



Report for Global Rig Company ASA

4th quarter 2010



GLOBAL RIG COMPANY



Highlights 4th quarter 2010

- All the SuperTech 1500 rigs are on short to medium term contracts
- The Super Singles rigs have had limited utilization
- EBITDA positive in Q4

Group consolidated financials:

NOK mill	2010	Q4, 2010
Revenue	81,8	37,1
Operating profit	-53,2	-9,9
Net profit before tax	-82,4	-19,4



Status Drilling Contracts End of Q 4

- The Super Single rigs had 35% utilization in Q4.
- The SuperTech 1500 rigs:
 - Rig 21 – on one year contract (started contract June 2010) in Haynesville, Louisiana.
 - Rig 22 – on one year contract (started contract Aug 2010) in Haynesville, Louisiana.
 - Rig 23 – on one year contract (started contract Oct 2010) in Haynesville, Louisiana.

The Global Rig Groups Rigs

- At end Q 4 the rig fleet consists of 6 rigs:
 - 3 Super Single (Rig 1, 2, 3)
 - 3 SuperTech 1500 (Rig 21, 22, 23)

Summary

- EBITDA positive in Q4
- 3 Rigs (of the 6) are on contracts
- Super Single rigs considered sold
- Building additional SuperTech 1500 rigs is being considered

1. 4th Quarter and 2009

Market and Activities

2010 was a busy year for the Group. The construction of the three SuperTech 1500s was completed. The first rig was delivered by end of June 2010, the next in July and the last in September.

NorAm Drilling, our operating US based company, has continuously worked to develop relationship with major independent E&P clients. This has turned out successfully by getting new long term contracts with the Texas-based EXCO Resources for the three SuperTech 1500 rigs.

The Super Singles have continued to work on spot contracts. The Super Singles utilization was 35 in 2010. This level and fairly low day rates and extra cost on the demobilization and mobilization have caused negative cash flow for the Super Singles. The SuperTech 1500, with day rates of some 17-18 000 US\$ per day and one year contracts, have contributed with a positive cash flow. The Group was overall cash positive in the last part of 2010.

In June 2010 a new shareholder loan of US\$ 6 mill was granted from the main shareholder, Sector Asset Management, while in October the total shareholder loan of US\$ 31 mill plus interests was extended to May 2011.

The Market development has been challenging, but with signs of higher activity level due to higher oil price and gas prices staying at 3,5 – 5,5 US\$ per Mcf. A large number of wells have been drilled and the activity level has improved mainly on the oil – oil/gas resources plays. E & P companies increased their activity level in 2010 and are expected to further increase in 2011.

The Group has experienced rig rates moving upwards from earlier low levels to 13–15 000 US\$ per day for the Super Singles and 17 – 18 000 US\$ per day for the SuperTech 1500's on short to medium term contracts.

Stable or slightly increased natural gas prices have led to increased drilling activity. However, as shown in Fig 1 and Fig 2, the most important driver for the drilling activity growth has been the improved oil price.

Fig 1 Development Active US Rigs

	Oil	Gas	Misc	Total
Bottom (June 2009)	183	685	8	876
Beginning quarter	687	962	10	1 659
End quarter	765	919	10	1 694
% from bottom	318 %	34 %	25 %	93 %
% from beginning quarter	11 %	-4 %	0 %	2 %

