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Seadrill 

Forward-looking statements

The statements described in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which could be made include, but are not limited to, statements involving prospects for the company, expected revenues, capital expenditures, costs and results of operations and contingencies and other factors discussed in the company's most recent annual report on the Form 20-F for the year ended December 31, 2009 and in the company's other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's web site at www.seadrill.com.

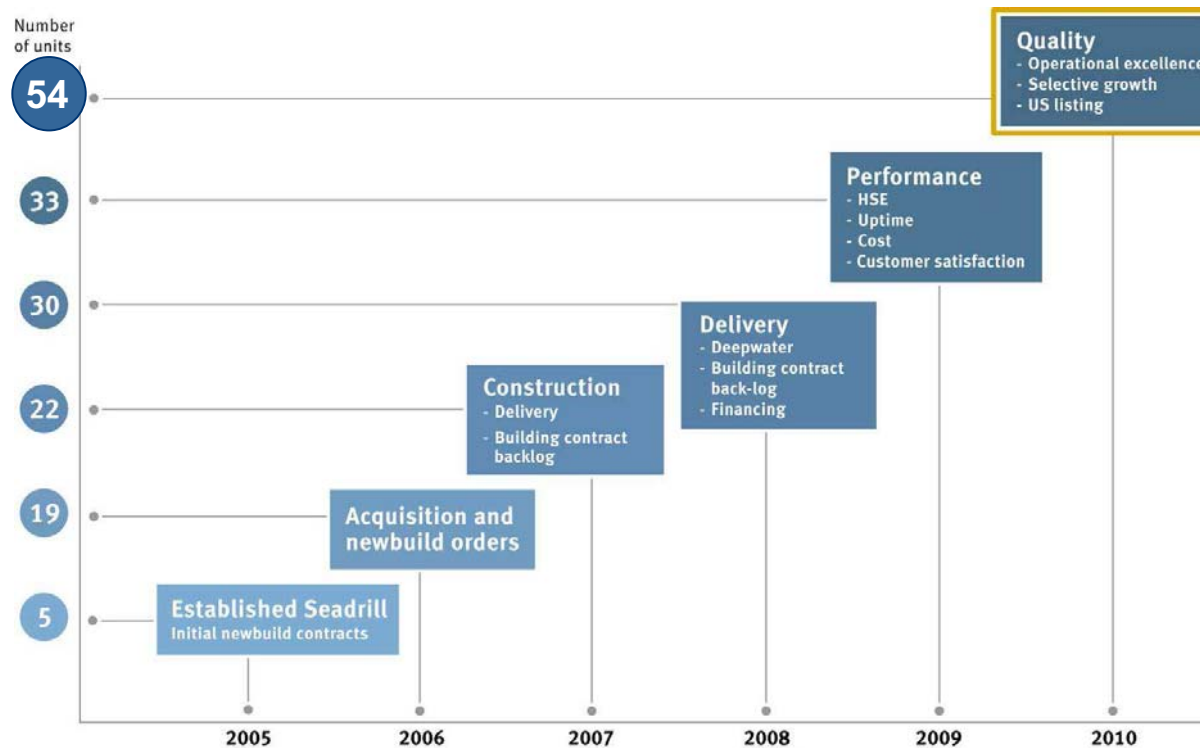


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Seadrill growth story



