

S.D. Standard Drilling

Oslo Rig Event 2012

Martin Nes, CEO

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Standard Drilling Strengths

Committed Sponsors/Board

Experienced Management Team

Positioned to Capitalize on the Strong Market Outlook

Conservative Financial Profile with Strong Cash Balance

Proven Rig Design Constructed at an Experienced Shipyard

Company Highlights

2010

December:

- Company founded
- \$42 million private placement
- Standard orders first rig
- Clearwater orders two rigs

2011

March:

- Listed on Oslo Axess

April:

- \$330 million private placement
- Acquired two rig contracts from Clearwater
- Ordered another four rigs at Keppel

November:

- Closed the sale of B319

2012

Q1/Q2:

- Building up management in Singapore – 11 persons strong team in place

July :

- Closed the sale of B324 and B325 and option for B337. Reducing financial risk

2013

Q3/Q4:

- Three rigs to be delivered

2014

May :

- One rig to be delivered



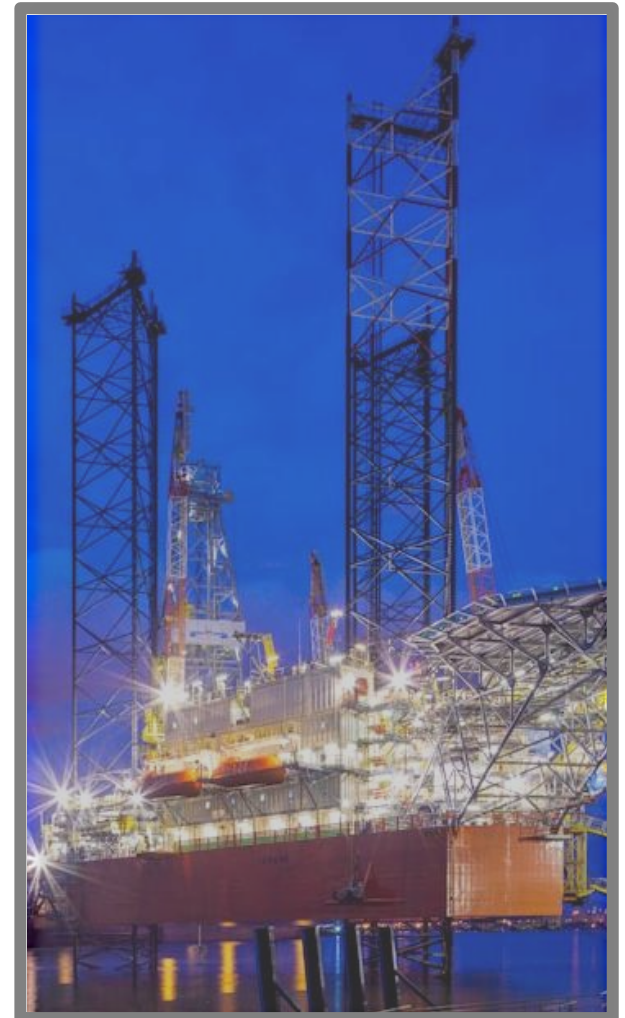
Proven Rig Design Constructed at an Experienced Shipyard

- **Proven Rig Design Accepted Across the Industry**

- The KFELS B-Class jackup rig is a first class rig design accepted by all major E&P companies.
- More than 30 Mod V B Class jackup units ordered at Keppel in Singapore.
- State-of-the-art equipment including National Oilwell Varco Drilling Package and Cameron B.O.P.

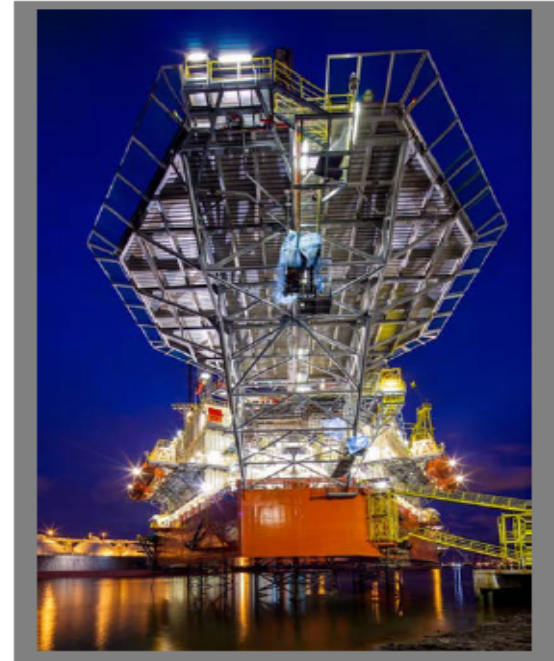
- **Experienced Shipyard Ensures On-Time and On-Budget Delivery**

- B319 delivered ahead of schedule.
- Established in 1967, Keppel FELS is the global leader in rig design, construction and repair, ship repair and conversion and specialized shipbuilding.
- The world's leading jackup construction yard with an excellent track record, having built over 40% of the world's jackups in the last 10 years.



