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ATWOOD OCEANICS INC
Form 8-K
January 30, 2003

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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: January 30, 2003

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

COMMISSION FILE NUMBER 1-13167

TEXAS
(State or other jurisdiction of
incorporation or organization)

74-1611874
(I.R.S. Employer Identification No.)

15835 Park Ten Place Drive
Houston, Texas
(Address of principal executive offices)

77084
(Zip Code)

Registrant's telephone number, including area code:
281-749-7800
N/A

(Former name or former address, if changed since last report.)

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ITEM 7. EXHIBITS

- EXHIBIT 99.1 PRESS RELEASE DATED JANUARY 30, 2003
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2002 AND 2001
- EXHIBIT 99.3 ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR THE QUARTER ENDED DECEMBER 31, 2002
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2002 AND SEPTEMBER 30, 2002
- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT JANUARY 30, 2003

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ITEM 9. REGULATION FD DISCLOSURE

On January 30, 2003, the Company announced its earnings for the Fiscal Year 2003 First Quarter ended December 31, 2002. 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 RICHMOND has been awarded a contract by Ocean Energy, Inc. to drill three firm wells plus options for four additional wells. This drilling program will start immediately following completion of the rig's current contract (estimated mid-February 2003) and provides for a dayrate of \$24,000. The three firm wells have an estimated duration of 90 to 120 days

The ATWOOD EAGLE continues on its tow to Angola, with its arrival expected around February 18, 2003. The drilling contract with ESSO Exploration Angola is now being formalized and should provide for a dayrate of around \$85,000 and include a \$2.7 million mobilization payment. The drilling program which includes three firm wells, plus options for four additional wells, could extend approximately one year if all wells are drilled. Due to some limited final upgrade commissioning work that has to be done to the rig upon arrival in Angola, commencement of dayrate revenue may not occur until early to mid-March 2003.

The ATWOOD FALCON continues on its commitment with Woodside Energy Ltd. in Australia. The rig incurred six days of downtime in January between wells for planned maintenance. The rig has one more well to drill, with options for two additional wells, which if drilled could extend the rig's work in Australia into April 2003.

The ATWOOD HUNTER'S current drilling program in Egypt is expected to be completed in early to mid-February 2003. Contract opportunities for ongoing work are being pursued in the Mediterranean area; however, it is possible that the rig could be idle for the balance of the fiscal 2003 second quarter.

In the event that the ATWOOD EAGLE does not start drilling operations in Angola until mid-March 2003 and the ATWOOD HUNTER incurs some idle time in the fiscal 2003 second quarter, the Company could incur a loss for the quarter ending March 31, 2003, but still be profitable for the year.

Additional information with respect to the Company's Consolidated Statements of Operations for the three months ended December 31, 2002 and 2001, an analysis of Contract Revenues and Drilling Costs for the quarter ended December 31, 2002, Consolidated Balance Sheets at December 31, 2002 and September 30, 2002 and Contract Status Summary at January 30, 2003 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 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, 2002, filed

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with the Securities and Exchange Commission.

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 30, 2003

EXHIBIT INDEX

| EXHIBIT NO. | DESCRIPTION |
|-------------|---|
| 99.1 | Press Release dated January 30, 2003 |
| 99.2 | Consolidated Statements of Operations for the Three Months ended December 31, 2002 and 2001 |
| 99.3 | Analysis of Contract Revenues and Drilling Costs for the quarter ended December 31, 2002 |
| 99.4 | Consolidated Balance Sheets at December 31, 2002 and September 30, 2002 |
| 99.5 | Contract Status Summary at January 30, 2003 |

EXHIBIT 99.1

Houston, Texas
30 January 2003

FOR IMMEDIATE RELEASE

Atwood Oceanics, Inc., Houston-based International Drilling Contractor, announced today it earned net income of \$950,000 or \$.07 per diluted share, on contract revenues of \$29,841,000 for the quarter ended December 31, 2002, compared to net income of \$8,158,000 or \$.59 per diluted share on contract revenues of \$37,234,000 for the quarter ended December 31, 2001.

