

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

ATWOOD OCEANICS INC  
Form 8-K  
January 27, 2005

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

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

DATE OF EARLIEST EVENT REPORTED: January 27, 2005

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

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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 7.01 REGULATION FD DISCLOSURE

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On January 27, 2005, the Company announced its earnings for the Fiscal Year 2005 First Quarter ended December 31, 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 repairs to the ATWOOD BEACON in Singapore were completed as scheduled in January 2005. The rig has been relocated to Vietnam to work under a contract which should keep it employed into 2006.

The ATWOOD SOUTHERN CROSS has completed its drilling program for Murphy Sarawak Oil Company, Ltd. in Malaysia and is now being mobilized to Myanmar to commence work under its contract with Daewoo International Corporation ("Daewoo"). This contract provides for the drilling of two (2) firm wells, with an option to drill one (1) additional well. The Daewoo work is expected to take until May 2005 to complete. Following completion of the Daewoo work, the rig is expected to be idle up to four weeks for change out of certain equipment, some required inspections and general maintenance.

The SEAHAWK is currently drilling the second well under its two-well contract with Sarawak Shell Berhad ("Shell"). This drilling program is expected to be completed in late February/early March 2005. We are in serious discussion for work for the SEAHAWK to bridge most of the gap between the completion of its current work for Shell and its preparation for its contract commitment in 2006 for Amereda Hess Equatorial Guinea, Inc. offshore Equatorial Guinea. Based upon these discussions, the rig could incur up to 8 weeks idle time between completion of its current contract and commencement of its next contract in Southeast Asia.

Additional information with respect to the Company's Consolidated Statements of Operations for the three months ended December 31, 2004 and 2003, an analysis of Contract Revenues and Drilling Costs for the quarter ended December 31, 2004, Consolidated Balance Sheets at December 31, 2004 and September 30, 2004 and Contract Status Summary at January 27, 2005 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.

### ITEM 9.01 EXHIBITS

- EXHIBIT 99.1 PRESS RELEASE DATED JANUARY 27, 2005
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2003
- EXHIBIT 99.3 ANALYSIS OF REVENUES AND DRILLING COSTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2004
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2004 AND SEPTEMBER 30, 2004
- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT JANUARY 27, 2005

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

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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, 2004, 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: January 27, 2005

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### EXHIBIT INDEX

| EXHIBIT NO. | DESCRIPTION   |
|-------------|---|
| 99.1        | Press Release dated January 27, 2005  |
| 99.2        | Consolidated Statements of Operations for the Three Months ended December 31, 2004 and 2003 |
| 99.3        | Analysis of Revenues and Drilling Costs for the Three Months ended December 31, 2004        |
| 99.4        | Consolidated Balance Sheets at December 31, 2004 and September 30, 2004                     |
| 99.5        | Contract Status Summary at January 27, 2005   |

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### EXHIBIT 99.1

Houston, Texas  
27 January 2005

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FOR IMMEDIATE RELEASE

Atwood Oceanics, Inc., Houston-based international drilling contractor, announced today it earned net income of \$8,650,000 or \$.56 per diluted share, on revenues of \$45,426,000 for the quarter ended December 31, 2004, compared to a net loss of (\$1,904,000) or (\$.14) per diluted share, on revenues of \$35,325,000 for the quarter ended December 31, 2003.

Net income for the quarter ended December 31, 2004 was enhanced by a foreign tax refund of approximately \$1.6 million or \$.10 per diluted share. The tax position for the quarter was also enhanced by the approximate \$6 million of ATWOOD BEACON loss of hire insurance being received in a zero tax jurisdiction. Had the Company not received the \$1.6 million tax refund during the first quarter, effective tax rate for the quarter would have been around 15%.

|                                      | FOR THE THREE MONTHS ENDED DECEMBER 31, |              |
|--------------------------------------|---|--------------|
|                                      | 2004                                    | 2003         |
|                                      | -----                                   | -----        |
|                                      | (Unaudited)                             |              |
| Revenues                             | \$45,426,000                            | \$35,325,000 |
| Income (Loss) before Income Taxes    | 8,143,000                               | (64,000)     |
| (Provision) Benefit for Income Taxes | 507,000                                 | (1,840,000)  |
| Net Income (Loss)                    | 8,650,000                               | (1,904,000)  |
| Earnings (Loss) per Common Share -   |   |              |
| Basic                                | 0.57                                    | (0.14)       |
| Diluted                              | 0.56                                    | (0.14)       |
| Weighted Average Shares              |   |              |
| Outstanding -                        |   |              |
| Basic                                | 15,079,000                              | 13,852,000   |
| Diluted                              | 15,422,000                              | 13,852,000   |

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<br>December 31, |          |
|--------------------------------|------------------------------------|----------|
|                                | 2004                               | 2003     |
|                                | -----                              | -----    |
|                                | (Unaudited)                        |          |
| REVENUES:                      |                                    |          |
| Contract drilling              | \$38,986                           | \$35,325 |
| Business interruption proceeds | 6,440                              | -        |
|                                | -----                              | -----    |
|                                | 45,426                             | 35,325   |
|                                | -----                              | -----    |

