Seadrill Limited

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December 2017 Business Plan Update

Subject to the disclosures, assumptions and qualifications set out in this presentation including, without limitation, the disclaimer set forth on page 2

December 2017

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Executive Summary

Executive Summary

- The Business Plan, which forms the basis for the Recapitalisation Plan being negotiated with our creditors, has been updated to reflect:
  - Q3 Actuals
  - Movement in the USD LIBOR swap curve
  - Revised Fearnley dayrate and utilisation assumptions (taken from the Fearnley December 2017 Addendum Report)
  - The 2018 budget, revised rollover cost and other assumptions
- The updated Business Plan (the "Updated Business Plan") over the period 2017-2022 see revenues lower by $1,407 million, EBITDA lower by $499 million and cash flow (UFCF) lower by $604 million compared to the presentation published on 12 September 2017 (the "Cleansing Presentation")(1)
  - The Updated Business Plan does not draw on either IHCo cash or on the $500 million Amortisation Conversion Election

1. Cleansing Presentation released in the form of a 6-K on September 12, 2017

Updated Business Plan

Updated Business Plan – December Financing Case

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Key Financials

($ in millions)	2017	2018	2019	2020	2021	2022	Total	Delta to Cleansing Deck
Cash Flow Items								
Revenue	$1,892	$1,159	$2,152	$2,662	$2,939	$3,192	$13,997	($1,406)
Opex	($866)	($637)	($1,025)	($1,107)	($1,220)	($1,280)	($6,134)	$724
G&A	($273)	($164)	($171)	($177)	($192)	($199)	($1,176)	$183
EBITDA	**$754**	**$359**	**$956**	**$1,378**	**$1,527**	**$1,713**	**$6,687**	($499)
LTM & Capex	(138)	(296)	(492)	(284)	(233)	(138)	($1,580)	($52)
Working Capital	($127)	$85	($163)	($110)	($43)	($40)	($397)	($172)
Tax	($64)	($56)	($115)	($144)	($167)	($181)	($727)	$121
Unlevered FCF	**425**	**91**	**186**	**841**	**1,085**	**1,354**	**3,982**	($603)
Debt service	(1,248)	(471)	(462)	(815)	(955)	(1,125)	(5,076)	$523
New Capital / Other	344	895	40	40	40	40	1,399	$27
Net Cash Flow	**(479)**	**515**	**(236)**	**66**	**170**	**269**	**305**	($54)
Balance Sheet Items								
Bank Debt	$5,662	$5,662	$5,662	$5,304	$4,782	$4,064		$621
New Secured Capital	-	895	968	1,048	1,135	1,228		($25)
Bonds	2,295	-	-	-	-	-		
Sale Leaseback	787	689	592	494	397	299		
Total Debt	**$8,744**	**$7,246**	**$7,222**	**$6,846**	**$6,313**	**$5,592**		$597
Cash	890	1,405	1,170	1,236	1,406	1,674		($54)
Net Debt	**$7,854**	**$5,840**	**$6,052**	**$5,610**	**$4,908**	**$3,918**		$650
Credit Statistics								
Net Debt / EBITDA	10.4x	16.3x	6.3x	4.1x	3.2x	2.3x		0.4x

1. Amortisation in 2020 is less than the term sheets' 2020 amortisation of $434mm, which reflects the true-up for amortisation paid after 1 August 2017

Key Metrics – New Business Plan vs Cleansing Deck

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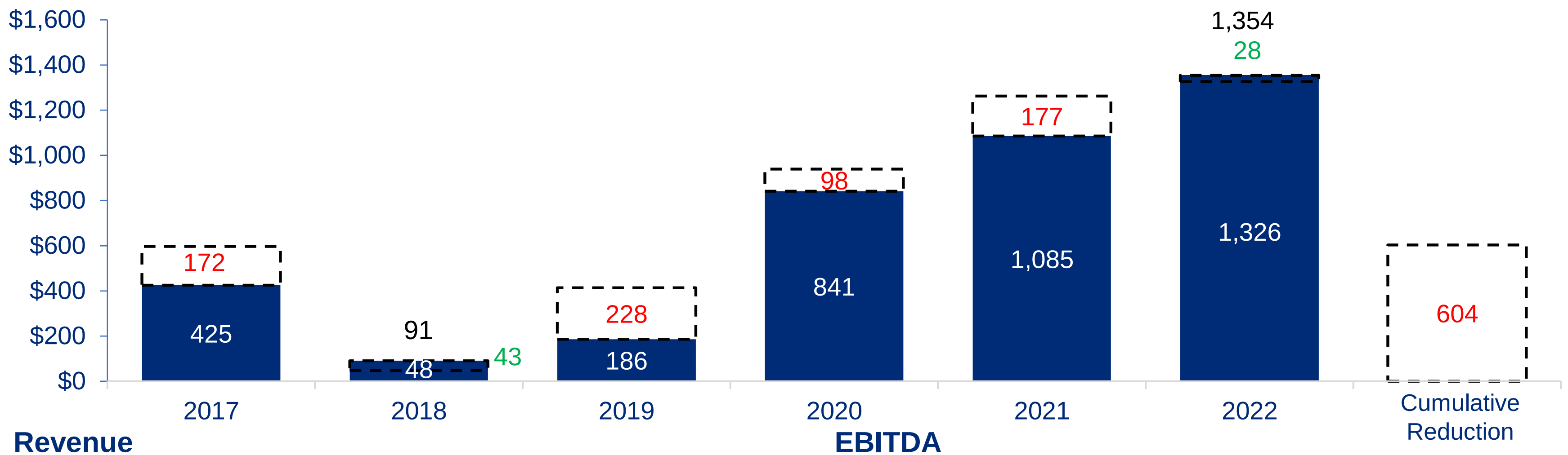
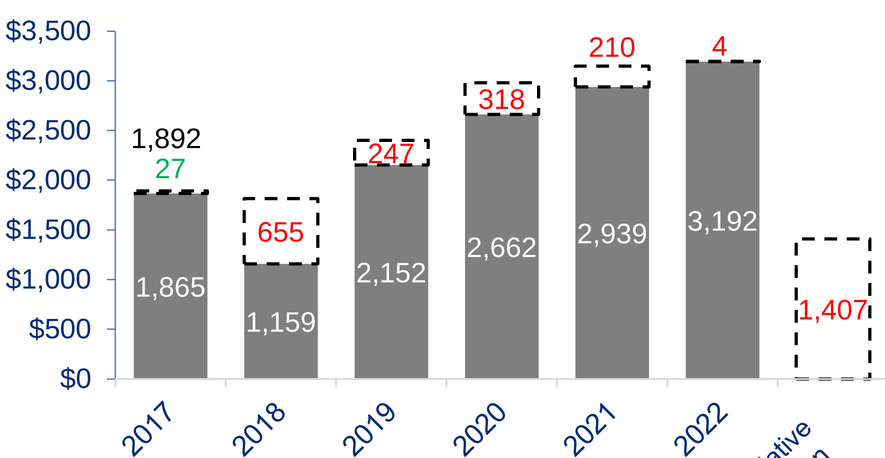
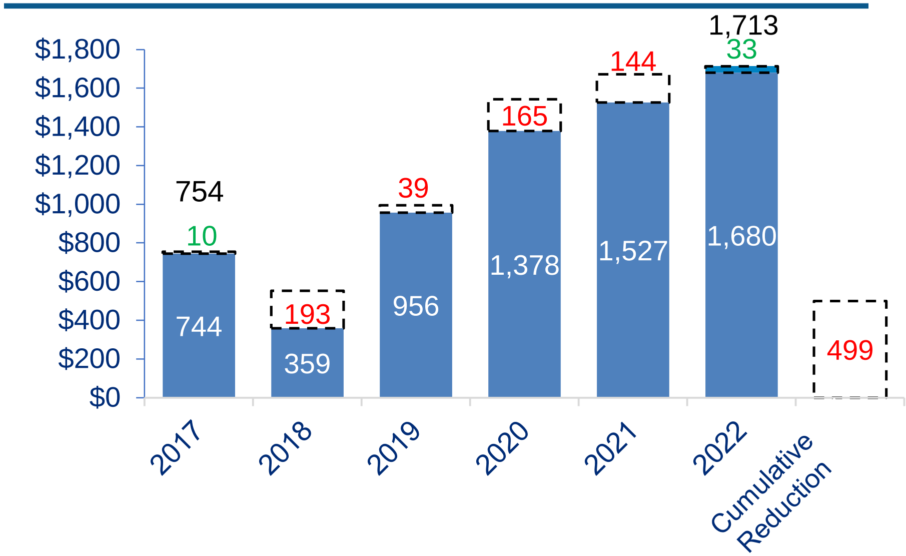
UFCF

