

SEB Nordic Seminar

CFO - Rune Magnus Lundetrae

Copenhagen, January 2014

Seadrill

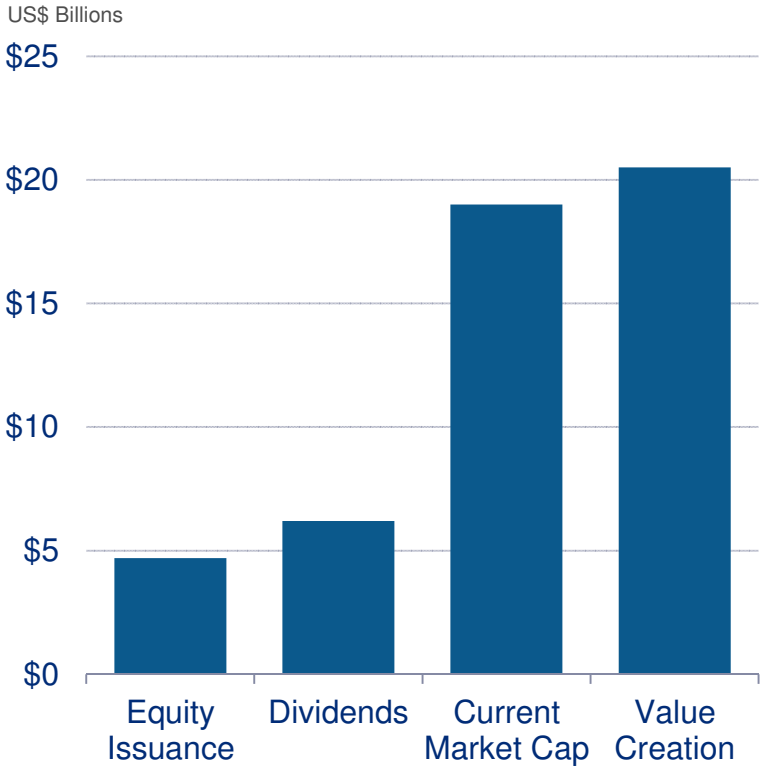
Forward Looking Statements

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 Limited Overview

- Most modern fleet of all the major offshore drillers
- Diverse asset base of 69[(1)] units
  - 34 drillships & semi-submersibles (11 Under Construction)
  - 32 jack-up rigs (10 Under Construction)
  - 3 tender rigs
- Global reach including harsh environment
- Current market capitalization ~ US$19 bn
- Broad customer base with contract backlog ~ US$20 bn
- Dividend annualized ~ US$1.8 bn



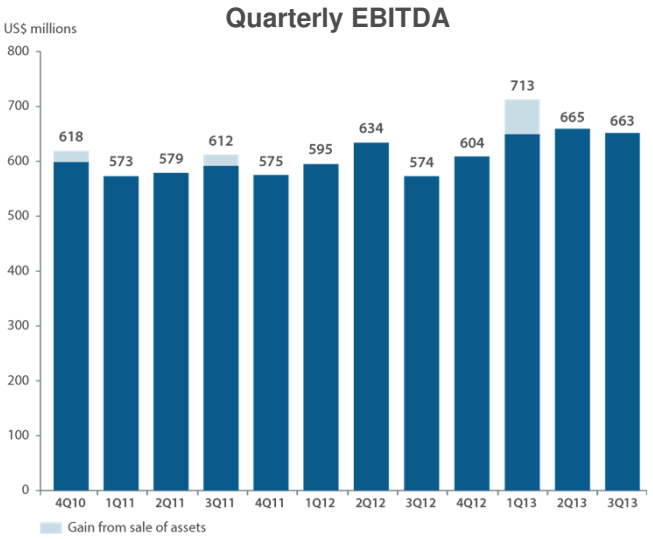


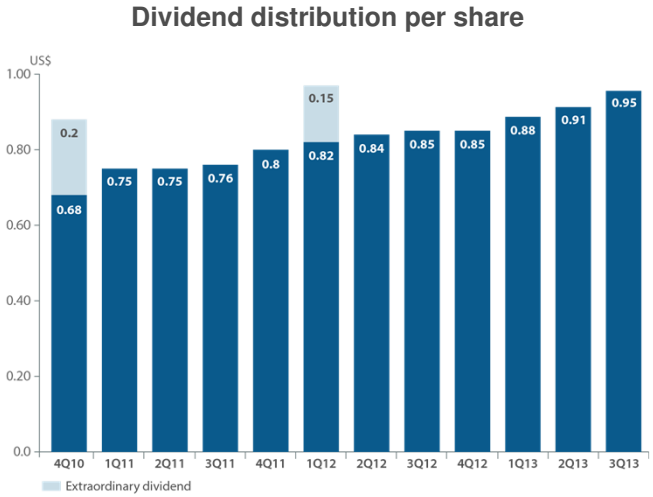
Market Leading Track Record of Value Creation

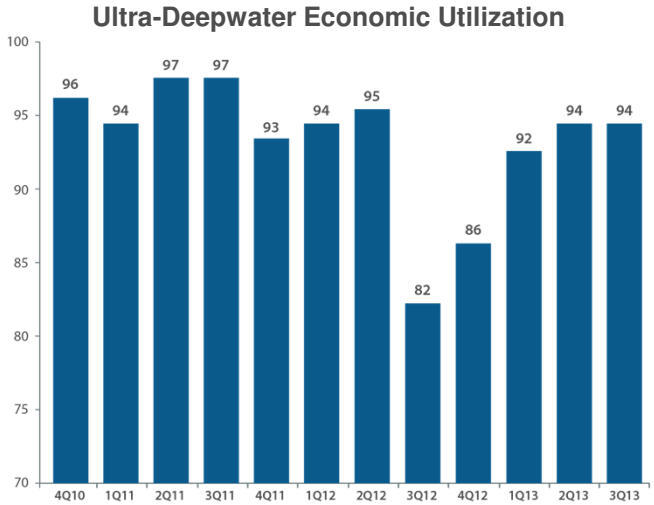
(1) Includes rigs contributed to Seadrill Partners.

Financial Performance Highlights

- Seadrill generated EBITDA of US$663 million for the third quarter 2013
- Economic utilization for our floaters was 94 percent and 97 percent for jack-ups
- Reported third quarter 2013 net income of US$315 million and earnings per share of US$0.61
- Increased quarterly cash dividend by 4 cents to US$0.95 per share





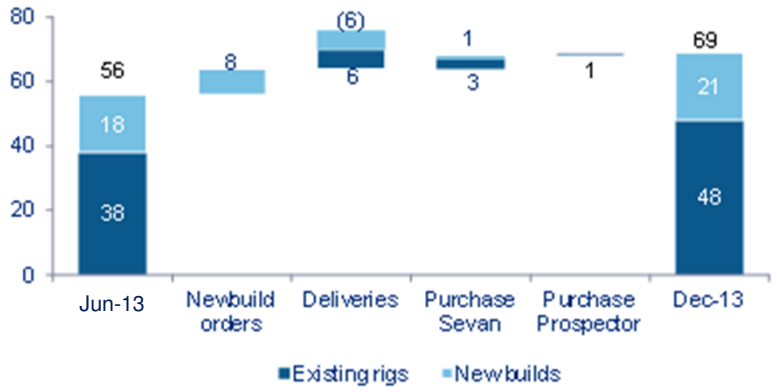


Recent Developments

Investments

- Fleet has developed significantly over the past few months:
  - Ordered four ultra-deepwater drillships with delivery expected H2 2015 – H1 2016
  - Ordered four jack-ups with delivery expected Q2 – Q3 2016
  - Reached 50.1% ownership in Sevan Drilling and launched mandatory offer for all outstanding shares
  - Completed the sale of the tender rig T-16 to Seadrill Partners
  - Announced agreement to acquire newbuild high specification jack-up rig Prospector 3
  - Completed the sale of semi-submersible rigs West Leo and West Sirius to Seadrill Parnters

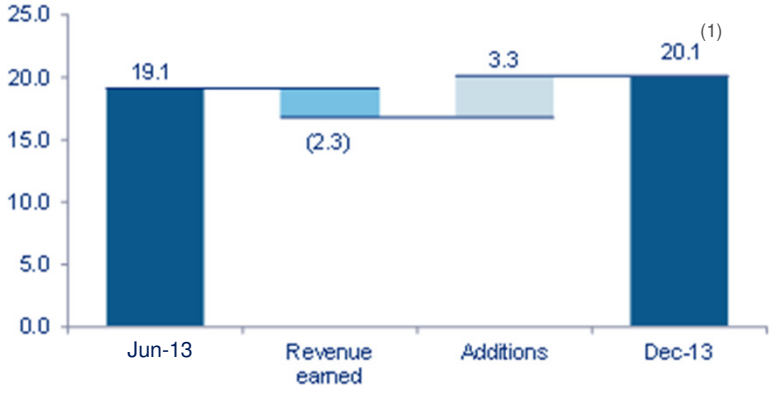
Fleet development



New Contracts

- Continued to lock in material contract extensions and sign new contracts:
  - Contract extensions include West Vigilant, West Aquarius and West Leda
  - Contract awards include West Tellus, West Freedom and West Navigator
  - Entered into a Heads of Agreement with PEMEX for 5 jack-up contracts totaling 30 rig years and $1.8 billion in backlog

Contract backlog development (US$bn)



(1) Excludes PEMEX backlog

Key Investment Highlights



Key Investment Highlights

- Global Operational Footprint
- Modern Fleet with Exposure to Premium Segments
- Significant Contracted Backlog Providing Dividend Visibility
- Innovative Capital Structure and Funding Strategy
- Dividend Growth a Priority… While Maintaining Earnings Growth Profile
- Culture of Safe and Efficient Operations








Global Operational Footprint



Americas
7 units

- 2 Drillships
- 4 Semis
- 1 jack-up

North Atlantic
7 units

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

Brazil
5 units

- 5 Semis

Africa – Middle East
13 units

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

Asia Pacific
12 units

- 2 Tender rigs
- 9 Jack-ups
- 1 Drillship

Newbuilds 21 units

- 8 Drillships
- 3 Semis
- 1 HE jack-up
- 9 BE jack-ups

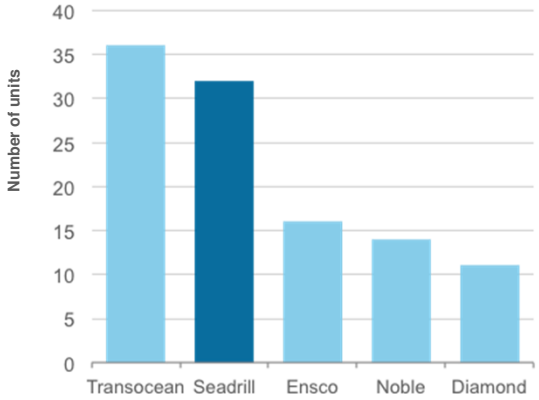
Presence in all important oil and gas regions

Note: 4 units in Transit not included on the map above.

