

# S.D. Standard Drilling Plc.

## Company Presentation

March 2018



# Important Information

This presentation may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “continues”, “should” and similar expressions. These forward-looking statements reflect the Company’s beliefs, intentions and current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company’s markets; the impact of regulatory initiatives; and the strength of the Company’s competitors. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Should one or more of these risks or uncertainties materialize, or should any underlying estimates or assumptions prove to be inappropriate or incorrect, our actual financial condition, cash flows or results of operations could differ materially from what is expressed or implied herein. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual results of operations, financial condition and liquidity of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and you are cautioned not to place any undue influence on any forward-looking statement. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

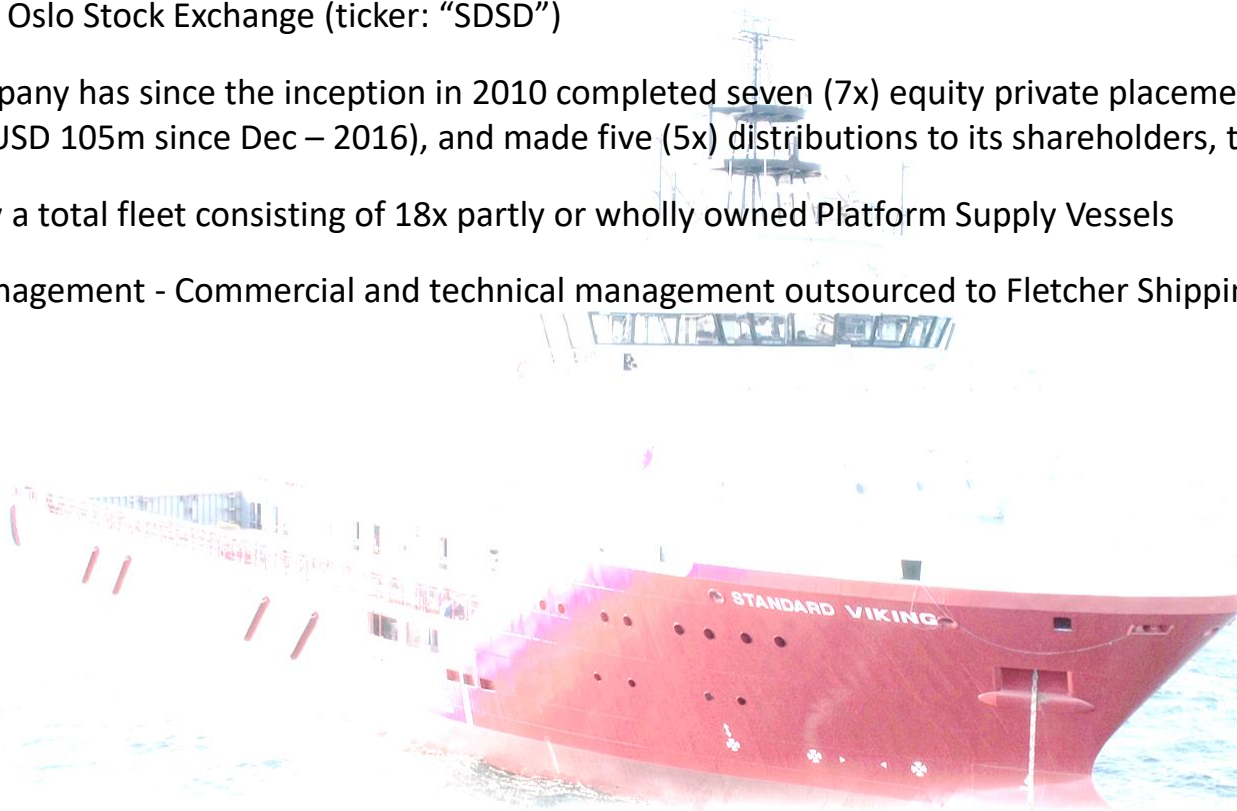
This presentation may contain information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading. To the best of the knowledge of the Company, the information contained in this Presentation is in all material respect in accordance with the facts as of the date hereof. However, no independent verifications have been made and no representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of their parent or subsidiary undertakings or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this presentation.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. The contents of this presentation have not been independently verified.

