

Offer Document

Mandatory offer to acquire
the Class A Shares and Class B Shares in



Smedvig ASA

not already owned by

S E A D R I L L



SeaDrill Limited

Offer price per share

NOK 205 per Class A Share and
NOK 165 per Class B Share

Acceptance Period

From and including 6 March
to and including 31 March 2006

Managed by



Pareto Securities ASA

2 March 2006

IMPORTANT NOTICE

This offer document has been prepared by SeaDrill Limited (“**SeaDrill**”) in order to document the terms of its mandatory offer for the class A and class B shares in Smedvig ASA not already owned by SeaDrill pursuant to the requirements of the Norwegian Securities Trading Act (the “**Offer**”).

Shareholders in Smedvig ASA must rely upon their own examination of this offer document and should thus study it carefully so that a balanced judgment can be made of the Offer and the information that is discussed and described herein. When considering what actions to take, shareholders in Smedvig ASA are urged to seek the advice of financial and legal advisors.

The issue and distribution of this offer document does not imply that the information included herein will continue to be correct and complete at any date subsequent to the date hereof.

With the exception of SeaDrill and persons authorised by SeaDrill, no person or entity is entitled or authorised to provide any information or make any representations in connection with the Offer. If such information or representation is provided or made by any other subject than SeaDrill or persons authorised by SeaDrill, such information or representation should not be relied upon as having been provided or made by or on behalf of SeaDrill.

This offer document will be distributed to the shareholders registered in Smedvig ASA's shareholder registry on 3 March 2006 and will also be available, free of charge at the offices of Carnegie ASA and Pareto Securities ASA at the below addresses:

Carnegie ASA
Stranden 1
P.O.Box 684 Sentrum
0106 Oslo
Norway
Telephone: +47 22 00 93 00
Telefax: +47 22 00 99 60
www.carnegie.no

Pareto Securities ASA
Dronning Mauds gate 3
P.O. Box 1411 Vika
0115 Oslo
Norway
Telephone: +47 22 87 87 00
Telefax: +47 22 87 87 10
www.pareto.no

Shareholders in Smedvig ASA residing in the US will be excluded from the distribution of this offer document. These shareholders will receive the offer in the form of an offer to purchase their shares (whether of class A or B or whether in the form of American depositary shares) for cash in compliance with applicable US laws.

Financial Advisors

Carnegie ASA and Pareto Securities ASA are acting as financial advisors to SeaDrill in connection with the Offer. Carnegie ASA and Pareto Securities ASA are acting for no one else in their respect and will not be responsible to any subject other than SeaDrill for providing (i) the protections normally granted to their customers or (ii) advice in relation to the Offer. No fairness opinion has been prepared in connection with the Offer.

Restrictions

General

The distribution of this document or any separate summary documentation regarding the offer contained herein (the “Offer”), and the making of the Offer may, in certain jurisdictions (including, but not limited to, the United States of America, Canada, Australia and Japan), be restricted by law. Therefore, persons obtaining this document or into whose possession this document otherwise comes, are required to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. SeaDrill Limited, Carnegie ASA and Pareto Securities ASA do not accept or assume any responsibility or liability for any violation by any person whomsoever of any such restriction.

This document is not directed to persons whose acceptance of the Offer requires that (i) further documents are issued in order for the Offer to comply with local law or (ii) registration or other measures are taken pursuant to local law. No document or material relating to the Offer may be distributed in or into any country where such distribution or offering requires any of the aforementioned measures to be taken or would be in conflict with any law or regulation of such country. In the event such distribution or offering nevertheless is made, an acceptance form sent from such a country may be disregarded as non-binding on SeaDrill Limited.

This document does not represent an offer to acquire or obtain securities other than the shares in Smedvig ASA that are subject to the Offer.

The Offer and this document are governed by Norwegian law.

United States of America

The Offer will be made to shareholders in Smedvig ASA resident in the United States by means of a separate offer to purchase for cash all outstanding Class A and Class B shares issued by Smedvig and the Class A American depository shares and Class B American depository shares representing the same set forth in an offer to purchase and related letters of transmittal (collectively, the “US Offer Documents”). This is done by SeaDrill Limited correspondingly with the distribution of this document. Shareholders in Smedvig ASA resident in the United States (whether holding shares in Smedvig ASA directly or indirectly in the form of American depository shares) should only rely on the US Offer Documents in making a decision whether to accept the Offer or not. The US Offer Documents will also provide instructions on the procedure for tendering shares in Smedvig ASA under the Offer in the United States.

This document does not include all the disclosures required under the United States federal securities laws. SeaDrill Limited may also rely on an exemption from certain of the United States rules governing tender offers provided by Rule 14d-1(d) under the U.S. Securities Exchange Act of 1934, as amended.

As used herein, the “United States” or the “US” means the United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia.

Canada

Neither this document nor any copy of it may be taken or transmitted into Canada or distributed or redistributed in Canada or to any individual outside Canada who is a resident of Canada, except in compliance with applicable rules.

Japan

Neither this document nor any copy of it may be taken or transmitted into Japan or distributed or redistributed in Japan for the purpose of soliciting an acceptance of the Offer to any resident of Japan.

Australia

The Offer is not being made directly or indirectly in or into and may not be accepted in or from Australia. Accordingly, if any copies of this document (and any accompanying documents) are mailed or otherwise distributed or sent in or into Australia, that action does not constitute an offer, and any purported acceptance by or on behalf of an Australian resident on the basis thereof will be invalid.

No document reflecting the Offer has been or will be lodged with the Australian Securities & Investments Commission (“ASIC”) and ASIC has not approved the Offer in Australia.

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This document has been produced in the English language only.

A summary in Norwegian is included in Section 11, titled “Norsk Sammendrag” (“Norwegian Summary”) for information purposes only. The English language version is the legally binding version and shall prevail in case of any discrepancies between the text and the Norwegian summary.

1 Responsibility statements

1.1 SeaDrill Limited

This document has been prepared by the board of SeaDrill Limited in order to provide the shareholders of Smedvig ASA with the terms and condition for SeaDrill Limited's mandatory offer for all of the shares in Smedvig ASA pursuant to the requirements of the Norwegian Securities Trading Act.

As per 2 March 2006, SeaDrill Limited and related parties (as defined in the Norwegian Securities Trading Act section 4-5) own 27,899,609 Class A Shares and 15,508,082 Class B Shares in Smedvig ASA, representing a total of 53.1% of Smedvig ASA's issued shares and 51.9% of the voting rights in Smedvig ASA's general meeting.

Bermuda, 2 March 2006

SeaDrill Limited

John Fredriksen
Chairman

Tor Olav Trøim

Kate Blankenship

Pål Nordgreen

1.2 Financial advisors to SeaDrill Limited

Carnegie ASA and Pareto Securities ASA have assisted the board of SeaDrill Limited in preparing this document.

The information regarding Smedvig ASA and SeaDrill Limited in this document is based on material available in the public domain. Carnegie ASA and Pareto Securities ASA do not provide any guarantees nor do we accept any responsibility in any way whatsoever with respect to the accuracy or completeness of the information set out in this document.

Carnegie ASA and its employees hold 29,608 Class A Shares and no Class B Shares in Smedvig ASA, and Pareto Securities ASA and its employees hold 2,200 Class A Shares and 30 Class B Shares in Smedvig ASA as of this date.

Oslo, 2 March 2006

Carnegie ASA and Pareto Securities ASA

1.3 Legal advisor

Wiersholm, Mellbye & Bech, advokatfirma AS has acted as Norwegian legal adviser to SeaDrill Limited in connection with the offer described in this document.

The terms of the offer as set out herein complies, in our opinion, with the formal requirements to mandatory offers pursuant to chapter 4 of the Norwegian Securities Trading Act.

We have also reviewed Section 9 of this document describing the tax consequences of the offer made by SeaDrill Limited. The content thereof is, in our opinion, reflecting current Norwegian law.

Our opinion as aforesaid is strictly limited to matters governed by Norwegian law. We express no opinion in relation to the description of commercial, financial or accounting issues in this document.

Oslo, 2 March 2006

Wiersholm, Mellbye & Bech,
advokatfirma AS

2 Definitions and glossary of terms

The following terms shall, when used in this document, have the following meaning:

Acceptance	The acceptance of the Offer by a Smedvig Shareholder.
Acceptance Form	The form to be used by Smedvig Shareholders when accepting the Offer, such form is enclosed hereto as Appendix 1.
Acceptance Period.....	The period during which Smedvig Shareholders may accept the Offer, such period running from and including 6 March to and including 31 March 2006 at 22:00 CET.
Acceptant	A Smedvig Shareholder who accepts the Offer.
Carnegie	Carnegie ASA.
CET	Central European Time
Class A Share	A share of class A issued by Smedvig, such share having a par value of NOK 10 and carrying one vote in Smedvig's general meeting.
Class B Share	A share of class B issued by Smedvig, such share having a par value of NOK 10 and carrying no vote in Smedvig's general meeting.
Financial Advisors	Carnegie and Pareto Securities.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
Offer.....	The offer made by SeaDrill to purchase all the shares in Smedvig not already owned by SeaDrill at the Offer Price and otherwise on the terms set forth herein.
Offer Document	This document.
Offer Price.....	NOK 205 per Class A Share and NOK 165 per Class B Share, payable in cash.
Oslo Stock Exchange	Oslo Børs ASA.
Pareto Securities.....	Pareto Securities ASA.
Smedvig	Smedvig ASA.
Smedvig ADSs.....	Class A and Class B American Depository Shares representing underlying Class A Shares and Class B Shares.
Smedvig Shareholders.....	Such persons and entities other than SeaDrill as are registered in the shareholder register of Smedvig in the VPS as of 3 March 2006.
Smedvig Shares.....	All Class A Shares and Class B Shares.
Receiving Agent.....	Carnegie.
SeaDrill	SeaDrill Limited.
Settlement Date	The date on which the cash consideration for the Smedvig Shares is being transferred to each Acceptant's bank account, being approximately 7 days after the last day of the Acceptance Period.
US Offer.....	An offer to purchase Smedvig Shares and Smedvig ADSs held by US residents for cash on the same terms as the Offer and made in compliance with applicable US laws in parallel with the offer.
US Offer Documents.....	The documents in which the US Offer is described.
VPS	The Norwegian Central Securities Depository (" <i>Verdipapirsentralen</i> ").

