



Jefferies & Company Global Energy Conference

Louis A. Raspino, President & Chief Executive Officer
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Dynamic Positioning. We're right where you need us.™



Forward Looking Statements

Certain statements in the following presentation may constitute “forward looking statements” as defined by the Securities and Exchange Commission. Such statements are not historical facts, but are predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause actual results to differ from those contained in the forward looking statements.

We urge investors to read the descriptions and discussions of these risks that are contained under the section “Risk Factors” and elsewhere in the Company’s SEC filings.

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Company Overview



Company Profile

- Focused deepwater asset base
- Proven leader in deepwater operations, engineering and project management
- Established presence and key relationships in deepwater basins with robust contract backlog
- Strong earnings and cash flow growth from fleet expansion

Backlog	\$6.9 billion at September 30, 2010 (incl. \$0.5 billion of bonus)
Enterprise Value	\$6.4 billion at September 30, 2010
Total Debt Outstanding	\$1.9 billion at September 30, 2010
Debt to Capitalization Ratio	30% at September 30, 2010
Net Debt to Capitalization	19% at September 30, 2010
Debt Ratings	BBB- / Ba1 (Positive)

Focused Fleet With A Global Presence

Rig Fleet

Deepwater Floaters (12)

- 4 DP Drillships
- 2 DP Drillships under construction
- 4 DP Semis
- 2 Moored Semis

Mid-water Floaters (6)

- 5 Moored Semis
- 1 DP Semi

Independent Leg Jackups (7)

- 6 ILCs
- 1 ILS

Managed Rigs (2)

- 1 TLP (Kizomba)
- 1 Semi (Thunder Horse)

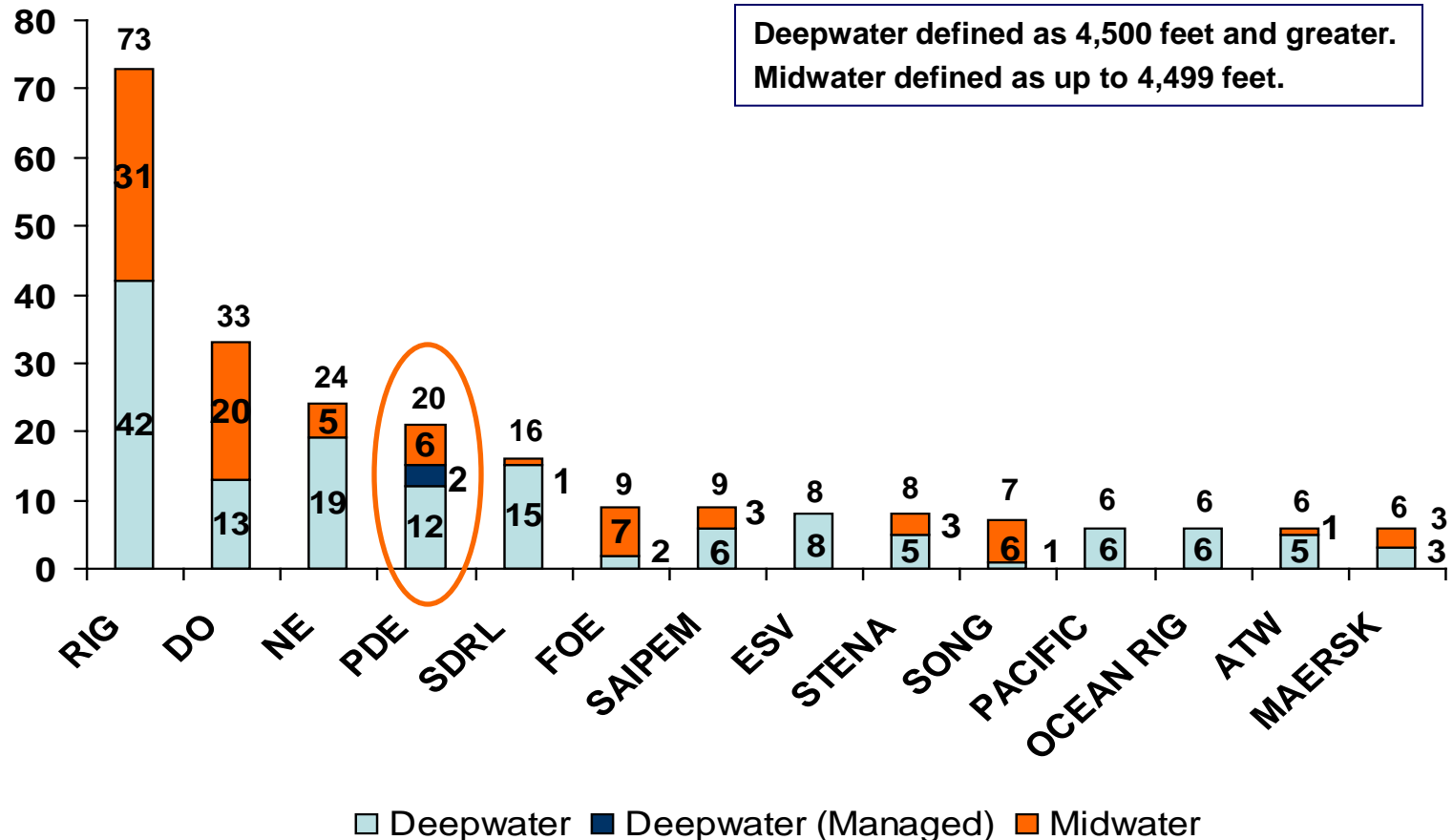


DP- Dynamically Positioned, Moored-Conventional chain and wire, ILC-Ind.leg cantilever, ILS-Ind. Leg slot

- Drillship under Construction
- DW Drillship
- ◆ DW Semisubmersible
- ◆ MW Semisubmersible
- Jackup
- ▲ Managed Rig

