ASIA OFFSHORE DRILLING

Pareto Offshore Drilling Conference

7th June 2011

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Key Risk Factors

Investing in the Company involves inherent risks. Prospective investors should consider, among other things, the risk factors set out below before making an investment decision. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations and adversely affect the price of the Company's shares. If any of the following risks actually occur, the Company's business, financial position and operating results could be materially and adversely affected. A prospective investor should consider carefully the factors set forth below, and elsewhere in the Company Presentation, and should consult his or her own expert advisors as to the suitability of an investment in the shares of the Company. An investment in the shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

Market Risks: The Company is exposed to economic cycles. Changes in economic situations can affect the demand for the Company's drilling services. Fluctuations in oil price will affect E&P spending, which will in turn affect the demand for drilling rigs. Too many newbuild orders following the latest construction cycle may result in an oversupply of rigs in the future.

Political, Regulatory, Environmental Risks: Operating in international environments increases regulatory requirements to be aware of and to satisfy. Changes in regulatory environment and environmental regulations for jack-up rig operations (especially post Macondo) will affect the Company's operations. Unpredictable events including but not limited to blow-outs, explosions and fires may potentially cause environmental damage. In addition, the Company is exposed to risk of political and economic instability in some of the geographic markets in which the Company may operate in the future.

Lack of Due Diligence Investigations: No due diligence investigations have been conducted prior to the offer set out in this presentation, and the Company may be subject to material losses or claims which neither the Company nor the Managers are aware of at the date of this presentation.

Share Price Risk: Fluctuations in share price in response to changes in general market and segmental fluctuations, variations in operating results, financial estimates by security analysts, and other factors not within the control of the Company.

Operational Risks: All offshore contracts are associated with considerable risks and responsibilities. These include technical, operational, commercial and political risks. The Company will obtain insurance deemed adequate for its business, but it is impossible to insure against all applicable risks and liabilities. Consequently, the Company may assume substantial liabilities as part of its operations.

Construction Risk: There are numerous risks associated with construction of the Company's rigs, including risks of delay, risks of termination of the construction agreements by Keppel FELS, the risk of need for variation orders and amendments resulting in additional need for capital, the ability of Keppel FELS to perform its duties under the construction agreement, and the risk of failure by key suppliers to deliver necessary equipment. Delays in delivery of rigs may affect the Company's potential revenue, or potentially lose contracts from clients. Currently the Company has been notified by Keppel FELS of a delay of 6 weeks pertaining to the delivery of RIG2 (AOR2) due to delay in the delivery of certain steel material used for the cantilever arising for the force majeure event caused by the tsunami that hit Japan on 11 March 2011. There can be no assurance that no further delay will arise due to this specific force majeure event. The Company is also exposed to a potential liability towards charters in the event of a delay in the construction period. In a situation where AOD has entered into contract agreements for employment of the Rigs with customers, a delay in delivery from Keppel FELS may incur liability for AOD towards the customers under the relevant contract agreements. This may have an adverse impact on the Company

Labor Dispute Risk: The Company's contractors or service providers may be limited in their flexibility in dealing with their staff due to the presence of trade unions among their staff. If there is a material disagreement between contractors or service providers and their staff belonging to trade unions, the Company's operations could suffer an interruption or shutdown that could have a material adverse effect on its business, results of operations or financial condition.

Competition: The Company's Rigs and services shall be provided in a fiercely competitive open market characterized by a relatively small number of potential clients and a relatively small number of suppliers, which reduces the Company's bargaining power.

Dependence on key executives and personnel: The Company's development and prospects are dependent upon the continued services and performance of its senior management and other key personnel, currently sourced from Mermaid. Mermaid has a proven track record to manage tender drilling rigs, but not jack-up rigs. The loss of the services of any of the senior management or key personnel may have an adverse impact on the Company. In addition to the senior management the Company depends on professional and operational personnel that are not currently employed by the Company. An inability to attract and retain such professional and operational personnel, or the unavailability of such skilled crews, could have an adverse impact on the Company.

Financial Risks: While the 20/80 payment structure under the construction contracts provides for attractive pre-delivery financing, it exposes the Company to significant risk regarding availability of and/or conditions for required financing which will enable the Company able to take delivery of the units. No assurance can be given that sufficient financing can be obtained on attractive terms, the availability of which may also depend on whether the Company has been able to secure long-term employment for the units. Inability to obtain financing for rigs prior to delivery will result in the Company having to raise additional equity. Inability to generate sufficient cash flow to repay its interest and principal obligations will affect the Company's solvency. Inability to satisfy future liquidity requirements to finance future operations will affect the Company's growth strategy.

Key Risk Factors

Risks associated with upgrade, refurbishment and repairs : The timing and costs of repairs on rigs are difficult to predict with certainty and may be substantial. Many of these expenses, such as dry-docking and certain repairs for normal wear and tear, are typically not covered by insurance. Large repair expenses could decrease the Company's profits. In addition, repair time means a loss of revenue.

Risks related to small sized rig fleet: With a fleet of only two Rigs (in the event the Rig Options are not exercised), any operational downtime will affect the periodic results more significantly than for a company with a larger fleet. As the Rigs may only be employed by two customers/Rig operating Oil Companies at one time, the Company will also be vulnerable if one or both of these customers/Rig Operating Oil Companies should become insolvent or by other means not be able to fulfil their duties towards the Company. Failure to receive payment when due under such contract agreements may have an adverse impact on the Company. Furthermore, frequent rig mobilizations could be disruptive to the Company's financial results if it experiences delays due to adverse weather, third party services or physical damage to its rigs.

Risks related to Contracts: The Company has not entered into contracts for the employment of any of its rigs, and there can be no assurance that it will be able to enter into any such contracts on commercially acceptable terms. Furthermore, there is significant uncertainty as to what day rates the rigs will achieve after they have been completed and as to the duration of any contracts obtained. Ability to obtain contracts and renew contracts at profitable dayrates will affect the Company's profitability

Ability to satisfy future liquidity requirements and to finance future operations: AOD will owe Keppel FELS approximately USD 283.2 million (representing 80 % of the construction price) upon completion of the Rigs (or approximately USD 580 million if both Rig Options were also exercised) and will need additional funding in order for the Rigs to be delivered. There can be no assurance that the Company will secure sufficient equity or debt financing for payment of the balance of the construction price in time for scheduled payments due under the Construction Agreements, and that any financing obtained is on favourable terms for the Company.

Risk of exceeding 50% ownership by Norwegian tax residents: The Company has included restrictions on issuance as well as sale and transfer in its Byelaws to prevent the Company from exceeding 50% Norwegian resident shareholding with respect to the NOKUS rules. However, there can be no assurance that the Company will be successful in preventing the Company from being subject to the NOKUS-rules. The restriction on Norwegian ownership included in the Bye-laws may effectively prevent Norwegian investors from obtaining control over the Company as the Board may deny a Norwegian investor to acquire shares which together with the other Norwegian shareholding of the Company lead to passing of the 50% threshold.

Risk of exceeding 50% ownership by US resident shareholders: If US resident shareholders have direct or indirect ownership of VPS Shares totalling 50% or more, the Company may not constitute a foreign private issuer under the US securities laws and, if that were the case, may not be able to make relatively unrestricted offerings of securities under Regulation S under the US Securities Act and under certain circumstances would be subject to the securities registration and periodic reporting obligations under US securities laws. Either of these developments could have a significant negative effect on the Company's ability to raise funds through securities offerings and on its level of securities regulatory compliance requirements and related expenses.

Risks related to depository receipts and the registrar agreement: The Company has appointed DnB NOR Bank ASA as its VPS Registrar. The VPS Registrar will be the registered shareholder in the Register of Members (i.e. the Company's shareholder register) in Bermuda. Shareholders must exercise voting rights through the VPS Registrar. Exercising of other shareholder rights through the VPS Registrar are limited. In order to exercise full shareholder rights the VPS Shareholders must transfer their shareholding from the VPS to the Register of Members. The Company cannot guarantee that the VPS Registrar will be able to execute its obligations under the Registrar Agreement. Any such failure may inter alia limit the access for, or prevent, Shareholders to exercise the voting rights attaching to the underlying Shares.

