Archer Company Presentation

1 March 2017

Archer

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Archer organization and reporting structure

Archer

Key figures 2016:

Revenue	USD 884m
EBITDA*	USD 84m / 49m
Capex	USD 6m

~5,000 employees

EASTERN HEMISPHERE

PLATFORM DRILLING AND ENGINEERING

Operate 46 platforms and owns two modular drilling rigs

OILTOOLS

Well integrity and downhole isolation products

WIRELINE

Well integrity & intervention

WESTERN HEMISPHERE

LAND DRILLING NORTH

Own & operate 22 land rigs in Bolivia and Argentina

LAND DRILLING SOUTH

Own & operate 55 land rigs in Southern Argentina

AWC

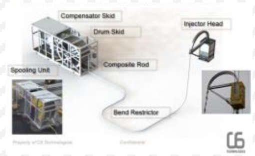
Manufacture and service of frac valves

NON-CONSOLIDATED ENTITIES

US LAND DRILLING SERVICES - QES (36%)

Completion and drilling services to land-based operations

C6 JV WITH IKM (50%)



Well integrity & intervention Technology

TAQA-ARCHER JV (51%)

Well integrity & intervention in Saudi / Middle East

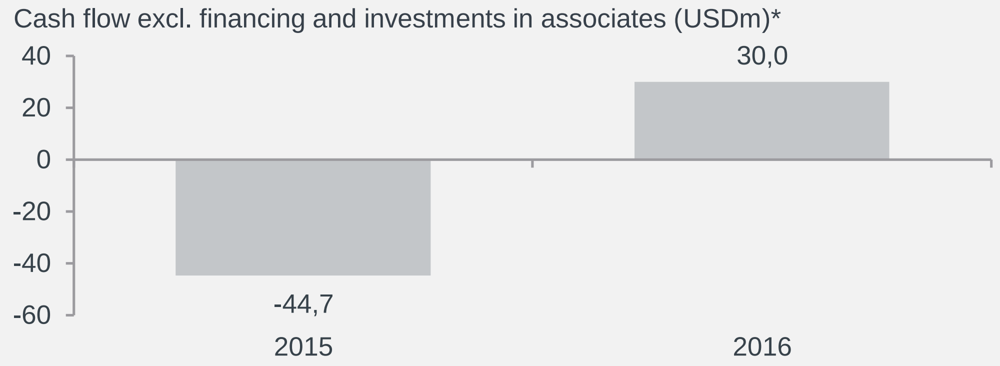
Note: All numbers exclude TAQA-Archer, C6 and QES
* Pre and post restructuring charges

Strategic and tactical changes

Highlights

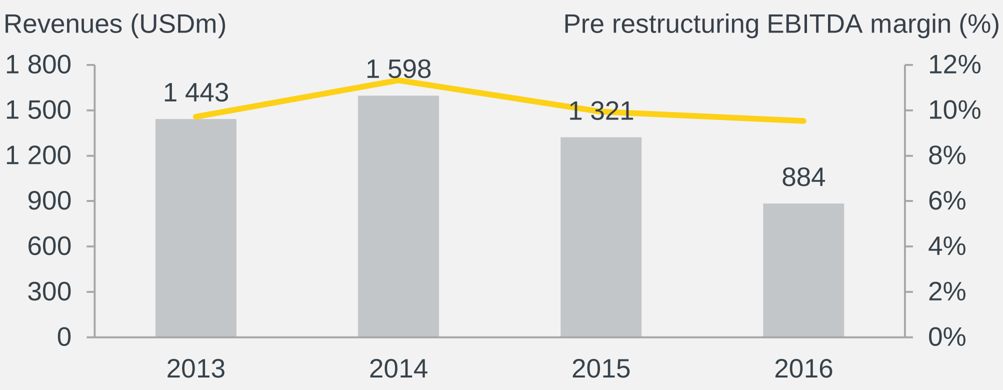
- New management team and strengthened operating model
- From one-stop-shop to portfolio focus
  - Now manage and develop each business segment individually
- Generating positive cash flow at bottom of cycle
- Margins preserved by managing resources
- Latin America land drilling reorganized
- Capex levels substantially lower in future
- US land position retained through own frac valve business and ownership in QES

Cash flow positive in 2016



USD 30 million in positive cash flow after servicing interest and capex in 2016, USD 75 million improvement from 2015 – positive cash generation at market low point

Upside to historical levels



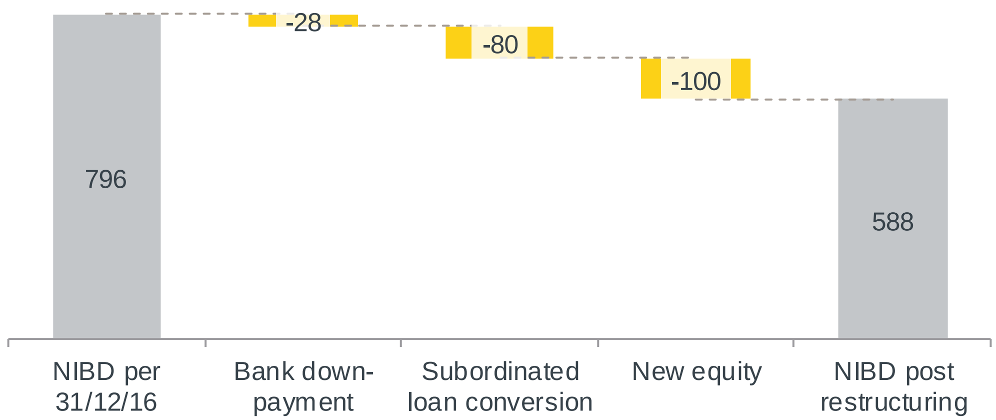
Attractive platform positioned for growth in recovering markets

