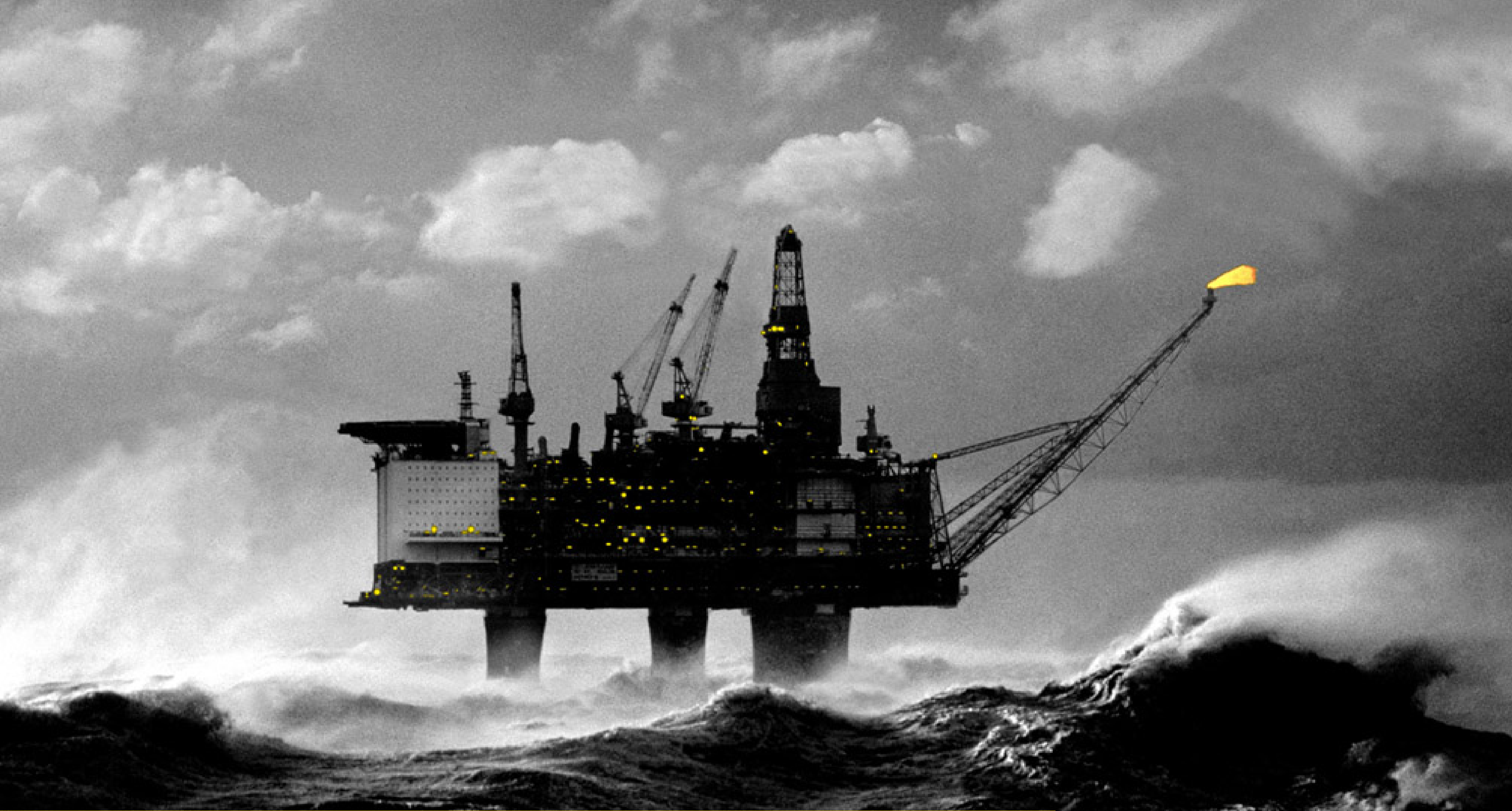


Archer First Quarter 2019

Executive Chairman Kjell-Erik Østdahl and CFO Dag Skindlo

9 May 2019

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, 2018. 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.

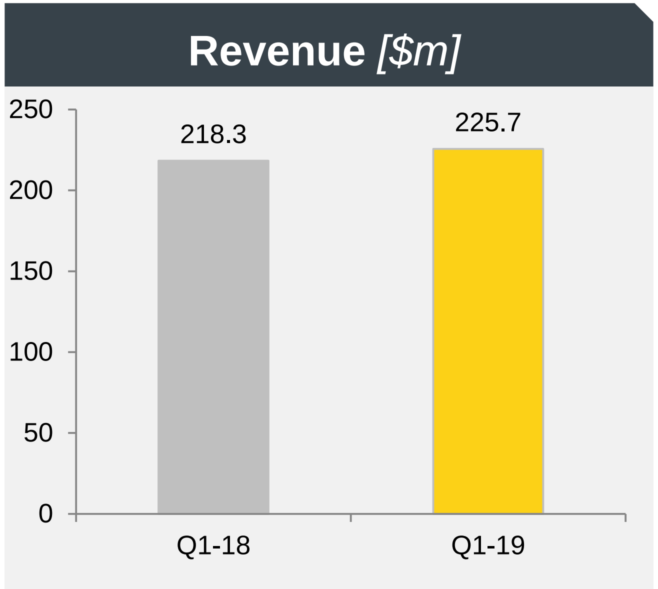
The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from Fourth parties. 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.

