

Conference Call – 4Q 2013 Results

February 25, 2014

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.



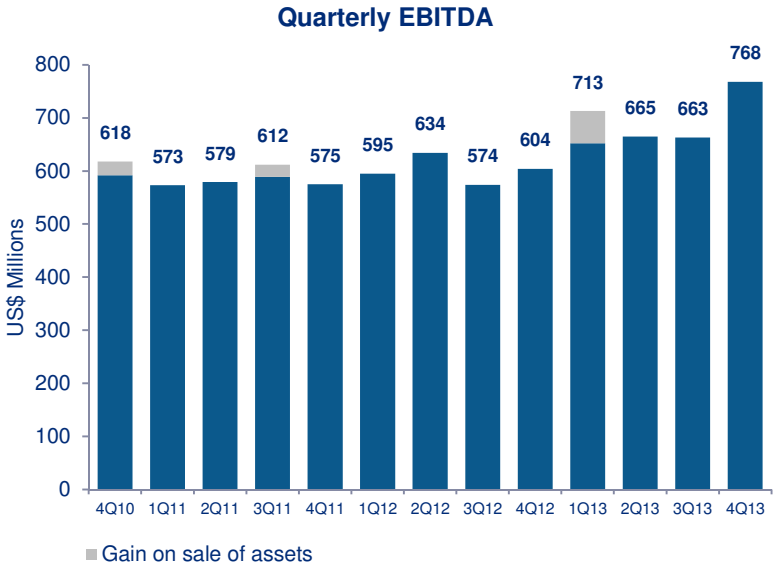
Seadrill Fourth Quarter Call Agenda

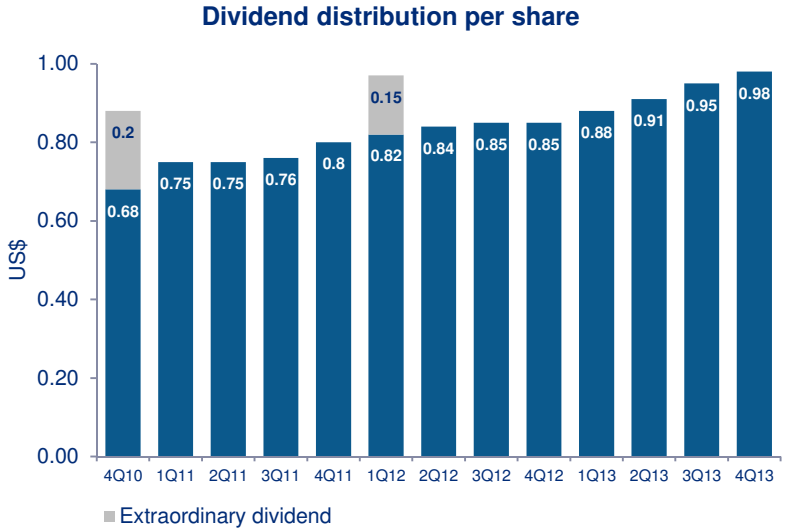
- Highlights 4Q 2013
- Subsequent events during 1Q 2014
- Seadrill Strategy & Market Outlook
- Financial Performance Highlights
- Appendix: Seadrill Limited Financials

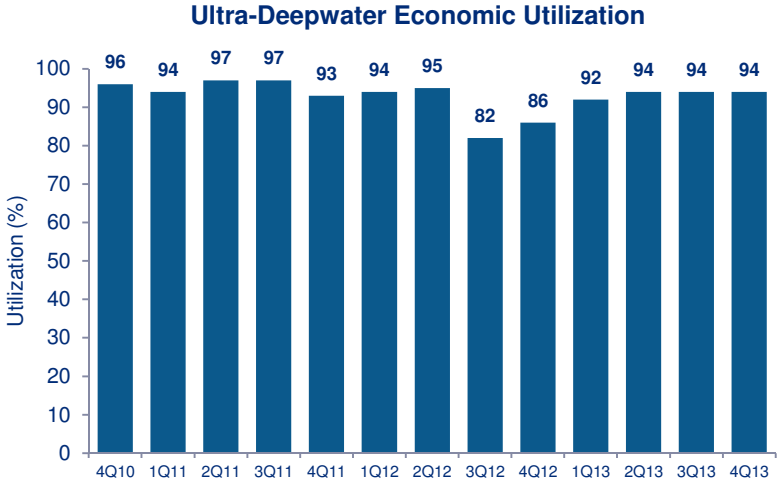


Financial Performance Highlights

- Seadrill generates EBITDA of US$768 million for the fourth quarter 2013
- Economic utilization for our floaters was 94 percent and 98 percent for jack-ups
- Seadrill reports fourth quarter 2013 net income of US$281 million and earnings per share of US$0.49
- Seadrill increases quarterly cash dividend by 3 cents to US$0.98 per share







Highlights

Fourth Quarter 2013

- Seadrill Partners announces settlement agreement and 18 month contract extension for the West Aquarius with a total estimated revenue potential of US$337 million
- Total S.A. exercised their option with Seadrill Partners to convert the contract extension for the West Capella from 5 years to 3 years. As a result of this change in contract terms the dayrate has increased from US$580,000 per day to US$627,500 per day
- Seadrill executes a one year contract extension for the West Leda with ExxonMobil in Malaysia with a total estimated revenue potential of US$60 million
- Seadrill Limited sells the tender rig T-16 to Seadrill Partners for US$200 million
- North Atlantic Drilling completes private placement of NOK1.5 billion unsecured bond issue maturing in 2018
- Seadrill acquires high specification jack-up rig, Prospector 3, for US$235 million
- Seadrill enters into a Heads of Agreement with PEMEX for 5 potential jack-up contracts beginning in the first half of 2014. Cumulative duration of the contract is more than 30 rig years with a total revenue potential in excess of US$1.8 billion
- Seadrill Limited sells the semi-submersible rigs, West Leo and West Sirius, to Seadrill Partners financed with a US$456 million equity offering and intercompany loans

