SEADRILL LTD
Form 6-K
November 30, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2015

Commission File Number 001-34667

SEADRILL LIMITED

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X]   Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ].

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ].

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached hereto as Exhibit 99.1 is a copy of the earnings release of Seadrill Limited (the "Company"), announcing the Company's results for the third quarter ended September 30, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SEADRILL LIMITED (Registrant)
Dated: November 30, 2015	By: /s/ Georgina Sousa Georgina Sousa Secretary

EXHIBIT 99.1

Seadrill Limited (SDRL) - Third quarter 2015 results

November 24, 2015 - Seadrill Limited ("Seadrill" or "the Company"), a world leader in offshore deepwater drilling, announces its third quarter results for the period ended September 30, 2015.

Highlights

- Revenue of $985 million
- EBITDA[1] of US$546 million
- 92% economic utilization[2]
- Excluding non-recurring items and non-cash mark to market movements on derivatives, Net Income[3] of $136 million and earnings per share of $0.21
- Reported Net loss of $1.9 billion and diluted loss per share of $3.70, primarily due to $1.8 billion of non-cash impairment charges to investments and goodwill. $1.1 billion relates to the write-down to fair value of investments in Seadrill Partners, the initial recognition of which resulted in a non-cash gain on deconsolidation of $2.3 billion in January 2014.
- The Seadrill Group[4] achieved 93% economic utilization
- Seadrill Group orderbacklog of approximately $12.0 billion

Figures in USD million, unless otherwise indicated	Seadrill Limited Q3 2015 As Reported	Q3 2014 As Reported	% change	Q3 2015 Underlying*	Q3 2014 Underlying*	% change
Revenue	985	1,293	(24)%	985	1,120	(12)%
EBITDA	546	635	(14)%	546	546	— %
Margin (%)	55 %	49 %		55 %	49 %	
Operating (loss)/income	(291)	461	(163)%	354	375	(6)%
Net Debt	10,178	13,128	(22)%	10,178	11,971	(15)%

* Underlying is defined as reported results, adjusted for certain non-recurring items and other exclusions as discussed in the Appendix 1. These numbers are reconciled to the US GAAP reported results for corresponding periods in the Appendix.

Commenting today, Per Wullf, CEO and President of Seadrill Management Ltd., said:
"We have had a strong operating quarter and we continue to make good progress on our cost savings program. Our discussions with the shipyards continue to be constructive regarding deferrals.

We believe that market conditions are likely to remain challenging through 2016 and the coming quarters will provide insight into the 2017 environment. It is important to recognize that we are in a cyclical business. The longer this downturn lasts, the more robust the recovery will be when it happens. Seadrill is in a position to capitalize on the upturn with the the most modern fleet and world class operations."

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[1] EBITDA is defined as 'Earnings Before Interest, Tax, Depreciation and Amortization' and has been calculated by taking operating profit plus depreciation and amortization but excluding gains or losses on disposals and impairment

charges against goodwill. Contingent consideration realized relates to Seadrill's ongoing residual interest in the West Vela and West Polaris customer contracts, and has been included within EBITDA.

[2] Economic utilization is calculated as total revenue, excluding bonuses, for the period as a proportion of the full operating dayrate multiplied by the number of days in the period.

[3] Net income excluding non-recurring items and non cash mark to market investments on derivatives is reconciled to US GAAP net loss in Appendix 1.

[4] Seadrill Group is defined as all companies currently consolidated into Seadrill Limited plus Seadrill Partners and SeaMex.

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Impairments
The Company has recognized $1.8 billion of non-cash impairment charges during the period.

Investments:
Under US GAAP the Company is required to determine whether a decline in the value of its marketable securities and equity method investments represents an 'other than temporary impairment'. Due to the prolonged lower share prices of certain investments, we have recognized the following impairment charges:

Seadrill Partners:
In the first quarter of 2014, the Company deconsolidated Seadrill Partners ("SDLP") and recognized a non-cash gain of $2.3 billion. Since October 2014, the Seadrill Partners' share price has fallen from $30 to $9.40 at September 30, 2015, which is determined to be 'other than temporary' in nature. As such, we have recognized a non-cash impairment charge of $1.1 billion, which effectively represents a reversal of a portion of the non-cash gain on deconsolidation due to a change in market conditions.