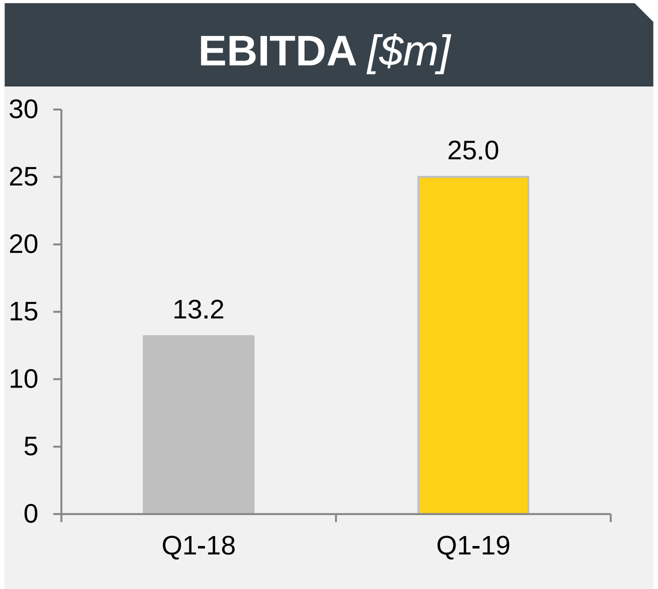
Key highlights

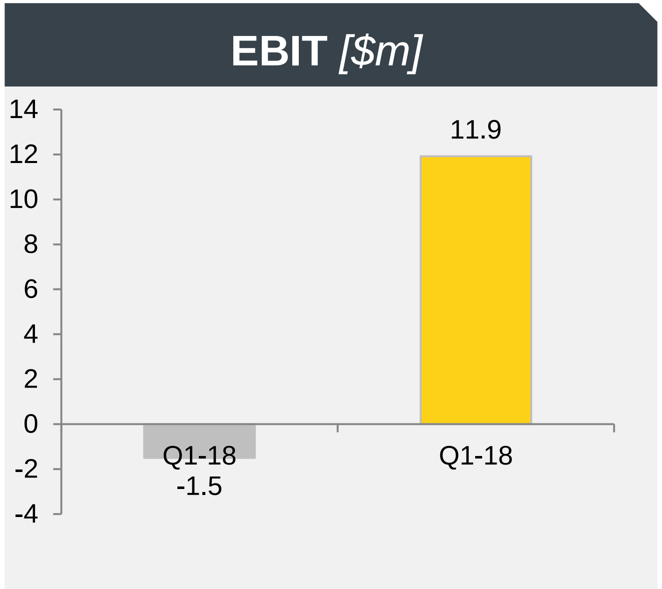
- Strong financial and operational quarter
- Received two separate tenders for Modular Rigs projects in 2020
- Well Services shipped first Mechanical Packer (Mcap)
- Land Drilling on track

Archer – strong first quarter financial results

- Revenue of $225.7 million
- EBITDA of $25.0 million or 11.1% of revenue, which is an increase of 89% relative to the same period last year.
- EBIT of $11.9 million or 5.3% of revenue versus a loss in same period last year
- Net Interest Bearing Debt further reduced to $581.3 million.

