

DNB Markets Oil, Offshore & Shipping Conference 2012



March 9, 2012

VANTAGE
DRILLING COMPANY

Forward-Looking Statements

Some of the statements in this presentation constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward looking statements contained in this presentation involve risks and uncertainties as well as statements as to:

- our limited operating history;
- availability of investment opportunities;
- general volatility of the market price of our securities;
- changes in our business strategy;
- our ability to consummate an appropriate investment opportunity within given time constraints;
- availability of qualified personnel;
- changes in our industry, interest rates, the debt securities markets or the general economy;
- changes in governmental, tax and environmental regulations and similar matters;
- changes in generally accepted accounting principles by standard-setting bodies; and
- the degree and nature of our competition.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements.

Corporate Overview

Symbol:	VTG (NYSE AMEX)
Location:	HQ – Houston; Operations – Singapore; Marketing – Dubai
Market Cap:	≈ \$400 million
Book Value:	≈ \$700 million
Enterprise Value:	≈ \$1.6 billion
Employees:	> 1,000
Contract Backlog:	\$3.0 billion, including rigs under management
Owned Fleet:	4 Ultra-Premium Jackups 1 Ultra-Deepwater Drillship 1 Ultra-Deepwater Drillship under construction
Managed Fleet:	2 Ultra-Deepwater Drillships under construction

Recent Developments

- Planned purchase of 33% interest in *Dragonquest* (pending)
- Expanded deepwater fleet with order of newbuild drillship *Tungsten Explorer* for Q2 2013 delivery
- Ultra-deepwater rates moving up rapidly, providing excellent opportunity for newbuild *Tungsten Explorer*
- Q4 2010 - Took delivery of *Platinum Explorer* – on-time, on budget, commenced operations with ONGC, and achieved impressive utilization –
 - First 12 months of operation – 92.4% utilization
 - January 2012 @ 99.4%
- High-specification jackup market experiencing upward momentum in rates with continued high utilization
- Commenced high-profile jackup contract for ultra-HPHT work in Malaysia @ \$187,000 per day (inclusive of reimbursed upgrades); 14-21 month duration

Tungsten Explorer



- Capable of operating in water depths up to 12,000 ft
- Total vertical drilling depth of 40,000 ft
- Variable deck load of 20,000 tons
- Hull measurement of 781 ft long by 137 ft wide
- DP3 dynamic positioning system
- 1250 short ton hook load, including 9000 hp drawworks
- Offline pipe handling
- Trip saver system
- Accommodations for 200 personnel
- Delivery Q2 2013

Company Highlights

Premium Fleet

- Premium high-specification drilling units, including four jackup rigs and two drillships
- Vantage's modern rigs are capable of drilling to deeper depths and possess enhanced operational efficiency and technical capabilities, resulting in higher utilization, dayrates and margins
- Total costs of owned fleet of four jackups and the *Platinum Explorer* drillship of approximately \$1.7 billion

Proven Operational Track Record

- Successful track record of managing, constructing, marketing and operating offshore drilling units
- In-house team of engineers and construction personnel overseeing complex construction projects
- All newbuilds delivered on budget and on time
- Jackup fleet has experienced approx. 99% of productive time for Vantage's first 37 months in operation
 - Level of efficiency is exceptional for newly-constructed jackup rigs upon commencement of operations

Significant Contract Coverage with High Quality Counterparties

- Significant cash flow visibility
- Owned fleet contract backlog of approximately \$1.2 billion and managed fleet contract backlog of approximately \$1.8 billion
 - Owned fleet counterparties include Total, Pearl Energy, Bowleven, Foxtrot International, Phu Quy⁽¹⁾, Salamander, PTT, Petronas Carigali and ONGC
 - Managed deepwater rigs counterparties include Petrobras

(1) PVEP Phu Quy Petroleum Operating Co. Ltd. is a joint venture interest between PetroVietnam Exploration Production Corp. and Total E&P Vietnam.