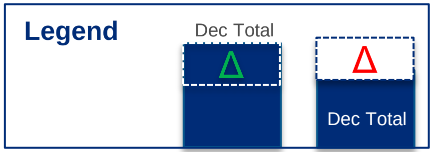


Revenue



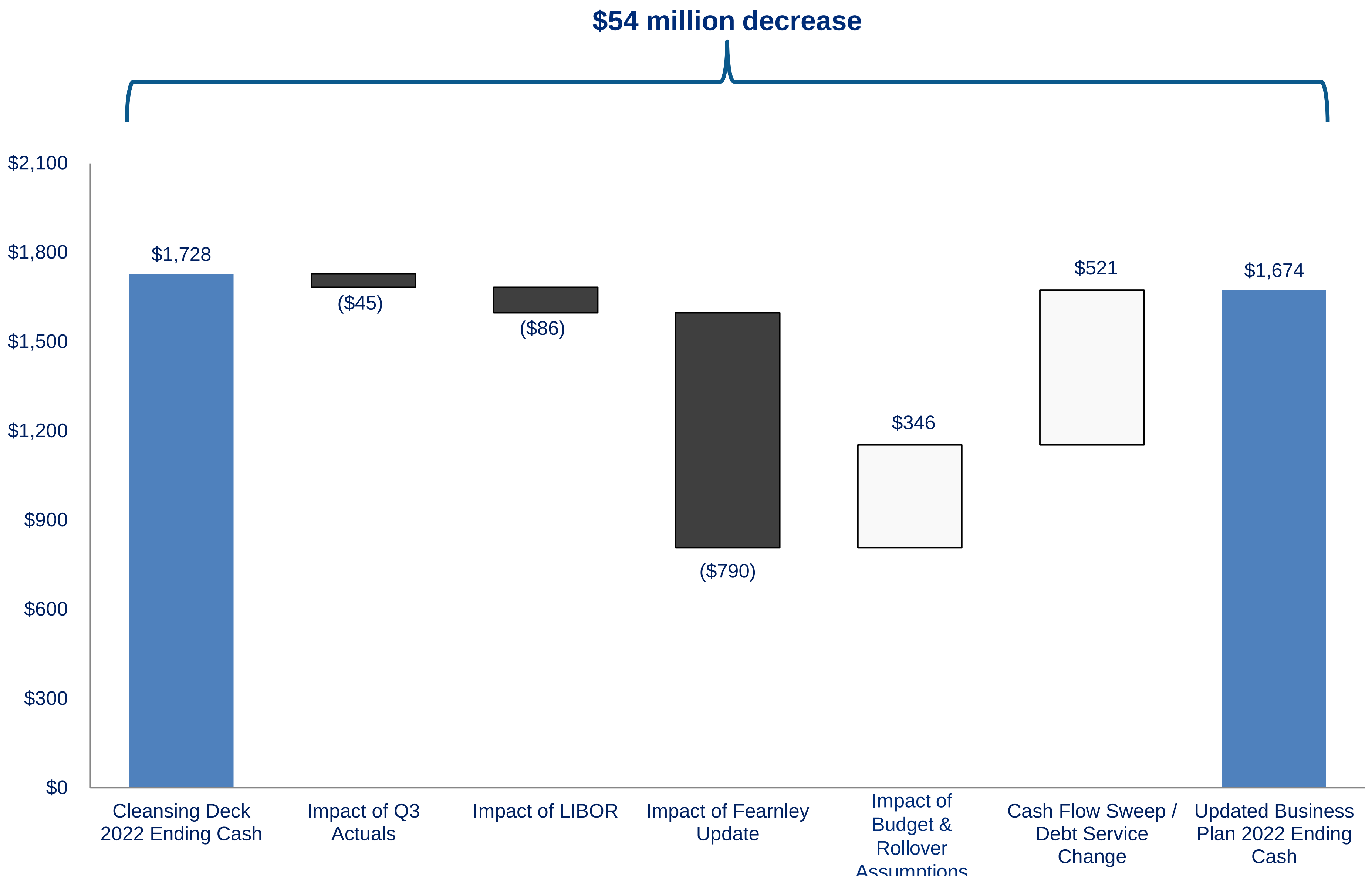
EBITDA





Change from the Cleansing Deck Case to the December Financing Case

Updated Business Plan – Cashflow Bridge

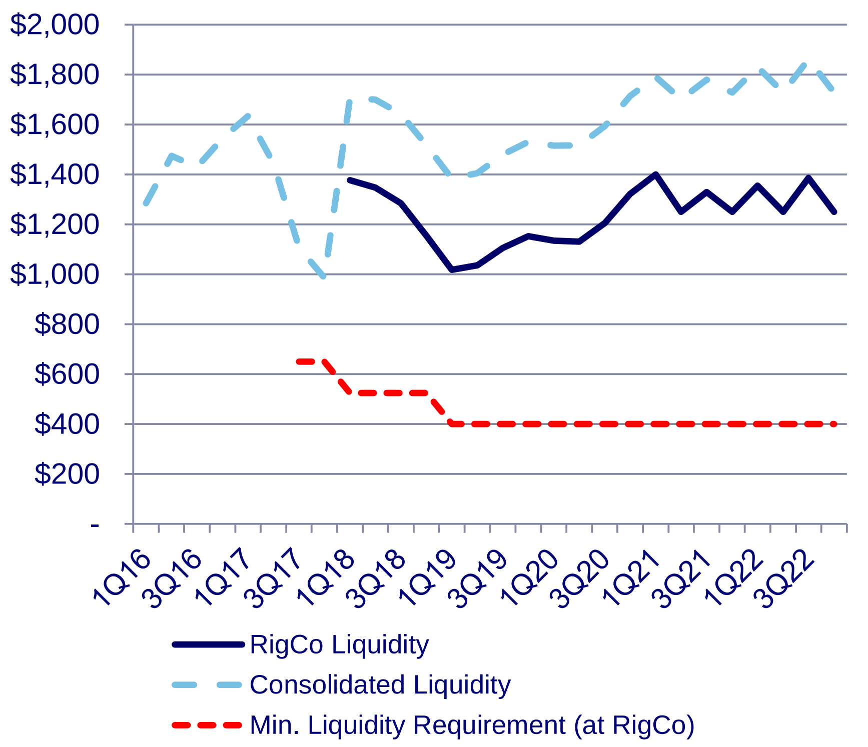


Updated Business Plan – Liquidity

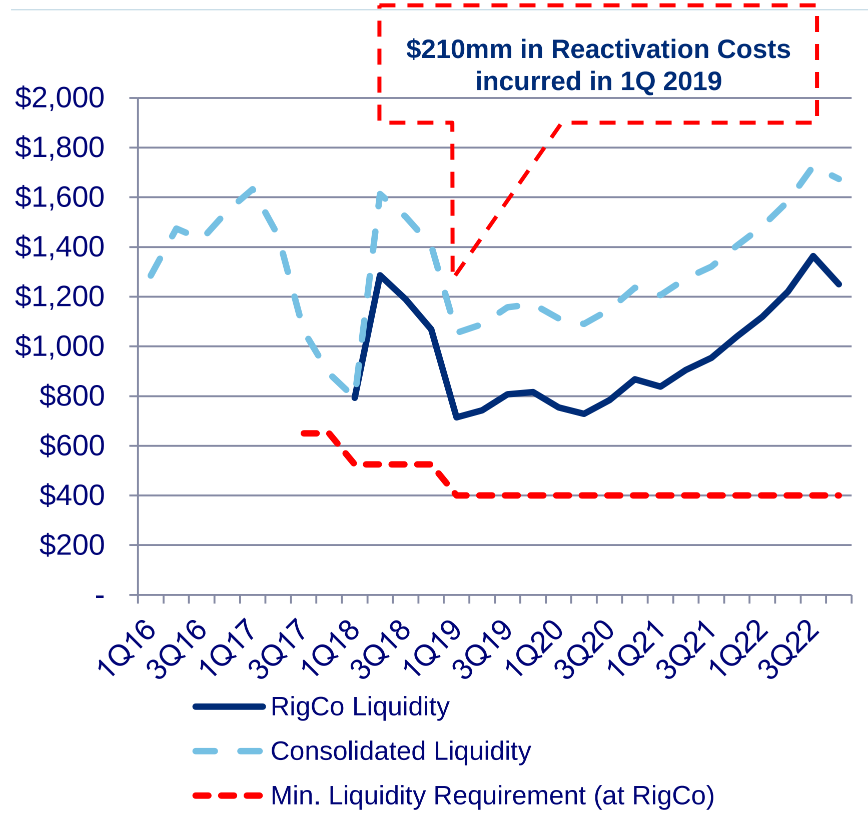
Liquidity After Restructuring

($mm)

Cleansing Deck Forecast



Updated Business Plan



1. Consolidated cash includes cash in RigCo, IHCo, NSNCo and SDRL Ltd

Updated Components

Q3 Actual

Q3 Actuals

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Key Financials Q3 2017

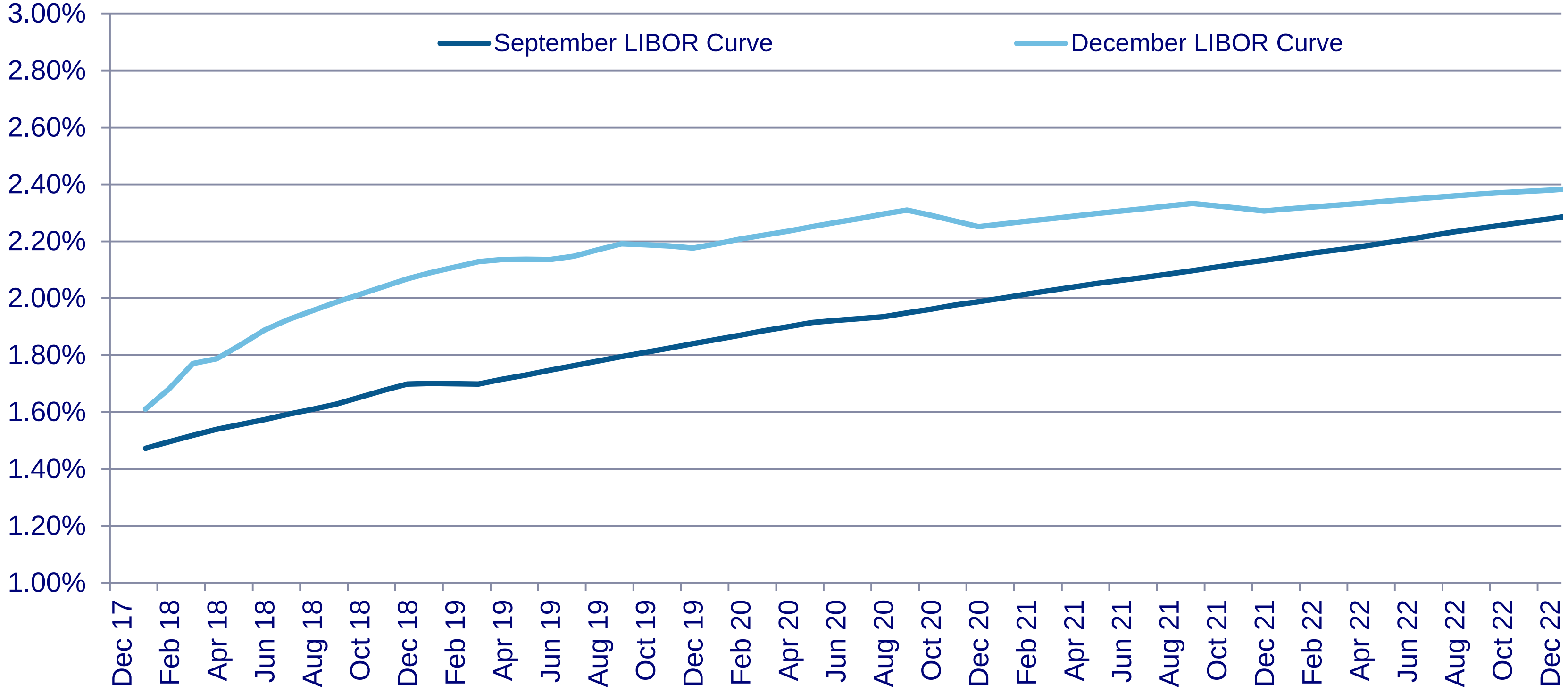
($ in millions)	Q3 Forecast	Q3 Actual	Delta
Cash Flow Items			
Revenue	$440	$468	$28
Opex	(205)	(209)	($4)
G&A	($55)	($69)	($14)
EBITDA	**$180**	**$190**	**$10**
LTM & Capex	(31)	(47)	(16)
Working Capital	(39)	(172)	($133)
Tax	(24)	(7)	$17
Unlevered FCF	**$85**	**($36)**	**($121)**
Debt service	(265)	(265)	(0)
New Capital / Other	42	118	76
Net Cash Flow	**($138)**	**($184)**	**($45)**
Balance Sheet Items			
Bank Debt	$5,662	$5,662	-
New Secured Capital	-	-	-
Bonds	2,295	2,295	-
Sale Leaseback	811	811	-
Total Debt	**$8,768**	**$8,768**	**$0**
Cash	1,106	1,060	(45)
Net Debt	**$7,662**	**$7,708**	**$45**
Credit Statistics			
Net Debt / EBITDA	8.6x	8.6x	0.1x

