

11. September 2019

Archer overview

Dag Skindlo – Chief Financial Officer





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.



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

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

Platform Drilling



- Operates 44 platforms, owns 2 modular drilling rigs and provide engineering services
- Mainly North Sea

Land Drilling



- Owns and operates 86 land units for drilling, workover and pulling services
- Argentina and Bolivia

Well Services



- Provides technology and well services for drilling, completion, intervention and P&A
- Global business

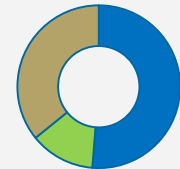


Our financial progress last 12 months

- Four quarters in a row with EBITDA margin above 10%
- Best EBIT margin since IPO of Archer *
- Robust operational cash flow and ample liquidity
- Continued activity growth expected in 2020

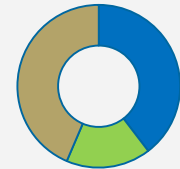
* Based on Reported Last Twelve Months (LTM) EBIT since IPO in 2011

Revenue LTM [\$m]



- Platform Drilling & Engineering
- Well Services
- Land Drilling

EBITDA LTM [\$m]

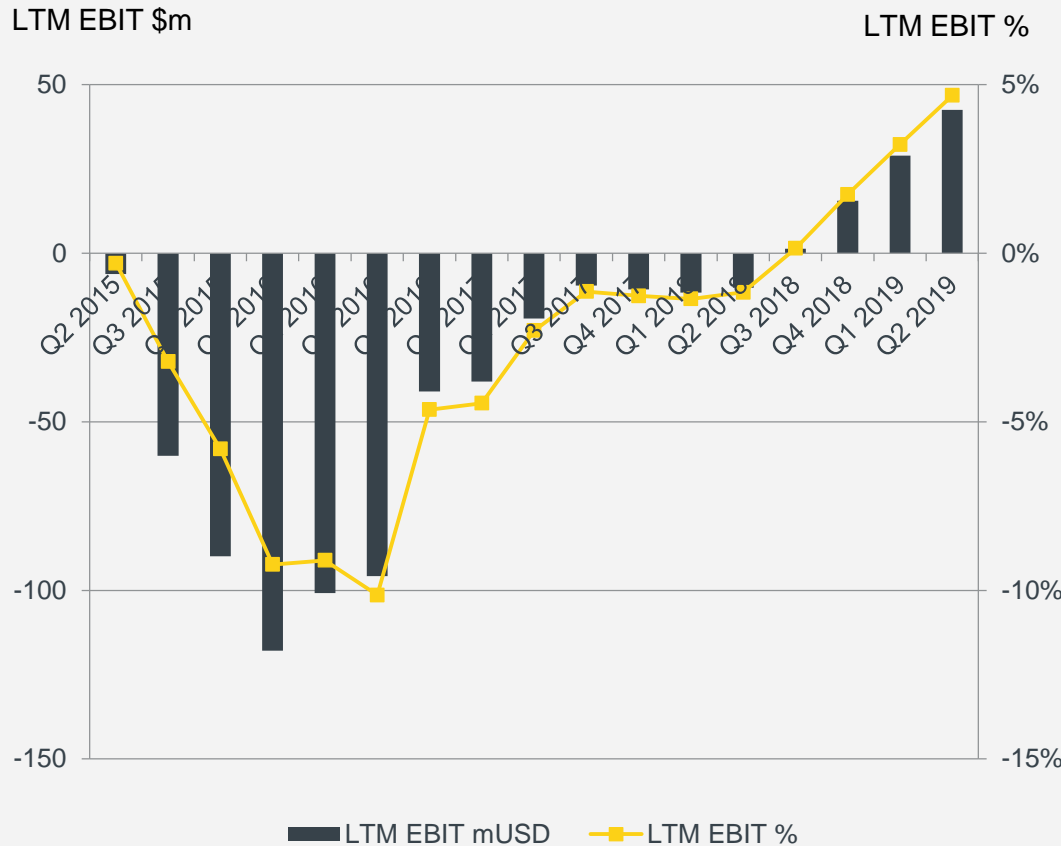


- Platform Drilling & Engineering
- Well Services
- Land Drilling



Best EBIT margin since IPO of Archer *

Last Twelve Months EBIT (Reported)



