



The World's Fastest Growing Drilling Contractor



Seadrill Limited

Oslo

2 June 2006



Disclaimer



THIS PRESENTATION AND ITS ENCLOSURES AND APPENDICES (HEREINAFTER JOINTLY REFERRED TO AS THE "PRESENTATION" HAS BEEN PREPARED BY SEADRILL LIMITED. ("SDRL", "SEADRILL" or THE "COMPANY") EXCLUSIVELY FOR INFORMATION PURPOSES. THIS PRESENTATION HAS NOT BEEN REVIEWED OR REGISTERED WITH ANY PUBLIC AUTHORITY OR STOCK EXCHANGE. RECIPIENTS OF THIS PRESENTATION MAY NOT REPRODUCE, REDISTRIBUTE OR PASS ON, IN WHOLE OR IN PART, THE PRESENTATION TO ANY OTHER PERSON.

THE DISTRIBUTION OF THIS PRESENTATION AND THE OFFERING, SUBSCRIPTION, PURCHASE OR SALE OF SECURITIES ISSUED BY THE COMPANY IN CERTAIN JURISDICTIONS IS RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS PRESENTATION MAY COME ARE REQUIRED BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN OR FROM WHICH IT INVESTS OR RECEIVES OR POSSESSES THIS PRESENTATION AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED UNDER THE LAWS AND REGULATIONS IN FORCE IN SUCH JURISDICTION, AND THE COMPANY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY FOR THESE OBLIGATIONS. IN PARTICULAR, NEITHER THIS PRESENTATION NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS STRICTLY CONFIDENTIAL AND IS BEING FURNISHED SOLELY IN RELIANCE ON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THE SHARES OF MDL HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IS AVAILABLE. ACCORDINGLY, ANY OFFER OR SALE OF SHARES IN MDL WILL ONLY BE OFFERED OR SOLD (I) WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, ONLY TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN PRIVATE PLACEMENT TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING AND (II) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S. ANY PURCHASER OF SHARES IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF U.S. PERSONS, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND ACKNOWLEDGEMENTS, INCLUDING WITHOUT LIMITATION THAT THE PURCHASER IS A QIB.

NONE OF THE COMPANY'S SHARES HAS BEEN OR WILL BE QUALIFIED FOR SALE UNDER THE SECURITIES LAWS OF ANY PROVINCE OR TERRITORY OF CANADA. THE COMPANY'S SHARES ARE NOT BEING OFFERED AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN CANADA OR TO OR FOR THE ACCOUNT OF ANY RESIDENT OF CANADA IN CONTRAVENTION OF THE SECURITIES LAWS OF ANY PROVINCE OR TERRITORY THEREOF.

This Presentation includes "forward-looking" statements (defined in Section 27A of the US Securities Act and Section 21E of the US Exchange Act as all statements other than statements of historical facts) including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives for future operations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate. Among the important factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements are, among others, the competitive nature of the markets, technological developments, government regulations, changes in economical conditions or political events.



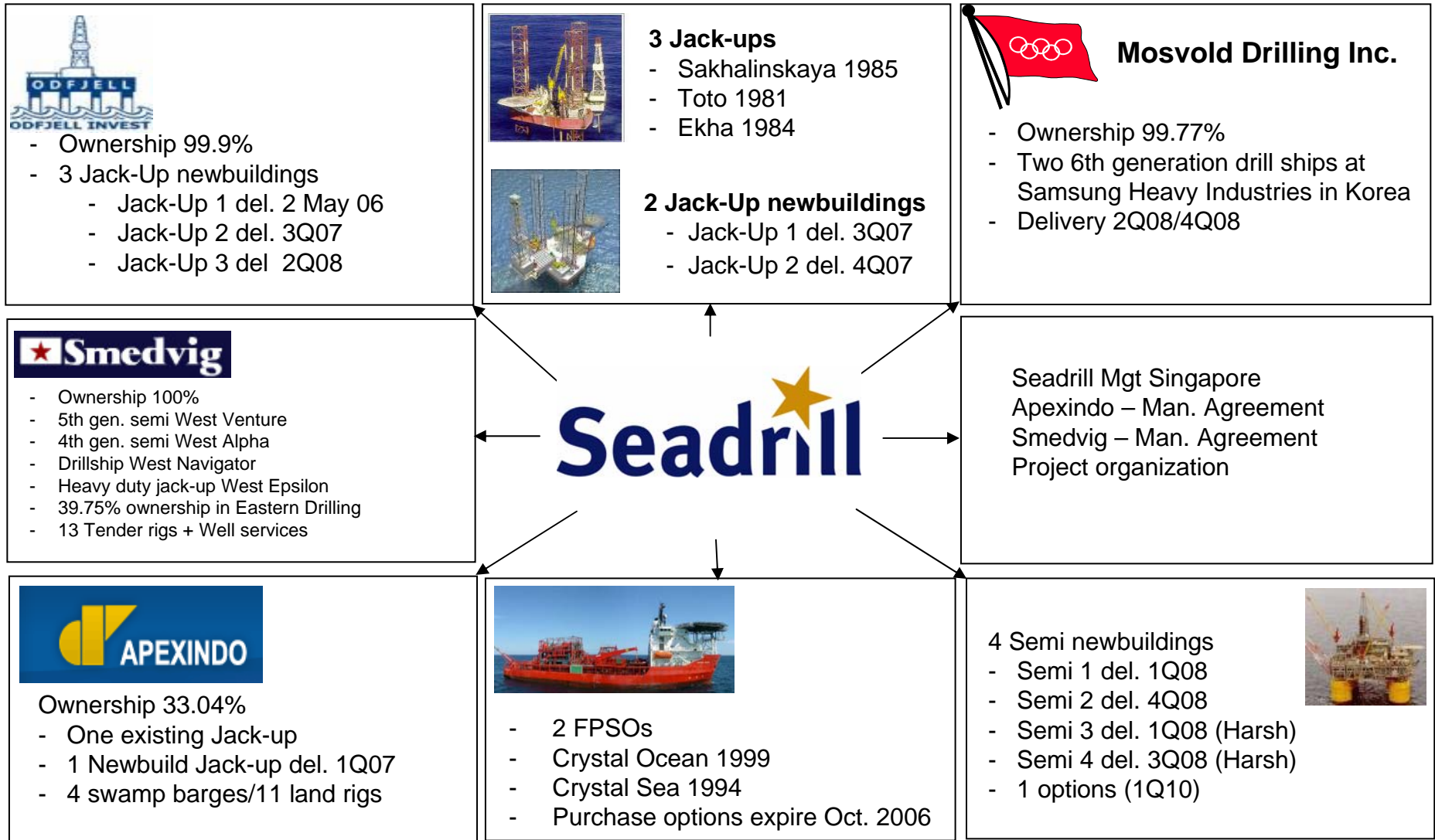
- Mission statement
- Acquisitions
- Company structure
- Operations and contract status
- Newbuilding program
- First quarter accounts 2006
- Market development and outlook
- Summary

