

Archer

We are a global oilfield service company that specializes in drilling services and well services because we believe that specialists do the job best. More than 40 years' experience drives our difference in a constant search for new ways to deliver better wells. We listen to our customers and use our expertise to help them produce more oil and gas.

We are craftsmen. We take great pride in our work and always deliver on our promises. **We are Archer, the well company.**

Jorgen Peter Rasmussen

President & CEO, Archer Limited

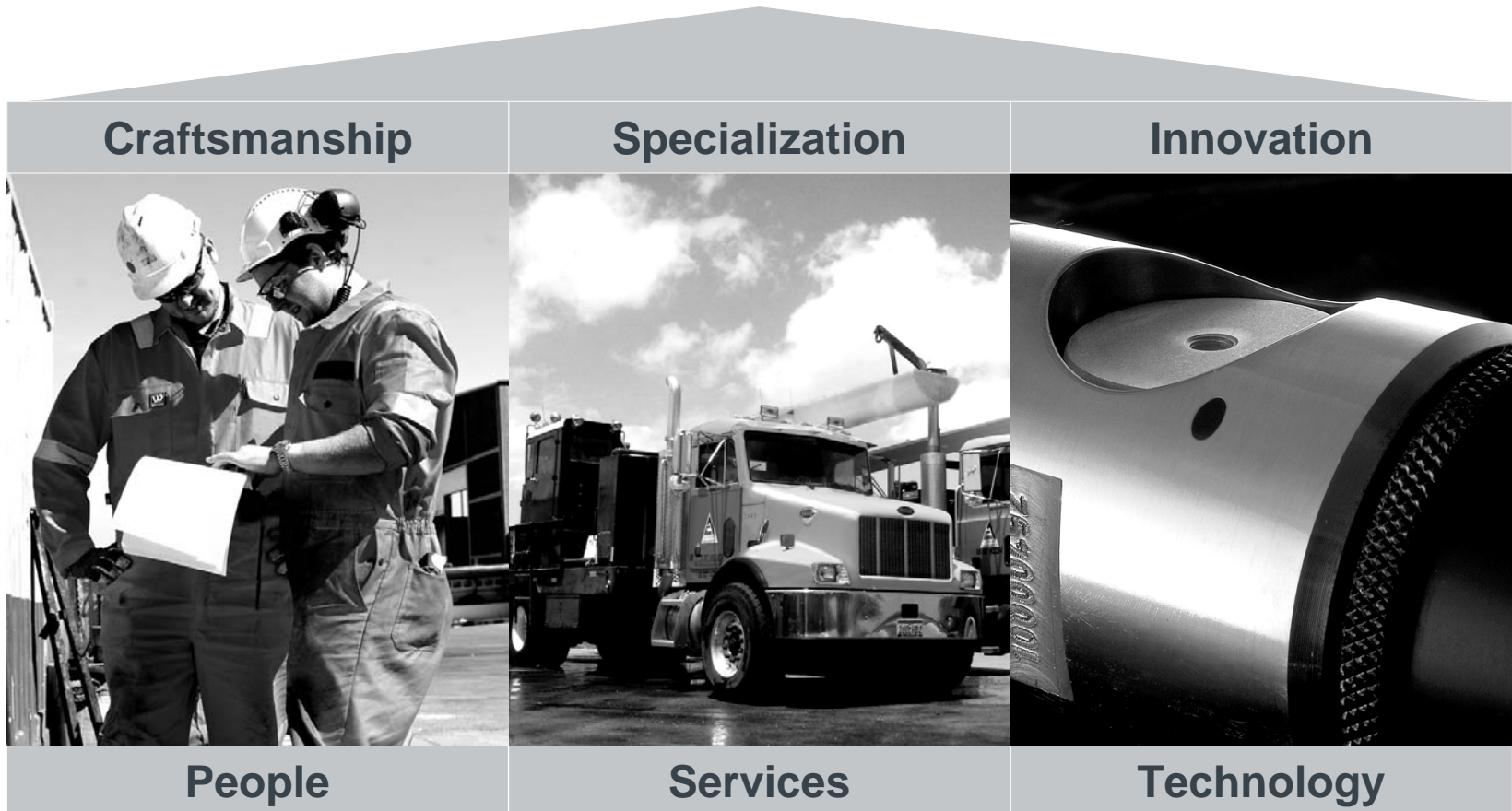
Pareto Conference 2011

- 1. Archer, the well company**
- 2. Market spotlight, US land**
- 3. Recent acquisitions, Great White Energy**
- 4. Financial performance**
- 5. Growth strategy**

Archer

The well company

Delivering better wells to help our customers produce more oil and gas.