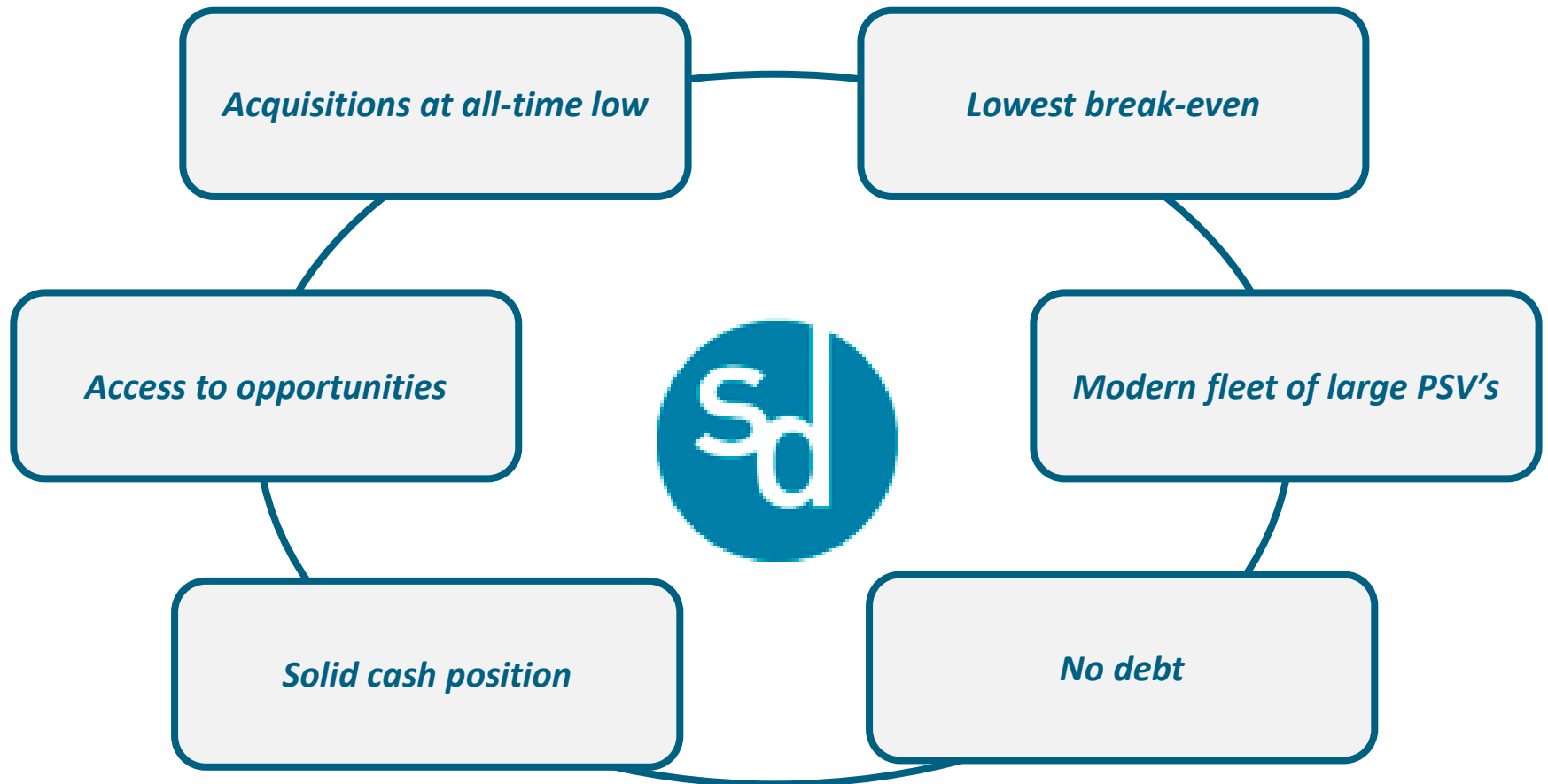
**AN INVESTMENT IN THE COMPANY INVOLVES RISK, AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION, INCLUDING, AMONG OTHERS, RISKS OR UNCERTAINTIES ASSOCIATED WITH OUR BUSINESS, SEGMENTS, DEVELOPMENT, GROWTH MANAGEMENT, FINANCING, MARKET ACCEPTANCE AND RELATIONS WITH CUSTOMERS, AND, MORE GENERALLY, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS, TAXES, CHANGES IN COMPETITION AND PRICING ENVIRONMENTS, FLUCTUATIONS IN CURRENCY EXCHANGE RATES AND INTEREST RATES AND OTHER FACTORS. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION.**

# Company overview

- Founded in 2010
- Headquarter in Limassol, Cyprus
- Listed on Oslo Stock Exchange (ticker: "SDSD")
- The Company has since the inception in 2010 completed seven (7x) equity private placements, totalling ~USD 480m (~USD 105m since Dec – 2016), and made five (5x) distributions to its shareholders, totalling ~USD 467m
- Currently a total fleet consisting of 18x partly or wholly owned Platform Supply Vessels
- Lean Management - Commercial and technical management outsourced to Fletcher Shipping