Equipment Risk: The Company's equipment may be damaged or in need for replacement. The Company does not in all instances have any business interruption coverage or a business interruption coverage which is adequate to cover all losses from a production stop.

Creation of a liquid market for trading of the Company's shares: Although the Company has commenced the listing process on Oslo Axess, no assurance can be given for such registration or the timing of such registration. Even when registered on the Oslo Axess, no assurance of creation of a liquid market for trading the shares can be given.

Lack of Operating and Financial History: The Company is a recently formed entity and has no operating history or financial history upon which prospective investors can evaluate its likely performance, increasing the uncertainty of an investment in the Company.

Currency Exchange Risk: Fluctuations in currency exchange rates may have a material impact on the Company's operational performance. The Company expects the majority of its income and expenses to be denominated in USD. The Construction Agreements are fixed-price USD denominated contracts. Debt for the Rigs will be requested in USD. As the Company's functional currency will be USD, there is a risk that the Company will have an increased exposure to USD fluctuations.

Key Risk Factors

Borrowing and Leverage: The Company will finance its assets in part by borrowed funds. There is a risk that income from the assets obtained with borrowed funds is not sufficient to cover the cost of borrowings and that the net income of the Company will be negatively affected by such borrowing arrangements.

Concentration: As the Company's assets are concentrated in a single industry, the Company may be more vulnerable to particular economic, political, regulatory, environmental or other developments than would a company holding a more diversified portfolio of assets and the aggregate return of the Company will be substantially adversely affected by the unfavorable performance of a single asset.

Limited Management Rights: Except as otherwise provided in the constituent instruments of the Company regarding the ability to influence certain key strategic decisions through shareholder votes, the holders of the Company's shares generally have a limited right to participate in the management of the Company.

Majority Shareholder: Mermaid controls between 49% of the shares in the Company, giving a significant control over the Company's resolutions at shareholders meetings, including appointment of board members. Mermaid also have a significant impact on the Company's operations as a consequence of the management agreements entered into between the Company and Mermaid.

Enforceability of Civil Liabilities: The Company is a limited liability company organized under the laws of Bermuda. The directors and executives of the Company may at any time reside in various countries. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company or to enforce judgments on such persons or the Company in other jurisdictions.

Taxation Risks: The Company's and/or its subsidiaries' own activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating, as its activities in most cases will be deemed to form a permanent establishment according to the tax laws of those countries. Thus, the Company is exposed to a material risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries.

Tax residency: A foreign company may become tax resident in Norway if the effective place of management at the level of the Board of Directors takes place in Norway. The Company has a combination of Norwegian and Thailand resident board members. The residency of the board members are not in itself relevant for the analysis of where a company is resident, but in order to avoid the risk of being deemed tax resident in Norway, the Company will observe certain guidelines for how the management of the Company at the level of the board of directors shall be carried out. On this basis, the Company will have as a general principle that all Board meeting will be physically held outside Norway. To the extent members of the board are not able to attend in person, they may participate by phone but should then physically be located outside of Norway. A board member may however occasionally participate by phone from Norway if the vast majority of the board members are located elsewhere. The physical location of the members of the board shall be documented and clearly addressed in the minutes from the meeting. Moreover, management of the Company at the level of the board will only take place at the formal Board meetings and the members of the Board of directors will not be involved in management of the Company on a more informal basis. As long as these principles are observed, the Company should not be deemed tax resident to Norway.

Future Dilution: For reasons relating to foreign securities laws or other factors, certain investors/shareholders may not be able to participate in a new issuance of shares or other securities. If such shareholders are unable to participate in future offerings, the shareholders' percentage shareholding may face dilution as a result.

Intellectual property rights: Under the Construction Agreements, Keppel FELS has retained all rights regarding the specifications, plans and other related documents concerning the design and construction of the Rigs. Keppel FELS also provides an indemnity against patent liability or claims of patent infringement of any nature or kind used in the construction, including costs of litigation, except for OFE which shall be the responsibility of AOR1 or AOR2 as the case may be. All intellectual property in the equipment supplied by Keppel FELS is also not transferred and reserved to their true and lawful owners. There is always an inherent risk of third parties claiming that the technology being utilized in the construction or updates of the Company's Rigs or in its operations infringes third parties' patents or intellectual property rights, and any such claim, if successful, could have a material adverse effect on the Company's results of operations.

Enforceability and adequacy of the refund obligation of Keppel FELS: The refund obligation in the event of Keppel FELS winding up, entering into receivership, insolvency, suspension of payments to creditors generally, cessation of business or making of any special arrangement or composition with its creditors is covered by a guarantee from Keppel Offshore & Marine Limited provided to AOR1 and AOR2 respectively. If the Company is entitled to terminate and does so, Keppel FELS is, upon the Company's demand, obliged to refund all amounts paid by the Company under the Construction Agreement. There is a risk that Keppel FELS will dispute the right of the Company to terminate, and that the refund will not be paid promptly, or at all, in which case the Company may not be able to meet its obligations. The obligation to refund all amounts paid by the Company only covers the instalment and other money paid by AOR1/AOR2 if the termination is due to (i) the Rig(s) not having been delivered after the expiry of 240 days from the contractual delivery date; or (ii) Keppel FELS insolvency.

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Section 1:

Company Overview

Investment Highlights

Favourable contract terms with best yard

- Average turnkey price of USD 177 million for the two Mod V-B Class jack-up rigs at Keppel FELS
  - Average turnkey price of USD 181 million if both option newbuilds are declared
- 20% down payment and 80% upon delivery, fully funded to delivery*
- Delivery of all rigs by 2013E

Access to a highly experienced drilling team

- Experienced management team with average industry experience of more than 20 years
  - Sourced from major industry players including Transocean, Songa Offshore, and Diamond Offshore
- Strong relationships with oil majors and strong Asian track record
  - Able to provide more personalized service than large global players
- Existing drilling organization's key management and systems will be transferred from Mermaid Drilling to AOD
- Listing on Oslo Axess targeted by June 2011

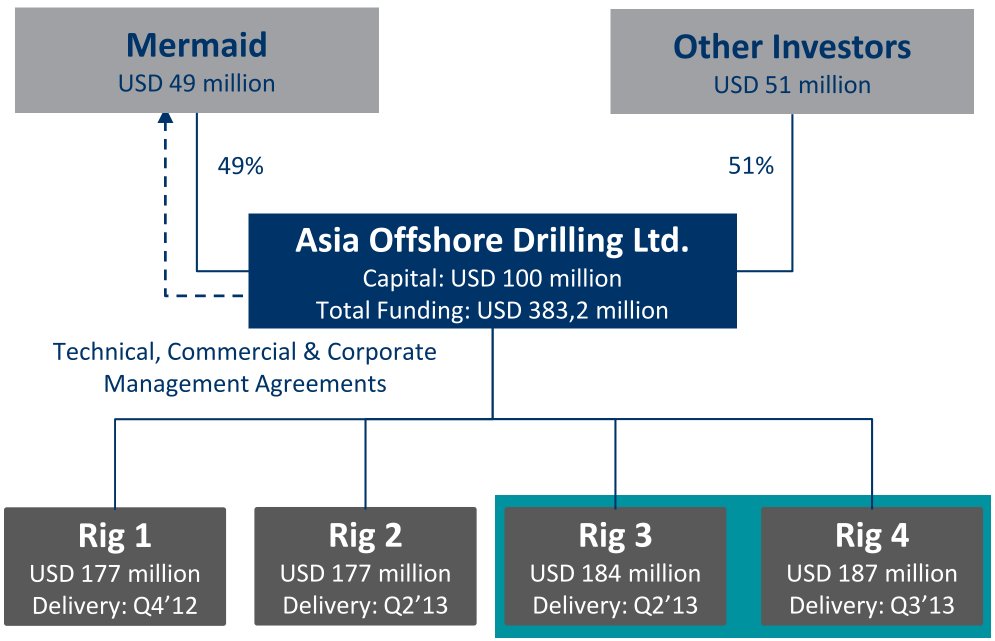
Proven design with potential employment opportunities