Key drivers:

- Client focus
- Improved Operational performance
- Capital efficiency

* Avg. LTM EBIT 2011-2015 = -8.5%



North Sea Market Leader

- One of the world's leading platform drilling contractors, operating and maintaining operator owned drilling equipment
- 60% market share in the North Sea
- Long-term contracts and strong cash flow generation
- Two modular drilling rigs
- Rental equipment
- Provides engineering services for drilling facilities

Platform Rig Operators



- Secures production on 44 offshore platforms globally
- #1 in Norway
- #1 in UK

Modular Rigs



- Own and operate 2 high spec modular drilling rigs

Multiskilled people



- 2000 platform operators
- 180 engineers

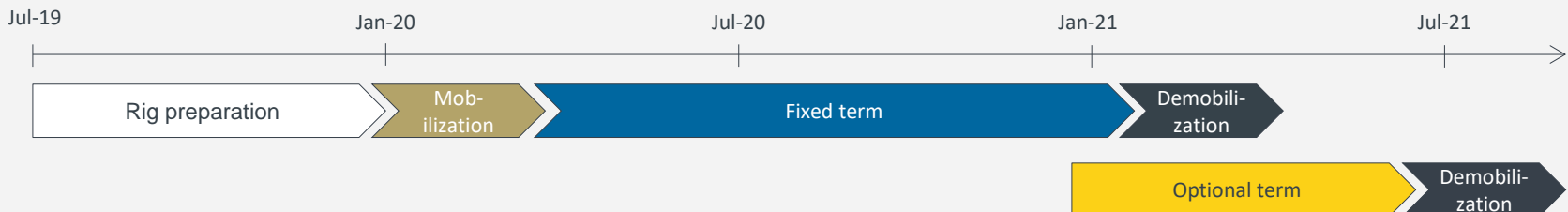


Awarded contract for the modular drilling rig Archer Emerald in New Zealand

- Rig preparation ongoing
- Contract is firm for five wells with two one well options
- The firm contract commitment is estimated to 11 months, with a further 5 months for the optional wells
- OMV is further evaluating the use of Archer Emerald on Maui B



Projected timeline:





Provides high-end well integrity technologies and services

- A global technology provider of tools and equipment for oil & gas wells
- Products covering drilling, completion, intervention and P&A
- Industry leader for gas-tight well integrity products
- Portfolio of tools and applications 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

Oiltools



Suite of premium oil tools and services:

- Plugs & plug solutions
- Cementing solutions
- Cleaning solutions
- Slot recovery and P&A solutions

Wireline



Complete range of wireline services:

- Advanced well integrity diagnostics
- Mechanical interventions
- Production logging
- Complex fishing operations