# Asset Play - well positioned for recovery and opportunities



# Modern fleet of large-size PSV vessels – 100% owned

## Standard Vessels (5x)



**Standard Viking**  
(2008)

**Purchase price:**

~USD 13.3m<sup>(1)</sup>

**Ownership:** 100%

**Deck-space:** 1,060m<sup>2</sup>

**Design:** ST-216 L CD

**Yard:** Aker Brattvaag

**Age:** ~10 years



**Standard Supplier**  
(2007)

**Purchase price:**

~USD 13.3m<sup>(1)</sup>

**Ownership:** 100%

**Deck-space:** 1,060m<sup>2</sup>

**Design:** ST-216 L CD

**Yard:** Aker Brattvaag

**Age:** ~11 years



**Standard Princess**  
(2008)

**Purchase price:**

~USD 13.3m<sup>(1)</sup>

**Ownership:** 100%

**Deck-space:** 1,060m<sup>2</sup>

**Design:** ST-216 L CD

**Yard:** Aker Brattvaag

**Age:** ~10 years



**Standard Supporter**  
(2009)

**Purchase price:**

~USD 11.1m<sup>(1)</sup>

**Ownership:** 100%

**Deck-space:** 1,000m<sup>2</sup>

**Design:** UT 776 CD

**Yard:** STX Brevik

**Age:** ~9 years



**Standard Provider**  
(2010)

**Purchase price:**

~USD 11.1m<sup>(1)</sup>

**Ownership:** 100%

**Deck-space:** 1,000m<sup>2</sup>

**Design:** UT 776 CD

**Yard:** STX Brevik

**Age:** ~8 years

**Average purchase price: USD 12,44m<sup>(1)</sup>**

# Mid-size PSV vessels – partly owned

## PSV Opportunity III Vessels (7x) – 25.5% owned



### 3x vessels

**Purchase price:**

~USD 2.5m<sup>(1)</sup>

**Ownership:** 25.5%

**Deck-space:** 700m<sup>2</sup>

**Design:** VS 470 MK II

**Yard:** Kleven

**Avg. age:** ~12 years

**FS Kristiansand (2005)**

**FS Bergen (2006)**

**FS Arendal (2006)**

### 2x vessels

**Purchase price:**

~USD 5.4m<sup>(1)</sup>

**Ownership:** 25.5%

**Deck-space:** 680m<sup>2</sup>

**Design:** UT 755 LN

**Yard:** Aukra

**Avg. age:** ~9 years

**FS Abergeldie (2008)**

**FS Aberdour (2009)**

### 2x vessels

**Purchase price:**

~USD 5.9m<sup>(1)</sup>

**Ownership:** 25.5%

**Deck-space:** 710m<sup>2</sup>

**Design:** UT 755 LN

**Yard:** Aker Brevik

**Avg. age:** ~10 years

**FS Braemar (2007)**

**FS Balmoral (2008)**

## New World Supply Vessels (6x) – 26.2% owned



### 6x vessels

**Purchase price:**

~USD 5.1m<sup>(1)</sup>

**Ownership:** 26.2%

**Deck-space:** 728m<sup>2</sup>

**Design:** 3300 CD

**Yard:** Damen SG (Galati)

**Avg. age:** ~5 years

**World Diamond (2013)**

**World Peridot (2013)**

**World Pearl (2013)**

**World Emerald (2013)**

**World Opal (2013)**

**World Sapphire (2013)**

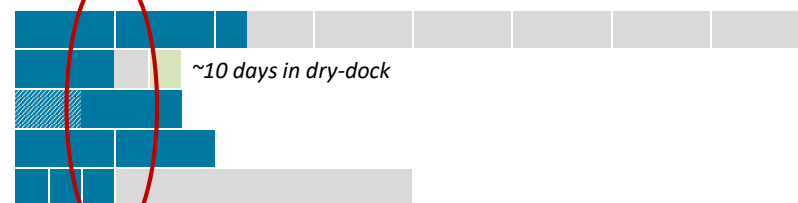
**Average purchase price: USD 4,67m<sup>(1)</sup>**

# Large-size PSV vessels – contract overview

All large vessels are currently working on term contracts

## Standard Vessels (100% owned)

Vessel	Built	Client	Country	2018				2019					
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Large-size Vessels</b>													
Standard Viking	2007	Peterson	UK	Contract	Contract	Contract	Options	Options	Options	Options	Options	Options	Options
Standard Princess	2008	Premier Oil	UK	Contract	Contract	Contract	Options	Options	Options	Options	Options	Options	Options
Standard Supplier	2007	Decipher	UK	Spot contract	Spot contract	Spot contract	Options	Options	Options	Options	Options	Options	Options
Standard Provider	2010	Maersk Oil	UK	Contract	Contract	Contract	Options	Options	Options	Options	Options	Options	Options
Standard Supporter	2009	Enquest	UK	Contract	Contract	Contract	Options	Options	Options	Options	Options	Options	Options



■ Contract  
■ Options  
■ Spot contract  
■ Dry-dock

- Solid contract coverage through the winter season
- Well positioned for a potential market upturn in the summer season of 2018

## Historical utilization of operating vessels (%)<sup>(1)</sup>

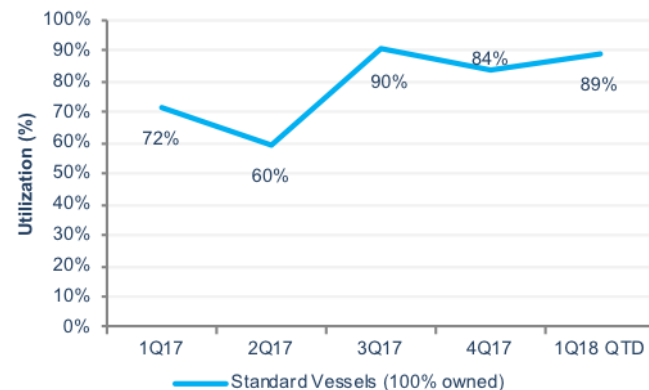
### Standard Vessels (100% owned)

