

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

ATWOOD OCEANICS INC
Form 8-K
July 29, 2004

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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, 2004

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

COMMISSION FILE NUMBER 1-13167

TEXAS 74-1611874
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

15835 Park Ten Place Drive 77084
Houston, Texas (Zip Code)
(Address of principal executive offices)

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, 2004
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND
NINE MONTHS ENDED JUNE 30, 2004 AND 2003
- EXHIBIT 99.3 ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR
THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2004
- EXHIBIT 99.4 CONSOLIDATED BALANCE SHEETS AT JUNE 30, 2004 AND
SEPTEMBER 30, 2003
- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT JULY 29, 2004

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ITEM 9. REGULATION FD DISCLOSURE

On July 29, 2004, the Company announced its earnings for the Fiscal Year 2004 Third Quarter ended June 30, 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 ATWOOD SOUTHERN CROSS has been awarded a contract by Daewoo International Corporation to drill two firm wells plus an option for one additional well offshore Myanmar. The contract provides for a dayrate of \$35,000 for the two firm wells and \$40,000 for the option well. The ATWOOD SOUTHERN CROSS is currently drilling a program for Murphy Sarawak Oil Company ("Murphy"). If Murphy exercises one more option, the Daewoo program will commence immediately upon the rig completing the Murphy work. The drilling of the two firm wells for Daewoo is estimated to take 60 to 80 days to complete.

It has been preliminarily determined that the ATWOOD BEACON has damage to all three legs and the derrick as a result of the previously announced (see Press Release dated July 26, 2004) incident on July 25, 2004, while positioning the rig for its next well in Indonesia. The Company's current plan, which is subject to further analysis and revision, is to remove the legs on location and then transport the rig and the legs to the builder's shipyard in Singapore for inspection and repairs. Presently, the Company is unable to determine the time necessary for repairs. The current contract for the rig had approximately 60 days remaining in its term. The Company is discussing the status of the contract with the operator; however, until the repair period for the rig is better defined, the Company is unable to comment on future contract plans and marketing options involving the rig.

The ATWOOD EAGLE is preparing to commence drilling its fifth well for BHP Billiton Petroleum, with BHP having an option to drill one more well prior to the rig commencing its drilling program for Woodside Energy, Ltd.

In the Company's conference call in April 2004, earnings for the fourth quarter of fiscal year 2004 were estimated to range between \$.25 and \$.35. Now with the ATWOOD BEACON incident and with the ATWOOD FALCON having no revenues for the entire month of July 2004 due to its quarters upgrade and planned maintenance and mobilization to its next drilling location, earnings for the fourth quarter of fiscal year 2004 is currently estimated to range between \$.05 and \$.10, with estimated earnings for the fiscal year being between \$.35 and \$.40.

Additional information with respect to the Company's Consolidated Statements of Operations for the three months and nine months ended June 30, 2004 and 2003, an analysis of Contract Revenues and Drilling Costs for the three months and nine months ended June 30, 2004, Consolidated Balance Sheets at June 30, 2004 and September 30, 2003 and Contract Status Summary at July 29, 2004 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

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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, 2003, 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, 2004

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Press Release dated July 29, 2004
99.2	Consolidated Statements of Operations for the Three Months and Nine Months ended June 30, 2004 and 2003
99.3	Analysis of Contract Revenues and Drilling Costs for the Three Months and Nine Months ended June 30, 2004
99.4	Consolidated Balance Sheets at June 30, 2004 and September 30, 2003
99.5	Contract Status Summary at July 29, 2004

EXHIBIT 99.1

Houston, Texas
29 July 2004

FOR IMMEDIATE RELEASE

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

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announced today that the Company earned net income of \$5,685,000 or \$.40 per diluted share, on contract revenues of \$48,386,000 for the quarter ended June 30, 2004, compared to 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. For the nine months ended June 30, 2004, the Company earned net income of \$4,243,000 or \$.30 per diluted share, on contract revenues of \$120,521,000 compared to net income of \$1,455,000 or \$.10 per diluted share, on contract revenues of \$106,761,000 for the nine months ended June 30, 2003.