Fig 2: Active vs Oil & Gas Rigs

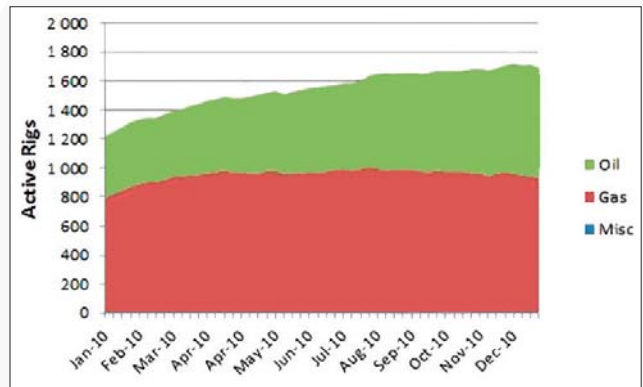


Fig 3: Natural Gas Prices

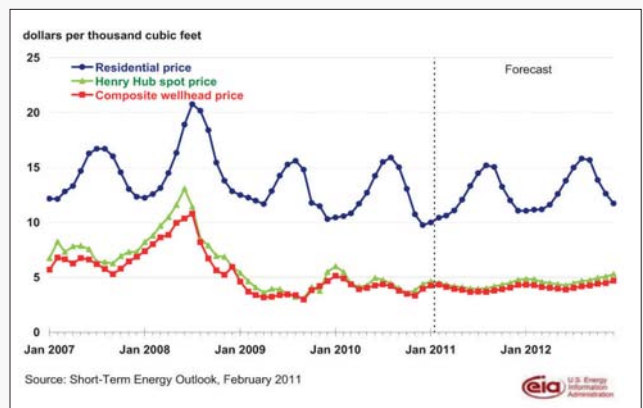
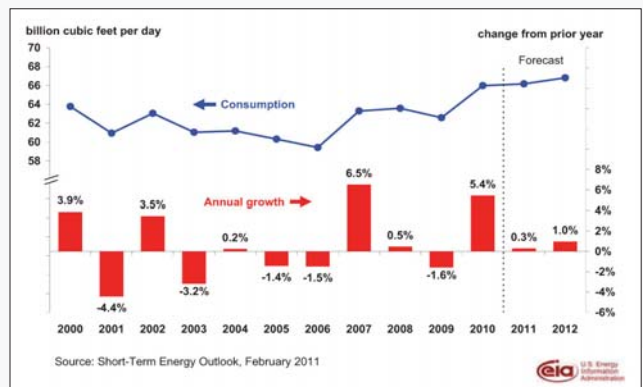


Fig 4: US Total Natural Gas Consumption



While the US market for a long period had 80% gas drilling and 20 % oil drilling, the relationship in 2009 started to change, to 65 % for gas and 35% for oil. The trend continued in 2010, down to 55 % for gas and up to 45 % for oil. The trend has continued so far in 2011.

Abundant gas resources, efficient and cheap extraction from the shale gas plays and the recession has given a low gas price, but with prospect to rise, according US Energy Information Administration.

2. Current Outlook

Our SuperTech 1500 Rigs are on short to medium term contracts with EXCO, a major independent E&P company.

Our Super Single rigs are likely to continue to work in the spot market. We are currently looking to sell all three Super Singles and to focus growth of the rig fleet on stronger high-end rigs; SuperTech 1500/2000 rigs, for which we expect good demand at attractive rates.

Our SuperTech 1500 rigs are of high engineering specification and quality and are working very satisfactory. The Rigs are highly mobile and automated and require less truckloads and crew than comparable conventional rigs. Their specification gives flexibility to cover a wide range of wells, both in turns of depth and complexity.

Current rig rates for our SuperTech 1500s give a positive cash flow, but the Group is also dependent on a good utilization of the Super Singles to be cash positive overall. We are currently marketing our Super Single for the spot market.

Rig rates have improved throughout 2010 and our short to medium term contracts for the SuperTech 1500 are on rig rates on the range of 17 – 18 000 US\$/day while the spot market rates for the Super Singles are some 13 – 15 000 US\$/day.

The US land rig drilling market is in short characterized by the improved oil price level ranging from 80 – 100 US\$/barrel making most US oil wells very profitable. The natural

gas price is currently in the range of 4 – 5 US\$ Mcf which is still on the low side, but high enough to encourage the clients to drill new wells, all though many drill in order to keep their leases.

There is still an excess capacity of rigs, but it is clearly an increasing demand for new efficient rigs like our SuperTech 1500's. This trend is expected to continue. The larger E&P companies are increasing their drilling activities and this is expected to continue also in 2011.

While the key factors determining the success for Global Rig Group has been uncertain in 2009 and 2010, the prospects for 2011 are better, especially for new efficient rigs like the SuperTech rigs.

Market analyst predicts gas prices in the range of 4 -5 US\$ per Mcf for 2011, while the oil price is expected to stay at a high level. The expectations for the coming quarters are a high utilization of the SuperTech 1500 rigs at gradually increasing rates, while the Super Singles will probably continue to work on spot prices.

The Group

The Global Rig Company ASA has 100 % ownership of NorAm Drilling Company, Global Rig Active AS and Global Rig Active 2,3,4,5 and 6 AS. The three operating Super Single rigs are owned by Global Rig Active AS and are leased to NorAm Drilling Company.

Global Rig Active 2 AS owned the now sold Rig # 4, Global Rig Active 3 owns Rig # 21, Global Rig Active 4 owns Rig # 22, Global Rig Active 5 owns Rig # 23, while Global Rig Active 6 AS is established to own future rigs. Rig purchases of Norwegian subsidiaries and drilling operations of the US subsidiary are financed through intercompany loans from Global Rig Company ASA.