Company Highlights (Cont'd)

Construction Supervision and Management Arrangements

- Construction management arrangements for ultra-deepwater drillships, *Dragonquest*, and *Dalian Developer*
- Management of *Dragonquest* once in service (management agreement will continue following proposed investment in *Dragonquest*)
 - Approximately \$12.0 to \$15.0 million per year for the duration of the contract

Experienced Management and Operational Team

- Management team with extensive experience; average of 29 years in the drilling industry
- Includes international and domestic public company experience with industry-leading peers involving numerous acquisitions and debt and equity financings
- Experienced operating personnel

Singapore Operations and Technical Support – Track Record of Excellence

Completed Projects

4 BMC 375 Jackups



All Delivered On-Time, On Budget –

- Emerald Driller – December 2008
- Sapphire Driller – July 2009
- Aquamarine Driller – September 2009
- Topaz Driller – December 2009

Platinum Explorer



Delivered On-Time, On Budget - November 2010

SeaDragon 1 & 2



Restructured construction project with Vantage designed remediation plan and implemented project controls. Project completed for customer as rigs sold to competitor.

Aker Drillships 1&2



- Hired by peer drilling company to manage shipyard oversight
- Leverages our strong relationship and extensive experience with DSME
- Handover to new owner February 2012

Current Projects

Dragonquest



- Project 99% complete
- 2nd Successful newbuild at DSME

Dalian Developer



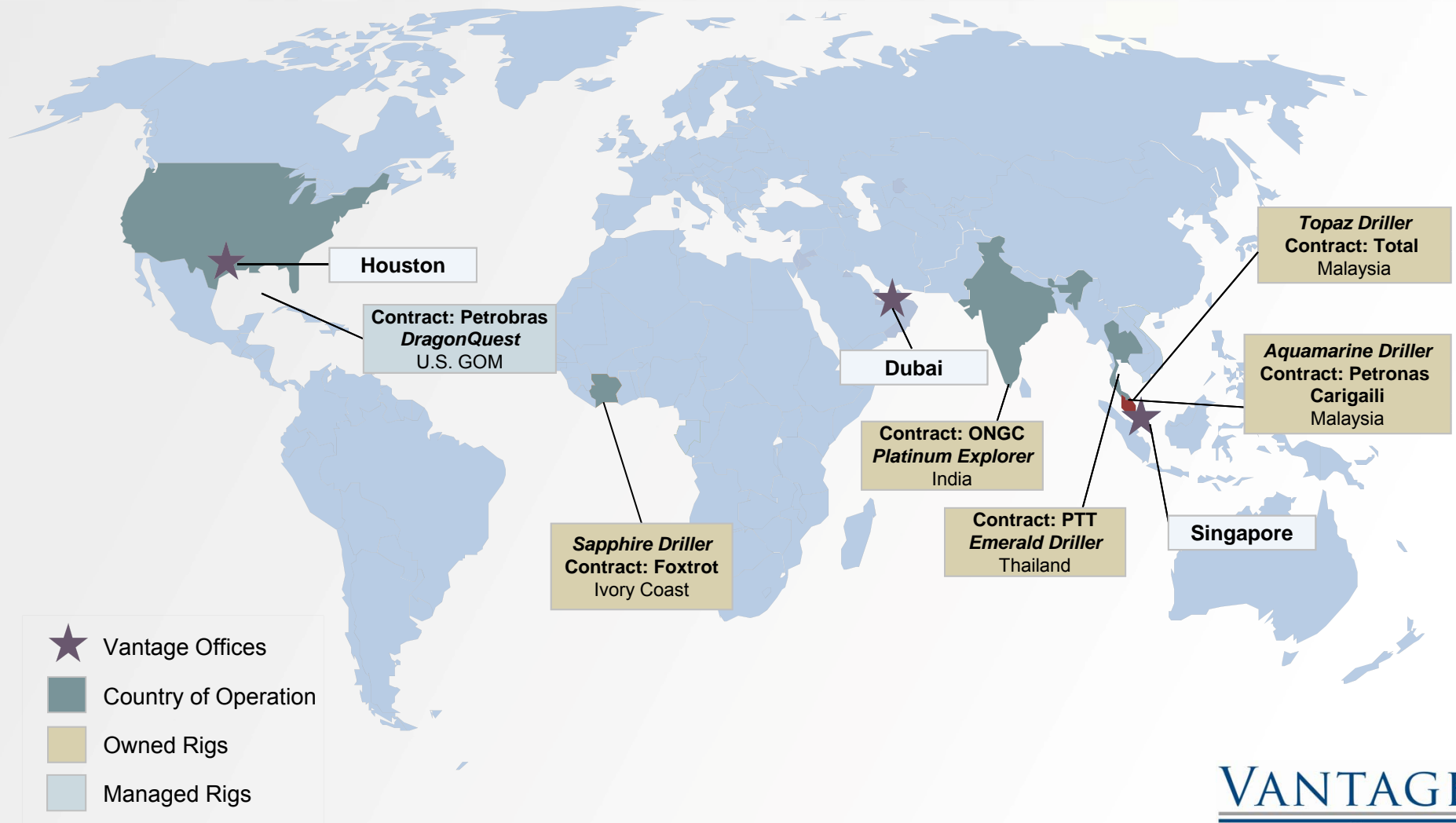
- Hired by Financial Institution to provide shipyard oversight following bid process
- Largest drillship in the world currently under construction
- Vessel will include oil storage and multi-purpose capabilities

