



Seadrill Limited (SDRL) - Third Quarter 2007 Results

Highlights

- Seadrill reports net income of US\$32.8 million and earnings per share of US\$0.08 for the third quarter of 2007
- Seadrill remains on track for delivery of the newbuild program
- Seadrill takes successful delivery of one jack-up and one tender rig
- Seadrill secures new contract for the mid-water semi-submersible rig West Alpha
- Seadrill secures new contracts for the ultra-deepwater units West Aquarius and West Capella
- Seadrill establishes the well services division as an independent well services company Seawell in the OTC system

Condensed consolidated income statements

Third quarter results

Consolidated revenues for the third quarter of 2007 amounted to US\$377.1 million as compared to US\$374.0 million for the second quarter 2007. The operating revenues increased within all three divisions.

Operating profit for the third quarter was US\$96.2 million, an increase from US\$76.9 million in the second quarter. For the Mobile Units the operating profit in the third quarter was US\$58.8 million as compared to US\$43.3 million in the preceding quarter. The increase of US\$15.5 million was related to improved utilization for several of the benign environment jack-ups in Asia. The performance of the Tender Rigs remained strong with a high utilization and with operating profit of US\$25.6 million, an increase of US\$3.4 million from the preceding quarter. Operating profit from Well Services totaled US\$11.9 million in the third quarter marginally up from US\$11.4 million in the preceding quarter.

Net financial items for the quarter resulted in expenses of US\$54.3 million, an increase of US\$32.5 million compared to the second quarter. Interest expenses increased due to higher debt. Other financial items increased from US\$10.3 million to US\$33.0 million. The increase was related to foreign exchange differences due mainly to weakening of US dollar compared to Norwegian kroner in the quarter.

Income before taxes was US\$41.9 million, down from US\$55.1 million in the second quarter. Income taxes are estimated to US\$5.0 million.

Net income for the quarter amounted to US\$32.8 million.

The condensed Consolidated Financial Statements are prepared in accordance with US GAAP and include the assets and liabilities of the Company. All material inter-company balances and transactions have been eliminated in the consolidation.

Balance sheet

Total assets increased from US\$6,669 million in the balance sheet as of year-end 2006 to US\$7,989 million as of September 30, 2007.

Total current assets increased from US\$780 million to US\$1,003 million. The increase reflects higher cash and cash equivalents as well as an increase in other investments. In the same period, total non-current assets increased from US\$5,889 million to US\$6,986 million. The increase related to further installments paid under construction contracts for new drilling units, the delivery in June and September of the new jack-ups (West Prospero and West Atlas), and increase in goodwill of approximately US\$200 million from acquisition of the remaining shares in Eastern Drilling ASA in the second quarter.

Total current liabilities increased from US\$721 million to US\$1,256 million. The increase reflects higher interest bearing debt with maturity less than one year. Long-term interest bearing debt increased from US\$2,559 million to US\$2,856 million reflecting new funding of the milestone payments for new drilling units and financing of the acquisition of the remaining shares in Eastern Drilling ASA. Net interest bearing debt amounted to US\$3,252 million as of September 30, 2007, an increase of US\$647 million from year-end. The acquisition of Eastern Drilling ASA in the second quarter also reduced the minority interests, which amounted to US\$87 million as of September 30, down from US\$208 million. The increase in total shareholders' equity of US\$611 million to US\$3,369 million was due to share issues in April and July as well as addition of net income earned during the first nine months of 2007.

US\$25 million has been added to equity but not included in the income statement as function of a positive mark to market valuation of equity and derivatives investments in other drilling contractors.

Cash flow

At September 30, 2007, cash and cash equivalents amounted to US\$294.0 million, an increase of US\$83.6 million as compared to year-end 2006. In the first nine months of 2007, net cash from operating activities amounted to US\$261.9 million. In the second quarter, the acquisition of goodwill and minority interests amounted to US\$213.6 million and US\$185.8 million respectively, and was related to the acquisition of Eastern Drilling. Investments in fixed assets during the nine months period amounted to US\$1,087.7 million, of which US\$237.6 million was invested in the third quarter. The proceeds from the sale of two FPSO units in the first quarter were US\$170.0 million. Net investments amounted to US\$1,300.4 million of which US\$250.7 million related to the third quarter. Net cash from financing activities in the first nine months amounted to US\$1,114.0 million, of which US\$150.0 million was in the third quarter. This funding was used for milestone payments on new drilling units as well as other investments.

