

Singapore Rig Builders

2012 Outlook: Stay OW on robust rig demand; PBR new-builds finally coming through in 1H12?

KPLM.SI, KEP SP

Overweight
Price: **S\$9.60**

Price Target: **S\$12.40**

SCMN.SI, SMM SP

Overweight
Price: **S\$3.98**

Price Target: **S\$5.40**

- Sticking with our OW view on Singapore Rig Builders in spite of an uncertain macro environment:** With (a) US\$100+ oil prices and resilient E&P capex outlook (stocks historically have had a 0.8-0.9 correlation with oil), (b) steadily rising rig day rates, utilization alongside positive outlook by US drillers, and (c) the impending PBR award, we are retaining our OW view on Singapore rig builders. *We have a slight preference for KEP over SMM* on the back of: (i) KEP being more resilient (defensive) in an uncertain macro environment, (ii) better risk/return profile for Petrobras bid, (iii) higher revenue visibility (18 months for KEP vs. 12 months for SMM), and (iv) cheaper O&M valuations.
- Deepwater rigs, production jobs the next focal point; Petrobras orders to finally flow through in 1H12?** While we expect to see sizeable deepwater rig wins (40-45% of new orders), we believe we could see a near doubling of our 2012 new order estimates driven primarily by potential Petrobras orders (worth S\$5-6 billion which are currently not in our estimates). With Sete Brasil finally placing a semi-sub order with Keppel's BrasFels at US\$809 million (25-35% premium to new-builds) in Dec-11, we see most of PBR-related rigs being ordered in 1H12. **Every incremental S\$1 billion new order** (assumed over 10-year period) adds 7% and 12% to our Dec-12 SOTP based PTs for KEP and SMM, respectively
- "Yet to be contracted" new-builds, Drillship preference and macro uncertainty remain key risks:** With 70% of "under-construction" rigs yet to be contracted, we see this potentially slowing order momentum. Drill ships are also being increasingly preferred over semisubs. However, given that: (i) semi-subs and (ii) HS/HE JUs (mainly used in North Sea) are a small share of "global rigs under-construction" and are 65-70% of JPM's new order estimate, we see limited risk in this regard. Macro uncertainty, however, does remain (which may affect financing although no such fears by drillers till date).
- Price target, valuation, key risks:** At our Dec-12 SOTP-based PTs, KEP/SMM would be trading at 13.7x/17.7x FY12E P/E and 2.7x/4.1x FY12E P/B. Key risks to our PT remain a steep fall in oil prices and lower-than-expected order wins.

Singapore

Offshore & Marine

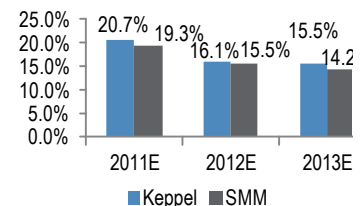
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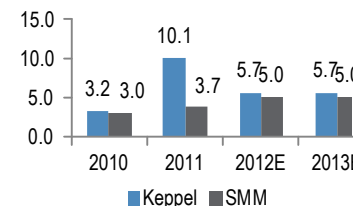
J.P. Morgan Securities Singapore Private Limited

O&M margins : KEP v/s SMM



Source: J.P. Morgan estimates

New order estimates (\$ billions)



Source: Company, J.P. Morgan estimates

Singapore Offshore & Marine valuations

	Price	Rec.	PT period	PT (\$)	Core Net Income (\$\$ mn)			P/E (x)			P/B (x)		
					11E	12E	13E	11E	12E	13E	11E	12E	13E
KEP SP	9.60	OW	Dec-12	12.40	1491	1616	1630	11.5	10.6	10.5	2.3	2.1	1.9
SMM SP	3.98	OW	Dec-12	5.40	684	637	708	12.1	13.0	11.7	3.3	3.0	2.7

Source: Bloomberg, J.P. Morgan estimates. Share prices as of 6 January 2012.

See page 60 for analyst certification and important disclosures, including non-US analyst disclosures.

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Equity Ratings and Price Targets

Company	Symbol	Mkt Cap (S\$ mn)	Price (S\$)	Rating		Price Target	
				Cur	Prev	Cur	Prev
Keppel Corporation	KPLM.SI	17,123.59	9.60	OW	n/c	12.40	12.80
Sembcorp Marine	SCMN.SI	8,288.18	3.98	OW	n/c	5.40	6.70

Source: Company data, Bloomberg, J.P.Morgan estimates. n/c = no change. All prices as of 06 Jan 12.

Company Data	
Shares O/S (mn)	1,784
Market cap (S\$ mn)	17,124
Market cap (\$ mn)	13,300.91
Price (S\$)	9.60
Date Of Price	06 Jan 12
Free float (%)	78.0%
3mth Avg daily volume	6.07
3M - Average daily Value (S\$ mn)	52.13
FTSTI	2,713
Exchange Rate	1.29

Keppel Corporation (Reuters: KPLM.SI, Bloomberg: KEP SP)

S\$ in mn, year-end Dec	FY09A	FY10A	FY11E	FY12E	FY13E
Revenue (S\$ mn)	12,247	9,783	9,715	11,715	12,066
Core Profit (S\$ mn)	1,265	1,419	1,491	1,616	1,630
Core EPS (S\$)	0.72	0.80	0.84	0.91	0.91
Core EPS growth (%)	4.4%	11.4%	4.0%	8.4%	0.8%
DPS (S\$)	0.38	0.42	0.42	0.42	0.42
P/E (Recurring)	13.3	11.9	11.5	10.6	10.5
P/BV (x)	2.9	2.6	2.3	2.1	1.9
Div Yield	4.0%	4.4%	4.4%	4.4%	4.4%
ROE (%)	24.4%	23.3%	21.6%	20.6%	18.8%

Source: Company data, Bloomberg, J.P. Morgan estimates.

Company Data	
Shares O/S (mn)	2,082
Market cap (S\$ mn)	8,288
Market cap (\$ mn)	6,416.49
Price (S\$)	3.98
Date Of Price	06 Jan 12
Free float (%)	35.1%
3mth Avg daily volume	7.48
3M - Average daily Value (S\$ mn)	28.50
FTSTI	2,713
Exchange Rate	1.29

Sembcorp Marine Ltd (Reuters: SCMN.SI, Bloomberg: SMM SP)

S\$ in mn, year-end Dec	FY09A	FY10A	FY11E	FY12E	FY13E
Revenue (S\$ mn)	5,725	4,555	3,910	4,600	5,684
Net Profit (recurring) (S\$ mn)	712	808	684	637	708
EPS (Recurring) (S\$)	0.34	0.39	0.33	0.31	0.34
EPS (Recurring) Growth	50.2%	13.1%	(15.5%)	(6.9%)	11.2%
DPS (S\$)	0.15	0.36	0.21	0.18	0.20
P/E (Recurring)	11.6	10.2	12.1	13.0	11.7
P/BV (x)	4.4	3.2	3.3	3.0	2.7
Dividend Yield	3.8%	9.0%	5.3%	4.6%	5.1%
ROE (%)	43.7%	38.4%	28.4%	25.4%	25.6%

Source: Company data, Bloomberg, J.P. Morgan estimates.

Macro 'oil' indicators remain constructive

#1: E&P capex likely to be up ~10%/y/y in 2012

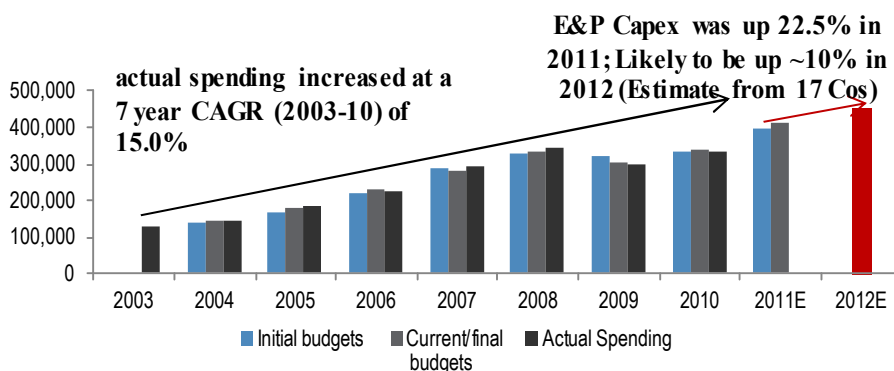
After a substantial increase in upstream capex in 2011 (up 22-23%), expectations are for an increase in capital expenditures in 2012 as well. As we can see in the table below, J.P. Morgan estimates a 13% increase in upstream spending in 2012.

Moreover, commentary from various US-listed drillers (Noble, Seadrill, Atwood etc.) suggest that financing is not a major concern for its customers (mainly oil majors) and do not see macro concerns affecting tendering activities (see Table 4: Offshore Sector Commentary from Key Drillers for details)

The aggregate spending for 17 companies (included in 2012) to increase 9.4% y/y in 2012 to US\$104 billion

In 2012, in aggregate, the NOCs are budgeting to decrease E&P spending by 10%, IOCs to increase by 29.4% and independents by 9.6%

Figure 1: Upstream capital spending: guidance and actual spending (US\$ millions)



Source: Company data.

Table 1: J.P. Morgan's Upstream Spending Forecast

Upstream Spending	2008	2009	2010	2011E	2012E	'09 Y-Y	'10 Y-Y	'11 Y-Y	'12 Y-Y
Upstream Spending Forecast (\$, bn)									
North America	\$145	\$94	\$129	\$165	\$191	-35%	37%	28%	15%
International	\$190	\$180	\$191	\$199	\$222	-5%	6%	4%	11%
Total Spending	\$335	\$275	\$320	\$364	\$412	-18%	17%	14%	13%
JPV Large Cap Service Revenue Forecast (\$, bn)									
North America	\$30	\$20	\$29	\$43	\$51	-32%	41%	50%	18%
International	48	45	45	49	55	-7%	1%	9%	12%
Total Service Revenue	\$78	\$65	\$74	\$92	\$106	-16%	13%	25%	15%

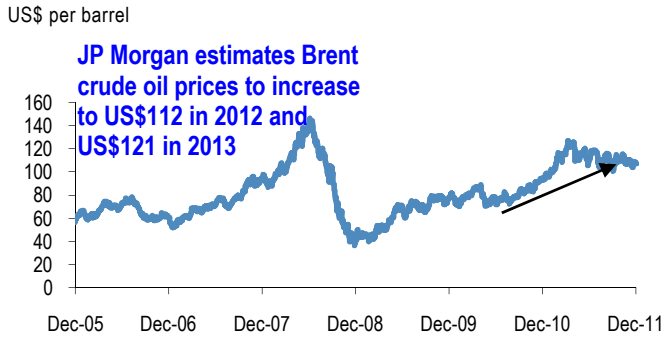
Source: J.S. Herolds, Company Reports, J.P. Morgan estimates.

#2: Oil: resilient in '11; geopolitical risk to keep prices high?

In spite of the 'macro' headwinds seen in 2011 driven by: (i) euro concerns, (ii) US rating downgrade, etc., we still saw positive returns from oil (up 13% in 2011) as geopolitical risks from Arab Spring (seen in early 2011) played a key role in keeping oil prices elevated in the earlier part of the year.

While historically, correlation with oil prices has been high, we have seen instances where correlation is lower (2006, 2011), however, never seen to be the case for two years running. Geopolitical concerns relating to Iran has led to a sharp increase in oil prices since the start of the year and are likely to keep prices high on that account.

Figure 2: Oil prices on the rise

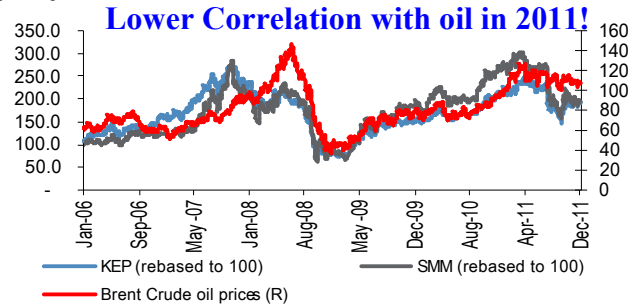


Source: Bloomberg, J.P. Morgan estimates.

Figure 3: Keppel, SMM vs. oil prices(Brent) – correlation

Correlation	2005	2006	2007	2008	2009	2010	2011
KEP- oil prices	80.0%	-1.8%	81.4%	84.9%	95.0%	85.9%	41.5%
SMM-oil prices	91.9%	1.9%	80.7%	92.9%	96.8%	87.8%	33.8%

LHS: Keppel and SMM share price rebased to 100, RHS: US\$ per barrel. 2005 figures given for WTI



Source: Bloomberg, J.P. Morgan.

As we can see in the table below, Oil (in S\$ terms) has outperformed the STI as well as the CRY Index for seven of the last eight calendar years. Moreover, the rig builders (KEP, SMM) have underperformed oil primarily in two years (2008, 2011 – KEP had also underperformed in 2005). While SMM has historically outperformed KEP (except for 2006, 2011), interestingly SMM has underperformed the STI in three of the last eight years while KEP has underperformed the STI only in 2008.

Table 2: Relative performance of Oil versus KEP / SMM/ STI / CRY (%)

	KEP	SMM	STI	CRY
2004	17%	16%	-12%	-16%
2005	-12%	64%	-29%	-22%
2006	68%	28%	33%	-10%
2007	5%	22%	-26%	-35%
2008	-14%	-7%	2%	15%
2009	23%	53%	-3%	-46%
2010	30%	35%	-1%	-4%
2011	-24%	-40%	-32%	-22%

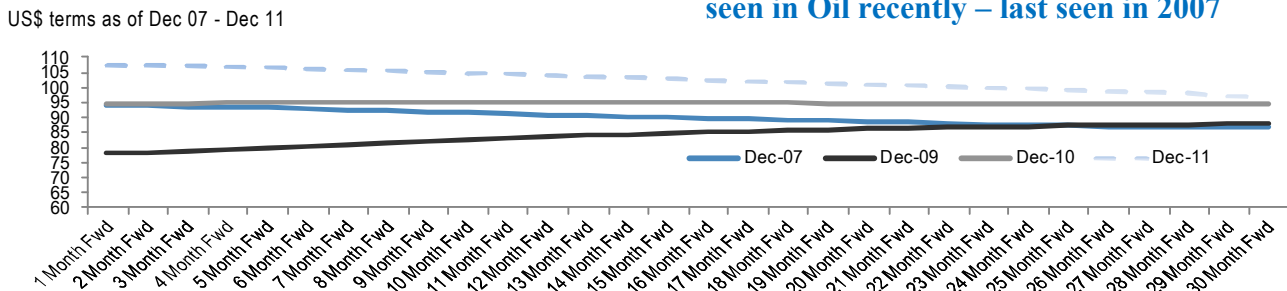
Source: J.P. Morgan, Bloomberg, Note: Negative number represents "outperformance" of Oil prices against underlying.

Table 3: Relative performance of STI versus KEP / SMM/ Oil / CRY (%)

	KEP	SMM	Oil Prices	CRY
2004	29%	28%	12%	-4%
2005	16%	93%	29%	7%
2006	35%	-5%	-33%	-43%
2007	31%	48%	26%	-9%
2008	-16%	-9%	-2%	13%
2009	26%	56%	3%	-44%
2010	31%	36%	1%	-3%
2011	7%	-9%	32%	10%

Source: J.P. Morgan, Bloomberg, Note: Negative number represents "outperformance" of STI against underlying.

Figure 4: Oil prices - forward curve

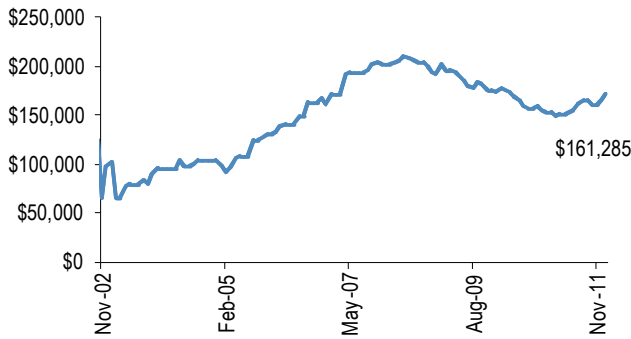


Source: Bloomberg, J.P. Morgan.

#3: Day rates, utilization remain steady/rising

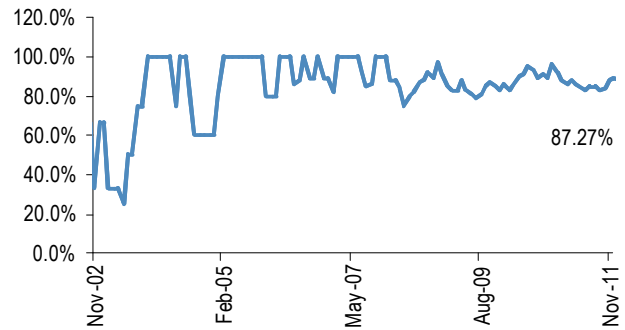
We have seen a rising trend for utilization as well as day rates across Hi-specification Jack-ups along with deepwater Semi-sub and Drillships. Moreover, we have seen utilization levels move above the “perceived” critical 80% level which has historically been considered a level for “potential new orders.”

Figure 5: Worldwide high-specification Jackup day rates (US\$)



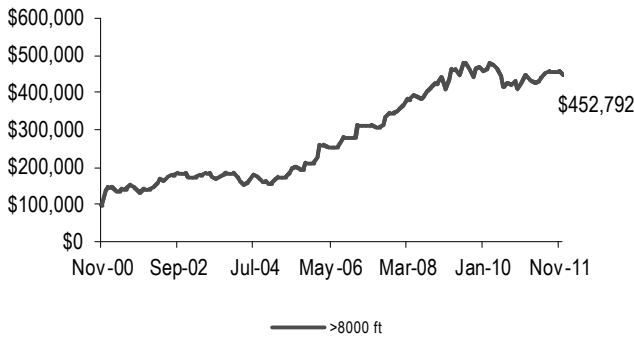
Source: Riglogix.

Figure 6: Worldwide >300 ft high-spec Jackup utilization rates (%)



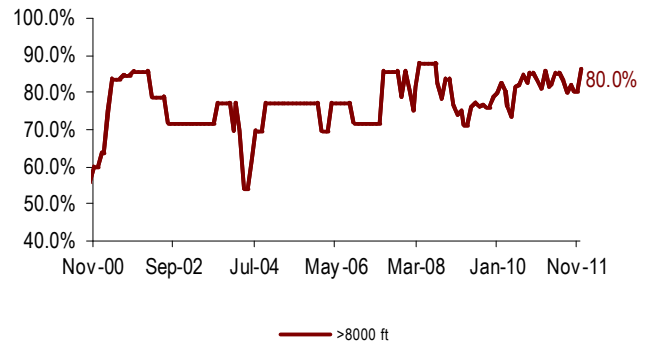
Source: Riglogix.

Figure 7: Semisubs - Dayrates for >8000 ft



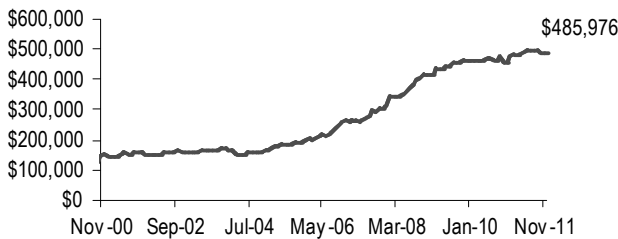
Source: Riglogix.

Figure 8: Semisubs - Utilization for >8000 ft



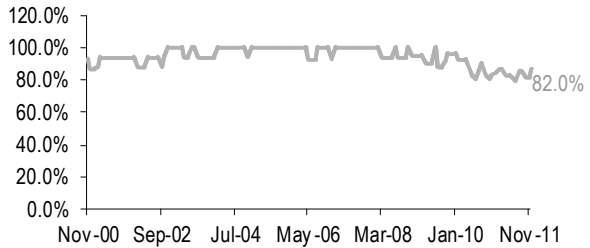
Source: Riglogix.

Figure 9: Drillships - Dayrates for >8000 ft



Source: Riglogix.

Figure 10: Drillships - Utilization for >8000 ft



Source: Riglogix.

#4: Positive Outlook by US/Norwegian Drillers

As we have summarized below, most of the drillers remain positive on the drilling outlook. While they remain positive on Jack-ups as well as Deepwater units, they did highlight a **more bullish outlook for deepwater units in the near term** (with Jack-ups likely to take a breather in terms of new orders).

Table 4: Offshore Sector Commentary from Key Drillers

	Outlook for Jackups	Outlook on Deepwater units (Semisub & Drillships)	Macro/Financing Concerns	Newbuild and acquisition	Key markets Outlook
Transocean	<ul style="list-style-type: none"> Premium and Standard jackups seeing strong utilization. 	<ul style="list-style-type: none"> UDW market continues to tighten with 2012 availability declining. Tendering and contracting activity continues to remain strong in UDW market with little impact from macro concerns. UDW market continues to tighten Dayrates likely to be ">\$500k/day". There is tightness in UDW market and rates could go up to ">500k/day" in 2012 as 2012 capacity rapidly decreasing. 	<ul style="list-style-type: none"> Seeing strong demand across all asset classes. 	-	<ul style="list-style-type: none"> US GoM, Brazil and West Africa remain Hot-beds for UDW activity. Jackup demand continues to improve in SE Asia, West Africa, Saudi Arabia & Mexico.
Noble			<ul style="list-style-type: none"> Seeing less impact of Ongoing Macro concerns on customers and dayrates. See a pickup in demand. 	<ul style="list-style-type: none"> Sees plate full for now; Might look for newbuilds in 2012 if market looks good. 	<ul style="list-style-type: none"> Continue to receive considerable support from customers in North Sea.
Rowan	<ul style="list-style-type: none"> Tender activity continues to remain strong in Jackup Market with a requirement of ~40 units over next 12 months (5-10 by Saudi Aramco in 1H12, 6-7 by Statoil) Worldwide Jackup utilization is ~90% and historically rates have moved up whenever utilization exceeds 85%, hence corresponding upward shift in dayrates expected. 			<ul style="list-style-type: none"> \$1.3 bn remaining in Newbuild Capex program. \$151 mn spent in 4Q11 with remaining amount spent in 2013 and 2014. 	<ul style="list-style-type: none"> Seeing additional tendering in US GoM. Jackup activity increasing in SE Asia and Mid East.
Seadrill	<ul style="list-style-type: none"> Premium jackup rig market remains sound. Harsh environment rig demand also seen to be strengthening. 	<ul style="list-style-type: none"> UDW market tightening, poised to see higher dayrates. Recent fixtures have seen ">\$500k/day" dayrates. UDW units being absorbed quickly for 2012. Future UDW supply likely to be absorbed without impacting dayrates. DW demand likely to exceed supply despite newbuilds. UDW newbuilds deliveries for 2012 are virtually sold out and 2013 deliveries are likely to be absorbed by Petrobras. UDW market has seen multiple contracts in ">500k/day" region. Deepwater rates trending towards "high \$300k/day" 	<ul style="list-style-type: none"> Seadrill has not observed decline in activities from Oil Harsh Environment. Might look at recovery in US Gulf, Africa, Asia-Pacific & Brazil. Tendering activity not impacted by on-Going macro concerns. 	<ul style="list-style-type: none"> Looking for newbuilds in DW & newbuild DS in near future with delivery in '14 (\$540-\$545 mn) Always on the lookout for Newbuilds. 	<ul style="list-style-type: none"> UDW market to be driven by recovery in US Gulf, Africa, Asia-Pacific & Brazil. HS Jackup demand driven by Asia and Arabian Gulf. UK and Danish sectors seeing undersupply.
Atwood			<ul style="list-style-type: none"> Customers have not seen difficulties in terms of financing, especially for Jackups. Don't expect financing to be an issue in current negotiations with clients. 	<ul style="list-style-type: none"> Planning to put more capital into UDW space than Jackup space. Targeting significant presence in HS segments for both JU and UDW units. 	<ul style="list-style-type: none"> Permitting activity increased in US GoM and is reaching Pre-Macondo Levels for UDW and DW drilling.
ENSCO	<ul style="list-style-type: none"> Premium jackup fleet is expected to remain fully utilized. Utilization and dayrates to continue improving in US GoM as supply tightens due to rig departures. See growing demand for HS Jackup. 	<ul style="list-style-type: none"> Demand for DW floaters to increase amidst rising technical complexities and safety standards pressurizing clients to replace production. 			<ul style="list-style-type: none"> DW market in Brazil to remain strong helped by outstanding petrobras tenders for multiple rigs. Asia to see growing demand for DW units (Malaysia, Brunei, Indonesia). DW permits at better pace See strong demand in all markets. More than 200 potential FPSO projects being evaluated worldwide.
BW Offshore			<ul style="list-style-type: none"> Not seeing any impact on FSO market due to macro concerns 		
NOV		<ul style="list-style-type: none"> DW demand is expected to increase prompted by new discoveries and solid oil prices. 		<ul style="list-style-type: none"> Rising DW fixtures & stable newbuild costs help drive orders. Might see lot of options being exercised over the next year, Which were delayed earlier. 	

Source: Company reports.

#5: Orders remain in the pipeline

Order pipeline remains intact with a number of jobs for rigs, FPSOs as well as fixed platforms. Outside of the Petrobras rigs, we estimate potential jobs **that Keppel / SMM are in the running for US\$2 billion/3 billion.**

Table 5: Potential Orders for Offshore Players

	Date	Project details	Yards	Customer	Potential Value (US\$ mn)
Jack - ups	7 – Oct 11	Statoil in Talks to build largest ever Jack-up with Cat – J design	Keppel , SMM	Statoil	US\$500mn
	16-Dec 11	Pemex to tender for 2 Jackups in order to create drilling subsidiary to be up & running in 1Q12. Intends to own upto 8 rigs which is likely to result into newbuild orders. Sea Drill highlighted potentially looking to order "new-build HS HE Jack up	We expect Singaporeans to be in running SMM	Pemex SeaDrill	US\$500 mn
Semisubs	14-Oct-11	Construction of Semisubs under Petrobras' "21 Newbuilds" program. Sete Brasil will negotiate with Petrobras on behalf of the drillers. The rigs are to be built in Brazil. A total of six drillers have offered to supply the rigs, most of them to be built at either KeppelFels run BrasFels yard or SMM's Jurong Yard (both in Brazil).	Keppel's BrasFels (6 semisubs)	Sete Brasil	\$600-\$700 mn per rig
	21-Oct-11	Construction of a semisub for Vietnam's Vietsovpetro after the company failed to find a suitable rig in the market. The contract has preference for local content but the vessel can be built outside as well.	Keppel Fels, Jurong (SMM), Daewoo, Samsung.	Vietsovpetro	
	2-Dec-11	Construction of a Semisubmersible Platform for Inpex and Total's \$20 bn Ichthys Liquefied Natural gas project in North West Australia.	Daewoo (with Technip), Samsung (with Mustang) and Hyundai (with EoS)	Total & Inpex	
	9-Dec-11	In race to build 4 deepwater rigs (Drillships or Semisubs) for China's CPTDC/Maersk	Cosco, CIMC, Dalian, Shanghai Waigaoqiao & Shanghai Shipyard	China's CPTDC/Maersk	
Drillships	14-Oct-11	Construction of Drillships under Petrobras' "21 Newbuilds" program. Sete Brasil will negotiate with Petrobras on behalf of the drillers. The rigs are to be built in Brazil. A total of six drillers have offered to supply the rigs, most of them to be built at either KeppelFels run BrasFels yard or SMM's Jurong Yard (both in Brazil). Ocean rig has also launched a competing bid for 5 units.	Jurong (6 Drillships), Odebrecht's New Yard (6 units), Estaleiro Rio Grande yard (2 units). Estaleiro Maua and Eisa yards through Ocean Rig (5 units)	Sete Brasil, Ocean rig	\$600-\$700 mn per rig
	14-Oct-11	Topside contracts for platforms at Woodside's LNG project in Western Australia (Browse Project). Project cost undisclosed	Daewoo/Hyundai/Samsung	Woodside	Undisclosed
Fixed Platform	2-Dec-11	Supply a fixed platform to Dong energy for \$1.6 bn Hejre project off Denmark. Decision for contract award likely to be taken in mid-late January.	Daewoo with Technip (Deck being built on South Korean Yard), Kvaerner (Stord Yard), Ramboll with Heerima (Zwijndrecht and Flushing yards in Netherlands)	Dong Energy	
	9-Dec-11	FEED contract for Tension leg Wellhead platform for Total's \$10bn Moho Nord Project off Congo-Brazzaville (West Africa). Significant local content requirement.	Samsung-Modec/Daewoo-SBM/Hyundai-Doris	Total	
	9-Dec-11	EPC contract to build a large gas booster platform and modifying existing platform for Carigali Hess for a gas project in Malaysia-Thailand joint development area. Malaysian content favorable.	SMOE, MMHE, Daewoo, Samsung, Hyundai	Carigali Hess	
	9-Dec-11	Build a offshore processing platform (budget \$250 mn) in Taiwan Straits. Announcement likely in Feb-12, Installation to be done by 2H14.	SMOE/Kencana/L&T/Nippon Steel	CPC	\$250 mn
FPSO	2-Dec-11	Build a FPSO for Total's Multi-billion dollar Egina Project off Nigeria. Contract is likely to be awardee in 2Q12.	Samsung, Hyundai and Technip (with Offshore Oil Engineering Corporation of China)	Total	
	2-Dec-11	Probable newbuild contract for an FPSO from KNOG for its Western Isles project off the UK. KNOG was earlier planning to lease a FPSO but is now rumored to have dropped the plan after the bids were beyond its budget.	Samsung (at its South Korean yard)	KNOG	
	9-Dec-11	VLCC to FPSO Conversion contract (4 units) for Petrobras for operations in Brazil's Santos Basin. Brazilian Players Queiroz Galvao, Camargo Correa, Andrade Gutierrez, Setal and Odebrecht- OAS-UTC also bidding.	Keppel Fels, Jurong, Brazilian Players		
OSVs	18-Nov-11	Petrobras invited local/international contractors to bid for newbuild PSVs (4,500/750-10 bhp) & AHTSs (15k/18k bhp) under its fleet renewal program. Bids to be submitted on January 18, 2012. One company can win maximum of 8 newbuilds.		Petrobras	
Other Offshore	25-Nov-11	EPCI contract for field development work for Husky's Madura project off Indonesia.	SMOE/McDermott/Nippon Steel/Punj Lloyd	Husky	

Source: Upstream, Company Reports, J.P. Morgan estimates.

