



AKER DRILLING ASA

Report for the second quarter 2006

Aker Drilling's objective is to build and own advanced, 6th generation semi submersible drilling rigs for operation in ultra deep waters and in harsh environment. In September 2005 Aker Drilling entered into two turnkey contracts for the design and construction of two Aker H-6e 6th generation rigs with Aker Kværner's Stord yard in Norway.

Summary second quarter

- The construction projects of the two drilling rigs progresses according to the scheduled delivery dates; February 28, 2008 and October 31, 2008
- Establishment of a strong management team; Geir Sjøberg CEO, Nina Lie CFO, Rune Askeland VP Operations
- Initiated the recruitment, and build-up, of the company's onshore and offshore organization
- Construction slots for the two next Aker Drilling semi-submersible rigs, reserved up to September 30, 2006
- Strong focus on the rig construction activities and marketing of the high specification drilling units to prospective clients
- Continuing strong drilling market due to high drilling activity among the oil companies combined with high utilization of the global rig fleet. The early deliveries of the Aker Drilling rigs makes the company well positioned to take advantages of a strong market

Management & organization

Milestones have been reached in the build-up of Aker Drilling management and organization. The company management team consist of Geir Sjøberg, Chief Executive Officer, who joined Aker Drilling from Transocean, where he had been in charge of Transocean's activities in Norway since 2002. Further top management consists of Nina Lie, Chief Financial Officer, coming from position as CFO of Petoro, Rune Askeland, VP Operations, previously operations manager in Transocean Norway and Frederik Steenbuch as VP Marketing.

Aker Drilling will build a complete operations organization for its two advanced sixth-generation drilling rigs. The rigs will be delivered in February and October 2008, respectively. Aker Drilling is continuing to add to its organization key offshore personnel in addition to the onshore organization. Aker Drilling sees a very encouraging level of interest in the company from experienced potential new employees. Aker Drilling's business will now have its core of leading onshore and offshore personnel who can provide the full range of operational requirements expected by customers seeking an industrial participant and partner in the offshore drilling market.

Construction projects and newbuild program

The first of Aker Drilling's up to four similar drilling rigs will be delivered in February 2008. The second will be delivered in October 2008. The contract with Aker Kværner includes options for another two similar units for delivery in June 2009 and February 2010 respectively. These options had an expiry date of June 30, 2006 and Aker Drilling is continuing the discussions with Aker Kværner to finalize the extension of the options and the construction slots are reserved up to September 30, 2006.

Aker Kværner has the overall responsibility for the rig construction projects, with topside and deck modules constructed in Europe, the drilling packages from Maritime Hydraulics and the hulls will be delivered by Dubai Drydocks. The units will be assembled, tested and commissioned by Aker Kværner at Aker Kværner Stord in Norway.

The construction of the company's two high specification semi submersible drilling rigs progresses according to plan. Construction start was on time and steel cutting commenced in Mai 2006. All purchase orders are placed and all deliveries are reported to be on schedule.

Since Aker Kværner pioneered with the Aker H-3 rig design in the 1970's, Aker Kværner has been involved in building and/or designing more than 39 units of which most are still in operations. Aker Kværner's subsidiary Aker Kværner Stord will design, construct and deliver the Aker Drilling semi-submersible rigs. With its proven project execution model, Aker Kværner has a strong track record in constructing large complex project on time and on budget. The most recent relevant reference is the Kristin semi which was successfully delivered March 2005.

Key specifications of the Semi-Submersible Rigs	
Rig design	Aker H-6e
Harsh environment & winterized	Yes
Drilling package	Double Ram Rig 10,000 m drilling depth
Drill floor elevation	24 m above lower deck
Displacement operating	64,500 m t
Riser storage capacity	Total 3,000 m 2,700 m vertical
Setback capacity	654 m t / 721 short tons
Casing racking capacity	1,300 m of 13 3/8"
Deck area	90 m * 70 m
Variable deck load	7,000 m t
Pipe handling	Fully mechanized, remote controlled dual system with full redundancy
Power generation main machinery	8 diesel generator units, each 5,300 kW
BOP	18 2/4" - 15,000 psi, 5 rams and two annulars
Thrusters	8 * 80 m t trust capacity
Accommodation	140 beds in single cabins (20 cabins can be used with two beds)
Rig price	NOK 3,830 millions per rig
Delivery	February and October 2008

Market conditions and outlook

The market during last quarter remained strong and the outlook for the coming quarters is positive with several tenders already in progress or scheduled to be issued. Aker Drilling is in discussions with the potential clients regarding the specifics of the submitted tenders. The demand for services for deepwater and harsh environment operations is particularly promising for Aker Drilling in view of the specification and features of the company's two sixth generation rigs under construction.

