

# Archer

## ARCHER LIMITED

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# ARCHER LIMITED

## Consolidated Statements of Operations

(In millions, except per share data)

	Note	Three Months Ended December 31		Twelve months Ended December 31	
		2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (Audited)
<b>Revenues</b>					
Operating revenues		\$ 204.0	\$ 207.6	\$ 789.7	\$ 817.6
Reimbursable revenues		19.7	13.8	57.1	66.2
Total revenues		<u>223.7</u>	<u>221.4</u>	<u>846.8</u>	<u>883.8</u>
<b>Expenses</b>					
Operating expenses		187.4	186.9	706.3	737.5
Reimbursable expenses		18.2	12.7	52.9	58.7
Depreciation and amortization		15.6	18.1	63.7	72.6
Impairments		3.2	-	3.2	17.7
Loss (gain) on sale of assets		(0.6)	(1.7)	(0.7)	(0.2)
General and administrative expenses		3.4	7.8	32.1	38.5
Total expenses		<u>227.2</u>	<u>223.8</u>	<u>857.5</u>	<u>924.8</u>
Operating loss		(3.5)	(2.4)	(10.7)	(41.0)
<b>Financial items</b>					
Interest income		1.0	0.3	3.0	1.9
Interest expenses		(9.9)	(16.6)	(46.0)	(63.0)
Share of results in associated company		0.2	(20.1)	(14.9)	(68.7)
Other financial items	3	(11.1)	(14.8)	121.7	9.2
Total financial items		<u>(19.8)</u>	<u>(51.2)</u>	<u>63.8</u>	<u>(120.6)</u>
(Loss)/income from continuing operations before income taxes		(23.3)	(53.6)	53.1	(161.6)
Income tax (expense) / benefit	4	0.6	5.1	10.2	(0.9)
(Loss)/income from continuing operations		(22.7)	(48.5)	63.3	(162.5)
Loss from discontinued operations, net of tax		-	(1.6)	(2.2)	(3.4)
Net (loss)/profit		<u>\$ (22.7)</u>	<u>\$ (50.1)</u>	<u>\$ 61.1</u>	<u>\$ (165.9)</u>
<b>(Loss)/profit per share-basic</b>					
(Loss)/profit from continuing operations		\$ (0.16)	\$ (0.83)	\$ 0.48	\$ (2.80)
Loss from discontinued operations		-	(0.03)	(0.02)	(0.06)
(Loss)/profit per share		<u>\$ (0.16)</u>	<u>\$ (0.86)</u>	<u>\$ 0.51</u>	<u>\$ (2.86)</u>
<b>(Loss)/profit per share-diluted</b>					
(Loss)/profit from continuing operations		\$ (0.15)	\$ (0.83)	\$ 0.48	\$ (2.80)
Loss from discontinued operations		-	(0.03)	(0.02)	(0.06)
(Loss)/profit per share		<u>\$ (0.15)</u>	<u>\$ (0.86)</u>	<u>\$ 0.46</u>	<u>\$ (2.86)</u>
<b>Weighted average number of shares outstanding</b>					
Basic	5	147.3	58.2	131.4	58.1
Diluted	5	147.5	58.2	131.7	58.1

See accompanying notes that are an integral part of these Consolidated Financial Statements.

**ARCHER LIMITED**  
**Consolidated Statements of Comprehensive (Loss)**  
**(Unaudited)**

<i>(In millions)</i>	Three Months Ended December 31		Twelve months Ended December 31	
	2017	2016	2017	2016
Net (loss)/gain	\$(22.7)	\$(50.1)	\$ 61.1	\$(165.9)
Other comprehensive income /(loss)				
Currency translation differences	0.7	(3.6)	6.5	(25.2)
Change in pension liability	-	-	-	23.1
Other comprehensive income	0.7	(3.5)	6.5	(2.1)
Total comprehensive loss	<u>\$(22.0)</u>	<u>\$(53.7)</u>	<u>\$ 67.6</u>	<u>\$(168.0)</u>

**Accumulated Other Comprehensive Loss**  
**(Unaudited)**

<i>(In millions)</i>	Currency Exchange Differences	Total
Balance at December 31, 2016	\$ (0.7)	\$ (0.7)
Currency exchange differences	6.5	6.5
Balance at December 31, 2017	<u>\$ (1.2)</u>	<u>\$ (1.2)</u>

*See accompanying notes that are an integral part of these Consolidated Financial Statements.*

# ARCHER LIMITED

## Consolidated Balance Sheets

<i>(In millions)</i>	Note	<u>December 31 2017</u> (Unaudited)	<u>December 31 2016</u> (Audited)
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		\$ 59.0	\$ 27.3
Restricted cash		8.7	7.6
Accounts receivables		140.4	150.5
Inventories	7	58.0	61.8
Other current assets		35.9	39.9
Total current assets		302.0	287.1
Noncurrent assets			
Investments in associates	8	82.6	94.9
Loans to associates	8	17.6	11.0
Property plant and equipment, net		432.2	476.4
Deferred income tax asset		21.2	12.2
Goodwill	9	181.9	172.6
Other intangible assets, net	10	2.0	3.3
Deferred charges and other assets		3.4	2.8
Total noncurrent assets		740.9	773.2
Total assets		\$ 1,042.9	\$ 1,060.3
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities			
Current portion of interest-bearing debt	11	\$ 7.2	\$ 131.1
Accounts payable		53.6	52.0
Other current liabilities		117.0	130.0
Total current liabilities		177.8	313.1
Noncurrent liabilities			
Long-term interest-bearing debt	11	596.7	567.1
Subordinated related party loan		58.3	125.0
Deferred taxes		7.3	9.7
Other noncurrent liabilities		2.4	15.8
Total noncurrent liabilities		664.7	717.6
Shareholders' equity			
Common shares of par value \$0.01 per share: 1.0 billion shares authorized: 58,164,966 outstanding shares at December 31, 2017 (December 31, 2016: 57,915,716)		1.5	0.6
Additional paid in capital		926.0	823.7
Accumulated deficit		(1,466.0)	(1,527.1)
Accumulated other comprehensive loss		(1.2)	(7.7)
Contributed surplus		740.1	740.1
Total shareholders' equity		200.4	29.6
Total liabilities and shareholders' equity		\$ 1,042.9	\$ 1,060.3

