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ATWOOD OCEANICS INC
Form 8-K
November 16, 2004

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF EARLIEST EVENT REPORTED: November 16, 2004

ATWOOD OCEANICS, INC.
(Exact name of registrant as specified in its charter)

COMMISSION FILE NUMBER 1-13167

Internal Revenue Service - Employer Identification No. 74-1611874

15835 Park Ten Place Drive, Houston, Texas, 77084
(281) 749-7800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 7. EXHIBITS

- EXHIBIT 99.1 PRESS RELEASE DATED NOVEMBER 16, 2004
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2004 AND 2003
- EXHIBIT 99.3 ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2004
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT SEPTEMBER 30, 2004 AND SEPTEMBER 30, 2003
- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT NOVEMBER 16, 2004

ITEM 9. REGULATION FD DISCLOSURE

On November 16, 2004, the Company announced its earnings for the Fiscal Year and Fourth Quarter ended September 30, 2004. A copy of the press release summarizing these earnings is filed with this Form 8-K as exhibit 99.1 and is incorporated herein by reference.

The ATWOOD FALCON continues to work under its drilling contract with Sarawak Shell Berhad ("Shell"). This contract is expected to extend into February 2005. Immediately upon completion of the Shell contract, the rig will be moved to Japan to commence a drilling program for Japan Energy Development Co., Ltd. ("Japan") which now includes two firm wells after Japan exercised its one option well. The Japan drilling program could take until approximately August 2005 to complete.

The ATWOOD HUNTER continues to work under its drilling contract with Burullus Gas Co., ("Burullus"). The initial contract with Burullus included the drilling of ten (10) firm wells and options to drill six additional wells. Burullus has now exercised options to drill all six of these additional wells. The dayrate for all wells drilled will be \$62,400. This contract is expected to extend into approximately September 2005.

The SEAHAWK has completed its minor modifications and equipment change-out at the Kemanan Supply Base, Malaysia and has commenced its two well drilling program for Sarawak Shell Berhad ("Shell"). This drilling program is expected to extend into late January 2005. Additional work, following the Shell contract, is being pursued in Southeast Asia as well as other areas of the world.

Additional information with respect to the Company's Consolidated Statements of Operations for the three months and year ended September 30, 2004 and 2003, an analysis of Contract Revenues and Drilling Costs for the three months and year ended September 30, 2004, Consolidated Balance Sheets at September 30, 2004 and 2003 and Contract Status Summary at November 16, 2004 are attached hereto as Exhibits 99.2, 99.3, 99.4 and 99.5, respectively, which are being furnished in accordance with rule 101 (e) (1) under Regulation FD and should not be deemed to be filed.

Statements contained in this report with respect to the future are forward-looking statements. These statements reflect management's reasonable

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judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors; the Company's dependence on the oil and gas industry; the risks involved the construction of a rig; competition; operating risks; risks involved in foreign operations; risks associated with possible disruption in operations due to terrorism; risks associated with a possible disruption in operations due to a war with Iraq; and governmental regulations and environmental matters. A list of additional risk factors can be found in the Company' annual report on Form 10-K for the year ended September 30, 2003, filed with the Securities and Exchange Commission.

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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 hereunto duly authorized.

ATWOOD OCEANICS, INC.
(Registrant)

/s/ James M. Holland
James M. Holland
Senior Vice President

DATE: November 16, 2004

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EXHIBIT INDEX

| EXHIBIT NO. | DESCRIPTION |
|-------------|---|
| 99.1 | Press Release dated November 16, 2004 |
| 99.2 | Consolidated Statements of Operations for the Three Months and Year ended September 30, 2004 and 2003 |
| 99.3 | Analysis of Contract Revenues and Drilling Costs for the Three Months and Year ended September 30, 2004 |
| 99.4 | Consolidated Balance Sheets at September 30, 2004 and September 30, 2003 |
| 99.5 | Contract Status Summary at November 16, 2004 |

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EXHIBIT 99.1

Houston, Texas
16 November 2004

FOR IMMEDIATE RELEASE

Atwood Oceanics, Inc., Houston-based International Drilling Contractor, announced today that the Company earned net income of \$3,344,000 or \$.24 per diluted share, on revenues of \$42,933,000 for the quarter ended September 30, 2004, compared to a net loss of (\$14,257,000) or (\$1.03) per diluted share on revenues of \$38,004,000 for the quarter ended September 30, 2003. For the twelve months ended September 30, 2004, the Company earned net income of \$7,587,000 or \$.54 per diluted share, on revenues of \$163,454,000 compared to a net loss of (\$12,802,000) or (\$.92) per diluted share, on revenues of \$144,765,000 for the twelve months ended September 30, 2003.

| | FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 | (unaudited) | FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2003 |
|--------------------------------------|---|-------------|---|
| | ----- | | ----- |
| Contract Revenues | \$42,933,000 | | \$ 38,004,000 |
| | ===== | | ===== |
| Income (Loss) before Income Taxes | 1,642,000 | | (4,373,000) |
| Provision (Benefit) for Income Taxes | (1,702,000) | | 9,884,000 |
| | ----- | | ----- |
| Net Income (Loss) | 3,344,000 | | (14,257,000) |
| | ===== | | ===== |
| Earnings (Loss) per Common Share - | | | |
| Basic | .24 | | (1.03) |
| Diluted | .24 | | (1.03) |
| Weighted Average Shares | | | |
| Outstanding - | | | |
| Basic | 13,869,000 | | 13,848,000 |
| Diluted | 14,139,000 | | 13,848,000 |
| | | | |
| | FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2004 | (unaudited) | FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003 |
| | ----- | | ----- |
| Contract Revenues | \$163,454,000 | | \$144,765,000 |
| | ===== | | ===== |
| Income before Income Taxes | 12,402,000 | | 1,636,000 |
| Provision for Income Taxes | 4,815,000 | | (14,438,000) |
| | ----- | | ----- |
| Net Income (Loss) | 7,587,000 | | (12,802,000) |
| | ===== | | ===== |
| Earnings (Loss) per Common Share - | | | |
| Basic | .55 | | (.92) |
| Diluted | .54 | | (.92) |
| Weighted Average Shares | | | |
| Outstanding - | | | |
| Basic | 13,859,000 | | 13,846,000 |
| Diluted | 14,032,000 | | 13,846,000 |

Contact: Jim Holland
(281) 749-7804

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EXHIBIT 99.2
 ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share amounts)

| | Three Months Ended | | Twelve Months | |
|---|--------------------|-------------------|----------------|-------------------|
| | September 30, | | September 30, | |
| | 2004 | 2003 | 2004 | 2003 |
| | (Unaudited) | | (Unaudited) | |
| REVENUES: | | | | |
| Contract drilling | \$40,553 | \$38,004 | \$161,074 | \$161,074 |
| Business interruption proceeds | 2,380 | 0 | 2,380 | 0 |
| | ----- | ----- | ----- | ----- |
| | \$42,933 | \$38,004 | \$163,454 | \$161,074 |
| | ----- | ----- | ----- | ----- |
| COSTS AND EXPENSES: | | | | |
| Contract drilling | 28,417 | 27,406 | 98,936 | 98,936 |
| Depreciation | 7,995 | 7,733 | 31,582 | 31,582 |
| General and administrative | 2,706 | 5,193 | 11,389 | 11,389 |
| | ----- | ----- | ----- | ----- |
| | 39,118 | 40,332 | 141,907 | 141,907 |
| | ----- | ----- | ----- | ----- |
| OPERATING INCOME | 3,815 | (2,328) | 21,547 | 21,547 |
| | ----- | ----- | ----- | ----- |
| OTHER INCOME (EXPENSE) | | | | |
| Interest expense | (2,204) | (2,064) | (9,202) | (9,202) |
| Interest income | 31 | 19 | 57 | 57 |
| | ----- | ----- | ----- | ----- |
| | (2,173) | (2,045) | (9,145) | (9,145) |
| | ----- | ----- | ----- | ----- |
| INCOME BEFORE INCOME TAXES | 1,642 | (4,373) | 12,402 | 12,402 |
| | ----- | ----- | ----- | ----- |
| PROVISION (BENEFIT) FOR INCOME TAXES | (1,702) | 9,884 | 4,815 | 4,815 |
| | ----- | ----- | ----- | ----- |
| NET INCOME (LOSS) | \$3,344 | (\$14,257) | \$7,587 | (\$11,713) |
| | ===== | ===== | ===== | ===== |
| EARNINGS (LOSS) PER SHARE | | | | |
| Basic | \$0.24 | (\$1.03) | \$0.55 | (\$1.03) |
| Diluted | \$0.24 | (\$1.03) | \$0.54 | (\$1.03) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | | |
| Basic | 13,869 | 13,848 | 13,859 | 13,848 |
| Diluted | 14,139 | 13,848 | 14,032 | 13,848 |