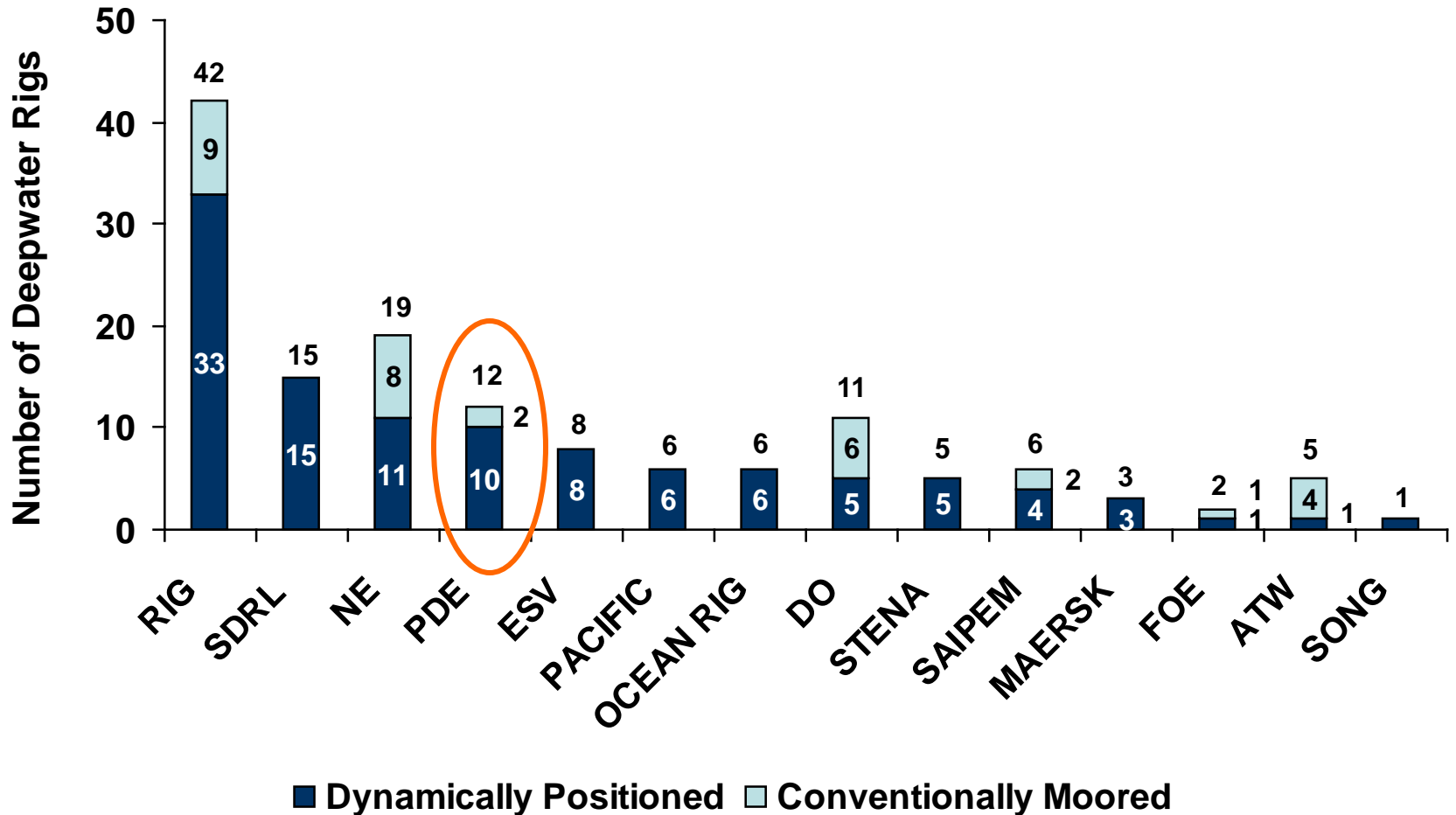
Among the Industry's Largest Floating Rig Fleets

Number of Rigs



Source: Company fleet reports; includes rigs under construction.

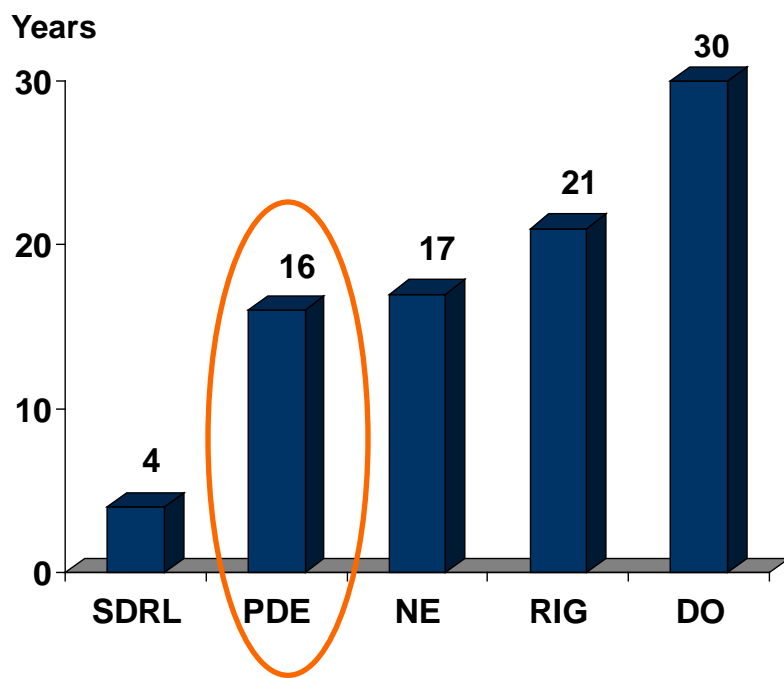
Strong Presence In Deepwater DP Market



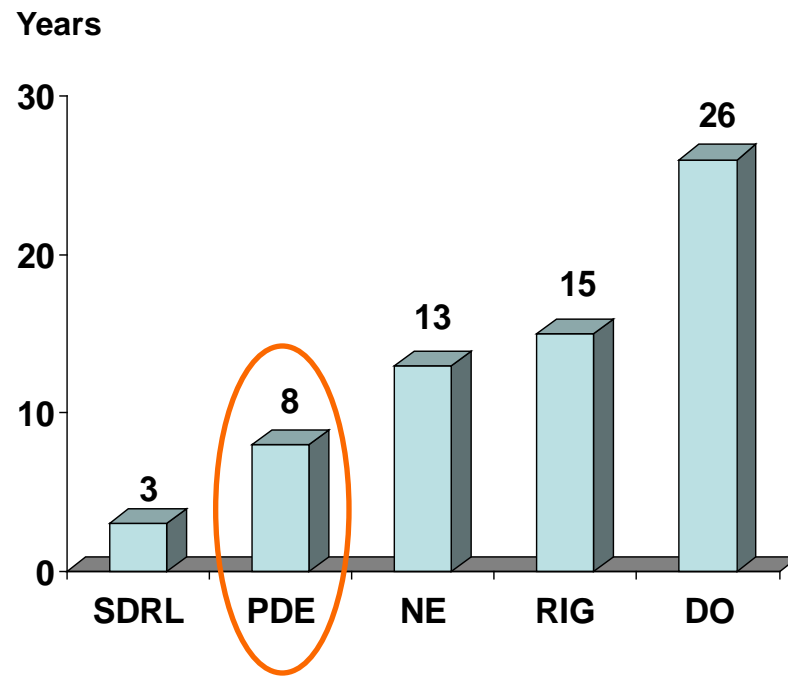
Source: Company fleet reports; includes rigs under construction