PBR orders would be ~US\$4 billion for KEP (5 rigs as one order received) and US\$4.8 billion (6 rigs)

#6: Petrobras remains the “option upside”

Petrobras recently cancelled 21 rig tender; to engage in direct negotiations

Petrobras has again cancelled the 21 rig tender, indicating it will engage in direct negotiations with two bidders, Sete Brasil & Ocean Rig. While many would see this as another sign of further delay, we did see a positive sign when Sete Brasil placed an order for a semi-sub to be build at Keppel's BrasFels yard at US\$809 million (25-35% premium to market prices and 19% premium to drillship being build at Atlantico Sul). We believe we are likely to see the remaining rigs being ordered in similar piecemeal fashion

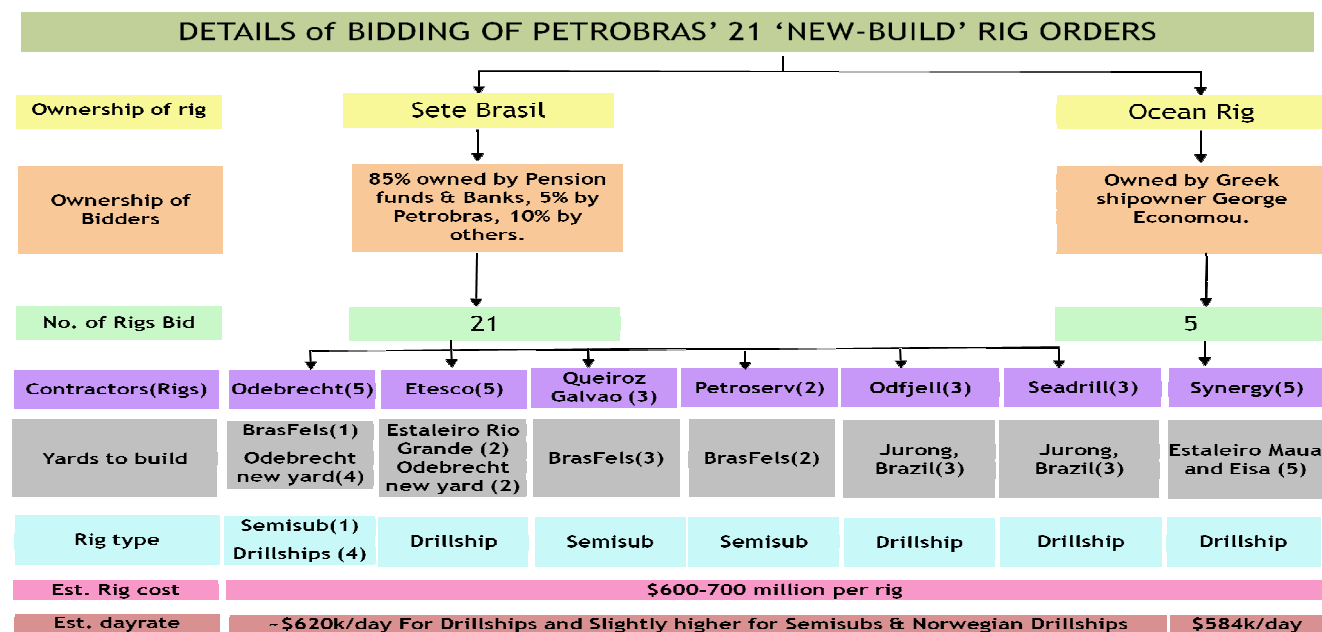
We believe Keppel is likely to be awarded five additional semi-subs while SMM will also participate by potentially being awarded six drillships. In other words, we continue to believe orders will be awarded to Sete Brasil consortium.

Background of “now cancelled” 21 rig tender

Petrobras had received bids for charter contracts for 21 rigs (to be built in Brazil) from Sete Brazil, a holding company, which deals directly with rig operators and yards. Sete Brasil submitted bids based on proposed equity partnerships with a handful of rig operators. Each driller was to own a 15-40% equity stake in the SPV set up to own the rigs with remaining stake being held by Sete Brasil.

A total of six drillers had offered to supply the rigs BrasFels was to build 6 rigs as well as Jurong. Odebrecht had also offered to build four more drillships at its new yard to be constructed in Bahia (Brazil). Another operator Etesco offered 5 drillships to be built at Estaleiro Rio Grande yard and the new Odebrecht yard. In competition to Sete Brasil’s bids, Norway’s Ocean Rig has submitted bids for 5 drillships to be built at Estaleiro Maua and Eisa yards. Ocean rig emerged as the lowest bidder with a dayrate of \$584,000 per day while Sete Brasil was estimated to have a dayrate of ~\$620,000 with dayrates for semisubs and Norwegian Drillship “lightly higher”

Figure 11: Details of Petrobras’ “now cancelled” 21 “tender bidders



Source: Upstream, J.P. Morgan Research.

Potentials risks do remain

Order momentum will be SLOW till uncontracted Jack-ups get contracts

#1: Large % of rigs ordered remain on un-contracted basis

While drillers remain positive on the market outlook, with a large number of Jack-ups as well as Drillships yet to be contracted, we do remain slightly wary of potential delays in contracting (on the back of a macro environment) which may lead to rate compression. We do remain more concerned on Jack-ups (as compared to Drillships as most delivery is in 2013 unlike for Jus in 2012/13).

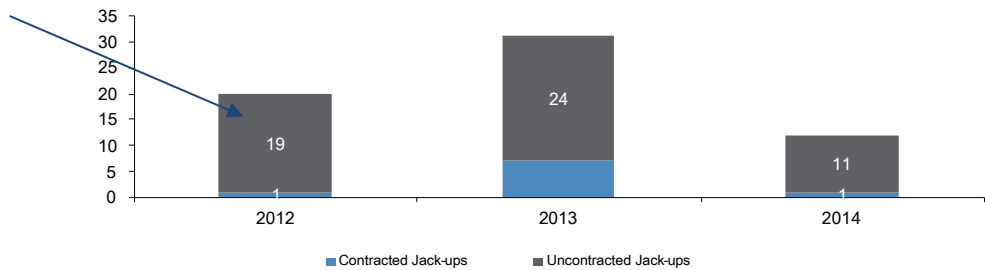
In our view, Saudi Aramco (in case of Jack-ups) and Petrobras (in case of deep water rigs) will comprise the majority of “yet to be contracted” rigs and remain.

“Saudi Aramco” likely to be key customer for JUs with it needing additional 10-20 rigs in 2012.

Watch out for Pemex orders

Figure 12: Jack-Up Delivery Schedule

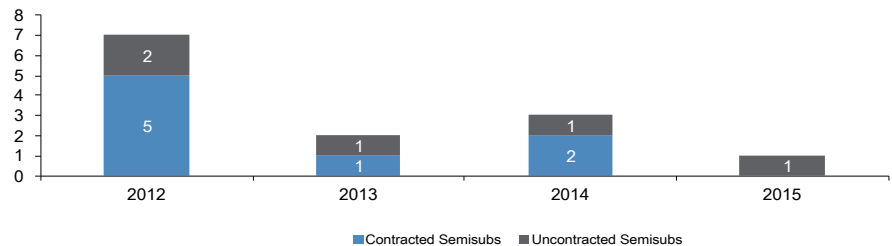
No. of Rigs



Source: Riglogix, J.P. Morgan.

Figure 13: Semisub Delivery Schedule

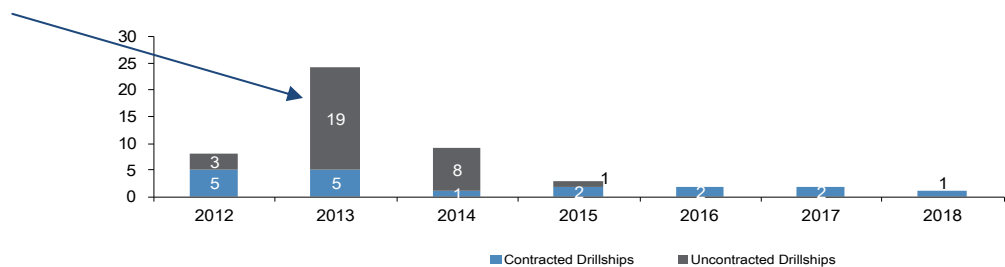
No. of Rigs



Source: Riglogix, J.P. Morgan.

Figure 14: Drillship Delivery Schedule

No. of Rigs



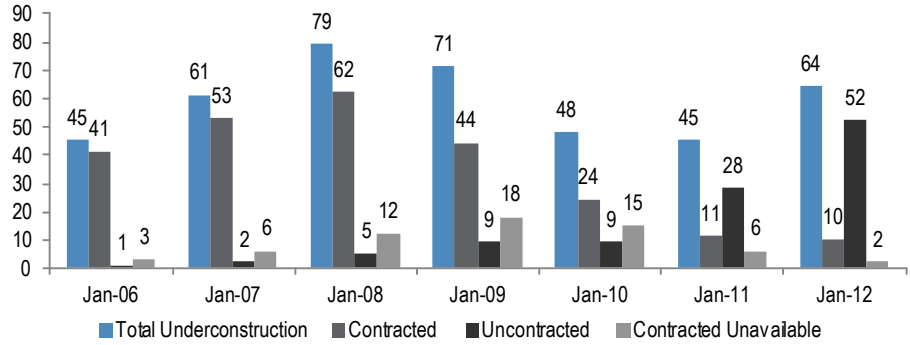
Source: Riglogix, J.P. Morgan.

“Petrobras” likely to be key customer for Drillships with PBR needing additional 10-15 rigs in 2012 / 13

As we can see in the charts below, unlike in previous cycles where a large portion of the rigs under construction were already under contract, this time around nearly 90% of the rigs under construction are still un-contracted (reflecting a need for higher day rates being demand by drillers potentially in our view).

Figure 15: "Contracted vs. Uncontracted" under construction jackups

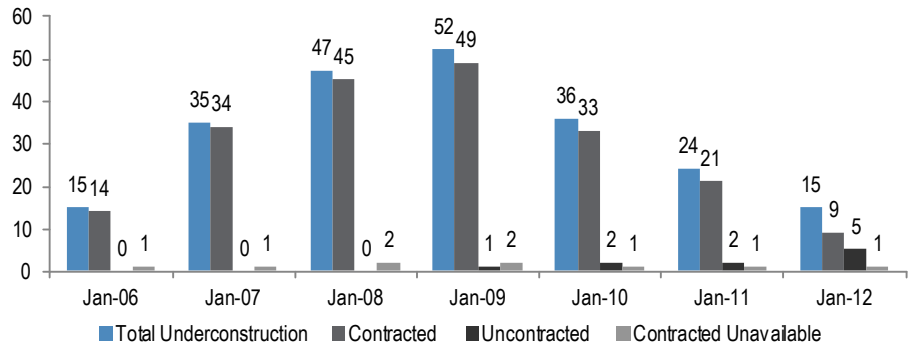
No. of vessels



Source: Riglogix.

Figure 16: "Contracted vs. Uncontracted" under construction Semisubs

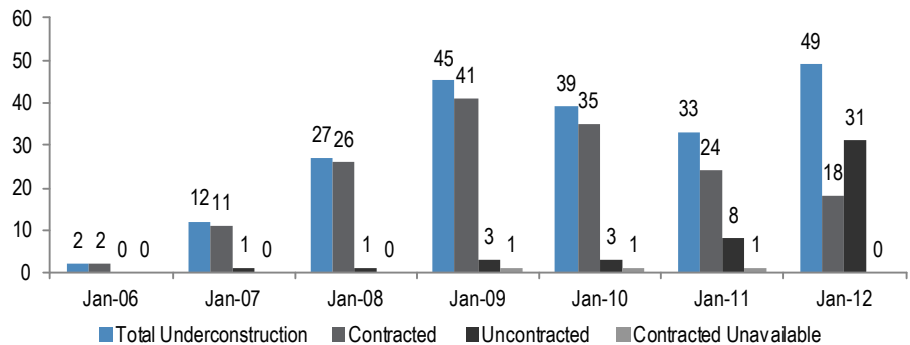
No. of vessels



Source: Riglogix.

Figure 17: "Contracted vs. Uncontracted" under construction Drillships

No. of vessels

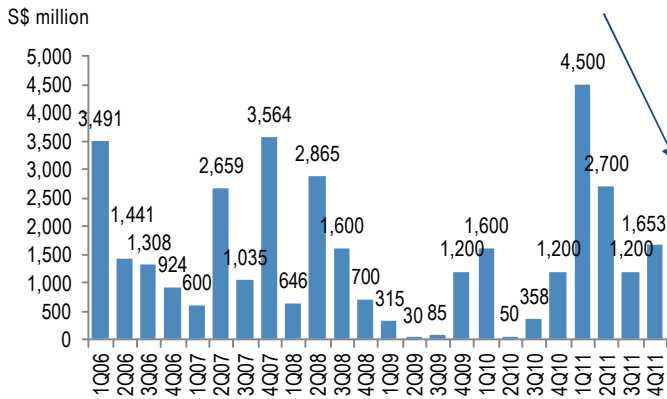


Source: Riglogix.

#2: Slowing order momentum; 2012 unlikely to match 2011

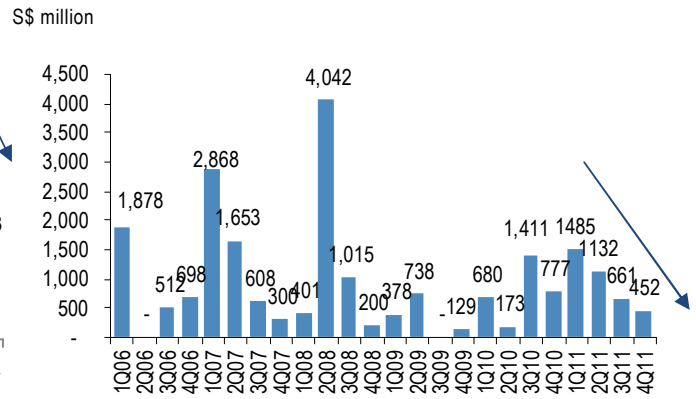
After a record 2011 (in term of rig orders), we believe we are *unlikely to see "as strong" a performance in 2012*. As we can see in the table below, KEP and SMM's quarterly orders are seeing some slowing momentum and a downward trend.

Figure 18: Keppel – historical quarterly order wins



Source: Company data.

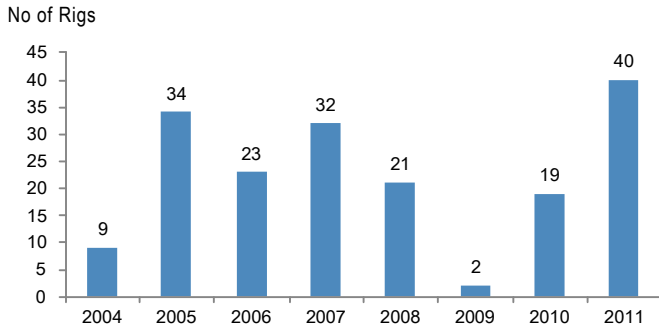
Figure 19: SMM – historical quarterly order wins



Source: Company data.

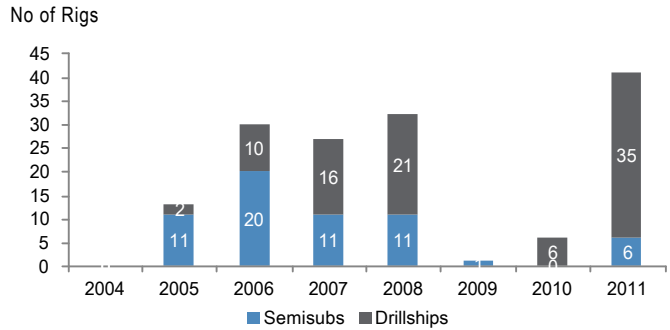
With a large number of orders seen in 2011 (70% uncontracted), we think overall rig ordering will be slower in 2012 than 2011.

Figure 20: Global Jackup orders



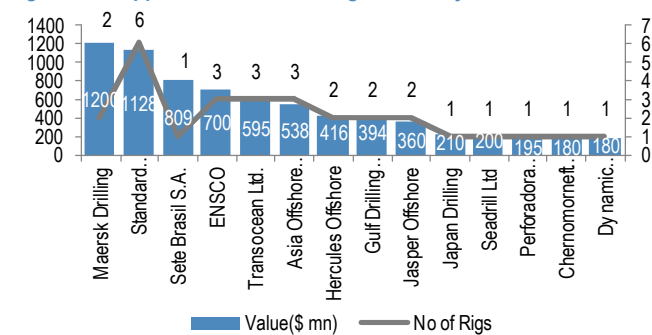
Source: Riglogix.

Figure 21: Global Semisub & Drillship orders



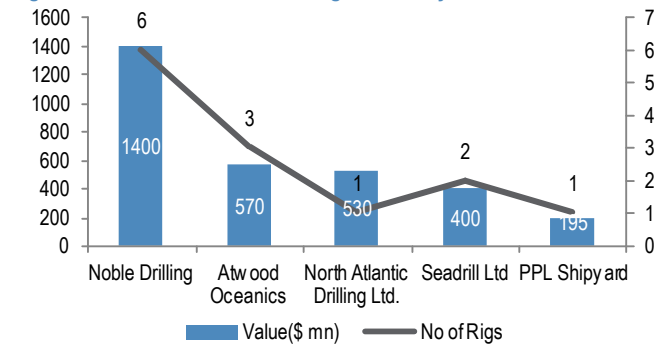
Source: Riglogix.

Figure 22: Keppel's Orders since August 2010 by owners



Source: Riglogix.

Figure 23: SMM's Orders since August 2010 by owners

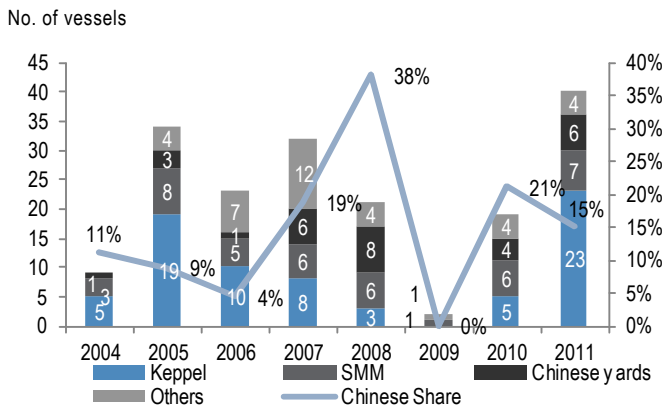


Source: Riglogix.

#3: Losing market share in Jack-up market to the Chinese

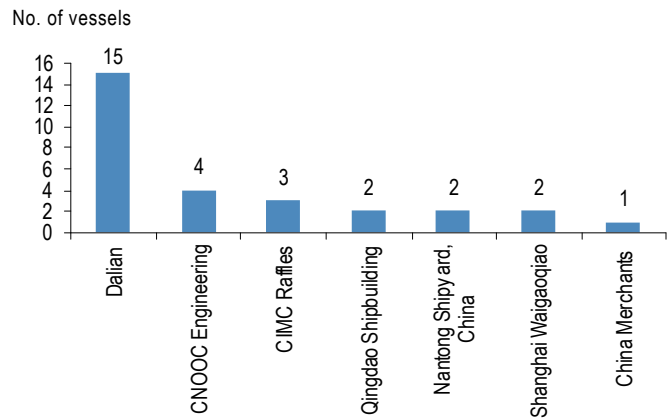
With Sea Drill as well as Prospector Offshore awarding Jack-up orders to China's Dalian shipyard in 2010/2011 we see this as an emerging threat for the Singaporean yards. While financing played a big role in this award (10:90 were the payment terms for this new-build by Dalian), the fact that in the current environment of increasing safety norms and standards within the offshore sector, a leading player's award (such as Sea Drill) provides a vote of confidence to Dalian's execution capability which may result in future awards to Dalian and other Chinese yards. However, we see this as a small risk for now, given that Dalian is the stand out yard amongst the Chinese.

Figure 24: Global jackup order wins: Keppel, SMM vs. others



Source: Rig Logix, J.P. Morgan

Figure 25: Jackup orders won by Chinese yards from 2004 to 2011



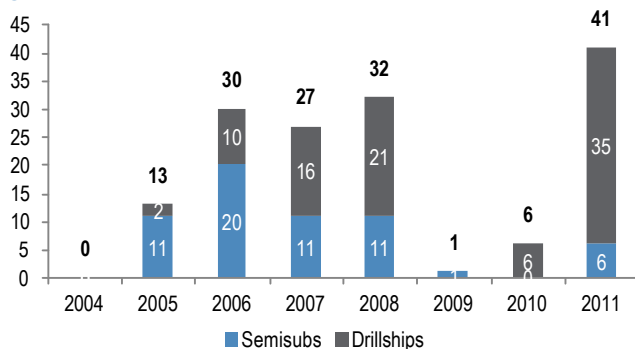
Source: Riglogix

In 2012 – we expect some momentum from

#4: Semi subs to lose out even further to the drillships?

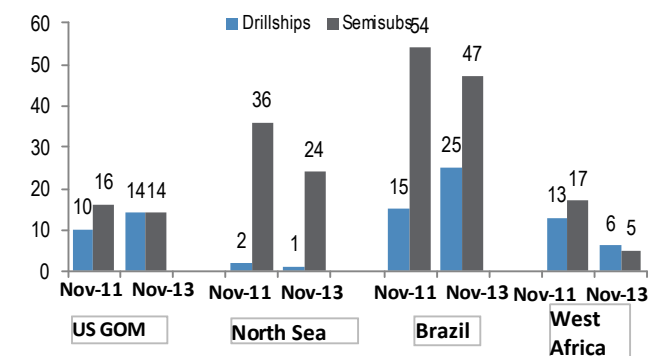
While commentary from drillers remains positive on the deepwater market, we do believe there continues to be a preference for drillships (over semi subs). We continue to see semi subs lose market share to drillships (except for the North Sea). Moreover Singaporeans are yet to win a single semi (Keppel did win semi sub in Dec'10 from Brasil)

Figure 26: Market share trend – Semisubs vs. drillships



Source: Riglogix. 2011 numbers are YTD.

Figure 27: Current vs. future contracted semis and drill ships for major regions



Source: Riglogix.

A slight bias for KEP over SMM

While we remain Overweight on both the Singaporean rig builders, we have a slight preference for Keppel Corp over Sembcorp Marine. This preference is driven by the following four key reasons:

(2) Keppel - the preferred rig builder in a more volatile macro environment

Given the continued concerns relating to stability of the euro zone and slowing global growth (recession fears in Europe), we fear markets will continue to oscillate between “risk on” and “risk off” phases. In such a volatile and uncertain environment, we see Keppel as “more resilient & more defensive” stock. As shown below, KEP has outperformed the STI every year (except in 2008)

Table 6: Relative performance of STI versus KEP / SMM/ Oil / CRY (%)

	KEP	SMM	Oil Prices	CRY
2004	29%	28%	12%	-4%
2005	16%	93%	29%	7%
2006	35%	-5%	-33%	-43%
2007	31%	48%	26%	-9%
2008	-16%	-9%	-2%	13%
2009	26%	56%	3%	-44%
2010	31%	36%	1%	-3%
2011	7%	-9%	32%	10%

Source: J.P. Morgan, Bloomberg, Note: Negative number represents "outperformance" of STI against underlying

(2) PBR participation – existing yard; semi-sub design relatively lower capex

With Keppel Corp as well as SMM amongst the key contenders for 21 drillships from Petrobras and Sete Brasil having finally ordered a semi-sub (from Keppel’s BrasFels in late December 2011) we believe that while both Singaporean yards are still in the running, Keppel’s existing yard facility along with likely lower capex profile (as compared to SMM), puts it in a slightly advantageous position. Moreover, we believe in the near to medium term Keppel’s:

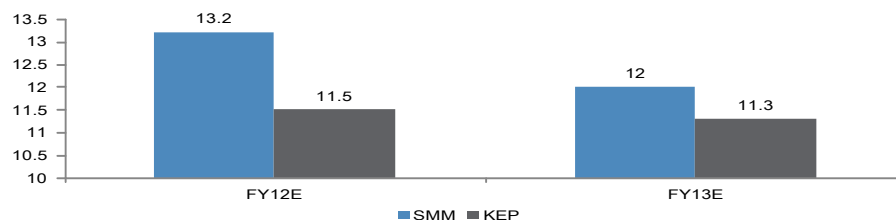
(3) Revenue visibility higher for Keppel

While Keppel’s net orderbook stands at S\$9 billion as of 3Q11, SMM’s net orderbook stands at only S\$5.2 billion. As a result, while Keppel is covered for over 18 months, SMM is covered for less than 12 months, which we believe it leaves it slightly vulnerable to any slowdown in order flow.

(4) Valuation of Keppel’s O&M business slightly lower

On a P/E basis, we see Keppel's O&M business at a slightly lower P/E.

Figure 28: O&M P/E - Keppel v/s SMM



Source: J.P. Morgan estimates.

Sum-of-the parts details for KEP & SMM

Table 7: Keppel Corp: Valuation computation

S\$ million, per share				
Listed entities:	Stake	Price / Factor	Valuation	Per share
Keppel Telecommunications & Transportation	80%	1.11	491	0.28
k1 Venture	36%	0.079	62	0.03
K-Green Trust	49.86%	0.925	290	0.16
Dyna-mac	27.77%	0.435	109	0.06
Market valuation of listed entities (ex-property)			843	0.47
DCF valuation of Offshore & Marine			14,664	8.22
DCF valuation of existing order book only			1,530	0.86
Business value of offshore-conversion			9,073	5.09
Ship repair & others			2,224	1.25
Petrobras 'Option value'			1,838	1.03
DCF valuation of Infrastructure business (ex-Keppel T&T)		1.5	1,266	0.71
DCF valuation of Keppel Bay property project		0%	952	0.53
Keppel Land	53%	0%	1,773	0.99
K-REIT	31%	0.86	690	0.39
Net cash/ (debt) -- (excluding cash advances) at O&M			1,700	0.95
Fair value of Keppel Corp			21,888	12.43
Price target				12.4

Source: J.P. Morgan estimates.