Private placement

In July, Seadrill completed a private placement of seven million shares at a subscription price of NOK127.00 per share. The offering raised proceeds of NOK874.3 million or US\$152.7 million. The total number of shares outstanding as of September 30, 2007 was 399,133,216. The Company currently has a holding of 517,000 own shares.

Convertible bond issue

In October, Seadrill completed a US\$1 billion convertible bond. The convertible bond will have an annual coupon of 3.625% payable semi-annually in arrears. The conversion price for the convertible bond is US\$34.474 per bond representing a conversion premium of 45% of the volume weighted average price of the Company's shares on the Oslo Stock Exchange (converted into US\$) up to the pricing of the bonds on October 26, 2007 (the reference price). The reference price of the Company's common shares was set at US\$23.7752 (based on a volume weighted average price of NOK127.4944). The senior unsecured bonds will mature in November 2012 unless previously redeemed, converted or purchased and cancelled. Seadrill has the right to call the bonds after some three years if the value of the Seadrill shares underlying one bond (translated into US\$) exceeds 130% of the principal amount of the bond for a specified period of time.

Operations

Mobile units

Seadrill's mobile units were all in operation during the quarter with the exception of West Larissa. In Norway, the semi-submersible rigs West Alpha and West Venture continued drilling operations for Statoil and Hydro respectively while the ultra-deepwater drillship West Navigator worked for Shell and the ultra-large jack-up West Epsilon worked for Statoil. In Africa, the jack-up West Ceres continued the drilling operations offshore Nigeria for Total whereas West Titania worked in Tunisia for Ecumed Petroleum Tunisia Limited. In Southeast Asia, the jack-up West Janus completed a five-year interim survey in early July and shortly thereafter commenced operations for Petronas in Malaysia. In July, the new jack-up West Prospero commenced operations for Exxon in Malaysia. The jack-up West Larissa spent the quarter at yard in Singapore repairing the legs after suffering a punch-through in June. The repair-work was completed in October and the unit was subsequently relocated to the next assignment in Vietnam. In September, West Atlas was delivered and subsequently transported on a heavy lift vessel to Australia in order to start drilling operations for Coogee. In addition, Seadrill is responsible for drilling operations on the Japanese scientific deepwater drillship Chikyu. Chikyu completed its commercial assignment for Woodside offshore Australia in July and reverted to scientific operations.

Tender rigs

Seadrill's self-erecting tender rigs were all in operation during the quarter. In Southeast Asia, the tender rig barges T4 and T7 continued their work for Chevron in Thailand. In Malaysia, the semi-tender West Alliance continued drilling operations for Shell, the semi-tender West Berani worked for Exxon while the semi-tender West Setia performed deepwater operations from a spar-platform for Murphy. In Brunei, the semi-tender West Pelaut continued operations for Shell. In West Africa, the tender barge T8 and the semi-tender West Menang continued operations for Total in Congo.

Well services

Seadrill performs various well service activities in the North Sea. In Norway, Seadrill performed drilling and maintenance operations for Statoil on the Statfjord, Veslefrikk and Gullfaks platforms as well as carrying out drilling operations and maintenance work for BP on the Ula and Valhall platforms and for Talisman Energy on the Gyda field. In the UK, Seadrill performed drilling and maintenance activities for Shell on various platforms. In addition, the Company also performs engineering and modification activities as well as wireline operations. The activity level for well services remained sound.

Seadrill informed in the second quarter report that the Company had decided to set-up a separated entity for the well services division in order to create a large integrated well services company through organic growth and merger and acquisition activities. The separate entity has been named Seawell Limited and ultimo September, on a stand-alone basis, raised NOK275 million (equivalent to approximately US\$49.8 million) in new equity through a private placement of 20 million shares at a subscription price of NOK13.75 per share. The total number of shares outstanding after the issue is 100 million. Following the private placement, Seadrill has an ownership interest of 80 percent in Seawell Limited. In October, Seawell Limited was registered in the Norwegian OTC system with the ticker SEAW.