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EXHIBIT 99.3

ATWOOD OCEANICS, INC. AND SUBSIDIARIES
ANALYSIS OF CONTRACT REVENUES
AND DRILLING COSTS
(Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

| | CONTRACT DRILLING REVENUES | | CONTRACT DRILLING COSTS |
|-----------------------|----------------------------------|---------------|-------------------------------|
| | ----- | | ----- |
| | | (In Millions) | |
| ATWOOD BEACON | \$5.5 | | \$3.4 |
| ATWOOD EAGLE | 10.5 | | 6.6 |
| ATWOOD FALCON | 4.4 | | 5.3 |
| ATWOOD HUNTER | 5.3 | | 3.0 |
| ATWOOD SOUTHERN CROSS | 3.4 | | 2.7 |
| RICHMOND | 2.6 | | 2.0 |
| SEAHAWK | 4.6 | | 2.7 |
| VICKSBURG | 6.1 | | 1.8 |
| OTHER | 0.5 | | 0.9 |
| | ----- | | ----- |
| | \$42.9 | | \$28.4 |
| | ===== | | ===== |

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2004

| | CONTRACT DRILLING REVENUES | | CONTRACT DRILLING COSTS |
|-----------------------|----------------------------------|---------------|-------------------------------|
| | ----- | | ----- |
| | | (In Millions) | |
| ATWOOD BEACON | \$20.7 | | \$10.2 |
| ATWOOD EAGLE | 30.4 | | 20.7 |
| ATWOOD FALCON | 26.0 | | 15.1 |
| ATWOOD HUNTER | 19.4 | | 12.0 |
| ATWOOD SOUTHERN CROSS | 12.5 | | 12.3 |
| RICHMOND | 9.6 | | 7.9 |
| SEAHAWK | 18.6 | | 9.0 |
| VICKSBURG | 24.3 | | 8.3 |
| OTHER | 2.0 | | 3.4 |
| | ----- | | ----- |
| | \$163.5 | | \$98.9 |
| | ===== | | ===== |

EXHIBIT 99.4

ATWOOD OCEANICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

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(In thousands)

| | Sep. 30, 2004 | SEP. 30, 20 |
|---|---------------|-------------|
| | (Unaudited) | |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$16,416 | |
| Accounts receivable | 32,475 | |
| Insurance receivable | 25,433 | |
| Income tax receivable | 0 | |
| Inventories of materials and supplies at lower of average cost or market | 12,648 | |
| Deferred tax assets | 290 | |
| Prepaid expenses and other | 5,704 | |
| | 92,966 | |
| PROPERTY AND EQUIPMENT: | | |
| Drilling vessels, equipment and drill pipe | 618,824 | |
| Other | 7,635 | |
| | 626,459 | |
| Less-accumulated depreciation | 225,318 | |
| | 401,141 | |
| DEFERRED COSTS AND OTHER ASSETS | | |
| | 4,829 | |
| | \$498,936 | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Current maturities of notes payable | \$36,000 | |
| Accounts payable | 9,398 | |
| Accrued liabilities | 13,822 | |
| Deferred credits | 833 | |
| | 60,053 | |
| LONG-TERM NOTES PAYABLE, net of current maturities: | 145,000 | |
| | 145,000 | |
| OTHER LONG TERM LIABILITIES | | |

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| | |
|----------------------------|--------|
| Deferred income taxes | 18,930 |
| Deferred credits and other | 3,364 |
| | ----- |
| | 22,294 |
| | ----- |

SHAREHOLDERS' EQUITY:

| | |
|---|-----------|
| Preferred stock, no par value; 1,000,000 shares authorized, none outstanding | 0 |
| Common stock, \$1 par value, 20,000,000 shares authorized with 13,883,000 issued and outstanding | 13,883 |
| Paid-in capital | 57,907 |
| Retained earnings | 199,799 |
| | ----- |
| Total Shareholders' Equity | 271,589 |
| | ----- |
| | \$498,936 |
| | ===== |