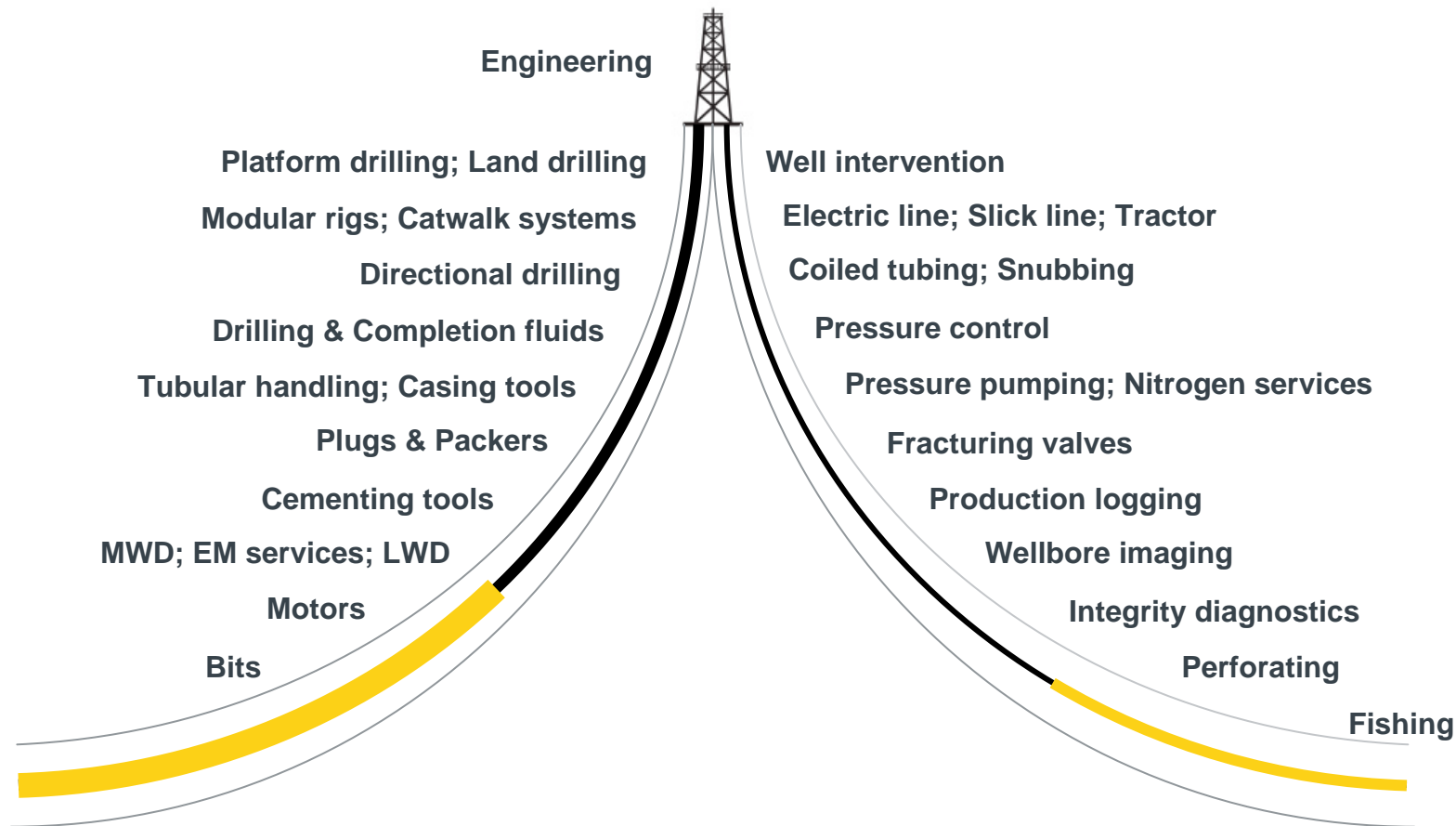


A complete service offering focused on the well

Archer

Drilling services
Well delivery

Well services
Well performance



Expanding global footprint



Management experience, breadth and depth

Archer

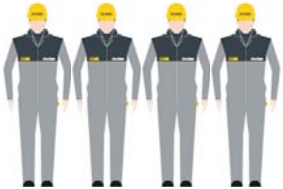


Over 1,000* years industry experience, 37 oil service co's, 22 sectors

*CEO, CEO-1, CEO-2 and CEO-3

Our scale and reach