SapuraKencana:
We have also recognized an 'other than temporary impairment' of the marketable securities held in Sapura Kencana, which has resulted in a non-cash impairment charge of $167 million.

Goodwill:
As a result of the deteriorating environment and continued market uncertainty the Company has performed an impairment test on Goodwill which has resulted in a non-cash impairment charge of $563 million related to the floater business. The Company no longer retains Goodwill on its balance sheet following this impairment.

Sequential Financial Results Overview

	Seadrill Limited Q3 2015 As Reported	Q2 2015 As Reported	% change	Q3 2015 Underlying*	Q2 2015 Underlying*	% change
Revenue	985	1,147	(14.1)%	985	1,097	(10.2)%
EBITDA	546	651	(16.1)%	546	616	(11.4)%
Margin (%)	55 %	57 %		55 %	56 %	
Operating (loss)/income	(291)	384	(175.8)%	354	429	(17.5)%
Net Debt	10,178	10,563	(3.6)%	10,178	10,563	(3.6)%

* Underlying is defined as reported results, adjusted for certain exclusions as discussed in the Appendix I. These numbers are reconciled to the US GAAP reported results for corresponding periods in the Appendix.

Revenues of $985 million for the third quarter 2015 were down compared to $1.1 billion in the second quarter of 2015 due to:
- A full quarter of operations on the West Tellus, West Carina and West Tucana
- Increased idle time on the West Eminence, West Eclipse, West Venture, West Vigilant and West Leda.
- The West Mischief being in between contracts.
- Dayrate reductions on the West Phoenix, West Pegasus and West Ariel.
- West Gemini 5 year survey
- No contribution from the West Polaris following sale to Seadrill Partners during the second quarter

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The reductions to revenue were partially offset by higher contingent consideration received from Seadrill Partners units, the West Vela and West Polaris. Under the terms of the purchase and sale agreements for these two units, Seadrill Limited is entitled to a portion of the dayrate received.

Reported net operating loss for the quarter was $291 million. Excluding non-recurring items, underlying net operating income was $354 million after adjusting for $563 million of goodwill impairment and $82 million primarily related to the loss on disposal of the West Mira, compared to underlying net operating income of $429 million in the preceding quarter. The reduction in underlying net operating income reflects the the lower revenue in the quarter, partially offset by improvements in operating efficiency and corporate overhead.

Excluding the investment impairment of $1.3 billion, net financial and other items for the quarter resulted in a loss of $301 million compared to a gain of $84 million in the previous quarter. The main changes relate to the revaluation of the derivative hedge book both at Seadrill and Seadrill Partners and a $40 million write down of the Archer loan receivable.

Income taxes for the third quarter were $34 million, a decrease of $11 million from the previous quarter primarily due to a deferred tax benefit related to changes in Nigerian tax law, partially offset by higher return-to-provision adjustments.

Reported net loss for the quarter was $1.9 billion representing basic and diluted loss per share of $3.70. Excluding non-recurring items and non-cash mark to market movements on derivatives, underlying Net Income was $136 million and basic and diluted earnings per share was $0.21.

Balance sheet

As of September 30, 2015, total assets were $23.7 billion, a decrease of $1.5 billion compared to the previous quarter.

Total current assets decreased to $3.1 billion from $3.2 billion over the course of the quarter, primarily driven by a decrease in related party balances related to the SeaMex joint venture, a decrease in the value of marketable securities related to Seadrill Partners and SapuraKencana, offset by an increase in cash.

Total non-current assets decreased to $20.6 billion from $22.0 billion primarily due to the impairment of goodwill and investments and the cancellation of the West Mira which was removed from newbuildings.

