



Archer overview

DNB Oil, Offshore & Shipping Conference 2019

6 March 2019

Archer

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, 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.

Note: The numbers used in this trading update are preliminary and rounded to nearest \$1 million

Archer

A global oil service company with more than 5,000 employees

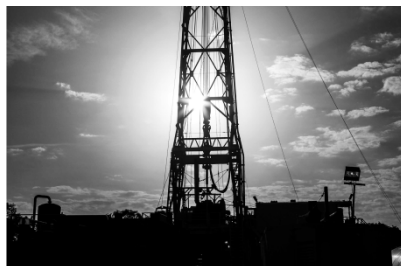
Platform Drilling & Engineering



A people business

- Operates 45 platforms
- 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

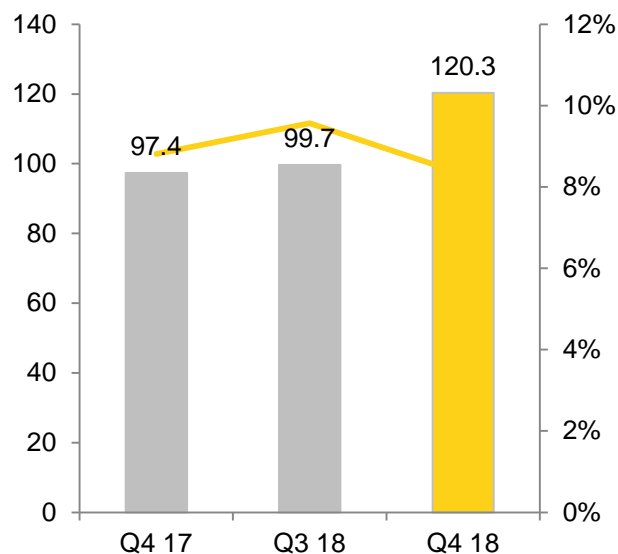
Associated investments

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

Archer

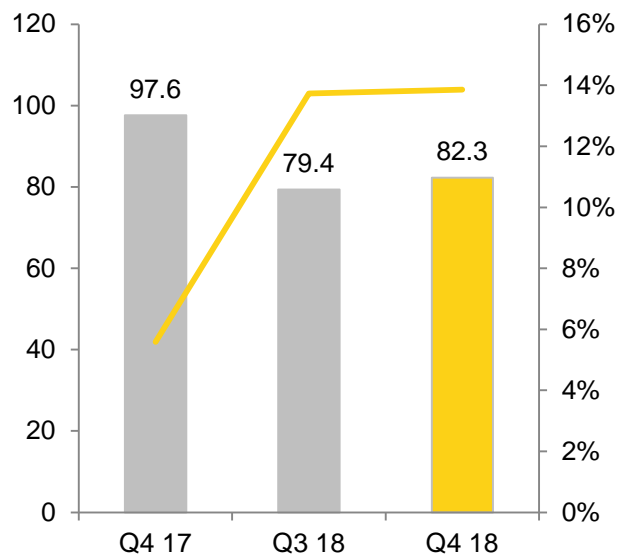
A global oil service company with more than 5,000 employees

Platform Drilling & Engineering



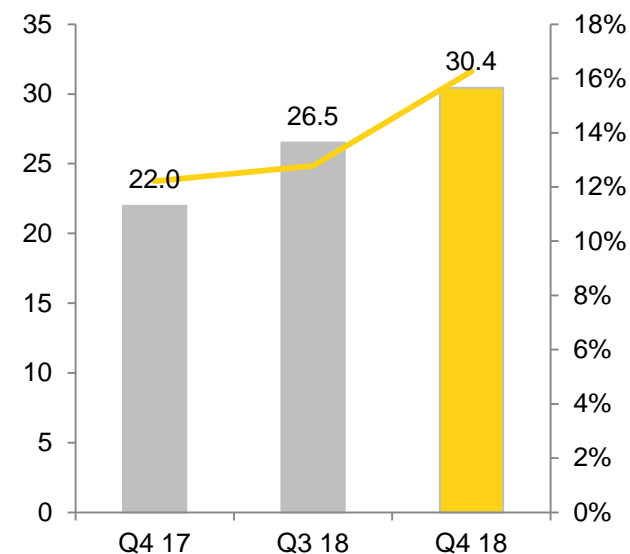
- Platform Drilling and Engineering increased revenue by 20% from third quarter