> 90 global locations

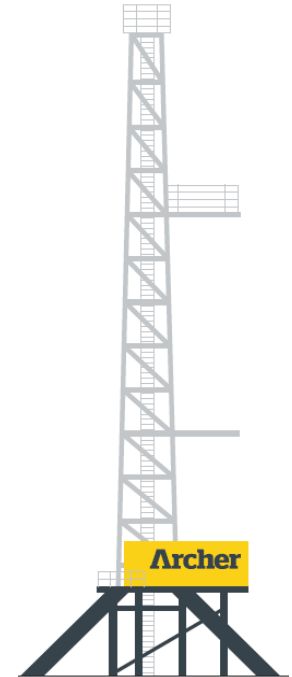


8,400 employees

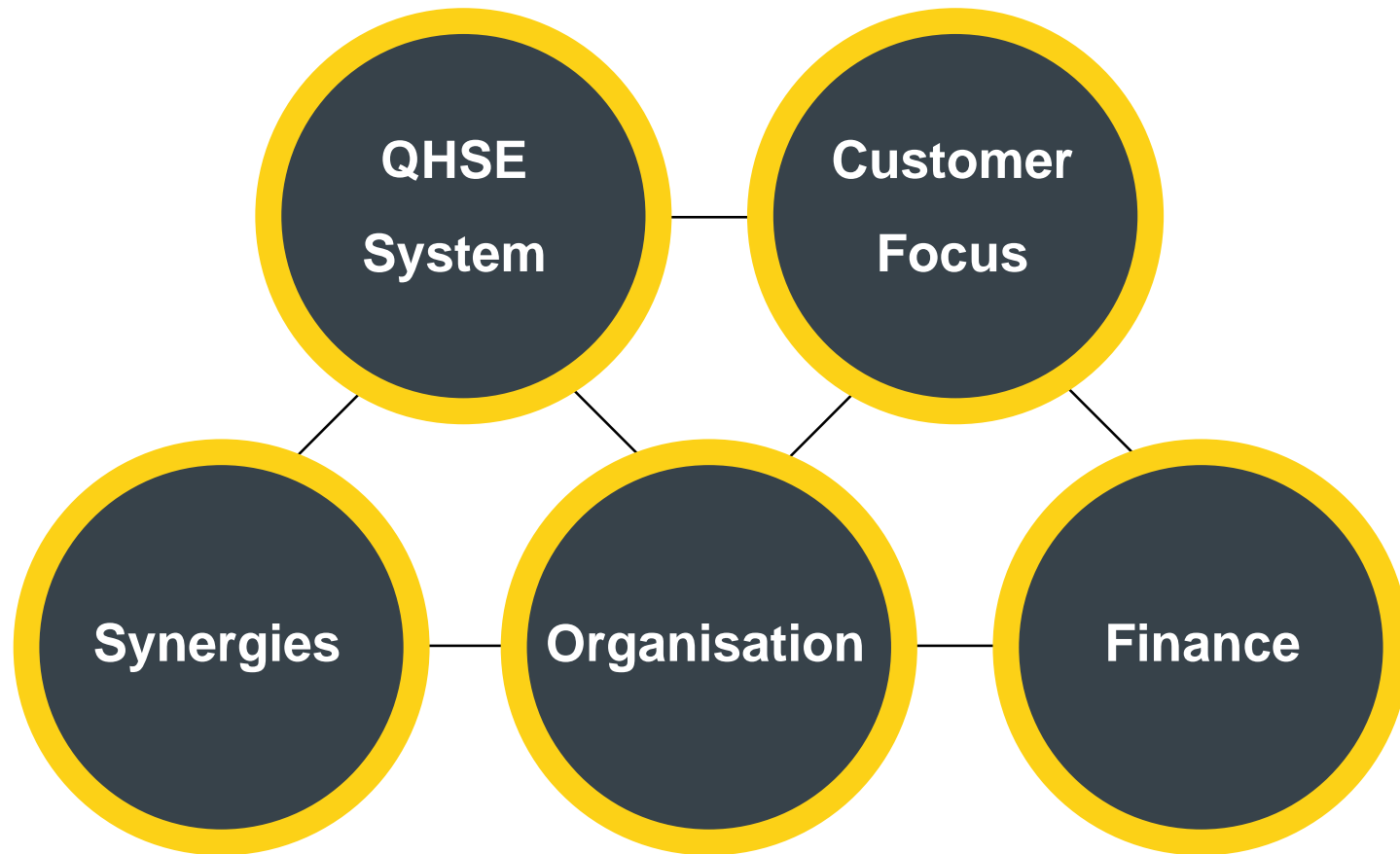


134 Wireline trucks
24 Coiled tubing units
20 Nitrogen units

33 Offshore WL units
23 Snubbing units
100,000 HHP capacity



77 land rigs
35 platforms



- Safety first
- Customer focus
- Contribution of employees
- Operational excellence
- Teamwork
- Innovation
- Deliver what we promise