3 The Offer

The Offer Document contains the terms and conditions upon and subject to which SeaDrill offers to acquire all Smedvig Shares not already owned by SeaDrill.

The Offer is made to all Smedvig Shareholders, either through the Offer Document or the US Offer Documents, and has been sent to those of these with addresses appearing in the shareholder register of Smedvig in the VPS as of 3 March 2006. Smedvig Shareholders residing in jurisdictions where the Offer Document and the US Offer Documents may not be lawfully distributed have been excluded from the distribution thereof.

3.1 Introduction

On 4 January 2006, SeaDrill announced its intention to make a voluntary offer to buy all of the shares in Smedvig at an offer price of NOK 201 per Class A Share and NOK 160 per Class B Share conditional upon receiving a 33.3% pre-acceptance level of such offer. As a consequence of a non-satisfactory acceptance level, this offer was not extended by SeaDrill. An announcement to such effect was made on 6 January 2006.

SeaDrill announced, on 9 January 2006, that it intended to make a revised voluntary offer to purchase the Class A Shares and Class B Shares at a price of NOK 205 per Class A Share and NOK 165 per Class B Share.

SeaDrill obtained pre-acceptances of the revised voluntary offer from shareholders in Smedvig representing a total of 19,260,383 Class A Shares and 8,881,969 Class B Shares constituting 35.8% of the share capital and 34.4% of the votes in Smedvig's general meeting.

The revised voluntary offer was formally announced by SeaDrill on 10 January 2006 as a voluntary offer to buy all the shares of Smedvig.

SeaDrill acquired 24,876,009 Class A Shares and 15,417,402 Class B Shares as a consequence of this offer. In addition, SeaDrill has acquired a total of 3,023,600 Class A Shares at a price of NOK 205 per share and 90,680 Class B Shares at a price of NOK 165 per share outside the revised voluntary offer.

As per the date hereof, SeaDrill owns 27,899,609 Class A Shares and 15,508,082 Class B Shares constituting 53.1% of the share capital and 51.9% of the votes in Smedvig's general meeting.

The Offer covers the 25,864,395 Class A Shares and 12,461,918 Class B Shares not already owned by SeaDrill.

3.2 The Offeror

The Offer is made by SeaDrill Limited of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda. SeaDrill has official registration number 36832 and is a public limited company incorporated under the laws of Bermuda.

SeaDrill is listed on the Oslo Stock Exchange under the ticker code "SDRL".

SeaDrill's shares are registered with International Securities Identification Number (ISIN) BMG 7945 E 1057.

3.3 Target company

The target company is Smedvig ASA, P.O. Box 110, 4001 Stavanger, Norway. Smedvig has official organisation number NO 953 114 828 and is a public limited company incorporated under the laws of Norway.

The principal trading market for the shares in Smedvig is the Oslo Stock Exchange where the Class A Shares have been listed since September 1990 under the symbol SME. The Class B Shares have been listed on the Oslo Stock Exchange since 30 August 1996 under the symbol SMEB. The Class A Shares and Class B Shares are registered in the VPS under International Securities Identification Numbers (ISIN) NO 0003390205 and NO 0003390213 respectively.

Prior to the registered public offering of Class B shares in November 1996, the Class A Shares and Class B shares, were traded in the over-the-counter market in the United States in the form of the Smedvig ADSs.

The Smedvig ADSs have been listed on the New York Stock Exchange since 8 November 1996, under the symbols SMVA (for the Class A Smedvig ADSs) and SMVB (for the Class B Smedvig ADSs).

3.4 Offer Price and Other Terms

Shareholders accepting the Offer will receive a consideration of NOK 205 per Class A Share and NOK 165 per Class B Share payable in cash in accordance with the terms and conditions set forth herein.

Any dividend or other payment on the Smedvig Shares paid out prior to the end of the Acceptance Period shall reduce the Offer Price accordingly.

In the event SeaDrill, prior to 22 July 2006, sells the Smedvig Shares acquired pursuant to the Offer to a third party at a price higher than the Offer Price, the Acceptants will be compensated by any positive difference between the sales price received by SeaDrill in such transaction and the Offer Price. Such compensation will be paid to the Acceptants no later than two weeks from the receipt thereof by SeaDrill.

The right to additional consideration as aforesaid was included as a term in the revised voluntary offer described in Clause 3.1 and is therefore included herein in order to ensure that all Smedvig Shareholders accepting to sell their Smedvig Shares pursuant to the Offer are treated equally with regard to the shareholders in Smedvig who accepted the revised voluntary offer.

The right is considered as having no economical value due to the fact that SeaDrill, through the revised voluntary offer referred to in Clause 3.1, acquired Class A Shares representing more than 50% of the votes in Smedvig's general meeting and thus achieved formal control of Smedvig. SeaDrill will, as a consequence, not sell its share in Smedvig in the short term.

The Offer Price values Smedvig to NOK 15.6 billion. Section 4 herein, titled "The Offer Price", describes the Offer Price in more detail.

3.5 Acceptance Period

The Acceptance Period shall commence on and include 6 March and continue to and include 31 March 2006 at 22.00 CET.

3.6 Acceptance of the Offer

In order for a Smedvig Shareholder to accept the Offer, the Acceptance Form must be correctly filled out, signed and delivered to the Receiving Agent together with any supplementary documents.

Information on individual shareholdings and certain other matters relating to each Smedvig Shareholder has already been included in the Acceptance Form. The Acceptance Form also contains information on the settlement of the Offer Price.

A Smedvig Shareholder may only obtain the settlement described in section 3.7 below by complying with the above.

It is the Acceptant's responsibility to correctly fill out the Acceptance Form and deliver it to the Receiving Agent before 22:00 CET on 31 March 2006.

The Acceptance Form must be received by the Receiving Agent at the address below by means of post, delivery or telefax:

Carnegie ASA

Stranden 1

P.O. Box 684 Sentrum

0106 Oslo

Norway

Telephone: +47 22 00 93 00

Telefax: +47 22 00 99 60

SeaDrill has the right, but no obligation, to reject any incorrectly completed or late delivered Acceptance Forms.

Smedvig Shareholders whose Smedvig Shares are split between several VPS accounts will receive a separate Acceptance Form for each such account and are required to submit separate Acceptance Forms for each such account.

ANY SMEDVIG SHAREHOLDER WHOSE SMEDVIG SHARES ARE REGISTERED IN THE NAME OF A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE MUST CONTACT SUCH PERSON IF SUCH SMEDVIG SHAREHOLDER WISHES TO ACCEPT THE OFFER.

IN ORDER FOR A SMEDVIG SHAREHOLDER TO VALIDLY ACCEPT THE OFFER, THE ACCEPTANCE FORM MUST BE SIGNED BY SUCH SMEDVIG SHAREHOLDER OR HIS AUTHORISED ATTORNEY.

All Smedvig Shares to be sold by an Acceptant under the Offer must be transferred to SeaDrill free of any encumbrances or other third-party rights whatsoever and with all shareholder rights attached to them. Any third party with registered encumbrances or other third-party rights over the relevant VPS-account(s) must sign the Acceptance Form and thereby waive its rights to the Smedvig Shares recorded thereon and approve the transfer of such shares to SeaDrill, free of any encumbrances.

The Acceptance will be irrevocable and cannot be withdrawn after having been received by the Receiving Agent. If an Acceptant wishes to accept the Offer for less than all of the Smedvig Shares registered on the Acceptant's VPS account, such Acceptant must fill out item 2 in the Acceptance Form.

A Smedvig Shareholder is, by returning the Acceptance Form to the Receiving Agents, bound to accept the cash consideration offered in the Offer on the terms and conditions set forth herein and in the Acceptance Form.

3.7 Settlement

Settlement of Acceptances received before 22:00 CET on 31 March 2006 will be made in NOK, and will be available on each Acceptant's bank account on 7 April 2006 at the latest.

Settlement will be made to the bank account registered in the VPS for dividend payments for each Acceptant at the time of the Acceptance. In the event that no such bank account is registered, settlement will be made by bank giro (a settlement system used in Norway, similar to a Norwegian currency banker's draft), or by cheque. In the event an Acceptant wishes to receive the cash payment in another bank account than the account registered in the VPS for dividend payments, such Acceptant is required to state such bank account number in the Acceptance Form.

3.8 Financing of the Offer

SeaDrill will finance the purchase of the Smedvig Shares under the Offer through its available cash and committed bank loans.

3.9 Bank guarantee

SeaDrill has, as required by Norwegian law, established a bank guarantee covering its obligation to pay for the Smedvig Shares to be purchased pursuant to the Offer.