Subsequent Events

First Quarter 2014

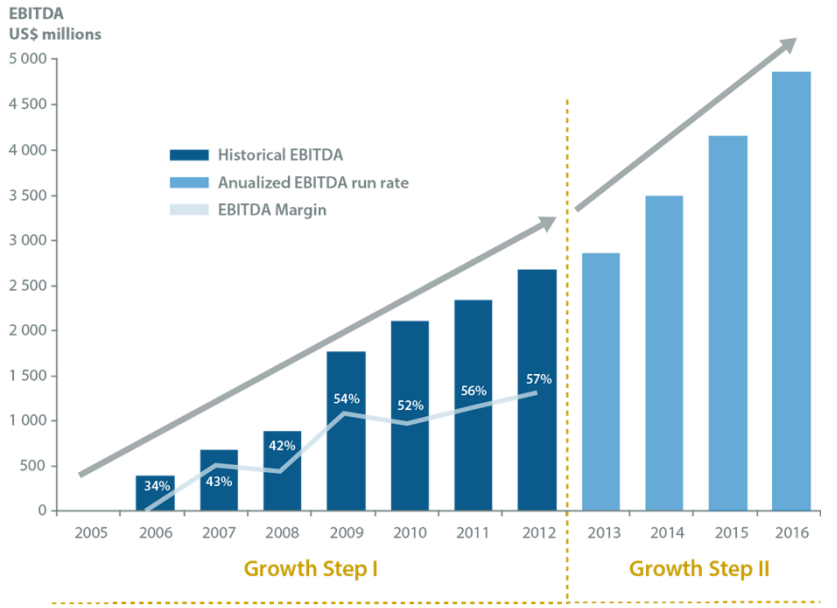
- North Atlantic Drilling completes private placement of US$600 million unsecured bond issue maturing 2019
- North Atlantic Drilling completes its initial public offering of 13,513,514 common shares and began trading on January 29, 2014 on the New York Stock Exchange under the symbol "NADL".
- Seadrill Partners completes US$1.8 billion term loan B and US$100 million senior secured revolver.
- Seadrill secures contracts for 5 jack-up units with Pemex in Mexico for a total of 30 rig years and US$1.8 billion in backlog
- Seadrill announces the establishment of SeaMex, a 50/50 Joint Venture with an investment fund controlled by Fintech Advisory Inc. formed for the purpose of owning and managing the jack-up drilling units as well as to develop and pursue further opportunities in the region
- Orderbacklog currently at US$20.2 billion

Seadrill Strategy & Market Outlook

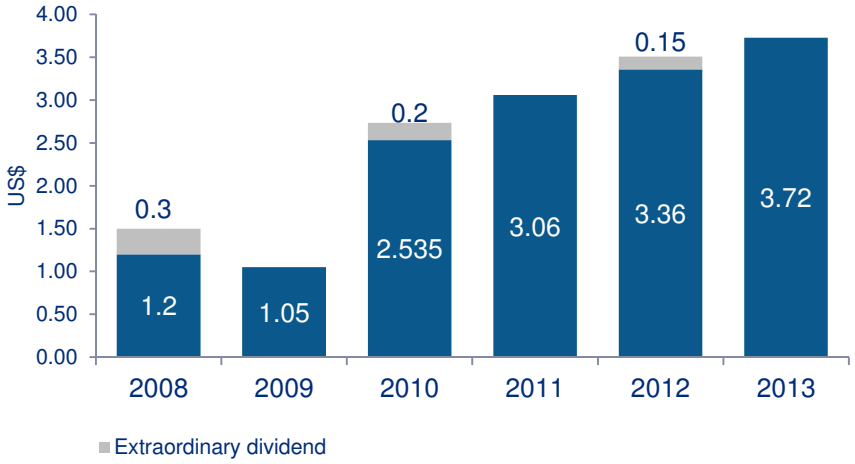


Dividend Growth Continues to be a Priority… while maintaining a Growth Profile

- Key objective to grow quarterly dividends
- Quarterly cash dividend raised from 95 cents to 98 cents per share in Q4
- Increase reflects improved free cash flow and newbuilds commencing operation in 2H 2013
- Future dividends depend on:
  - Contract coverage
  - Market outlook
  - Leverage capacity
  - Future earnings