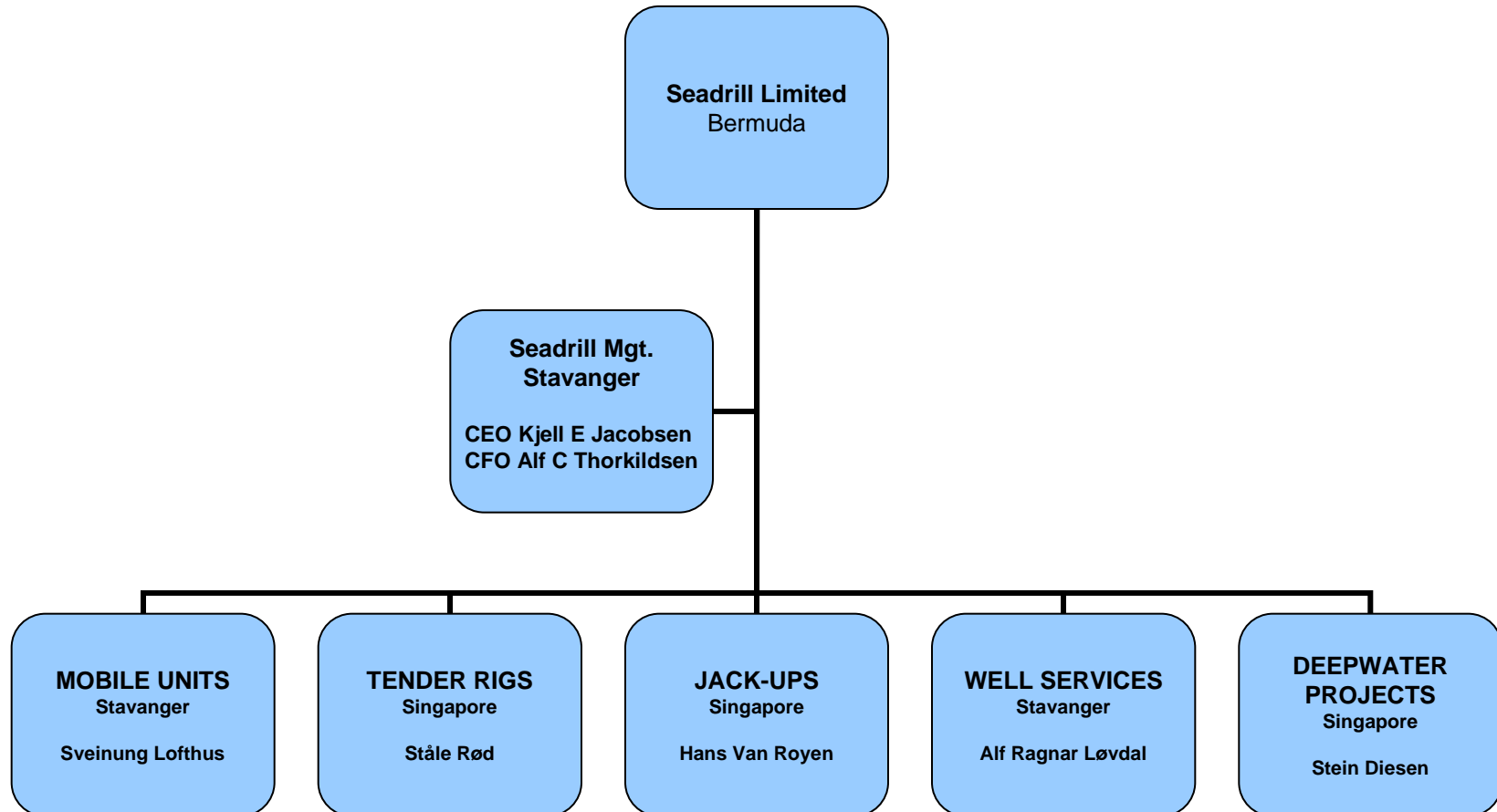


Mission statement



- Create a world leading drilling contractor within 5 years
- Focus on Asia/West Africa and world-wide deepwater areas
- Seadrill shall be a consolidator in the offshore rig industry







- Acquire rig capacity
- Establish an operational organization
- Secure long-term contracts
- Put in place term financing

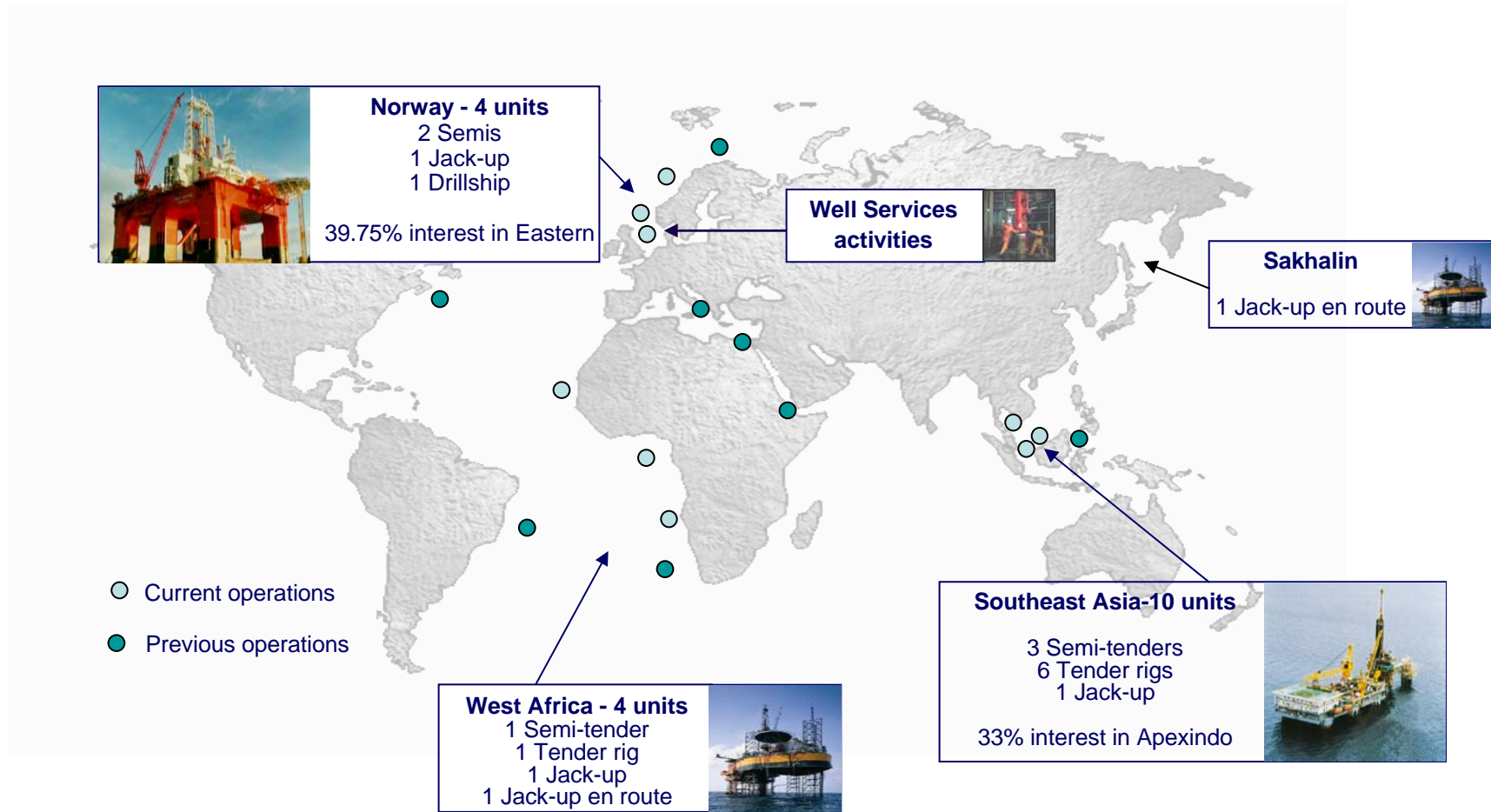
Creating a world leading drilling contractor



