

AKER DRILLING ASA

Report for the first quarter 2007

Aker Drilling continued the progress of its activities according to plan in first quarter of 2007. The construction of Aker Drilling's two 6th generation, deepwater and harsh environment semisubmersible drilling units, build-up of a premier organisation and preparations for the two long term contracts awarded in December 2006 developed as expected during the period.

Highlights

- *Construction of the two hulls in Dubai progressed as planned. Transportation of the first hull from Dubai to the Aker Kværner Stord yard in Norway is planned for late summer 2007. Construction of the deck sections by the Aker Kværner Stord yard is well underway, and equipment deliveries are reported to be on schedule. Both rigs will be assembled, tested and delivered from Aker Kværner Stord yard. First drilling unit is scheduled for delivery end April 2008 while the second unit is to be delivered end October 2008.*
- *Preparations to meet contract requirements and for commencement of operations on delivery of the rigs continue. The first unit is contracted to Statoil for a 3 to 10 years contract on the Halten/Nordland Area in Norway. The second unit will commence a 3 year contract for exploration drilling on the Norwegian Continental Shelf for Aker Exploration. Both contracts were finalized and formally signed during the quarter.*
- *Aker Drilling continues to see great interest in the company from experienced and skilled personnel to man both onshore and offshore positions. Manning up of the organization continues and several senior key positions were successfully filled during the quarter.*

Aker H-6e

The Aker H-6e is a sixth-generation design and builds on the well-proven Aker H-3 and H-4.2 solutions which have been used worldwide for several decades. The two rigs now under construction will be the world's largest and most advanced. Their design sets an entirely new standard and will help Aker Drilling to meet oil company requirements for drilling in harsh environments and deep waters. The rigs are being constructed to drill wells to a depth of more than 10 000 metres (more than 33 000 feet) and to operate in water depths down to 3 000 metres (about 10 000 feet). They have been designed for year-round drilling in cold climates and Arctic regions, and have also been developed to provide the best standards for health, safety and the environment.

A number of advantages are offered by the Aker H-6e, which will individually and collectively contribute to cost-effective operation for the oil companies. The double RamRig™ increases drilling efficiency and operability by permitting parallel operations. A unique hull design provides a level of stability which ensures efficient operation under severe weather conditions. Enclosed work areas also contribute to a high degree of safe and rational operation. The rigs have high load and storage capacity, which extends their flexibility and range as well as allowing them to operate for longer periods without supplies from shore.

Construction projects

The rigs are being constructed by Aker Kvaerner, which has unique experience of developing and building semi-submersible drilling units after delivering more than 50 rigs since it became involved in this business in 1974. While fabrication of the hulls is taking place in Dubai, the topsides and their equipment are being produced in Europe. The rigs will be assembled and commissioned at Aker Kvaerner Stord, which has a strong history of delivering highly complex projects on time and to budget. Aker Drilling is working closely and well with Aker Kvaerner over the two construction projects.

Financials

Profit after tax in Q1 2007 was NOK – 15 million whereas operating profit was NOK – 14 million, compared to NOK – 4 million and NOK – 6 million respectively in Q1 2006. The opex in Q1 2006 was related to fees to advisors. The increase in opex is mainly explained by personnel expenses due to the organisational build-up to 25 employees as per end March.

As per end Q1 2007 Aker Drilling holds NOK 224 million in liquid assets after receiving USD 30 million in Q1 related to payments of reservation fee, mobilisation fee and customer specific modifications. These payments are recognised as deferred income and will be matched against associated expenses before charter start-up and during the charter period.

Aker Drilling ASA Group

Basis for preparation

These consolidated condensed financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

Significant accounting policies

The accounting policies used in the preparation of the consolidated financial statements as per end Q1 2007 are consistent with those used in the annual financial statements for the year ending 31 December 2006. These consolidated condensed financial statements should be read together with the 2006 annual financial statements, which include a full description of the Group’s accounting policies.

INCOME STATEMENT

Amounts in NOK million	1Q 2006	1Q 2007	2006
Operating revenues	0	0	0
Operating expenses	-6	-14	-34
Operating profit before depreciation and amortization	-6	-14	-34
Depreciation and amortization	0	0	0
Impairment changes and non recurring items	0	0	0
Operating profit	-6	-14	-34
Net financial items	0	-7	4
Profit before tax	-6	-21	-30
Income tax expense	2	6	8
Profit for the period	-4	-15	-22
Minority interest	0	0	0
Equity holders of the parent	-4	-15	-22
Average number of shares outstanding	93 000 000	93 000 000	93 000 000
Basic earnings per share / diluted earnings per share (NOK)	-0,04	-0,16	-0,24

BALANCE SHEET

Amounts in NOK million	At 31.03 2006	At 31.03 2007	At 31.12 2006
Assets			
Non-current assets			
Property, plant & equipment	0	3 564	1 683
Intangible assets	926	926	926
Deferred tax assets	36	48	42
Other non-current assets	2 971	303	1 402
Total non-current assets	3 933	4 841	4 053
Current assets			
Inventory, trade and other receivables	1	67	0
Cash and bank deposits	194	224	98
Total current assets	195	291	98
Total assets	4 128	5 132	4 151
Equity and liabilities			
Paid in capital	3 349	3 349	3 349
Retained earnings and other reserve	-7	-40	-25
Total equity attributable to equity holders of the parent	3 342	3 309	3 324
Total equity	3 342	3 309	3 324
Non-current liabilities			
Interest-bearing loans	770	774	772
Provisions and other long-term liabilities	16	55	45
Total non-current liabilities	786	829	817
Current liabilities			
Trade and other payables	0	9	10
Deferred income	0	258	0
Other short term liabilities	0	727	0
Total current liabilities	0	994	10
Total liabilities	786	1 823	827
Total equity and liabilities	4 128	5 132	4 151

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	1Q 2006	1Q 2007	2006
As of beginning of period	3 346	3 324	3 346
Profit for the period	-4	-15	-22
As of end of period	3 342	3 309	3 324

CASH FLOW STATEMENT

Amounts in NOK million	1Q 2006	1Q 2007	2006
Cash flow from operating activities	-48	164	-76
Cash flow from investing activities	0	-38	-68
Cash flow from financing activities	0	0	0
Cash flow in the reporting period	-48	126	-144
Effects of changes in exchange rates on cash	0	0	0
Cash and cash equivalents at the beginning of period	242	98	242
Cash and cash equivalents at end of period	194	224	98

Reclassifications

Figures from Q1 2006 are reclassified to be comparable and take into the account the impact of changes in classification implemented in Q4 2006. Advances to the supplier Aker Kværner are reclassified and shown as a non-current asset instead of as a current asset. Amortised interest cost related to the convertible bond loan is charged in accordance with the effective interest method and recognised as an individual item under long term liability compared to Q1 2006 where the interest was reported under trade payables and other monetary liabilities.

Oslo, May 7, 2007
The board of directors
Aker Drilling ASA

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