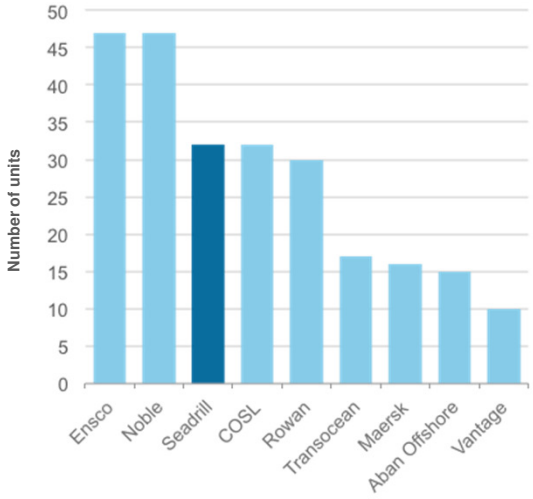
Strategic Focus on Premium Asset Classes

One of the largest Offshore Drillers…

Ultra-Deepwater Units

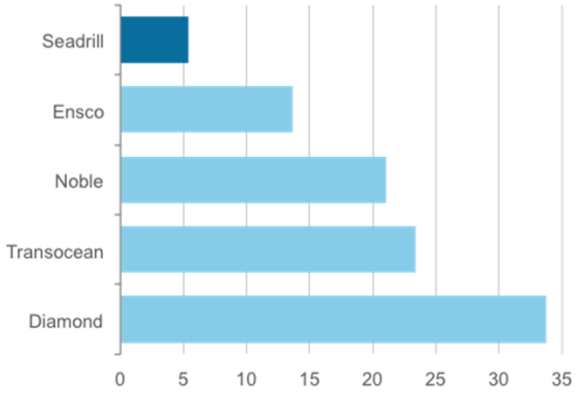


Jack-Up Units

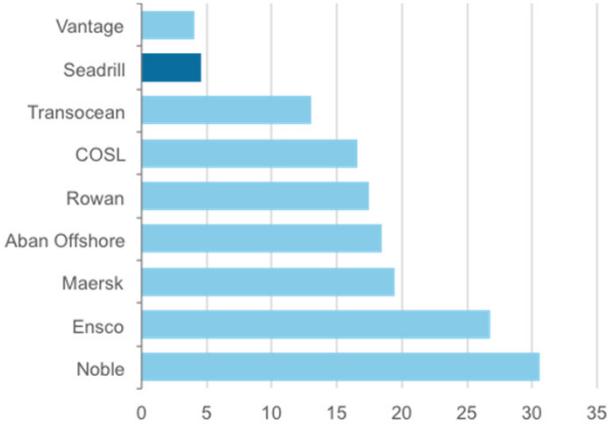


…with a Modern Fleet…

Average Floater Age

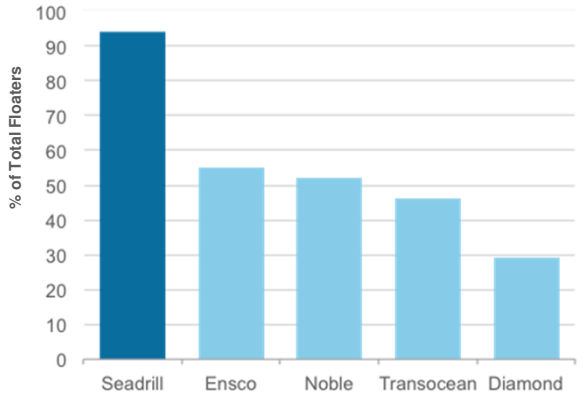


Average Jack-Up Age

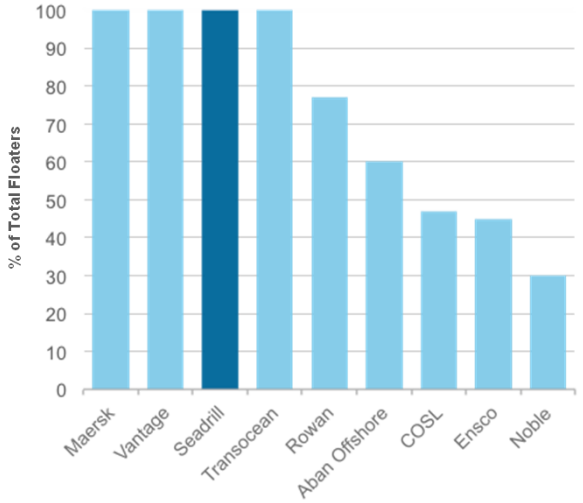


…and Exposure to Premium Segments

% Ultra-Deepwater of Total Floaters



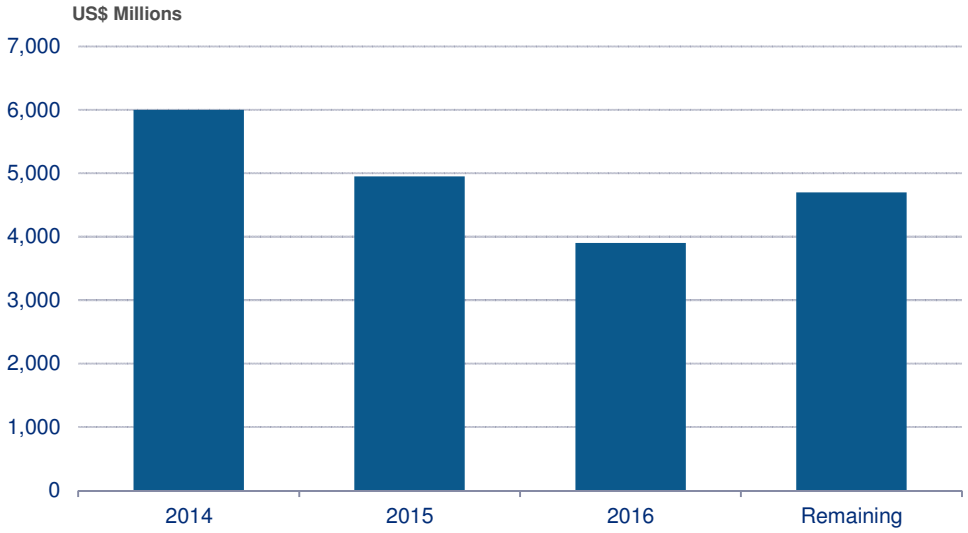
% of Jack-Up fleet >350' Water Depth

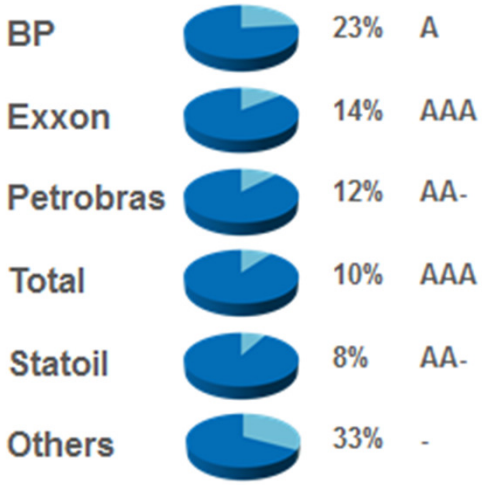


Source: ODS Petrodata. Note: Data as of January 01, 2014

Longstanding Relationships with Leading Oil & Gas Companies

Current backlog

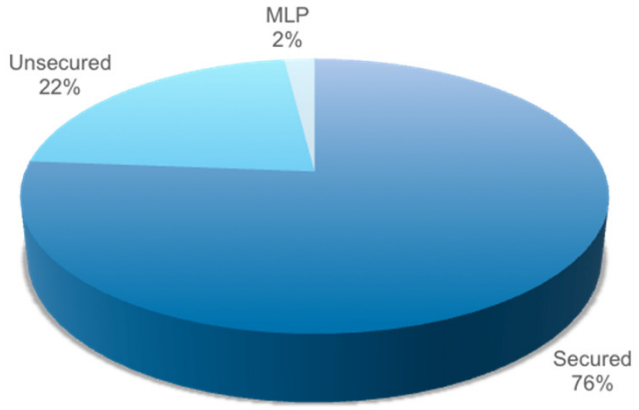




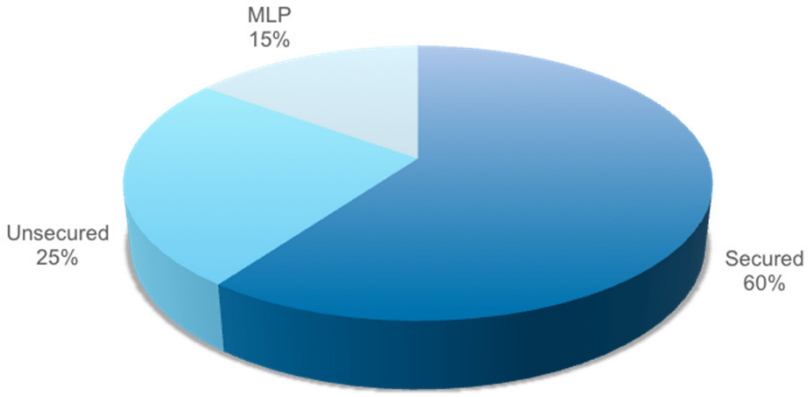
Financial Flexibility

Seadrill

Dec-2013 Actual



2015 Illustrative



2013 Financing Summary

Unsecured Financing

- NOK 1,800m bond
- NOK 1,500m bond (NADL)
- US$ 500m bond