Current Management Priorities



- Consolidate and build the organization
- Management of the newbuilding program
- Contracts for newbuildings





**2 drillship at
Samsung, Korea**



**1+1 semis at
Samsung, Korea
(Eastern Drilling ASA)**



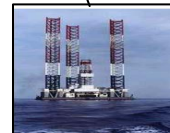
**2 semis at
Daewoo, Korea**



**2+1 semis at
Jurong, Singapore**



**1 semi-tender and
1 tender barge
in Singapore and
Malaysia, respectively**



**4 jack-ups
in Singapore
KFELS and PPL**



- Semi-submersible rig
- Builder: Samsung
- Delivery: 4Q 2007
- Design: DP Drilling Vessel
- Rated water depth: 10,000 ft.
- Rated drilling dept: 30,000 ft
- Dual Derrick
- Contract price: USD 550 million *

* Including spares, construction supervision, capitalized interest and operation preparation



- Two semi-submersible rigs
- Builder: Jurong
- Delivery: Q1/4Q 2008
- Design: Friede Goldman ExD
- Rated water depth: 10,000 ft.
- Rated drilling dept: 35,000 ft
- Top Drive: MH DDM 750/1,000 AC
- Contract price: USD 395/409 million *

* Excluding spares, construction supervision, capitalized interest, operation preparations and mobilization



- Two semi-submersible rigs
- Builder: Daewoo
- Delivery: Q1/3Q08 2008
- Design: GVA 7500
- Rated water depth: 10,000 ft
- Rated drilling depth: 35,000 ft
- Top Drive: MH DDM 750/1,000 AC
- Contract Price: USD 506/496 million



- Two deepwater drillships
- Builder: Samsung
- Delivery: Q2/4Q 2008
- Design: Samsung 10,000
- Rated water depth: 10,000 ft
- Rated drilling depth: 35,000 ft
- Top Drive: 2 HPS 1,000 short tons (dual motor AC)
- Contract Price: USD 470 million

* Excluding spares, construction supervision, capitalized interest, operation preparations and mobilization



Quality yards



Samung, Daewoo, Jurong, KFELS,
Jurong and PPL among the worlds
best yards with proven capabilities
and relevant experience.



- Samsung – two Mosvold drillships substantially similar to Saipem 10000
- Samsung 1 (or 2) units copied from West Venture
- Jurong – two F&G semi-submersibles substantially identical to Development Driller 1&2



- Daewoo to deliver two GVA 7500 semi-submersibles supervised from West Venture project team
- All yard contracts are EPC Turnkey



- The jack-up projects are standard designs
- All projects are properly organized with experienced project teams
- All projects have dedicated teams for start up of operation based on established and proven procedures



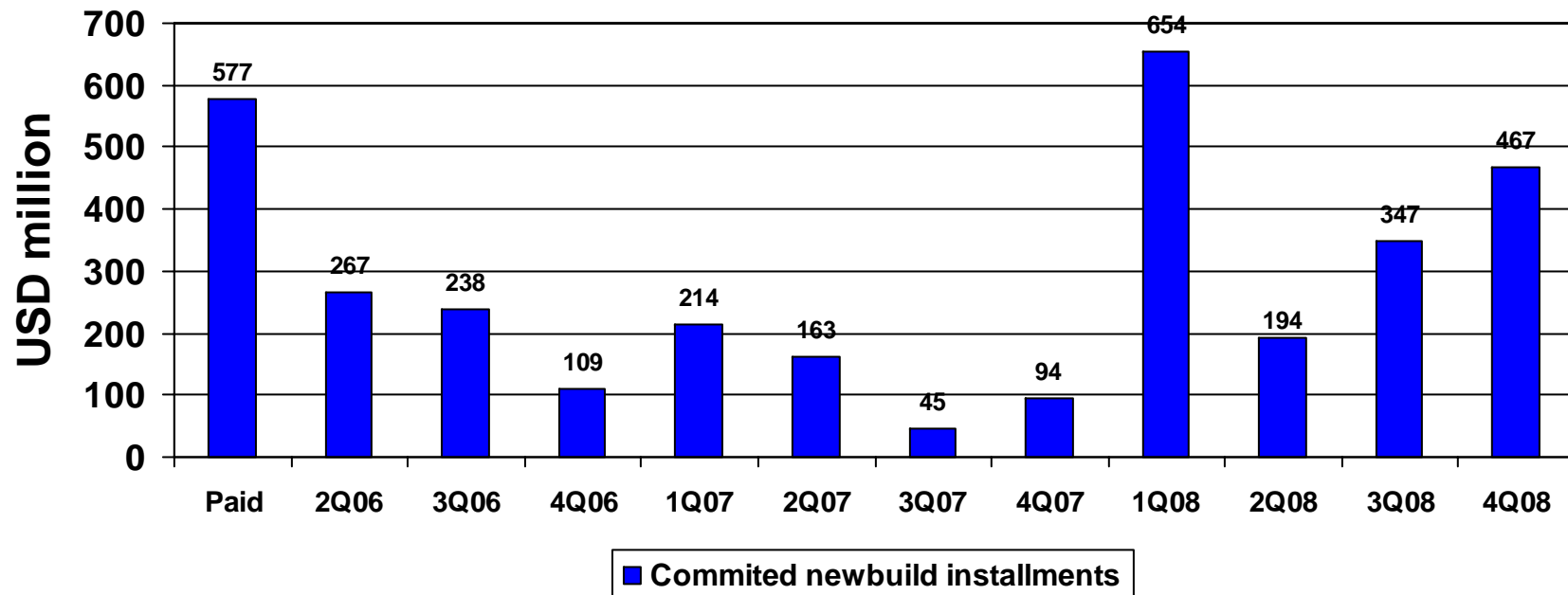
- Yards are motivated to mobilise extra resources to get the first projects safely through
- The Seadrill projects are standardized with and supported by reliable vendors with proven equipment
- Seadrill has early deliveries



