

BW Offshore

Q4 2009 presentation

23 February 2010



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Front page picture: Petrobras



Recent highlights

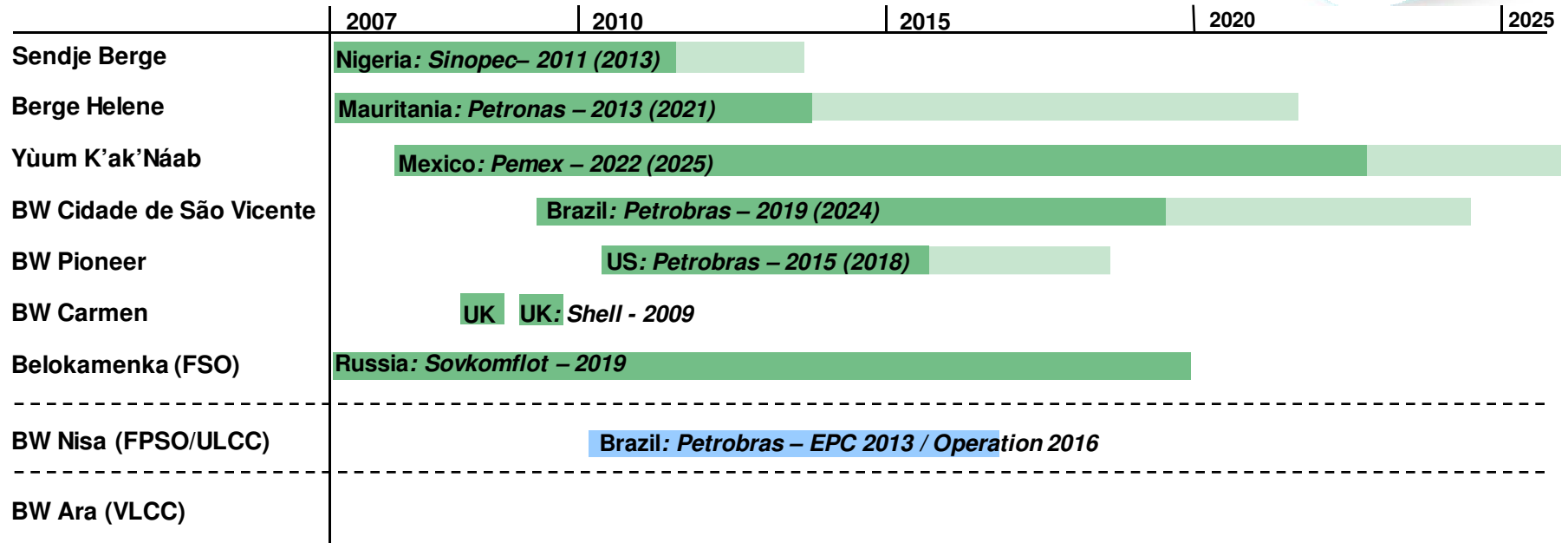
- New contracts in both segments
 - FPSO contract for P-63 (Papa Terra) for Petrobras
 - APL contract for offshore loading systems with major oil company
- Q4 2009 EBITDA of USD 30.5 million before results from associates
- Industry leading operational performance
- BW Pioneer en route to the Gulf of Mexico



OPERATIONS



Long term contracted cashflow



- Fixed period
- Option Period
- Turnkey/operation

Floating production order backlog is USD 3.0 billion

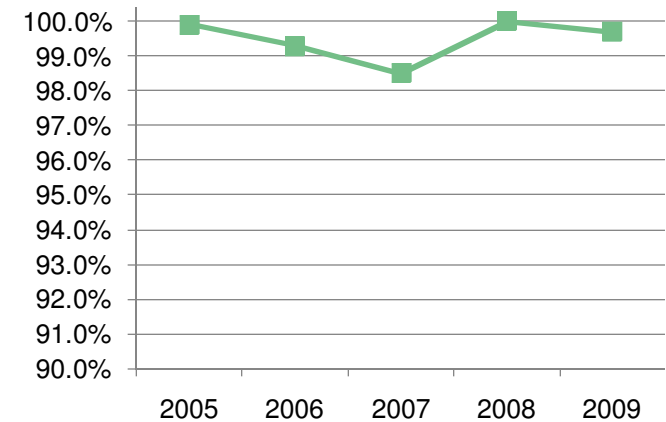
- 70 per cent of the value is fixed period
- 11 years weighted average remaining contract length – whereof 8 years fixed
- 100 per cent of backlog with major NOCs