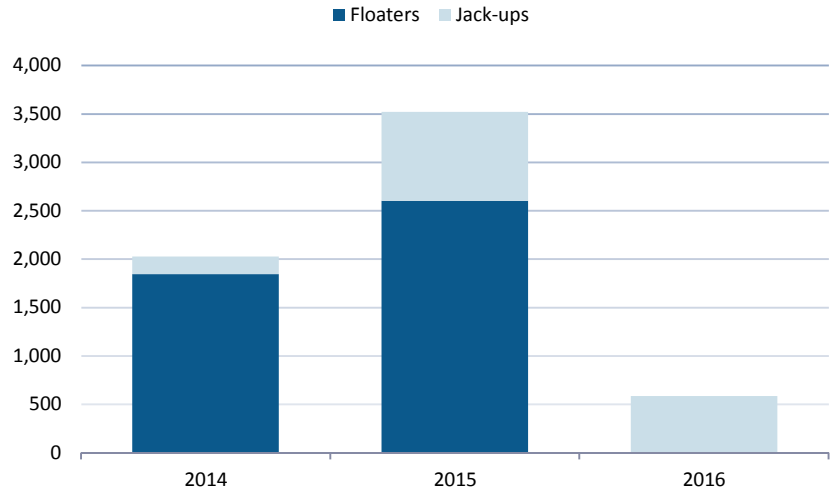
Secured Financing

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

MLP

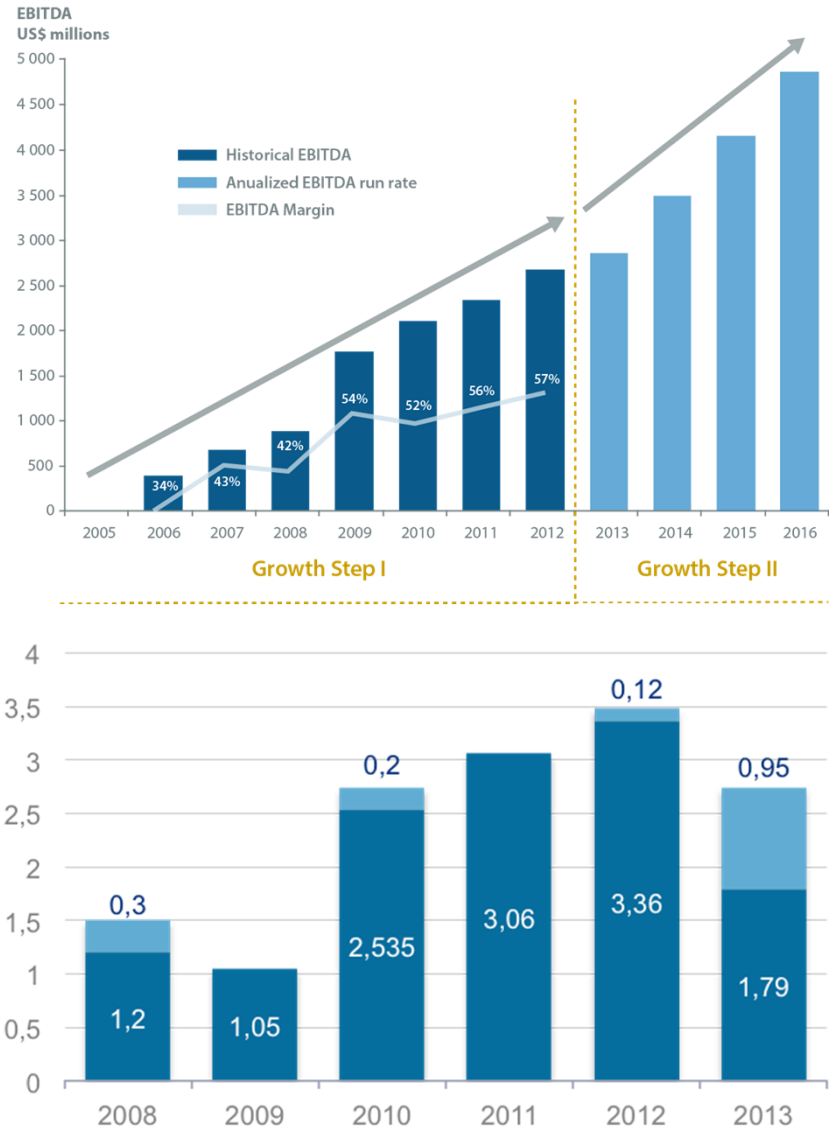
- US$ 356m contribution to SDRL though the sale of Sirius and Leo

Capex Per Year (US$ Millions)



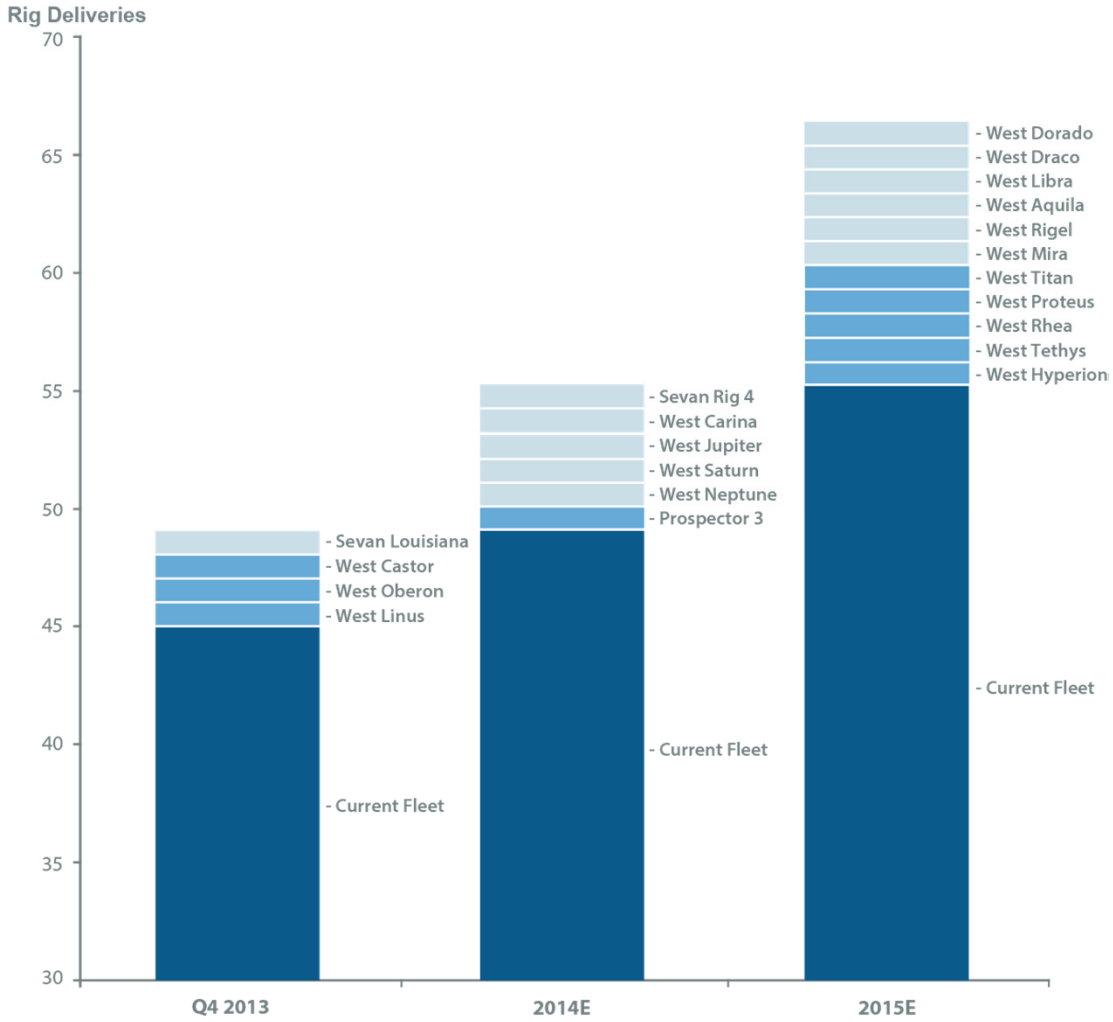
Dividend Growth Continues to be a Priority…

- Key objective to grow quarterly dividends
- Quarterly cash dividend raised from 91 cents to 95 cents per share in Q3
- 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



The Q1 2013 dividend was paid in Q4 2012

…while Maintaining Growth Profile



~$4.5 Billion in 2016 Annualized EBITDA

Culture of Safe & Efficient Operations

Quality of operations

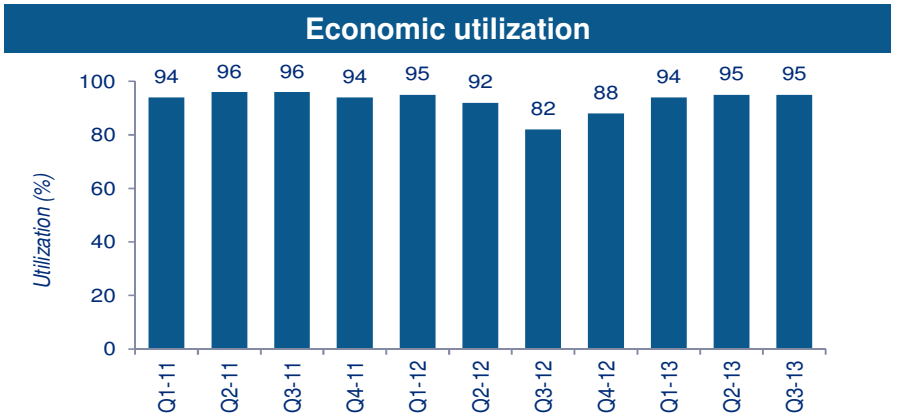
- Recognized for providing highest quality operations, in the most challenging sectors of offshore drilling
- Key focus on procedures to control, measure and improve performance and risk management
- Competence assurance and on-hire testing