Land Drilling



- Land Drilling has delivered two consecutive quarters with EBITDA margin above 13%

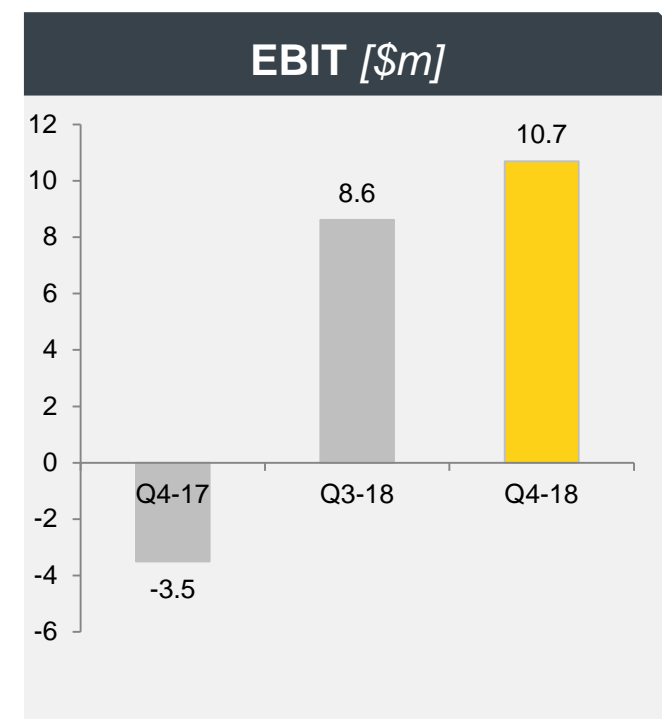
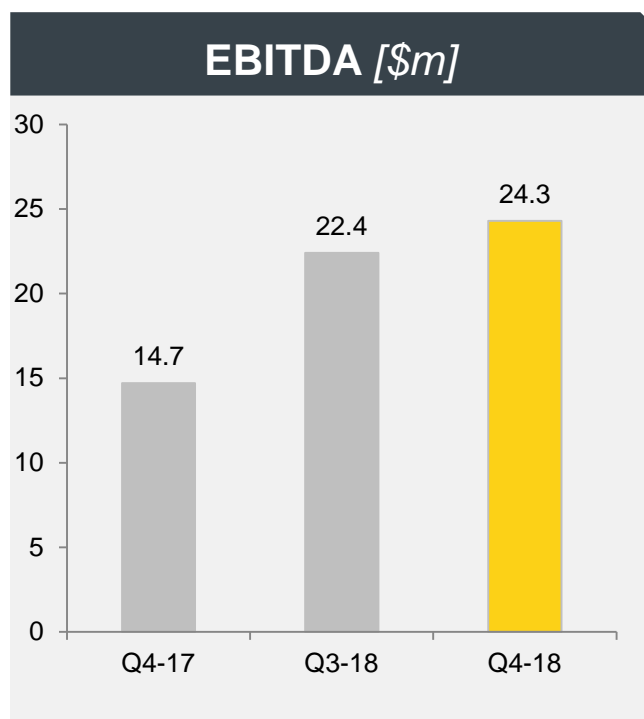
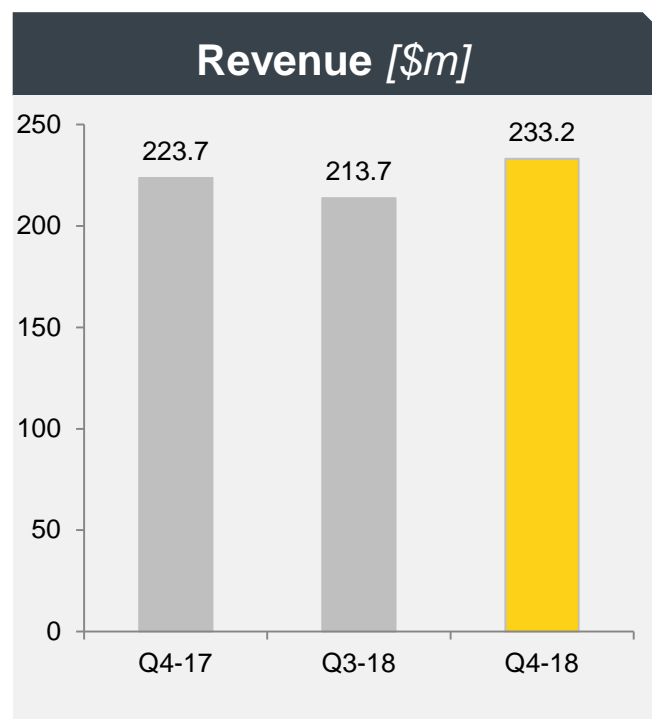
Well Services