FPSO operations



- Production uptime
 - Q4 2009: 99.7%
 - 5 year average: 99.5%
- Financial performance in line with plans
 - Focus on OPEX reductions
- BW Pioneer and P-63 to add significant cash flow from 2010 and onwards

Production uptime

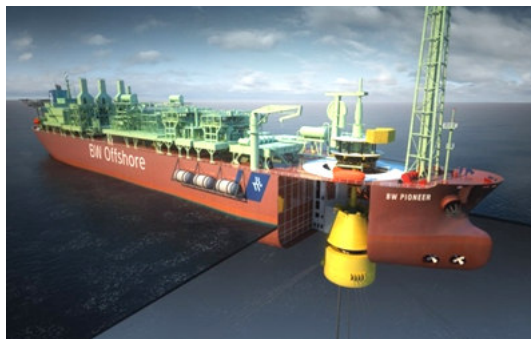




BW Pioneer en route to GoM

- US onshore and offshore preparations completed
- Day rates commence once FPSO is connected and ready for operations
- Lease contract with Petrobras (5 year fixed + 3 year options)
- First FPSO in US waters
 - Moored on 2,600 meters water depth with disconnectable APL turret

2007: Contract award



2008/09: Construction



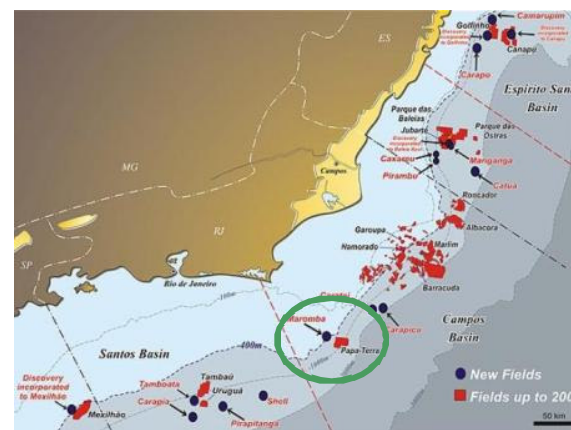
2010: Operations





New FPSO project: P-63 (Papa Terra)

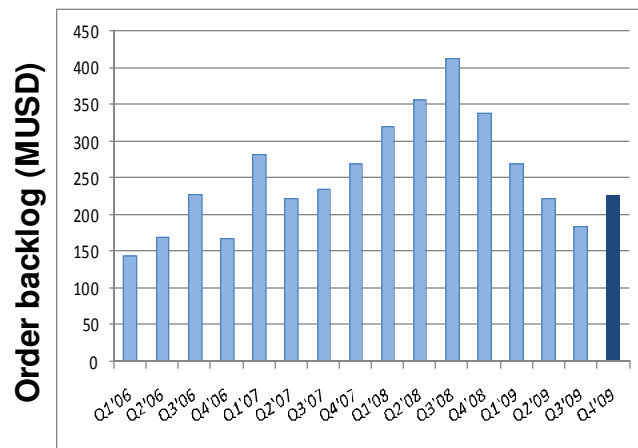
- Papa Terra field owners
 - Petrobras (62.5%, operator)
 - Chevron (37.5%)
- BW Offshore in JV with Brazilian partners
 - QUIP
 - QGOG (Queiroz Galvão Óleo e Gas)
- Contract signed 29 January 2010
 - EPC contract for the delivery of the FPSO
 - Three year FPSO operation contract
- BW Offshore is responsible for the international scope
- BW Nisa (ULCC) to be utilised for the project





APL - order inflow picking up

- Order backlog at USD 226 million
 - Large contract with oil major received in Q4 2009
- Existing projects are progressing according to schedule
- Positive outlook
 - Several named prospects being worked



FINANCE





Floating Production segment

- Stable financial and operational performance
- Operating expenses are gradually being reduced
- Negative share of profit due to Prosafe Production's impairment

USD million	Q4 09	Q3 09	Q4 08	2009	2008
Operating revenue	57.7	65.2	55.8	219.9	190.9
Operating expenses	-26.4	-26.2	-52.4	-112.5	-188.0
Share of profit (loss) of associates	-10.7	2.3	-45.4	-6.1	-45.3
Impairment charge of associates	0.0	0.0	0.0	0.0	-84.7
Gain on sale of shares	0.0	0.0	0.0	0.0	127.0
EBITDA	20.6	41.3	-42.0	101.3	-0.1
Gain on sale of vessel	-0.1	-2.2	0.0	-1.5	0.0
Depreciation, amortisation and write-downs	-14.0	-13.7	-178.5	-43.6	-196.3
EBIT	6.5	25.4	-220.5	56.2	-196.4

