Presentation of SD Standard Drilling Plc

3 June 2011

STANDARD DRILLING

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Q1 2011 Highlights

- 21 March 2011 The Financial Supervisory Authority of Norway approved the prospectus for the 42 mill shares in SD Standard Drilling Plc
- 23 March 2011 Board of Directors of Oslo Stock Exchange approved the listing of SD Standard Drilling Plc
- 25 March 2011 SD Standard Drilling Plc listed on Oslo Axess
- **Establishment of management (CEO and CFO)**
    - Entered into a lease contract for the business Office in Limassol
- **Construction Supervisory team of Noble Denton has been doing well; the construction process at Keppel FELS are in line and on budget**

P&L Q1 2011

(All amounts in USD thousands unless otherwise stated)	1 Jan - 31 Mar 2011	2 Dec - 31 Dec 2010
Administrative expenses	-397	-86
Operating loss	**-397**	**-86**
Finance income	-	-
Finance costs	-	-
Finance costs, net	-	-
Loss before income tax	**-397**	**-86**
Income tax expense	-	-
Loss for the period	**-397**	**-86**
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	**-397**	**-86**
Earnings per share attributable to the equity holders of the Company during the period (expressed in USD per share)		
Basic/diluted earnings per share	-0.01	-0.00

Balance Q1 2011

(All amounts in USD thousands unless otherwise stated)	As at 31 Mar 2011	As at 31 Dec 2010
Assets		
Non-current assets		
Rig - Capitalised expenses	40 179	37 308
Total non-current assets	40 179	37 308
Current assets		
Trade and other receivables	30	-
Cash and cash equivalents	4 574	6 140
Total current assets	4 604	6 140
Total assets	**44 783**	**43 448**
Equity and liabilities		
Equity		
Ordinary shares	420	420
Share premium	40 521	40 530
Accumulated losses	-483	-86
Total equity	**40 458**	**40 864**
Liabilities		
Non-current liabilities		
Provisions for other liabilities and charges	4 000	1 378
Total non-current liabilities	4 000	1 378
Current liabilities		
Trade and other payables	322	1 206
Amount due to shareholder	3	-
Total current liabilities	325	1 206
Total Liabilities	4 325	**2 584**
Total equity and liabilities	**44 783**	**43 448**

Subsequent events

- **8 April the Company announced (subject to EGM approval):**
  - Entered into a Share Purchase Agreement with Clearwater Capital Partners Fund III, LP
    - Two jack up rigs under construction as well as two options at Keppel FELS
  - Private Placement of USD 330 million
  - Entered into a frame agreement with Keppel FELS for four additional rigs
    - Same spec as B319
    - Cancelling of options agreements

- **12 April Notice Extraordinary General Meeting (EGM) held 4 May**

- **13 April Announcement that the Private Placement of USD 330 million was fully subscribed**

Subject to :

- Closing SD Standard Drilling Plc and Clearwater Capital Partners Fund III, LP
- Approval of EGM of SD Standard Drilling Plc 4 May

Cont. subsequent events

- **14 April Announcement that Private Placement of USD 330 million was closed**

- **15 April Private Placement of USD 330 million, 220 million shares at USD 1.5 per share, was allocated**.
  - Increased the outstanding shares from 42 million to 262 million

- **4 May EGM approved the transaction with Clearwater Capital Partners Fund III LP as well as the Private Placement of USD 330 million**

- **5 May Announcement closing of transaction SD Standard Drilling Plc and Clearwater Capital Partners Fund III LP**

- **6 April Update from Keppel FELS; building process will proceed as scheduled, meaning that the earthquake in Japan will not lead to change in the delivery dates for the rigs ordered by SD Standard Drilling Plc or its subsidiaries**

- **9 May Financial Supervisory Authority of Norway approved the prospectus in connection with listing 220 million shares from the Private Placement**
  - Prospectus public available
  - The additional 220 million shares from the Private Placement was tradable at Oslo Axess

Cont. subsequent events

- **16 May Announcement that first installment of each USD 38.6 million on behalf of each Offshore Driller 1 Ltd, Offshore Driller 2 Ltd , Offshore Driller 3 Ltd, Offshore Driller 4 Ltd had been paid to Keppel FELS and that the construction contracts was effective as of 13 May 2011.**

- **18 May Changed the board of Directors. The expanded board of Directors brings together a highly experienced and accomplished team of business leaders to guide the growth of SD Standard Drilling Plc as a pure play jackup company**

- **27 May Announcement of new interim CEO Martin Nes. Karina Irgens-Hagevik will take the position as Office Manager at SD Standard Drilling Plc head office in Limassol**

- **Milestones**
  - 29 April 2011 B324 Strike steel
  - 12 May 2011 B319 Keel Laying

Company presentation

I. Summary and conclusion

II. S.D. Standard Drilling Plc.

- Team
- Financing
- Yard
- Design

III. Jackup market

IV. Appendix

Investment Summary

One of the leading pure play jackup companies

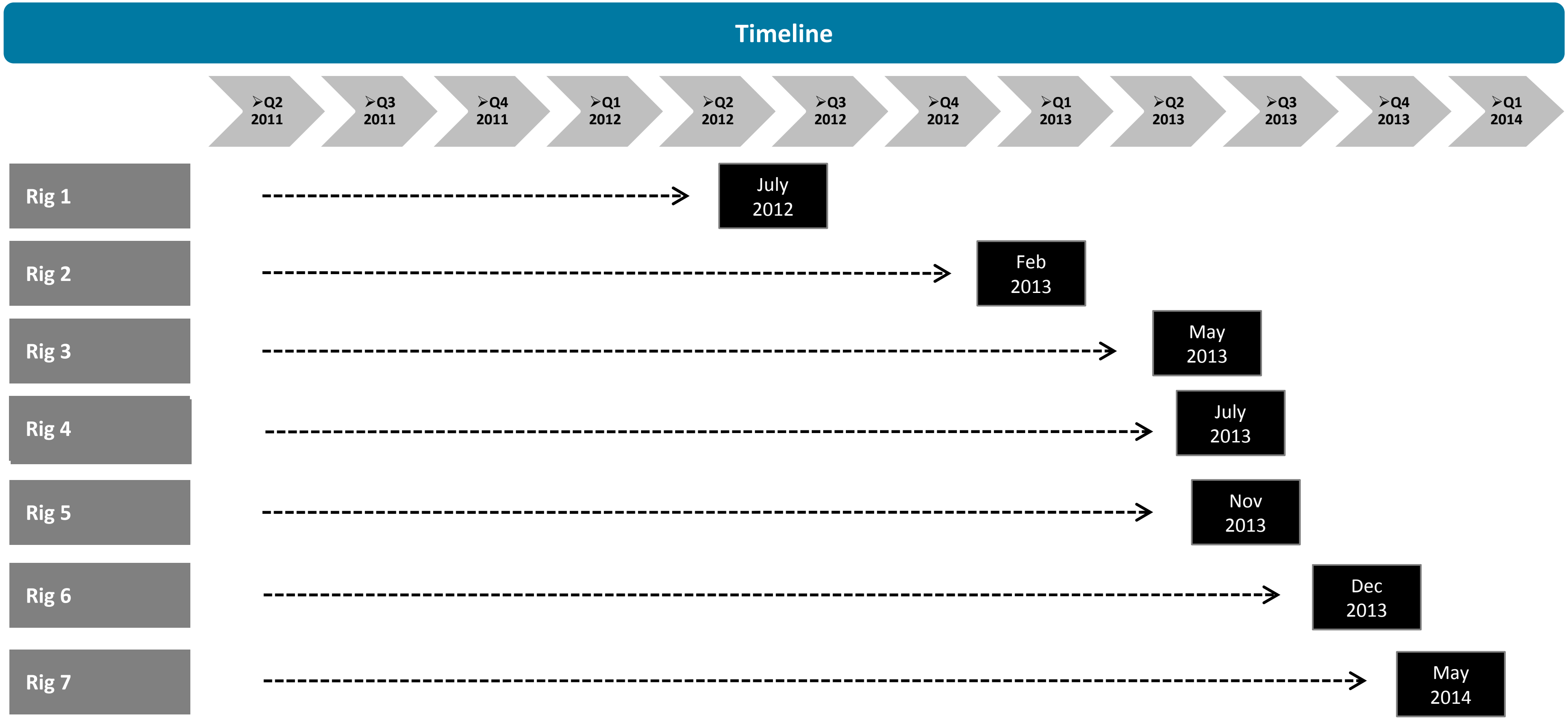
Financial sponsors with a solid track record

No management fee and complete alignment among investors

The best yard for construction of premium jackups

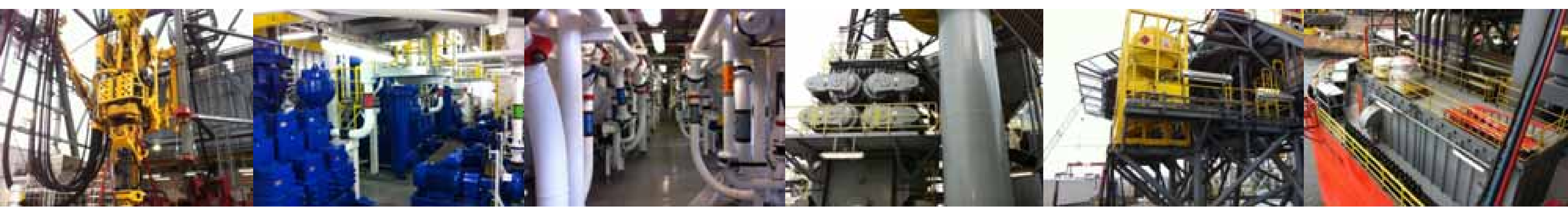
Unmatched delivery schedule and fully funded through July 2012

Unmatched Delivery Schedule



Source: Company

Company presentation



Sponsors: Ferncliff

Ferncliff

- Ferncliff was established in 1995 as Tycoon Industrier AS, which was a pure trading company at the start
- Ferncliff has three business areas: Direct Active Investments, Ferncliff Finance and Ferncliff Property

Investor Group - Related Parties

Øystein Stray Spetalen

- Renowned Norwegian investor with extensive successful investment track-record
- Detailed description of relevant track-record of Øystein on the next slide

Glen Ole Rødland

- Co-investor of Øystein Stray Spetalen in several projects/companies and employed at Ferncliff
- He is a director of the board of several companies, including Strata Marine & Offshore AS, Skeie Capital Investment AS and Spectrum ASA (chairman of the board)

Gunnar Hvammen

- Gunnar Hvammen was a rig broker in PF Bassøe/Loosbrock and Normarine Offshore Consultants, which he helped to found. Founder of Offshore Heavy Transport ASA. Senior partner in Fondsfinans ASA. Thereafter founder of several oil services related companies, including Songa Offshore.

Source: Company, Clearwater

A Selection of Ferncliff Case Studies

Standard Drilling ASA

- Founded in 2006 by Spetalen under the name Standard Drilling
- Standard Drilling originally contracted 4 jack-up rigs at Labroy at total contract value of USDm 600
- Rig #2 and #4 were sold to Saipem in 2008 at USDm 200 average
- Rig #1 and #3 were sold to UMW with final settlement in December 2009 at USDm 170 average (UMW acquired a 51 % stake in the two rigs in 2007/2008)

Songa Offshore

- Spetalen was a founder with a 37.5 % stake in the acquisition of 2 semi-submersible rigs (Songa Venus and Songa Mercur) in 2004 from the Mexican company IPC

Ferncliff Drilling

- Founded by Spetalen in 2006
- Ferncliff Drilling ordered a USDm 540 deepwater drillship (+ 1 option) at the Samsung yard in South Korea
- The company was sold to the Ofer Group two months later valuing Ferncliff Drilling at NOKm 800.