*) Free cash flow less investments in associated companies and debt repayments

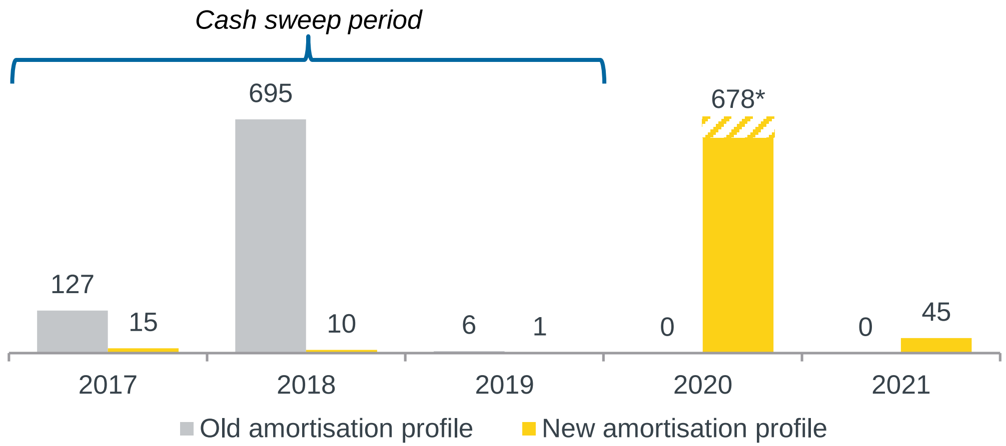
Archer successfully refinanced

- Net debt reduced by USD 208 million
- Available liquidity of USD 125 million post refinancing
- Maturity extended to 30 September 2020
- No fixed amortization before 2020 – cash sweep until Q1 2020 for excess liquidity above a solid liquidity buffer
- Covenants reset with significant headroom to business plan
- USD 100 million in new equity through private placement
- Book equity improved by USD 220 million

Net debt reduced by USD 208 million



Debt amortization profile amended*



USD 108 million debt relief – equivalent of NOK 15 per share pre capital raise**

*) USD 680 million RCF maturity includes USD 26 million currently undrawn
**) Applying USDNOK of 8.30 and 58,164,966 shares

Archer business segments

Archer

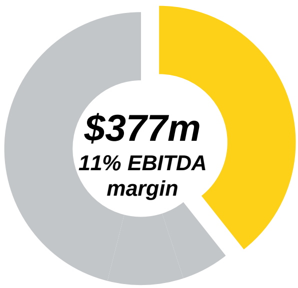
Archer

~5,000 employees

Platform drilling, engineering & wireline

- North Sea focused operation based on long-term contracts with operators
- Strong cash flow generation and extensive operational track record

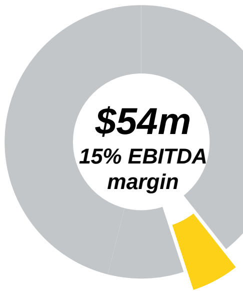
2016 revenues (USDm)



Oiltools & technology

- Provider of well integrity services and technology through Oiltools and C6 Wireline JV
- Portfolio of proprietary P&A and wellbore cleaning high-end products

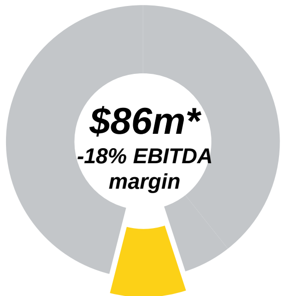
2016 revenues (USDm)



US onshore

- Comprises 36% ownership in Quintana Energy Services (QES) and well control / valves division (AWC)
- Highly correlated with US land drilling activity

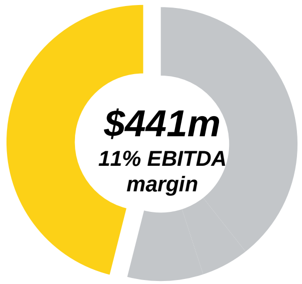
2016 revenues (USDm)



Drilling assets

- Latin America Drilling North and South, as well as modular drilling rigs
- Owns and operates 77 land rigs in Argentina and Bolivia for drilling and workover services

2016 revenues (USDm)

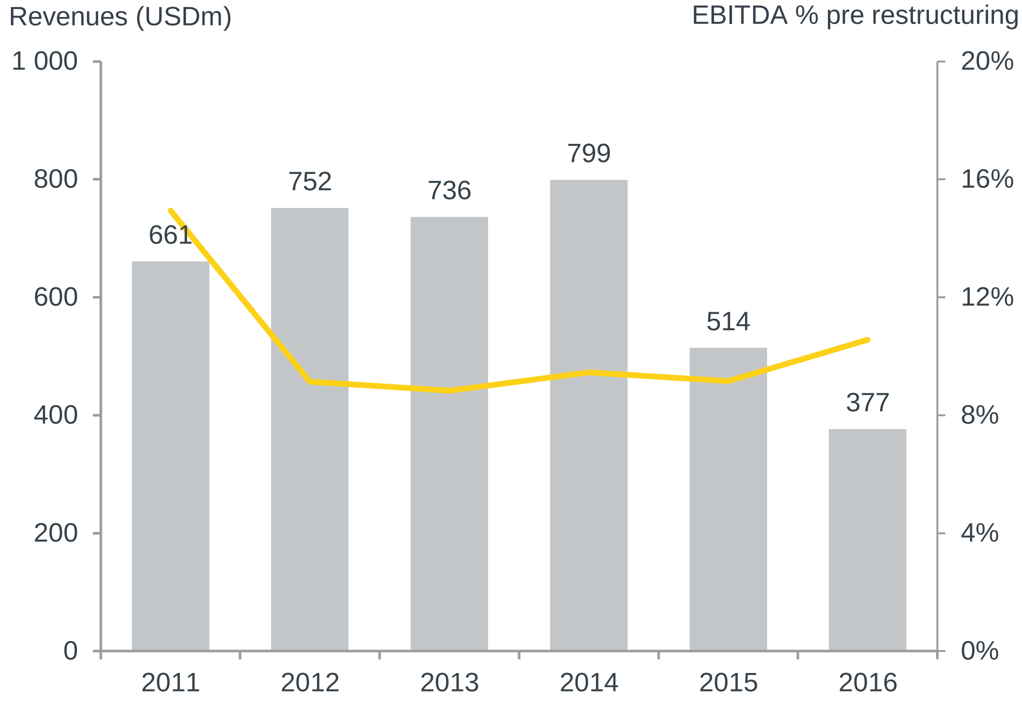


* Including non-consolidated revenues and EBITDA from Archer's 36% stake in QES on fully diluted basis
EBITDA margin before restructuring costs (USD 35m) and Corporate overhead costs (USD 7m)