Total current liabilities increased to $3.6 billion from $3.5 billion primarily due to an increase in trade accounts payable and the unrealized mark to market loss on derivatives.

Long-term external interest bearing debt decreased to $9.3 billion from $9.5 billion over the course of the quarter and total net interest bearing debt decreased to $10.2 billion from $10.6 billion as at June 30, 2015. The decrease was primarily due to normal quarterly installments, partially offset by a drawdown on the $450 million jack-up facility.

Total equity decreased to $9.8 billion as of September 30, 2015 from $11.2 billion as of June 30, 2015, primarily driven by the net loss in the period.

Cash flow

As of September 30, 2015, cash and cash equivalents were $1.2 billion, an increase of $263 million compared to the previous quarter.

Net cash provided by operating activities for the nine month period ended September 30, 2015 was $1.5 billion and net cash used in investing activities for the same period was $47 million. Net cash used in financing activities was $1.1 billion.

Shares Outstanding

As of September 30, 2015 common shares outstanding in Seadrill Limited totaled 493,078,680 including our holding of 318,740 treasury shares. Additionally, we had stock options for 2,571,941 shares outstanding under various share incentive programs for management and directors, of which approximately 1,026,500 are vested and exercisable. The Company currently holds a TRS agreement with exposure to 4 million shares in Seadrill which matures on December 3, 2015, with a strike price of NOK 62.8 per share.

Operations

During the third quarter, Seadrill owned 19 floaters and 19 jack-up rigs in Northern Europe, US Gulf of Mexico, Mexico, South America, Canada, West Africa, Middle East, Southeast Asia and Australia. Additionally Seadrill manages eleven Seadrill Partners rigs comprised of eight floaters and three tender rigs, and five jack-up rigs now owned by the SeaMex Joint Venture. Seadrill also managed one tender rig owned by SapuraKencana.

The status of the Group's delivered rig fleet as at the end of the third quarter is as follows:

	SDRL	SDLP	Seamex	Seadrill Group
Operating floaters	14	7	0	21
Operating floaters economic utilization	90%	96%	-	91%
Idle floaters	5	1	0	6
Operating jack-ups	15	0	5	20
Operating jack-up economic utilization	98%	-	98%	98%
Idle jack-ups	4	0	0	4
Operating tender rigs	0	2	0	2
Operating tender rigs economic utilization	-	100%	-	100%
Idle tender rigs	0	1	0	1
Total operating rigs	29	9	5	43
Total operating rigs economic utilization	92%	98%	98%	93%
Total idle rigs	9	2	0	11
Total rigs	38	11	5	54

Cost Savings Program

The Seadrill Group's cost savings plan established at the beginning of 2014 continue to progress well, following approximately $250 million of cash savings realized in 2014. During 2015, the Group expects to continue these efforts primarily by reducing or postponing spending in operating expense, G&A and capex and is now targeting cash savings for the year of approximately $600 million.

Approximately one third of the cash savings is sustainable and is comprised of headcount reductions, insurance savings, supplier discounts, travel costs and compensation adjustments. Two thirds of the program is deferrals comprised of lower amounts allocated to operations preparation, capital expenditures and long term maintenance. During 2016, we expect to achieve an additional $200 million in cash savings.

Newbuilding Program
Seadrill currently has 14 rigs under construction comprised of four Drillships, two Semi-submersibles, and eight Jack-ups.

Total remaining yard installments for these newbuilds are approximately $3.9 billion and $850 million has been paid to the yards in pre-delivery installments.

During the third quarter Seadrill successfully deferred or cancelled a number of its newbuild deliveries:

Seadrill exercised its right to cancel the contract for the construction of the West Mira, a sixth generation ultra-deepwater harsh environment semisubmersible drilling unit, due to the shipyard being unable to deliver the unit within the required timeframe under the contract. Under the contract terms, Seadrill has the ability to recoup $170 million, plus accrued interest, in pre-delivery installments from the shipyard. This amount is recognized as a claims receivable.