Global Geo Services

- Ferncliff participated in the refinancing of GGS in 2007
- GGS acquired 3 tender rigs from Pride International at USDm 215 early 2008
- GGS was split into two listed companies June 2008
  - Spectrum (Seismic)
  - Global Tender Barges (Tender barges + Iran Seismic)
- GTB sold the 3 tender rigs at USDm 245 in 2009

Offshore Rig Services

- Spetalen invested NOKm 67 in the start-up phase of OFFRIG in 2005
- OFFRIG had 2 semi-submersible rigs under order + 2 options at Yantai Raffles Shipyard in China
- Spetalen had an active position in the company board
- OFFRIG was sold to Awilco Offshore in 2006 with a significant return on investment to initial shareholders

Noble Denton

- Acquired in 2006
- Ferncliff had a 42 % stake at time of sale in 2009
- 2007: Indec, PMC and Lowe Offshore acquired
- 2008: SEAS and Brevik Engineering acquired
- Noble Denton was sold to Germanischer Lloyds AG for USDm 178

Source: Company pages

Sponsors: Clearwater Capital Partners

Clearwater Capital Partners

- Established in December 2001, Clearwater Capital Partners ("Clearwater") is an investment firm that manages over $2bn in AUM of investments in special situations and distressed or otherwise undervalued assets and securities located in Asia ex-Japan.
- Clearwater comprises a 75-person team of experienced analysts, turnaround and business building professionals located across 6 offices in Singapore, Hong Kong, Beijing, Seoul, Mumbai and New York
- Clearwater invests across the capital structure of Asian companies, opportunistically helping to finance businesses in difficulty, build or acquire capacity
- Clearwater possesses extensive industry knowledge in several sectors, deep expertise in balance sheet recapitalization, financial restructurings and business building for the next phase of growth
- Additionally, Clearwater has a world class infrastructure, including the ability to execute transactions in the local languages, laws and currencies of Asia
- Clearwater has invested in over 250 transactions and has been actively involved in more than 50 companies including turnaround positions, board seats, and appointment of management teams to fully-controlled transactions

Founding Principals

Robert Petty, Managing Principal and Co-Founder

- Robert Petty's principal responsibilities encompass portfolio management, origination and overall management of the firm
- Mr. Petty has focused on investing in Asia-dedicated special situations and credit investments over his 27-year career
- His previous experience includes senior positions of increasing responsibility at Amroc Investments LLC, Peregrine Fixed Income Ltd, and thirteen years with Lehman Brothers Holdings,Inc.

Amit Gupta, Principal and Co-Founder

- Amit Gupta's principal responsibilities include research, due diligence, analysis and valuation
- Throughout his 19-year career, Mr. Gupta has been on the forefront of credit analysis and deal execution in Asia
- Prior to Clearwater, Mr. Gupta garnered experience while holding positions at Goldman Sachs (Asia) LLC where he was an Executive Director, at Peregrine Fixed Income Ltd. and at ICICI Ltd.

Source: Clearwater

A Selection of Clearwater Case Studies

Griffin Coal

- Griffin Coal is 1 of 2 coal mining companies in Western Australia with 250mm tons reserves, 1.2bn tons resources and ownership of 2 mine mouth power plants
- Clearwater purchased debt at a deep discount in the asset-rich, overleveraged company
- Clearwater, as the largest creditor, led the restructuring and sale and provided "DIP" financing to keep the company operational
- The mining operations have been sold to LANCO, an Indian power company and there is on-going active interest in purchase of power assets with expectations of par recovery for creditors

Pacnet

- Pacnet is the owner/operator of the largest undersea cable network in Asia Pacific
- Clearwater and two other funds took control of C2C (an undersea cable company) in the largest debt-to-equity swap in Asian telecom
- The business has since strategically grown through the acquisitions of Asia Netcom and Pacific Internet to create Pacnet
- Clearwater has Board representation and is actively involved in the company
- In October 2010, Pacnet raised a $300mm bond and remains privately held

LDK Solar

- China-based global leader in solar industry
- The global financial crisis created a disruption in the renewables industry
- Clearwater identified LDK as a survivor based on its vertically integrated business model, low-cost structure and strong government support
- Clearwater invested in convertibles and equity at distressed valuations in anticipation of a company turnaround and industry recovery
- Company has returned to profitability and significantly strengthened its balance sheet through equity and debt offerings

DDI Holdings

- Owner of 8 high specification jack-up rigs built at Keppel FELS and PPL; subsidiary of offshore drilling contractor Aban Offshore
- Clearwater purchased first lien debt at low loan to value in 2009
- Underlying thesis of recovery in oil prices and demand for higher specification vessels
- Overall credit profile has improved with company contracting out all rigs and debt has traded over par

Jamna Auto

- India's largest commercial truck springs manufacturer with a 60% OEM market share
- Clearwater provided turnaround financing, enabling a recap and infusion of additional working capital
- Clearwater is actively involved with 2 Board seats and negative controls and has increased corporate governance
- Company has consolidated its market leadership with revenues and EBITDA having more than doubled over past 4 years
- Clearwater retains a 28.6% equity holding in this listed company

Diamond Power

- Leading power transmission and distribution company in India
- Clearwater provided turnaround financing in listed company via senior secured debt, equity and warrants
- Clearwater has a 12.4% equity stake and is actively involved with Board representation
- Company has significantly improved performance with threefold increase in revenues and EBITDA over the past 4 years
- Company is now in growth mode with acquisition of a transformer company and commissioning of new facilities.

Please note that the selection of investments is not representative of Clearwater's overall assets under management. This selection seeks to provide information of Clearwater investments across geographies and industries.

Construction Supervision Team

- **Bjørn Bakken**
  - Bjørn Bakken is a Technical Director, Naval Architecture, Drilling Units, Marine & Offshore Engineering
  - He is working at Noble Denton Sandefjord AS as a Senior Consultant and Technical Director for Offshore Engineering. Design supervisor for Standard Engineering projects and for Client Projects. Site Manager for clients
  - Areas of expertise: Project Management, Site Management, Operation Management, Naval Architecture, DP and Mooring, Hydrodynamic, Structure Systems,
    Vessels: Semisubmersible – Drilling and Floatel, Jack Ups, FPSO and FSO, Drilling Barges

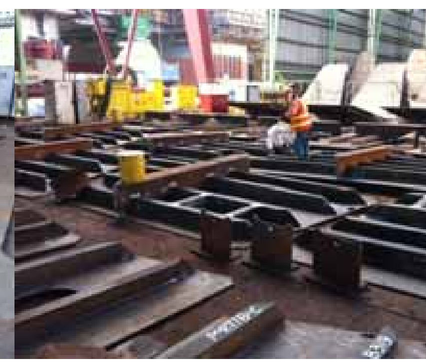
- **Ognian Todorov**
  - Ognian Todorov has more than 20 years experience in offshore construction, shipping and heavy industry. Strong management, organizational and planning skills, with theoretical and hands-on experience
  - He worked at Keppel FELS, Ltd. From 1994 to 2006 as a Senior Project Engineer. After that he worked at Noble Denton ME as Commissioning Manager and Aker Solutions as Completion Manager. From 2008 to present he is working at Noble Denton ME, Ltd. as Project Manager

Construction Supervision Team










Management – Head office in Limassol, Cyprus

CEO - Martin Nes

CFO - Espen Lundaas

Office Manager - Karina Irgens-Hagevik

Drilling operations and management of rigs

Standard Drilling has been approached by several players interested in operating its rigs. Standard Drilling is currently evaluating if it will buy drilling operation services and management, or if it will build its own operations, or rent out one or more rigs on a bare-boat charter. Standard has strong operating competence within its Board through amongst others Gunnar Hvammen, who built up the Songa drilling operations and management team. The Ferncliff group has also built in-house management in the previous Standard Drilling and Global Tender Barges. Both Clearwater and Ferncliff have successfully built organizations in order to build enterprise value beyond simple asset plays. Standard Drilling aims to keep a lean cost structure to maximize shareholders returns.

Board of Directors

- Mr. Robert Petty, Managing Principal and Co-Founder of Clearwater Capital Partners, has assumed the role of Chairman of the Board
- Mr. Amit Gupta, Partner and Co-Founder of Clearwater Capital Partners, continues as Non-executive Director
- Mr. Øystein Stray Spetalen, Chairman and owner of Ferncliff TIH AS., continues as Non-executive Director
- Mr. Gunnar Hvammen, co-founder of Standard Drilling, is now appointed as Non-Executive Director
- Mr. Demetrios Aletraris, General Manager in CP Reinsurance Co Ltd, is now appointed as Non-executive Director
- Mr. George Crystallis, Managing Director of M.G. Crystallis & Co Limited, continues as Independent Director
- Mr. Stephen J. Marzo, previously Group Chief Financial Officer of the Noble Group Limited, is now appointed as Independent Director

Open Ownership Structure

- Clearwater to own 29.9% post equity issue
- Ferncliff and associates to own approx. 9.0% post transaction
- Minority shareholders to own approximately 60% post capital raise
- Post deal market capitalization of USD 393m

LARGEST OWNERS S.D. STANDARD DRILLING		
CLEARWATER	78 338 000	29,9 %
CREDIT SUISSE	16 443 846	6,3 %
DEUTSCHE BANK	15 068 555	5,8 %
TYMAR AS (Ferncliff TIH*)	11 249 995	4,3 %
DEUTSCHE BANK	10 024 388	3,8 %
CITIBANK	6 400 000	2,4 %
GOLDMAN SACHS SEGR	5 857 300	2,2 %
THABO ENERGY (Gunnar Hvammen)	4 745 000	1,8 %
SABARO INVESTMENT	4 665 000	1,8 %
VARMA MUTUAL PENSION COMPANY	4 320 000	1,7 %
OTHER SHAREHOLDERS	104 887 916	40,0 %
	262 000 000	
*) OTHER FERNCLIFF HOLDINGS		
Gross Management	3 800 000	1,5 %
Ferncliff Drilling Management	2 666 667	1,0 %

Source: Company

Fully Financed Until Delivery of First Rig

Total Sources	USD m
Equity	372
Unfunded at Delivery	1,046
Sum	1,418

Total Uses	USD m
Yard Turnkey Contract Price	1,307
Project Management	14
SG&A	11
Equity Fee + Break Fee	11
Uplift Clearwater	42
Excess Cash / Working Capital	33
Sum	1,418

Source: Company

The payment schedule

Unit	Paid-in	Rest 2011	2012	2013	2014	Extras	All-in
B319 (July 2012)	35.9		143.4			4.0	183.4
B324 (February 2013)	36.0			144.0		4.0	184.0
B325 (May 2013)	36.0			144.0		4.0	184.0
B319 repeat 1 (July 2013)		38.4		153.6		4.0	196.0
B319 repeat 2 (November 2013)		38.4		153.6		4.0	196.0
B319 repeat 3 (December 2013)		38.4		153.6		4.0	196.0
B319 repeat 4 (May 2014)		38.4			153.6	4.0	196.0

- **Cash in hand after these payments, payment of uplift to Clearwater, etc:**
- **abt. USD 55 million**

- **USD 1,046 million**

Attractive All-in Delivery Cost

Sources (USDm)	Total	Rig #1	Rig #2	Rig #3	Rig #4	Rig #5	Rig #6	Rig #7	Rig #4-7
Yard Turnkey Contract Price	1,307	179	180	180	192	192	192	192	**768**
Project Mgmt	14	2	2	2	2	2	2	2	**8**
SG&A	11	1	2	2	2	2	2	2	**7**
Equity fee + break fee	11	2	2	2	2	2	2	2	**7**
Uplift paid on Clearwater rigs	42		21	21					
All-in delivered cost	**1,385**	**183**	**206**	**206**	**197**	**197**	**197**	**197**	**789**

- All-in delivered cost of USD 1,385 million for the fleet, excluding ready to drill costs
- 4 option rigs exercised at yard contract prices of USD 192 million per unit*
- Implied average yard cost of approximately USD 196 million at issue price of USD 1.5 per share
- Highly attractive 20/80 payment terms for the entire seven rig fleet
- Mobilization assumed reimbursed from clients

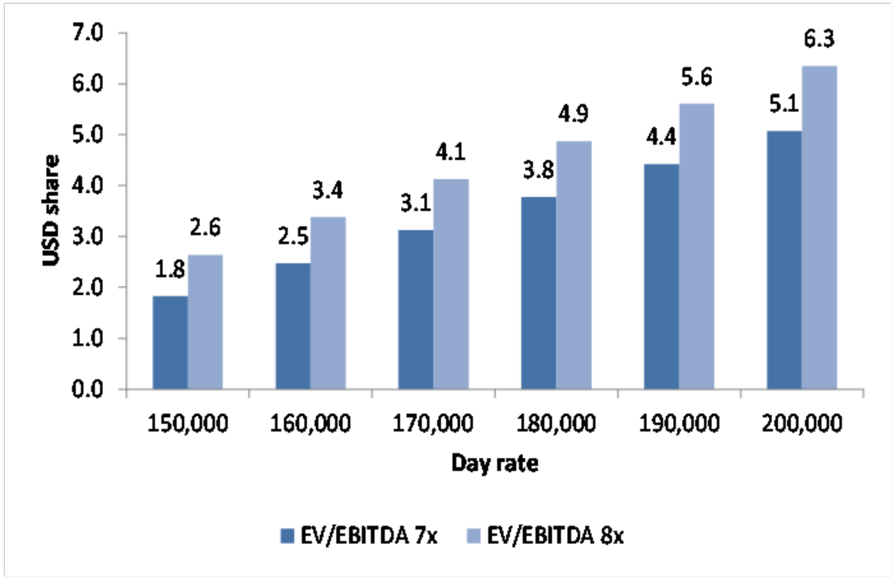
*There shall be a success bonus of USD 1.0 million payable to Keppel FELS in the respect of each repeat unit, within 15 days after the repeat unit concerned is on dayrate (dayrate shall mean any form of rate or compensation earned by the repeat unit concerned)

If Keppel FELS fails or is unable to deliver the rigs by the agreed delivery date and such delays are not due to permissible delays, Keppel FELS shall be liable to pay Standard Drilling liquidated damages of USD 40,000 per day from the 30th day of delay until delivery of the rigs. The maximum total late delivery fee per rig is USD 6.0 million.

