The Results Are In
Your feedback from the latest employee engagement survey

West Mira to become world’s first hybrid offshore rig

Our new joint venture with Sonangol
Welcome to the first edition of the year.
At Seadrill, we pride ourselves on having a strong HSE track record, and we have made major strides over the last few years. However, in January we had three major incidents on our rigs, and we need to take a long look at ourselves as this cannot continue.

Fortunately, none of the incidents resulted in any harm to our people or the environment, but all three incidents had the potential to do so. The incident on the West Tucana had the potential for multiple fatalities, and the incidents on the Sevan Louisiana and the West Hercules could have had a significant environmental impact.

We are better than this. The errors that led to these incidents should not be acceptable to any of us. Our business is built on the safety of our people, our rigs and our operations.

I expect each of you to take some time to think about how you are setting the standard in safety every single day.

• Do you know our processes and procedures and are you following them?
• Are you looking out for yourself and your crewmates to ensure we remain hurt-free?
• Are you taking the responsibility for stopping the job if you feel it is unsafe or that it is deviating from the agreed plan?

We have worked incredibly hard to develop our safety culture and record. If we are going to exploit the upturn and make a better business for all of us, we must avoid these significant, avoidable incidents happening on our rigs.

At Seadrill we plan every action we take, we execute to that plan and we debrief every job to ensure we are learning and improving continuously. We take personal responsibility and call a time-out for safety when we feel a job isn’t safe or is not following the plan.

We call this being Seadrill Safe, and I expect us all to live by it.

This being said, a number of our rigs continue to show exemplary HSE performance year on year. The AOD3 and the West Courageous are outstanding examples of this, and we should all aspire to learn from what they do.

Our safety culture is our absolute priority at Seadrill. Now we need to prove it to ourselves. I know we can be better than this.

Anton Dibowitz, CEO
A first for Seadrill in Suriname

Seadrill has signed a contract with Suriname’s national oil company, Staatsolie Maatschappij Suriname N.V., for the West Castor to begin work there in Q1 2019.

The contract is significant because it’s Suriname’s first-ever offshore drilling contract, and it will be the first time that Seadrill has operated off the Surinamese coast.

Nine exploration wells will be drilled as part of the “Nearshore Drilling Project”, which is anticipated to commence in April and last until Q1 2020.

During the project, the West Castor will explore an area up to 40 kilometers from the coastline in water depths of up to 30 meters. Staatsolie is hoping to detect nearshore reserves in order to safeguard long-term production in the area.

The contract represents one of the highest day-rates in recent jack-up fixtures for Seadrill.

Russell Mark Airey, Offshore Rig Manager for the West Castor, says, “Our team is excited to begin work with Staatsolie in the next couple of months. The West Castor is a superior rig with proven operational performance in the Campeche shallow water blocks. I am sure that we will continue to deliver similar high standards of safe and efficient performance for Staatsolie this year.”

The rig is being mobilized to Suriname, where it will be the only rig working on this project.

Although there are currently no options to extend, Omar Obregon, Head of Marketing in Mexico, explains, “Given this is Staatsolie’s first true exploration project, any positive results may potentially result in additional work.”

2000 days no LTI on AOD2

The team on the AOD2 is celebrating after it achieved 2000 days LTI-free in December.

Charles (Buddy) Walraven, one of the OIMs on the AOD2, says, “Congratulations to the whole team onboard for reaching the milestone of 2000 LTI-free days. This is an incredible achievement, made possible by working closely with our client Aramco and all the service providers.”

Words of congratulations have also come from Mikael Gren, Director of Operations for the Middle East. “Well done to the AOD2 team for this achievement. I am looking forward to some further ‘hurt-free’ milestone achievements that will bring our safety standard to a new level,” he says.
“We’re building our rig performance culture by changing how people think and operate”

The first four wells that the West Elara drilled and completed for Conoco Phillips were done approximately 2.5 months ahead of schedule. The West Phoenix, also managed by the team in Stavanger, Norway, has increased its well performance by 20% since starting its contract with Equinor last year. We spoke to Per Svanes, Seadrill Europe Well Control Manager, to find out how Seadrill Europe has upped performance on its rigs in recent months, and why it’s such a focus for them right now.