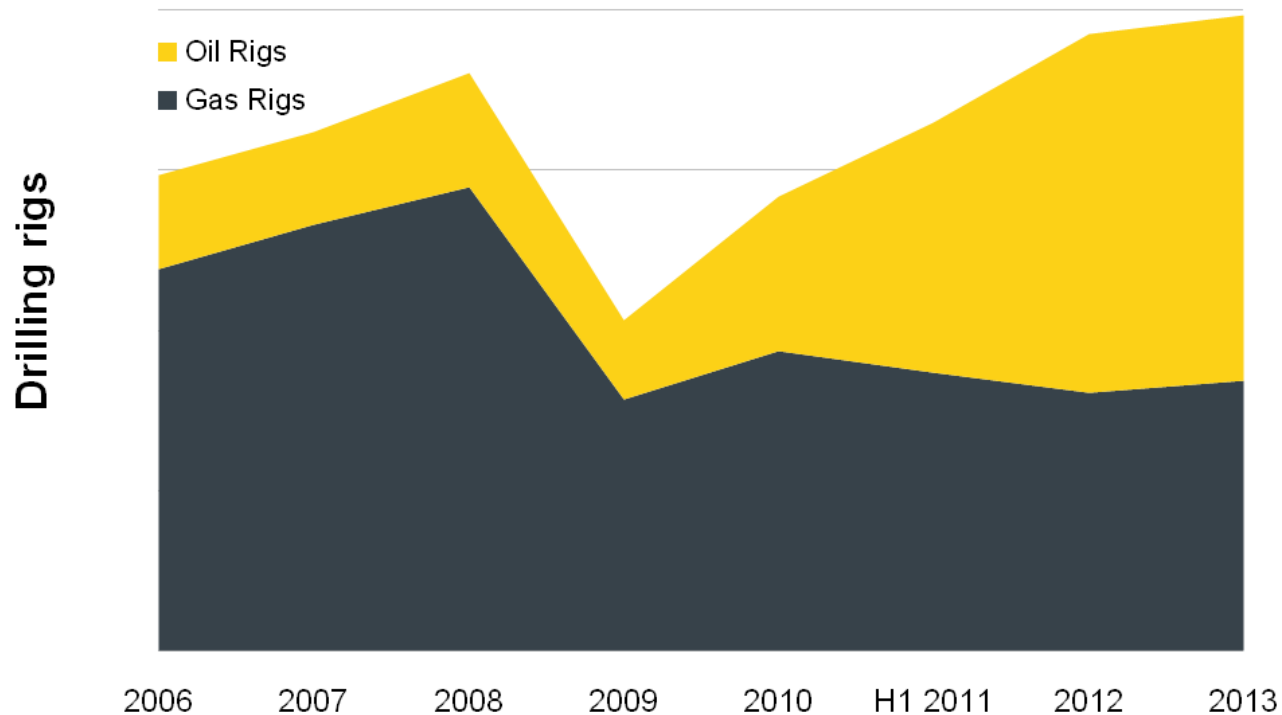


Market spotlight

US land

The oil industry has been reinvented in the US land market with oil shale horizontal wells creating a new boom in oilfield services...

Increase in oil drilling



2009 to 2011

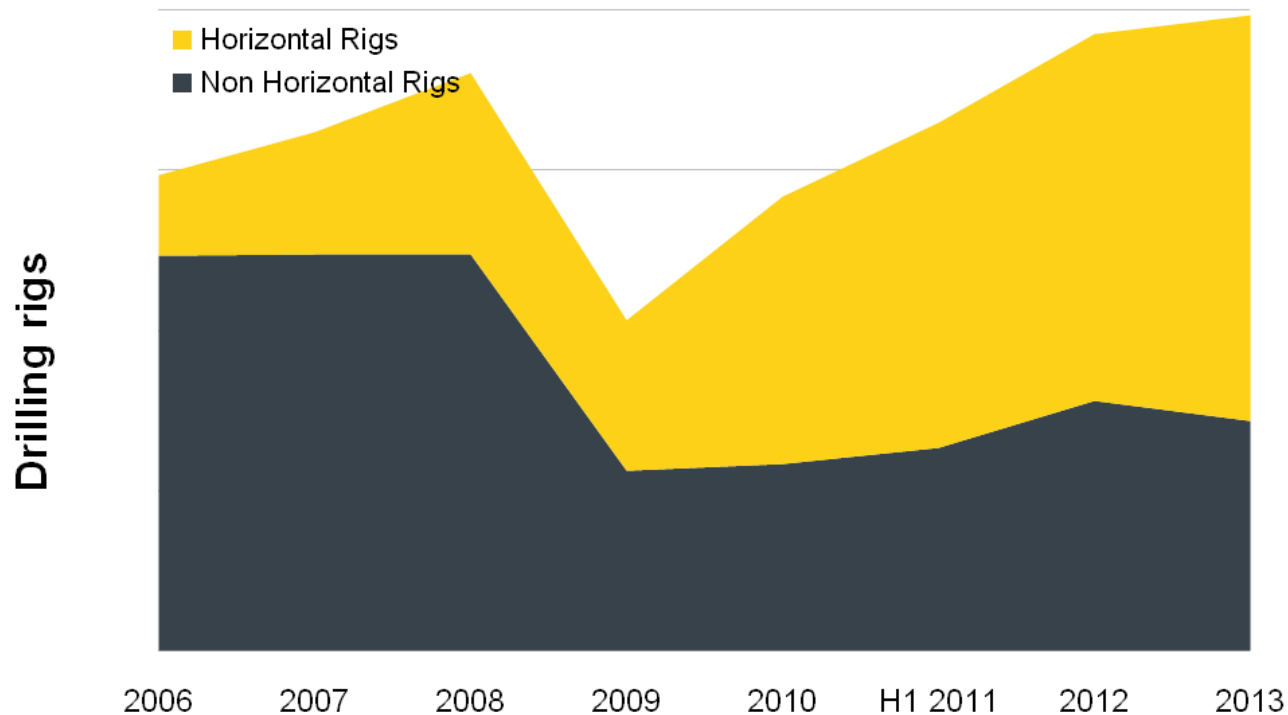
218%

increase in oil drilling

Source Smith, Rig Data, Archer. 2012 and 2013 forecast is P50 case.