Among the Industry's Youngest Floating Fleets

**Avg. Age
Floating Fleet**



**Avg. Age
Deepwater Fleet⁽¹⁾**

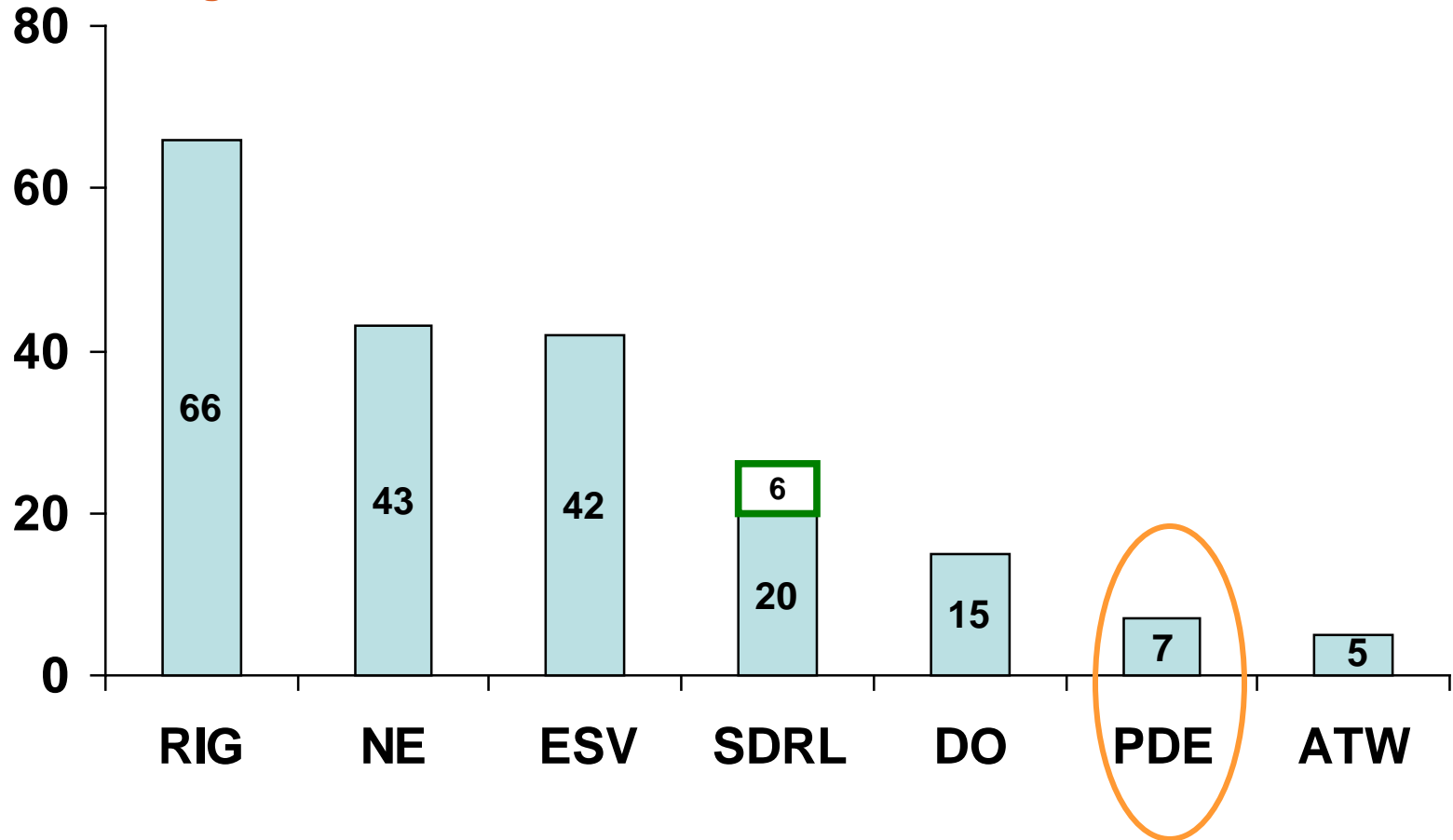


Source: ODS – Petrodata, Includes rigs under construction

(1) Rigs capable of operating in water depths of 4,500' and greater

Minimal Jack Up / Tender Exposure

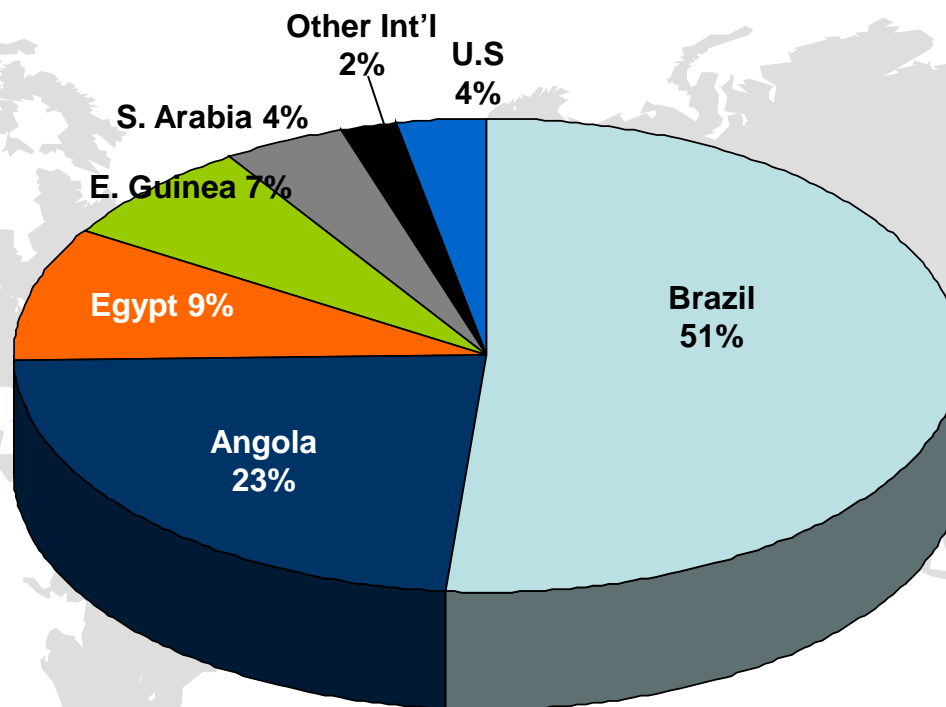
Number of Rigs



Source: Company fleet reports

■ Jackup ■ Shallow Water Tenders (<500ft)