Operations associated companies

Varia Perdana Bhd.

Varia Perdana Bhd. owns five self-erecting tender rigs after taking delivery of a new tender barge named T10 in August. The other four tender barges were all in operation during the quarter. The tender barge T3 worked for PTT in Thailand whereas in Malaysia T6 and Teknik Berkat worked for Carigali and T9 worked for Exxon. The new tender rig barge T10 started operations for CarigaliHess in the joint development area in the Gulf of Thailand subsequent to delivery.

PT Apexindo Pratama Duta TBK

The Jakarta Stock Exchange listed company PT Apexindo Pratama Duta TBK (Apexindo) offers onshore and offshore drilling services. The drilling fleet comprises of four submersible swamp barges, two jack-up rigs and nine onshore drilling rigs. In October, Seadrill entered into an agreement to dispose of its shareholding in Apexindo for a total consideration of some US\$220 million. The closing of the transaction is expected before year-end with an estimated accounting gain of US\$150 million.

New contracts and dayrates

Seadrill has announced a number of new contracts for existing units as well as new units under construction since June 2007.

In July, Seadrill was awarded a contract with Exxon for international exploration activities with the deepwater semi-submersible drilling unit West Aquarius currently under construction. The contract has a firm duration of three years at dayrate US\$523,000.

In August, Seadrill was awarded a letter of intent by a consortium of independent oil companies for the assignment of the semi-submersible drilling unit West Alpha for operations in the North Sea. The contract has a firm duration of three years with an option to extend the contract length to either four or five years. The dayrate is US\$473,000, US\$453,000 and US\$433,000 for the three, four or five-year alternatives, respectively.

In September, Seadrill confirmed that a consortium of international operators had signed the award for the five-year contract to utilize the ultra-deepwater drillship West Capella worldwide. The dayrate in the five-year period is US\$525,000.

In November, Seadrill has been awarded a one-year extension by Total for the self-erecting tender rig T8 at dayrate US\$125,000. After the extension, T8 is expected to be employed by Total in Congo until May 2009.

For more detailed information regarding dayrates and contract durations, see the fleet status report or news releases on the Company web site www.seadrill.com.

Newbuild program

Seadrill has since the year-end ordered one drillship, one semi-submersible rig and one semi-tender and taken delivery of one tender barge rig and two jack-ups. As such, the current Seadrill newbuild program includes 14 units of which there are three ultra-deepwater drillships, seven deepwater semi-submersible rigs, two jack-ups and two tender rigs. The delivery schedule is 11 newbuilds in 2008 and 3 newbuilds in 2010.

In July, Seadrill entered into a turnkey contract to build a third ultra-deepwater drillship at the Samsung Shipyard in South Korea. The total project value is US\$598 million with scheduled delivery in June 2010. The drillship is based on a Samsung design and is similar to the two units Seadrill already has under construction at the Samsung Shipyard. The new drillship will be capable of operating in water depths up to 10,000 feet.

At the end of September, Seadrill took successful delivery of the new jack-up West Atlas on time and budget. Subsequently, the jack-up commenced operations in Australia.

Rig	Yard	Delivery date	Contract price*	Installment paid as of 3Q07
<i>Jack-ups</i>				
West Triton	PPL	1Q 2008	US\$129 mill.	US\$109 mill.
West Ariel	Keppel	2Q 2008	US\$132 mill.	US\$67 mill.
<i>Tender rigs</i>				
T11	MSE	2Q 2008	US\$90 mill.	US\$28 mill.
West TBA	Keppel	1Q 2010	US\$180 mill.	US\$27 mill.
<i>Semi-submersibles</i>				
West Phoenix	Samsung	1Q 2008	US\$502 mill.	US\$395 mill.
West Eminence	Samsung	4Q 2008	US\$542 mill.	US\$299 mill.
West Sirius	Jurong	1Q 2008	US\$443 mill.	US\$137 mill.
West Taurus	Jurong	4Q 2008	US\$457 mill.	US\$132 mill.
West Orion	Jurong	2Q 2010	US\$532 mill.	US\$80 mill.
West Hercules	Daewoo	2Q 2008	US\$512 mill.	US\$170 mill.
West Aquarius	Daewoo	3Q 2008	US\$530 mill.	US\$165 mill.
<i>Drillships</i>				
West Polaris	Samsung	2Q 2008	US\$478 mill.	US\$272 mill.
West Capella	Samsung	4Q 2008	US\$478 mill.	US\$224 mill.
West Gemini	Samsung	2Q 2010	US\$598 mill.	US\$89 mill.
Sum			US\$5,603 mill.	US\$2,194 mill.