Shift to horizontal drilling

Increase in horizontal drilling



2009 to 2011

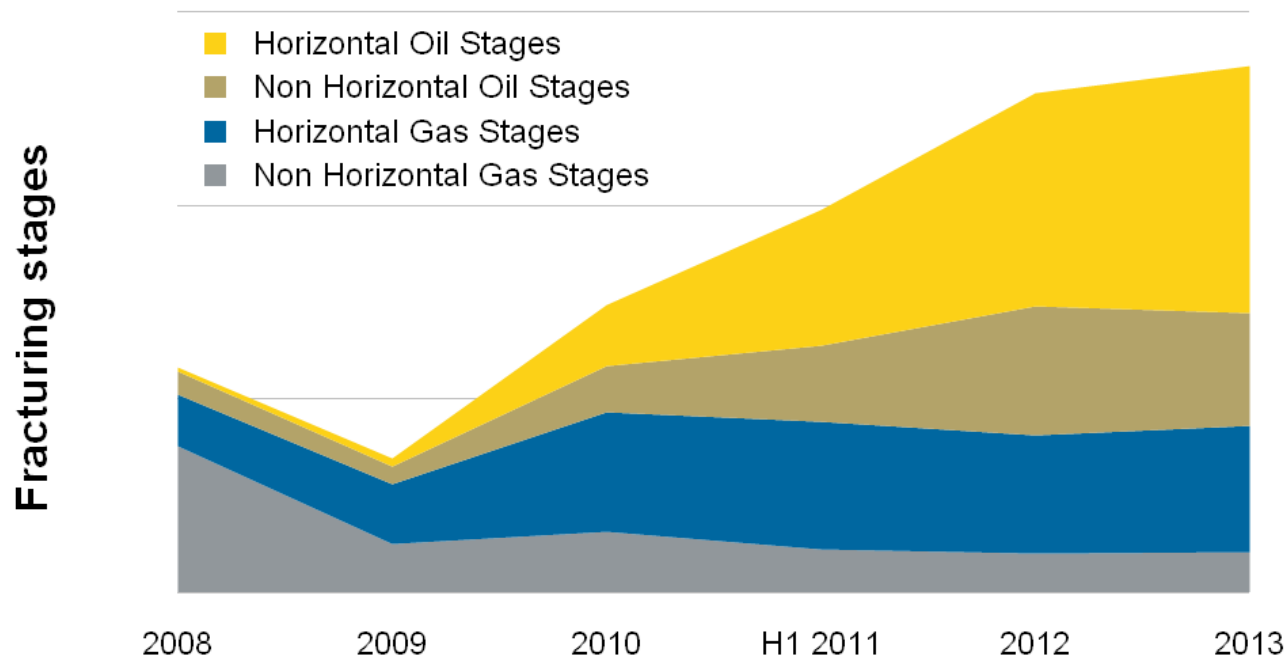
117%

increase in
horizontal
drilling

Source Smith, Rig Data, Archer. 2012 and 2013 forecast is P50 case.

Significant increase in horizontal fracturing stages

Increase in fracturing stages



2008 to 2011

32x

increase in horizontal oil fracturing stages

Source Smith, Rig Data, Archer. 2012 and 2013 forecast is P50 case.

US land pointers

Industry response to oil vs. gas price differentials has been to leverage well completion techniques developed for horizontal gas wells to liquids-rich and oil plays leading to...

- ▶ **a significant increase in well service intensity**

Despite infrastructure limitations creating temporary negative WTI-to-Brent spreads, unlike US natural gas...

- ▶ **WTI pricing remains linked to global markets**

The shift to oil and liquids has...

- ▶ **reduced cyclicity of Natural gas dominated activity in US land**
- ▶ **de-risked US land oil and gas investment in a more positive and diversified fuel price environment**

Recent acquisitions

Great White Energy

Archer's entry in to fracturing services

The deal

- Purchased from Wexford Capital LP, closed 24th August 2011
- \$630 million cash and debt free basis after a renegotiation
- Full DD completed using E&Y and Environmental experts.
- 2011 EBITDA \$120 million estimated by Management
- 2012 EBITDA \$180-200 million forecasted by Management

The reasoning

- Complementary to existing portfolio, strengthening our ability to deliver coiled tubing and directional drilling services
- Enable new services in pumping, snubbing and nitrogen services
- Exposure and positioning for US oil and liquids play, especially into pressure pumping and pressure control services
- Foundation for overseas expansion of the key services

