

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

ATWOOD OCEANICS INC

Form 8-K

July 28, 2006

=====

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, 2006

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))

=====

-1-

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On July 28, 2006, the Company announced its earnings for the Fiscal Year 2006 Third Quarter ended June 30, 2006. A copy of the press release summarizing

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

these earnings is furnished with this Form 8-K as Exhibit 99.1 and should not be deemed to be filed under Section 18 of the Exchange Act.

Additional information with respect to the Company's consolidated statements of operations for the three months and nine months ended June 30, 2006 and 2005 and an analysis of revenues and contract drilling costs for the three months and nine months ended June 30, 2006 and 2005 are attached hereto as Exhibits 99.2 and 99.3, 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

Additional information with respect to the Company's Fleet Status Report at July 28, 2006 is attached hereto as Exhibit 99.4. 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 a 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, 2005, filed with the Securities and Exchange Commission.

ITEM 9.01 EXHIBITS

EXHIBIT 99.1 PRESS RELEASE DATED JULY 28, 2006

EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2006 AND 2005

EXHIBIT 99.3 ANALYSIS OF REVENUES AND CONTRACT DRILLING COSTS FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2006

EXHIBIT 99.4 FLEET STATUS REPORT AT JULY 28, 2006

-2-

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)

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

/s/ James M. Holland
James M. Holland
Senior Vice President

DATE: July 28, 2006

-3-

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
99.1	Press Release dated July 28, 2006
99.2	Consolidated Statements of Operations for the Three Months and Nine Months ended June 30, 2006 and 2005
99.3	Analysis of Revenues and Drilling Costs for the Three Months and Nine Months ended June 30, 2006
99.4	Fleet Status Report at July 28, 2006

-4-

EXHIBIT 99.1

Houston, Texas
28 July 2006

FOR IMMEDIATE RELEASE

ATWOOD OCEANICS, INC., Houston-based International Drilling Contractor, announced today that the Company earned net income of \$27,623,000 or \$.87 per diluted share, on revenues of \$71,565,000 for the quarter ended June 30, 2006, compared to net income of \$5,989,000 or \$.19 per diluted share, on revenues of \$43,589,000 for the quarter ended June 30, 2005. For the nine months ended June 30, 2006, the Company earned net income of \$57,775,000 or \$1.84 per diluted share, on revenues of \$194,508,000 compared to net income of \$19,350,000 or \$.62 per diluted share, on revenues of \$130,032,000 for the nine months ended June 30, 2005.

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

Net income for the quarter and nine months ended June 30, 2006 was enhanced by approximately \$1.9 million or \$.06 per diluted share from income tax benefits discrete to the June 2006 quarter and by approximately \$1.1 million or \$0.03 per diluted share from the gains on sales of excess equipment.

	FOR THE THREE MONTHS ENDED JUNE 30,	
	2006	2005
	-----	-----
Revenues	\$ 71,565,000	\$ 43,589,000
Income before Income Taxes	28,763,000	5,933,000
(Provision) benefit for Income Taxes	(1,140,000)	56,000
Net Income	27,623,000	5,989,000
Earnings per Common Share -		
Basic	0.89	0.20
Diluted	0.87	0.19
Weighted Average Shares		
Outstanding -		
Basic	31,037,000	30,484,000
Diluted	31,583,000	31,300,000

	FOR THE NINE MONTHS ENDED JUNE 30,	
	2006	2005
	-----	-----
Revenues	\$ 194,508,000	\$ 130,032,000
Income before Income Taxes	64,108,000	20,176,000
Provision for Income Taxes	(6,333,000)	(826,000)
Net Income	57,775,000	19,350,000
Earnings per Common Share -		
Basic	1.87	0.64
Diluted	1.84	0.62
Weighted Average Shares		
Outstanding -		
Basic	30,900,000	30,356,000
Diluted	31,412,000	31,144,000

Contact: Jim Holland
(281) 749-7804

-5-

EXHIBIT 99.2

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

Three Months Ended		Nine M
June 30,		Ju
-----		-----
2006	2005	2006

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

REVENUES:

Contract drilling	\$ 71,565	\$ 43,589	\$ 194,508
Business interruption proceeds	-	-	-
	-----	-----	-----
	71,565	43,589	194,508
	-----	-----	-----

COSTS AND EXPENSES:

Contract drilling	31,679	25,863	102,719
Depreciation	6,192	6,764	18,789
General and administrative	4,830	3,224	15,428
	-----	-----	-----
	42,701	35,851	136,936
	-----	-----	-----

OPERATING INCOME

28,864	7,738	57,572
-----	-----	-----

OTHER INCOME (EXPENSE)

