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ATWOOD OCEANICS INC
Form 8-K
January 27, 2005

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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 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

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 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 DRILLING REVENUES	CONTRACT DRILLING 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 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' 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, 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; 1,000,000 shares authorized, none outstanding	0	0
Common stock, \$1 par value, 20,000,000 shares authorized with 15,110,000 issued and outstanding	15,110	13,873
Paid-in capital	112,015	57,917
Retained earnings	208,449	199,799
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 ----- SEMISUBMERSIBLES - -----	LOCATION -----	CUSTOMER -----	CONTRACT STATUS -----
ATWOOD FALCON	MALAYSIA	SARAWAK SHELL BERHAD ("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 Japan Energy Development program. These two wells could take 2005 to complete.
ATWOOD HUNTER	EGYPT	BURULLUS GAS CO. ("BURULLUS")	On December 31, 2003, the program for Burullus which includes six options will be a drilling program.

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

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

SUBMERSIBLE -

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 -

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.