report on the Form 20-F for the year ended December 31, 2012 and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's web site at seadrill.com.



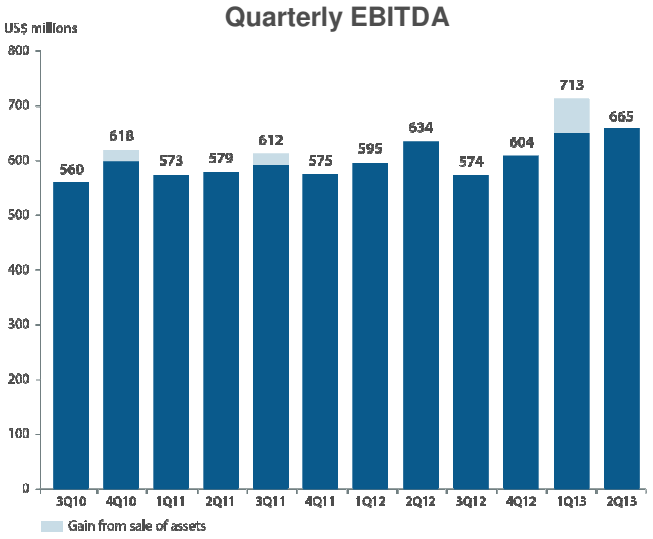
Seadrill Second Quarter Call Agenda

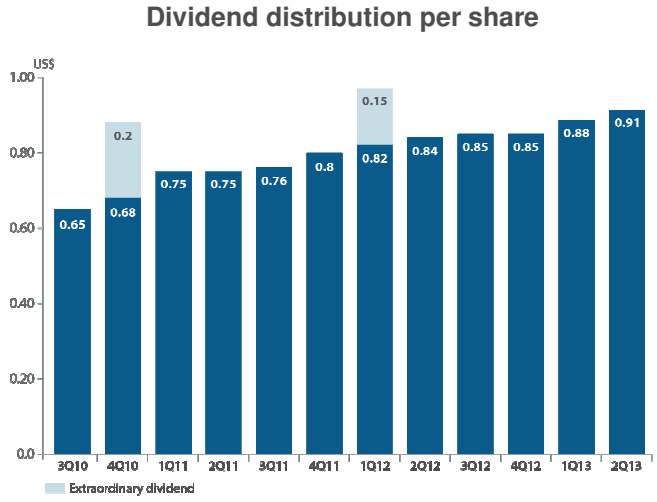
- Highlights 2Q 2013
- Contract backlog
- Market outlook
- Dividend policy
- Summary
- 2Q 2013 financial accounts
  - Seadrill
  - North Atlantic Drilling
- Q&A

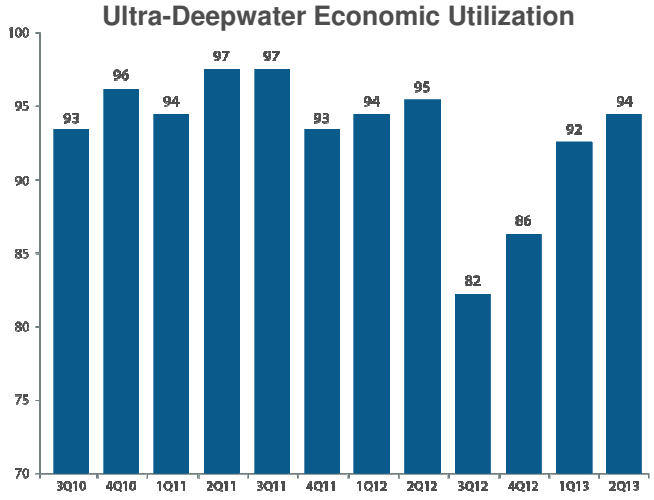


Financial Performance Highlights

- Seadrill generates a record EBITDA of US$665 million for the second quarter 2013
- Economic utilization for our floaters increased to 94 percent, up from 92 percent in the first quarter 2013
- Seadrill reports second quarter 2013 net income of US$1,750 million and earnings per share of US$3.68
- Seadrill increases quarterly cash dividend by US$0.03 to US$0.91 per share







Highlights & Subsequent Events

Second Quarter 2013

•Ordered two high specification jack-ups for US$230 million per rig

•Secured a three-year contract for the newbuild drillship West Neptune with a total estimated revenue potential of US$662 million

•Completed the integration of the tender rig business into SapuraKencana Petroleum Bhd. for a total consideration of US$2.9 billion

•Completed the sale of the tender rig T-15 to Seadrill Partners for a total consideration of US$210 million

Subsequent Events

•Ordered four ultra-deepwater drillships for a total estimated project price below US$600 million per rig, with deliveries in the second half of 2015 and the first half of 2016

•Ordered two jack-ups for a total estimated project price of US$230 million per rig, with deliveries in the second and third quarters of 2016

•Reached 50.1% ownership in Sevan Drilling and launched mandatory offer for all outstanding shares

•Secured a 180 day contract for the newbuild ultra-deepwater drillship West Tellus with a total revenue potential of US$150 million

•Secured a 2.5 year contract for the jack-up rig West Freedom with a total revenue potential of US$222 million

Global Operational Footprint

Americas
7 units

Canada
- 1 Semi

Gulf of Mexico
-3 Semis

South America
- 3 Semis

Africa – Middle East
14 units

- 3 Drillships
- 2 Semis
- 1 Semi-tender
- 8 Jack-ups



North Atlantic
7 units

- 4 HE Semis
- 2 HE Jack-ups
- 1 Drillship

Asia Pacific
9 units

- 2 Tender rigs
- 7 Jack-ups

Newbuilds 27 units

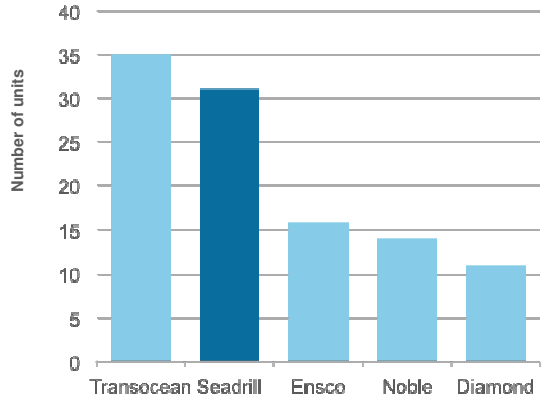
- 11 Drillships
- 2 HE Semis
- 1 HE jack-up
- 13 BE jack-ups

Presence in all important oil and gas regions

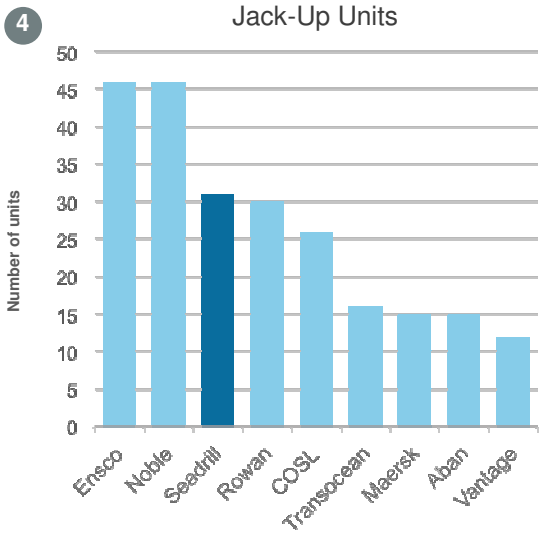
Modern Fleet & High Exposure to Premium Segments

