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ATWOOD OCEANICS INC
Form 8-K
July 29, 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: July 29, 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 JULY 29, 2003
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2003 AND 2002
- EXHIBIT 99.3 ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2003
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT JUNE 30, 2003 AND SEPTEMBER 30, 2002
- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT JULY 29, 2003

ITEM 9. REGULATION FD DISCLOSURE

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On July 29, 2003, the Company announced its earnings for the Fiscal Year 2003 Third Quarter ended June 30, 2003. 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.

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 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: July 29, 2003

EXHIBIT INDEX

| EXHIBIT NO. | DESCRIPTION |
|-------------|---|
| 99.1 | Press Release dated July 29, 2003 |
| 99.2 | Consolidated Statements of Operations for the Three Months and Nine Months ended June 30, 2003 and 2002 |

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- 99.3 Analysis of Contract Revenues and Drilling Costs for the Three Months and Nine Months ended June 30, 2003
- 99.4 Consolidated Balance Sheets at June 30, 2003 and September 30, 2002
- 99.5 Contract Status Summary at July 29, 2003

EXHIBIT 99.1

Houston, Texas
29 July 2003

FOR IMMEDIATE RELEASE

Atwood Oceanics, Inc., Houston-based International Drilling Contractor, announced today that the Company reported a net loss of \$82,000 or \$.01 per diluted share, on contract revenues of \$41,847,000 for the quarter ended June 30, 2003, compared to net income of \$6,132,000 or \$.44 per diluted share on contract revenues of \$37,402,000 for the quarter ended June 30, 2002. For the nine months ended June 30, 2003, the Company earned net income of \$1,455,000 or \$.10 per diluted share, on contract revenues of \$106,761,000 compared to net income of \$21,120,000 or \$1.51 per diluted share, on contract revenues of \$118,376,000 for the nine months ended June 30, 2002.

| | FOR THE THREE MONTHS ENDED JUNE 30, 2003 | 2002 |
|-----------------------------|---|--------------|
| | ----- | ----- |
| Contract Revenues | \$ 41,847,000 | \$37,402,000 |
| | ===== | ===== |
| Income before Income Taxes | 2,207,000 | 9,174,000 |
| Provision for Income Taxes | (2,289,000) | (3,042,000) |
| | ----- | ----- |
| Net Income | (82,000) | 6,132,000 |
| | ===== | ===== |
| Earnings per Common Share - | | |
| Basic | (.01) | .44 |
| Diluted | (.01) | .44 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 13,847,000 | 13,843,000 |
| Diluted | 13,902,000 | 14,048,000 |

| | FOR THE NINE MONTHS ENDED JUNE 30, 2003 | 2002 |
|-----------------------------|--|---------------|
| | ----- | ----- |
| Contract Revenues | \$106,761,000 | \$118,376,000 |
| | ===== | ===== |
| Income before Income Taxes | 6,009,000 | 32,276,000 |
| Provision for Income Taxes | (4,554,000) | (11,156,000) |
| | ----- | ----- |
| Net Income | 1,455,000 | 21,120,000 |
| | ===== | ===== |
| Earnings per Common Share - | | |

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| | | |
|-------------------------|------------|------------|
| Basic | .11 | 1.53 |
| Diluted | .10 | 1.51 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 13,846,000 | 13,839,000 |
| Diluted | 13,903,000 | 13,984,000 |

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 June 30, | | Nine M J |
|----------------------------|--------------------------------|-----------|-------------|
| | 2003 | 2002 | 2003 |
| | (Unaudited) | | (U |
| REVENUES: | | | |
| Contract drilling | \$ 41,847 | \$ 37,402 | \$106,761 |
| COSTS AND EXPENSES: | | | |
| Contract drilling | 27,635 | 19,493 | 71,094 |
| Depreciation | 6,783 | 5,958 | 18,025 |
| General and administrative | 3,023 | 2,336 | 8,822 |
| | 37,441 | 27,787 | 97,941 |
| OPERATING INCOME | 4,406 | 9,615 | 8,820 |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (2,239) | (501) | (2,950) |
| Interest income | 40 | 60 | 139 |
| | (2,199) | (441) | (2,811) |
| INCOME BEFORE INCOME TAXES | 2,207 | 9,174 | 6,009 |
| PROVISION FOR INCOME TAXES | 2,289 | 3,042 | 4,554 |
| NET INCOME | \$ (82) | \$ 6,132 | \$ 1,455 |
| EARNINGS PER SHARE | | | |