- Higher EBITDA due to higher uptime, partially offset by higher operating and G&A costs for the quarter relative to forecast
- Forecast assumes flat quarterly G&A of $55 million, main difference to actual relates to timing of costs incurred (2017 full year actual forecast: $192 million vs full year forecast of $220 million)
- Lower working capital due to higher prepaid expenses related to pre-petition liability settlements
- Net cashflow reduction of $45 million

Updated Components

LIBOR Curve

Change in LIBOR Curve



- The cleansed business plan at the point of filing used the prevailing LIBOR swap curve at the time
- US interest rates have risen since then as shown above, leading to higher interest expense over the 5-year projection period
- This movement results in an $86 million decrease in Unlevered Free Cash Flow during the period

Updated Components

Fearnley December 2017 Update

Overview

- Fearnley released a third addendum report in December 2017 to the original report on the offshore drilling market released in February 2016
- Their updated report indicates weaker market conditions in the short to medium term and a slower recovery:
  - Dayrate and utilisation forecasts are lower across the forecasted period
  - Full recovery of the drilling market postponed to 2021
- This was largely driven by developments on the demand side as the prolonged downturn is keeping dayrates at the lower end of the range previously predicted
  - Following the drop in oil price in late May this year, additional drilling programs were postponed over the summer, leading to a somewhat less bullish demand picture in the near term
- At the same time Fearnley noted that the probability of a future recovery has strengthened, even if timing remains difficult to predict:
  - Oil market rebalancing is ongoing with price now stable within the range predicted by Fearnley
  - Depletion of current fields is still a growing trend and will not be reversed without significant investment by the oil companies
  - US shale has become less of a threat as the long term production volumes achievable even under optimistic assumptions are nowhere near what would be required to replace offshore production
  - Offshore drilling costs have been reduced substantially

Variance Analysis – Cleansing Presentation Case vs December Financing Case

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Operating Assumptions Variance: Floaters

	2018	2019	2020	2021	2022
Uncontracted Dayrate					
Jun 2017	$224	$315	$420	$435	$435
Dec 2017	$224	$322	$394	$406	$428
Delta	-	*7*	*($26)*	*($29)*	*($7)*
%	-	*2%*	*(6%)*	*(7%)*	*(2%)*
Total Floater Utilisation					
Jun 2017	77%	87%	89%	91%	91%
Dec 2017	**58%**	**76%**	**83%**	**89%**	**92%**
Delta	*(19%)*	*(11%)*	*(6%)*	*(2%)*	*1%*

Operating Assumptions Variance: BE JU

	2018	2019	2020	2021	2022
Uncontracted Dayrate					
Jun 2017	$90	$97	$112	$118	$125
Dec 2017	$67	$84	$94	$103	$111
Delta	*($23)*	*($13)*	*($18)*	*($15)*	*($14)*
%	*(26%)*	*(14%)*	*(16%)*	*(13%)*	*(11%)*
Total BE JU Utilisation					
Jun 2017	85%	89%	90%	89%	88%
Dec 2017	68%	74%	87%	90%	90%
Delta	*(17%)*	*(15%)*	*(3%)*	*1%*	*3%*

Operating Assumptions Variance: HE JU

	2018	2019	2020	2021	2022
Uncontracted Dayrate					
Jun 2017	$137	$158	$215	$243	$243
Dec 2017	$169	$197	$236	$253	$263
Delta	*$32*	*$39*	*$2*	*$10*	*$20*
%	*23%*	*25%*	*1%*	*4%*	*8%*
Total HE JU Utilisation					
Jun 2017	67%	90%	90%	90%	90%
Dec 2017	78%	79%	88%	86%	83%
Delta	*11%*	*(11%)*	*(2%)*	*(4%)*	*(7%)*

Comments

- Floater and BE JU dayrates and utilisation revised downward
- Floater and BE JU market fully rebalanced by 2021 vs 2020 previously
- HE JU market dayrate assumptions improved throughout the forecast period although 2019+ utilisation assumptions reduced

Updated Components

Impact of Budget & Rollover Assumptions

2018 Budget Update Impact

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Key Financials 2018

($ in millions)	2018 Fearnley	2018 Budget	Delta
Cash Flow Items			
Revenue	$1,426	$1,159	(267)
Opex	(846)	($637)	209
G&A	(220)	($164)	56
EBITDA	**$360**	**$359**	**(1)**
LTM & Capex	(220)	(296)	(76)
Working Capital	39	$85	46
Tax	(76)	($56)	20
Unlevered FCF	**$102**	91	(11)
Debt service	(482)	(471)	11
New Capital / Other	943	895	(48)
Net Cash Flow	**564**	**515**	**(49)**
Balance Sheet Items (as of Q4 18)			
Bank Debt	$5,662	$5,662	-
New Secured Capital	913	895	(18)
Bonds	-	-	-
Sale Leaseback	689	689	-
Total Debt	**$7,264**	**$7,246**	**(18)**
Cash	1,454	1,405	(49)
Net Debt	**$5,810**	**$5,841**	**31**
Credit Statistics			
Net Debt / EBITDA	16.2x	16.3	0.1x

- Lower EBITDA due to fewer assumed operating units relative to Fearnley 2018 forecast, partially offset by reduced operating costs and G&A
- Higher LTM and capex primarily due to SPS classings and rig upgrades either for marketability or customer specific requirements
- Lower cash tax and higher working capital release due to lower projected revenue for the year
- Reduced debt service and New Secured Capital outstanding due to timing adjustment for the effective date (NSN issuance)

Rollover Cost Assumptions – Opex

- The Cleansing Presentation assumed rollover opex per rig of $130k/d in 2018, followed by a ramp-up of costs in line with the shape of Fearnley's market utilisation assumptions. Normalisation was assumed to occur in 2020

	2018	2019	2020	2021	2022
Opex	130k/d	135k/d	**146k/d**	152k/d	158k/d
Ramp up %	4%	4%	**8%**	4%	4%

- The 2018 budget update shows an average opex per rig of $125k/d. The ramp-up from that point has been amended to reflect a normalised market in 2021 per Fearnley's December update

	2018	2019	2020	2021	2022
Opex	125k/d	130k/d	135k/d	**146k/d**	152k/d
Ramp up %	-	4%	4%	**8%**	4%

