

Aker Drilling ASA
Report for the fourth quarter 2005

Q4 2005 report

Aker Drilling started its operations in its current form in autumn 2005 when the Company entered into contracts for the design and construction of two Aker H-6e 6th generation semi-submersible rigs with Aker Kværner.

Aker Drilling's objective is to build and own advanced, sixth-generation drilling rigs for operating in ultra deep and in harsh environment. The first of Aker Drilling's up to four similar drilling rigs will be delivered and ready to drill February 2008. The second will follow eight months later. The contract with Aker Kværner includes options for another two similar units to be delivered in 2009 and early 2010 respectively.

Early October 2005 Aker Drilling completed a successful private placement of NOK 2,500 million and issued USD 800 million in convertible bonds. Prior to entering into the construction contracts with Aker Kværner, there have not been any significant operational activities in Aker Drilling. Hence, Aker Drilling has limited operating history and the Company's historical accounting information does not reflect the current operations.

Market developments

During fourth quarter 2005 the general strong development within offshore services market continued. Day rates for ultra deepwater drilling units reached new record levels and contracts were entered into on longer periods than previously. New building activity has also continued in fourth quarter substantiating the general market view that there is still a shortage of ultra deepwater and harsh environment rigs. The very high rig utilization rate is also expected to continue as a large number of the modern floater fleet is on average committed to summer 2009. Aker Drilling is well positioned for this market as its two Aker H-6e rigs are among the first available.

Financials

Aker Drilling started its operations in its current form in autumn 2005. In fourth quarter Aker Drilling received a contribution in kind of NOK 926 million from Aker ASA, issued new shares of NOK 2,500 million, issued a convertible bond loan of NOK 800 million in October 2005 and made advance payment to Aker Kværner of NOK 2.9 billion for the design and construction of the semi-submersible Rigs.

Profit after tax for fourth quarter was negative with NOK -3 million whereas operating profit was NOK -4 million. As per end Q4 Aker Drilling holds NOK 242 million in liquid assets and has an equity ratio of 81.2%.

The tables below sets out Aker Drilling's income statement for the period 19 October to 31 December 2005, and the balance sheet as of 31 December 2005
Aker Drilling ASA Group

INCOME STATEMENT

Amounts in NOK million	19.Oct. to 31. Dec. 2005
Operating revenues	0
Operating expenses	-4
Operating profit before depreciation and amortization	-4
Depreciation and amortization	0
Impairment changes and non recurring items	0
Operating profit	-4
Net financial items	0
Profit before tax	-4
Income tax expense	1
Profit for the period	-3
Minority interest	0
Equity holders of the parent	-3

BALANCE SHEET

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

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Year 2005
As of beginning of period 19. October 2005	0
Contribution capital	1
Contribution in Kind	926
Net profit	-3
Shareholders equity part of Convertible Bond loan	8
Merger	2 414
As of end of period	3 346

CASH FLOW STATEMENT

Amounts in NOK million	19. Oct. to 31. Dec. 2005
Cash flow from operating activities	-2913
Cash flow from investing activities	0
Cash flow from financing activities	3155
Cash flow in the reporting period	242
Effects of changes in exchange rates on cash	0
Cash and cash equivalents at the beginning of period	0
Cash and cash equivalents at end of period	242

Progress and delivery schedule

After completing its initial stages of obtaining attractive rig contracts and financing, Aker Drilling now focuses on retaining permanent management and organization, marketing of the rig and construction supervision. In February 2006, Mr. Frederik Steenbuch was hired as Chief Operating Officer in Aker Drilling. Mr. Steenbuch has long industry experience and is a valuable management contribution to Aker Drilling.

The construction process is well underway. Aker Kvaerner has placed all major long lead items with sub suppliers and progress is on schedule. To this matter, Aker Drilling is negotiating with Aker Kvaerner for early deliveries of the rigs and an extension of the options.

The Board of Directors
Oslo, 15 February 2006