One of the largest Offshore Drillers…

1

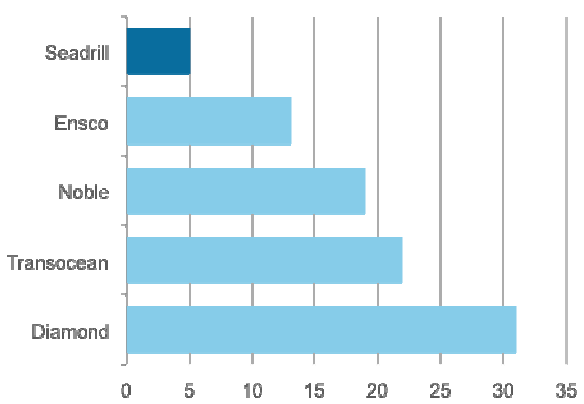


4

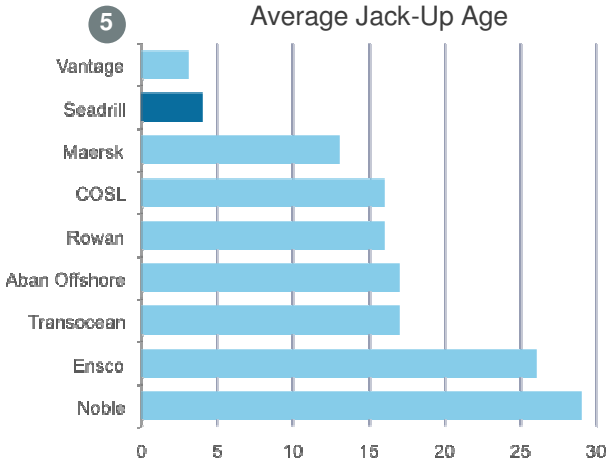


…with a Modern Fleet…

2

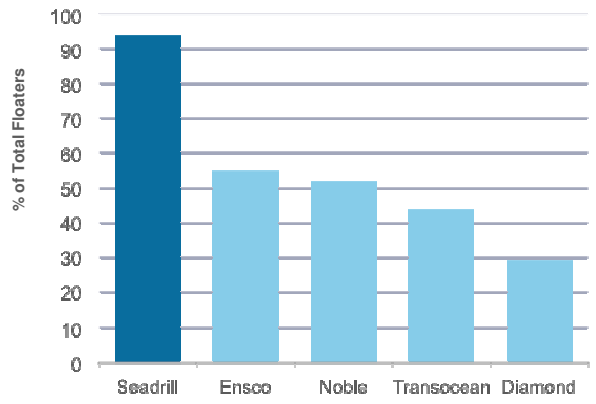


5

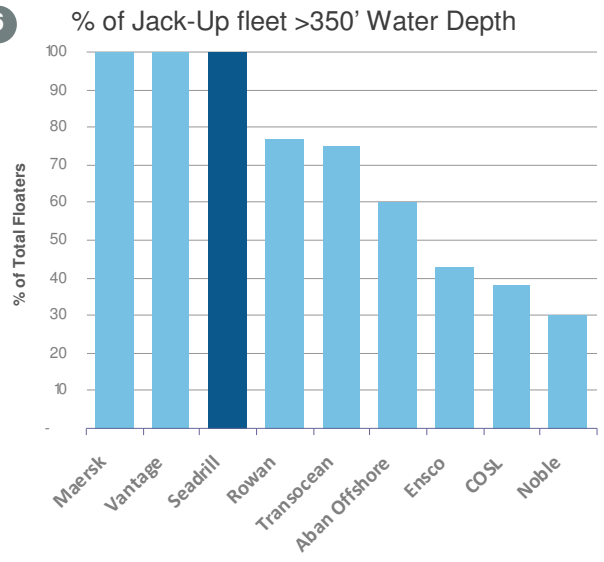


…and Exposure to Premium Segments

3

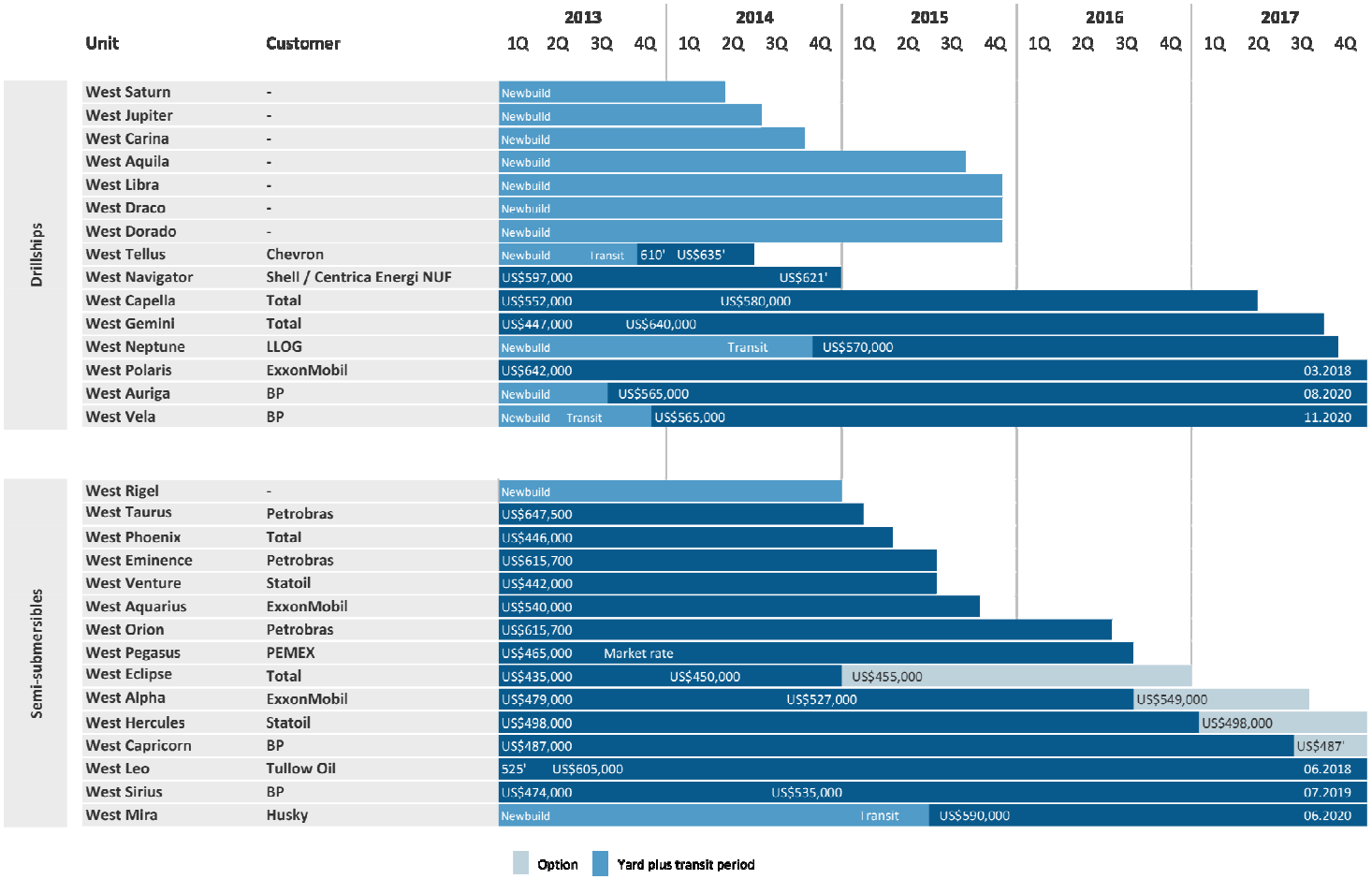


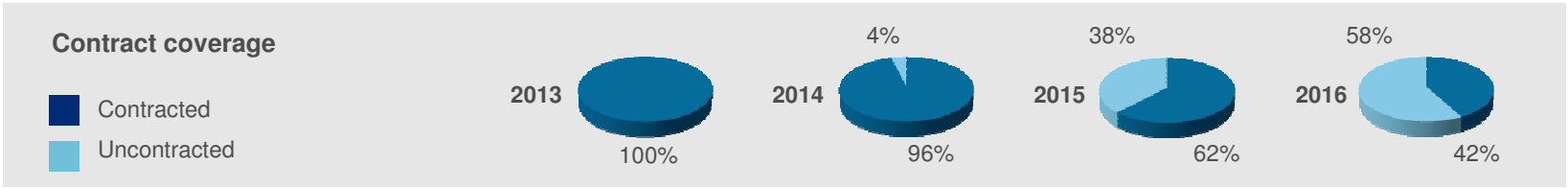
