1Q22 Earnings Presentation



Seadrill

Disclaimer

We have prepared this document solely for informational purposes. You should not definitively rely upon it or use it to form the definitive basis for any decision, contract, commitment or action whatsoever, with respect to any proposed transaction or otherwise.

The information contained herein includes certain statements, Estimates and projections with respect to our anticipated future performance (including illustrative returns on equity) and anticipated industry trends. Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," “likely,” "plan," "project," "could," "may," "might," "should," "will" and similar words and specifically include statements regarding expected financial performance; expected utilization, day rates, revenues, operating expenses, rig commitments and availability, cash flow, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding; the effect, impact, potential duration and other implications of the ongoing COVID-19 pandemic; impact of our emergence from bankruptcy; the offshore drilling market, including supply and demand, customer drilling programs, stacking of rigs, effects of new rigs on the market and effects of declines in commodity prices; expected work commitments, awards and contracts; effective tax rates; letters of intent; scheduled delivery dates for rigs; the timing of delivery, mobilization, contract commencement, availability, relocation or other movement of rigs; future rig reactivations; expected divestitures of assets; general market, business and industry conditions, trends and outlook; future operations; increasing regulatory complexity; the outcome of tax disputes, assessments and settlements; and expense management. Such statements, Estimates and projections reflect various assumptions concerning anticipated results and industry trends, which assumptions may or may not prove to be correct. Actual results and trends may vary materially and adversely from the projections contained herein. We have prepared this document and the analyses contained in it based, in part, on certain assumptions and information obtained by us from the recipient, its directors, officers, employees, agents, affiliates and/or from other sources. Our use of such assumptions and information does not imply that we have independently verified or necessarily agree with any of such assumptions or information, and we have assumed and relied upon the accuracy and completeness of such assumptions and information for purposes of this document. Neither we nor any of our affiliates, or our or their respective officers, employees, advisors or agents, make any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in this document or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. We and our affiliates and our and their respective officers, employees, advisors and agents expressly disclaim any and all liability which may be based on this document and any errors therein or omissions therefrom. Neither we nor any of our affiliates, or our or their respective officers, employees, advisors or agents, make any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this document, or as to the achievement or reasonableness of future projections, management targets, Estimates, prospects or returns, if any. Any views or terms contained herein are preliminary only, and are based on financial, economic, market and other conditions prevailing as of the date of this document or as at the date stated in respect of that information and are therefore subject to change. We undertake no obligation or responsibility to update any of the information contained in this document. Past performance does not guarantee or predict future performance. Any and all trademarks and trade names referred to in this presentation are the property of their respective owners. In this presentation, we rely on and refer to information and statistics regarding market participants in our industry and other industry data. We obtained this information and statistics from third-party sources, including reports by market research firms and company filings. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness.

This document and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy any security, commodity or instrument or related derivative, nor do they constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and do not constitute legal, regulatory, accounting or tax advice to the recipient. We recommend that the recipient seek independent third party legal, regulatory, accounting and tax advice regarding the contents of this document. This document does not constitute and should not be considered as any form of financial opinion or recommendation by us or any of our affiliates. This document is not a research report and was not prepared by the research department of Seadrill Limited or any of its affiliates.

Introducing the New Transformed Seadrill

Seadrill

A platform transformed, offering unique exposure to a recovering offshore drilling market