Main service lines and equipment of Great White

Coiled tubing

Units 12
Age eqt. < 3 years



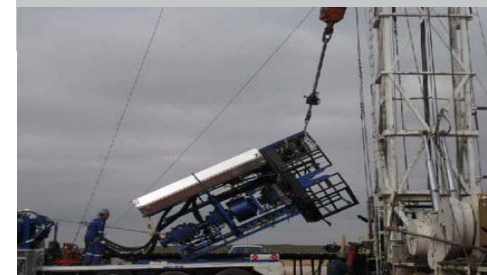
Nitrogen services

Units 16
Age eqt. < 4 years



Snubbing

Units 24
Age eqt. < 4 years



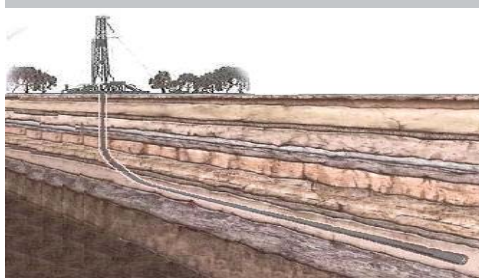
Pressure pumping

Horsepower 108,000
Crews 3
Age eqt. 50% < 3 years



Directional drilling

Directional drillers 76
Drilling kits 49
Age eqt. < 3 years

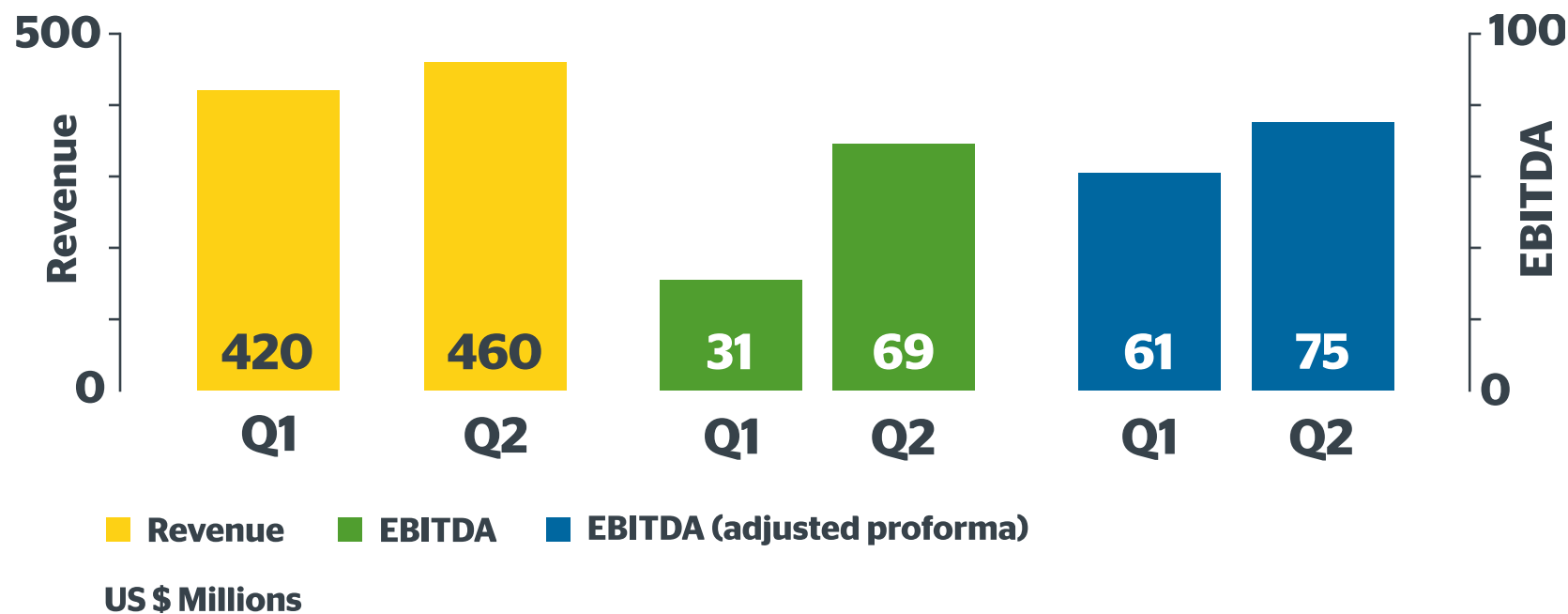


Note: Includes additions in progress for Q3 and Q4 2011

Performance

Delivering financial results

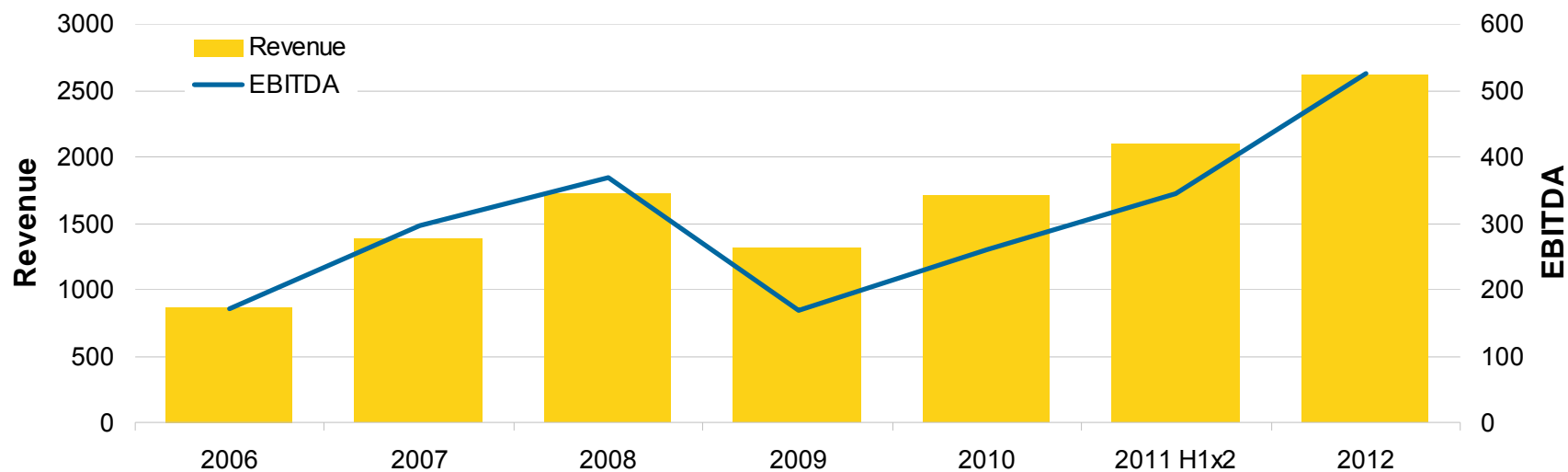
2011 quarterly financial performance



Revenue and EBITDA trend (adjusted proforma)