	Standard Viking	Standard Princess	Standard Supplier	Standard Provider	Standard Supporter	Total
<b>Total days</b>						
<b>Total available days, 2017</b>	275	321	214	48	48	906
<b>Total days worked, 2017</b>	213	280	155	41	33	722
<b>Total utilization, 2017</b>	<b>77 %</b>	<b>87 %</b>	<b>73 %</b>	<b>85 %</b>	<b>68 %</b>	<b>80 %</b>
<b>Total available days, Jan – Feb 2018</b>	59	59	59	59	59	295
<b>Total days worked, Jan – Feb 2018</b>	59	59	27	59	59	263
<b>Total utilization, Jan – Feb 2018</b>	<b>100 %</b>	<b>100 %</b>	<b>47 %</b>	<b>100 %</b>	<b>100 %</b>	<b>89 %</b>

**Note:**

- Standard Viking 2Q17 utilization from April-17
- Standard Princess 1Q17 utilization from 13th February
- Standard Supplier 2Q17 utilization from June-17
- Standard Provider 4Q17 utilization from mid-Nov-17
- Standard Supporter 4Q17 utilization from mid-Nov-17
- QTD includes Jan-18 and Feb-18

## Utilization overview (weighted average)



Note: Changed from simple average to weighted average from 3Q17 presentation to 4Q17 presentation and Standard Viking utilization starting from April-17 compared to Jan-17

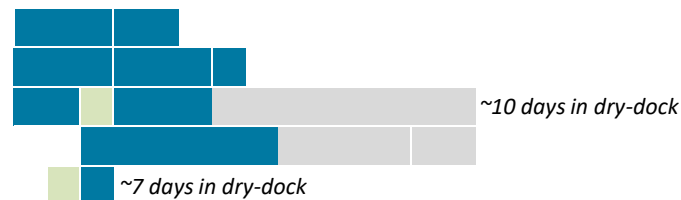
(1) Utilization does not include vessels in lay-up

Note: If all options are declared, Standard Viking could work until Jul-2020

# Mid-size PSV vessels – contract overview

## PSV Opportunity III (25.5% owned)

Vessel	Built	Client	Country	2018				2019			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Mid-size Vessels</b>											
FS Arendal	2006	Repsol	UK	█	█						
FS Aberdour	2009	Centrica	UK	█	█	█					
FS Balmoral	2008	Ineos <sup>(1)</sup>	UK	█	█	█	█	█	█	█	█
FS Kristiansand	2005	TBN	UK		█	█	█	█	█	█	█
FS Braemar	2007	Lay-up / Ineos / Spot <sup>(1)</sup>	UK	█	█						
FS Bergen	2006	Lay-up	UK								
FS Abergeldie	2008	Lay-up	Trinidad								



- Solid contract coverage through the winter season
- Well positioned for a potential market upturn in the summer season of 2018



## Historical utilization of operating vessels (%)<sup>(2)</sup>

### PSV Opportunity III Vessels (25.5% owned)

	FS Aberdour	FS Arendal	FS Balmoral	FS Braemar	FS Kristiansand	FS Total
<b>Total days</b>						
<b>Total available days, 2017</b>	365	365	245	115	365	1 455
<b>Total days worked, 2017</b>	259	318	202	20	349	1 147
<b>Total utilization, 2017</b>	71 %	87 %	82 %	17 %	96 %	79 %
<b>Total available days, Jan - Feb 2018</b>	59	59	59	59	59	295
<b>Total days worked, Jan - Feb 2018</b>	59	59	59	-	-	177
<b>Total utilization, Jan - Feb 2018</b>	100 %	100 %	100 %	0 %	0 %	60 %

**Note:**

- FS Kristiansand held in-house in Jan - Feb, on 6 month's term contract from 1 March
- FS Balmoral 2Q17 utilization from May-17
- FS Braemar 3Q17 utilization from Sept-17
- QTD includes Jan-18 and Feb-18