6



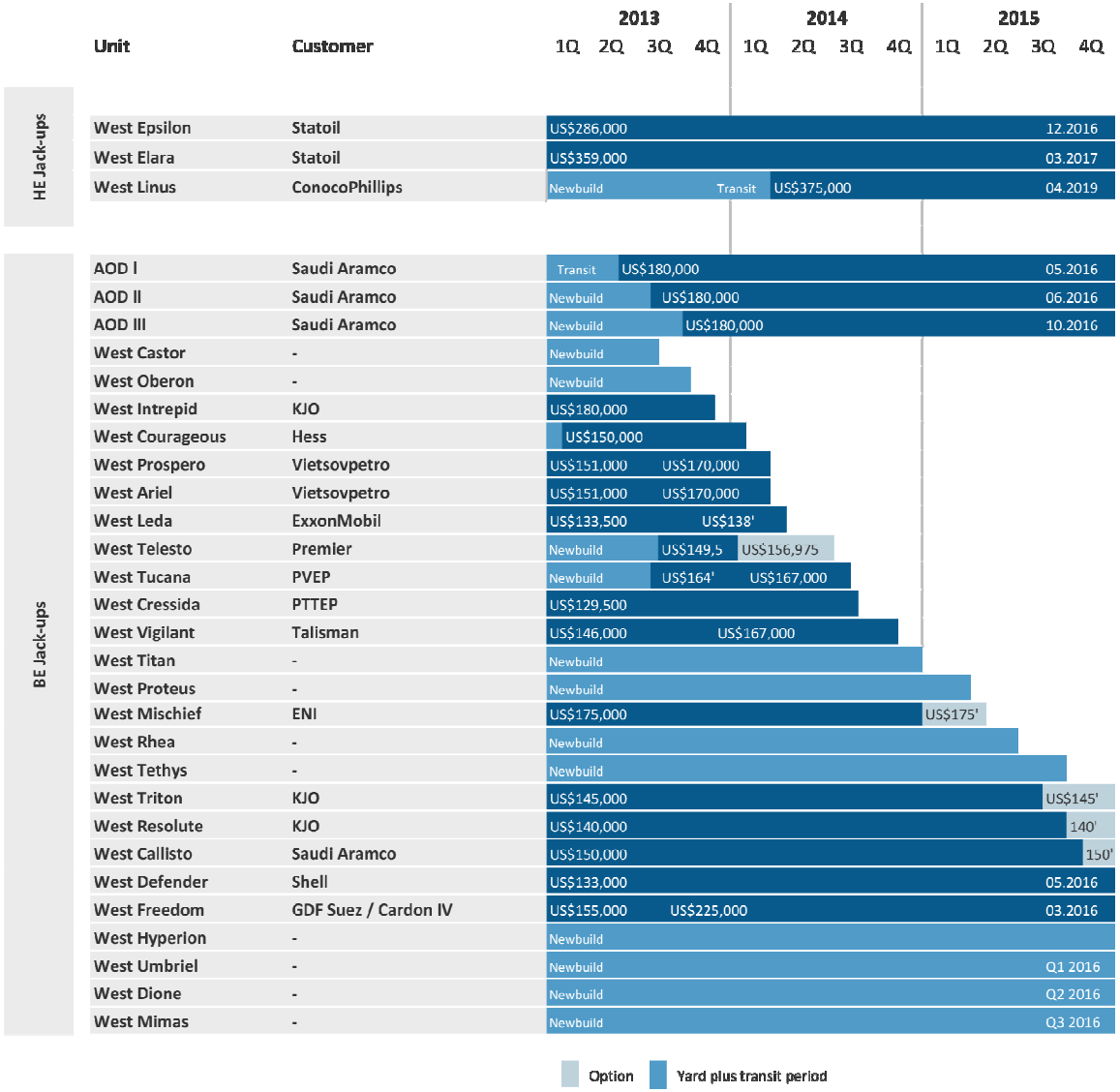
Source: ODS Petrodata

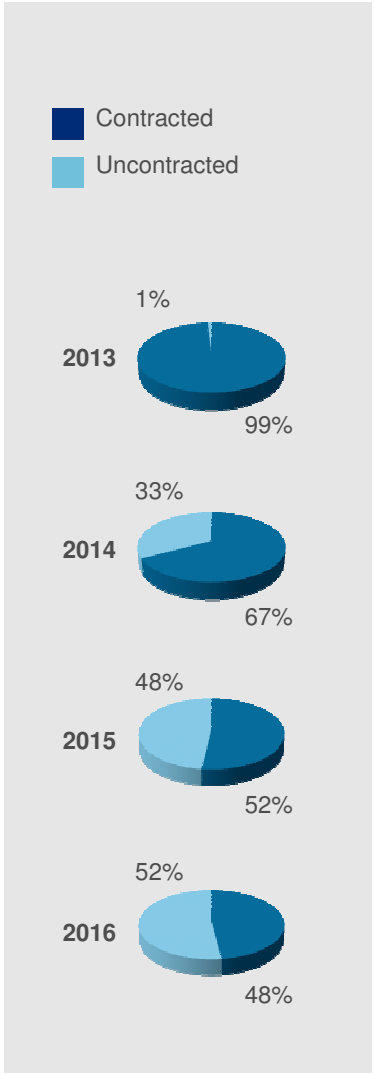
Floaters – US$15.4 Billion Contract Backlog





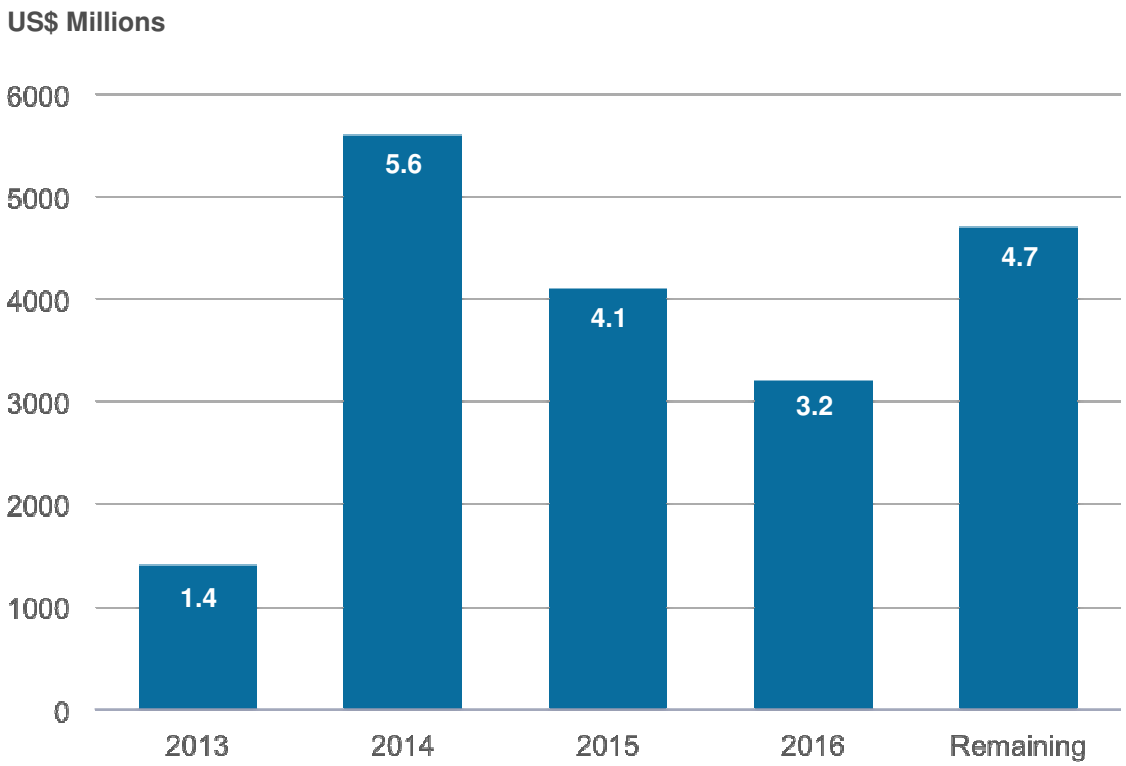
Jack-ups - US$3.1 Billion Contract Backlog





Note: Backlog generated by the tender rigs (T15, T16 and West Vencedor) is US$0.5 billion.