High performance

- Flat organizational structure and personal accountability
- Stable and high average long term economic utilization above 95%
- High reliability – Daily downtime reporting and routine technical audits

Focus on health & safety

- One of the most ridged safety control systems in the drilling space with clear objectives and procedures
- Full internal investigations of "near-misses" to personnel or to the environment
- Overall goal of "no-one gets hurt"

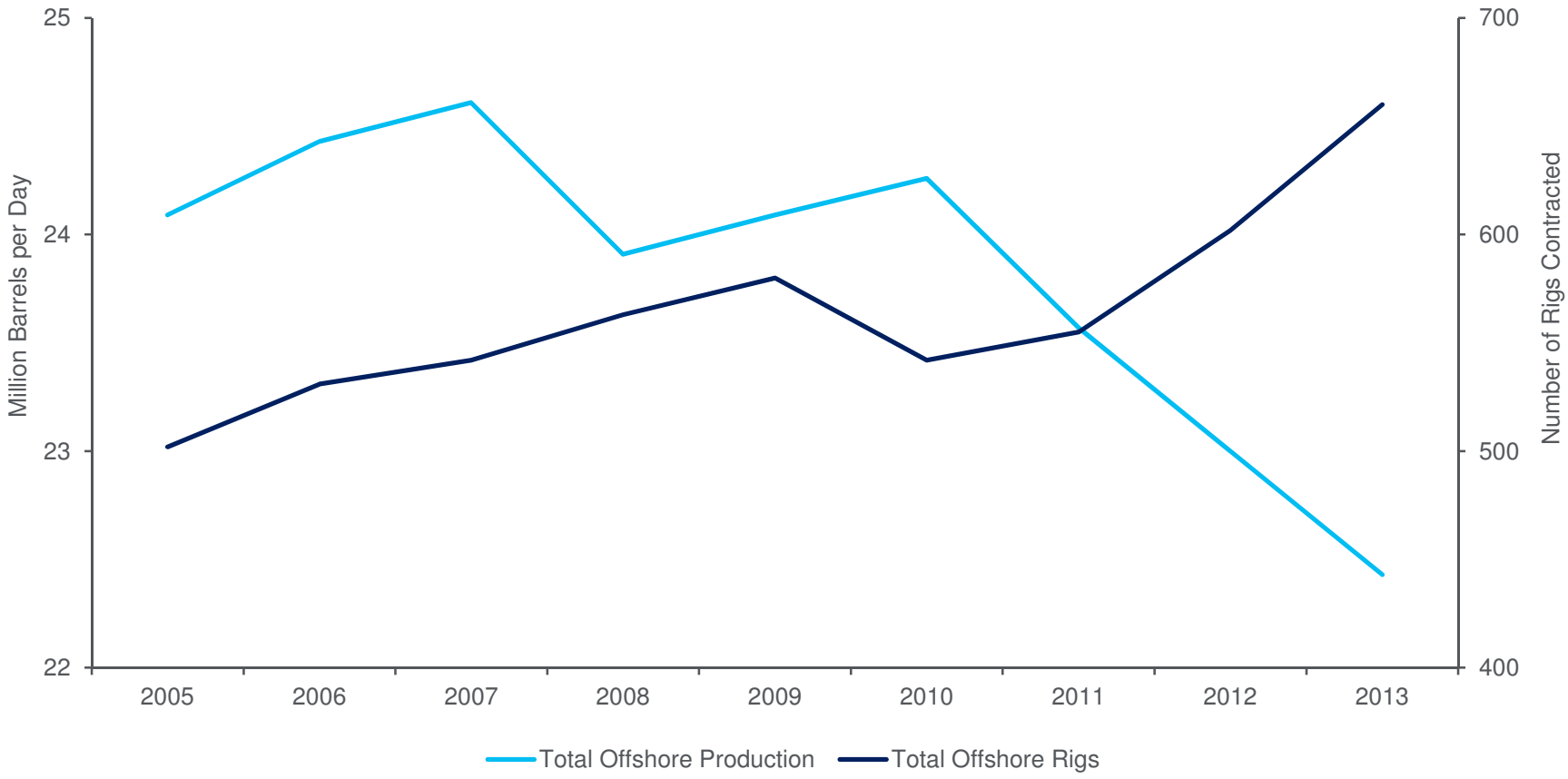




Upstream Market Outlook



Increased Service Intensity

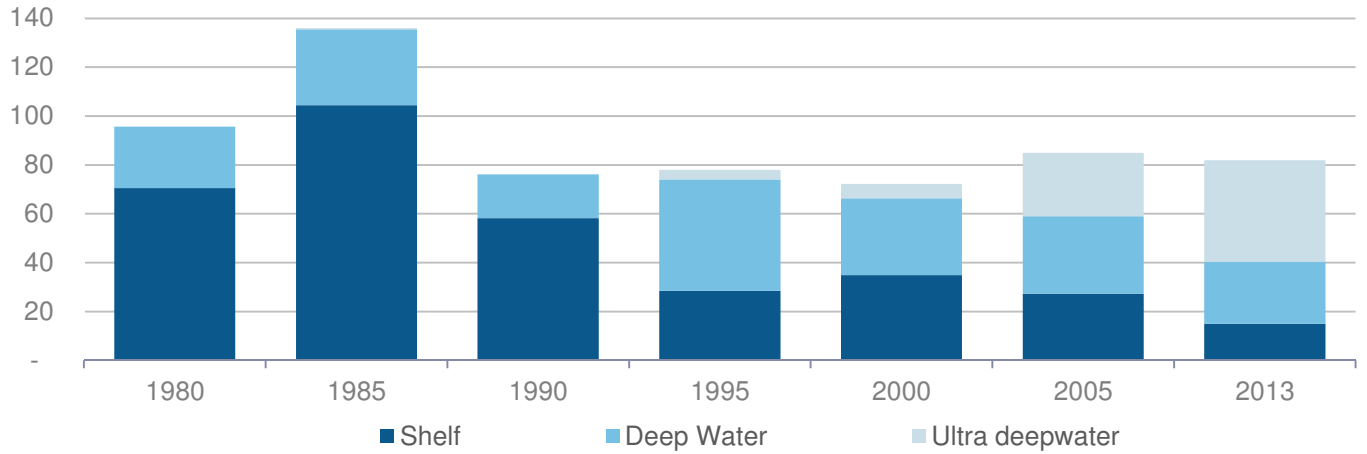


More Rigs Working, but Declining Oil Production

Source: IEA, IHS, Wood Mackenzie, EIA, ODS Petrodata.

Recent Discoveries to Become Produced Volumes

Discovered resources 1980 to 2013 *(Billion boe)*



Resources discovered and produced 2000-2012 *(Billion boe)*

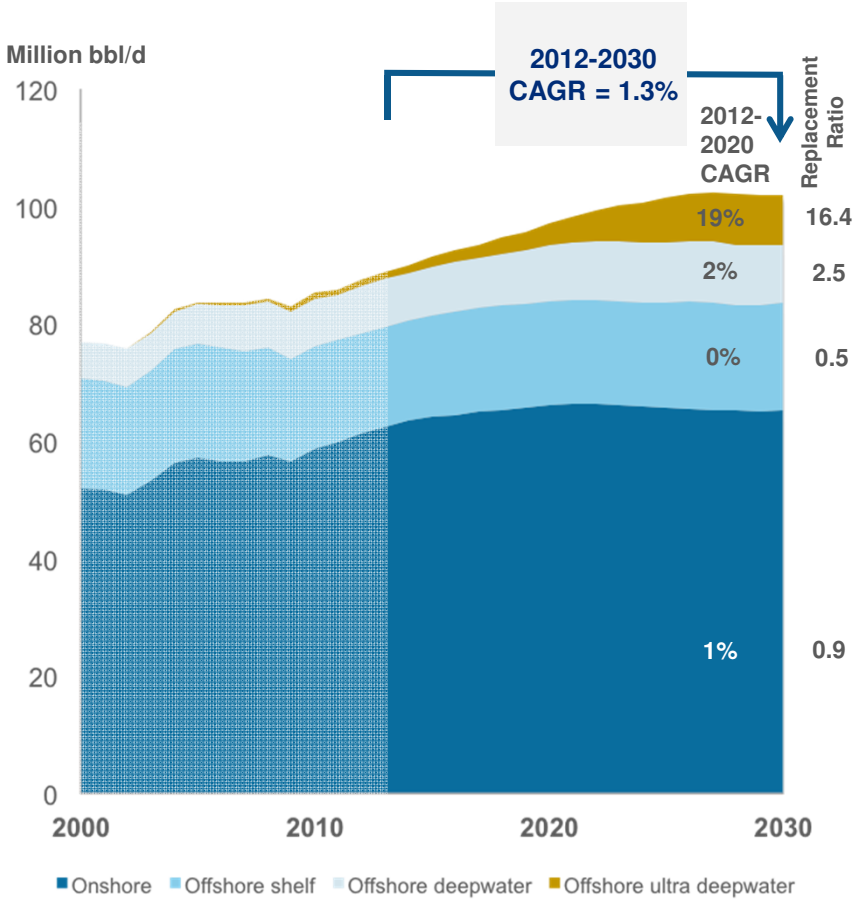
Group	Waterdepth	Produced *Billion boe*	Discovered *Billion boe*	Replacements *Ratio*
Off-shore	Ultra Deepwater - 7500 ft +	1	8	16,4
	Deep - 400 - 7499 ft	63	154	2,5
	Shelf - 400 ft	163	77	0,5
	Total	**227**	**239**	1,1
On-shore	On-shore	485	456	0,9
On-shore Off-shore	**Global**	**712**	**695**	1,0