## Utilization overview (weighted average)



(1) FS Braemar substitutes FS Balmoral's Ineos contract during dry-dock

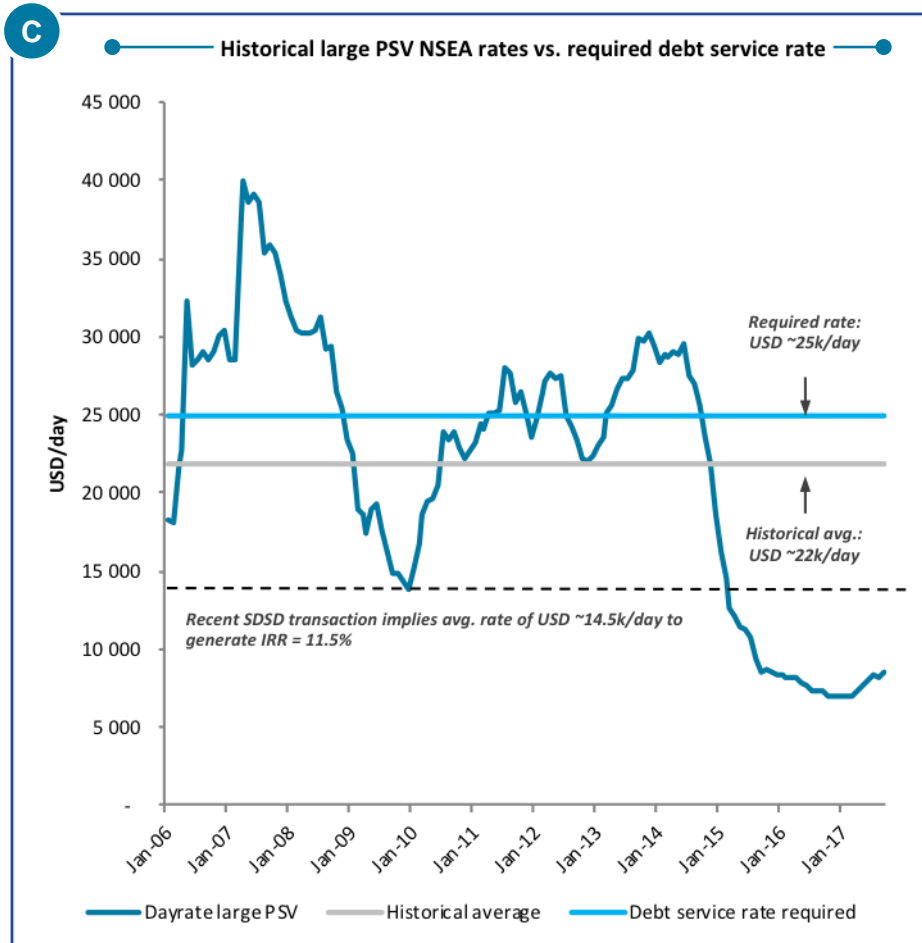
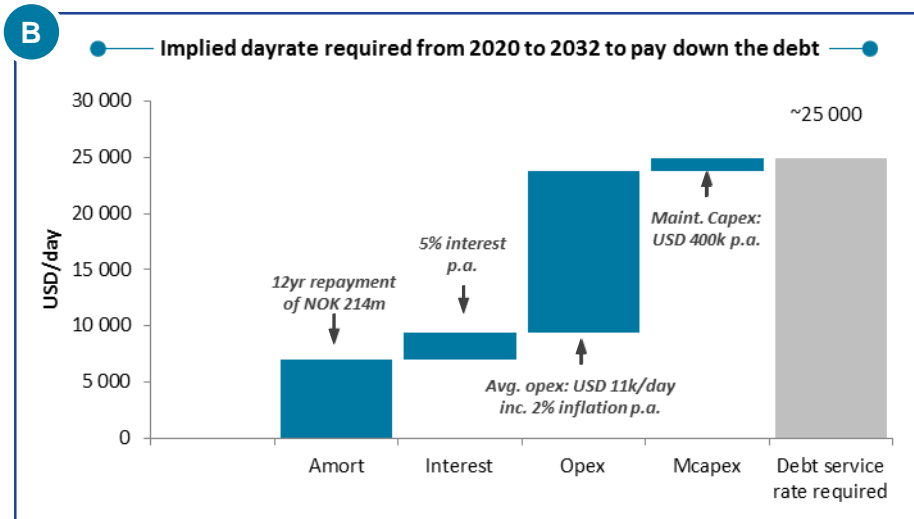
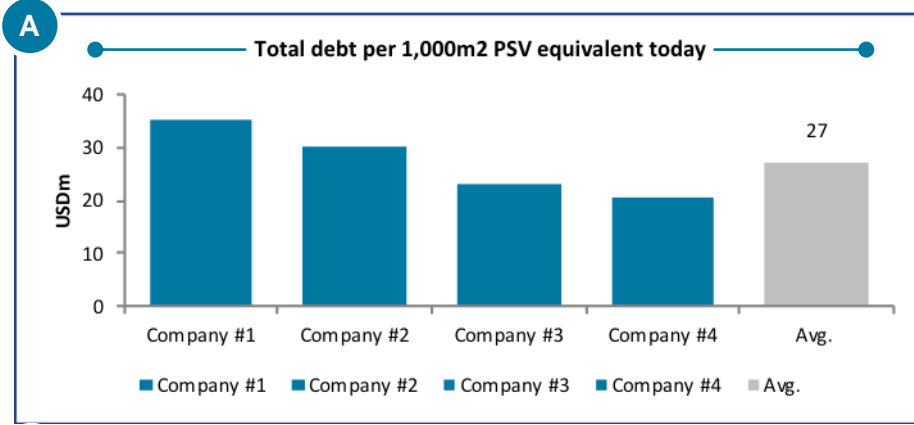
Note: If all options are declared, FS Balmoral and FS Kristiansand could work until 1Q19