- Delivery of engineering input from subcontractors and equipment
- The duration of commissioning is always at risk
 - Deferred work from earlier project stages causing lower productivity
 - Problem solving (waiting for specialist, new equipment etc)



- The capacities of key subcontractors are stretched which may not yet be fully acknowledged
- Changed workloads due to unforeseen events may cause cascading delays for downstream projects



- The installment do not include spares, construction supervision, operation preparation and mobilization or capitalized interests
- Covers Mosvold I+II, Daewoo I+II, Jurong I+II and 5 newbuild jack-ups
- The above presented installment payment schedule is dependent on progression for the various projects



Contract status





Customer	2006				2007				2008				2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Semi-submersibles																				
West Alpha	Statoil																			
West Venture	Norsk Hydro																			
West E-drill ¹	Under construction Samsung - US\$ 550M																			
Daewoo I	Under construction Daewoo - US\$ 506M																			
Daewoo II	Under construction Daewoo - US\$ 496M																			
Jurong I (SeaDrill 9)	Under construction Jurong - US\$ 395M																			
Jurong II (SeaDrill 10)	Under construction Jurong - US\$ 409M																			
Jurong III (Option)	Option to build at Jurong (August 12, 2006) - US\$ 406M																			
West E-drill II (Option) ¹	Option to build at Samsung (June 15, 2006) - US\$ 540M																			
Drillships																				
West Navigator	Shell																			
Mosvold I	Under construction Samsung - US\$ 470M																			
Mosvold II	Under construction Samsung - US\$ 470M																			
Jack-ups																				
West Epsilon	BP																			
SeaDrill 1 (Hull B-277)	Under construction KFELS - US\$129M																			
SeaDrill 2 (Hull 2011)	Under construction PPL - US\$129M																			
SeaDrill 3 (Hull B 265)	Total																			
SeaDrill 4 (Hull B-272)	Under construction KFELS - US\$123M																			
SeaDrill 5 (Ekha)	Gazprom/Premier																			
SeaDrill 6 (Sakhalinskaya)	Shell																			
SeaDrill 7 (Toto)	Tetra/Moni Polo etc																			
SeaDrill 8 (Hull B-291)	Under construction KFELS - US\$ 132M																			

■ Yard
 ■ Contract
 ■ Option

¹ Ownership 39.75%



Customer	2006				2007				2008				2009				2010									
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Tender rigs																										
T3 ¹	PTT	US\$ 40,000				US\$ 42,000				US\$ 51,000				US\$ 58,000				US\$ 70,000				06.2012				
T4	Chevron	US\$ 40,000																								
T6 ¹	Carigali/CTOC	US\$ 60,000				US\$ 86,000																12.2010				
T7	Chevron	US\$ 40,000				US\$ 51,000																07.2011				
T8	Total	US\$ 61,000																								
T9 ¹	Exxon	US\$ 60,000																								
T10 ¹	CTOC	Under construction MM&H - US\$89M				US\$ 77,000																				
Teknik Berkat ¹	Carigali	US\$ 53,000				US\$ 65,000																				
West Alliance	Shell	US\$ 68,000																								
West Berani ²		Under construction KFELS - US\$105M																								
West Menang	Total	US\$85,000				US\$ 85,000																				
West Pelaut	Shell	US\$ 57,000																								
West Setia	Shell/Murphy	US\$ 68,000				US\$75,000																				
FPSO																										
Crystal Ocean	Anzon Australia	US\$ 42,000				US\$ 37,000																				
Crystal Sea	Discovery Enterprise	US\$ 76,000																								05.2011

■ Yard
 ■ Contract
 ■ Option

¹ Ownership 49%

² Ownership 30% with 10 year option to acquire 100%



Consolidated accounts



Basis for the preparation of the account

- **Seadrill acquired Smedvig 20 January**
- **Mosvold consolidated from 15 February**
- **Value in excess of book value USD million (100 percent):**
 - **Associates companies** 125
 - **Drilling units and newbuildings** 1,127
 - **Negative contract value** (299)
 - **Deferred taxes** (153)
 - **Goodwill** 1,196

Effect on profit and loss statement in first quarter

- **Associates companies** (1)
- **Depreciation** (10)
- **Amortization of negative contract value** 15
- **Change in deferred taxes** (1)

Condensed Pro forma Consolidated Income Statements

<i>Unaudited accounts in USD millions</i>	Pro forma 4Q05	Actual 1Q06
Operating Revenues		
Operating revenues	165.0	160.8
Reimbursables	13.5	15.7
Other revenues	15.1	15.1
Total revenues	193.6	191.6
Operating expenses		
Vessel and rig operating expenses	112.9	107.7
Reimbursable expenses	12.8	14.8
General and administrative expenses	12.1	13.1
Depreciation and amortisation	32.1	32.2
Total operating expenses	169.9	167.8
Operating income	23.7	23.8
Interest income	2.4	3.3
Interest expense	(8.6)	(12.7)
Share of results from associated companies	4.0	5.3
Other financial items	(1.8)	83.6
Net financial items	(3.9)	79.5
Income before income taxes and minority interest	19.8	103.3
Income taxes	54.2	(7.2)
Minority interest	(32.8)	(26.4)
Net income	41.2	69.5

Condensed Consolidated Balance Sheets

<i>Unaudited accounts in USD millions</i>	31.03.06	31.12.05
<i>Current assets</i>		
Cash and cash equivalents	479.7	49.6
Receivables	198.6	24.0
Other investments	-	302.3
Total current assets	678.3	375.9
<i>Non-current assets</i>		
Investment in associated companies	353.5	152.8
Other non-current assets	44.0	2.8
Newbuildings	918.4	439.3
Drilling units	2,151.5	178.2
Goodwill	1,185.9	-
Total non-current assets	4,653.3	773.1
Total assets	5,331.6	1,149.0
<i>Current liabilities</i>		
Short-term interest bearing debt	481.6	137.4
Other current liabilities	312.4	33.2
Total current liabilities	794.0	170.6
<i>Non-current liabilities</i>		
Deferred taxes	215.1	-
Long-term interest bearing debt	2,239.4	176.8
Other non-current liabilities	223.7	-
Total non-current liabilities	2,678.2	176.8
Minority interest	13.7	1.4
<i>Shareholders' equity</i>		
Paid-in capital	1,653.4	725.3
Retained earnings	192.3	74.9
Total shareholders' equity	1,845.7	800.2
Total shareholders' equity and liabilities	5,331.6	1,149.0