- Mod V-B Class is the preferred jack-up rig design by major drilling companies
- Tenders for equivalent modern jack-up rigs are increasing with average fixtures YTD 2011 of USD 125,000/day and peak rate of USD 155,000/day
- Potential employment opportunities have been identified and marketing has commenced for the first two rigs

*Fully funded for down-payment, project management, working capital and SG&A

Asia Offshore Drilling Limited

Corporate Structure



Background

- Incorporated in Bermuda on 29 October 2010 as a pure high specification jack-up rig owner and operator
- Listed on the Norwegian over-the-counter list ("N-OTC") on 2 December 2010 under the ticker AODL
- Targeting a listing on Oslo Axess by June 2011
- Signed contract with Singapore Keppel FELS on 1 December 2010 to build 2 high specification jack-up rigs at USD 354 million
- The Company has two independent rig options at Keppel FELS at USD 184 million and 187 million respectively
- Signed Technical, Commercial & Corporate Management Agreements with Mermaid
  – The Management agreements with Mermaid will be cancelled upon transfer of management from Mermaid Drilling to AOD at a cost of USD 2 million
- Construction of the first two rigs are progressing according to schedule* and marketing has also commenced for the rigs

Corporate Strategy

- To be an opportunistic drilling contractor focused on Asia Pacific and the Middle East
- Leverage on Mermaid's network and expertise

* Force Majeure announced on 09 May 2011 postponed delivery of Rig 2 by 6 weeks

Mermaid Maritime at a Glance

Mermaid Maritime Overview

- Incorporated in 1983 in the Kingdom of Thailand
- Listed on the Singapore Stock Exchange since October 2007 with a current market capitalization of USD 216[(1)] million
- Headquartered in Bangkok (Thailand); with an operational base in Chonburi (Thailand)
- Shore base support functions in Balikpapan (Indonesia), Qatar (Middle East), and Singapore
- Mermaid Maritime has 500 skilled workers, crews, technicians, service providers and management
- Mermaid Maritime operates in two specialized niches within the offshore oil & gas sector:
  - Drilling Services (Mermaid Drilling Limited)
  - Offshore Services (Mermaid Offshore Services Limited)
- Mermaid Maritime is a subsidiary of Thoresen Thai Agencies Public Company Limited and the company's main shareholders are:
  - Thoresen Thai Agencies Public Co Ltd. (57.1%)
  - Thailand Equity Fund (15.1%)

Mermaid Drilling Limited

- Management team carefully selected to expand drilling operations
- Over USD 70 million of cash earmarked for drilling sector investments
- Currently owner and operator of two tender barge drilling units
- Rationale for AOD is to create and develop a modern drilling fleet, leveraging investor capital
- Mermaid aims to grow AOD opportunistically
  - Open to opportunities as the market develops

Mermaid Offshore Services Limited

- Provides sub-sea engineering services such as inspection, repair and maintenance ("IRM"), light construction services, and emergency repair services
- Over 10 years of experience in subsea services
- Currently owns and operates a fleet of eight vessels
  - 4 DP2 dive/construction support vessels
  - 1 DP2 ROV and air dive support vessel
  - 1 DP1 offshore support vessel
  - 2 ROV, survey, and air dive support vessels
  - 4 saturation diving systems
  - 14 ROV's

(1) Shareprice of SGD 0.34 and USD/SGD exchange rate of 1.2340

Key Management

Mr. Denis William Welch , Interim CEO

- Started career at UK shipbuilder, Swan Hunter, as a Naval Architect before joining A&P Appledore
- Joined civil engineering company, Cleveland Bridge & Engineering, as Deputy Managing Director responsible for manufacturing and commercial functions
- Most recent position as Chief Executive Officer of Drydocks World - Southeast Asia. Managed the post-acquisition merger and restructuring of Labroy Marine and Pan United Marine's rig construction, shipbuilding, shiprepair, and fleet businesses in Singapore and Indonesia into a single operation with central management and common operating systems
- Elected member of American Bureau of Shipping ("ABS")

Mr. Sataporn Amornvorapak, Interim CFO

- Started career at PricewaterhouseCoopers ABAS Ltd. in Bangkok
- Internal Audit Manager and Secretary of Audit Committee from July 2003 to September 2005 and Accounting Manager from October 2005 to January 2007 at Thoresen Thai Agencies Public Company Limited ("TTA"), controlling shareholder of Mermaid
- Joined Mermaid in February 2007 as senior finance and accounting manager and appointed Chief Financial Officer in September 2008
- Certified Public Accountant (“CPA”) in Thailand

Mr. Howard Woon, Interim Investor Relations Officer

- Started career at Keppel FELS as Management Trainee
- Spent 4 years in Latin America as Project Executive with Keppel Energy overseeing development of IPP with total installed capacity of 63MW (Nicaragua) and 180MW (Brazil)
- Founding Managing Director of ShareInvestor (Thailand), largest online investor relations network in Thailand
- External investor relations consultant to the Stock Exchange of Thailand

Mr. Stephen Gregor Lenz, Interim Chief Operating Officer

- Executive Director of Mermaid Drilling Ltd. since July 2008
- Started his career with ODE in 1977 on land rigs in Australasia
- Moved offshore to Sedco in 1980 as Operations Manager with Transocean responsible for 5 offshore rigs in Thailand and Vietnam
- 2 years as Rig Manager with Apexindo in Balikpapan
- Joined Songa Offshore, responsible for bringing the Songa Venus into Australia and setting up base and operations there. Later brought SongaMercur into Australia and was promoted to Australian Country Manager

Board of Directors

M.L. Chandchutha Chandratat: (Chairman of the Board and Non-Independent Director)

M.L. Chandchutha Chandratat is the Executive Chairman of Mermaid and President and Chief Executive Officer of TTA, Mermaid's controlling shareholder. Prior to joining TTA in February 2005, he was Executive Director of Morgan Stanley Dean Witter Asia (Singapore) Pte. Ltd. from April 2002 to February 2005 and a Vice President of J.P. Morgan Securities Asia Ltd. from February 2000 to March 2002. He is also a director of TTA and numerous direct and indirect subsidiaries of TTA. He received his M.B.A. from the University of California at Berkeley in 1989 and his B.Sc. in Economics from the University of Minnesota in 1987. M.L. Chandchutha Chandratat is a Thai citizen.

Mr. Rolf Johan Ringdal: (Independent Director)

Mr. Ringdal is an attorney and has been a partner at Bugge, Arentz-Hansen & Rasmussen since 1987. He graduated with a Cand.jur from the University of Oslo in 1982. He was also a former Deputy District Judge in Trondenes. He is among the leading legal practitioners in Norway and provides extensive oil service, debt and equity financing, and mergers and acquisitions experience. He has served as a director on the board of several private companies over the years, including the board of Norwegian Cruise Line. Mr. Ringdal is a Norwegian citizen.

Ms. Annette Malm Justad: (Independent Director)

Ms. Malm Justad is presently Chairman of the American Shipping Company ASA (Oslo listed), a ship finance company in the Jones Act (US cabotage) market, and a board member of Petroleum Geo Services ASA (Oslo listed), a seismic company, and Sevan Marine ASA. She was formerly the Chief Executive Officer of Eitzen Maritime Services ASA (Oslo listed) from 2006 to 2010. Prior to this, she was Vice President and Head of Purchasing in Yara International ASA, Vice President and Fleet Manager in Norgas Carriers AS and held various technical and commercial positions in Norsk Hydro ASA within its fertiliser and engineering business units. She graduated with a M.Sc. in Technology Management from the Norwegian Technical University ("NTNU") and Massachusetts Institute of Technology ("MIT") in 1995 and with a M.Sc. in Chemical Engineering from NTNU in 1983. She provides, among other expertise, industrial experience to manage and develop companies. Ms. Malm Justad is a Norwegian citizen.

As Mr. Ringdal and Ms. Justad are independent of management, business associates and major shareholders, the board fulfills the independence requirements of Section 2.3.6 of the Oslo Axess Listing Rules.