(2) Utilization does not include vessels in lay-up



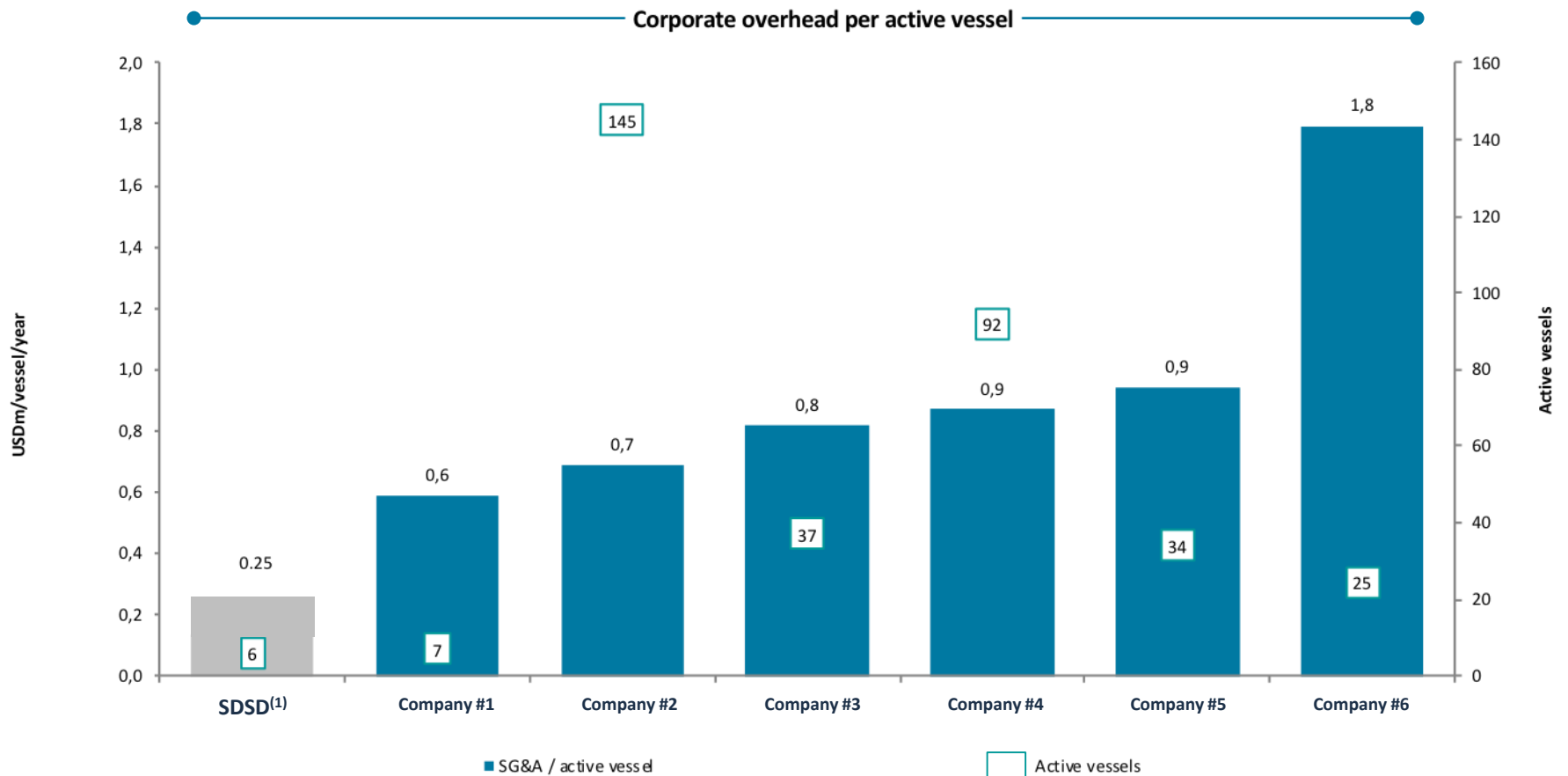
# SDSD has no debt

## SDSD has a competitive advantage compared to industry peers



# SDSD has low overhead costs

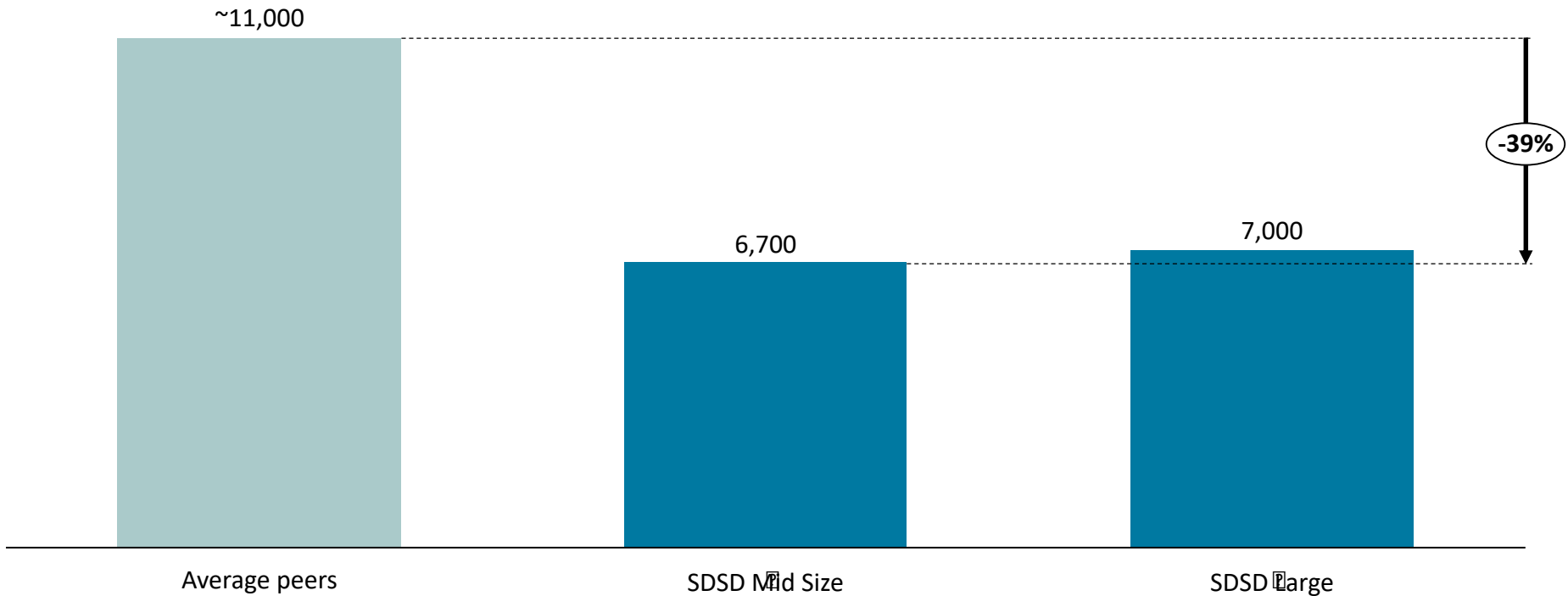
## 2 SDSD has a competitive advantage compared to industry peers



