Disclaimer – forward looking statements

Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this press release 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, 2017. 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 report 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.
A global oil service company with about 4,800 employees

**Platform Drilling & Engineering**

- A people business
- Operates 45 rigs
- Owns and operates 2 modular drilling rigs
- Provides engineering services

**Land Drilling**

- An asset business
- Owns and operates 81 land rigs in Argentina and Bolivia for drilling, workover and pulling services

**Well Services**

- Technology & services
- Provides well integrity services and technologies
- Deploys well intervention products

**US onshore**

- Manufacturer and service provider of premium frac valves (AWC)
- Divested on 31. August 2018 for EV USD 30m

**Associated investments**

- 28.2% ownership in Quintana Energy Services (NYSE:QES)
- 50% ownership in C6 Technologies (intervention / conveyance)

EBITDA margin before exceptional items
• Archer divested AWC Frac Valves to a US based private equity fund for USD 30 million on a debt- and cash-free basis.

• Archer can in addition receive an earn-out of up to USD 5 million based on full year 2018 results.

• The net proceeds of approximately USD 29 million will primarily be used for debt prepayments.

• The transaction will generate an estimated accounting gain of USD 10 million to Archer.

• The transaction supports Archer’s strategy to focus its service portfolio and de-leverage the company.

AWC Frac Valves divested on 31 August 2018

LTM Revenue LTM EBITDA LTM Capex
$32m $4m $1m
One of the world’s leading platform drilling contractors, operating and maintaining operator owned drilling equipment.

Long-term contracts and strong cash flow generating business with limited capex.

Grown market share to approximately 60% in the North Sea. Also present in Brazil and Greece.

Supplies rental drilling tubulars and associated handling equipment.

Supported by Archer Engineering, providing multidiscipline engineering, project management & execution for platform drilling facilities.

Secures production on 45 offshore platforms globally

#1 in Norway
#1 in UK

Own and operate 2 modular drilling rigs (currently without contract)

~2000 multi-skilled platform operators
~180 skilled engineers

LTM Revenue: $383m
LTM EBITDA: $34m
LTM Capex: $1m
Equinor awarded Archer a four-year firm contract for a total of 12 platforms located on the NCS.

The contract is effective from October 1, 2018, following a transition period to prepare for operations.

The contract award includes three contract extension options of two years each.

The firm contract award has a value of more than NOK 6 billion based on the current drilling schedule. This value excludes additional work scope such as modifications and upgrades of the platforms in the portfolio.

Platforms not already operated by Archer include Gullfaks A, B, C and Grane. These four platforms are in active drilling mode and will materially contribute in Q4 and onwards.

1) Archer holds a life-of-field contract for Veslefrikk A/B
Platform Drilling & Engineering

Archer Platform Drilling holds over $1 billion of firm backlog

Increased contract portfolio and market share

Contract backlog 2018-2021

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Net addition

Increased contract portfolio and market share

Contract backlog 2018-2021

Firm Contract
Contract Options

New total

+45%
• Leading provider of land drilling and workover services in Latin America.

• Strong market position and long-term contracts in Vaca Muerta

• Currently ~2100 employees.

• Operations split into:
  - Drilling North (Vaca Muerta & Bolivia); strong operational and financial performance
  - Drilling South (brownfield); challenging business environment with ongoing restructuring
  - Fluids & solids control business; restructuring completed in Q2

Own and operate 81 drilling rigs, workover and pulling units

  #1 in Bolivia
  #2 in Vaca Muerta (Argentina)

<table>
<thead>
<tr>
<th>Area</th>
<th>Drilling Rigs</th>
<th>Workover &amp; Pulling</th>
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<tbody>
<tr>
<td>Vaca Muerta</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>San Jorge Gulf</td>
<td>14</td>
<td>45</td>
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<tr>
<td>Santa Cruz De La Sierra</td>
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</table>
Land Drilling

Argentinean financial turmoil is contractually hedged within Archer

### Exchange rate USD/ARS

- The ARS (Argentinian Peso) has depreciated approximately 52% against USD since year-end 2017

### Annualized inflation in Argentina [%]

- Local inflation is high, but does not keep up with current depreciation of the ARS vs USD

### Contractual impact on Archer

#### Effect on revenue

- Salary increases and inflation clauses translate into higher ARS billing rates so Archer has **no inflation risk**.
- The average customer billing rate in USD decreased ~8% from Q1 18 to Q2 18 as currency depreciation outpaced inflation.

#### Effect on EBITDA

- Archer **EBITDA improves** with depreciation of the Peso.
- ~30% of customer billing rates are linked to USD, while corresponding USD nominated operating costs represents 15-20%.

#### Effect on interest and repayments

- Archer currently has no ARS denominated debt.
- Archer repatriates cash from Argentina to serve debt.
Well Services

Provides high-end well integrity technologies and services

- A global technology provider of tools and equipment for oil & gas wells.
- Industry leader for gas-tight well integrity products.
- Technology and application portfolio greatly expanded over recent years.
- Full range of wireline intervention services in Norway with a ~40% market share.
- Proprietary well diagnostic technologies being deployed globally.
- Unique conveyance solutions.

Suite of premium oil tools
- Plugs & plug solutions
- Cementing solutions
- Cleaning solutions
- Perforation and wash solutions
- Slot recovery solutions

Complete range of wireline services:
- Advanced well integrity diagnostics
- Mechanical interventions
- Production logging
- Complex fishing operations
- Conveyance
- Horizontal well evaluation

<table>
<thead>
<tr>
<th>LTM Revenue</th>
<th>LTM EBITDA</th>
<th>LTM Capex</th>
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<tr>
<td>$97m</td>
<td>$11m</td>
<td>$4m</td>
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EBITDA margin before exceptional items
QES and C6 Technologies

• QES is a growth-oriented provider of diversified oilfield services focused on U.S. unconventional resources.