Condensed Consolidated Segment Information

Mobile Units	Pro Forma	Actual
<i>Unaudited accounts in USD millions</i>	4Q05	1Q06
Operating revenues	76.5	74.7
Reimbursables	5.3	5.8
Other revenues	12.9	12.9
Total revenues	94.7	93.4
Vessel and rig operating expenses	54.1	45.8
Reimbursable expenses	4.8	5.2
General and administrative expenses	7.7	8.7
Depreciation and amortisation	22.9	23.6
Total operating expenses	89.5	83.3
Operating profit	5.2	10.1
Utilization	82%	87%
Average dayrate USD	118,369	136,792

Condensed Consolidated Segment Information

Tender Rigs	Pro Forma	Actual
<i>Unaudited accounts in USD millions</i>	4Q05	1Q06
Operating revenues	34.2	31.1
Reimbursables	1.2	1.2
Other revenues	2.2	2.2
Total revenues	37.6	34.5
Vessel and rig operating expenses	16.0	15.6
Reimbursable expenses	1.2	1.2
General and administrative expenses	1.6	0.9
Depreciation and amortisation	7.6	7.4
Total operating expenses	26.4	25.0
Operating profit	11.2	9.5
Utilization	100%	100%
Average dayrate	61,557	59,886

Condensed Consolidated Segment Information

Well Services	Pro Forma	Actual
<i>Unaudited accounts in USD millions</i>	4Q05	1Q06
Operating revenues	54.2	55.0
Reimbursables	7.0	8.6
Total revenues	61.2	63.6
Vessel and rig operating expenses	42.7	46.3
Reimbursable expenses	6.8	8.3
General and administrative expenses	2.9	3.6
Depreciation and amortisation	1.5	1.2
Total operating expenses	53.9	59.4
Operating profit	7.3	4.2