Orderbacklog – US$19 bn

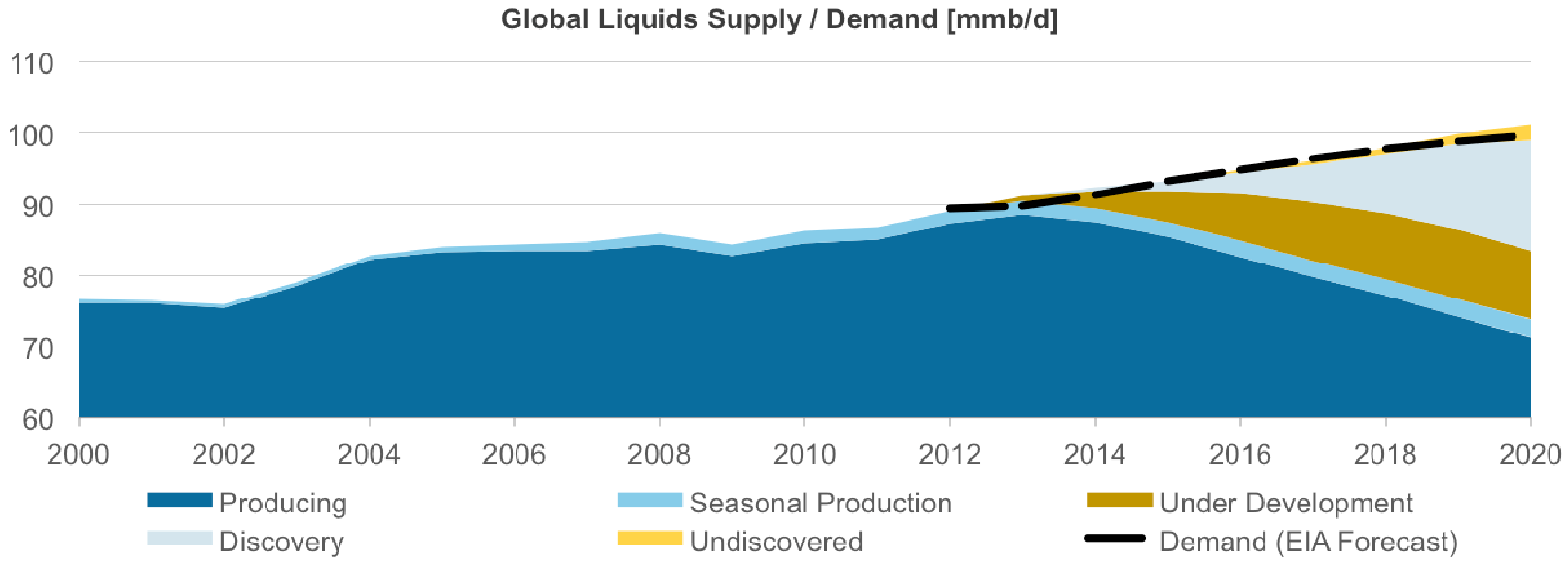


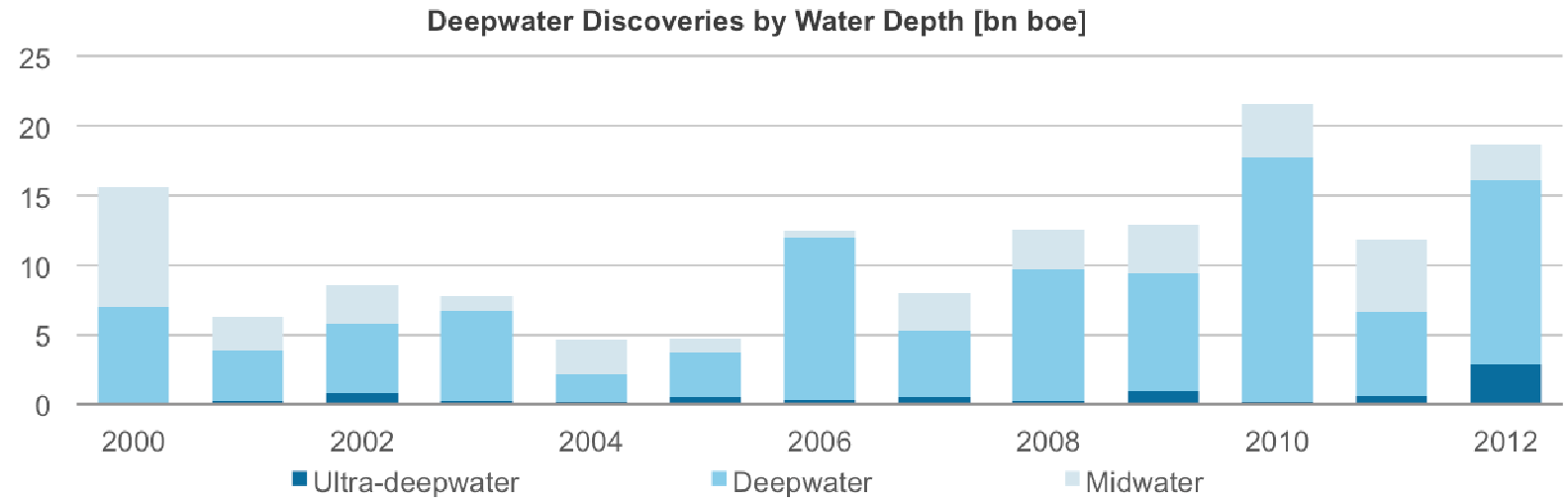
BP	25%	A
Total	14%	AA-
Exxon	11%	AAA
Statoil	9%	AA-
Petrobras	7%	BBB
Husky	6%	BBB
Tullow	6%	-
Others	23%	-