KFELS Mod V B-class

Specifications	B337, B338, B339 and B340
Yard	Keppel FELS
Design	KFELS Class B
Operating water depth	400 ft
Drilling depths	30,000 ft
Hull size (l x b)	234 x 208
Leg length	517 ft
Cantilever outreach	70 ft
Transverse cantilever reach	15 ft
Load capacity at center / 70 ft	1,640 kips
Load capacity at 15 ft transverse offset / 70 ft extension	670 kips
BOP Stack	15,000 psi
Well capabilities (HPHT)	H2S trim / 350 degree C.
Mud Pumps	3 x 2,200 bhp
Liquid mud capacity	3,613 bbls
Bulk capacity	11,100 cuft
Drawworks	3,000 bhp
Top Drive-Rating	1,500 kips (1,150 Hp)
Automated pipe connection machine	NOV AR 3200 CM
Offline Stand building	NOV ST 120 & FORUM O.A.C.
Main power	10,750 bhp (5 x 2150 kVA)
Accommodation	120



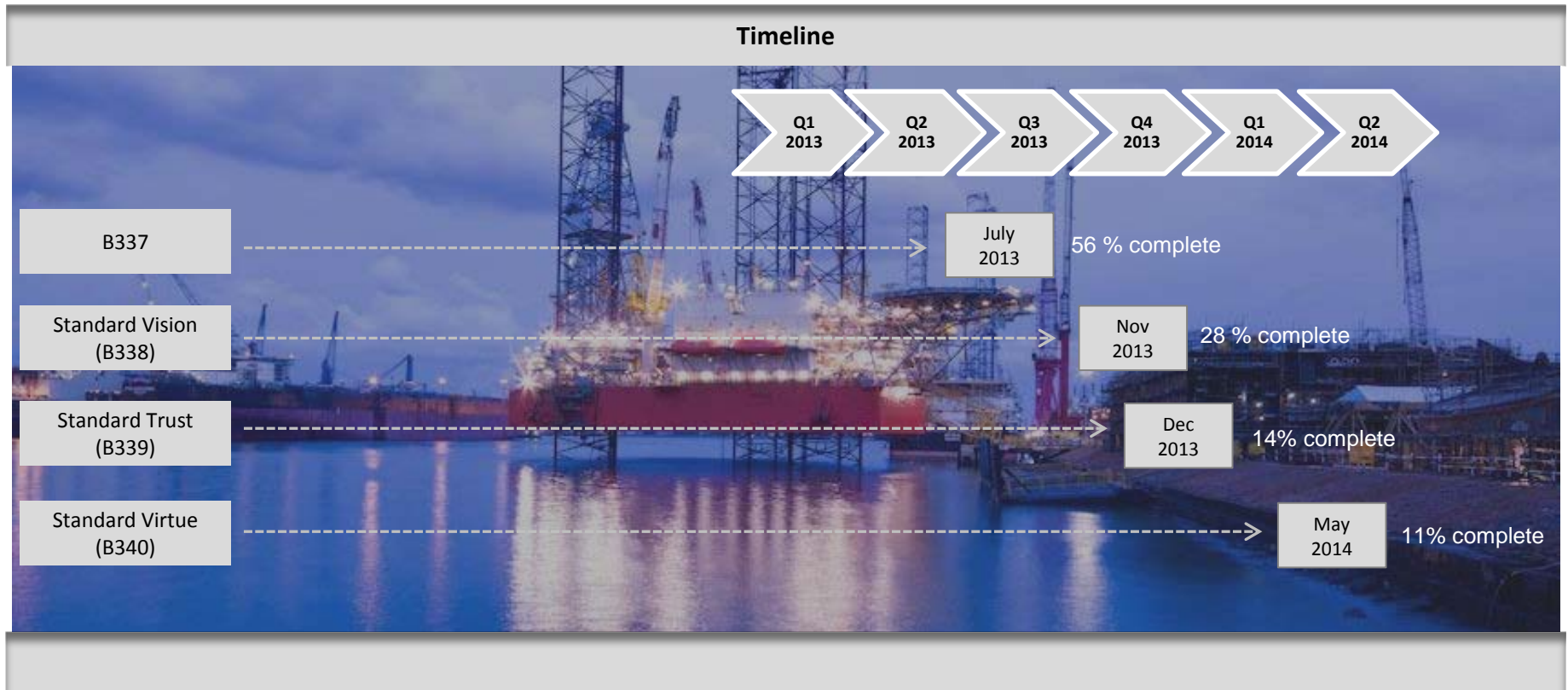
Design Storm Survival Conditions

Specifications	Water Depth 400 ft	Water Depth 350 ft	Water Depth 300 ft
Variable load (kips)	5,000	5,000	5,000
Leg length (ft)	517	517	517
Max wave height (ft)	39	49	55
Corresponding wave period (sec)	14	14	15
Max wind velocity (knot)	100	100	100
Current (knot)	1	1	1
Air gap (ft)	34	40	52
Penetration (ft)	15	15	15