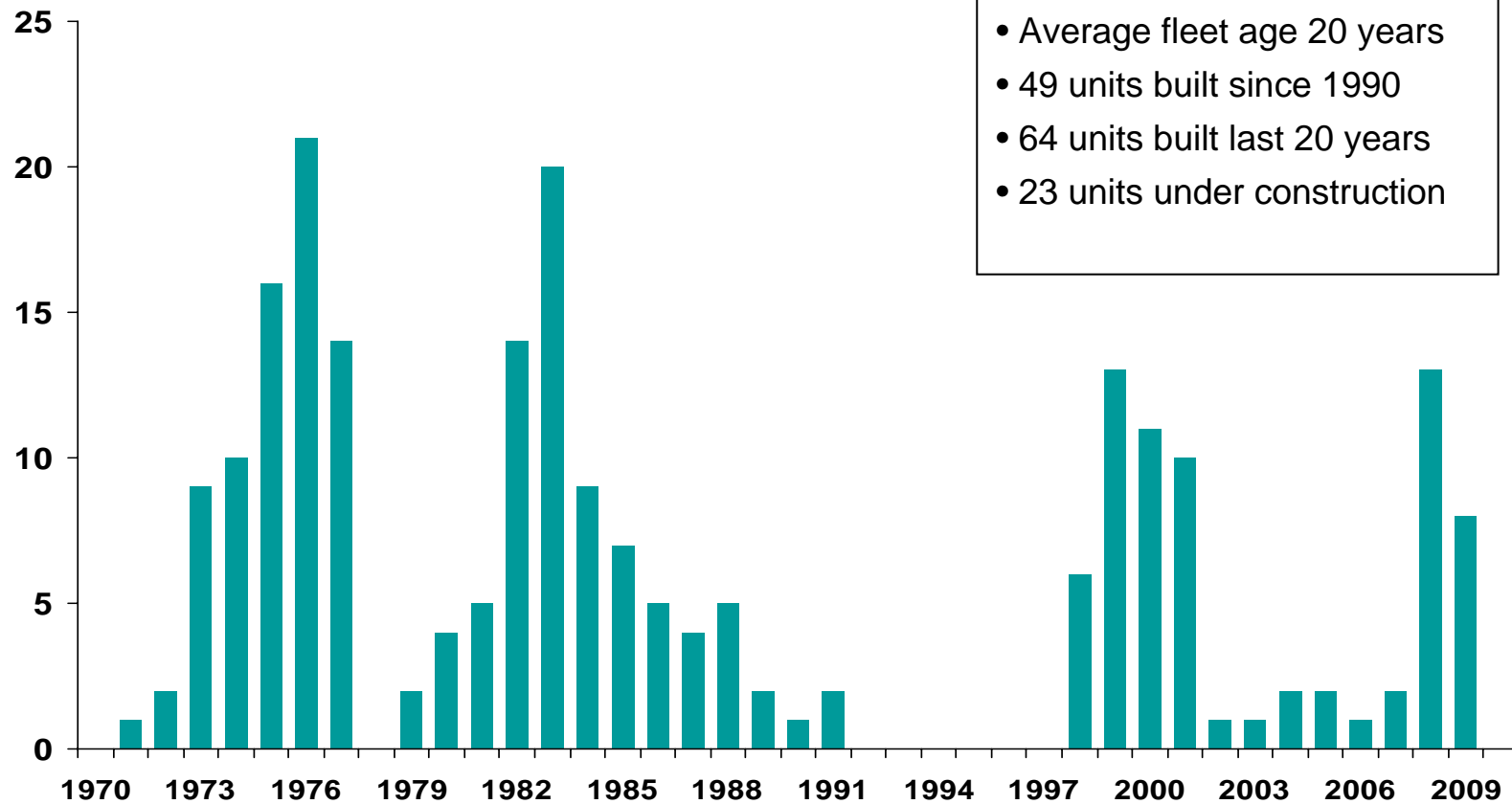


Market Outlook





of units



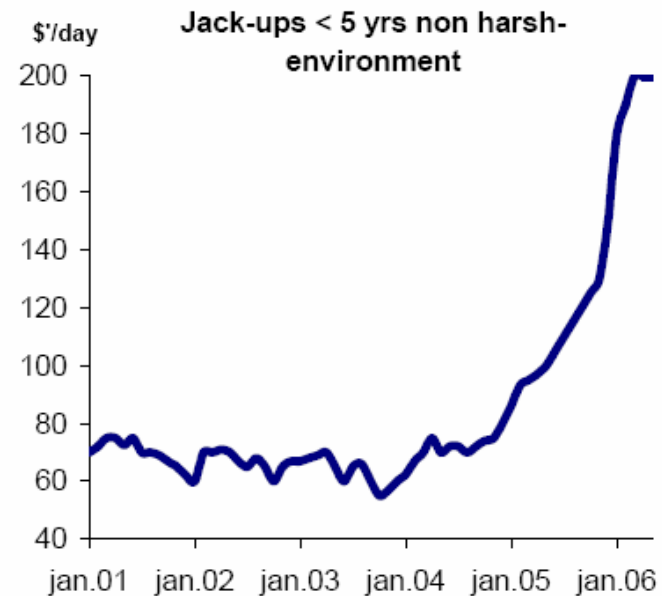
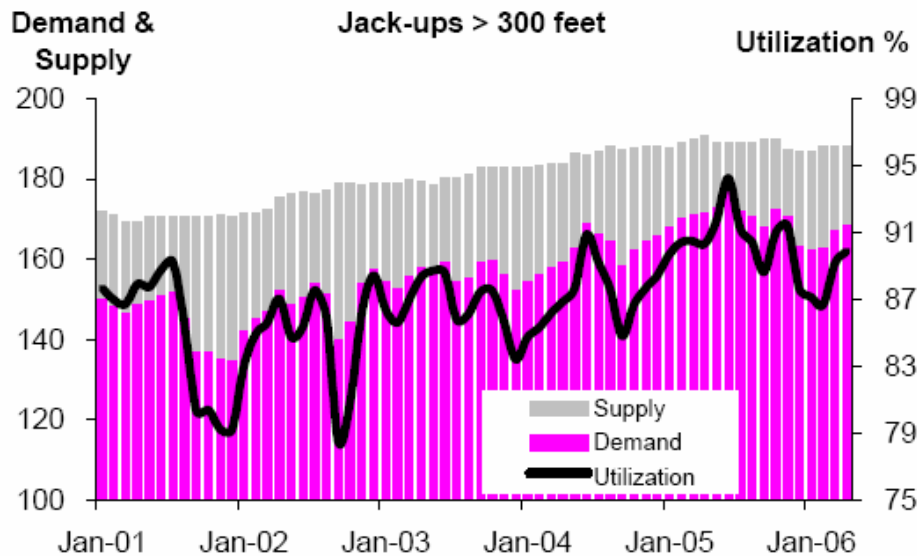
Total fleet 199 units

- Average fleet age 20 years
- 49 units built since 1990
- 64 units built last 20 years
- 23 units under construction



International jackups

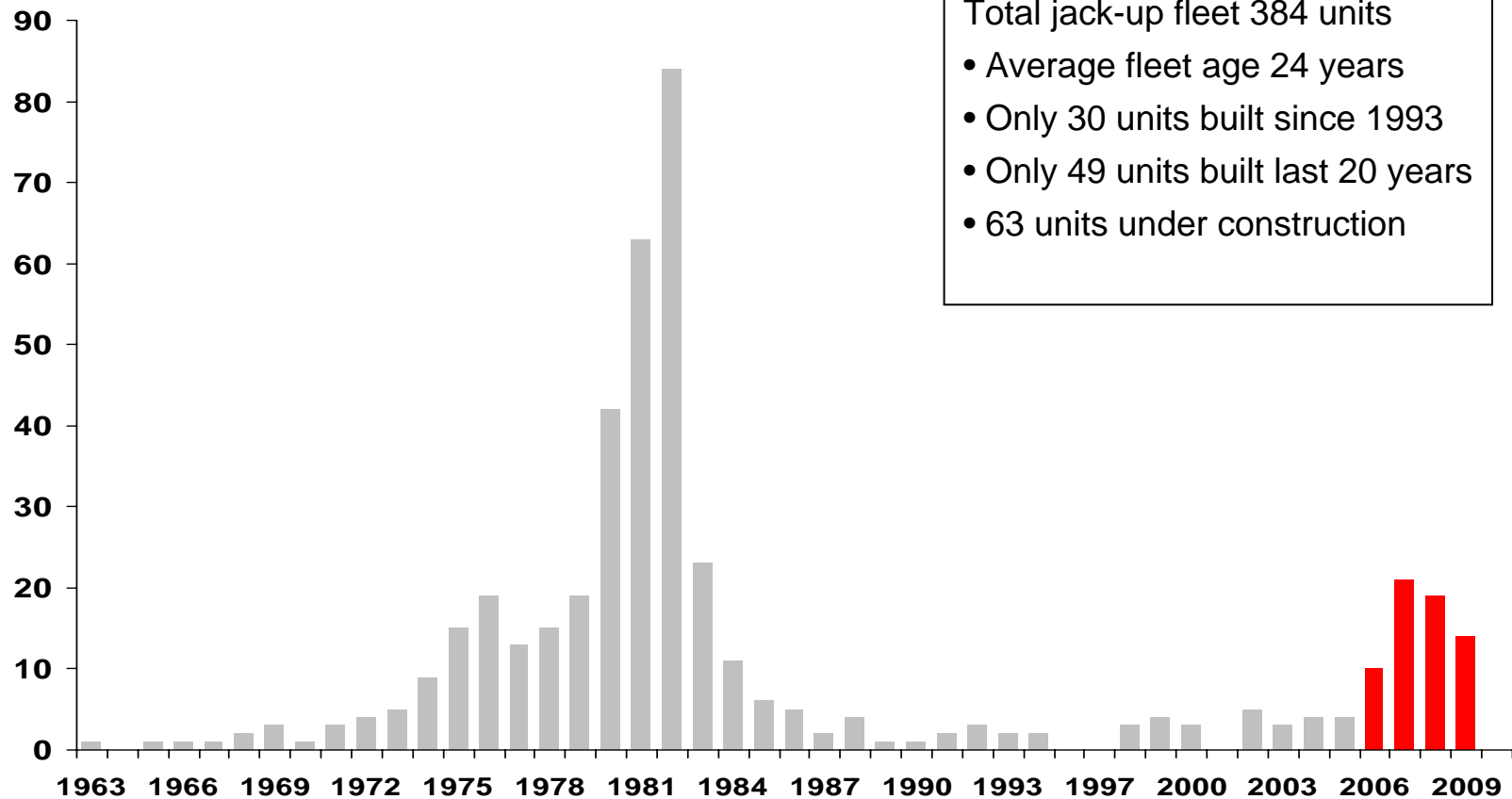
Date	Company	Rig	Design	Company	Region	Rate \$'/day	Old \$'/day	Duration	Start-up
20.apr	Rowan	Bob Palmer	550F IC 03	ATP	USGoM	195	225	60D	jun.06
17.apr	Apexindo	Apexindo 202	375F IC 07	Total	Indonesia	165	NA	670D	feb.07
16.mar	EnSCO	EnSCO 104	375F IC 02	CTOC	Indonesia	149	95	26D	des.06
16.mar	EnSCO	EnSCO 75	390F IC 99	NHY	USGoM	180	165	120D	apr.06
01.mar	Rowan	Bob Palmer	550F IC 03	BP	USGoM	225	120	2Y	feb.07
25.feb	EnSCO	EnSCO 75	390F IC 99	Apex	USGoM	165	150	23D	mar.06
14.feb	Seadrill	Seadrill 6	328F IC 86	Total	Nigeria	185	125	180D	okt.06
14.feb	EnSCO	EnSCO 105	375F IC 02	BG	Tunisia	200	140	2Y	mar.07