(1) Adjusted for pro-rata ownership of mid-size PSV vessels and subsidiary SG&A costs  
 Source: Clarkson Platou Securities

# Lowest break-even

Average cash break-even, all-in costs (USD / Day)

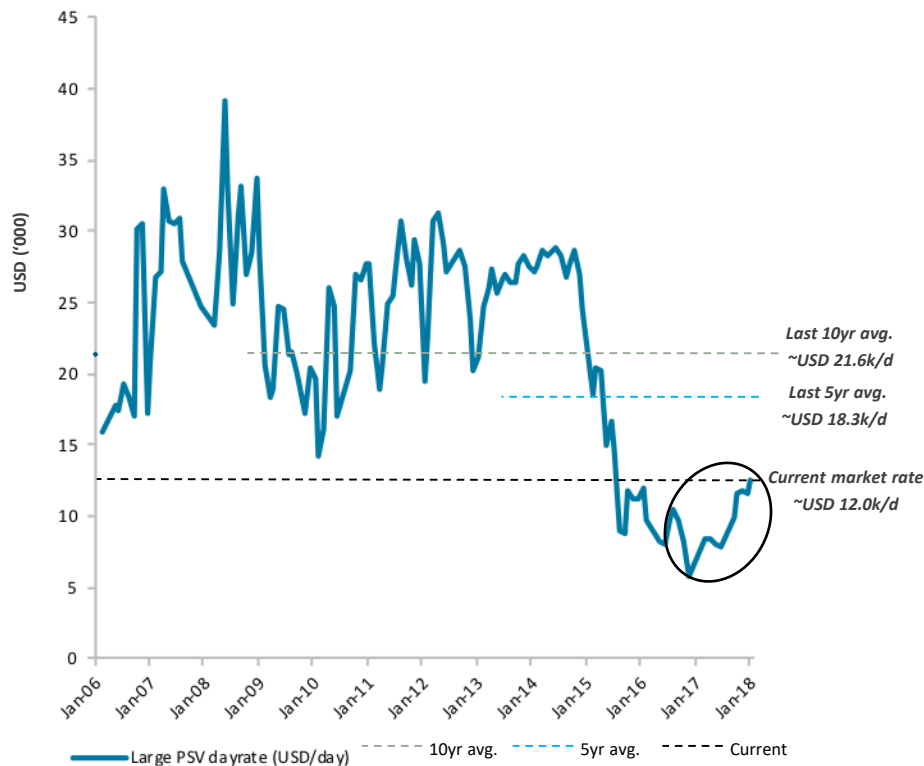


Competitive cost position and all equity balance sheet securing low all-in cost

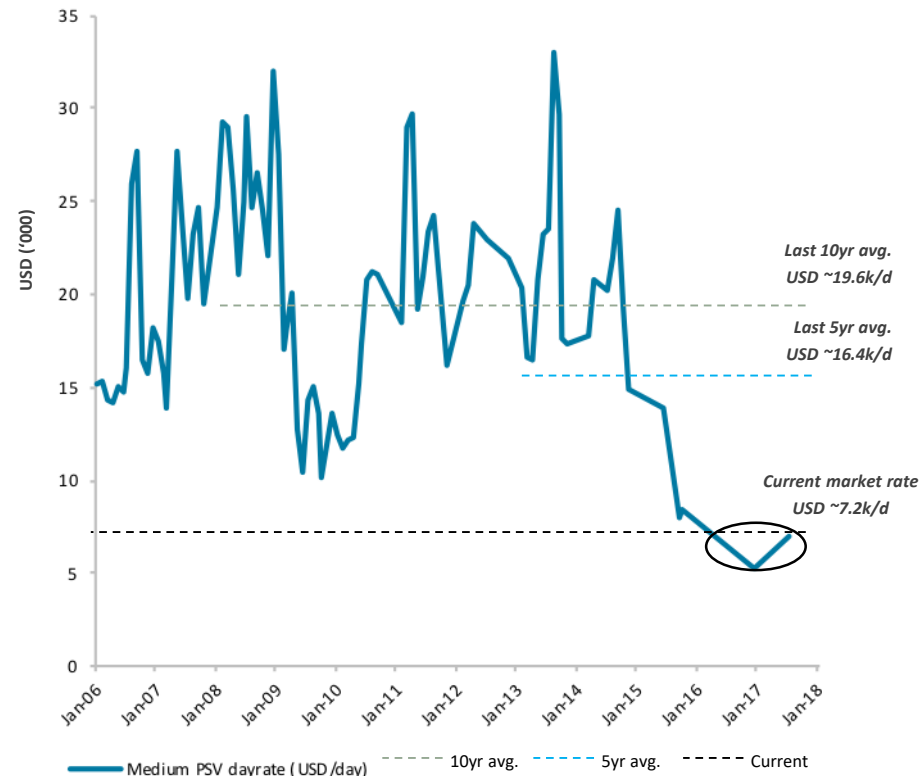
# Signs of recovery – large vessels leading the way