2008 figures include effects from impairment charges, provisions, transactions and share sale



APL segment

- EBITDA margin of 13.2%
- Amortisations relate to purchase price allocation
- Pick up in activity from H2 2010 and onwards
- Reduced staff level to adapt to lower activity level

USD million	Q4 09	Q3 09	Q4 08	2009	2008
Operating revenue	30.4	68.6	112.2	251.9	395.9
Operating expenses	-26.4	-62.4	-97.2	-220.4	-354.6
Share of profit (loss) of associates	0.0	0.0	0.0	-39.5	-0.4
Impairment charge of associates	0.0	0.0	-12.5	0.0	-81.3
EBITDA	4.0	6.2	2.5	-8.0	-40.4
Depreciation, amortisation and write-downs	-5.5	-4.9	-6.4	-20.3	-189.1
EBIT	-1.5	1.3	-3.9	-28.3	-229.5

2008 figures include negative effects from transactions related to associates



Income statement

USD million	Q4 09	Q3 09	Q4 08	2009	2008
Operating revenue	78.0	116.6	126.4	408.8	474.3
Operating expenses	-47.5	-71.2	-111.7	-274.6	-433.8
Share of profit from associates	-10.7	2.3	-45.4	-45.6	-45.7
Impairment charge of associates	0.0	0.0	-12.5	0.0	-166.0
Gain on sale of shares	0.0	0.0	0.0	0.0	127.0
EBITDA	19.8	47.7	-43.2	88.6	-44.2
Depreciation	-13.8	-13.3	-11.7	-42.2	-29.8
Amortisation	-5.7	-5.3	-6.3	-21.7	-21.5
Impairment charge and write-offs	0.0	0.0	-166.9	0.0	-334.1
Gain on sale of assets	-0.1	-2.2	0.0	-1.5	0.1
EBIT	0.2	26.9	-228.1	23.2	-429.5
Net interest expense	-3.5	-3.4	-6.2	-14.9	-33.6
Fx, fin instr and other fin items	2.2	-15.2	-38.7	-5.7	-54.3
Profit (loss) before tax	-1.1	8.3	-273.0	2.6	-517.4
Income tax expense	-6.2	-1.8	-6.0	-11.4	-15.2
Net profit (loss)	-7.3	6.5	-279.0	-8.8	-532.6

Reported EBITDA	19.8
<i>Share of profit of associates</i>	-10.7
Adjusted EBITDA	30.5
<i>Fx gain</i>	-0.1
Operational EBITDA	30.6

PPA impact included under amortisation. From Q208, the negative PPA impact has been about USD 6 million per quarter. No cash effect



Balance sheet

- Equity ratio 38.5%
 - Adjusted equity ratio 41.3%*
- Net interest bearing debt USD 849.3 million

USD million	31.12.09	30.09.09	31.12.08
Total non-current assets	2,134.8	2,069.1	1,962.7
Total current assets	258.7	268.9	338.7
Total assets	2,393.5	2,338.0	2,301.4
Total equity	920.9	927.9	923.4
Total non-current liabilities	1,237.5	1,127.3	979.1
Total current liabilities	235.1	282.8	398.9
Total liabilities	1,472.6	1,410.1	1,378.0
Total equity and liabilities	2,393.5	2,338.0	2,301.4

Reported interest bearing debt *	1080.6
<i>Cash and deposits</i>	<i>68.0</i>
<i>Non-current deposits *</i>	<i>163.3</i>
	-231.3
Net interest bearing debt	849.3

* Per Q4 2009, USD 161 million is related to the CIRR financing scheme; increasing both long term debt and non-current deposits