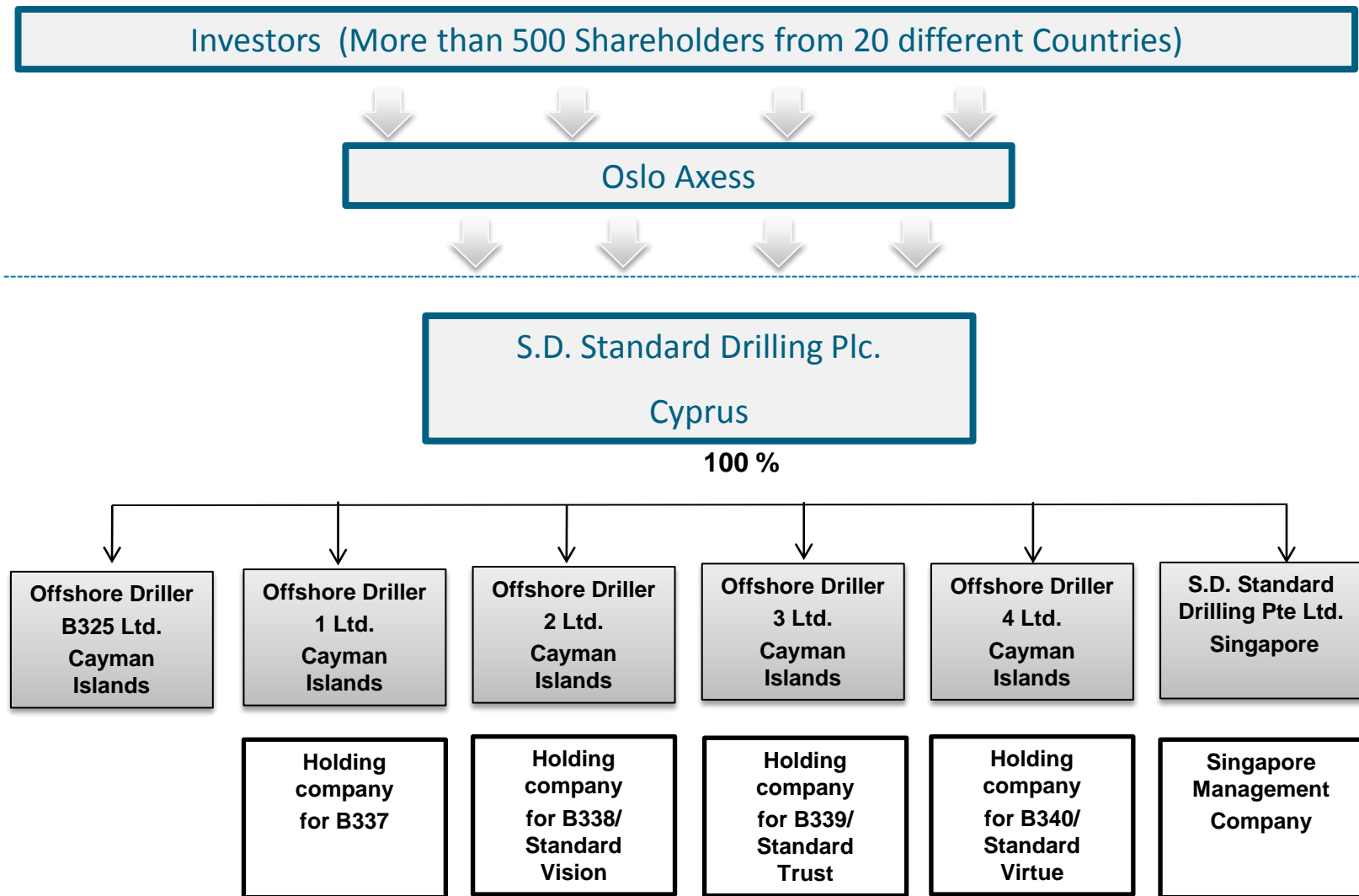


Delivery Schedule

- First rig delivery in July 2013
- Uniform rig design reduces project cost and creates efficiency in post delivery operations