Rollover Cost Assumptions – G&A

- The Cleansing Presentation had a flat G&A assumption throughout the forecast of $220 million per annum

	2018	2019	2020	2021	2022
G&A	$220m	$220m	$220m	$220m	$220m
Ramp up %	-	-	-	-	-

- The Updated Business Plan 2018 budget update shows G&A of $164 million, down from $192 million forecasted for 2017, given cost reductions achieved. Roll-over G&A costs are assumed to move in line with opex assumptions

	2018	2019	2020	2021	2022
G&A	$164m	**$171m**	**$177m**	**$192m**	**$199m**
Ramp up %	-	**4%**	**4%**	**8%**	**4%**

Management Fees Related to SDLP and SeaMex

- Seadrill provides management services to SDLP and SeaMex
- The fees charged by SDRL represent their respective allocations in G&A and certain onshore-related opex costs and are split as follows:

	2018 Budget/Reported	SDLP/SeaMex Related	2018 SDRL Net
Opex	$636.7 million	$14.7 million	$622.0 million
G&A	$164.0 million	$34.8 million	$129.1 million
Total Operating Costs	$800.7 million	$49.5 million	$751.1 million

- These fees are included in the December update, but were not included in the previous cleansing deck

Rollover Cost Assumptions – LTM & Capex

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- The Cleansing Presentation's LTM & Capex per unit (excluding 5-year SPSs) assumptions were:

Asset Class	LTM	Capex
Floaters	US$4.0m	US$2.0m
Jack-ups	US$1.5m	US$0.5m

- The December revision reflects the Company's actual experience over the past 3 years, which we believe is a better benchmark

Asset Class	LTM	Capex
Floaters	US$4.0m	**US$1.0m**
Jack-ups	**US$0.8m**	US$0.5m

Key Metrics – New Business Plan vs Cleansing Deck

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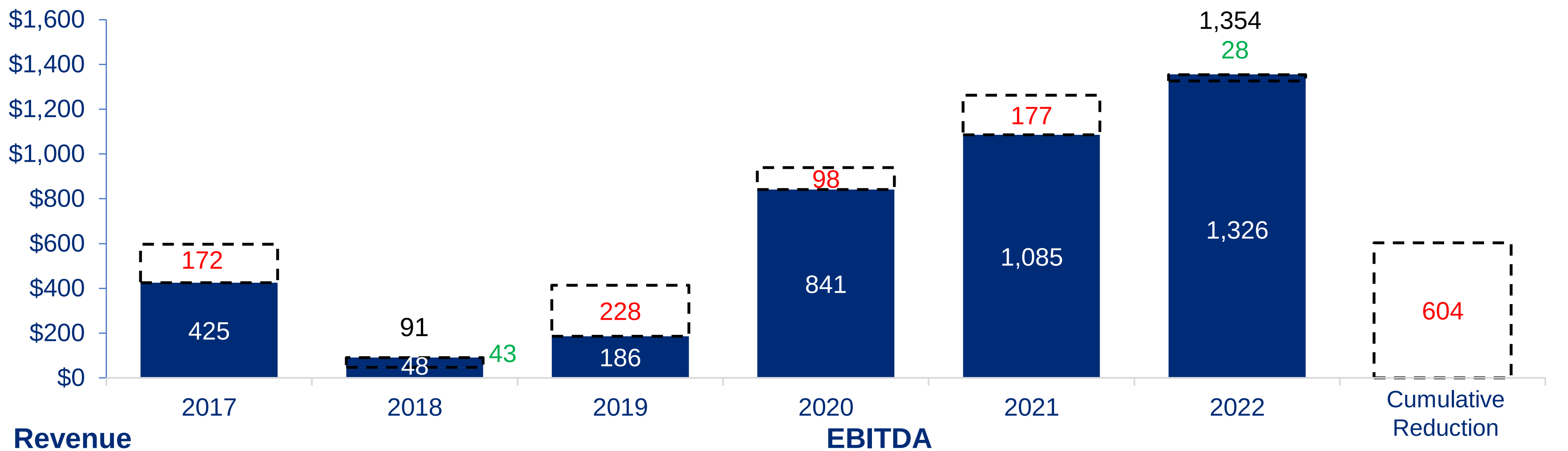
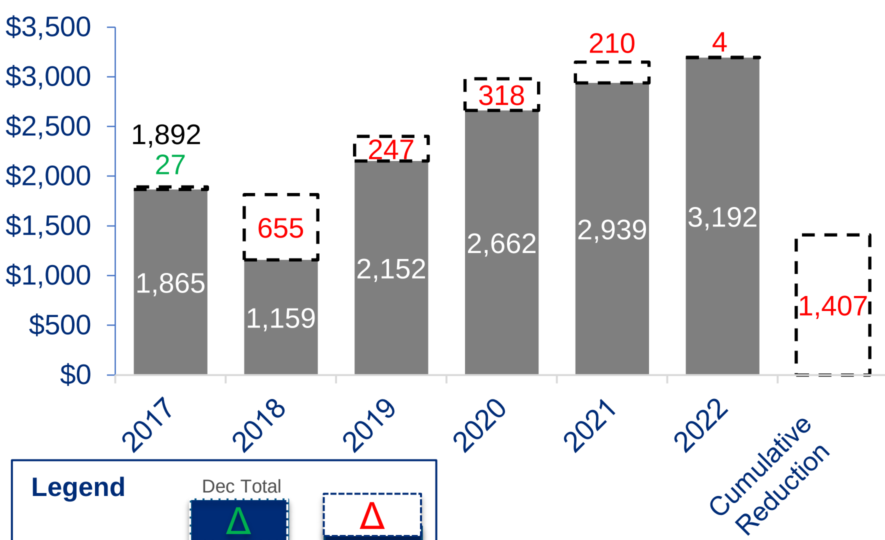
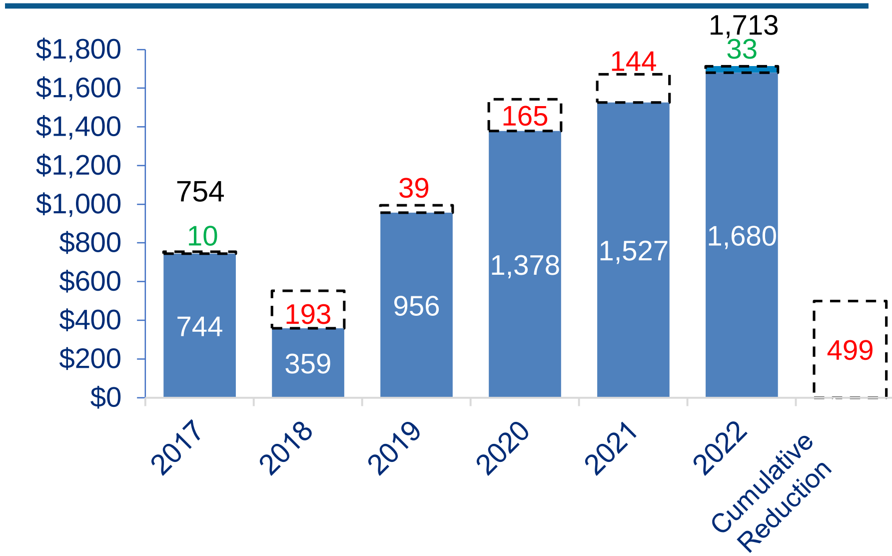
UFCF