Cash status

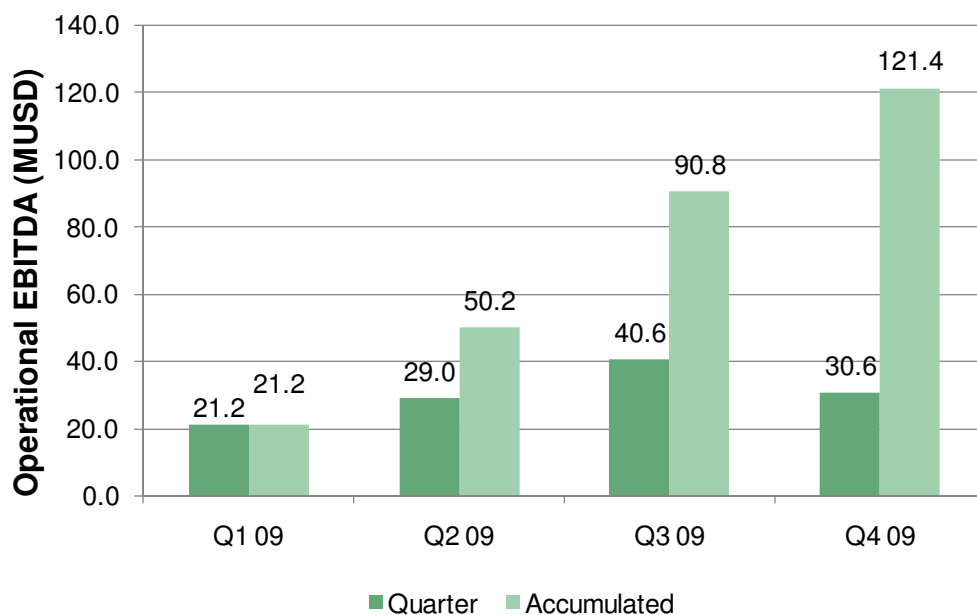
- Cash at 31 December 2009 USD 68.0 million
- Operating cashflow of USD 121.1 million in Q4 2009
- Expect positive net cashflow in Q1 2010
 - Payments for variation orders and milestone payments
 - Q1 2010 net debt expected below USD 800 million
- Run-rate EBITDA on current portfolio is USD 200-250 million
- Unsecured Revolving Credit Facility of USD 1,500 million
 - Utilised USD 900 million per Q4 2009
 - LIBOR +125 bps



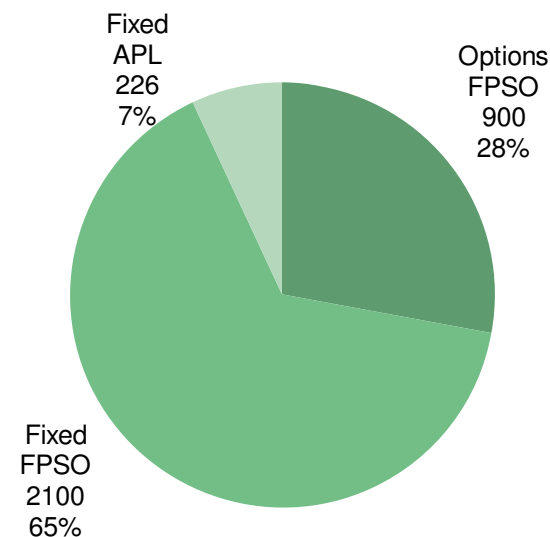


Solid fundamentals

- Continuous focus on improvement of operating results
- Strong and growing operating cash flow
- Order backlog of USD 3.2 billion – whereof 72 per cent is fixed
- Price / Book of 0.7



Order backlog (MUSD)