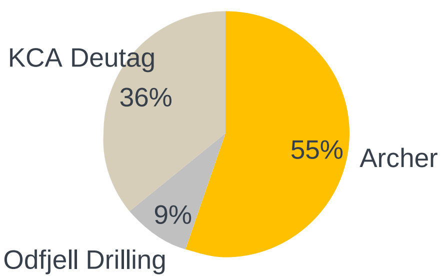
Platform drilling, engineering & wireline

- Platform drilling and wireline services are low cost first option
- Activity drop last two years due to spending cuts
- Margins maintained, solid cash generation and limited capex requirements
- Rebound in activity has started:
  - Awarded new contracts and extensions from Statoil which commenced in late 2016
  - Of the 46 platforms Archer is operating, 13 platforms are currently in active drilling mode

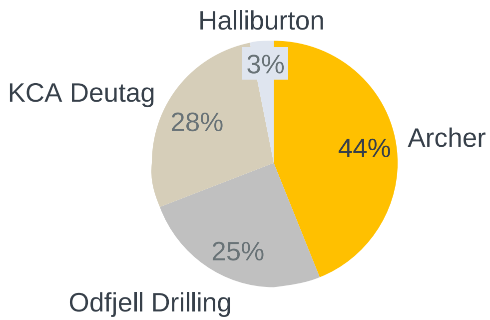
Historical financial performance



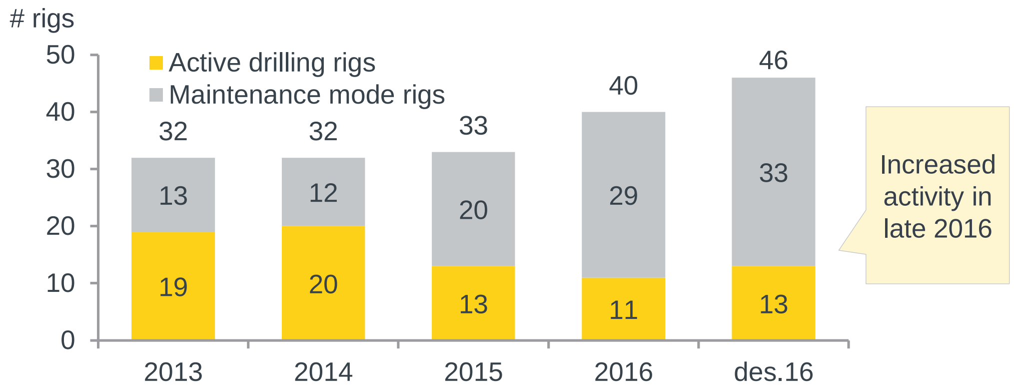
UKCS market shares*



NCS market shares*



Development in contracted rigs**



Source: Archer and Rystad Energy

* Market shares estimated based on number of contracted rigs. ** Numbers are annual averages, except for December 2016

Oiltools & technology

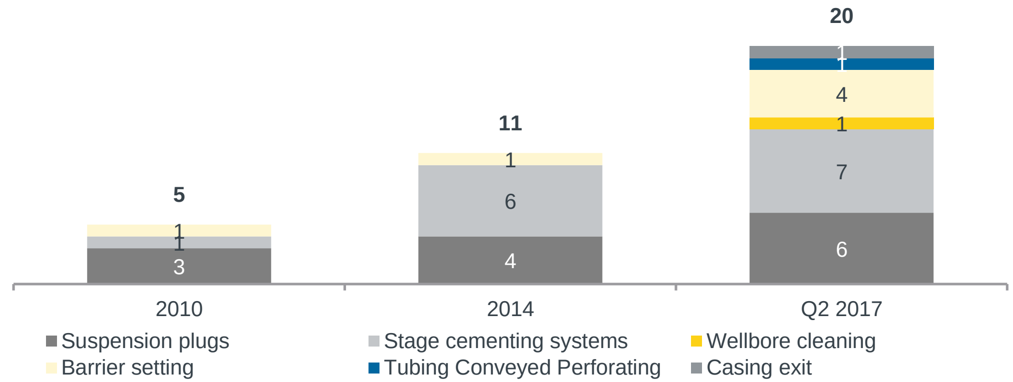
Oiltools:

- Products to seal exploration, production and abandoned wells
- Well positioned for growth based on broader product offering

C6 Well integrity Technology JV (50/50):

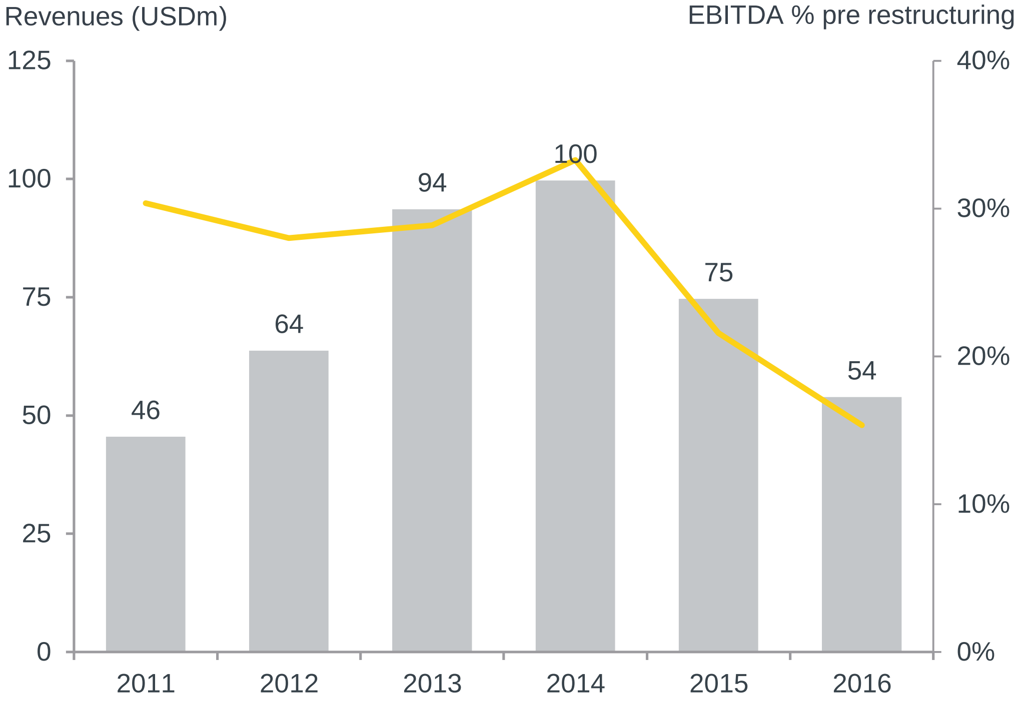
- Field tests for technologies planned for 1H 2017
- NOK ~400 million invested in C6 in total