*See accompanying notes that are an integral part of these Consolidated Financial Statements.*

**ARCHER LIMITED**  
**Consolidated Statements of Cash Flow**  
(Unaudited)

<i>(In millions)</i>	Twelve months Ended December 31	
	2017	2016
<b>Cash Flows from Operating Activities</b>		
Net gain/(loss)	\$ 61.1	\$ (165.9)
Net loss from discontinued operations	2.2	3.4
Net gain/(loss) from continuing operations	63.3	(162.5)
<u>Adjustment to reconcile net loss to net cash provided by operating activities</u>		
Depreciation and amortization	63.7	72.6
Gain on debt restructure	(121.1)	-
Debt fees paid and expensed	7.4	-
Impairments & Write-down of inventory	3.2	17.7
Share-based compensation expenses	0.5	0.4
Gain on property, plant and equipment disposals	(0.7)	(0.2)
Share of losses of unconsolidated affiliates	14.9	68.7
Amortization of loan fees	2.3	4.6
Deferred income taxes	(13.1)	(6.5)
Foreign currency (gain) / loss	(8.9)	(11.6)
<i>Changes in operating assets and liabilities</i>		
Decrease in accounts receivable and other current assets	9.5	63.3
Decrease in inventories	2.5	13.5
Decrease in accounts payable and other current liabilities	(7.9)	(24.9)
Other, net	-	2.4
Net cash used in discontinued operations	(2.2)	(3.4)
	13.4	34.1
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(12.5)	(6.5)
Proceeds from disposal of property, plant and equipment	2.3	1.8
Loans to / investment in associates	(8.8)	(21.4)
Net change in restricted cash	(0.8)	0.7
Net cash used investing activities	(19.8)	(25.4)
<b>Cash Flows from Financing Activities</b>		
Borrowings under overdrafts and revolving facilities	3.7	148.2
Repayments under overdrafts and revolving facilities	(36.2)	(189.6)
Proceeds from related party subordinated debt	-	75.0
Proceeds from long-term debt	0.5	-
Repayment of long-term debt	(40.0)	(20.9)
Debt issuance costs	(7.4)	(2.0)
Net proceeds from private placement and subsequent offering	102.7	-
Net cash provided by financing activities	23.3	10.7
Effect of exchange rate changes on cash and cash equivalents	14.8	(12.6)
Net increase/(decrease) in cash and cash equivalents	31.7	6.8
Cash and cash equivalents at beginning of the period	27.3	20.5
Cash and cash equivalents at the end of the period	59.0	27.3
Interest paid	\$ 40.0	\$ 47.4
Taxes paid	\$ 3.8	\$ 10.6

*See accompanying notes that are an integral part of these Consolidated Financial Statements.*

**ARCHER LIMITED**  
**Consolidated Statement of Changes in Shareholders' Equity**  
(Unaudited)

(In millions)

	<u>Share Capital</u>	<u>Additional Paid In Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Contributed Surplus</u>	<u>Total Shareholders' Equity</u>
<b>Balance at December 31, 2016</b>	<b>\$ 0.6</b>	<b>\$ 823.7</b>	<b>\$ (1,527.1)</b>	<b>\$ (7.7)</b>	<b>\$ 740.1</b>	<b>\$ 29.6</b>
Proceeds from private placement	0.8	98.3	-	-	-	99.1
Proceeds from subsequent offer	0.1	5.7	-	-	-	5.8
Costs of share issue	-	(2.2)	-	-	-	(2.2)
Share based compensation	-	0.5	-	-	-	0.5
Translation differences	-	-	-	6.5	-	6.5
Net income	-	-	61.1	-	-	61.1
<b>Balance at September 30, 2017</b>	<b>\$ 1.5</b>	<b>\$ 926.0</b>	<b>\$ (1,466.0)</b>	<b>\$ (1.2)</b>	<b>\$ 740.1</b>	<b>\$ 200.4</b>

See accompanying notes that are an integral part of these Consolidated Financial Statements.

# ARCHER LIMITED

## Notes to Unaudited Consolidated Financial Statements

### **Note 1 – Summary of Business and Significant Accounting Policies**

#### *Description of business*

Archer Limited is an international oilfield service company providing a variety of oilfield products and services through its Area organization. Services include platform drilling, land drilling, modular rigs, engineering services, equipment rentals, wireline services, well imaging and integrity management tools.

As used herein, unless otherwise required by the context, the term "Archer" refers to Archer Limited and the terms "Company," "we," "Group," "our" and words of similar import refer to Archer and its consolidated subsidiaries. The use herein of such terms as "group", "organization", "we", "us", "our" and "its" or references to specific entities is not intended to be a precise description of corporate relationships.

We employed approximately 4,792 skilled and experienced people at December 31, 2017.

Archer was incorporated in Bermuda on August 31, 2007 and conducted operations as Seawell Ltd. until May 16, 2011 when shareholders approved a resolution to change the name to Archer Limited.

#### *Basis of presentation*

The unaudited fourth quarter 2017 consolidated financial statements are presented in accordance with United States of America Generally Accepted Accounting Principles (US GAAP). The unaudited fourth quarter consolidated financial statements do not include all of the disclosures required in complete annual financial statements. These fourth quarter financial statements should be read in conjunction with our financial statements as of December 31, 2016. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement have been included.

#### *Use of estimates*

In accordance with accounting principles generally accepted in the United States of America, the preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Future events and their effects cannot be perceived with certainty. Accordingly, our accounting estimates require the exercise of judgment. While management believes that the estimates and assumptions used in the preparation of the consolidated financial statements are appropriate, actual results could differ from those estimates. Estimates are used for, but are not limited to, determining the following: allowance for doubtful accounts, recoverability of long-lived assets, goodwill and intangibles, useful lives used in depreciation and amortization, income taxes, valuation allowances and purchase price allocations. The accounting estimates used in the preparation of the consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes.