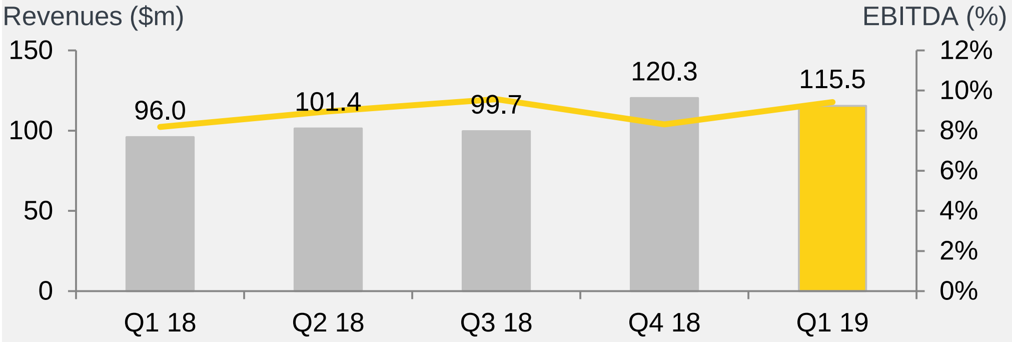






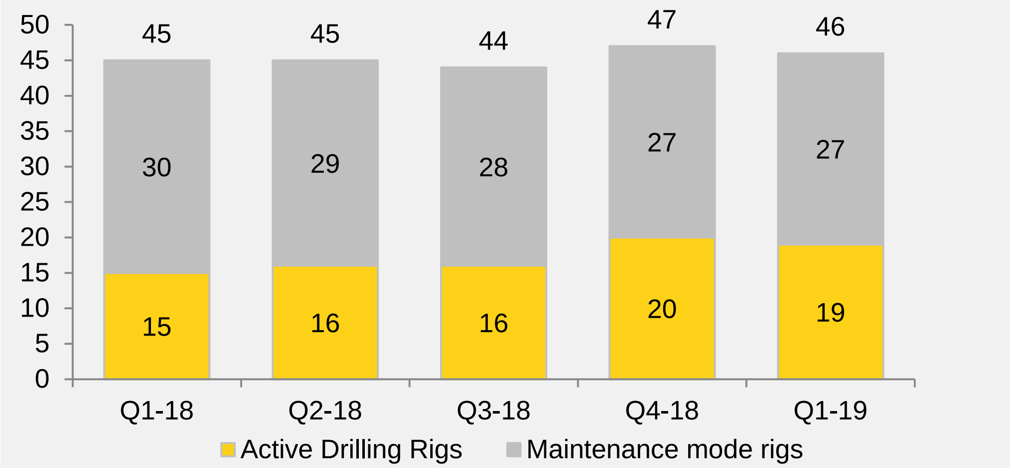
Platform Drilling & Engineering

Revenue and EBITDA *[$m and %]*



$m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19
EBITDA	7.9	9.1	9.5	10.0	10.9
Capex	0.1	0.3	1.0	3.8	0.2

Platform Drilling contracted rigs *[nr of rigs]*



Financial highlights

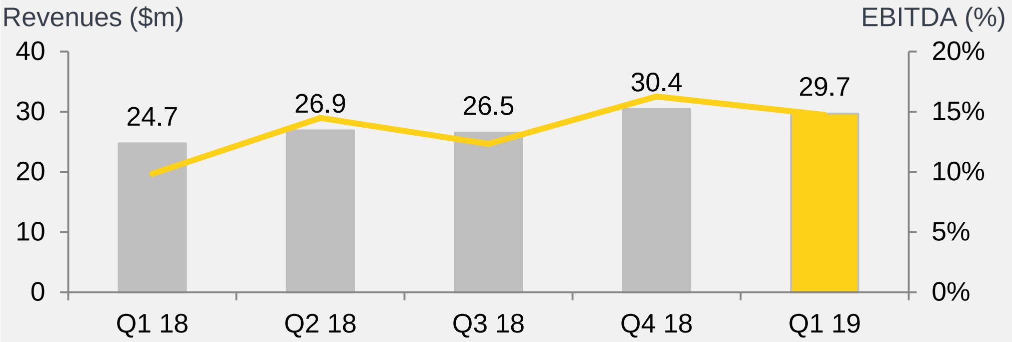
- Good operational performance with 9.4% EBITDA margin
- 20% increase in Revenue compared to Q1 2018
- 39% increase in EBITDA relative to Q1 2018
- Low Capex spend in the quarter of $0.2m

Operational highlights

- Good operational quarter in Platform Drilling with well bonuses achieved both in Norway and UK.
- We expected to demobilize from two platforms in the UK during Q4 2018 which extended into Q1 2019
- Received two tenders for deploying the Modular Drilling Rigs with start up in 2020

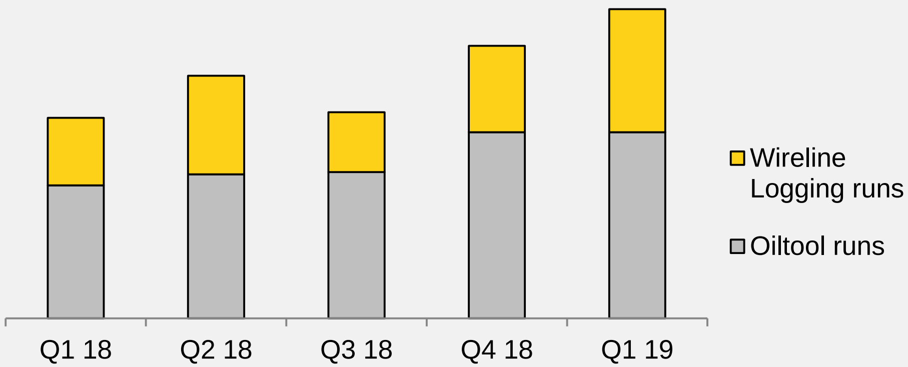
Well Services

Revenue and EBITDA *[$m and %]*



$m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19
EBITDA	2.4	3.9	3.3	5.0	4.4
Capex	0.3	0.4	0.9	3.2	1.1

Number of runs show good development



Financial highlights

- 20% increase in Revenue compared to Q1 2018
- 80% increase in EBITDA relative to Q1 2018
- New technology in Oiltools accounts for 16% of revenue in the quarter, with good traction in Asia and Middle East