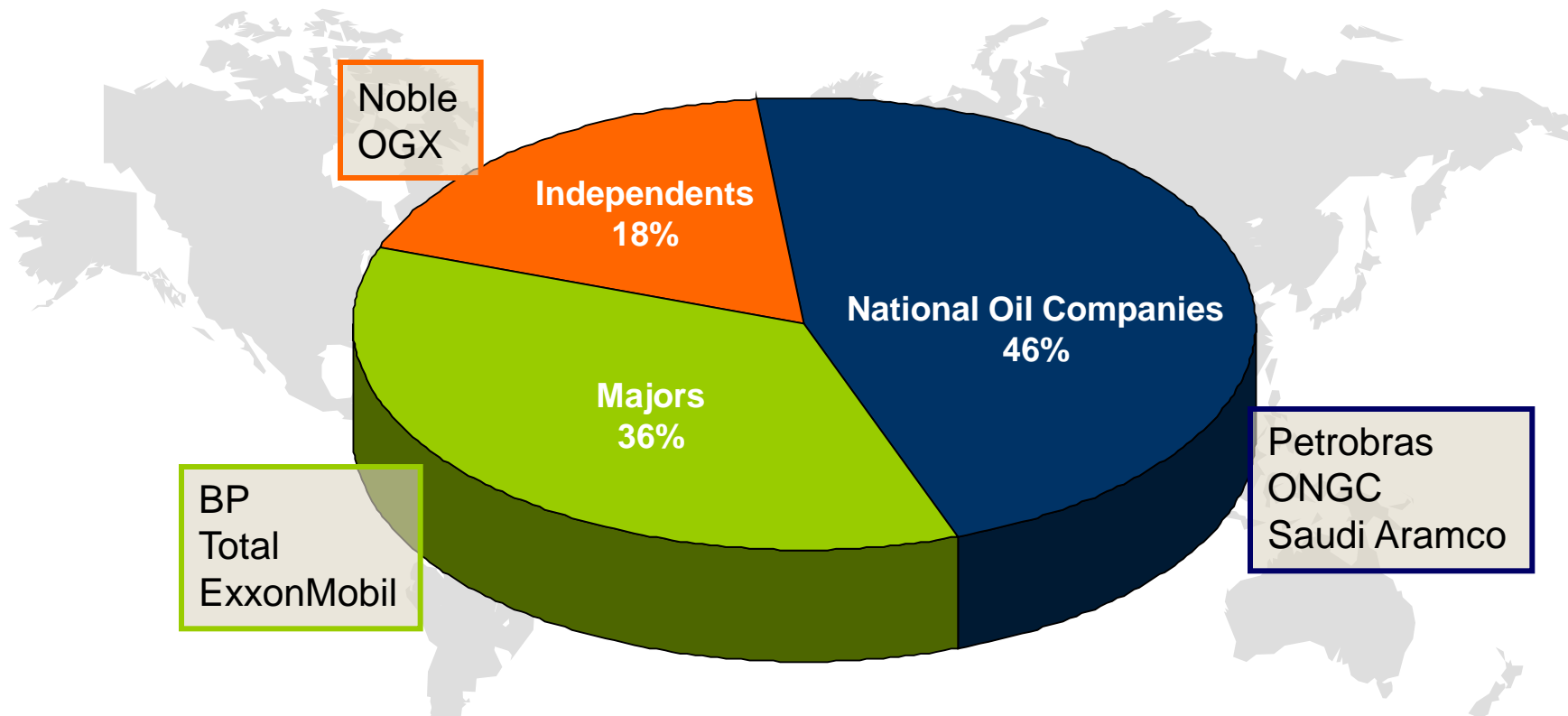
Presence in Key Deepwater Regions



Revenues For The Nine Months Ended September 30, 2010

\$1,059 Million

Strong Customer Base With Robust E&P Spending Programs

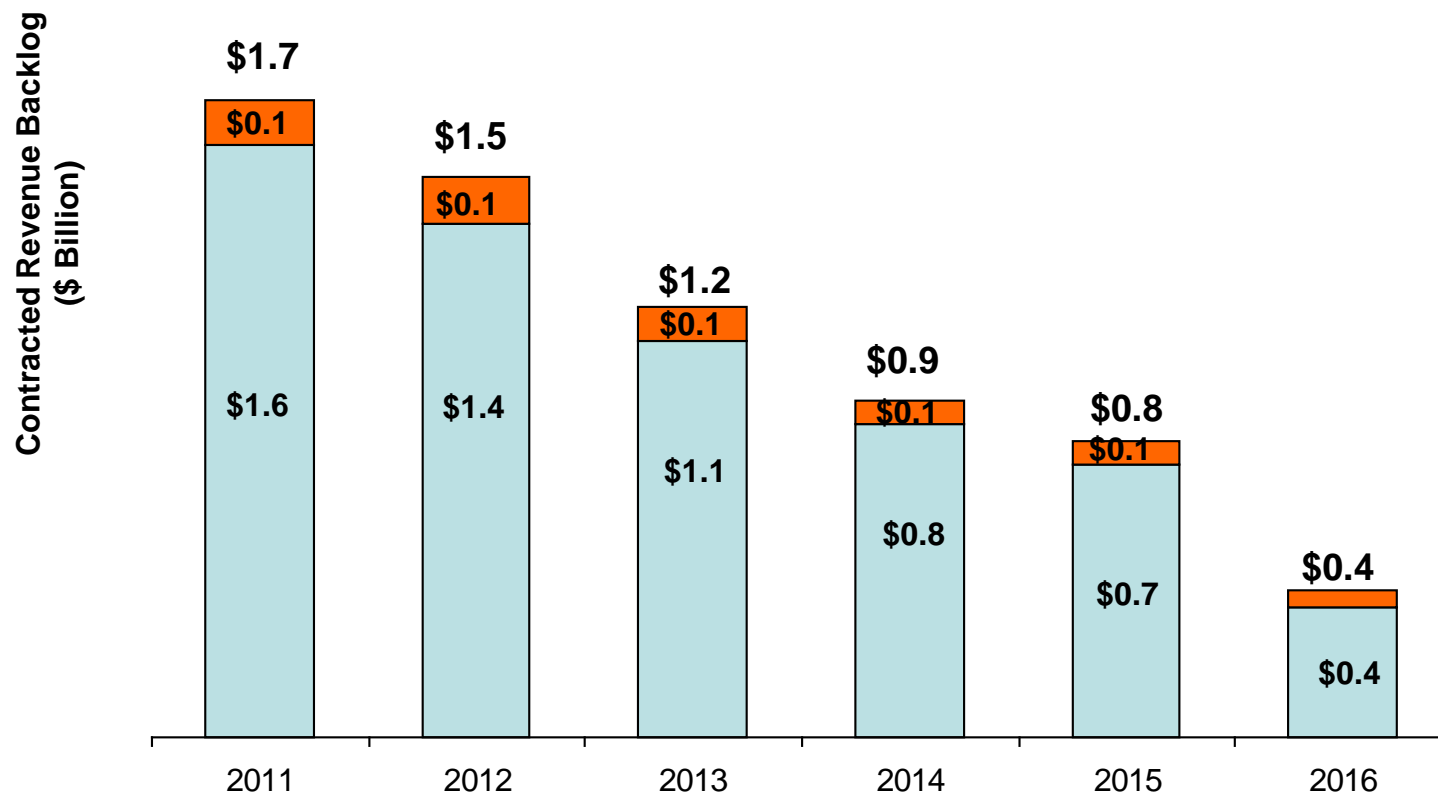


Revenues For The Nine Months Ended September 30, 2010

\$1,059 Million

Backlog Supports Strong Revenue Base

\$6.9 Billion Total Backlog (1)