#### *Significant accounting policies*

The accounting policies utilized in the preparation of the unaudited fourth quarter financial statements are consistent with those followed in the preparation of our annual consolidated financial statements and accompanying notes for the year ended December 31, 2016. For ease of reference we have stated some specific policies, which have a significant impact on this quarters result.

## *Goodwill*

We allocate the cost of acquired businesses to the identifiable tangible and intangible assets and liabilities acquired, with any remaining amount being capitalized as goodwill. Goodwill is not amortized but is tested for impairment at least annually. We test goodwill, by reporting unit, for impairment on an annual basis, and between annual tests if an event occurs, or circumstances change, that would more likely than not, reduce the fair value of a reporting unit below its carrying amount. The reporting units have been identified in accordance with Accounting Standards codification 350-20 "Intangible Assets – Goodwill" as the business components one level below the reporting segments each of which we identified as

- constituting a business,
- for which discrete financial information is available, and
- whose operating results are reviewed regularly by segment management

We aggregated components with similar economic characteristics.

If an initial qualitative review of the carrying value of our goodwill indicates that an impairment is probable, we apply the testing mechanism prescribed in USGAAP which involves a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. If the reporting unit's fair value exceeds its carrying value, no further procedures are required. However, if a reporting unit's fair value is less than its carrying value, an impairment of goodwill may exist, requiring a second step to measure the amount of impairment loss.

We estimate the fair value of each reporting unit using the income approach. The income approach incorporates the use of a discounted cash flow method in which the estimated future cash flows and terminal values for each reporting unit are discounted to a present value. Cash flow projections are based on management's estimates of economic and market conditions that drive key assumptions of revenue growth rates, operating margins, capital expenditures and working capital requirements. The discount rate is based on our specific risk characteristics, our weighted average cost of capital and our underlying forecasts. There are inherent risks and uncertainties involved in the estimation process, such as determining growth and discount rates.

## *Impairment of long-lived assets and intangible assets*

The carrying values of long-lived assets, including intangible assets that are held and used by us are reviewed for impairment at least once a year during the fourth quarter. As prescribed by USGAAP, for step one of the impairment test, we assess our major assets/asset groups for recoverability of the carrying value of the asset by estimating the undiscounted future net cash flows expected to result from the asset, including eventual disposal. If the future net cash flows are less than the carrying value of the asset, impairment is required. We use various methods to estimate the fair value of our assets, using all and best available relevant data, including estimated discounted cash flow forecasts, relevant market data where available, and independent broker valuations for our land rigs. Once the fair value has been determined, the potential impairment is recorded equal to the difference between the asset's carrying value and fair value.

## *Reclassifications*

We have made certain reclassifications to prior period amounts to conform to the current period's presentation, including certain reclassifications to present discontinued operations. Other reclassifications did not have a material effect on our consolidated financial statements.

## *Recently issued accounting pronouncements*

Since December 31, 2016, the Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) which may be relevant to Archer's financial statements:



ASU 2017-02 Leases (Topic 842). This update creates new topic 842, containing new guidance for lease accounting which is effective for fiscal years beginning after December 15, 2018. Early application is permitted. The new GAAP requires the recognition of lease assets and liabilities by lessees, for leases previously classified as operating leases.

For leases for a period of 12 months or less, an election is available by class of underlying asset, not to recognise lease assets and liabilities. Instead, a lease expense may be recognised, generally on a straight line basis, over the lease term.

The distinction between finance and operating leases is maintained under the new GAAP, and the effect of leases in the statement of comprehensive income and statement of cash flows is largely unchanged from previous GAAP.

Under the new GAAP a lease is defined as a contract (or part of a contract) that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration.

We expect that the application of the new GAAP will bring some additional assets and liabilities on to our future balance sheets. We have not yet analysed and quantified the amounts involved.

ASU 2017-08 Revenue from contracts with customers (Topic 606) Principal versus Agent considerations. The update clarifies the guidance on whether revenues should be recognised gross or net, in cases where a third party intermediary is involved in the transaction. The provisions are more directly relevant to intermediaries involved in some of our sales, however we shall apply the provisions to ensure our revenues are recorded correctly. We do not expect this update to have a material effect on our financial statements.

ASU 2017-09 Stock compensation (Topic 718) – Improvements to employee share based payment accounting. The update is part of the FASB's simplification initiative. We do not expect the provisions in this guidance to have a material effect on our financial statements.

ASU 2017-10 revenue from Contracts with customers (Topic 606) Identifying performance obligations and Licensing. The new revenue recognition guidance (Topic 606) is applicable for fiscal periods beginning after December 15, 2017. We are still assessing the impact of the new provisions on our financial statements.

## Note 2 – Impairments

With the continued economic challenges within the Oilfield sector during 2017, which is reflected in reduced results and forecasts, we have been closely monitoring the carrying values of our assets and we conducted a comprehensive impairment test for long lived assets during the fourth quarter of 2017. In fourth 2017 we have recognised an impairment loss of \$3.2 million in respect of idle and obsolete land drilling equipment in our South American business.

As stated in our policy noted above, we use various methods to estimate the fair value of our assets, each of which involves significant judgement. The current economic climate is adding to uncertainties in the assumptions involved in valuations based on future performance of assets. We have used the most relevant data available, including specific independent valuations for each of our land rigs. The key inputs and assumptions used in the various valuations included future market growth rates, EBITDA margins, discount factors and asset lives. Reasonable variations in these assumptions could give rise to additional impairment. Whilst acknowledging the uncertainty and the level of judgment involved in our estimates of value, we believe our determination of impairment charges to be reasonable and prudent.