Annual dividends

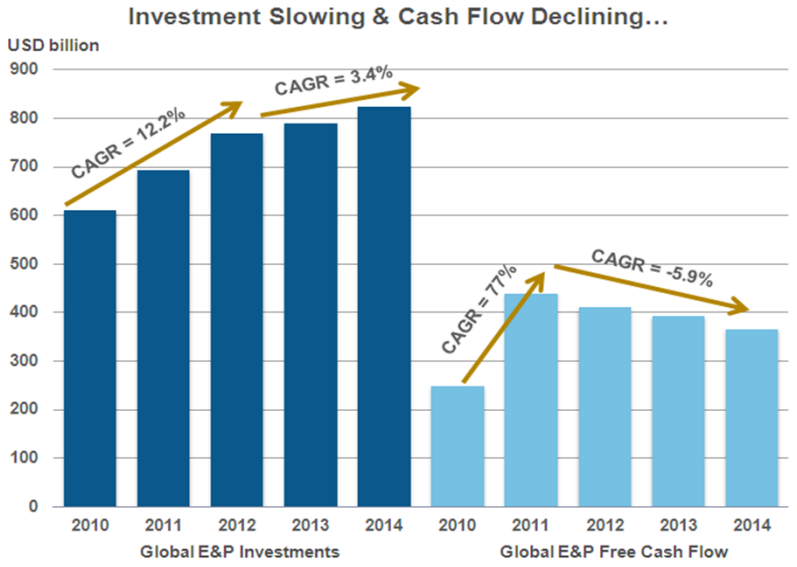


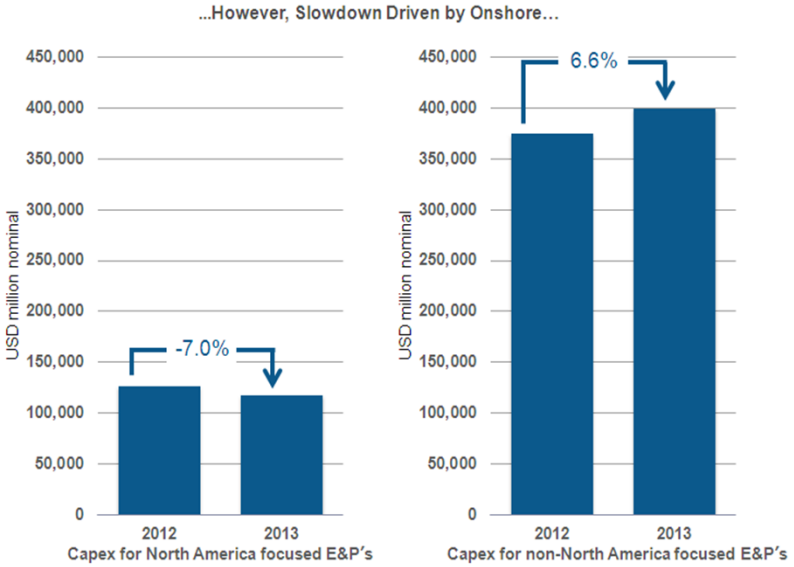
The Q1 2013 dividend was paid in Q4 2012

Establishing Vehicles to Offer Exposure to Key Themes

Company	Investment Highlights
Seadrill	› **Largest modern fleet** of globally fungible assets › **M&A and newbuild** exposure › **Opportunistic** market approach
Seadrill Partners LLC	› **Long-term contracted** assets at attractive rates › **High stability** of cash flows › Growth through equity funded **acquisitions**
NORTH ATLANTIC DRILLING	› Premium **harsh environment** fleet › Exposure to **North Atlantic and Arctic growth** › **High and sustainable barriers** to entry

Near Term Outlook





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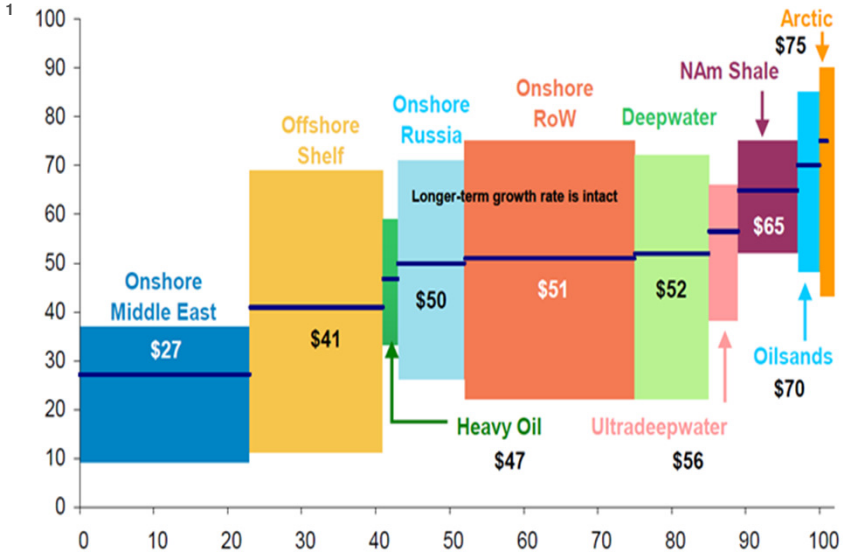