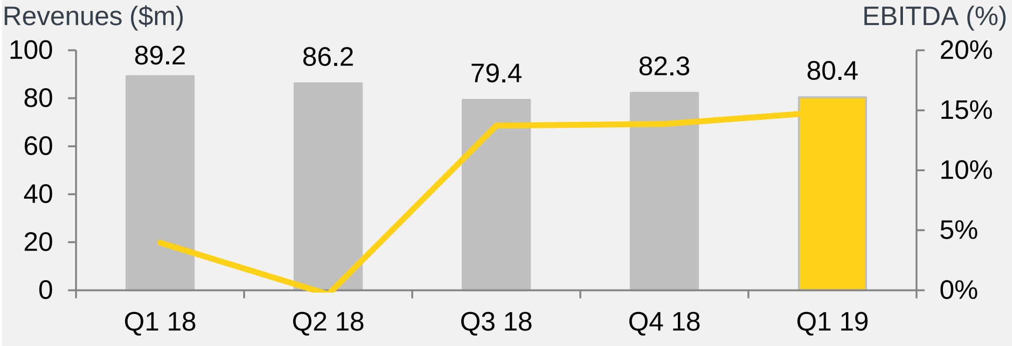
Operational highlights

- Shipped first Mcap to Qatar. Aiming to get access to large Saudi Arabia market later in the year
- Oiltools with increased client activity, but West Africa lagging
- Good activity levels on wireline logging
- Mechanical wireline in Norway experienced lower than expected activity level (reduced client activity and some technical downtime)
- Mechanical wireline expects a soft Q2 due to shutdown of client platforms for maintenance in Norway

Land Drilling

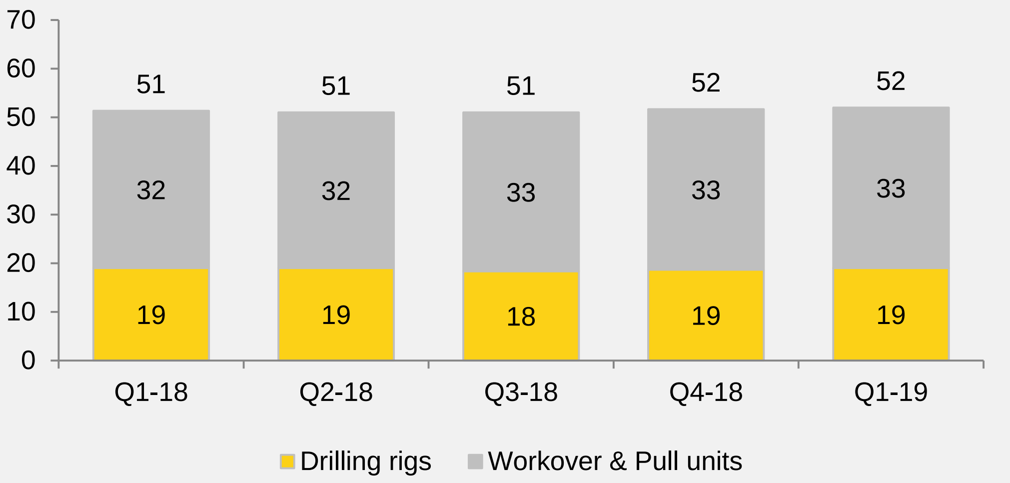
Archer

Revenue and EBITDA *[$m and %]*



$m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19
EBITDA	3.5	-0.3	10.9	11.4	12.0
Capex	1.8	3.8	2.5	4.9	1.0

Archer active rigs *[nr of rigs]*



Financial highlights

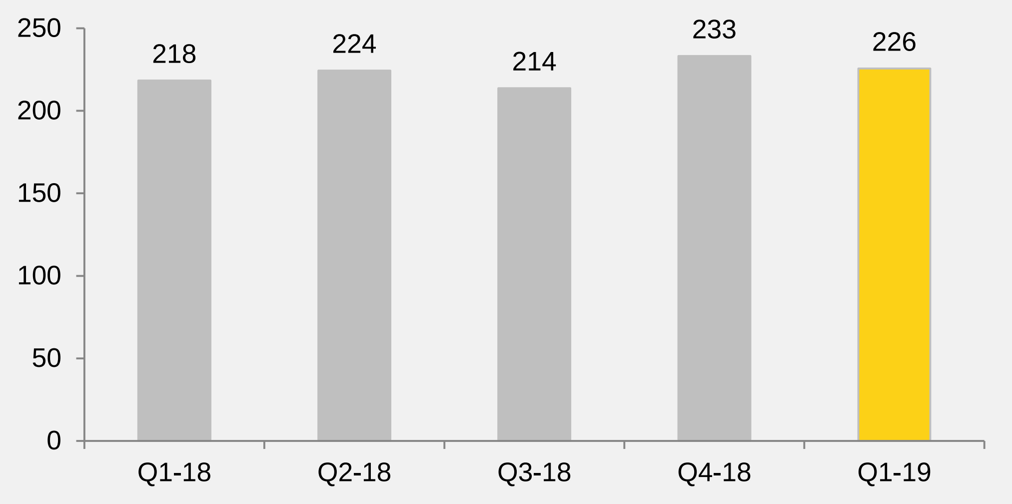
- Completed restructuring leading to strong results
- 239% increase in EBITDA relative to Q1 2018 due to strong drilling performance and lower cost base
- The Argentinian Peso has depreciated 13% vs the USD during the quarter, leading to lower reported USD revenue