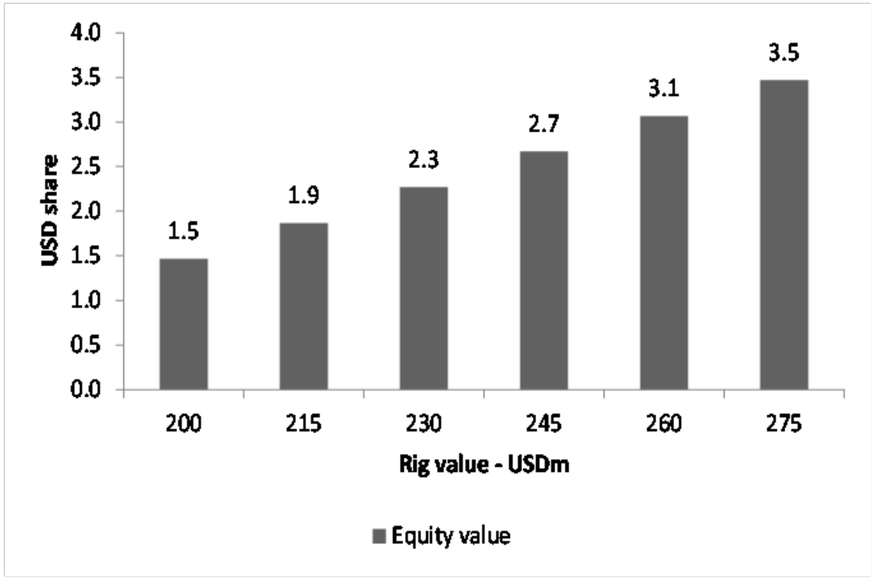
Source: Company

Significant Equity Upside Potential

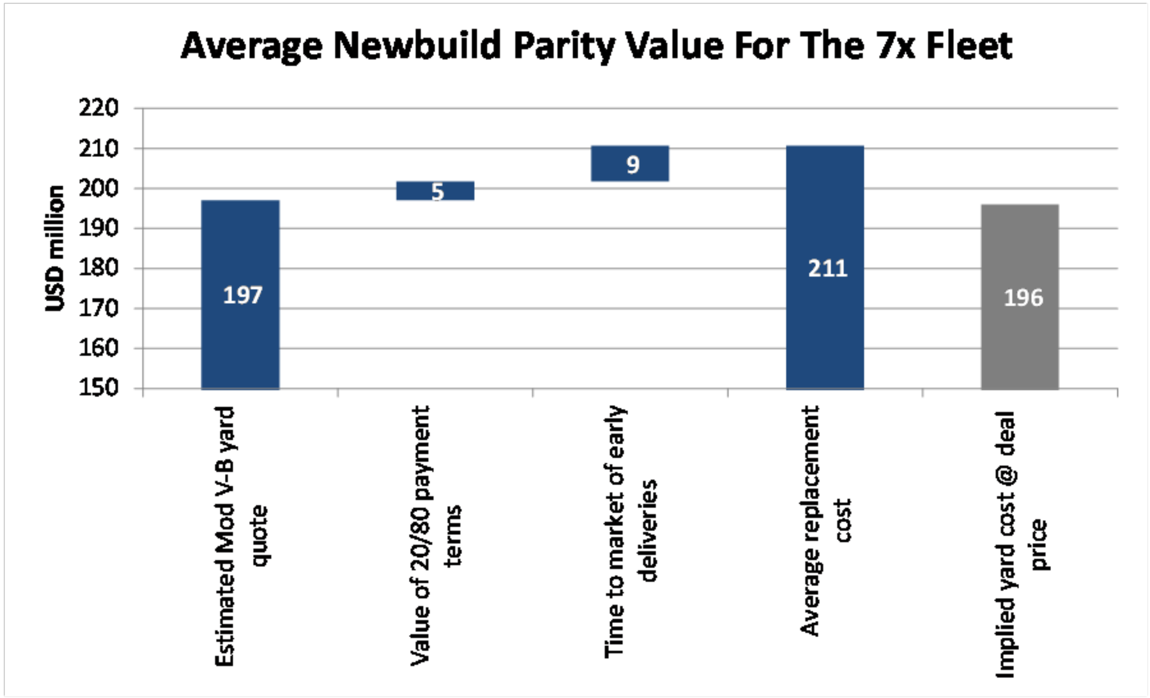
Dayrate Sensitivity



Asset Value Sensitivity



Significant Equity Upside Only to Reflect Replacement Cost



- **Average replacement cost of USD 211 per rig for the 7x unit Standard Drilling fleet**
  - Estimated yard quote of USD 197m for Mod V-B at KFELS if ordered today
  - Average time to market value of ~USD 9m per rig assuming day rates of ~USD 145,000 with average delivery in mid 2013 vs current delivery of newbuilds in Q4’13
  - Value of 20/80 payment terms vs current 30/70 represents ~USD 5m, reflecting required equity return of ~12% per year in two years
  - Average newbuild parity value per rig of USD 211m vs implied yard cost of USD 196m on deal price at USD 1.5 per share
  - Applying replacement cost of USD 211, suggests fair equity value of ~USD 1.9 per share

 Source: Pareto Securities

KFELS B-Class Delivered By the World's Leading Premium Jackup Yard

KFELS B-Class

- **The KFELS B-Class jackup rig is a first class rig design**
  - Over 30 orders secured worldwide since design was launched in 2000
- **Preferred design by major drilling companies**
- **Cost-effective solution, proven for non-harsh environments**
- **Surpasses other rigs of similar size in terms of environmental ratings and load carry capacity**
- **Highly adaptable for harsher environment deployment**
- **Fully automated high-capacity jacking system and self-positioning fixation system**

Keppel FELS track record

- **Established in 1967, Keppel FELS is today a world leader in the design, construction, repair and conversion of jackup rigs and semisubmersibles**
  - Keppel FELS is the wholly-owned offshore arm of Keppel O&M, a global leader in the offshore and marine industry with a network of 20 yards worldwide
- **Keppel FELS new build track record**
  - 49 Jackups
  - 10 Semisubmersibles
  - 7 Submersible Drill-barges
  - 4 Drilling tenders
  - 5 Drillships
  - 2 Tension Leg Platforms
  - 3 FPSOs
  - 3 Cable laying ships
  - 5 Topside decks
  - 3 Power plants

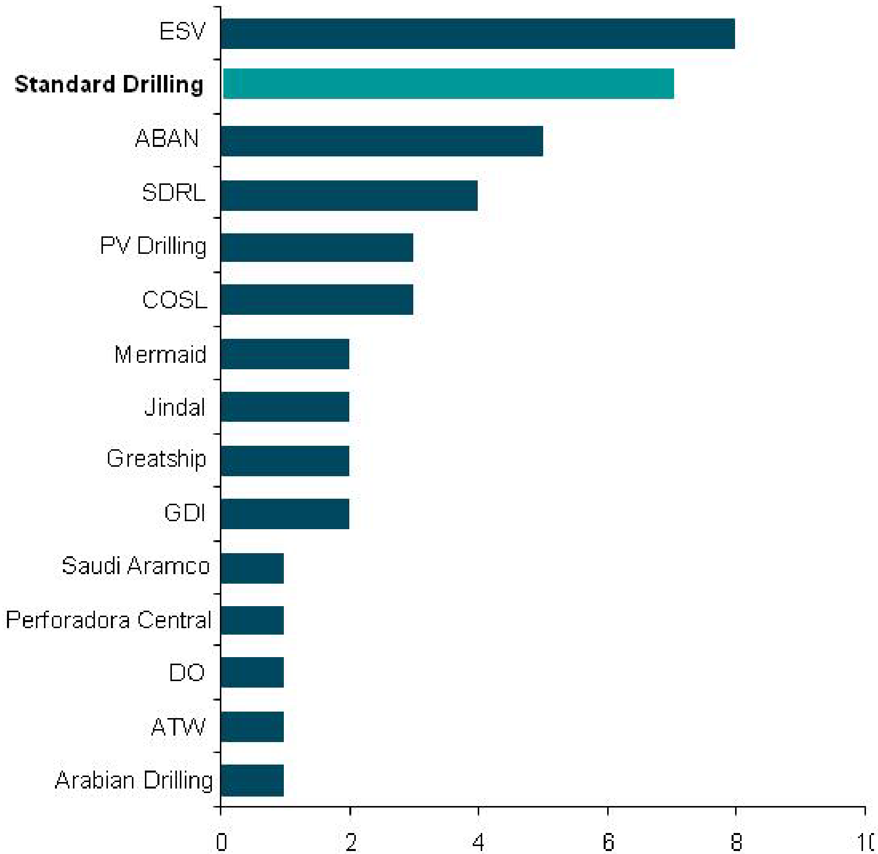
Source: The Company

Specification of the 7 rigs, 5 copies of B319 and 2 with some upgrades

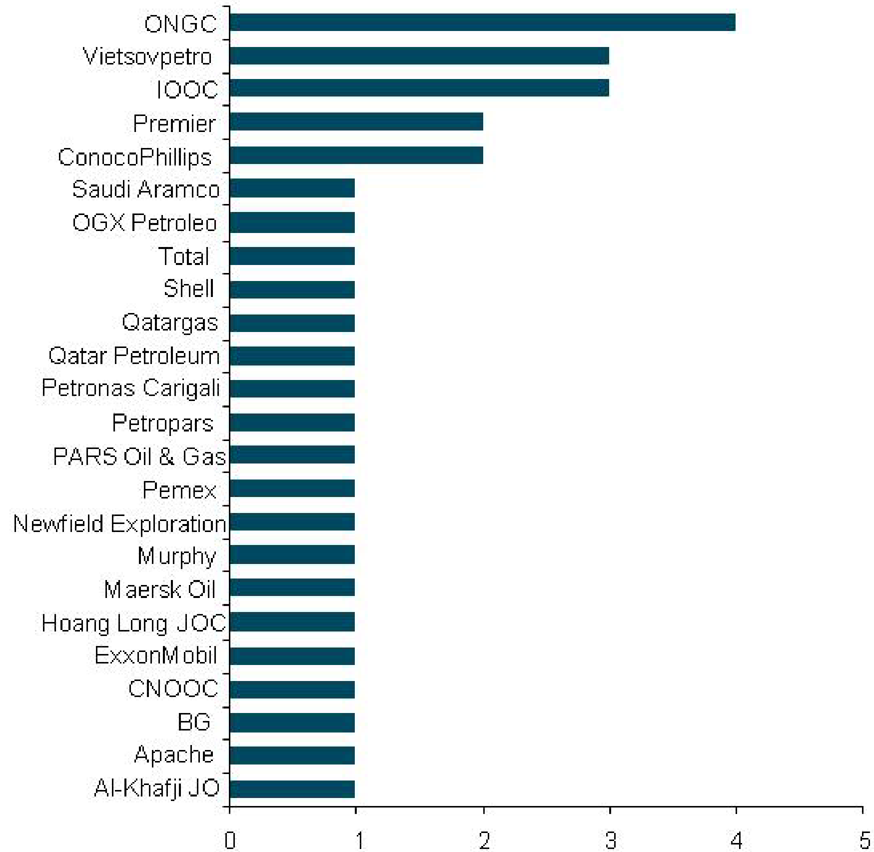
Rig Owner	B324 and B325	B319 and the four B319 repeat units
Yard	Keppel FELS	Keppel FELS
Design	KFELS Class B	KFELS Class B
Operating water depth	400 ft	400 ft
Drilling depths	30,000 ft	30,000 ft
Hull size (l x b)	234 x 208	234 x 208
Leg length	517	517
Cantilever outreach	70 ft	70 ft
Transverse cantilever reach	15 ft	15 ft
Load capacity at center / 70 ft	1,640 kips	1,640 kips
Load capacity at 15 ft transverse offset / 70 ft extension	670 kips	670 kips
BOP Stack	15,000 psi	15,000 psi
HPHT capabilities	No	No
Mud Pumps	3x2,200 bhp	3x2,200 bhp
Liquid mud capacity	4,000 bbls	3,500 bbls
Bulk capacity	11,100 cbft	11,100 cbft
Drawworks	3,000 bhp	3,000 bhp
Top Drive-Rating	1,500 kips (1,150 Hp)	1,500 kips (1,150 Hp)
Mech Pipehall/Offline Standbld	Yes with Offline stand building capability	Yes with Offline stand building capability
Main power	10,750 bhp (5 x 2150 kVA)	10,750 bhp (5 x 2150 kVA)
Accommodation	150	120