Revenue



EBITDA



Legend

Dec Total Δ

Δ Dec Total

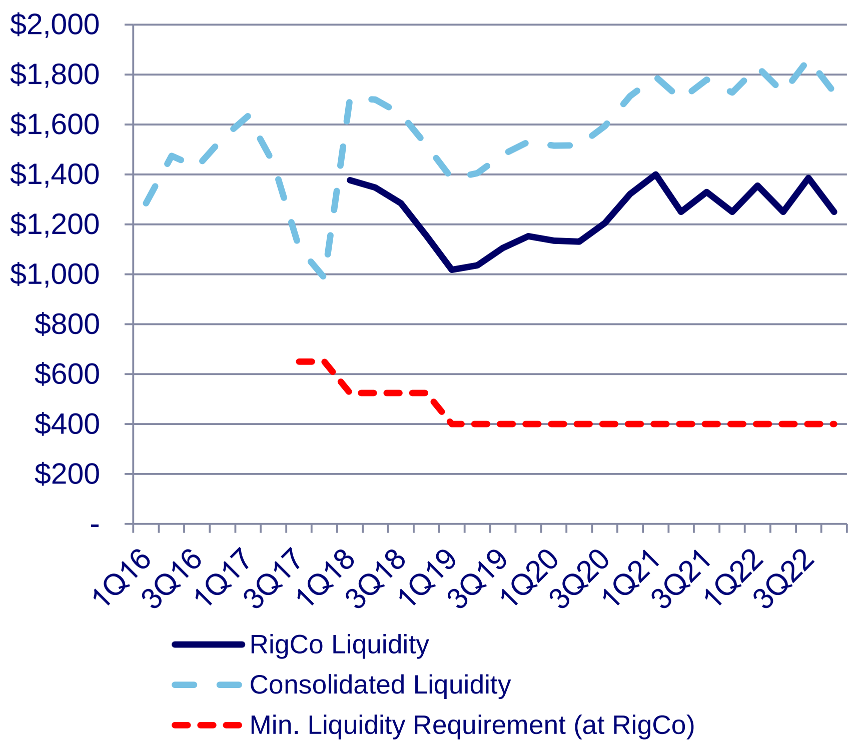
Change from the Cleansing Deck Case to the December Financing Case

Updated Business Plan – Liquidity

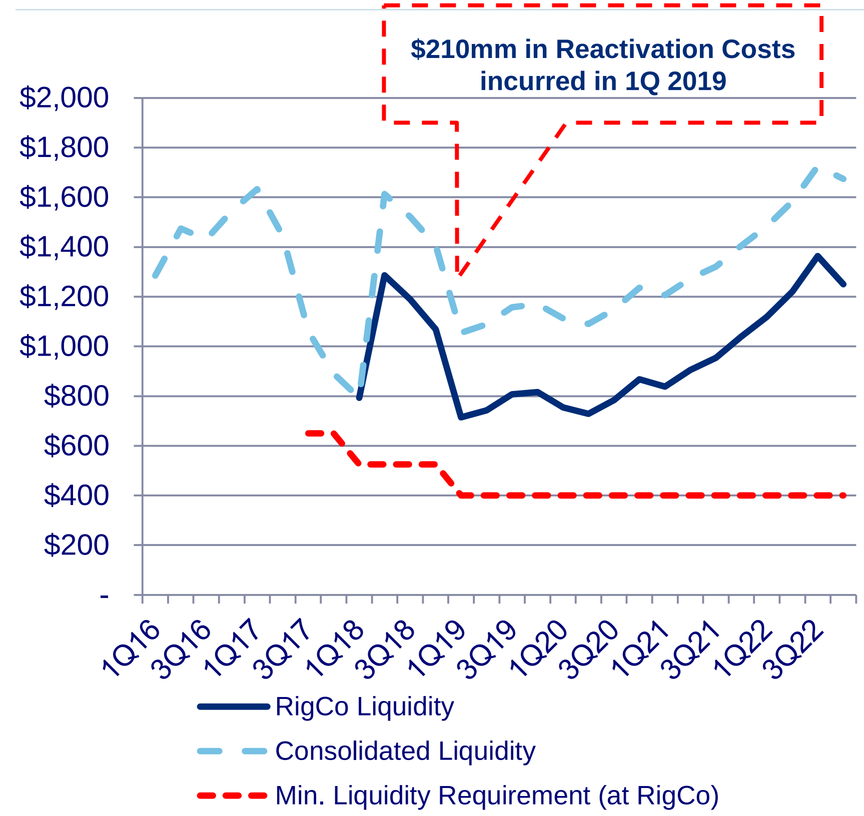
Liquidity After Restructuring

($mm)

Cleansing Deck Forecast



Updated Business Plan



1. Consolidated cash includes cash in RigCo, IHCo, NSNCo and SDRL Ltd

Cash Hazards and Opportunities

	Hazards	Opportunities	Entity Affected / Beneficiary
Newbuilds guarantee settlement	TBD	-	RigCo
Working capital buffer	-	+$50 million	RigCo
Support for JV's	-$40 million	-	RigCo
Seadrill Partners distributions[(1)]	-$40 million p.a.	-	IHCo
Sapura deferred consideration[(2,3)]	-	+$95 million	RigCo / NSNCo
Seabras Sapura J.V. dividends	-	+$40 million p.a.	NSNCo

1. Includes distributions from subsidiaries of Seadrill Partners to Seadrill Partners that are then up-streamed and distributions from Seadrill Ltd's direct stake in the subsidiaries of Seadrill Partners
2. As of September 30, 2017
3. NSNCo benefits post-closing, subject to a minimum outstanding balance of $55m

Summary of the Business Plan Update

- In conducting its annual budgeting process, the Company has updated its Business Plan to reflect its 2018 budget and updated dayrate and utilisation projections

- While dayrates and utilisation are generally lower than the Cleansing Presentation throughout the projection period, the forecast anticipates a return to a normalised market by 2021

  - The impact of lower dayrates and utilisation is partially offset by improved operating expense and SG&A

- Although there is a $603 million reduction in UFCF over the forecast period, RigCo does not need to receive cash from IHCo or exercise the Amortisation Conversion Election

Appendix
December Delayed Dayrate

Variance Analysis – December Delayed Dayrate Case

Operating Assumptions Variance: Floaters

	2017	2018	2019	2020	2021	2022
Total Utilisation Rate						
Jun 2017 Financing	51%	77%	87%	89%	91%	91%
Jun 2017 Delayed Dayrate	51%	77%	87%	89%	91%	91%
Dec 2017 Financing	51%	58%	76%	83%	89%	92%
Dec 2017 Delayed Dayrate	51%	58%	76%	83%	89%	92%
Annual Uncontracted Dayrate						
Jun 2017 Financing	$180	$268	$363	$420	$435	$435
Jun 2017 Delayed Dayrate	$180	$224	$316	$420	$435	$435
Dec 2017 Financing Case	$180	$224	$322	$394	$406	$428
Dec 2017 Delayed Dayrate	$180	$202	$273	$394	$406	$428