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| | FOR THE THREE MONTHS ENDED DECEMBER 31, | |
|-----------------------------|--|--------------|
| | 2002 | 2001 |
| | ---- | ---- |
| Contract Revenues | \$29,841,000 | \$37,234,000 |
| | ===== | ===== |
| Income before Income Taxes | 2,374,000 | 12,387,000 |
| Provision for Income Taxes | (1,424,000) | (4,229,000) |
| | ----- | ----- |
| Net Income | 950,000 | 8,158,000 |
| | ===== | ===== |
| Earnings per Common Share - | | |
| Basic | .07 | .59 |
| Diluted | .07 | .59 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 13,845,000 | 13,832,000 |
| Diluted | 13,912,000 | 13,912,000 |

Contact: Jim Holland
(281) 749-7804

EXHIBIT 99.2

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

| | Three Months Ended December 31, | |
|----------------------------|------------------------------------|----------|
| | 2002 | 2001 |
| | ---- | ---- |
| | (Unaudited) | |
| REVENUES: | | |
| Contract drilling | \$29,841 | \$37,234 |
| COSTS AND EXPENSES: | | |
| Contract drilling | 19,345 | 16,214 |
| Depreciation | 5,392 | 5,823 |
| General and administrative | 2,680 | 2,670 |
| | ----- | ----- |
| | 27,417 | 24,707 |
| | ----- | ----- |
| OPERATING INCOME | 2,424 | 12,527 |
| | ----- | ----- |
| OTHER INCOME (EXPENSE) | | |
| Interest expense | (113) | (203) |
| Interest income | 63 | 63 |
| | ----- | ----- |
| | (50) | (140) |
| | ----- | ----- |
| INCOME BEFORE INCOME TAXES | 2,374 | 12,387 |
| PROVISION FOR INCOME TAXES | 1,424 | 4,229 |
| | ----- | ----- |
| NET INCOME | \$ 950 | \$ 8,158 |

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| | ===== | ===== |
|------------------------------------|--------|--------|
| EARNINGS PER COMMON SHARE: | | |
| Basic | \$.07 | \$.59 |
| Diluted | .07 | .59 |
| AVERAGE COMMON SHARES OUTSTANDING: | | |
| Basic | 13,845 | 13,832 |
| Diluted | 13,912 | 13,912 |

EXHIBIT 99.3

ATWOOD OCEANICS, INC. AND SUBSIDIARIES
ANALYSIS OF CONTRACT REVENUES
AND DRILLING COSTS
FOR THE QUARTER ENDED DECEMBER 31, 2002
(Unaudited)

| | CONTRACT DRILLING REVENUES | CONTRACT DRILLING COSTS |
|-----------------------|----------------------------------|-------------------------------|
| | ----- | ----- |
| | (In Millions) | |
| ATWOOD FALCON | \$ 6.9 | \$ 4.1 |
| VICKSBURG | 6.4 | 2.5 |
| ATWOOD HUNTER | 6.4 | 3.5 |
| SEAHAWK | 5.3 | 2.4 |
| ATWOOD SOUTHERN CROSS | 2.3 | 3.8 |
| RICHMOND | 2.0 | 2.0 |
| ATWOOD EAGLE | 0.0 | 0.0 |
| OTHER | 0.5 | 1.0 |
| | ----- | ----- |
| | \$29.8 | \$19.3 |
| | ===== | ===== |

EXHIBIT 99.4

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

| | DEC. 31, 2002 (Unaudited) | SEP. 30, 2002 |
|---------------------------------------|------------------------------|---------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 15,631 | \$ 27,000 |
| Accounts receivable | 27,262 | 28,700 |
| Inventories of materials and supplies | | |