* Including variation orders and riser allocations, but excluding spares, accrued interest expenses, construction supervision and operations preparations and mobilization

As of September 30, 2007, US\$2,194 million have been paid as installments on the newbuilds as compared to US\$2,070 million at the end of the second quarter 2007. The remaining installments to be paid for the newbuilds amount to US\$3,409 million split on approximately US\$435 million, US\$2,322 million, US\$225 million and US\$427 million in 2007, 2008, 2009 and 2010, respectively. In addition, incurred costs related to capital spares, capitalized interest, contract supervision and operations preparations for the newbuild program totaled approximately US\$351 million as per the end of the third quarter 2007.

Market development

Several announcements have been made in the last few months of new drilling contracts that confirm the strength in the market for mobile offshore drilling units in particular for deepwater units. As a result, the number of deepwater units under construction has increased further and now stands at 65, up from 61 in August and 52 in May. The corresponding figures for jack-ups under construction are 83 up from 79 as eight units have been ordered and four units have been delivered. So far the increase in newbuild orders has not adversely affected the term and dayrates observed in the market space.

Deepwater Floaters (>5,000 ft water)

The number of deepwater newbuilds on order continues to increase and is up from 61 units since August this year to 65 units. The historic high number of deepwater newbuilds has yet to adversely affect dayrates and offshore drillers continue to benefit from the strong rig demand by keeping dayrates at reasonable levels as well as tightening the overall contract terms. As a consequence of recent contract signings, the availability for deepwater rig capacity continues to shrink and there is very limited free deepwater capacity available in 2008 as well as in 2009. As a result, dayrates for term contracts are now well establish above US\$500,000 even for contracts with commencement in 2010.

Premium Jack-ups (>300 ft water)

Dayrate fixtures in the market for premium jack-ups for short-term contracts prevail in the US\$200,000 area although there is continued uncertainty regarding the market's ability to absorb the significant influx of newbuildings. The market though seems to maintain its strength and the Company is of the opinion that the growing demand being observed from Australia, India, the Middle East and West Africa will absorb the supply of premium jack-up newbuilds. The fact that many of the new jack-ups at present are without contracts may result in some market turbulence in the jack-up market as start of programs may be delayed. It should also be mentioned that dayrates for 3 to 5 year term contracts are lower than for short-term work.

Jack-ups (<= 300 ft water)

The market for smaller jack-ups is more volatile when it comes to dayrate movement and contract duration but in general continues to track the development for premium jack-ups discounting rig specifications and geographic markets. There is currently uncertainty with respect to the development of this market segment in 2008. However, the return on assets for this segment is expected to remain high and the reasonably strong contract coverage for our fleet of jack-ups will mitigate the exposure to some extent.

Tender rigs

The market sentiment for tender rigs remains strong as confirmed by the recent fixture for the Company's T8 unit in Congo. As tender rigs primarily are doing production drilling, the contract duration for tender rigs is usually longer term and the contracts are entered into well in advance of commencement. Seadrill is of the opinion that the outlook is favorable and expects that the market will continue to offer good opportunities to build order backlog and facilitate further organic growth.

Litigations

Dual drilling

In September, the legal hearings of the patent dispute for dual drilling operation between Transocean and Seadrill were held in the Oslo City Court in Norway over a three-week period. Transocean are claiming that Seadrill has violated their patents regarding certain dual drilling operations. Seadrill denied any such allegations. The legal hearings are limited to drilling operations in Norway for the drillship West Navigator and the semi-submersible unit West Venture. The Court's decision is expected before year-end and is subject to both party's right of appeal.

