

United States Bankruptcy Court  
Southern District of Texas  
Corpus Christi Division

Case Name: Seahawk Drilling Inc., Debtor in Possession (1) (2) (3)  
Case Number: 11-20089

Petition Date: 2/11/2011

Monthly Operating Report Summary for Month - February / Year 2011

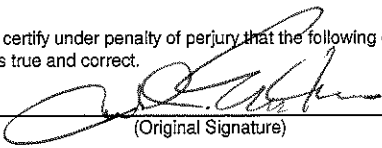
Description	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5
Revenues	4,231,305				
Income Before Interest, Taxes, Depr., Amort.	(5,554,046)				
Net Income (Loss)	(5,634,484)				
Payments to Insiders	(1,969,502)				
Payments to Professionals	-				
Total Disbursements	(14,207,890)				

Required Insurance Maintained As of Signature Date	Exp Date
Casualty Yes (X) No ( )	6/30/2011
Liability Yes (X) No ( )	6/30/2011
Vehicle Yes (X) No ( )	6/30/2011
Workers Yes (X) No ( )	6/30/2011
Other Yes (X) No ( )	6/30/2011

Circle One  
 Are all accounts receivable being collected within terms? Yes  No  (4)  
 Are all post-petition liabilities, including taxes, being paid within terms? Yes  No   
 Have any pre-petition liabilities been paid? Yes  No   
 If so, describe: Only as approved in 1st day order and interim DIP order; taxing authorities, insurance, employee benefits / expense reports, Natixis bank group  
 Are all funds received being deposited into DIP bank accounts? Yes  No   
 Were any assets disposed of outside the normal course of business? Yes  No   
 If so, describe:  
 Are all U.S. Trustee Quarterly Fee Payments current? Yes  No   
 What is the status of your Plan of Reorganization? Not filed

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 Firm Name Fulbright & Jaworski L.L.P.  
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I certify under penalty of perjury that the following complete Monthly Operating Report (MOR) is true and correct.

  
(Original Signature)

Title Senior V.P. and Chief Financial Officer

James R. Easter  
(Print Name of Signatory)

3/31/2011  
(Date)

- (1) The jointly administered Debtors are authorized to file monthly operating reports on a consolidated basis, and have disbursements broken down by case number on Exhibit A attached; the following entities are included in the joint administration: Seahawk Drilling, Inc., Seahawk Global Holdings, LLC, Seahawk Drilling Management, LLC, Seahawk Drilling, LLC, Seahawk Drilling USA, LLC, Seahawk Offshore Management, LLC, Energy Supply International, LLC, Seahawk Mexico Holdings, LLC.
- (2) By agreement with the US Trustee, these reports are to be provided 30 days following each month end.
- (3) Prepared according to GAAP, unless otherwise noted
- (4) Outstanding receivables continue to be collected within the same time period consistent with our pre-filing experience.