Archer Revenue and EBITDA

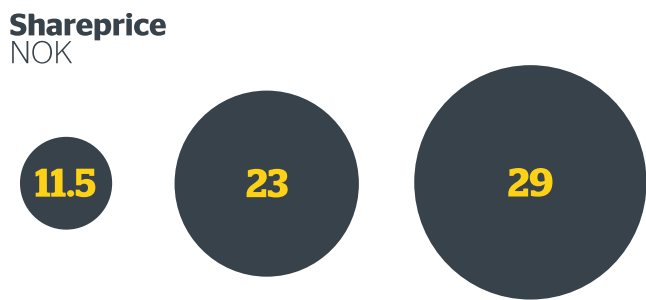
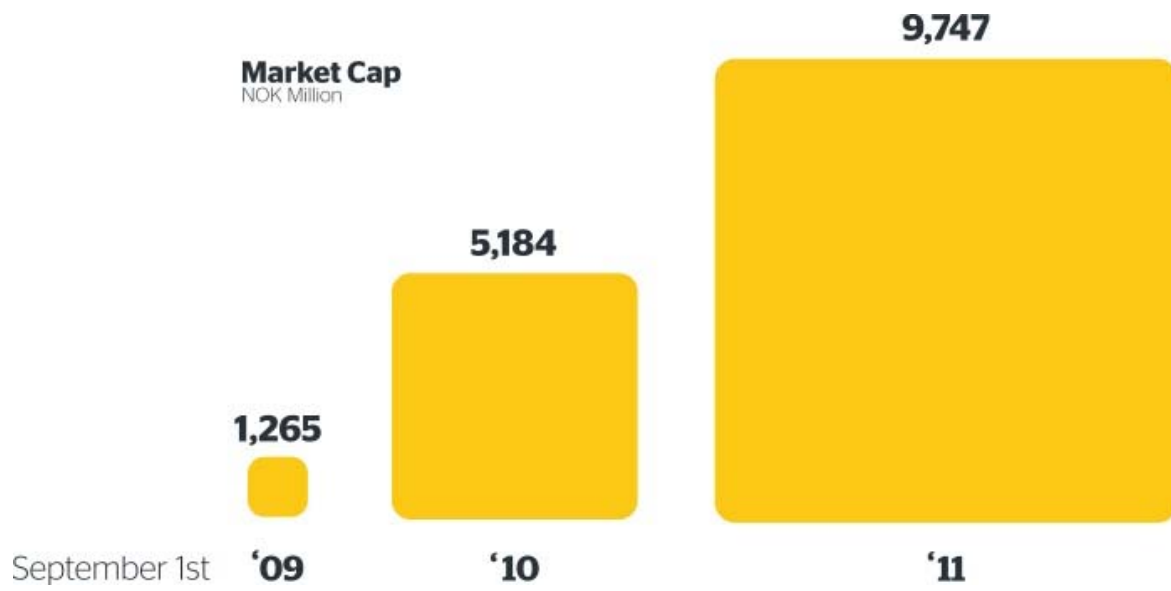


US \$ Millions

2011 figures are 2 x H1, EBITDA is adjusted proforma

2012 figures are from Pareto

Archer's growth in market cap



September 1st

'09

'10

'11

September 1st

'09

'10

'11

Growth strategy

Growing faster than our peers

Organic growth

Realizing synergies and offering more services at existing Archer locations

Integrated offerings across divisions

Accelerated investment in targeted businesses

Geographical expansion of existing technology into new markets.

Internal development of new technology and applications

Targeted geographies

Listening to customers, offering fit-for-purpose services & delivering operational excellence

Positioning and differentiation focusing on the well

Acquisitive growth

Fit-for-purpose technology acquisitions

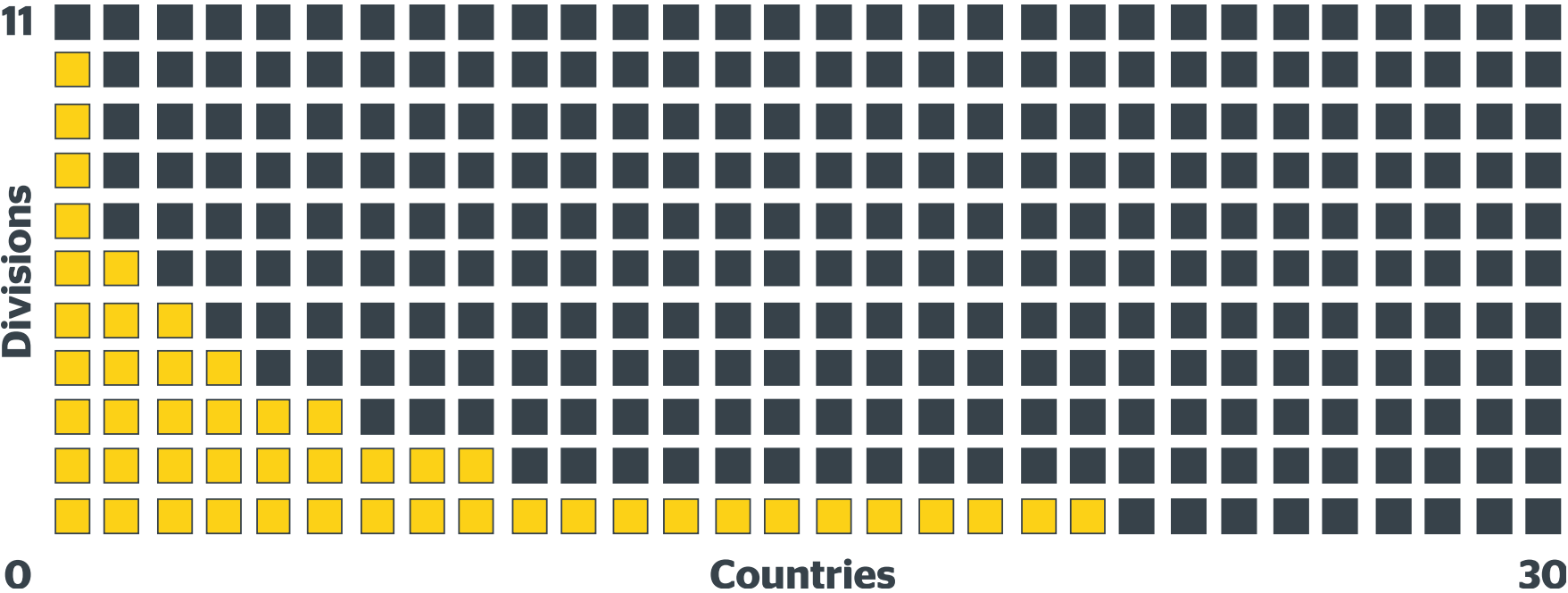
Service/Product expansion of our offering

