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ATWOOD OCEANICS INC
Form 8-K
July 28, 2005

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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 28, 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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-1-

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On July 28, 2005, the Company announced its earnings for the Fiscal Year

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2005 Third Quarter ended June 30, 2005. 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.

Additional information with respect to the Company's consolidated statements of operations for the three months and nine months ended June 30, 2005 and 2004, an analysis of revenues and contract drilling costs for the three months and nine months ended June 30, 2005 and consolidated balance sheets at June 30, 2005 and September 30, 2004 are attached hereto as Exhibits 99.2, 99.3 and 99.4, respectively, which are being furnished; however, should not be deemed to be filed under Section 18 of the Exchange Act.

ITEM 7.01 REGULATION FD DISCLOSURE

The ATWOOD FALCON is currently working under a two-firm well program for Japan Energy Development Co., Ltd., which is expected to take until September/October 2005 to complete. Upon completion of this contract, the rig will be moved back to Malaysia to drill thirteen (13) firm wells for Sarawak Shell, after Shell exercised its option to drill six (6) additional wells. The drilling of the thirteen (13) firm wells is expected to extend into the second half of fiscal year 2007.

Additional information with respect to the Company's Contract Status Summary at July 28, 2005 is attached hereto as Exhibit 99.5. Such information is being furnished under Regulation FD and should not be deemed to be filed under Section 18 of the Exchange Act.

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 including; 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's annual report on Form 10-K for the year ended September 30, 2004, filed with the Securities and Exchange Commission.

ITEM 9.01 EXHIBITS

- EXHIBIT 99.1 PRESS RELEASE DATED JULY 28, 2005
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2005 AND 2004
- EXHIBIT 99.3 ANALYSIS OF REVENUES AND CONTRACT DRILLING COSTS FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2005
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT JUNE 30, 2005 AND SEPTEMBER 30, 2004

-2-

- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT JULY 28, 2005

-3-

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 28, 2005

-4-

EXHIBIT INDEX

| EXHIBIT NO. | DESCRIPTION |
|-------------|---|
| 99.1 | Press Release dated July 28, 2005 |
| 99.2 | Consolidated Statements of Operations for the Three Months and Nine Months ended June 30, 2005 and 2004 |
| 99.3 | Analysis of Revenues and Drilling Costs for the Three Months and Nine Months ended June 30, 2005 |
| 99.4 | Consolidated Balance Sheets at June 30, 2005 and September 30, 2004 |
| 99.5 | Contract Status Summary at July 28, 2005 |

-5-

EXHIBIT 99.1

Houston, Texas
28 July 2005

FOR IMMEDIATE RELEASE

Atwood Oceanics, Inc., Houston-based International Drilling Contractor,

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announced today that the Company earned net income of \$5,989,000 or \$.38 per diluted share, on revenues of \$43,589,000 for the quarter ended June 30, 2005, compared to net income of \$5,685,000 or \$.40 per diluted share, on revenues of \$48,386,000 for the quarter ended June 30, 2004. For the nine months ended June 30, 2005, the Company earned net income of \$19,350,000 or \$1.24 per diluted share, on revenues of \$130,032,000 compared to net income of \$4,243,000 or \$.30 per diluted share, on revenues of \$120,521,000 for the nine months ended June 30, 2004.

| | FOR THE THREE MONTHS ENDED JUNE 30, 2005 | 2004 |
|--------------------------------------|---|----------------|
| | ----- | ----- |
| Revenues | \$ 43,589,000 | \$ 48,386,000 |
| Income before Income Taxes | 5,933,000 | 8,589,000 |
| (Provision) Benefit for Income Taxes | 56,000 | (2,904,000) |
| Net Income | 5,989,000 | 5,685,000 |
| Earnings per Common Share - | | |
| Basic | 0.39 | 0.41 |
| Diluted | 0.38 | 0.40 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 15,242,000 | 13,860,000 |
| Diluted | 15,650,000 | 14,073,000 |
| | | |
| | FOR THE NINE MONTHS ENDED JUNE 30, 2005 | 2004 |
| | ----- | ----- |
| Revenues | \$ 130,032,000 | \$ 120,521,000 |
| Income before Income Taxes | 20,176,000 | 10,760,000 |
| Provision for Income Taxes | (826,000) | (6,517,000) |
| Net Income (Loss) | 19,350,000 | 4,243,000 |
| Earnings (Loss) per Common Share - | | |
| Basic | 1.27 | 0.31 |
| Diluted | 1.24 | 0.30 |
| Weighted Average Shares | | |
| Outstanding - | | |
| Basic | 15,178,000 | 13,858,000 |
| Diluted | 15,572,000 | 13,999,000 |