We have a broad product portfolio operating globally

Plugs & plug solutions

Cleaning solutions

Slot Recovery and P&A

Cementing solutions

Well diagnostics



Well services is a global business with a stronghold in the North Sea

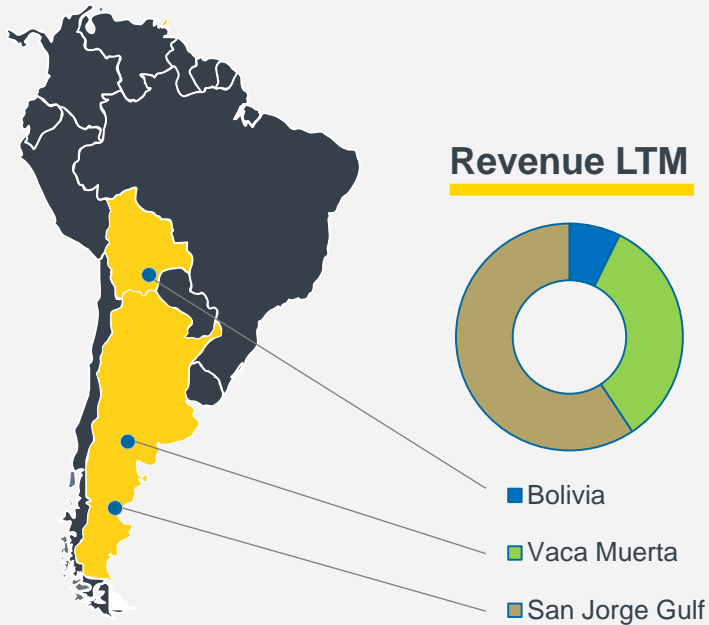


- North Sea
- Rest of the World



One of the leading players in the largest unconventional play outside US

- Leading provider of land drilling and workover services in Latin America
- Strong market position in Vaca Muerta
- Currently ~2100 employees



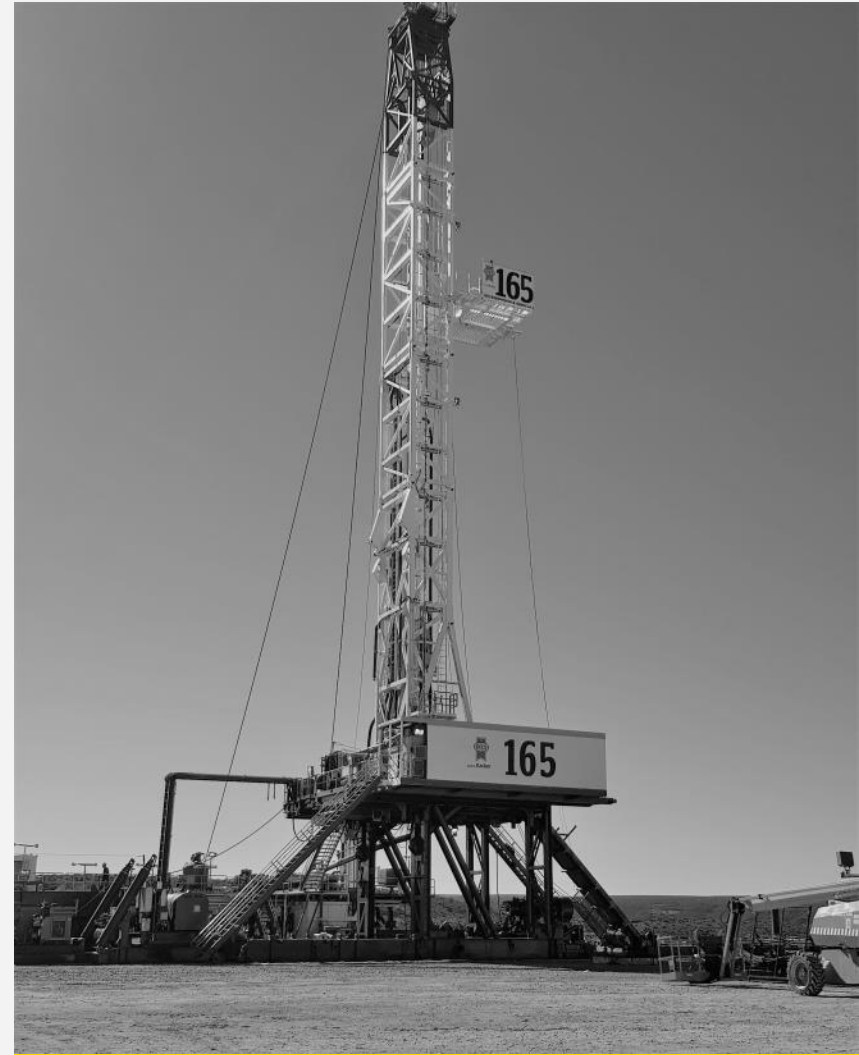
Own and operate 86 drilling rigs, workover and pulling units





