

AKER DRILLING ASA

Report for the first quarter 2010

Highlights

- *Both rigs Aker Spitsbergen and Aker Barents in operation this quarter*
- *Repairs to Aker Barents DAT cylinders completed in February as planned.*
- *Aker Drilling has placed a new NOK 1.5 billion bond in April 2010 which will be used for general corporate purposes as well as covering the repayment of the existing NOK 800 million bond.*

Operation

Aker Drilling is an offshore drilling contractor which owns and operates two of the world's largest and most advanced drilling units – Aker Spitsbergen and Aker Barents.

Aker Barents has during the quarter completed the repairs to the active tensioning system (DAT cylinders) following a six week yard stay in Ølen. At the end of February, the rig was back in operation as planned and commenced a well for ExxonMobil on the Balder field which was completed according to plan in the beginning of April. Since then the rig has returned to complete the Storklakken well for Det norske before the rig will commence the two deep water wells for Shell later in the second quarter. Utilisation since leaving the Ølen yard in February has been well over 90%.

Aker Spitsbergen continues with the second well for Statoil on the Norne field. Utilisation has been satisfactory for the rig during these initial weeks of operation. Following completion of the current well, the rig will proceed to Aker Stord for the upgrades agreed with Statoil. These upgrades include increasing available deck areas and improving the rig's completion work capability. The shore stay is estimated to last ten weeks. There will be no payment of dayrate for the rig during this period, and the investment for Aker Drilling is expected to be in the region of USD 30 to 40 million.

Financials

Income Statement

Revenue

First quarter revenue of USD 65,5 million is split into operating revenue of USD 54,5 million and amortised mobilisation fee and equipment upgrade compensation of USD 11,0 million. This compares to USD 86,0 in previous quarter split into operating revenue USD 38,9 million and amortisations of USD 13,1 million. The remaining USD 34,0 million of previous quarter revenue was related to compensation for late delivery of the two rigs. Operating revenue has increased from last quarter and reflects approximately one and a half months operations for Aker Barents and approximately two months for Aker Spitsbergen while last quarter included utilisation for Aker Barents only.

Operating expenses

Operating expenses were USD 46,5 million compared to USD 16,3 million first quarter 2009 and USD 69,0 million in the previous quarter. The reduction of operating costs from previous quarter are explained mainly by the recording in previous quarter of USD 15 million in connection with late delivery compensation to clients along with high costs associated with the completion of Aker Spitsbergen which were incurred in previous quarter.

Net exchange gain/loss

Net exchange gain is mainly unrealised and non cash and relates to the revaluation of the NOK 800 million convertible bond with the stronger NOK/USD exchange rate compared to the end of the previous quarter.

Net interest income/expense

Compared to previous quarter the net interest expense is increased due to both rigs being in full operation.

Balance Sheet

Due to start-up of operations, the value of the building contracts (in fourth quarter 2008 classified as intangible assets) has been reclassified in previous quarter and included as a component of the cost price of the rigs and is being depreciated over the economic lifetime of the rigs.

The loan financing with Eksportfinans and the corresponding restricted bank deposit are reflected gross in the balance sheet. The loan and the bank deposit have identical terms for interest and repayment and as such have no impact on the Income Statement. The long term financing from Eksportfinans is included in "Interest-bearing debt" (USD 995 million) with the remainder included under "Current portion of long-term interest bearing debt" (USD 147 million). The corresponding bank deposit is included in "Restricted bank deposits" (USD 995 million) and the corresponding current portion is in "Cash and bank deposits"

The Convertible Bond for NOK 800 million is also included in "Current portion of long-term interest bearing debt".

The remainder of "Interest bearing debt" and "Current portion of long term interest bearing debt" is the loan from the DnB NOR ASA led syndicate.

Equity for the quarter is adjusted with a negative USD 0,4 million mainly due to the quarter's change in fair market value of the fixed interest rate agreements entered into in 2008.

Financing

During the quarter Aker Drilling has repaid a further USD 23 million of the USD 775 million facility with DnB NOR with USD 672 million outstanding. USD 30 million was drawn from the facility with Aker ASA this quarter with the remaining increase due to accumulated interest for the quarter.

Aker Drilling ASA has successfully placed a NOK 1.500 million three year bond in the finance market in April at NIBOR + 400 bps. This bond secures the repayment of the existing NOK 800 million bond due in Q4 2010 along with providing funding for general corporate purposes.

Basis for preparation

These consolidated condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of the consolidated financial statements as per end of the first quarter 2010 are consistent with those used in the annual financial statements for the year ending 31 December 2009.

