

AKER DRILLING ASA

Report for the third quarter 2006

Construction of Aker Drilling's two heavy-duty, sixth generation semi-submersible drilling rigs, recruitment of skilled personnel and marketing of the rigs continued as planned in the third quarter.

Attractive charters are expected to be tendered later this year and early next. With delivery scheduled as early as February and October 2008, Aker Drilling's units are well positioned in a buoyant market.

Established in 2005, Aker Drilling's objective is to build, own and operate its sixth generation semi-submersible drilling rigs. The rigs are designed for operation in ultra deep waters and in harsh environment. The rigs were ordered in September 2005, and the rigs will be delivered from Aker Kvaerner's yard at Stord, Norway.

Aker Kvaerner is overall responsible for the rig construction projects through a turn-key, fixed price contract with Aker Drilling. The topside and deck modules are built in Europe, the drilling packages will be delivered by Aker Kvaerner MH and the hulls are under construction at Dubai Drydocks. The rigs will be assembled, tested and commissioned by Aker Kvaerner at its Stord Yard in Norway.

The contract with Aker Kværner included options for another two similar units for delivery in June 2009 and February 2010 respectively. In the September 2006, Aker Drilling decided not to exercise the options. Aker Drilling maintains an optimistic view on the market, and the company continues the dialogue with Aker Kvaerner with a view to sign contracts to build additional rigs at a later stage.

Market conditions and outlook

Demand for highly sophisticated, harsh environment deepwater drillings units is strong. Recent charters confirm that the day rates continue to be strong in this market segment, and the early delivery in 2008 is a key competitive advantage for Aker Drilling.

Several tenders are in progress or scheduled to be issued, and Aker Drilling continues discussions with potential future customers. 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 (see below).

Rig specifications

- Designed for operations in water depths down to 10.000 ft
- Drilling depth of more than 30.000 ft
- Harsh environment
- Large payload and storage capacity
- Excellent and proven motion characteristics
- High drilling and completion efficiency
- Double RamRig™
- Vertical riser and casing racking
- Independent handling of BOP and X-mas trees
- Maximum parallel activities
- Large working space for safe and efficient operations
- Protected working and storage areas
- Ample bed space capacity
- Low emissions to the environment
- Zero harmful discharge to sea
- Remote drilling diagnostic capabilities
- Prepared for full winterization

Management & organization

Aker Drilling is building a complete operations organization for its two advanced sixth-generation drilling rigs. Key milestones have been reached in the build-up of management and organization with the recruitment of highly qualified and experienced personnel from other drilling contractors and oil service companies.

Aker Drilling will gradually accelerate recruitment of offshore personnel in addition to the onshore staff. Potential employees have shown great interest in the company, driven by the fact that its drilling rigs are modern and offer safe and convenient working conditions.

Financials

Profit after tax for the first nine months this year was negative NOK 13 million, whereas the operating loss was NOK 19 million. As of the end of September 2006 Aker Drilling held NOK 174 million in liquid assets.

Aker Drilling ASA Group

INCOME STATEMENT

Amounts in NOK million	Year to				
	1Q 2006	2Q 2006	3Q 2006	date 2006	2005
Operating revenues	0	0	0	0	0
Operating expenses	-6	-7	-6	-19	-4
Operating profit before depreciation and amortization	-6	-7	-6	-19	-4
Depreciation and amortization	0	0	0	0	0
Impairment changes and non recurring items	0	0	0	0	0
Operating profit	-6	-7	-6	-19	-4
Net financial items	0	0	1	1	0
Profit before tax	-6	-7	-5	-18	-4
Income tax expense	2	2	1	5	1
Profit for the period	-4	-5	-4	-13	-3
Minority interest	0	0	0	0	0
Equity holders of the parent	-4	-5	-4	-13	-3
Average number of shares outstanding (million)	93 000 000	93 000 000	93 000 000	93 000 000	93 000 000
Basic earnings per share (NOK)	-0,04	-0,05	-0,04	-0,14	-0,03

BALANCE SHEET

Amounts in NOK million	Year			
	At 31.03 2006	At 30.06 2006	At 30.09 2006	2005
Assets				
Non-current assets				
Property, plant & equipment		0	0	0
Intangible assets		926	926	926
Deferred tax assets		36	38	40
Other non-current assets		0	0	0
Total non-current assets		962	964	966
Current assets				
Inventory, trade and other receivables	2 972	2 987	3 001	2 921
Interest-bearing short term receivables	0	0	0	0
Cash and bank deposits	194	184	174	242
Total current assets	3 166	3 171	3 175	3 163
Total assets	4 128	4 135	4 141	4 123
Equity and liabilities				
Equity				
Paid in capital	3 349	3 349	3 349	3 349
Retained earnings and other reserve	-7	-12	-16	-3
Total equity attributable to equity holders of the parent	3 342	3 337	3 333	3 346
Minority interest	0	0	0	0
Total equity	3 342	3 337	3 333	3 346
Non-current liabilities				
Interest-bearing loans	769	770	771	768
Deferred tax liability	0	0	0	0
Provisions and other long-term liabilities	0	0	0	0
Total non-current liabilities	769	770	771	768
Current liabilities				
Short-term debt interest-bearing debt	0	0	0	0
Tax payable, trade and other payables	17	28	37	9
Total current liabilities	17	28	37	9
Total liabilities	786	798	808	777
Total equity and liabilities	4 128	4 135	4 141	4 123

CASH FLOW STATEMENT

Amounts in NOK million	Year to				
	1Q 2006	2Q 2006	3Q 2006	date 2006	2005
Cash flow from operating activities	-48	-10	-10	-68	-2 913
Cash flow from investing activities	0	0	0	0	0
Cash flow from financing activities	0	0	0	0	3 155
Cash flow in the reporting period	-48	-10	-10	-68	242
Effects of changes in exchange rates on cash	0	0	0	0	0
Cash and cash equivalents at the beginning of period	242	194	184	242	0
Cash and cash equivalents at end of period	194	184	174	174	242

Oslo, November 2, 2006
The board of directors
Aker Drilling ASA

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