- Well Services revenue up 38% compared to same quarter last year






Fourth quarter highlights 2018 – Best operating result since 2015

- Revenue of \$233.2 million, up 9% from third quarter.
- EBITDA before exceptional items of \$26.9 million, up 63% from Q4 2017.
- EBITDA of \$24.3 million, up 65% from Q4 2017.
- EBIT of \$10.7 million or 4.6% of revenue.



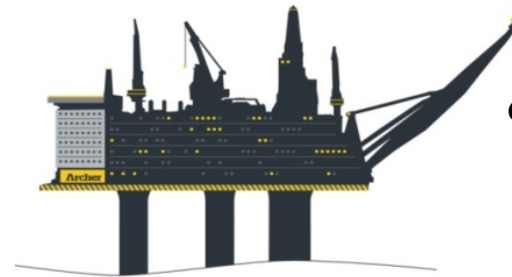
We delivered on our promises for 2018

Status

1	All business units in the Eastern Hemisphere experiencing increased demand with combined expected revenue growth of 15% over 2017.	 18% above
2	Average EBITDA margin before restructuring expected to improve 1-2% points over 2017.	 2% points improvement
3	Improved EBITDA in second half of year on the back of higher activity, reduced cost and incentive terms in Land Drilling.	 46% higher
4	Capex below 3% of revenue.	 2.7% of revenue
5	Strategic process for onshore US ongoing.	 Completed

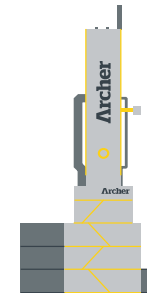
North Sea market leader

- Operates and maintains operator owned drilling equipment.
- Engineering services and rental of drilling tubulars
- Long-term contracts and strong cash flow generating business with limited capex.
- Growth enablers:
 - Deploy modular rigs (several opportunities with start-up in 2020)
 - Expand services offered in North Sea
 - Expand rental equipment
 - Grow selectively internationally



Secures production on 45 offshore platforms globally

**#1 in Norway
#1 in UK**







Own and operate 2 modular drilling rigs



~2000 multi-skilled platform operators

~180 skilled engineers

Contract backlog 2019-2021*

Country	Operator	Nr. of platforms	2019				2020				2021				2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Apache	6																
	Chevron	2																
	Fairfield	1																
	Marathon	2																
	Shell	2																
	Shell	1																
	Repsol Sinopec	7																
	Aker BP	3																
	ConocoPhillips	3																
	Repsol	1																
	Equinor	12																
	Equinor	1																
	Equinor	2																
	Energiean	1																

 Firm Contract

 Contract Options

* = Excludes platforms under contract that have been permanently abandoned

A leading player in the largest unconventional play outside US

Archer

- Leading provider of land drilling and workover services in Argentina and Bolivia.
- Strong market position and long-term contracts in the Vaca Muerta play.
- Currently ~2100 employees.
- Operations split into:
 - North (Vaca Muerta & Bolivia)
 - Strong operational and financial performance;
 - South (San Jorge Gulf / brownfield)
 - Challenging business environment, but have made significant sustainable operational improvements



Own and operate 81 drilling rigs, workover and pulling units

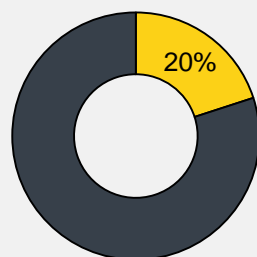
#1 in Bolivia

#2 in Vaca Muerta (Argentina)