Rapid growth through strong business performance

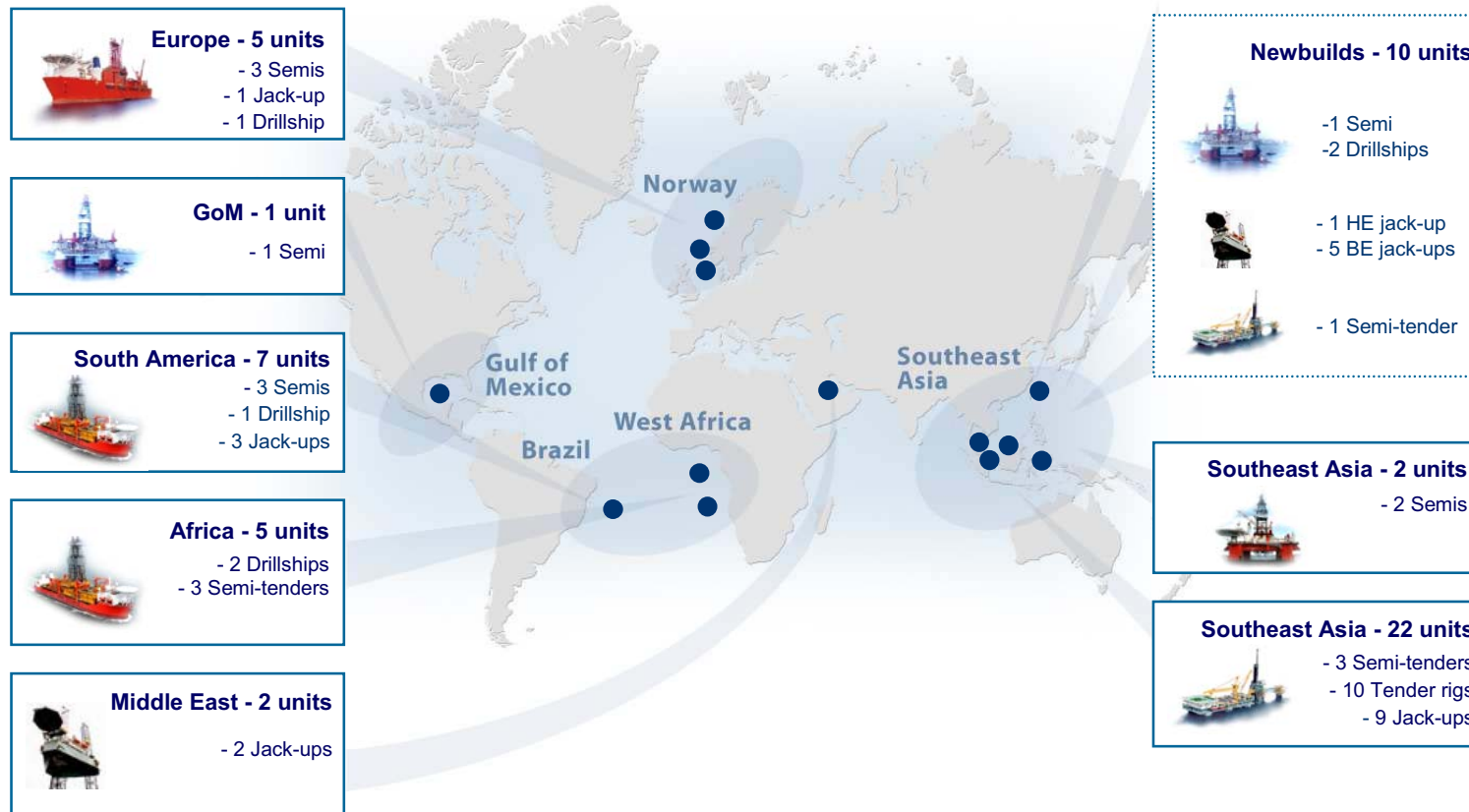
Company profile

- 2nd largest offshore driller based on EV
- 2nd largest ultra-deepwater fleet
- Largest and most modern jack-up and tender rig fleet
- 3Q/10 EBITDA annualized ~ US\$2.2 billion
- Contract backlog ~ US\$11.8 billion
- Quarterly dividend annualized ~ US\$1.1 billion
- Strong shareholder involvement
- Current market capitalization ~ US\$13.5 billion
- Listed on the Oslo and New York stock exchanges

Focus on quality operations & shareholder value



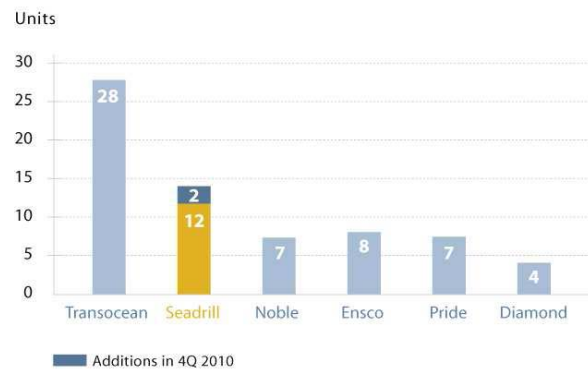
Worldwide operations



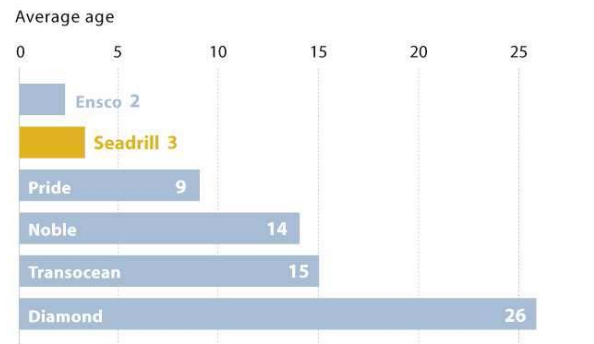
Present in all important oil and gas regions