Contact: Jim Holland
(281) 749-7804

-6-

EXHIBIT 99.2

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

Three Months Ended

Nine Months Ended

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| | June 30, | | June 30, | |
|---|-------------|-----------|-------------|------------|
| | 2005 | 2004 | 2005 | 2004 |
| | (Unaudited) | | (Unaudited) | |
| REVENUES: | | | | |
| Contract drilling | \$ 43,589 | \$ 48,386 | \$ 122,376 | \$ 120,520 |
| Business interruption proceeds | - | - | 7,656 | - |
| | ----- | ----- | ----- | ----- |
| | 43,589 | 48,386 | 130,032 | 120,520 |
| | ----- | ----- | ----- | ----- |
| COSTS AND EXPENSES: | | | | |
| Contract drilling | 25,863 | 26,572 | 74,667 | 70,510 |
| Depreciation | 6,764 | 7,898 | 19,929 | 23,580 |
| General and administrative | 3,224 | 3,008 | 9,814 | 8,680 |
| | ----- | ----- | ----- | ----- |
| | 35,851 | 37,478 | 104,410 | 102,780 |
| | ----- | ----- | ----- | ----- |
| OPERATING INCOME | 7,738 | 10,908 | 25,622 | 17,730 |
| | ----- | ----- | ----- | ----- |
| OTHER INCOME (EXPENSE) | | | | |
| Interest expense | (1,913) | (2,330) | (5,658) | (6,990) |
| Interest income | 108 | 11 | 212 | 20 |
| | ----- | ----- | ----- | ----- |
| | (1,805) | (2,319) | (5,446) | (6,970) |
| | ----- | ----- | ----- | ----- |
| INCOME BEFORE INCOME TAXES | 5,933 | 8,589 | 20,176 | 10,760 |
| PROVISION (BENEFIT) FOR INCOME TAXES | (56) | 2,904 | 826 | 6,510 |
| | ----- | ----- | ----- | ----- |
| NET INCOME | \$5,989 | \$5,685 | \$19,350 | \$4,250 |
| | ===== | ===== | ===== | ===== |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic | \$0.39 | \$0.41 | \$1.27 | \$0.39 |
| Diluted | 0.38 | 0.40 | 1.24 | 0.39 |
| AVERAGE COMMON SHARES OUTSTANDING: | | | | |
| Basic | 15,242 | 13,860 | 15,178 | 13,850 |
| Diluted | 15,650 | 14,073 | 15,572 | 13,990 |

-7-

EXHIBIT 99.3

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

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FOR THE THREE MONTHS ENDED
JUNE 30, 2005

| | REVENUES | DRILLING COSTS |
|-----------------------|---------------|-------------------|
| | ----- | ----- |
| | (In Millions) | |
| ATWOOD EAGLE | \$ 8.7 | \$ 5.3 |
| ATWOOD FALCON | 7.7 | 3.9 |
| ATWOOD BEACON | 5.9 | 2.1 |
| VICKSBURG | 5.8 | 2.2 |
| ATWOOD HUNTER | 5.6 | 3.1 |
| SEAHAWK | 2.4 | 2.5 |
| ATWOOD SOUTHERN CROSS | 2.8 | 2.7 |
| RICHMOND | 3.0 | 2.5 |
| OTHER | 1.7 | 1.6 |
| | ----- | ----- |
| | 43.6 | 25.9 |
| | ===== | ===== |

FOR THE NINE MONTHS ENDED
JUNE 30, 2005

| | REVENUES | DRILLING COSTS |
|-----------------------|---------------|-------------------|
| | ----- | ----- |
| | (In Millions) | |
| ATWOOD EAGLE | \$ 26.7 | \$ 16.0 |
| ATWOOD FALCON | 20.8 | 10.0 |
| ATWOOD BEACON | 18.2 | 6.4 |
| VICKSBURG | 17.8 | 6.6 |
| ATWOOD HUNTER | 16.4 | 8.6 |
| SEAHAWK | 9.6 | 7.3 |
| ATWOOD SOUTHERN CROSS | 9.1 | 8.0 |
| RICHMOND | 8.3 | 6.6 |
| OTHER | 3.1 | 5.2 |
| | ----- | ----- |
| | 130.0 | 74.7 |
| | ===== | ===== |

-8-

EXHIBIT 99.4

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

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JUN. 30, 2005 SEP. 30, 2004
(Unaudited)

ASSETS

CURRENT ASSETS:

| | | |
|---------------------------------------|----------|----------|
| Cash and cash equivalents | \$26,018 | \$16,416 |
| Accounts receivable | 30,258 | 32,475 |
| Insurance receivable | 1,111 | 25,433 |
| Inventories of materials and supplies | 15,138 | 12,648 |
| Deferred tax assets | 20 | 290 |
| Prepaid expenses and other | 3,726 | 5,704 |
| | ----- | ----- |
| Total Current Assets | 76,271 | 92,966 |
| | ----- | ----- |

| | | |
|----------------------------|---------|---------|
| NET PROPERTY AND EQUIPMENT | 402,870 | 401,141 |
| | ----- | ----- |

| | | |
|---------------------------------|-------|-------|
| DEFERRED COSTS AND OTHER ASSETS | 3,611 | 4,829 |
| | ----- | ----- |