S.D. Standard Drilling Plc. Group – Legal Structure



Committed Sponsors

CLEARWATER
CAPITAL PARTNERS

FERNCLIFF

Asian focused private equity firm with solid track record

Actively involved in portfolio companies, assisting companies in improving performance, capital structure and corporate governance

Norwegian investment firm with substantial experience in the offshore drilling sector

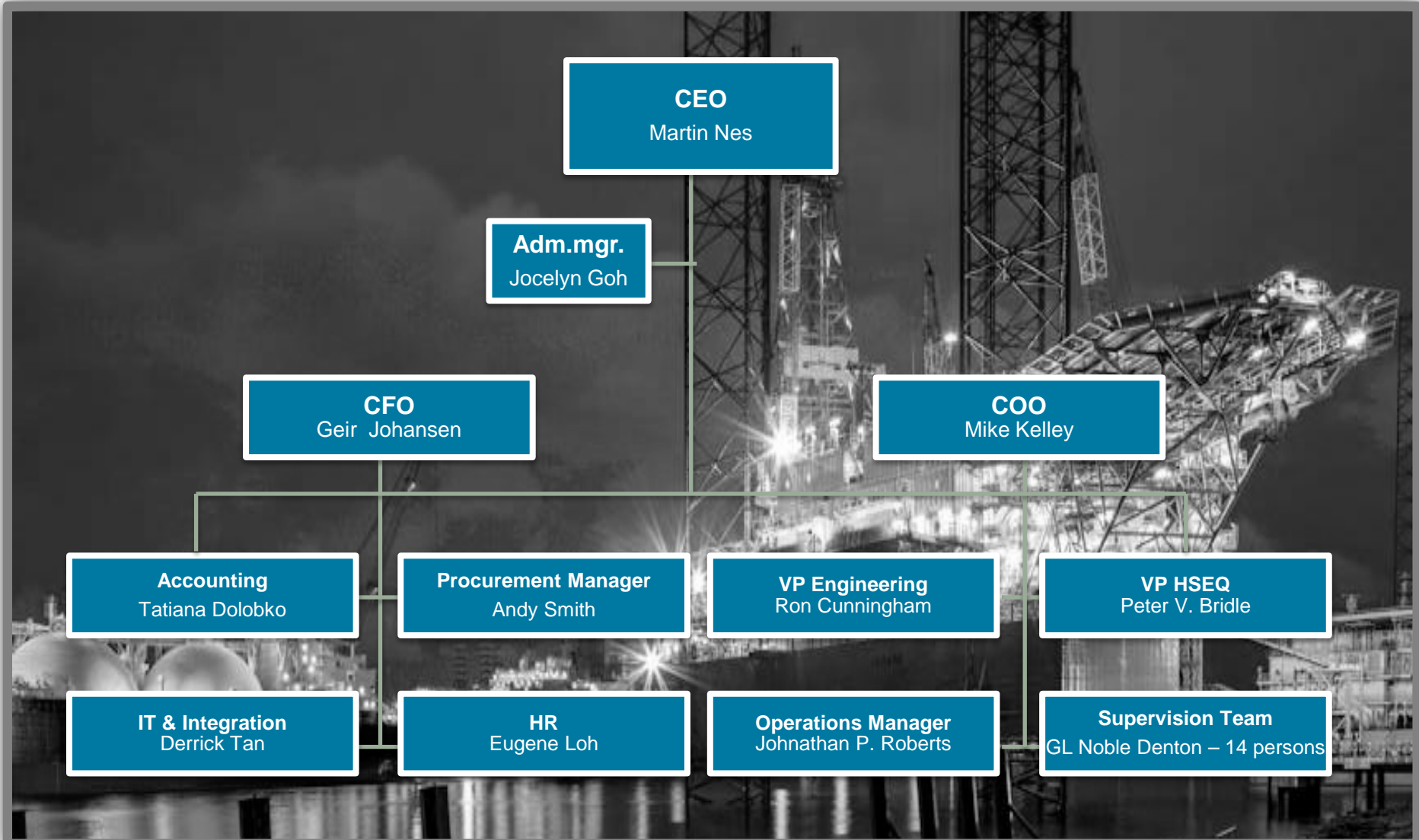
Invested in 27 offshore units, including in Songa Offshore, Standard Drilling ASA, Ferncliff Drilling and Offshore Rig Services