Second largest in deepwater - most modern fleet in the industry

Ultra-deepwater units



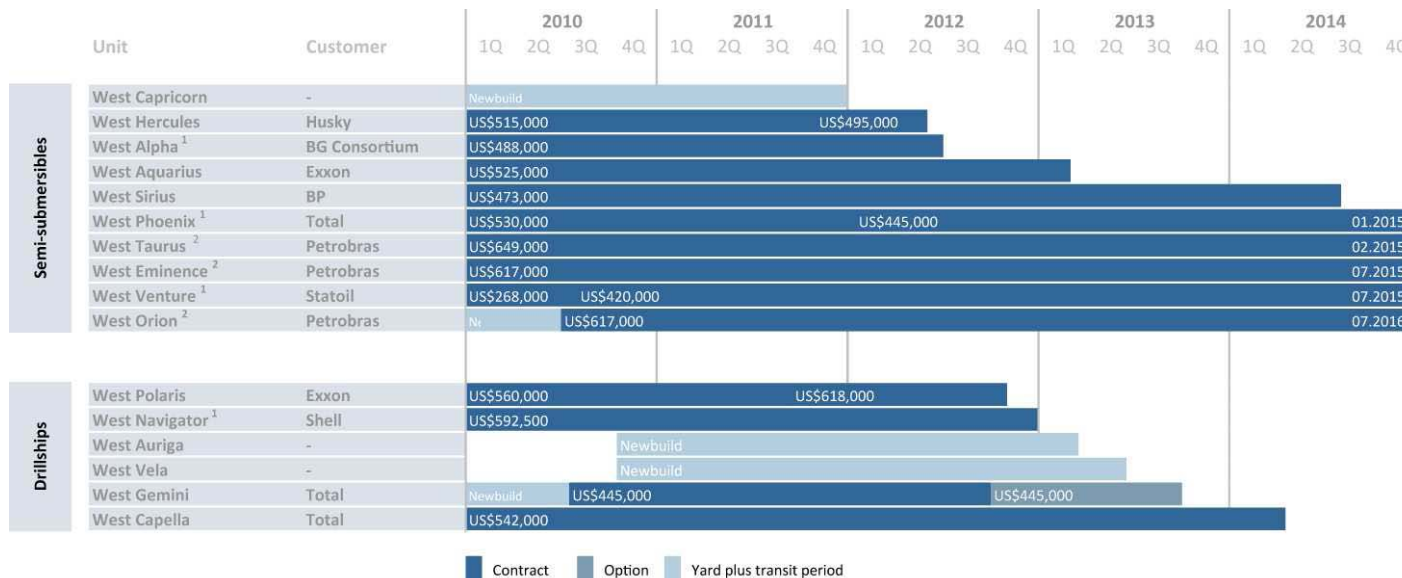
Average age - Deepwater units



Age related issues underestimated



US\$8.5 billion contract backlog - Floaters



¹ Dayrate is partly in Norwegian kroner

² Dayrate is partly in Brazilian Real and includes five percent performance incentive as well as estimated compensation for tax. Dayrate will in the accounts be booked partly net of tax.