Product portfolio development (# products)



Approximate classification

Historical financial performance



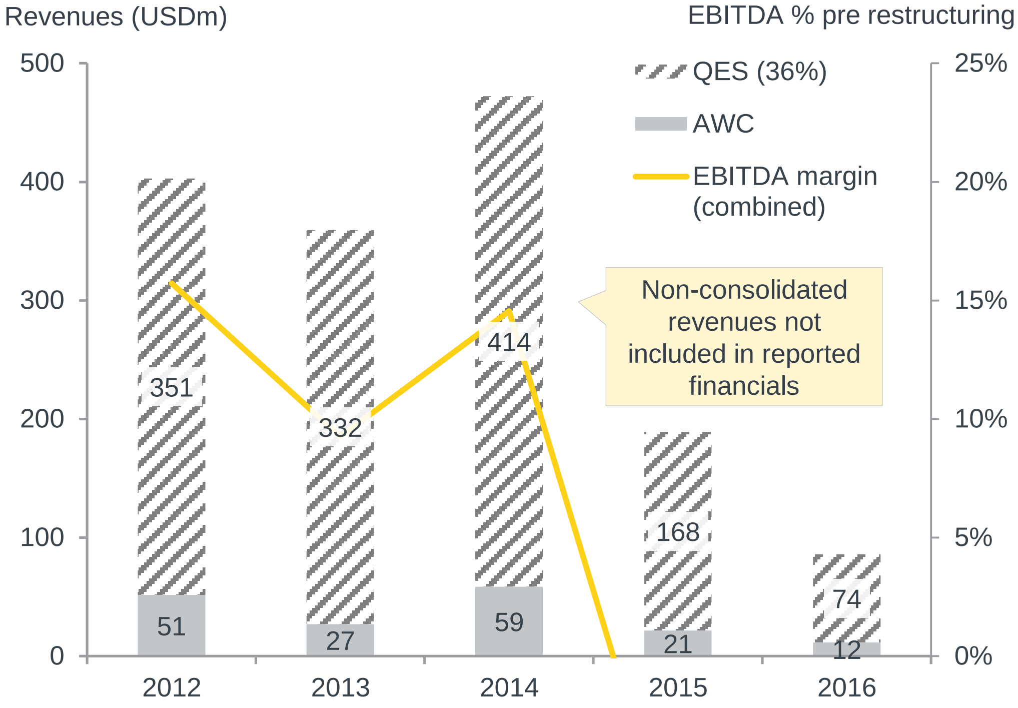
New Spartan plug series launched

- New series of lower cost, non V0 (gas tight) plugs launched in Q1 2017 complimenting current high-end offering of V0 qualified LOCK-series plugs
- Designed for well suspension periods of days to months, ensuring easy deployment, secure seal and safe removal – increasing efficiency and flexibility in operation

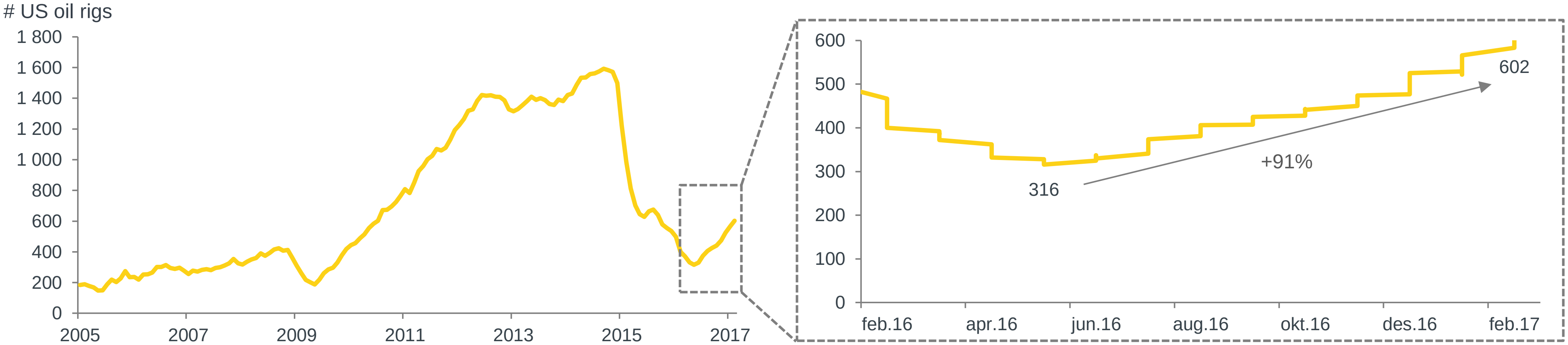
US onshore

- QES re-financed at end of 2016, sufficient liquidity for planned growth in 2017
- AWC experienced increased activity late 2016 with further ramp up visibility into Q2 2017
- Both entities EBITDA positive in Jan 2017 and closely track US rig count
- Significant growth expected for 2017