High Quality Customer Base & Dividend Visibility


Market Outlook

Production Growth to Come From Deepwater

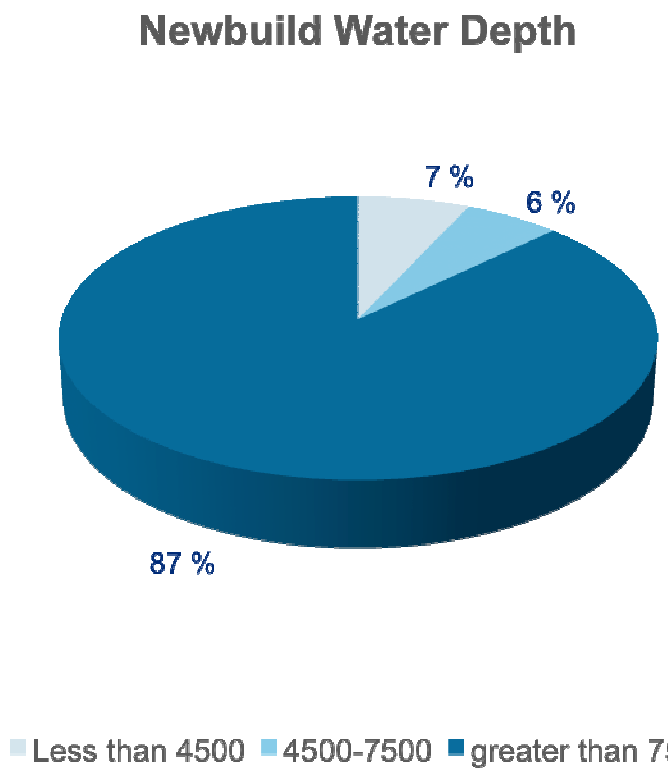


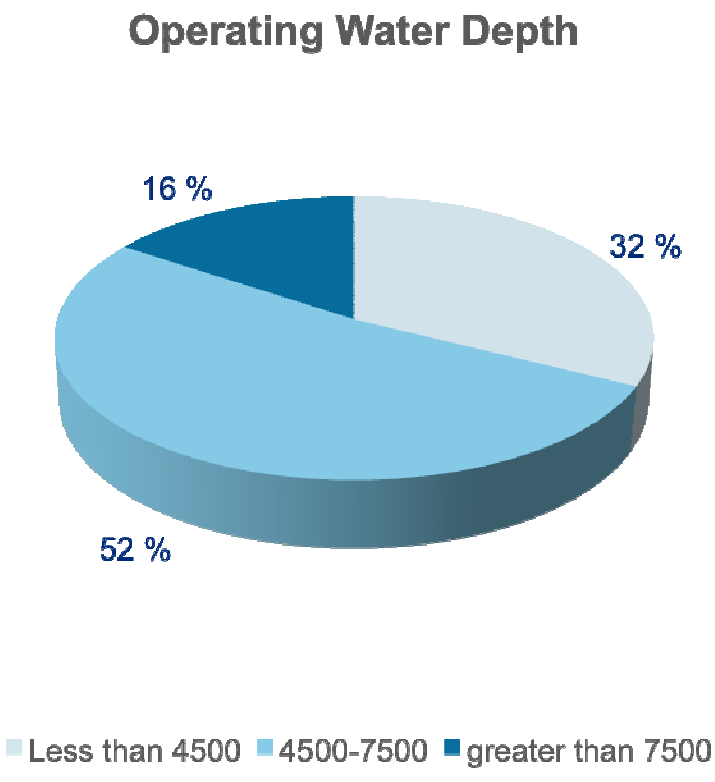


Source: EIA, ODS Petrodata

UDW Replacing Aging Deepwater Fleet

Seadrill



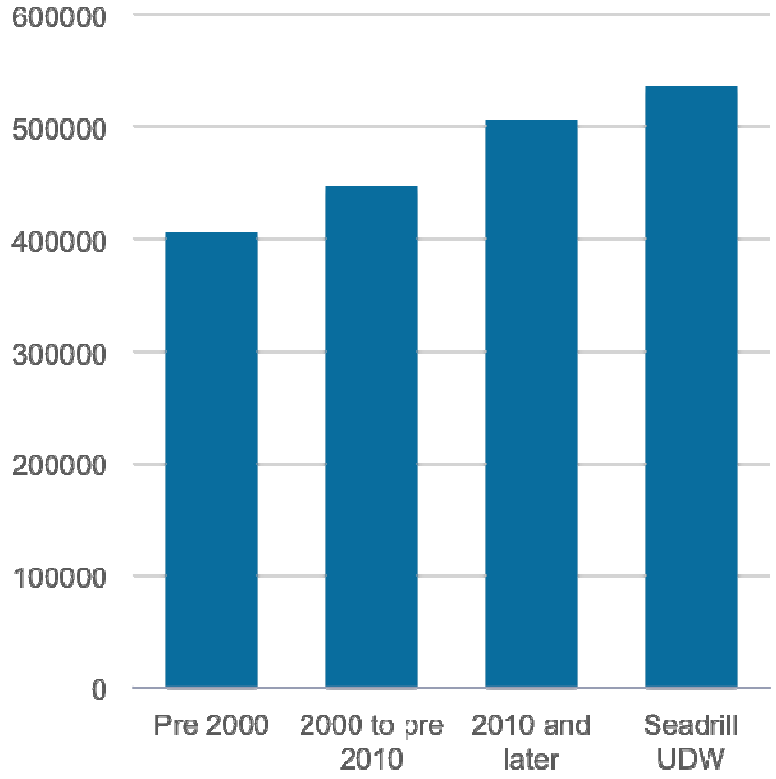


~16% of the Ultra-Deepwater Fleet is Operating in Ultra-Deepwater

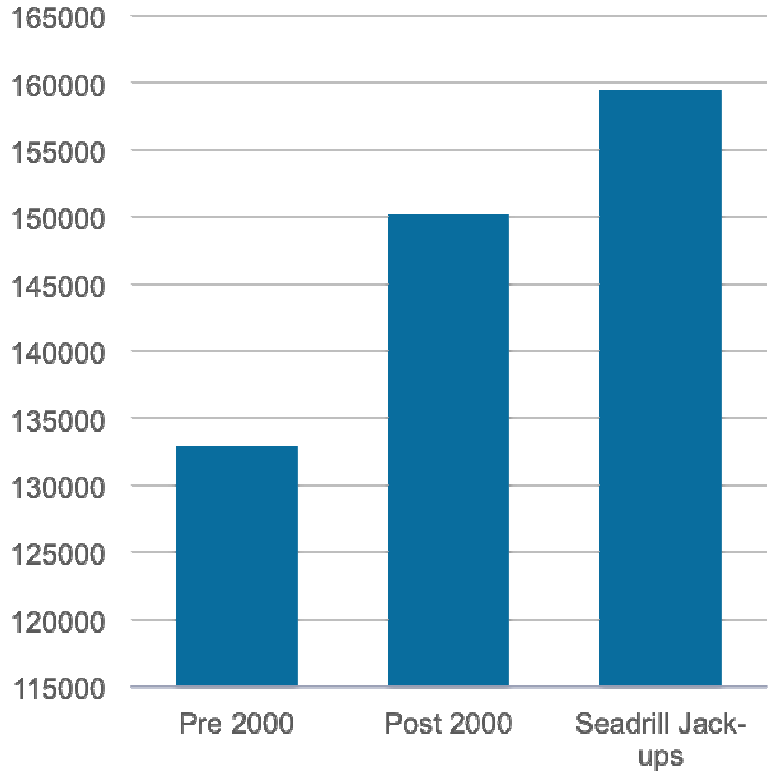
Source: ODS Petrodata

New Equipment Commanding Higher Dayrates

Ultra-Deepwater Floaters



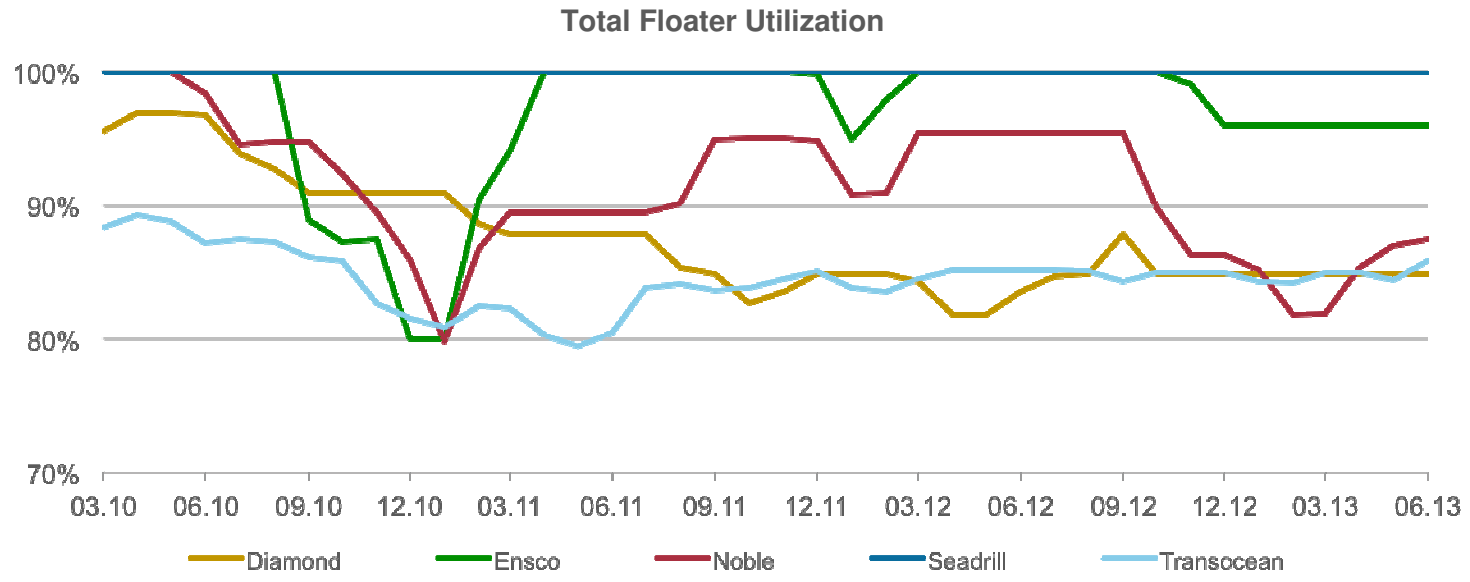
Jack-ups >350' Water Depth

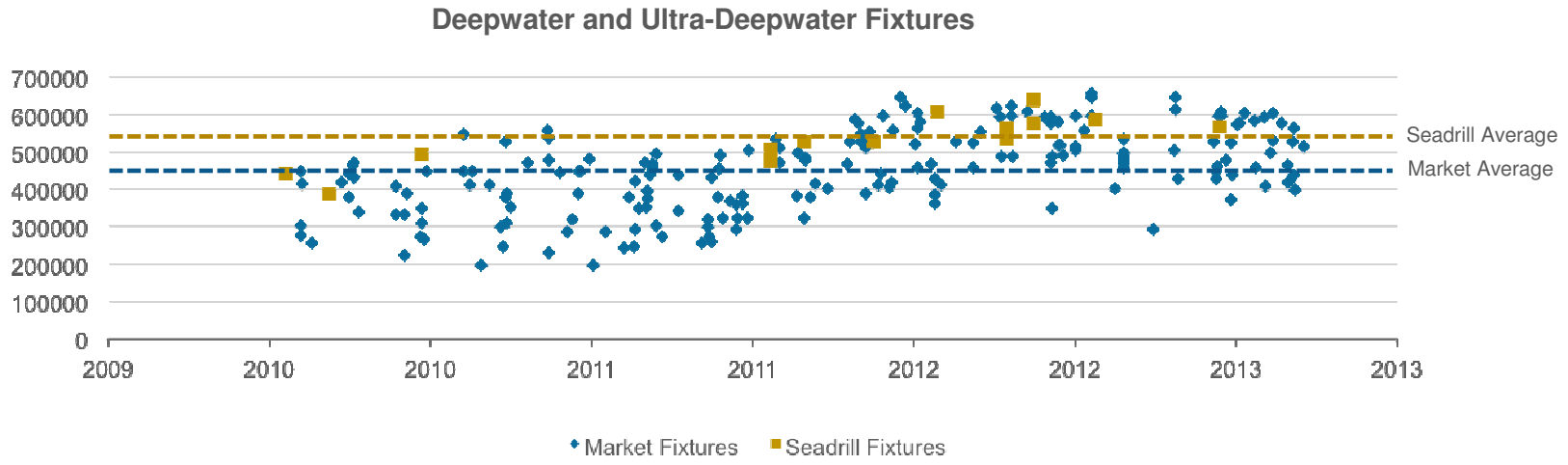