Why is rig performance so important?

The performance of our rigs is critical in determining whether or not we win contracts. You cannot bid for contracts unless you have consistently safe operations, and performance is now the differentiator in winning contracts. We need to prove to existing and future clients that we have the best rigs and we’re the most efficient company, and then we’ll win more contracts.

Our contracts are now tied to performance and pay. If we don’t deliver against our client’s well schedule, we don’t maintain our full pay rate. If we beat the well schedule, some contracts give us bonuses, which means more pay.

What do you mean by “performance”?

By “performance,” I mean progress. Ultimately, we are looking to meet or beat our client’s expectations in terms of time taken to drill a well. It goes without saying that it must be done safely and without cutting corners at any stage.

How do you improve performance?

We improve the performance and efficiency of rig operations by good, detailed planning and following the plans. In addition, we use our client’s systems to measure micro drilling KPIs by pulling real-time data from the drilling machinery control systems, such as tripping speed etc. By focusing on micro KPIs, it increases the level of efficiency of the total well delivery.

How are you building a performance culture at Seadrill Europe?

You mainly build performance culture by changing how people think and how they operate. What happens on the drill floor is critical. How is the team working? What do they do? How is the crew supervised and how does each crew member participate, remain present in their minds and do their best at all times?

My experience is that the Drilling Section Leader (DSL) is key to the success of this. If he or she wants to get the best results, they need to be very interested in this. If they’re interested, then the crew will be too.

What are you doing in practice to build the performance culture?

To begin with, we had seminars. Now every Friday we have a one-hour meeting where the OIMs discuss the status of their operations with the top onshore management, including the Head of Operations and Area Director Europe. Each OIM talks about where we were last week versus the well schedule, whether we’ve gained or lost, and why. The other OIMs and DSLs attending the meeting are listening in to every rig, so they’re learning from each other all the time.

What has been the result of this focus on performance?

All rigs are now showing improvements in the total well delivery performance, and our clients are telling us that they are seeing the same.

What do you hope to achieve this year?

Our goal is to deliver the wells as efficiently as possible because ultimately, our contractual bonuses are directly linked to this. Some years ago we were paid fantastically high day rates for our rigs. Nowadays we are paid by what we deliver. We can’t just show up and get the paycheck. We need to turn up and we need to deliver.

How to build a performance culture on our rigs

- Determine and measure ongoing live micro KPIs.
- The work done by the OIM and the DSL every day on the rig is critical.
- The drilling team must be focussed, plan correctly and perform optimally and consistently.
- Consistency is key: when you are doing something correctly, do it the same way every time. Then the speed will come.
- Share lessons learned across teams and rigs, for example by holding weekly meetings.
- Onshore management needs to keep the pedal down and show an active and ongoing interest to accelerate the process.
- Understand it takes time; it’s not a quick fix. A performance culture has to be built, it has to be maintained and it has to be a team effort.
- Above all, do it safely.
West Mira to become world’s first hybrid offshore rig

The West Mira is undergoing an upgrade, meaning it will become the first-ever hybrid offshore rig when it starts work for Wintershall in October 2019. As part of the upgrade, the rig is being fitted with an advanced battery-based energy storage solution that represents a first for Seadrill and the offshore drilling industry.

The battery system, called BlueVault and provided by Siemens, will allow the West Mira to operate as a hybrid with a diesel-electric power plant used to charge a lithium-ion energy storage solution (ESS).

According to Siemens’ calculations, the new energy solution will reduce the “driving time” on the diesel engines by 42%, and it will reduce overall fuel consumption by 12%.