The KFELS Mod V jack-up designed is renowned and currently in use by both supermajors and NOCs as well as independents

Contractors – KFELS MOD V* jack-ups



Current operators – KFELS Mod V* jack-ups



*) Includes Mod V-A, V-B, V-B Bigfoot, V-Super B and V-enhanced B
Standard Drilling post transaction

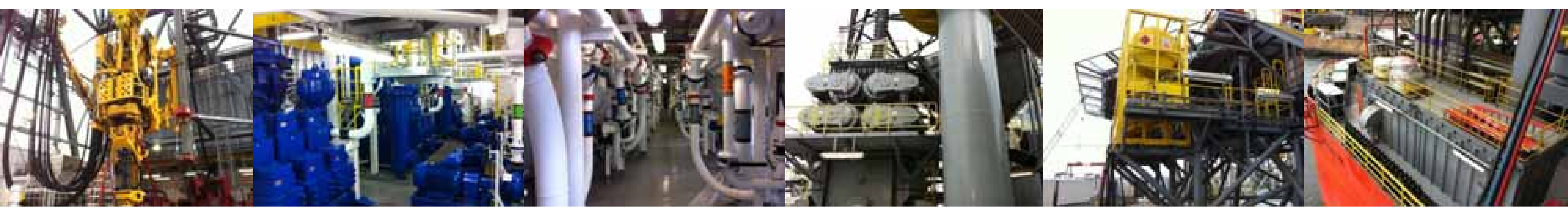
Agenda

I. Summary and conclusion

II. S.D. Standard Drilling
- Team
- Financing
- Design
- Yard

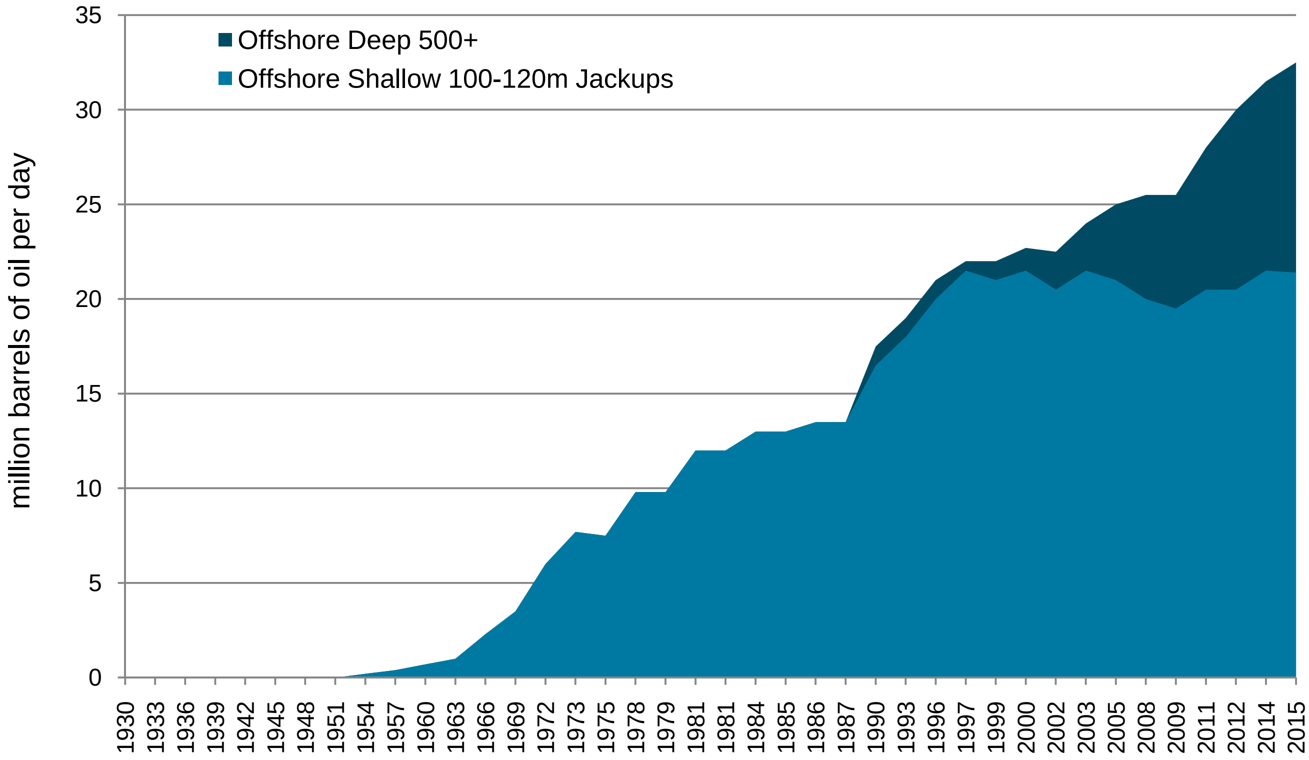
III. Jackup market

IV. Appendix



Growth in UDW, but Volume Shallow Water

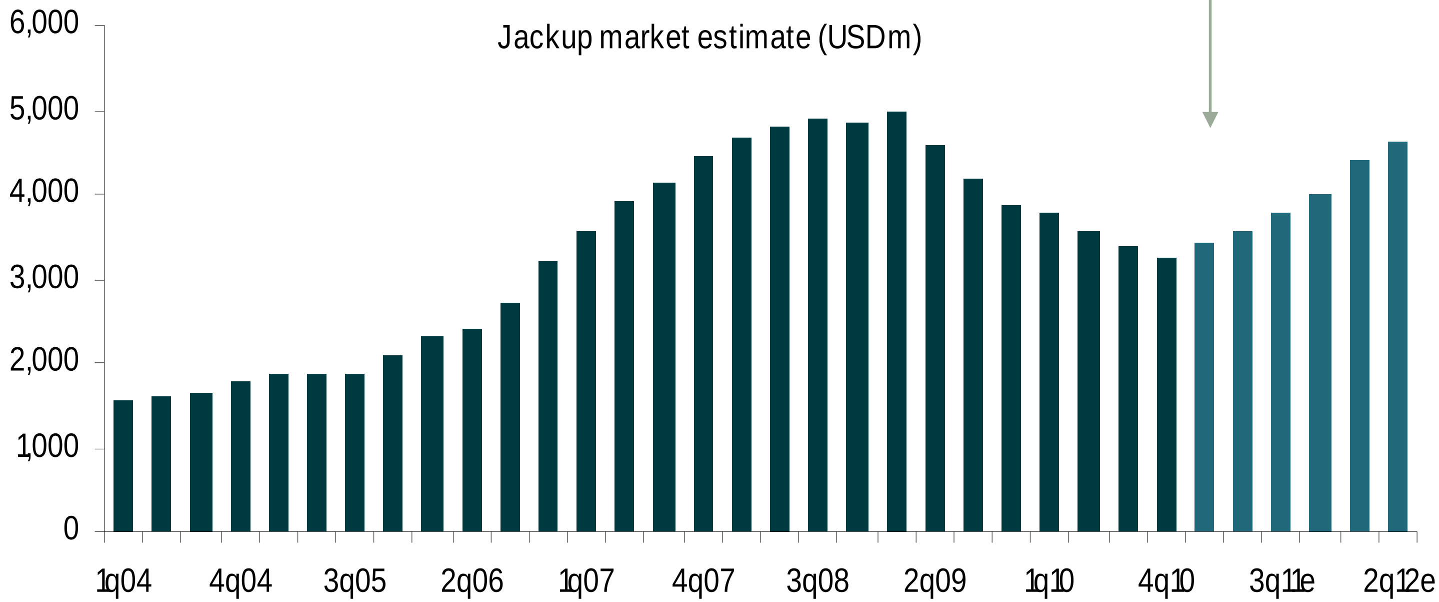
Global Offshore Oil Production



Source: Douglas Westwood

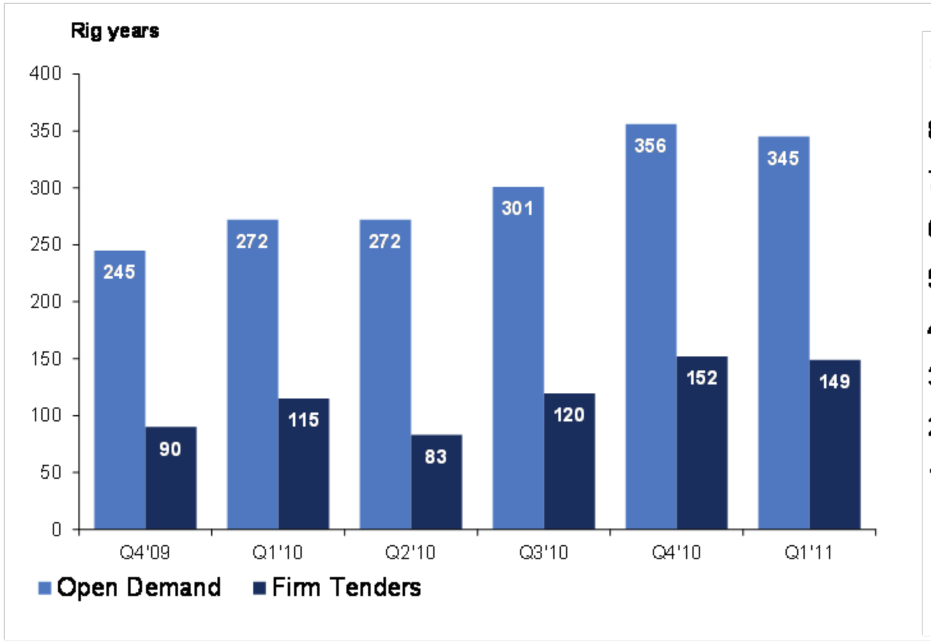
Industry Jackup Revenue Expected to Increase

Estimated quarterly jackup industry revenue 4q10 of USD 3.2bn, compared to late 2007-early 2008 peak of approx. USD 4.9bn



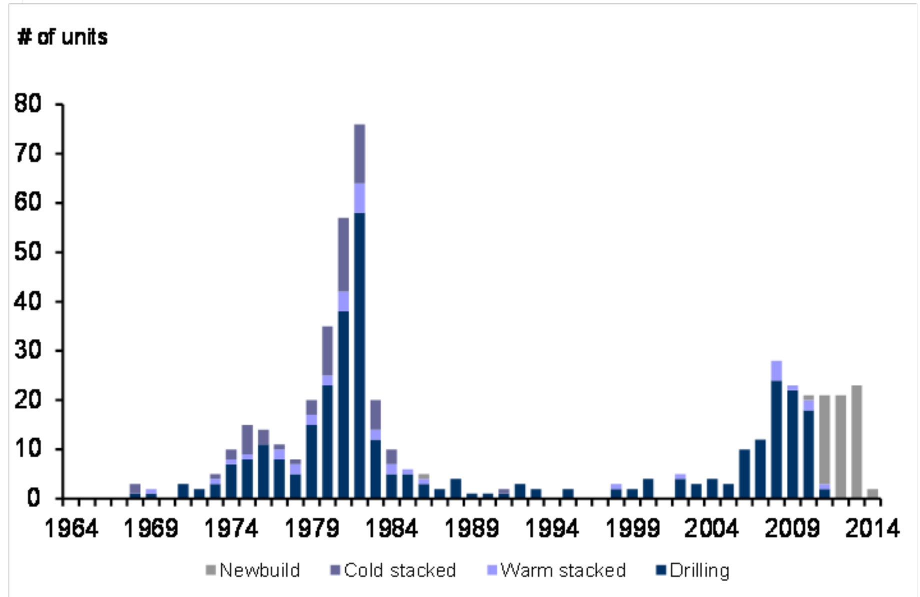
Jackup Demand Increasing Significantly – The Industry Need More Rigs

Jackup demand Q4'09-Q1'11



- Firm tenders increased with 68% Y/Y
- Open demand (which includes possible/probable tenders) increased by 45% Y/Y
- Total supply has only increased by 7% in the same period
- However, now more than 100 older jackups are stacked, but utilization for jackups less than 10yrs old are still 95%

Jackup fleet age profile – the new rigs are the winners



- As the industry approach technical obsolescence for many jackups effective supply may be less than it appears and that we will need to build <u>100 jackups</u> the next 4 years, only to replace older units
- If demand recovers to August 2008 levels the industry will need <u>another 50 jackups</u>, a total of 150 newbuilds
- Before 2020 we <u>would need another 100 jackups</u> to replace all the old units built in the 1970/80.
- Approximately 70% of the jackup fleet is built <1985

