



Report for Global Rig Company ASA

2nd quarter 2011



GLOBAL RIG COMPANY



www.globalrig.no

Highlights 2nd quarter 2011

- Sale of the 3 Super Single rigs for USD 21 mill (March/April)
- Purchase contract signed for 3 new NOV Ideal 1500 HP Rigs (April)
- New long term contract for the first delivered NOV Ideal 1500 HP Rig (Rig 24)
- Refinancing:
 - a) Repaying USD 19 mill to Sector Asset Management (April)
 - b) Converting of the remaining (USD 18, 8 mill) of the shareholder loan for 29,169 mill shares (June)
 - c) Rights issue of 427 585 shares (June)
 - d) Bond issue of MUSD 60 (June)

Group consolidated financials

USD mill	Per 30.06.2011	Q 2 2011	Q 2, 2010
Revenue	10.8	5.4	1.8
Operating profit	-2.5	-1.0	-2.7
Net profit before tax	-4.8	-2.2	-3.8



Status Drilling Contracts End of Q2

The three Super Tech 1500 HP rigs are on contracts with EXCO, a major independent

- Rig 21 – on contract, renewed to May 2012
- Rig 22 – on contract, renewed to August 2012
- Rig 23 – on contract, renewed to December 2011

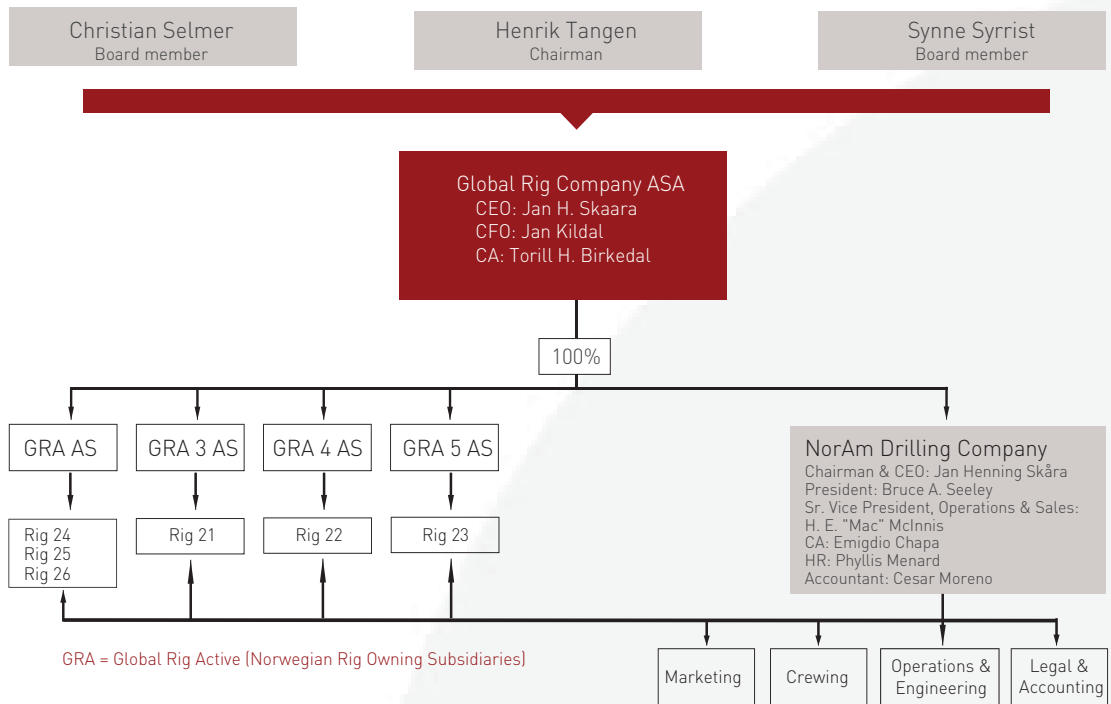
The rigs purchased in April 2011: NOV Ideal 1500 HP rigs