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| | | | |
|---|----------|--------|--------|
| Basic | \$ (.01) | \$.44 | \$.11 |
| Diluted | \$ (.01) | \$.44 | \$.10 |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | |
| Basic | 13,847 | 13,843 | 13,846 |
| Diluted | 13,902 | 14,048 | 13,903 |

EXHIBIT 99.3

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

FOR THE THREE MONTHS ENDED JUNE 30, 2003

| | CONTRACT DRILLING REVENUES ----- | (In Millions) | CONTRACT DRILLING COSTS ----- |
|-----------------------|---|---------------|--|
| ATWOOD FALCON | \$ 9.6 | | \$ 5.8 |
| ATWOOD EAGLE | 7.7 | | 6.8 |
| VICKSBURG | 6.3 | | 2.2 |
| SEAHAWK | 5.9 | | 2.2 |
| ATWOOD SOUTHERN CROSS | 4.9 | | 3.9 |
| ATWOOD HUNTER | 4.8 | | 3.3 |
| RICHMOND | 2.2 | | 2.2 |
| OTHER | 0.4 | | 1.2 |
| | ----- | | ----- |
| | \$41.8 | | \$27.6 |
| | ===== | | ===== |

FOR THE NINE MONTHS ENDED JUNE 30, 2003

| | CONTRACT DRILLING REVENUES ----- | (In Millions) | CONTRACT DRILLING COSTS ----- |
|-----------------------|---|---------------|--|
| ATWOOD FALCON | \$25.4 | | \$15.5 |
| VICKSBURG | 18.6 | | 7.0 |
| SEAHAWK | 16.9 | | 7.6 |
| ATWOOD HUNTER | 14.8 | | 10.1 |
| ATWOOD SOUTHERN CROSS | 12.8 | | 11.9 |
| ATWOOD EAGLE | 10.6 | | 8.9 |
| RICHMOND | 6.3 | | 6.3 |
| OTHER | 1.4 | | 3.8 |

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| | |
|---------|--------|
| ----- | ----- |
| \$106.8 | \$71.1 |
| ===== | ===== |

EXHIBIT 99.4
 ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (In thousands)

| | JUN. 30, 2003 (Unaudited) | SEP. 30, 2002 |
|---|------------------------------|---------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$12,950 | \$27,055 |
| Accounts receivable | 33,260 | 28,776 |
| Inventories of materials and supplies at lower of average cost or market | 11,757 | 9,134 |
| Deferred tax assets | 223 | 223 |
| Prepaid expenses | 1,757 | 6,625 |
| Total Current Assets | 59,947 | 71,813 |
| PROPERTY AND EQUIPMENT: | | |
| Drilling vessels, equipment and drill pipe | 658,055 | 583,241 |
| Other | 9,226 | 9,156 |
| | 667,281 | 592,397 |
| Less-accumulated depreciation | 230,669 | 224,000 |
| Net Property and Equipment | 436,612 | 368,397 |
| DEFERRED COSTS AND OTHER ASSETS | | |
| | 10,702 | 4,320 |
| | \$507,261 | \$444,530 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Current maturities of notes payable | \$18,121 | \$5,023 |
| Accounts payable | 3,752 | 5,584 |
| Accrued liabilities | 8,801 | 13,809 |
| Total Current Liabilities | 30,674 | 24,416 |
| LONG-TERM NOTES PAYABLE, net of current maturities: | | |
| | 172,000 | 115,000 |
| | 172,000 | 115,000 |
| OTHER LIABILITIES | | |
| Deferred tax liabilities | 16,420 | 15,545 |

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| | | |
|--|-----------|-----------|
| Deferred credits | 10,569 | 13,436 |
| | ----- | ----- |
| | 26,989 | 28,981 |
| | ----- | ----- |
| SHAREHOLDERS' EQUITY: | | |
| Preferred stock, no par value; 1,000,000 shares authorized, none outstanding | 0 | 0 |
| Common stock, \$1 par value, 20,000,000 shares authorized with 13,847,000 and 13,845,000 issued and outstanding as of June 30, 2003 and September 30, 2002, respectively | 13,847 | 13,845 |
| Paid-in capital | 57,282 | 57,274 |
| Retained earnings | 206,469 | 205,014 |
| | ----- | ----- |
| Total Shareholders' Equity | 277,598 | 276,133 |
| | ----- | ----- |
| | \$507,261 | \$444,530 |
| | ===== | ===== |