Source: Rystad Energy research and analysis; UCube

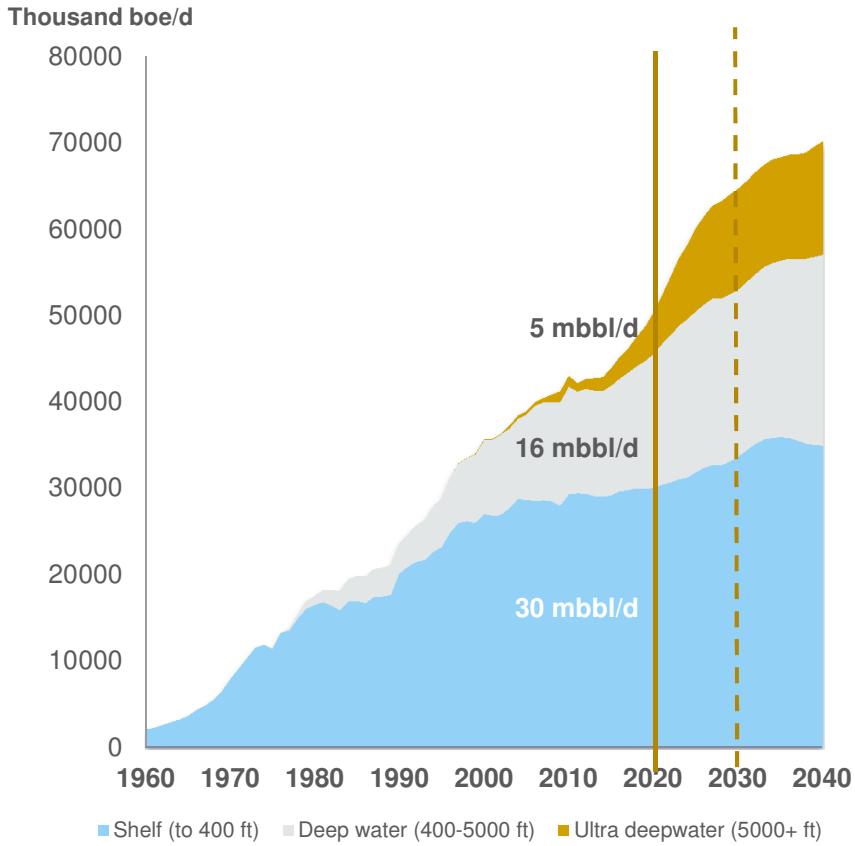
Ultra-Deepwater Production Growth Accelerating

Seadrill

Global liquids production, by land and water depth

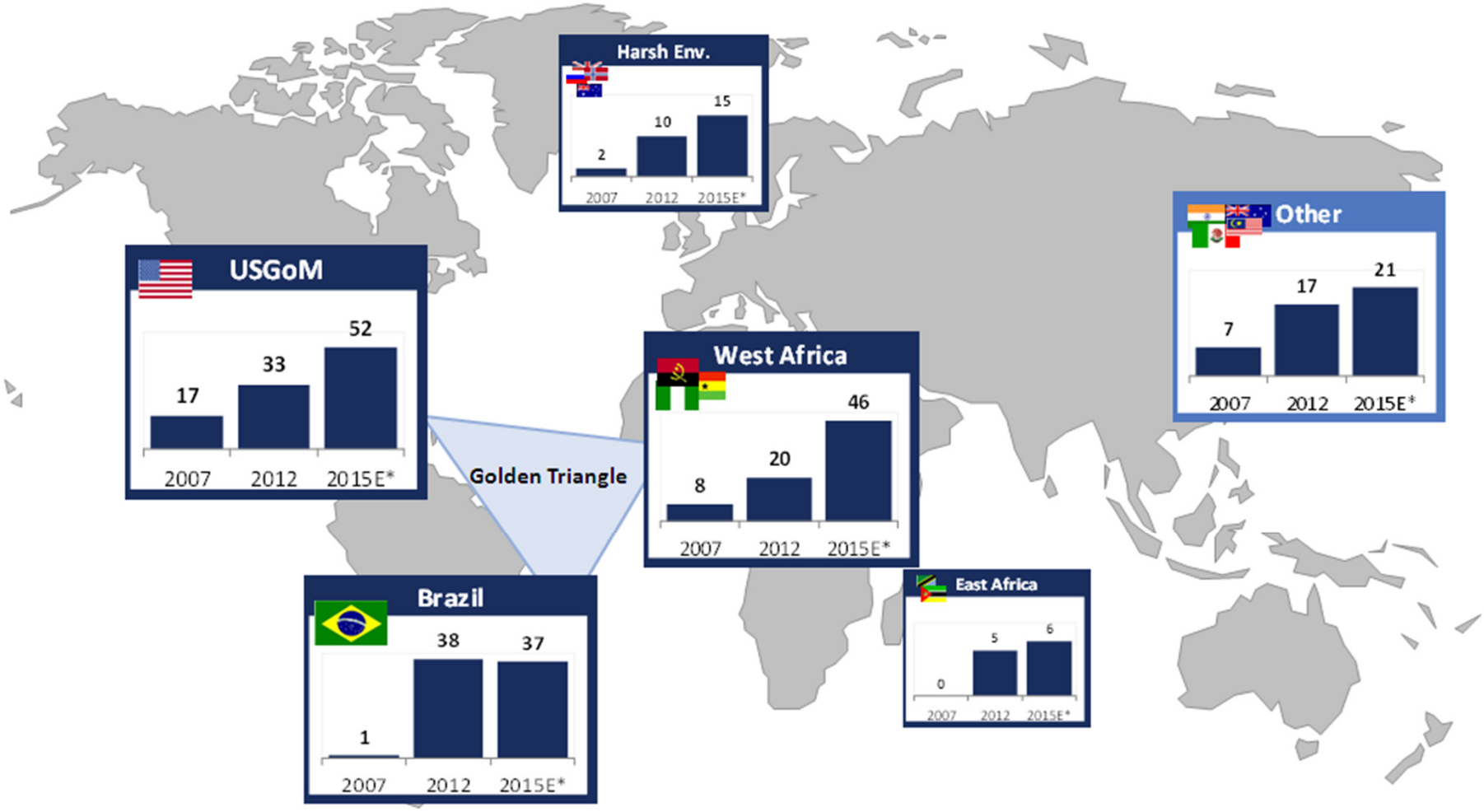


Global offshore production by water depth 1960 - 2040

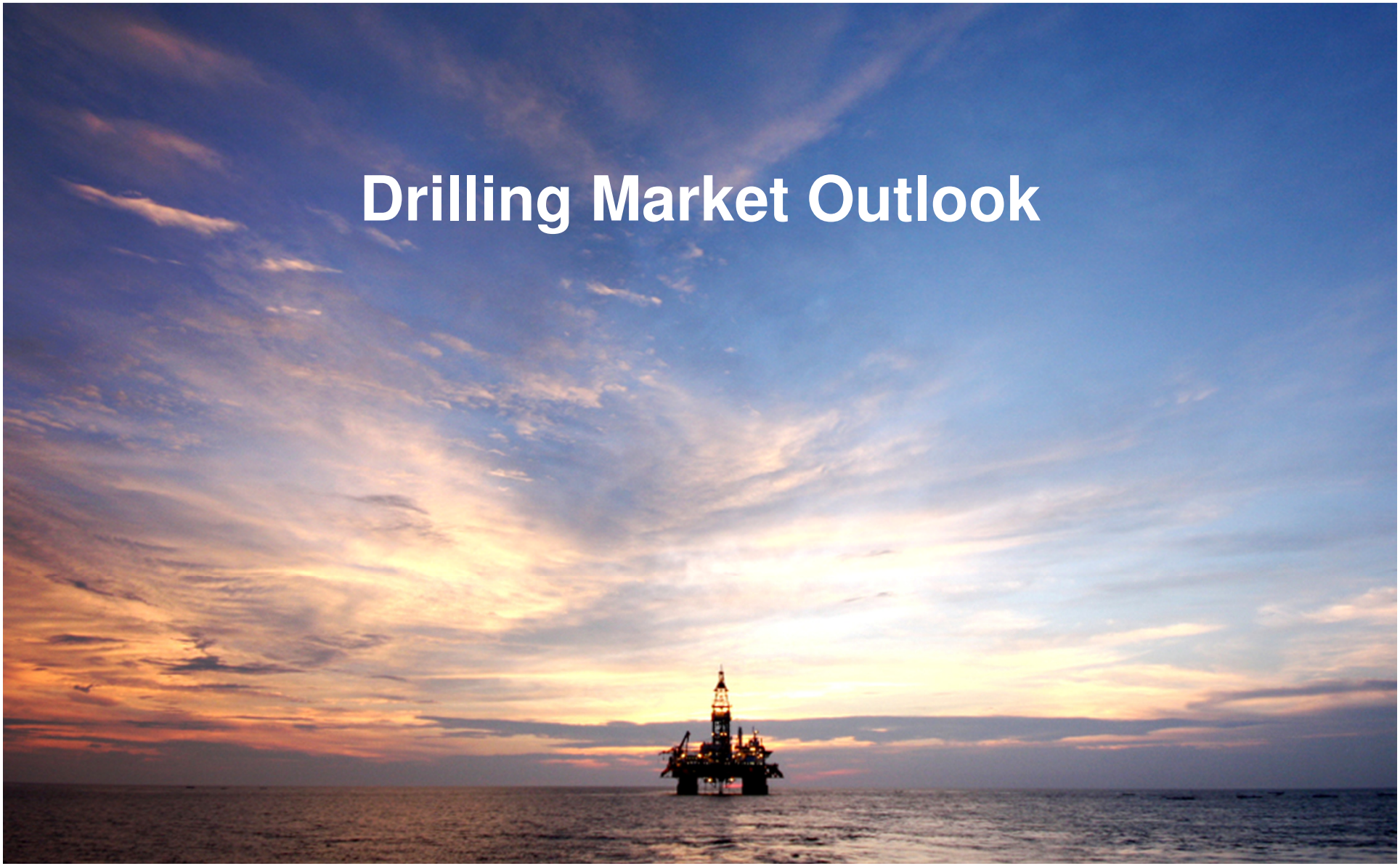


Source: Rystad Energy.

