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ATWOOD OCEANICS INC
Form 8-K
April 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: April 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 APRIL 29, 2003
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND SIX MONTHS ENDED MARCH 31, 2003 AND 2002
- EXHIBIT 99.3 ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR THE THREE MONTHS AND SIX MONTHS ENDED MARCH 31, 2003
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT MARCH 31, 2003 AND SEPTEMBER 30, 2002

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EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT APRIL 29, 2003

ITEM 9. REGULATION FD DISCLOSURE

On April 29, 2003, the Company announced its earnings for the Fiscal Year 2003 Second Quarter ended March 31, 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.

The ATWOOD FALCON is drilling the sixth well of an eight well contract with Woodside. The contract is estimated to be completed in June 2003. Immediately upon completion of its work in Australia, the rig will be moved to Malaysia to drill one well for Sarawak Shell. The drilling of the well should commence around July 1, 2003 and should take approximately 60 days to complete, with a dayrate of \$83,000.

The ATWOOD HUNTER is currently drilling one well for Burullus Gas Company, which should take until mid-May 2003 to complete. Upon completion of this well, the rig will move to Israel to drill one well for Samedan, Mediterranean Sea ("Samedan"). The Samedan well should take until the end of July 2003 to complete and will have a dayrate of \$80,000.

The RICHMOND is drilling the first of two firm wells for Ocean Energy, Inc. These wells should take until the end of June 2003 to complete and will have a dayrate of \$24,000.

The construction of the ATWOOD BEACON continues on schedule. The shipyard portion of the construction should be completed by May 2003; additional equipment commissioning and testing may be carried out until July 2003 depending on the schedule for commencing operations. The Company is in discussion for a short-term contract for the rig to commence operation in July/August 2003.

Additional information with respect to the Company's Consolidated Statements of Operations for the three months ended March 31, 2003 and 2002, an analysis of Contract Revenues and Drilling Costs for the quarter ended March 31, 2003, Consolidated Balance Sheets at March 31, 2003 and September 30, 2002 and Contract Status Summary at April 29, 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 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: April 29, 2003

EXHIBIT INDEX

| EXHIBIT NO. | DESCRIPTION |
|-------------|---|
| 99.1 | Press Release dated April 29, 2003 |
| 99.2 | Consolidated Statements of Operations for the Three Months and Six Months ended March 31, 2003 and 2002 |
| 99.3 | Analysis of Contract Revenues and Drilling Costs for the Three Months and Six Months ended March 31, 2003 |
| 99.4 | Consolidated Balance Sheets at March 31, 2003 and September 30, 2002 |
| 99.5 | Contract Status Summary at April 29, 2003 |

EXHIBIT 99.1

Houston, Texas
29 April 2003

FOR IMMEDIATE RELEASE

Atwood Oceanics, Inc., Houston-based International Drilling Contractor, announced today that the Company earned net income of \$587,000 or \$.04 per diluted share, on contract revenues of \$35,073,000 for the quarter ended March 31, 2003, compared to net income of \$6,830,000 or \$.49 per diluted share on contract revenues of \$43,740,000 for the quarter ended March 31, 2002. For the

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six months ended March 31, 2003, the Company earned net income of \$1,537,000 or \$.11 per diluted share, on contract revenues of \$64,914,000 compared to net income of \$14,988,000 or \$1.07 per diluted share, on contract revenues of \$80,974,000 for the six months ended March 31, 2002.

| | FOR THE THREE MONTHS ENDED MARCH 31, 2003 | 2002 |
|-----------------------------|--|--------------|
| | ----- | ----- |
| Contract Revenues | \$35,073,000 | \$43,740,000 |
| | ===== | ===== |
| Income before Income Taxes | 1,428,000 | 10,715,000 |
| Provision for Income Taxes | (841,000) | (3,885,000) |
| | ----- | ----- |
| Net Income | 587,000 | 6,830,000 |
| | ===== | ===== |
| Earnings per Common Share - | | |
| Basic | .04 | .49 |
| Diluted | .04 | .49 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 13,845,000 | 13,834,000 |
| Diluted | 13,900,000 | 13,978,000 |