Eastern Drilling-Oslo Stock Exchange

In March 2007, Seadrill brought legal action before the Oslo City Court against Oslo Børs ASA (Oslo Stock Exchange) claiming that a resolution passed by the Oslo Stock Exchange Appeal Committee in December 2006 is invalid and unlawful. The resolution forced Seadrill to substantially increase the offer price in a mandatory offer to the other shareholders in Eastern Drilling ASA. The Oslo City Court heard the case in October and a judgement from Oslo City Court is expected to be rendered early in December this year. If Seadrill prevails in the case, Seadrill will claim compensation for economic loss in the order of some NOK850 million as a result of the unlawful mandatory offer decision by the Oslo Stock Exchange Appeal Committee.

Outlook and strategy

The Company mission is to create a world leading offshore drilling company focusing on modern quality units. The strategy to reach this goal is to secure exposure to newbuild orders at quality yards, build a dynamic organization, win term contracts, secure financial leverage, deliver the projects according to plan and put the new units into commercial operation.

Seadrill has since the start-up in May 2005 grown its fleet to 37 units through a sequence of acquisitions and newbuild orders. At the same time, the Company has put together a pool of experienced and skilled offshore workers that currently totals more than 5,500 people with main operational offices in Stavanger, Singapore and Houston. Furthermore, Seadrill has successfully taken delivery of and put into operation three jack-ups and two tender rig newbuilds on time and budget and secured premium contracts with quality customers for eight of the remaining 14 newbuilds, something that ensures the Company presence in key drilling areas such as the North Sea, Southeast Asia, US Gulf of Mexico and West Africa in addition to new areas like Australia and China.

The next big step is taking delivery and putting into operation all the eight deepwater units scheduled for completion in 2008. At present, the overall construction of the newbuilds is progressing according to plan with only minor delays. The first units to be delivered are more or less mechanically completed and have entered the final and challenging commissioning and testing phase of the construction project. Although there are still risks attached to completion of the projects, the Board is convinced that the decision to enter into fixed-price turnkey newbuild contracts (with a heavy back-loaded yard installments schedule) at the most experienced yards in the offshore industry applying proven technology will serve the Company well.

The Board is determined to continue the growth of the Company. As a result of good progress for the newbuild projects, the strong demand for advanced offshore drilling units, a solid US\$7.7 billion order backlog as well as limited availability of newbuild slots at quality yards, the Company increased its exposure to the offshore drilling market by ordering three more units this year. Based on recent market development as well as existing rig inquiries, rig

tenders and customer discussions regarding the Company's available units, Seadrill believes that the newbuildings ordered this year will prove to add significant shareholder value. As a result of limited rig availability, especially for ultra-deepwater capacity, the Company is very pleased to have two such units available in the market in 2008 in addition to the 2010 exposure. Given the improved strength of underlying fundamentals, Seadrill is also considering opting for shorter-term contracts at higher dayrates as opposed to term contracts at lower dayrates in order to maintain exposure to the underlying favorable market sentiment.

In order to maintain market exposure, Seadrill has invested in strategic positions in several other offshore drilling contractors. At present, the Company controls more than five percent ownership through shares or financial instruments in the following companies. Aker Drilling 22.1%, Scorpion Offshore 11.2% and SapuraCrest 16.8%. The shares, acquired based on thorough evaluation of the companies' underlying values, can either be sold after a positive share price development or used as basis for further consolidation in the industry.

The Company has taken advantage of the favorable market to dispose of its entire shareholding in the Indonesian drilling company PT Apexindo Pratma Duta Tbk for approximately US\$220 million. Seadrill is expected to record a gain of approximately US\$150 million in the fourth quarter 2007. Furthermore, the Company has signed an agreement to sell the 1981-built jack-up West Titania for US\$146.5 million. The sale of the unit is in line with the Company's strategy to focus its operation on new and modern drilling assets.

The Company successfully issued a US\$1 billion convertible bond in October. The proceeds from the bond will be partly used as an alternative unsecured top-up financing for the existing newbuilds Seadrill has under construction. The major part of the bond proceeds is however expected to be used to secure future growth of the Company's assets in addition to the existing newbuild commitments.

Furthermore, the main objective for Seadrill is to deliver the best possible equity return to shareholders. The significant order backlog built through term contracts with quality customers gives Seadrill a unique opportunity to leverage its existing assets without adding significant risk. Through a replacement of equity with debt, the return on the remaining equity should increase significantly. The Company therefore pursues leveraging strategies and continues to develop alternative sources of funding such as sale and leaseback agreements, export credit arrangements, more aggressive bank facilities as well as a master limited partnership structure for selected tender rig units.