Historical financial performance



US rig count on the rise after near 80% decline



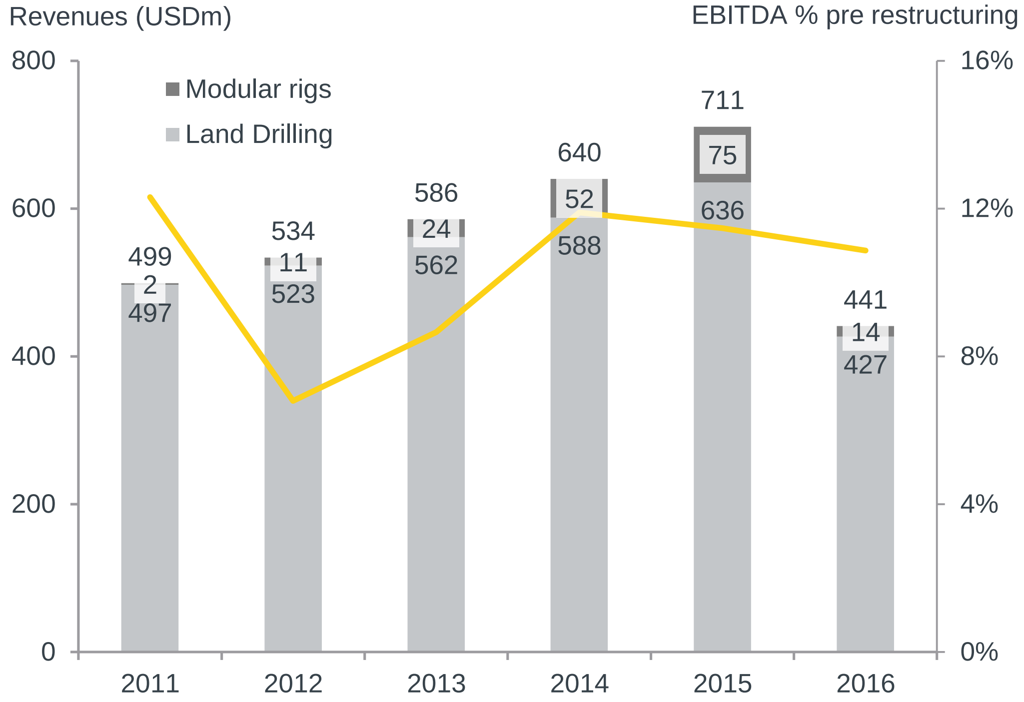
Source: Baker Hughes Rig Count

* Pro-forma share of Quintana Energy Services' (QES) revenues, of which Archer's fully diluted share comprises 36% of QES

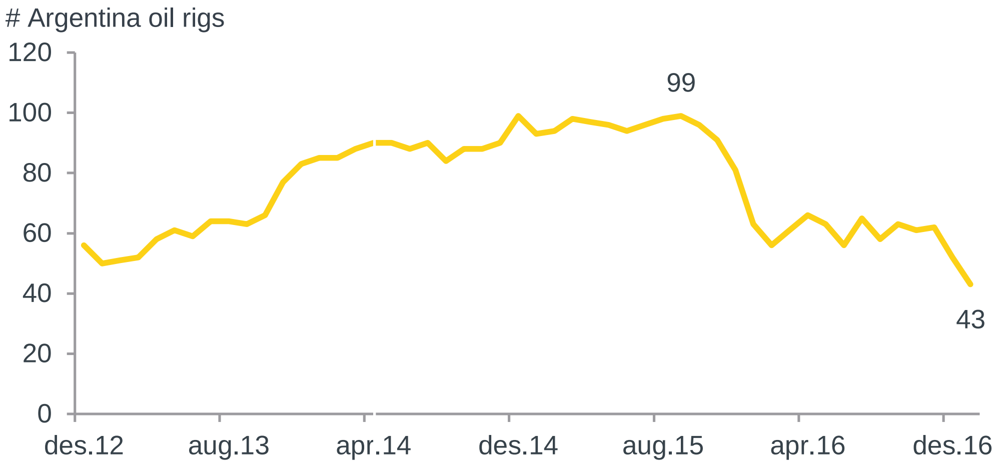
Drilling assets

- 2nd largest contract driller in Argentina
- Utilization 90% (2015) to 73% (2016)
- DLS North: fleet in early stages of development drilling in new basin
- DLS South: fleet maintaining production in mature basin
- Modular rigs stacked, opportunities being pursued for 2018/2019

Historical financial performance



Rig count in Argentina continued drop at yearend



Archer's current Latin American rig fleet

	Drilling rigs	Workover rigs	Pulling unit	Total
Land Drilling North	18	3	1	**22**
Land Drilling South	14	22	19	**55**
Total	**32**	**25**	**20**	**77**

Last addition was six new NOV Ideal rigs for DLS North in 2014.

