

The number of idle jackup rigs being permanently removed from the marketed rig supply has increased significantly in 2015, as eight high specification jackups and 26 standard jackups have been cold-stacked, scrapped or retired thus far. This trend is expected to accelerate into 2016 as older rigs are displaced due to declining demand and increasing competition from newer, more capable rigs.

Our High Specification Jackup Rigs

The *Atwood Mako*, a 400-foot water depth Pacific Class jackup, operated offshore Vietnam through September 2015. We have been unable to obtain follow-on work for this rig, and it is currently idle as we seek additional contracts. The *Atwood Manta* and the *Atwood Orca* are both 400-foot water depth Pacific Class jackups and have been operating offshore Thailand. The *Atwood Orca* received a nine-month extension of its existing contract in October 2015 and is currently contracted through October 2016. The *Atwood Manta* was idled in October 2015 after we were unable to obtain follow-on work. We are continuing to actively market the rig.

The *Atwood Aurora*, a 350-foot water depth jackup, is operating offshore West Africa and is contracted through September 2016. The *Atwood Beacon*, a 400-foot water depth jackup, is operating in the Mediterranean Sea and is contracted through June 2016.

Sale of Rigs

In December 2014, we completed the sale of our mid-water floater semisubmersible, the *Atwood Southern Cross*. The *Atwood Hunter*, a deepwater semisubmersible, was idled in December 2014 and in January 2015, we made the decision to scrap and recycle the rig. In August 2015, we completed the sale of the *Atwood Hunter* for recycling.

Contract Backlog

We maintain a backlog of commitments for contract drilling revenues. Our contract backlog at September 30, 2015 was approximately \$1.6 billion, representing a 47% decrease compared to our contract backlog of \$3.0 billion at September 30, 2014. We calculate our contract backlog by multiplying the day rate under our drilling contracts by the number of days remaining under the contract, assuming full utilization. The calculation does not include any revenues related to other fees such as for mobilization, demobilization, contract preparation, customer reimbursables and bonuses. The amount of actual revenues earned and the actual periods during which revenues are earned will be different from amounts disclosed in our backlog calculations due to a lack of predictability of various factors, including newbuild rig delivery dates, unscheduled repairs, maintenance requirements, weather delays and other factors. Such factors may result in lower applicable day rates than the full contractual day rate. In addition, under certain circumstances, our customers may seek to terminate or renegotiate our contracts. See Item 1A., “Risk Factors—Our business may experience reduced profitability if our customers terminate or seek to renegotiate our drilling contracts” of this Form 10-K.

The following tables set forth as of September 30, 2015, the amount of our contract drilling revenue backlog and the percent of available operating days committed for our actively-marketed drilling units for the periods indicated:

Contract Drilling Revenue Backlog	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020 and thereafter	Total
<i>(In millions)</i>						
Ultra-deepwater	\$ 704	\$ 312	\$ 181	\$ —	\$ —	\$ 1,197
Deepwater	221	—	—	—	—	221
Jackups	138	2	—	—	—	140
	<u>\$ 1,063</u>	<u>\$ 314</u>	<u>\$ 181</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,558</u>