Simplified corporate structure and New CEO and Board of Directors



Significant fleet rationalisation
High graded the fleet and operating base



Materially strengthened balance sheet
No maturities until Dec 2026



$350m in new capital



Backlog build during Chapter 11
New contract wins across UDW / DW

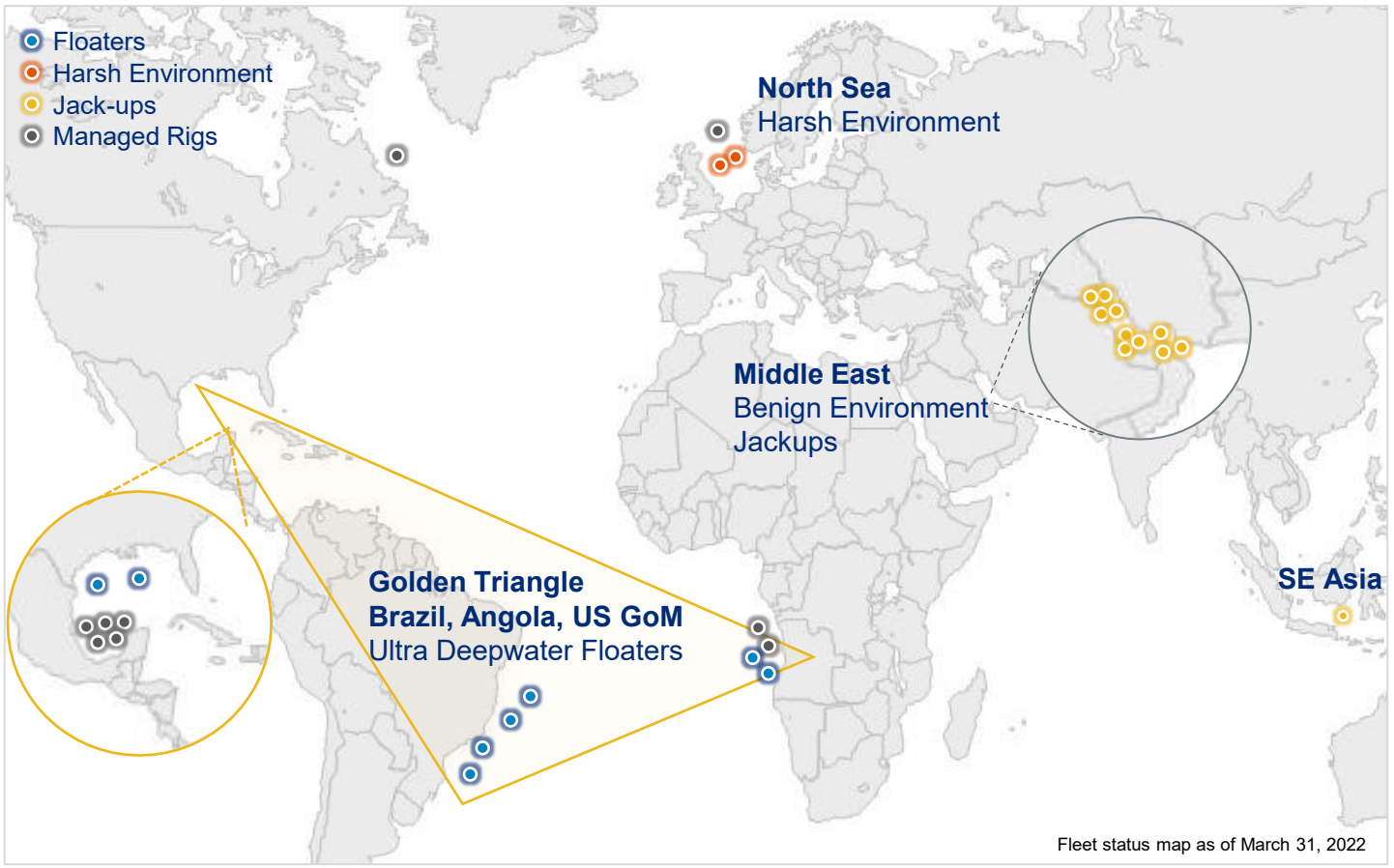


Re-entered the capital markets
Listed in Olso with a pathway to New York



Strong Presence in High Demand Regions Globally

Scale in key markets such as the Golden Triangle and Middle East



- ✓ **Globally diversified portfolio of owned and managed rigs**
- ✓ **Strong, long-term relationships with critical IOCs and NOCs**
- ✓ **Positioned in the right basins**
  - **Continuing to build ultra-deepwater franchise in the Golden Triangle and driving economies of scale from rig clustering**
  - **Strong relationships and contracting activity in the Middle East benign jack-up environment**