Sevan Drilling and Cosco agreed to exercise the first six-month option to extend the deferral agreement to April 15, 2016. Further, it has been agreed that Cosco will refund $26 million, or 5% of the contract price, plus associated interest to Sevan Drilling by December 1, 2015. The final delivery installment has been amended to $447 million, representing 85% of the $526 million contract price and can be further amended upon the expiration of the option period. Other terms and conditions under the deferral agreement dated October 15, 2014, including termination rights, remain unchanged.

Discussions with shipyards are ongoing in regards to the delivery dates for the remaining units.

Commercial
The following commercial developments took place during the third quarter of 2015:

Seadrill was notified by Husky Oil Operations Limited of the cancellation of the 5 year drilling contract for the West Mira. The total estimated base revenue potential was approximately $1 billion. As stated in the Company's second quarter earnings report, due to the late delivery of the unit, the Company had tentatively agreed with Husky to reduce the dayrate on the West Mira. The construction contract was subsequently cancelled by Seadrill as the shipyard was unable to deliver the unit within the timeframe required under the contract.

Seadrill secured a new 3 year contract with Saudi Aramco for the jack-up unit West Callisto. The total revenue potential for the new contract is approximately $136 million.

For more detailed information regarding daily rates and contract durations including escalation, currency adjustment or other minor changes to daily rates and duration profiles, see our quarterly fleet status report or news releases on our website www.seadrill.com.

Revenue Backlog
Seadrill's order backlog as of November 23, 2015 is $5.98 billion, comprised of $4.52 billion for the floater fleet and $1.46 billion for the Jack-up fleet. The average contract duration is 21 months for floaters and 15 months for Jack-ups.

For the Seadrill Group, total order backlog is $12.00 billion

Commercial contract renegotiation discussions continue to advance with some customers and the Company continues to look toward finding commercial agreements that are beneficial to both parties in order to be better positioned for future contract awards.

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Market Development
During the third quarter oil prices remained in the range of $50 and the challenging market for oilfield service companies continued. The impact of persistent low prices continues to be seen in oil companies' budgeting and spending activity with the year on year decline experienced in 2015 expected to continue in 2016. After two significant year on year declines, there is some recovery in spending is expected in 2017, but forward visibility continues to be challenged and the timing and extent of the recovery remains uncertain.

Utilization and pricing across all market segments remains low and in many cases has drifted lower during the third quarter. Seadrill continues to believe that this challenging market will continue through 2016.

Ultra-Deepwater Floater Market

Fixture activity in the floater market continues to be muted as oil companies focus their efforts on cutting costs and driving efficiencies through not only revised vendor pricing but also redesign and standardization of planned development programs. In the long run, the ability to undertake developments at significantly lower hurdle rates than were thought just a few years ago will be positive for the industry as a whole. In the current market, most successful tenders continue to see fixtures at or below cash breakeven levels. For the most part, customer conversations remain focused on extending existing contracted assets or trade-offs between existing assets and newer assets rather than contracting new units for work.

It remains likely that the majority of units with contracts expiring in 2015 and 2016 will be unable to find reasonable follow on work. It will be important to observe how rig owners react when faced with idle time on their units and face the choice to warm stack, cold stack or scrap units.

Over the past 14 months 44 units have been scrapped, representing more retirements than over the past 20 years combined. Over the next 3 quarters, 27 of the 43 rigs rolling off contract are 5th generation or below units that will be challenged to find work for the foreseeable future as they are priced out of the market by more capable units. 15 or 20 year old assets require significant capital investments to remain part of the active fleet and very few rig owners will find economic justification to keep these old assets working.

Larger drilling companies with diversified fleets will find it easier to make sound economic decisions and cold stack idle rigs as each individual unit represents a smaller percentage of the overall fleet. Cold stacked units will generally require an improvement in dayrates sufficient to overcome reactivation costs before they are reintroduced into marketed supply. Significant cold stacking activity would represent a positive development in the market, effectively reducing marketed supply and helping to stabilize utilization and pricing until a more fundamental recovery is in place.

