

SD Standard Drilling Plc

Pareto Offshore Drilling Conference

June 6th & 7th 2011



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Standard Drilling

Largest Pure Play Premium
Jackup Company

Experienced Board with
Strong Track Record

Strategically Positioned to
Capitalize on Rising Dayrates
and Fleet Renewal



Premium Rig and World Class
Yard

Superior Delivery Schedule

Standard Drilling Overview

Background

- Founded in December 2010
 - Listed on the Oslo Axess in March 2011
 - Experienced board with strong track record
-

Current Status

- Seven Keppel FELS Mod V B jackups ordered from Keppel FELS in Singapore
 - All rigs possess 20/80 financing and fully financed until delivery of 1st rig in July 2012
 - Board has been established – Initiated process to hire the management team
 - The largest pure play premium jackup company
-

Strategy

- Focus on premium high specification jackup rigs
- Build a best-in-class management team
- Create shareholder value through operations, growth and consolidation

Value Added Investor Group



- Experienced investment firm with substantial rig experience
- Successfully invested in 16 rig projects
- Actively involved in Standard Drilling
- Private equity firm with solid track record in Asia
- Experienced in building businesses
- Actively involved in Standard Drilling

Standard Ownership	Percentage
Clearwater	29.9%
Ferncliff & Associates	~9.0%
Others	~60%

Experienced Board of Directors

Øystein Stray Spetalen

- Chairman and owner of Ferncliff TIH AS
- Co-Founder and Director of Standard Drilling
- Successful investment track record
- Founder of multiple rig companies including:
 - Songa Offshore
 - Standard Drilling ASA
 - SD Standard Drilling

Gunnar Hvammen

- Co-Founder and Director of Standard Drilling
- Founder of multiple offshore oil related companies including:
 - Songa Offshore
 - Offshore Heavy Transport ASA
 - SD Standard Drilling

Stephen J. Marzo

- Previously Group CFO of the Noble Group Limited a commodities trading company with \$57 billion revenue in 2010
- Independent director of Standard Drilling
- Solid track record of growing businesses and capital raising

Robert Petty

- Managing Partner and Co-Founder of Clearwater Capital Partners
- Chairman of the Board of Standard Drilling
- 27-year successful career investing profitably across cycles sectors and geographies with business building experience

Amit Gupta

- Partner and Co-Founder of Clearwater Capital Partners
- Director of Standard Drilling
- Active board involvement in multiple portfolio companies with 19-years of successful investing in Asia

Demetrios Aletraris

- General Manager in CP Reinsurance Co Ltd
- Director at Standard Drilling

George Crystallis

- Managing Director of M.G. Crystallis & Co Limited
- Director at Standard Drilling

Building a World Class Management Team

Interim Management in Place

- Interim CEO - Martin Nes
- Interim CFO - Espen Lundaas

Focused on Building the Right Team

- Top down hiring approach
- Focused on hiring best-in-class, experienced offshore drilling executives
- Currently recruiting executive management
- Executive management to build operational team