#1 International Operator in Brazil[1]

#1 Operator of rigs in Angola[1]

Note: 1) IHS Petrodata, Angola includes Seadrill & Sonadrill

1Q22 Review



1Q22 At a Glance

Seadrill

- **Increased technical utilization of 99%**
- **Outperforming HSE industry standard with a TRIF of 1.61 vs 1.75**
- **Strong underlying EBITDA of $78m**
- **Balance sheet items are adjusted to fair value to denote a "fresh start"**
- **High-profile contract wins with a strong contract backlog of $2.8 billion** (as of May 25, 2022)
- **Market guidance supported by positive trading outlook**

Solid Underlying Revenue and EBITDA Performance

Operating Income

Income highlights	Combined*	Predecessor	Change*
In $'million	March 31, 2022	December 31, 2021	
Total operating revenue	293	305	(4)%
Adjusted EBTIDA	78	98	(20)%
Adjusted EDITDA margin (%)	26.6	32.1	(17)%

- ✓ **Cost savings and lower SG&A across the business**
- ✓ **Strong underlying EBITDA performance, albeit lower than 4Q21 due to $51m of non-recurring Other Operating items**
- ✓ **1Q22 includes approx. $12m of non-recurring benefits from emergence and Fresh Start adjustments**
- ✓ **Other items below EBITDA include: profit on rig disposals, restructuring entries and interest expense (commencing post emergence)**

Fewer operating days offset by West Africa operations



West Hercules
Completed operations with Equinor in Norway
Post-period commenced follow-on operations with Equinor in Canada



Sevan Louisiana
Completed operations with Walter Oil & Gas in US GoM
Post-period commenced operations with ENI in US GoM



West Bollsta
Completed operations with Lundin Energy in Norway
During the quarter was handed back to the rig owner, Northern Ocean



West Gemini & Quenguela
A full quarter of operations on West Gemini, Quenguela commenced operations during the quarter, both rigs under contract with Total in Angola

* Combined non-GAAP results for successor and predecessor period from January 1, 2022 to March 31, 2022. Refer to the financial highlight section "Fresh Start accounting" within the 1Q22 earnings report for more details

De-levered and Simplified Capital Structure

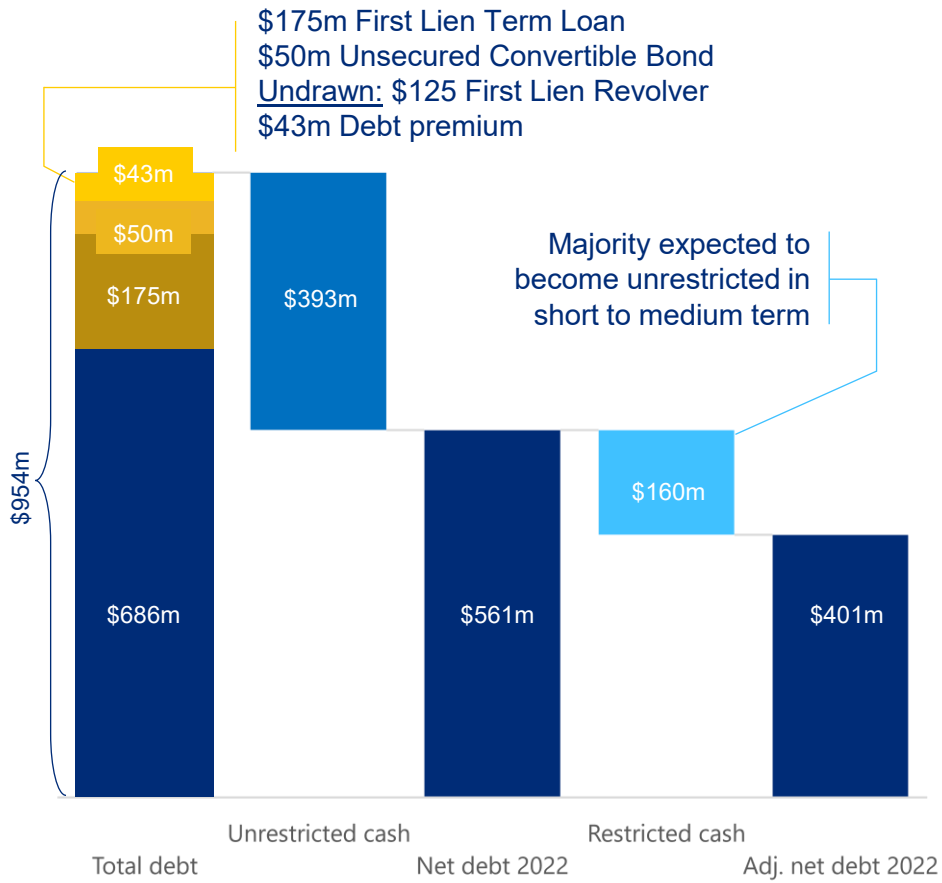
A substantial reduction of liabilities and ample liquidity