Tungsten Explorer



- Company owned newbuild project
- Leverages shipyard experience
- Favorable costs and delivery schedule

Worldwide Operations



Strong Customer Relationships

Key Customers



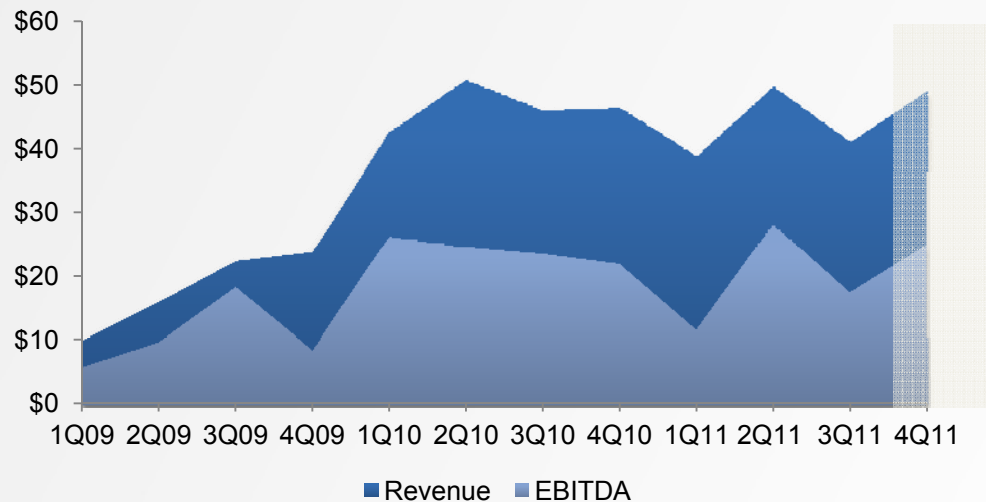
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Jackup Fleet

World class assets achieving world class performance –

- Fleet productive time approximately 99% since inception
- High-specification jackup fleet meeting today's challenges:
 - Faster drilling times
 - Faster moving times
 - Increased volumes of consumable liquids and drilling fluids
 - Reduced boat runs and non-productive time
 - Improved pipe handling and offline capability
 - Fast preloading time for all tanks
 - 75' x 30' cantilever reach substantially greater than the industry average
 - Pipe decks allow increased storage capacity
 - Premium drilling package:
 - 3 x 2200HP mud pumps
 - Integrated diverter system
 - 18 ¾ BOP system and 4 rams
 - High-capacity, high efficiency – 5 x CAT 3516 B Diesel engines

Strong Financial Performance



Emerald Driller



Sapphire Driller



Aquamarine Driller



Fleet Status – Average Drilling Revenue/Day⁽¹⁾

Rig	Ownership %	2011				2012				2013			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Jackups		2 years at \$171,000											
<i>Emerald Driller</i>	100%	\$171K	\$132K	18 mos. at \$130K									
<i>Sapphire Driller</i>	100%	\$115.5K	9 mos. at \$120K				1 yr at \$120K (net of tax)						
<i>Aquamarine Driller</i>	100%	\$120K	\$124K	2 wells at \$137K		1 yr at \$132K + 2x1 yr option @ market							
<i>Topaz Driller</i>	100%	\$107.2K			3 wells at \$187K (including upgrade & mob.)+ 1 yr option @ \$132K								
Drillships													
<i>Platinum Explorer</i>	100%	5 yrs. at \$590.5K											
<i>DragonQuest</i>	Managed					8 yrs. at \$551.3K ⁽²⁾							

Construction Management Contract

Commissioning/Mobilization/Shipyard

Working (Owned Rigs)

Operating (Management Contract)

Option Contract

Letter of Intent

(1) Average drilling revenue per day is based on the total estimated revenue divided by the minimum number of days committed in a contract. Unless otherwise noted, the total revenue includes any mobilization and demobilization fees and other contractual revenues associated with the drilling services.

