

AKER DRILLING ASA

Report for the fourth quarter 2006

Aker Drilling passed important milestones in 2006 on its way to become a fully integrated drilling contractor. Marketing of the company's two rigs, which are due for delivery in 2008, was a priority task during the year. In December 2006, Aker Drilling was awarded long term contracts for both rigs. The response that Aker Drilling has received indicates that the company is spot-on for rig market demand.

Summary

- *An important breakthrough was achieved by the company during December, when contracts were secured on attractive terms with Statoil and Aker Exploration respectively
 - *Based on a five-year contract a possible total value for the Statoil contract will be of the order of USD 885 million.*
 - *The possible total contract value for the Aker Exploration contract amounts to USD 610 million*
 - *In total for both rigs Aker Drilling is planning to invest approximately USD 105 million to meet customer specific modifications, equipment, outfitting, risers and mooring systems to increase the drilling units deployment flexibility**
- *Construction period in Dubai for the first drilling unit has now been extended by two months in order to ensure that the hull is completed to the degree as per original plan prior to sailing, including Client specific upgrades
 - *The first drilling unit is now to be delivered from Aker Kvaerner Stord by end April 2008 which is within the terms of the contract with Statoil. There is no financial or contractual impact with regards to the Statoil contract*
 - *The second drilling unit will be delivered end October 2008 according to original contract**
- *To ensure a safe and efficient start-up and operation of the drilling units, Aker Drilling continues to man the organisation with well qualified personnel*
- *Aker Drilling is regarded as an attractive employer by experienced and qualified candidates, and accordingly takes a positive view of its recruitment prospect*

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 safe and efficient operations 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 32 000 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 with focus on care and protection 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 drilling units 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.

Long-term drilling contracts

Considerable work was devoted during 2006 to marketing and thereby to securing contracts for the two rigs. Precisely because the Aker H-6e units have been tailored for tomorrow's requirements, they have been greeted with great interest by the market. The contracts secured in December from Statoil and Aker Exploration respectively confirm that the company and its drilling units are attractive.

The contract with Statoil relates to Aker Drilling's first drilling unit, which will commence the drilling assignment in the Halten/Nordland area of the Norwegian Sea immediately after the completion of final tests. The contract has a fixed term of three to 10 years. It also provides opportunities for five further options of two years each.

Calculated on the basis for a five-year duration and full utilisation of the unit, the contract will have a possible overall value in the order of USD 885 million. Statoil has until 2008 to determine the final duration of the contract. The final day rate will be adjusted in relation to the fixed contract period. Aker Drilling plans to invest approximately USD 35 million to meet customer-specific modifications, and for equipment and outfitting of the Statoil semi-submersible Aker H-6e drilling unit.

The contract with Aker Exploration applies to the second drilling unit due for delivery in October 2008. Running for three years, it covers operations on the Norwegian Continental Shelf and includes options which give Aker Exploration the opportunity for two one-year extensions. The day rate in the three-year period is USD 520 000, and the total value of the contract is about USD 610 million. The contractual value includes a total of USD 41 million in reservation fees, mobilisation costs and customer-specified modifications. Aker Drilling is planning to invest approximately USD 70 million to meet customer specific modifications, equipment, outfitting, risers and mooring systems to increase the drilling unit's deployment flexibility.

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 offshore projects. Aker Drilling is working closely and well with Aker Kvaerner over the two construction projects.

However, the construction period in Dubai for the first drilling unit has been extended by two months in order to ensure that the hull is completed to the degree as per original plan prior to sailing, including Client specific upgrades. The first drilling unit is therefore to be delivered from Aker Kvaerner Stord by end April 2008 which is within the terms of the contract with Statoil. There is no financial or contractual impact with regards to the Statoil contract as a result of the new delivery date. The second drilling unit will be delivered end October 2008 according to original contract.

The construction contracts are based on a fixed price of NOK 3 830 million per rig in accordance with defined specifications. Aker Drilling has its own qualified personnel who keep the construction projects under continuous observation in order to help ensuring that the rigs are delivered at the agreed price and quality. It is also important that the organisation, as it is built up, becomes familiar with the rigs in order to ensure the best possible preparations for the operations phase.

Organisational build-up

Aker Drilling has very ambitious goals for quality and expertise, which are reflected in the work being done to build up its organisation. The management team is in place, while key functions in the organisation have been filled. Management members are Geir Atle Sjøberg, president and CEO, Nina Lie, EVP and CFO, Rune Askeland, EVP Operations, Ina M. Flaatin, Vice President HR, and Torgils Haugstad, Vice President HSE. All have substantial experience from the oil industry and drilling contractors.