• Operate via four segments:
  - Directional Drilling.
  - Pressure Control.
  - Pressure Pumping.
  - Wireline.

• Listed on the New York Stock Exchange (NYSE:QES).

• C6 Technologies is an oilfield technology company offering new solutions for well intervention and conveyance:

1. ComTrac® - A carbon composite rod conveyance/intervention system.

2. A unique and innovative downhole tractor – the C6 WellDrone®.

3. An extensive mechanical service platform (MSP) of downhole intervention tools.

### Associated investments

<table>
<thead>
<tr>
<th>QES and C6 Technologies</th>
<th>C6 Technologies</th>
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<tr>
<td><strong>LTM Revenue</strong></td>
<td><strong>Market cap</strong></td>
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<tr>
<td>$539m</td>
<td>$265m</td>
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<tr>
<td>LTM EBITDA</td>
<td>EV</td>
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<tr>
<td>$59m</td>
<td>$288m</td>
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</table>

**LTM Revenue**

- Two Comtrac® units in commercial operation
- C6 WellDrone® and all MSP tools ready for field test

**Archer ownership**

- 50%
- 28.2%
Archer has $130 million of available liquidity, with debt maturities in Q3 2020

- $130 million of liquidity available from cash and undrawn credit facilities.
- Cash sweep mechanism in our main credit matures September 2020.
- Subordinated convertible loan provided by Seadrill matures in Q4 2021. The loan is accruing PIK interest up to maturity, and the loan balance including interest amounts to USD 58 million.
- Archer is comfortably within covenant requirements for both EBITDA and Capex, and expects to operate well within covenants going forward.
  - Free liquidity of minimum USD 30 million.
  - 12 months rolling adjusted group EBITDA of minimum USD 55 million in 2018, USD 60 million in 2019 and USD 85 million in 2020.
Archer is positioned in segments with positive outlook in rebounding market

<table>
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<tr>
<th>Business units</th>
<th>Key drivers</th>
<th>Key region</th>
<th>Outlook*</th>
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<tr>
<td><strong>Platform Drilling &amp; Engineering</strong></td>
<td>• Lowest cost production drilling for platforms with drilling facilities</td>
<td>North Sea</td>
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<tr>
<td>Platform Drilling</td>
<td>• P&amp;A market in the North Sea for Modular rigs</td>
<td>North Sea</td>
<td>▶️</td>
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<tr>
<td>Engineering</td>
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<td>Global offshore</td>
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<td>Modular rigs</td>
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<td><strong>Land Drilling</strong></td>
<td>• Land drilling market in Bolivia and Argentina</td>
<td>Bolivia and Vaca Muerta</td>
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<tr>
<td>Land Drilling North</td>
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<td>Land Drilling South</td>
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<td><strong>Well Services</strong></td>
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<td>Oiltools</td>
<td>• Well intervention &amp; P&amp;A</td>
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<td>Wireline</td>
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<td>Global offshore</td>
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<td><strong>Associated investments</strong></td>
<td>• US onshore rig count</td>
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<td>QES (29%)</td>
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* Medium term growth outlook
We are delivering on our stated strategy

### Archer’s strategy

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<th>Cost effective operations and sales focus:</th>
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<td>- Disciplined operational model by business unit.</td>
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<td>- Maintained margins through efficiency, cost reductions and rationalisation.</td>
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<td>- Hands on and slim corporate structure.</td>
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<th>Cash generation to de-leverage and strengthen balance sheet:</th>
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<td>- Break-even cash flow at annual EBITDA of $55 million.</td>
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<td>- Selective non-core business divestitures to reduce NIBD.</td>
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<td>- Capital discipline with focus on deployment of existing assets.</td>
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<th>To portfolio focus from end-to-end service provider:</th>
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<td>- Each of the businesses managed independently.</td>
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<td>- Flexibility in maximising values of each business.</td>
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<td>- Capital allocation to grow asset-light service and technology segments.</td>
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### Key actions 2018

- Margin improvements in EH
- Profit improvement program in south of Argentina
- Divestment of US onshore for USD 30m
- Reduction in DSO
- Capex below 3% of revenue
- IPO of QES on NYSE
- R&D development in Oiltools, Wireline and C6 to capitalize on increased demand
Key highlights

- Demonstrated operational resilience through downturn
- Realizing growth in revenue with improved margins and limited capex
- Operational leverage to grow significantly from today’s revenue level
- $130 million of liquidity and runway to Q3 2020
- Value enhancing portfolio strategy
Our main shareholders

**Hemen Holding**

13.7 %*

Indirectly controlled by trusts established by John Fredriksen

**Others**

66.1 %

Public investors and investment funds

Listed on the ticker ARCHER

**Seadrill**

15.7 %

Leading offshore drilling contractor

**Lime Rock Partners**

4.5 %

~$8.6B invested in E&P ventures

* including total return swap agreements
Summary of current outlook

• All business units in the Eastern Hemisphere experiencing increased demand with combined expected 2018 revenue growth of 15% over 2017.

• Land Drilling operational activity has increased over 2017, but USD reported revenue has decrease following depreciation of the Argentine Peso. Improvement project and better customer terms in the South will improve financial results in H2.

• We reiterate previous guidance given:
  • Average EBITDA margin before restructuring expected to improve 1-2% points over 2017.
  • Improved EBITDA in second half of year on the back of higher activity, reduced cost and better terms in Land Drilling.
  • Capex below 3% of revenue.