Security for rightful payment has been provided in the form of the following guarantee from Nordea Bank Norge ASA and DnB NOR Bank ASA:

“Guarantee ("Selvskyldnergaranti")

*With reference to SeaDrill Limited's mandatory offer to purchase shares in Smedvig ASA in accordance with the Norwegian Securities Trading Act of 19 June 1997 No. 79 (the “**Securities Trading Act**”), chapter 4, and on the basis of the offer document in regard to the mandatory offer (hereinafter the “**Offer Document**”), dated 2 March 2006, we, Nordea Bank Norge ASA, having our registered office in Middelthunsgt. 17, P.O.Box 1166 Sentrum, 0107 Oslo, Norway and DnB NOR Bank ASA, having our registered office at Stranden 21, 0250 Oslo, Norway, (each a “**Guarantor**”), for the account of SeaDrill Limited, Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda, hereby unconditionally guarantee in favor of all shareholders in Smedvig ASA accepting the mandatory offer in accordance with the*

terms and conditions of the Offer Document and the acceptance form scheduled thereto, the payment by SeaDrill Limited of the purchase price for the shares accepted in accordance with the mandatory offer referred to above.

This guarantee provides security for payment in respect of the mandatory offer of NOK 205 for each Class A Share and NOK 165 for each Class B Share in Smedvig ASA. In addition, it applies to interest for delayed payment of up to 4 weeks after the payment date at an interest rate of 9.25% p.a. No other demands may be made under this guarantee.

The total liability of each Guarantor under this guarantee shall not, under any circumstances, exceed an amount of NOK 3,705,315,984.50 (in words three billion seven hundred and five million three hundred and fifteen thousand nine hundred and eighty four 0/50 Norwegian Kroner) and the total guarantee shall not, under any circumstances, exceed an amount of NOK 7,410,631,969.00 (in words seven billion four hundred and ten million six hundred and thirty one thousand nine hundred and sixty nine 0/00 Norwegian Kroner).

Pursuant to Section 4 of the Regulations of 15 December 1997 no. 1307 regarding the requirements to guarantees in respect of mandatory offers, given pursuant to the Norwegian Securities Trading Act, section 4-10, the guarantee amount may be reduced proportionately based on the number of shares the transfer of which has been accepted, provided the Oslo Stock Exchange grants permission.

Written demands must be received by us in writing certifying:

- a) that SeaDrill Limited has failed to perform its obligations under the mandatory offer, specifying in what respect SeaDrill Limited has so failed, and that, as a result thereof, the shareholder, under the terms of the said offer, has become entitled to payment of the amount claimed by him.*
- b) that the amount claimed has not otherwise been paid to the shareholder neither directly nor indirectly, by or on behalf of SeaDrill Limited.*

Any demand for payment must be accompanied by:

- a) the acceptance form of the shareholder making such demand*
- b) a transcript of the shareholder's VPS account*

This guarantee shall be in force and effect for a period of 10 weeks from 6 March 2006, and any demand under this guarantee can be made to any of the Guarantors, but we will request that the demand is made in writing to Nordea Bank Norge ASA, Middelthunsgate 17, P.O.Box 1166 Sentrum, 0107 Oslo, Norway. A demand must be received by us no later than 15 May 2006 at 16:00 CET in order for us to make payment under this guarantee.

Upon request from us, a written statement from the receiving agent, Carnegie ASA, will confirm whether the mandatory offer has been accepted in accordance with the Offer Document and the acceptance form.

This guarantee shall be governed, construed and interpreted under the laws of Norway.

Nordea Bank Norge ASA

DnB NOR Bank ASA”

SeaDrill's obligation to counter indemnify the Guarantors has been secured by:

- A first priority pledge of the Smedvig Shares acquired pursuant to the Offer.
- A second priority pledge of the shares in Smedvig already owned by SeaDrill.
- A pledge over a cash deposit in the amount of USD 200 mill.
- A guarantee from Greenwich Holdings Ltd. (the parent company of Hemen Holding Ltd. which is SeaDrill's largest shareholder) maximized to USD 400 mill.

Greenwich Holdings Ltd. will be compensated by SeaDrill for the issue of the above referred guarantee by way of a guarantee commission of 2.5% p.a. calculated on the amount of the guarantee and the number of days it is outstanding. The commission will be payable in arrears.

3.10 Costs

SeaDrill will pay all commissions and costs directly related to any VPS transaction required to complete the purchase of the Smedvig Shares under the Offer. Smedvig Shareholders accepting the Offer will not incur any brokerage fees or other costs directly related to VPS transactions in connection with their possible acceptance of the Offer. Any tax consequences or costs incurred by Smedvig Shareholders for financial or legal advice or any other costs incurred by them in connection with the Offer will, on the other hand, not be paid by SeaDrill.

3.11 Conditions to the Offer

There are no conditions to the Offer.

3.12 Announcements and amendments to the Offer

Announcements issued by or on behalf of SeaDrill regarding the Offer and/or the Offer Document will be deemed to have been made once they have been received by the Oslo Stock Exchange and distributed through its electronic information system. SeaDrill will have no obligation to publish, advertise or otherwise communicate any such announcement through other means.

3.13 Tax

Smedvig Shareholders accepting the Offer will be responsible for their individual tax liability arising as a result thereof and any costs incurred in obtaining advice on this matter.

3.14 Consequences for Smedvig's employees, board and management

The completion of the Offer will not have any significant legal, economic, commercial or work-related consequences for the employees in Smedvig. No members of the board or the executive management in Smedvig will receive special favorable terms or advantages in connection with the Offer.

3.15 Acquisition of Smedvig Shares

SeaDrill reserves the right to acquire Smedvig Shares outside the Offer both during and after the Acceptance Period, provided such transactions comply with Norwegian and other applicable law.

3.16 Compulsory Acquisition of Smedvig Shares

If, as a result of the Offer, SeaDrill becomes the owner of Smedvig Shares representing more than 90% of the total number of shares issued by Smedvig and Smedvig Shares representing more than 90% of the voting rights in Smedvig's general meeting, SeaDrill will have the right (and each remaining Smedvig Shareholder will have the right to require SeaDrill) to commence a compulsory acquisition for cash of the Smedvig Shares not owned by SeaDrill pursuant to section 4-25 of the Norwegian Public Limited Companies Act.

The price to be paid in such compulsory acquisition, will, in the absence of an agreement between SeaDrill and the remaining Smedvig Shareholders, be determined in accordance with section 4-25, second and third paragraph of the Norwegian Public Limited Companies Act. According to such provisions, SeaDrill shall first offer the remaining Smedvig Shareholders a price at which it is willing to purchase Smedvig Shares. If SeaDrill presents the offer in writing to all of the remaining Smedvig Shareholders with a known address, and the offer is announced in the Norwegian Register of Business Enterprises' electronic information system and in a newspaper generally read at Smedvig's place of business, SeaDrill may set a time limit for each Smedvig Shareholder to contest or refuse the offer. Smedvig Shareholders who have not contested such offer within the expiration of such time limit are deemed to have accepted such offer. The price to be paid to those Smedvig Shareholders who do not accept such offer will be determined by a Norwegian court. The Norwegian court will have full discretion with respect to evaluating the price to be paid for such Smedvig Shares as of the commencement of the compulsory acquisition. The consideration paid by SeaDrill and accepted by the Acceptants pursuant to the Offer is likely to be among the factors considered by such court.

3.17 Delisting of Smedvig Shares

If SeaDrill no longer considers the listing of the Smedvig Shares on the Oslo Stock Exchange appropriate, SeaDrill may propose to the general meeting of Smedvig that Smedvig shall apply for the delisting of its shares to the Oslo Stock Exchange. Such proposal requires the approval of a 2/3 majority of the Smedvig Shares represented in Smedvig's general meeting to be adopted. Any such delisting is to be decided by the Oslo Stock Exchange in accordance with the Norwegian Stock Exchange Regulations. The board of directors of the Oslo Stock Exchange may also decide, at its own initiative, to have the Smedvig Shares delisted at the Oslo Stock Exchange.

SeaDrill intends to apply for a delisting of the Smedvig Shares from the Oslo Stock Exchange in the event SeaDrill acquires more than 90% of the Smedvig Shares.

3.18 Jurisdiction and choice of law

The Offer is subject to Norwegian law. Any dispute arising out of or in connection with the Offer or the Offer Document shall be subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as the agreed venue.

3.19 Miscellaneous

Confirmation of receipt of Acceptance Forms or other documents will not be issued by or on behalf of SeaDrill.

The Offer Document will be sent to all Smedvig Shareholders registered in Smedvig's shareholder register in the VPS on 3 March 2006 using the addresses held on file at VPS, except for Smedvig Shareholders in jurisdictions where this Offer Document may not lawfully be distributed.

Smedvig Shareholders resident in the US and holders of Smedvig ADSs will receive the Offer by way of the US Offer Documents.

Further information on the Offer is available from:

Carnegie ASA

Stranden 1
P.O.Box 684 Sentrum
0106 Oslo
Norway
Telephone: +47 22 00 93 00
Telefax: +47 22 00 99 60
www.carnegie.no

Pareto Securities ASA

Dronning Mauds gate 3
P.O. Box 1411 Vika
0115 Oslo
Norway
Telephone: +47 22 87 87 00
Telefax: +47 22 87 87 10
www.pareto.no

The Offer Document does not contain any statement by the board of Smedvig regarding the Offer. It does, however, contain the board's statement regarding the revised voluntary offer made by SeaDrill on 9 January 2006 in section 6 below.

Pursuant to the Norwegian Securities Trading Act, section 4-16, the board of Smedvig shall issue a statement which shall include information on the employee's views and other factors of significance for assessing whether the shareholders should accept the Offer. The statement shall be made available no later than one week prior to the expiry of the Acceptance Period. The statement is expected to be announced in such a manner as described under section 3.12 above.