Source: Baker Hughes Rig Count

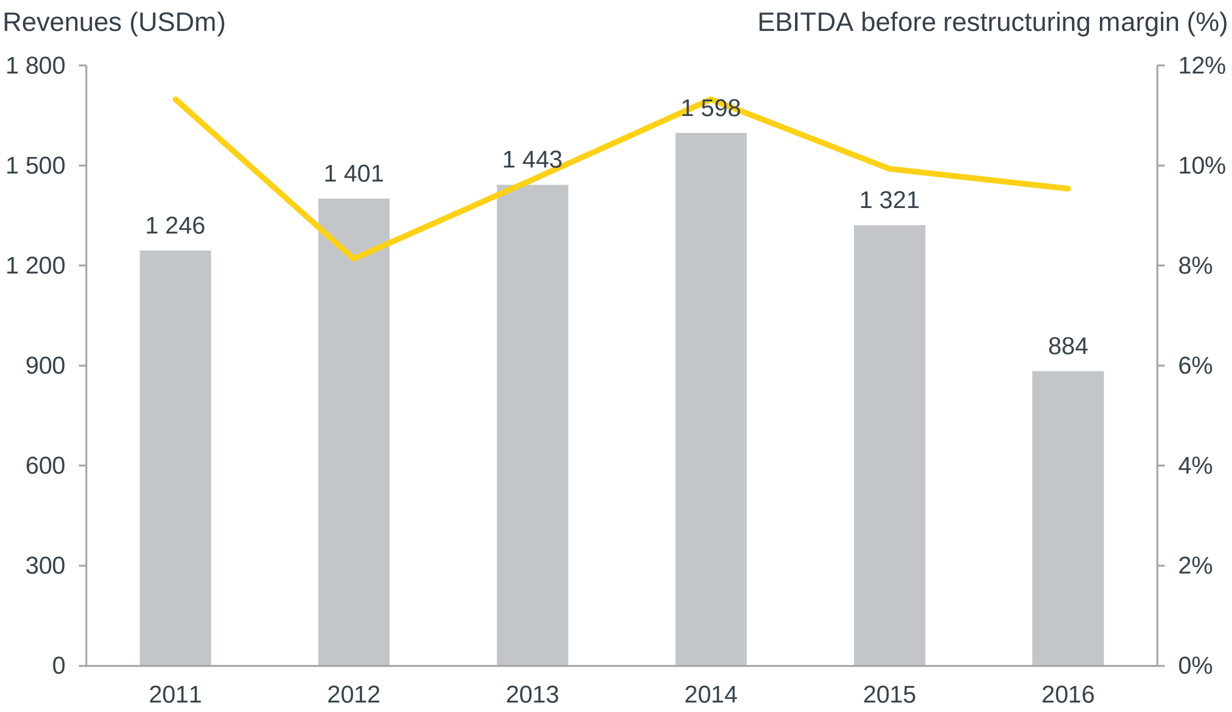
Archer is positioned in attractive segments with positive outlook in overall rebounding market

Business units		Key region	Sentiment*	Outlook
Platform drilling, engineering & wireline	**Platform drilling**	*North Sea*		• Activity increases with North Sea development spending, which is expected to increase from 2017 • Platform drilling is the lowest cost form of drilling operation and benefits first from increased oil price • Light well intervention is first initiative to increase production at low capex, expected to benefit from more IOR projects
	Wireline	*North Sea*		
	Engineering	*North Sea*		
Oiltools & Technology	**Oiltools**	*Global offshore*		• Development tied to global E&P spending • Archer products applicable to all drilling and well intervention phases from exploration to abandonment • Untapped potential in expanding client base to new operators and in new geographies
	C6 Technologies (50%)	*Global offshore*		
US onshore	**QES (36%)**	*US onshore*		• Highly correlated to US onshore drilling activity and rig count, which has risen steadily since low point in 2016 and has continued to increase in 2017 • US upstream spending expected to rise by 23% in 2017 according to Wood Mackenzie
	AWC (frac valves)	*US onshore*		
Drilling assets	**Land Drilling North**	*LatAm onshore*		• Drilling activity in Argentina expected to pick up over next few years. Milestone agreement in Jan 2017 between government, labor unions and oil companies related to major Vaca Muerta shale formation with government fixing subsidized gas price, unions agreeing to more flexible terms and oil companies pledging USD 5 billion investments in 2017 • South Argentina operating conditions stabilized, but remain challenging • Few near-term opportunities for modular rigs, but substantial medium to long-term opportunities when drilling and intervention activity picks up
	Land Drilling South	*Southern Argentina*		
	Modular rigs	*Global offshore*		

Source: Archer, Baker Hughes Rig Count, EIA, IEA, NPD, Oil & Gas UK, Wood Mackenzie
* Medium term growth outlook

Group's key financials 2011-2016

Key financials overview



	2011	2012	2013	2014	2015	2016
Revenues	1,246	1,401	1,443	1,598	1,321	884
EBITDA before restructuring	141	114	140	181	131	84
Margin (%)	*11.3%*	*8.1%*	*9.7%*	*11.3%*	*9.9%*	*9.5%*
EBITDA after restructuring	141	114	136	176	114	49
Margin (%)	*11.3%*	*8.1%*	*9.5%*	*11.0%*	*8.6%*	*5.6%*
Adjusted EBITDA (covenant)				191	151	84
Capex	95	119	102	214	88	6

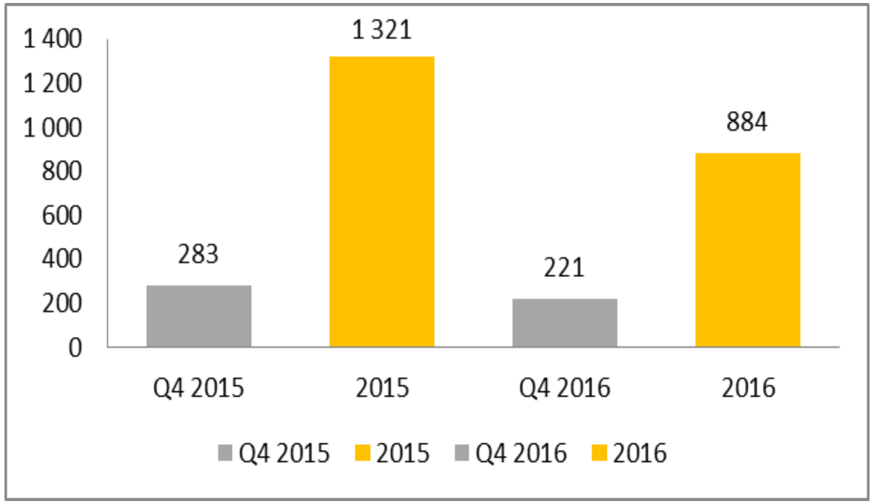
- Revenues have decreased substantially from peak in 2014 following the overall decline in the oil services industry, but Archer has succeeded in protecting operational margins during downturn
- Significant restructuring costs in both 2015 and 2016, mainly spent on operational turnaround and restructuring of loss-making DLS South operation in Argentina. This operation is now largely stabilized through close cooperation with clients and improved oil price, and potential downside is ring-fenced
- Substantial capex of USD >100m per year since 2011 predominantly invested in drilling rigs and equipment
- Capex expected to be substantially lower going forward, and primarily related to maintenance – expected to comprise around 3-4% of revenue including moderate growth capex, mainly for the Oiltools division
- In 2017, we expect revenues and margins broadly in line with 2016, but with net restructuring costs significantly reduces
- Agreed covenants with banks going forward is significantly below 2016 and historic performance, so run way secured for new investors