- Rig 24 – delivered in June, on 2 year contract with EXCO, to June 2013
- Rig 25 – delivered in July, on contract to February 2012
- Rig 26 – delivered in August, on contract to February 2012

Summary as of end September 2011

- 3 new rigs purchased (delivered June – August 2011)
- Total rig portfolio of 6 new high end AC rigs enhancing Global Rigs strategy to focus on unconventional plays with drilling equipment tailored for complex horizontal drilling
- All 6 rigs on term contracts with highly reputable listed US contractors

Company Structure

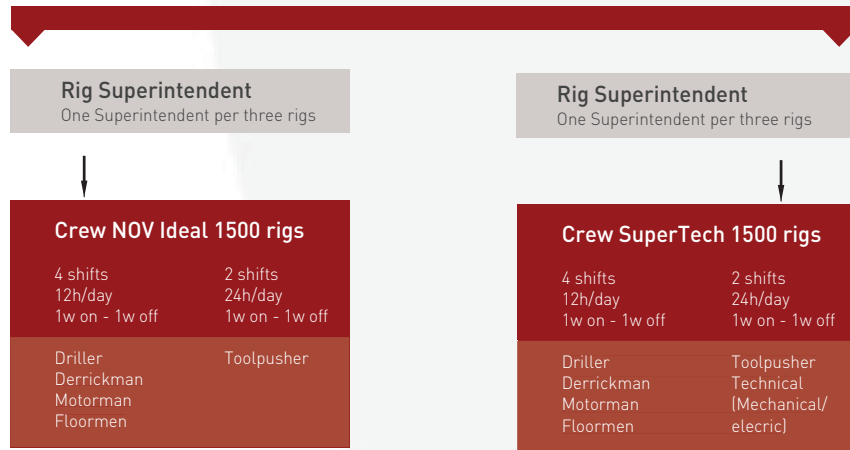


NorAm Drilling Operations

H.E. "Mac" McInnis
Senior Vice President, Operations & Sales

Thomas Taylor
General Rig Superintendent

Safety Coordinator: Will M. Luker, Jr
Executive Assistant to Senior Vice President: Melissa McInnis



Note: This is the basic set-up. The crew per rig may vary with the requirements of the operator and well complexity

Report for Global Rig Company ASA

2nd quarter 2011

Global Rig Company has been both restructured and refinanced during the first half of 2011.

Restructuring of the rig portfolio

After the sale of the electric rig (Rig 11) in August 2010 the three Super Singles was sold in March/April 2011 for USD 21 mill.

The three remaining rigs, the SuperTech 1500 HP rigs are all contracted by EXCO Resources at market rates. In early April the Company entered into a contract with NOV for the building of another three high end AC rigs, the NOV Ideal 1500 HP rigs.

As of date Global Rig has taken delivery of all three rigs and they are all on term contracts with operators. The first rig (Rig 24) was delivered from NOV in June 2011. The second (Rig 25) was delivered in July 2011. The last one (Rig 26) was delivered in August 2011.

After this restructuring of the rig portfolio Global Rig has a portfolio of 6 (six) high end AC rigs tailored for unconventional, horizontal drilling.

Refinancing

A refinancing has also been completed during the first half of 2011. The shareholder loan of USD 35 mill (37,8 mill incl. interests) was partly repaid by USD 19 mill in April (after sale of the Super Singles) and partly converted (USD 18,8 mill) to 29,169 mill new issued shares in June 2011.

A rights issue of 4 427 585 new issued shares was also performed in June 2011. Total number of shares outstanding after the refinancing is 78 397 140 shares.

To finance the three new NOV Ideal rigs a bond issue was completed during May/June 2011. The proceeds from the bond issue was

USD 60 mill with a 4 year tenor and a fixed interest rate of 13%. The bond loan has been used to finance the NOV contract, additional drilling equipment, pipes and spare parts and working capital.