In spring 2006, after assessing various options, Aker Drilling decided to build up its own complete operations organisation. One consequence of this is that the rigs will be manned by the company's own employees. Several considerations contributed to this decision. Aker Drilling regards it as essential, for instance, to build up a corporate culture characterised by a value set which will ensure a high degree of responsibility, quality and expertise at all levels. Creating an organisation which will be an international leader for efficiency and ability to deliver, combined with the highest standards for HSE, is particularly important.

Aker Drilling is regarded as an attractive employer by experienced and qualified candidates, and accordingly takes a positive view of its recruitment prospects. The company is due to expand its workforce by a further 400 people over the next two years.

Financials

Profit after tax in forth quarter was NOK – 9 million and for 2006 NOK -22 million, whereas operating profit was NOK –34 million for 2006. As per year end 2006 Aker Drilling holds NOK 98 million in liquid assets.

Aker Drilling ASA Group

INCOME STATEMENT

Amounts in NOK million	1Q	2Q	3Q	4Q	2006	2005
	2006	2006	2006	2006		
Operating revenues	0	0	0	0	0	0
Operating expenses	-6	-7	-6	-15	-34	-4
Operating profit before depreciation and amortization	-6	-7	-6	-15	-34	-4
Depreciation and amortization	0	0	0	0	0	0
Impairment changes and non recurring items	0	0	0	0	0	0
Operating profit	-6	-7	-6	-15	-34	-4
Net financial items	0	0	1	3	4	0
Profit before tax	-6	-7	-5	-12	-30	-4
Income tax expense	2	2	1	3	8	1
Profit for the period	-4	-5	-4	-9	-22	-3
Minority interest	0	0	0	0	0	0
Equity holders of the parent	-4	-5	-4	-9	-22	-3
Average number of shares outstanding (million)	93 000 000	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	-0,10	-0,24	-0,03

BALANCE SHEET

Amounts in NOK million	At 31.03	At 30.06	At 30.09	At 31.12	At 31.12
	2006	2006	2006	2006	2005
Assets					
Non-current assets					
Property, plant & equipment	0	0	0	1 683	0
Intangible assets	926	926	926	926	926
Deferred tax assets	36	38	40	42	34
Other non-current assets	2 971	2 985	2 999	1 402	2 919
Total non-current assets	3 933	3 949	3 965	4 053	3 879
Current assets					
Inventory, trade and other receivables	1	2	2	0	2
Interest-bearing short term receivables	0	0	0	0	0
Cash and bank deposits	194	184	174	98	242
Total current assets	195	186	176	98	244
Total assets	4 128	4 135	4 141	4 151	4 123
Equity and liabilities					
Paid in capital	3 349	3 349	3 349	3 349	3 349
Retained earnings and other reserve	-7	-12	-16	-25	-3
Total equity attributable to equity holders of the parent	3 342	3 337	3 333	3 324	3 346
Minority interest	0	0	0	0	0
Total equity	3 342	3 337	3 333	3 324	3 346
Non-current liabilities					
Interest-bearing loans	770	771	772	772	768
Deferred tax liability	0	0	0	0	0
Provisions and other long-term liabilities	16	25	35	45	7
Total non-current liabilities	786	796	807	817	775
Current liabilities					
Short-term debt interest-bearing debt	0	0	0	0	0
Tax payable, trade and other payables	0	2	1	10	2
Total current liabilities	0	2	1	10	2
Total liabilities	786	798	808	827	777
Total equity and liabilities	4 128	4 135	4 141	4 151	4 123

CASH FLOW STATEMENT

Amounts in NOK million	1Q	2Q	3Q	4Q	2006	2005
	2006	2006	2006	2006		
Cash flow from operating activities	-48	-10	-10	-8	-76	-4
Cash flow from investing activities	0	0	0	-68	-68	-2 912
Cash flow from financing activities	0	0	0	0	0	3 158
Cash flow in the reporting period	-48	-10	-10	-76	-144	242
Effects of changes in exchange rates on cash	0	0	0	0	0	0
Cash and cash equivalents at the beginning of period	242	194	184	174	242	0
Cash and cash equivalents at end of period	194	184	174	98	98	242

Oslo, February 28, 2007
The board of directors
Aker Drilling ASA

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