The “Golden Triangle” lives on

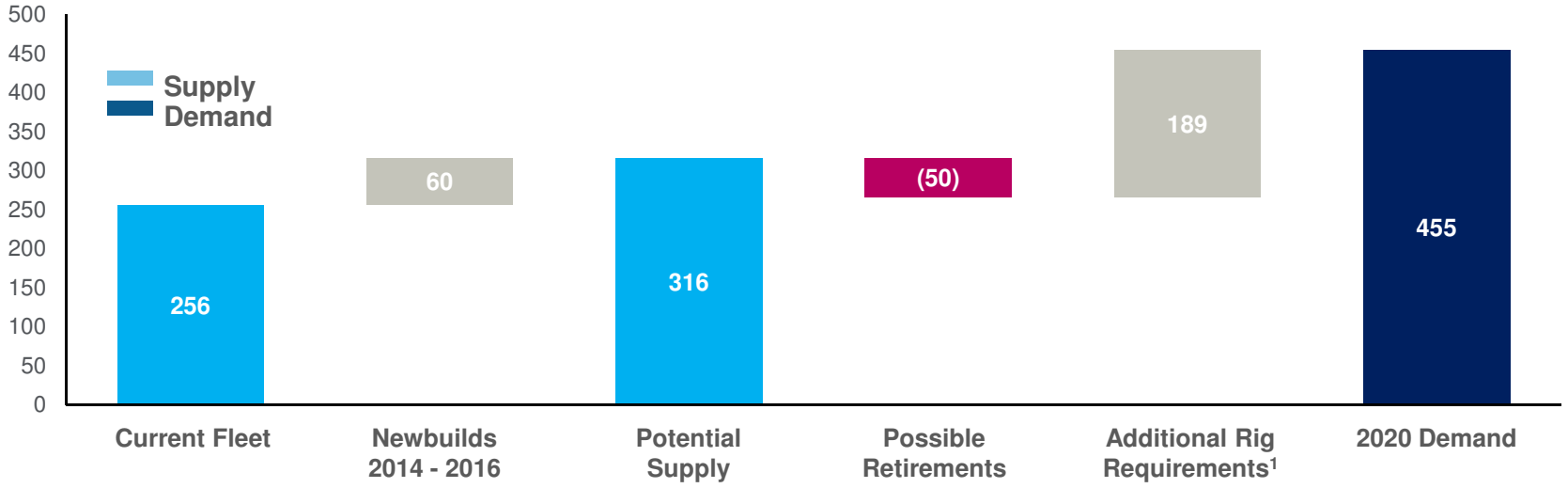


Source: Pareto

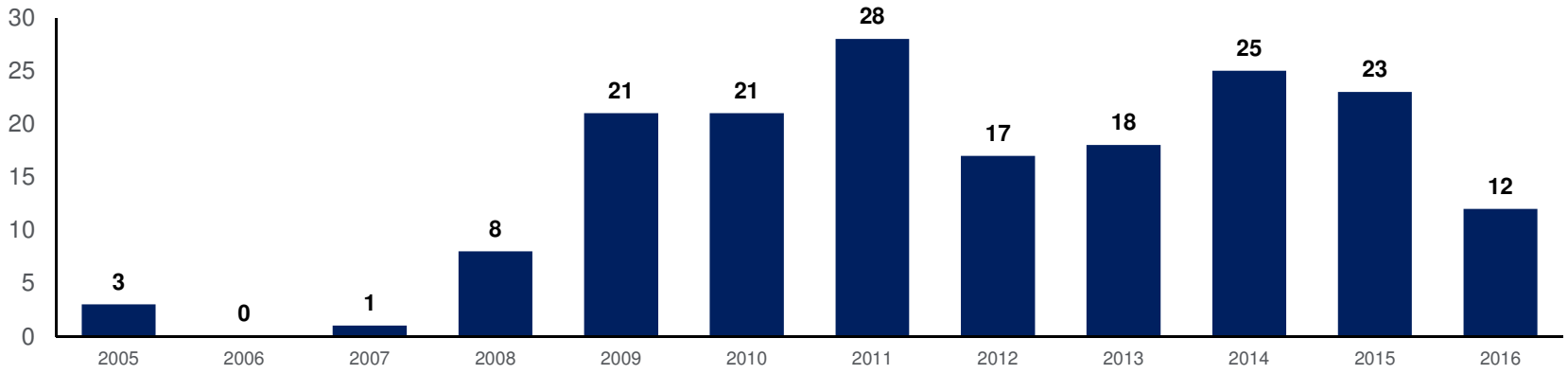

Drilling Market Outlook

Global Rig Supply & Demand Imbalance Favors Contractors

Significant Newbuilds Required to Bridge Expected Demand Gap



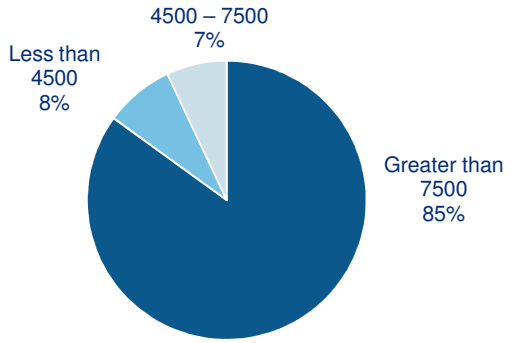
Ultra-Deep Water Deliveries



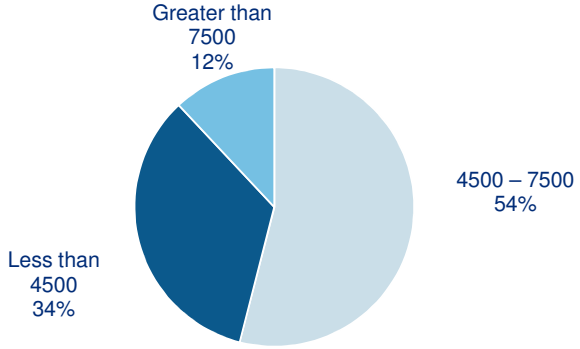
[1] *Includes Brazil rigs*
Source: Rystad Energy, DNB