Note: Figures restated and adjusted for discontinued operations from 2014 and backwards

Archer – key highlights 2016 and fourth quarter

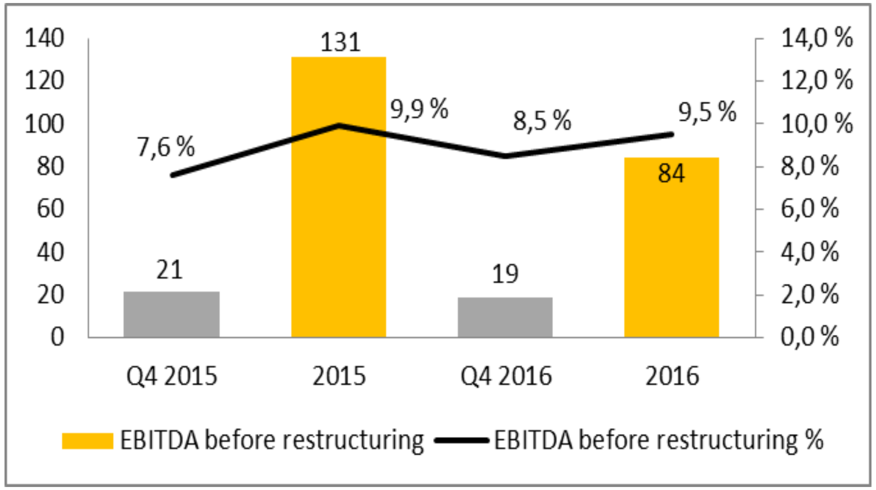
Revenue

- Overall 2016 revenue declined based on low market activity within all segments driven by low investments by the main oil operators.
- Secured important contract renewals in 2016, which gives a solid contract backlog end of 2016.
- Q4 revenue of USD 221 million was up 3.3% from Q3



EBITDA before restructuring

- Despite the decline in revenue from 2015 to 2016, we managed to maintain a strong EBITDA margin end of 2016.
- Achieved EBITDA margin is an result of more efficient operation, timely down manning of headcount according to activity and high focus on costs reduction in all segments.



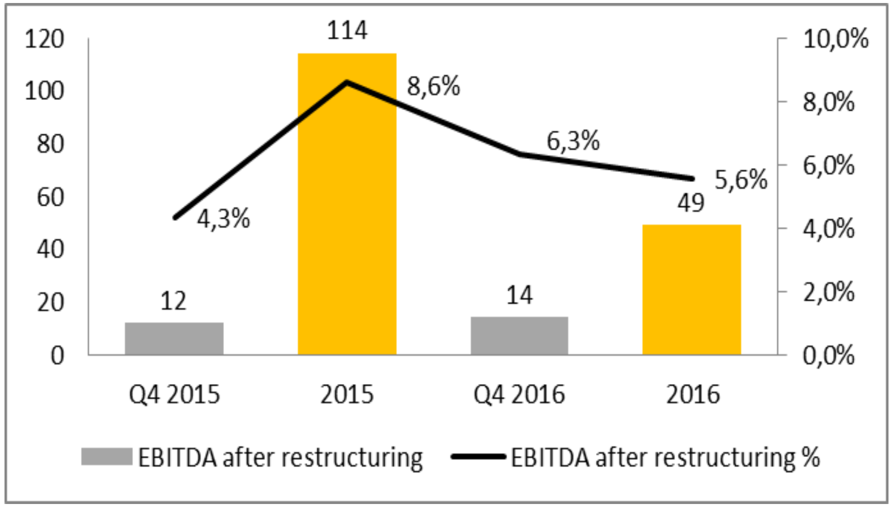
EBITDA margin maintained strong, despite drop in revenue in 2016

Archer – key highlights 2016 and fourth quarter

Archer

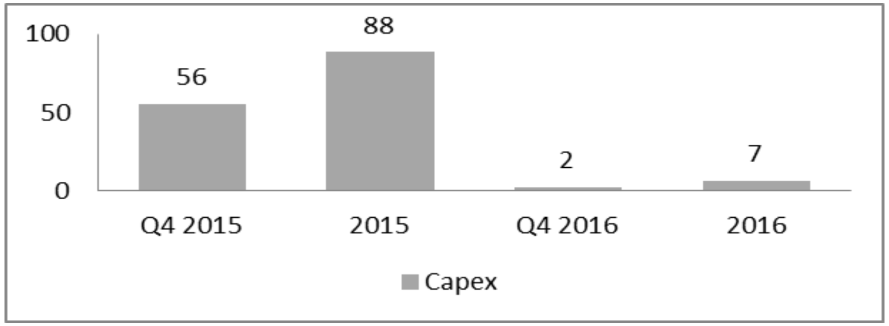
EBITDA after restructuring

- Total restructuring costs for 2016 is $35million and mainly relates to reduction in headcount of more than 1600 employees during 2016
- All divisions have completed restructuring during 2016, but we expect DLS South in Argentina to complete their restructuring during second quarter 2017



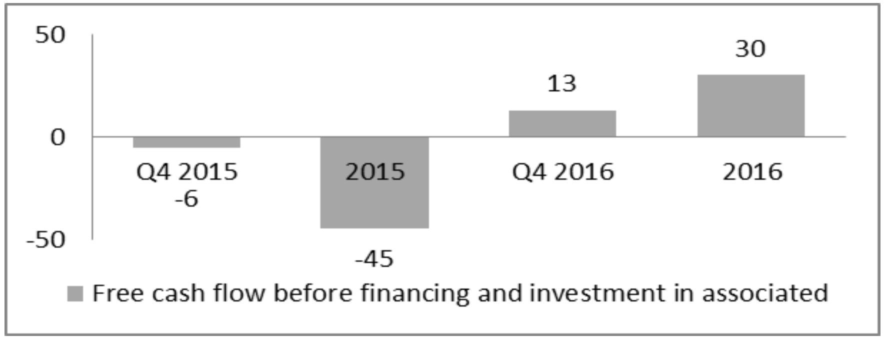
Capital expenditures

- Disciplined capital expenditures, overall capex spending less than 1% of overall revenue.
- Capex expected to be substantially lower going forward, and primarily related to maintenance – including moderate growth capex.