Currently 205 rigs are working, representing 73% marketed utilization. It is estimated that 180-200 rigs are needed in the floater fleet to maintain current decline curves. On the assumption that no new contracts are signed the market is expected to reach this level by Q1 2016.

Currently the orderbook stands at approximately 70 units, of which 29 are Sete new builds. A significant number of these newbuild orders have been delayed or cancelled and we expect this trend to continue. Delayed or cancelled newbuilds will ultimately be added to the fleet, however until an improved market justifies taking deliveries, the vast majority will likely remain in the shipyards. Between now and 2018 there is a high likelihood that there will be overall contraction in the floater fleet due to delivery delays and scrapping activity.

Despite the challenging near term market Seadrill believes that it is well positioned with a best in class fleet and strong operational performance to survive the current downturn as well as being able to take advantage of the recovery when the time is right.

Premium Jack-up Market

Tendering activity in the jack-up market continued in the third quarter, albeit at low dayrates. The shorter term contract profile in this market lends itself to more turnover and the market has likely reached the base level of units required to maintain existing decline curves.

Globally, marketed utilization is 73%. For units built before 2006 utilization is 71% while for newer units utilization is 75%. While utilization is still far away from levels required for pricing power customers continue to demonstrate a preference for newer and more capable equipment that can provide safer and more efficient operations.

Currently there are approximately 66 idle units older than 30 years out of a total marketed fleet of 476. Additionally there are 64 units that are rolling off contracts by the end of 2016, which are also older than 30 years. Together, these 130 rigs, or 27% of the total marketed fleet, represent prime candidates for retirement.

125 additions to the fleet are currently under construction; however a significant portion of these orders were placed by investors with little or no operating track record. While a number of these speculators may exit projects, these units will eventually reach the market, possibly in the hands of more established companies. The deployment of this incremental supply may be somewhat rationalized in the longer term as the more established players will likely only take delivery when economically viable.

Fourth Quarter Guidance

EBITDA is expected to be approximately $30 million less than the third quarter driven by:

- Increased idle time on the following units relative to the third quarter:

West Venture
West Phoenix
West Vigilant
West Leda
West Telesto

- Planned SPS survey for the West Orion

Operationally, performance in the fourth quarter is strong to date with 98% utilization quarter to date.

Forward-Looking Statements

This news release includes forward looking statements. Such statements are generally not historical in nature, and specifically include statements about the Company's plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. These statements are made based upon management's current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this news release. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to offshore drilling market conditions including supply and demand, day rates, customer drilling programs and effects of new rigs on the market, contract awards and rig mobilizations, contract backlog, dry-docking and other costs of maintenance of the drilling rigs in the Company's fleet, the cost and timing of shipyard and other capital projects, the performance of the drilling rigs in the Company's fleet, delay in payment or disputes with customers, our ability to successfully employ our drilling units, procure or have access to financing, ability to comply with loan covenants, liquidity and adequacy of cash flow from operations, fluctuations in the international price of oil, international financial market conditions changes in governmental regulations that affect the Company or the operations of the Company's fleet, increased competition in the offshore drilling industry, and general economic, political and business conditions globally. Consequently, no forward-looking statement can be guaranteed. When considering these forward-looking statements, you should keep in mind the risks described from time to time in the Company's filings with the SEC, including its Annual Report on Form 20-F.

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The Company undertakes no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, the Company cannot assess the impact of each such factors on its business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward looking statement.