Bjørn Einar Brath, head of offshore solutions at Siemens, explains that “In periods of high load and power requirements, the batteries will be used to ‘take the peaks’ and so reduce fuel consumption. This will lead to a 15% reduction in annual CO2 emissions and a 12% reduction in annual NOx emissions.”

He continues, “The integration of energy storage with the power supply and distribution system of a drilling rig represents an important step toward improving the environmental sustainability of the offshore oil and gas industry.”

Scott McReaken, CEO of Northern Drilling, says, “This is an exciting project and demonstrates how we are continuing to invest in new technologies to optimize our drilling performance without compromising on safety. We will work closely with Siemens in the coming months to ensure that the hybrid power solution meets our performance and reliability requirements.”

The West Mira is set to operate in the Nova Field, approximately 120 kilometers northwest of Bergen in the North Sea, later this year. The contract was originally awarded for six wells, and three additional wells have been added, which bring the contract commencement forward to October.

An additional front option has yet to be exercised, and the contract includes six additional wells, which if exercised would extend the work into early 2022.

“This advanced energy storage solution represents an important step toward improving the environmental sustainability of our industry.”

The BlueVault battery system, photo credit: Siemens
In early February, we announced that we will be forming a joint venture (JV) with Angola’s state-owned oil company, Sonangol, to manage and operate four drillships: two drillships from Seadrill and two drillships from Sonangol.

The new 50:50 venture, called Sonadrill, is the latest in a line of JVs that highlight Seadrill’s strategy to develop new and long-term relationships with local state-owned companies.

The benefit of this approach is that, due to our partnership with the Angolan state-owned oil company, we are gaining access to one of the most important deep-water markets.

Not only is Sonangol responsible for the management of oil and natural gas exploration on the subsoil and continental shelf of Angola, it also controls the exploration, production, manufacturing, transportation and marketing of hydrocarbons in the country.

This new venture will have an initial term of five years, and Seadrill will manage and operate the four drillships on behalf of Sonadrill.

Sonangol’s two drillships that will form half of Sonadrill are the Libongos and Quenguela, both seventh-generation, high-spec ultra-deepwater drillships and both currently under construction at the DSME shipyard in Korea.

It’s an important strategic development because, not only does it strengthen Seadrill’s relationship with Sonangol, the key client in Angola, it also provides us with access to a market that is expected to see significant growth in the coming years.

Anton Dibowitz, CEO, explains, “This partnership will give us access to some exciting opportunities in this important deepwater basin, and allows us to continue our strategy of building our fleet of ultra-deepwater drillships.

“It helps to fulfil two of our key strategic objectives for the year – developing strong relationships with local partners and rebalancing our fleet toward high-spec, modern deepwater floaters.”
We've developed a set of four strategic priorities to position us for the future. Within each of these priorities, we have clear focuses for the year ahead. We've highlighted the priorities for this year in bold.

If you want more detail about our strategy for the year, the slides presented at the recent regional town halls run by Leif are now available on SeaNet. Why not discuss them with your manager and run any questions you have past them? Alternatively, you can "Ask a Question" to the company from the SeaNet homepage.

**Our strategy and direction this year**

What is our mission and our purpose? What are the market trends, how will they impact our business and how will they impact me? These are some of the questions that you've told us are really important to you at the moment. In the recent engagement survey, you said that the strategy and direction of the company was the main area that you want more insight on, now and on an ongoing basis.

So here's a summary of everything you need to know about Seadrill's strategy for the year.

If you went along to one of the recent regional town halls run by Leif, you'll be a step ahead, but if you haven’t been able to get there, here is a rundown of the why and the what we’re all here to do this year...

**Our strategic priorities for 2019**

We’ve developed a set of four strategic priorities to position us for the future. Within each of these priorities, we have clear focuses for the year ahead. We’ve highlighted the priorities for this year in bold.