EXHIBIT 99.5
ATWOOD OCEANICS, INC. AND SUBSIDIARIES
CONTRACT STATUS SUMMARY
AT JULY 29, 2003

| NAME OF RIG ----- | LOCATION ----- | CUSTOMER ----- | CONTRACT STATUS ----- |
|-----------------------------|-------------------|---|---|
| SEMISUBMERSIBLES - ----- | | | |
| ATWOOD FALCON | MALAYSIA | MURPHY SABAH OIL CO. AND SARAWAK SHELL | The rig has commenced a d Malaysia to drill one wel Oil Co and one well for S drilling of these wells s 100 and 140 days to compl option to drill one addit later date. Following co in Malaysia, the rig will to drill two wells estima 120 days to complete. |
| ATWOOD HUNTER | EGYPT | | The rig is currently stac waiting for its next cont There are short-term cont for the rig commencing in October 2003. Future con for additional work are b Mediterranean area, as we of the Mediterranean. |
| ATWOOD EAGLE | ANGOLA | ESSO EXPLORATION ANGOLA (BLOCK 15) LIMITED ("ESSO") | The rig is preparing to o of the third well of a fi contract with ESSO off th ESSO has options for four |

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| | | | |
|---|------------------------------|--|--|
| | | | <p>If no option wells are drilled, the rig could terminate around the end of the year in early September 2003. Contract options for additional work in Africa and other areas in West Africa are being evaluated.</p> |
| SEAHAWK | MALAYSIA | EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. ("EMEPMI") | <p>The rig's current contract expires in December 2004, with an option for the Operator to extend. EMEPMI has the right to terminate the contract after 90 days of the first six months of the contract period (which commences in December 2004) with 120 days written notice.</p> |
| ATWOOD SOUTHERN CROSS | MEDITERRANEAN SEA | EDISON GAS S.p.A. ("EDISON") | <p>The rig is contracted to complete three plug and abandonment operations expected to be completed in late 2003. The rig is currently in the Mediterranean following the completion of its current contract. The rig is expected to be in Egypt while waiting for a future opportunity. Contract options for future work are being pursued in the Mediterranean area, as well as in other areas of the Mediterranean.</p> |
| SEASCOUT | UNITED STATES GULF OF MEXICO | | <p>The SEASCOUT was purchased in 2002 for future conversion to a drilling unit, similar to the SEAHAWK. The rig is currently on an acceptable contract opportunity in the Gulf of Mexico. The rig is currently cold stack.</p> |
| CANTILEVER JACK-UPS - ----- VICKSBURG | MALAYSIA | EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. | <p>In October 2002, the rig was awarded a drilling program (with an option for one additional year), and the right to terminate the contract after one year with at least 90 days notice period.</p> |
| ATWOOD BEACON | SINGAPORE | | <p>The final commissioning of the rig continues on schedule. The completion of the construction was completed in late 2003, with equipment commissioning testing currently being completed. Following completion and testing, the rig and third-party equipment were moved to Malaysia around late 2003 to drill three wells plus options for additional wells for Murphy Oil Company Ltd. The three firm wells are expected to be completed in early October 2004. Opportunities for additional work, including completion of the Murphy contract, are being pursued.</p> |
| SUBMERSIBLE - ----- RICHMOND | UNITED STATES GULF OF MEXICO | SPINNAKER EXPLORATION COMPANY, L.L.C. | <p>The rig is currently working on a one-well, plus options for additional wells contract for Spinnaker Company, L.L.C. The one-well contract is currently being completed.</p> |

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MODULAR PLATFORMS -

GOODWYN 'A' /NORTH
RANKIN 'A'

AUSTRALIA

WOODSIDE ENERGY LTD.

expected to be completed
third week of August 2003

There is currently an ind
break in drilling activit
client-owned rigs managed
The Company is involved i
two rigs for future drill