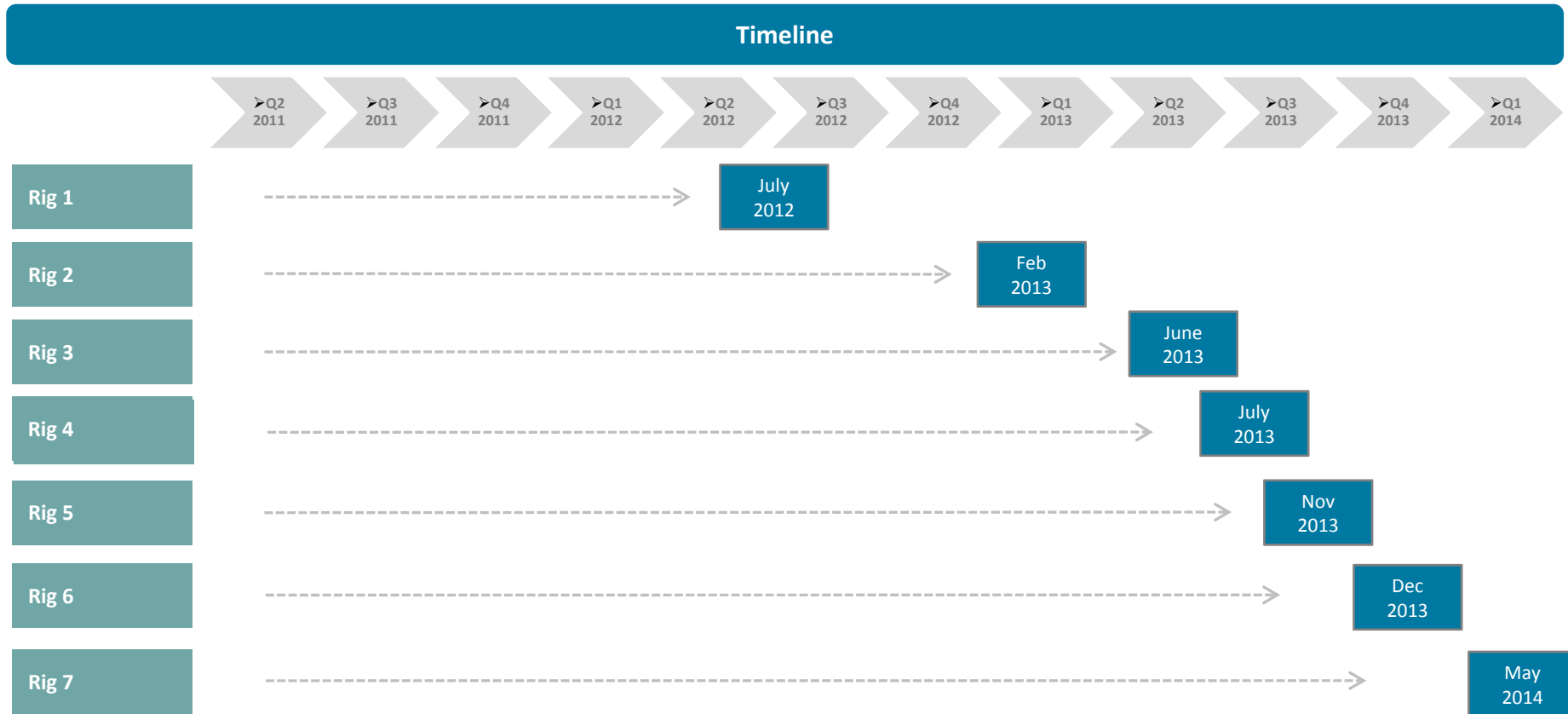
Construction Management

- Noble Denton is onsite monitoring the construction progress at Keppel



Superior Delivery Schedule

- Significant value in early delivery schedule
 - Earlier delivery = earlier cash flows
- Rig 1 is the first delivery of this building cycle providing a strategic advantage in marketing
- Uniform rig design reduces project management cost and creates efficiency in post delivery operations cost



Premium Rig and World Class Yard

KFELS B-Class

- **The KFELS B-Class jackup rig is a first class rig design**
 - Over 30 orders secured worldwide since design was launched in 2000
- **Preferred design by major drilling companies**
- **Cost-effective solution, proven for non-harsh environments**
- **Surpasses other rigs of similar size in terms of environmental ratings and load carry capacity**
- **Highly adaptable for harsher environment deployment**
- **Fully automated high-capacity jacking system and self-positioning fixation system**