In $'million	March 31, 2022	December 31, 2021
Cash and cash equivalents	393	312
Restricted cash	160	223
Assets held for sale	-	1,103
Other assets	2,418	2,241
Total assets	**2,971**	**3,879**
Liabilities held for sale	-	948
Liabilities subject to compromise	-	6,235
Interest bearing debt	954	-
Other liabilities	514	412
Equity	1,503	(3,716)
Total liabilities and equity	**2,971**	**3,879**

- ✓ **Emergence from chapter 11**
  - ✓ **Extinguished old debt**
  - ✓ **Recognized new capital**
  - ✓ **Extinguished SFL lease liabilities and derecognized rig assets**
- ✓ **Deconsolidated Paratus Energy Services**

Complete rebalancing of the capital structure

Current build-up to net debt



* Combined non-GAAP results for successor and predecessor period from January 1, 2022 to March 31, 2022. Refer to the financial highlight section "Fresh Start accounting" within the 1Q22 earnings report for more details

Revenue, EBITDA and CAPEX Guidance for FY22

$1.04bn - $1.11bn	$240m - $280m	$320m - $360m
Total Revenue	Adj EBITDA	CAPEX and long-term maintenance

Guidance notes

1. Full Year 2022 Guidance is a non-GAAP financial measure
2. Total Revenue excludes forecasted mobilization revenues to be received of approximately $60m which will be deferred on the balance sheet and amortized through revenue over firm contract periods beyond 2022
3. Adjusted EBITDA excludes both forecasted mobilization revenues and forecasted mobilization costs to be incurred of approximately $75m which will be deferred on the balance sheet and amortized through operating expenses over firm contract periods beyond 2022
4. Capital Expenditure includes upgrades, Special Periodic Surveys and long-term maintenance but excludes mobilization costs which are deferred on the balance sheet and amortized through operating expenses over the firm term of the relevant contract. Several reactivation and upgrade projects are expected to span the year-end and could materially impact the level of expenditure recognized in 2022 compared with the guidance provided