(2) The drilling revenue per day includes the achievement of the 12.5% bonus opportunity, but excludes mobilization revenues and revenue escalations included in the contract.

Premium Asset Advantage

- Premium jackups (350' + IC rigs) and ultra-deepwater floater have historically maintained significantly higher utilization levels, particularly during downturns in the energy industry
 - Operators demand newer, higher specification rigs due to superior operating performance, resulting in lower maintenance downtimes, improved safety and higher efficiency
 - A higher utilization level in the international drilling market continues to reflect a more stable rig supply and demand environment than the Gulf of Mexico
 - Operators are willing to pay a substantial dayrate premium for high-specification rigs

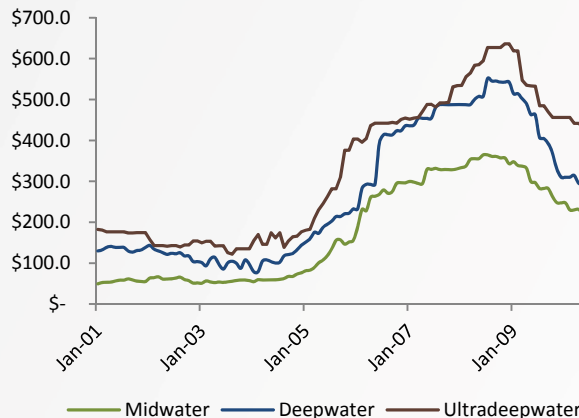
International vs. GOM Jackup Utilization



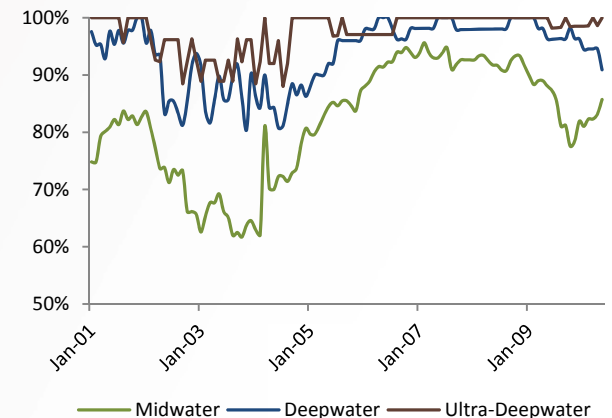
Global Jackup Utilization



Historical Floater Dayrates (\$Thousands)



Historical Floater Utilization

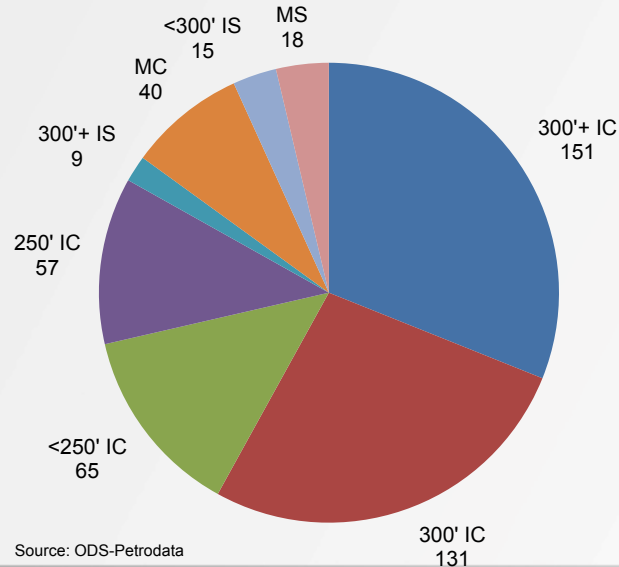


Source: Riglogix; ODS-PetroData.