The Board of Directors
Aker Drilling ASA

19th May 2010

Aker Drilling ASA Group
INCOME STATEMENT

Amounts in USD thousands	4Q 2009	1Q 2010	1Q 2009	Year 2009
Revenues	86 032	65 466	0	121 386
Operating expenses	-69 039	-46 465	-16 318	-139 589
Operating profit / (loss) before depreciation and amortization	16 993	19 001	-16 318	-18 203
Depreciation and amortization	-15 514	-16 760	-264	-26 241
Operating profit / (loss)	1 479	2 241	-16 582	-44 444
Net foreign exchange gain / (loss)	-1 395	5 704	-876	-29 811
Net interest income / (expense)	-9 840	-14 299	-1 165	-25 382
Other financial income / (loss)	98	0	10 453	21 378
Profit / (loss) before tax	-9 658	-6 354	-8 170	-78 259
Income tax expense	528	1 779	2 288	19 736
Profit / (loss) for the period	-9 130	-4 575	-5 882	-58 523
Attributable to:				
Equity holders of the parent	-9 130	-4 575	-5 882	-58 523
Other comprehensive income				
Exchange differences	1 056	0	0	1 200
Cash flow hedges	3 707	-575	1 181	11 350
Other comprehensive income for the year	4 763	-575	1 181	12 550
Tax on other comprehensive income	-1 334	161	-331	-3 514
Total other comprehensive income for the year, net of tax	3 429	-414	850	9 036
Total comprehensive income	-5 702	-4 989	-5 032	-49 487
Total comprehensive income attributable to:				
Majority interest (owners in the parent company)	-5 702	-4 989	-5 032	-49 487

Aker Drilling ASA Group
CASH FLOW STATEMENT

Amounts in USD thousands	4Q 2009	1Q 2010	1Q 2009	Year 2009
Cash flow from operating activities	-18 429	663	-23 011	-14 743
Cash flow from investing activities	12 029	31 679	-980 447	-1 796 706
Cash flow from financing activities	-49 221	-28 814	1 006 073	1 969 253
Cash flow in the reporting period	-55 621	3 528	2 615	157 804
Effects of changes in exchange rates on cash	0	0	0	0
Cash and cash equivalents at the beginning of period	231 551	175 930	18 126	18 126
Cash and cash equivalents at end of period	175 930	179 458	20 741	175 930

10/1

Aker Drilling ASA Group
BALANCE SHEET

Amounts in USD thousands	At 31.12 2009	At 31.03 2010	At 31.03 2009
Assets			
Non-current assets			
Property, plant & equipment	1 849 982	1 837 024	1 626 015
Intangible assets	0	0	159 753
Deferred tax assets	27 826	29 766	13 347
Other non-current assets	25 910	22 568	
Restricted bank deposits	1 095 990	1 020 302	580 030
Total non-current assets	2 999 708	2 909 660	2 379 145
Current assets			
Financial Instruments	0	0	74 628
Interest-bearing short term receivables	0	0	315 118
Other current assets	57 759	41 063	37 787
Accounts receivable	30 932	41 388	0
Cash and bank deposits	175 930	179 458	20 741
Total current assets	264 621	261 909	448 274
Total assets	3 264 329	3 171 569	2 827 419
Equity and liabilities			
Paid in capital	577 904	577 904	577 904
Retained earnings and other reserve	-55 941	-60 930	-11 490
Total equity	521 963	516 974	566 414
Non-current liabilities			
Interest-bearing convertible bonds	0	0	112 784
Interest-bearing debt	1 658 037	1 560 827	903 013
Interest-bearing debt Aker ASA	484 068	517 421	329 572
Financial Instruments	28 525	29 038	38 533
Provisions and other long-term liabilities	87 409	84 304	2 991
Total non-current liabilities	2 258 039	2 191 590	1 386 893
Current liabilities			
Short-term interest-bearing debt	0	0	
Current portion of long-term interest bearing debt	379 292	368 998	356 785
Financial Instruments	0	0	35 446
Other short term liabilities	105 035	94 007	481 881
Deferred income	0	0	0
Total current liabilities	484 327	463 005	874 112
Total liabilities	2 742 366	2 654 595	2 261 005
Total equity and liabilities	3 264 329	3 171 569	2 827 419

Aker Drilling ASA Group
STATEMENT OF CHANGES IN EQUITY

Amounts in USD thousands	At 31.12 2009	At 31.03 2010	At 31.03 2009
As of beginning of period	527 664	521 963	571 446
Total comprehensive income	-5 702	-4 989	-5 032
As of end of period	521 963	516 974	566 414

14