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| | | |
|--|-----------|---------|
| at lower of average cost or market | 8,982 | 9,1 |
| Deferred tax assets | 223 | 2 |
| Prepaid expenses | 4,809 | 6,6 |
| | ----- | ----- |
| Total Current Assets | 56,907 | 71,8 |
| | ----- | ----- |
| PROPERTY AND EQUIPMENT: | | |
| Drilling vessels, equipment and drill pipe | 617,929 | 583,2 |
| Other | 9,173 | 9,1 |
| | ----- | ----- |
| | 627,102 | 592,3 |
| | ----- | ----- |
| Less-accumulated depreciation | 229,362 | 224,0 |
| | ----- | ----- |
| Net Property and Equipment | 397,740 | 368,3 |
| | ----- | ----- |
| DEFERRED COSTS AND OTHER ASSETS | 8,109 | 4,3 |
| | ----- | ----- |
| | \$462,756 | \$444,5 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Current maturities of notes payable | \$ 3,212 | \$ 5,0 |
| Accounts payable | 5,426 | 5,5 |
| Accrued liabilities | 12,971 | 13,8 |
| | ----- | ----- |
| Total Current Liabilities | 21,609 | 24,4 |
| | ----- | ----- |
| LONG-TERM NOTES PAYABLE, net of current maturities: | 135,000 | 115,0 |
| | ----- | ----- |
| | 135,000 | 115,0 |
| | ----- | ----- |
| DEFERRED CREDITS: | | |
| Income taxes | 15,995 | 15,5 |
| Other | 13,069 | 13,4 |
| | ----- | ----- |
| | 29,064 | 28,9 |
| | ----- | ----- |
| SHAREHOLDER'S EQUITY | | |
| Preferred stock no par value; 1,000,000 shares authorized, none outstanding | --- | |
| Common stock, \$1 par value, 20,000,000 shares authorized with 13,845,000 issued and outstanding at Dec. 31, 2002 and Sep. 30, 2002, respectively | 13,845 | 13,8 |
| Paid-in capital | 57,274 | 57,2 |
| Retained earnings | 205,964 | 205,0 |
| | ----- | ----- |
| Total Shareholders' Equity | 277,083 | 276,1 |
| | ----- | ----- |
| | \$462,756 | \$444,5 |
| | ===== | ===== |

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EXHIBIT 99.5
 ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONTRACT STATUS SUMMARY
 AT JANUARY 30, 2003

| NAME OF RIG ----- SEMISUBMERSIBLES - ----- | LOCATION ----- | CUSTOMER ----- | CONTRACT STATUS ----- |
|---|---------------------------------|--|--|
| ATWOOD FALCON | AUSTRALIA | WOODSIDE ENERGY LTD. ("WOODSIDE") | The rig is drilling its t Woodside. Two additional on the contract, which, extend the rig's work in |
| ATWOOD HUNTER | EGYPT | GERMAN OIL & GAS EQYPT ("GERMAN OIL") | The rig is currently drill German Oil expected to be to mid-February 2003. Co for additional work are b Mediterranean Area. |
| ATWOOD EAGLE | IN TOW TO ANGOLA | ESSO EXPLORATION ANGOLA (BLOCK 15) LIMITED ("ESSO") | The Company has a commitm enter into a contract for to drill three firm wells four additional wells, of Angola. The rig is expect around February 18, 2003; commence dayrate revenue mid- March 2003. If all drilled, it could take ap to complete the drilling |
| SEAHAWK | MALAYSIA | EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. | The rig's current contrac December 2003, with an op Operator to extend. |
| ATWOOD SOUTHERN CROSS | MEDITERRANEAN SEA | ENI S.P.A. - AGIP DIVISION ("AGIP") | The rig commenced the AGI December 2002, with the w three to five months to c |
| SEASCOUT | UNITED STATES GULF OF MEXICO | | The SEASCOUT was purchase for future conversion to unit, similar to the SEAH acceptable contract oppor |
| CANTILEVER JACK-UPS - ----- VICKSBURG | MALAYSIA | EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC. ("EMEPMI") | In early October 2002, th two-year drilling program EMEPMI for one additional having the right to termi program after one year at 120 days notice period. |

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| | | |
|--|---------------------------------|---|
| ATWOOD BEACON | UNDER CONSTRUCTION | The Company expects the c ultra-premium jack-up dri completed around June 200 |
| SUBMERSIBLE - ----- | | |
| RICHMOND | UNITED STATES GULF OF MEXICO | BURLINGTON RESOURCES OIL & GAS COMPANY ("BURLINGTON") |
| The rig is currently drill Burlington. Immediately its current contract, the a three-firm wells, plus contract for Ocean Energy firm wells have an estima | | |
| MODULAR PLATFORMS - ----- | | |
| GOODWYN 'A' /NORTH RANKIN 'A' | AUSTRALIA | WOODSIDE ENERGY LTD. |
| There is currently an ind break in drilling activit client-owned rigs managed The Company is involved i two rigs for future drill | | |