November 24, 2015
The Board of Directors
Seadrill Limited
Hamilton, Bermuda

Questions should be directed to Seadrill Management Ltd represented by:

Per Wullf:	Chief Executive Officer and President
Mark Morris:	Chief Financial Officer
John Roche:	Vice President Investor Relations

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Appendix I

Reconciliation of certain underlying financial measures with the reported results

(in $ million)	Q3 2015
Net loss	(1,900)
Add back:	
Loss on disposal	(82)
Impairment of Goodwill	(563)
Impairment of investments	(1,274)
Non-cash mark to market movements on derivatives	(117)
Net income excluding non-recurring items and non-cash mark to market movement on derivatives	136
Attributable to NCI	26
Attributable to parent	104
Basic and diluted weighted average shares in issue (million)	493
Basic and diluted EPS excluding non-recurring items and non-cash mark to market movement on derivatives ($ per share)	$0.21

(in $ million)	Q3 2015	Q2 2015	Q3 2014
Interest bearing debt			
Current portion of long-term debt	1,645	1,662	1,689
Short-term debt to related party	—	—	95
Long-term debt	9,319	9,518	11,422
Long-term debt due to related parties	395	301	560
Total interest bearing debt	11,359	11,481	13,766
Cash and cash equivalents	1,181	918	638
Net interest bearing debt*	10,178	10,563	13,128

Q2 2015 and Q3 2014 net interest bearing debt has been recasted to be presented on a consistent basis.

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(in $ million)	Q3 2015 As reported	Exclusions	Q3 2015 Underlying
Revenue	985	—	985
EBITDA	546	—	546
Margin (%)	55 %		55 %
Operating (loss)/income	(291)	(645)	354
Net Debt	10,178	—	10,178

Q3 2015 Underlying represents reported numbers adjusted for non-recurring items, for the purposes of comparability. The adjustments made are:

- Operating (loss)/income: exclusion of goodwill impairment and loss on disposals
- Net (loss)/income: exclusion of goodwill impairment, loss on disposals and impairment loss on investments.

(in $ million)	Q3 2014 As reported	Exclusions	Q3 2014 Underlying
Revenue	1,293	173	1,120
EBITDA	635	89	546
Margin (%)	49 %		49 %
Operating income	461	86	375
Net Debt	13,128	(1,157)	11,971

Q3 2014 Underlying represents reported numbers adjusted for West Vela, West Polaris, West Titania, West Oberon, West Intrepid, West Courageous and West Defender that have been disposed of by the Company since September 30, 2014, for the purposes of comparability. The adjustments made are:

- Revenue: exclusion of contract revenue relating to rigs disposed of since September 30, 2014.

- EBITDA: exclusion of EBITDA relating to rigs disposed of since September 30, 2014.

- Net debt: exclusion of debt amount outstanding relating to rigs disposed of since September 30, 2014.

(in $ million)	Q2 2015 As reported	Exclusions	Q2 2015 Underlying
Revenue	1,147	50	1,097
EBITDA	651	35	616
Margin (%)	57 %		56 %
Operating income	384	(45)	429
Net Debt	10,563	—	10,563

Q2 2015 Underlying represents reported numbers adjusted for West Polaris that was disposed of by the Company on June 19, 2015 for the purposes of comparability. The adjustments made are:

- Revenue: exclusion of contract revenue relating to the West Polaris which was disposed of on June 19, 2015

- EBITDA: exclusion of EBITDA relating to the West Polaris and related loss on disposal, being a non-recurring item, for the purposes of comparability.