Table 8: Sembcorp Marine: Valuation computation

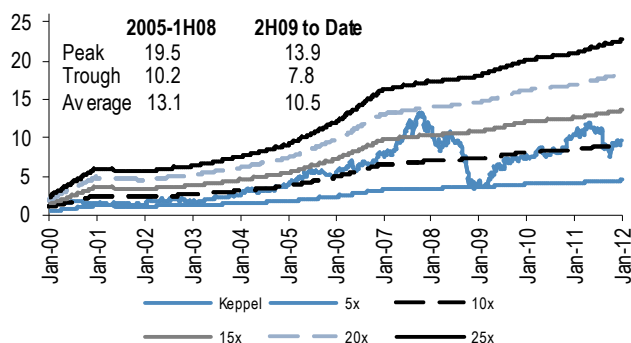
S\$ in millions

SEMBCORP MARINE - SUM OF PARTS VALUATION				
		P/E	Valuation	Per share
DCF valuation of existing order book only			663	0.32
Ship repair	142	10.x	1,420	0.68
Cosco Shipyard Group		0.93	541	0.26
Business value of offshore-conversion			6,249	3.00
Petrobras Option value			861.9	0.41
Net cash (excluding customer receivables)		100%	1,442	0.69
Offshore Valuation (excluding Cosco; including cash)			10,636	5.11
Listed entities:	Shareholding			
Cosco Corp	5.0%		103	0.05
Fair value of SembCorp Marine			11,281	5.42
Price target				5.40

Source: J.P. Morgan estimates.

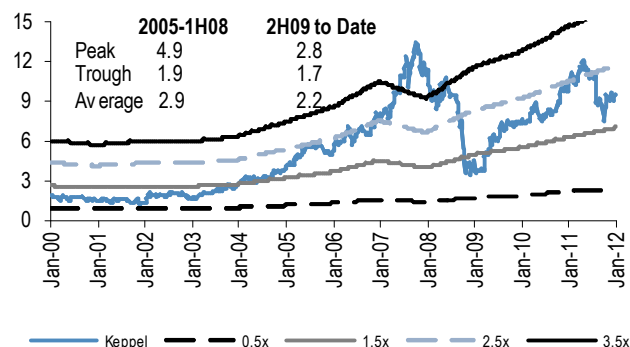
Trading Bands

Figure 29: Keppel Corp: Forward P/E trading band



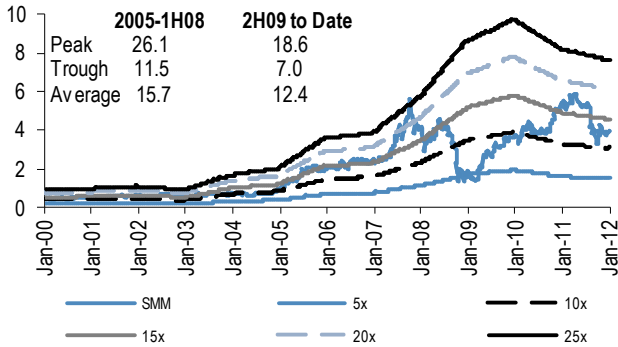
Source: Bloomberg, J.P. Morgan estimates.

Figure 30: Keppel Corp: Forward P/BV trading band



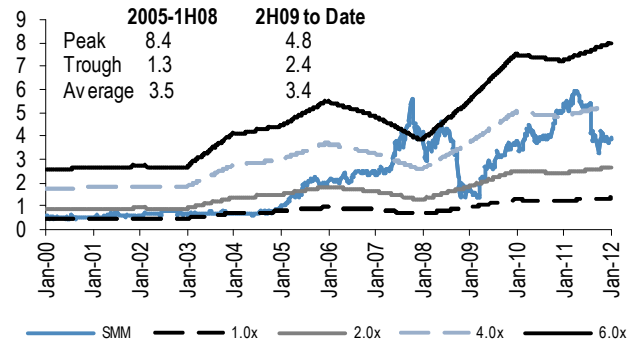
Source: Bloomberg, J.P. Morgan estimates.

Figure 31: SMM: Forward P/E trading band (\$\$)



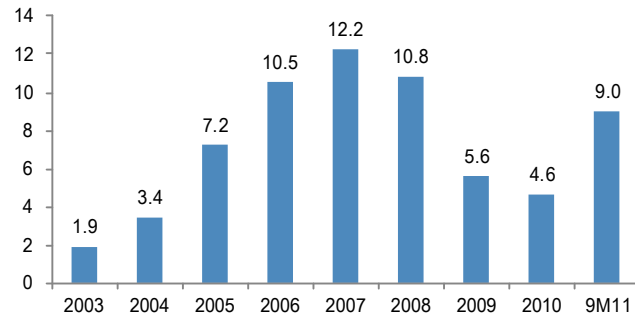
Source: Bloomberg, J.P. Morgan estimates.

Figure 32: SMM: Forward P/BV trading band (\$\$)



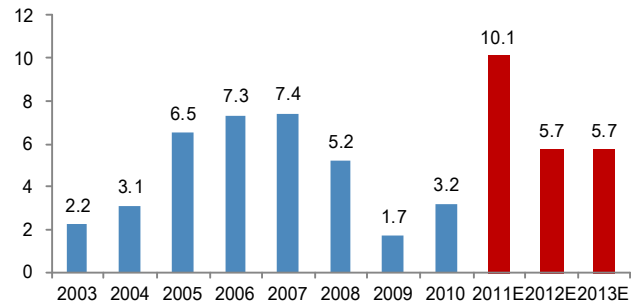
Source: Bloomberg, J.P. Morgan estimates.

Figure 33: Keppel: Net Orderbook (\$\$ bn)



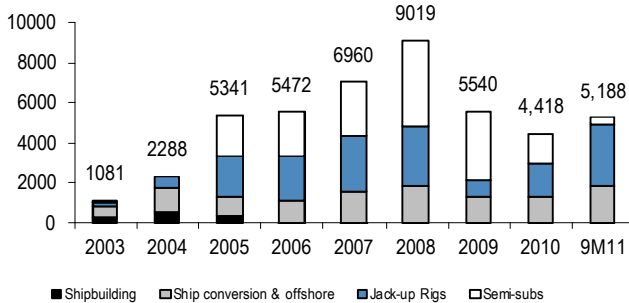
Source: Keppel, J.P.Morgan Estimates.

Figure 34: Keppel: New Orders (\$\$ bn)



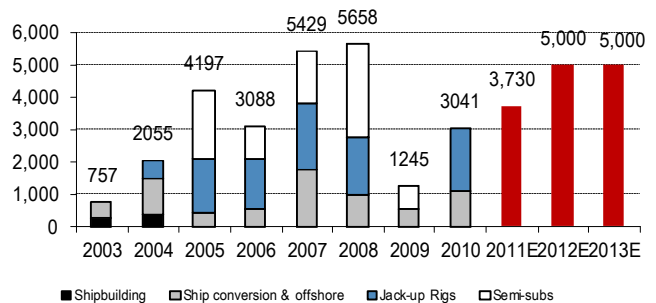
Source: Keppel, J.P.Morgan Estimates.

Figure 35: SMM: Net Order-book (\$\$ million)



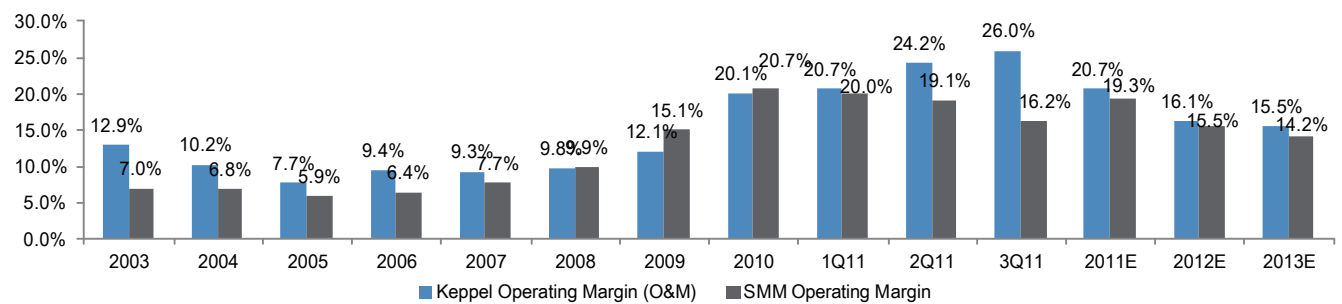
Source: Sembcorp Marine.

Figure 36: SMM: New Contracts (\$\$ million)



Source: Sembcorp Marine.

Figure 37: O&M segment: Quarterly Operating Margins (%)



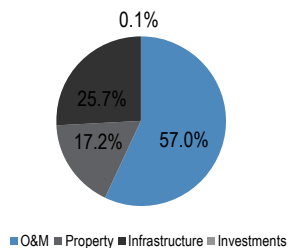
Source: Keppel Corp, Sembcorp Marine.

Keppel Corporation

Company Description

Keppel Corporation key businesses include Offshore & Marine, Property and Infrastructure. Its offshore and marine businesses is the global market leader in the construction of offshore rigs i.e., jack-ups and semi-submersibles. On the property side, it is involved in property development primarily via 53%-owned Keppel Land. Its infrastructure business comprises environmental engineering, power generation, logistics and network engineering.

Revenue chart (FY10)



Source: Company reports.

EPS: J.P. Morgan vs. consensus

	J. P. Morgan	Consensus
FY11E	0.836	0.828
FY12E	0.906	0.868
FY13E	0.914	0.898

Source: Bloomberg, J.P. Morgan estimates.

P&L sensitivity metrics

	EBITDA impact (%)	EPS impact (%)
Sales volume growth assumption	21%	21%
Impact of each 5%	5%	6%
Gross margin assumption	17%	17%
Impact of each 1%	5%	6%
Capacity utilization assumption	na	na
Impact of each 5%	na	na

Source: J.P. Morgan estimates.

Price target and valuation analysis

Our PT is based on a sum of the parts with DCF-based calculation for rig building business and a 10x P/E for ship repair and other businesses. We believe 10x is in line with historical average of repair business. We value property (Keppel Bay, Keppel Land) at a discount to NAV (as per our property team). Finally, we value infrastructure business at 1.5x book.

Risk free rate:	3.0%
Market risk premium:	4.5%
Beta:	1.2
Debt/equity:	42.9%
Cost of debt:	4.5%
Terminal "g":	1.5%

At our price target, Keppel would be trading at 13.7x FY12E earnings and 3.4% dividend yield. We believe it is fair, given the limited near-term outlook on order-book. Key risks to our price target remain stronger-than-expected order-book outlook and momentum and worse-than-expected order cancellations.

Keppel Corporation: Summary of Financials

Income Statement						Cash flow statement					
S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E	S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E
Revenues	12,247	9,783	9,715	11,715	12,066	EBIT	1,505	1,756	1,952	2,050	2,042
EBITDA	1,679	1,945	2,103	2,205	2,204	Depreciation & amortization	174	189	151	156	162
% change Y/Y	21.9%	15.8%	8.1%	4.9%	-0.1%	Change in working capital	-910	-1,302	-2,234	-2,810	-619
EBITDA Margin	13.7%	19.9%	21.6%	18.8%	18.3%	Other non-cash items	29	44	631	429	499
EBIT	1,505	1,756	1,952	2,050	2,042	Cash flow from operations	670	450	128	-591	1,607
% change Y/Y	21.5%	16.7%	11.1%	5.0%	-0.4%	Capex	-427	-815	-364	-439	-452
EBIT Margin	12.3%	18.0%	20.1%	17.5%	16.9%	Disposal/(purchase)	-	-	-	-	-
Net Interest	29	55	22	-26	-97	Cash flow from investments	424	-761	-617	-439	-452
Associates	322	215	359	456	526	Equity raised/(repaid)	8	74	0	0	0
Exceptionals	361	204	260	-40	-40	Debt raised/(repaid)	197	3,221	392	0	0
Earnings before tax	2,178	2,687	2,592	2,439	2,431	Other	-8	-1,046	-169	0	0
% change Y/Y	35.3%	23.4%	-3.6%	-5.9%	-0.3%	Dividends paid	-574	-627	-749	-749	-749
Tax	-348	-581	-381	-377	-367	Cash flow from financing	-377	1,621	-526	-749	-749
as % of EBT	16.0%	21.6%	14.7%	15.4%	15.1%	Net change in cash	717	1,311	-1,015	-1,780	405
Minority Interests	-205	-484	-460	-486	-474	Beginning cash	2,217	2,934	4,246	3,231	1,451
Net income (reported)	1,625	1,623	1,751	1,577	1,590	Ending cash	2,934	4,245	3,231	1,451	1,856
Net income (recurring)	1,265	1,419	1,491	1,616	1,630	Free cash flow	1,522	-691	-807	-1,371	807
Shares outstanding	1,754	1,766	1,784	1,784	1,784	DPS	0.38	0.42	0.42	0.42	0.42
EPS (Recurring)	0.72	0.80	0.84	0.91	0.91						
EPS (reported)	0.93	0.92	0.98	0.88	0.89						
Balance sheet						Ratio Analysis					
S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E	S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E
Cash and cash equivalents	2,936	4,246	3,231	1,451	1,856	Gross margin	15.5%	20.6%	17.0%	17.2%	17.2%
Accounts receivable	1,727	1,959	2,591	3,124	3,218	EBITDA margin	13.7%	19.9%	21.6%	18.8%	18.3%
Inventories	2,878	3,940	6,065	7,077	7,289	EBIT margin	12.3%	18.0%	20.1%	17.5%	16.9%
Others	744	842	842	1,844	2,344	Net margin	13.3%	16.6%	18.0%	13.5%	13.2%
Current assets	8,285	10,987	12,729	13,496	14,707	Sales growth	3.7%	(20.1%)	(0.7%)	20.6%	3.0%
LT investments	3,203	3,507	3,507	3,507	3,507	EBIT growth	21.5%	16.7%	11.1%	5.0%	-0.4%
Net fixed assets	2,157	2,243	2,626	2,909	3,200	Net profit growth	48.0%	(0.1%)	7.9%	(9.9%)	0.9%
Total Assets	16,934	20,461	22,838	23,888	25,390	EPS growth	4.4%	11.5%	4.0%	8.4%	0.8%
Short-term loans	839	392	392	392	392	Interest coverage (x)	30.3	27.1	12.1	12.2	12.2
Payables	4,052	4,343	4,744	6,241	6,428	Net debt to equity	(14.1%)	(1.9%)	11.4%	25.0%	19.5%
Total current liabilities	7,242	7,093	7,616	7,352	7,539	Sales/assets	72.7%	52.3%	44.9%	50.1%	49.0%
Long-term debt	918	3,676	4,068	4,068	4,068	Assets/equity	324.8%	306.8%	313.0%	298.3%	284.3%
Other liabilities	387	410	410	410	410	ROE	24.4%	23.3%	21.6%	20.6%	18.8%
Total Liabilities	8,547	11,179	12,094	11,831	12,018	ROCE	16.2%	15.2%	13.7%	12.9%	11.9%
Shareholders' equity	8,387	9,282	10,744	12,057	13,372						
Total Liabilities and equity	16,934	20,461	22,838	23,888	25,390						
BVPS	3.29	3.63	4.16	4.62	5.09						

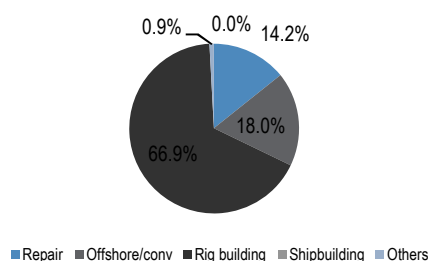
Source: Company reports and J.P. Morgan estimates.

Sembcorp Marine

Company Description

Sembcorp Marine is a leading global marine engineering group, specializing in ship repair, shipbuilding, conversion, rig building, offshore engineering and construction. Globally, it is a market leader in offshore rig building i.e. jack-ups and semi-submersibles. The company also has a stake of 30% in Cosco Shipyard Group which owns eight strategically located shipyards in China.

Revenue chart (FY10A)



Source: Company reports.

EPS: J.P. Morgan vs. consensus

	J. P. Morgan	Consensus
FY11E	0.33	0.34
FY12E	0.31	0.32
FY13E	0.34	0.34

Source: Bloomberg, J.P. Morgan estimates.

Table 9: Valuation Comparison

Company	Mkt Cap (US\$mm)	P/E			P/B			Dividend yield			ROE			Net Gearing		
		11E	12E	13E	11E	12E	13E	11E	12E	13E	11E	12E	13E	11E	12E	13E
Singapore																
Keppel Corp	13,236	11.5x	10.6x	10.5x	2.3x	2.1x	1.9x	4.4%	4.4%	4.4%	21.6%	20.6%	18.8%	11.4%	25.0%	19.5%
Sembcorp Marine	6,407	12.1x	13.0x	11.7x	3.3x	3.0x	2.7x	5.3%	4.6%	5.1%	28.4%	25.4%	25.6%	710.1%	Net Cash	71.1%
STX OSV	1,122	5.4x	6.3x	6.9x	2.2x	1.8x	1.5x	7.4%	6.4%	5.8%	45.2%	31.2%	24.2%	67.2%	45.5%	24.9%
Korea																
Daewoo	3,867	5.4x	7.0x	6.0x	1.0x	0.9x	0.8x	2.2%	2.1%	2.1%	19.0%	12.8%	13.6%	30.8%	21.3%	11.7%
Hyundai H.I.	18,171	6.0x	6.4x	5.9x	1.2x	1.1x	0.9x	2.4%	2.3%	2.5%	20.8%	16.8%	16.3%	9.9%	3.6%	Net Cash
Samsung H.I.	5,759	7.2x	8.1x	6.9x	1.4x	1.2x	1.1x	1.7%	1.7%	1.7%	21.5%	15.8%	16.6%	17.4%	5.0%	Net Cash
China																
COSCO Corp	1,601	14.3x	13.6x	12.7x	1.6x	1.5x	1.4x	2.2%	2.2%	3.5%	12.1%	11.7%	11.4%	Net Cash	Net Cash	Net Cash
Yangzijiang	2,770	5.2x	5.2x	5.2x	1.4x	1.2x	1.0x	5.4%	5.4%	5.4%	30.0%	24.8%	21.2%	Net Cash	Net Cash	Net Cash
China Rongsheng	1,893	4.1x	4.1x	4.2x	0.7x	0.6x	0.6x	3.7%	3.6%	5.7%	19.4%	16.5%	14.4%	30.7%	22.1%	24.3%
Malaysia																
Kencana Petroleum	1,870	25.1x	20.1x	16.1x	4.7x	3.0x	2.6x	0.6%	0.4%	0.7%	22.2%	14.3%	16.3%	7.1%	2.6%	Net Cash
MMHE	2,932	26.9x	21.2x	18.3x	3.6x	3.2x	2.7x	0.7%	0.9%	1.5%	25.8%	14.0%	16.0%	Net Cash	Net Cash	Net Cash
Average		9.7x	10.5x	9.5x	2.1x	1.8x	1.6x	3.3%	3.1%	3.5%	24.2%	18.5%	17.7%	110.6%	17.9%	30.3%

Source: J.P. Morgan Estimates for Keppel, SMM, STX OSV, YZJ. Bloomberg consensus estimates for others. Priced as of 06 January 2012.

P&L sensitivity metrics

	EBITDA impact (%)	EPS impact (%)
Sales volume growth assumption	15%	15%
Impact of each 5%	5%	5%
Gross margin assumption	18%	18%
Impact of each 1%	6%	6%
Capacity utilization assumption	na	na
Impact of each 5%	na	na

Source: J.P. Morgan estimates.

Price target and valuation analysis

Our PT is based on a sum of the parts with DCF-based calculation for rig building business, Petrobras option value and a 10x P/E for ship repair and other businesses. We believe 10x is in line with the historical average of repair business. We also value Cosco Shipyard Group (CSG) based on current share price of Cosco Corp, parent of CSG.

Risk free rate:	3.0%
Market risk premium:	4.5%
Beta:	1.4
Debt/equity:	52.7%
Cost of debt:	4.0%
Terminal "g":	1.5%

At our price target, SMM would be trading at 17.7x FY12E earnings. We believe it is fair, given an improving economic outlook and impending orders from PBR. Key risks to our price target remain stronger-than-expected order-book outlook and momentum and worse-than-expected order cancellations.

Sembcorp Marine: Summary of Financials

Income Statement						Cash flow statement					
S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E	S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E
Revenues	5,725	4,555	3,910	4,600	5,684	EBIT	862	943	755	713	809
EBITDA	938	1,026	843	820	948	Depreciation & amortization	75	83	88	107	139
% change Y/Y	64.2%	9.4%	NM	NM	15.6%	Change in working capital	-505	376	-257	-929	201
EBITDA Margin	16.4%	22.5%	21.6%	17.8%	16.7%	Other non-cash items	23	71	0	0	0
EBIT	862	943	755	713	809	Cash flow from operations	428	1,358	378	-221	1,006
% change Y/Y	71.8%	9.3%	NM	NM	13.5%	Capex	-67	-73	-300	-500	-500
EBIT Margin	15.1%	20.7%	19.3%	15.5%	14.2%	Others	6	1	145	3	3
Net Interest	31	25	55	15	-2	Cash flow from investments	-61	-72	-155	-497	-497
Associates	25	58	64	73	83	Free cash flow	367	1,285	223	-718	509
Exceptionals	-11	53	54	0	0	Equity raised/(repaid)	0	0	14	0	0
Earnings before tax	908	1,078	928	800	889	Debt raised/(repaid)	-206	-12	-8	400	400
% change Y/Y	66.6%	18.8%	-13.9%	-13.8%	11.2%	Other	10	16	-93	0	0
Tax	-151	-184	-156	-135	-150	Dividends paid	-233	-328	-748	-382	-425
as % of EBT	16.6%	17.1%	16.9%	16.8%	16.8%	Cash flow from financing	-429	-323	-835	18	-25
Minority Interests	-57	-34	-33	-29	-32	Net change in cash	-62	962	-611	-700	484
Net income (reported)	700	860	738	637	708	Beginning cash	2,054	1,979	2,915	2,304	1,604
% change Y/Y	62.8%	22.9%	(14.2%)	(13.7%)	11.2%	Ending cash	1,979	2,915	2,304	1,604	2,088
Net Profit Recurring	712	808	684	637	708	DPS	0.15	0.36	0.21	0.18	0.20
Shares outstanding	2,071	2,078	2,084	2,084	2,084						
EPS (recurring)	0.34	0.39	0.33	0.31	0.34						
EPS (reported)	0.34	0.41	0.35	0.31	0.34						
Balance sheet						Ratio Analysis					
S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E	S\$ in millions, year end Dec	FY09	FY10	FY11E	FY12E	FY13E
Cash and cash equivalents	1,979	2,915	2,304	1,604	2,088	Gross margin	17.2%	24.8%	22.8%	18.3%	17.0%
Accounts receivable	229	153	413	485	678	Reported PATMI margin	12.2%	18.9%	18.9%	13.9%	12.5%
Inventories	1,253	751	803	945	1,246	Sales growth	13.1%	(20.4%)	(14.1%)	17.6%	23.6%
Others	58	81	69	82	101	EPS growth	50.2%	13.1%	-15.5%	-6.9%	11.2%
Current assets	3,518	3,900	3,589	4,196	4,763	Receivables - no. of days	18	19	45	45	50
LT investments	166	287	142	142	142	Inventories - no. of days	80	60	75	75	80
Net fixed assets	678	682	894	1,286	1,647	Payables - no. of days	174	224	200	200	180
Total Assets	4,688	5,279	5,120	6,181	7,179	Interest coverage (x)	161.8	132.1	4,716.7	89.1	33.7
Short-term loans	12	8	0	0	0	Net debt to equity	(99.9%)	(108.2%)	(87.6%)	(41.3%)	(39.9%)
Payables	1,566	1,454	1,693	2,520	2,803	Sales/assets	322.3%	186.6%	140.2%	148.9%	150.0%
Total current liabilities	2,635	2,449	2,372	2,749	3,032	Assets/equity	110.9%	108.9%	107.3%	123.2%	137.1%
Long-term debt	8	0	0	400	800	ROE	43.7%	38.4%	28.4%	25.4%	25.6%
Other liabilities	84	143	119	119	119	ROCE	39.6%	31.5%	21.8%	19.1%	17.7%
Total Liabilities	2,727	2,592	2,490	3,268	3,951						
Shareholders' equity	1,960	2,687	2,629	2,913	3,228						
Total Liabilities and equity	4,688	5,279	5,120	6,181	7,179						
BVPS	0.91	1.25	1.20	1.33	1.46						

Source: Company reports and J.P. Morgan estimates.

Appendix

Global Rig orders by key yards and vessel type since 2004

Table 10: Global Jack up orders

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	5	19	10	8	3	0	5	23
SMM	3	8	5	6	6	1	6	7
Daewoo	0	0	0	0	0	0	0	0
Hyundai	0	0	0	0	0	0	0	0
Samsung	0	0	0	0	0	0	0	0
Others	1	7	8	18	12	1	8	10
Total	9	34	23	32	21	2	19	40

Source: Riglogix.

Table 11: Global Semisub orders

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	3	5	1	4	0	0	1
SMM	0	3	1	2	4	0	0	0
Daewoo	0	1	3	2	1	1	0	2
Hyundai	0	0	0	0	0	0	0	0
Samsung	0	1	1	2	0	0	0	0
Others	0	3	10	4	2	0	0	3
Total	0	11	20	11	11	1	0	6

Source: Riglogix.

Table 12: Global Drillship orders

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	0	0	1	0	0	0	0
SMM	0	0	0	0	0	0	0	0
Daewoo	0	0	3	3	7	0	2	5
Hyundai	0	0	0	1	2	0	0	10
Samsung	0	2	6	11	10	0	3	10
Others	0	0	1	0	2	0	1	10
Total	0	2	10	16	21	0	6	35

Source: Riglogix.

Table 13: Global deep water rigs (semis 'plus' drillship) orders

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	3	5	2	4	0	0	1
SMM	0	3	1	2	4	0	0	0
Daewoo	0	1	6	5	8	1	2	7
Hyundai	0	0	0	1	2	0	0	10
Samsung	0	3	7	13	10	0	3	10
Others	0	3	11	4	4	0	1	13
Total	0	13	30	27	32	1	6	41

Source: Riglogix.

Global Rig orders by owners since 2004

Table 14: Global Jack up orders by owners

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011
Aban Offshore	3	3	3	0	0	0	0	0
Arabian Drilling	1	0	0	0	0	0	0	0
Asia Offshore Drilling Ltd.	0	0	0	0	0	0	2	1
Atwood Oceanics	0	0	1	0	0	0	2	1
China Oilfield Services Ltd.	2	5	2	3	4	0	0	0
CNPC (NOC)	0	0	0	4	0	0	0	0
Diamond Offshore	0	1	0	0	0	0	0	0
Dynamic Offshore Drilling Ltd.	0	0	0	0	0	0	0	1
Egyptian Drilling	0	0	0	1	1	0	0	0
Egyptian Offshore Drilling Company	0	0	0	0	2	0	0	0
ENSCO	1	2	0	0	0	0	0	3
Essar Oilfields Services Ltd.	0	0	0	2	0	0	0	0
Eurasia Drilling Company	0	0	0	0	0	0	1	0
Great Offshore	0	0	1	0	0	0	0	0
Greatship Global	0	0	2	0	0	0	0	1
Gulf Drilling International	1	1	0	0	0	0	0	2
Hercules Offshore	0	0	0	0	0	0	0	2
Japan Drilling	0	1	0	0	0	0	0	1
Jasper Offshore	0	0	0	0	0	0	1	1
Jindal Drilling & Industries Ltd.	0	0	2	0	0	0	0	1
KS Energy Services Ltd.	0	0	0	1	0	0	0	2
M/S Drilling & Offshore Pte Ltd	0	0	0	0	0	0	2	0
Maersk Drilling	1	5	0	0	0	0	0	2
Maritime Industrial Services	0	0	0	1	0	0	0	0
MENAdrill	0	0	0	0	2	0	0	0
Mosvoid Middle East Jackup	0	0	0	1	0	0	0	0
National Drilling	0	0	0	0	1	0	1	2
Noble Drilling	0	2	1	0	0	0	2	4
North Atlantic Drilling Ltd.	0	0	0	1	0	0	0	1
Operadora CISCA	0	0	0	1	0	0	0	0
Perforadora Central	0	1	0	1	0	0	0	1
Petrobras (NOC)	0	0	0	2	0	0	0	0
PPL Shipyard	0	0	0	0	0	0	0	1
Prospector Offshore	0	0	0	0	0	0	2	4
PT Apexindo	0	1	0	0	0	0	0	0
PV Drilling	0	1	0	1	1	0	0	0
Rowan	0	3	1	7	0	0	0	0
SAAG Drilling	0	0	0	1	0	0	0	0
Safin Gulf FZCO	0	1	0	0	0	0	0	0
Saipem	0	1	2	0	0	0	0	0
Saudi Aramco (NOC)	0	0	0	0	0	0	1	0
Seadrill Ltd	0	6	3	2	3	0	4	0
SeaWolf Oil Services Limited	0	0	2	0	0	0	0	0
Shanghai Offshore	0	0	0	0	1	0	0	0
Singapore Drilling AS	0	0	2	0	0	0	0	0
SinoTharwa Drilling Co.	0	0	0	0	1	0	0	0
Standard Drilling Plc	0	0	0	0	0	0	1	6
Swift Drilling BV	0	0	0	0	1	0	0	0
Transocean Ltd.	0	0	0	0	0	1	0	3
Vantage Energy Services	0	0	1	3	0	0	0	0
VietSovPetro	0	0	0	0	1	1	0	0
Yantai Raffles	0	0	0	0	3	0	0	0
Total	9	34	23	32	21	2	19	40

Source: Riglogix. As of November 2011.