Management incentive program and management fee

Management incentive program

- The attraction and retention of quality personnel in a competitive environment is in the best interest of AOD and shareholders collectively
- Up to 5% of outstanding shares will be allocated for incentive award to key personnel
- AOD will develop an appropriate incentive scheme based on key performance indicators and taking into account market practice

Management transfer fee to Mermaid Maritime

- The USD 2 million fee payable to Mermaid Maritime is to compensate Mermaid for the development of the existing drilling organization and operational systems
- The management team has a proven track record and has achieved an A rating by Chevron for their drilling operation

Section 2:

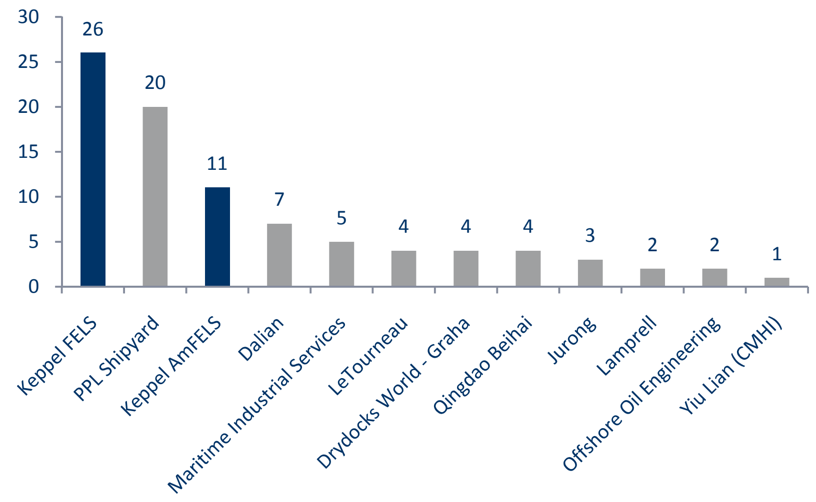
Construction Contracts

Keppel FELS

Yard Description

- Keppel FELS is part of Keppel Corporation, which is listed on the SGX with a market cap of USD 16,395* million, and majority owned by the Singapore sovereign wealth fund, Temasek Holdings
- The yard is a global leader in rig design, construction and repair, ship repair and conversion, and specialized shipbuilding
- It is the world's leading jack-up rig construction yard with an excellent track record, having built over 40% of the world's jack-up rigs in the last 10 years
- 26 Mod V – B Class jack-up rigs built by Keppel in Singapore since 2006
  - 0 late deliveries
  - 14 ahead of schedule
- Keppel O&M has secured USD 4.4 billion worth of new orders YTD 2011

Track Record



The Yard

* Shareprice of SGD 11.360 and USD/SGD exchange rate of 1.2340

Asia Offshore Drilling

The Mod V – B Class Jack-up Rig Design

Key Specifications

• Water depth (ft)	350
• Drilling depth (ft)	30,000
• Leg length (ft)	463
• Hull size (L/B/D) (ft)	234/208/25
• Cantilever reach (ft)	70
• Maximum Variable Load (MT)	3,356
• Accomodation	150
• Hook Load (kips)	1,500

- Triangular truss type legs with reinforced steel structural footings
- ABS will be appointed as classification society

Geographical Application

- Designed for year round operations in areas of
  - Gulf of Mexico
  - Indian Ocean
  - Southern North Sea
  - Middle East
  - Offshore India
  - Offshore Australia
  - Offshore New Zealand
  - South East Asia

Preferred Design by Major Drilling Companies

- Aban Offshore Limited
- COSL
- Diamond Offshore
- Ensco
- Seadrill
- The Greatship Group

The Mod V – B Class Jack-up Rig

Turnkey Contract From Keppel FELS

Construction Contract

- Turnkey contract for delivery of two jack-up rigs in December 2012 and April 2013
  - 20% down payment and 80% on delivery
- Keppel FELS to undertake complete EPC responsibility
  - Third party vendors chosen by Keppel FELS from vendor list accepted by Mermaid
- Standard warranty periods to apply for rig and third party equipment

Options

- Independent options for two additional units each at fixed price
  - Same EPC contract and payment terms as first two rigs
- Options expire at the end of June 2011 and September 2011, respectively

Timeline

	12-2010	03-2011	06-2011	09-2011	12-2011	03-2012	06-2012	09-2012	12-2012	03-2013	06-2013	09-2013
Rig 1	Order date								Delivery date			
Rig 2	Order date										Delivery date *	
Rig 3 (option)			Exercise date								Delivery date	
Rig 4 (option)				Exercise date								Delivery date

	Price (USDm)	Delivery date
Rig 1	177	12-2012
Rig 2	177	04-2013
Rig 3 (option)	184	06-2013
Rig 4 (option)	187	09-2013

*Force Majeure announced on the 9 May 2011 postponed delivery of Rig 2 by 6 weeks (originally March 2013)

Construction Progress of Existing Units

Construction Status

- Steel cutting for the first rig started on 8 December 2010, and progress is on schedule
- Steel cutting for the second rig commenced on 22 February 2011, and progress is on revised schedule
- All critical equipment for both jack-up rigs was ordered at the same time, on schedule for delivery by the end of 2011, including:
  - Drilling packages
  - Jacking systems
  - Generators
  - Cranes

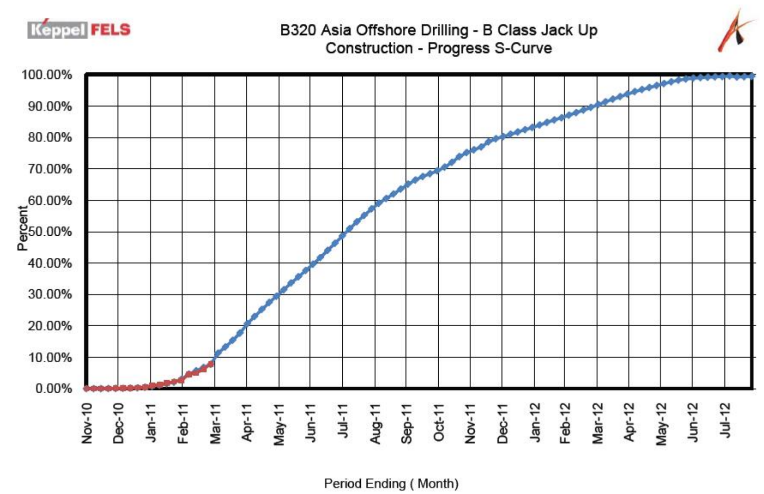
Asia Offshore Drilling

Construction Progress of Existing Units

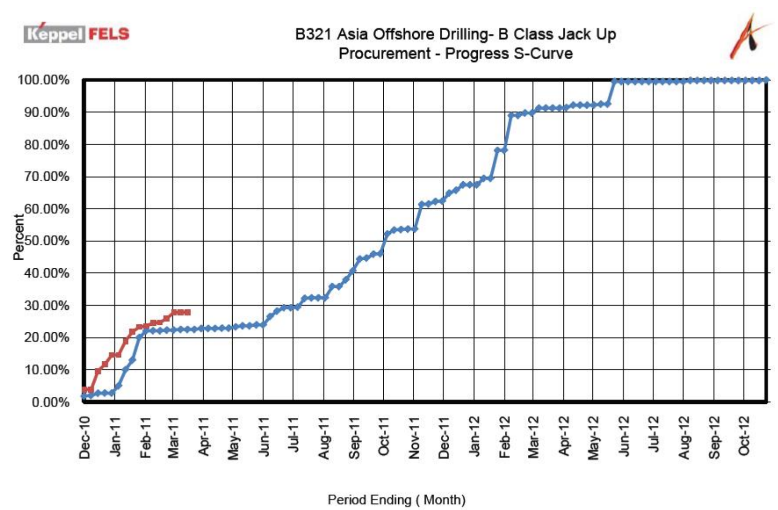
Force Majeure

- The 11 March 2011 earthquake and tsunami caused damages to Japan's infrastructure including steel manufacturing facilities
- Steel materials for Legs' rack, cord, bracings pipes, jackcase, cantilever, drillfloor and cantilever claws have been procured from various facilities across Japan
- Keppel FELS has indicated that the tentative impact on delivery will only affect Rig 2 (Hull-B321), to be postponed with 6 weeks (originally scheduled for delivery by 1 March 2013, now postponed to 15 April 2013)
- No foreseeable change in the delivery date for Rig 1 (Hull-B320) (still scheduled for delivery by 01 December 2012)