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Seadrill Limited

INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Seadrill Limited

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
for the three and nine months ended September 30, 2015 and 2014
(In $ millions)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Operating revenues				
Contract revenues	903	1,149	3,104	3,355
Reimbursable revenues	28	64	76	173
Other revenues*	54	80	196	208
Total operating revenues	985	1,293	3,376	3,736
(Loss)/gain on disposals*	(82)	—	30	440
Contingent consideration realized*	19	—	28	—
Operating expenses				
Vessel and rig operating expenses*	374	521	1,242	1,450
Reimbursable expenses	29	53	70	154
Depreciation and amortization	192	174	582	513
Loss on Goodwill impairment	563	—	563	—
General and administrative expenses*	55	84	181	232
Total operating expenses	1,213	832	2,638	2,349
Operating (loss)/income	(291)	461	796	1,827
Financial items and other income and expense				
Interest income*	15	2	49	45
Interest expense*	(105)	(114)	(317)	(356)
Loss on impairment of investments	(1,274)	—	(1,274)	—
Gain on deconsolidation of Seadrill Partners	—	—	—	2,339
Share in results from associated companies (net of tax)	(21)	(26)	126	48
Loss on derivative financial instruments*	(177)	(80)	(314)	(212)
Net gain/(loss) on debt extinguishment	8	(76)	8	(76)
Foreign exchange gain	4	52	32	59
Gain on realization of marketable securities	—	—	—	131
Gain on sale of tender rig business	—	—	22	—
Other financial items and other income and expense*	(25)	10	(20)	100
Total financial items and other income and expense	(1,575)	(232)	(1,688)	2,078
(Loss)/income before income taxes	(1,866)	229	(892)	3,905
Income tax (expense)/benefit	(34)	(39)	(137)	32
Net (loss)/income	(1,900)	190	(1,029)	3,937
Net (loss)/income attributable to the non-controlling interest	(71)	41	(6)	115
Net (loss)/income attributable to the parent	(1,829)	149	(1,023)	3,822
Basic (loss)/earnings per share (US dollar)	(3.70)	0.31	(2.07)	8.08

Diluted (loss)/earnings per share (US dollar)	(3.70)	0.31	(2.07)	7.98

* Includes transactions with related parties. Refer to Note 17.
See accompanying notes that are an integral part of these Consolidated Financial Statements.
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Seadrill Limited

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the three and nine months ended September 30, 2015 and 2014
(In $ millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net (loss)/income	(1,900)	190	(1,029)	3,937
Other comprehensive income/(loss), net of tax:				
Change in unrealized loss on marketable securities, net	(178)	(79)	(298)	(272)
Other than temporary impairment of marketable securities, reclassification to statement of operations	741	—	741	—
Change in unrealized foreign exchange differences	—	(6)	(10)	(29)
Change in actuarial gain/(loss) relating to pension	3	(16)	24	(27)
Change in unrealized (loss)/gain on interest rate swaps in VIEs and subsidiaries	(2)	3	(2)	1
Share of other comprehensive income from associated companies	7	—	7	—
Other comprehensive income/(loss):	571	(98)	462	(327)
Total comprehensive (loss)/income for the period	(1,329)	92	(567)	3,610
Comprehensive (loss)/income attributable to the non-controlling interest	(68)	38	(1)	61
Comprehensive (loss)/income attributable to the parent	(1,261)	54	(566)	3,549

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited
UNAUDITED CONSOLIDATED BALANCE SHEETS
as of September 30, 2015 and December 31, 2014
(In $ millions)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	1,181	831
Restricted cash	71	268
Marketable securities	247	426
Accounts receivables, net	729	1,017
Amount due from related party	512	402
Assets held for sale - current	—	134
Other current assets	368	231
Total current assets	3,108	3,309
Non-current assets		
Investment in associated companies	2,488	2,898
Marketable securities	206	325
Newbuildings	1,659	2,030
Drilling units	15,036	15,145
Goodwill	—	604
Restricted cash	212	181
Deferred tax assets	80	30
Equipment	42	46
Amount due from related party non-current	497	313
Assets held for sale - non-current	—	1,105
Other non-current assets	356	311
Total non-current assets	20,576	22,988
Total assets	23,684	26,297
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of long-term debt	1,645	2,267
Trade accounts payable	116	84
Short-term amounts due to related party	70	189
Liabilities associated with assets held for sale - current	—	58
Other current liabilities	1,735	1,934
Total current liabilities	3,566	4,532
Non-current liabilities		
Long-term debt	9,319	10,208
Long-term debt due to related parties	395	351
Deferred tax liabilities	130	67
Liabilities associated with assets held for sale - non-current	—	50
Other non-current liabilities	447	699
Total non-current liabilities	10,291	11,375
Equity		
Common shares of par value $2.00 per share: 800,000,000 shares authorized 492,759,940 outstanding at September 30, 2015 (December 31, 2014, 492,759,938)	985	985
Additional paid in capital	3,273	3,258
Contributed surplus	1,956	1,956

Accumulated other comprehensive loss	9	(448)
Retained earnings	2,990	4,013
Total shareholders' equity	9,213	9,764
Non-controlling interest	614	626
Total equity	9,827	10,390
Total liabilities and equity	23,684	26,297

See accompanying notes that are an integral part of these Consolidated Financial Statements.