Interest expense, net of capitalized interest	(1,435)	(1,913)	(4,642)
Gain on sale of equipment	1,075	-	10,350
Interest income	259	108	828
	-----	-----	-----
	(101)	(1,805)	6,536
	-----	-----	-----

INCOME BEFORE INCOME TAXES

28,763	5,933	64,108
--------	-------	--------

PROVISION (BENEFIT) FOR INCOME TAXES

1,140	(56)	6,333
-----	-----	-----

NET INCOME

\$27,623	\$5,989	\$57,775
=====	=====	=====

EARNINGS PER COMMON SHARE:

Basic	0.89	0.20	1.87
Diluted	0.87	0.19	1.84

AVERAGE COMMON SHARES OUTSTANDING:

Basic	31,037	30,484	30,900
Diluted	31,583	31,300	31,412

-6-

EXHIBIT 99.3

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

FOR THE THREE MONTHS ENDED
JUNE 30, 2006

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

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

(In Millions)

ATWOOD HUNTER	\$ 20.7	\$ 4.9
ATWOOD EAGLE	11.9	6.8
ATWOOD FALCON	8.4	4.1
ATWOOD BEACON	8.4	2.6
VICKSBURG	7.9	2.6
ATWOOD SOUTHERN CROSS	6.6	4.1
RICHMOND	4.7	2.5
SEAHAWK	0.1	0.3
AUSTRALIA MANAGEMENT CONTRACTS	2.9	2.1
OTHER	-	1.7
	-----	-----
	71.6	31.7
	=====	=====

FOR THE NINE MONTHS ENDED
JUNE 30, 2006

	REVENUES	CONTRACT DRILLING COSTS
	-----	-----
	(In Millions)	
ATWOOD HUNTER	\$ 43.1	\$ 12.6
ATWOOD EAGLE	33.3	19.0
ATWOOD SOUTHERN CROSS	23.3	20.2
VICKSBURG	22.3	8.6
ATWOOD FALCON	21.7	11.3
ATWOOD BEACON	21.4	7.8
RICHMOND	12.8	7.4
SEAHAWK	7.6	4.4
AUSTRALIA MANAGEMENT CONTRACTS	8.9	7.3
OTHER	0.1	4.1
	-----	-----
	194.5	102.7
	=====	=====

-7-

EXHIBIT 99.4 ATWOOD OCEANICS, INC. AND SUBSIDIARIES FLEET STATUS REPORT AS OF JULY 28, 2006

As used herein, "we", "us", and "our" refers to Atwood Oceanics, Inc. and its subsidiaries, indicates otherwise. Statements contained in this Fleet Status Report, including information rig availability, contract duration, future dayrates, future daily operating costs, future effective or contract status are forward-looking statements. These statements reflect management's respect to future events. Forward-looking statements involve risks and uncertainties. Actual results may differ materially from those anticipated as a result of various factors including: our dependence on the risks involved in upgrade, repair and construction of our rigs; competition; operating foreign operations; risks associated with possible disruptions in operations due to terrorism; possible disruption in operations due to the war with Iraq and governmental regulations and e

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

list of additional risk factors can be found in our annual report on Form 10-K for the year ended June 30, 2006, filed with the Securities and Exchange Commission. All information in this Fleet Status Report is indicated above. We undertake no duty to update the content of this Fleet Status Report or to restate the information contained herein to conform the statement to actual results or to reflect changes in our operations.

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS (INCLUDING TAX) THE THREE MONTH PERIOD ENDED JUNE 30, 2006/MONTH OF JUNE 2006 ONLY
-------------	-------------------------	----------	----------	-----------------------------------	----------------------------------	---

SEMISUBMERSIBLES:

ATWOOD EAGLE	5,000'	Australia	WOODSIDE ENERGY LTD ("WOODSIDE")	FIRM WORK - (2 wells) August 2006	1 well at \$99,000 1 well at \$179,000	\$75,000/\$73,000
		Australia	BHP BILLITON PETROLEUM PTY ("BHPB")	FIRM WORK - (10 wells) August 2007	8 wells at \$158,000 1 well at \$168,000 1 well at \$150,000	N/A
		Australia	BHPB	OPTIONS - (3 wells) November 2007 (if all three option wells are drilled)	\$168,000	N/A

-1-

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS (INCLUDING TAX) THE THREE MONTH PERIOD ENDED JUNE 30, 2006/MONTH OF JUNE 2006 ONLY
-------------	-------------------------	----------	----------	-----------------------------------	----------------------------------	---