	FOR THE THREE MONTHS ENDED JUNE 30, 2004	2003
	-----	-----
Contract Revenues	\$48,386,000	\$41,847,000
	=====	=====
Income before Income Taxes	8,589,000	2,207,000
Provision for Income Taxes	(2,904,000)	(2,289,000)
	-----	-----
Net Income	5,685,000	(82,000)
	=====	=====
Earnings per Common Share -		
Basic	.41	(.01)
Diluted	.40	(.01)
Weighted Average Shares		
Outstanding -		
Basic	13,860,000	13,847,000
Diluted	14,073,000	13,847,000

	FOR THE NINE MONTHS ENDED JUNE 30, 2004	2003
	-----	-----
Contract Revenues	\$120,521,000	\$106,761,000
	=====	=====
Income before Income Taxes	10,760,000	6,009,000
Provision for Income Taxes	(6,517,000)	(4,554,000)
	-----	-----
Net Income	4,243,000	1,455,000
	=====	=====
Earnings per Common Share -		
Basic	.31	.11
Diluted	.30	.10
Weighted Average Shares		
Outstanding -		
Basic	13,858,000	13,846,000
Diluted	13,999,000	13,903,000

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 June 30,		Nine Months June 30
	2004	2003	2004
	(Unaudited)		(Unaudi
REVENUES:			
Contract drilling	\$ 48,386	\$ 41,847	\$120,521
COSTS AND EXPENSES:			
Contract drilling	26,572	27,635	70,519
Depreciation	7,898	6,783	23,587
General and administrative	3,008	3,023	8,683
	37,478	37,441	102,789
OPERATING INCOME	10,908	4,406	17,732
OTHER INCOME (EXPENSE)			
Interest expense	(2,330)	(2,239)	(6,998)
Interest income	11	40	26
	(2,319)	(2,199)	(6,972)
INCOME BEFORE INCOME TAXES	8,589	2,207	10,760
PROVISION FOR INCOME TAXES	2,904	2,289	6,517
NET INCOME (LOSS)	\$ 5,685	\$ (82)	\$ 4,243
EARNINGS (LOSS) PER SHARE			
Basic	\$.41	\$ (.01)	\$.31
Diluted	\$.40	\$ (.01)	\$.30
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basic	13,860	13,847	13,858
Diluted	14,073	13,847	13,999

EXHIBIT 99.3

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

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FOR THE THREE MONTHS ENDED JUNE 30, 2004

CONTRACT DRILLING REVENUES	CONTRACT DRILLING COSTS
----------------------------------	-------------------------------

(In Millions)

ATWOOD EAGLE	\$ 11.9	\$ 7.3
ATWOOD FALCON	7.8	3.7
BEACON	6.1	2.3
VICKSBURG	6.0	2.2
ATWOOD HUNTER	5.6	3.1
SEAHAWK	4.6	2.0
ATWOOD SOUTHERN CROSS	3.5	2.8
RICHMOND	2.4	2.1
OTHER	0.5	1.1
	-----	-----
	\$48.4	\$26.6
	=====	=====

FOR THE NINE MONTHS ENDED JUNE 30, 2004

CONTRACT DRILLING REVENUES	CONTRACT DRILLING COSTS
----------------------------------	-------------------------------

(In Millions)

ATWOOD FALCON	\$21.6	\$ 9.9
ATWOOD EAGLE	19.9	14.1
VICKSBURG	18.2	6.6
BEACON	15.2	6.8
ATWOOD HUNTER	14.1	8.9
SEAHAWK	14.0	6.2
ATWOOD SOUTHERN CROSS	9.1	9.6
RICHMOND	6.9	6.0
OTHER	1.5	2.4
	-----	-----
	\$120.5	\$70.5
	=====	=====

EXHIBIT 99.4

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

Jun. 30, 2004

SEP.

