

Pareto conference 2020

Dag Skindlo

Chief Executive Officer

16 September 2020





Disclaimer – forward looking statements

Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this presentation contains statements relating to our future business and/or results. These statements include certain projections and business trends that are “forward-looking.” All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements preceded by, followed by or that include the words “estimate,” pro forma numbers, “plan,” “project,” “forecast,” “intend,” “expect,” “predict,” “anticipate,” “believe,” “think,” “view,” “seek,” “target,” “goal” or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations, including integration and any potential restructuring plans; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

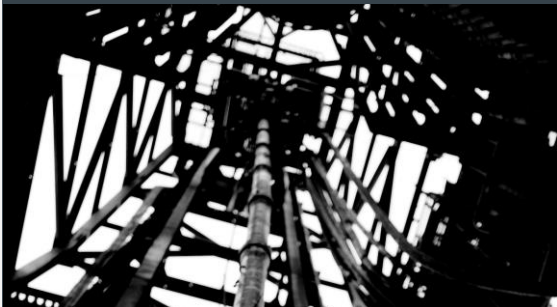



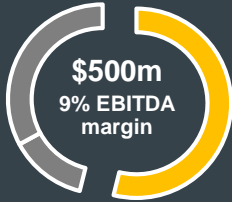
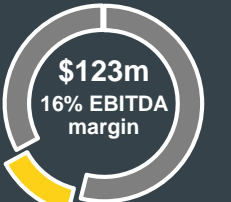
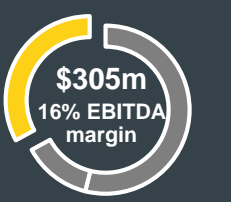
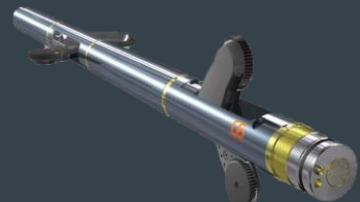
Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results/pro forma results as a result of certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent annual report for the Year ending December 31, 2019. These forward-looking statements are made only as of the date of this press release. We do not undertake any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from Fourth parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

This presentation was recorded on September 8, 2020, and any event occurring subsequently will not be reflected herein.



Archer – the well company

Eastern Hemisphere		Western Hemisphere	Non-consolidated entities
Platform Drilling	Well Services	Land Drilling	KLX Energy
			
Platform drilling, engineering, rental and modular rigs	Wireline and Oiltools	Owens and operates 80 land units for drilling, workover and pulling services	US onshore industry-leading provider of asset-light oilfield solutions
North Sea focused	Global business	Argentina and Bolivia	C6 Technologies (JV)
			
2019 revenue (USDm)	2019 revenue (USDm)	2019 revenue (USDm)	Well drone – wireline tractor

A global oil service company with 4,500 employees

“We deliver high quality products and services, with an outstanding record of performance and safety”



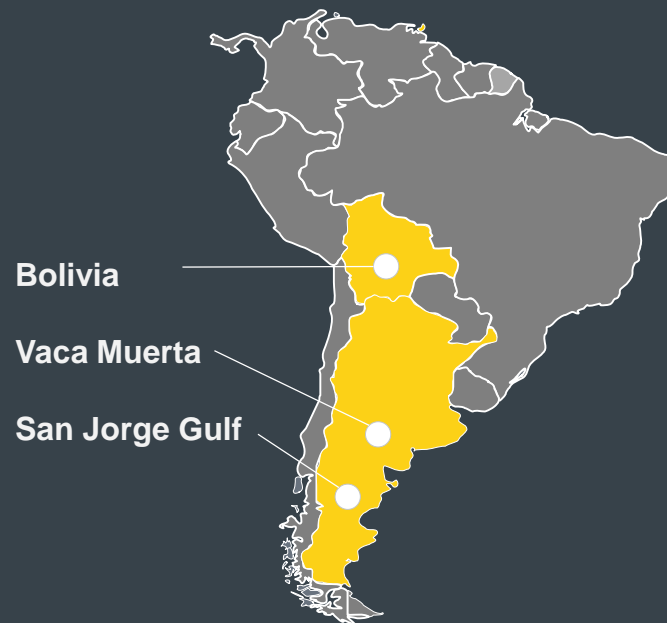
Land Drilling

Overview

- Leading provider of land drilling and workover services in Latin America
- Strong market position in Vaca Muerta
- Own and operate 80 drilling rigs, workover and pulling units