4 Background for the Offer

SeaDrill had no contact with the management or governing bodies of Smedvig before the revised voluntary offer was made.

The Offer is an important step in SeaDrill's strategy to be a consolidator in the rig industry. SeaDrill and Smedvig are complementary companies which will create an attractive industrial platform if combined. The combined company will be a leading supplier of high quality and cost-efficient drilling and service units to the offshore oil and gas industry, as well as a provider of production drilling, wireline operation and engineering services.

The combination of SeaDrill and Smedvig will furthermore create a major drilling company listed on the Oslo Stock Exchange. Smedvig's highly competent organisation will enhance SeaDrill's operations and improve SeaDrill's offering to its customers.

5 The Offer Price

5.1 The price offered

The Offer Price is NOK 205 for each Class A Share and NOK 165 for each Class B Share with settlement in cash. The Offer Price values Smedvig's equity to NOK 15.6 billion.

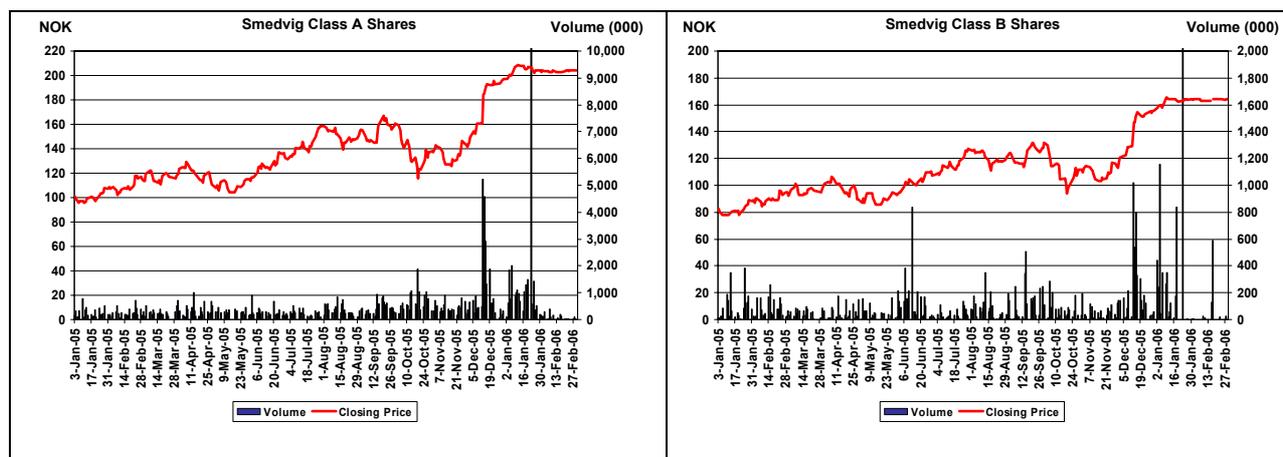
Prior to the opening of the Oslo Stock Exchange on 9 January 2006, SeaDrill announced its intention to make a revised voluntary offer for all of the outstanding Smedvig Shares. The price offered was NOK 205 per Class A Share and NOK 165 per Class B Share. SeaDrill obtained pre-acceptances of the revised voluntary offer from Smedvig Shareholders representing a total of 19,260,383 Class A Shares and 8,881,969 Class B Shares. Following the closing of the revised voluntary offer subsequently announced, SeaDrill now controls a total of 27,899,609 Class A Shares and 15,508,082 Class B Shares constituting 53.1% of the share capital and 51.9% of the votes in Smedvig.

The closing price for the Class A Shares was NOK 200 and the closing price for the Class B Shares was NOK 158 on 6 January 2006, the day prior to the launch of the voluntary offer.

The Offer Price constitutes a premium of 2.5% for the Class A Shares and 4.4% for the Class B Shares compared to the closing price the day prior to the launch of the revised voluntary offer.

5.2 Share price development for Smedvig (closing price)

The graph below shows the development in the trading price (closing price) and the traded volume for the Class A Shares and Class B Shares on the Oslo Stock Exchange in the period from and including 3 January 2005 to and including 2 March 2006:



Source: Oslo Stock Exchange

6 Statement from the Board of Directors of Smedvig

The following statement was submitted by the board of Smedvig to the Oslo Stock Exchange on 12 January 2006 in response to the Voluntary Offer in accordance with the Norwegian Securities Trading Act, section 4-18 cf. section 4-16:

“On December 12, 2005 Noble Corporation agreed to acquire from Peter T. Smedvig and his family 21,095,600 A-shares and 2,501,374 B-shares representing 39.24% of the voting A shares and 28.87% of the issued shares of Smedvig ASA (“Smedvig”, the “Company”) at a price of NOK 200 per A share and NOK 150 per B share. On January 9, 2006 SeaDrill Limited (“SeaDrill”) a Bermudian limited company, announced a voluntary cash offer to the shareholders of Smedvig to acquire all outstanding shares. The offer was subject to various conditions, including an acceptance level of more than 50% of Class A shares and a right for SeaDrill to withdraw the offer at any time. On January 9, Smedvig accepted the Offer for its 1,025,000 treasury Class A Shares. On January 10, 2006 SeaDrill announced a revised cash offer to all non-US shareholders of Smedvig to acquire all outstanding shares (the “Offer”).

The Offer is subject to various conditions including a total acceptance level of more than 50% of the Class A shares and a right for SeaDrill to waive this (and other) condition and to withdraw the Offer at any time if it seems clear that the acceptance level of the Offer is not met. If the Offer is successful, SeaDrill will proceed with a mandatory offer in accordance with the Norwegian Securities Act.

Pursuant to the Securities Trading Act Section 4-18 cfr. Section 4-16, the Board of Directors of Smedvig is required to make a statement regarding the Offer.

The Chairman of the Board Peter T. Smedvig has declared an interest, and has not participated in the discussion of the sale of the treasury shares or the evaluation of the Offer. The Board has been assisted by the financial advisor Enskilda Securities ASA in its assessment of the Offer. Enskilda Securities ASA advised that the Offer price and the price differential between Class A and Class B shares are fair.

The offer price for each Class A Share is NOK 205, and for each Class B Share NOK 165. It is the opinion of the Board that the Offer is fair from a financial point of view. In its assessment of the Offer, the Board has considered, among other things, the Company's underlying asset values and forecasted future cash flows. The Board has also taken into account that the liquidity in the Smedvig shares is expected to be lower after completion of the Offer. The Board notes that the price for the Class B Shares represents a premium of approximately 28% compared to the closing price for the shares on December 12, 2005, and the offer price for the A-shares represent a premium of approximately 28% compared to the closing price on the same day. The price differential is comparable to the historic trading price differential for the A and B shares for the past 12 months.

Shareholders should be aware that if the Offer is successful and SeaDrill proceeds with a mandatory offer pursuant to the Securities Trading Act as advised in the offer letter, the price shall be as high as the highest price SeaDrill has paid during the last 6 months prior to the date the mandatory offer obligation arises. If it is clear that the market price at the time the mandatory offer obligation arises is higher, the offer price shall be at least as high as the market price. This last alternative will normally require a significant difference. The mandatory offer must be submitted without undue delay and no later than 4 weeks after the offer obligation was activated with an offer period of not less than 4 weeks and not more than 6 weeks. The mandatory offer must be secured by a guarantee issued by a financial institution.

The shareholders should also be aware that if SeaDrill acquires shares representing more than 90% of the capital and the votes of Smedvig, there may be a subsequent compulsory acquisition of the remaining shares pursuant to the Public Limited Companies Act Section 4-25. The courts who will determine the price in such compulsory acquisition will not necessarily base their determination on the same price and assessment as described above.

On January 9, 2006, Smedvig informed Noble Corporation that the Board of Smedvig would have a meeting on January 11, 2006 with the objective to evaluate the SeaDrill offer in order to issue a statement to the Smedvig shareholders. On January 10, 2006, Noble Corporation in a conversation with the Chairman of the

Board reiterated their intentions as stated in the Noble press release dated December 29, 2005. Noble Corporation has not provided the Board with any new information regarding timing and terms and conditions of any offer at the time of this statement.

As described above, the offered price is approximately 28% above the prevailing market prices on December 12, 2005. Most of this price differential is probably attributable to the expectation and subsequent submittal of a tender offer for all the shares of Smedvig. If SeaDrill's offer is not successful and no tender offer is forthcoming, the share price could drop to a level which does not include such expectations.

The Board has requested SeaDrill to take action to ensure that Smedvig shareholders in all jurisdictions are able to participate in the Offer or in the subsequent mandatory offer in compliance with applicable law.

SeaDrill advises in the offer letter that the Offer is fully financed through a combination of available cash in SeaDrill and committed bank loans, but that no guarantees are furnished for fulfilment of the Offer. The Board has not made any assessment of SeaDrill's financial resources, but assumes that SeaDrill is able to make settlement for all shares.

The Board has taken note of the statement from SeaDrill that the combination of SeaDrill and Smedvig will create a major Norwegian based drilling company listed on the Oslo Stock Exchange, that Smedvig's highly competent organisation will enhance SeaDrill's operation and that the combined company will be a leading supplier of high quality and cost-efficient drilling and service units to the offshore oil and gas industry, as well as a provider of production drilling, wireline operations and engineering services. The Company's employees have been informed of the Offer. The employees have not made any objections to the Offer under the assumption that SeaDrill continues the current Smedvig activities.

The Offer Documents have been approved by Oslo Stock Exchange. The Board has not made any investigation with respect to the Offers' compliance with laws in other jurisdictions. On the basis of the above, the Board of Directors of Smedvig unanimously recommends the shareholders to accept the Offer. Peter T. Smedvig had declared an interest and did not participate in the decision.