Source: Pareto



of units

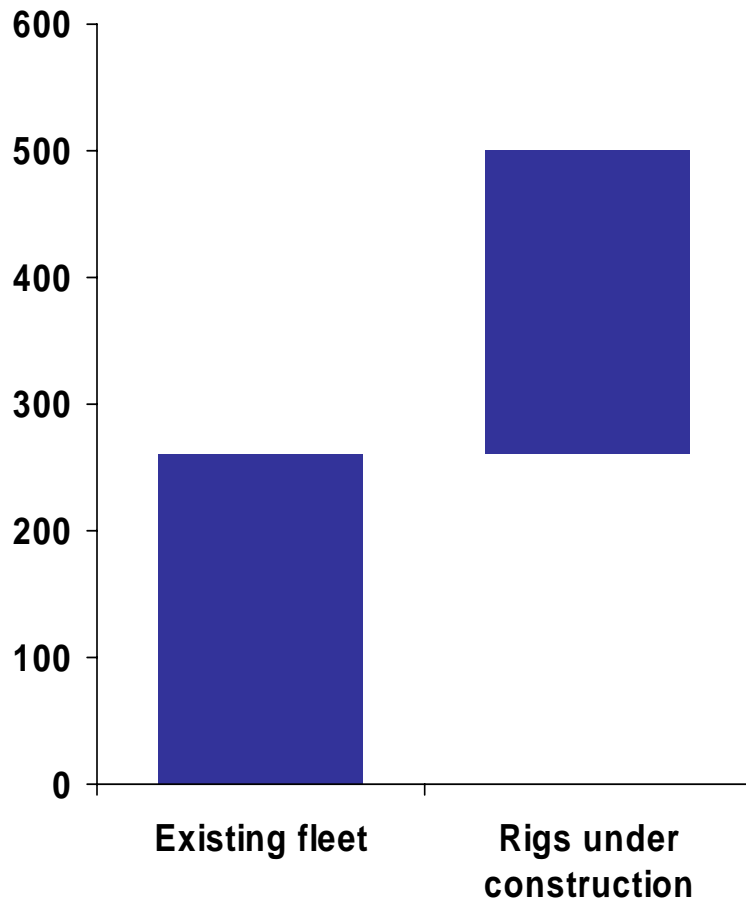


Total jack-up fleet 384 units

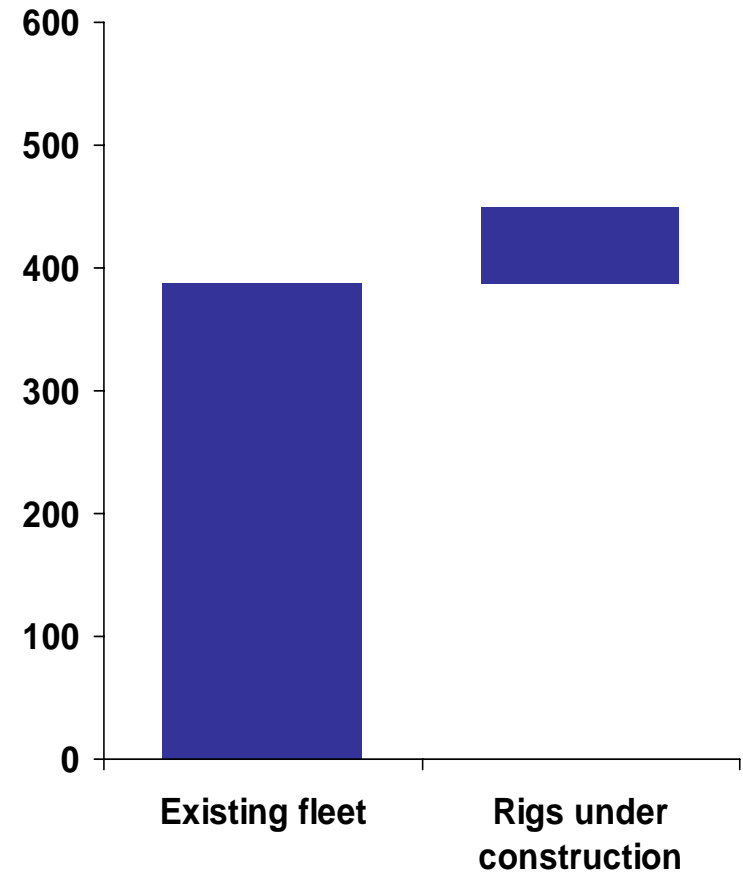
- Average fleet age 24 years
- Only 30 units built since 1993
- Only 49 units built last 20 years
- 63 units under construction