2014 Projects Pushed to 2015

- **Block 32**

→ Total – Angola

- **Mad Dog 2**

→ BP – Gulf of Mexico

- **Stampede**

→ Hess – Gulf of Mexico

- **Chevron Indonesia**

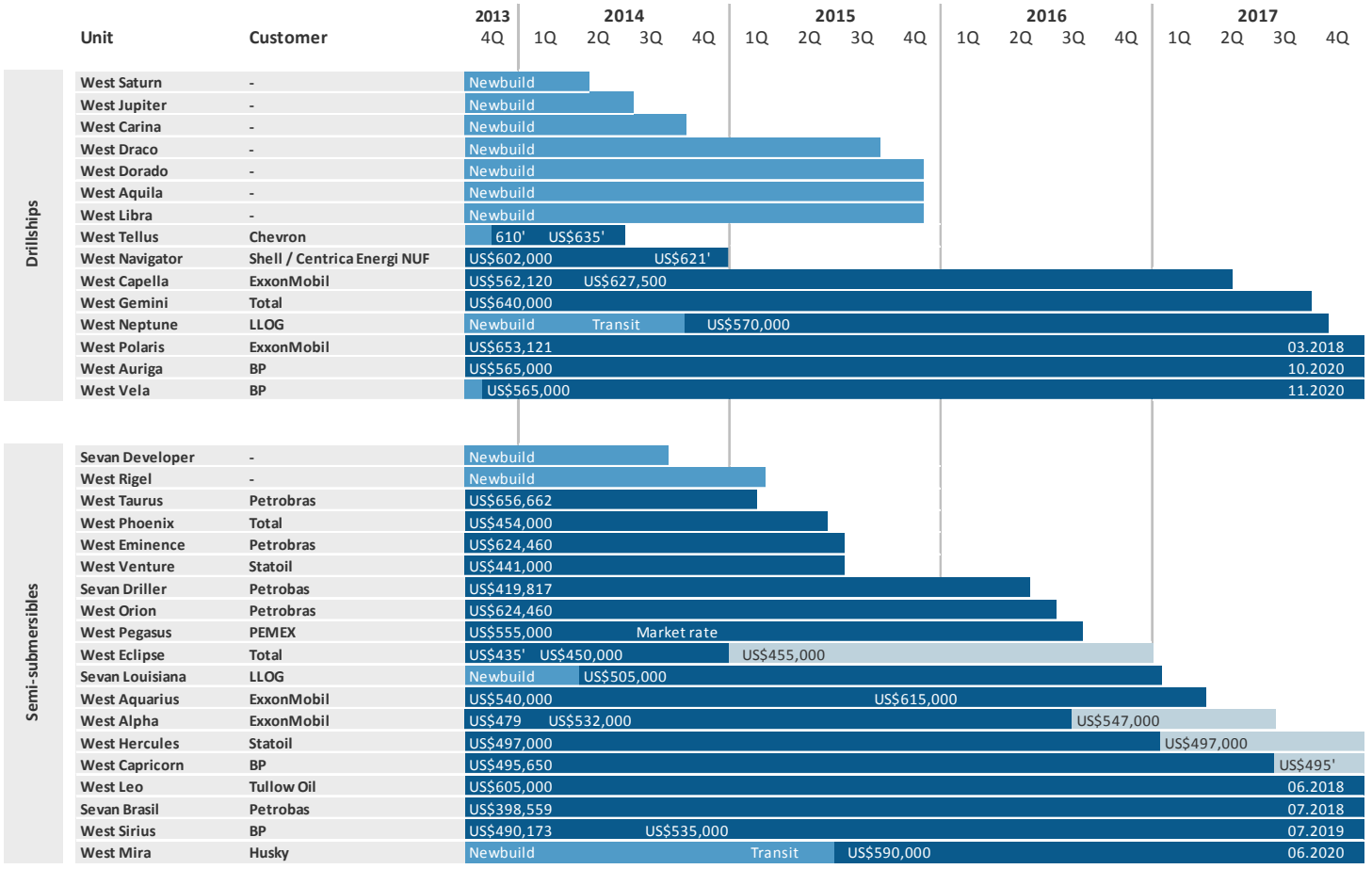
→ Chevron – Indonesia

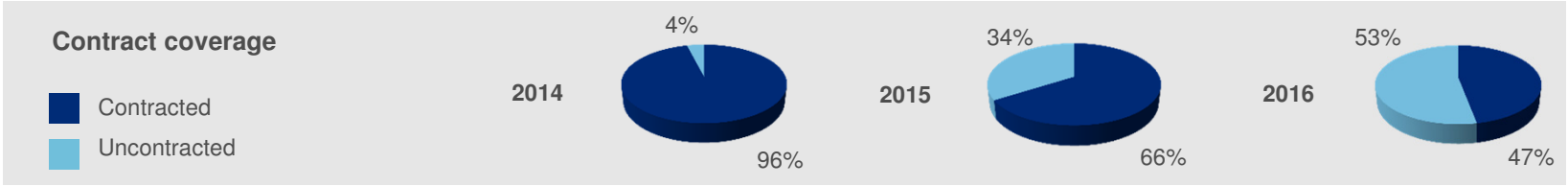
- **Bonga**

→ 2 rigs - Nigeria

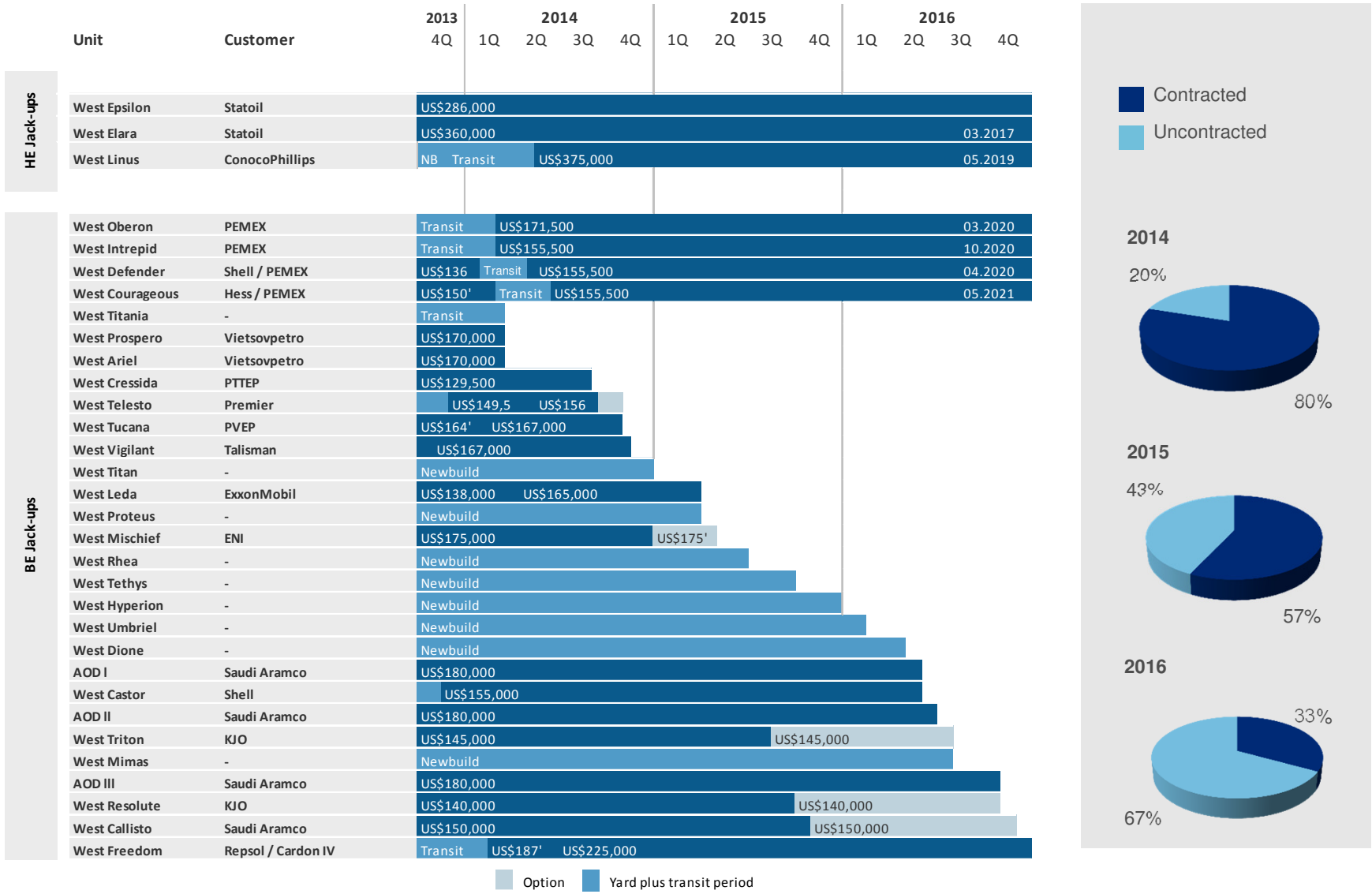
[1] **X-axis: total liquids production mbpd; Y-axis: avg Brent equivalent breakdown price, $/bbl**
Source: Morgan Stanley and Rystad Energy