Profile of Global Jackup Fleet

- **Capabilities and age** – The current worldwide fleet is comprised mostly of older, inefficient rigs
 - 22% of today's jackups are mat-supported and/or have less than 200ft of water depth capability
 - 68% of today's jackups are 25 years or older
 - As of March 2012 a total of 85 rigs were either ready stacked, cold stacked, or in an accommodation mode without contract
 - *How many will not return to service?*
- **Setting up cyclical recovery** – Reduction in the overall fleet should result in pricing power and high utilization levels early on during the recovery
- **Age is a factor** – Demand is increasing for high-specification jackups. Many customers are implementing age restrictions and new high-specification characteristics

Global Jackup Fleet Distribution

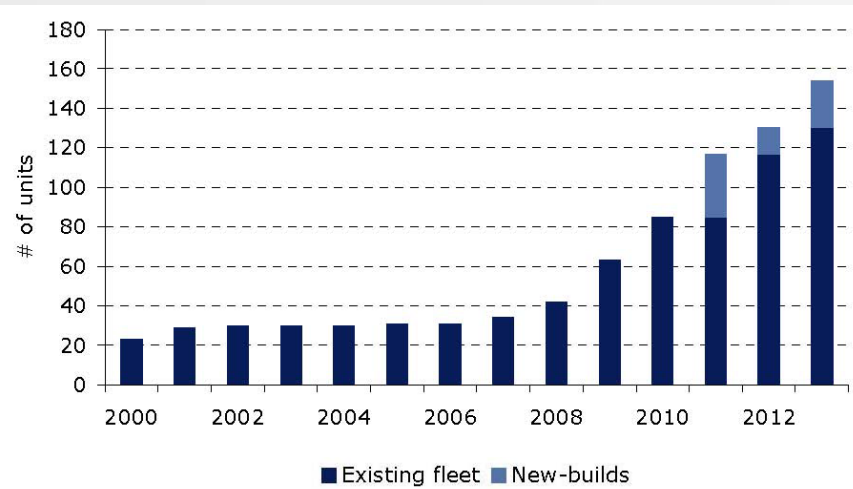


Age of Jackup Fleet			
Age	Rigs	%	%
25 years or older	325	68%	58%
5 to 24 years	64	13%	11%
0 to 4 years	90	19%	16%
	<u>479</u>	<u>100%</u>	
2012 Deliveries	26		5%
2013 Deliveries	38		7%
2014 Deliveries	15		3%
	<u>558</u>		<u>100%</u>

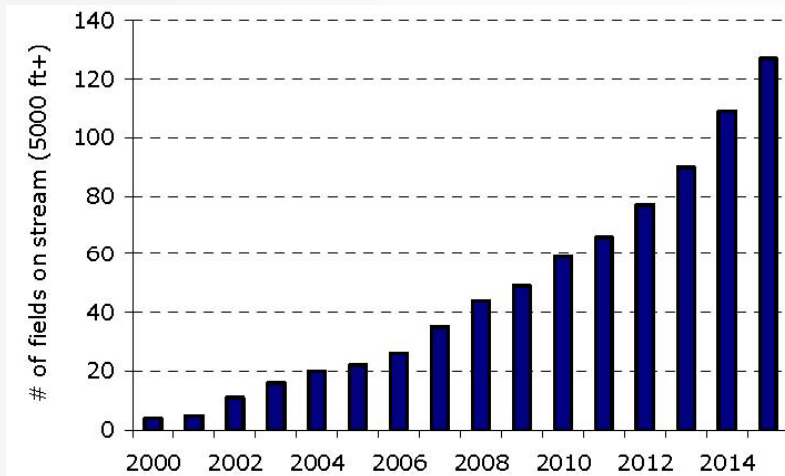
Water Depth (feet)		
300+	200-299	<200
152	119	54
59	1	4
80	6	4
<u>291</u>	<u>126</u>	<u>62</u>
24	2	0
37	1	0
13	2	0
<u>365</u>	<u>131</u>	<u>62</u>

Global Deepwater Market

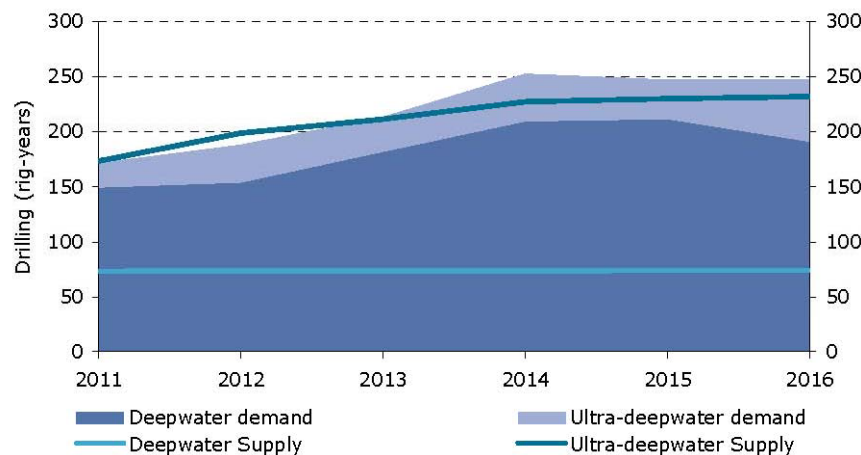
Ultra-Deepwater Rig Supply is Increasing Significantly