- **Strongest relationships**
  - We’re developing long-term, strategic partnerships and offer combined service offerings to maximize value creation for our customers
  - Explore opportunities to operate with local partners

- **Building best-in-class operations**
  - Lead the industry with “best-in-class” operations
  - Continue operating with a competitive cost structure by improving supply chain, inventory and offshore manning
  - Extract operational benefits from having a standardized fleet
  - Embed the right technology for our future through disciplined adoption to enhance performance and decision-making

- **Being a leading organization**
  - Attract, retain and develop the best talent in the industry by investing in people and building an outstanding Seadrill culture
  - Maintain the dynamic organization achieved to date and adapt as the business grows.
  - Continue with shared onshore services that are efficient and scalable
  - Simplify the group corporate structure
  - Strengthen the balance sheet to position for future growth

- **Owning the right rigs**
  - Renew rigs at the right time and keep the youngest fleet among drilling contractors
  - Maintain our strong presence in jack-ups and rebalance our fleet toward floaters
  - Invest in targeted upgrades and reactivations based on market demand
  - Balance growth through options on newbuilds and participate in expected industry consolidation where it makes sense

**Seadrill mission**

To safely unlock energy for our clients and their customers, anywhere in the world

**Seadrill motto**

We unite passionate people with the best fleet to extract energy in the most efficient way

**Seadrill mantra**

“Seadrill sets the standard”

- **Executed in 2018 Priorities for 2019**

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The results are in!

The 2018 annual employee engagement survey went out to all employees, and the results are in. Here’s what you said...

More than 2,800 employees took part
This represents 65% of the workforce, which is a 6% drop in participation since 2017. This is not unexpected given last year’s organizational change and follows the recent trend.

The engagement index is at 67%
This has declined by seven percentage points compared to last year.

The performance enablement index is at 78%
Although this has also declined compared to 2017, this remains an area of strength for Seadrill.

You want more focus and clarity around...
◊ Your job
  • Feeling valued and recognized for outstanding performance and your contribution
◊ Strategy and direction
  • Seeing a clear link between the strategy and your work
◊ Impact and communication
  • Belief that positive change will result from the survey

What Seadrill does well
◊ Performance enablement
  • 85% of employees believe that clear performance standards are in place, and 88% believe they’re constantly looking for better ways to serve internal customers
◊ Employee experience
  • 85% of employees are satisfied with their work environment, and 83% feel they are part of a team
◊ Health and safety
  • 90% feel empowered to take time out of an operation/activity if an unsafe condition exists, and 87% report that their manager regularly reinforces safe behaviors

What Seadrill could do better
◊ Survey follow-up
  • Confidence has declined that action will be taken as a result of the survey
◊ Recognition
  • 60% of employees feel that Seadrill recognizes outstanding performance and values their contribution, which represents a significant drop since 2017
◊ Communication and collaboration
  • Employees want clearer two-way communication to better understand the link between their work and Seadrill’s key objectives

What does this mean for you?
Our employees are key to our future success, and what you think and how you believe we are doing is incredibly important. We have always aspired to be a place where people want to work and feel a part of the “Seadrill family.” Although in recent years tough decisions have had to be made, our overall objective of being a people-centric company has not changed.

This year’s survey has told us that you want to better understand our strategy, you want to know how you can play your part in fulfilling the strategy and you want improved two-way communication.

No matter where you work, whether you are offshore, onshore, in Dubai or in Rio, if you know the answers to these questions, it is your responsibility to spread the word. If you have questions, there are multiple platforms that enable you to ask them: ask your line manager, use the Ask the Question on the SeaNet homepage, or ask Anton a question directly at a town hall or on an Ask the CEO call.

We all have a voice at Seadrill, and we all need to step up, take ownership and be responsible for making Seadrill the best place for us all to work.

What’s next?
Managers have been sent their team results and submitted action plans for their individual teams by the end of February. You can ask your line manager for feedback on your own rig or department scores.

Team action plans will be collected by hemisphere representatives and consolidated into three high-level plans for the Western Hemisphere, Eastern Hemisphere and Corporate. Individual team action plans will need to be worked on throughout the year alongside the overall action plan for that part of the company.

