



Dear shareholder of Smedvig ASA

OFFER TO ALL NON-US SHAREHOLDERS OF SMEDVIG ASA TO ACQUIRE ALL OUTSTANDING SHARES

SeaDrill Limited ("SeaDrill") is pleased to extend an offer to all non-US shareholders to acquire all your class A and class B shares in Smedvig ASA ("Smedvig Shares") (the "Offer").

- The offered price is NOK 205 per Smedvig class A share ("SME") and NOK 165 per Smedvig class B share ("SMEB").
- The Offer is subject to only one condition which is that a total acceptance level of more than 50 % of the SME (class A share) is attained. The Offer will be withdrawn if this condition is not either met or waived prior to completion of the Offer. If the Offer is successful, SeaDrill will proceed with a mandatory offer in accordance with the Norwegian Securities Trading Act.
- The offer period ("Offer Period") will last until 18.00 CET on Wednesday 18 January 2006.
- Shareholders in Smedvig ASA ("Smedvig") submitting an acceptance form (the "Acceptance Form") to Carnegie by 18.00 CET on Wednesday 18 January 2006, by fax +47 22 00 99 60, hand delivery or post will receive cash settlement on or about Monday 23 January 2006 provided they submit necessary settlement details as described in the Acceptance Form.
- SeaDrill reserves the right, at its sole discretion, at any time to waive the condition referred to above, and/or to withdraw the Offer at any time if it seems clear that the acceptance level of the Offer will not be achieved, and/or to extend the Offer Period to CET 16.30 on 20 January 2006. Such withdrawals or extensions of the Offer will be announced through the Oslo Stock Exchange information system no later than one hour before the end of the Offer Period.
- The Offer is fully financed through a combination of available cash in SeaDrill and committed bank loans. However, no guarantees are furnished for fulfillment of the Offer.
- If a third party, prior to the closing of the Offer, makes a public offer for all of the Smedvig shares at a price higher than the price offered by SeaDrill as per the Offer and SeaDrill does not, prior to the commencement of trading on the Oslo Stock Exchange on the subsequent trading day, announce that they will increase the price of the Offer to the same or a higher level, then the shareholder will be released from his acceptance.
- If SeaDrill subsequent to closing of the Offer, within a period of six months, sells its Smedvig shares to a third party at a price higher than the Offer, shareholders accepting the Offer shall be compensated in full.

SeaDrill is a Bermuda-based limited company incorporated on 10 May 2005 and having its registered office at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda, with an offshore drilling fleet consisting of three jack-ups rigs, two FPSOs and four jack-up rigs and three semi-submersibles on order. The Company has further options for one new build jack-up rig as well as three more new build semi-submersibles. SeaDrill holds major shareholding positions in Mosvold Drilling Ltd and PT Apexindo Pratama Duta Tbk.

The combination of SeaDrill and Smedvig will create a major Norwegian based drilling company listed on the Oslo Stock Exchange. Smedvig's highly competent organization will enhance SeaDrill's operations and improve SeaDrill's offering to its customers. Smedvig's mobile drilling fleet is considered one of the most modern in the world with a leading position in the market for deepwater and harsh environment drilling units. Smedvig is the world's leading operator of self-erecting tender rigs and also offers well services on fixed installations in both the

Norwegian sector and the UK sector of the North Sea. The implementation of the Offer is expected to have no direct legal, economic and work-related effects for the employees.

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 together would create an attractive industrial platform. 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.

SeaDrill has already received pre-acceptances of the Offer from Smedvig shareholders controlling 19,260,383 class A-shares and 8,881,969 class B-shares. The acceptances are subject to certain time limitations. Including both the accepted shares and already owned shares, SeaDrill controls 21,505,983 class A-shares and 8,881,969 class B-shares, constituting in excess of 40 % of the Smedvig votes and 37 % of the Smedvig capital as of the date hereof.

SeaDrill has had no contact with the management or governing bodies of Smedvig before the Offer was made, and no special advantages have been accorded by agreements or otherwise to members of the management or governing bodies of Smedvig.

Shareholders are urged to seek advice from their own tax consultants in order to determine the particular tax consequences of their acceptance of the Offer and the relevance or effect of any domestic or foreign tax laws or treaties applicable to the same.

For Norwegian corporate shareholders, gains from sale or other disposition of shares are exempt from taxation under the exemption method, and losses suffered from such realisation are not tax deductible. Costs incurred in connection with the purchase and sale of shares are not deductible. For Norwegian individual shareholders gains from a sale or other disposition of shares are taxable as general income at a rate of 28% and losses are deductible against general income. From the income year 2006, the taxable gain or loss will be equal to the sales price minus the acquisition cost of the share (adjusted for RISK-amounts until the new provisions enter into force, i.e., RISK amount for the income year 2005).

The Offer is not open to any U.S. persons as defined in the US Securities Laws or shareholder residing in the United States. Further, the Offer is not open to any shareholder of Smedvig in any other jurisdiction where it is unlawful for any person to receive or accept the Offer. No action has been taken to permit the distribution of this Offer in any jurisdiction where action would be required for such purposes. Accordingly, any tenders received under this Offer from such shareholders will not be accepted. The Offer is not intended for distribution or dissemination in the United States or to U.S. shareholders residing outside the United States. No tender offer for any Smedvig Shares by SeaDrill has been made in the United States. If SeaDrill should at a future date commence a tender offer for Smedvig Shares in the United States, SeaDrill would file a tender offer statement and related materials with the United States Securities and Exchange Commission.

Carnegie ASA will act as the receiving agent and settlement agent for the completion of the Offer.

If you wish to accept the Offer, please complete the Acceptance Form attached to this letter and return it to Carnegie ASA by Wednesday 18 January at the below address. The Acceptance Form must be received by Carnegie ASA by 18.00 CET on Wednesday 18 January by hand delivery, fax or post. Consequently, it is not sufficient to send the acceptance form by post on Wednesday 18 January.

Carnegie ASA
Stranden 1, Aker Brygge
P.O. Box 684 Sentrum
N-0106 Oslo
Norway
Facsimile: + 47 22 00 99 60
Telephone: + 47 22 00 93 00

Should you have any inquiries in relation to this offer please contact SeaDrill's financial advisors Carnegie ASA or Pareto Securities ASA by telephone +47 22 00 93 00 (Carnegie ASA) or +47 22 87 87 00 (Pareto Securities ASA).

Best regards,
SeaDrill Limited

Par-la-Ville Place
14 Par-la-Ville Road
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BERMUDA
www.seadrill.bm

Bermuda, 10 January 2006