Markets and activities

Global Rig is seeing increased demand for its services after the refocusing of its operations to focus on unconventional plays and new, more sophisticated rigs. Currently the Company is in close discussions with a number of large independent operators for new drilling contracts. Hence, we see opportunities to grow the business activity by taking on more rigs.

Year to date the SuperTech 1500 HP rigs have performed very well and EXCO Resources is pleased with the performance.

The utilization rates so far in 2011 have been approximately 98%. EXCO Resources has contracted one of the new Ideal Nov 1500 HP rigs (Rig 24) on a 2 year contract at market rates and also renewed the contract for Rig 23 until December 2011. Rig 25 and Rig 26 (NOV Ideal 1500) are on 6 months contracts with an independent US listed operator at market rates. All the three new NOV rigs are operating very well and utilization is in line with the average 98% seen for the other rigs.

As of September 2011 the Company is experiencing a positive cash flow and is expecting to report a positive net profit for the latter part of 2011.

Due to Global Rig's activities being mainly denominated in USD, the board of directors has decided to convert the financial reporting to USD. This Q2 2011 report is the first actual report in the new currency. The 2010 accounts have been changed accordingly with some effects to equity as mentioned below.

Results, Investments and Liquidity

Global Rig had revenue of USD 5.4 mill in Q2 and USD 10.8 mill YTD, compared with 1.8 mill in Q2 in 2010.

The P/L in Q2 reflects the sale of the Super Single rigs early April and the delivery of one new rig in May. (Rig # 24, NOV Ideal 1500)

Total operating expenses were USD 6.4 mill in Q2 and USD 13.3 mill YTD, compared with USD 4.5 mill in Q2 in 2010.

Operating expenses in Q2 were influenced by the sale of the Super Single rigs early April and the buildup of an operational organization for the three new rigs which were delivered during the summer months.

The Company also carried out a write down of USD 1.07 mill for the Super Singles in Q1 in 2011.

Operating profit was USD - 1.0 mill in Q2 and USD - 2.5 mill YTD.

EBITDA was USD 0.1 mill in Q2 and USD 1.3 mill YTD.

After Net financial cost of USD 1.2 mill in Q2 and USD 2.3 mill YTD the Group had a loss before tax of USD - 2.2 mill in Q2 and USD - 4.8 mill YTD.

Other interest expenses is reduced in Q2 due to a partial repayment of the shareholder loan of USD 19 mill early April, and a conversion of the remaining shareholder loan of USD 18.8 mill to new shares in late May.

The new bond loan of USD 60 mill was effective as of 8th, June 2011.

Total Asset by June 2011 was USD 128 mill compared to USD 90 mill in December 2010, and total equity was USD 63.1 mill (USD 48.0 mill in December 2010). A conversion of functional currency from NOK (Norwegian krone) to USD has had an impact on equity reported in 2010.

The Company's Total Assets increased by approx. USD 38 mill and reflects a Bond issue of USD 60 mill and the sale of the three Super Single rigs for USD 21 mill early April.

Total Equity increased by approx. USD 15 mill and reflects conversion of USD 18.8 mill into new shares and also a shareholder rights issue of 4 427 585 new shares early June 2011.

Total interest bearing debt was USD 60 mill as of 30 June 2011. By end of September Net Interest Bearing debt (NIBD) is some USD 50 mill.