Customers Demand Better Performance and Safety of New Equipment

Source: ODS Petrodata

Operational Excellence Translates to Pricing Power

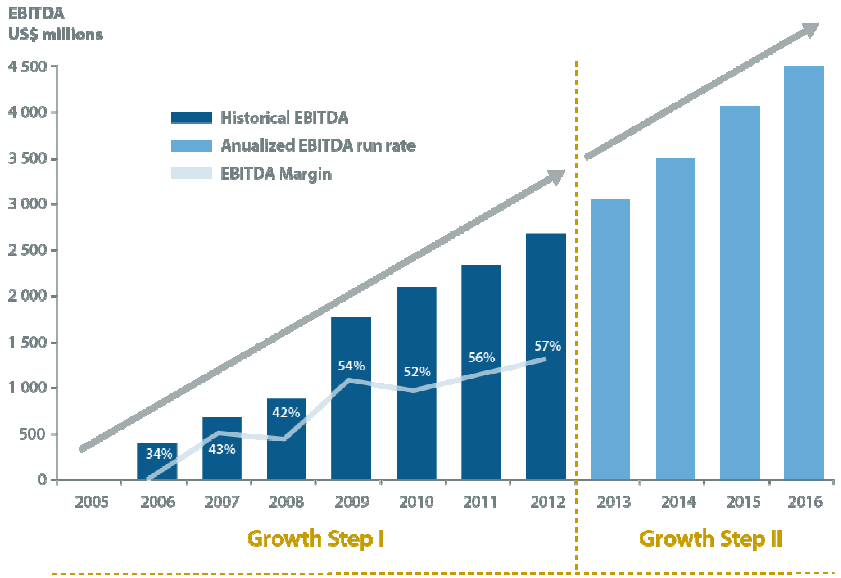


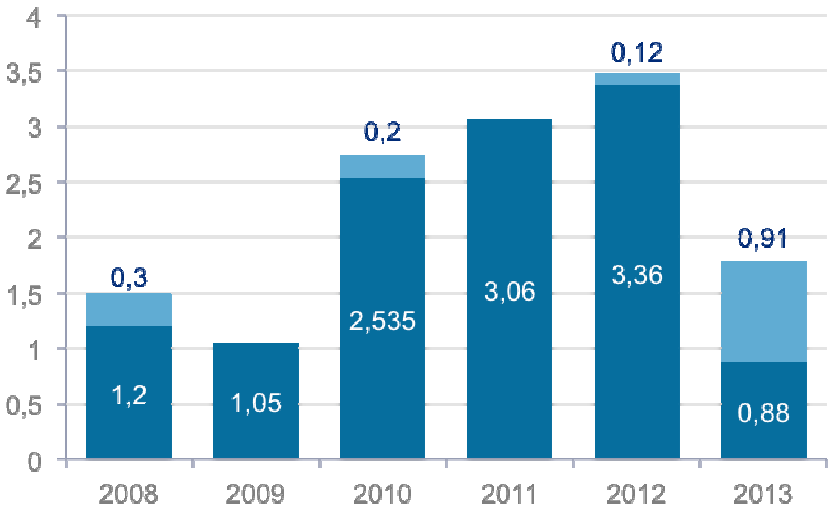


Source: ODS Petrodata

Dividend Policy

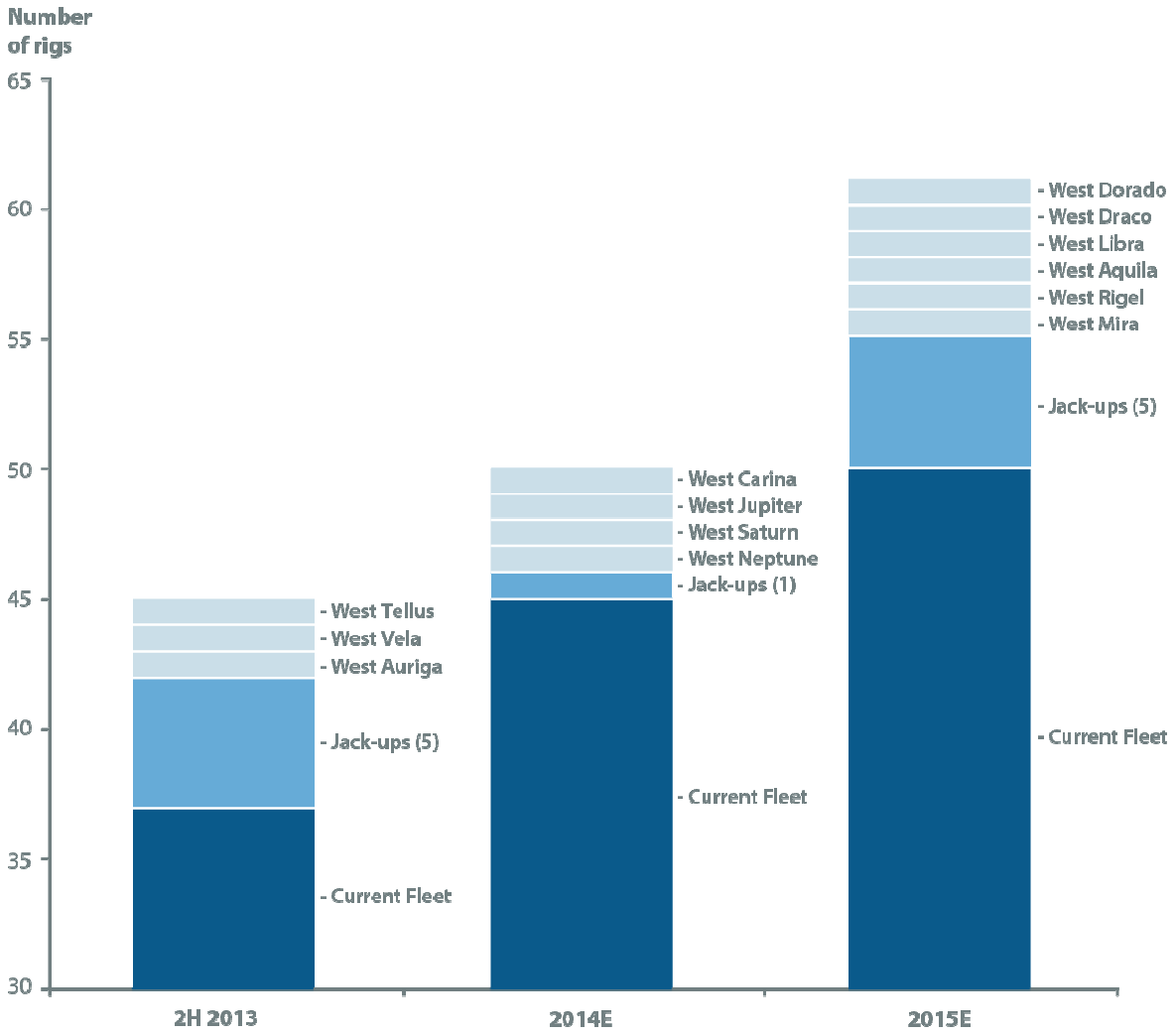
- Key objective to distribute quarterly dividends
- Quarterly cash dividend resolved at 91 cents per share
- Increase reflects improved free cash flow and newbuilds commencing operation this year
- Future dividends depend on:
  - Contract coverage
  - Capital expenditure
  - Leverage capacity
  - Future earnings