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EXHIBIT 99.5
ATWOOD OCEANICS, INC. AND SUBSIDIARIES
CONTRACT STATUS SUMMARY
AT NOVEMBER 16, 2004

| NAME OF RIG ----- | LOCATION ----- | CUSTOMER ----- | CONTRACT STATUS ----- |
|----------------------|-------------------|---------------------------------------|---|
| SEMISUBMERSIBLES - | | | |
| ATWOOD FALCON | MALAYSIA | SARAWAK SHELL BERHAD ("SHELL") | The rig continues to work with the rig currently drilling firm wells after Shell exercises options provided under the contract. Currently anticipated to be completed in early 2005. One option remains under contract. Immediately upon completion of the contract, the rig will be moved to Japan for the program for Japan Energy for the drilling of these two wells. The drilling is expected to be completed approximately August 2005. |
| ATWOOD HUNTER | EGYPT | BURULLUS GAS CO. ("BURULLUS") | On December 31, 2003, the contract for Burullus was completed. The program for Burullus which includes six options will be a drilling program for sixteen wells. The drilling is expected to take until approximately August 2005. |
| ATWOOD EAGLE | AUSTRALIA | WOODSIDE ENERGY, LTD. ("WOODSIDE") | The rig has commenced drilling firm wells for Woodside. |

drilling program is expected to commence in November 2004 to complete the program. BHP Pty. ("BHP"), the rig's primary contractor, has granted three option wells to the rig. The completion of the Woodside program is subject to mutual agreement between the rig and BHP. BHP has exercised one of their three option wells. The drilling of this well to date has been the completion of the Woodside program to take approximately 30 days. BHP retains the right to drill the remaining two option wells on the rig. The rig has been awarded its current contract with BHP to drill two wells with option to drill two more wells on the coast of Australia. The completion of the firm wells is expected to commence in November 2004 to complete, and if all the option wells are drilled, the contract could extend to approximately 30 rigs current drilling contracts. BHP are expected to be completed by the end of 2005. The additional work on the rig is expected to commence until February 1, 2005.

SEAHAWK MALAYSIA SARAWAK SHELL BERHAD ("SHELL")

The rig has completed its current contract and has change-out at the Kemanan contract. The rig has commenced its two well program with Shell. The drilling program is expected to commence in late January 2005. The rig's current contract, is being completed by the end of 2005 as well as other areas of the rig.

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ATWOOD SOUTHERN CROSS MALAYSIA MURPHY SARAWAK OIL COMPANY, LTD. ("MURPHY")

The rig continues to work on the current contract with the rig currently drilling two firm wells with Murphy re completion of the contract. This contract is currently completed by the end of December 2004. The rig has been awarded a contract by Daewoo International Corp to drill two firm wells plus an option well offshore Myanmar. The rig is expected to commence immediately after completion of the current contract and is expected to take 90 days to complete.

SEASCOUT UNITED STATES GULF OF MEXICO

The SEASCOUT was purchased by Atwood Oceanics and converted to a tender-assessment rig. The rig is currently coldstacked at the yard.

CANTILEVER JACK-UPS -

VICKSBURG

MALAYSIA EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. ("EMEPMI")

In May 2004, the rig's contract was suspended and the rig moved to the yard. The rig's drilling program for Chevron was suspended. This program has been relocated back to the rig and the contract reinstated. The rig's current contract includes the five months of the contract suspended plus an extension of 12 months for a total of seventeen months. The rig is currently coldstacked at the yard. EMEPMI retains its right to drill the rig providing 120 days notice.

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ATWOOD BEACON

UNDER REPAIR AT
A SINGAPORE
SHIPYARD

The process of repairing ATWOOD BEACON on July 25, 2005. The rig is expected to be repaired by HOANG LONG and HOAN VU to drill three firm wells, with additional wells, offshore. The wells have a combined expected life of 200 days and if all option wells are drilled, the program must commence by April 15, 2005.

SUBMERSIBLE -

RICHMOND

UNITED STATES
GULF OF MEXICO

APPLIED DRILLING
TECHNOLOGY INC. ("ADTI")

The rig is currently drilling which was assigned from Helis ("Helis"). Upon completion, we have three firm wells to be drilled, retaining one option to be drilled. The drilling of the three firm wells is expected to take until February and if the option wells are drilled, the program could extend to June/July.

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MODULAR PLATFORMS -

GOODWYN 'A' /NORTH
RANKIN 'A'

AUSTRALIA

WOODSIDE ENERGY LTD.

There is currently an independent drilling activity for the Rankin 'A' managed by the Company. The program includes maintenance of the two rig programs.

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