Status

- Currently challenging macro environment with political and economic uncertainty
- Majority of oil and gas produced in Argentina is consumed in country
- Significantly reduced activity due to prolonged Covid-19 lockdown
- Activity starting to increase on the back of increased oil and gas consumption and recovering oil price



2019

\$306m

REVENUE

\$39m

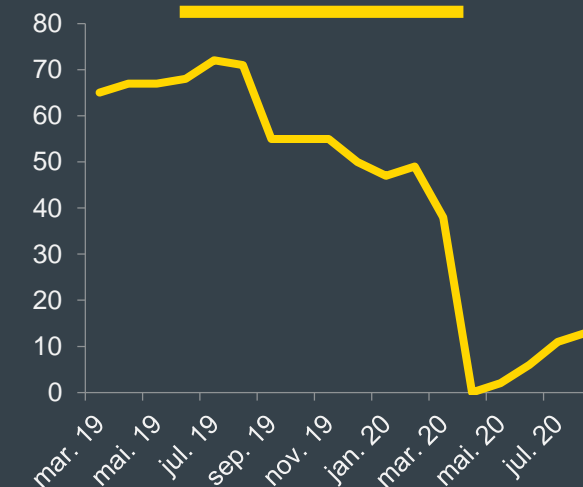
EBITDA

**WORLD
FINANCE**

OIL & GAS
AWARDS

DLS Archer has been recognized as the best drilling contractor in Latin America

Argentina
drilling rig count*



*Baker Hughes rig count



Platform Drilling and Engineering

Overview:

- One of the world's leading platform drilling contractors, operating and maintaining operator owned drilling equipment
- 58% market share in the North Sea
- Long-term contracts and strong cash flow generation
- Two modular drilling rigs

Status:

- Low activity in the UK post Covid-19 while Norway has been more resilient
- Both MDRs on contract in Q3
- Clients indicate increased drilling and P&A activity towards end of 2020



