

Seadrill Limited (SDRL) - Third quarter and nine months 2012 results

Highlights

- Seadrill generates third quarter 2012 EBITDA^{*)} of US\$574 million
- Seadrill reports third quarter 2012 net income of US\$216 million and earnings per share of US\$0.40
- Seadrill distributes an increased third quarter regular cash dividend of US\$0.85 per share and also resolves to distribute an accelerated dividend of US\$0.85 per share for the fourth quarter 2012, in December 2012
- Seadrill ordered a new ultra-deepwater drillship for an all-in cost of US\$600 million
- Seadrill issued US\$1 billion in unsecured notes due 2017

Subsequent events

- Seadrill announces the potential sale of 18 tender rigs to SapuraKencana Petroleum Bhd. for a total consideration of US\$2.9 billion
- Seadrill Partners LLC lists its common units on the NYSE raising US\$207 million
- Alf C.Thorkildsen resigns as CEO of Seadrill Management AS, Fredrik Halvorsen appointed as the new CEO
- Seadrill secures a five-year commitment with Husky for the newbuild ultra-deepwater semi-submersible rig West Mira for operations offshore Canada, with an estimated total revenue potential of US\$1.2 billion
- Seadrill secures contracts with an estimated revenue potential of US\$820 million for seven jack-up rigs, of which five are newbuilds
- Seadrill increases its ownership stake in Asia Offshore Drilling to 65.94% and submits mandatory offer for the remaining shares
- Seadrill's majority owned subsidiary, North Atlantic Drilling Ltd. submits its initial registration statement to the SEC
- A subsidiary of Seadrill signs a Letter of Agreement (LOA) to acquire the ultra-deepwater semi-submersible rig Songa Eclipse for US\$590 million

*) EBITDA is defined as earnings before interest, depreciation and amortization equal to operating profit plus depreciation and amortization.

Condensed consolidated income statements

Third quarter and nine months 2012 results

Consolidated revenues for the third quarter of 2012 amounted to US\$1,092 million compared to US\$1,122 million in the second quarter 2012.

Operating profit for the quarter was US\$413 million compared to US\$483 million in the preceding quarter.

Net financial items for the quarter showed a loss of US\$158 million compared to a gain of US\$114 million in the previous quarter, due largely to recording an accounting gain of US\$253 million related to the merger of SapuraCrest Petroleum Bhd (SapuraCrest) and Kencana Petroleum Bhd (Kencana) in second quarter 2012, as well as gains on derivatives and foreign exchange losses in the current quarter. Included in results from associated companies is a US\$53 million loss from our 39.9 percent equity associate, Archer Limited.

Income taxes for the third quarter were US\$39 million, down from US\$43 million in the previous quarter.

Net income for the quarter was US\$216 million representing basic earnings per share of US\$0.40.

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