Floaters – US$15.5 Billion Contract Backlog





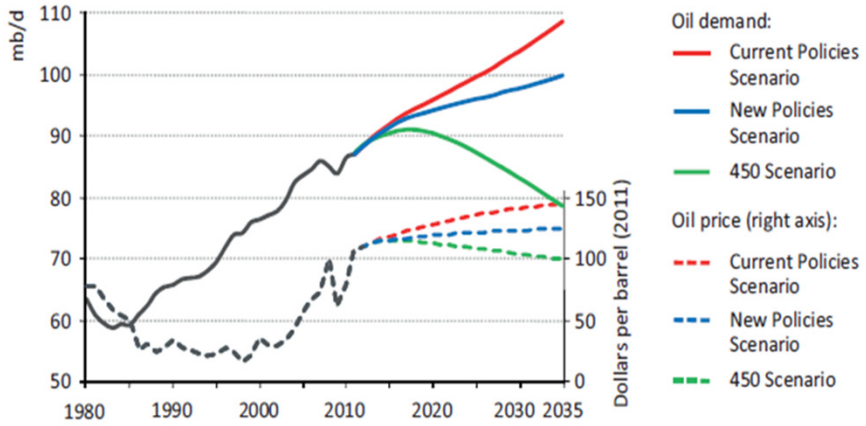
Jack-ups - US$4.2 Billion Contract Backlog



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

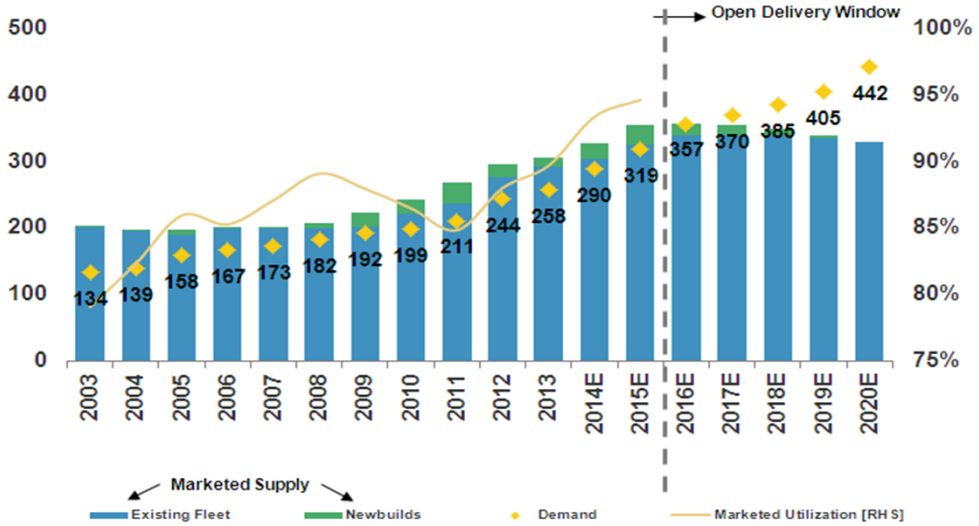
Well Positioned to Weather the Storm…..

World oil demand and oil price* by scenario

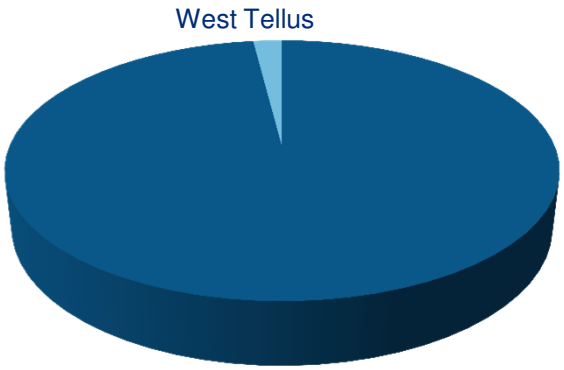


* Average IEA crude oil import price.