The Board maintains that in order to create shareholder value it is important to focus on growth in all business lines. In that respect, the Board is pleased to report that the well services division has been established as a separate entity named Seawell Limited, has carried out a NOK275 million (approximately US\$49.8 million) equity offering and has been registered in the Norwegian OTC system. After the offering, Seadrill holds an 80 percent ownership interest in Seawell. Seadrill intends to be a strong supporter of Seawell going forward and sees many interesting opportunities for growth organically as well as through merger and acquisition activities.

For the third quarter, the Board is in particular pleased with the continued strong contribution from the Well Services business as well as the superb utilization and contribution from the Tender Rigs in a cost-increasing environment. For the fourth quarter, the operating results

will be adversely influenced by an unplanned off-hire period of some 35 days for the deepwater drillship West Navigator due to BOP issues and the five-year mandatory survey for the heavy duty jack-up West Epsilon expected to take place in December. Positive operating revenue will be generated by the new fleet addition West Atlas that was delivered in September 2007. The significant increase in Seadrill revenues will come in 2008/2009 when eight deepwater units, two jack-ups and one tender rig are expected to commence contracts in addition to several of the existing contract rolling over at more favorable rates.

The Board is of the opinion that the combination of the operational cash flow from the existing and recently delivered units, as well as newbuilding orders placed at favorable terms and delivery positions create a solid financial base for the Company going forward. The fact that the newbuild projects overall are progressing according to plan, that the recruitment of people is developing as intended combined with strong commitment and enthusiasm in the organization proves that Seadrill is well on its way in building a leading offshore drilling company. The Company will have the most modern high quality drilling fleet in the world with an average age almost 20 years younger than any of our large competitors. The Board continues to be excited about and positive towards the outlook for the market and our Company as well as the outlook for providing our shareholders a good long-term return.

Forward Looking Statements

This press release contains forward-looking statements. These statements are based on various assumptions, many of which are based, in turn, upon further assumptions, including Seadrill management's examination of historical operating trends.

Including among others, factors that, in the Company's view, could cause actual results to differ materially from the forward looking statements contained in this press release are the following: the competitive nature of the offshore drilling industry, oil and gas prices, technological developments, government regulations, changes in economical conditions or political events, inability of the Company to obtain financing for the newbuildings on favorable terms, changes of the spending plan of our customers, changes in the Company's operating expenses including crew wages, insurance, dry-docking, repairs and maintenance, failure of shipyards to comply with delivery schedules on a timely basis and other important factors mentioned from time to time in our reports filed with the Oslo Stock Exchange.

November 29, 2007
The Board of Directors
Seadrill Limited
Hamilton, Bermuda

Questions should be directed to Seadrill Management AS represented by:

Kjell E Jacobsen: Chief Executive Officer
Trond Brandsrud: Chief Financial Officer
Jim Daatland: Vice President Investor Relations

Accounts

Condensed Consolidated Income Statement

<i>Unaudited accounts in USD million</i>	2Q07	3Q07	3Q06	9M 2007	9M 2006	2006
Revenues						
Operating revenues	307,9	323,6	247,2	937,5	632,4	942,3
Reimbursables	44,3	30,9	21,6	103,4	60,1	109,0
Other revenues	21,8	22,6	31,5	189,4	74,9	103,3
Total revenues	374,0	377,1	300,3	1 230,3	767,4	1 154,6
Operating expenses						
Vessel and rig operating expenses	180,9	178,4	149,6	537,5	390,7	587,8
Reimbursable expenses	42,8	28,8	20,3	98,6	56,7	103,4
Depreciation and amortisation	43,6	47,4	47,0	134,2	125,2	167,6
General and administrative expenses	29,8	26,3	19,1	81,4	47,7	69,7
Total operating expenses	297,1	280,9	236,0	851,7	620,3	928,5
Operating profit	76,9	96,2	64,3	378,6	147,1	226,1
Interest income	4,8	3,0	2,8	10,2	9,0	14,0
Interest expense	(20,9)	(30,8)	(17,2)	(74,7)	(53,7)	(79,8)
Share of results from associated companies	4,6	6,5	11,7	18,0	23,9	26,6
Other financial items	(10,3)	(33,0)	3,1	(51,4)	83,1	80,0
Net financial items	(21,8)	(54,3)	0,4	(97,9)	62,3	40,8
Income before income taxes and minority interest	55,1	41,9	64,7	280,7	209,4	266,9
Income taxes	(11,2)	(5,0)	(6,7)	(29,9)	(22,1)	(22,4)
Minority interest	(1,9)	(4,1)	(1,9)	(7,8)	(28,4)	(30,5)
Net income	42,0	32,8	56,1	243,0	158,9	214,0
Earnings per share <i>(in USD)</i>	0,11	0,08	0,15	0,62	0,46	0,61
Diluted earnings per share <i>(in USD)</i>	0,11	0,08	0,15	0,62	0,46	0,61