The Q1 2013 dividend was paid in Q4 2012

Summary – Industry Leading Growth



~$4.5 Billion in 2016 Annualized EBITDA

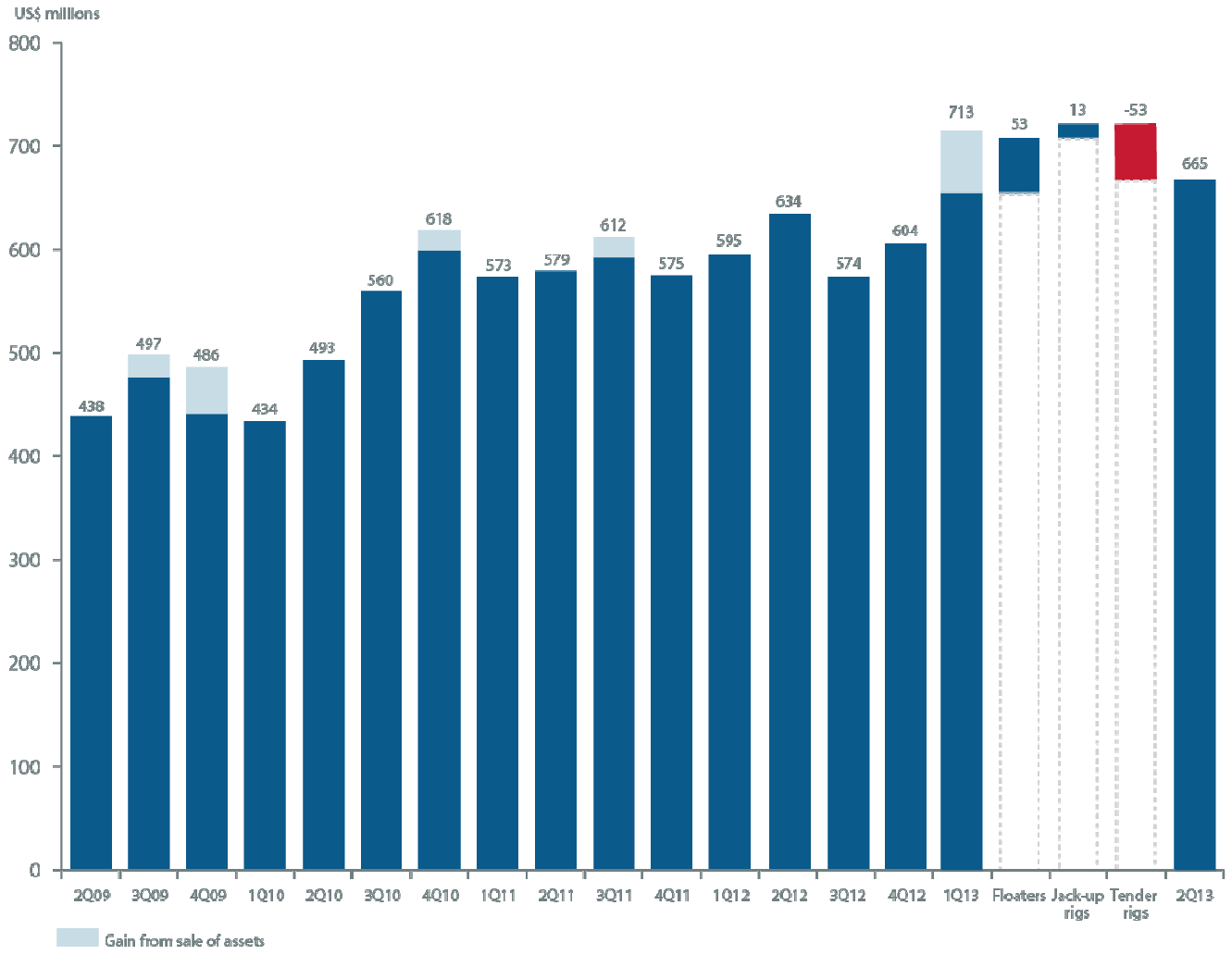
Financial Performance Highlights



Financial Performance Highlights

	This quarter	Previous quarter
EBITDA	US$665 m	US$713 m
Earnings per share	US$3.68	US$0.87
Operating profit	US$507 m	US$552 m
Financial items and other income	US$1,292 m	US$(68) m
Cash flow from operating activities	US$248 m	US$423 m
Dividend declared per share (Previous quarter dividend distributed early December 2012)	US$0.91	US$0.88

EBITDA Contribution



Operating Income - Floaters

Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Operating revenues	805	757	700	674
Reimbursables	97	43	63	22
Other revenues	8	7	1	3
Total operating revenues	**910**	**807**	**764**	**699**
Gain on sale of assets	-	-	-	-
Vessel and rig operating expenses	297	290	243	254
Reimbursable expenses	88	40	59	21
Depreciation and amortisation	118	117	109	107
General and administrative expenses	38	42	49	35
Total operating expenses	**541**	**489**	**460**	**417**
Net operating income	**369**	**318**	**304**	**282**

Operating Income – Jack-up Rigs

Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Operating revenues	262	256	233	203
Reimbursables	10	15	14	5
Other revenues	1	(2)	0	0
Total operating revenues	**273**	**269**	**247**	**209**
Gain on sale of assets	-	61	-	-
Vessel and rig operating expenses	110	112	121	98
Reimbursable expenses	9	13	11	5
Depreciation and amortisation	38	37	38	39
General and administrative expenses	19	23	25	20
Total operating expenses	**177**	**185**	**195**	**162**
Net operating income	**96**	**145**	**52**	**47**

Operating Income – Tender Rigs

Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Operating revenues	78	182	193	178
Reimbursables	3	6	7	6
Other revenues	4	2	2	(1)
Total operating revenues	**85**	**190**	**202**	**183**
Gain on sale of assets	-	-	-	-
Vessel and rig operating expenses	32	80	85	69
Reimbursable expenses	2	5	7	5
Depreciation and amortisation	2	7	15	15
General and administrative expenses	7	8	10	10
Total operating expenses	**43**	**100**	**117**	**99**
Net operating income	**42**	**90**	**85**	**84**

Operating Income – Total Seadrill Limited

Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Operating revenues	1,145	1,195	1,126	1,056
Reimbursables	110	64	85	33
Other revenues	13	6	3	2
Total operating revenues	**1,268**	**1,265**	**1,215**	**1,092**
Gain on sale of assets	-	61	-	-
Vessel and rig operating expenses	439	482	448	423
Reimbursable expenses	100	59	78	30
Depreciation and amortisation	158	161	163	161
General and administrative expenses	64	72	84	65
Total operating expenses	**761**	**774**	**774**	**679**
Net operating income	**507**	**552**	**441**	**413**

Net Income – Total Seadrill Limited

Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Net operating income	507	552	441	413
Financial items and other income				
Interest income	6	4	11	5
Interest expense	(96)	(108)	(91)	(102)
Share in results from associated companies	(26)	2	(214)	(38)
Gain on re-measurement of previous held equity	-	10	-	-
Gain on bargain purchase	-	15	-	-
Gain/(Loss) in financial derivatives	141	(5)	(12)	20
Foreign exchange gain/(loss)	14	13	(19)	(43)
Realization of marketable securities	-	-	(1)	-
Other financial items	(3)	1	(9)	-
Gain on sale of tender rigs	1,256	-	-	-
Total financial items and other income	**1,292**	**(68)**	**(335)**	**(158)**
Income before income taxes	1,799	484	106	255
Income taxes	(49)	(44)	(108)	(39)
Net income	**1,750**	**440**	**(2)**	**216**
Earnings per share (US$)	**3.68**	**0.87**	**(0.04)**	**0.40**

Balance Sheet - Assets

Unaudited accounts in USD millions	June 30, 2013	March 31, 2013	December 31, 2012
Current assets			
Cash and cash equivalents	437	328	318
Restricted cash	224	174	184
Marketable securities	936	314	333
Accounts receivables, net	1,015	884	917
Amount due from related party	56	264	293
Current assets held for sale	-	195	-
Other current assets	310	191	309
Total current assets	**2,978**	**2,350**	**2,354**
Non-current assets			
Investment in associated companies	399	420	509
Newbuildings	3,524	2,654	1,882
Drilling units	12,891	12,746	12,894
Goodwill	1,200	1,200	1,320
Restricted cash	177	201	218
Deferred tax assets	35	12	13
Equipment	40	41	40
Non-current assets held for sale	-	1,188	-
Other non-current assets	557	394	402
Total non-current assets	**18,823**	**18,856**	**17,278**
Total assets	**21,801**	**21,206**	**19,632**