Case Name: Seahawk Drilling Inc., Et Al  
Case Number: 11-20089

## Comparative Balance Sheets

Description	Filing Date*	Month 2/28/2011	Month 2	Month 3	Month 4	Month 5
<b>ASSETS</b>						
Cash and Cash Equivalents	\$	4,071,237	\$	3,300,277		
Trade Receivables, net		17,987,928		16,798,437		
Inventory		-		-		
Deferred Income Taxes		0		0		
Due from Pride		1,440,670		1,440,670		
Insurance Claims		2,072,172		1,922,467		
Other Current Assets		7,346,857		6,774,007		
Assets Held for Sale		112,300,000		112,300,000	(1)	
<b>Total Current Assets</b>		<b>145,218,864</b>		<b>142,535,858</b>		
<b>Property, Plant &amp; Equipment (Net)</b>		-		-		
Other Long Term Assets		-		-		
Deferred Cost - Long Term Portion		-		-		
Goodwill		-		-		
<b>Total Other Long Term Assets</b>		-		-		
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>145,218,864</b>	<b>\$</b>	<b>142,535,858</b>		
<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>						
<b>Pre-petition Liabilities</b>						
Accounts Payable		12,660,585		9,756,143		
Pride		17,181,355		17,224,790		
Notes Payable - Secured						
Priority Debt						
Payroll Taxes		86,667		212,993		
Unsecured Debt						
Other		36,274,816		31,908,482		
<b>Total Pre-petition Liabilities</b>		<b>66,203,423</b>		<b>59,102,408</b>		
<b>Post-petition Liabilities</b>						
Accounts Payable		-		358,387		
Due to Pride		-		184,235		
Accrued Expenses		-		7,273,405		
Current Debt		17,900,000		19,426,465		
Other Current Liabilities		-		701,772		
<b>Total Post-petition Liabilities</b>		<b>17,900,000</b>		<b>27,944,265</b>		
<b>Total Current Liabilities</b>		<b>84,103,423</b>		<b>87,046,673</b>		
<b>Pre-petition Long-Term Liabilities:</b>						
Long-Term Accruals and Provisions		2,097,818		2,097,818		
Intercompany Accounts Payable		354,908,443		354,916,671	(2)	
Deferred Income Taxes - Long Term		-		-		
<b>Total Long Term Liabilities</b>		<b>357,006,261</b>		<b>357,014,488</b>		
<b>TOTAL LIABILITIES</b>		<b>441,109,684</b>		<b>444,061,161</b>		
<b>Total Shareholders Equity</b>		<b>(295,890,820)</b>		<b>(301,525,303)</b>		
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>\$</b>	<b>145,218,864</b>	<b>\$</b>	<b>142,535,858</b>		

\* Per Schedules and Statement of Affairs

(1) Number derived from Hercules HSR filing

(2) The Debtors have scheduled the Intercompany claims with the non-Debtor subsidiaries as contingent and disputed.

Case Name: Seahawk Drilling Inc., Et Al

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## Schedule of Post-Petition Liabilities

Description	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5
<b>Pre-Petition Liabilities:</b>					
Trade accounts payable	\$ 9,756,143				
Due to pride	17,224,790				
Short-term debt - secured	-				
Accrued expenses and other current liabilities					
Contingency claims	11,561,084 (1)				
Payroll and benefits	-				
Accrued medical insurance	4,688,454				
Payroll taxes	212,993				
Other taxes	25,000				
Deferred mobilization revenue	86,666				
Customer advances	-				
Accrued rent	667,257				
Accrued professional fees	49,005				
Other accrued expenses	14,831,015				
Total accrued expenses and other current liabilities	32,121,475				
Long-term accruals and provisions	2,097,818				
Intercompany accounts payable	354,916,670 (2)				
Total Pre-Petition Liabilities	416,116,896				
<b>Post-Petition Liabilities:</b>					
Trade Accounts Payable	\$ 358,387				
Due to Pride	184,235				
Short-term debt (DIP)	\$ 19,426,465				
Accrued expenses and other current liabilities					
Contingency claims	-				
Payroll and benefits	630,030				
Accrued medical insurance	-				
Payroll taxes	567,905				
Other taxes	95,911				
Deferred mobilization revenue	256,806				
Customer advances	358,300				
Accrued rent	-				
Accrued professional fees	1,223,641				
Other accrued expenses	4,842,584				
Total accrued expenses and other current liabilities	7,975,177				
Long-term accruals and provisions	-				
Intercompany accounts payable	-				
Total Post-Petition Liabilities	27,944,265				

(1) Contingency claims is comprised of:

\$7.2M Wyoming related charges

\$2.7M Personal injury insurance claims

\$1.4M Indemnity on Mx Soc Sec and income taxes

\$0.2M Employee labor claims

(2) The Debtors have scheduled the intercompany claims with the non-Debtor subsidiaries as contingent and disputed.