Operate and maintain 40 offshore platforms globally

#1 in Norway

#1 in UK



1,900 platform operators
260 engineers

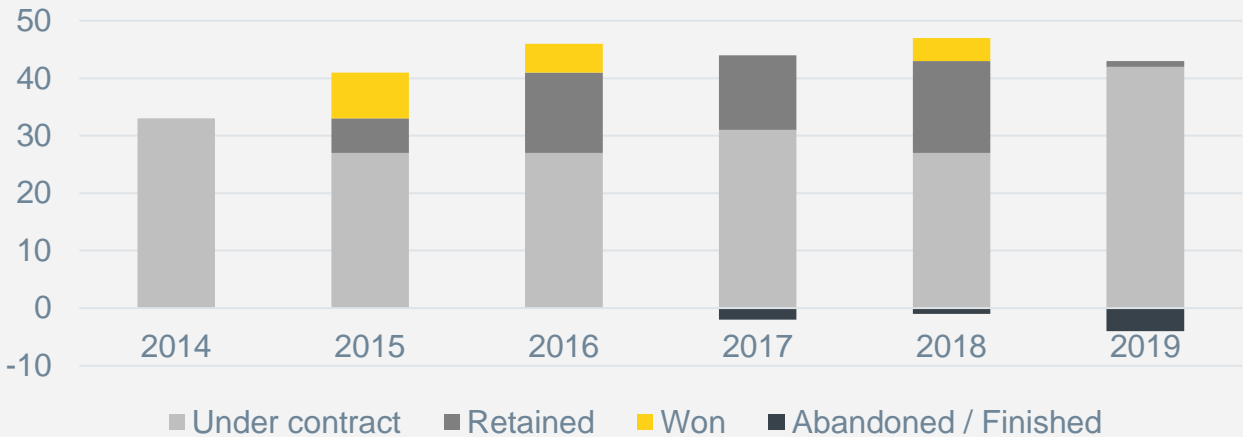


Own and operate 2 high spec modular drilling rigs



Platform Drilling

- Long term contracts positioning Archer for;
 - Integrated services
 - P&A projects
 - Late life operations
- O&G companies is likely to prioritize spending on;
 - Brownfield production and intervention
 - Short lifecycle projects
 - P&A and Slot recovery



Platform drilling contract backlog

Field	Operator	2020				2021				2022				2023				2024			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Beryl A/B	Apache																				
Forties A/B/C/D	Apache																				
Alba, Captain	Ithica Energy																				
Dunlin Alpha	Fairfield																				
Brae A, East Brae	Rockrose																				
Beatr. A, Claym. Clyde	Repsol Sinopec																				
Fulm., Piper, Salt., Tartan	Repsol Sinopec																				
Ula, Valhall IP	Aker BP																				
Gyda	Repsol																				
Grane, Njord, Spleipner A	Equinor																				
Gullfaks A,B,C	Equinor																				
Statfjord A,B,C	Equinor																				
Snorre A,B, Visund	Equinor																				
Veslefrikk	Equinor																				
Peregrino A/B	Equinor																				

Modular rigs contract backlog

Rig	2021				2022				2023				2024			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Topaz																
Emerald																

Firm ContractContract Options



Well services

Overview

- A global service and technology provider for oil & gas wells
- Products covering drilling, completion, intervention and P&A
- Portfolio of tools and applications expanded over recent years

Status

- P&A and plug activity high during first part of 2020
- Activity in Asia and North America expected to be lower in second half of 2020
- Continue to expand market footprint with new technology