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Seadrill Limited

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
for the nine months ended September 30, 2015 and 2014
(In $ millions)

	Nine Months Ended September 30,	
	2015	2014
Cash Flows from Operating Activities		
Net (loss)/income	(1,029)	3,937
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	582	513
Amortization of deferred loan charges	30	36
Amortization of unfavorable contracts	(95)	(90)
Gain on sale of tender rig business	(22)	—
Share of results from associated companies	(73)	(98)
Share-based compensation expense	5	8
Gain on disposals and deconsolidations	(30)	(2,779)
Contingent consideration realized	(28)	
Loss on sale of investments	—	88
Unrealized loss related to derivative financial instruments	133	61
Loss on Goodwill impairment	563	
Loss on impairment of investments	1,274	—
Dividends received from associated companies	196	477
Deferred income tax	17	(3)
Unrealized foreign exchange gain on long-term debt	(77)	(61)
Payments for long-term maintenance	(70)	(280)
Gain on realization of marketable securities	—	(138)
Net gain on debt extinguishment	(8)	10
Other, net	(7)	(52)
Changes in operating assets and liabilities, net of effect of acquisitions and disposals		
Trade accounts receivable	257	1
Trade accounts payable	33	29
Prepaid expenses/accrued revenue	(26)	15
Deferred revenue	(60)	41
Related party receivables	118	277
Related party payables	(47)	(423)
Other assets	—	52
Other liabilities	(146)	(326)
Net cash provided by operating activities	1,490	1,295

Seadrill Limited

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended September 30, 2015 and 2014
(In $ millions)

	Nine Months Ended September 30,	
	2015	2014
Cash Flows from Investing Activities		
Additions to newbuildings	(583)	(2,371)
Additions to drilling units and equipment	(259)	(154)
Contingent consideration received	19	—
Sale of business, net of cash disposed	1,183	673
Cash in deconsolidated subsidiaries	—	(90)
Change in restricted cash	(59)	(75)
Investment in associated companies	(187)	7
Purchase of marketable securities	—	(150)
Loan granted to related parties	(380)	—
Payments received from loans granted to related parties	219	2,082
Proceeds from disposal of marketable securities	—	307
Net cash (used in)/provided by investing activities	(47)	229
Cash Flows from Financing Activities		
Proceeds from debt and revolving line of credit	1,316	4,644
Repayments of debt and revolving line of credit	(2,387)	(3,984)
Debt fees paid	(16)	(63)
Proceeds from debt to related party	—	90
Repayments of debt to related party	—	(910)
Dividends paid to non-controlling interests	(7)	(58)
Contribution from non-controlling interests, net of issuance costs	—	114
Purchase of treasury shares	—	(18)
Employee stock options exercised	—	4
Dividends paid	—	(1,415)
Net cash used in financing activities	(1,094)	(1,596)
Cash reclassified as held for sale	—	(34)
Effect of exchange rate changes on cash	1	—
Net increase/(decrease) in cash and cash equivalents	350	(106)
Cash and cash equivalents at beginning of the period	831	744
Cash and cash equivalents at the end of period	1,181	638

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the nine months ended September 30, 2015 and 2014
(In $ millions)

	Common shares	Additional paid-in capital	Contributed surplus	Accumulated OCI	Retained earnings	Total equity before NCI	NCI	Total equity
Balance at December 31, 2013	938	2,641	1,956	528	1,449	7,512	690	8,202
Sale and purchase of treasury shares, net	(1)	(22)	—	—	—	(23)	—	(23)
Share based compensation charge	—	8	—	—	—	8	—	8
Employee stock options issued	1	4	—	—	—	5		