Operational highlights

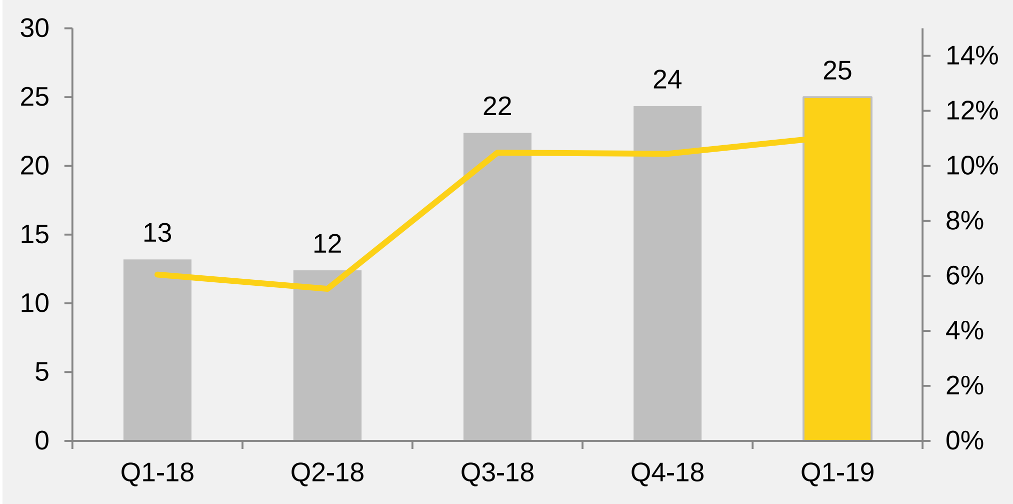
- Strong stable operational performance both in the North and South of Argentina. In Bolivia we experienced technical difficulties in one well, which has impacted results negatively in the quarter.
- Stable activity levels for both drilling rigs, workover rigs and pulling units
- Despite a difficult macroeconomic climate in Argentina, the activity levels remain elevated, especially in the unconventional market in Neuquén with increased tender activity for high spec rigs