## Note 3 – Other Financial Items

<i>(In millions)</i>	Three Months Ended		Twelve months Ended	
	December 31		December 31	
	2017	2016	2017	2016
Foreign exchange (losses) / gains	\$ (10.5)	\$ (16.3)	\$ 8.9	\$ 11.6
Gain on debt restructure	-	-	121.1	-
Other items	(0.6)	1.5	(8.3)	(2.4)
Total other financial items	<u>\$ (11.1)</u>	<u>\$ (14.8)</u>	<u>\$121.7</u>	<u>\$ 9.2</u>

During the second quarter of 2017 we completed a comprehensive restructuring of our debt by the signing of an amendment and restatement agreement with the lenders under our multicurrency revolving credit facility, and the signing of certain amendment agreements with Seadrill in relation to the subordinated loans. The restructure is described in more detail in notes 9 and 14. The debt restructure resulted in the recognition of a gain of \$121.1 million in the second quarter. This represents \$0.92 of the year to date earnings per share, and \$0.83 of the second quarter earnings per share figure.

In addition to the one-off gain on the debt restructure, other financial items represent predominantly foreign exchange gains on an intercompany loan balance denominated in Norwegian Kroner. The intercompany loan is held in a USD functional entity, while the corresponding intercompany debt is held in a Norwegian Kroner functional entity. The financial impact of the entity with Norwegian Kroner functional currency is classified as other comprehensive income.

## Note 4 – Income Taxes

Tax expense (benefit) can be split in the following geographical areas:

<i>(In millions)</i>	Three Months Ended		Twelve months Ended	
	December 31		December 31	
	2017	2016	2017	2016
United States	\$ -	\$ 0.1	\$ 0.1	\$ 0.4
South America	4.1	(2.6)	(6.2)	(3.9)
Europe	5.3	(1.2)	(4.9)	4.4
Other taxes	(9.9)	(1.4)	0.8	0.0
Total	<u>\$ (0.6)</u>	<u>\$ (5.1)</u>	<u>\$ (10.2)</u>	<u>\$ 0.9</u>

Archer is operating in many jurisdictions and our income tax expense is generated by earnings, which are taxed at the respective country's corporate income tax rate, and withholding taxes applied to some cross-border settlements.

The Group's net tax position for 2017 is a net tax benefit of \$ 10.2 million.

For the year ended December 31, 2017 we have recognised a net tax benefit of \$0.7 million relating to our South American operations. This comprises a net tax expense of \$3.0 million relating to our operations in DLS South, offset by a net tax benefit of \$3.7 million for DLS North.

Our operations in Europe resulted in a net tax credit of \$7.5 million. The main elements of this figure are a tax loss of \$6.4 million reported by Norwegian entities and net tax loss from the United Kingdom entities of \$1.1 million.

We have not recognised any deferred tax asset in relation to operational losses from our North American operations.

As at 31 December we have total deferred tax assets in Argentina of \$20.5 million, against which we have made a valuation allowance of \$12.6 million. In addition we have net deferred tax assets of \$13.7 million recorded in our Norwegian entities.

#### **Note 5 – Discontinued Operations**

On December 31, 2015, we completed a contribution agreement with Quintana Energy Services LLP ("QES") to contribute our Pressure Pumping, Directional Drilling, Pressure Control and Wireline divisions ("Well Services Entities") which had previously been reported within our North American (NAM) segment.

The aggregate consideration paid by QES in exchange for the contribution of the Well Services Entities consists of QES Common Units constituting 42% of the total Common Units in QES pursuant to closing of the transaction on a fully diluted basis.

Our interest in the combined company is reported as an equity investment with our share of QES results being reported within share of results of affiliates

During 2017 we have reported costs of \$2.2 million as discontinued operations. These costs relate to the closure of an office facility which previously serviced the business contributed to QES, and the provision of transition services to QES.

## Note 6 – Earnings per Share

The computation of basic EPS is based on the weighted average number of shares outstanding during the period. Diluted EPS includes the effect of the assumed conversion of potentially dilutive instruments. The denominator used for the computation of basic and diluted earnings was computed as follows:

<i>(In thousands)</i>	Three Months Ended December 31		Twelve months Ended December 31	
	2017	2016	2017	2016
Denominator				
Weighted-average common shares outstanding	147,282	58,165	131,416	58,121
Effect of potentially dilutive common shares	179	—	261	—
Weighted-average common shares outstanding and assumed conversions	<u>147,461</u>	<u>58,165</u>	<u>131,677</u>	<u>58,121</u>

Share-based compensation of approximately 111,445 and 123,496 shares were excluded from the computation of diluted earnings per share for the three and twelve months ended December 31, 2016, respectively, as the effect would have been antidilutive due to the net loss for the period.

## Note 7 – Inventories

<i>(In millions)</i>	December 31	December 31
	2017	2016
Manufactured		
Finished goods	\$ 16.5	\$ 16.6
Work in progress	1.8	1.2
Raw materials	-	-
Total manufactured	18.3	17.8
Drilling supplies	14.2	24.4
Chemicals	3.5	6.1
Other items and spares	22.0	13.5
Total inventories	<u>\$ 58.0</u>	<u>\$ 61.8</u>

## Note 8 — Investments in Associates

We have the following participation in investments that are recorded using the equity method:

	December 31, 2017	December 31, 2016
C6 Technologies AS	50.00%	50.00%
Rawabi Archer Company (Previously Rawabi Allis-Chalmers Company Ltd.)	50.00%	50.00%
Quintana Energy Services LLP	42.00%	42.00%
TAQA Archer Services LLC	51.00%	51.00%

The carrying amounts of our investments accounted for under the equity method are as follows:

<i>(in millions)</i>	December 31, 2017	December 31, 2016
C6 Technologies AS	—	—
Rawabi Archer Company	—	—
Quintana Energy Services LLP	74.3	85.1
TAQA Energy Services LLC	8.3	9.8

The components of investments in associates are as follows:

<i>(\$ in millions)</i>	<b>2016</b>			
	QES	C6	Rawabi	TAQA
Net book balance at beginning of year	148.1	-	-	-
Additional capital investment*	-	3.3	-	12.2
Share in results of associates	(62.9)	(3.3)	-	(2.5)
Rounding adjustment	(0.1)	-	-	0.1
Carrying value of investment at December 31	85.1	-	-	9.8
Carrying value of Loan balance at December 31	5.0	6.0	-	-

  

<i>(\$ in millions)</i>	<b>2017</b>			
	QES	C6	Rawabi	TAQA
Net book balance at beginning of year	85.1	-	-	9.8
Additional capital investment	-	2.6	-	-
Share in results of associates	(10.8)	(2.6)	-	(1.5)
Rounding adjustment	-	-	-	-
Carrying value of investment at December 31	74.3	-	-	8.3
Carrying value of Loan balance at December 31	11.0	6.5	-	-

Quoted market prices for C6 Technologies AS, Rawabi Archer Company, Quintana Energy Services LLP and Archer TAQA Services LLC are not available because the shares are not publicly traded.