As of September 30, 2010

(1) Includes bonus opportunity

■ Firm (\$6.4) ■ Bonus (\$0.5)

Floating Rig Fleet Contract Status

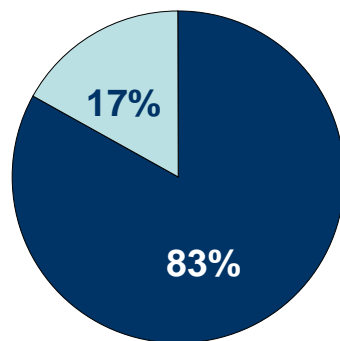
As of December 1, 2010

Deepwater

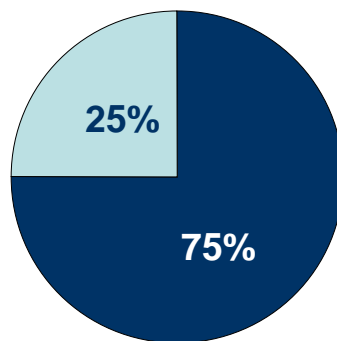
2010



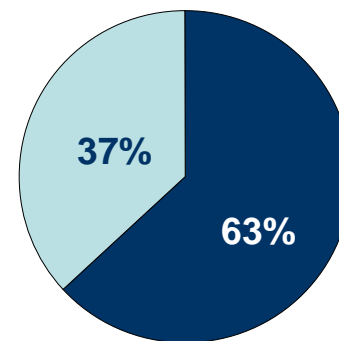
2011



2012

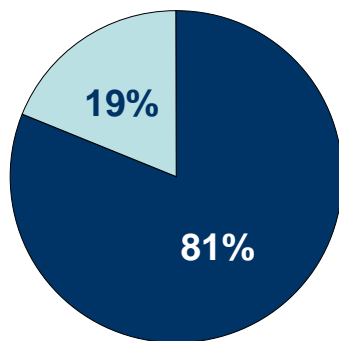


2013

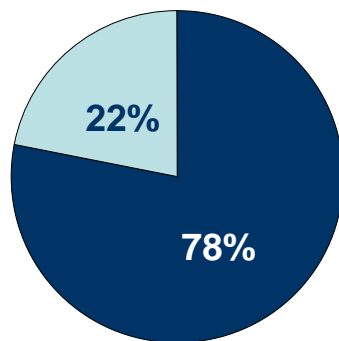


Midwater

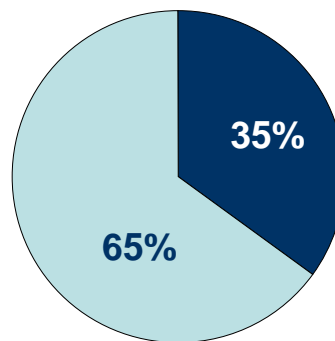
2010



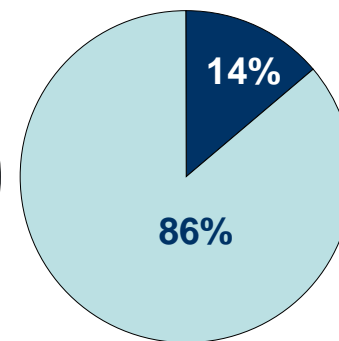
2011



2012



2013



■ Under Contract

□ Open

Deepwater Focus Drives Future Performance

Revenue

%Floater:

25%

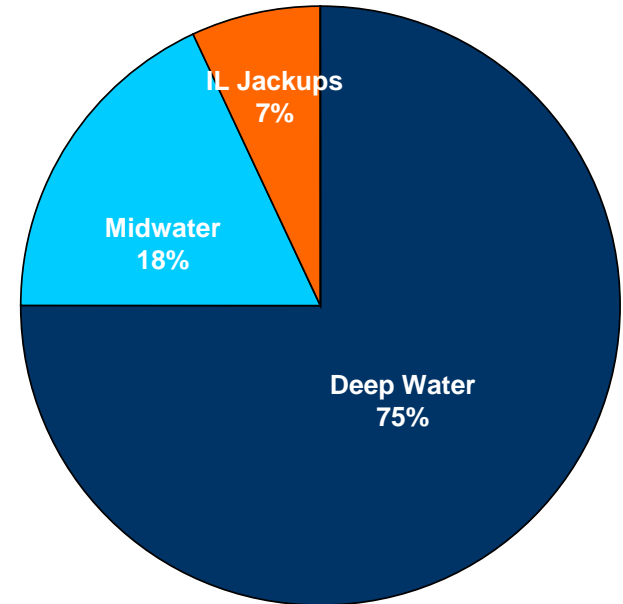
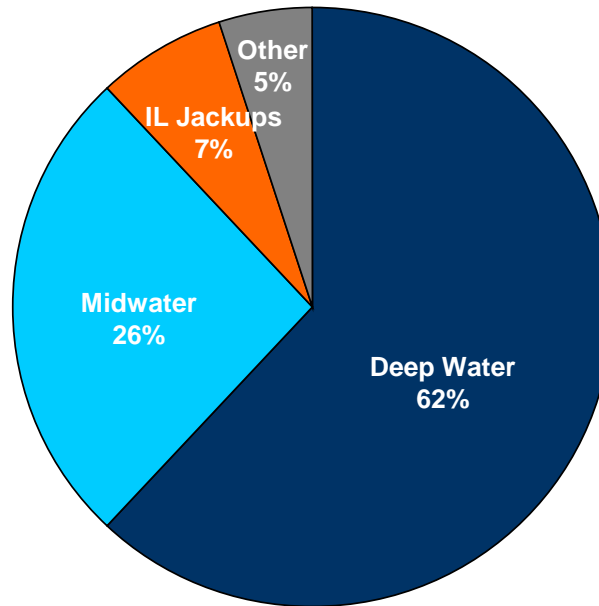
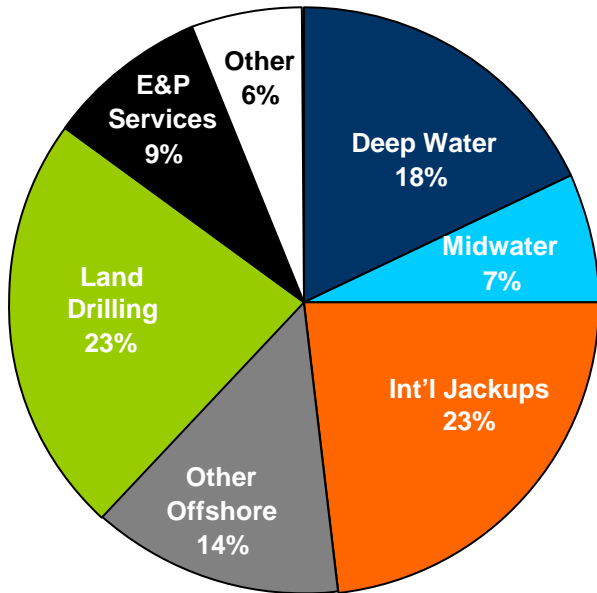
88%