Operating Assumptions: BE Jack-ups

	2017	2018	2019	2020	2021	2022
Total Utilisation Rate						
Jun 2017 Financing	65%	85%	89%	90%	89%	88%
Jun 2017 Delayed Dayrate	65%	85%	89%	90%	89%	88%
Dec 2017 Financing	65%	68%	74%	87%	90%	90%
Dec 2017 Delayed Dayrate	65%	68%	74%	87%	90%	90%
Annual Uncontracted Dayrate						
Jun 2017 Financing	$84	$95	$99	$112	$118	$125
Jun 2017 Delayed Dayrate	$84	$90	$97	$112	$118	$125
Dec 2017 Financing	$84	$67	$84	$94	$103	$111
Dec 2017 Delayed Dayrate	$84	$76	$75	$94	$103	$111

Operating Assumptions: HE Jack-ups

	2017	2018	2019	2020	2021	2022
Total Utilisation Rate						
Jun 2017 Financing	67%	67%	90%	90%	90%	90%
Jun 2017 Delayed Dayrate	67%	67%	90%	90%	90%	90%
Dec 2017 Financing	67%	78%	79%	88%	86%	83%
Dec 2017 Delayed Dayrate	67%	78%	79%	88%	86%	83%
Annual Uncontracted Dayrate						
Jun 2017 Financing	$133	$141	$175	$215	$243	$243
Jun 2017 Delayed Dayrate	$133	$137	$158	$215	$243	$243
Dec 2017 Financing	$133	$169	$197	$236	$253	$263
Dec 2017 Delayed Dayrate	$133	$151	$183	$236	$253	$263