During 2017 the directors of TAQA have taken the decision to close down the joint venture. TAQA is in the process of monetarising all of its tangible assets and settling liabilities before making a final distribution to its two shareholders. At December 31, 2017, we believe that we shall recover the full \$8.3 million carrying value of our investment by the receipt of assets and/or final cash distribution.

In addition to our capital investment in C6, we have made additional investment by way of a loan which, at December 31, 2017, has a carrying value of \$6.5 million (2016 \$6.0 million) and is repayable in 2021 when we expect the developed technology to have generated sufficient funds. We have applied our share of the expenses incurred by C6 as a reduction in the value of our loan due from the entity.

The share in results related to our investment in QES reflects our 42% portion of the total losses incurred by the entity during 2017. In addition to the investment in QES, we have provided QES with a loan of \$10 million. Interest due on the loan has been added to the loan balance at December 31, 2017, increasing the loan to \$11 million. Included in the terms of the loan arrangement which involved other third parties, Archer and the other lenders received penny warrants. Archer's warrants represent 8.5% of the shares in QES which, along with the warrants issues to other lenders, implies that on a fully diluted basis, Archer's ownership in QES will be reduced from 42% to approximately 36% if all the warrants are exercised.

On January 29, 2018 we announced that our equity investment Quintana Energy Services has launched an initial public offering of 9,259,259 shares of its common stock – See Note 16 Subsequent events.

## Note 9 – Goodwill

Goodwill represents the excess of purchase price over the fair value of tangible and identifiable intangible assets acquired. All of our remaining goodwill relates to our Eastern Hemisphere reporting segment – see also note 12.

(In millions)

Net book balance at December 31, 2016	\$ 172.6
Currency adjustments	<u>9.3</u>
Net book balance at December 31, 2017	<u>\$181.9</u>

We test goodwill for impairment on an annual basis during the fourth quarter and between annual tests if an event occurs, or circumstances change, that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The testing of the valuation of goodwill involves significant judgement and assumptions to be made in connection with the future performance of the various components of our business operations, including assumptions about future cash flows of each reporting unit, discount rates applied to these cash flows and current market estimates of value. Based on the uncertainty of future revenue growth rates, gross profit performance, and other assumptions used to estimate our reporting units' fair value, future reductions in our expected cash flows, should current market conditions worsen or persist for an extended period of time, could lead to future a material non-cash impairment charge of in relation to our remaining goodwill.

## Note 10 – Other Intangible Assets

<i>(In millions)</i>	Cost	Accumulated Amortization	Net
Balance at December 31, 2016	\$ 25.2	\$ (21.9)	\$ 3.3
Amortization	-	(1.5)	(1.5)
Currency adjustments	1.1	(0.9)	0.2
Balance at December 31, 2017	<u>\$ 26.3</u>	<u>\$ (24.3)</u>	<u>\$ 2.0</u>

The net book value at December 31, 2017, consisted of customer relationships of \$0.2 million, identified technology of \$0.3 million, and patents of \$1.5 million.

## Note 11 – Long-term, Interest-Bearing Debt

<i>(In millions)</i>	December 31, 2017			December 31 2016		
	Loan balance	Unamortized debt issuance costs	Long-term debt less unamortized debt issuance costs	Loan balance	Unamortized debt issuance costs	Long-term debt less unamortized debt issuance costs
Multicurrency term and revolving facility	566.8	(2.5)	564.3	625.0	(4.5)	620.5
Related party subordinated loan	58.3	-	58.3	125.0	-	125.0
Hermes-covered term loans	25.5	(0.5)	25.0	28.0	(0.8)	27.2
Other loans and capital lease liability	14.6	-	14.6	50.5	-	50.5
Total loans and capital lease liability	<u>665.2</u>	<u>(3.0)</u>	<u>662.2</u>	<u>828.5</u>	<u>(5.3)</u>	<u>823.2</u>
Less: current portion	<u>(8.3)</u>	<u>1.1</u>	<u>(7.2)</u>	<u>(134.7)</u>	<u>3.6</u>	<u>(131.1)</u>

Long-term portion of interest bearing debt	656.9	(1.9)	655.0	693.8	(1.7)	692.1
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*Multicurrency term and revolving credit facility*

During Q2 2017 we completed the restructuring of our main finance facilities involving the amendment agreements to our multicurrency term and revolving facility, (the "Facility"), the new terms of which are disclosed below, and our subordinated loan from Seadrill, which is discussed in more detail below and in Note 13, Related parties. We have concluded that the overall restructuring of our debt with our various lenders falls under the USGAAP definition of a troubled debt restructure.

The interest payable on the Facility is the aggregate of 1, 3 or 6 month NIBOR, LIBOR or EURIBOR, plus between 2.25% and 4.35% per annum, depending on the ratio of the net interest bearing debt to EBITDA. In March 2020 quarterly instalments of \$10 million commence and the final maturity date of the Facility is September 30, 2020.

The total amount available under the Facility is \$650.8 million of which a total of \$566.8 million was drawn as at December 31, 2017. The Facility is secured by pledges over shares in material subsidiaries, assignment over intercompany debt and guarantees issued by the material subsidiaries.

The Facility contains certain financial covenants, including, among others:

- Archer will ensure that the 12 months rolling Nominal EBITDA (after certain adjustments) of the group is at least \$45 million in 2017, \$55 million in 2018, \$65 million in 2019 and \$85 million in 2020.
- Archer shall ensure that the 12 months rolling EBITDA (as reported) for the group is positive.
- Archer shall maintain \$30 million in freely available cash (including undrawn committed credit lines).
- Archer shall ensure that the capital expenditures shall not exceed \$25 million for the financial year 2017 and \$40 million per year thereafter.