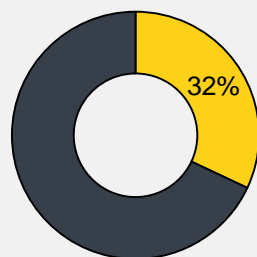
We believe the 2018 operational improvements are sustainable

Leading market share

Vaca Muerta



Golfo San Jorge



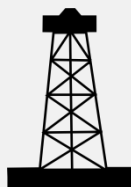
■ Est. Archer market share (revenue)

Operational improvement (2018 vs 2017)



~8% headcount
reduction in Argentina

+



~18 % more wells
drilled per rig in
South

+



Land Drilling South
re-negotiated its main
contract with Pan
American Energy

Ambitious goals set by Argentine Government¹⁾



Double the oil and
natural gas
production within five
years



CAGR of Investments
2018-2024 = 19%



Enhance Argentina's
trade balance through
net exports totaling
\$15 billion by 2023

Land Drilling right-sized and well positioned to deliver stable performance

1) Argentina Energy Plan 2018, Secretario de Gobierno de Energia

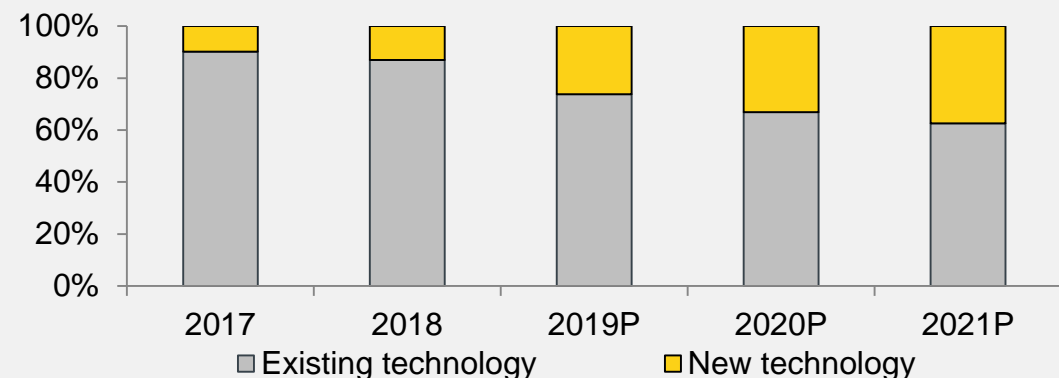
Provides high-end well integrity technologies and services

- 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.

Well services is a global business



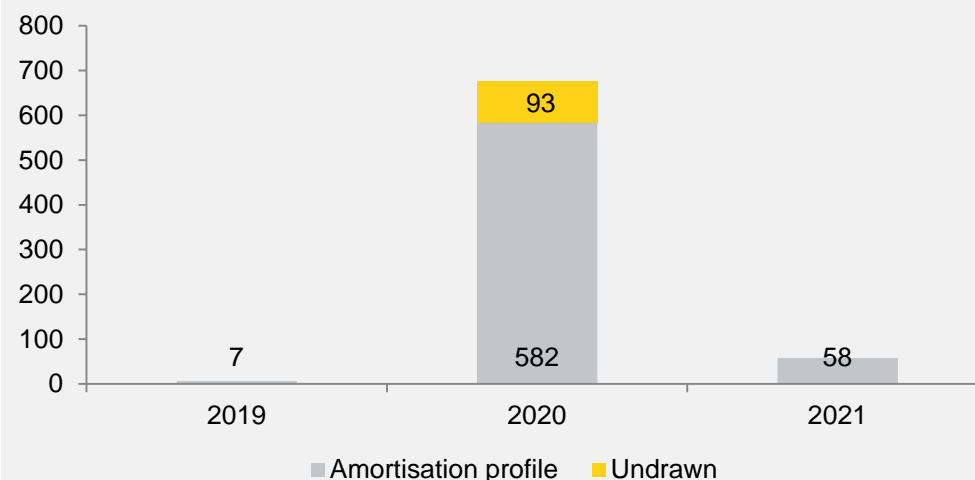
Expected mix of new vs. existing products