93%

2004

2010 (1)

2013



Actual

Actual

Projection

(Base Case)

(1) through nine months ending September 30, 2010

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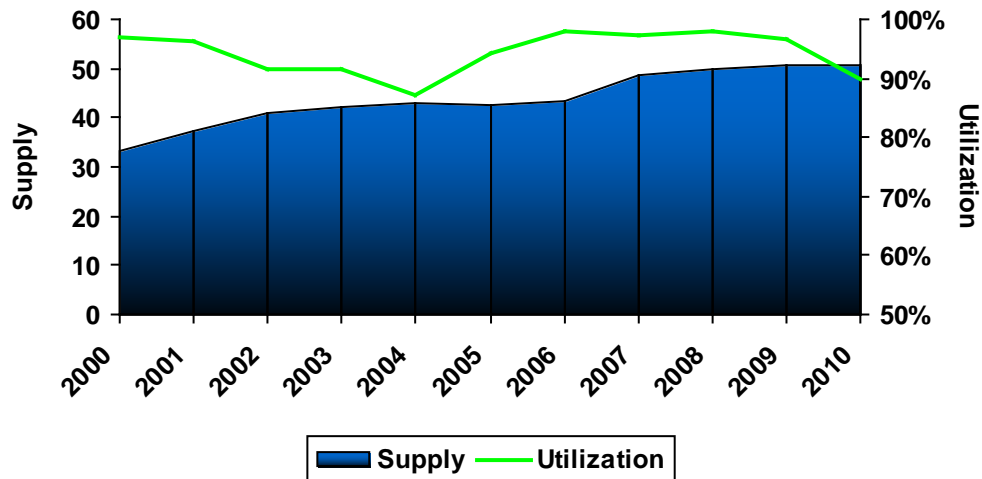


Market Discussion By Sector



Deepwater Sector

Deepwater Floater Utilization
4,500' - 6,999' WD
(October 2000 - October 2010)



Source: ODS-Petrodata

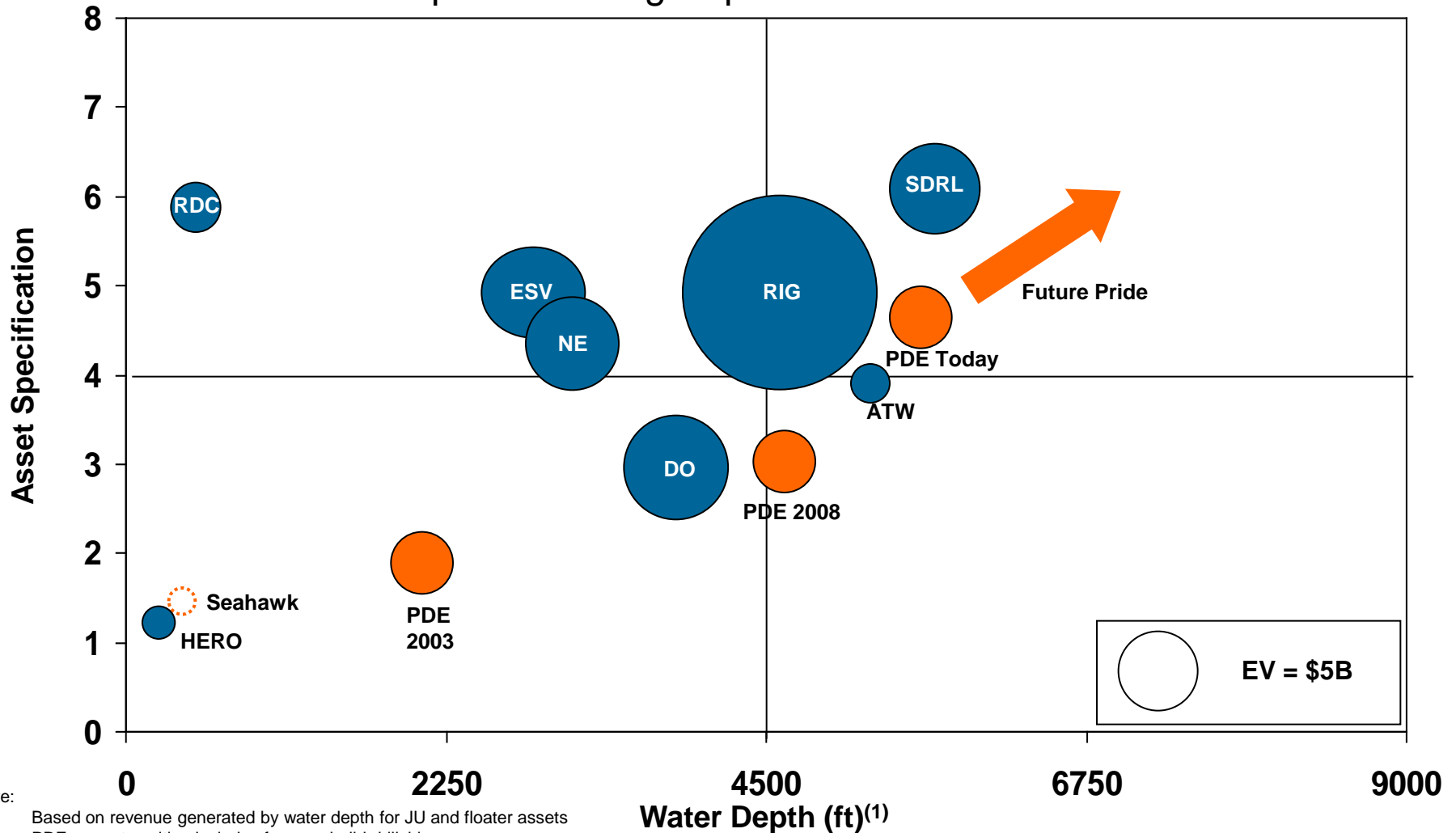
- Dayrates under pressure, especially since U.S. government moratorium
- Backlog in decline
- Moored units experiencing large dayrate disadvantage relative to DP capable rigs
- Some rigs successful in securing mid water suitable programs

Watch For:

- Compliance with new equipment requirements resulting from post-Macondo regulations
- Movement of ultra-deepwater rigs into shallower water depths

Unique Strategic Position

Emphasis on High Specification Floaters



Note:

- Based on revenue generated by water depth for JU and floater assets
- PDE current position includes four newbuild drillships