Condensed Consolidated Segment Information

Mobile Units Division

<i>Unaudited accounts in USD million</i>	2Q07	3Q07	3Q06	9M 2007	9M 2006	2006
Operating revenues	166,7	175,5	134,0	516,3	321,7	500,0
Reimbursables	11,9	6,9	12,7	24,0	33,8	49,4
Other revenues	18,7	19,6	27,4	180,2	64,5	88,8
Total revenues	197,3	202,0	174,1	720,5	420,0	638,2
Vessel and rig operating expenses	88,8	85,1	70,0	266,1	175,6	281,7
Reimbursable expenses	11,0	5,4	11,7	20,8	31,3	45,4
Depreciation and amortisation	31,8	35,2	36,2	98,5	93,7	127,3
General and administrative expenses	22,4	17,5	11,1	58,0	28,4	45,2
Total operating expenses	154,0	143,2	129,0	443,4	329,0	499,6
Operating profit	43,3	58,8	45,1	277,1	91,0	138,6

Tender Rigs Division

<i>Unaudited accounts in USD million</i>	2Q07	3Q07	3Q06	9M 2007	9M06	2006
Operating revenues	55,9	60,6	37,3	169,4	110,0	154,9
Reimbursables	4,4	5,4	1,8	13,8	5,3	9,6
Other revenues	3,1	3,0	4,1	9,1	10,3	14,5
Total revenues	63,4	69,0	43,2	192,3	125,6	179,0
Vessel and rig operating expenses	23,8	24,7	16,5	68,9	50,1	69,4
Reimbursable expenses	4,2	5,1	1,7	13,1	5,0	9,2
Depreciation and amortisation	9,6	9,7	9,1	29,1	26,7	33,7
General and administrative expenses	3,6	3,9	3,4	10,8	8,0	10,0
Total operating expenses	41,2	43,4	30,7	121,9	89,8	122,3
Operating profit	22,2	25,6	12,5	70,4	35,8	56,7

Well Services Division

<i>Unaudited accounts in USD million</i>	2Q07	3Q07	3Q06	9M 2007	9M06	2006
Operating revenues	85,3	87,5	75,8	251,7	200,7	287,4
Reimbursables	28,0	18,6	7,2	65,8	21,1	50,0
Total revenues	113,3	106,1	83,0	317,4	221,8	337,4
Operating expenses	68,3	68,6	63,1	202,6	165,0	236,7
Reimbursable expenses	27,6	18,3	7,0	64,7	20,4	48,8
Depreciation and amortisation	2,2	2,5	1,8	6,5	4,8	6,6
General and administrative expenses	3,8	4,8	4,4	12,6	11,3	14,5
Total operating expenses	101,9	94,2	76,3	286,4	201,5	306,6
Operating profit	11,4	11,9	6,7	31,0	20,3	30,8