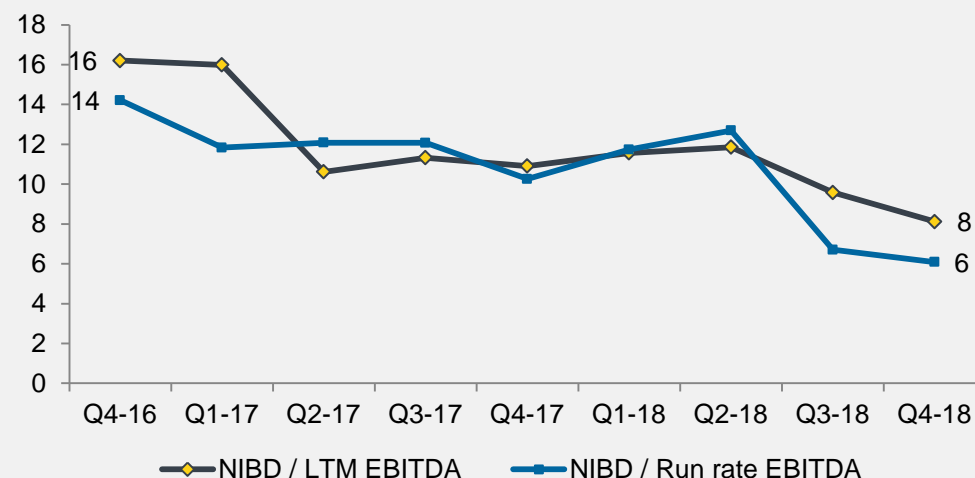
Strong liquidity position and improving credit metrics

- Main credit facilities mature Q3 2020 with subordinated loan from Seadrill maturing in 2021.
- Archer operates well within all covenant requirements including liquidity, EBITDA and Capex.
- Significant EBITDA-improvement and reduced NIBD.
 - NIBD / EBITDA ratio down 50% since 2016
 - NIBD / EBITDA ratio meaningfully reduced over the last two quarters.
 - Non-consolidated associated investments (QES and C6) further lowers NIBD/EBITDA ratio compared to graph
- Robust liquidity position of approximately \$139 million.

Debt amortization profile [\$m]



Net Interest Bearing Debt / EBITDA



- Archer expects continued growth in 2019 on the back of strong backlog:
 - Revenue set to increase 4-6% over 2018
 - Eastern Hemisphere set to further increase 15-20% from 2018
 - EBITDA margin about 10-12%
 - Capex 3-4% of revenue
 - Robust liquidity and strong operational cash flow
- Beyond 2019, Archer is well positioned for further growth:
 - Platform Drilling with good prospects to deploy modular drilling rigs from 2020
 - New technology revenue in Well Services and general market rebound to drive growth
 - Modern assets and attractive market position in Vaca Muerta





Appendix

Archer

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.

LTM Revenue

\$576m

LTM EBITDA

\$45m

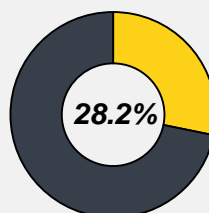
Market cap

\$191m

EV

\$203m

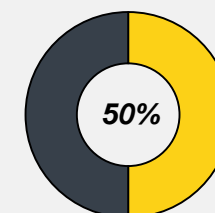
Archer ownership



Two Comtrac[®] units in commercial operation

C6 WellDrone[®] and all MSP tools ready for field test

Archer ownership



Archer is positioned in segments with positive outlook in rebounding markets



	Business units	Key drivers	Key region	Outlook*
Platform Drilling & Engineering	Platform Drilling	<ul style="list-style-type: none"> • <i>Lowest cost production drilling for platforms with drilling facilities</i> • <i>P&A market in the North Sea for Modular rigs</i> 	North Sea	
	Engineering		North Sea	
	Modular rigs		Global offshore	
Land Drilling	Land Drilling North	<ul style="list-style-type: none"> • <i>Land drilling market in Bolivia and Argentina</i> 	Bolivia and Vaca Muerta	
	Land Drilling South		Southern Argentina	
Well Services	Oiltools	<ul style="list-style-type: none"> • <i>Well intervention & P&A</i> • <i>New products</i> 	North Sea, Global offshore and Middle East onshore	
	Wireline			