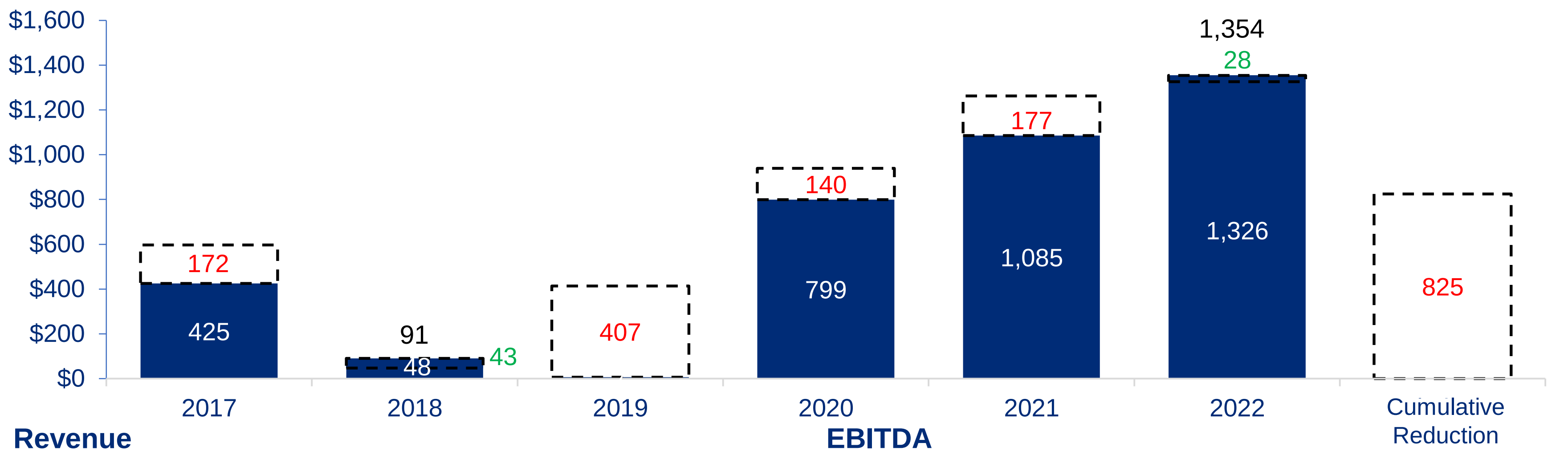
Legend

Recovery Delay

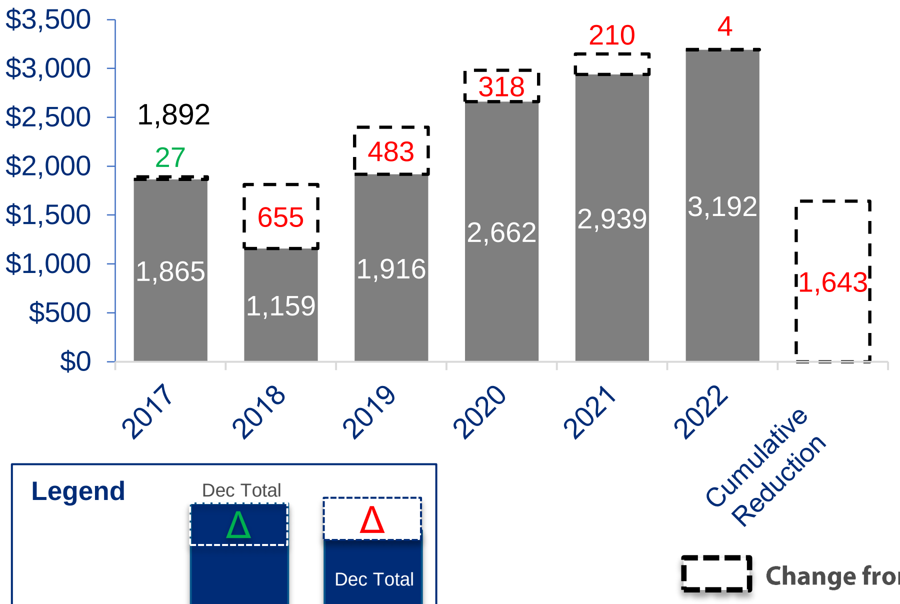
Midpoint calculation for 6 month delay

Cleansing Deck Case vs December Delayed Dayrate Case

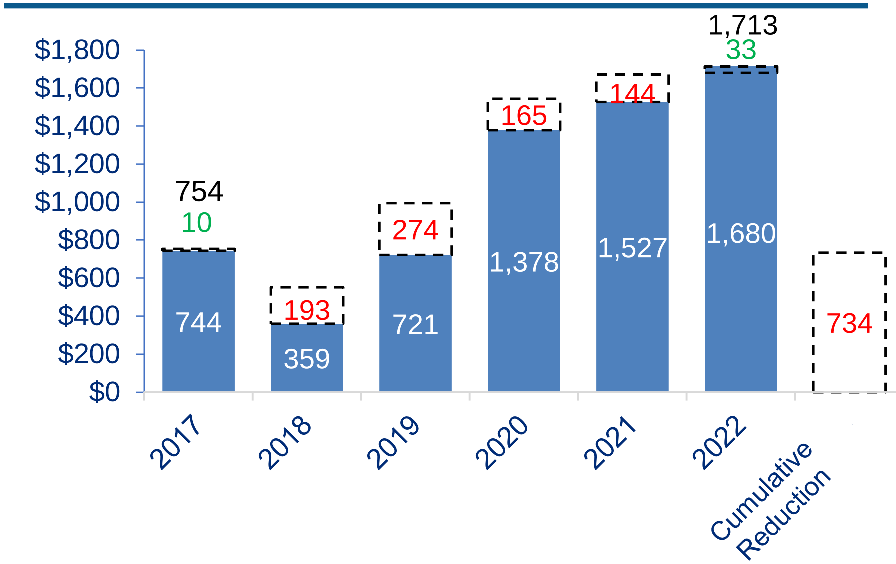
UFCF



Revenue



EBITDA



Change from the Cleansing Deck Case to the December Delayed Dayrate Case

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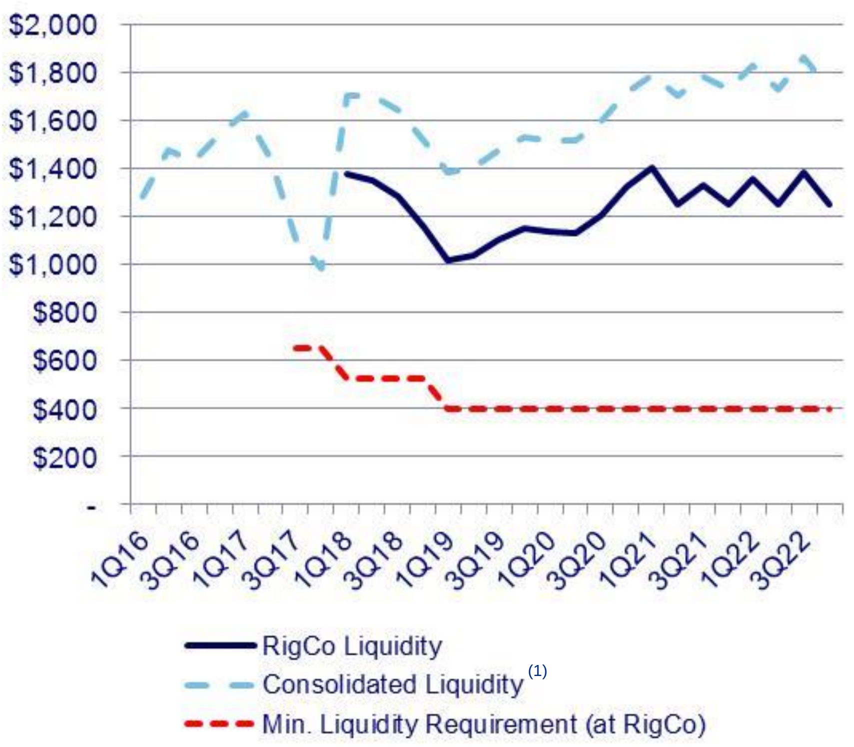
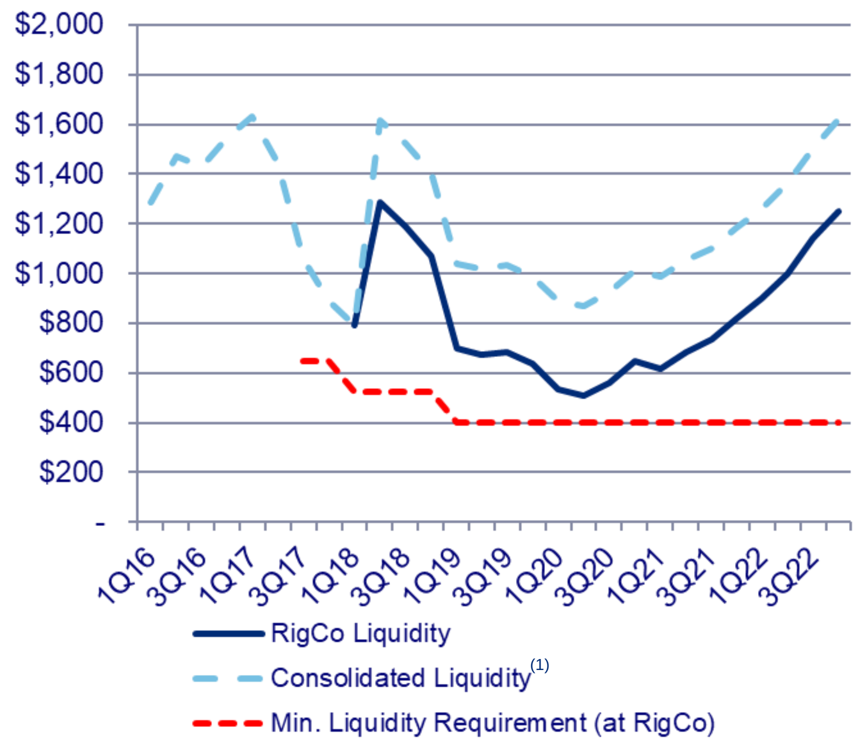
Liquidity After Restructuring

($mm)

Cleansing Deck Forecast – Delayed Dayrate



Updated Business Plan – Delayed Dayrate



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December Delayed Dayrate Case – Key Metrics

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Key Financials

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Opex	($866)	($637)	($1,025)	($1,107)	($1,220)	($1,280)	($6,134)	$724
G&A	($273)	($164)	($171)	($177)	($192)	($199)	($1,176)	$183
EBITDA	**$754**	**$359**	**$721**	**$1,378**	**$1,527**	**$1,713**	**$6,451**	($734)
LTM & Capex	(138)	(296)	(492)	(284)	(233)	(138)	($1,580)	($52)
Working Capital	($127)	$85	($121)	($151)	($43)	($40)	($397)	($172)
Tax	($64)	($56)	($101)	($144)	($167)	($181)	($713)	$135
Unlevered FCF	**425**	**91**	**7**	**799**	**1,085**	**1,354**	**3,761**	($824)
Debt service	(1,248)	(471)	(462)	(815)	(955)	(959)	(4,910)	$689
New Capital / Other	344	895	40	40	40	40	1,399	$27
Net Cash Flow	**(479)**	**515**	**(415)**	**25**	**170**	**435**	**250**	($109)
Balance Sheet Items								
Bank Debt	$5,662	$5,662	$5,662	$5,304	$4,782	$4,230		$787
New Secured Capital	-	895	968	1,048	1,135	1,228		($25)
Bonds	2,295	-	-	-	-	-		
Sale Leaseback	787	689	592	494	397	299		
Total Debt	**$8,744**	**$7,246**	**$7,222**	**$6,846**	**$6,313**	**$5,758**		$763
Cash	890	1,405	990	1,015	1,184	1,619		($109)
Net Debt	**$7,854**	**$5,840**	**$6,232**	**$5,832**	**$5,129**	**$4,139**		$871
Credit Statistics								
Net Debt / EBITDA	10.4x	16.3x	8.6x	4.2x	3.4x	2.4x		0.5x

1. Amortisation in 2020 is less than the term sheets' 2020 amortisation of $434mm, which reflects the true-up for amortisation paid after 1 August 2017