| | | |
|--|-----------|-----------|
| | \$482,752 | \$498,936 |
| | ===== | ===== |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

| | | |
|-------------------------------------|----------|----------|
| Current maturities of notes payable | \$36,000 | \$36,000 |
| Accounts payable | 5,436 | 9,398 |
| Accrued liabilities | 4,771 | 13,822 |
| Deferred Credits | 1,199 | 833 |
| | ----- | ----- |
| Total Current Liabilities | 47,406 | 60,053 |
| | ----- | ----- |

| | | |
|--|--------|---------|
| LONG-TERM NOTES PAYABLE, net of current maturities: | 63,000 | 145,000 |
| | ----- | ----- |
| | 63,000 | 145,000 |
| | ----- | ----- |

OTHER LONG TERM LIABILITIES

| | | |
|----------------------------|--------|--------|
| Deferred income taxes | 18,330 | 18,930 |
| Deferred credits and other | 2,454 | 3,364 |
| | ----- | ----- |
| | 20,784 | 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 15,242,000 issued and outstanding | 15,242 | 13,873 |
| Paid-in capital | 117,171 | 57,917 |
| Retained earnings | 219,149 | 199,799 |
| | ----- | ----- |
| Total Shareholders' Equity | 351,562 | 271,589 |
| | ----- | ----- |

| | | |
|--|-----------|-----------|
| | \$482,752 | \$498,936 |
|--|-----------|-----------|

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-9-

EXHIBIT 99.5
 ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONTRACT STATUS SUMMARY
 AT JULY 28, 2005

| NAME OF RIG ----- | LOCATION ----- | CUSTOMER ----- | CONTRACT STATUS ----- |
|-----------------------------|-------------------|--|--|
| SEMISUBMERSIBLES - ----- | | | |
| ATWOOD FALCON | JAPAN | JAPAN ENERGY DEVELOPMENT CO. LTD. | The rig is currently work program for Japan Energy drilling of these two wel September/October 2005 to completion of the Japan E return to Malaysia to dri for Sarawak Shell after S drill six (6) additional thirteen (13) firm wells the second half of fiscal |
| ATWOOD HUNTER | EGYPT | BURULLUS GAS CO. ("BURULLUS") | The rig continues to work drilling program for Buru take until November 2005 of the current drilling p working under a new drill which includes the drilli Burullus off the cost of take 150 to 270 days to c |
| ATWOOD EAGLE | AUSTRALIA | WOODSIDE ENERGY, LTD. ("WOODSIDE") | The rig is currently dril ten-well (10) program for Woodside drilling program from BHP Billiton Petrole drilling program includes option to drill one (1) a been awarded a second con (8) firm wells with optio wells off the Northwest c of the option wells are d and BHP drilling programs half of fiscal year 2007. |
| SEAHAWK | MALAYSIA | SARAWAK SHELL BERHAD / SABAH SHELL PETROLEUM COMPANY LIMITED ("SHELL") | The rig is currently work Shell under a contract th rig commences preparatio in 2006 for Amerada Hess ("Hess"). The Hess contr 730 days with four option |

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-10-

| | | | |
|---|---|--|---|
| ATWOOD SOUTHERN CROSS | ENROUTE TO THE MEDITERRAN-EAN SEA | BG INTERNATIONAL LIMITED ("BG") ISRAMCO ENI SpA AGIP EXPLORATION & PRODUCTION DIVISION ("AGIP") | The rig is in the process Mediterranean Sea. The r the Eastern Mediterranean will drill one well each expected to take until mi complete. Upon completin wells, the rig will enter 40 days for required insp certifications and equipm drilling two firm wells f AGIP having an option to If all three AGIP wells a until May/June 2006 to co |
| 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. The EMEPMI completed during the first 2006. Immediately, upon contract, the rig will co plus one (1) option well Exploration and Productio Myanmar. Including movin option well is drilled, t could extend approximatel |
| ATWOOD BEACON | VIETNAM | HOANG LONG AND HOAN VU JOINT OPERATING COMPANIES ("HOANG LONG") | The rig is currently work for Hoang Long which incl firm wells, with options wells. The drilling of t expected to take until Fe and if the two (2) remain the contract could extend |
| SUBMERSIBLE - ----- RICHMOND | UNITED STATES GULF OF MEXICO | HELIS OIL & GAS COMPANY ("HELIS") | The rig is currently drill Helis contract. Upon com will have five (5) additi Helis. The current drill keep the rig employed unt |

-11-

MODULAR PLATFORMS -

GOODWYN 'A' /NORTH
RANKIN 'A'

AUSTRALIA

WOODSIDE ENERGY LTD.

These are client-owned rigs. One rig is presently being refurbished and is expected to commence around March 2001. An indefinite planned break-in is planned for the GOODWYN 'A' rig. The Company is currently performing maintenance of these two rigs.

-12-