Table 15: Global semisub orders by owners

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011
Atwood Oceanics	0	0	0	0	2	0	0	0
China Oilfield Services Ltd.	0	1	2	1	0	0	0	1
Delba Perforadora Internacional S.A.	0	0	0	0	1	0	0	0
Diamond Offshore	0	1	1	0	0	0	0	0
ENSCO	0	1	2	1	3	0	0	0
Gazflot, LLC	0	0	0	2	0	0	0	0
Industrial Perforadora de Campeche	0	0	0	2	1	0	0	0
Maersk Drilling	0	2	1	0	0	0	0	0
Noble Drilling	0	0	0	0	0	0	0	0
North Atlantic Drilling Ltd.	0	1	0	0	0	0	0	0
North Drilling Company	0	0	0	0	0	0	0	0
Odebrecht Oil & Gas	0	0	1	1	0	0	0	0
Odfjell	0	0	1	2	0	0	0	0
Petroserv SA	0	0	1	0	0	1	0	0
Queiroz Galvao Oleo e Gas S.A.	0	0	2	0	1	0	0	0
Saipem	0	0	2	0	0	0	0	0
Schahin	0	0	2	0	0	0	0	0
Seadrill Ltd	0	3	3	2	1	0	0	0
Sevan Drilling	0	0	1	0	1	0	0	2
Songa Offshore AS	0	0	0	0	1	0	0	2
Transocean Ltd.	0	2	1	0	0	0	0	0
Total	0	11	20	11	11	1	0	5

Source: Riglogix. As of November 2011.

Table 16: Global Drillship orders by owners

	2004	2005	2006	2007	2008	2009	2010	2011
Atwood Oceanics	0	0	0	0	0	0	0	2
Delba Perforadora Internacional S.A.	0	0	0	0	2	0	0	0
Diamond Offshore	0	0	0	0	0	0	0	3
Dolphin Drilling	0	0	0	0	0	0	0	1
ENSCO	0	0	0	2	2	0	1	0
Etesco	0	0	0	0	1	0	0	0
Maersk Drilling	0	0	0	0	0	0	0	4
Noble Drilling	0	0	0	1	2	0	1	4
Ocean Rig Asa	0	0	0	4	0	0	0	3
Odebrecht Oil & Gas	0	0	0	0	2	0	2	0
Odfjell	0	0	0	0	2	0	0	0
Opus Offshore	0	0	0	0	0	0	0	2
Pacific Drilling Limited	0	0	0	2	2	0	0	2
Petroserv SA	0	0	0	0	1	0	0	0
Queiroz Galvao Oleo e Gas S.A.	0	0	0	0	2	0	0	0
Rowan	0	0	0	0	0	0	0	3
Saipem	0	0	0	1	0	0	0	0
Schahin	0	0	0	1	2	0	0	0
Seadrill Ltd	0	1	1	1	0	0	2	1
Sete Brasil S.A.	0	0	0	0	0	0	0	7
Stena Drilling	0	1	2	0	1	0	0	0
Transocean Ltd.	0	0	6	2	1	0	0	2
Vantage Energy Services	0	0	1	2	1	0	0	1
Total	0	2	10	16	21	0	6	35

Source: Riglogix. As of November 2011.

Global Rig deliveries by key yards and vessel type since 2004

Table 17: Global Jack up Deliveries

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	1	6	7	13	9	7	3
SMM	0	0	2	4	10	5	4	4
Daewoo	0	0	0	0	0	0	0	0
Hyundai	0	0	0	0	0	0	0	0
Samsung	1	0	0	0	0	0	0	0
Others	3	2	2	2	6	11	9	15
Total	4	3	10	13	29	25	20	22

Source: Riglogix. As of November 2011.

Table 18: Global Semisub Deliveries

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	0	0	0	1	5	3	2
SMM	0	0	0	0	2	3	3	3
Daewoo	0	0	0	0	1	3	2	1
Hyundai	0	0	0	0	0	0	0	0
Samsung	0	0	0	0	1	1	0	2
Others	2	2	0	0	0	5	4	8
Total	2	2	0	0	5	17	12	16

Source: Riglogix. As of November 2011.

Table 19: Global Drillship Deliveries

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	0	0	0	0	0	0	2
SMM	0	0	0	0	0	0	0	0
Daewoo	0	0	0	0	0	3	3	5
Hyundai	0	0	0	0	0	0	1	2
Samsung	0	0	0	0	4	3	8	9
Others	0	0	0	0	0	0	0	1
Total	0	0	0	0	4	6	12	19

Source: Riglogix. As of November 2011.

Table 20: Global deep water rigs (semis 'plus' drillship) Deliveries

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011(YTD)
Keppel	0	0	0	0	1	5	3	4
SMM	0	0	0	0	2	3	3	3
Daewoo	0	0	0	0	1	6	5	6
Hyundai	0	0	0	0	0	0	1	2
Samsung	0	0	0	0	5	4	8	11
Others	2	2	0	0	0	5	4	9
Total	2	2	0	0	9	23	24	35

Source: Riglogix. As of November 2011.

Global Rig deliveries by owners since 2004

Table 21: Global Jack up Deliveries by owners

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011
Aban Offshore	0	0	3	2	3	1	0	0
Arabian Drilling	0	0	1	0	0	0	0	0
Atwood Oceanics	0	0	0	0	1	0	0	0
China Oilfield Services Ltd.	0	0	3	1	4	4	4	0
CNPC (NOC)	0	0	0	0	2	2	0	0
Diamond Offshore	0	0	0	0	1	0	0	0
Egyptian Drilling	0	0	0	0	0	1	1	0
Egyptian Offshore Drilling Company	0	0	0	0	0	0	1	1
ENSCO	0	1	1	1	1	0	0	0
Great Offshore	0	0	0	0	0	0	0	1
Greatship Global	0	0	0	0	0	2	0	0
Gulf Drilling International	0	0	1	0	1	0	0	0
Japan Drilling	0	0	0	0	1	0	0	0
Jindal Drilling & Industries Ltd.	0	0	0	0	2	0	0	0
KS Energy Services Ltd.	0	0	0	0	0	0	1	1
Maersk Drilling	1	0	0	1	3	2	0	0
Maritime Industrial Services	0	0	0	0	0	0	0	1
MENAdrill	0	0	0	0	0	0	1	1
Mosvold Middle East Jackup	0	0	0	0	0	0	0	1
National Drilling	0	1	0	0	0	0	0	0
Noble Drilling	0	0	0	1	1	1	0	0
North Atlantic Drilling Ltd.	0	0	0	0	0	0	0	1
Operadora CISCAs	0	0	0	0	0	0	0	1
Perforadora Central	1	0	0	1	0	0	1	0
Petrobras (NOC)	0	0	0	0	0	0	0	2
PT Apexindo	0	0	0	1	0	0	0	0
PV Drilling	0	0	0	1	0	2	0	0
Rowan	1	1	1	0	2	1	4	4
SAAG Drilling	0	0	0	0	0	0	0	1
Safin Gulf FZCO	0	0	0	1	0	0	0	0
Saipem	0	0	0	0	1	1	1	0
Seadrill Ltd	0	0	0	3	5	2	4	0
SeaWolf Oil Services Limited	0	0	0	0	0	2	0	0
Shanghai Offshore	0	0	0	0	0	0	0	1
Singapore Drilling AS	0	0	0	0	0	1	1	0
SinoTharwa Drilling Co.	0	0	0	0	0	0	0	1
Swift Drilling BV	0	0	0	0	0	0	0	1
Transocean Ltd.	1	0	0	0	0	0	0	1
Vantage Energy Services	0	0	0	0	1	3	0	0
VietSovPetro	0	0	0	0	0	0	1	0
Yantai Raffles	0	0	0	0	0	0	0	3
Total	4	3	10	13	29	25	20	22

Source: Riglogix. As of November 2011.

Table 22: Global semisub Deliveries by owners

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011
Atwood Oceanics	0	0	0	0	0	0	0	1
China Oilfield Services Ltd.	0	0	0	0	0	0	1	2
Diamond Offshore	0	0	0	0	0	2	0	0
ENSCO	2	0	0	0	1	1	2	1
Gazflot, LLC	0	0	0	0	0	0	0	2
Industrial Perforadora de Campeche	0	0	0	0	0	0	2	1
Maersk Drilling	0	0	0	0	0	2	1	0
Noble Drilling	0	0	0	0	0	2	1	0
North Atlantic Drilling Ltd.	0	0	0	0	1	0	0	0
North Drilling Company	0	0	0	0	0	1	0	0
Odebrecht Oil & Gas	0	0	0	0	0	0	0	2
Odfjell	0	0	0	0	0	1	1	0
Petroserv SA	0	0	0	0	0	1	0	0
Queiroz Galvao Oleo e Gas S.A.	0	0	0	0	0	1	1	1
Saipem	0	0	0	0	0	0	1	1
Schahin	0	0	0	0	0	0	1	1
Seadrill Ltd	0	0	0	0	3	2	1	3
Sevan Drilling	0	0	0	0	0	1	0	0
Songa Offshore AS	0	0	0	0	0	0	0	1
Transocean Ltd.	0	2	0	0	0	3	0	0
Total	2	2	0	0	5	17	12	16

Source: Riglogix. As of November 2011.

Table 23: Global jackup Deliveries by owners

No. of Rigs	2004	2005	2006	2007	2008	2009	2010	2011
Delba Perforadora Internacional S.A.	0	0	0	0	0	0	0	1
ENSCO	0	0	0	0	0	0	2	2
Noble Drilling	0	0	0	0	0	0	0	3
Ocean Rig Asa	0	0	0	0	0	0	1	3
Odebrecht Oil & Gas	0	0	0	0	0	0	0	2
Odfjell	0	0	0	0	0	0	0	2
Pacific Drilling Limited	0	0	0	0	0	0	1	3
Petroserv SA	0	0	0	0	0	0	0	1
Saipem	0	0	0	0	0	0	1	0
Schahin	0	0	0	0	0	0	1	1
Seadrill Ltd	0	0	0	0	2	0	1	0
Stena Drilling	0	0	0	0	2	1	0	0
Transocean Ltd.	0	0	0	0	0	5	4	0
Vantage Energy Services	0	0	0	0	0	0	1	1
Total	0	0	0	0	4	6	12	19

Source: As of November 2011.

Global Rig prices by key yards and vessel type since 2004

Table 24: Average contract prices for Jack ups by company

\$ mn

	2004	2005	2006	2007	2008	2009	2010	2011
Keppel	118	130	184	234	213	n/a	179	234
SMM	120	131	159	228	218	195	203	268
Daewoo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hyundai	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Samsung	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dalian	135	152	n/a	n/a	250	n/a	195	209
ABG	n/a	n/a	n/a	220	n/a	n/a	220	n/a
MIS	n/a	n/a	n/a	163	182	n/a	n/a	n/a
Lamprell	n/a	n/a	n/a	172	186	n/a	185	165

Source: Riglogix As of November 2011.

Table 25: Average contract prices for semisubs by company

\$ mn

	2004	2005	2006	2007	2008	2009	2010	2011
Keppel	n/a	260	364	427	499	n/a	n/a	n/a
SMM	n/a	451	480	528	664	n/a	n/a	n/a
Daewoo	n/a	512	499	639	633	385	n/a	565
Hyundai	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Samsung	n/a	502	542	575	n/a	n/a	n/a	n/a
IMAC	n/a	n/a	550	450	450	n/a	n/a	n/a
Cosco	n/a	n/a	n/a	560	n/a	n/a	n/a	525
CIMC	n/a	285	300	310	n/a	n/a	n/a	n/a

Source: Riglogix As of November 2011.

Table 26: Average contract prices for drillships by company

\$ mn

	2004	2005	2006	2007	2008	2009	2010	2011
Keppel	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SMM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Daewoo	n/a	n/a	645	691	671	n/a	540	600
Hyundai	n/a	n/a	n/a	740	652	n/a	n/a	606
Samsung	n/a	539	616	660	612	n/a	600	613
STX	n/a	n/a	n/a	n/a	585	n/a	550	n/a
EAS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	662

Source: Riglogix As of November 2011.

Table 27: Average contract prices for Deepwaters (drillships and Semisubs) by company

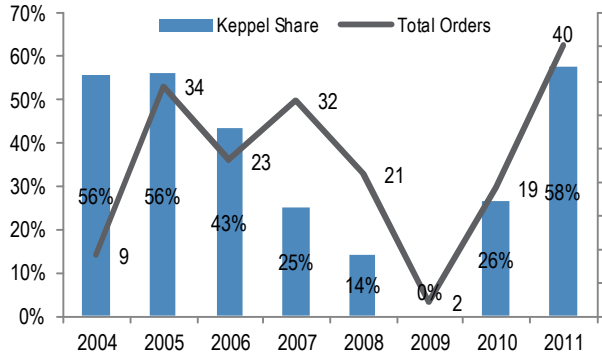
\$ mn

	2004	2005	2006	2007	2008	2009	2010	2011
Keppel	n/a	260	364	427	499	n/a	n/a	n/a
SMM	n/a	451	480	528	664	n/a	n/a	n/a
Daewoo	n/a	512	572	670	663	385	540	588
Hyundai	n/a	n/a	n/a	740	652	n/a	n/a	606
Samsung	n/a	527	605	647	612	n/a	600	613
IMAC	n/a	n/a	550	450	450	n/a	n/a	n/a
Cosco	n/a	n/a	n/a	560	n/a	n/a	n/a	525
CIMC	n/a	285	300	310	n/a	n/a	n/a	n/a
STX	n/a	n/a	n/a	n/a	585	n/a	550	n/a
EAS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	662

Source: Riglogix As of November 2011.

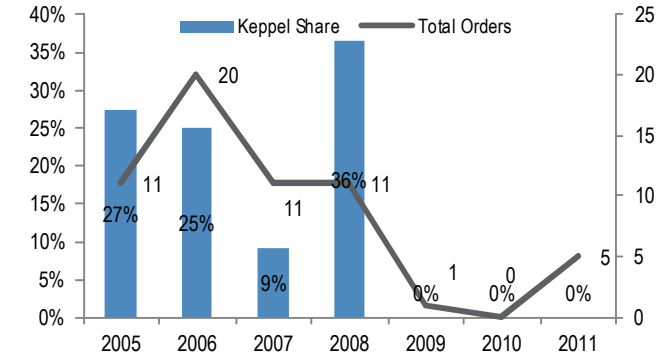
Historical Market shares

Figure 38: Market share % of Keppel in global new orders of Jack Up



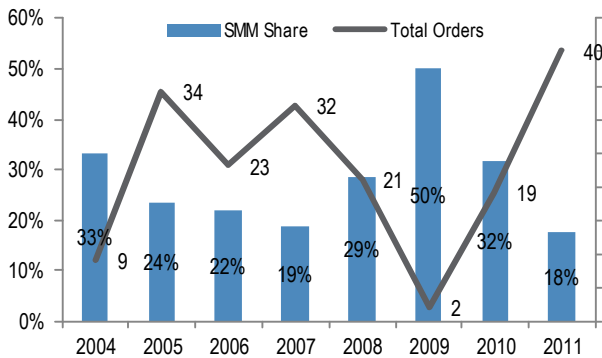
Source: Riglogix. As of November 2011.

Figure 39: Market share % of Keppel in global new orders of Semisubs



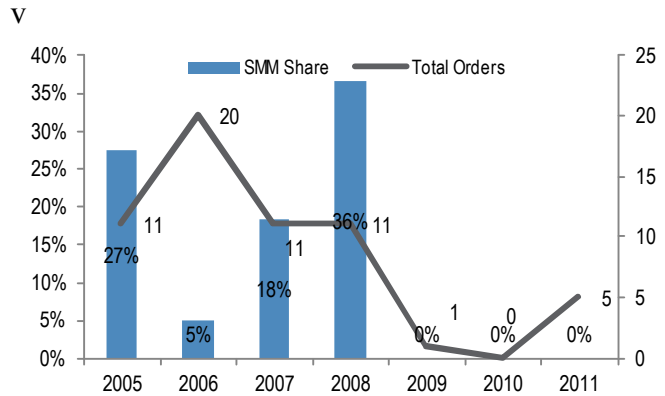
Source: Riglogix. As of November 2011.

Figure 40: Market share % of SMM in global new orders of Jack Up



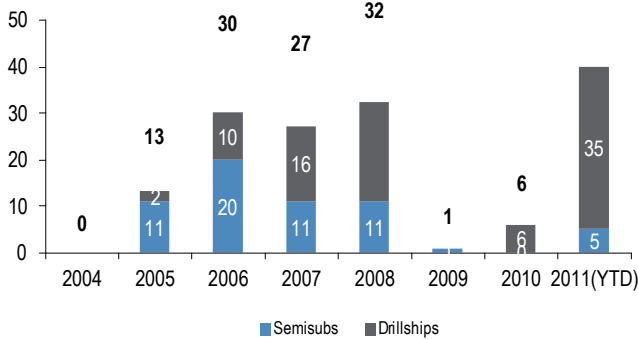
Source: Riglogix. As of November 2011.

Figure 41: Market share % of SMM in global new orders of Semisubs



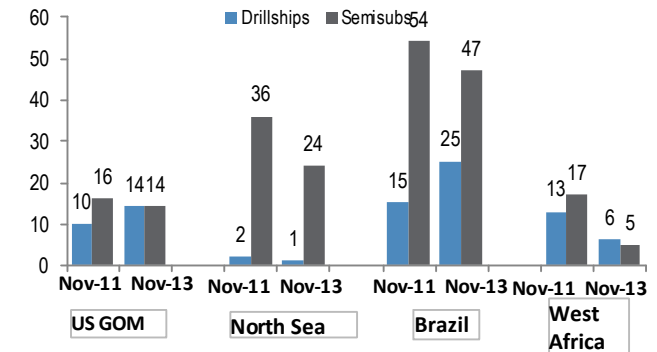
Source: Riglogix. 2011 numbers are YTD. As of November 2011.

Figure 42: Market share trend – Semisubs vs. drillships



Source: Riglogix. As of November 2011.

Figure 43: Current vs. future contracted semis and drill ships for major regions

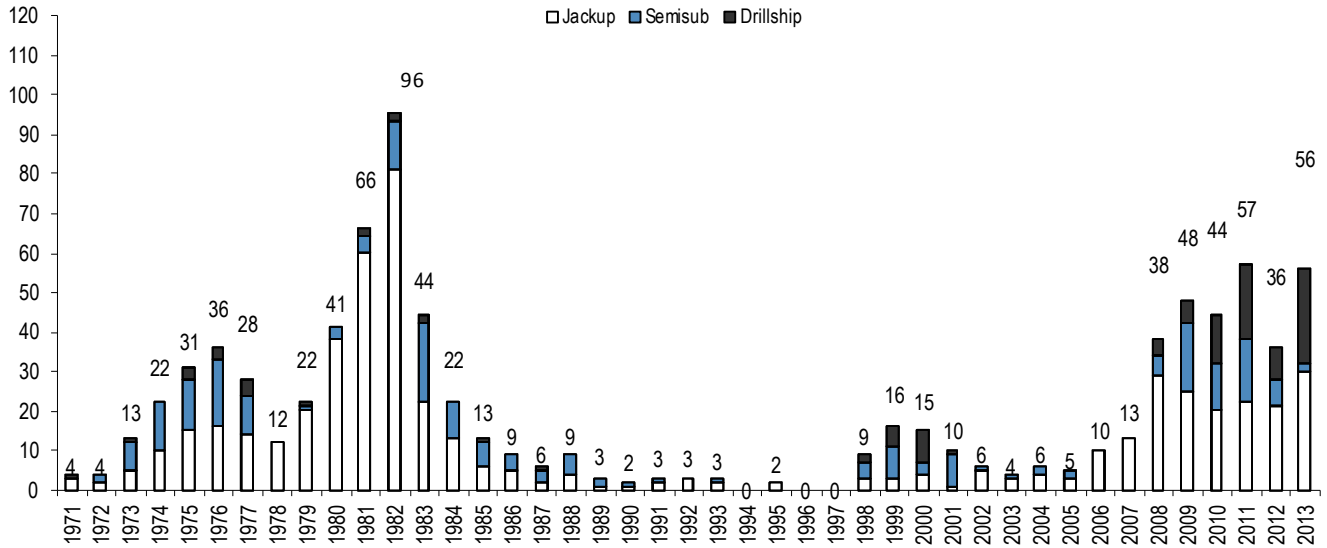


Source: Riglogix.

Historical Global Rig Deliveries and Orders

Figure 44: Rig deliveries

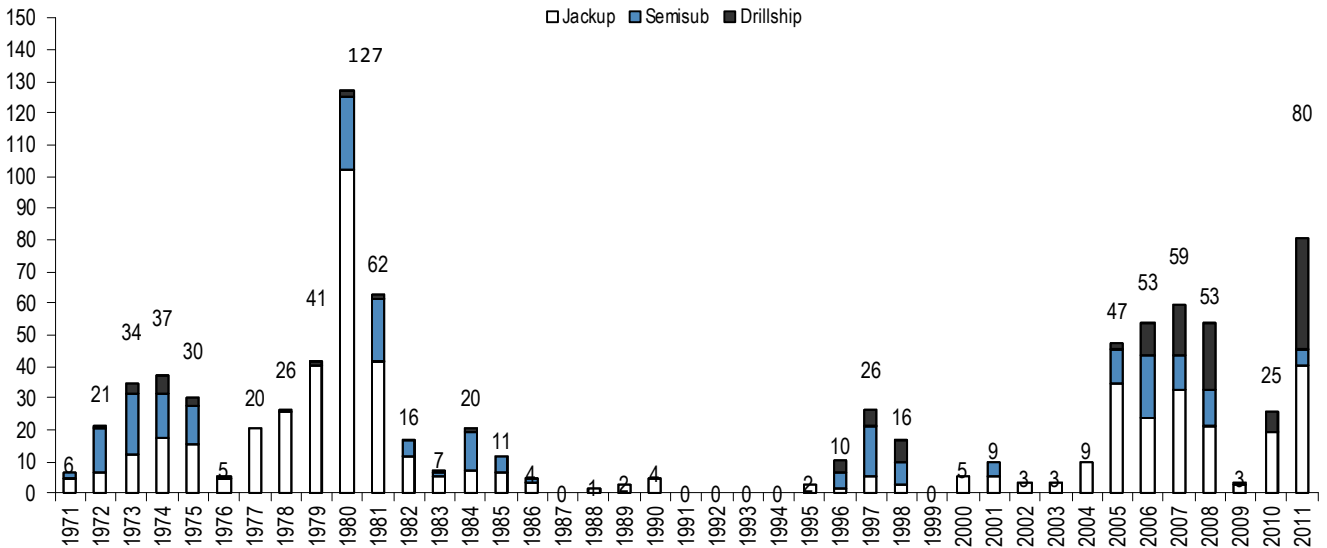
No. of Rigs



Source: Riglogix. As of November 2011.

Figure 45: Rig orders (1971-2011(YTD))

No. of rigs

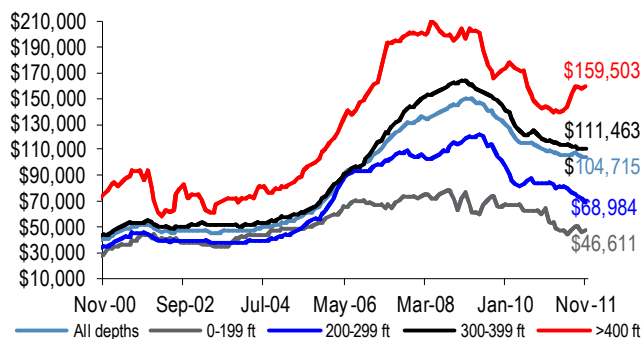


Source: Riglogix. As of November 2011.

Day rates by rig type

Figure 46: Worldwide Jack-Up day rates by water depth

US\$



Source: Riglogix. As of November 2011.

Table 28: Jack-Up day rates by region

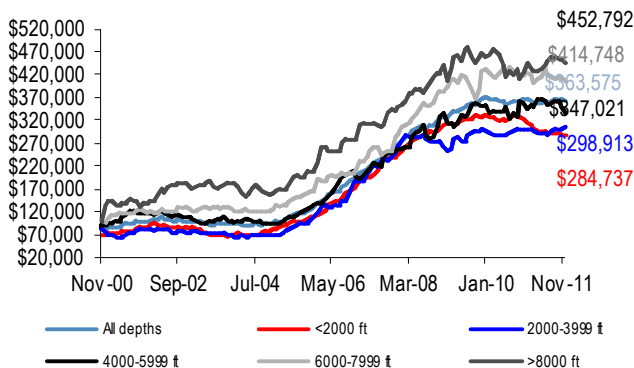
US\$

	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current month	\$104,715	\$67,793	\$156,166	\$103,244	\$115,377
1 year ago	\$110,458	\$63,599	\$155,715	\$117,249	\$117,694
2 years ago	\$134,102	\$59,138	\$186,128	\$124,467	\$152,814

Source: Riglogix. As of November 2011.

Figure 47: Worldwide Semisub day rates by water depth

US\$



Source: Riglogix. As of November 2011.

Table 29: Semisub day rates by region

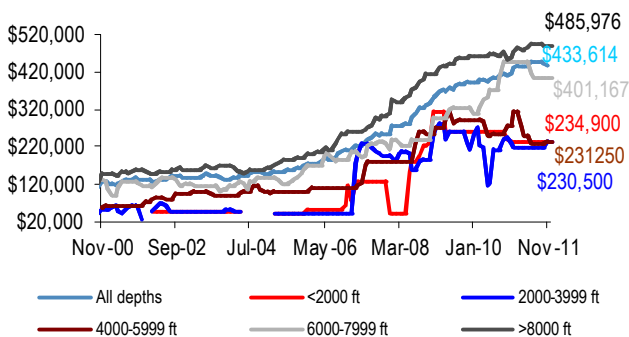
US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Curr. month	\$363,575	\$448,289	\$376,645	\$328,275	\$418,930
1 year ago	\$361,939	\$308,102	\$398,507	\$316,066	\$437,724
2 years ago	\$359,523	\$425,964	\$396,534	\$250,017	\$414,980

Source: Riglogix. As of November 2011.

Figure 48: Worldwide Drillship day rates by water depth

US\$



Source: Riglogix. As of November 2011.

Table 30: Drillship day rates by region

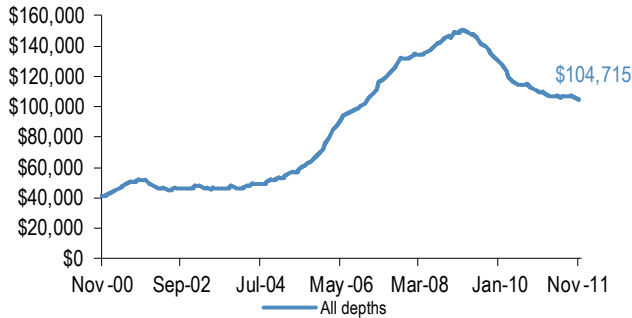
US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Curr. month	\$433,614	\$501,901	\$567,500	\$363,799	\$448,170
1 year ago	\$406,074	\$448,250	\$567,500	\$337,556	\$434,507
2 years ago	\$391,436	\$510,735	\$582,955	\$319,364	\$412,300

Source: Riglogix. As of November 2011.

Jackups-Day rates by depth

Figure 49: Jackups- Dayrates for all depths



Source: Riglogix. As of November 2011.