Construction Progress



Source: Keppel FELS



Source: Keppel FELS

Asia Offshore Drilling

Section 3:

Key Financials

Project cost and financing

Sources and Uses of funds

Uses of funds (USD in Millions)	Rig 1	Rig 2	Rig 3	Rig 4	Rig 1 & 2	Rig 3 & 4	Total	Per Rig
Yard contract & drilling equipment	177.0	177.0	184.0	187.0	354.0	371.0	725.0	181.3
SG&A and spares*	1.5	1.5	1.5	1.5	3.0	3.0	6.0	1.5
Project management	7.0	7.0	7.0	7.0	14.0	14.0	28.0	7.0
Fees and expenses	2.0	2.0	[Tbd]	[Tbd]	4.0	[Tbd]	[Tbd]	[Tbd]
Working capital	4.1	4.1	[Tbd]	[Tbd]	8.2	[Tbd]	[Tbd]	[Tbd]
Total uses of funds	**191.6**	**191.6**	**[Tbd]**	**[Tbd]**	**383.2**	**[Tbd]**	**[Tbd]**	**[Tbd]**

Sources of funds (USD in Millions)	Rig 1	Rig 2	Rig 3	Rig 4	Rig 1 & 2	Rig 3 & 4	Total	Per Rig
Equity	50.0	50.0	[Tbd]	[Tbd]	100.0	[Tbd]	[Tbd]	[Tbd]
Unfunded	141.6	141.6	147.2	149.6	283.2	296.8	580.0	145.0
Total sources of funds	**191.6**	**191.6**	**[Tbd]**	**[Tbd]**	**383.2**	**[Tbd]**	**[Tbd]**	**[Tbd]**

- Average turnkey contract price of USD 181 million per rig including option rigs
  - Including enhanced equipment, larger accommodation, BOP, diverters and interest compensation to yard
- Payment terms – 20% down payment and 80% on delivery
- Mobilization costs assumed to be reimbursed from client
- AOD is fully funded until delivery for the 2 firm rig orders
- Upon delivery, and financing conditions permitting, AOD plans to finance the 80% payment via bank debt and bonds

Earnings Sensitivity

Earnings Sensitivity

Sensitivity analysis (4 rigs)		Base	Low	High	Peak
Dayrates		150 000	130 000	170 000	220 000
Utilization	%	95 %	95 %	95 %	95 %
Daily opex	USD/day	60 000	60 000	60 000	60 000
Pro forma P&L					
EBITDA	**USDm**	**120**	**93**	**148**	**218**
Depreciation	"	(25)	(25)	(25)	(25)
Operating profit	"	**95**	**67**	**123**	**192**
Net interest	"	(36)	(36)	(36)	(36)
Pretax profit	"	59	31	87	156
Taxes	"	-	-	-	-
Net Profit (after tax)	"	**59**	**31**	**87**	**156**
Cash earnings	"	84	56	112	181
EPS	USD/share	1,4	0,8	2,1	3,8
CFPS	"	2,1	1,4	2,7	4,4
Market capitalization	USDm	205	205	205	205
Total debt	"	580	580	580	580
Cash (=working capital)	"	14	14	14	14
Net debt fully invested	"	566	566	566	566
Enterprise value	"	771	771	771	771
EV/EBITDA		**6,4x**	**8,3x**	**5,2x**	**3,5x**
P/E		**3,5x**	**6,6x**	**2,4x**	**1,3x**
P/CF		**2,4x**	**3,6x**	**1,8x**	**1,1x**
ROE		**28,7 %**	**15,2 %**	**42,3 %**	**76,1 %**
Net interest bearing debt/EBITDA		**4,7x**	**6,1x**	**3,8x**	**2,6x**
EBITDA/net interest		**3,3x**	**2,6x**	**4,1x**	**6,0x**

Key Assumptions

- Dayrate (USD/day): 150,000
- Utilization: 95%
- All-in opex (USD/day): 60,000
- Depreciation years: 30
- Interest Income: 0%
- Income Tax: 0%

- Bank debt = 60% of turnkey price, assumed issued upon delivery of each rig
  - 1st Lien interest rate: 5% payable quarterly
- Bond debt = 20% of turnkey price, assumed issued as a lump sum of USD 145m upon delivery of Rig 1 (Q4 2012)
  - 2nd Lien Bond interest rate: 10% payable semi-annually
  - 5 year duration, bullet repayment
- Cash (= working capital) of USD 14m

Source: Managers

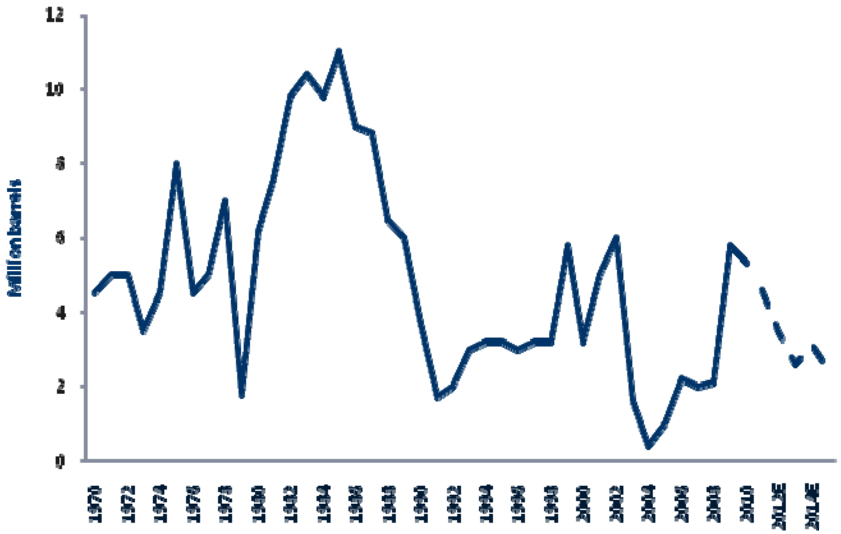
Asia Offshore Drilling

Section 4:

Market Outlook

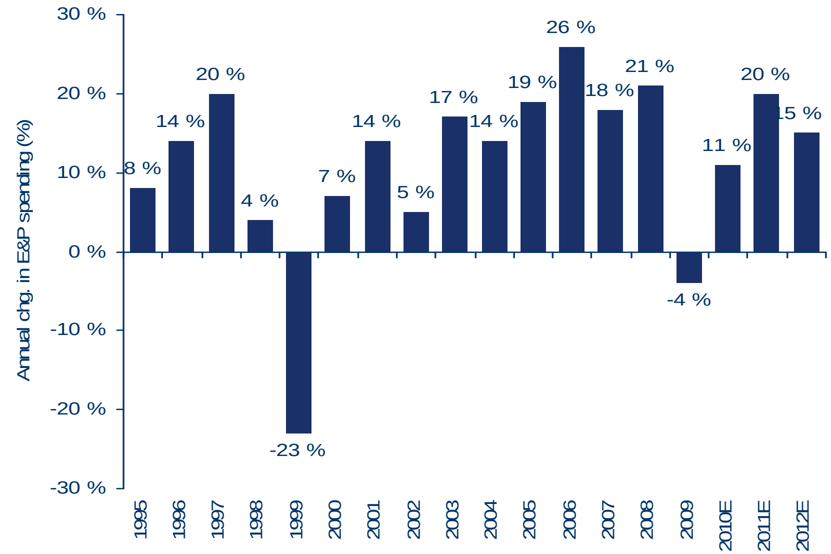
Strong Market Fundamentals

Global Oil Spare Production Capacity (MB)