Equity Ownership	Percentage
Clearwater	29.9%
QVT	10.5%
Ferncliff	10.3%

Board of Directors

GUNNAR HVAMMEN (Chairman)	<ul style="list-style-type: none"> • Co-Founder of S.D. Standard Drilling • Founder of multiple offshore related companies including: <ul style="list-style-type: none"> • Songa Offshore • Offshore Heavy Transport ASA
AMIT GUPTA	<ul style="list-style-type: none"> • Partner and Co-Founder of Clearwater Capital Partners • Active board involvement in multiple portfolio companies with 19-years of successful investing in Asia
ØYSTEIN STRAY SPETALEN	<ul style="list-style-type: none"> • Chairman and owner of Ferncliff TIH AS • Co-Founder of S.D. Standard Drilling • Successful investment track record • Founder of multiple rig companies including: <ul style="list-style-type: none"> • Songa Offshore • Standard Drilling ASA • Ferncliff Drilling
ROBERT PETTY	<ul style="list-style-type: none"> • Managing Partner and Co-Founder of Clearwater Capital Partners • 27-year successful career investing profitably across cycles sectors and geographies with business building experience
STEPHEN J. MARZO	<ul style="list-style-type: none"> • CFO of Hong Kong Stock Exchange • Previously Group CFO of the Noble Group Limited, a commodities trading company with \$57 billion revenue in 2010 • Solid track record of growing businesses and capital raising
DEMETRIOS ALETRARIS	<ul style="list-style-type: none"> • General Manager of CP Reinsurance Co Ltd
GEORGE CRYSTALLIS	<ul style="list-style-type: none"> • Managing Director of M.G. Crystallis & Co Limited

Standard Drilling – Corporate Structure / Management in Place



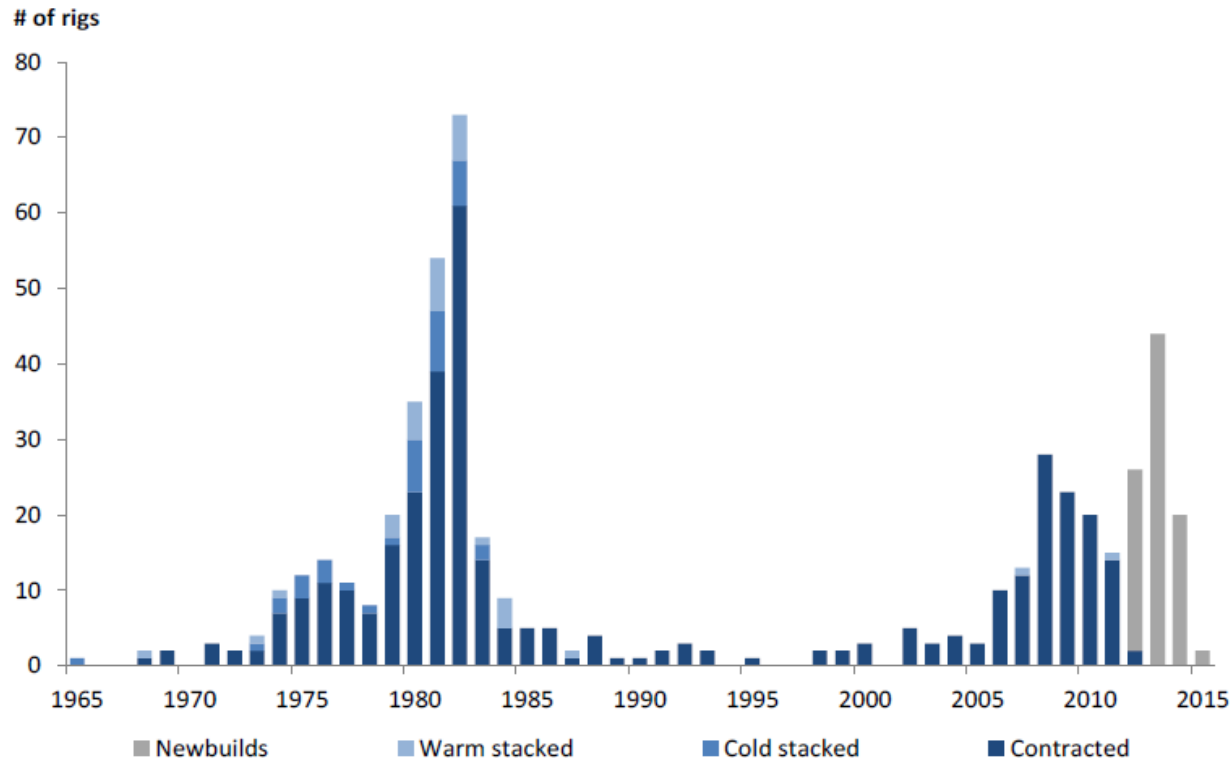
Strong Market Outlook

- Oil supply gap getting bigger
- High E&P spend forecast
- Newbuilds being absorbed by the market
- Increasing rates and contract duration
- Few jackups being ordered since Q2 2011
- Well-balanced supply and demand in all regional markets
- Operators putting limits on age of jack ups in their minimum requirements