Source: Pareto Research

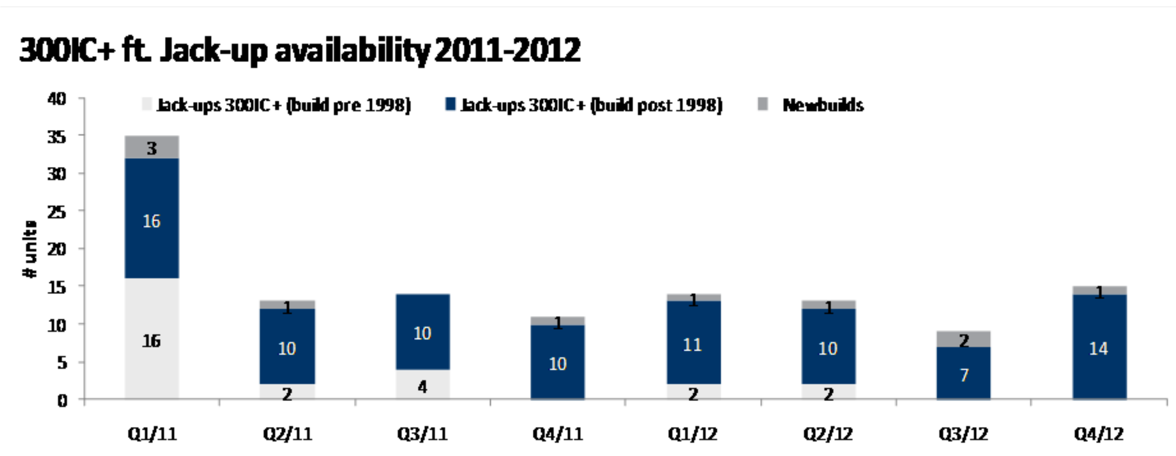
Attractive Supply/Demand Balance

Visible employment opportunities

Region	> 1 year contracts			1-2 year contracts			2-3 year contracts			3+ year contracts		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
N America		2		1						1		
Caspian	1	2						1				1
Indian Ocean	6	3	1	1			3			2		
Med/Black Sea	4			2								
Mexico	1			4	1		3	2		4	1	
Middle East	8	3		4			14			1		
NW Europe	8	13	4	4	3	4			2		2	1
S America	1				1							
SE Asia	23	15	2	7	5			4				
W Africa	2	2	1		2		5		4			
Total	54	40	8	23	12	4	25	7	6	8	3	2

- 110 new known projects requiring jackups in 2011
- Incremental demand coming from NW Europe, Middle East and Asia

Limited premium jackup availability

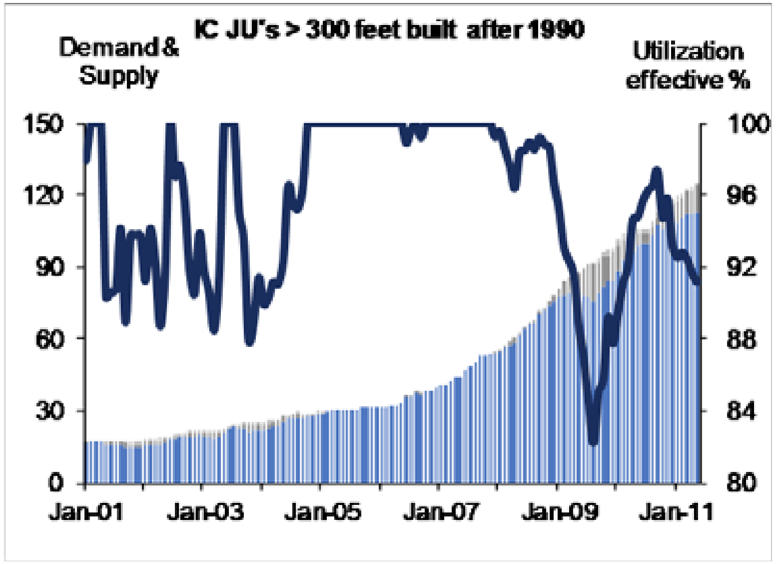


- Available supply of premium jackups likely to be absorbed by the increasing demand
- On average 22 premium jack-up contracts have been awarded each quarter during the past two years, outstripping current availability over the next quarters
- Limited availability is likely to push pricing

Source: ODS Petrodata, Platou Markets

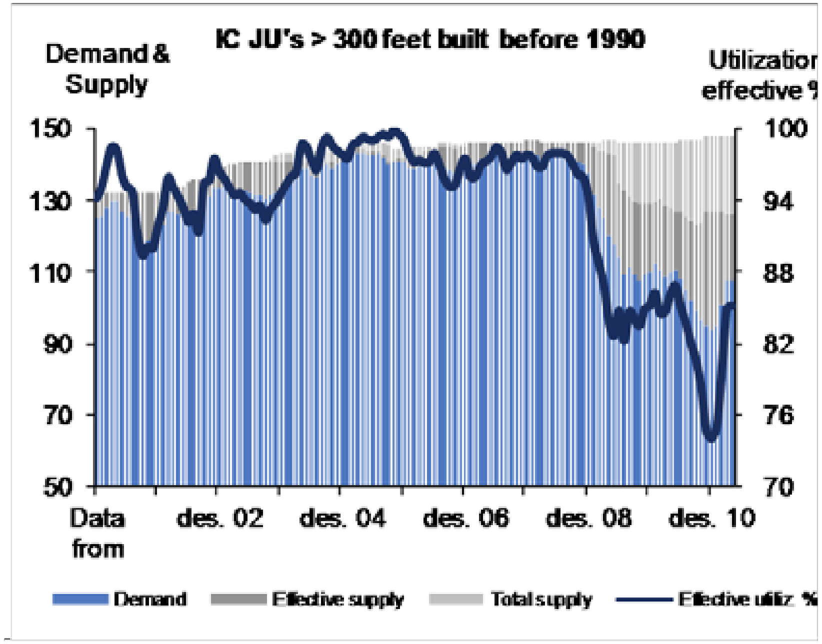
New Rigs Win the Work Over Old Rigs

New jackup utilization



- Utilization for new rigs (less than 10yrs old) bottomed out October 2009
- New rigs entering the market replacing old units unless incremental demand is present

Old jackup utilization



- Utilization for older jackups has not recovered since the financial crisis started
- Incremental demand for older units can pick up, especially if call-on-Opec increases
- However, demand from oil companies has shifted towards newer equipment in general

Source: Pareto Research, ODS Petrodata

Premium Jackups Have Better Economics

Well Drilling Cost		Jackups	
		Old	New
Dayrate	USD	85,000	140,000
Indirect daily drilling cost*	USD	127,500	140,000
Days needed per well	USD	62	40
Total dayrate costs	USDm	5.3	5.6
Total indirect drilling costs	USDm	7.9	5.6
Total drilling costs per well	**USDm**	**13.2**	**11.2**

*The indirect drilling cost covers cost for equipment and materials, such as drilling mud, transportation of drill cuttings, food/water etc. The cost per day will be higher for an old drilling rig as for example 1) the rig is smaller (storage) and, 2) capabilities (mud, power, fluid storage)

The spread in dayrates and values is based on:

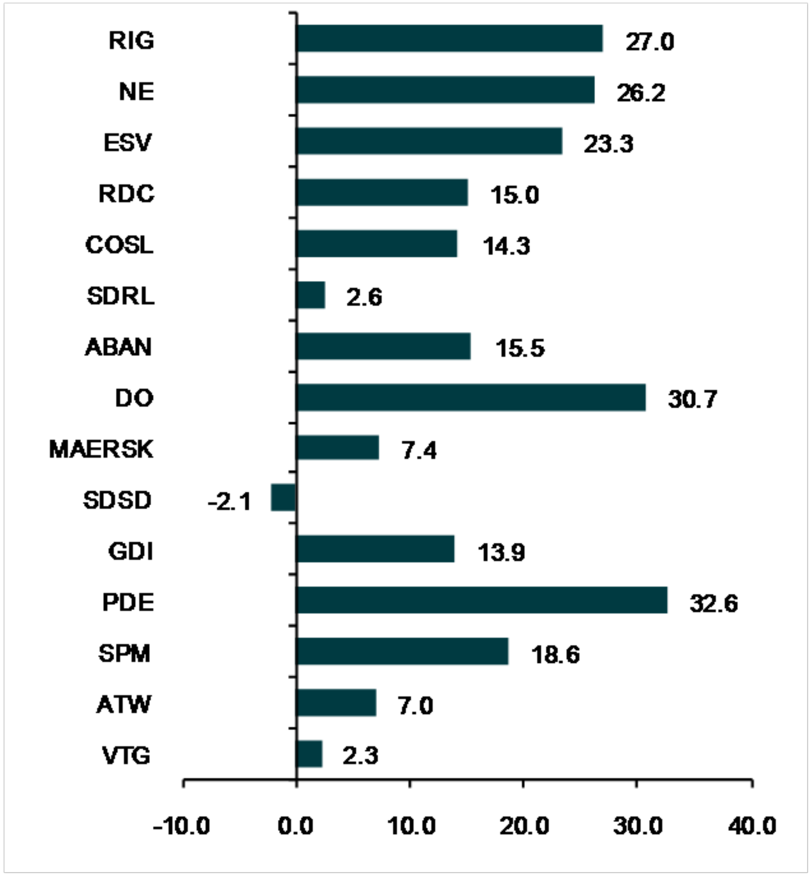
1. More efficient conventional drilling from newer units
2. Inability of older jackups to handle high pressure wells
3. Deck capacity larger on new units – positive for deep wells and wells far from shore (reduced supply vessel costs)
4. Safety for employees, in addition to comfort

However, cost is key, and cost of drilling with old units is higher than new units

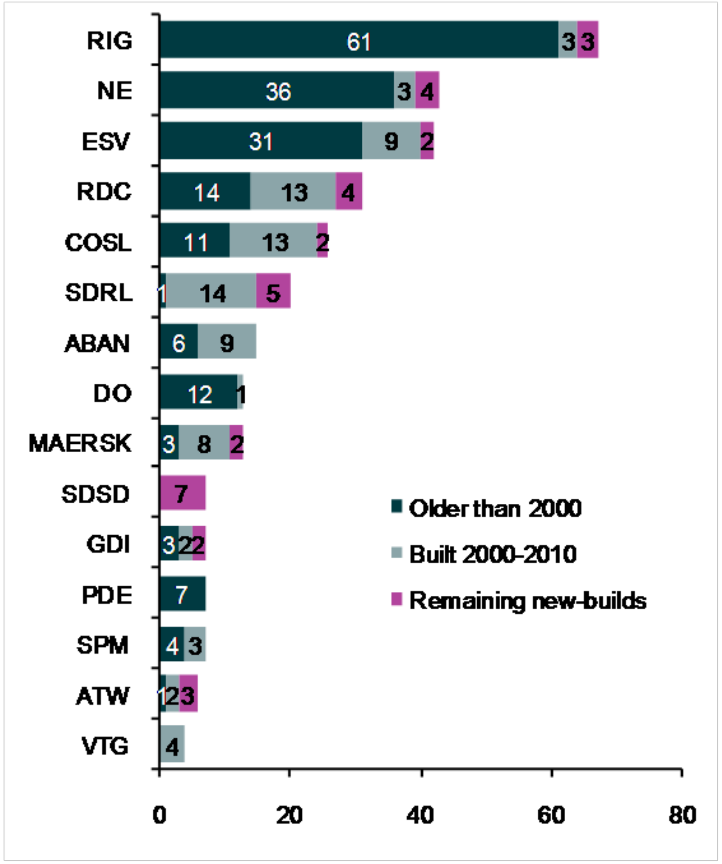
Source: Pareto Research

Fleet Renewal Required For Most of The US Large Cap Offshore Drillers

Average age jackups (yrs)



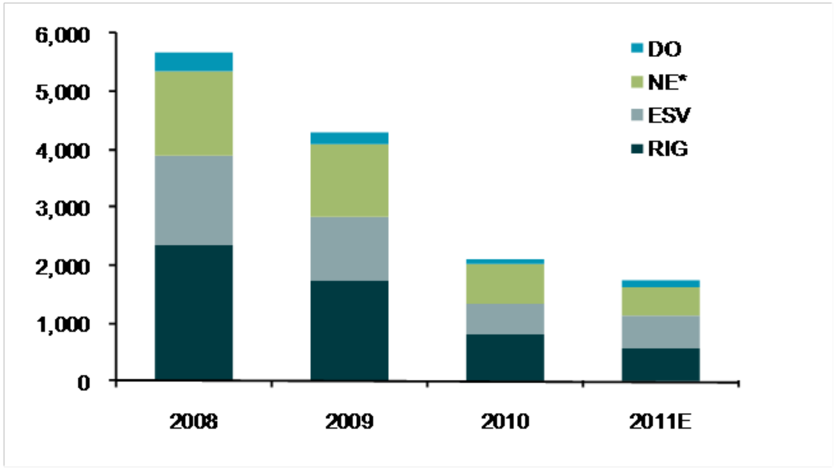
Jackup fleet by rig age (# of rigs)