The Facility contains events of default which include payment defaults, breach of financial covenants, breach of other obligations, breach of representations and warranties, insolvency, illegality, unenforceability, curtailment of business, claims against an obligor's assets, appropriation of an obligor's assets, failure to maintain exchange listing, material adverse effect, repudiation and material litigation. In addition there are cross default clauses in the event of the obligor defaulting on other issued debt.

As of December 31, 2017, the Company is in compliance with all covenants as agreed with its lenders under this Facility.

*Related party subordinated loan*

A total of \$125 million of subordinated loans from Seadrill Limited, were replaced with a subordinated convertible loan with face value of \$45 million in Q2 2017. The loan matures on December 31, 2021, and bears PIK interest of 5.5% per year. The conversion rights attached to the renegotiated loan are exercisable from January 1, 2021, and entitle Seadrill to convert the debt at a rate of 0.48 ordinary shares in Archer for each \$1.00 of loan and accrued interest.

Under the USGAAP provisions for troubled debt restructuring, interest up to the maturity date has been accrued to the loan balance, increasing the book value of the loan from \$45 million to \$58.3 million.

The amendments to the finance arrangements agreed with Seadrill are discussed in more detail in Note 13, Related parties.

*Hermes-covered term loan*

On December 6, 2013 Archer Topaz Limited, a wholly owned subsidiary of Archer, signed a €48.4 million Hermes covered term loan agreement for the financing of the modular rig, Archer Topaz. As part of the

debt restructuring agreed with our lenders during 2017, the maturity date of this loan was extended from May 2019 to September 2020, the repayment schedule was amended and the covenants aligned to those of the Facility. The formalisation of these amendments to this loan agreement was completed in October 2017. The interest rate applied to this loan is 1.45% above EURIBOR. At December 31, 2017 the equivalent of \$25.5 million was outstanding under this facility.

#### *Other loans and capital leases*

At December 31, 2017 we have borrowed \$7.3 million under a long term facility in Argentina, and in Bolivia we have borrowed a further \$3.2 million under local short term facilities.

We have finance arrangements relating to equipment in our Oiltools division and insurance premiums. At December 31, 2017, the balance due under these arrangements was \$4.1 million.

#### *Interest rate swap agreement*

We have an interest rate swap agreement securing the interest rate on NOK 500 million until May 2019, The fair value of the swap as at December 31, 2017 was a liability of \$1.2 million and is included within other liabilities. We are not currently applying hedge accounting to any of our financial instruments.

### **Note 12 – Segment Information**

The split of our organization and aggregation of our business into segments is based on differences in management structure and reporting, location of regional management and assets, economic characteristics, customer base, asset class and contract structure.

Following the contribution of our North American well services businesses to QES on December 31, 2016, and a re-organisation of our management and reporting structure, with effect from January 1, 2017, we are presenting our business under two reporting segments;

- Eastern Hemisphere
- Western Hemisphere

Western Hemisphere comprises our operations previously reported under Latin America, being land drilling operations in Latin America, our Frac Valve producing facility in North America and our 42% interest in QES.

The Eastern Hemisphere segment contains the business previously reported under North Sea, and our global Oil Tools and Wireline Service divisions (previously reported within the Emerging Markets & Technologies segment). We report corporate costs and assets as separate line items.

The accounting principles for the segments are the same as for our consolidated financial statements. Presented below and on the following page are the revenues, depreciation and amortization, operating income, capital expenditures, goodwill and total assets by segment after treating our divested North America well service businesses, as discontinued operations and not as part of our continuing operations by segment.



(In millions)	Three Months Ended December 31		Twelve months Ended December 31	
	2017	2016	2017	2016
Revenues from external customers				
Eastern Hemisphere	\$ 119.4	\$ 109.9	\$ 445.6	\$ 445.1
Western Hemisphere	104.3	111.5	401.2	438.7
Total	<u>\$ 223.7</u>	<u>\$ 221.4</u>	<u>\$ 846.8</u>	<u>\$ 883.8</u>
Depreciation and amortization				
Eastern Hemisphere	\$ 7.1	\$ 7.9	\$ 28.6	\$ 31.3
Western Hemisphere	8.5	10.2	35.1	41.3
Total	<u>\$ 15.6</u>	<u>\$ 18.1</u>	<u>\$ 63.7</u>	<u>\$ 72.6</u>
Net operating (loss)/gain				
Eastern Hemisphere	\$ 0.2	\$ 5.4	\$ 12.1	\$ 19.2
Western Hemisphere	(7.4)	(5.3)	(21.6)	(49.2)
Corporate costs	3.9	(2.1)	(0.5)	(10.6)
Stock compensation costs	(0.2)	(0.4)	(0.5)	(0.4)
Operating loss	<u>(3.5)</u>	<u>(2.4)</u>	<u>(10.7)</u>	<u>(41.0)</u>
Total financial items	(19.8)	(51.2)	63.8	(120.6)
Income taxes	0.6	5.1	10.2	(0.9)
Discontinued operations, net of taxes	-	(1.6)	(2.2)	(3.4)
Net (loss)/gain	<u>\$ (22.7)</u>	<u>\$ (50.1)</u>	<u>\$ 61.1</u>	<u>\$(165.9)</u>
Capital expenditures				
Eastern Hemisphere	\$ 3.0	\$ 0.2	\$ 4.3	\$ 1.9
Western Hemisphere	3.5	1.9	8.2	4.7
<b>Total</b>	<u><b>\$ 6.5</b></u>	<u><b>\$ 2.1</b></u>	<u><b>\$ 12.5</b></u>	<u><b>\$ 6.6</b></u>

<i>(In millions)</i>			
	<b>Eastern Hemisphere</b>	<b>Western Hemisphere</b>	<b>Total</b>
<b>Goodwill</b>			
<b>Balance at December 31, 2016</b>	<b>\$ 172.6</b>	<b>\$ -</b>	<b>\$ 172.6</b>
Currency adjustments	9.3	-	9.3
<b>Balance at December 31, 2017</b>	<b>\$ 181.9</b>	<b>\$ -</b>	<b>\$ 181.9</b>