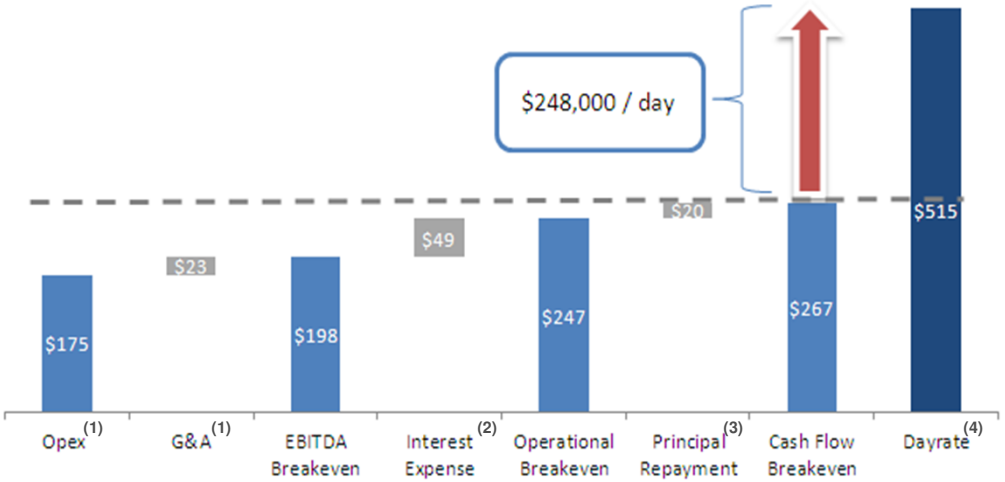
Floater supply and demand



Seadrill UDW Coverage 2014



Illustrative daily liquidity cushion



(1) Based on LTM average for the West Sirius, West Leo, West Aquarius and West Capella
(2) Assuming $1,700 million of debt @4.25%
(3) Assuming 5% amortization per year
(4) Based on average contrat dayrates for West Sirius, West Leo, West Aquarius and West Capella, assumes 95% utilization and 4.25% tax on revenues
Source: Morgan Stanley and Rystad Energy

Financial Performance Highlights



Demonstrated Access to Capital Markets

SDLP Dropdowns

- West Sirius and West Leo acquired by Seadrill Partners
- **US$465 million** equity offering to finance dropdown
- Generated cash proceeds of **US$356 million** to Seadrill Limited

NADL IPO and Bond Issuance

- NADL completes listing on NYSE with **US$125 million** IPO
- Issues **US$600 million** unsecured bond
- NADL is now independently financed and in prime position to be the premier player in harsh environment and Arctic operations

SDLP Debt Restructuring

- SDLP launches **US$1,800 million Term Loan B**
- Creating a cleaner capital structure with lower annual amortization
- Seadrill Limited benefits by receiving proceeds of ~**US$500 million**