Deepwater Exploration is a Young, Rapidly Growing Market



Demand is Likely to Exceed Rig Supply Despite Newbuilds



Recent fixtures
>\$550,000 per day

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Financial Overview

Balance Sheet

(\$Millions)

	December 31, 2010	September 30, 2011
Cash and cash equivalents	\$ 120.4	\$ 37.2
Restricted cash	29.0	6.8
Trade receivables	50.2	118.8
Inventory	19.8	22.3
Prepaid expenses and other current assets	11.5	5.1
	<u>230.9</u>	<u>190.2</u>
Property and equipment, net	1,718.1	1,800.3
Investment in joint venture	-	-
Other assets	54.2	57.7
	<u>\$ 2,003.2</u>	<u>\$ 2,048.2</u>
Accounts payable and accrued liabilities	\$ 107.5	\$ 82.9
Short-term debt	8.6	0.9
Current maturities of long-term debt	-	-
	<u>116.1</u>	<u>83.8</u>
Long-term debt	1,103.5	1,244.5
Other long term liabilities	13.5	16.3
Shareholders' Equity		
Paid-in capital	854.8	858.9
Retained Earnings	(84.7)	(155.3)
Accumulated other comprehensive loss	-	-
Total shareholders' equity	<u>770.2</u>	<u>703.6</u>
	<u>\$ 2,003.2</u>	<u>\$ 2,048.2</u>
Outstanding shares	289.7	290.7
Book value per share	\$ 2.66	\$ 2.42

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Debt Repayment

Maturities and Debt Repayment



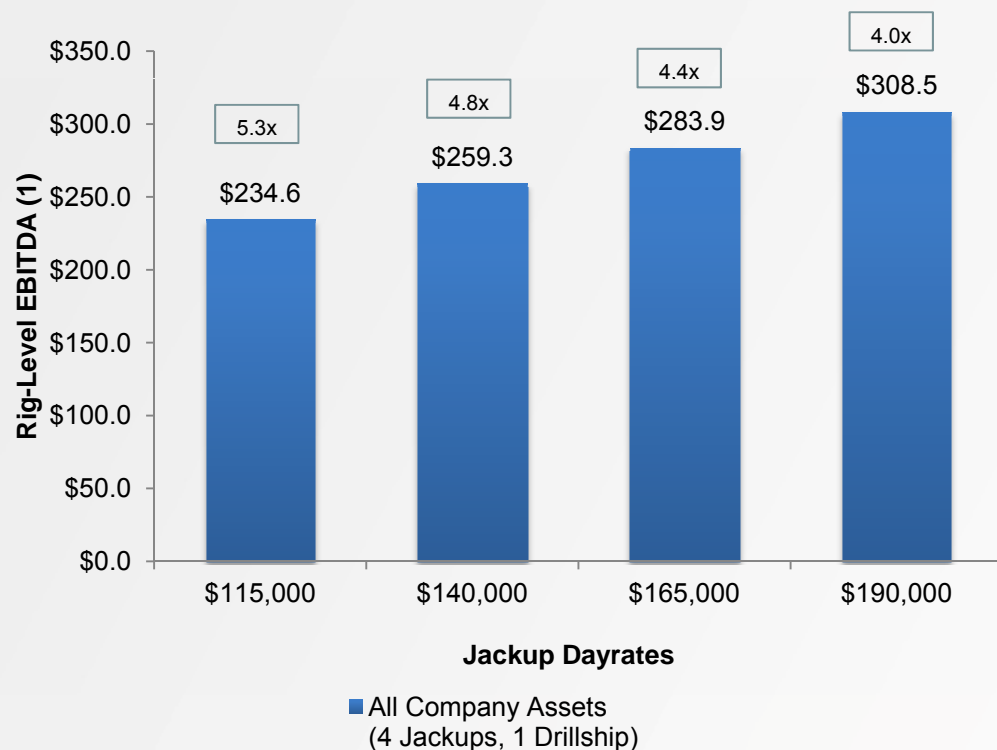
- No near-term maturities provides flexibility
- Excess cash flow offers opportunity; alternatively we can buy bonds in the market with excess cash
- First call option February 2013