Age Development Global Jackup Fleet

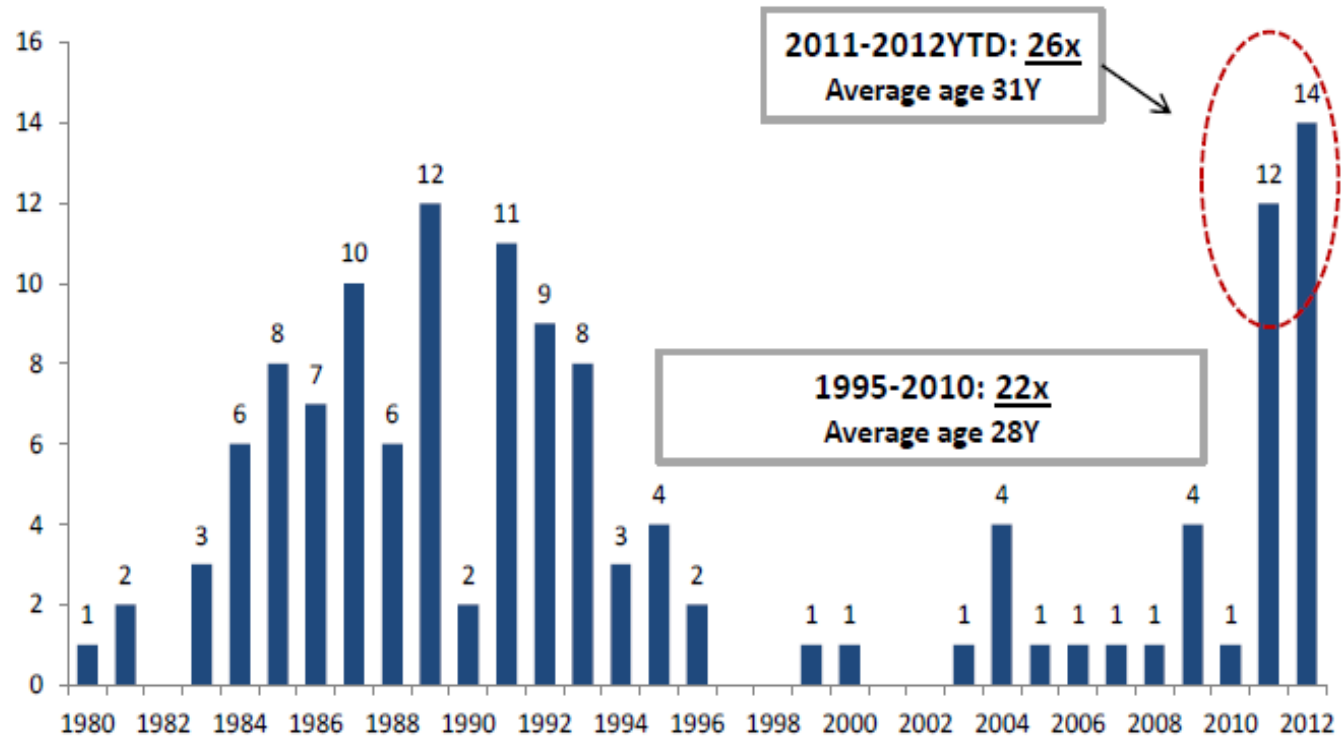
- 55% of the fleet is above 30 years old and close to the end of the useful life of the equipment
- Near 20 year period where few jackups were constructed
- Increasing pressure post the Macondo accident for new, premium equipment
- Demand for newbuilds expected to remain robust due to fleet renewal pressure



Continued Removal of Jackups from the Market

- 14 jackups have so far been removed from the market in 2012
- 26 rigs have thus been removed in 2011-2012YTD, which is more than over the 15 preceding years...