Source: Managers Research

Annual Growth in E&P Spending



Source: Managers Research

A tight oil market is expected over next three years

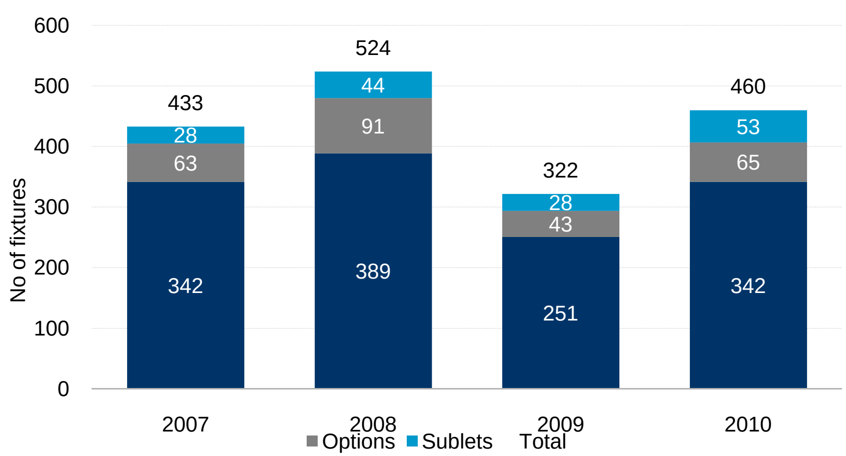
- Global oil demand growth in 2010 was at a strong 2.9 mb/d increase, driven by emerging markets (excluding 2004, such growth has not been recorded since 1976)
- Emerging markets are set to continue driving oil demand, leading to tight oil market fundamentals going forward

E&P spending is expected to increase in the coming years

- As a consequence of the tight fundamentals, oil companies are left with no other option but to increase E&P spending
- Global E&P spending for both international and national oil companies in 2011 is estimated to be 23% above peak in 2008, representing a CAGR of 10% over the past 15 years
- Driven by tight fundamentals and subsequent high oil prices, oil & gas companies are likely to continue increasing their upstream investments over the coming years

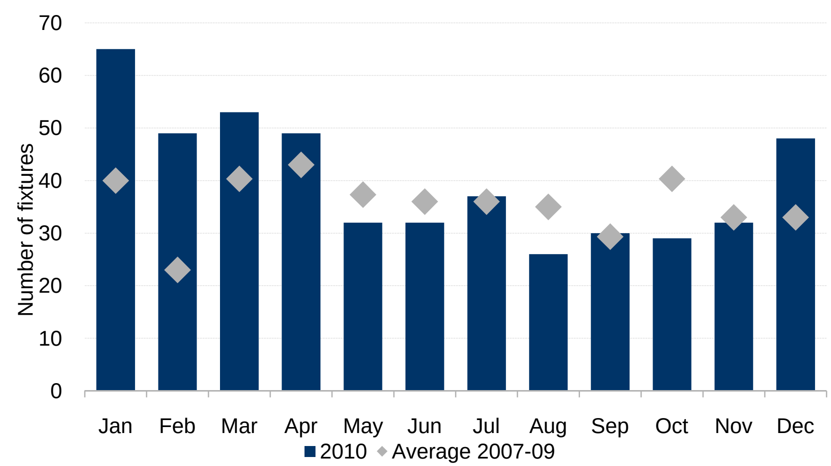
Strong Recovery of the Jack-up Rig Market

Jack-up Rigs: Number of Fixtures



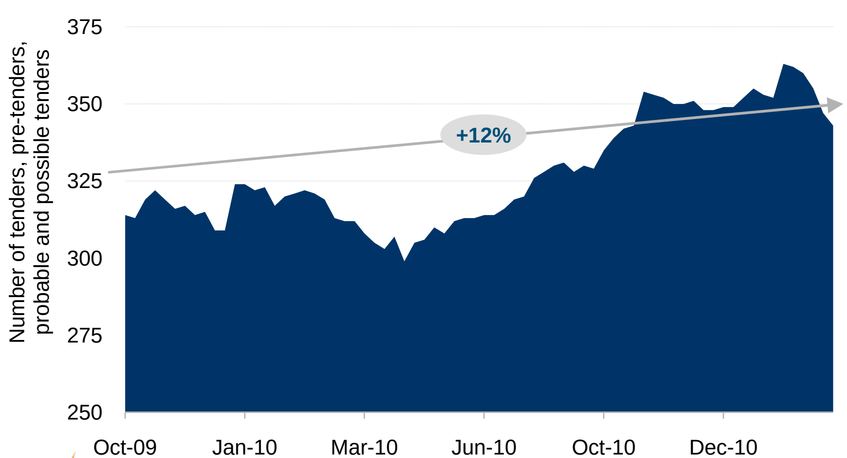
Source: Managers Research and ODS Petrodata

Jack-up Rigs: Number of Fixtures in 2010



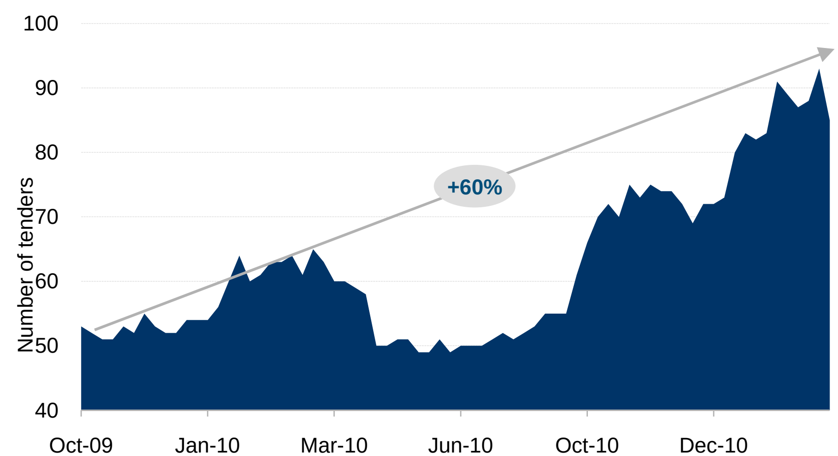
Source: Managers Research and ODS Petrodata