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## Aging of Post-Petition Liabilities as of February 28, 2011

Days	Total	Trade Accounts	Federal Taxes	State Taxes	Ad Valorem, Other Taxes	Other
0-30	1,022,202	358,387	567,651	253	95,911	
31-60						
61-90						
91+						
<b>TOTAL SEAHAWK</b>	1,022,202	358,387	567,651	253	95,911	

## Aging of Accounts Receivable

Month	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5	Month 6
0-30	13,302,498					
31-60	3,249,761					
61-90	292,314					
91+	(46,136)					
<b>TOTAL SEAHAWK</b>	16,798,437					

Case Name: Seahawk Drilling Inc., Et Al  
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**Statement of Income (Loss)**

Description	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5	Filing to Date
Operating Revenue	4,267,470					
Mob/Demob/Reimbursable Revenue	(36,165)					
Total Revenues	4,231,305					
Costs and Expenses						
Operating Costs						
Wages & Burden	1,359,019					
Repairs & Maintenance / Supplies	337,772					
Rental Expenses	168,731					
Other Operating Costs	738,915					
Mob/Demob/Reimbursable Expense	253,764					
Other Direct Costs	619,881					
Total Operating Costs	3,478,080					
Depreciation & Amortization	-					
General & Administrative	6,186,228					
(Gain) Loss on Sale of Fixed Assets	-					
Impairment of Fixed Assets	-					
Operating Income (Loss)	(5,433,004)					
Other Income (Expense)						
Interest Income (Expense)	(75,933)					
Other Income (Expense)	(121,042)					
Income Before Income Taxes	(5,629,979)					
Income Tax Expense (Benefit)	4,505					
Income (Loss) from Continuing Operations	(5,634,484)					

Case Name: Seahawk Drilling Inc., Et Al

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## Statement of Cash Flows

Description	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5	Filing to Date
<b>Beginning Cash Balance</b>	4,071,237					
Contract Drilling	6,035,902					
Other	813,007					
<b>Total Cash Receipts</b>	6,848,909					
Operating Expenses	(1,022,663)					
Payroll	(2,298,422)					
Insurance	(3,520,032)					
Pride Wyoming	-					
Ordinary Course Professionals	-					
Rent	-					
G&A and Other	-					
<b>Total Cash Disbursements</b>	(6,841,117)					
<b>Net Cash Flow From Operations</b>	7,792					
<b>Restructuring Related</b>						
CIC and LTIP Payments	(2,305,217)					
Restructuring Professionals	-					
U.S. Trustee	-					
Utility	-					
<b>Total Restructuring Related</b>	(2,305,217)					
<b>Financing Fees</b>						
Natixis Facility Repayment	(17,900,000)					
DIP Fees	-					
DIP Interest	-					
DIP Borrowings (Repayment)	19,426,465 (1)					
<b>Total Financing Payments / Borrowing</b>	1,526,465					
<b>Ending Cash Balance</b>	3,300,277					

(1) includes \$5.07M repayment on the DIP loan

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Cash Account Reconciliation - Month of 2/12/11 - 2/28/11

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(91)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.  
 Also, for insiders, identify the type of compensation paid (e.g. salary, commission, bonus, etc.) (Attach additional pages as necessary).

Bank Name	30647841	Checking 38749957 SDI	38749965 SDI	30803656 SH Drig LLC	Checking 38751266 SH Drig LLC	38751264 SH Drig LLC	30648414 SH Drig LLC	30805072 ESI	Checking 38803853 ESI	30785063 SDM	38751248 SDM	30805099 SDM	Checking 38803845 SDM	Encore 30309849 SH Mx Holdings	Encore 30379377 SH Drig LLC	Total
Bank Balance	3,584,588	0	0	0	0	0	0	0	0	0	0	0	0	498,588	0	4,083,176
Deposit in Transit	12,900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,900
Outstanding Checks	0	(16,015)	0	0	(5,620)	0	0	0	(54,954)	0	0	(2,898)	(1,197)	0	0	(80,483)
Adjusted Bank Balance	(340)	(6,515)	(2,500)	0	0	0	0	13,486	18,785	47,775	(16,610)	0	0	0	1,566	55,647
Beginning Cash - Per Books	3,587,148	(22,530)	(2,500)	0	(5,620)	0	0	19,486	(36,169)	47,775	(16,610)	(2,698)	(1,197)	498,588	1,566	4,071,235
Receipts*	13,448,463	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,448,463
Intercompany	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers Between Accounts	(2,678,150)	139,689	0	0	1,123	0	0	0	37,281	1,743,021	0	1,241,052	14,572	(498,588)	0	0
(Withdrawal) or Contribution by Individual Debtor MFR - 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment	14,438	(308)	0	0	0	0	0	(13,486)	13,486	(36,726)	280	17,797	(19,175)	0	0	(25,684)
Checks / Other Disbursements*	(10,822,162)	(347,932)	0	0	(21,708)	0	0	0	(1,743,021)	0	(1,241,052)	(17,864)	0	0	0	(14,193,740)
Ending Cash - Per Books	3,589,737	(231,081)	(2,500)	0	(26,206)	0	0	0	14,595	9,043	(16,320)	15,093	(23,664)	0	1,566	3,300,275