Suite of premium oil tools and services



Complete range of wireline services

2019

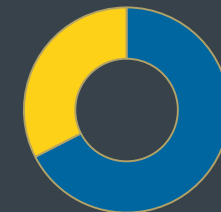
\$123m

REVENUE

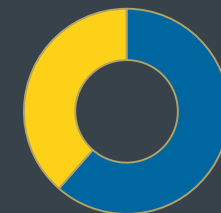
\$20m

EBITDA

Revenue split



■ North Sea
■ Rest of the World



■ Oiltools
■ Wireline



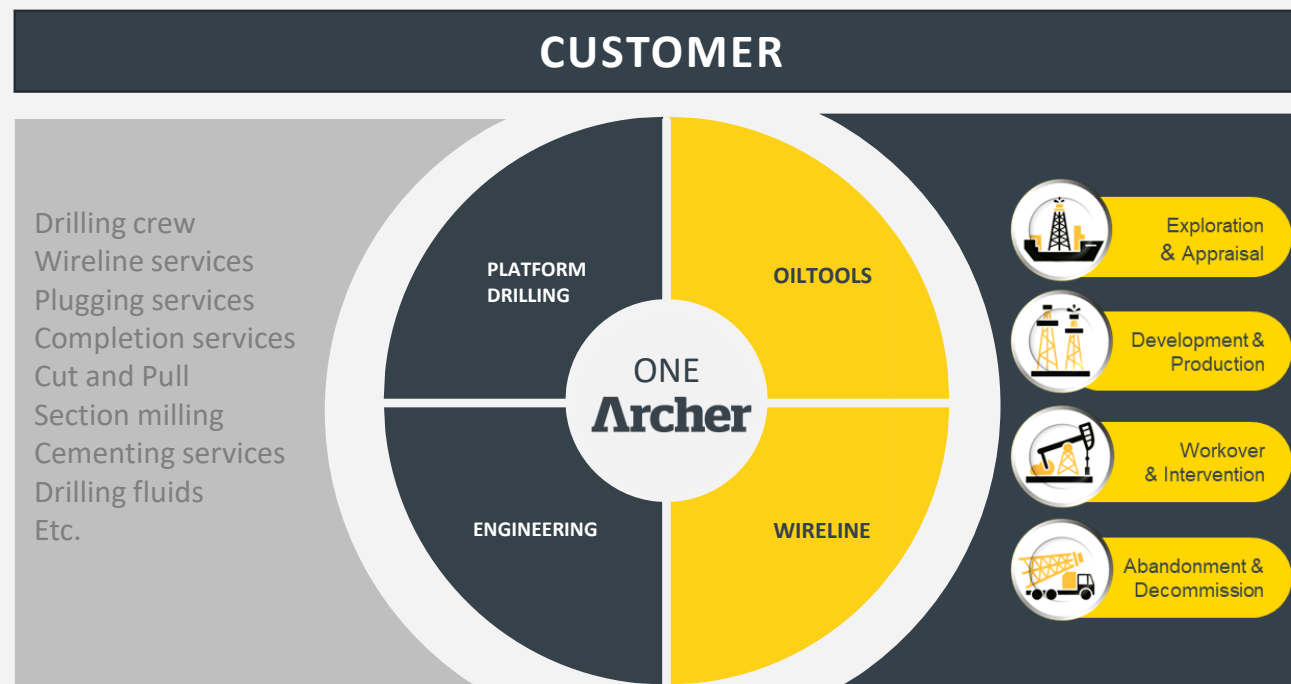
Growth in North Sea by expanding integrating service-offerings

Archer is positioned to deliver integrated services on platforms with drilling facility

- Large crew onboard and major part of service required available inhouse
- Working with or integrating other service companies
- Proven track record
- Meaningful cost saving potential for customers

Recent integrated services contract awards:

- Gyda Repsol Norway
- FLX Equinor Norway
- Taqa P&A in the UK





P&A example – saving money, time and emission in growing market

Stronghold® Systems delivered:

99 %

Operation
Efficiency

250

Million USD
customer
savings

200+

Stronghold®
Systems P&A Plugs
installed

190*

Tons of CO₂
emission saved per
barrier placed

* Example where the operation is performed on a floater

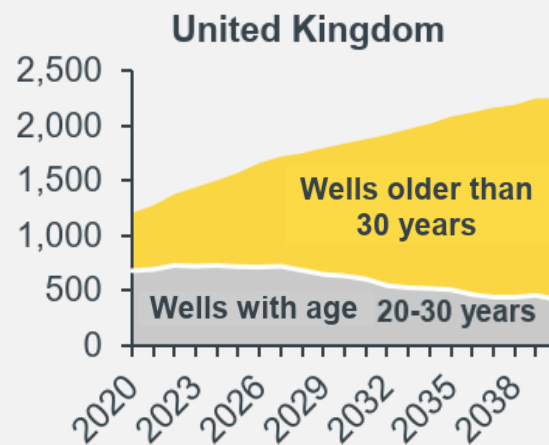


Energy transition considerations

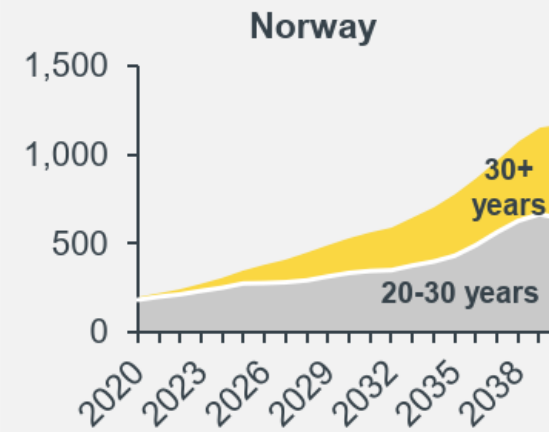
- Peak demand for oil and gas likely sometime between 2030 and 2040 (DNV, IEA, McKinsey etc.)
- Archer positioned to capture where O&G companies are likely to spend their money (Well P&A, late life operations, Wells, Brown field developments, intervention, workover etc.)
- Our key clients are transitioning into alternative energy production, but represents only 3% of annual E&P upstream budget in 2020
- Archer committed to reposition as part of energy transition
 - Develop technologies and services to reduce energy consumption
 - Reduce environmental footprint
 - Explore green energy business opportunities

Cumulative number of wells in UK and Norway

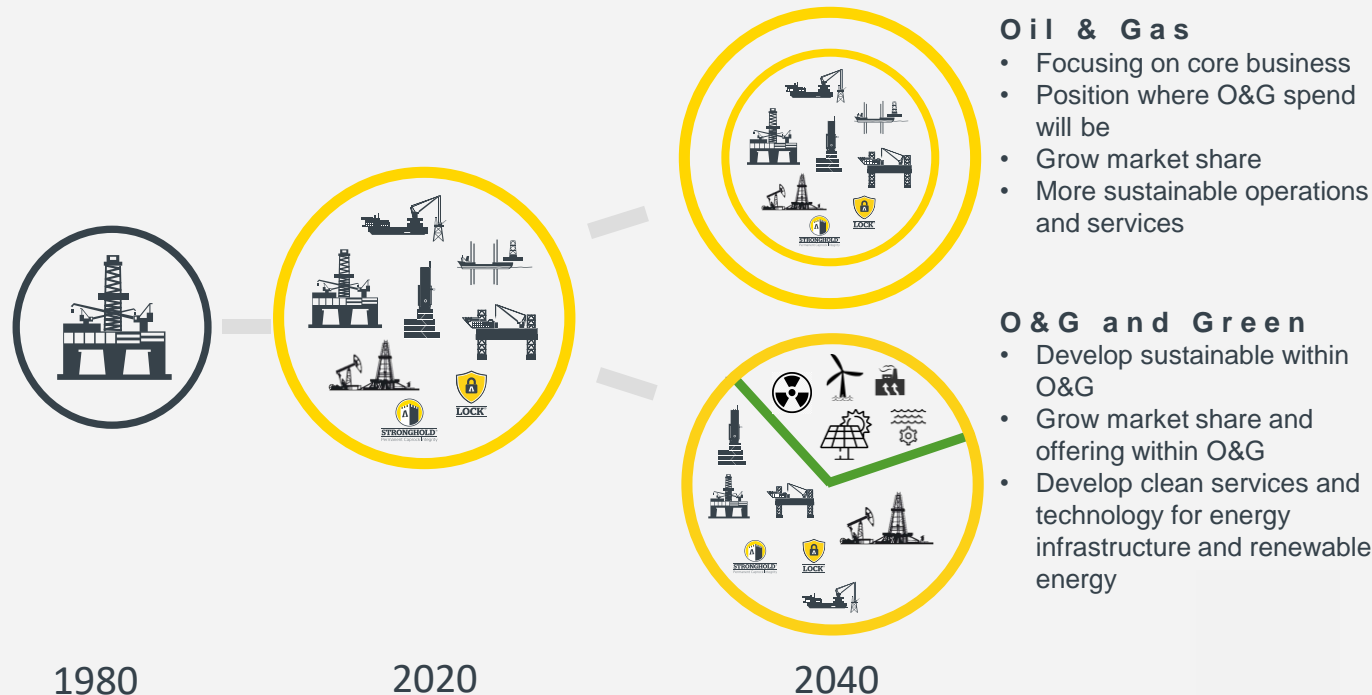
Offshore development wells, including slot recovered main wells