Archer Group – financial highlights first quarter 2019

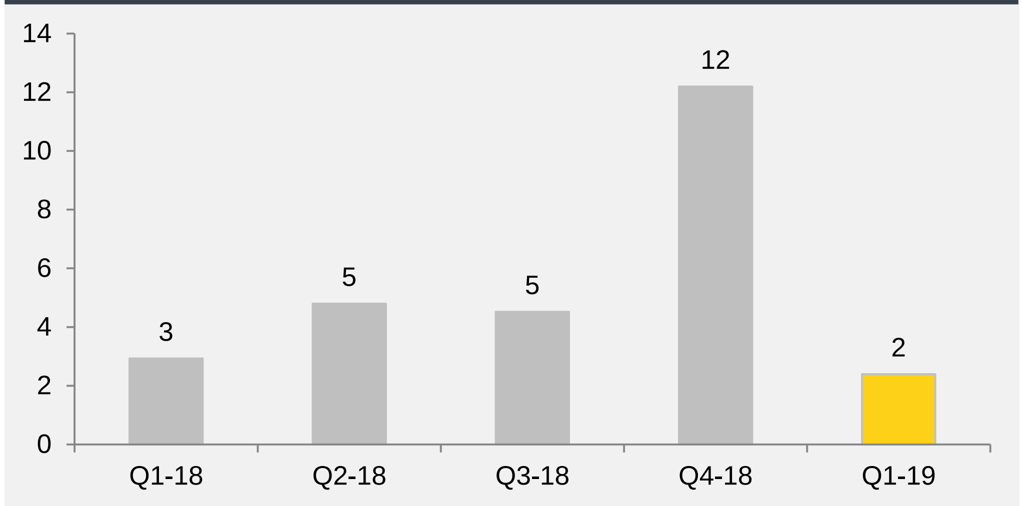
Revenue *[$m]*



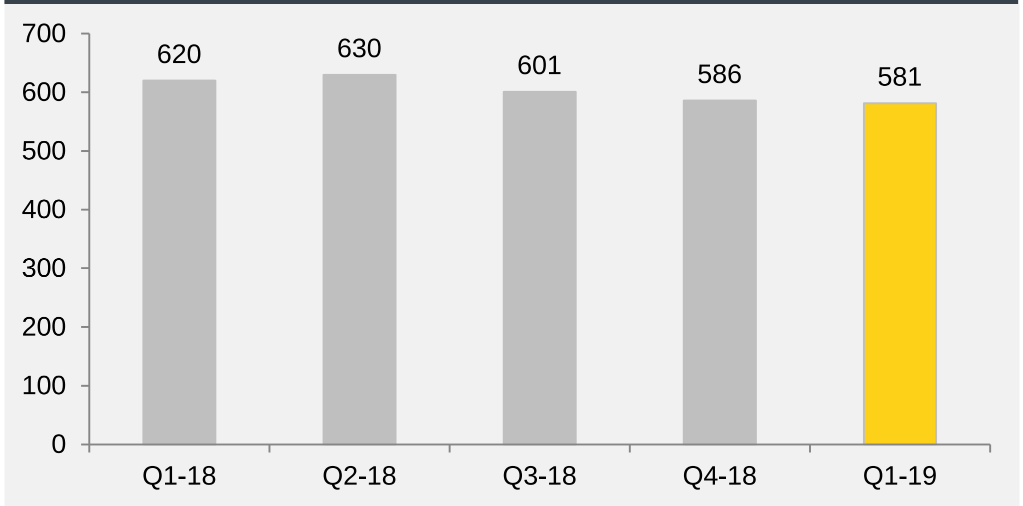
EBITDA *[$m, %]*



Capex *[$m]*



Net Interest Bearing Debt *[$m]*



Condensed profit and loss statement

Archer

(Figures in $ million)	Q4 18 [1)]	Q1 19	2018 [1)]
Operating revenues	212.7	210.3	811.2
Reimbursable revenue	20.5	15.4	78.4
Total Revenues	**233.2**	**225.7**	**889.6**
EBITDA before exceptional items	**26.9**	**25.0**	**88.7**
Exceptional items	(2.5)	-	(16.4)
EBITDA after exceptional items	**24.3**	**25.0**	**72.3**
Deprecation, amortization, impairments, other	(13.6)	(13.1)	(56.8)
EBIT	**10.7**	**11.9**	**15.5**
Result from associated entities	(35.9)	(1.2)	(39.4)
Interest rate expensed	(10.0)	(10.2)	(38.2)
Other financial costs	(14.1)	(1.4)	(5.5)
Net financial items	**(60.0)**	**(12.8)**	**(83.1)**
Net result before tax	**(49.3)**	**(0.9)**	**(67.6)**
Tax benefit / (expense)	(7.6)	2.3	14.6
Net result	**(56.9)**	**1.4**	**(53.0)**
Net loss from discontinued operations	-	-	-

- First quarter revenue of $225.7 million, a decrease of 3.2% relative to fourth quarter 2018 largely due to less working days in the quarter and less reimbursable revenue.
- EBITDA reported and EBITDA before exceptional items of $25.0 million, or 11.1% of revenue. No restructuring costs reported in the quarter. All divisions, with the exception of Wireline, are continuing the positive trend from second half of 2018.
- Positive EBIT of $11.9 million, or 5.3% of revenue.
- Net financial items of $12.8 million in the first quarter, significant improvement from previous quarter due to less foreign exchange impact and impairment of investment in associated entities in first quarter 2019
- Net positive result for the quarter of $1.4 million.

1) Amended Q4 2018 and 2018 relative to Q4 18 reporting on 27th February 2019 due to reduced carrying value of our QES shares in the Annual Report for 2018

Condensed balance sheet

Archer

(Figures in $ million)	31/12/18 1)	31/03/19
ASSETS		
Cash, cash equivalents & restricted cash	31.5	32.2
Accounts receivables	137.0	142.8
Inventories	51.9	52.2
Right of use assets current	-	12.3
Other current assets	23.5	24.6
Total current assets	**243.9**	**264.0**
Investments and loans in associates	66.5	66.0
Property, plant and equipment, net	392.5	383.7
Right of use assets	-	30.1
Goodwill	172.6	170.1
Other non-current assets	35.1	37.7
Total non-current assets	**666.7**	**687.6**
Total assets	**910.6**	**951.6**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of interest-bearing debt	4.7	18.5
Accounts payable	45.5	48.7
Lease liability current	-	12.3
Other current liabilities	108.1	104.4
Total current liabilities	**158.3**	**183.9**
Long-term interest-bearing debt	543.0	528.2
Subordinated related party loan	58.3	58.3
Deferred taxes	2.8	2.2
Lease liability	-	30.1
Other non-current liabilities	1.0	0.8
Total non-current liabilities	**605.1**	**619.6**
Shareholder's equity	**147.2**	**148.2**
Total liabilities and shareholders' equity	**910.6**	**951.6**

Assets .

- Total non-current assets increased by $20.9 million due to the implementation of right of use assets, offset by decrease in value of property, plan and equipment due to ordinary deprecation.

Liabilities

- Other current liabilities decreased by $3.7 million in first quarter mainly as a consequence of employee tax payment in Norway.
- NIBD decreased by $4.5 million in the quarter, ending at $581.3 million, based on strong net cash flow generation in the quarter. Short term borrowing was $18.5 million and long term interest bearing debt was $586.5 million.
- Lease liability of $42.4 million relates to implementation of the new leasing standard from 2019 as described above.