The Board member Raymond De Smedt and the Chief Executive Officer Kjell E. Jacobsen hold shares in the Company, directly or through companies controlled by them. It is their intention to accept the Offer with respect to these shares. The Chairman of the Board, Peter T. Smedvig has advised that the same applies to the remaining shares held directly or indirectly by him or his family. The Board member J. Larry Nichols holds shares in the Company, but as a US resident is not included in the Offer.

*Stavanger, January 11, 2006
The Board of Smedvig asa”*

7 Short presentation of SeaDrill

The following section contains a brief presentation of SeaDrill and its operations. For a more detailed description of the SeaDrill Group, please refer to SeaDrill's homepage: www.seadrill.bm. Information may also be obtained through the quarterly reports.

7.1 Company information

SeaDrill is engaged in the business of owning and operating mobile drilling rigs and other vessels to be used in the exploration for oil and gas offshore.

SeaDrill intends to be a leading supplier of high quality and cost-efficient drilling and service units to the offshore oil and gas industry. SeaDrill will ensure utilisation of its rigs by continuously adjusting their specification and capabilities to changes in the market, enhance the rigs and keep a high quality and reliability level for its services.

SeaDrill owns and operates three jack-up rigs and two FPSO vessels. In addition, SeaDrill has four jack-up rigs under construction with delivery scheduled for one in Q2 2006, two in Q3 2007 and one in Q4 2007. SeaDrill also holds an option to order a further jack-up rig.

SeaDrill has two semi submersible rigs on order with delivery scheduled for one in each of Q1 and Q4 2008. SeaDrill has, in addition, an option to order a further semi submersible rig.

Two semi submersible rigs with harsh environmental specifications are also on order with delivery scheduled for Q1 2008 and Q3 2008. SeaDrill has, in addition, an option to order a further semi-submersible rig with such specifications.

In addition to its ownership of the majority of the shares in Smedvig, SeaDrill owns approximately 94.6% of the shares in Mosvold Drilling Ltd. ("**Mosvold Drilling**"), and controls 33.05% of the shares in the Indonesian drilling contractor and rigowner PT Apexindo Pratama Duta Tbk ("**Apexindo**").

Four of SeaDrill's units are operating or under contract with a near term start-up. The fifth unit and the newbuilding to be delivered in Q2 2006 are expected to secure contracts in the near future.

7.2 The asset base

SeaDrill's asset base as of the date hereof consists of five operative units, eight rigs and two drillships under construction in addition to its minority holding in Apexindo.

Three of the five operative units are jack-up rigs, being the "Sakhalinskaya", the "Ekha" and the "Toto". The remaining two operative units are FPSO vessels chartered in with a purchase option for the charterer at a declining rate. The charters for the FPSO vessels expire in 2006. It is likely that SeaDrill will exercise the purchase options on or before expiry of these charters.

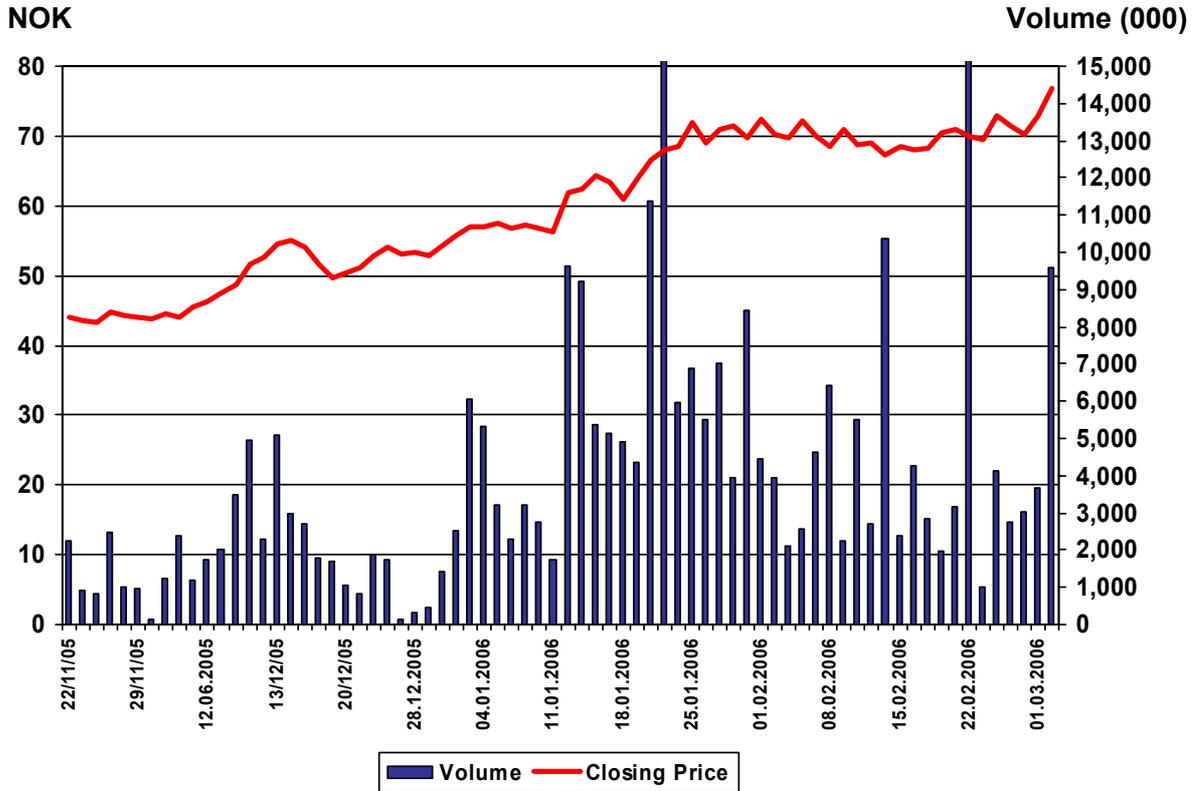
SeaDrill has four jack-up rigs and four semi-submersible rigs on order. Through the acquisition of Mosvold Drilling in February 2006, SeaDrill also have two six generation drillships under construction with Samsung scheduled for delivery in Q2 and Q4 2008. In addition, Mosvold Drilling holds one option to order an additional drillship with the same yard.

7.3 Shareholder information

SeaDrill's authorised share capital is, at the date hereof, USD 800 million. SeaDrill has issued 324,133,216 shares, all fully paid, each with a nominal value of USD 2.

As of 2 March 2006, SeaDrill has a total of 4,528 shareholders, of which 4,191 were Norwegian, and 337 were non-Norwegian. There are no restrictions on foreign ownership of SeaDrill's shares.

SeaDrill has been listed on the Oslo Stock Exchange since 22 November 2005. The graph below shows the development in the trading price (closing price) and the traded volume for SeaDrill's shares on the Oslo Stock Exchange in the period from its listing on 22 November 2005 to 2 March 2006:



Source: The Oslo Stock Exchange

8 Short presentation of Smedvig

This section contains a brief presentation of Smedvig and its operations. The information has been derived from publicly available information. SeaDrill does not accept any liability for the accuracy or completeness of the information regarding Smedvig and its subsidiaries set forth herein.

8.1 Company information

Smedvig was incorporated on 14 September 1989. Smedvig is a public limited company organised under the laws of Norway with its principal offices located in Stavanger, Norway.

Smedvig owns and operates a fleet of drilling units specifically designed for offshore oil and gas exploration and development. Some of the mobile drilling units are equipped for operations in harsh environments. Smedvig's main activities are concentrated in the Norwegian sector of the North Sea, in Southeast Asia, principally offshore Thailand, Brunei, Indonesia and Malaysia and in West Africa, principally offshore Congo and Mauritania. Smedvig's mobile drilling rig fleet consists of two semi submersible drilling rigs, one ultra deepwater drillship and one ultra large jack up rig.

Smedvig also provide platform drilling services, well services and maintenance services on fixed platforms in the Norwegian and UK sectors of the North Sea.

Smedvig operates the world's largest fleet of self-erecting tender rigs, most of which are located in Southeast Asia and West Africa. The tender rig fleet consists of eleven rigs, wholly or partially owned by Smedvig, in addition to one semi scheduled for delivery in 4Q 2006 and one tender rig under construction scheduled for delivery in 2Q 2007.

Smedvig also hold 39.75% in the Norwegian listed company Eastern Drilling ASA

8.2 The business units

8.2.1 Mobile Drilling Units

Smedvig owns and operates one of the most modern fleets of premium high-specification mobile drilling units in the offshore drilling industry. The fleet includes drilling units purpose-built for operations in harsh environment and deep waters.

Smedvig's objective is to offer oil companies safe and efficient drilling services by combining a technically modern and highly efficient rig fleet with skilled and experienced drilling crews and high quality management systems.

The mobile drilling units include the following:

Type and name	Ownership	Max.water depth cap. (ft)	Var. deck load (MT)	Attributes	Year Built/latest enhancement
Semi-submersibles					
West Venture (fifth generation)	100%	5,500	5,000	DP, DD, TDS, 4M, 15K	2000/2005
West Alpha (fourth generation)	100%	2,500	5,000	SP, TDS. 3M, 15K	1986/1999
Drillship					
West Navigator	100%	8,200	5,800	DP, DD, 3M, TDS, 15K	2000/2004
Ultra-large Jack-up					
West Epsilon	100%	380	3,350	IC, SO, TDS, 3M, 15K	1993

8.2.2 Tender Rig Fleet

Smedvig is the world's largest operator of self-erecting tender rigs. Smedvig aims to maintain this market position by offering its customers safe and efficient drilling services. This is achieved through a combination of skilled and experienced drilling crews and modern drilling units.