		Australia	ENI Spa AGIP EXPLORATION & PRODUCTION DIVISION ("ENI")	FIRM WORK - (1 well) December 2007 (assuming that all of the above option wells are drilled)	\$360,000	N/A
		Australia	WOODSIDE	FIRM WORK - (1 year) December 2008 (assuming that all of the above option wells are drilled and that Woodside does not extend their program to two or three years)	\$420,000	N/A

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

		Australia	N/A	N/A	N/A	N/A
--	--	-----------	-----	-----	-----	-----

ATWOOD HUNTER	5,000'	Mauritania/ Libya	WOODSIDE	FIRM WORK - (2 years) May 2008	\$240,000 (Mauritania) \$245,000 (Libya)	\$54,000/\$63,
------------------	--------	----------------------	----------	--------------------------------------	---	----------------

		Mauritania	N/A	N/A	N/A	N/A
--	--	------------	-----	-----	-----	-----

-2-

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS INCLUDING TAX) THE THREE MONTH ENDED JUNE 30 2006/MONTH OF JU 2006 ONLY
-------------	-------------------------	----------	----------	-----------------------------------	----------------------------------	---

		TBD	WOODSIDE	OPTIONS - Two (2) six-month options.	TBD	N/A
--	--	-----	----------	--	-----	-----

ATWOOD FALCON	3,700'	Malaysia (to be upgraded to 5,000' at the end of fiscal year 2006)	SARAWAK SHELL BERHAD ("SHELL")	FIRM WORK - August 2006	\$93,200	\$45,000/\$38,
------------------	--------	--	---	----------------------------	----------	----------------

		Shipyard	SHELL	FIRM WORK - November 2006	\$90,000 (for up to 85 days)	N/A
--	--	----------	-------	------------------------------	------------------------------------	-----

		Malaysia	SHELL	FIRM WORK - January 2007	\$93,200	N/A
--	--	----------	-------	-----------------------------	----------	-----

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

		Malaysia	SHELL	FIRM WORK - July 2007	\$113,000	N/A
		Malaysia	SHELL	FIRM WORK - (2 years) July 2009	\$160,000/ \$200,000 (dayrate depends on water depth of each well)	N/A
		Malaysia	SHELL	OPTION - (1 year)	TBD	N/A
-3-						
RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS INCLUDING TAX) THE THREE MONTH ENDED JUNE 30 2006/MONTH OF JU 2006 ONLY
ATWOOD SOUTHERN CROSS	2,000'	Italy	ENI	FIRM WORK - September/ October 2006	\$70,000	\$45,000/\$47,
		Mobilization to Black Sea - Bulgaria/ Turkey	MELROSE RSOURCES ("MELROSE") AND TOREADOR TURKEY LIMITED ("TOREADOR")	FIRM WORK - November 2006	\$100,000	N/A
		Bulgaria	MELROSE	FIRM WORK - (3 wells) February 2007	\$125,000	N/A
		Bulgaria	MELROSE	OPTIONS - (2 wells) April 2007 (if both option wells are drilled)	\$125,000	N/A
		Turkey	TOREADOR	FIRM WORK -	\$125,000	N/A

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

(3 wells)
July 2007
(assuming Melrose
option wells are
drilled)

		Turkey	TURKIYE PETROLLERI A.O. ("TPAO")	FIRM WORK - (3 wells) October 2007 (assuming above option wells are drilled)	\$290,000	N/A
--	--	--------	---	---	-----------	-----

-4-

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS INCLUDING TAX) THE THREE MONTH ENDED JUNE 30 2006/MONTH OF JU 2006 ONLY
-------------	-------------------------	----------	----------	-----------------------------------	----------------------------------	---

		Turkey	TPAO	OPTIONS - (3 wells) January 2008 (assuming MELROSE option wells drilled and TPAO exercises options to drill all three option wells)	\$320,000	N/A
--	--	--------	------	--	-----------	-----

		Ukraine	VANCO INTERN- NATIONAL LTD. ("VANCO")	FIRM WORK - (1 well) March 2008 (assuming MELROSE and TPAO options are exercised)	\$305,000	N/A
--	--	---------	---	---	-----------	-----

		Ukraine	VANCO	OPTIONS - (1 well) April 2008 (assuming MELROSE, TPAO and VANCO options are all exercised)	\$325,000	N/A
--	--	---------	-------	---	-----------	-----

CANTILEVER JACK-UPS:

ATWOOD BEACON	400'	Vietnam	HOANG LONG AND HOAN VU JOINT OPERATING COMPANIES ("HOANG LONG")	FIRM WORK - September 2006	\$110,000	\$29,0
------------------	------	---------	--	-------------------------------	-----------	--------

		Mobilization to Singapore	GUJARAT STATE PETROLEUM CORPORATION	FIRM WORK - October 2006 (Mobilization is	\$110,000	N/A
--	--	------------------------------	---	---	-----------	-----

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

LTD. ("GSPC") expected to take one week.)