Jack-up Rigs: Total Number of Enquiries



Source: Managers Research and ODS Petrodata

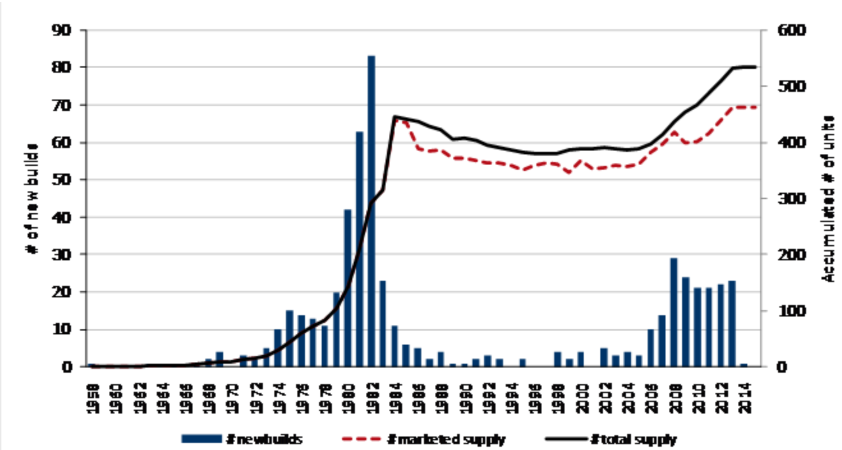
Jack-up Rigs: Number of Tenders



Source: Managers Research and ODS Petrodata

Ageing Global Jack-up Rig Fleet

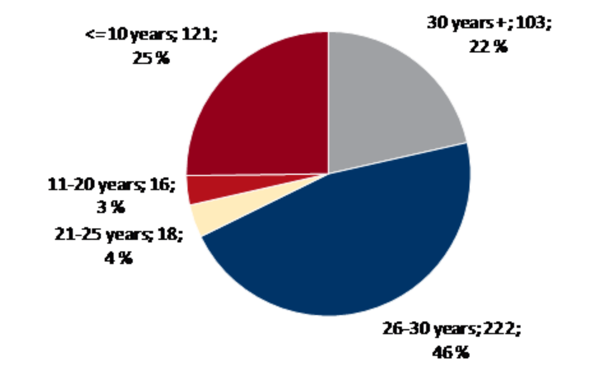
Jack-up Rig Newbuilds and Supply



Source: Managers Research and ODS Petrodata

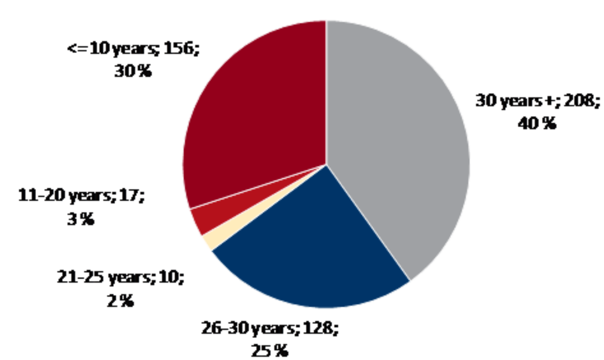
- The global jack-up rig fleet has an average age of 24 years (YE 2010), with 22% of the fleet older than 30 years
- By end 2012, the average age will be 24 years with 40% older than 30 years, despite 44 newbuilds being delivered

Jack-up Rig Fleet Age Distribution (End 2010)



Source: Managers Research and ODS Petrodata

Jack-up Rig Fleet Age Distribution (End 2012)



Source: Managers Research and ODS Petrodata

Asia Offshore Drilling

More Modern Jack-up Rigs may be Required Going Forward

2008-2020E Supply Demand Balance

Year	Effective supply*	Demand	Defecit (-), surplus (+)
August 2008.	411	391	20
2011	373	330	43
2015E	258	400	-142
2020E	164	400	-236

2011 (excluding cold stacked)
2015 (including newbuilds, excluding 2011 cold / warm stacked and 94 oldest working units)
2020 (including newbuilds, excluding all the older units)

Comments

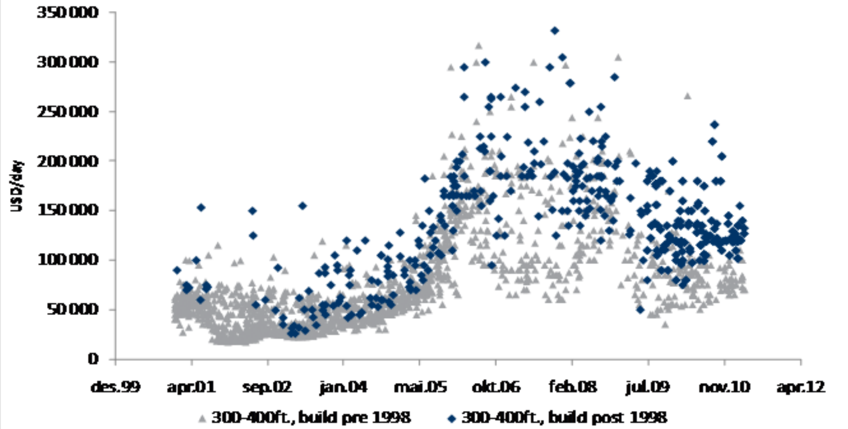
- Based on dialogues with various rig companies, it may cost USD 20-40 million to re-deploy a cold stacked jack-up rig which has been idle for more than a year, depending on the quality of the rig and regional position
- Assuming that the (i) old and cold stacked jack-up rigs will not re-enter the market, (ii) 68 jack-up rigs that are warm stacked in 2011 will be out of the market in 2015 due to their age (average of 32 years in 2015E), and (iii) ~95 older jack-up rigs currently drilling will not be actively marketed (average of 37 years in 2015E), the market may need additional 150 jack-up rigs by 2015E
- Another 100 jack-up rigs may be required before 2020, as an equivalent number of units will have an average age of 36 years by then

**Effective supply adjustments*

Source: Managers Research

Bifurcation in the Jack-up Rig Market is Now a Fact

Utilization by Jack-up Rig Class

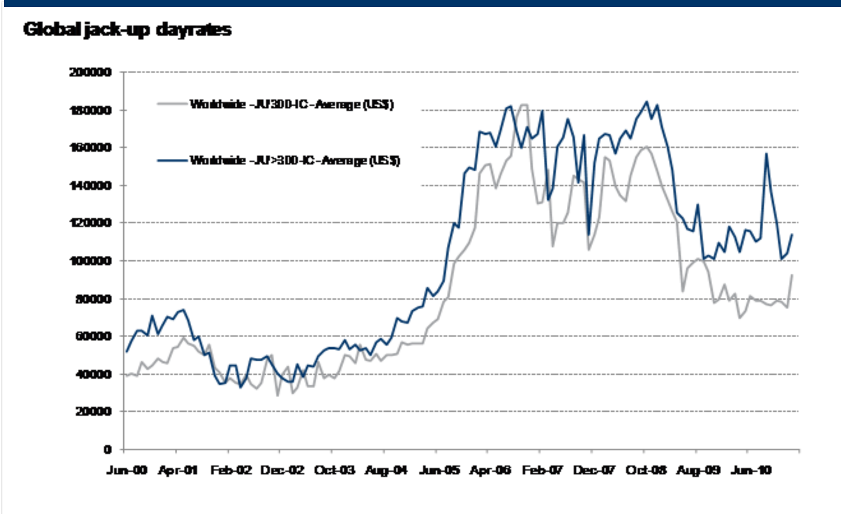


Source: Managers Research and ODS Petrodata

Bifurcation

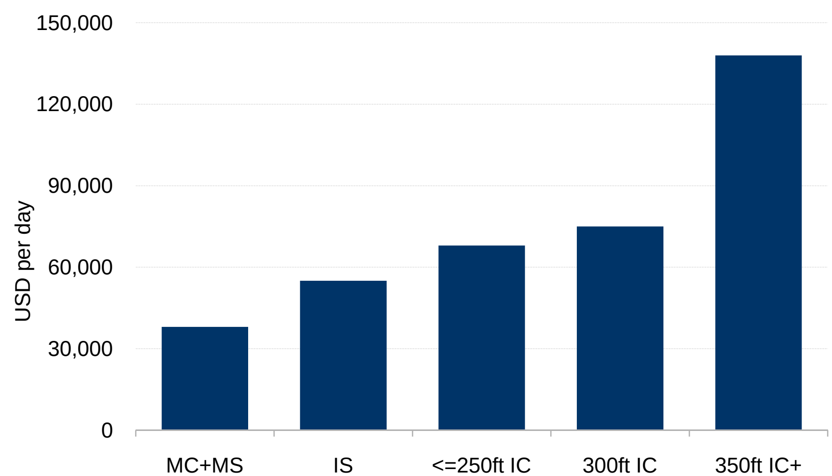
- Increasing evidence that dayrates are reflecting the capabilities of the rigs
- E&P companies showing a clear preference for modern equipment are willing to pay a premium for high specification jack-up rigs
- Operators are already securing 2011 capacity, longer-term contracts are starting to return
- Dayrates and asset values for premium equipment are expected to continue increasing into 2011

Average Dayrates: High-end vs Standard Jack-up Rigs



Source: Managers Research and ODS Petrodata

Average Fixtures Last 6 Months by Jack-up Rig Class



Source: Managers Research and ODS Petrodata

Asia Offshore Drilling

Overview of Operational and Cost Efficiencies from New Rigs

Total Drilling Cost per well

Well drilling cost		Old Jack-up Rig	New Jack-up Rig
Dayrate	USD	85,000	140,000
Indirect daily drilling cost*	"	127,500	140,000
Days needed per well	:	62	40
Total dayrate cost	USDm	5	6
Total indirect drilling cost	"	8	6
Total drilling cost per well	**USDm**	**13**	**11**

Comments

- Based on dialogues with various oil companies and drilling contractors, new jack-up rigs may be ~35% more efficient than old jack-up rigs, which could lead to cost savings of USD 2 million per well