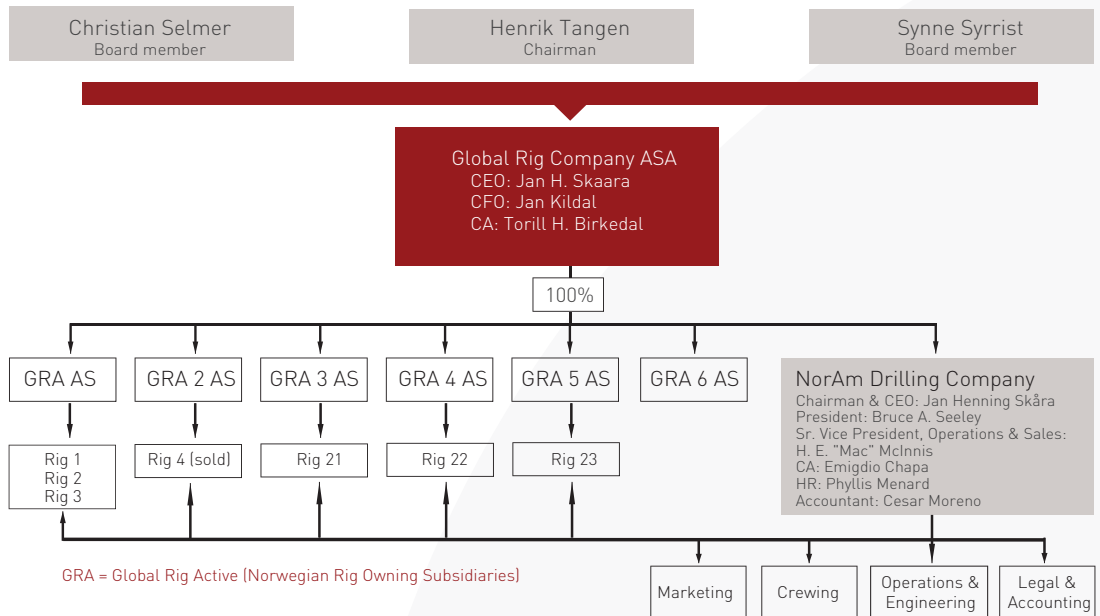
3. Market strategy

The Group will continue to focus the marketing of its rigs on matching up with operators that appreciate the advantages of modern rigs

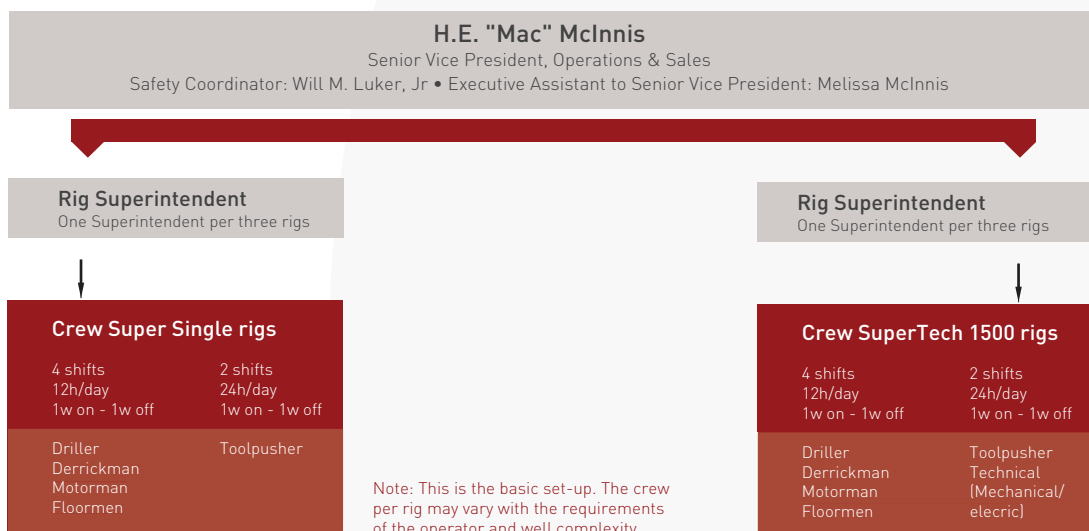
Organization and company structure

The Global Rig Group

Company Structure



NorAm Drilling Operations



in terms of speed, reliability and ability to drill complex wells. Oil and gas operators are, after a period of nearly halting completely, reopening their drilling programs, and contract opportunities are starting to emerge. Oil wells, storage and disposal wells are interesting drilling segments, but also natural gas drilling is now regarded as more economically viable compared to some months ago. The new rigs represent more than a doubling of

activity for the Group. Securing drilling contracts on solid terms with major clients has been the highest priority and so far resulted in signing contracts with EXCO for the three SuperTech 1500s.