Expansion through local, or regional acquisitions

Global niche service companies in specific segments

Acquisitions must add to our skills and differentiated experience, expand global reach

Focus on value and accretion in all acquisitions



Yellow square: Archer operating divisions (oil service sectors) and countries of operation

Tangible integration pull-through



Technology available through global footprint



Emerald™ MODU



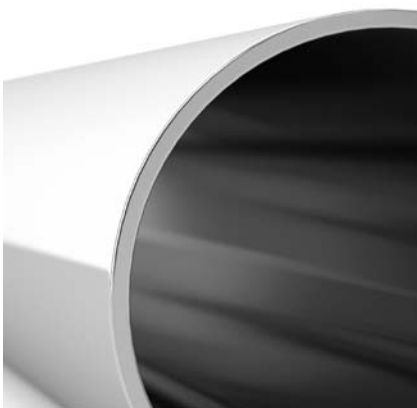
TriTrak™ motors



SPACE™



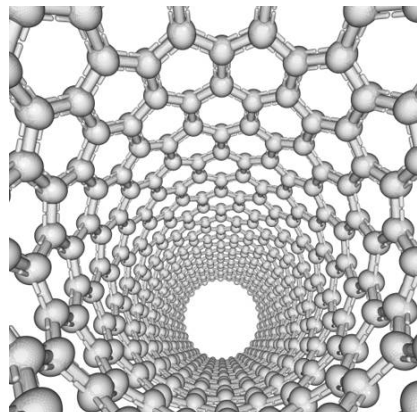
VMB™ plug



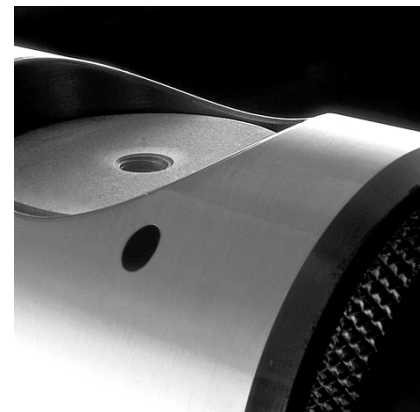
Cflex™



TorqueMaster™



TASK™



Point®

Well delivery

Well performance



Concluding remarks

- Demand for Archer's services continues to grow as the number of wells needed to maintain the world's demand for hydrocarbons increases rapidly and oil fields get older
- USA is a new key market for oilfield services
- Our margins will improve in line with well service revenue
- Continued focus on growth, both organic and acquisitions
- Market cap grown from 1.4 BNOK (2007) to over 9,5 BNOK (2011)

Delivering better wells to help our customers produce more oil and gas.

Thank you

archerwell.com

Archer

We are a global oilfield service company that specializes in drilling services and well services because we believe that specialists do the job best. More than 40 years' experience drives our difference in a constant search for new ways to deliver better wells. We listen to our customers and use our expertise to help them produce more oil and gas.

We are craftsmen. We take great pride in our work and always deliver on our promises. **We are Archer, the well company.**

Cautionary statement regarding forward-looking statements

In addition to historical information, this presentation contains statements relating to our future business and/or results. These statements include certain projections and business trends that are “forward-looking” within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Archer Limited, or the Company, desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including statements preceded by, followed by or that include the words “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “think,” “view,” “seek,” “target,” “goal,” or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations, including integration and any potential restructuring plans relating to merger & acquisitions; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results as a result of certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent filing on Form 20-F (including, without limitation, those described under Item 3.D. “Risk Factors”) and in our other filings with the United States Securities and Exchange Commission. These forward-looking statements are made only as of the date of this presentation. We do not undertake any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Use of GAAP and non-GAAP performance measures

We report our financial results in accordance with generally accepted accounting principles (GAAP). However, Archer’s management believes that certain non-GAAP performance measures and ratios may provide users of this financial information additional meaningful comparison between current results and results in prior operating periods. One such non-GAAP financial measure we use is earnings before interest, taxes, depreciation, and amortization (EBITDA), adjusted for special charges or amounts. This adjusted income amount is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for operating income, net income or other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.