Note: The above graph is meant for illustration purposes and is not necessarily applicable to all wells

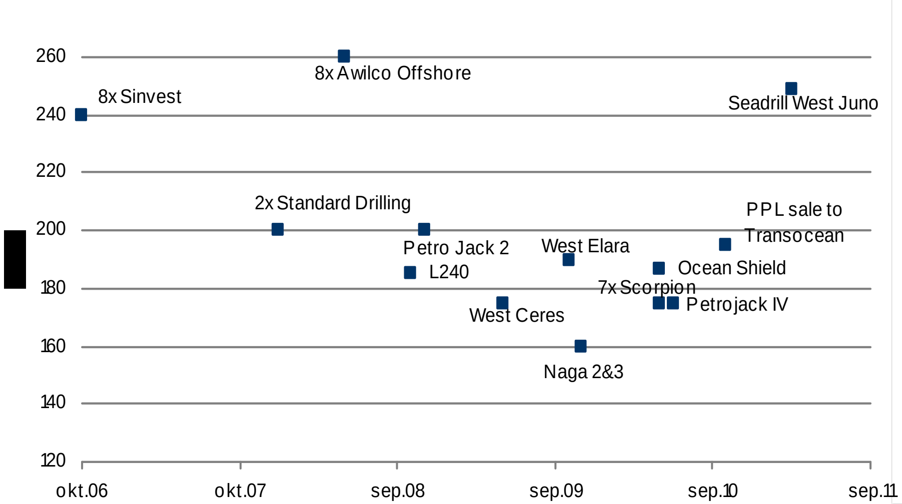
**The indirect drilling cost covers cost for equipment and materials such as drilling mud and transportation of drilling cuttings*

Source: Managers Research

Asia Offshore Drilling

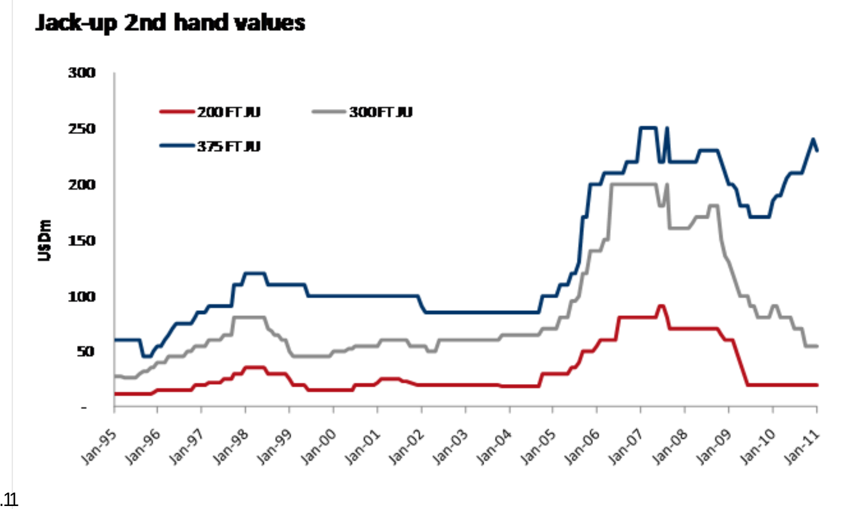
Newbuild Prices and Secondhand Values have Made a Turning Point

Precedent Transactions of Jack-up Rigs (EV per Rig)



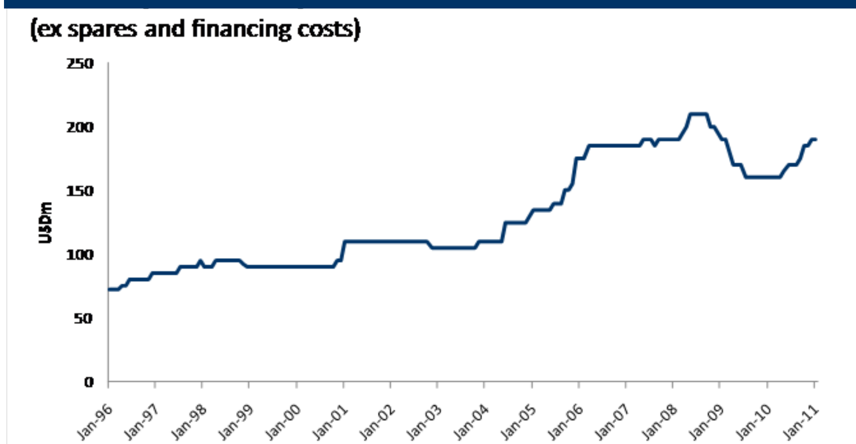
Source: Managers Research

Secondhand Values for Jack-up Rigs



Source: Managers Research

Turnkey Prices for Jack-up Rig Newbuilds



Source: Managers Research

Comments on Newbuild Prices for Jack-up Rigs

- Newbuild quotes are starting to increase, driven by higher secondhand values; Seadrill's recent sale of West Juno for USD 248.5 million confirms the uptrend
- Payment terms for newbuild orders are also less back-end loaded compared to just a few months ago
- Furthermore, delivery for new rig orders placed at reputable yards are not expected to be before 2014

Section 5:

Appendix

Balance Sheet

All figures in USD	Q1 2010/2011 From 27/10/2010 to 31/12/2010 Unaudited	Q2 2010/2011 From 01/01/2011 to 01/03/2011 Audited
Assets		
Non- current assets		
Rigs and equipment – under construction	71 350 926	73 003 704
Investments in subsidiaries – cost method	-	-
Total non- currents assets	**71 350 926**	**73 003 704**
Current assets		
Other receivables	16 855 729	-
Other current assets	-	16 877
Amount due from related parties	100	-
Cash and cash equivalents	8 717 888	24 298 445
Total current assets	**25 573 717**	**24 315 322**
Total assets	**96 924 643**	**97 319 026**
Equity and liabilities		
Equity		
Ordinary shares	20 000 100	20 000 100
Shares premium	75 889 969	75 867 493
Deficits	(92 072)	(178 237)
Total equity	**95 797 997**	**95 689 356**
Current liabilities		
Other payable	124 430	-
Amounts due to related parties	999 016	1 616 870
Accrued expenses	3 200	12 800
Total current liabilities	**1 126 646**	**1 629 670**
Total liabilities	**1 126 646**	**1 629 670**
Total equity and liabilities	**96 924 643**	**97 319 026**

Asia Offshore Drilling

Comparison Between High-Spec and Conventional Jack-up Rigs

Expected Efficiency Increase by 20-25% Compared to a Conventional Jack-up Rig

Features	Conventional	KFELS MOD V-B Class	Effect
Water depth (ft)	250-300	350	Deeper water capacity – larger market.
Cantilever reach (ft)	45	70	Bigger envelope allows access to larger wellhead platforms.
Crane capacity (MT)	30	50	Better reach to boat and rig. Handle heavy units complete.
Mud tank capacity (m^3)	300	600	Can store one mud system while using the other. Increased flexibility and improved logistics.
Accommodation	70-100	150	Accommodate additional crews to man off-line handling stations. Keep required personnel onboard during critical operation (fatigue management).
Mud pump number and size	2 X 1600 HP	3 x 2200 HP	Saving drilling time, reduce hole problems, deeper and more efficient drilling.
Laying Down Drill pipes	Cannot leave DP in derrick when moving rig	Can leave DP in derrick when moving rig	Save time for rig moves.
Jacking system	Cannot elevate rig with full preload	Can elevate rig with full preload	Save time for rig moves.
Power generation	4 x diesel engines 3700 kW	5 x diesel engines 6500 kW	No downtime or slow operation caused by lack of power. AC consumers reduces fuel consumption, more environmentally friendly.
Deck load capacity (tons)	2,000-2,500	3,400	Save on transport/ handling/ storage. Enable use of OBM/ SBM. Improved logistics. Less likely to need to backload equipment prior to rig moves.
New equipment, latest rules and regulations	Continuous need for repairs and upgrade	Normal service and maintenance	Operating personnel can keep focus on operation, reduce cost of maintenance and downtime.

Source: Managers Research.