Jackups removed from the market (excl. accidents) per year 1980-2012YTD



Strong Earnings Potential

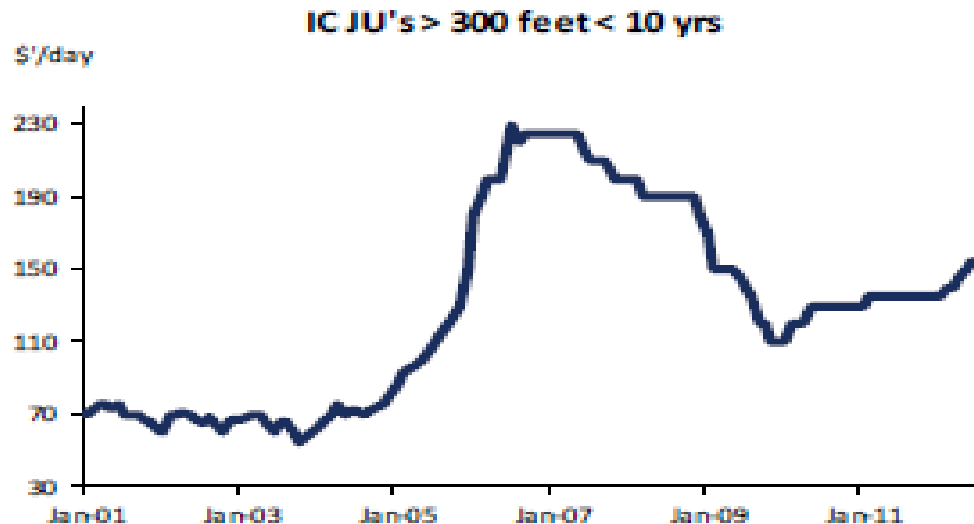
Premium Jackup Dayrates

- Rates peaked at \$225k/day in 2006 and stayed above \$200k/day until the fall of 2008
- Contract awards in 2009 were between \$100-130k/day
- Several recent contract awards in the \$150 - \$170k/day range
- Pareto 2013 estimate of 17% increase vs today

Strong Potential Earning Capacity

- Significant earnings potential when company is in full operation
- Market strength extending contract duration

Premium Jackup Day rates →



Rig Sales – Strengthen the Balance Sheet

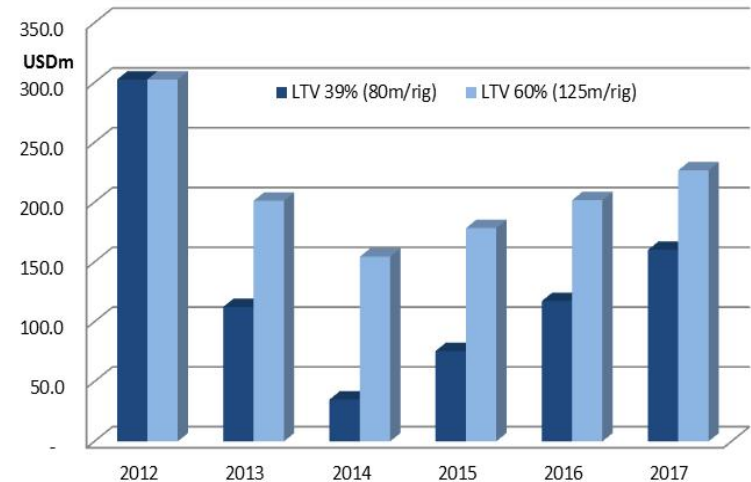
Conservative Financial Profile

- All our construction contracts have 20/80 payment terms
- Access to capital markets as a listed company
- Strong cash position

Rig Sales

- SDSD sold 2 rigs in Q3 and gave an option to buyer for a 3rd rig
- Gross proceeds from the three new build contracts - USD 198m (implied rig price ~USD 213m)
- Net combined book sales gain if option is exercised is USD 33m.
- Sale of 3 rigs improves SDSD cash position by approximately USD 190m

Cash Projections under different LTV levels



(Assuming 3 rigs at day rates of USD 155 000 and operating cost at USD 60 000 with utilization at 95%)

Equity Ratio vs Return on Equity in today's Debt Market Environment

4 RIGS 50% EQUITY - 5% INTEREST ON DEBT				
rig value	214			
# rigs	4			
Equity% / amount	50%			
Debt % / amount	50%			
Interest debt	5%			
Useful life	30			
Rig utilization	95%			
Day rates k/day	150	160	175	200
cost rates k/day	60	60	60	60
Revenue	208	222	243	277
Ops cost	88	88	88	88
SG&A	10	10	10	10
EBITDA	110	124	145	180
Depreciation 4 rigs	28.5	28.5	28.5	28.5
Interest Cost	21.4	21.4	21.4	21.4
Net Result	60.5	74.4	95.2	129.9
Return on Equity	14%	17%	22%	30%

4 RIGS 25% EQUITY - 12% INTEREST ON DEBT				
rig value	214			
# rigs	4			
Equity% / amount	25%			
Debt % / amount	75%			
Interest debt	12%			
Useful life	30			
Rig utilization	95%			
Day rates k/day	150	160	175	200
cost rates k/day	60	60	60	60
Revenue	208	222	243	277
Ops cost	88	88	88	88
SG&A	10	10	10	10
EBITDA	110	124	145	180
Depreciation 4 rigs	28.5	28.5	28.5	28.5
Interest Cost	77.0	77.0	77.0	77.0
Net Result	4.9	18.7	39.6	74.2
Return on Equity	2%	9%	18%	35%