Group Financial Statements

GLOBAL GROUP - Q2 2011 REPORT (USD)

UNAUDITED

INCOME STATEMENT (USD)	Per 30.06.11	Q2 2011	Per 31.12.10	Q2 2010
Revenue/Expense				
Sales	10 796 182	5 402 730	13 546 088	1 846 602
Other Income	-	-	28 241	-
Total operating income	10 796 182	5 402 730	13 574 329	1 846 602
Payroll Expenses	4 859 608	2 985 238	8 121 879	1 561 236
Depreciation of tangible and intangible assets	2 720 899	1 052 864	4 308 567	828 540
Write-down fixed assets	1 070 120	-	1 612 863	-
Rig mobilization, service and supplies	2 147 034	1 008 281	4 207 769	1 084 715
Insurance rigs and employees	1 054 989	557 313	1 428 803	233 502
Other Operating Expenses	1 446 363	800 523	5 933 182	788 990
Total Operating Expenses	13 299 013	6 404 219	25 613 063	4 496 984
Operating profit (+) / loss (-)	-2 502 830	-1 001 488	-12 038 734	-2 650 382
Financial income and Expenses				
Other Interest Income	2 075	1 360	27 946	9 248
Other Financial Income	0	-267 335	0	0
Other Interest Expenses	2 182 000	852 389	4 430 184	1 119 666
Other Financial Expenses	83 400	82 818	441 058	207 399
Net Financial Items	-2 263 325	-1 201 182	-4 843 296	-1 317 817
Profit (+)/Loss (-) before Income Tax	-4 766 156	-2 202 671	-16 882 029	-3 968 199
Income Tax Expense	-872 388	-421 875	-2 643 908	-734 175
Net Profit (+)/Loss (-)	-3 893 768	-1 780 795	-14 238 121	-3 234 024



GLOBAL GROUP - Q2 2011 REPORT (USD)

UNAUDITED

BALANCE SHEET (USD)	Per 30.06.11	Per 31.12.10
ASSETS		
Intangible assets		
Deferred Tax Assets	6 625 50	5 753 115
Total Intangible Assets	6 625 50	5 753 115
Tangible assets		
Rigs and accessories	86 174 610	74 630 142
Vehicles and Office Equipment	705 838	892 682
Total Tangible Assets	86 880 447	75 522 825
Financial assets		
Total Non-current Assets	93 505 951	81 275 940
Current assets		
Receivable		
Accounts Receivable	4 230 552	4 065 272
Other Receivable	4 253 031	3 108 163
Total receivable	8 483 583	7 173 435
Cash and cash equivalent		
Bank deposit/cash	26 015 575	1 349 323
Total current assets	34 499 158	8 522 757
TOTAL ASSETS	128 005 109	89 798 697





GLOBAL GROUP - Q2 2011 REPORT (USD)

UNAUDITED

BALANCE SHEET (USD)	Per 30.06.11	Per 31.12.10
EQUITY & LIABILITIES		
Equity		
Owners equity		
Issued capital	27 843 734	16 952 980
Share premium	55 253 597	47 085 531
Other shareholder contribution	336 140	336 140
Total owners equity	83 433 472	64 374 652
Accumulated profits		
Other Equity	-20 292 854	-16 396 980
Conversion differences	-	-
Total accumulated profits	-20 292 854	-16 396 980
Total Equity	63 140 618	47 977 672
Liabilities		
Non-current liabilities		
Liabilities to financial institutions	60 000 000	-0
Other long Term Liabilities	1 290 715	633 445
Total non-current liabilities	61 290 715	633 445
Current liabilities		
Accounts payable	775 344	3 541 042
Public Duties Payable	1 609 592	1 009 283
Other Current Liabilities	1 188 839	36 637 254
Total current liabilities	3 573 775	41 187 580
Total liabilities	64 864 490	41 821 025
TOTAL EQUITY & LIABILITIES	128 005 109	89 798 697

GLOBAL GROUP - Q2 2011 REPORT (USD)

UNAUDITED

KEY RATIOS	Per 30.06.11	Per 31.12.10	Per 30.06.10
Equity to assets ratio	49 %	53 %	59 %
Earnings per share	-0, 05	-0, 29	-0, 13
Diluted earnings per share	-0, 05	-0, 28	-0, 13