| | FOR THE SIX MONTHS ENDED MARCH 31, 2003 | 2002 |
|-----------------------------|--|--------------|
| | ----- | ----- |
| Contract Revenues | \$64,914,000 | \$80,974,000 |
| | ===== | ===== |
| Income before Income Taxes | 3,802,000 | 23,102,000 |
| Provision for Income Taxes | (2,265,000) | (8,114,000) |
| | ----- | ----- |
| Net Income | 1,537,000 | 14,988,000 |
| | ===== | ===== |
| Earnings per Common Share - | | |
| Basic | .11 | 1.08 |
| Diluted | .11 | 1.07 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 13,846,000 | 13,835,000 |
| Diluted | 13,903,000 | 13,948,000 |

Contact: Jim Holland
(281) 749-7804

EXHIBIT 99.2

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

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| | Three Months Ended March 31, | | Six M Mar |
|---|---------------------------------|------------------------------|------------------------------|
| | 2003 ----- (Unaudited) | 2002 ----- (Unaudited) | 2003 ----- (Unaudited) |
| REVENUES: | | | |
| Contract drilling | \$ 35,073 | \$ 43,740 | \$ 64,914 |
| COSTS AND EXPENSES: | | | |
| Contract drilling | 24,114 | 23,205 | 43,459 |
| Depreciation | 5,850 | 6,720 | 11,242 |
| General and administrative | 3,119 | 2,494 | 5,799 |
| | ----- | ----- | ----- |
| | 33,083 | 32,419 | 60,500 |
| | ----- | ----- | ----- |
| OPERATING INCOME | 1,990 | 11,321 | 4,414 |
| | ----- | ----- | ----- |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (598) | (683) | (711) |
| Interest income | 36 | 77 | 99 |
| | ----- | ----- | ----- |
| | (562) | (606) | (612) |
| INCOME BEFORE INCOME TAXES | 1,428 | 10,715 | 3,802 |
| PROVISION FOR INCOME TAXES | 841 | 3,885 | 2,265 |
| | ----- | ----- | ----- |
| NET INCOME | \$ 587 | \$ 6,830 | \$ 1,537 |
| | ===== | ===== | ===== |
| EARNINGS PER SHARE | | | |
| Basic | \$.04 | \$.49 | \$.11 |
| Diluted | \$.04 | \$.49 | \$.11 |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | |
| Basic | 13,845 | 13,834 | 13,846 |
| Diluted | 13,900 | 13,978 | 13,903 |

EXHIBIT 99.3

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

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(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2003

| | CONTRACT DRILLING REVENUES ----- | CONTRACT DRILLING COSTS ----- |
|-----------------------|---|--|
| | (In Millions) | |
| ATWOOD FALCON | \$ 8.9 | \$ 5.6 |
| VICKSBURG | 5.9 | 2.3 |
| SEAHAWK | 5.8 | 3.0 |
| ATWOOD SOUTHERN CROSS | 5.5 | 4.2 |
| ATWOOD HUNTER | 3.5 | 3.3 |
| ATWOOD EAGLE | 2.9 | 2.2 |
| RICHMOND | 2.1 | 2.0 |
| OTHER | 0.5 | 1.5 |
| | --- | --- |
| | \$35.1 | \$24.1 |
| | ===== | ===== |

FOR THE SIX MONTHS ENDED MARCH 31, 2003

| | CONTRACT DRILLING REVENUES ----- | CONTRACT DRILLING COSTS ----- |
|-----------------------|---|--|
| | (In Millions) | |
| ATWOOD FALCON | \$15.9 | \$ 9.7 |
| VICKSBURG | 12.3 | 4.8 |
| SEAHAWK | 11.0 | 5.4 |
| ATWOOD HUNTER | 9.9 | 6.8 |
| ATWOOD SOUTHERN CROSS | 7.9 | 8.0 |
| RICHMOND | 4.1 | 4.1 |
| ATWOOD EAGLE | 2.9 | 2.2 |
| OTHER | 0.9 | 2.5 |
| | --- | --- |
| | \$64.9 | \$43.5 |
| | ===== | ===== |

EXHIB

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

MAR. 31, 2003
(Unaudited)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents

\$15,266

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| | |
|---|-----------|
| Accounts receivable | 30,803 |
| Inventories of materials and supplies at lower of average cost or market | 10,632 |
| Deferred tax assets | 223 |
| Prepaid expenses | 3,239 |
| Total Current Assets | 60,163 |
| PROPERTY AND EQUIPMENT: | |
| Drilling vessels, equipment and drill pipe | 648,850 |
| Other | 9,204 |
| | 658,054 |
| Less-accumulated depreciation | 235,191 |
| Net Property and Equipment | 422,863 |
| DEFERRED COSTS AND OTHER ASSETS | 11,990 |
| | \$495,016 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | |
| CURRENT LIABILITIES: | |
| Current maturities of notes payable | \$1,430 |
| Accounts payable | 3,028 |
| Accrued liabilities | 11,599 |
| Total Current Liabilities | 16,057 |
| LONG-TERM NOTES PAYABLE, net of current maturities: | 172,500 |
| | 172,500 |
| OTHER LIABILITIES | |
| Deferred tax liabilities | 15,895 |
| Deferred credits | 12,884 |
| | 28,779 |
| 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 13,847,000 and 13,845,000 issued and outstanding as of March 31, 2003 and September 30, 2002, respectively | 13,847 |
| Paid-in capital | 57,282 |
| Retained earnings | 206,551 |
| Total Shareholders' Equity | 277,680 |
| | \$495,016 |

EXHIBIT 99.5

ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONTRACT STATUS SUMMARY
 AT APRIL 29, 2003

| NAME OF RIG ----- SEMISUBMERSIBLES - ----- | LOCATION ----- | CUSTOMER ----- | CONTRACT STATUS ----- |
|---|----------------------|---|---|
| ATWOOD FALCON | AUSTRALIA | WOODSIDE ENERGY LTD. ("WOODSIDE") | The rig is drilling its s eight well contract with contract is estimated to 2003. Following completi moved to Malaysia to dril Sarawak Shell. The drill should commence around Ju should take approximately |
| ATWOOD HUNTER | EGYPT | BURULLUS GAS COMPANY ("BURULLUS") | The rig is currently dril Burullus which is expecte May 2003. Following comp Burullus work, the rig wi Israel to drill one well Mediterranean Sea ("Samed well is estimated to take complete, with Samedan ha drill one additional well |
| ATWOOD EAGLE | ANGOLA | ESSO EXPLORATION ANGOLA (BLOCK 15) LIMITED ("ESSO") | The Company has executed for the use of the rig to wells, plus options for f wells, off the coast of A arrived in Angola on Febr commenced drilling operat 2003. It should take fiv drill the three firm well |
| SEAHAWK | MALAYSIA | EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. | The rig's current contract December 2003, with an op Operator to extend. |
| ATWOOD SOUTHERN CROSS | MEDITERRANEAN SEA | ENI S.P.A. - AGIP DIVISION ("AGIP") | The rig is drilling the 1 contract with AGIP, which completed in early May 20 opportunities for additio completion of the AGIP we pursued in the Mediterran |

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| | | |
|---|---------------------------------|---|
| SEASCOUT | UNITED STATES GULF OF MEXICO | The SEASCOUT was purchased for future conversion to unit, similar to the SEAH acceptable contract oppor The rig is currently cold |
| CANTILEVER JACK-UPS - ----- | | |
| VICKSBURG | MALAYSIA | EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC. ("EMEPMI") |
| In early October 2002, the two-year drilling program EMEPMI for one additional having the right to termi program after one year at days notice period. | | |
| ATWOOD BEACON | UNDER CONSTRUCTION | The construction of the A continues on schedule. T of the construction should May 2003; additional equi and testing may be carri 2003 depending on the sch operations. The Company a short-term contract for operation in July/August |
| SUBMERSIBLE - ----- | | |
| RICHMOND | UNITED STATES GULF OF MEXICO | OCEAN ENERGY, INC. |
| The rig is currently drill two firm wells for Ocean two wells should take unt 2003 to complete. Ocea four option wells under t contract contains a 30-da provision. | | |
| 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 | | |