UDW Replacing Aging Deepwater Fleet

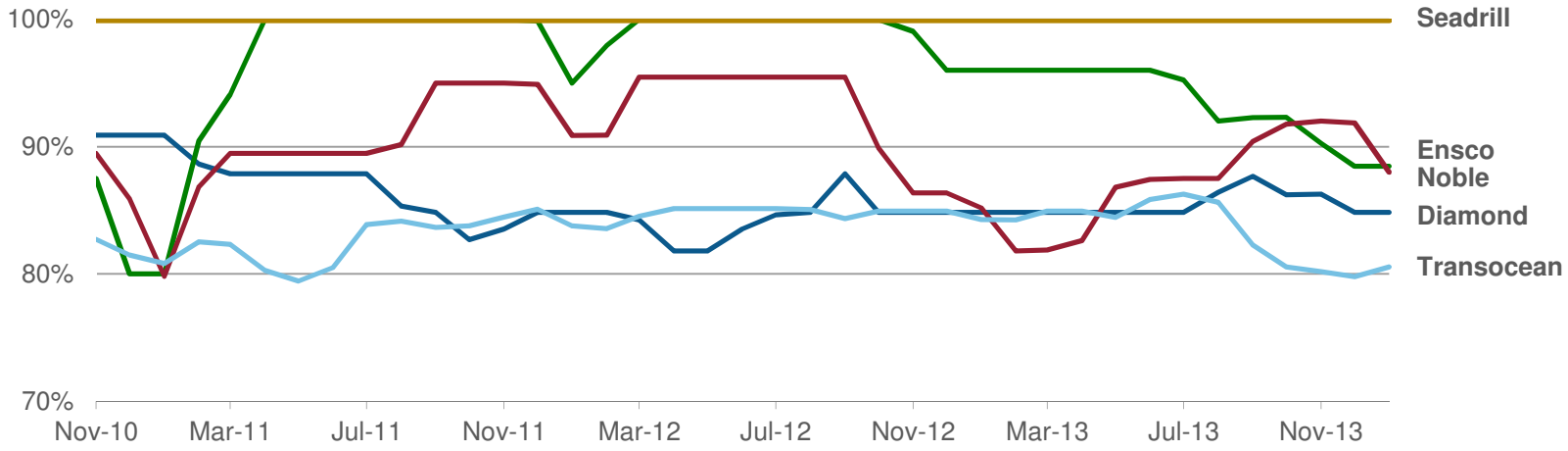
Newbuild water depth



Operating water depth



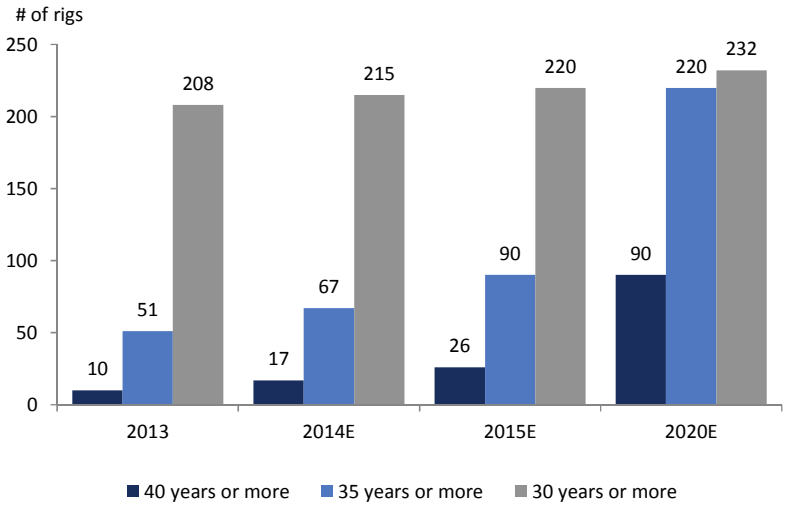
Total floater utilization



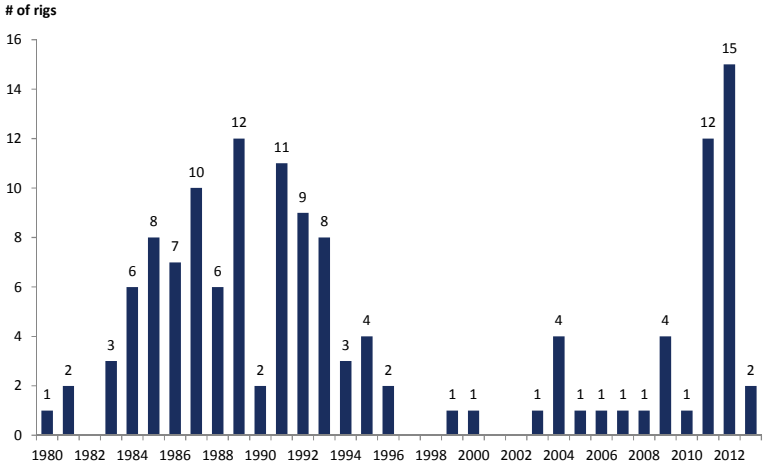
Source: ODS Petrodata

Robust Jack-up Fundamentals

Age Development of Contracted Jack-up Fleet



Jack-ups Removed from the Market

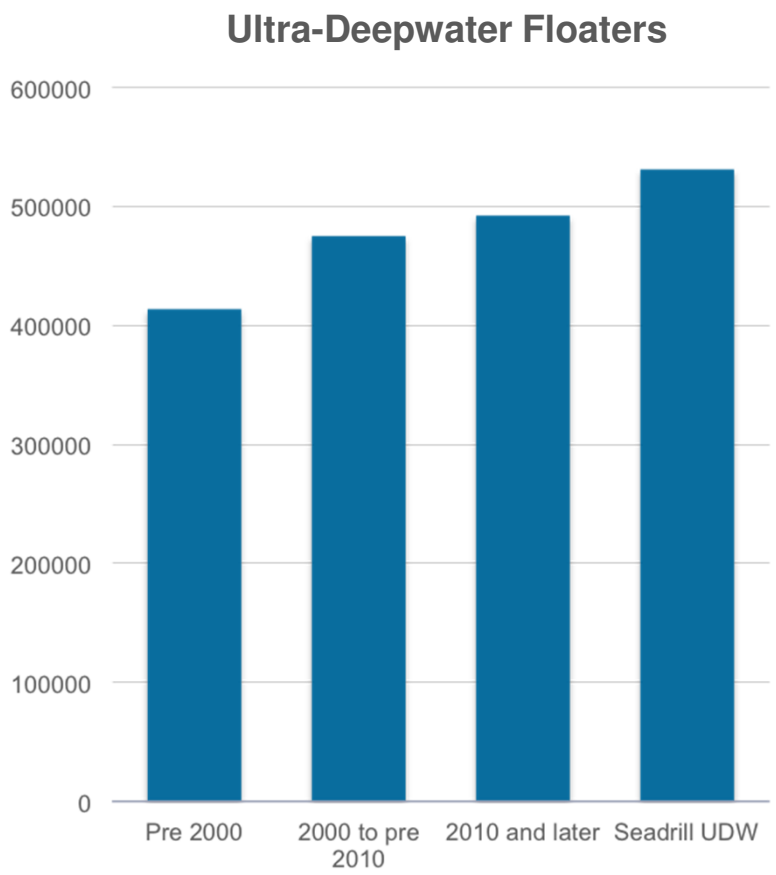


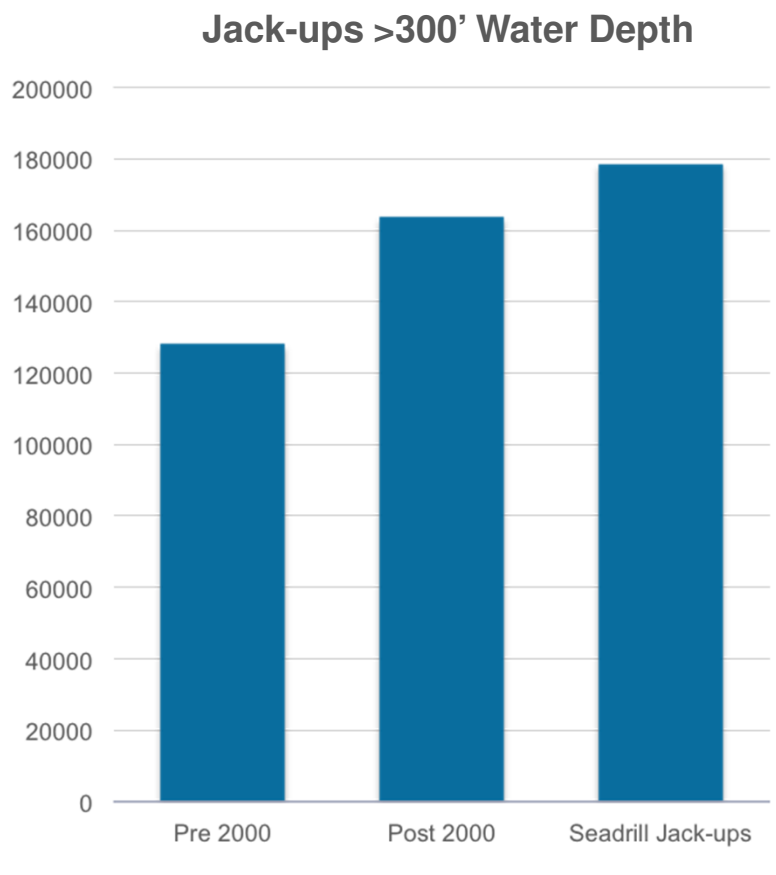
- In 2015 more than 220 of the currently contracted Jack-up fleet will be more than 30 years old
- 90 of the units will be more than 35 years old
- Scrapping & Conversion of older units increased in 2011 and 2012 with trend expected to continue