Why S.D. Standard Drilling

- Committed sponsors/board
- Conservative financial profile with strong cash balance
- Experienced management team
- Proven rig design constructed at an experienced shipyard
- Strategically positioned to capitalize on the strong market outlook and opportunities that may arise due to the weak financing market



Contacts:



S.D. STANDARD DRILLING IS
SETTING A NEW STANDARD
IN THE DRILLING INDUSTRY

☰ CONTACT US



CORPORATE HEADQUARTERS

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Q&A

APPENDIX

Management Team

MARTIN NES (CEO)	Martin Nes has more than 15 years of experience within the maritime and offshore industry. He has a law degree from University of Oslo, Norway and also holds a Master of laws' degree from University of Southampton, England. He started his career as a lawyer with the shipping and offshore law firm Evensen & Co and worked several years for the international law firm Wikborg Rein, before joining Ferncliff TIH AS. Mr. Nes has been heavily involved in S.D. Standard Drilling since it was founded in 2010, first as chairman and then as CEO during two periods. He is also serving as CEO of Ferncliff TIH AS.
GEIR JOHANSEN (CFO)	Geir Johansen has more than 20 years of experience within the maritime and oil and gas industry across Asia, the Americas and Europe. Previously he served as CFO for DOF Subsea Group, a unit of DOF ASA, a company which owns and operates a fleet of offshore/subsea vessels and provides engineering services. Prior to DOF, he was at Det Norske Veritas (DNV) Maritime, last serving as Global Financial Director.
MIKE KELLEY (COO)	An industry veteran with more than 30 years of experience in the offshore drilling business, Mike Kelley joined S.D. Standard Drilling in December 2011 and is responsible for overseeing rig operations including crew safety and health, fleet operational performance, environmental compliance and the successful completion of S.D. Standard Drilling's rig fleet. From 2007 - 2011, he was an independent consultant on proprietary initiatives, large-scale collaborative projects and organizational development for major independent and state-owned oil and gas companies. From 2004 to 2007, he was Vice President, Operations at TODCO (NYSE: THE) who provided contract oil and gas drilling services with a fleet of offshore, barge and land rigs. While overseeing a crew of 3,000 and a fleet of 61 rigs, TODCO's safety and fleet performance record improved dramatically and at the same time, led the reactivation of 13 cold-stacked rigs, doubling the total number of employees and working rigs at the company. TODCO merged with Hercules Offshore, Inc. in 2007. From 1999 to 2004 he was Operations Manager with ENSCO International Inc., He began his career and worked at R&B Falcon Corporation for 17 years in positions of increasing responsibility.

Management Team – Technical / Operational

<p>RON CUNNINGHAM VP Engineering</p>	<p>Mr. Cunningham brings to the role deep engineering experience and has worked for 35 years in engineering management and technical roles worldwide. He has built and overseen technical teams while developing programs to ensure asset reliability, employee safety and environmental protection. During his career Mr. Cunningham has worked at Hercules Offshore, Inc., TODCO (The Offshore Drilling Company), Diamond Offshore Drilling, Inc., Arethusa Offshore Company and Sedco Forex. He began his career as a hull designer in Newport News, Va. and later as an engineer at several shipyards that now make up Northrop Grumman Shipbuilding</p>
<p>PETER V. BRIDLE VP HSEQ</p>	<p>Mr. Bridle has almost 25 years of experience working in the exploration and production industry and brings extensive experience developing safety cultures and achieving world class safety performance by building engaged and motivated workforces. From 2007 to 2012, Mr. Bridle was HSE Director at Noble Drilling, an offshore drilling contractor with a fleet of 68 offshore drilling units. From 2005 to 2007 he was Vice President HSE at TODCO (The Offshore Drilling Company), a leading provider of contract oil and gas drilling services with a fleet of offshore, barge and land rigs. Prior to that, he served as Health, Safety and Environment Director at ENSCO International and served as Senior Safety Engineer at Shell International Exploration and Production</p>
<p>JOHNATHAN ROBERTS Manager Of Operations</p>	<p>Mr. Roberts has more than 25 years of experience working in drilling rig operations, construction and quality assurance and has overseen multinational workforces on projects worldwide. Prior to joining S.D. Standard Drilling Mr. Roberts was Senior Operations Manager with Axon Energy Products, Gulf of Mexico Rig Manager for Hercules Offshore Company, Senior Project Manager at TODCO (The Offshore Drilling Company) and Project Coordinator for ENSCO International. Mr. Roberts began his career at Accurate Industries (WasteQuip) as Assistant Plant/Rig Operator and held a number of positions of increasing responsibility including Senior Operations Manager</p>