Right of use assets-/lease liability

- Right of use assets-/lease liability total of $42.4 million relates to implementation of the new leasing standard from 2019. The new leasing arrangement conveys the use of an assets from one party to another without transferring the ownership (operating lease). Right of use assets is calculated as the net present value of the summary of significant leases exceeding 12 months duration, discounted at an established incremental borrowing rate.
- As we are reporting under US GAAP, the amortization of the right of use assets will not change in the profit and loss statement. Annual estimated amortization of $12 million will be remain as ordinary operating costs in 2019.

1) Amended 31.12.2018 relative to Q4 18 reporting on 27th February 2019 due to reduced carrying value of our QES shares in the Annual Report for 2018.

Summary and outlook

- Operating efficiencies and restructuring efforts completed over the last couple of years is paying dividends – strong quarter with no restructuring costs
- Expecting strong stable margin performance going forward, with H2 EBITDA higher than H1 2019
- Reiterate guidance given:
  - Revenue set to increase 4-6% over 2018
    - Eastern Hemisphere set to increase 15%-20% from 2018
  - EBITDA margin about 10-12%
  - Capex 3-4% of revenue
  - Robust liquidity and strong operational cash flow

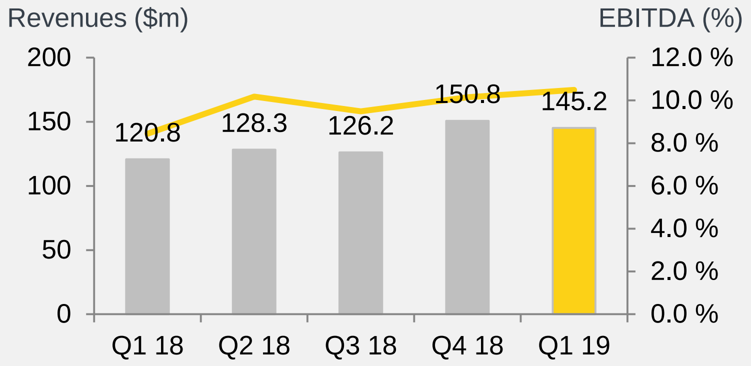
Appendices

Segment key financials

Eastern Hemisphere

Platform drilling & Engineering

Well Services

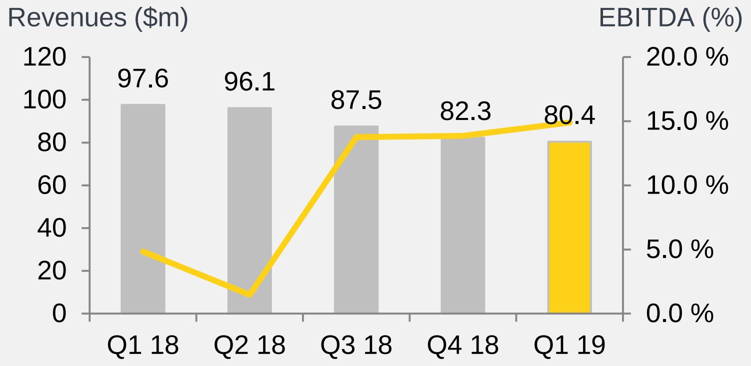


$m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19
Revenues	120.8	128.3	126.2	150.8	145.2
EBITDA	10.2	13.1	12.0	15.3	15.2
Capex	1.0	1.0	2.0	7.3	1.4

Western Hemisphere

Land drilling

Note: Financials pre Q4-18 include US Onshore



$m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19
Revenues	97.6	96.1	87.5	82.3	80.4
EBITDA	4.7	1.4	12.0	11.4	12.0
Capex	1.9	3.8	2.5	4.9	1.0

Condensed profit and loss statement – last 5 quarters

(Figures in $ million)	Q1 18	Q2 18	Q3 18	Q4 18 1)	Q1 19	2018 1)
Operating revenues	201.6	204.0	192.9	212.7	210.3	811.2
Reimbursable revenue	16.7	20.4	20.8	20.5	15.4	78.4
Total Revenues	**218.3**	**224.4**	**213.7**	**233.2**	**225.7**	**889.6**
EBITDA before exceptional items	**18.1**	**18.0**	**25.7**	**26.9**	**25.0**	**88.7**
Severance payments	(2.5)	(4.5)	(2.5)	(2.4)	-	(11.9)
Idle personnel costs	(2.1)	(1.1)	(0.8)	(0.1)	-	(4.1)
Office costs	(0.4)				-	(0.4)
Total Exceptional items	**(4.9)**	**(5.6)**	**(3.3)**	**(2.5)**	**-**	**(16.4)**
EBITDA after exceptional items	**13.2**	**12.3**	**22.4**	**24.3**	**25.0**	**72.3**
Deprecation, amortization, impairments, other	(14.7)	(14.6)	(13.8)	(13.6)	(13.1)	(56.8)
EBIT	**(1.5)**	**(2.3)**	**8.6**	**10.7**	**11.9**	**15.5**
Result from associated entities	(4.0)	0.3	0.2	(35.9)	(1.2)	(39.4)
Interest rate expensed	(8.9)	(10.0)	(9.3)	(10.0)	(10.2)	(38.2)
Other financial costs	16.9	(10.1)	1.8	(14.1)	(1.4)	(5.5)
Net financial items	4.0	**(19.8)**	**(7.3)**	**(60.0)**	**(12.8)**	**(83.1)**
Net result before tax	**2.5**	**(22.1)**	**1.3**	**(49.3)**	**(0.9)**	**(67.6)**
Tax benefit / (expense)	1.9	14.7	5.6	(7.6)	2.3	14.6
Net result	**4.4**	**(7.4)**	**6.9**	**(56.9)**	**1.4**	**(53.0)**
Net loss from discontinued operations	-	-	-	-	-	-