Source: Pareto

New Equipment Commanding Higher Dayrates

Seadrill



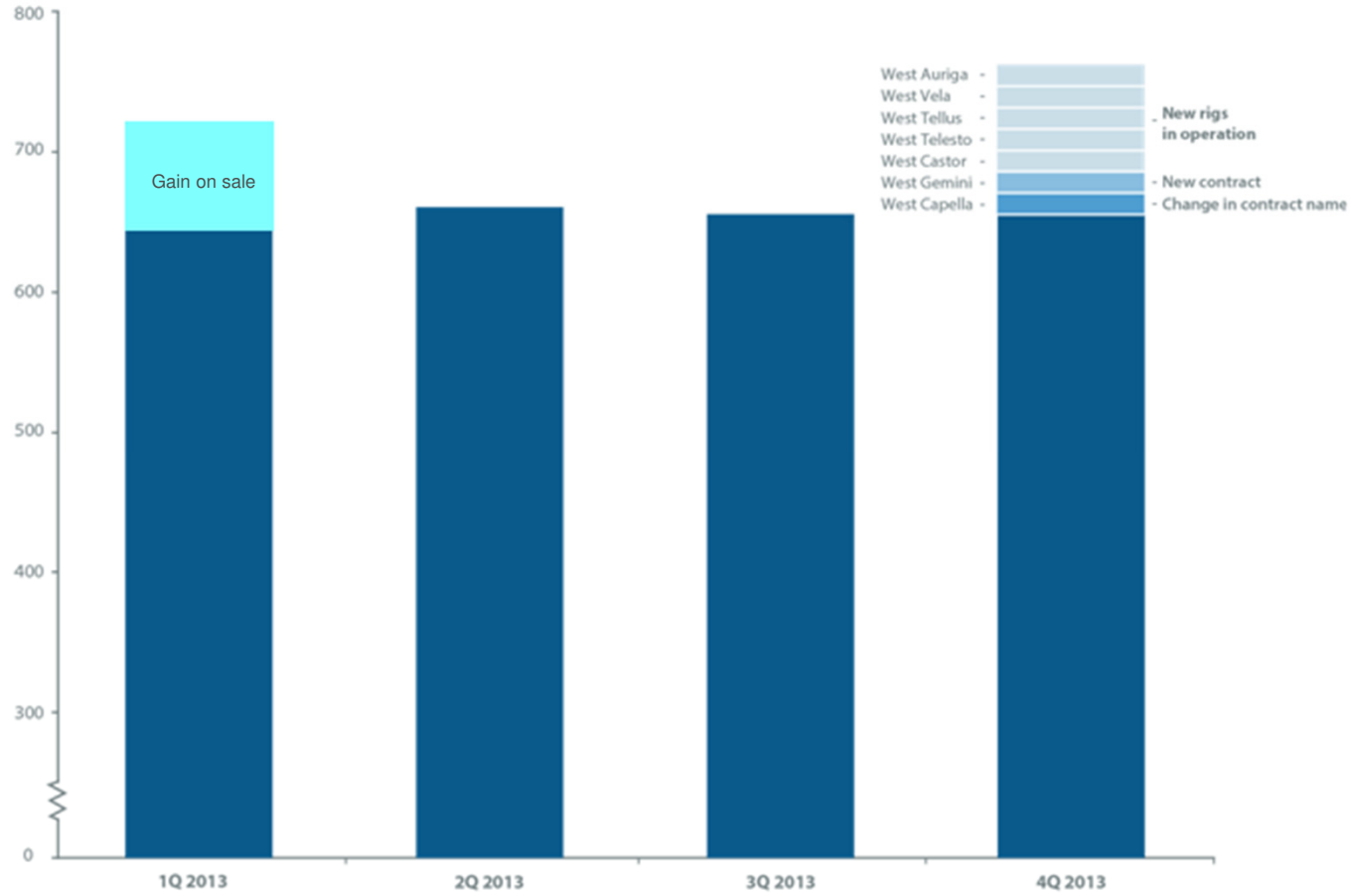


Customers Demand Better Performance and Safety of New Equipment

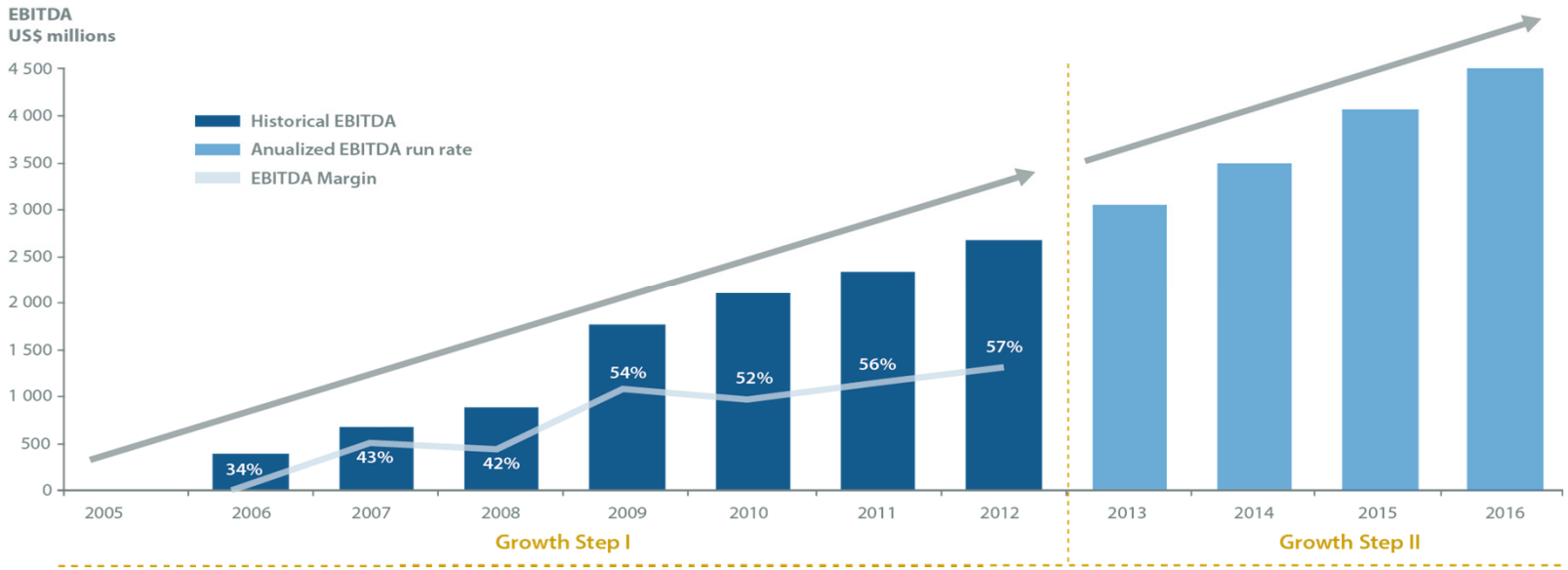
Source: ODS Petrodata

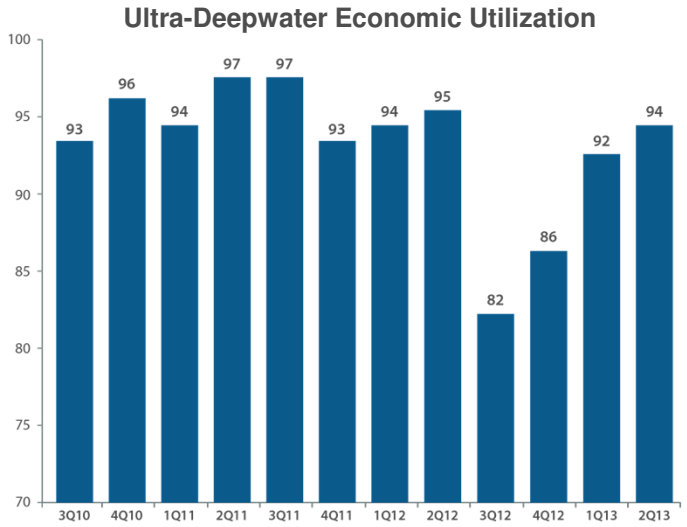

Conclusion

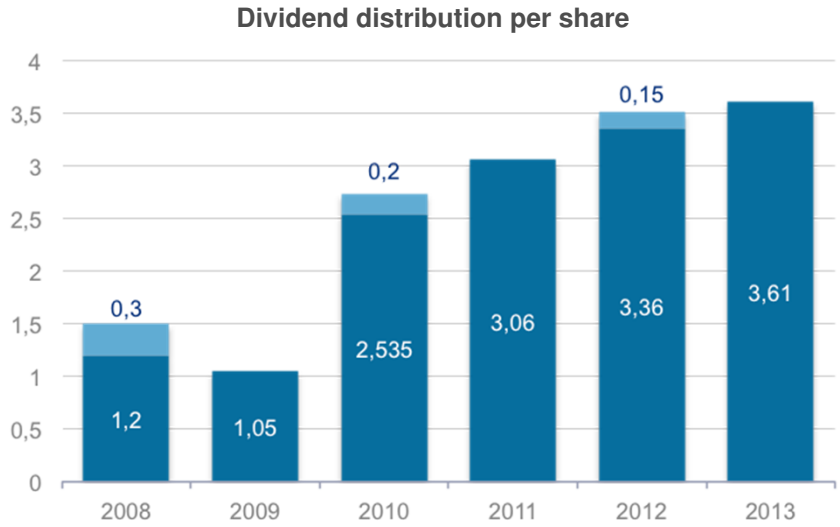
In Excess of 15% EBITDA Growth in Q4

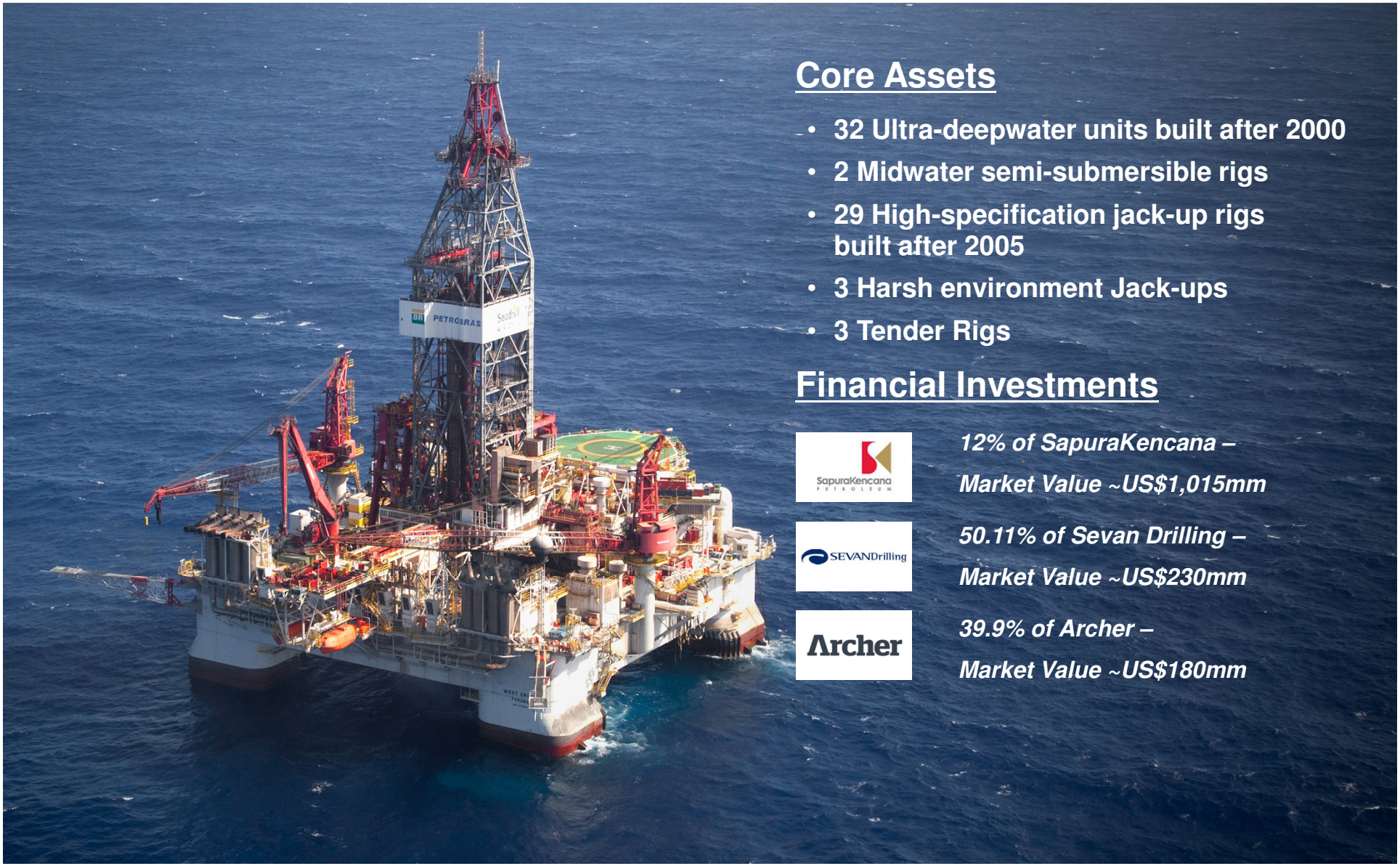


What can you expect from Seadrill – Next 2 years









Core Assets

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

Financial Investments

12% of SapuraKencana – Market Value ~US$1,015mm

50.11% of Sevan Drilling – Market Value ~US$230mm

39.9% of Archer – Market Value ~US$180mm