Favorable Contracts on New Drillships

	Deep Ocean Ascension	Deep Ocean Clarion	Deep Ocean Mendocino	Deep Ocean Molokai
Client	BP	BP	Petrobras	Open
Contract Terms	Five Years	Five Years	Five Years	
Dayrate	\$540,189	\$550,800 ⁽²⁾	\$502,300 ⁽²⁾	
Est. Shipyard Delivery	Feb 2010	Sept 2010	Jan 2011	Dec 2011
Construction Status	Delivered	Delivered	On Time	On Time
Est. Date on Contract	3Q10 ⁽¹⁾	Late-1Q11	Late-2Q11	Early-2Q12

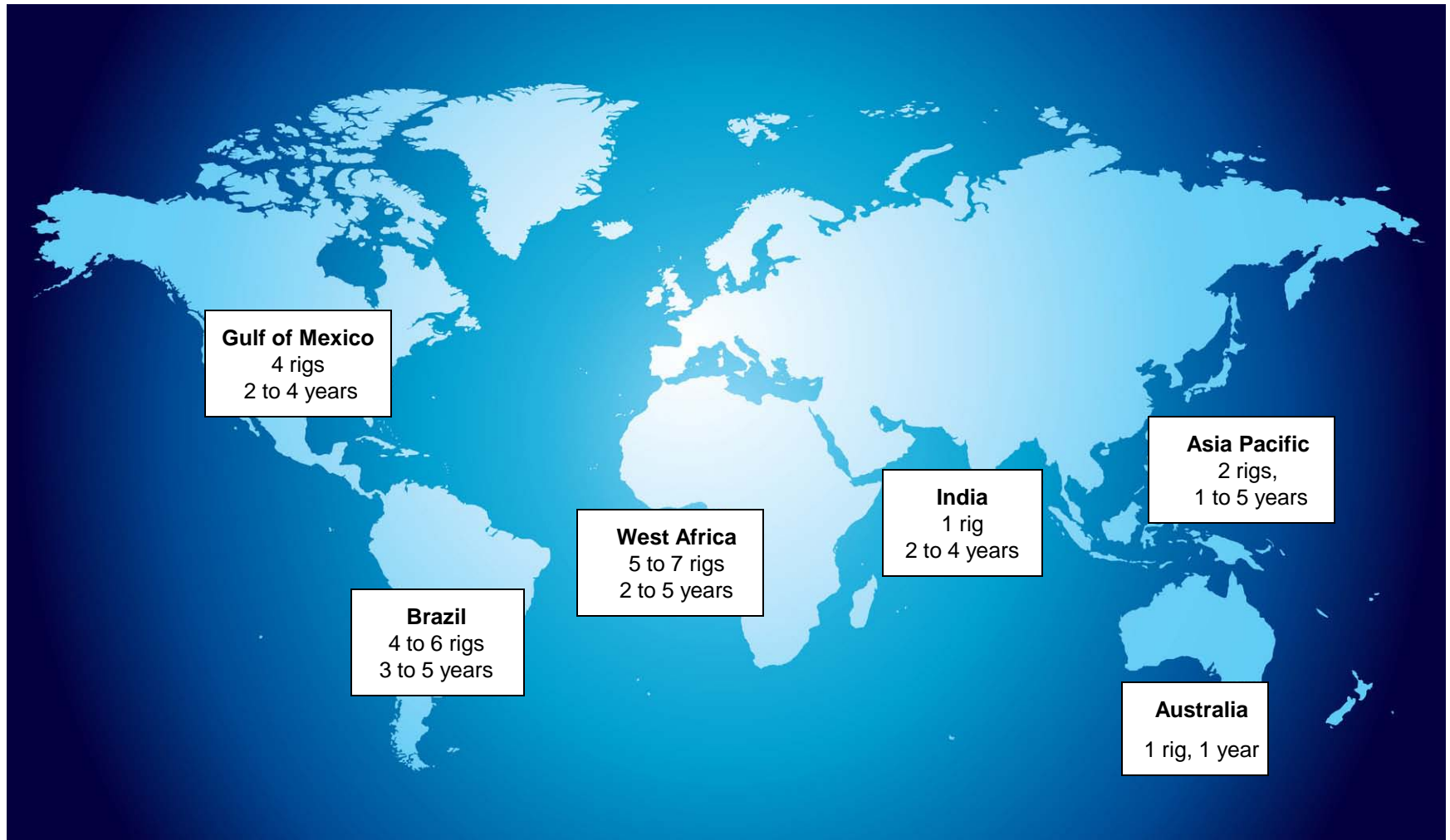
(1) Effective August 23, 2010, the Deep Ocean Ascension has been on a special standby dayrate of \$360,000 per day. This special standby dayrate will remain in effect until the earlier of April 1, 2011 or the date the rig begins mobilization to its first drilling site, either within or outside of the U.S. Gulf of Mexico.

(2) Dayrate to be adjusted to reflect change in actual daily operating costs incurred up to the commencement of the contract.



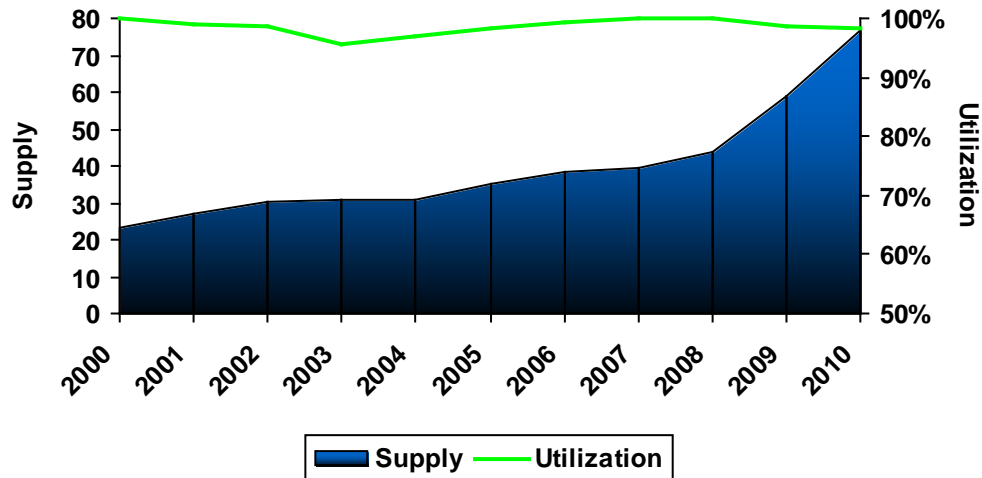
Deep Ocean Molokai Opportunities

2011 and 2012 Market Opportunities are Appearing



Ultra-Deepwater Sector

Ultra-Deepwater Floater Utilization
>6,999' WD
(October 2000 - October 2010)



Source: ODS-Petrodata

- Fleet utilization remains effectively full through 2010 and looks tight for 2011
- Client demand improving – tenders and pre-tenders higher in 3Q
- US Gulf of Mexico permit approval delays are an uncertainty
- Dayrates remain above \$400,000
- Best opportunities in Brazil, West Africa

Watch For:

- Demand from Petrobras
- Post Macondo impact
- Absorption of new capacity
- Will clients delay “new” contract commitments?