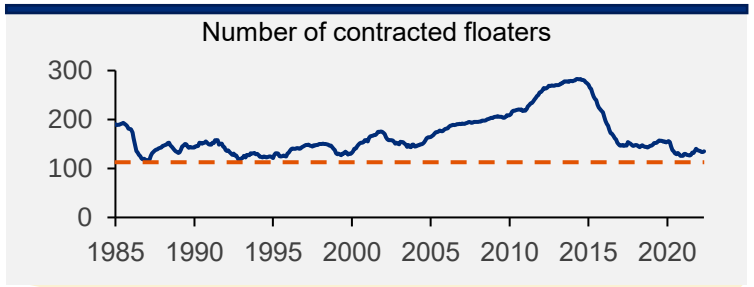
Market Outlook



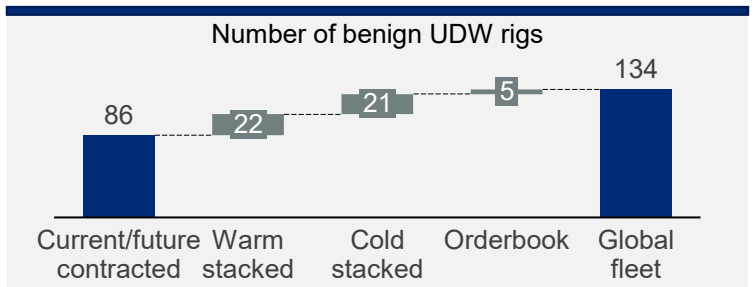
The Offshore Rig Market is Recovering

Limited Supply

Bottomed-out rig count

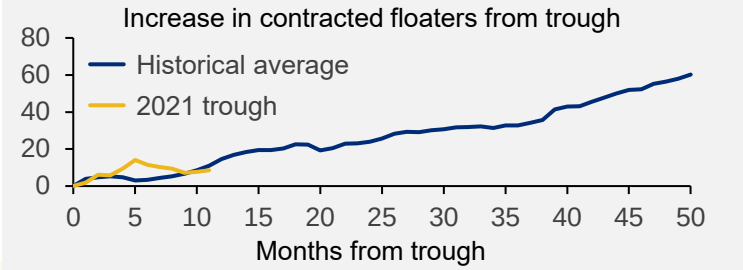


Large share of non-competitive rigs



Increasing Demand

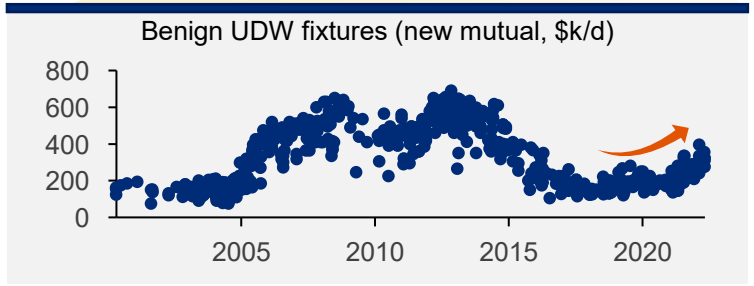
Accelerated rig demand recovery



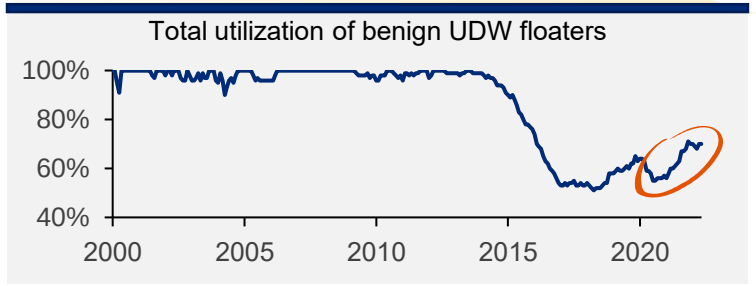
All signs indicating a strong recovery within Seadrill's main segments

Strong Recovery

Recovering dayrates



Recovering utilization



Note: Benign UDWs defined as rigs with rig water depth ≥ 7,500m and a non-harsh market category in IHS Rigpoint. Data per 23 May 2022
Source: IHS Rigpoint (underlying data), DNB Markets (further calculations)

$2.8bn Backlog with a Strong Contract Win Record

Order Backlog as at May 25, 2022



Floaters **$1.6bn**



Harsh Environment **$0.7bn**



Jack-ups **$0.5bn**

Post-period, over $550m was added to backlog across the Seadrill franchise

April 25, 2022



$159m

Angola
Total (Sonadrill JV)