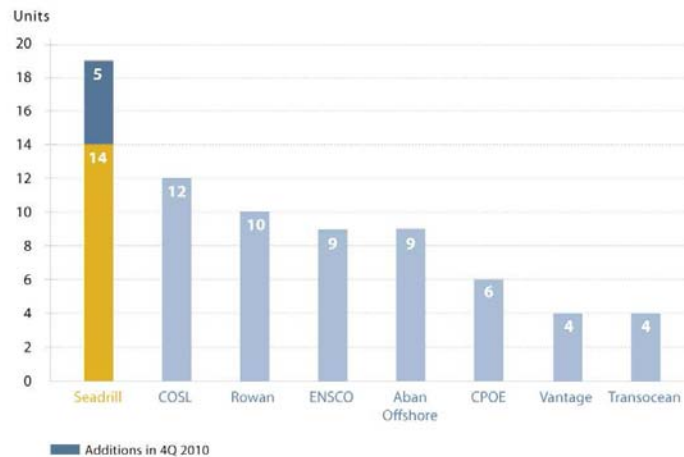
Superb earnings visibility



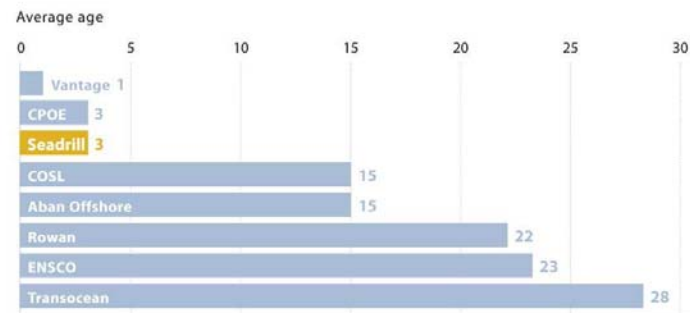


Largest operator of premium jack-up rigs built after Year 2000

Jack-ups built after year 2000

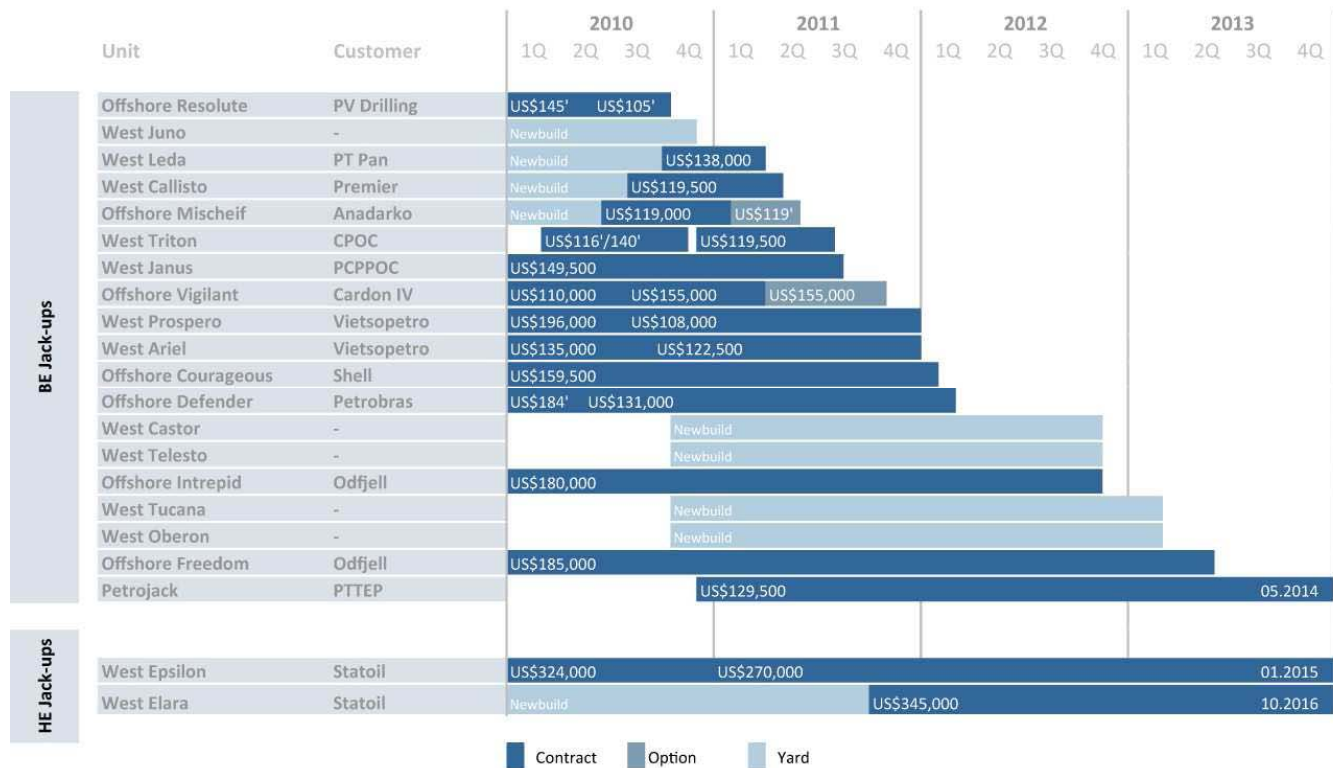


Average age – Jack-ups rig fleet



Most modern fleet

US\$2 billion contract backlog - Jack-ups



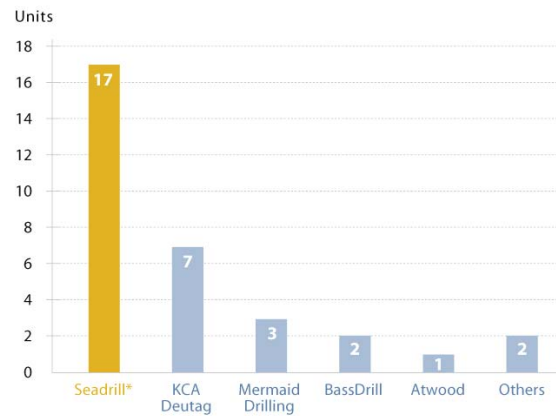
Sound market outlook for premium rigs





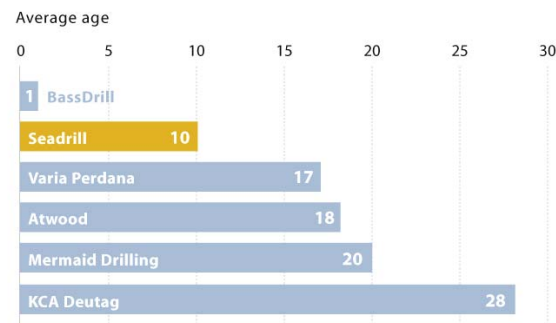
Largest operator of tender rigs - most modern fleet in the industry