What do you think about these results?
Are they what you expected or do they surprise you? Let us know what you think at worldofseadrill@seadrill.com.
“The Behavioral Framework has been developed by employees across the business”

What is the Behavioral Framework?
At Seadrill, setting the standard is about what we deliver and how we deliver it. The Behavioral Framework (BF) is designed to support us in how we work. The framework has four core behavioral competencies. Each job band has several behavioral descriptors that define how we can demonstrate the core behavioral competencies. The behavioral competencies will help us to live our values, enhance our culture and achieve our objectives.

Why was it developed?
The BF was developed to provide us with a common language and a shared vision of success. With enhanced focus on how we work and clarity around expectations at all levels, we will be able to deliver the best results for Seadrill.

How was it developed?
The BF was developed with input from more than 100 employees across the business, both offshore and onshore. We started by meeting with our Senior Management team to identify behavioral success criteria for achieving our strategy. We then held a series of workshops and interviews with employees across the business to bring the key themes to life. During the interviews and workshops, we discussed what kind of behavioral our employees would see if their colleagues were living our values and behaving in a Seadrill way; for example, we discussed what collaboration looks like and what they would expect from their colleagues.

It was important that this was a collaborative, cross-functional project because it is about how we work together to achieve our objectives and live our values.

How does it differ from the Seadrill values?
Our values are our overarching guiding principles and our behavioral aspirations. The BF provides a guide to the behavioral that we need to demonstrate to live our values.

The link between the BF and the values can be seen in the header of each of the four core behavioral competencies.

What are the behaviors we need to demonstrate?
The four core behavioral competencies set out in the framework are Drive & Ownership, Change & Forward Thinking, Communication & Collaboration and Service Delivery.

The behavioral descriptors within the BF are designed to provide a common understanding about how we work at Seadrill. Each of the core competencies has measurable behavioral descriptors that describe how we can demonstrate the behaviors.

How does it work?
Our BF has overarching statements about how we work and how we don’t work at Seadrill. These are designed so we can hold ourselves accountable, support our colleagues and respectfully challenge them when they are not demonstrating the behaviors that enhance our culture.

Each of the four core competencies is divided into four bands, which describe how you can demonstrate the behaviours depending upon which job band you are in – Professional, Manager, Director or VP. The framework is cumulative, meaning employees in the Manager band should be competently demonstrating the behaviors in the professional band and so on.

We will be able to use the BF to understand what is expected of us in our current roles and what is expected if we want to progress. The framework will be part of everything we do, especially in how we recruit and develop our employees.

Where can I get a copy of the framework?
You can download the framework from SeaNet.

I want to know more. Who should I contact?
In the coming months, your manager and HR contact will share more details with you about how you can use the BF. In the meantime, you can read more about this on SeaNet and direct any questions through local HR.
In early December, colleagues from the London office spent a day volunteering at the Vineyard Community Centre in Richmond. The center aims to meet the needs of the poorest and most vulnerable in society by offering services that include drop-ins for those in crisis, a community café and a food bank.

The Seadrill team was able to support the center by serving meals to people who were homeless, sorting and distributing clothes and working in the on-site food bank and shop.

Victoria Johnston, HR Advisor, who helped to arrange the initiative, says, “The team that volunteered got a lot out of the day, and I hope the center did too. It’s rewarding to think that as a result of our efforts, we’ve been able to make a small but positive and direct impact on our local community.”

It’s the second time in the past year that members of the London team have spent a day volunteering at the center, and they are keen to continue the relationship.

“Following the success of the volunteer day earlier in the year, we wanted to do more to help out in our community and to continue to build a relationship with Vineyard,” explains Nicola Stephen, Commercial Manager, who was part of the team that volunteered in December.

“By giving just a small amount of our time, we were able to make a big difference to the people we helped that day. I think it’s really positive that Seadrill supports us helping our community in this way.”