Access to Funding, High Utilization, Large Backlog → Stability in Current Market

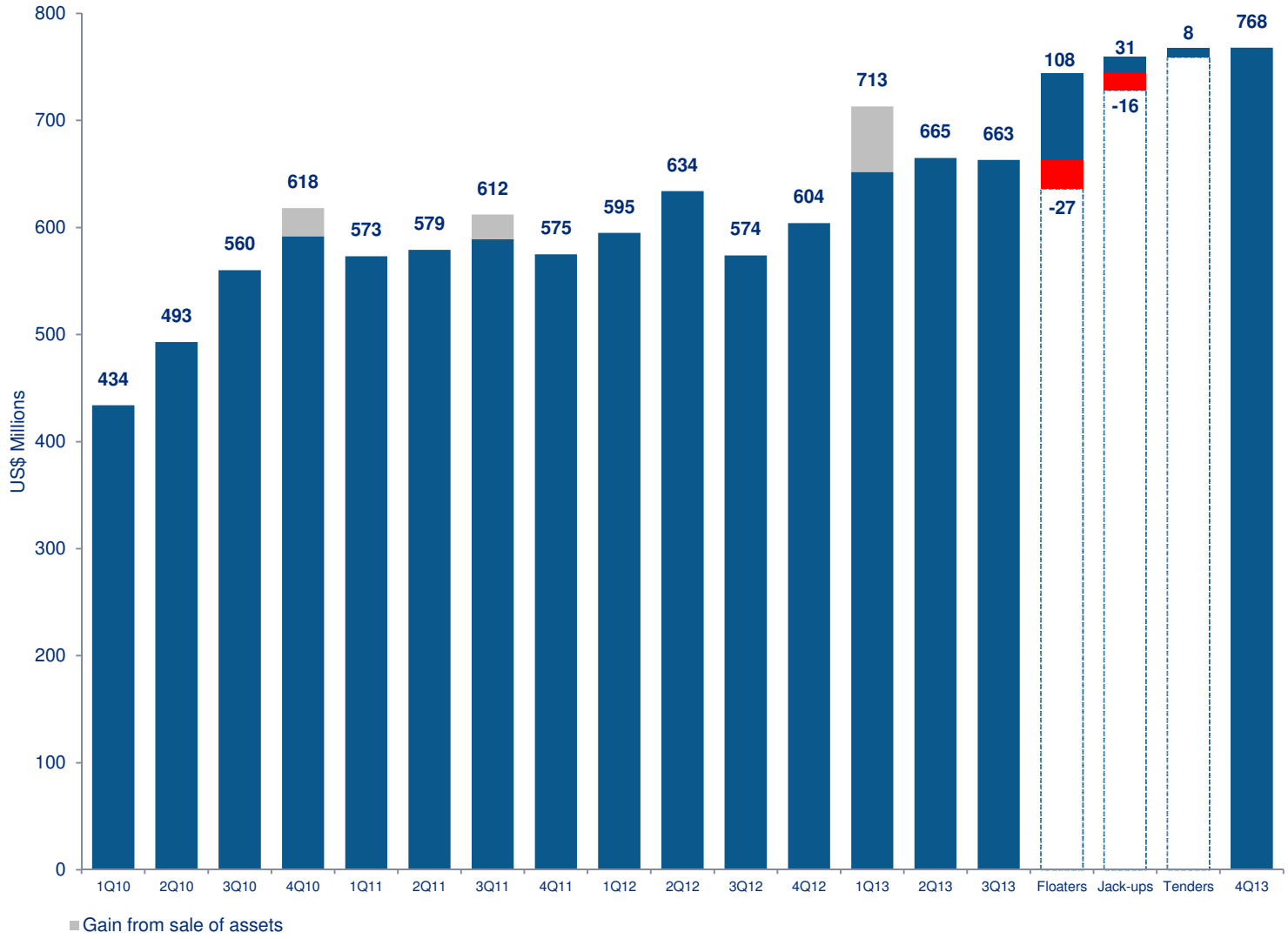
Financial Performance Highlights

	This quarter	Previous quarter
EBITDA	US$768 m	US$663 m
Earnings per share	US$0.49	US$0.61
Operating profit	US$568 m	US$471 m
Financial items and other income	US$(286) m	US$(96) m
Cash flow from operating activities	US$408 m	US$1,204 m
Dividend declared per share	US$0.98	US$0.95

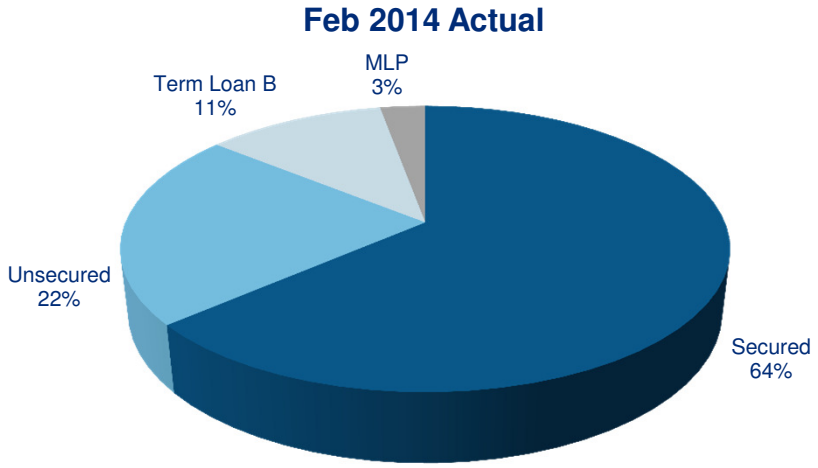
Balance Sheet Summary

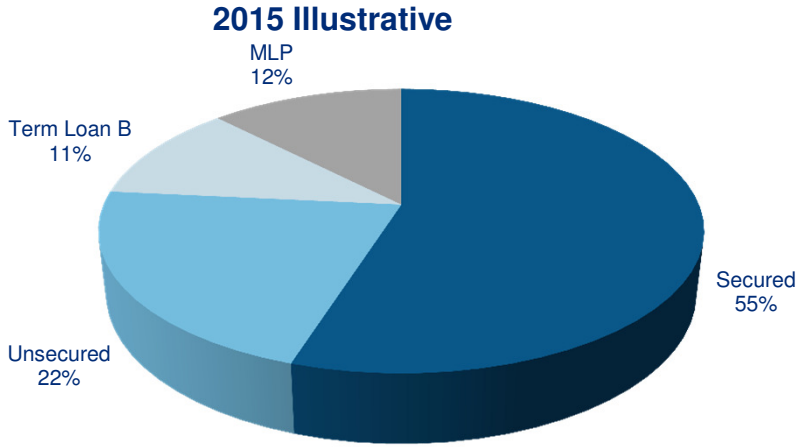
	December 31, 2013	September 30, 2013
Total Current Assets	**2,833**	**2,562**
Non-current assets		
Newbuildings	3,419	4,900
Drilling units	17,193	14,778
Other	2,855	2,739
Total non-current assets	**23,467**	**22,417**
TOTAL ASSETS	**26,300**	**24,979**
Current Liabilities		
Current portion of long-term debt	1,566	2,645
Other	2,259	2,994
Total current liabilities	**3,825**	**5,639**
Non-current liabilities		
Total Long-term Debt	11,900	10,087
Other	2,373	1,487
Total non-current liabilities	**14,273**	**11,574**
TOTAL LIABILITIES	**18,098**	**17,213**
Equity		
Total shareholder's equity	**8,202**	**7,766**
Total liabilities and shareholder's equity	**26,300**	**24,979**