Table 31: Jack-Up day rates by region

US\$

	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	\$104,715	\$67,793	\$156,166	\$103,244	\$115,377
1 year ago	\$110,458	\$63,599	\$155,715	\$117,249	\$117,694
2 years ago	\$134,102	\$59,138	\$186,128	\$124,467	\$152,814

Source: Riglogix. As of November 2011.

Figure 50: Jackups- Dayrates for 0-199 ft



Source: Riglogix. As of November 2011.

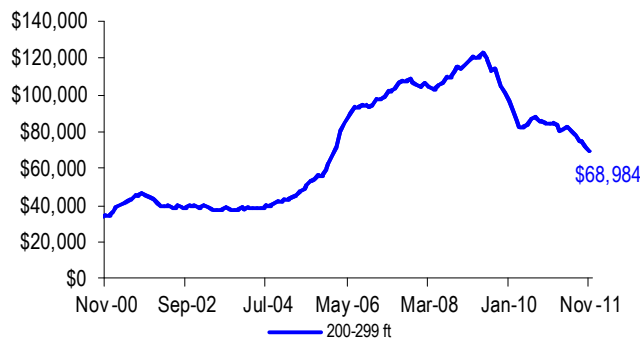
Table 32: Jack-Up day rates by region for 0-199 ft

US\$

	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	\$46,611	\$24,000	\$0	\$57,917	\$0
1 year ago	\$60,134	\$31,831	\$0	\$66,750	\$0
2 years ago	\$65,460	\$29,200	\$0	\$72,800	\$0

Source: Riglogix. As of November 2011.

Figure 51: Jackups- Dayrates for 200-299 ft



Source: Riglogix. As of November 2011.

Table 33: Jack-Up day rates by region for 200-299 ft

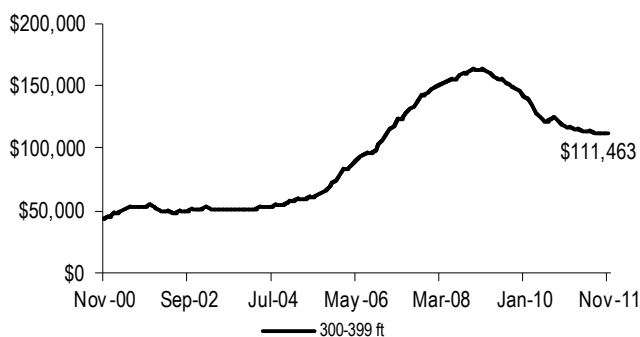
US\$

	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	\$68,984	\$50,051	\$90,094	\$69,305	\$69,000
1 year ago	\$84,186	\$38,299	\$91,218	\$103,608	\$110,000
2 years ago	\$104,320	\$37,118	\$170,641	\$113,192	\$110,000

Source: Riglogix. As of November 2011.

Jack-up-Day rates by depth (Contd.)

Figure 52: Jackup- Dayrates for 300-399 ft



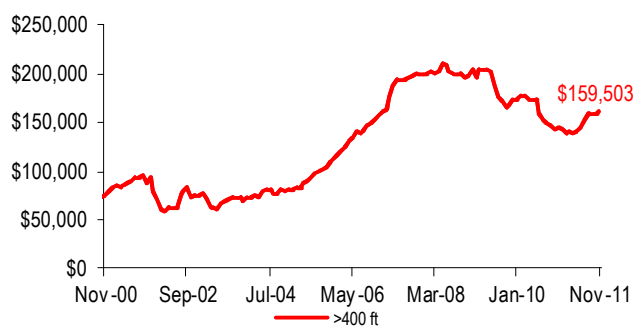
Source: Riglogix. As of November 2011.

Table 34: Jack-Up day rates by region for 300-399 ft

US\$	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	\$111,463	\$98,006	\$157,021	\$122,579	\$116,561
1 year ago	\$118,611	\$103,111	\$163,789	\$129,859	\$117,796
2 years ago	\$147,444	\$85,089	\$202,887	\$141,538	\$160,551

Source: Riglogix. As of November 2011.

Figure 53: Jack-up- Dayrates for >400 ft



Source: Riglogix. As of November 2011.

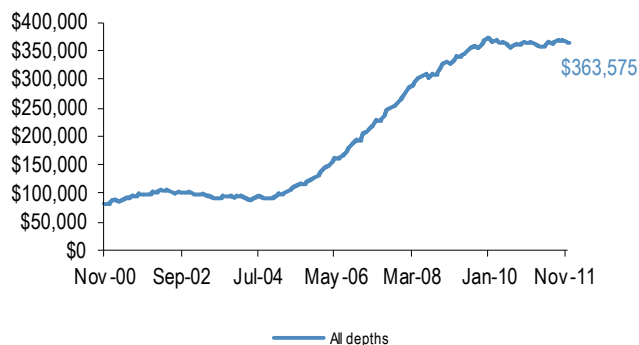
Table 35: Jack-Up day rates by region for >400 ft

US\$	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	\$159,503	\$100,000	\$206,314	\$213,000	\$116,669
1 year ago	\$142,111	\$93,750	\$187,955	\$0	\$118,220
2 years ago	\$167,557	\$129,000	\$191,414	\$105,000	\$123,000

Source: Riglogix. As of November 2011.

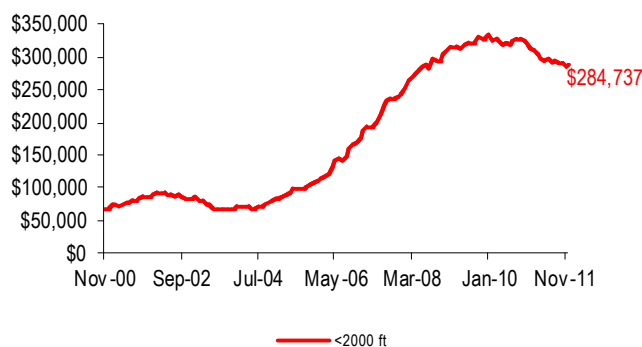
Semisubs-Day rates by depth

Figure 54: Semisubs- Dayrates for all depths



Source: Riglogix. As of November 2011.

Figure 55: Semisubs- Dayrates for 500-1999 ft



Source: Riglogix. As of November 2011.

Figure 56: Semisubs- Dayrates for 2000-3999 ft



Source: Riglogix. As of November 2011.

Table 36: Semisubday rates by region

US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$363,575	\$438,690	\$368,781	\$326,518	\$380,711
1 year ago	\$361,939	\$308,222	\$397,694	\$314,791	\$437,724
2 years ago	\$359,523	\$426,041	\$396,115	\$250,958	\$414,980

Source: Riglogix. As of November 2011.

Table 37: Semisubday rates by region for 0-199 ft

US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$284,737	\$0	\$321,973	\$238,524	\$210,000
1 year ago	\$325,196	\$0	\$363,697	\$220,838	\$435,000
2 years ago	\$326,737	\$0	\$380,309	\$197,308	\$366,000

Source: Riglogix. As of November 2011.

Table 38: Semisubday rates by region for 2000-3999 ft

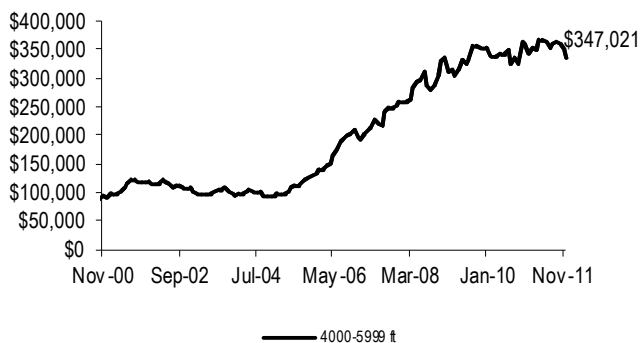
US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$298,913	\$230,000	\$455,250	\$255,000	\$254,000
1 year ago	\$300,704	\$284,500	\$482,000	\$259,677	\$240,000
2 years ago	\$297,045	\$284,500	\$482,000	\$229,750	\$341,000

Source: Riglogix. As of November 2011.

Semisubs-Day rates by depth (Contd.)

Figure 57: Semisubs- Day rates for 4000-5999 ft



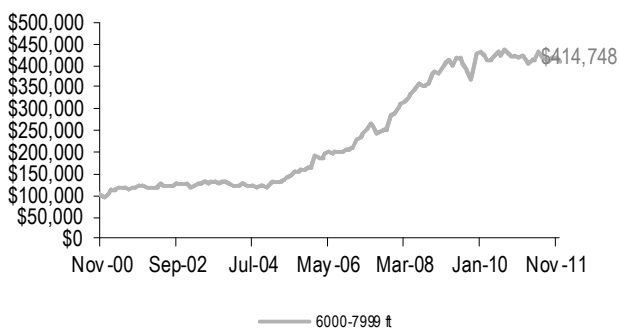
Source: Riglogix. As of November 2011.

Table 39: Semisubs day rates by region for 4000-5999 ft

US\$					
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$347,021	\$375,000	\$467,000	\$295,125	\$422,917
1 year ago	\$362,312	\$47,800	\$467,000	\$299,972	\$466,600
2 years ago	\$353,341	\$401,000	\$467,000	\$230,389	\$443,143

Source: Riglogix. As of November 2011.

Figure 58: Semisubs – Day rates for 6000-7999 ft



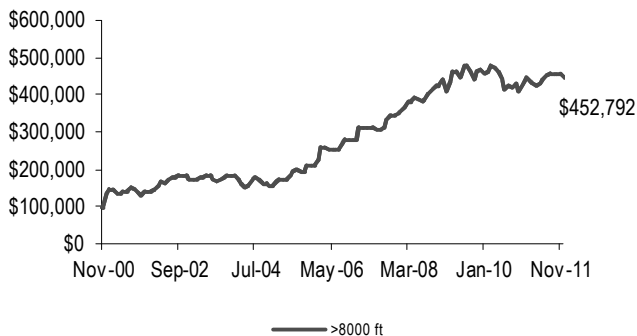
Source: Riglogix. As of November 2011.

Table 40: Semisubs day rates by region for 6000-7999ft

US\$					
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$414,748	\$483,200	\$419,500	\$389,783	\$380,500
1 year ago	\$419,141	\$367,367	\$414,000	\$409,667	\$401,750
2 years ago	\$385,564	\$452,017	\$328,000	\$318,500	\$340,333

Source: Riglogix. As of November 2011.

Figure 59: Semisubs – Day rates for >8000 ft



Source: Riglogix. As of November 2011.

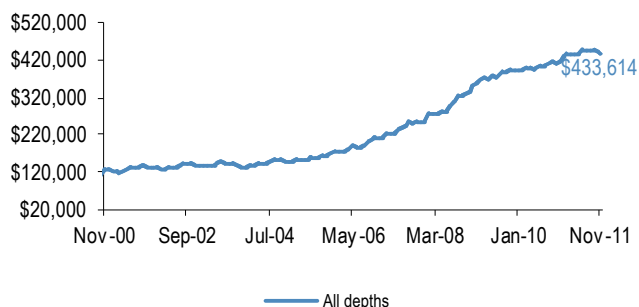
Table 41: Semisubs day rates by region for >8000 ft

US\$					
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$452,792	\$435,851	\$513,250	\$425,833	\$455,750
1 year ago	\$407,262	\$311,981	\$506,167	\$401,240	\$463,000
2 years ago	\$458,792	\$438,077	\$422,000	\$510,050	\$526,850

Source: Riglogix. As of November 2011.

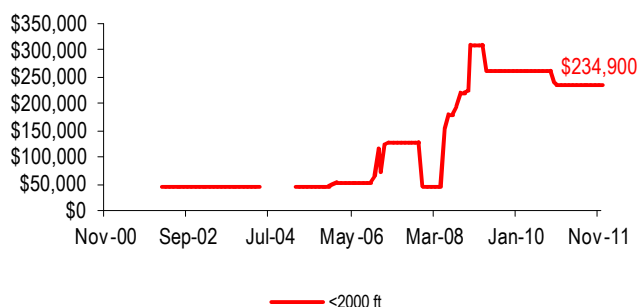
Drillships - Day rates by depth

Figure 60: Drillships- Dayrates for all depths



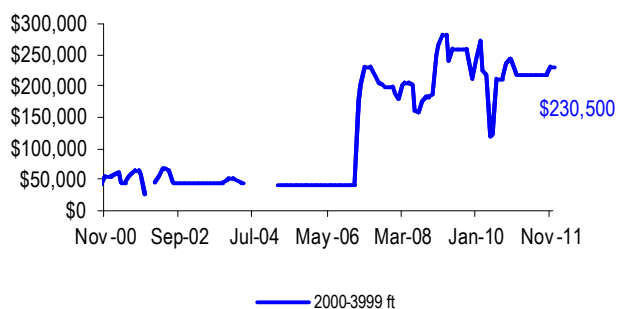
Source: Riglogix. As of November 2011.

Figure 61: Drillships- Day rates for <2000 ft



Source: Riglogix. As of November 2011.

Figure 62: Drillships- Day rates for 2000-3999 ft



Source: Riglogix. As of November 2011.

Table 42: Drillships day rates by region

US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$433,614	\$501,800	\$546,500	\$331,118	\$430,683
1 year ago	\$406,074	\$448,250	\$567,500	\$337,556	\$434,507
2 years ago	\$391,436	\$510,735	\$582,955	\$319,364	\$412,300

Source: Riglogix. As of November 2011.

Table 43: Drillships day rates by region for <2000 ft

US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$234,900	\$0	\$0	\$0	\$0
1 year ago	\$239,469	\$0	\$0	\$0	\$308,000
2 years ago	\$259,267	\$0	\$0	\$0	\$308,000

Source: Riglogix. As of November 2011.

Table 44: Drillships day rates by region for 2000-3999 ft

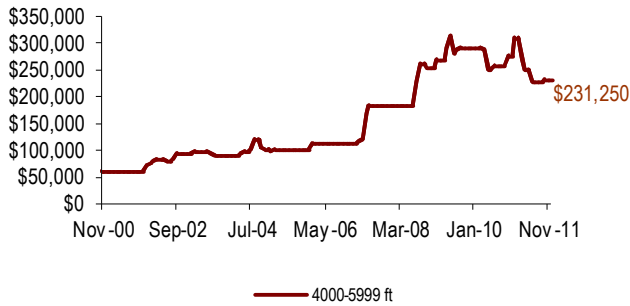
US\$

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$230,500	\$0	\$0	\$0	\$0
1 year ago	\$242,200	\$0	\$0	\$0	\$242,200
2 years ago	\$227,364	\$0	\$0	\$0	\$227,364

Source: Riglogix. As of November 2011

Drillships-Day rates by depth (Contd.)

Figure 63: Drillships- Dayrates for 4000-5999 ft



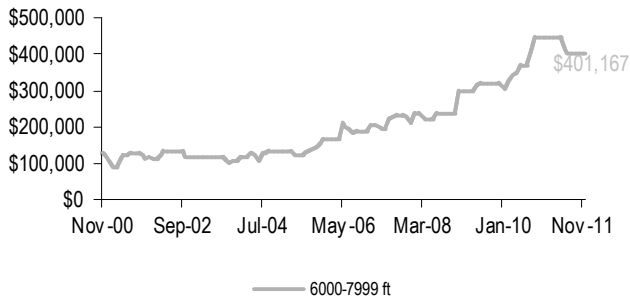
Source: Riglogix. As of November 2011.

Table 45: Drillships day rates by region for 4000-5999 ft

US\$					
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$231,250	\$0	\$0	\$226,667	\$245,000
1 year ago	\$275,200	\$0	\$0	\$259,000	\$0
2 years ago	\$290,167	\$0	\$0	\$259,000	\$495,000

Source: Riglogix. As of November 2011.

Figure 64: Drillships - Dayrates for 6000-7999 ft



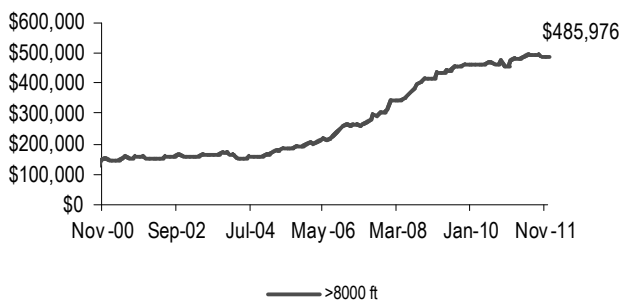
Source: Riglogix. As of November 2011.

Table 46: Drillships day rates by region for 6000-7999ft

US\$					
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$401,167	\$0	\$610,000	\$330,667	\$0
1 year ago	\$445,750	\$0	\$610,000	\$347,000	\$0
2 years ago	\$322,000	\$0	\$610,000	\$163,500	\$375,500

Source: Riglogix. As of November 2011.

Figure 65: Drillships - Dayrates for >8000 ft



Source: Riglogix. As of November 2011.

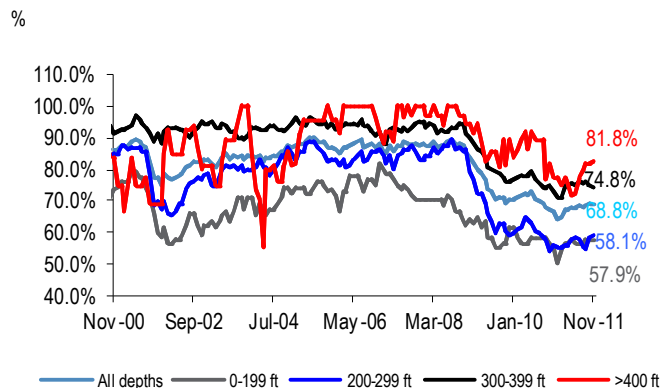
Table 47: Drillships day rates by region for >8000 ft

US\$					
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	\$485,976	\$501,800	\$483,000	\$390,125	\$449,891
1 year ago	\$452,164	\$448,250	\$525,000	\$413,750	\$436,917
2 years ago	\$458,342	\$510,735	\$525,000	\$430,000	\$425,900

Source: Riglogix. As of November 2011

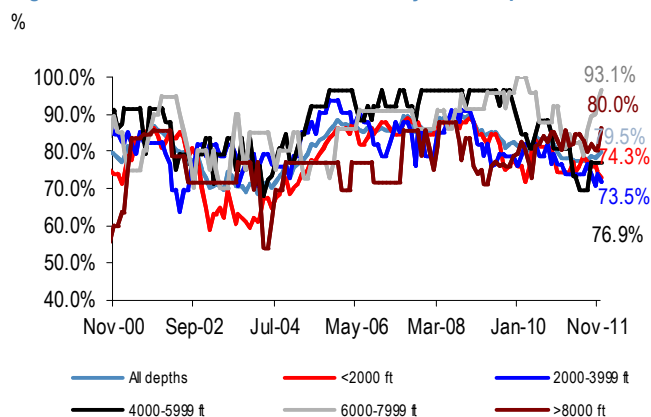
Utilization by rig type

Figure 66: Worldwide Jack-Up utilization by water depth



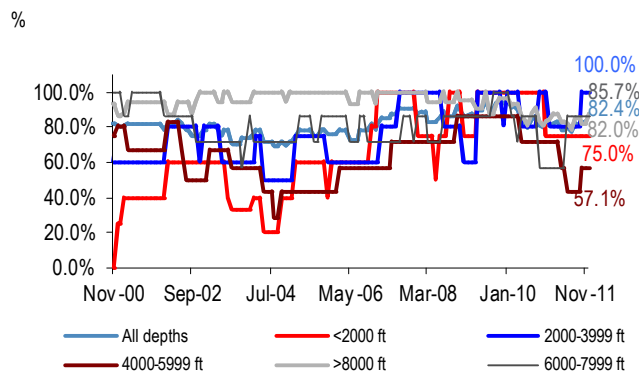
Source: Riglogix. As of November 2011.

Figure 67: Worldwide Semisub utilization by water depth



Source: Riglogix. As of November 2011.

Figure 68: Worldwide Drillship utilization by water depth



Source: Riglogix. As of November 2011.

Table 48: Jack-Up utilization by region

%	World wide	US GOM	North Sea	MidEast Persian	SE Asia	West Africa
Curr. month	68.8%	43.0%	92.7%	75.0%	69.2%	63.9%
1 year ago	66.9%	37.5%	71.8%	70.6%	74.6%	60.0%
2 years ago	69.2%	35.6%	74.3%	74.5%	68.6%	55.2%

Source: Riglogix. As of November 2011.

Table 49: Semisub utilization by region

%	World wide	US GOM	North Sea	Brazil	West Africa
Curr. month	78.5%	66.7%	87.5%	93.0%	89.5%
1 year ago	82.1%	65.4%	91.9%	96.1%	88.9%
2 years ago	81.8%	89.7%	85.0%	90.5%	71.4%

Source: Riglogix. As of November 2011.

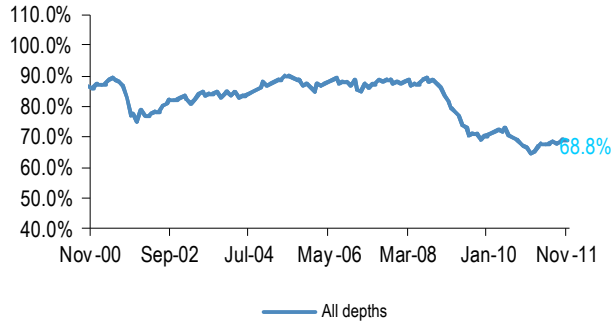
Table 50: Drillship utilization by region

%	World wide	US GOM	North Sea	Brazil	West Africa
Curr. month	82.4%	83.3%	100.0%	81.3%	71.4%
1 year ago	79.2%	72.7%	100.0%	90.0%	81.8%
2 years ago	95.3%	85.7%	100.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Jackups-Utilization by depth

Figure 69: Jackups- Utilization for all depths



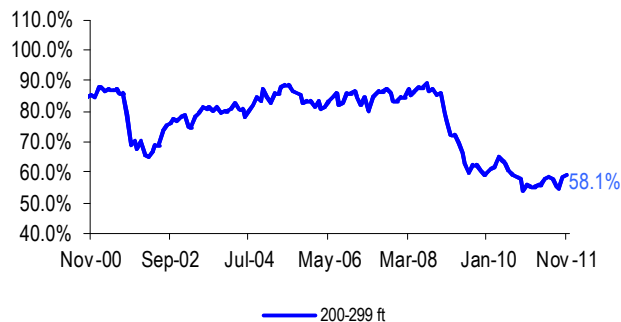
Source: Riglogix. As of November 2011.

Figure 70: Jackups- Utilization for 0-199 ft



Source: Riglogix. As of November 2011.

Figure 71: Jackups- Utilization for 200-299 ft



Source: Riglogix. As of November 2011.

Table 51: Jack-Up Utilization by region

%	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	68.8%	43.0%	92.7%	75.0%	69.2%
1 year ago	66.9%	37.5%	71.8%	70.6%	74.6%
2 years ago	69.2%	35.6%	74.3%	74.5%	68.6%

Source: Riglogix. As of November 2011.

Table 52: Jack-Up Utilization by region for 0-199 ft

%	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	57.9%	28.6%	100.0%	70.0%	0.0%
1 year ago	56.7%	27.8%	0.0%	65.0%	0.0%
2 years ago	56.7%	22.2%	0.0%	73.7%	0.0%

Source: Riglogix. As of November 2011.

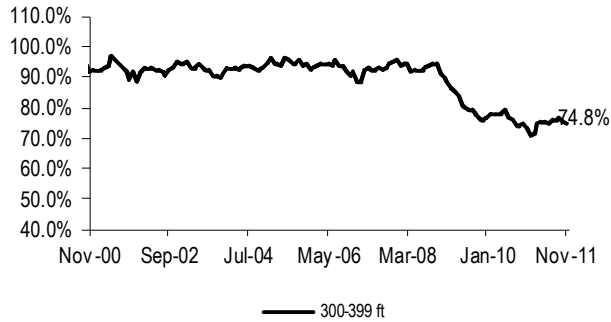
Table 53: Jack-Up Utilization by region for 200-299 ft

%	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	58.1%	39.5%	90.0%	75.9%	33.3%
1 year ago	53.7%	32.6%	60.0%	65.5%	50.0%
2 years ago	60.2%	32.5%	80.0%	76.7%	50.0%

Source: Riglogix. As of November 2011.

Jackups-Utilization by depth (Contd.)

Figure 72: Jackups- Utilization for 300-399 ft



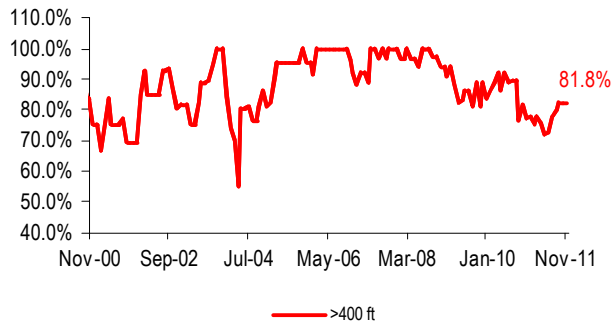
Source: Riglogix. As of November 2011.

Table 54: Jack-Up Utilization by region for 300-399 ft

%	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	74.8%	57.1%	100.0%	74.1%	73.3%
1 year ago	74.6%	52.9%	75.0%	76.8%	72.7%
2 years ago	75.9%	53.8%	71.4%	72.5%	72.5%

Source: Riglogix. As of November 2011.

Figure 73: Jackups- Utilization for >400 ft



Source: Riglogix. As of November 2011.

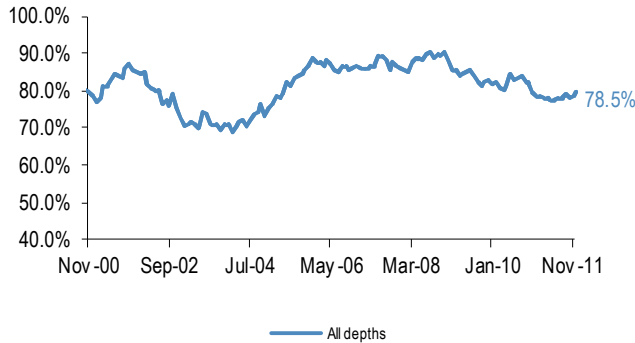
Table 55: Jack-Up Utilization by region for >400 ft

%	World wide	US GOM	North Sea	MidEast Persian	SE Asia
Current. month	81.8%	100.0%	86.7%	100.0%	68.8%
1 year ago	81.6%	100.0%	76.9%	50.0%	91.7%
2 years ago	81.1%	100.0%	72.7%	100.0%	62.5%

Source: Riglogix. As of November 2011.

Semisubs- Utilization by depth

Figure 74: Semisubs- Utilization for all depths



Source: Riglogix. As of November 2011.

Figure 75: Semisubs- Utilization for 500-1999 ft



Source: Riglogix. As of November 2011.

Figure 76: Semisubs- Utilization for 2000-3999 ft



Source: Riglogix. As of November 2011.

Table 56: Semisubs Utilization by region

%	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	78.5%	70.8%	87.5%	96.4%	81.0%
1 year ago	82.1%	65.4%	91.9%	96.2%	88.9%
2 years ago	81.8%	89.7%	85.0%	90.5%	71.4%

Source: Riglogix. As of November 2011.

Table 57: Semisubs Utilization by region for 0-199 ft

%	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	74%	0.0%	85.7%	100.0%	75.0%
1 year ago	78.6%	0.0%	88.9%	100.0%	66.7%
2 years ago	76.1%	0.0%	78.6%	100.0%	25.0%

Source: Riglogix. As of November 2011

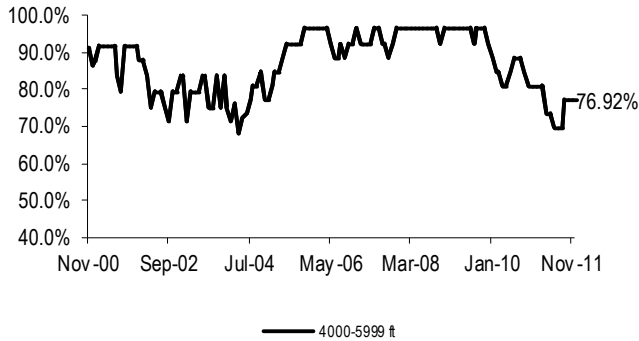
Table 58: Semisubs Utilization by region for 2000-3999 ft

%	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	73.5%	33.3%	100.0%	100.0%	50.0%
1 year ago	79.4%	66.7%	100.0%	100.0%	50.0%
2 years ago	78.8%	100.0%	100.0%	100.0%	40.0%

Source: Riglogix. As of November 2011.