Do you actively support a community in which Seadrill operates? If you do, we want to hear from you! Get in touch and tell us how you get involved at worldofseadrill@seadrill.com.
“We believe we’re representing a great company that we can be proud of”

When we asked Wanwisa Nookong, Safety and Training Officer onboard the T15, to take part in this edition’s Talking Time, she suggested doing it on behalf of the entire T15 team. We loved the idea, so here it is: Talking Time from the T15.

Where do you work?
The T15 is a tender rig operating in the Gulf of Thailand. There are 144 personnel on board, including our contractors, locals and expats.

What is your career background?
Our people have a wide range of career backgrounds. Some of them used to work in the aviation industry, while others worked in the military and hoteller industries. Many crew members have worked on an oil rig for a long time, in some cases over 20 years.

Why did you join Seadrill?
Many of us have taken our jobs for our families, but after we join Seadrill, we realize that we are not just pioneers drilling for oil at sea. We realize we’re representing a great company that we can be proud of.

How would you describe the working culture on the T15?
More than 90% of the crew members are Thai, and in Thai culture we adhere to “respect” in a humble manner. This unique tradition means we have high esteem for our colleagues and drives a pleasant work culture.

Tell us about your responsibilities on the rig.
There are a huge amount of expectations and responsibilities for us to follow. The one thing we all commit to is to return home safely no matter what our job or position is.

What are the best bits about life on a rig?
Besides the free wifi, 24-hour gym and air-conditioned rooms with a sea view, the challenge is not only to get the job completed within a suitable time frame, but to also deal with the risks safely and professionally. When a day ends with nobody getting hurt, this is the best bit for us.

What do you want next in your career?
We’d have a long list of different individual plans or dreams. We’d embrace any good opportunity that may come in life, but the current moment is our focus given the nature of our work.

Who is your family?
Parents, wife, husband, kids, cows, chickens, cats, birds, dogs... everyone and everything at home we look forward to seeing while we are on the rig.

How do you balance family and work?
By ensuring our families understand the conditions of our jobs and believe in us. This is how we can best balance life and work and enjoy good luck in life.

What are your pastimes?
There are many activities we do at sea; some people spend time on the treadmill, while others do weight training. The helideck can be turned into a great outdoor yoga studio. Some expats enjoy walking under the midday sun, while the locals may never understand how they can enjoy the 38-degree heat! Recently we got a table-tennis table to add to our recreation program – you may have heard about ping-pong diplomacy in the 1970s; on board the T15 in 2019, it is still going on. Other people simply enjoy a cup of good coffee overlooking the beautiful ocean.

Could you tell us about your team on your rig? If you can, we’d love to hear from you. Get in touch at worldofseadrill@seadrill.com.

Chevron recently formally recognized the T15 and T16 for achieving five years without a DAFW incident. The T15 was also recognized for setting a new record for the longest production section, and the T16 set a new record for the fastest rate of penetration in an 8½” intermediate section. Congratulations to both teams!
This year’s Start Safe campaign is all about managing barriers effectively on our rigs to ensure that nobody gets hurt.

So what is a barrier and how does it relate to your job? As described in our new Barrier Management Directive DIR-37-0011, a barrier is a risk reduction measure (a device, system or action) that is put in place to prevent or mitigate Major Accident Hazards. Barriers can be hardware or human actions or a combination of both.

We refer to the major accident hazards that pose the greatest threat to Seadrill facilities’ operational integrity as the Big 5. The diagram opposite shows how many barriers are in place to control each of the Big 5 potential major hazards.

You will be responsible for any one or more of these barriers: are you certain you know what they are and how to manage them?

The HSSEQ team is rolling out training and e-learning to make sure that you do. If you have questions, contact HSE@seadrill.com.

Thanks for sharing your photos on social media – there have been some amazing images posted this month. Please keep sharing what you’re seeing using #Seadrill, and we’ll feature the best of them in the next edition.

West Carina
@brunodesouza

West Saturn
Jonathan Dias

West Vencedor
William Dalgarn

West Defender
Jose Sosa

PHOTO of the month