Condensed Consolidated Balance Sheets

<i>Unaudited accounts in USD million</i>	30.09.07	31.12.06	30.09.06
<i>Current assets</i>			
Cash and cash equivalents	294,0	210,4	520,4
Receivables	505,9	463,5	290,5
Other investments	203,3	105,9	0,0
Total current assets	1 003,2	779,8	810,9
<i>Non-current assets</i>			
Investment in associated companies	167,3	238,1	233,4
Other non-current assets	83,5	46,1	41,6
Newbuildings	2 706,6	2 027,4	1 622,1
Drilling units	2 530,2	2 293,3	2 274,7
Goodwill	1 497,9	1 284,2	1 179,1
Total non-current assets	6 985,5	5 889,1	5 350,9
Total assets	7 988,7	6 668,9	6 161,8
<i>Current liabilities</i>			
Short-term interest bearing debt	689,9	255,4	218,6
Other current liabilities	566,6	465,3	311,0
Total current liabilities	1 256,5	720,7	529,6
<i>Non-current liabilities</i>			
Deferred taxes	237,9	227,8	246,9
Long-term interest bearing debt	2 855,6	2 559,3	2 346,3
Other non-current liabilities	183,7	195,4	160,0
Total non-current liabilities	3 277,2	2 982,5	2 753,2
Minority interest	86,5	208,0	207,9
<i>Shareholders' equity</i>			
Paid-in capital	2 753,7	2 449,8	2 449,8
Retained earnings	614,8	307,9	221,3
Total shareholders' equity	3 368,5	2 757,7	2 671,1
Total shareholders' equity and liabilities	7 988,7	6 668,9	6 161,8

Condensed Consolidated Cash Flow Statements

<i>Unaudited accounts in USD million</i>	9M2007	9M2006	2006
Cash flow from operating activities			
Net income	243,0	158,9	214,0
<i>Adjustment to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortisation	134,2	125,2	167,6
Gain on disposals of fixed assets/other investments	(133,1)	(83,1)	(83,6)
Share of results from associated companies	(18,0)	(23,9)	(26,6)
Change in working capital	35,8	14,4	12,5
Net cash from operating activities	261,9	191,5	283,9
Cash flow from investing activities			
Acquisition of goodwill	(213,6)	(1 179,1)	(1 284,2)
Acquisition of fixed assets	(1 087,7)	(3 401,8)	(3 908,8)
Disposal of fixed assets	170,0	518,8	308,8
Cash flow from (investment in) associated companies	83,3	(163,5)	(162,9)
Acquisition of minority interest	(185,8)	0,0	0,0
Cash flow from other investments	(66,6)	195,2	307,6
Net cash from investing activities	(1 300,4)	(4 030,4)	(4 739,5)
Cash flow from financing activities			
Proceeds from debt	2 256,3	3 200	3 497,9
Repayment of debt	(1 525,5)	(646,2)	(654,0)
Proceeds from issuance of equity	303,9	1 724,5	1 724,4
Contribution by minority interest	79,3	31,3	45,0
Net cash from financing activities	1 114,0	4 309,7	4 613,3
Effect of exchange rate changes on cash equiv.	8,1	0,0	3,1
Net change in cash and cash equivalents	83,6	470,8	160,8
Cash and cash equivalents at beginning of year	210,4	49,6	49,6
Cash and cash equivalents at end of period	294,0	520,4	210,4

Condensed Consolidated Statement of changes in Equity

<i>Unaudited accounts in USD million</i>	Issued share capital	Share premium reserve	Other equity	Total shareholders' equity
Balance at 10 May, 2005	0,0	0,0	(16,2)	(16,2)
Issue of ordinary shares, net	458,3	440,8		899,1
Effect of acquisition from shareholder		(173,7)	16,2	(157,5)
Other comprehensive income			82,4	82,4
Net loss for the period			(7,6)	(7,6)
Balance at 31 December, 2005	458,3	267,1	74,8	800,2
Issue of ordinary shares, net	308,0	1 416,4		1 724,4
Transfer of profit and loss accounts			(82,4)	(82,4)
Net income for the period			214,0	214,0
Share-based payments			9,6	9,6
Minority interest			26,5	26,5
Foreign exchange and other			65,4	65,4
Balance at 31 December, 2006	766,3	1 683,5	307,9	2 757,7
Issue of ordinary shares, net	32,0	271,9		303,9
Net income for the period			243,0	243,0
Other comprehensive income			25,5	25,5
Share-based payments			11,2	11,2
Conversion of loan			(15,9)	(15,9)
Minority interest			7,8	7,8
Foreign exchange and other			35,3	35,3
Balance at 30 September, 2007	798,3	1 955,4	614,8	3 368,5