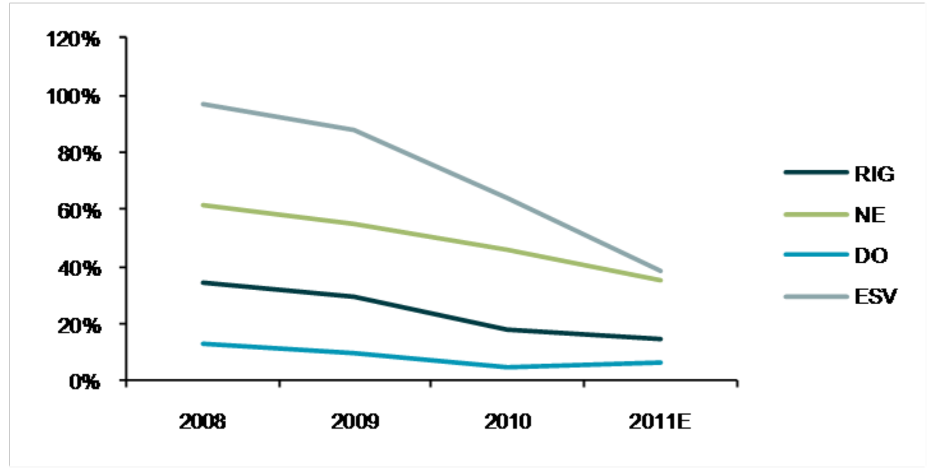
STANDARD DRILLING Source: First Securities Equity Research, ODS Petrodata

US Drillers: Jackup Earnings Contribution Is Fading

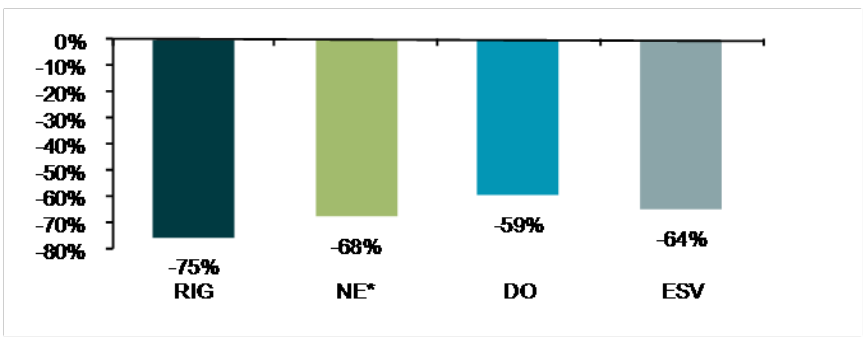
EBTIDA from jackup segment (USDm)



Jackups as % of company EBITDA

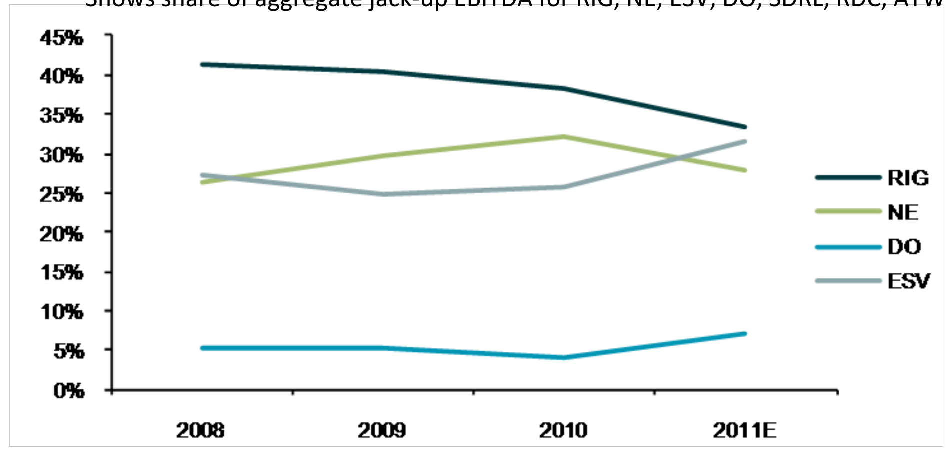


Jackup EBITDA 2011E vs. 2008



% of aggregate jackup EBITDA*

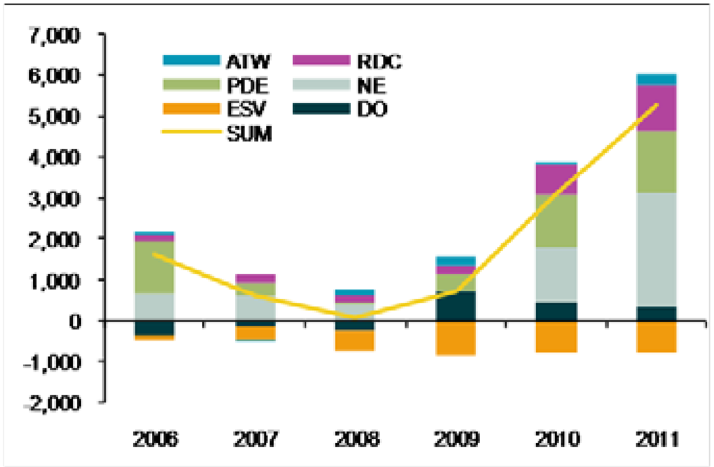
* Shows share of aggregate jack-up EBITDA for RIG, NE, ESV, DO, SDRL, RDC, ATW



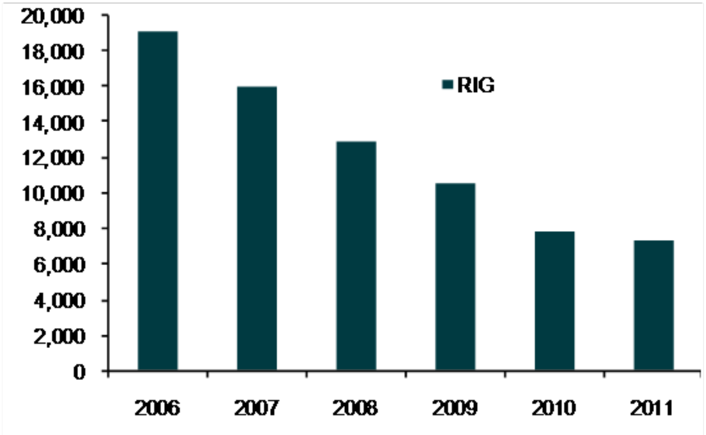
Source: First Securities Equity Research

Strong Balance Sheets and Massive Cashflow Support Consolidation

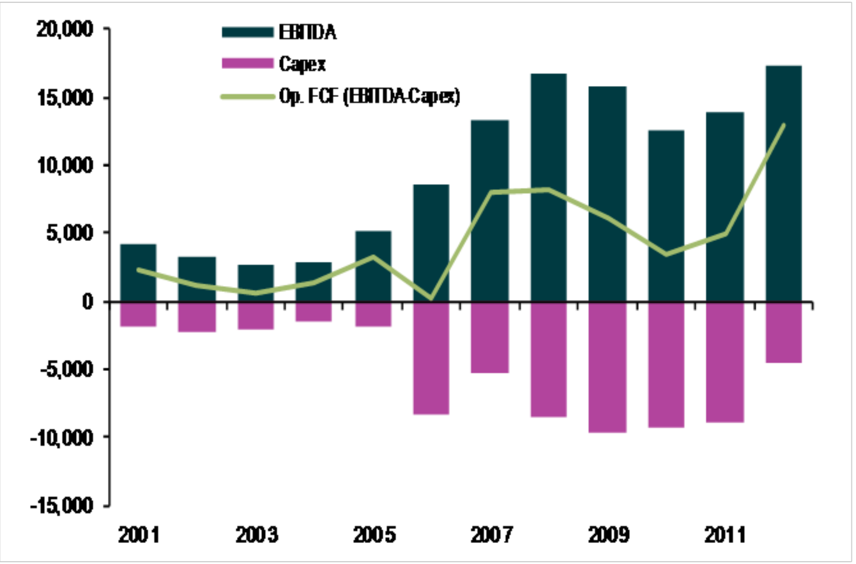
Net debt US drillers (USDm)



Net debt Transocean (USDm)



Aggregate cash flow (USDm) established listed drillers*

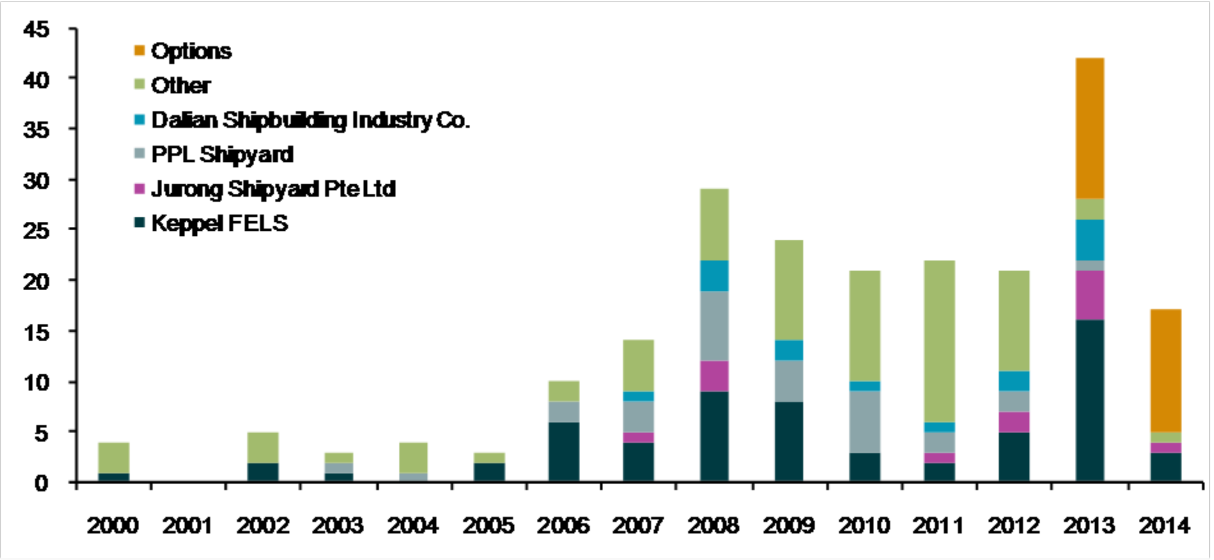


*) Aggregate of Atwood, Diamond, Ensco, Fred Olsen, Noble, Pride, Rowan, Seadrill (pro forma incl Smedvig) and Transocean (pro forma incl GSF)

Source: First Securities Equity Research

The Orderbook is Getting Tight in 2013. Slots available for 2014 deliveries.