Tender rigs



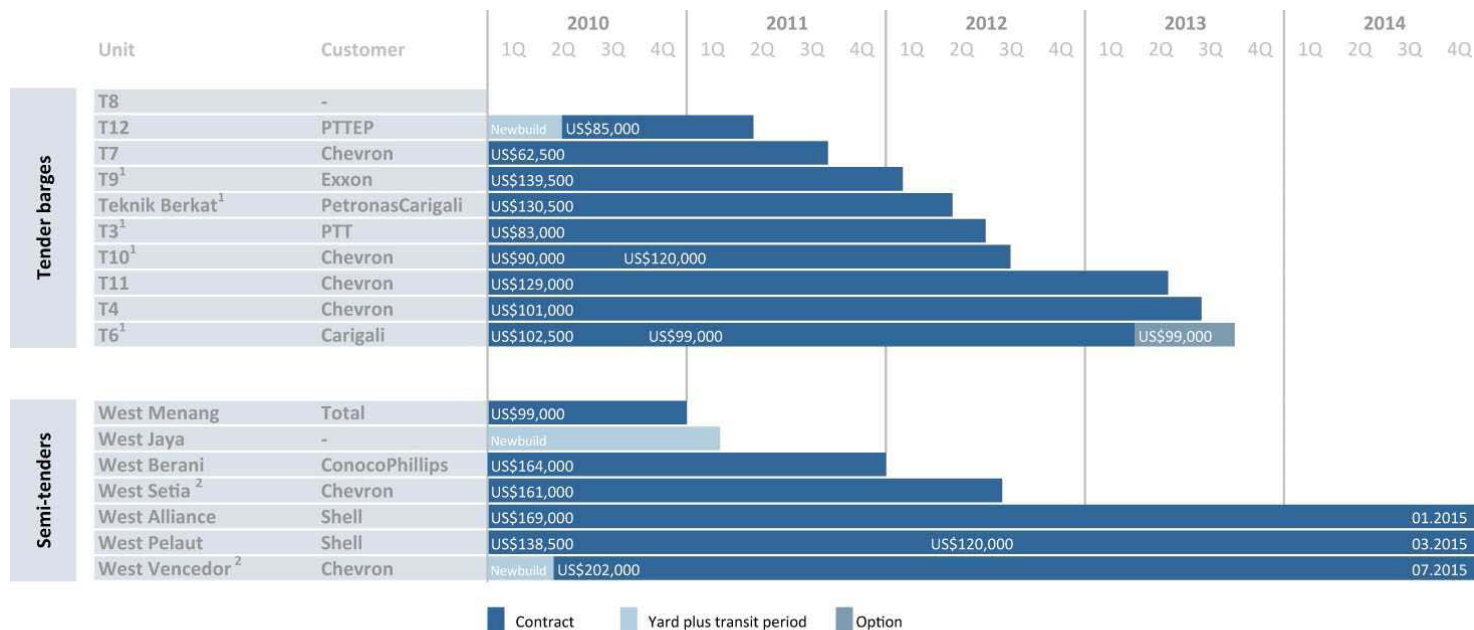
* Incl. Varia Perdana

Average age - Tender rigs



Maintaining market share

US\$1.5 billion contract backlog - Tender rigs



¹ Ownership 49%

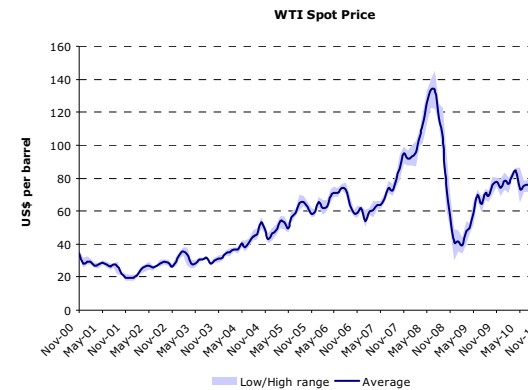
² Dayrate is partly in Euros

Improved market conditions



Market view

- Market prospects suggest stable or increasing oil prices
- Decreasing production triggers more drilling in existing reservoirs
- Exploration for oil reserves takes place in more challenging areas
- Macondo and Montara spills remind industry of risks involved
- Stricter regulations & new standards will increase #days required to drill deepwater wells
- Significant exploration success in new areas will lead to growth in development activities



Oil industry requires more advanced rigs

Ultra-deepwater newbuild orders 2010

- 2 ultra-deepwater units
 - Samsung design
 - 12,000ft water depth capacity
 - 10,000ft riser
 - 1,250tons hook load
 - 200 accommodation capacity
 - 7 ram BOP
- Total project cost per rig US\$600 million
- Delivery scheduled in 1Q/2013 and 2Q/2013



US\$1.2 billion in new rig exposure

Jack-up rig acquisitions & orders 2010

- 1 harsh environment jack-up CJ70
 - Gusto MSC CJ70 X150A design
 - 450ft water depth capacity
 - Delivery scheduled in 2Q 2011
 - 5-year contract awarded by Statoil for operations in Norway

- 7 benign environment jack-ups
 - Seven LeTourneau Super 116 (C&E) jack-up rigs
 - 350ft water depth capacity
 - Backlog of US\$600 million
 - Average contract backlog of 1.4 years per rig

- 4 benign environment jack-ups
 - Friede & Goldman JU2000E design
 - 400ft water depth capacity
 - Delivery scheduled 4Q 2012 and 1Q 2013
 - Options for 6 additional units

- 1 benign environment jack-up (Petrojack IV)
 - Baker Marina Pacific Class 375 design
 - 375ft water depth capacity
 - 3.5Y contract with PTT



US\$3.4 billion in new jack-up rig exposure



Why investment in new rigs

Benefits of new deepwater units

- Dual derrick rigs
- Increased water depth and drilling depth capacity
- Higher accommodation capacity
- 1,250 st hook load capability
- 7 rams Blow Out Preventer stack (BOP)
- More atomized equipment
- Safer working environment

Benefits of new jack-up rigs

- Increased deck-load and open deck space
- Greater engine horsepower
- Longer cantilever
- Higher torque top-drives
- Larger mud pumps and greater drilling fluids capacities
- Longer independent-leg configurations
- Safer working environment

Stricter regulations ... flight to quality

Economics of new investments

| Ultra-deepwater drillships Assumed contract terms | | Benign environment Jack-up Assumed contract terms | |
|--|-----------------|--|-----------------|
| Dayrate | US\$500,000 | Dayrate | US\$130,000 |
| Opex incl. G&A | US\$150,000 | Opex incl. G&A | US\$50,000 |
| Tax | 5.0% | Tax | 3.5% |
| 5Y cash-flow | US\$567 million | 5Y cash-flow | US\$133 million |
| Investment | US\$600 million | Investment | US\$175 million |
| Repaid in | 5.1Y | Repaid in | 6.6Y |