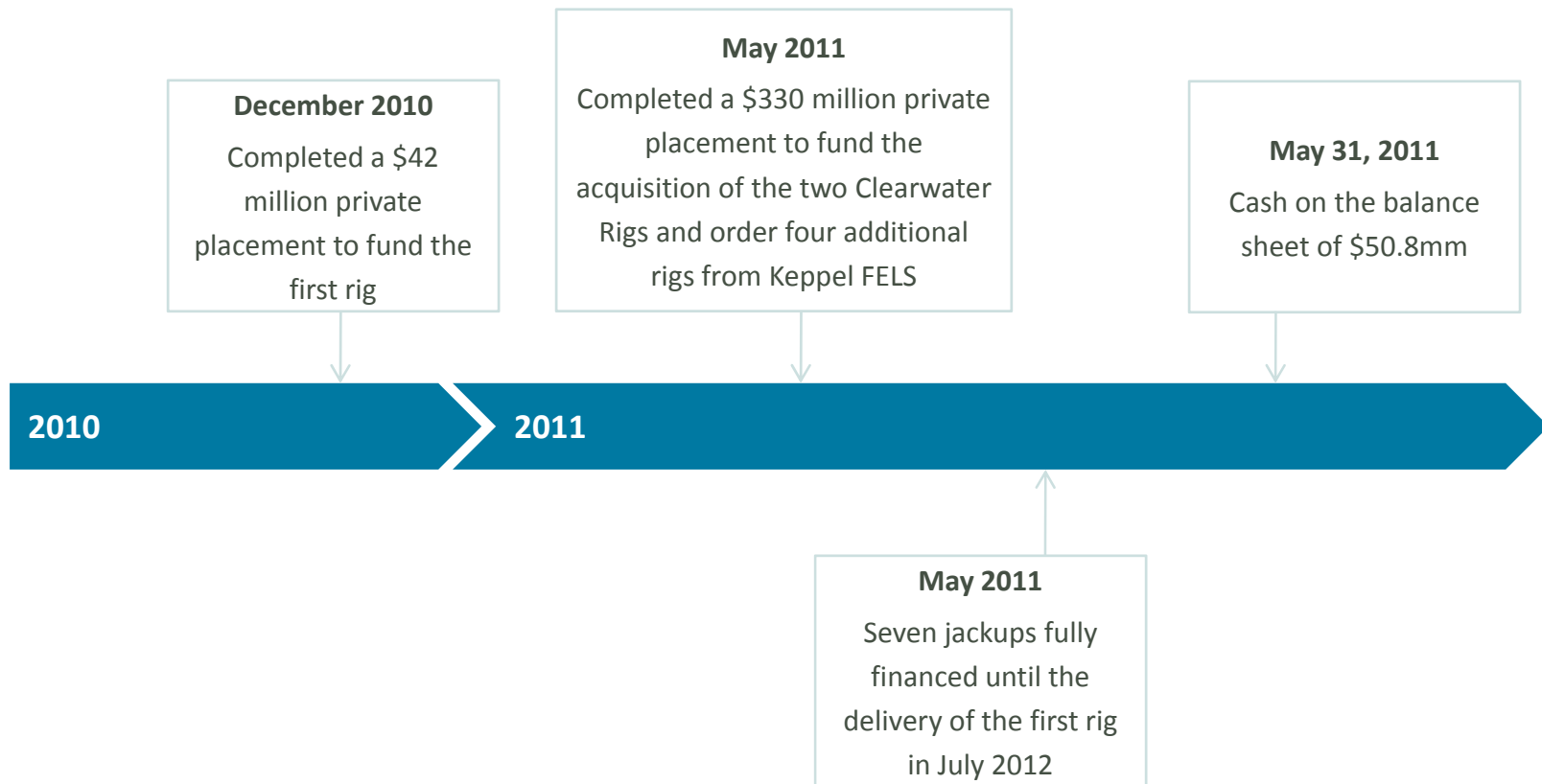
Keppel FELS track record

- **Established in 1967, Keppel FELS is today a world leader in the design, construction, repair and conversion of jackup rigs and semisubmersibles**
 - Keppel FELS is the wholly-owned offshore arm of Keppel O&M, a global leader in the offshore and marine industry with a network of 20 yards worldwide
- **Keppel FELS new build track record**
 - 49 Jackups
 - 10 Semisubmersibles
 - 7 Submersible Drill-barges
 - 4 Drilling tenders
 - 5 Drillships
 - 2 Tension Leg Platforms
 - 3 FPSOs
 - 3 Cable laying ships
 - 5 Topside decks
 - 3 Power plants



Financing Overview

- Fully financed until delivery of the first rig in July 2012
- Around \$50.8 million of cash as of May 31, 2011