1) Restated Q4 2018 and 2018 relative to Q4 18 reporting on 27th February 2019 due to reduced carrying value of our QES shares in the Annual Report for 2018

Condensed balance sheet – last 5 quarters

(Figures in $ million)	31/03/18	30/06/18	30/09/18	31/12/18 [1)]	31/03/19
ASSETS					
Cash, cash equivalents & restricted cash	50.8	33.2	27.3	31.5	32.2
Accounts receivables	145.6	140.0	124.4	137.0	142.8
Inventories	58.9	57.7	51.8	51.9	52.2
Right of use assets current	-	-	-	-	12.3
Other current assets	39.1	31.2	32.1	23.5	24.6
Total current assets	**294.4**	**262.1**	**235.6**	**243.9**	**264.0**
Investments and loans in associates	109.2	110.0	110.1	66.5	66.0
Property, plant and equipment, net	424.4	411.6	397.6	392.5	383.7
Right of use assets	-	-	-	-	30.1
Goodwill	192.8	183.0	182.7	172.6	170.1
Other non current assets	30.0	35.3	36.9	35.1	37.7
Total noncurrent assets	**756.4**	**739.9**	**727.3**	**666.7**	**687.6**
Total assets	**1050.8**	**1002.0**	**962.9**	**910.6**	**951.6**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current portion of interest-bearing debt	8.9	8.9	8.0	4.7	18.5
Accounts payable	55.0	51.8	45.3	45.5	48.7
Lease liability current	-	-	-	-	12.3
Other current liabilities	115.3	100.8	89.4	108.1	104.4
Total current liabilities	**179.2**	**161.5**	**142.7**	**158.3**	**183.9**
Long-term interest-bearing debt	597.1	584.4	555.1	543.0	528.2
Subordinated related party loan	58.3	58.3	58.3	58.3	58.3
Deferred taxes	7.8	3.1	3.4	2.8	2.2
Lease liability	-	-	-		30.1
Other noncurrent liabilities	2.0	1.7	1.5	1.0	0.8
Total noncurrent liabilities	**665.2**	**647.5**	**618.3**	**605.1**	**619.6**
Shareholder's equity	**206.4**	**193.0**	**201.9**	**147.2**	**148.2**
Total liabilities and shareholders' equity	**1050.8**	**1002.0**	**962.9**	**910.6**	**951.6**

1) Restated 31.12.2018 relative to Q4 18 reporting on 27th February 2019 due to reduced carrying value of our QES shares in the Annual Report for 2018.

Right of use operating assets-/lease liability - details

(Figures in $ million)	March, 2019 Right of use assets	March, 2019 Lease liability
Operating assets leases	7.9	(7.9)
Operating warehouse & offices leases	34.5	(34.5)
Total operating leases	**42.4**	**(42.4)**

(Figures in $ million)	March, 2019 Eastern Hemisphere	March, 2019 Western Hemisphere
Short term operating leases	5.7	6.6
Long term operating leases	25.0	5.1
Total operating leases	**30.7**	**11.7**

- The company has historically leased some operating assets, office and warehouse facilities and office equipment under operating leases. With effect from January 1, 2019 we have recognised the relevant right of use assets and lease liabilities in our balance sheet for material operating leases.
- The leases have remaining lease terms of 1 to 15 years at March 31, 2019. Some operating leases include options to extend the leases for up to 2 years.
- We have elected not to recognise the right of use asset and lease liability for short term leases.
- The weighted average discount rate used to calculate total operating leases is 21.3%
- The weighted average remaining lease term of the operating leases is 8 years.
- Amortization of all the operating leases will follow the same classification in the profit and loss statement as we are reporting under US-GAAP. Therefore no changes in our reported EBITDA.
- We currently do not have any loan convenants which will be impacted by the changes from the new leasing standard.

Condensed cash flow statement – last 5 quarters

(Figures in $ million)	Q1 18	Q2 18	Q3 18	Q4 18	2018	Q1 19
Operating activities	(2.6)	4.9	(1.5)	36.1	**36.9**	4.0
Investing activities	(13.2)	(5.0)	25.1	(8.6)	**(1.7)**	(2.4)
Financing activities	0.8	(11.4)	(30.3)	(15.2)	**(56.1)**	(0.8)
FX effect	(1.9)	(6.1)	0.8	(8.1)	**(15.3)**	(0.1)
Total [1)]	**(16.9)**	**(17.6)**	**(5.9)**	**4.2**	**(36.2)**	**0.7**

1) Cash and cash equivalents including restricted cash