Selective investments still create strong returns



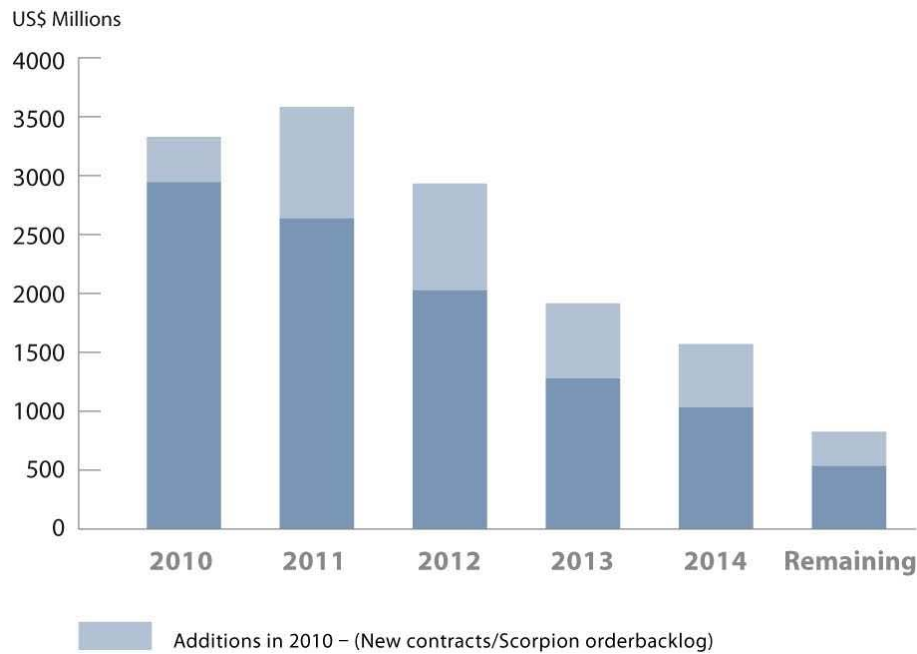
Asset financing

- Seadrill actively use the bank syndication market to finance its rigs
- Combination of new assets and quality contract coverage is attractive to bankers
- US\$3 billion in new contracts secured this year cater for new financing and upsizing of existing facilities
- 15 units (including the newbuilds) with market value above US\$4 billion is available as security
- US\$1.5 billion in convertible debt is in the money