Source: Rystad Energy



Source: Rystad Energy



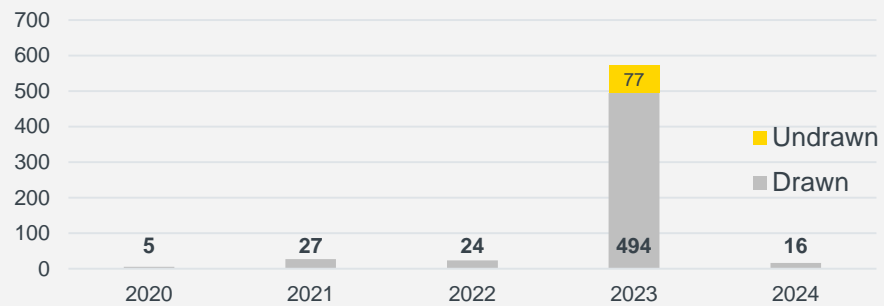


Financial position

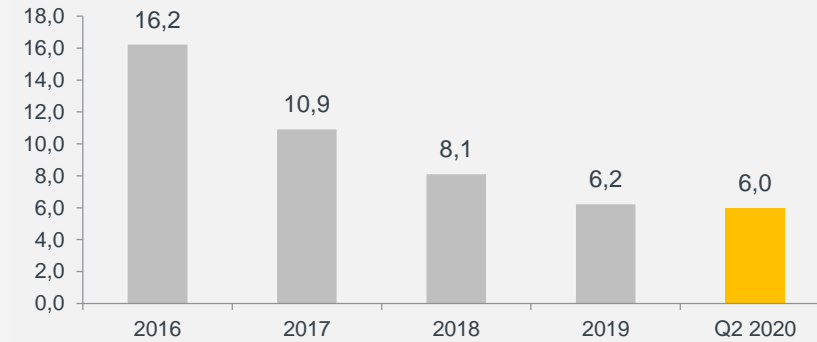
Sufficient liquidity

- Generating positive cash flows
- Net interest-bearing debt reduced
- Available liquidity of \$118 million
- Refinanced April with limited instalments until maturity in 2023

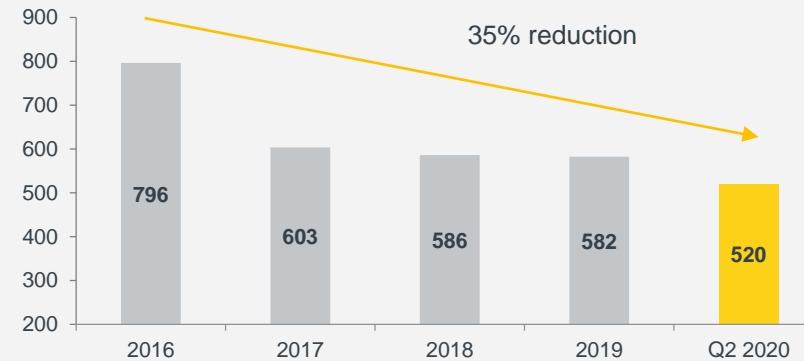
Debt maturity profile [\$m]



NIBD / EBITDA development



NIBD and available liquidity [\$m]





Investment highlights



Strong market position

- Leading platform drilling in the North Sea
- Leading provider of land drilling and workover services in Latin America
- Well services with leading proprietary technology that is deployed globally
- Unique offering in the North Sea for integrated projects in a growing late life market



Energy transition

- Archer relatively attractive positioned to capture where O&G companies are likely to spend their money
- Archer committed to reduce own and customers related CO2 emission
- Archer will explore business opportunities in clean energy infrastructure and renewable energy



Refinanced and free cash generation

- Consistent reduction in net debt year on year
- Refinanced, ample liquidity and positive free cash flow generation



archerwell.com

Thank you!