The Group will secure and strengthen its already established US activities by focusing on the efficient operation and expansion of NorAm Drilling Company.



4. Details of Q4 and 2010 results

In the fourth quarter the Group had operating income of NOK 37.1 mill from drilling and associated activities. Operating expenses were NOK 47.0 mill, NOK 19,1 mill being payroll related. The Group had operating loss of NOK -9.9 mill. Sales have increased due to the long term contract for the SuperTech 1500's.

Day rates have moved upwards and so has utilization, but not enough to offset cost. Net financial items comprise accrued interest on the US\$ 31 mill shareholder loan and some currency gain. Net financial items for the quarter were NOK -9.5 mill. The US\$ 31 mill shareholder loan is recorded at the original rate of exchange in accordance with NGAAP and total unrealized exchange rate gains on the loan of the US\$ 31 mill have not been recorded. The Group result before tax was NOK -19.4 mill in the fourth quarter. The unaudited 2010 result was NOK -82.4 mill.

Balance Sheet

The Group has an estimated NOK 29.0 mill in deferred tax assets (excluding tax value of US losses) from net losses in Norwegian subsidiaries. Its tangible assets include rigs, vehicles, warehouse and office equipment, and amounts to NOK 459.6 mill. The Group as a whole had NOK 7.9 mill in cash holdings at the end of the year.

The equity of the Group was NOK 293.9 mill. The shareholder loan was recorded at the end of the period. There is an unrealized and unrecorded currency gain on the loan.

Cash Flow

The Group was EBITDA positive in the fourth quarter. The Group had a reduction in cash of NOK 7.0 mill, due to the last payment for the third SuperTech rig (NOK 7.0 mill). For 2010 the reduction in cash was NOK 52.5 mill, partly due to investments in rigs and accessories and partly due to operational and financial losses. The cash holdings at the end of the quarter were NOK 7.9 mill.

Group Financial Statements

GLOBAL GROUP - Q4 2010 REPORT (Norwegian krone - NOK)

UNAUDITED

INCOME STATEMENT (NOK)	2010	Q4 2010	2009	Q4, 2009
Sales	81 842 755	37 105 983	24 269 872	5 585 459
Total operating income	81 842 755	37 105 983	24 269 872	5 585 459
Payroll Expenses	48 359 149	19 131 653	21 903 355	3 260 641
Depreciation of tangible and intangible assets	25 848 440	12 547 339	13 941 155	2 117 544
Rig mobilization, service and supplies	25 422 496	8 471 023	10 812 844	2 472 514
Insurance rigs and employees	8 632 543	2 052 948	7 707 822	1 801 061
Other operating expenses	26 767 962	4 796 603	11 795 123	4 977 353
Total operating expenses	135 030 590	46 999 567	66 160 298	14 629 113
Operating profit (+) / loss (-)	-53 187 835	-9 893 584	-41 890 426	-9 043 654
Financial income and Expenses				
Other interest income	164 001	7 510	1 216 920	112 137
Other financial income	29 998 552	4 512 322	24 118 092	7 901 089
Interest expense to group companies	0	0	0	160 638
Other interest expenses	25 801 447	8 491 764	25 145 486	6 022 874
Other financial expenses	33 606 487	5 512 221	46 265 837	5 925 166
Net financial items	-29 245 382	-9 484 153	-46 076 311	-4 095 453
Profit(+)/Loss(-) before income tax	-82 433 217	-19 377 737	-87 966 737	-13 139 107
Income tax expense	-10 050 669	-2 791 189	-15 791 656	-4 870 670
Net profit(+)/Loss(-)	-72 382 548	-16 586 549	-72 175 081	-8 268 436
Transferred to other equity	-72 382 548	-16 586 549	-72 175 081	-8 268 436





GLOBAL GROUP - Q4 2010 REPORT (Norwegian krone - NOK)

UNAUDITED

BALANCE SHEET (NOK)	Note	2010	2009
ASSETS			
Intangible assets			
Deferred Tax Assets		29 003 324	17 012 536
Total intangible assets		29 003 324	17 012 536
Tangible assets			
Rigs and accessories		455 391 771	434 730 370
Other tangible assets		4 223 980	4 168 470
Total tangible assets		459 615 751	438 898 840
Financial assets			
Investment in subsidiaries		0	0
Loan to group companies		0	0
Total financial assets		0	0
Total Non-current Assets		488 619 075	455 911 376
Current assets			
Receivable			
Accounts receivable		23 776 554	6 147 339
Other receivable		18 183 803	2 701 334
Total receivable		41 960 357	8 848 673
Cash and cash equivalent			
Bank deposit/cash		7 899 204	60 212 550
Total current assets		49 859 561	69 061 224
TOTAL ASSETS		538 478 635	524 972 600