April 26, 2022



$105m

US Gulf of Mexico
Talos / LLOG

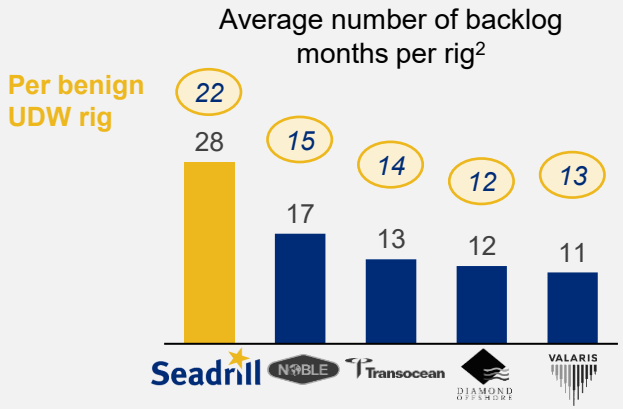
April 28, 2022



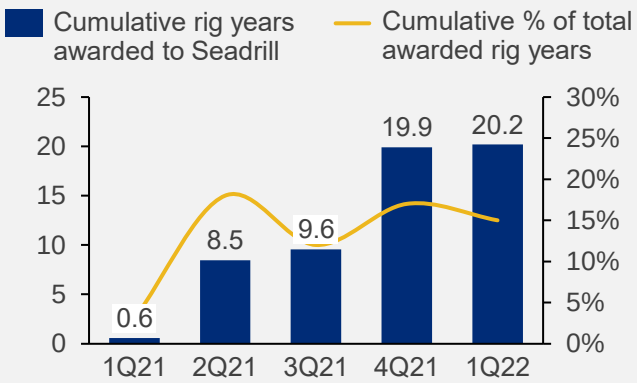
$305m

Middle East
Undisclosed partner

Large backlog providing the most secure future cash flows



Winning a disproportionately large share of benign UDW rig years[4]



Note: 1) Includes estimated months of remaining revenue backlog from West Linus; 2) Fleets include owned and managed rigs, but for Diamond Offshore excludes rigs managed on behalf of Aquadrill. Noble is shown pro forma for merger with Maersk Drilling. Per 23 May 2022; 3) Benign UDWs defined as rigs with rig water depth ≥ 7,500m and a non-harsh market category in IHS Rigpoint; 9 for Seadrill, 29 for Transocean, 7 for Diamond Offshore, 17 for Noble and 15 for Valaris; 4) Where Seadrill has acted as manager as per IHS Rigpoint 23 May 2022
Source: IHS Rigpoint (underlying data), DNB Markets (further calculations)

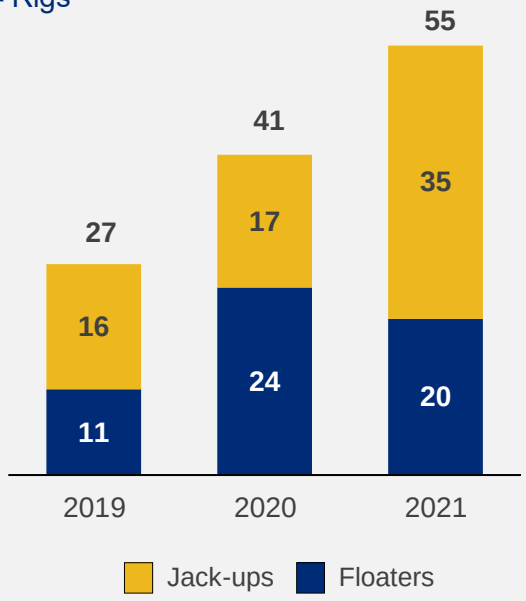
Playing a Key Role in Reshaping the Industry