Vaca Muerta is considered the most important production basin in Argentina

- Second largest shale gas and fourth largest shale oil reserve (TRR) in the world.
- The shale development initially focused on dry gas, but has shifted focus to oil wells due to lack of gas infrastructure
- The operators' well design now require longer laterals to improve financial returns
 - One of Archer's six modern NOV Ideal rigs was upgraded in 2018
 - Archer has signed an LOI with YPF for the upgrade of three additional NOV Ideal rigs
- Vaca Muerta is considered an essential resource for Argentina's ability to repay debt through generation of export revenue in US dollars



Argentina's financial and political crisis is deepening

Keywords:

- Presidential election
- Financial stress - large deprecation of the currency, high inflation and interest rates
- Currency control implemented
- Oil and gas prices are frozen in Argentine Peso for consumers

Archer in Argentina:

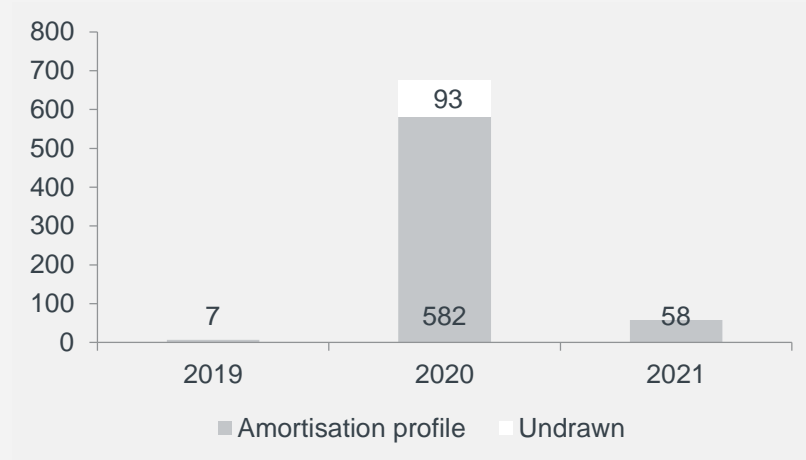
- Uncertain and volatile situation:
 - Operators planning to reduce activity
 - Public strike slows down operation in the San Jorge Gulf
 - Client contracts constructed to be neutral to inflation and depreciation of the currency, but timing differences creates imbalances
- Negative impact on August financials, but too early to quantify impact on full year 2019 results
- Continue to repatriate cash / settle leases



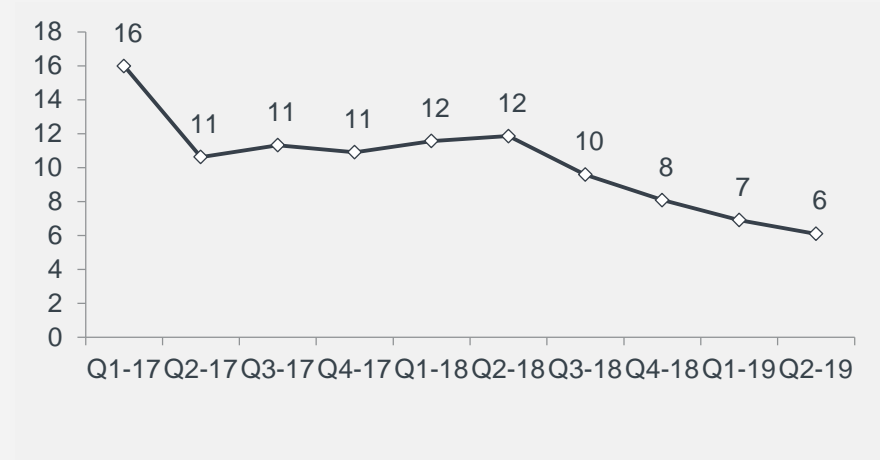


Strong liquidity position and improving credit metrics

Debt amortization profile *[\$m]*



NIBD / LTM EBITDA



- 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
- Robust liquidity position of approximately \$145 million as of Q2 2019



Our priorities going forward

- Grow activity in the Eastern Hemisphere
- Drive further performance improvements
- Monitor and adapt to situation in Argentina
- Refinance debt





Q&A





Our main shareholders