GLOBAL GROUP - Q4 2010 REPORT (Norwegian krone - NOK)

UNAUDITED

BALANCE SHEET (NOK)	Note	2010	2009
EQUITY & LIABILITIES			
Equity			
Owners equity			
Issued capital		97 600 000	97 600 000
Share premium		314 717 364	313 477 483
Total owners equity		412 317 364	411 077 483
Accumulated profits			
Other equity		-122 662 684	-71 960 625
Conversion differences		4 256 150	
Total accumulated profits		-118 406 534	-71 960 625
Total Equity		293 910 830	339 116 858
Liabilities			
Non-current liabilities			
Liabilities to financial institutions		204 857 531	0
Intercompany loan		0	0
Other long term liabilities		3 704 832	2 882 262
Total non-current liabilities		208 562 363	2 882 262
Current liabilities			
Accounts payable		20 710 477	4 084 080
Tax payable		0	0
Public duties payable		5 872 187	6 520 238
Other current liabilities		9 422 778	172 369 162
Total current liabilities		36 005 442	182 973 481
Total liabilities		244 567 805	185 855 743
TOTAL EQUITY & LIABILITIES		538 478 635	524 972 600

GLOBAL GROUP - Q4 2010 REPORT (Norwegian krone - NOK)

UNAUDITED

KEY RATIOS	2010	Q4 2010	2009	Q4 2009
Equity to assets ratio	55 %	55 %	65 %	65 %
Earnings per share	-1, 48	-0, 34	-1, 48	-0, 17
Diluted earnings per share	-1, 43	-0, 33	-1, 43	-0, 16

Cash Flow Statement	2010	Q4 2010	2009	Q4 2009
Cash from operation	-72 683 286	-11 415 033	-51 175 859	-9 991 434
Cash from investments	-46 272 218	-4 917 064	-158 981 516	-11 273 630
Cash from financing	66 412 805	9 362 842	-13 743 985	-21 285 170
Change in cash	-52 542 700	-6 969 255	-223 901 360	-42 550 234
Cash position OB	60 441 902	14 868 456	284 139 653	102 762 781
Cash position CB	7 899 202	7 899 200	60 212 550	60 212 550

GLOBAL GROUP - Q4 2010 REPORT - Equity and Shareholders

EQUITY (NOK)	2010	2009
Equity OB	364 855 937	401 201 508
Own shares	0	0
Share issue	0	0
Share premium	0	0
Net profit/loss for the period	-72 382 548	-72 175 081
Currency effects etc.	1 437 440	10 090 433
Shareholder's dividend	0	0
Equity CB	293 910 829	339 116 858

GLOBAL RIG COMPANY ASA

- 10 largest share holders As of Dec 31, 2010

Name	Type	Share
Goldman Sachs Int.	Nominee	79, 45
Pactum AS		2, 36
Øglend, Anbjørn		2, 05
Nordnet Bank AB	Nominee	1, 02
Havila		1, 02
Aksjevold AS		0, 98
KG Investment Company AS		0, 91
Damima Invest		0, 82
Crown Hill Chatering AS		0, 61
Sven Irgens Nilsen		0, 49
Total %		92,84

Disclaimer

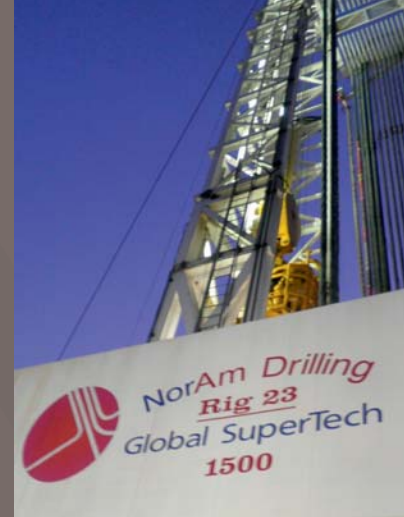
The statements above have not been reviewed by an auditor. Group financial statements are presented herein. In the consolidated statement intercompany transactions and balances have been eliminated. The same accounting principles (NGAAP) apply in this report as in the annual accounts.

GLOBAL RIG COMPANY ASA

Tordenskiolds gate 6
N-0160 Oslo
Norway

Office (direct): +47 23 00 39 70
Fax: +47 21 55 76 07

post@globalrig.no
www.globalrig.no



GLOBAL RIG COMPANY