	<b>December 31</b>	<b>December 31</b>
<i>(In millions)</i>	<b>2017</b>	<b>2016</b>
<b>Total assets</b>		
<b>Eastern Hemisphere</b>	<b>\$ 522.0</b>	<b>\$ 493.4</b>
<b>Western Hemisphere</b>	<b>520.4</b>	<b>564.0</b>
<b>Corporate</b>	<b>0.5</b>	<b>2.9</b>
<b>Total</b>	<b>\$ 1,042.9</b>	<b>\$ 1,060.3</b>

### Note 13 – Fair Value of Financial Instruments

The estimated fair value and the carrying value of our financial instruments are as follows:

	<b>December 31, 2017</b>		<b>December 31, 2016</b>	
<i>(In millions)</i>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>
<b>Non-derivatives</b>				
Cash and cash equivalents	\$ 59.0	\$ 59.0	\$ 27.3	\$ 27.3
Restricted cash	8.7	8.7	7.6	7.6
Current portion of long-term debt	7.2	7.2	131.1	131.1
Long-term, interest-bearing debt	655.0	655.0	692.1	692.1
<b>Derivatives</b>				
Interest rate swap agreements	(1.2)	(1.2)	(2.0)	(2.0)

The aforementioned financial assets are measured at fair value on a recurring basis as follows:

<i>(In millions)</i>	<u>December 31,</u> <u>2017</u>	<u>Fair Value Measurements at</u> <u>Reporting Date Using</u>		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 59.0	\$ 59.0	—	—
Restricted cash	8.7	8.7	—	—
<b>Liabilities</b>				
Interest rate swap agreements	1.2	—	1.2	—
Multicurrency term and revolving facility, excluding current portion	566.8	—	566.8	—
Other loans and capital leases, excluding current portion	88.2	—	88.2	—

Level 1: Quoted prices in active markets for identical assets

Level 2: Significant other observable inputs

We used a variety of methods and assumptions, which are based on market conditions and risks existing at the time, to estimate the fair value of our financial instruments. For certain instruments, including cash and cash equivalents, it is assumed that the carrying amount approximated fair value due to the short-term maturity of those instruments.

The fair values of interest rate swaps are calculated using well-established independent market valuation techniques applied to contracted cash flows and NIBOR interest rates.

The fair value of the current portion of long-term debt is estimated to be equal to the carrying value, since it is repayable within twelve months. The fair value of the long-term portion of floating rate debt is estimated to be equal to the carrying value since it bears variable interest rates, which are reset on a quarterly basis. This debt is not freely tradable and we cannot purchase them at prices other than the outstanding balance plus accrued interest.

#### **Note 14 – Legal Proceedings**

From time to time, we are involved in litigation, disputes and other legal proceedings arising in the normal course of our business. We insure against the risks arising from these legal proceedings to the extent deemed prudent by our management and to the extent insurance is available, but no assurance can be given that the nature and amount of that insurance will be sufficient to fully indemnify us against liabilities arising out of pending and future legal proceedings. Many of these insurance policies contain deductibles or self-insured retentions in amounts we deem prudent and for which we are responsible for payment. If there is a claim, dispute or pending litigation in which we believe a negative outcome is probable and a loss by the Company can be reasonably estimated, we record a liability for the expected loss. As of December 31, 2017, we are not aware of any such expected loss which would be material to our financial position and results of operations. In addition we have certain claims, disputes and pending litigation in which we do not believe a negative outcome is probable or for which the loss cannot be reasonably estimated.

Two of our subsidiaries are the plaintiffs in the case of Archer Drilling LLC and Rig Inspection Services (US) LLC vs. Buccaneer Energy Limited et al., wherein we claim \$8.0 million from the defendants for the defendants' failure to pay for services provided. In response, the defendants raised counterclaims alleging that they are owed more than the amount we claimed in damages. On May 31, 2016, all but one of the defendants filed for Chapter 11 bankruptcy and in August 2016, the Archer parties removed the case to U.S. Bankruptcy Court. In December 2017, the Archer parties and the defendants settled all

claims on a confidential basis. The Archer parties have no liability under the settlement and will receive a confidential sum from the bankruptcy estate.

Other than the above, we are not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on our financial position or profitability.

#### **Note 15– Related Parties**

In the normal course of business we transact business with related parties conducted at arm's length.

##### Transactions with Seadrill:

During the year ended December 31, 2017, we supplied Seadrill Limited and affiliates with services amounting to \$0.4 million. This amount has been included in operating revenue, and for part of the year, Seadrill provided us with office space in the London facility, for which we paid rental of \$0.1 million.

In May 2016, Seadrill Limited provided new financing to Archer in an aggregate amount of \$ 75 million, which was contributed in form of subordinated debt. Interest of 10% per year was being accrued over the term of the loan to be paid, along with the principal amount on the maturity date of September 30 2018. The loan was part of the comprehensive restructuring of our financial arrangements and described further below.

A NOK 66 million (equivalent to \$7.9 million) performance guarantee is provided to Conoco Phillips by Seadrill on behalf of Archer AS

On April 28, 2017 as part of a comprehensive restructuring of our financing arrangements, contracts were signed to agree the following with Seadrill:

- The principal amounts outstanding under two subordinated loans was replaced with the \$45 million, interest bearing million convertible loan described in Note 9
- The balance owed for accrued interest as at the effective date of the amendment agreement totalling \$15.6 million was reduced to \$2.0 million.
- The balance owed for accrued guarantee fees as at the effective date of the amendment agreement totalling \$10.6 million was reduced to \$30,521.
- In consideration for the release from its guarantees described above, Seadrill made payments totalling \$28 million to our lenders. Under the overall restructuring scheme, our lenders have allocated their receipts from Seadrill as prepayments of our outstanding loans. The resultant reductions in our loan balances have been recorded as part of the gain recognised on the debt restructuring, discussed in Note 2.