EBITDA Contribution



Financial Flexibility





2013-2014 Financing Summary

Unsecured Financing

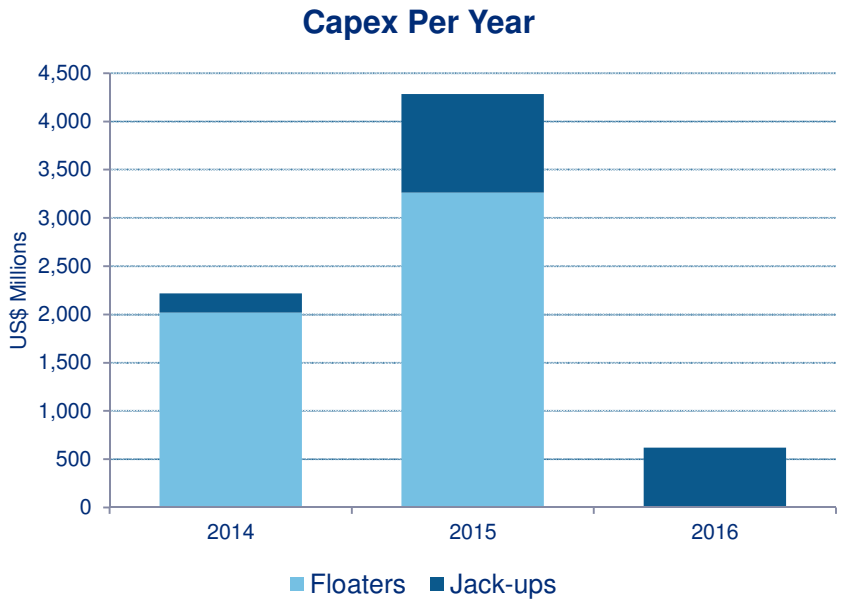
- NOK 1,800m bond
- NOK 1,500m bond (NADL)
- US$ 500m bond
- US$600m Bond (NADL)
- US$125m NADL NYSE IPO

Secured Financing

- 8 new facilities
- Total of US$ 5,310m

MLP

- US$ 356m contribution to SDRL though the sale of Sirius and Leo
- US$1,800m TLB





Core Assets

- 32 6th generation ultra-deepwater units
- 2 Midwater harsh environment semi-submersible rigs
- 29 High-specification jack-ups
- 3 Harsh environment jack-ups
- 3 Tender rigs

Financial Investments

12% of SapuraKencana – Market Value ~US$960mm

50.11% of Sevan Drilling – Market Value ~US$220mm

39.9% of Archer – Market Value ~US$280mm



Appendix:
Seadrill Limited Financials

Operating Income - Floaters

Unaudited accounts in USD millions	4Q13	3Q13	2Q13	1Q13
Total operating revenues	**1,069**	**939**	**913**	**807**
Vessel and rig operating expenses	392	357	301	290
Reimbursable expenses	35	29	88	40
Depreciation and amortisation	150	146	118	117
General and administrative expenses	61	53	37	42
Total operating expenses	**638**	**585**	**544**	**489**
Net operating income	**431**	**354**	**369**	**318**

Operating Income – Jack-up Rigs

Unaudited accounts in USD millions	4Q13	3Q13	2Q13	1Q13
Total operating revenues	**349**	**292**	**274**	**269**
Gain on sale of assets	-	-	-	61
Vessel and rig operating expenses	155	122	111	112
Reimbursable expenses	13	6	9	13
Depreciation and amortisation	46	42	38	37
General and administrative expenses	24	23	20	23
Total operating expenses	**238**	**193**	**178**	**185**
Net operating income	**111**	**99**	**96**	**145**

Operating Income – Total Seadrill Limited

Unaudited accounts in USD millions	4Q13	3Q13	2Q13	1Q13
Total operating revenues	**1,469**	**1,280**	**1,268**	**1,265**
Gain on sale of assets	-	-	-	61
Vessel and rig operating expenses	565	491	439	482
Reimbursable expenses	50	48	100	59
Depreciation and amortisation	200	192	158	161
General and administrative expenses	86	78	64	72
Total operating expenses	**901**	**809**	**761**	**774**
Net operating income	**568**	**471**	**507**	**552**

Net Income – Total Seadrill Limited

Unaudited accounts in USD millions	4Q13	3Q13	2Q13	1Q13
Net operating income	568	471	507	552
Financial items and other income				
Interest income	8	-	6	4
Interest expense	(134)	(107)	(96)	(108)
Share in results from associated companies	(189)	(10)	(26)	2
Gain on re-measurement of previous held equity	-	-	-	10
Gain on bargain purchase	-	-	-	15
Gain/(Loss) in financial derivatives	2	(5)	141	(5)
Foreign exchange gain/(loss)	25	-	14	13
Other financial items	2	26	(3)	1
Gain on sale of tender rigs	-	-	1,256	-
Total financial items and other income	**(286)**	**(96)**	**1,292**	**(68)**
Income before income taxes	282	375	1,799	484
Income taxes	(1)	(60)	(49)	(44)
Net income	**281**	**315**	**1,750**	**440**
Earnings per share (US$)	**0.49**	**0.61**	**3.68**	**0.87**

Balance Sheet - Assets

Unaudited accounts in USD millions	December 31, 2013	September 30, 2013	June 30, 2013
Current assets			
Cash and cash equivalents	744	551	437
Restricted cash	168	244	224
Marketable securities	416	316	936
Accounts receivables, net	1,042	1,043	1,015
Other current assets	463	408	366
Total current assets	**2,833**	**2,562**	**2,978**
Non-current assets			
Newbuildings	3,419	4,900	3,524
Drilling units	17,193	14,778	12,891
Restricted cash	150	171	177
Deferred tax assets	37	22	35
Other non-current assets	2,668	2,546	2,196
Total non-current assets	**23,467**	**22,417**	**18,823**
Total assets	**26,300**	**24,979**	**21,801**

Balance Sheet – Liabilities & Shareholder's Equity

	December 31, 2013	September 30, 2013	June 30, 2013
Current liabilities			
Current portion of long-term debt	1,566	2,645	2,873
Trade accounts payable	90	131	66
Other current liabilities	2,169	2,863	1,458
Total current liabilities	**3,825**	**5,639**	**4,397**
Non-current liabilities			
Long-term interest bearing debt	11,900	10,087	8,521
Deferred taxes	60	19	70
Other non-current liabilities	2,313	1,468	973
Total non-current liabilities	**14,273**	**11,574**	**9,564**
Equity			
Total shareholder's equity	**8,202**	**7,766**	**7,840**
Total liabilities and shareholder's equity	**26,300**	**24,979**	**21,801**