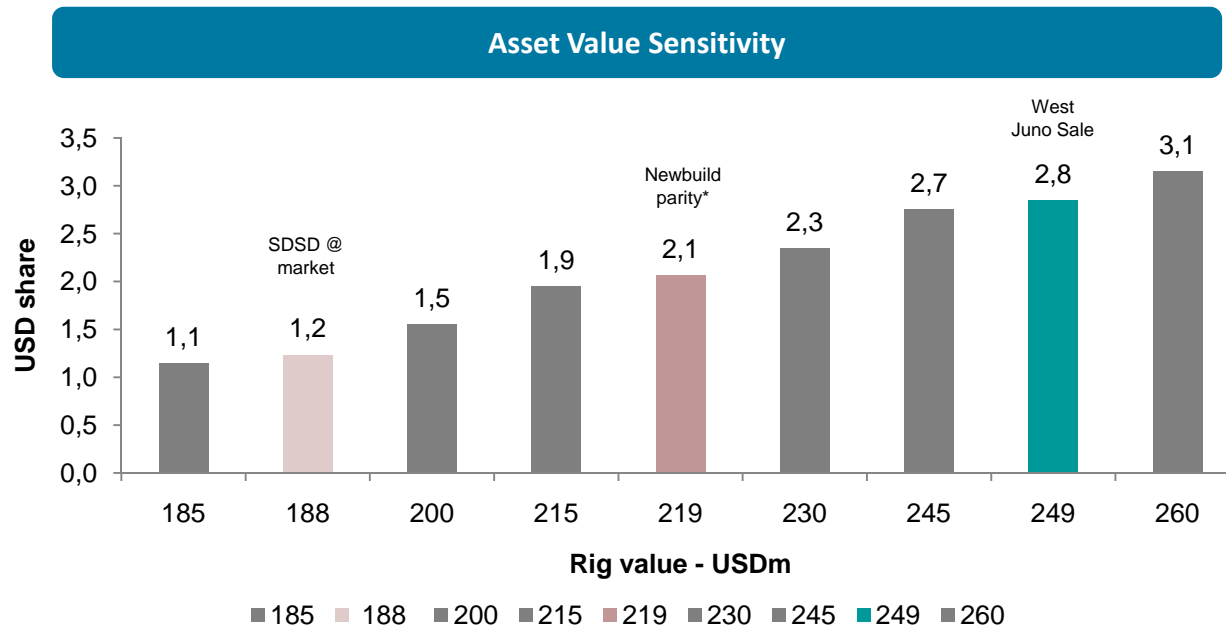


Valuation – Implied Value Per Rig

Stock Price as of June 3 rd 2011	NOK	6.60
Exchange Rate as of June 3 rd 2011		5.36
USD per Share	USD	1.23
Shares Outstanding (mm)		262.0
Market Cap as of June 3 rd 2011		322.4
Plus: Keppel Payments		1,046.0
Less: Cash as of May 31 2011		50.8
EV		1,317.6
EV/Rig		188.23

Significant Equity Upside Potential

- Yard prices have increased near \$200 million for similar rigs with less favorable financing terms and delivery in 2014
- Recent sale of the West Juno valued a Keppel FELS Mod V B at \$248.5 million



*Newbuild parity calculated based on a yard price of \$200mm, \$9mm for early delivery assuming on average 9 months earlier delivery of SDDS rigs vs 1Q14 on a new quote, and \$10mm value to 20/80 payment terms vs 20/20/60 assuming a 12% cost of funding.

Premium Jackups Have Better Economics

- Premium rigs have better economics are more efficient and get higher dayrates
- Inability of older jackups to handle high pressure wells
- Increased deck capacity which is positive for deep wells and wells far offshore
- Safety for employees, in addition to comfort
- Cost is key – new rigs are cheaper

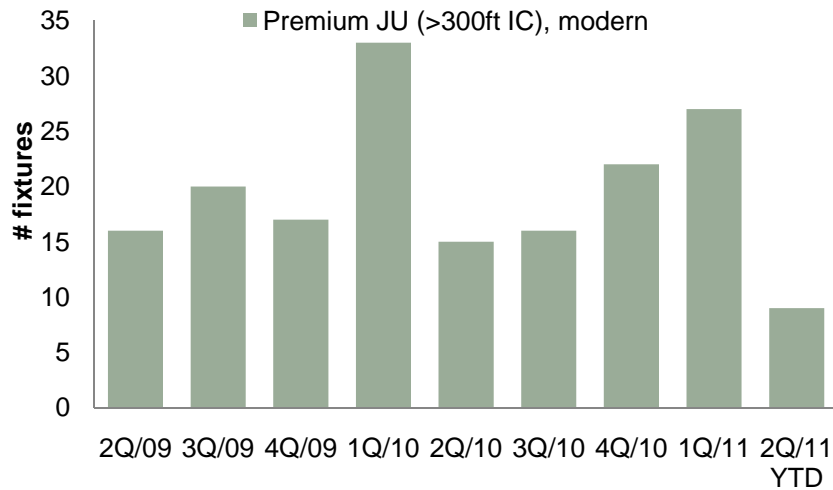
Well Drilling Cost		Jackups	
		Old	New
Dayrate	USD	85,000	140,000
Indirect daily drilling cost*	USD	127,500	140,000
Days needed per well	USD	62	40
Total dayrate costs	USDm	5.3	5.6
Total indirect drilling costs	USDm	7.9	5.6
Total drilling costs per well	USDm	13.2	11.2

*The indirect drilling cost covers cost for equipment and materials, such as drilling mud, transportation of drill cuttings, food/water etc. The cost per day will be higher for an old drilling rig as for example 1) the rig is smaller (storage) and, 2) capabilities (mud, power, fluid storage)