Semisubs-Utilization by depth (Contd.)

Figure 77: Semisubs- Utilization for 4000-5999 ft



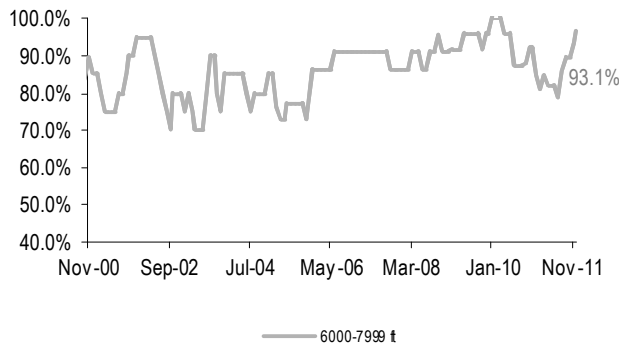
Source: Riglogix. As of November 2011.

Table 59: Semisubs Utilization by region for 4000-5999 ft

%	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	76.9%	33.3%	100.0%	100.0%	100.0%
1 year ago	80.8%	50.0%	100.0%	90.0%	100.0%
2 years ago	96.2%	75.0%	100.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Figure 78: Semisubs - Utilization for 6000-7999 ft



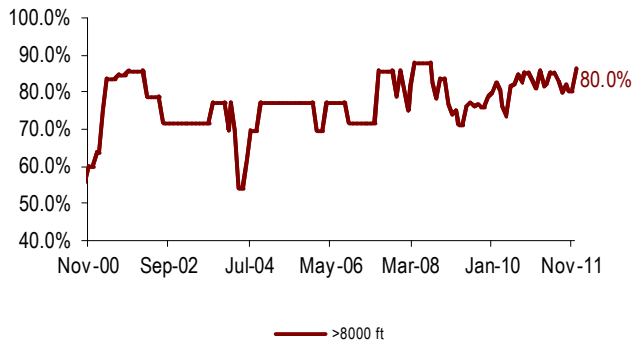
Source: Riglogix. As of November 2011.

Table 60: Semisubs Utilization by region for 6000-7999ft

%	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	93.1%	100.0%	100.0%	91.7%	100.0%
1 year ago	92.0%	83.3%	100.0%	87.5%	100.0%
2 years ago	95.8%	100.0%	100.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Figure 79: Semisubs - Utilization for >8000 ft



Source: Riglogix. As of November 2011.

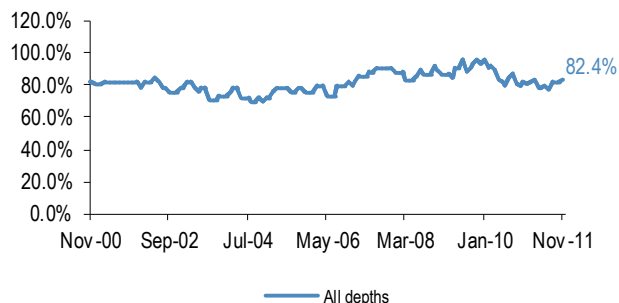
Table 61: Semisubs Utilization by region for >8000 ft

%	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	80.0%	100.0%	80.0%	92.3%	66.7%
1 year ago	85.0%	75.0%	100.0%	100.0%	100.0%
2 years ago	75.8%	92.9%	100.0%	33.3%	100.0%

Source: Riglogix. As of November 2011.

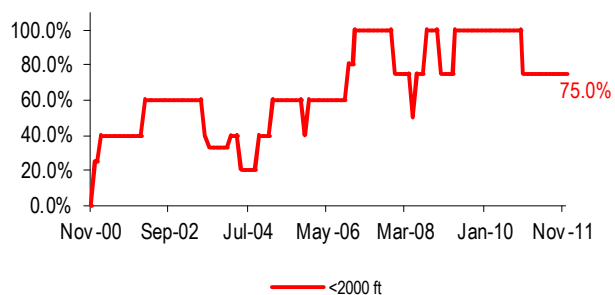
Drillships –Utilization by depth

Figure 80: Drillships- Utilization for all depths



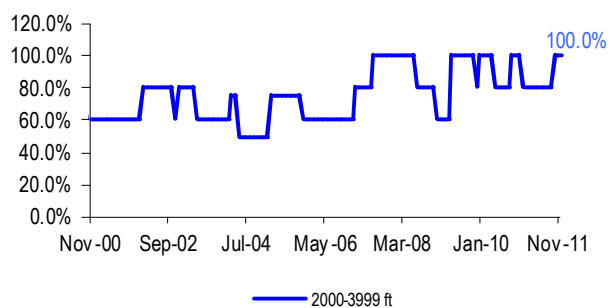
Source: Riglogix. As of November 2011.

Figure 81: Drillships- Utilization for <2000 ft



Source: Riglogix. As of November 2011.

Figure 82: Drillships- Utilization for 2000-3999 ft



Source: Riglogix. As of November 2011.

Table 62: Drillships Utilization by region

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	82.4%	90.9%	100.0%	68.2%	100.0%
1 year ago	79.2%	72.7%	100.0%	90.0%	90.0%
2 years ago	95.3%	85.7%	100.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Table 63: Drillships Utilization by region for <2000 ft

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	75.0%	0.0%	0.0%	0.0%	0.0%
1 year ago	100.0%	0.0%	0.0%	0.0%	100.0%
2 years ago	100.0%	0.0%	0.0%	0.0%	100.0%

Source: Riglogix. As of November 2011.

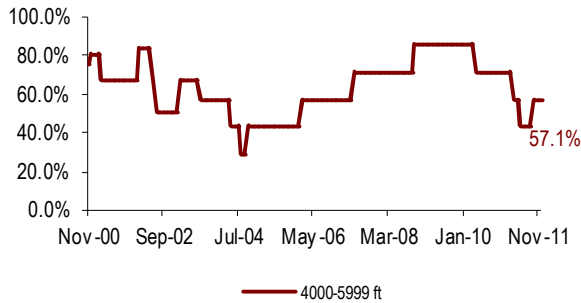
Table 64: Drillships Utilization by region for 2000-3999 ft

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	100.0%	0.0%	0.0%	0.0%	0.0%
1 year ago	100.0%	0.0%	0.0%	0.0%	100.0%
2 years ago	100.0%	0.0%	0.0%	0.0%	100.0%

Source: Riglogix. As of November 2011

Drillships-Utilization by depth (Contd.)

Figure 83: Drillships- Utilization for 4000-5999 ft



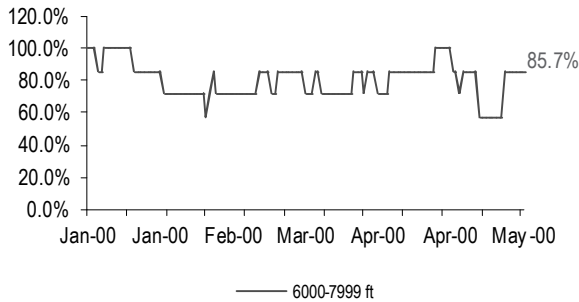
Source: Riglogix. As of November 2011.

Table 65: Drillships Utilization by region for 4000-5999 ft

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	57.1%	0.0%	0.0%	60.0%	100.0%
1 year ago	71.4%	0.0%	0.0%	100.0%	0.0%
2 years ago	85.7%	0.0%	0.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Figure 84: Drillships - Utilization for 6000-7999 ft



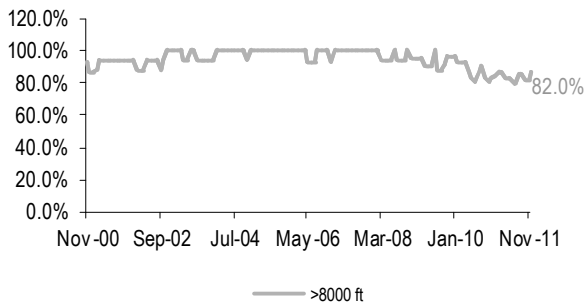
Source: Riglogix. As of November 2011.

Table 66: Drillships Utilization by region for 6000-7999ft

	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	85.7%	0.0%	100.0%	100.0%	0.0%
1 year ago	57.1%	0.0%	100.0%	100.0%	0.0%
2 years ago	100.0%	0.0%	100.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Figure 85: Drillships - Utilization for >8000 ft



Source: Riglogix. As of November 2011.

Table 67: Drillships Utilization by region for >8000 ft

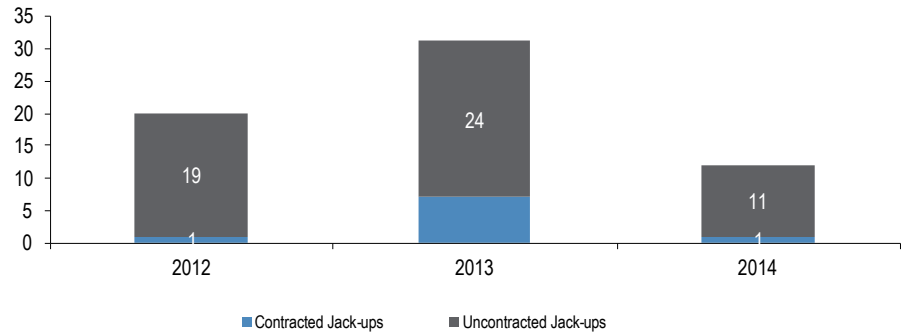
	World wide	US GOM	North Sea	Brazil	West Africa
Current. month	82.0%	90.9%	100.0%	64.3%	100.0%
1 year ago	80.0%	88.9%	100.0%	80.0%	88.9%
2 years ago	96.0%	85.7%	100.0%	100.0%	100.0%

Source: Riglogix. As of November 2011.

Future Delivery Schedule

Figure 86: Jack-Up Delivery Schedule

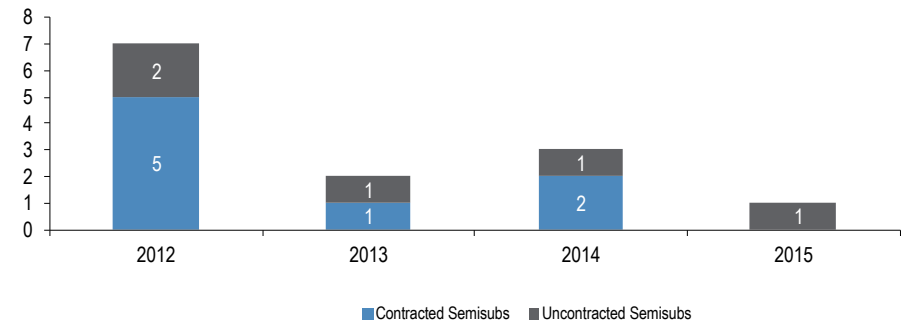
No. of Rigs



Source: Riglogix, J.P. Morgan.

Figure 87: Semisub Delivery Schedule

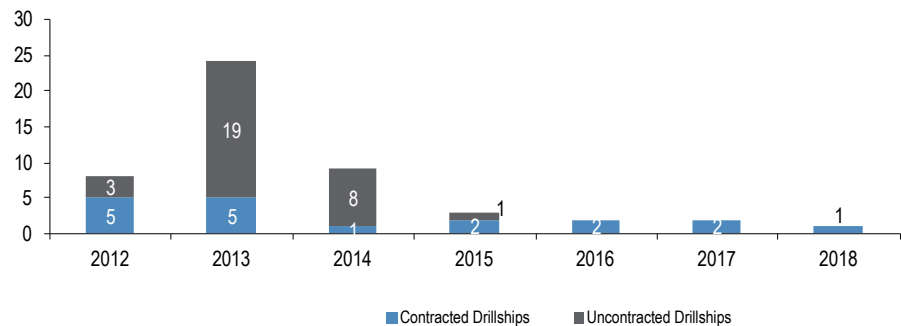
No. of Rigs



Source: Riglogix, J.P. Morgan.

Figure 88: Drillship Delivery Schedule

No. of Rigs



Source: Riglogix, J.P. Morgan.

Future day rates by rig type and water depth

Table 68: Jack-Up future day rates by region

US\$	World wide	North Sea	MidEast Persian	SE Asia	West Africa
Nov-11	\$104,837	\$142,902	\$103,244	\$115,377	\$100,015
Dec-11	\$107,353	\$145,794	\$105,611	\$115,779	\$102,750
Nov-12	\$116,161	\$179,432	\$100,440	\$112,269	\$96,600
Dec-12	\$116,622	\$179,787	\$100,392	\$110,274	\$98,245
Nov-13	\$128,203	\$227,125	\$104,694	\$129,432	\$82,333
Dec-13	\$126,879	\$228,143	\$104,613	\$130,333	\$82,333
Nov-14	\$151,527	\$257,000	\$109,447	\$130,000	NA
Dec-14	\$164,124	\$257,000	\$123,042	\$130,000	NA

Source: Riglogix. Note: North Sea data shown excluding expensive contracts. As of November 2011.

Table 69: Jack-Up future day rates by water depth

US\$	Total	0-199 ft	200-299 ft	300-399 ft	>400 ft
Nov-11	\$104,837	\$46,611	\$68,984	\$161,648	\$225,000
Dec-11	\$107,353	\$53,556	\$68,880	\$163,745	\$225,846
Nov-12	\$116,161	\$55,875	\$79,268	\$245,750	\$243,600
Dec-12	\$116,622	\$55,875	\$78,585	\$245,750	\$244,052
Nov-13	\$128,203	\$67,500	\$71,413	\$289,500	\$291,800
Dec-13	\$126,879	\$67,500	\$71,413	\$289,500	\$291,800
Nov-14	\$151,527	NA	\$75,391	\$284,000	\$350,250
Dec-14	\$164,124	NA	\$77,343	\$284,000	\$350,250

Source: Riglogix. As of November 2011.

Table 70: Semisub future day rates by region

US\$	World wide	US GOM	North Sea	Brazil	West Africa
Nov-11	\$363,575	\$441,471	\$387,156	\$326,778	\$380,711
Dec-11	\$361,828	\$420,998	\$393,255	\$327,855	\$369,579
Nov-12	\$373,715	\$454,040	\$391,402	\$337,902	\$442,429
Dec-12	\$373,540	\$454,040	\$392,811	\$338,044	\$442,286
Nov-13	\$382,735	\$458,091	\$416,813	\$357,141	\$389,000
Dec-13	\$381,749	\$445,900	\$416,004	\$360,194	\$389,000
Nov-14	\$384,007	\$400,800	\$396,572	\$373,739	NA
Dec-14	\$384,071	\$411,442	\$396,572	\$372,464	NA

Source: Riglogix. As of November 2011.

Table 71: Semisub future day rates by water depth

US\$	Total	< 2000 ft	2000 - 3999 ft	4000 - 5999 ft	6000 - 7999 ft	> 8000 ft
Nov-11	\$363,575	\$284,737	\$298,913	\$347,021	\$414,748	\$452,792
Dec-11	\$361,828	\$287,027	\$302,632	\$333,195	\$406,039	\$442,288
Nov-12	\$373,715	\$308,447	\$294,555	\$329,000	\$401,571	\$456,634
Dec-12	\$373,540	\$308,480	\$293,526	\$329,000	\$401,726	\$456,634
Nov-13	\$382,735	\$314,129	\$297,286	\$334,636	\$392,824	\$460,588
Dec-13	\$381,749	\$316,391	\$297,286	\$334,636	\$381,125	\$460,588
Nov-14	\$384,007	\$309,418	\$303,833	\$326,263	\$402,333	\$458,788
Dec-14	\$384,071	\$305,970	\$303,833	\$323,000	\$406,654	\$458,917

Source: Riglogix. As of November 2011.

Table 72: Drillship future day rates by region

US\$	World wide	US GOM	North Sea	Brazil	West Africa
Nov-11	\$433,614	\$502,521	\$546,500	\$331,118	\$433,460
Dec-11	\$434,215	\$503,924	\$545,000	\$324,962	\$449,635
Nov-12	\$453,390	\$505,813	\$545,000	\$393,639	\$455,946
Dec-12	\$451,570	\$505,813	\$545,000	\$393,639	\$450,360
Nov-13	\$444,122	\$513,714	\$480,000	\$389,559	\$449,250
Dec-13	\$445,114	\$513,714	NA	\$389,559	\$449,250
Nov-14	\$432,179	\$514,000	NA	\$389,559	\$390,000
Dec-14	\$438,090	\$514,000	NA	\$387,277	\$390,000

Source: Riglogix. As of November 2011.

Table 73: Drillship future day rates by water depth

US\$	Total	<5000 ft	5000-7999 ft	8000-10999 ft	>11000 ft
Nov-11	\$433,614	\$260,686	\$342,750	\$469,776	\$515,885
Dec-11	\$434,215	\$260,643	\$342,750	\$470,228	\$515,058
Nov-12	\$453,390	\$243,750	\$385,550	\$470,468	\$502,250
Dec-12	\$451,570	\$243,750	\$365,500	\$469,484	\$502,315
Nov-13	\$444,122	\$243,750	\$316,600	\$466,329	\$498,294
Dec-13	\$445,114	\$245,205	\$316,600	\$466,130	\$497,667
Nov-14	\$432,179	\$273,333	\$316,600	\$434,533	\$495,875
Dec-14	\$438,090	\$315,625	\$316,600	\$433,643	\$495,875

Source: Riglogix. As of November 2011.

Future contract coverage by rig type and water depth

Table 74: Jack-Up contract coverage by region

%	World wide	North Sea	MidEast Persian	SE Asia	West Africa
Nov-11	68.6%	94.7%	75.0%	69.2%	63.9%
Dec-11	68.6%	92.1%	78.7%	68.8%	62.2%
Nov-12	47.9%	86.8%	65.5%	47.6%	32.4%
Dec-12	46.4%	84.2%	65.5%	45.3%	30.6%
Nov-13	28.6%	41.0%	43.8%	26.1%	11.8%
Dec-13	27.6%	38.5%	42.9%	24.6%	11.8%
Nov-14	20.4%	30.8%	26.3%	17.9%	8.8%
Dec-14	18.8%	28.2%	21.9%	13.4%	8.8%

Source: Riglogix. Note: North Sea data shown excluding expensive contracts. As of November 2011.

Table 75: Jack-Up contract coverage by water depth

%	Total	0-199 ft	200-299 ft	300-399 ft	>400 ft
Nov-11	68.6%	57.9%	58.8%	93.8%	93.3%
Dec-11	68.6%	56.1%	58.8%	93.8%	93.3%
Nov-12	47.9%	50.9%	34.3%	43.8%	86.7%
Dec-12	46.4%	50.9%	33.6%	43.8%	86.7%
Nov-13	28.6%	26.3%	25.4%	31.3%	37.5%
Dec-13	27.6%	26.3%	25.4%	31.3%	37.5%
Nov-14	20.4%	24.6%	20.0%	25.0%	37.5%
Dec-14	18.8%	24.6%	19.3%	25.0%	37.5%

Source: Riglogix. As of November 2011.

Table 76: Semisub contract coverage by region

%	World wide	US GOM	North Sea	Brazil	West Africa
Nov-11	78.5%	69.6%	90.0%	96.4%	81.0%
Dec-11	79.6%	72.0%	85.0%	98.2%	85.7%
Nov-12	66.8%	59.3%	73.8%	93.0%	50.0%
Dec-12	66.8%	59.3%	73.8%	93.0%	50.0%
Nov-13	54.3%	51.9%	57.1%	81.0%	33.3%
Dec-13	52.0%	48.1%	54.8%	77.6%	33.3%
Nov-14	41.3%	37.0%	43.2%	67.2%	20.0%
Dec-14	39.6%	37.0%	43.2%	63.8%	20.0%

Source: Riglogix. As of November 2011.

Table 77: Semisub contract coverage by water depth

%	Total	< 2000 ft	2000 - 3999 ft	4000 - 5999 ft	6000 - 7999 ft	> 8000 ft
Nov-11	78.5%	74.3%	73.5%	76.9%	93.1%	80.0%
Dec-11	79.6%	72.9%	71.4%	76.9%	96.6%	86.3%
Nov-12	66.8%	54.3%	62.2%	61.5%	80.0%	80.7%
Dec-12	66.8%	55.7%	62.2%	61.5%	76.7%	80.7%
Nov-13	54.3%	37.1%	51.4%	50.0%	63.3%	74.1%
Dec-13	52.0%	32.9%	51.4%	50.0%	60.0%	72.4%
Nov-14	41.3%	27.8%	36.1%	29.6%	50.0%	61.7%
Dec-14	39.6%	26.4%	36.1%	25.9%	46.7%	60.0%

Source: Riglogix. As of November 2011.

Table 78: Drillship contract coverage by region

%	World wide	US GOM	North Sea	Brazil	West Africa
Nov-11	79.7%	83.3%	100.0%	72.2%	78.6%
Dec-11	80.6%	90.9%	100.0%	68.2%	92.9%
Nov-12	84.0%	91.7%	66.7%	69.6%	93.3%
Dec-12	84.7%	100.0%	100.0%	92.9%	91.7%
Nov-13	83.5%	100.0%	100.0%	92.9%	91.7%
Dec-13	61.5%	93.3%	50.0%	89.3%	60.0%
Nov-14	60.0%	93.3%	0.0%	89.3%	60.0%
Dec-14	44.9%	60.0%	0.0%	89.3%	55.6%

Source: Riglogix. As of November 2011.

Table 79: Drillship contract coverage by water depth

%	Total	< 5000 ft	5000-7999 ft	8000-10999 ft	>11000 ft
Nov-11	80.6%	81.8%	72.7%	77.1%	93.3%
Dec-11	84.0%	81.8%	72.7%	83.8%	93.8%
Nov-12	84.7%	54.5%	63.6%	93.3%	94.4%
Dec-12	83.5%	54.5%	54.5%	93.3%	94.4%
Nov-13	61.5%	54.5%	45.5%	66.7%	61.3%
Dec-13	60.0%	54.5%	45.5%	62.7%	62.5%
Nov-14	44.9%	45.5%	38.5%	47.1%	44.2%
Dec-14	44.9%	45.5%	38.5%	47.1%	44.2%

Source: Riglogix. As of November 2011.

Aging Analysis

Table 80: Aging analysis of Jack-Up by water depth

No. of Rigs	0 - 199 ft	200 - 299 ft	300 - 399 ft	More than 400 ft	Total
0 - 5 yrs	3	4	80	22	109
5 - 10 yrs	2	0	10	11	23
10 - 15 yrs	2	0	3	6	11
15 - 20 yrs	0	1	7	0	8
20 - 25 yrs	0	0	8	1	9
25 - 30 yrs	21	38	73	4	136
More than 30 yrs	29	93	73	2	197
Total delivered rigs	57	136	254	46	493
Under construction	0	4	22	39	65
Total	57	140	276	85	558

Source: Riglogix, J.P. Morgan.

Table 81: Aging analysis of Semisubs by water depth

No. of Rigs	0 - 2999 ft	3000 - 3999 ft	4000 - 5999 ft	6000 - 7499 ft	More than 7500 ft	Total
0 - 5 yrs	1	1	0	2	44	48
5 - 10 yrs	1	1	2	0	3	7
10 - 15 yrs	1	0	4	6	11	22
15 - 20 yrs	1	0	0	0	0	1
20 - 25 yrs	2	2	7	1	1	13
25 - 30 yrs	36	6	8	2	0	52
More than 30 yrs	46	6	6	8	3	69
Total delivered rigs	88	16	27	19	62	212
Under construction	5	0	0	0	9	14
Total	93	16	27	19	71	226

Source: Riglogix, J.P. Morgan.

Table 82: Aging analysis of Drillships by water depth

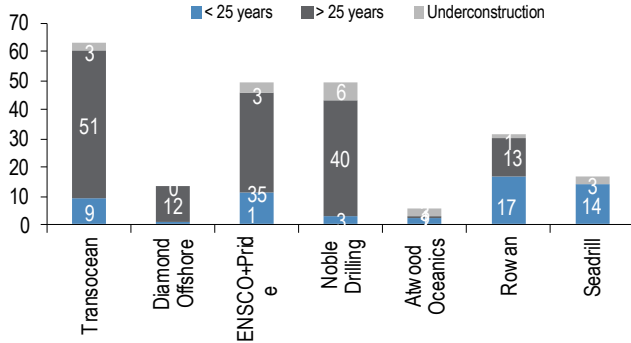
No. of Rigs	0 - 2999 ft	3000 - 3999 ft	4000 - 5999 ft	6000 - 7499 ft	More than 7500 ft	Total
0 - 5 yrs	0	0	0	0	36	36
5 - 10 yrs	0	0	0	0	0	0
10 - 15 yrs	0	0	0	0	16	16
15 - 20 yrs	0	0	0	0	0	0
20 - 25 yrs	1	0	0	0	0	1
25 - 30 yrs	2	1	3	0	0	6
More than 30 yrs	4	0	4	5	1	14
Total delivered rigs	7	1	7	5	53	73
Under construction	0	0	2	0	52	54
Total	7	1	9	5	105	127

Source: Riglogix, J.P. Morgan.

Aging analysis of key owners

Figure 89: Aging analysis of jackups owned by major customers

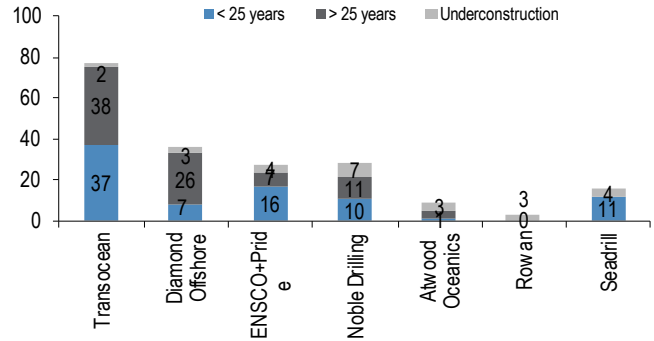
No. of vessels



Source: Riglogix, J.P. Morgan. Note: Does not include rigs currently under construction also.

Figure 90: Aging analysis of deepwater rigs (semisubs and drillships) owned by major customers

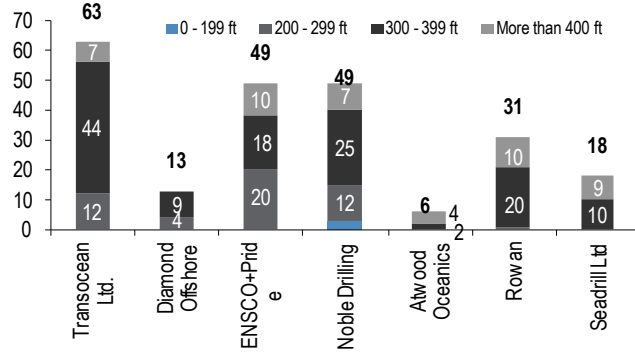
No. of vessels



Source: Riglogix, J.P. Morgan. Note: Does not include rigs currently under construction also.

Figure 91: Water depth analysis of jackups owned by major customers

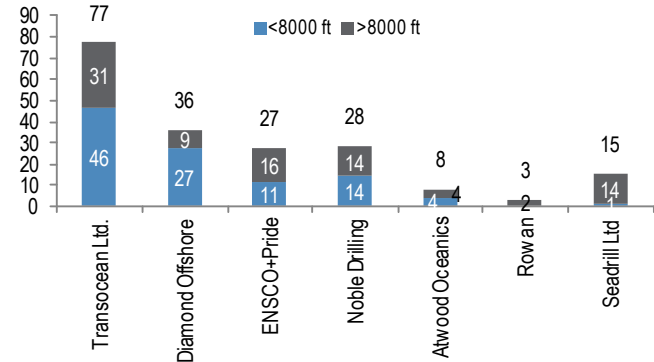
No. of vessels



Source: Riglogix, J.P. Morgan. Note: Includes rigs currently under construction also.

Figure 92: Water depth analysis of deepwater rigs (semisubs and drillships) owned by major customers

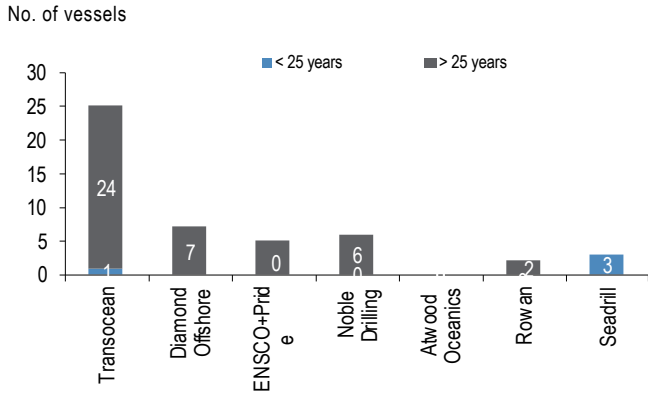
No. of vessels



Source: Riglogix, J.P. Morgan. Note: Includes rigs currently under construction also.