- ✓ Increased tender activity
- ✓ Increased rig activity

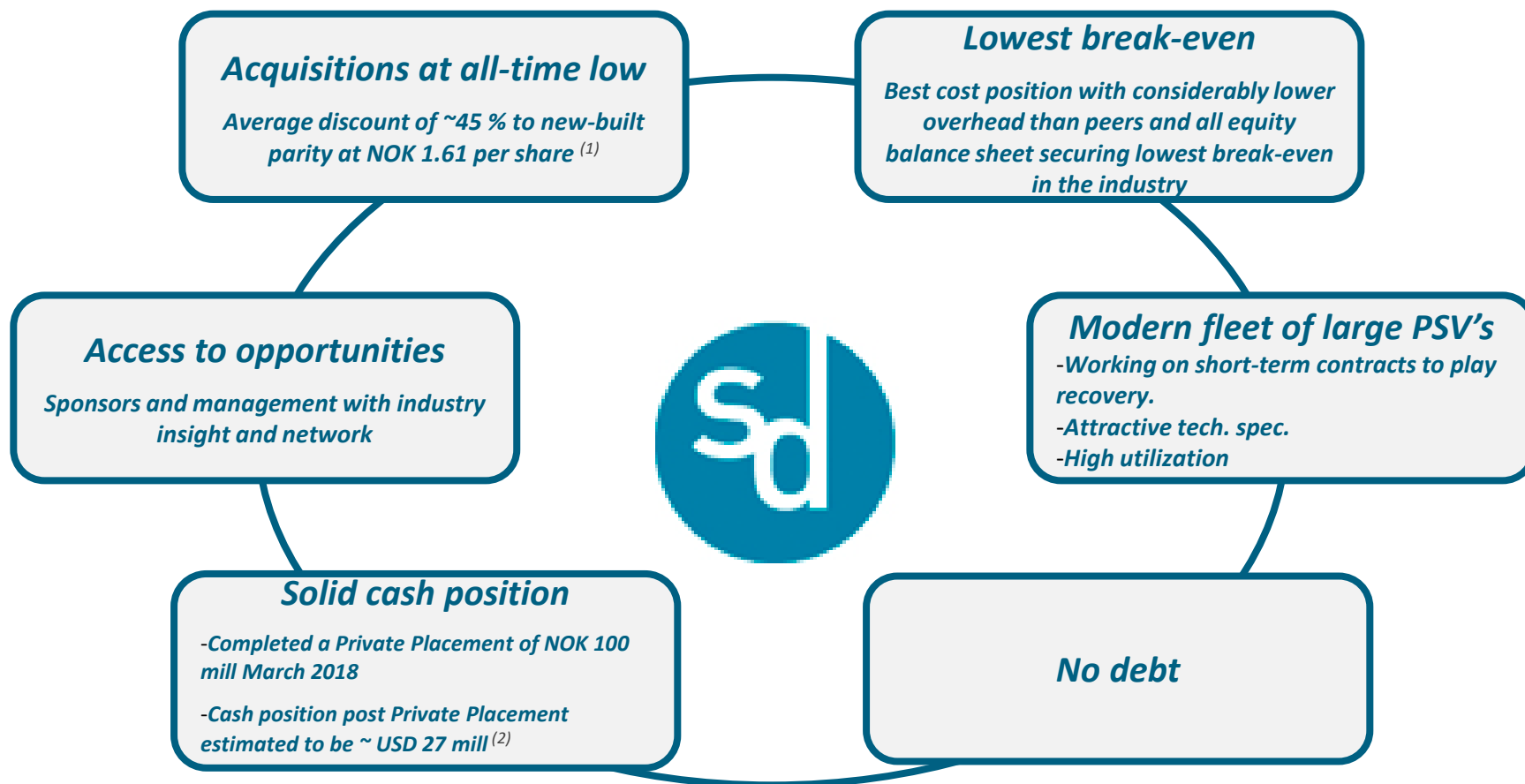
## Large-size PSV term rates (900m<sup>2</sup>)



## Mid-size PSV term rates (500-750m<sup>2</sup>)



# Summary - well positioned for recovery and opportunities



(1) Source Clarksons Platou Securities. Only Large size PSV's

(2) Including pro-rata ownership of cash in subsidiaries and investments



STANDARD DRILLING