Historical and projected jackup deliveries incl. options

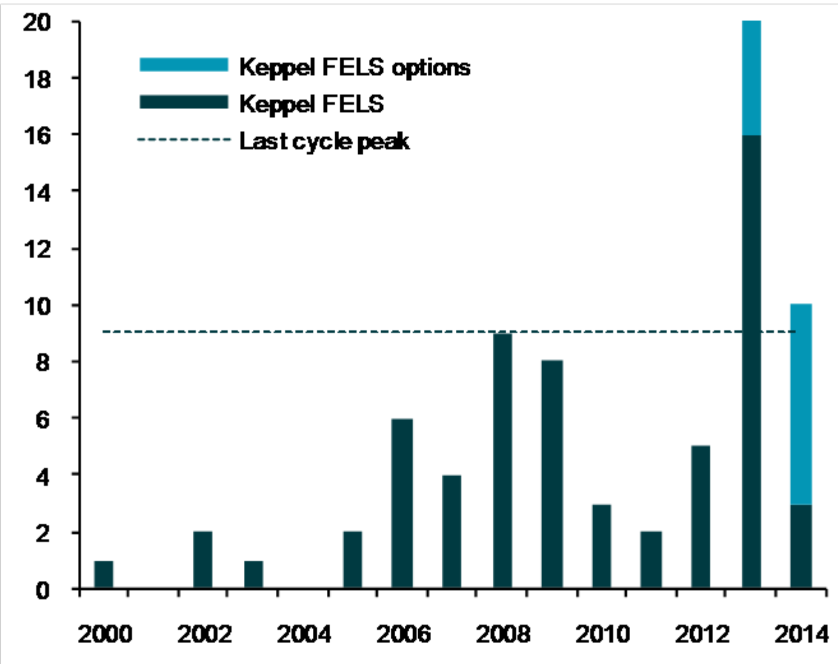


Comments

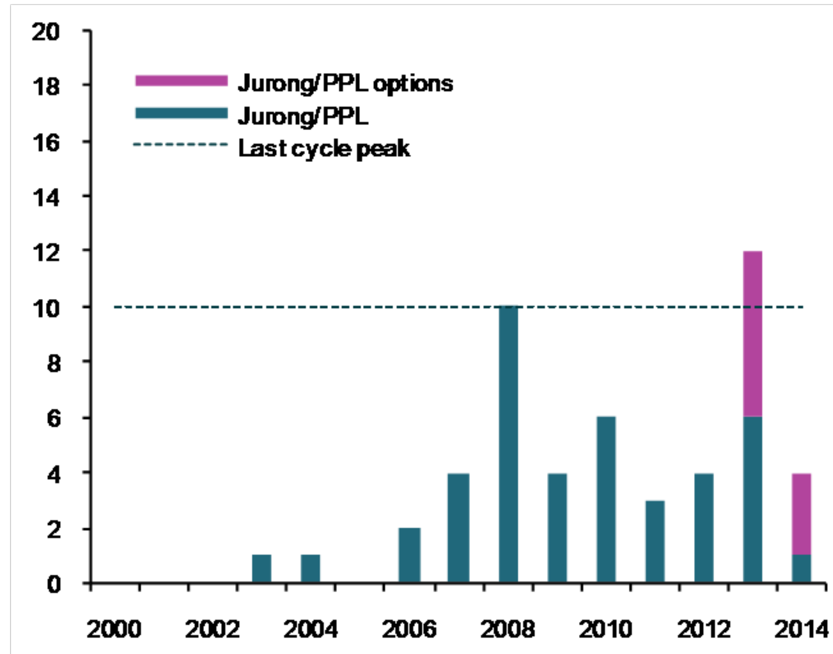
- Announced options are mostly with the high-end yards:
  - Keppel FELS (11x)
  - Jurong Shipyard (7x)
  - PPL Shipyard (2x)
  - Dalian SIC (5x)
  - Keppel AmFELS (1x)

The Key Singaporean Yards Are Set To Exceed or Repeat Peak Output from 2008

Keppel FELS projected jackup deliveries



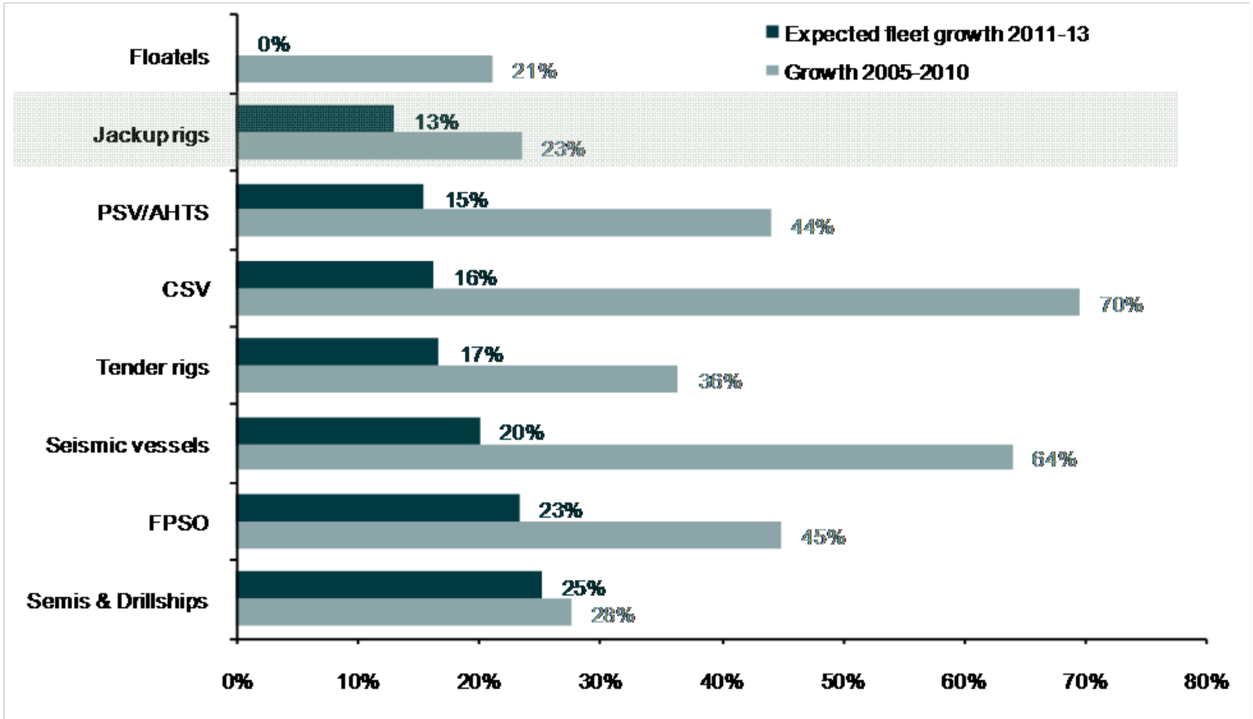
PPL/Jurong projected jackup deliveries



Source: First Securities Equity Research, ODS Petrodata

Orderbook Not Challenging

Historical and projected fleet growth of various oil service vessels



1) Fleet growth is net of attritions
2) Growth 2005 – 2010 includes vessels delivered from end of 2005 until end of 2010
3) CSV includes DSV, ROV, HL, Pipelay, MSV and Well Intervention vessels

Comments

- The jack-up rig market has the 2nd lowest fleet growth in the entire oil service vessel universe
- Expected fleet growth of jack-ups for 2011-13 is currently at 13% (8% in mid Nov-10)
- Fleet growth of jack-ups from 2005-10 was 23%
- Low growth in jack-up segment compared with age of fleet

Summary - Check List For Investors

Team	▪ Impressive background and experience from sponsors, Ferncliff and Clearwater and building supervision team by Noble Denton	✓
Financing	▪ Highly attractive 20/80 payment terms and fully funded by July 2012	✓
Yard	▪ Keppel FELS Singapre is the world's leading yard for the construction of premium jackups	✓
Design	▪ Widely recognized and appreciated jackup design	✓

Agenda

I. Summary and conclusion

II. S.D. Standard Drilling Plc

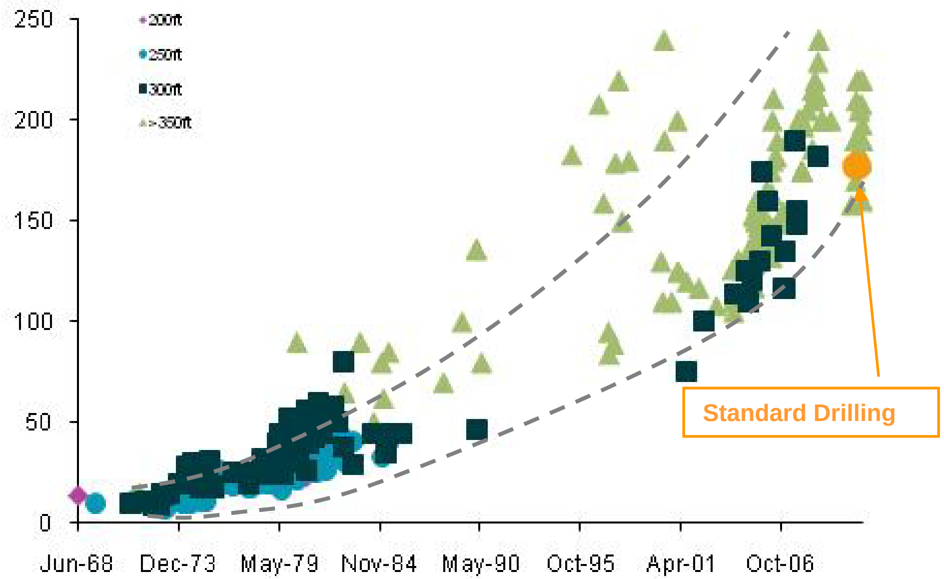
- Team
- Financing

III. Jackup market

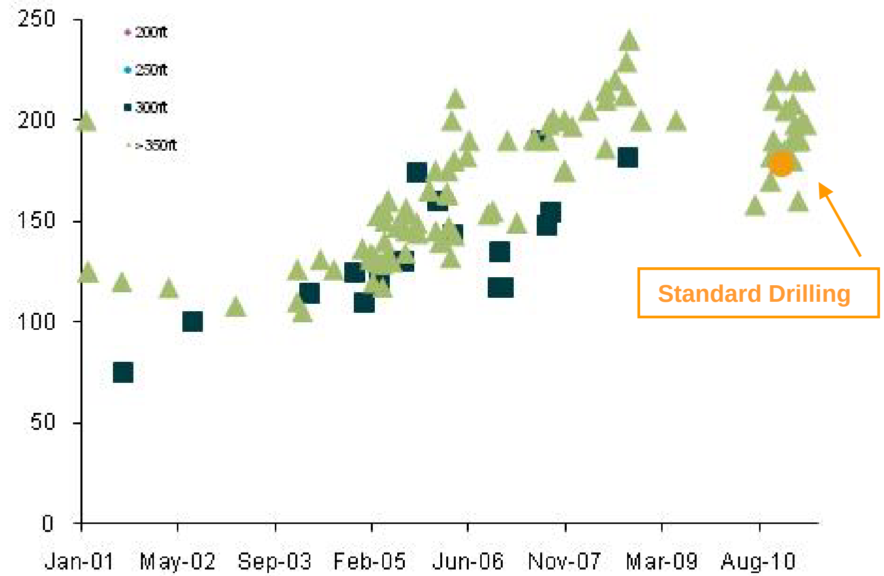
IV. Appendix

Construction Costs For Jackups Have Started to Rise

Construction cost jackups – long history (USDm)



Construction cost jackups – 10y history (USDm)



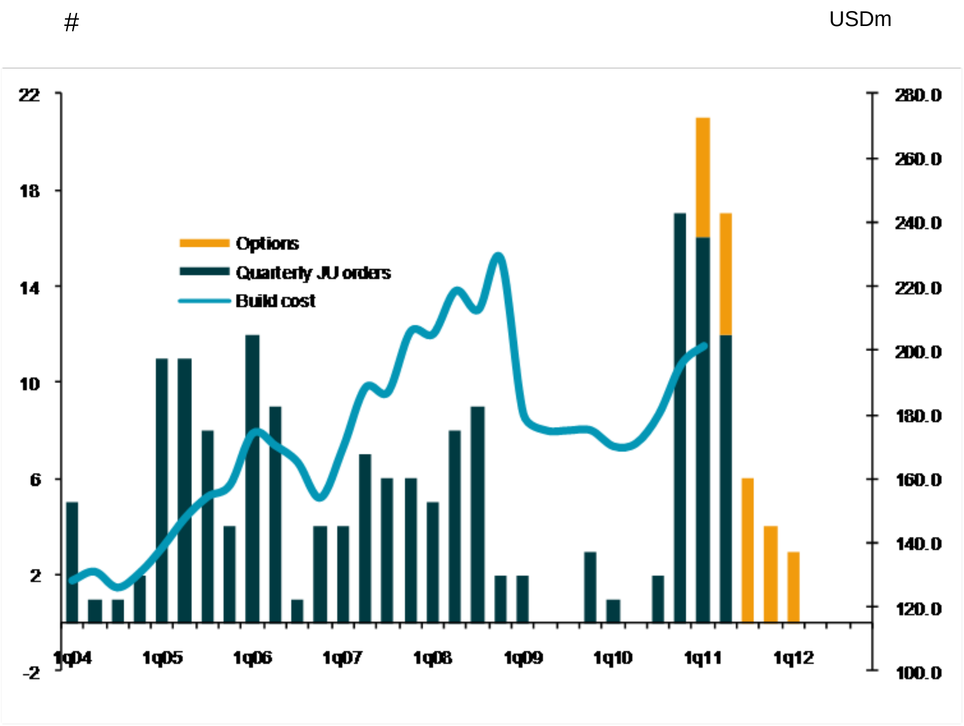
- **Yard cost of rigs has historically doubled every 10 years**
  - Relative to historical jackup yard costs, current prices are in the lower end

- **While current newbuildings are contracted at favourable 20/80 or 20/10/70, newbuildings ordered in the order boom 2005-2007 were contracted at more unfavourable terms**
  - A 10/20/20/20/20/10 structure would add another USD 15-20m in equity cost relative to current newbuildings with a 20/80 structure
  - This implies that current newbuilding prices are back to 2005 levels