The strategy for this business unit is to renew and expand the tender rig fleet. In line with this strategy, Smedvig will take delivery of a new semi-submersible tender rig in the fourth quarter of 2006 in addition to a new tender rig to be delivered in the second quarter of 2007.

Below is an overview of the tender rig fleet:

Rig Designation	Ownership	Year built/latest upgrade
T-3	49%	1980/1998
T-4	100%	1981/2003
T-6	49%	1983/1998
T-7	100%	1983/1995
T-8	100%	1982/1998
T-9	49%	2004
T-10 (under construction)	49%	2007
Teknik Berkat	49%	1991
West Pelaut	100%	1994
West Menang	100%	1999
West Alliance	100%	2001
West Setia	100%	2005
West Berani (under construction)	31% (plus option)	2006

8.2.3 Well services

The well services unit offers services within three business areas:

- Platform drilling services
- Wireline services
- Engineering services

Both platform drilling services and wireline services represent a continuation of traditional production drilling and well maintenance services. Engineering services offers project services ranging from multi-discipline feasibility studies and engineering to full EPCI project management and execution services.

8.2.4 Platform Drilling

Smedvig currently provides production drilling and well maintenance services on 23 platforms. About 1,350 experienced employees are trained to deliver quality services and performance within this area. In addition to the operation of the drilling facilities, normal contracts include operational support services, maintenance and potential modification and upgrading work.

8.2.5 Wireline Services

Wireline services offer state-of-the art, unique, one-crew equipment packages for slick, braided and electric line services. These cover all aspects of mechanical and electric wireline activities.

8.2.6 Engineering Services

The engineering group consists of over 110 skilled engineers and staff. Skills cover electro/instrument, structural, mechanical, material and marine disciplines.

8.3 Shareholder information

Smedvig's share capital is, at the date hereof, NOK 817,340,040. The number of Smedvig Shares in issue as of the date hereof is 81,734,004 (each with par value NOK 10.00). The total number of Smedvig Shares is distributed between 53,764,004 Class A Shares and 27,970,000 Class B Shares.

As of 2 March 2006, Smedvig had a total of 841 shareholders, of which 624 were Norwegian, and 217 were non-Norwegian. There are no restrictions on foreign ownership of the shares of Smedvig.

The tables below shows the 20 largest shareholders of Class A Shares and Class B Shares per 2 March 2006.

Class A Shares		Number of Shares	%
1	SeaDrill Limited c/o SeaDrill mgt.....	27,899,609	51.89
2	Peder Smedvig Capital **	18,856,098	35.07
3	Noble Corporation	2,239,502	4.17
4	DnB NOR Bank ASA Egenhandel.....	587,103	1.09
5	KBC Securities A/C Belgian clients*.....	448,226	0.83
6	Deutsche Bank AG London Prime Brokerage *	430,279	0.80
7	Citigroup Global Markets IPB Clients *	324,887	0.60
8	JPMorgan Chase Bank SA	178,900	0.33
9	Deutsche Bank AG Clients Account*	172,910	0.32
10	Nomura International Operations dept.	161,100	0.30
11	Skandinaviska Enskilda A/C Sec lend*.....	150,621	0.28
12	JP Morgan Chase Bank S/A Escrow Account*.....	138,628	0.26
13	Morgan Stanley & Co. Client	117,656	0.22
14	State Street Bank & Client Omnibus*	105,675	0.20
15	Citibank NA ADR Department*	102,060	0.19
16	Citigroup Global Markets	101,698	0.19
17	JP Morgan Chase Bank Ominbus lending account*	92,619	0.17
18	Deutsche Bank AG London.....	86,121	0.16
19	JP Morgan Chase Bank	84,060	0.16
20	Haug, Odd Roar.....	83,100	0.15
Total 20 largest holders.....		52,361,052	97.38
Other shareholders.....		1,402,952	2.62
Total class A shares		53,764,004	100.00

Class B Shares*		Number of Shares	%
1	SeaDrill Limited c/o SeaDrill mgt.....	15,508,082	55.45
2	Peder Smedvig Capital **	2,501,374	8.94
3	Odin Norden	2,210,300	7.90
4	Smedvig ASA	1,998,000	7.14
5	Stichting Shell pension.....	1,469,300	5.25
6	Odin Norge	1,256,050	4.49
7	Odin Offshore Odin Forvaltning	586,300	2.10
8	Credit Suisse Securities (Europe) Prime Broker*	521,194	1.86
9	Skandinaviska Enskilda (publ) Oslofilialen	344,551	1.23
10	Pershing Llc Main custody account*	190,700	0.68
11	Bank of New York BR S/A	180,450	0.65
12	Citibank NA ADR-department*	175,502	0.63
13	JPMorgan Chase Bank S/A escrow account*.....	158,885	0.57
14	Odin Europa	127,671	0.46
15	Odin Norden II c/o Odin Forvaltning.....	124,750	0.45
16	Citigroup Global Market Client account*	123,900	0.44
17	Borea AS	99,051	0.35
18	Odin Norge II c/o Odin Forvaltning.....	61,400	0.22
19	Morgan Stanley and Co.*	43,800	0.16
20	First Securities ASA meglerkonto innland.....	27,100	0.10
Total 20 largest holders.....		27,708,360	99.07
Other shareholders.....		261,640	0.93
Total Class B Shares.....		27,970,000	100.00

* Registered as nominee shareholder in the VPS.

** Controlled by Noble Corporation

9 Tax Consequences

Below is a summary of some of the Norwegian tax rules which may be relevant to the possible sale of Smedvig Shares on the terms set forth in the Offer. This summary is not an exhaustive description of all tax issues that may be of significance to each individual Smedvig Shareholder and is limited to a description of Norwegian tax laws. The summary is based on Norwegian tax law as of the date of this Offer Document. Such laws may be amended, also with retroactive effect. The summary is only meant to provide general information and does not analyse all aspects that may be of importance to an individual Smedvig Shareholder. The taxation of each Smedvig Shareholder depends on the respective Smedvig Shareholder's specific situation, and each Smedvig Shareholder should thus consult a tax adviser in order to establish the specific tax consequences of an acceptance of the Offer by him/it, as well as the relevance and implications of Norwegian or international tax law and possible amendments thereof.

9.1 Tax Consequences for Norwegian Shareholders

9.1.1 Companies that are Smedvig Shareholders

Companies that are Smedvig Shareholders (i.e. limited companies, public limited companies and similar units which are considered tax subjects) are not subject to taxation for a capital gain originating from realisation of shares in companies domiciled within the EEA area, whereas any loss incurred via such realisation does not give any right to tax deductions. Consequently, a company may sell its Smedvig Shares under the Offer without tax consequences. Costs incurred in connection with the sale of Smedvig Shares under the Offer are not tax-deductible.

9.1.2 Private individuals who are Smedvig Shareholders

A gain from the sale of Smedvig Shares by a Smedvig Shareholder who is a private individual is taxable as regular income at a rate of 28%. Loss is deductible in the general income.

With effect from the income year 2006, the taxable gain is calculated as the difference between the received consideration and the tax base value, including any RISK-adjustments up to 1 January 2006, and less any unused calculated allowance.

The main purpose of the calculated allowance is to determine the dividends which will be exempt from tax. If the dividends distributed one year do not exceed the calculated allowance, the unused allowance will be added to the tax purchase price of the share by the computation of the allowance the following year, and may also be carried forward and set off against future dividends received on, or capital gains originated from realisation of, the same share. The allowance one year will be allocated to the shareholder owning the share on 31 December the relevant income year. The deduction for any unused allowance by the realisation may not lead to or increase a deductible loss, i.e. any unused allowance exceeding the capital gain originated from the realisation of a share will be annulled.

If a Smedvig Shareholder sells Smedvig Shares acquired at various points in time, the Smedvig Shares that were acquired first shall be regarded as being transferred first (Norwegian: "først inn-først ut" prinsippet) when estimating the taxable gain or loss. Costs incurred in connection with acquisition and transfer of Smedvig Shares are deductible in the year of sale.

9.2 Tax Consequences for Non-Norwegian Shareholders

A gain from the sale of Smedvig Shares by a non-Norwegian Smedvig Shareholder will not be subject to taxation in Norway unless the foreign shareholder is a private individual and (i) holds the Smedvig Shares effectively connected with a business carried out in Norway, or (ii) has been a resident of Norway for tax purposes within the five calendar years prior to the sale.

Pursuant to the latter rule, latent capital gain on the Smedvig Shares at the time of termination of tax residency will be subject to tax in Norway, provided that such latent capital gain on the shareholder's total shareholding exceeds a taxfree allowance. The taxation of capital gains may be limited pursuant to an applicable tax treaty.

10 Legal Issues

The Offer and the acceptance thereof shall be governed by and construed in accordance with Norwegian law.

10.1 Regulatory and Competition Law Matters

No regulatory approval is required for completing the transaction.

11 Norsk Sammendrag (“Norwegian Summary”)

This section provides a summary in Norwegian of the terms of the Offer. The English language version is the legally binding version and shall prevail in case of any discrepancies between the English text and this Norwegian summary.

Ved uoverensstemmelse mellom det norske sammendraget og den engelske teksten, skal den engelske teksten representere den juridisk bindende versjonen.