World Jack-up fleet 1981



World Jack-up fleet 2005

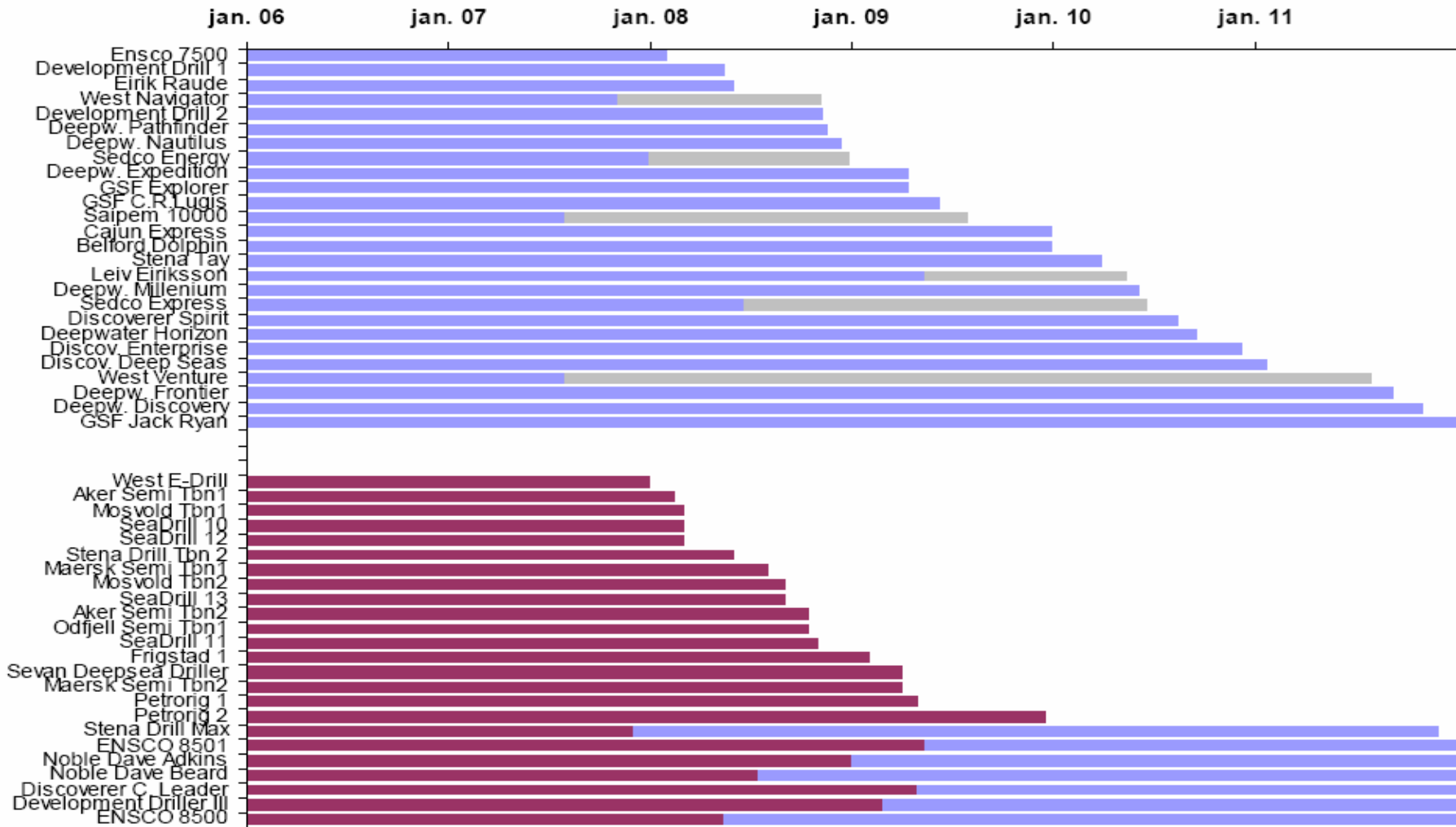




Ultra Deepwater market



Ultra deepwater rigs (7500 feet +): On average committed to 1Q10

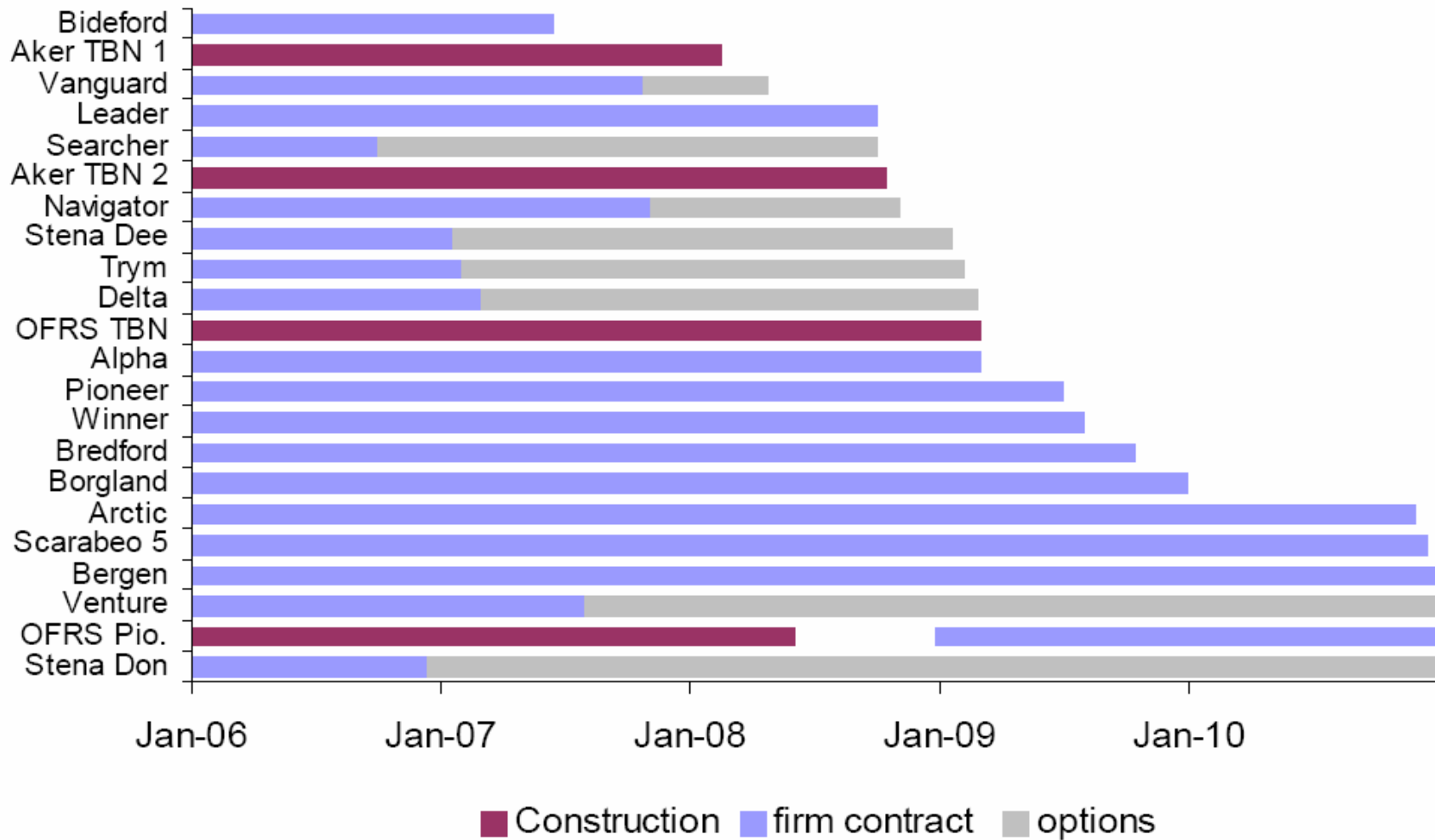


Source: ODS Petrodata, Companies, Pareto Securities research

■ Construction ■ firm contract ■ options



Norway floates: On average committed throughout 2009



Source: ODS Petrodata, Companies, Pareto Securities research



UK floaters: No units available before next summer



Source: ODS Petrodata, Companies, Pareto Securities research

■ firm contract ■ options



- Smedvig to Seadrill – integration well under way
- Newbuilding projects organized, resourced and well under way
- Operations running well
- Strong market – expect new contracts next quarter



Full speed ahead
for Seadrill !



Diverse drilling fleet