Financial Overview

Run-Rate Financial Potential of Vantage Owned Assets

(\$Millions, except dayrates)

Illustrative Range of Run-Rate Financial Potential



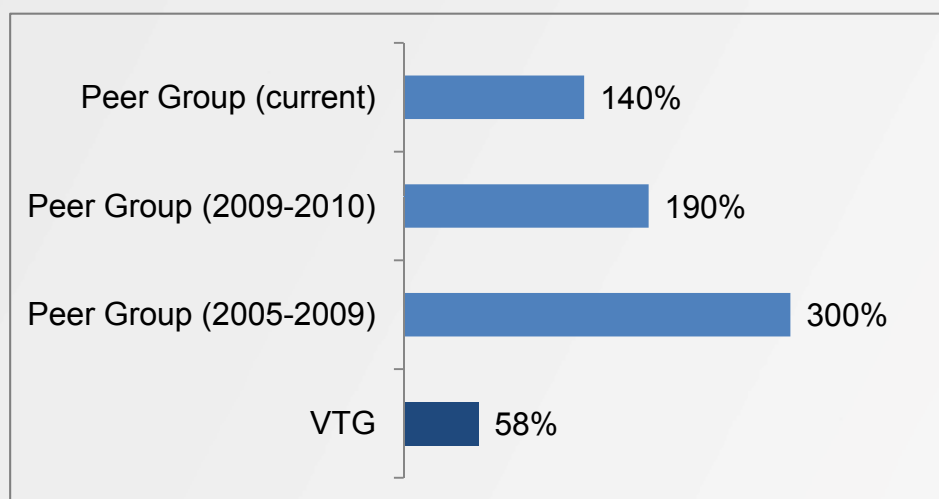
- Strong cash flow backlog to cover debt service
- Leveraged to upturn in high-specification jackup market
- Plan to refinance debt in 2013 resulting in dramatic reduction of interest expense

(1) Calculations of rig-level EBITDA incorporate management's assumption of 90% utilization/efficiency of jackups, which reflects industry standard productive times on high-specification jackups. Utilization/efficiency of drillship assumed to be 97%, which management believes is a reasonable assumption for a newbuild vessel in its first full year of operations. Rig-level EBITDA attributable to jackups reflects direct operating expense assumption based on Vantage's jackups that operated for the full first quarter of 2011.

(2) EBITDA / Total debt includes the "tack-on" bond issuance in Q2 2011

Significant Upside Valuation Potential

Price to Book Value



Implied Values – EV/EBITDA

EBITDA	Low 6.5x	Today's Peer Avg. 7.8x	Historical Peer Avg. 11.6x
\$250 million	\$1.72	\$2.84	\$6.11
\$300 million	\$2.84	\$4.17	\$8.10
\$350 million	\$3.96	\$6.35	\$10.10

Key Drivers Near Term –

- Achieve high productive time on Platinum Explorer
- Improving dayrate contract fixtures on jackups