Aksjonærer må gjøre sine egne undersøkelser (herunder selv oversette dette “Offer Document” (“Tilbudsdokument”)) når de skal vurdere det tilbudet som her er beskrevet (“Tilbudet”). Aksjonærene i Smedvig ASA (“Smedvig”) oppfordres til å studere Tilbudsdokumentet nøye. Aksjonærer må ikke oppfatte innholdet i dette Tilbudsdokumentet som juridisk, regnskapsmessig, eller skattemessig rådgivning eller som informasjon som er tilpasset den enkelte aksjonærs individuelle situasjon. Den enkelte aksjonær oppfordres til å konsultere egne rådgivere for å oppnå en uavhengig og balansert vurderingen av Tilbudet og det som er diskutert og beskrevet i Tilbudsdokumentet. Det samme gjelder i forhold til vurderingen av juridiske, skattemessige, eller andre implikasjoner av Tilbudet for den enkelte aksjonær.

11.1 Bakgrunn for Tilbudet

Den 4. januar 2006 offentliggjorde SeaDrill sin intensjon om å fremsette et frivillig tilbud på alle aksjene i Smedvig til en tilbudspris på NOK 201 per A-aksje og NOK 160 per B-aksje, betinget av at SeaDrill oppnådde en forhåndsakseptgrad på 33,3% før tilbudet ble lansert. Som en konsekvens av utilfredsstillende nivå av slike forhåndsaksepter, ble det varslede tilbudet ikke fremmet. Dette ble annonsert den 6. januar 2006.

SeaDrill offentliggjorte den 9. januar 2006 at man ønsket å fremsette et revidert frivillig tilbud om å kjøpe de utestående A- og B-aksjene i Smedvig til en kurs på NOK 205 per A-aksje og NOK 165 per B-aksje.

SeaDrill innhentet forhåndsakseptavtaler for tilbudet fra Smedvig Aksjonærer som representerte totalt 19.260.383 A-aksjer og 8.881.969 B-aksjer, tilsvarende 35,8% av aksjekapitalen og 34,4% av stemmene i Smedvig.

Gjennom det frivillige tilbudet ervervet SeaDrill 24.876.009 A-aksjer og 15.417.402 B-aksjer. I tillegg har SeaDrill ervervet totalt 3.023.600 A-aksjer og 90.680 B-aksjer i markedet. SeaDrill kontrollerer dermed totalt 27.899.609 A-aksjer og 15.508.082 B-aksjer, tilsvarende 53,1% av aksjekapitalen og 51,9% av stemmene i Smedvig pr. dags dato.

Dette Tilbudet dekker de 25.864.395 A-aksjene og 12.461.918 B-aksjene i Smedvig som ikke allerede er eiet av SeaDrill.

11.2 Tilbyder

Tilbudet er fremsatt av SeaDrill Limited, Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda, med registreringsnummer 36832. SeaDrill er et allmennaksjeselskap registrert i henhold til Bermuda lov.

SeaDrill er notert på Oslo Børs med ticker-kode “SDRL”. SeaDrills aksjer er registrert med ISIN nummer BMG 7945 E 1057.

11.3 Målselskap

Målselskapet er Smedvig ASA, Postboks 110, 4001 Stavanger, Norge med organisasjonsnummer NO 953 114 828.

Det primære handelsmarkedet for Smedvig's aksjer er Oslo Børs hvor A-aksjene har vært notert siden september 1990 med ticker-kode “SME”. B-aksjene har vært notert på Oslo Børs siden 30. august 1996 med ticker-kode “SMEB”. A- og B-aksjene er registrert i VPS med henholdsvis ISIN nummer NO 0003390205 og NO 0003390213.

Før registreringen av den offentlige emisjonen av B-aksjer i november 1996 ble A- og B-aksjene, i form av amerikanske depot aksjer ("Klasse A ADSs og Klasse B ADSs"), handlet i det unoterte markedet i USA. Disse verdipapirene har vært notert på New York Stock Exchange siden 8. november 1996 med ticker-kode SMVA (for Klasse A ADSs) og SMVB (for Klasse B ADSs).

11.4 Tilbudspris og Andre Vilkår

Aksjonærer som aksepterer Tilbudet ("**Akseptantene**") vil motta et vederlag på NOK 205 per A-aksje og NOK 165 per B-aksje ("**Tilbudsprisen**") i kontanter i henhold til de vilkår og betingelser som fremgår av dette Tilbudsdokumentet. Eventuelt utbytte eller utbetalinger som tilfaller Smedvigs aksjer før Tilbudsfristens utløp skal redusere Tilbudsprisen tilsvarende.

Dersom SeaDrill, før den 22. juli 2006, selger de aksjene i Smedvig som erverves som følge av Tilbudet til tredjemann for en pris som er høyere enn Tilbudsprisen, skal Akseptantene bli kompensert med den eventuelle positive differansen mellom salgsprisen mottatt av SeaDrill i en slik transaksjon og Tilbudsprisen. Slik kompensasjon vil bli utbetalt til Akseptantene senest to uker fra SeaDrill's mottagelse av salgssummen.

Retten til tilleggsvederlag som nevnt ovenfor var inkludert som et vilkår i det reviderte frivillige tilbudet beskrevet i Kapittel 3.1 og er derfor inkludert i Tilbudet for å sikre at alle Smedvigaksjonærer som aksepterer å selge sine aksjer i Smedvig i henhold til Tilbudet behandles likt med de aksjonærer i Smedvig som aksepterte det reviderte frivillige tilbudet.

Retten er vurdert ikke å ha noen økonomisk verdi som følge av at SeaDrill, etter gjennomføringen av det reviderte frivillige tilbudet referert til i Kapittel 3.1, ervervet A-aksjer i Smedvig som i sum representerte mer enn 50% av stemmene i Smedvigs generalforsamling og dermed oppnådde formell kontroll over Smedvig. SeaDrill vil derfor ikke selge sine aksjer i Smedvig på kort sikt.

Den tilbudte prisen verdsetter Smedvig til NOK 15,6 mrd. Se kapittel 4 for en mer detaljert fremstilling av Tilbudsprisen.

11.5 Tilbudsperiode

Tilbudsperioden for Tilbudet er fra og med 6. mars til og med 31. mars 2006 kl. 22.00 CET.

11.6 Aksept av Tilbudet

Aksjonærer i Smedvig som ønsker å akseptere Tilbudet må fylle ut, signere og levere Akseptformularet før kl. **22:00 CET den 31. mars 2006** sammen med annen påkrevd informasjon til Carnegie ASA ("**Oppgjørsagenten**"). Informasjon om aksjeeie og annen informasjon som relaterer seg til den enkelte Smedvig Aksjonær har allerede blitt påtrykket Akseptformularet. Akseptformularet inneholder også informasjon om kontantvederlaget.

Det er Akseptantens ansvar å fylle ut Akseptformularet korrekt; samt å levere Akseptformularet til Oppgjørsagenten innen kl. 22:00 CET den 31. mars 2006.

Akseptformularet må være mottatt av Oppgjørsagenten på nedenstående adresse via post, levering eller telefaks:

Carnegie ASA

Stranden 1

Postboks 684 Sentrum

0106 Oslo

Norge

Telefon: +47 22 00 93 00

Telefaks: +47 22 00 99 60

www.carnegie.no

SeaDrill har en rett, men ikke plikt, til å avvise uriktig utfylte eller for sent leverte Akseptformularer.

Smedvig Aksjonærer som har Aksjer fordelt på flere VPS konti, vil motta ett Akseptformular for hver konto og er påkrevet å innlevere separate Akseptformularer for hver konto.

SMEDVIG AKSJONÆRER SOM HAR SINE AKSJER REGISTRERT I EN MEGLERS, BANKS, AGENTS, STIFTELSES, FORVALTNINGSSLESKAPS ELLER ANNEN FORVALTERS NAVN MÅ KONTAKTE VEDKOMMENDE DERSOM SMEDVIG AKSJONÆREN ØNSKER Å AKSEPTERE TILBUDET FOR DISSE SMEDVIG AKSJENE.

SMEDVIG AKSJONÆRER SOM ØNSKER Å AKSEPTERE DET PLIKTIGE TILBUDET MÅ UNDERTEGNE AKSEPTFORMULARET, ENTEN SELV ELLER VED FULLMEKTIG.

Alle Smedvig aksjer som tilbys ervervet i henhold til Tilbudet, skal transporteres fri for heftelser av ethvert slag eller andre rettigheter for tredjemann og med alle tilhørende aksjonærrettigheter. Eventuelle tredjemenn som har pant eller andre rettigheter registrert på VPS-kontoen(e), må ved påtegning på Akseptformularet frafalle sine rettigheter i aksjene og gi sin godkjenning til at aksjene overføres heftelsesfritt.

Aksept av Tilbudet er bindende og ugjenkallelig for Aksjonæren fra det tidspunkt Akseptformularet er mottatt av Oppgjørsagenten. Dersom en Akseptant ønsker å akseptere Tilbudet for færre Aksjer enn registrert på vedkommendes VPS-konto, må punkt 2 i Akseptformularet fylles ut.

Ved å sende inn Akseptformularet til Oppgjørsagenten, er enhver Aksjonær i Smedvig bundet til å akseptere kontantvederlaget i henhold til de betingelser som fremgår av dette Tilbudsdokumentet og Akseptformularet, fra det tidspunktet Oppgjørsagenten har mottatt Akseptformularet.

11.7 Oppgjør

Aksjonærer som aksepterer Tilbudet før kl. 22:00 CET den 31. mars 2006 vil motta oppgjør i norske kroner. Oppgjøret vil være disponibelt på hver enkelt Aksjonærs bankkonto senest den 7. april 2006.