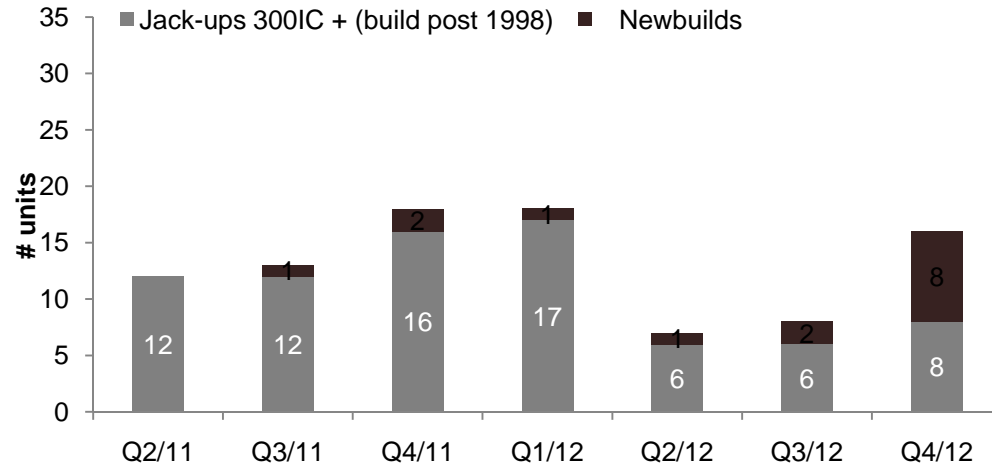
Limited Availability of Modern Premium Jackups

- On average 21 new contracts and extensions were awarded to modern premium jackups over the past 8 quarters including 27 awarded in 1Q11
- On average 13 modern premium jackups available per quarter through YE2012

Modern Premium Jack-up contracts



Modern Premium Jack-up availability



Source: ODS Petrodata, RS Platou Markets

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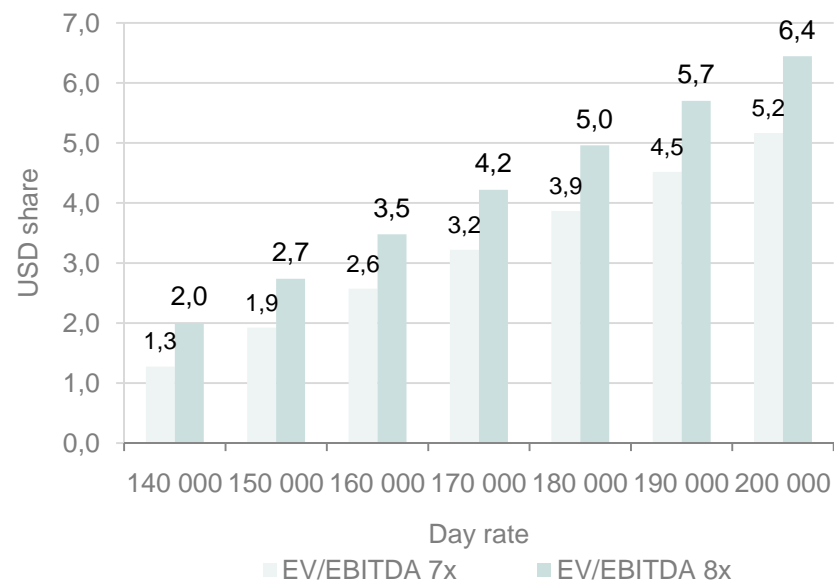
Rig Equity Return Sensitivities – Illustrative Example

- Strong earnings potential
- Pareto estimates current dayrates in the \$135k/day range with 2011 estimate of \$150k/day

Earnings Sensitivity on a per rig basis

DAY RATES		130,000	150,000	170,000	190,000	210,000
Utilization	%	95%	95%	95%	95%	95%
Daily opex	USD/day	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)
Revenue	USDm	45.1	52.0	58.9	65.9	72.8
Opex		(20.1)	(20.1)	(20.1)	(20.1)	(20.1)
SG&A		(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
EBITDA		23.6	30.5	37.5	44.4	51.3
Depreciation 30 years		(6.7)	(6.7)	(6.7)	(6.7)	(6.7)
Net interest at 7%		(11.2)	(11.2)	(11.2)	(11.2)	(11.2)
Net income		5.7	12.7	19.6	26.5	33.5
Equity per rig at market price		48	48	48	48	48
RoE		12%	26%	41%	55%	70%

Dayrate Sensitivity



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