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|                                      |         |           |
|--------------------------------------|---------|-----------|
| COSTS AND EXPENSES:                  |         |           |
| Contract drilling                    | 25,203  | 22,533    |
| Depreciation                         | 6,526   | 7,842     |
| General and administrative           | 3,571   | 2,688     |
|                                      | -----   | -----     |
|                                      | 35,300  | 33,063    |
|                                      | -----   | -----     |
| OPERATING INCOME                     | 10,126  | 2,262     |
|                                      | -----   | -----     |
| OTHER INCOME (EXPENSE)               |         |           |
| Interest expense                     | (2,018) | (2,334)   |
| Interest income                      | 35      | 8         |
|                                      | -----   | -----     |
|                                      | (1,983) | (2,326)   |
|                                      | -----   | -----     |
| INCOME (LOSS) BEFORE INCOME TAXES    | 8,143   | (64)      |
| PROVISION (BENEFIT) FOR INCOME TAXES | (507)   | 1,840     |
|                                      | -----   | -----     |
| NET INCOME (LOSS)                    | \$8,650 | (\$1,904) |
|                                      | =====   | =====     |
| EARNINGS (LOSS) PER COMMON SHARE:    |         |           |
| Basic                                | 0.57    | (0.14)    |
| Diluted                              | 0.56    | (0.14)    |
| AVERAGE COMMON SHARES OUTSTANDING:   |         |           |
| Basic                                | 15,079  | 13,852    |
| Diluted                              | 15,422  | 13,852    |

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EXHIBIT 99.3

ATWOOD OCEANICS, INC. AND SUBSIDIARIES  
ANALYSIS OF CONTRACT REVENUES  
AND DRILLING COSTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2004  
(Unaudited)

|                       | CONTRACT<br>DRILLING<br>REVENUES | CONTRACT<br>DRILLING<br>COSTS |
|-----------------------|----------------------------------|-------------------------------|
|                       | -----                            | -----                         |
|                       | (In Millions)                    |                               |
| ATWOOD EAGLE          | \$ 8.5                           | \$ 5.3                        |
| ATWOOD FALCON         | 7.7                              | 3.3                           |
| ATWOOD BEACON         | 6.4                              | 2.4                           |
| VICKSBURG             | 5.9                              | 2.5                           |
| ATWOOD HUNTER         | 5.6                              | 2.9                           |
| SEAHAWK               | 4.4                              | 2.4                           |
| ATWOOD SOUTHERN CROSS | 3.6                              | 3.0                           |
| RICHMOND              | 2.7                              | 2.0                           |
| OTHER                 | 0.6                              | 1.4                           |
|                       | -----                            | -----                         |

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\$45.4  
=====

\$25.2  
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EXHIBIT 99.4

ATWOOD OCEANICS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In thousands)

|   | DEC. 31, 2004 | SEP. 30, 2004 |
|---|---------------|---------------|
|   | (Unaudited)   |               |
| ASSETS  |               |               |
| CURRENT ASSETS:   |               |               |
| Cash and cash equivalents   | \$24,880      | \$16,416      |
| Accounts receivable   | 29,559        | 32,475        |
| Insurance receivable  | 9,820         | 25,433        |
| Inventories of materials and supplies<br>at lower of average cost or market | 13,506        | 12,648        |
| Deferred tax assets   | 40            | 290           |
| Prepaid expenses and other  | 4,352         | 5,704         |
|   | -----         | -----         |
| Total Current Assets  | 82,157        | 92,966        |
|   | -----         | -----         |
| PROPERTY AND EQUIPMENT:   |               |               |
| Drilling vessels, equipment and drill pipe                                  | 631,801       | 618,824       |
| Other   | 7,519         | 7,635         |
|   | -----         | -----         |
|   | 639,320       | 626,459       |
| Less-accumulated depreciation   | 231,730       | 225,318       |
|   | -----         | -----         |
| Net Property and Equipment  | 407,590       | 401,141       |
|   | -----         | -----         |
| DEFERRED COSTS AND OTHER ASSETS   | 3,502         | 4,829         |
|   | -----         | -----         |
|   | \$493,249     | \$498,936     |
|   | =====         | =====         |
| LIABILITIES AND SHAREHOLDERS'<br>EQUITY                                     |               |               |
| CURRENT LIABILITIES:  |               |               |
| Current maturities of notes payable   | \$36,000      | \$36,000      |
| Accounts payable  | 6,505         | 9,398         |
| Accrued liabilities   | 11,369        | 13,822        |
| Deferred Credits  | 333           | 833           |
|   | -----         | -----         |
| Total Current Liabilities   | 54,207        | 60,053        |