Cash Flow Statement	Per 30.06.11	Per 31.12.10	Per 30.06.10
Cash from operation	-2 116 408	-10 748 296	-4 482 616
Cash from investments	-15 148 641	-9 367 529	-10 338 090
Cash from financing	41 931 302	10 971 347	8 560 584
Change in cash	24 666 253	-9 144 477	-6 260 122

Cash position OB 1.1.2011	1 349 323	10 493 800	10 493 800
Cash position CB June 2011	26 015 575	1 349 323	4 233 677

GLOBAL GROUP - Q2 2011 REPORT - Equity and Shareholders

Equity	Per 30.06.11	Per 31.12.10	Per 30.06.10
Equity OB	47 977 672	62 058 474	62 058 474
Own shares	-	-	-
Share issue	10 890 755	-	-
Share premium	8 168 066	-	-
Net profit/loss for the period	-3 893 768	-14 238 121	-6 491 617
Currency effects etc.	-2 107	157 319	17 659

Shareholder's dividend

Equity CB	63 140 618	47 977 672	55 584 516
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GLOBAL RIG COMPANY ASA

- 10 largest share holders September 28 2011

Name	Shares	Percent	Nationality
Goldman Sachs Int. - Security Client Segr.	24 797 057	31, 63	GBR
Euroclear Bank S.A./ 25% Clients	20 130 003	25, 68	BEL
HSBC Bank Plc Clients' Account 25p	4 980 628	6, 35	GBR
State Street Bank An A/C Client Omnibus D	4 707 698	6, 00	USA
UBS Ag, London Branch PB Client(S)No UBS P	3 530 773	4, 50	GBR
Formuesforvaltning P FO Sector Speculare	1 981 918	2, 53	NOR
KAS Depository Trust Clients Account	1 323 409	1, 69	NLD
Pactum AS	1 250 000	1, 59	NOR
Øglend, Anbjørn	1 000 000	1, 28	NOR
NHO - P665AK JP Morgan Chase Bank	854 086	1, 09	NOR

63 655 572 82, 34
of 78 397 140 shares

Disclaimer

The statements above have not been reviewed by an auditor. Group financial statements are presented herein. In the consolidated statement intercompany transactions and balances have been eliminated. The same accounting principles (NGAAP) apply in this report as in the annual accounts.

SuperTech 1500

Specifications **3 rigs, all delivered 2010**

Mast Height	142 ft
Hook Load	750 000
Base Dimension	15,6 x 12 ft
Traveling Block	400 tons
Rotary Load	750 000 lb with Full Setback
Setback Load	500 000 lbs
Drill Floor Height	28 ft
Clearance Under Rotary	22.1 ft
Floor Dimension	21.5 ft x 40 ft
Mast and Sub	Built to API 4 F
Racking Capacity	18 000 of 5" DP
Rotary	27 1/2 Hydraulic Driven Motor Rotary



NOV Ideal 1500 HP

Specifications **3 rigs, all delivered 2011**

Mast Height	142 ft
Hook load	750 000
Base Dimension	12 ft x 12 ft
Traveling Block	500 tons
Rotary Load	750 000 lb with Full setback
Setback Load	500 000 lbs
Drill Floor Height	25 ft
Clearance Under Rotary	21,8 ft
Floor Dimension	32 ft x 32 ft
Mast and Sub	Built to API 4F, 3rd ed.
Racking Capacity	19 000 of 5" DP
Rotary	37 1/2 Independent Drive Rotary 400 HP



Rig description

What is the actual difference between a conventional and a hi-spec rig?

Perspective

Safety:

hi-spec advantage

- automation of processes lead to less unwanted occurrences

Economy and environment:

- smaller footprint
- less truck loads
- more fuel efficient operation
- improved control over drilling operation
- faster drilling

NorAm Drilling Company's rigs and crew deliver value to its customers in terms of safety, economy, environment and operation.

GLOBAL RIG COMPANY ASA

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