Significant fleet rationalization

123 retired in the last 3 years

Rig recycling and retirements

Rigs



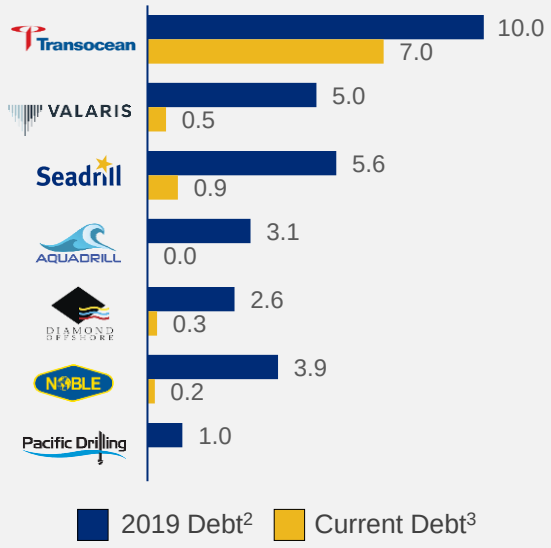
Seadrill has retired 11 rigs from its fleet

Restructurings well-progressed

> $20bn wiped out over the last two years

Deleveraging[1]

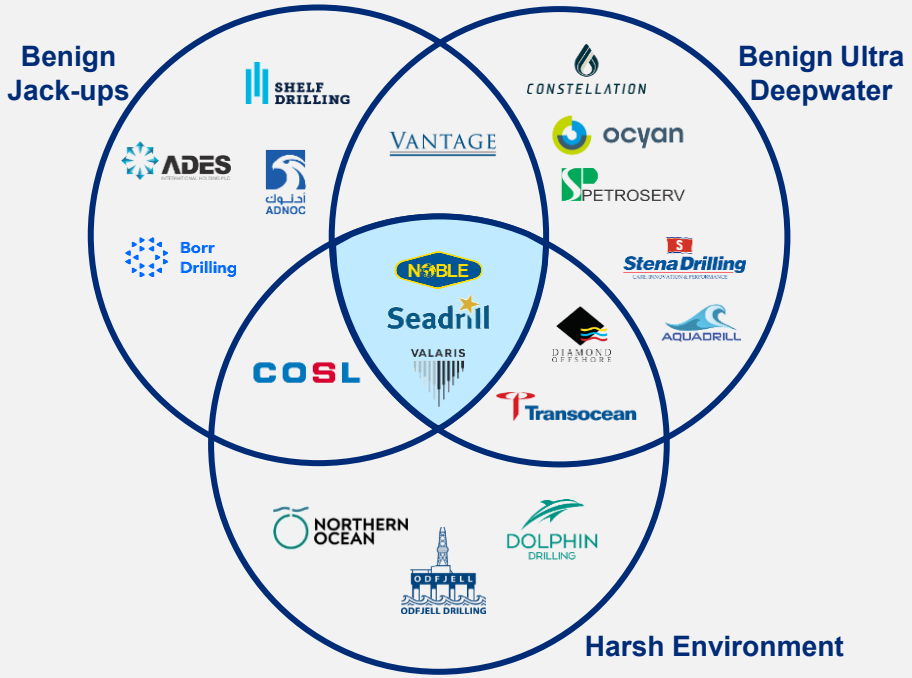
$bn



Seadrill has reduced total debt by over 85% during restructuring

Seadrill is well-positioned to play a key role in reshaping the industry

Key segment focus by player



Seadrill sees consolidation and select rig purchases as possible growth venues

Source: IHS Rigpoint, Company Filings, Docket Filings

Note: 1) Seadrill pre and post reorganization figures include new secured note and SFL related obligations. Post reorganization debt includes $50mm Hemen Convertible Notes; 2) Debt as of 1 January 2019; 3) Debt as of latest filing

Why Seadrill?



1. Large fleet of premium and high-specification offshore drilling rigs
2. Well-positioned in key segments with favourable outlook
3. Strategic customer relationships supported by solid backlog
4. Significantly strengthened balance sheet
5. Attractive cash flow outlook and equity upside
6. A platform transformed, offering unique exposure to a recovering offshore drilling market

Q&A