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|  |           |           |
|--|-----------|-----------|
| LONG-TERM NOTES PAYABLE,<br>net of current maturities:   | 81,000    | 145,000   |
|  | 81,000    | 145,000   |
| OTHER LONG TERM LIABILITIES  |           |           |
| Deferred income taxes  | 18,630    | 18,930    |
| Deferred credits and other   | 3,838     | 3,364     |
|  | 22,468    | 22,294    |
| SHAREHOLDERS' EQUITY:  |           |           |
| Preferred stock, no par value;<br>1,000,000 shares authorized, none outstanding                        | 0         | 0         |
| Common stock, \$1 par value, 20,000,000 shares<br>authorized with 15,110,000 issued and<br>outstanding | 15,110    | 13,873    |
| Paid-in capital  | 112,015   | 57,917    |
| Retained earnings  | 208,449   | 199,799   |
|  | 335,574   | 271,589   |
| Total Shareholders' Equity   | 335,574   | 271,589   |
|  | \$493,249 | \$498,936 |

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EXHIBIT 99.5  
ATWOOD OCEANICS, INC. AND SUBSIDIARIES  
CONTRACT STATUS SUMMARY  
AT JANUARY 27, 2005

| NAME OF RIG<br>-----<br>SEMISUBMERSIBLES -<br>----- | LOCATION<br>----- | CUSTOMER<br>-----                 | CONTRACT STATUS<br>-----  |
|---|-------------------|-----------------------------------|---|
| ATWOOD FALCON                                       | MALAYSIA          | SARAWAK SHELL BERHAD<br>("SHELL") | The rig continues to work with the rig currently drilling four-firm well commitment anticipated to be completed. The option remains under the rig until upon completion of the Shell program. The rig has moved to Japan to commence the Shell program. Japan Energy Development is currently drilling these two wells could take 2005 to complete. |
| ATWOOD HUNTER                                       | EGYPT             | BURULLUS GAS CO.<br>("BURULLUS")  | On December 31, 2003, the rig was in the program for Burullus which is currently drilling six options will be a drilling program.   |

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|                                |       |                                 |   |   |
|--------------------------------|-------|---------------------------------|---|---|
| ATWOOD                         | EAGLE | AUSTRALIA                       | BHP BILLITON PETROLEUM<br>("BHP")                                     | sixteen (16) wells. The d<br>wells is expected to take<br>August/October 2005 to co   |
|                                |       |                                 |   | The rig is currently drill<br>consecutive wells for BHP<br>until the end of February<br>Immediately upon completi<br>the rig will commence a c<br>Ltd. ("Woodside") to dri<br>options to drill three ad<br>of Australia. The drilli<br>expected to take approxim<br>complete, and if all the<br>Woodside work would be co<br>Upon completion of the Wo<br>rig will return to work f<br>well (expected to take 30<br>option to drill one (1) a |
| SEAHAWK                        |       | MALAYSIA                        | SARAWAK SHELL BERHAD<br>("SHELL")                                     | The rig is currently drill<br>its two-well contract wit<br>program is expected to be<br>February/early March 2005<br>contract by Amerada Hess<br>("Hess") to drill offshore<br>firm period of 730 days w<br>each. Additional work, t<br>completing of the Shell c<br>for its contract commitme<br>pursued in Southeast Asia   |
|                                |       |                                 |   | -10-  |
| ATWOOD SOUTHERN CROSS          |       | MALAYSIA                        | DAEWOO INTERNATIONAL<br>CORPORATION ("DAEWOO")                        | The rig is currently mobi<br>the Daewoo contract which<br>(2) firm wells plus an op<br>additional well. The fir<br>days to complete. The op<br>have a duration of approx<br>work, following the Daewo<br>in Southeast Asia as well  |
| SEASCOUT                       |       | UNITED STATES<br>GULF OF MEXICO |   | The SEASCOUT was purchase<br>conversion to a tender-as<br>SEAHAWK. There are curre<br>rig is currently coldstac   |
| CANTILEVER JACK-UPS -<br>----- |       |                                 |   |   |
| VICKSBURG                      |       | MALAYSIA                        | EXXONMOBIL EXPLORATION &<br>PRODUCTION MALAYSIA INC.<br>("EMEPMI")    | In October 2004, the rig<br>seventeen month program f<br>its right to terminate th<br>days notice.  |
| ATWOOD BEACON                  |       | VIETNAM                         | HOANG LONG AND HOAN VU<br>JOINT OPERATING COMPANIES<br>("HOANG LONG") | Repairs to the ATWOOD BEA<br>completed as scheduled in<br>been relocated to Vietnam<br>with Hoang Long which inc<br>(3) firm wells with optio   |

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additional wells. The th  
combined expected duratio  
option wells are drilled,  
another 200 days.

SUBMERSIBLE -  
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RICHMOND

UNITED STATES  
GULF OF MEXICO

HELIS OIL & GAS COMPANY  
("HELIS")

The rig is preparing to c  
well under the Helis cont  
this well, the rig will h  
drill for Helis, with Hel  
drill two (2) additional  
four firm wells is expect  
2005 to complete and if t  
the contract could extend

MODULAR PLATFORMS -  
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GOODWYN 'A' /NORTH  
RANKIN 'A'

AUSTRALIA

WOODSIDE ENERGY LTD.

There is currently an ind  
drilling activity for the  
managed by the Company.  
maintenance of the two ri  
programs.