Free cash flow before financing and investment in associates

- Positive cash flow generation from operations during 2016, as a results from high focus on operations, spending and collections.
- Net interest bearing debt for the group reduced by 2% during 2016, despite challenging market.
- NIBD ended at $795.9 million end of 2016.



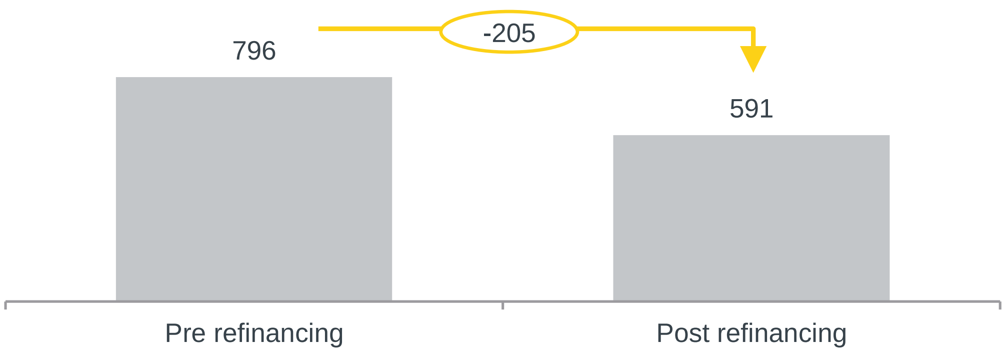
Restructured balance sheet to healthy level combined with long-term agreement with lenders in place

ASSETS	Per 31/12/16	Post restructuring
Cash and cash equivalents	27.3	121.0
Restricted cash	7.6	7.6
Accounts receivables	150.5	150.5
Inventories	61.8	61.8
Other current assets	39.9	39.9
Total current assets	**287.1**	**380.8**
Investments in associates	95.0	95.0
Loans to associates	11.0	11.0
Property, plant and equipment, net	476.4	476.4
Deferred income tax asset	12.2	12.2
Goodwill	172.6	172.6
Other intangible assets, net	3.3	3.3
Deferred charges and other assets	2.8	2.8
Total noncurrent assets	**773.2**	**773.2**
Total assets	**1,060.3**	**1,154.0**

LIABILITIES AND SHAREHOLDERS' EQUITY	Per 31/12/16	Post restructuring
Current portion of interest-bearing debt	131.1	13.3
Accounts payable	52.0	52.0
Other current liabilities	130.0	111.0
Total current liabilities	**313.1**	**176.3**
Long-term interest-bearing debt	567.1	653.4
Subordinated related party loan	125.0	0.0
Convertible bond	0.0	45.0
Deferred taxes	9.7	9.7
Other noncurrent liabilities	15.9	15.9
Total noncurrent liabilities	**717.7**	**724.0**
Shareholder's equity	**29.6**	**253.8**
Total liabilities and shareholders' equity	**1,060.3**	**1,154.0**

- Key effects of restructuring on *pro forma* balance sheet
  - Subordinated related party loan of USD 125 million and USD 21 million in related claims converted to USD 45 million convertible loan
  - New equity of USD 100 million
- Assets
  - Investments in associates comprises USD 85.1 million carried investment in Quintana Energy Services LLP (36% fully diluted) and USD 9.8 million in TAQA Energy Services LLC (50%)
  - Property, plant and equipment include drilling rigs and equipment and well services equipment
- Liabilities (*pro forma)*
  - Current portion of interest-bearing liabilities reduced by USD 118 million after restructuring
  - Reduction in other current liabilities related to conversion of Seadrill related claims
  - Book equity increasing by USD 224 million

Net debt reduced by USD 205 million*



Note: Pro forma post restructuring balance sheet from USD 100 million equity offering
* Post transaction costs

Strong value support

Archer

Business	Comments
Archer 100% as reported	• Positive cash flow generation at trough of cycle in 2016 • Significant part of the capex program in drilling assets finalized • Targeted agreement with lenders and Seadrill – Liquidity buffer and comfortable covenants to ensure runway to 2020 – USD 108 million debt relief – equivalent of NOK 15 per current share outstanding • Flexibility in maximizing values of each business
QES	• US well services businesses restructured and combined with QES with realized cost synergies of about USD 20 million per year • Activity highly correlated with US onshore rig count, which has increased by 91% since low point in May 2016 • Fully refinanced at end of 2016 with Hemen participating, securing sufficient liquidity to fuel growth in 2017 • Archer has provided USD 10 million 2nd lien loan to QES • Non-consolidated entity in Archer's reporting
C6 JV with IKM (50/50)	• Invested NOK 400 million together with IKM for wireline well intervention and conveyance • The technology is promising and is currently being tested and commercialized in 2017 • All strategic options being considered • 50% ownership, non-consolidated entity
TAQA-ARCHER JV (49/51)	• Wireline JV started 2016 • Invested USD 24 million together with TAQA • 51% ownership, non-consolidated entity

Financials

USDm	Avg. 2012-2014	2016
Revenues	1,480	884
EBITDA before restructuring	145	84
Margin (%)	10%	10%
EBITDA after restructuring	142	49
Margin (%)	10%	6%

36%[1] of QES financials (USDm)	Avg. 2012-2014
Revenues	365
EBITDA	47
Margin (%)	13%

1) Archer's current ownership in QES is 42%. 36% stake in QES is on fully diluted basis

Summary investment highlights

Archer

Archer

1	*Operational turnaround completed – generating positive cash flow after capex and interest expenses at trough of cycle*
2	*Runway to 2020 and sufficient cash buffer secured*
3	*Well positioned as an early-cycle play in rebounding markets*
4	*Significant capacity for profitable growth with limited capex requirements going forward*
5	*Revitalized strategy with portfolio focus to maximize value of businesses independently*