Oppgjøret skjer til den bankkonto som er innmeldt som utbyttekonto i VPS. Dersom slik konto ikke er innmeldt blir oppgjøret gitt per bankgiro eller sjekk. Dersom en Akseptant ønsker å motta betalingen til en annen bankkonto enn den konto som er registrert i VPS som utbyttekonto, må Akseptanten fylle ut bankkontonummeret på Akseptblanketten.

Appendix 1: Acceptance Form (English and Norwegian)

ACCEPTANCE FORM

This acceptance form shall be used in order to accept the mandatory offer (the "Offer") by SeaDrill Limited ("SeaDrill") to purchase all outstanding shares of class A and class B in Smedvig ASA ("Smedvig") on the terms and conditions set forth in the offer document dated 2 March 2006 (the "Offer Document") to which this form is attached.

Shareholder:

Return to:

Carnegie ASA
P.O.Box 684 Sentrum
0106 Oslo, Norway
Tel: +47 22009300
Fax: +47 22009960

The shareholder register in Smedvig 2 March 2006 shows:

VPS-account:	Bank account number for cash payment:	Share class:	No. of shares:	Rights holders registered:

ACCEPTANCE DEADLINE:

This Acceptance Form must be received by Carnegie ASA ("Carnegie") by 22:00 CET on 31 March 2006. Shareholders with shares in Smedvig distributed among several VPS-accounts will receive one Acceptance Form for each such VPS account. Accepting shareholders must complete and return all Acceptance Forms received by the acceptance deadline. SeaDrill reserves the right to reject any or all incorrect or illegally undertaken acceptances.

To SeaDrill and Carnegie ASA:

- I/We confirm that I/we have received and reviewed the Offer Document and accept the Offer for all my/our shares in Smedvig in accordance with the terms and conditions set forth in the Offer Document, unless otherwise stated by me/us below in 2. My/our acceptance also comprises any shares in Smedvig which I/we, in addition to the number of shares stated above, have acquired or will acquire prior to the deadline of the acceptance of the Offer and which will be registered in the VPS.
- I/We only accept the Offer for _____ number of my/our shares in Smedvig in accordance with the terms and conditions set forth in the Offer Document.
- I/We accept that I/we may not sell, otherwise dispose, encumber or transfer to another VPS account, the shares in Smedvig tendered hereunder. Furthermore, Carnegie is given irrevocable authorisation to block the shares tendered hereunder in favor of Carnegie on behalf of SeaDrill.
- Carnegie is given irrevocable authorisation to effectuate payment with same day transfer of the shares from my/our VPS-account to SeaDrill upon completion of the Offer.
- I/We accept that settlement in the form of cash will be made by way of transfer to the above bank account. If the bank account no. is not filled in, settlement will be made to the bank account registered on the VPS account for dividend payment.
- My/Our shares in Smedvig are transferred free of any encumbrances and any other third party right whatsoever and with all shareholder rights attached to them. Any third party with registered encumbrances or other third-party rights over my/our shares in Smedvig and/or VPS account(s) must sign the Acceptance Form and thereby waive their rights therein and approve the transfer of the Smedvig Shares to SeaDrill free of any encumbrances and any other third party right whatsoever. I/We acknowledge that this acceptance may only be regarded to be valid if any registered holders of rights have given written consent on this Acceptance Form that the shares are tendered and may be transferred to SeaDrill free of any such rights (this is done by inserting YES in the box 'Rights holders registered' above at the right hand side of this form and by signing below).
- SeaDrill will pay my/our costs directly related to VPS transactions in connection with my/our acceptance.
- This Acceptance Form and the Offer is subject to Norwegian law.
- I/We understand and agree that the Offer is not being made to, nor will tenders be accepted from or on behalf of Smedvig shareholders in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. I/We confirm that my/our acceptance of the Offer is not restricted according to the laws of the jurisdiction applicable to me/us.

Place

Date

Telephone no.

Signature *)

*) If signed pursuant to proxy, a proxy form or company certificate confirming the authorized signature must be enclosed

Rights holder(s):

In the event that there is registered holder(s) of rights on the VPS-account this is marked with a YES above on right-hand box of this Acceptance Form. As holder(s) rights the undersigned consents that the transaction is undertaken on the above-mentioned terms.

Place

Date

Telephone no.

Rights holder's signature *)

*) If signed pursuant to proxy, a proxy form or company certificate confirming the authorized signature must be enclosed

AKSEPTFORMULAR

Til bruk ved aksept av det pliktige tilbudet ("Tilbudet") fra SeaDrill Limited ("SeaDrill") om kjøp av alle utestående A-aksjer og B-aksjer i Smedvig ASA ("Smedvig") på de vilkår som er inntatt i tilbudsdokumentet, datert 2. mars 2006 ("Tilbudsdokumentet"). Dette er en oversettelse av det offisielle engelskspråklige akseptformularet (Acceptance Form). Ved uoverensstemmelse mellom den engelske og den norske språkversjonen, skal førstnevnte gjelde.

Aksjeeier:

Returneres til:

Carnegie ASA
P.O.Box 684 Sentrum
0106 Oslo, Norway
Tel: +47 22009300
Fax: +47 22009960

Aksjeeierboken til Smedvig fra 2. mars 2006 viser:

VPS-konto:	Bankkonto for utbetaling:	Aksjeklasse:	Antall aksjer:	Rettighetshaver innmeldt:

AKSEPTFRIST:

Dette akseptformularet må være mottatt av Carnegie ASA ("Carnegie") innen kl. 22.00 CET den 31. mars 2006. Aksjeeiere som har aksjer i Smedvig fordelt på flere VPS-konti, vil motta ett akseptformular for hver av disse VPS-konti. Aksjonærer som aksepterer tilbudet, må fylle ut og returnere alle mottatte akseptformular innen akseptfristens utløp. SeaDrill forbeholder seg retten til å avslå enhver eller alle aksepter utført på feil eller ulovlig måte.

Til SeaDrill og Carnegie ASA:

- Jeg/vi har mottatt og gjennomgått Tilbudsdokumentet og aksepterer Tilbudet på de vilkår som er inntatt i dette. Min/vår aksept gjelder alle mine/våre Smedvig aksjer, med mindre annet er uttalt av meg/oss nedenfor i pkt. 2. Min/vår aksept omfatter også alle Smedvig aksjer som jeg/vi - i tillegg til aksjene nevnt ovenfor - har ervervet eller vil erverve og som blir registrert i VPS.
- Min/vår aksept gjelder kun _____ av mine/våre Smedvig aksjer.
- Jeg/vi aksepterer at jeg/vi ikke kan selge eller på annen måte avhende, pantsette eller overføre til en annen VPS-konto de aksjer som omfattes av aksepten. Videre gir jeg/vi Carnegie en ugenkallelig fullmakt til å sperre aksjene som omfattes av aksepten til gunst for Carnegie på vegne av SeaDrill inntil Tilbudet er annullert eller ikke gjelder lenger.
- Carnegie gis en ugenkallelig fullmakt til å betale for og samtidig overføre aksjene fra min/vår VPS-konto til SeaDrill ved gjennomføringen av Tilbudet.
- Jeg/vi aksepterer at oppgjør i penger gjennomføres ved overføring til kontoen nevnt ovenfor. Dersom konto ikke angis, vil overføring skje til utbyttekonto registrert på VPS-kontoen.
- Mine/våre aksjer i Smedvig blir overført fri for heftelser eller noen annen rett for tredjemann og med alle tilhørende aksjonærrettigheter. Alle tredjemenn med registrert pant eller andre rettigheter til Smedvig aksjene og/eller VPS-konto (eller VPS- konti), må undertegne akseptformularet og derved gi avkall på sine rettigheter i Smedvig aksjene og godkjenne at Smedvig aksjene overføres til SeaDrill fri for tilhørende pant eller rettigheter for tredjemann. Jeg/vi erkjenner at denne aksepten bare kan anses som gyldig hvis alle eventuelle registrerte innehavere av rettigheter skriftlig på dette akseptformularet samtykker til at aksjene som omfattes av denne aksepten, overføres til SeaDrill fri for slike rettigheter. (Dette gjøres ved å skrive et "JA" under boksen "Rettighetshaver innmeldt" ovenfor på høyre side på dette formularet og ved å undertegne nedenfor).
- SeaDrill betaler mine/våre utgifter som er direkte relatert til VPS-transaksjoner i forbindelse med min/vår aksept.
- Akseptformularet og Tilbudet er underlagt norsk rett.
- Jeg/vi forstår og er enig i at Tilbudet ikke vil bli fremmet til og at aksepter ikke vil bli akseptert fra eller på vegne av aksjeeiere i Smedvig i jurisdiksjoner hvor det vil være i strid med lovgivningen å fremme Tilbudet eller å akseptere aksepter av det. Jeg/vi bekrefter at min/vår aksept av Tilbudet ikke strider mot lovgivningen i den jurisdiksjon jeg/vi er underlagt.

Sted

Dato

Telefon

Underskrift *)

*) Hvis undertegning skjer ved fullmektig, må fullmakt eller firmaattest som bekrefter fullmektigens underskrift, legges ved.

Rettighetshaver(e):

Hvis det finnes én eller flere registrerte innehavere av rettigheter på VPS-kontoen, så er dette markert gjennom et "JA" under boksen "Registrert rettighetshaver" ovenfor på høyre side av dette formularet. Som innehaver av rettigheter, samtykker undertegnede til at transaksjonen gjennomføres på de ovennevnte vilkår.

Sted

Dato

Telefon

Rettighetshavers underskrift *)

*) Dersom undertegning skjer ved fullmektig, må fullmakt eller firmaattest som bekrefter fullmektigens underskrift legges ved.

SeaDrill Limited

c/o Frontline Management AS
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0112 Oslo
NORWAY

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