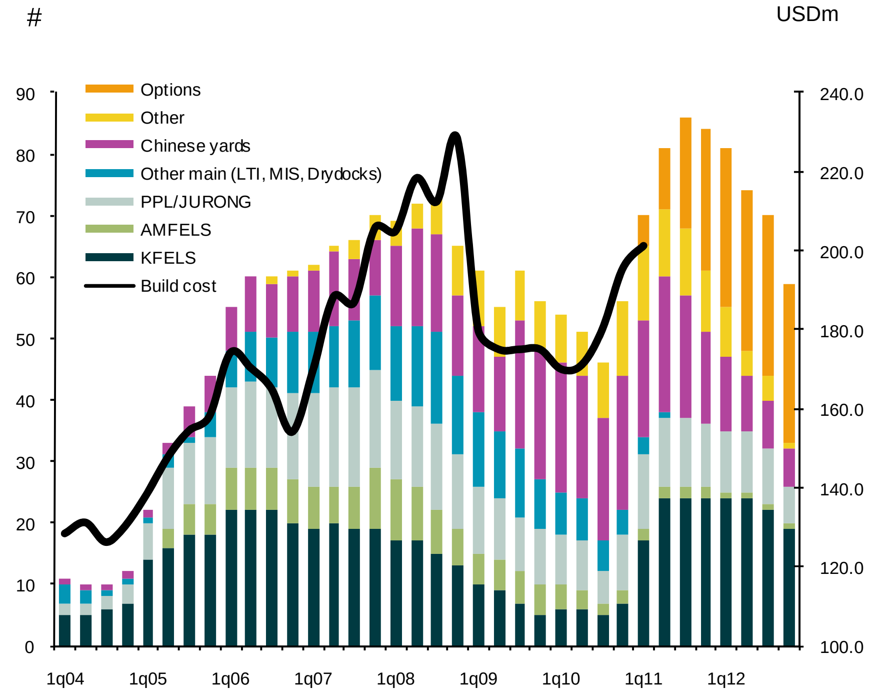
Source: First Securities Equity Research, ODS Petrodata

The orderbook is filling up and yard costs are increasing

Quarterly jackup rig newbuild orders (#)



Quarterly accumulated jackup order book (#)



Source: First Securities Equity Research, ODS Petrodata

Risk factors

Investing in Standard Drilling involves inherent risks. Prospective investors should consider, among other things, the risk factors set out below as well as any additional risk factors set out in the Company's prospectus prepared for the listing on Oslo Axess and available at www.standard-drilling.com before making an investment decision. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations and adversely affect the price of the Company's Shares and ability to service its debt. If any of the following risks actually occur, Standard Drilling's business, financial position and operating results could be materially and adversely affected. A prospective investor should consider carefully the factors set forth below, and elsewhere in the Investor Presentation, and should consult his or her own expert advisors as to the suitability of an investment in the shares of the Company. An investment in the shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

FINANCIAL RISK

Interest rate and currency fluctuations

- **The Company will be exposed to risks due to fluctuations in interest and currency exchange rates. Standard Drilling may attempt to minimise these risks by implementing hedging arrangements as appropriate, but will not be able to avoid these risks.**
- **Financial reporting, including income and expenses, of the Company are primarily in USD. Currency fluctuations may influence the value of the Company's shares. The value of non-USD currency denominated charter contracts and indebtedness will be affected by changes in currency exchange rates or exchange control regulations. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the USD may affect the USD value of the Company's assets and thereby impact upon the Company's total return on such assets. Currency fluctuations relative to the USD of an investor's currency of reference may adversely affect the value of an investor's investments.**

Borrowing and leverage

- **Borrowings and leverage normally generate interest costs which may cause significant negative impact to the Company's financial accounts. Repayment of debt may be challenging and cause the Company to enter into bankruptcy proceedings. The Company seeks to undertake substantial leverage and may depend on debt facilities to finance its jack-up rig construction project.**

Existing financing risk

- **As of 8 April 2011, the Company had no interest bearing debt. Potential debt facilities impose debt service obligations and significant operating and financial restrictions on the Company, which may prevent the Company from capitalizing on business opportunities or adversely affect the Company's ability to operate its business. Although the Company intend to replace these financings as deemed necessary or appropriate, any new sources of financing are subject to conditions in the credit market, which are currently volatile. There can be no assurance that the Company will be able to procure new financing or that the terms of any new financing will be favourable. If the Company is unable to procure new financing or the terms of any new financing is less favourable, the results of operations or financial condition could adversely be affected and there could also be a risk that the Company are forced to enter into bankruptcy proceedings.**

Fluctuating value of the fleet

- **The value of the jack-up rig owned by the Company may fluctuate with market conditions. Any downturn in the market could have a material adverse effect on the Company's asset value. In such a case, sales of the Company's jack-up could be forced at prices that may represent a potential loss of value.**

RISK IN CONNECTION WITH THE COMPANY'S SHARES

Investment and trading risks

- **Any investment in the Company's shares is associated with an element of risk. Standard Drilling operates in a market featuring open and fierce competition, and a number of factors outside the Company's control may affect its performance.**
- **The trading price of the Company's shares could fluctuate significantly in response to quarterly variations in operating results, adverse business developments, interest rates, changes in financial estimates, matters announced in respect of major customers or competitors, or a variety of other factors outside the control of the company**
- **The Company's shares are not registered under US securities laws and the Company does not expect to do so in the future. The shares may not be offered or sold in the United States or to US residents, unless an exemption from the applicable registration requirements is available or the offer or sale of the shares occurs in connection with a transaction that is not subject to these provisions.**

Risk factors, cont'd

OPERATIONAL RISK

Construction risk

- Standard Drilling is currently in the early stages of the construction of a jack-up rig at Keppel FELS shipyard in Singapore. Following the acquisition of Clearwater Drilling and exercise of 2+2 options, the Company will have 7 jack-up rigs under construction(the "Jack-up rigs). Expected delivery dates and cost estimates are referred to in this Investor Presentation. Although the Company has thoroughly evaluated its investment budget, negotiated its contracts with the yard, etc., no guarantee that the Jack-up rigs will be delivered at estimated time and cost can be given. There has not been conducted any due diligence of the Company, including the Jack-up rigs or its construction contracts. Keppel FELS shipyard has not and is not required to issue any refund guarantee in respect of the Company's first instalment (20% of the construction price) on all seven Jack-up rigs. The Company is therefore subject to a credit risk in relation to Keppel FELS shipyard.

Jack-up rig operation

- The Company will be exposed to operational risks associated with offshore operations, such as breakdown, bad weather, technical problems, force majeure situations (nation wide strikes etc), collisions and grounding, that may have a material adverse effect on the earnings and value of the Company. There are several factors that could contribute to an accident, including, but not limited to, human errors, weather conditions and faulty constructions.

Management and personnel

- The Company's success depends upon the leadership and performance of its management. The loss of one or more of the senior managers without adequate or timely replacement could have a material adverse effect on the Company's business, results of operations, financial condition or prospects. The Company is dependent upon its ability to attract and retain highly skilled technical, engineering, operations, finance, business development, managerial and marketing personnel throughout the world. Limitations on the Company's ability to hire and train the required number of personnel would reduce its capacity to undertake contracts and may have an adverse impact on its business, results of operations, financial condition or prospects.

Political instability

- Many of the areas where the Company has potential business partners and where its Jack-up rigs may be located are characterised by political instability. The Jack-up rigs may be located in the immediate proximity of platforms, other rigs and other offshore oilfield infrastructure which could be subject to terrorist attacks. This may represent a security risk exposure to the units. Even though the jack-up has insurance coverage against terrorist attacks, such an incident could result in a substantial loss of revenue and large policy claims to be handled, and no assurance can be given that the Company will have sufficient insurance coverage in place for any such losses.

Insurance

- Operational risks can cause personal injury, the loss of the unit, operational disruption, off hire and termination of contract. In order to mitigate these risks, the Company has implemented an insurance program in line with market practice, and additional insurance is always considered when a specific project is considered to be of a high risk nature. This can include loss of hire coverage notwithstanding that such insurance is costly, but no assurance can be given that the Company will have sufficient insurance coverage against all such losses.

Laws and regulations

- Due to changing community expectations and the direct impact of various oil spill incidents around the world in recent years, regulation of uncontrolled discharges to the marine environment via international conventions and legislation has become increasingly stringent and thus potentially poses a material risk to the Company. In addition to those laws and regulations which apply to the Company in a country of operation, oil companies typically attempt to devolve increased risk and liability to the contractor and require indemnification for an increased range of pollution events which can impact negatively on insurance premiums and cause substantial losses to the Company if such a situation were to occur. Operations in international markets are subject to risks inherent in international business activities, including in particular overlapping differing tax structures, unexpected changes in regulatory requirements and complying with a variety of foreign laws and regulations.
- Laws and regulations also affect the construction and ongoing operational cost of the Company's Jack-up rigs as health and safety requirements become progressively stringent over time. The Company's Jack-up rigs will be outfitted with modern equipment that meets prevailing (as opposed to historical) standards and the cost to maintain compliance with these standards increases each year.

Risks associated with upgrade, refurbishment and repair projects

- The Company will incur upgrade, refurbishment and repair expenditures for the Jack-up rigs from time to time, including when the Company acquire other units or when repairs or upgrades are required by law, in response to an inspection by a governmental authority on relocation between contracts, or when a unit is damaged. These upgrades, refurbishment and repair projects are subject to risks, including delays and cost overruns, which could have an adverse impact on our available cash resources and results of operations.

Risks associated with disputes

- The Company might enter into disputes with its suppliers, contractors or other parties. Such disputes could result in a loss of revenue and/or claims from suppliers/contractors or other parties.

Risk factors, cont'd

COMMERCIAL RISK

The Company may assume substantial responsibilities

- **It should be emphasised that contracts in the offshore sector require high standards of safety, and it is important to note that all offshore contracts are associated with considerable risks and responsibilities. These include technical, operational, commercial, financial and political risks. The Company will obtain insurances deemed adequate for its business, but it is impossible to insure against all applicable risks and liabilities. For instance, under some contracts the relevant entity in the Company may have unlimited liability for losses caused by its own gross negligence, whereas such liability in general will not be covered by insurance policies. The Company may also incur liability for pollution and other environmental damage without being able to recover said liabilities through insurances.**

Market risks

- **The demand for jack-up rigs will always fluctuate depending on global market drivers such as global oil and gas price levels, political climate, economical climate, operators' willingness to invest, levels of exploration and development for oil and gas, increases in the number of jack up rigs available for contracts, etc. Fluctuations in the oil price have historically been shown to have a significant impact on the demand for services such as those the Company provides. New entrants in the market could also have a negative effect on the contractual prices as well as market value of the Company's assets.**

Political and regulatory risks

- **Changes in the legislative and fiscal framework governing the activities of the oil companies could have a material impact on exploration and development activity in general or affect the Company's operations directly. In particular, changes in political regimes will constitute a material risk factor for the Company's operations in foreign countries. As many of the Company's potential business partners and locations are located at highly sensitive areas from a political point of view, this is a risk factor that has to be taken into consideration.**

Requisition or arrest of the assets

- **Jack-up rigs could be requisitioned by a government in the case of war or other emergencies or become subject to arrest. This could significantly and adversely affect the earnings of the Company as well as the Company's liquidity.**

Oil prices

- **Historically, demand for offshore exploration, development and production services have been volatile and impacted by the price of hydrocarbons. Extended periods of low oil prices historically lead to a reduction in exploration drilling as the oil companies scale down their investment budgets. The sharp reduction in production costs on new oil fields may reduce the strong historical correlation between day-rates and oil prices. Nevertheless, a decrease in oil prices may have a material adverse impact on the financial position of the Company.**

Service life and technical risks

- **The service life of a new jack-up rig is generally assumed to be more than 30 years, but will ultimately depend on its capability. There can be no assurance that the Company's Jack-up rigs will be successfully deployed for such period of time. There will always be some exposure to technical risks, with unforeseen operational problems leading to unexpectedly high operating costs and/or lost earnings, which may have a material adverse effect on the financial position of the Company.**

Credit risk of clients

- **Lack of payments from customers/clients may significantly and adversely impair the Company's liquidity. Standard Drilling gives due consideration to the credit quality of its potential clients during contract negotiations to minimize the risk of payment delinquency, but no assurance can be given that the Company will be able to avoid this risk.**

Failing to obtain new contracts for the units

- **The Company does not currently have any contract for its Jack-up rigs. There can be given no assurance that the Company will be able to get new contracts for it's Jack-up rigs in a timely manner. If a delay in obtaining contracts for it's Jack-up rigs extends beyond such contingency period, the Company may be required to obtain additional financing.**

The acquisition of Clearwater Drilling may not be completed

- **Completion of the acquisition of Offshore Driller B324 Ltd and Offshore Driller B325 Ltd from Clearwater Capital Partners Fund III L.P is subject to certain closing conditions. If such conditions are not satisfied or waived the acquisition may not be completed or be completed with amended terms based on renegotiation between the Company and Clearwater Capital Partners Fund III L.P.**

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