Improved financing prospects for seasoned premium contractors



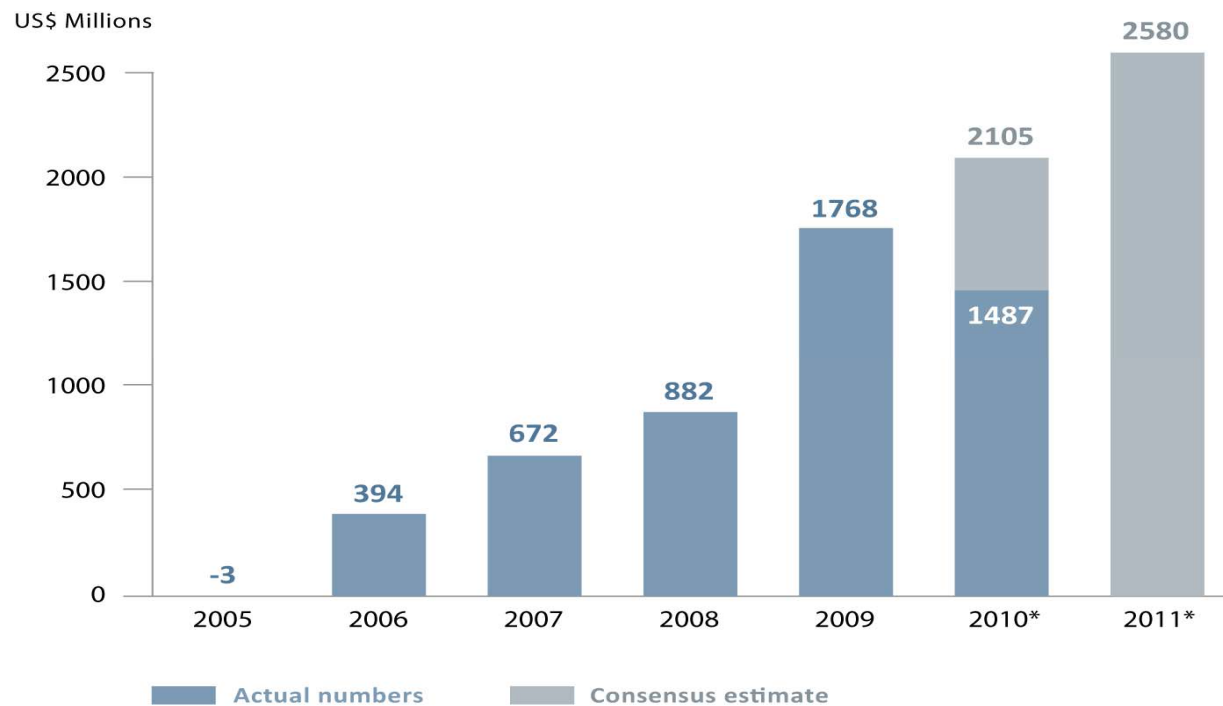
US\$11.8 bn contract backlog



| | THIS YEAR | LAST YEAR |
|-----------|-----------|-----------|
| Petrobras | 30% | 32% |
| Statoil | 16% | 2% |
| Total | 15% | 13% |
| Shell | 9% | 11% |
| Exxon | 8% | 13% |
| Chevron | 6% | 8% |
| BP | 6% | 0% |
| Others | 10% | 21% |

Quality customers ... superb visibility

EBITDA* development



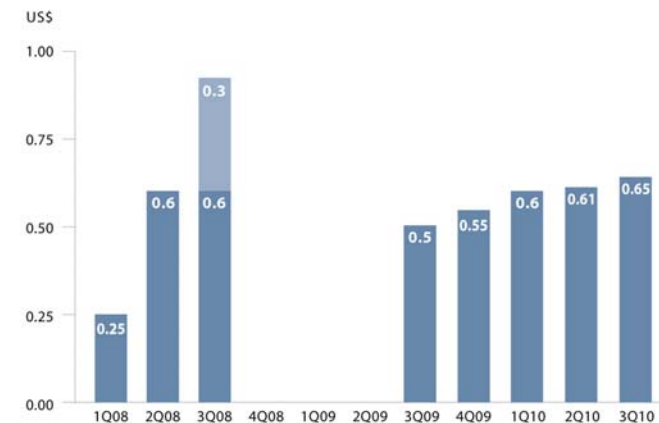
Unique opportunity to continue growth



Dividend distribution and policy

- Dividend resolved at US\$0.65 per share
- Increase reflects strong earnings visibility and increasing free cash flow
- Future dividend depends on:
 - Debt leverage
 - Contract coverage
 - Capital expenditure programs and other investments
 - Free cash flow
 - Business outlook
- Distribution of cash dividend is a key objective

Dividend distribution per share



| | Cash dividend per share US\$ | EX dividend date | Payable date |
|---------|------------------------------|------------------|----------------|
| 3Q 2010 | 0.65 | Dec 16, 2010 | Dec 30, 2010 |
| 2Q 2010 | 0.61 | Sep 8, 2010 | Sep 24, 2010 |
| 1Q 2010 | 0.60 | Jun 15, 2010 | Jul 2, 2010 |
| 4Q 2009 | 0.55 | Mar 15, 2010 | March 26, 2010 |
| 3Q 2009 | 0.50 | Nov 23, 2009 | Dec 7, 2009 |

Ambition to increase regular dividend on annual basis