##### Transactions with C6 Technologies AS:

We own 50% of C6 Technologies AS, an oilfield technology company offering new solutions for well intervention and conveyance utilizing composite materials. We do not control this entity and as a result we have consolidated its financial results using the equity method of accounting since its creation in 2010. In the year ended December 31, 2017 we have advanced \$2.2 million as additional loan to C6, and applied \$0.6 million interest to the loan balance.

We have also supplied personnel and office facilities to C6 totalling \$0.4 million

##### Transactions with other associated companies

Our relationship with TAQA and Rawabi is described in note 8 above. During 2017 we charged TAQA \$0.3 million for the lease of equipment. The amount remains outstanding at December 31, 2017. We have provided \$0.2 million of parts and spare parts to Rawabi during the year. At 31.12.2017 there is a net balance of \$0.2 million owed to Rawabi due to a credit note issued in 2017 in respect of prior year sales.

During 2016, after our acquisition of our 42% holding in QES in return for the contribution of our North American oilfield services businesses, we provided transitional services to QES. In addition we invoiced QES for items which we have paid on their behalf following the sale, such as benefits and insurance claims. At December 31, 2017, QES owe a balance of \$0.3 million in respect of these services, which is reported as a receivable balance in our trade accounts receivable at as December 31, 2017.

#### Transactions with other related parties

The following are related parties, being companies in which Archer's largest shareholders, Seadrill, Lime Rock Partners LLP and/or Hemen Holding Ltd have a significant interest:

- Frontline Management (Bermuda) Limited, ("Frontline")
- Seatankers Management Company Limited ("Seatankers")
- North Atlantic Drilling Ltd, or ("NADL")
- Enermech Services Inc. ("Enermech")

Frontline and Seatankers provides management support and administrative services to us, and we have recorded fees of \$0.3 and \$0.8 million for these services from these companies respectively in the year ended December 31, 2017. These amounts are included in General and administrative expenses in the Consolidated statement of operations.

During the year ended December 31, 2017, we supplied NADL with services amounting to \$0.9 million, including reimbursable material. This amount has been included in operating revenues. Also during 2017, NADL provided warehouse space to our UK operations for which we were charged \$0.1 million.

Enermech. provided products and services to the company totalling \$0.2 million during the year ended December 31, 2017. These amounts were included in operating expenses.

#### **Note 16 – Subsequent Events**

On January 29, 2018 we announced that our equity investment Quintana Energy Services has launched an initial public offering of 9,259,259 shares of its common stock.

In addition to the 8,494,306 shares in QES common stock received in respect of the Archers total interests in QES prior to the IPO, Archer subscribed for an additional 1,000,000 shares as part of the IPO and, at 28 February 2017, holds a total of 9,494,306 shares in QES, representing a 28.7% interest. The total value of our investment following the IPO, based on the issue price of \$10.00 per share is \$95 million.

## Appendix to Archer Fourth Quarter Report 2017

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. See the table that follows for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016 and September 30, 2016. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP.

### ARCHER LIMITED Condensed Consolidated Statements of Operations (Unaudited)

<i>(In millions)</i>	Three Months Ended					
	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016
<b>Revenue</b>	223.7	212.3	209.2	201.6	221.4	214.4
<b>Cost and expenses</b>						
Operational costs	(224.0)	(215.2)	(213.0)	(202.1)	(223.8)	(215.1)
Impairments	(3.2)	—	—	—	—	(12.0)
Net financial items	(19.8)	(6.1)	109.8	(20.1)	(51.2)	(26.2)
<b>(Loss)/income from continuing operations before income taxes</b>	<b>(23.3)</b>	<b>(9.0)</b>	<b>106.0</b>	<b>(20.6)</b>	<b>(53.6)</b>	<b>(38.9)</b>
Income tax Benefit / (expense)	0.6	4.4	6.9	(1.7)	5.1	(3.1)
<b>(Loss)/gain from continuing operations</b>	<b>(22.7)</b>	<b>(4.6)</b>	<b>112.9</b>	<b>(22.3)</b>	<b>(48.5)</b>	<b>(42.0)</b>
Loss from discontinued operations, net of tax	-	(2.2)	-	-	(1.6)	(0.8)
<b>Net (loss)/gain</b>	<b>(22.7)</b>	<b>(6.8)</b>	<b>112.9</b>	<b>(22.3)</b>	<b>(50.1)</b>	<b>(42.8)</b>

**ARCHER LIMITED**  
**Reconciliation of GAAP to non-GAAP Measures**  
**(Unaudited)**

<i>(In millions)</i>	<b>Three Months Ended</b>					
	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016
Net loss	(22.7)	(6.8)	112.9	(22.3)	(50.1)	(42.8)
Depreciation, amortization and impairments	18.2	15.7	16.7	15.4	16.4	29.6
Net financial items	19.8	6.1	(109.8)	20.1	51.2	26.2
Taxes on income	(0.6)	(4.4)	(6.9)	1.7	(5.1)	3.1
Income/(loss) from discontinued operations, net of tax	-	2.2	-	-	1.6	0.8
<b>EBITDA</b>	<b>14.7</b>	<b>12.8</b>	<b>12.9</b>	<b>14.9</b>	<b>14.0</b>	<b>16.9</b>
Restructuring costs	1.8	5.0	2.8	2.4	4.8	4.6
<b>EBITDA before restructuring costs</b>	<b>16.5</b>	<b>17.8</b>	<b>15.7</b>	<b>17.3</b>	<b>18.8</b>	<b>21.5</b>

**ARCHER LIMITED**  
**EBITDA by Geographic and Strategic Areas**  
**(Unaudited)**

<i>(In millions)</i>	<b>Three Months Ended</b>					
	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016
Eastern Hemisphere	6.9	10.0	12.5	10.8	11.6	12.5
Western Hemisphere	4.0	4.4	1.7	6.1	4.8	6.8
Corporate costs and stock compensation costs	3.8	(1.6)	(1.3)	(2.0)	(2.4)	(2.4)
<b>EBITDA</b>	<b>14.7</b>	<b>12.8</b>	<b>12.9</b>	<b>14.9</b>	<b>14.0</b>	<b>16.9</b>