(Unaudited)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents

\$17,508

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Accounts receivable	33,204
Income tax receivable	3,278
Inventories of materials and supplies at lower of average cost or market	12,023
Deferred tax assets	380
Prepaid expenses and other	4,304

Total Current Assets	70,697

PROPERTY AND EQUIPMENT:	
Drilling vessels, equipment and drill pipe	632,776
Other	9,143

	641,919
Less-accumulated depreciation	218,690

Net Property and Equipment	423,229

DEFERRED COSTS AND OTHER ASSETS	3,721

	\$497,647
	=====
LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Current maturities of notes payable	\$33,000
Accounts payable	4,248
Accrued liabilities	7,641
Deferred credits	3,200

Total Current Liabilities	48,089

LONG-TERM NOTES PAYABLE, net of current maturities:	154,000

	154,000

OTHER LONG TERM LIABILITIES	
Deferred income taxes	20,518
Deferred credits and other	7,042

	27,560

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 13,857,000 issued and outstanding	13,866
Paid-in capital	57,677

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Retained earnings	196,455

Total Shareholders' Equity	267,998

	\$497,647
	=====

EXHIBIT 99.5
 ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONTRACT STATUS SUMMARY
 AT JULY 29, 2004

NAME OF RIG -----	LOCATION -----	CUSTOMER -----	CONTRACT STATUS -----
SEMISUBMERSIBLES - -----			
ATWOOD FALCON	MALAYSIA	SARAWAK SHELL ("SHELL")	The rig is currently prep under the Shell contract of two firm wells with op additional wells and coul or beyond if all five wel
ATWOOD HUNTER	EGYPT	BURULLUS GAS CO. ("BURULLUS")	On December 31, 2003, the program for Burullus whic plus options to drill six drilling of the ten firm around 400 days to comple wells are drilled, the co approximately 550 days.
ATWOOD EAGLE	AUSTRALIA	BHP BILLITON PETROLEUM PTY. LTD. ("BHP")	The rig is preparing to o well for BHP. BHP has an prior to the rig commenci Woodside Energy, LTD. ("W well is not drilled, the BHP should be completed i then commencing its two f well drilling program for granted three additional be drilled after the comp contract and are subject timing. In the event tha program is further extend drill both firm wells bef Woodside has the right to firm well.
SEAHAWK	MALAYSIA	EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA	EMEPMI has given written terminate the current con

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INC. ("EMEPMI")

in progress on October 1, being pursued in Southeast of the world.

ATWOOD SOUTHERN CROSS MALAYSIA MURPHY SARAWAK OIL COMPANY, LTD. ("MURPHY")

In March 2004, the rig completed a program which now includes two wells plus options to drill two more wells. The rig has been chartered to International Corporation for two wells plus an option to drill two more offshore Myanmar. If Murphy is as expected, the Daewoo work is expected after completing the Murphy work. The two firm wells is estimated to complete.

SEASCOUT UNITED STATES GULF OF MEXICO

The SEASCOUT was purchased for conversion to a tender-assessment rig SEAHAWK. There are currently no wells. The rig is currently coldstacked.

CANTILEVER JACK-UPS -

VICKSBURG

THAILAND CHEVRON OFFSHORE (THAILAND) LIMITED ("CHEVRON")

In May 2004 the rig's contract with Exploration & Production Company was suspended and the rig moved to a drilling program for Chevron. The rig is expected to take approximately 18 months to complete, at which time, it is expected to move to Malaysia whereby EMEPMI will be awarded a contract. Upon reinstatement of the contract, the commitment will include the suspension period plus an extension for a total of seventeen months in 2004. Once EMEPMI recommends, it will retain its right to terminate the contract providing 120 days notice.

ATWOOD BEACON PREPARING TO BE MOVED TO A SHIPYARD IN SINGAPORE

The ATWOOD BEACON has installed legs and the derrick as a tender-assessment rig. On July 25, 2004, while positioned at a well in Indonesia. The contract is subject to further analysis to remove the legs on location and the legs to the build yard for inspection and repair. The Company is unable to determine the termination date. The current contract for 180 days remaining in its term. The status of the contract is uncertain. However, until the repair contract is defined, the Company is unable to contract plans and market the rig.

SUBMERSIBLE -

RICHMOND

UNITED STATES GULF OF MEXICO APPLIED DRILLING TECHNOLOGY INC. ("ADTI")

The rig is in the process of drilling one well for ADTI which is owned by Helis & Gas Company ("Helis"). After the well, the rig will have two wells for Helis, with Helis having the option to drill additional wells. The drilling program is currently in progress.

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for Helis is expected to complete and if all four contract could extend to

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.