\*Numbers should balance (match) Total Receipts and Total Disbursement lines on MOR 7.

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**Payments to Insiders and Professionals**

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g. salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME / COMP TYPE	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5
1. Randall D. Stilley / Salaries & Wages	24,128				
Randall D. Stilley / Restricted Stock Vesting, Non-cash	740,889				
Randall D. Stilley / Expense Reimbursement	9,948				
2. William C. Hoffman / Salaries & Wages	15,432				
William C. Hoffman / Restricted Stock Vesting, Non-cash	445,084				
3. Alejandro Cestero / Salaries & Wages	5,499				
Alejandro Cestero / PTO Payout	2,909				
Alejandro Cestero / Restricted Stock Vesting, Non-cash	179,053				
Alejandro Cestero / Expense Reimbursement	40				
4. Raymond Gonzales / Salaries & Wages	4,855				
Raymond Gonzales / PTO Payout	1,831				
Raymond Gonzales / Restricted Stock Vesting, Non-cash	46,500				
5. James R. Easter / Salaries & Wages	12,397				
James R. Easter / Restricted Stock Vesting, Non-cash	116,241				
James R. Easter / Expense Reimbursement	120				
6. Robert E. Moore / Salaries & Wages	5,048				
Robert E. Moore / PTO Payout	2,654				
Robert E. Moore / Restricted Stock Vesting, Non-cash	69,750				
7. Stephen Snider / Board of Directors Restricted Stock Vesting, Non-cash	78,101				
8. Franklin F. Myers / Board of Directors Restricted Stock Vesting, Non-cash	52,401				
9. Ed P. Segner III / Board of Directors Restricted Stock Vesting, Non-cash	25,910				
10. Mark E. Baldwin / Board of Directors Restricted Stock Vesting, Non-cash	25,910				
11. Richard J. Alario / Board of Directors Restricted Stock Vesting, Non-cash	52,401				
12. John T. Nesser III / Board of Directors Restricted Stock Vesting, Non-cash	52,401				
<b>TOTAL INSIDERS</b>	<b>1,969,502</b>				

PROFESSIONALS	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5
1. None during this period.					
2					
3					
4					
5					
6					
<b>TOTAL PROFESSIONALS</b>					



Case Name: Seahawk Drilling Inc., Et Al

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**Disbursements**

Entity	Case No.	Month 2/12/11 to 2/28/11	Month 2	Month 3	Month 4	Month 5	Filing to Date
SEAHAWK DRILLING LLC	11-20088	(25,678.72)					
SEAHAWK DRILLING INC.	11-20089	(9,647,088.70)					
SEAHAWK MEXICO HOLDINGS LLC	11-20090						
SEAHAWK DRILLING MANAGEMENT LLC	11-20091	(3,265,300.21)					
SEAHAWK OFFSHORE MANAGEMENT LLC	11-20092	(1,269,822.30)					
ENERGY SUPPLY INTERNATIONAL LLC	11-20093						
SEAHAWK GLOBAL HOLDINGS LLC	11-20094						
SEAHAWK DRILLING USA LLC	11-20095						
<b>Total Disbursements (same as MOR-1 disbursements)</b>		(14,207,889.93)	-	-	-	-	