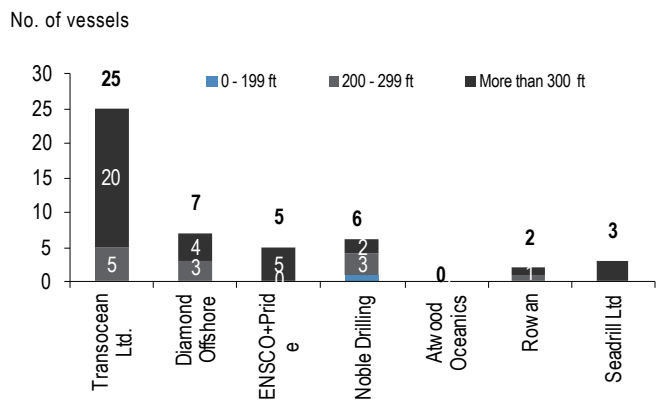
Aging analysis of key owners for cold & ready stacked rigs

Figure 93: Aging analysis of cold & ready stacked jackups owned by major customers



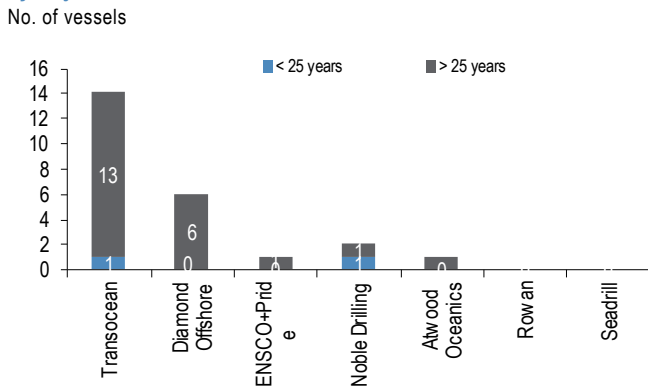
Source: Riglogix.

Figure 94: Water depth analysis of cold & ready stacked jackups owned by major customers



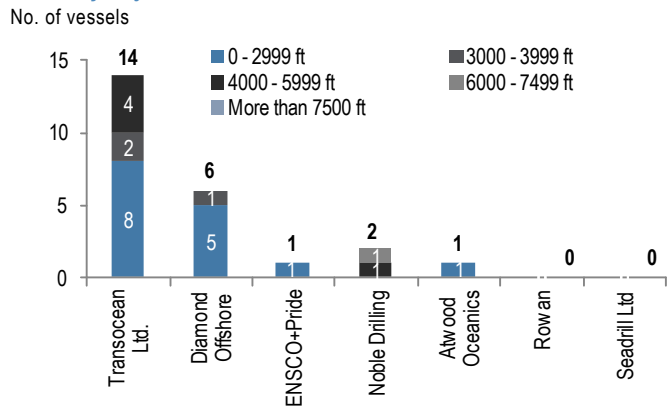
Source: Riglogix.

Figure 95: Aging analysis of cold & ready stacked Semisubs owned by major customers



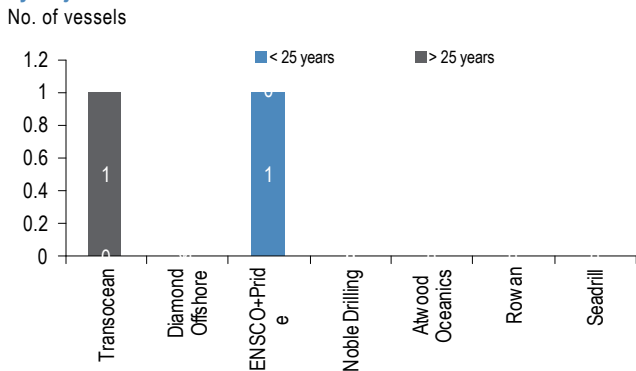
Source: Riglogix.

Figure 96: Water depth analysis of cold & ready stacked Semisubs owned by major customers



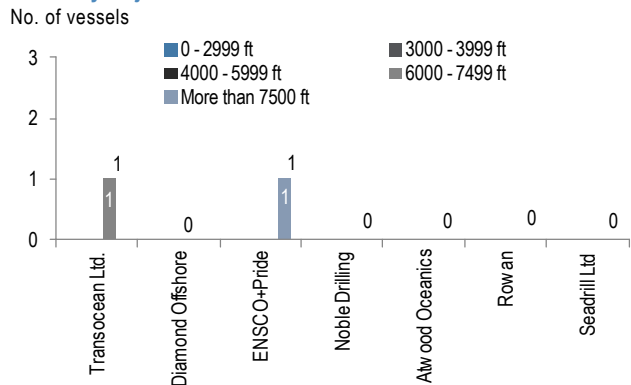
Source: Riglogix.

Figure 97: Aging analysis of cold & ready stacked Drillships owned by major customers



Source: Riglogix.

Figure 98: Water depth analysis of cold & ready stacked Drillships owned by major customers

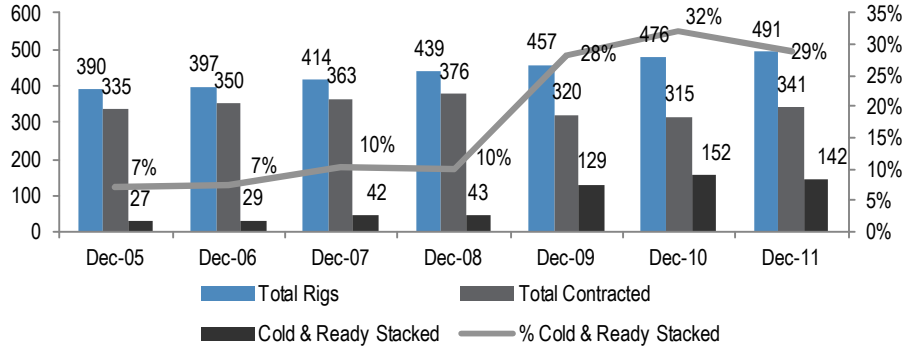


Source: Riglogix.

Cold & Ready Stacked analysis by rig type

Figure 99: Cold & Ready stacked Jackups

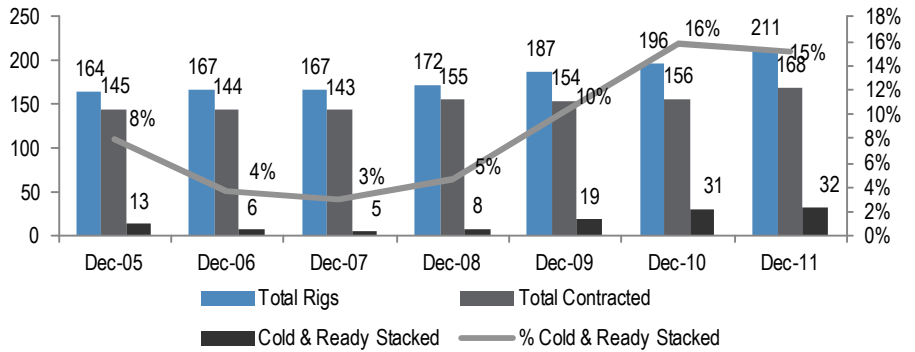
No. of vessels



Source: Riglogix.

Figure 100: Cold & Ready stacked Semisubs

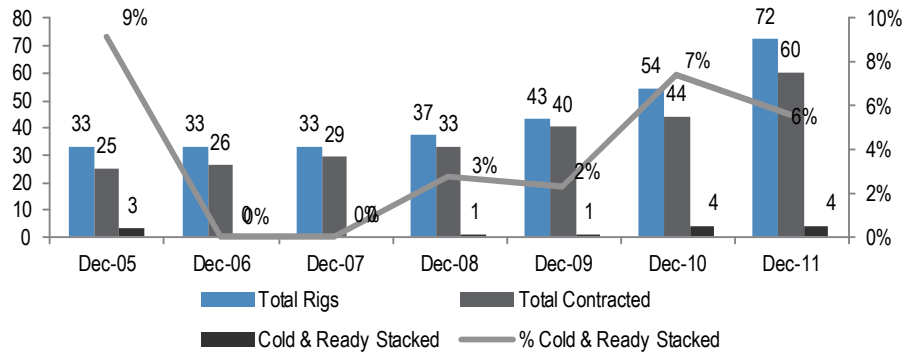
No. of vessels



Source: Riglogix.

Figure 101: Cold & Ready stacked Drillships

No. of vessels

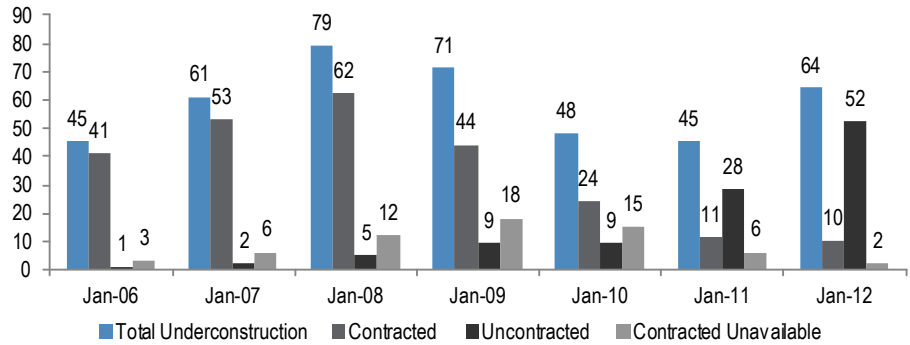


Source: Riglogix.

“Contracted vs. Uncontracted” under construction rigs

Figure 102: “Contracted vs. Uncontracted” under construction jackups

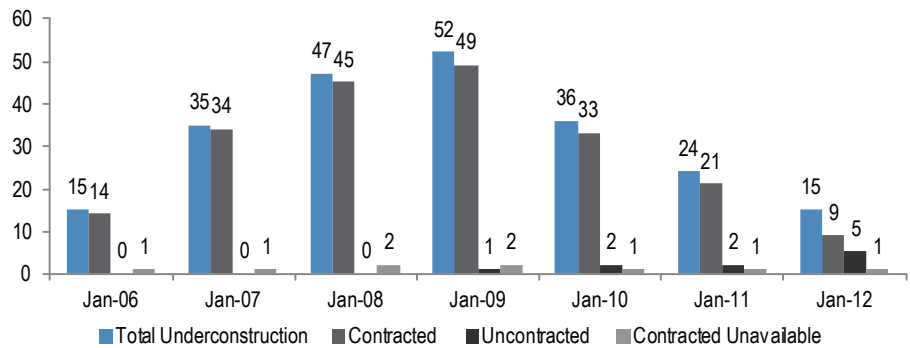
No. of vessels



Source: Riglogix.

Figure 103: “Contracted vs. Uncontracted” under construction Semisubs

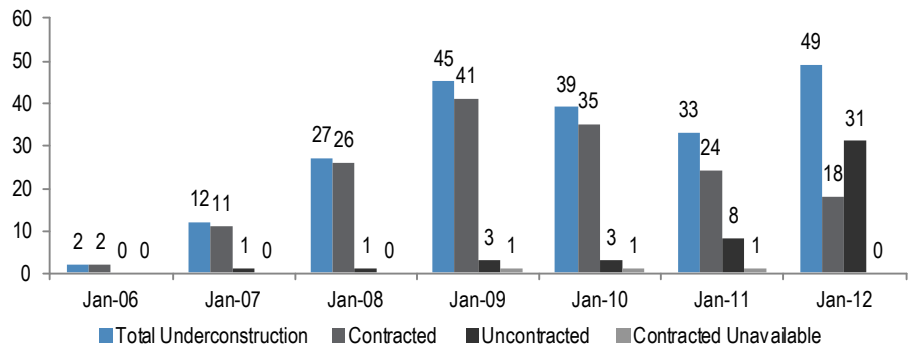
No. of vessels



Source: Riglogix.

Figure 104: “Contracted vs. Uncontracted” under construction Drillships

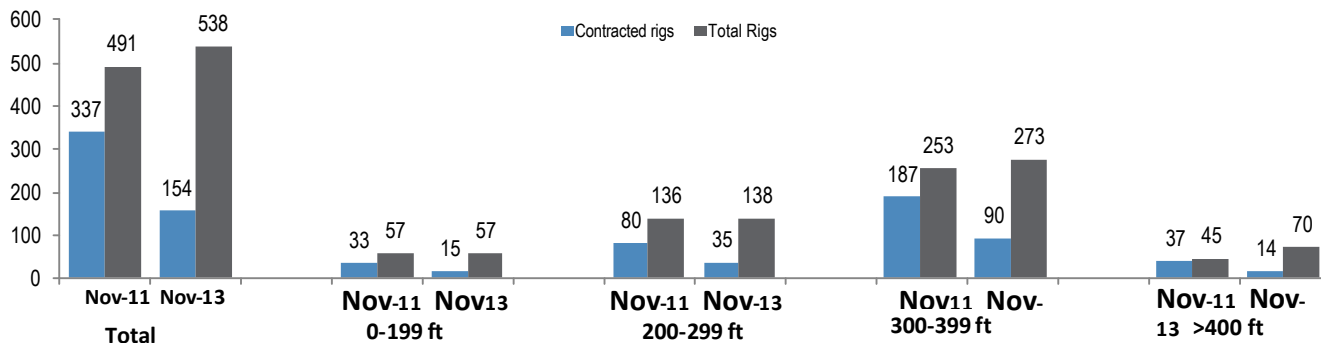
No. of vessels



Source: Riglogix.

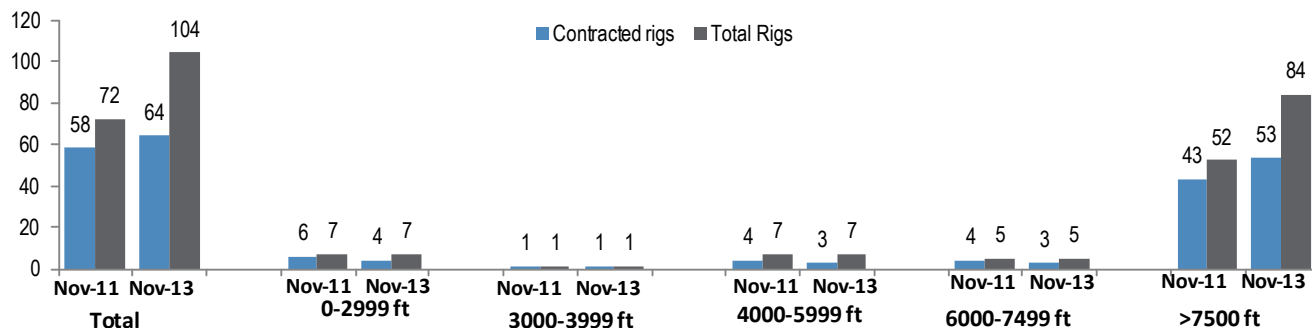
Future Contract coverage: Worldwide

Figure 105: Jackups: Worldwide future contract coverage



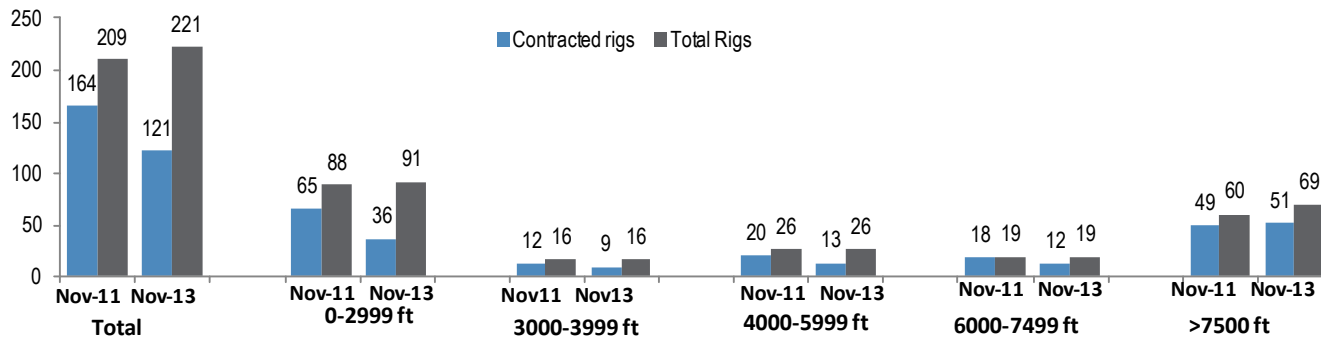
Source: Riglogix As of November 2011.

Figure 106: Drill ships: Worldwide future contract coverage



Source: Riglogix As of November 2011.

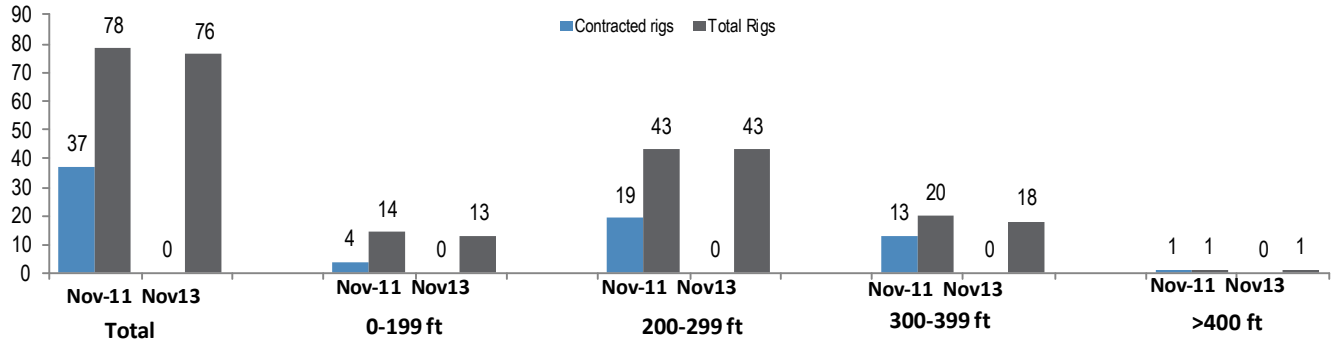
Figure 107: Semisubs: Worldwide future contract coverage



Source: Riglogix As of November 2011.

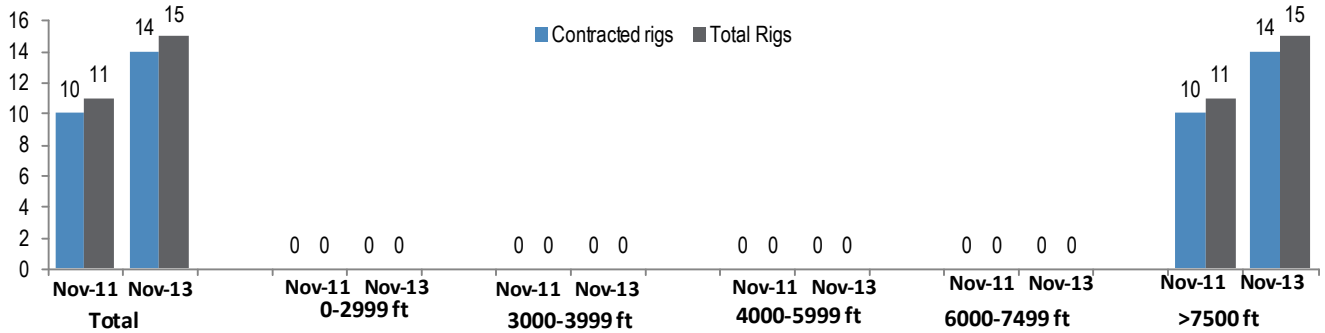
Future Contract coverage: US GOM

Figure 108: Jackups: US GOM future contract coverage



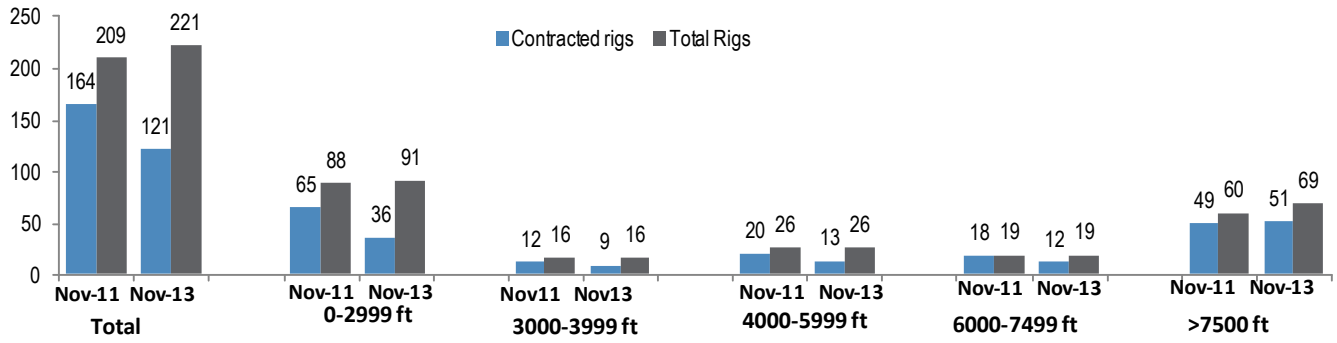
Source: Riglogix As of November 2011.

Figure 109: Drillships: US GOM future contract coverage



Source: Riglogix As of November 2011.

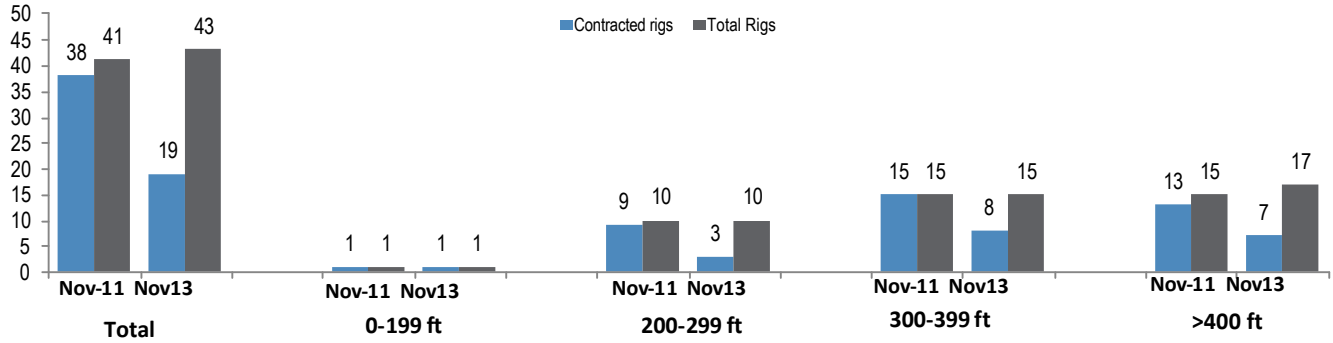
Figure 110: Semisub: US GOM future contract coverage



Source: Riglogix As of November 2011.

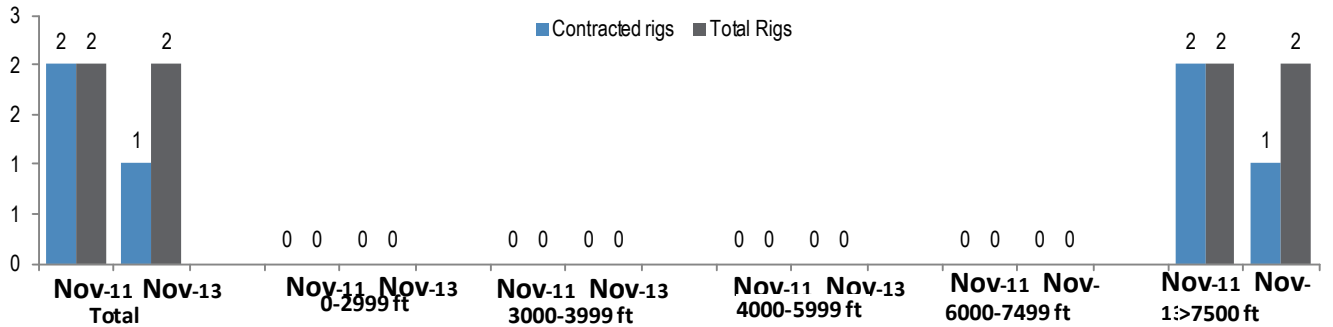
Future Contract coverage: North Sea

Figure 111: Jackups: North Sea future contract coverage



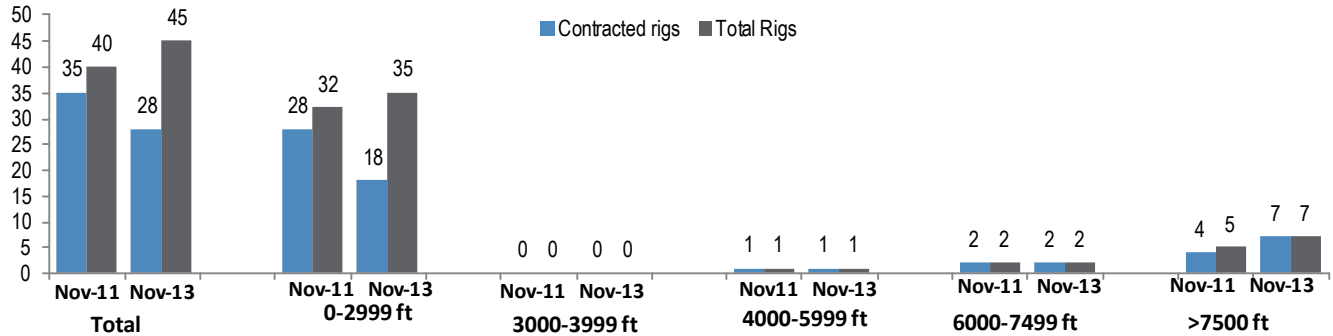
Source: Riglogix As of November 2011.

Figure 112: Drillships: North Sea future contract coverage



Source: Riglogix As of November 2011.

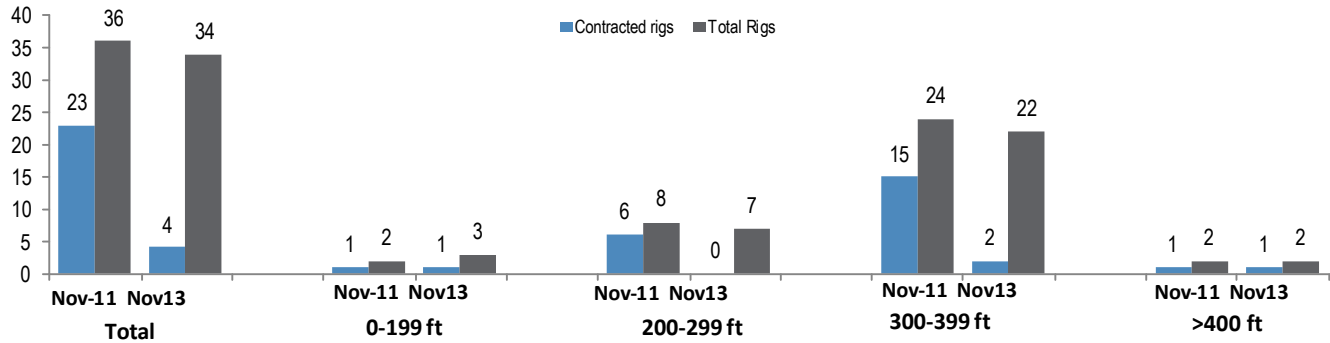
Figure 113: Semisubs: North Sea future contract coverage



Source: Riglogix As of November 2011.