November 2010 Deepwater Supply / Demand Forecast

Un-Contracted Rig Years (Surplus / Shortage), Market Tightens in 2011

Deepwater Total		
	2011	2012
+/(-)	2	28

N. Sea / NWE		
	2011	2012
+/(-)	0	1

Black Sea		
	2011	2012
+/(-)	0	(1)

GOM / E. Canada		
	2011	2012
+/(-)	0	7

Mediterranean		
	2011	2012
+/(-)	0	3

India		
	2011	2012
+/(-)	0	2

Southeast Asia		
	2011	2012
+/(-)	11	28

Mexico / Caribbean		
	2011	2012
+/(-)	0	1

West Africa		
	2011	2012
+/(-)	(3)	(3)

East Africa		
	2011	2012
+/(-)	0	(1)

Brazil		
	2011	2012
+/(-)	(7)	(12)

Australia / NZ		
	2011	2012
+/(-)	1	3

• Rig Years = 1-(Days un-contracted / 365)

• SE Asia is oversupplied due to un-contracted newbuilds.

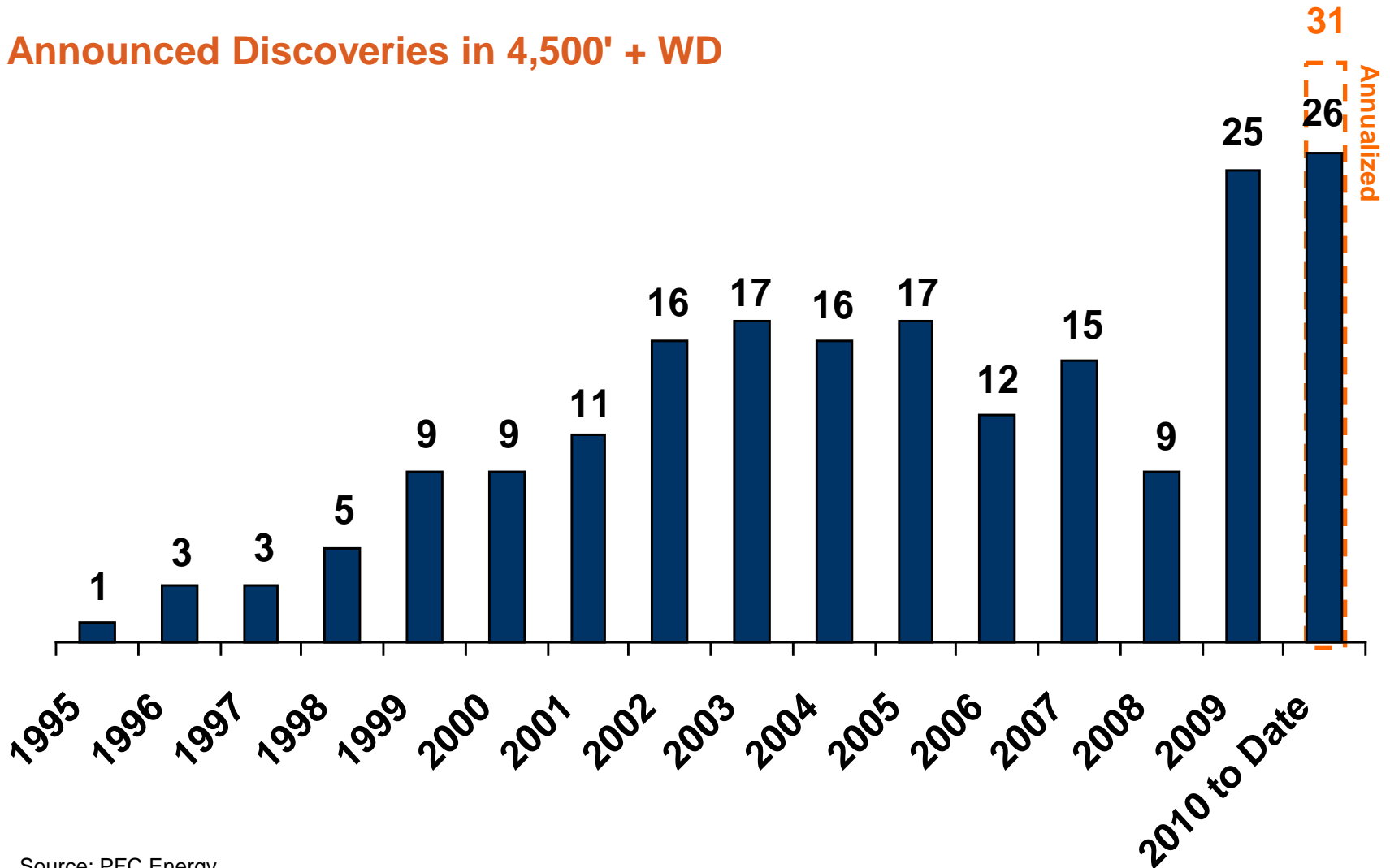
Deepwater Sector Long-Term Outlook

Compelling Indicators of Growth

- Proven geology with record exploration success continuing through 2010

Record Deepwater Exploration Success

Announced Discoveries in 4,500' + WD



Deepwater Sector Long-Term Outlook

Compelling Indicators of Growth

- Proven geology with record exploration success continuing through 2010
- Expanding client base and geographic appeal as numerous new regions emerge

The Deepwater Drilling Opportunity



○ Established ● Emerging

The Deepwater Drilling Opportunity



○ Established ● Emerging

Deepwater Sector Long-Term Outlook

Compelling Indicators of Growth

- Proven geology with record exploration success continuing through 2010
- Expanding client base and geographic appeal as numerous new regions emerge
- Development projects expected to consume 50% or more of deepwater fleet
- Sustainability of crude prices expected to support increased client spending
- Increasing operational, safety and technical demands of clients translating into preference for high specification rigs
- Technological advances improving the quantity of recoverable reserves which will increase drilling demand
- Brazil expansion: Increasing demand for high specification rigs

Investment Highlights

- Industry-leading focus on floating rig fleet with emphasis in deepwater
- Proven leader in deepwater operations, engineering and project management
- Long-term presence in key deepwater basins
- Favorable long-term indicators for deepwater market
- Strong revenue backlog of \$6.4 billion (\$6.9 billion including bonus opportunities) in place with high quality and globally diverse customers
- Financial strength, liquidity and discipline – commitment to investment grade status
- Newbuild drillships with established designs being built at world class shipyard
- Excellent earnings and cash flow growth expected from fleet expansion



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