Balance Sheet – Liabilities & Shareholder's Equity

	June 30, 2013	March 31, 2013	December 31, 2012
Current liabilities			
Current portion of long-term debt	2,873	2,598	2,066
Trade accounts payable	66	58	72
Current liabilities associated with assets held for sale	-	155	-
Other current liabilities	1,458	1,971	1,475
Total current liabilities	**4,397**	**4,782**	**3,613**
Non-current liabilities			
Long-term interest bearing debt	8,521	7,883	8,695
Long-term debt to related party	630	935	935
Deferred taxes	70	32	77
Non-current liabilities associated with assets held for sale	-	701	-
Other non-current liabilities	343	343	288
Total non-current liabilities	**9,564**	**9,894**	**9,995**
Equity			
Total shareholder's equity	**7,840**	**6,530**	**6,024**
Total liabilities and shareholder's equity	**21,801**	**21,206**	**19,632**

Non-financial highlights

- New sale and leaseback transactions for West Linus with Ship Finance securing gross proceeds of US$600 million in long-term financing.
- Extension of contract and new contract for West Navigator with Shell and Centrica, securing employment until December 2014, with total estimated revenue potential of US$98 million.
- Steady operational results for the second quarter taking into account completion of the 5-year SPS for West Phoenix. With no more yard-stays scheduled this year we expect to see improvements in the financial results in the next quarters.
- North Atlantic Drilling and Seadrill announce preliminary agreement for a new partnership with a strong industrial player to foster continued growth of the Company with particular focus on the Russian Continental Shelf.
- Listing process resumed in the third quarter. Next version of the registration documents are expected to be filed with the US Securities and Exchange Commission in the fourth quarter 2013.



Financial reporting highlights

	This quarter	Previous quarter
EBITDA	US$132 m	US$135 m
Earnings per share	US$0.281	US$0.240
Operating profit	US$87 m	US$92 m
Financial items	US$(15) m	US$(30) m
Cash flow from operating activities	US$96 m	US$133 m
Dividend declared per share	US$0.225	US$0.225

Operating Income - Total

Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Operating revenues	280	272	241	244
Reimbursables	95	46	42	17
Total operating revenues	**375**	**318**	**283**	**261**
Vessel and rig operating expenses	137	125	89	86
Reimbursable expenses	90	42	38	16
Depreciation and amortisation	45	44	43	42
General and administrative expenses	16	15	16	12
Total operating expenses	**288**	**226**	**186**	**155**
Net operating income	**87**	**92**	**98**	**106**

Net Income - Total

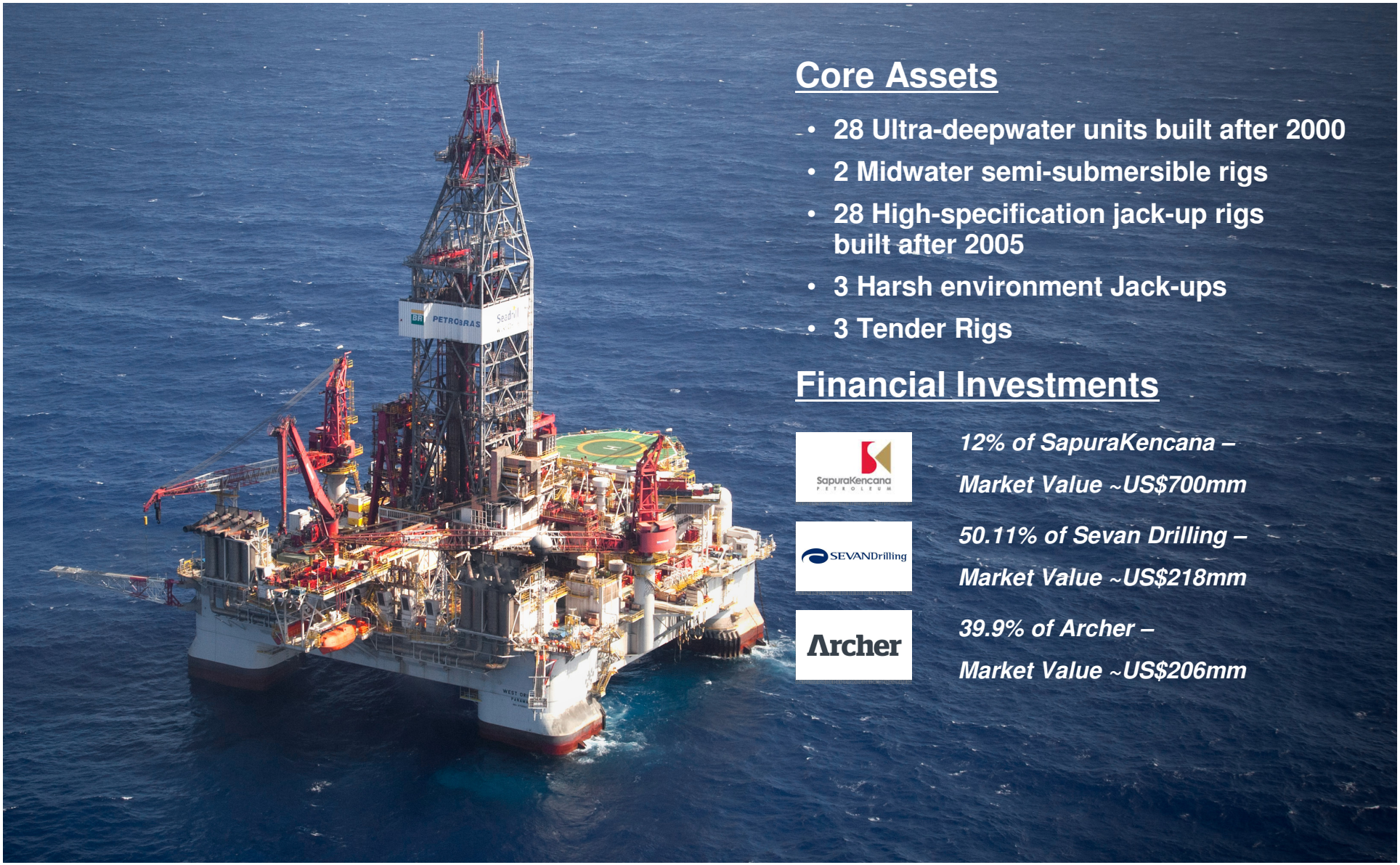
Unaudited accounts in USD millions	2Q13	1Q13	4Q12	3Q12
Net operating income	87	92	98	106
Financial items				
Interest expense	(21)	(19)	(22)	(19)
Gain / (loss) on derivatives	9	(6)	2	(4)
Other financial items	(3)	(5)	1	(9)
Total financial items	**(15)**	**(30)**	**(19)**	**(32)**
Income before income taxes	72	62	79	74
Income taxes	(8)	(7)	(84)	(9)
Net income / (loss)	**64**	**55**	**(5)**	**65**
Earnings per share (US$)	**0.281**	**0.240**	**(0.023)**	**0.286**

Balance Sheet - Assets

	June 30, 2013	March 31, 2013	December 31, 2012
Current assets			
Cash and cash equivalents	180	120	98
Restricted cash	23	19	24
Accounts receivables, net	255	225	212
Related party receivables	13	142	243
Deferred tax assets	10	10	10
Other current assets	35	28	42
Total current assets	**516**	**544**	**629**
Non-current assets			
Newbuildings	263	255	249
Drilling units	2 412	2 419	2 416
Goodwill	481	481	481
Deferred tax assets	19	23	26
Other non-current assets	138	135	138
Total non-current assets	**3 313**	**3 313**	**3 310**
Total assets	**3 829**	**3 857**	**3 939**

Balance Sheet – Liabilities and Shareholder's Equity

	June 30, 2013	March 31, 2013	December 31, 2012
Current liabilities			
Current portion of long-term debt	167	167	167
Related party transaction	12	11	47
Tax payable	8	48	71
Deferred taxes	12	12	12
Other current liabilities	243	397	405
Total current liabilities	**442**	**635**	**702**
Non-current liabilities			
Long-term interest bearing debt	1 500	1 542	1 583
Related party liability	909	718	703
Deferred taxes	40	40	22
Pension liabilities	37	35	50
Other non-current liabilities	44	44	40
Total non-current liabilities	**2 530**	**2 379**	**2 398**
Equity			
Total shareholder's equity	**857**	**843**	**838**
Total liabilities and shareholder's equity	**3 829**	**3 857**	**3 939**



Core Assets

- 28 Ultra-deepwater units built after 2000
- 2 Midwater semi-submersible rigs
- 28 High-specification jack-up rigs built after 2005
- 3 Harsh environment Jack-ups
- 3 Tender Rigs

Financial Investments

12% of SapuraKencana – Market Value ~US$700mm

50.11% of Sevan Drilling – Market Value ~US$218mm

39.9% of Archer – Market Value ~US$206mm