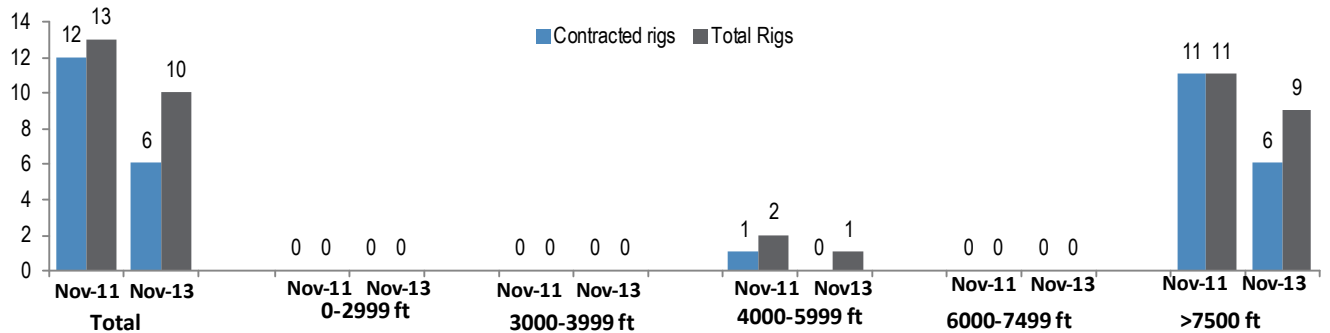
Future Contract coverage: West Africa

Figure 114: Jackups: West Africa future contract coverage



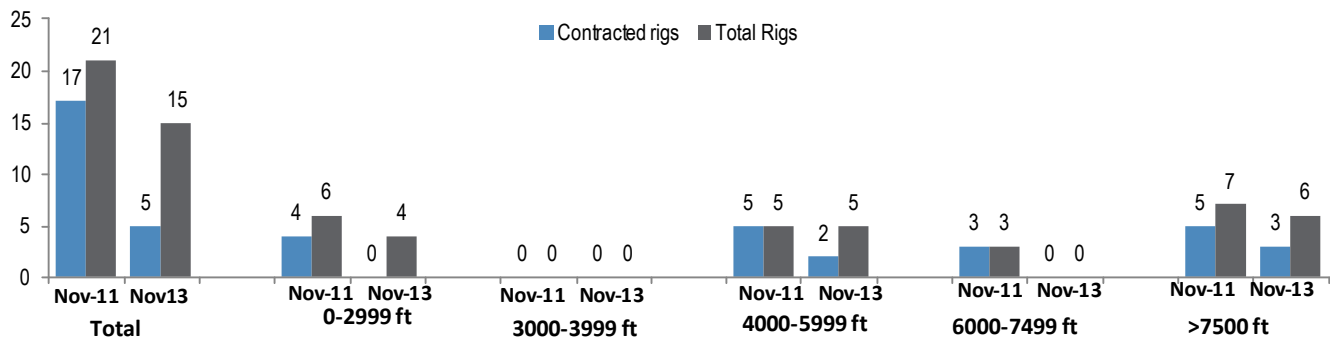
Source: Riglogix As of November 2011.

Figure 115: Drillships: West Africa future contract coverage



Source: Riglogix As of November 2011.

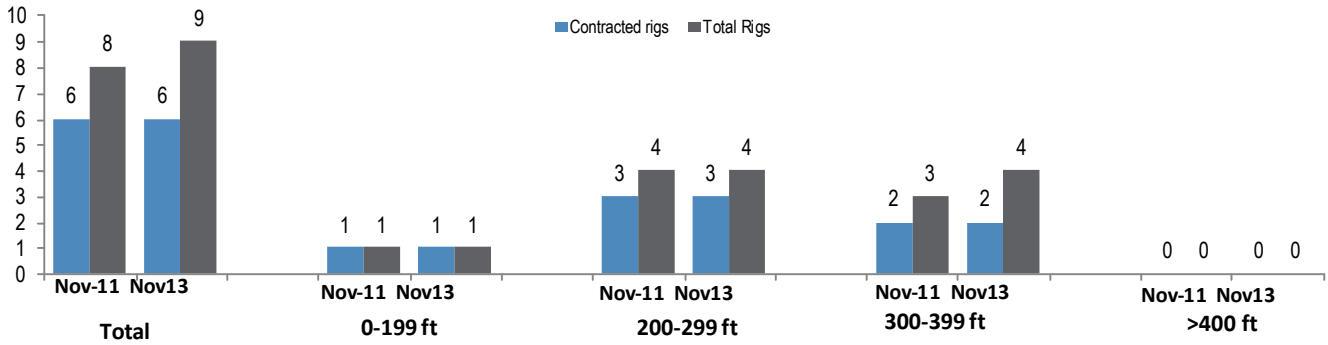
Figure 116: Semisubs: West Africa future contract coverage



Source: Riglogix As of November 2011.

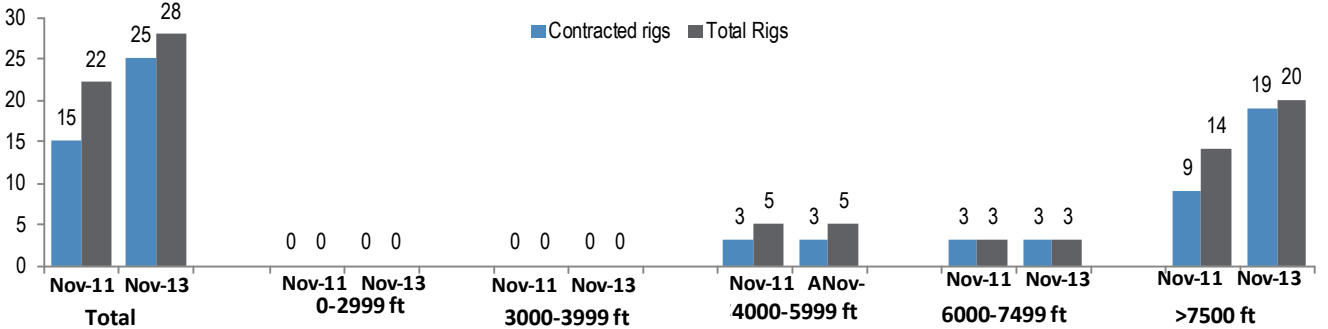
Future Contract coverage: Brazil

Figure 117: Jackups: Brazil future contract coverage



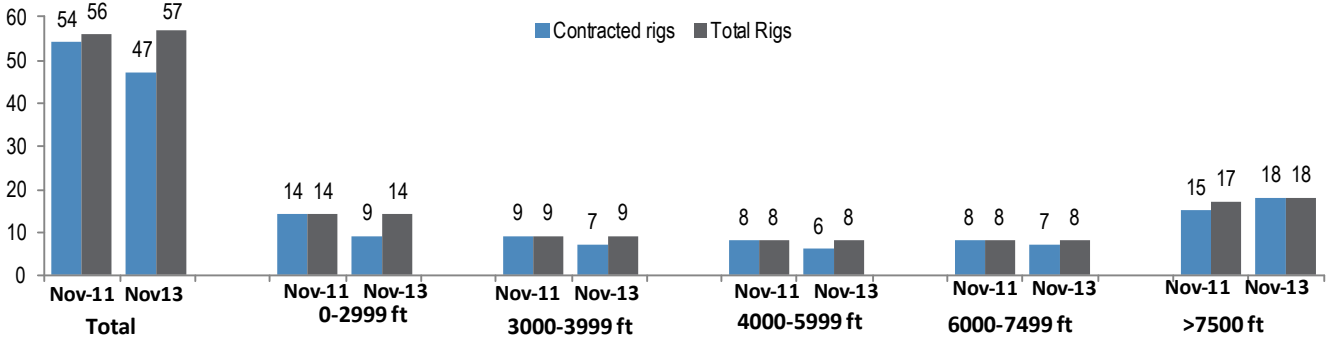
Source: Riglogix As of November 2011.

Figure 118: Drillshps: Brazil future contract coverage



Source: Riglogix As of November 2011.

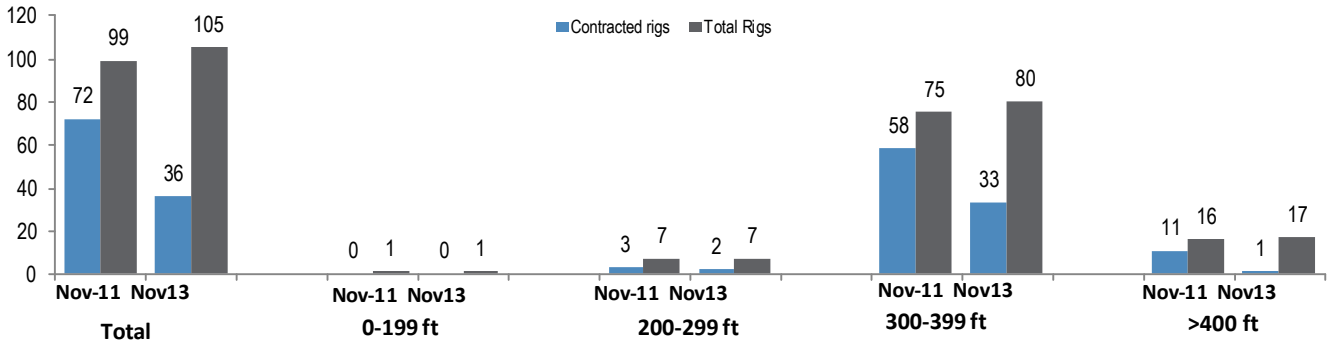
Figure 119: Semisubs: Brazil future contract coverage



Source: Riglogix As of November 2011.

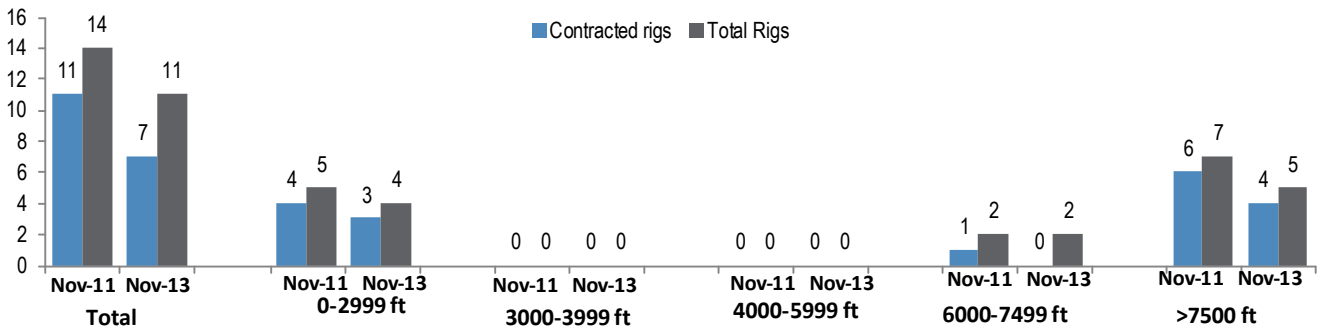
Future Contract coverage: SE Asia (Including South Asia)

Figure 120 Jackups: SE Asia future contract coverage



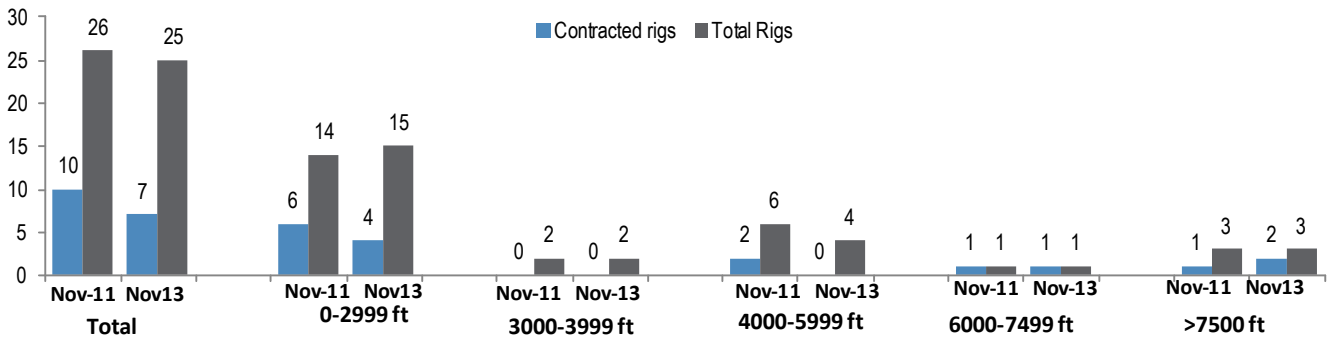
Source: Riglogix As of November 2011.

Figure 121: Drillships: SE Asia future contract coverage



Source: Riglogix As of November 2011.

Figure 122: Semisubs: SE Asia future contract coverage



Source: Riglogix As of November 2011.

Un-contracted “under-construction” deepwater rigs

Table 83: Un-contracted Semisub deliveries

Delivery year	Rig Manager	Rig Name	Rig Type	Delivery Date	Construction Shipyard	Max WD
2012	ENSCO	ENSCO 8506	Semisub	09/2012	Keppel FELS, Singapore	8,500 ft
2012	Ventura	SSV Catarina	Semisub	06/2012	Daewoo, South Korea	10,000 ft
2013	Sevan Drilling	Sevan UDW 3	Semisub	12/2013	COSCO Shipyard, China	12,500 ft
2014	Sevan Drilling	Sevan UDW 4	Semisub	06/2014	COSCO Shipyard, China	12,500 ft
2015	Sete Brasil S.A.	Sete Semisub TBN 1	Semisub	12/2015	Keppel FELS, BraZIL	10,000 ft

Source: Riglogix.

Table 84: Un-contracted Drillship deliveries

Delivery Year	Rig Manager	Rig Name	Rig Type	Construction Shipyard	Max WD
2012	Stena Drilling	Stena DrillMax ICE	Drillship	Samsung, South Korea	10,000 ft
2012	Vantage Energy Services	Cobalt Explorer	Drillship	Daewoo Shipyard, South Korea	12,000 ft
2012	Vantage Energy Services	Dalian Developer	Drillship	Cosco Shipyard, China	10,000 ft
2013	Atwood Oceanics	Atwood Advantage	Drillship	Daewoo Shipyard, South Korea	12,000 ft
2013	ENSCO	ENSCO DS-7	Drillship	Samsung, Geoje, South Korea	12,000 ft
2013	Maersk Drilling	Maersk Drillship TBN 1	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2013	Maersk Drilling	Maersk Drillship TBN 2	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2013	Noble Drilling	Noble HHI Drillship TBN II	Drillship	Hyundai Heavy Industries, Ulsan, South Korea	12,000 ft
2013	Ocean Rig Asa	Ocean Rig Drillship TBN 5	Drillship	Goeje Shipyard, South Korea	10,000 ft
2013	Ocean Rig Asa	Ocean Rig Drillship TBN 6	Drillship	Samsung Shipyard, South Korea	12,000 ft
2013	Ocean Rig Asa	Ocean Rig Drillship TBN 7	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2013	Odebrecht Oil & Gas	ODN I	Drillship	Daewoo Shipyard, South Korea	10,000 ft
2013	Odebrecht Oil & Gas	ODN II	Drillship	Daewoo Shipyard, South Korea	10,000 ft
2013	Pacific Drilling Limited	Pacific Khamsin	Drillship	Samsung Shipyard, South Korea	10,000 ft
2013	Pacific Drilling Limited	Pacific Sharav	Drillship	Samsung Shipyard, South Korea	10,000 ft
2013	Rowan	Rowan Renaissance	Drillship	Hyundai Heavy Industries, Ulsan, South Korea	12,000 ft
2013	Seadrill Ltd	West Auriga	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2013	Seadrill Ltd	West Tellus	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2013	Seadrill Ltd	West Vela	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2013	Transocean Ltd.	DSME 12000 Drillship TBN 1	Drillship	Daewoo Shipyard, South Korea	12,000 ft
2013	Transocean Ltd.	DSME 12000 Drillship TBN 2	Drillship	Daewoo Shipyard, South Korea	12,000 ft
2013	Vantage Energy Services	Tungsten Explorer	Drillship	Daewoo Shipyard, Opko, South Korea	12,000 ft
2014	Atwood Oceanics	Atwood Achiever	Drillship	Daewoo Shipbuilding, South Korea	12,000 ft
2014	Diamond Offshore	Ocean BlackRhino	Drillship		12,000 ft
2014	Maersk Drilling	Maersk Drillship TBN 3	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2014	Maersk Drilling	Maersk Drillship TBN 4	Drillship	Samsung Heavy Industries, South Korea	12,000 ft
2014	Noble Drilling	Noble HHI Drillship TBN IV	Drillship	Hyundai Heavy Industries, Ulsan, South Korea	12,000 ft
2014	Opus Offshore	Opus Offshore Drillship TBN 1	Drillship	Shanghai Shipyard, China	5,000 ft
2014	Opus Offshore	Opus Offshore Drillship TBN 2	Drillship	Shanghai Shipyard, China	5,000 ft
2014	Rowan	Rowan Resolute	Drillship	Hyundai Heavy Industries, Ulsan, South Korea	12,000 ft
2015	Rowan	Rowan Reliance	Drillship	Hyundai Heavy Industries, South Korea	12,000 ft

Source: Riglogix.

Un-contracted “under-construction” Jack-ups

Table 85: Un-contracted Jackups deliveries

Delivery year	Rig Manager	Rig Name	Rig Type	Construction Shipyard	Max WD
2012	Atwood Oceanics	Atwood Mako	Jackup	PPL Shipyard, Singapore	400 ft
2012	Atwood Oceanics	Atwood Manta	Jackup	PPL Shipyard, Singapore	400 ft
2012	Chernomorneftegaz	Chernomorneftegaz Jackup TBN 1	Jackup	Keppel FELS, Singapore	400 ft
2012	Essar Oilfields Services Ltd.	Essar Jackup TBN 1	Jackup	ABG Shipyard	350 ft
2012	Essar Oilfields Services Ltd.	Essar Jackup TBN 2	Jackup	ABG Shipyard, India	350 ft
2012	Eurasia Drilling Company	Eurasia Jackup TBN 1	Jackup	Lamprell Shipyard, Sharjah, UAE	350 ft
2012	Jasper Offshore	Jasper Adventurer	Jackup	Keppel FELS, Singapore	400 ft
2012	M/S Drilling & Offshore Pte Ltd	M/S Drilling Jackup TBN 1	Jackup	ABG Shipyard, India	350 ft
2012	M/S Drilling & Offshore Pte Ltd	M/S Drilling Jackup TBN 2	Jackup	ABG Shipyard, India	350 ft
2012	National Drilling	NDC Jackup TBN 1	Jackup	Lamprell, UAE	350 ft
2012	National Drilling	NDC Jackup TBN 2	Jackup	Lamprell Shipyard, UAE	200 ft
2012	Noble Drilling	Noble Jackup TBN 1	Jackup	Jurong Shipyard, Singapore	400 ft
2012	PEMSA	MIS Jackup (Hull 108)	Jackup	MIS Marine, Sharjah, UAE	300 ft
2012	Prospector Offshore	Prospector Rig 1	Jackup	Dalian Shipbuilding Industry Offshore Co., Ltd., China	400 ft
2012	Prospector Offshore	Prospector Rig 2	Jackup	Dalian Shipbuilding Industry Offshore Co., Ltd., China	400 ft
2012	Saudi Aramco (NOC)	SAR-202	Jackup	Keppel FELS, Singapore	250 ft
2012	Seadrill Ltd	West Telesto	Jackup	Dalian Shipyard, China	400 ft
2012	Seadrill Ltd	West Tucana	Jackup	Jurong Shipyard, Singapore	400 ft
2012	VietSovPetro	Tam Dao 03	Jackup	PV Shipyard, Vietnam	300 ft
2013	Asia Offshore Drilling Ltd.	Asia Offshore Jackup TBN 1	Jackup	Keppel FELS, Singapore	350 ft
2013	Asia Offshore Drilling Ltd.	Asia Offshore Jackup TBN 2	Jackup	Keppel FELS, Singapore	350 ft
2013	Asia Offshore Drilling Ltd.	Asia Offshore Jackup TBN 3	Jackup	Keppel FELS, Singapore	350 ft
2013	Atwood Oceanics	Atwood Orca	Jackup	PPL Shipyard, Singapore	400 ft
2013	ENSCO	ENSCO 121	Jackup	Keppel FELS, Singapore	400 ft
2013	Gulf Drilling International	Gulf Drilling Jackup TBN 1	Jackup	Keppel FELS Shipyard, Singapore	300 ft
2013	Hercules Offshore	Discovery Offshore Jackup TBN 1	Jackup	Keppel FELS, Singapore	400 ft
2013	Hercules Offshore	Discovery Offshore Jackup TBN 2	Jackup	Keppel FELS, Singapore	400 ft
2013	Japan Drilling	HAKURYU-11	Jackup	Keppel FELS, Singapore	425 ft
2013	Jasper Offshore	Jasper Beacon	Jackup	Keppel FELS, Singapore	400 ft
2013	Jindal Drilling & Industries Ltd.	Jindal Jackup TBN 1	Jackup	Lamprell Shipyard, Hamriyah, UAE	350 ft
2013	Noble Drilling	Noble Jackup TBN 2	Jackup	Jurong Shipyard, Singapore	400 ft
2013	Noble Drilling	Noble Jackup TBN 3	Jackup	Jurong Shipyard, Singapore	400 ft
2013	Perforadora Central	Perforadora Central Jackup TBN 5	Jackup	Keppel AmFELS, Brownsville, Texas	375 ft
2013	PPL Shipyard	PPL Hull 2035	Jackup	PPL Shipyard, Singapore	400 ft
2013	Prospector Offshore	Prospector Rig 3	Jackup	Dalian Shipbuilding Industry Offshore, China	400 ft
2013	Prospector Offshore	Prospector Rig 4	Jackup	Dalian Shipbuilding Industry Offshore, China	400 ft
2013	Seadrill Ltd	West Castor	Jackup	Jurong Shipyard, Singapore	400 ft
2013	Seadrill Ltd	West Oberon	Jackup	Dalian Shipyard, China	400 ft
2013	Standard Drilling Plc	Clearwater Jackup TBN 1	Jackup	Keppel FELS, Singapore	400 ft
2013	Standard Drilling Plc	Clearwater Jackup TBN 2	Jackup	Keppel FELS, Singapore	400 ft
2013	Standard Drilling Plc	Standard Drilling Plc Jackup TBN 4	Jackup	Keppel FELS, Singapore	400 ft
2013	Standard Drilling Plc	Standard Drilling Plc Jackup TBN 5	Jackup	Keppel FELS, Singapore	400 ft
2013	Standard Drilling Plc	Standard Drilling Plc Jackup TBN 6	Jackup	Keppel FELS, Singapore	400 ft
2014	ENSCO	ENSCO 122	Jackup	Keppel FELS, Singapore	400 ft
2014	Gulf Drilling International	Gulf Drilling Jackup TBN 2	Jackup	Keppel FELS, Singapore	300 ft
2014	KS Energy Services Ltd.	KS Energy Jackup TBN 2	Jackup	Nantong Shipyard, China	400 ft
2014	National Drilling	NDC Jackup TBN 3	Jackup	Lamprell Hamriyah, UAE	200 ft
2014	National Drilling	NDC Jackup TBN 4	Jackup	Lamprell Hamriyah, UAE	200 ft
2014	Noble Drilling	Noble Jackup TBN 4	Jackup	Jurong Shipyard, Singapore	400 ft
2014	Noble Drilling	Noble Jackup TBN 5	Jackup	Jurong Shipyard, Singapore	400 ft
2014	Noble Drilling	Noble Jackup TBN 6	Jackup	Jurong Shipyard, Singapore	400 ft
2014	Prospector Offshore	Prospector Rig 5	Jackup	Shanghai Waigaoqiao Shipyard, China	400 ft
2014	Prospector Offshore	Prospector Rig 6	Jackup	Shanghai Waigaoqiao, China	400 ft
2014	Standard Drilling Plc	Standard Drilling Plc Jackup TBN 7	Jackup	Keppel FELS, Singapore	400 ft

Source: Riglogix.

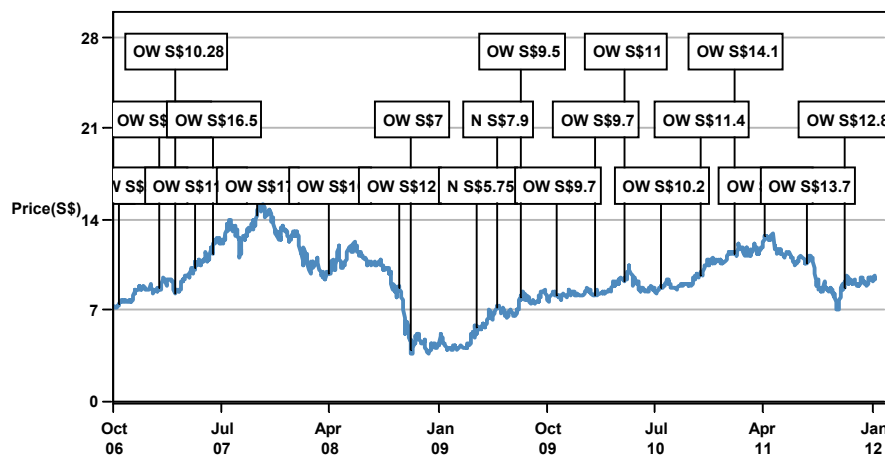
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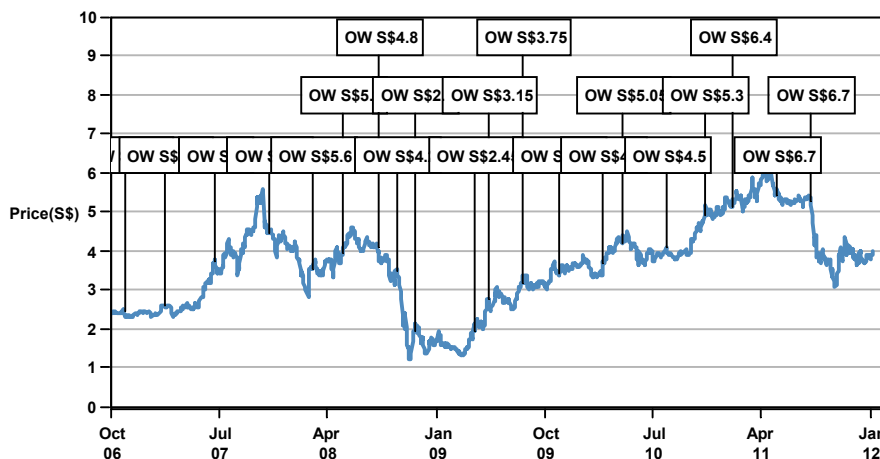
Keppel Corporation (KPLM.SI) Price Chart



Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Oct 18, 2006.

Date	Rating	Share Price (\$)	Price Target (\$)
18-Oct-06	OW	7.56	9.28
24-Jan-07	OW	8.79	10.09
06-Mar-07	OW	8.30	10.28
26-Apr-07	OW	10.32	11.62
11-Jun-07	OW	11.40	16.50
28-Sep-07	OW	14.30	17.00
31-Mar-08	OW	9.90	16.00
19-Sep-08	OW	8.70	12.00
23-Oct-08	OW	4.00	7.00
04-Apr-09	N	5.75	5.75
26-May-09	N	7.30	7.90
24-Jul-09	OW	7.98	9.50
23-Oct-09	OW	8.15	9.70
26-Jan-10	OW	8.09	9.70
14-Apr-10	OW	9.30	11.00
16-Jul-10	OW	8.80	10.20
22-Oct-10	OW	9.71	11.40
17-Jan-11	OW	11.46	14.10
04-Apr-11	OW	12.70	15.10
20-Jul-11	OW	10.62	13.70
21-Oct-11	OW	8.78	12.80

Sembcorp Marine (SCMN.SI) Price Chart



Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Nov 02, 2006.

Date	Rating	Share Price (\$)	Price Target (\$)
02-Nov-06	OW	2.46	2.69
15-Feb-07	OW	2.61	2.85
22-Jun-07	OW	3.75	5.00
01-Nov-07	OW	4.44	5.80
22-Feb-08	OW	3.53	5.60
07-May-08	OW	3.96	5.20
05-Aug-08	OW	4.11	4.80
19-Sep-08	OW	3.50	4.20
04-Nov-08	OW	1.93	2.60
04-Apr-09	OW	1.97	2.45
10-May-09	OW	2.75	3.15
05-Aug-09	OW	3.18	3.75
05-Nov-09	OW	3.44	4.25
23-Feb-10	OW	3.67	4.60
14-Apr-10	OW	4.22	5.05
03-Aug-10	OW	4.08	4.50
08-Nov-10	OW	4.93	5.30
17-Jan-11	OW	5.14	6.40
09-May-11	OW	5.45	6.70
03-Aug-11	OW	5.30	6.70

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.

J.P. Morgan ratings: OW = Overweight, N= Neutral, UW = Underweight

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IB clients*	52%	45%	36%
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IB clients*	72%	62%	58%

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