-5-

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS (INCLUDING TAX) THE THREE MONTHS ENDED JUNE 30 2006/MONTH OF JULY 2006 ONLY
		Singapore	N/A	October 2006 (The rig is expected to be in Singapore about two weeks to reattach its last leg section.)	\$70,000	N/A
		Mobilization to India	GSPC	FIRM WORK - November 2006 (Mobilization is expected to take 17 days.)	\$110,000	N/A
		India	GSPC	FIRM WORK - (13 months) December 2007	\$113,000	N/A
		India	GSPC	FIRM WORK - (12 months) December 2008	\$133,500	N/A
		India	GSPC	OPTIONS - (1 year)	TBD	N/A
VICKSBURG 300'		Malaysia	PETROFAC (MALAYSIA - PM304), LTD. ("PETROFAC")	FIRM WORK - (4 wells) September/October 2006	\$82,000	\$29
		Malaysia	PETROFAC	OPTIONS - (3 wells) October/November 2006 (assuming all three option wells are drilled)	\$87,000	N/A
		Mobilization to Thailand	CHEVRON OVERSEAS PETROLEUM ("CHEVRON")	FIRM WORK - November 2006 (Mobilization is expected to take three days.)	\$89,775 (95% of operating rate)	N/A
		Thailand	CHEVRON	FIRM WORK - (8 months) June 2007	\$94,500	N/A

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

-6-

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	AVERAGE PER DAY OPERATING COSTS INCLUDING TAX) THE THREE MONTH ENDED JUNE 30 2006/MONTH OF JU 2006 ONLY
-------------	-------------------------	----------	----------	-----------------------------------	----------------------------------	---

		Thailand	CHEVRON	FIRM WORK - (2 years) June 2009	\$154,000	N/A
		Thailand	N/A	N/A	N/A	N/A

SEMISUBMERSIBLE TENDER ASSIST UNIT:

SEAHAWK	1,800'	Mobilization to Equatorial Guinea	AMERADA HESS EQUATORIAL GUINEA, INC. ("HESS")	FIRM WORK - August 2006 (Mobilization is expected to take approximately one month to complete.)	\$5.5 Million in fees to be received during the mobilization period	\$3, \$3,
---------	--------	--	--	--	---	--------------

		Equatorial Guinea	HESS	FIRM WORK - September 2006 (Rig-up is expected to take three to four weeks.)	\$51,322 (75% of operating rate)	N/A
		Equatorial Guinea	HESS	FIRM WORK - (2 years) September 2008	\$68,430	N/A

-7-

AVERAGE PER DAY

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

RIG NAME	RATED WATER DEPTH	LOCATION	CUSTOMER	ESTIMATED CONTRACT END DATE	ESTIMATED CONTRACT DAYRATE	OPERATING COSTS INCLUDING TAX) THE THREE MONTH ENDED JUNE 30 2006/MONTH OF JU 2006 ONLY
-------------	-------------------------	----------	----------	-----------------------------------	----------------------------------	--

		Equatorial Guinea	HESS	OPTIONS - (2 years) September 2010 (if all four six-month options are exercised)	\$68,430	N/A
--	--	----------------------	------	---	----------	-----

SUBMERSIBLE:

RICHMOND	70'	US Gulf of Mexico	HELIS OIL AND GAS ("HELIS")	FIRM WORK - (7 wells) July 2007	\$80,000	\$27
----------	-----	----------------------	--------------------------------	---------------------------------------	----------	------

		US Gulf of Mexico	HELIS	OPTIONS - October/November 2007 (one option for four additional wells)	TBD	N/A
--	--	----------------------	-------	---	-----	-----

		US Gulf of Mexico	N/A	N/A	N/A	N/A
--	--	----------------------	-----	-----	-----	-----

MANAGEMENT CONTRACT

NORTH RANKIN 'A'	N/A	Australia	WOODSIDE	FIRM WORK - September 2006	Daily margin of \$5,000 to \$7,000	
---------------------	-----	-----------	----------	-------------------------------	---------------------------------------	--

NOTE - EXPECTED TAX RATE

An effective tax rate of 10% to 12% is expected for fiscal year 2006 and 20% to 25% for 2007. Virtually all of the Company's tax provision for fiscal year 2006 and expected tax provision for 2007 relates to taxes in foreign jurisdictions. Working in foreign jurisdictions with nontaxable or deferred tax systems contribute to the effective tax rate being significantly less than the United States statutory rate.