During the second quarter, the market continued to see contract fixtures in all segments of services with durations and day-rates that support Aker Drilling's positive outlook on the market. Due to the early availability of the company's high specification rigs, Aker Drilling is in a favourable position for the upcoming work.

The oil price is expected to remain strong over the next years, driven by demand growth and limited spare capacity. As the oil price has gone up from about USD 30 a barrel two years ago to the USD 60+ we see today, several projects have become profitable for the oil companies. We expect the fundamentals to remain strong in the drilling market as oil producers need to increase their E&P-spending in order to replace declining oil reserves.

Financials

Profit after tax per second quarter was NOK – 9 million, whereas operating profit was NOK –13 million. As per end Q2 2006 Aker Drilling holds NOK 184 million in liquid assets.

Aker Drilling ASA Group

INCOME STATEMENT

Amounts in NOK million	1Q 2006	2Q 2006	Year to date 2006	Year 2005
Operating revenues	0	0	0	0
Operating expenses	-6	-7	-13	-4
Operating profit before depreciation and amortization	-6	-7	-13	-4
Depreciation and amortization	0	0	0	0
Impairment changes and non recurring items	0	0	0	0
Operating profit	-6	-7	-13	-4
Net financial items	0	0	0	0
Profit before tax	-6	-7	-13	-4
Income tax expense	2	2	4	1
Profit for the period	-4	-5	-9	-3
Minority interest	0	0	0	0
Equity holders of the parent	-4	-5	-9	-3
Average number of shares outstanding (million)	93 000 000	93 000 000	93 000 000	93 000 000
Basic earnings per share (NOK)	-0,04	-0,05	-0,10	-0,03

BALANCE SHEET

Amounts in NOK million	At 30.06 2006	Year 2005
Assets		
Non-current assets		
Property, plant & equipment	0	0
Intangible assets	926	926
Deferred tax assets	38	34
Other non-current assets	0	0
Total non-current assets	964	960
Current assets		
Inventory, trade and other receivables	2 987	2 921
Interest-bearing short term receivables	0	0
Cash and bank deposits	184	242
Total current assets	3 171	3 163
Total assets	4 135	4 123
Equity and liabilities		
Paid in capital	3 349	3 349
Retained earnings and other reserve	-12	-3
Total equity attributable to equity holders of the parent	3 337	3 346
Minority interest	0	0
Total equity	3 337	3 346
Non-current liabilities		
Interest-bearing loans	770	768
Deferred tax liability	0	0
Provisions and other long-term liabilities	0	0
Total non-current liabilities	770	768
Current liabilities		
Short-term debt interest-bearing debt	0	0
Tax payable, trade and other payables	28	9
Total current liabilities	28	9
Total liabilities	798	777
Total equity and liabilities	4 135	4 123

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	2Q 2006	Year to date 2006	Year 2005
As of beginning of period	3 342	3 346	0
Contribution capital cash	0	0	1
Contribution in Kind	0	0	926
Contribution capital	0	0	2 500
Transaction cost (net of tax)	0	0	-86
Shareholders equity part of Convertible Bond loan	0	0	8
Profit for the period	-5	-9	-3
As of end of period	3 337	3 337	3 346

CASH FLOW STATEMENT

Amounts in NOK million	2Q 2006	Year to date 2006	2005
Cash flow from operating activities	-10	-58	-2 913
Cash flow from investing activities	0	0	0
Cash flow from financing activities	0	0	3 155
Cash flow in the reporting period	-10	-58	242
Effects of changes in exchange rates on cash	0	0	0
Cash and cash equivalents at the beginning of period	194	242	0
Cash and cash equivalents at end of period	184	184	242

Oslo, August 11, 2006
The board of directors
Aker Drilling ASA

Questions should be directed to:
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