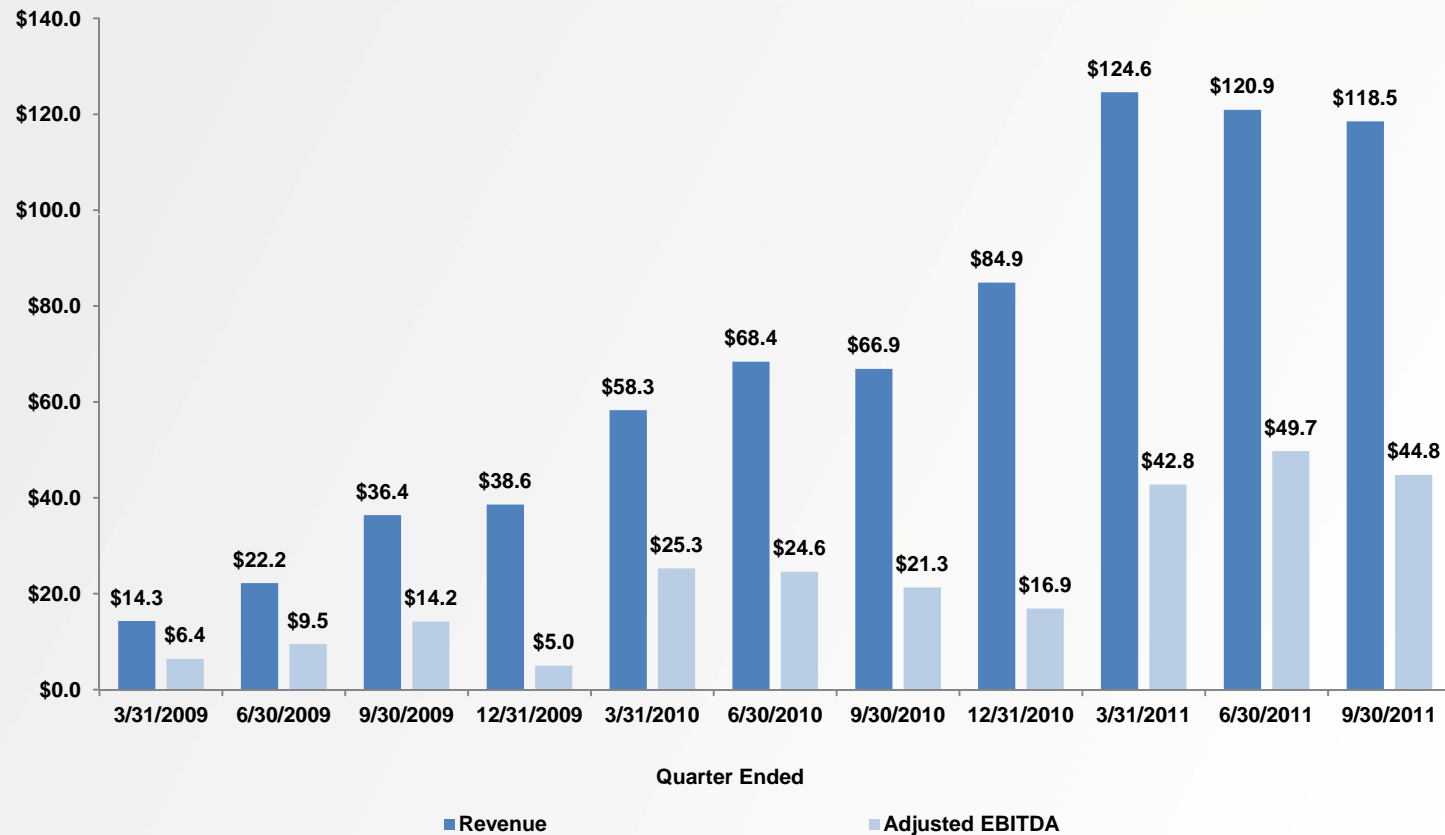
Source: Jefferies

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Financial Overview

Historical Financial Information

(\$ Millions)



Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA

(\$Millions)

	Fiscal Quarter Ended,									
	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011
Net income (loss)	\$ 4.0	\$ 6.8	\$ (4.3)	\$ 6.0	\$ (7.0)	\$ (33.6)	\$ (13.0)	\$ (18.7)	\$ (40.1)	\$ (11.9)
Interest expense, net	1.3	1.9	4.2	8.0	13.3	13.9	14.1	41.5	39.3	37.1
Income tax provision (benefit)	0.9	1.1	(0.6)	2.3	8.4	2.8	5.5	2.9	7.8	2.0
Depreciation	2.1	3.2	4.3	7.5	8.4	8.8	8.8	16.1	16.0	16.0
Loss on debt extinguishment	-	-	-	-	-	24.0	-	-	25.2	-
Loss on acquisition of subsidiary	-	-	-	-	-	3.8	-	-	-	-
EBITDA	\$ 8.3	\$ 13.0	\$ 3.6	\$ 23.8	\$ 23.1	\$ 19.7	\$ 15.4	\$ 41.9	\$ 48.2	\$ 43.2
Share-based compensation expense	1.2	1.2	1.4	1.5	1.5	1.6	1.5	0.9	1.5	1.6
Adjusted EBITDA	\$ 9.5	\$ 14.2	\$ 5.0	\$ 25.3	\$ 24.6	\$ 21.3	\$ 16.9	\$ 42.8	\$ 49.7	\$ 44.8