Share price and dividends

| | Share price Nov. 2009 | Share price Nov. 2010 | Share price increase* | Total dividend paid (US\$ mill) | Dividend Yield |
|-----------------|--------------------------|--------------------------|--------------------------|------------------------------------|-------------------|
| Seadrill | 23 | 31 | 41 % | 988 | 8.5% |
| Rowan | 25 | 30 | 21 % | - | - |
| EnSCO | 49 | 48 | -1 % | 107 | 2.9% |
| Pride | 32 | 31 | -2 % | - | - |
| Noble | 43 | 34 | -18 % | 200 | 1.5% |
| Transocean | 87 | 67 | -24 % | - | - |
| Diamond | 104 | 65 | -32 % | 730 | 5.4% |

Outperforming peer group

Seadrill uniquely positioned

- Brand new fleet of rigs (supplement by newbuild orders)
- Sound operations
- Global presence
- Strong contract backlog and earnings visibility
- Unique bank relationships
- Confidence and trust from the equity markets
- Track record of accretive investments and M&A transactions

Strong market fundamentals ... encouraging outlook



Asset portfolio

Core fleet – 43 units built after 2000 **11 built before 2000**



14 Ultra-Deepwater Units + 1 Deepwater Unit

1 Mid-water semi



19 High Specification Jack-ups

2 Jack-ups



9 Tender Rigs

8 Tender Rigs

Shareholdings



9.4% of Pride (MV - US\$518m)



52.3% of Seawell (MV - US\$663m)



23.6% of Sapura Crest (MV - US\$253m)



9.3% of Seahawk (MV - US\$9m)