FUTURE

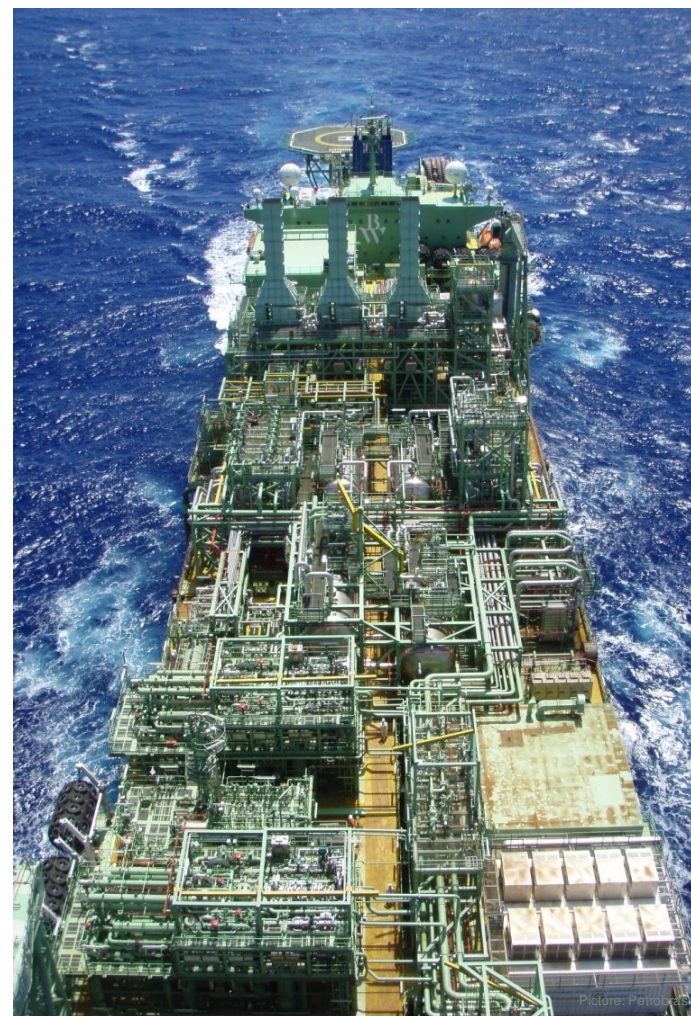


Picture: Petrobras



Profitable growth

- E&P development activity improving
- Capacity to enter into new FPSO contracts
- Improved bargaining position with clients and suppliers increases return potential at limited residual value
- Organic growth will continue to improve financial stability in earnings
- Improved credit markets will provide funding to the consistent players
- Plans dual listing on the Singapore Stock Exchange





APL - leading technology

- Key strategic technology for FPSO developments
 - Class leading capabilities for deep and shallow waters
 - Unique disconnect facilities
 - Class leading fluid swivel technology
- Offshore LNG terminals
 - Class leading in flexible asset light solutions
- Access to new business





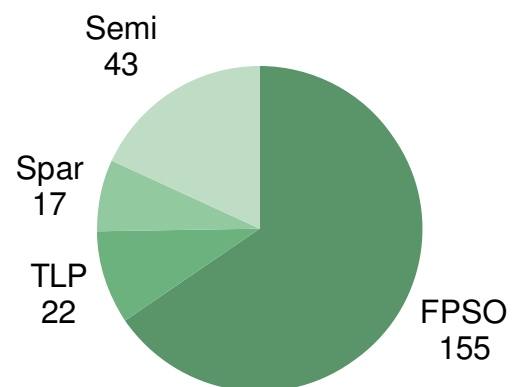
FPSO - the preferred solution

- 65 per cent of all floating production units are FPSOs
- BW Offshore is invited to all lease tenders as a preferred supplier
- Excellent portfolio of prospects
- Expect awards within next couple of months



Picture: Petrobras

Global floating production units



Source: IMA, BW Offshore



APPENDIX



APL turnkey solutions



Production systems



Submerged Turret Production (STP) for FPSO



Submerged Turret Loading (STL) for FSO



External Turret Production (ETP) for FPSO



SAL Yoke System (SYS) for FPSO

Terminal systems



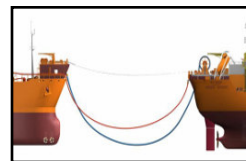
Submerged Turret Loading (STL) for LNG and Shuttle Tankers



Single Anchor Loading (SAL) for Shuttle Tankers



Buoy Turret Loading (BTL) for Shuttle Tankers



BLS and SDS systems for Shuttle Tankers



Units on contract



Sendje Berge, FPSO
Sinopec, Nigeria

60,000 bopd processing
55 mmsfd gas compression
2,000,000 bbls storage
Spread mooring



Yùum K'ak'Náab, FPSO
Pemex, Mexico

600,000 bopd handling
200,000 bopd processing
2,500,000 bbls storage
Disconnectable turret mooring



Berge Helene, FPSO
Petronas, Mauritania

100,000 bpd liquids processing
75,000 bopd processing
100,000 bpd water injection
70 mmscfd gas compression
2,000,000 bbls storage
Turret mooring



Units on contract



BW Nisa
Petrobras, Papa Terra FPSO – P63

ULCC (322.000 dwt)
2,200,000 bbls storage capacity



BW Cidade de São Vicente, FPSO
Petrobras, Brazil

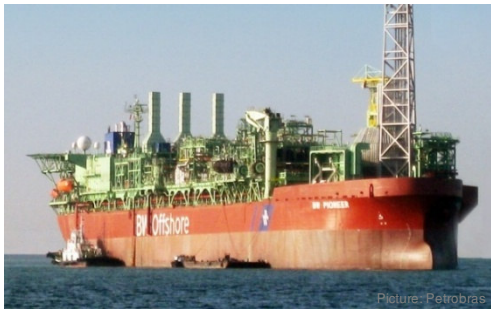
40,000 bopd oil processing
1,000,000 bbls storage capacity
Prepared for facilities upgrades

Units on contract



Belokamenka, FSO
Sovkomflot, Russia

2,400,000 bbls storage
Cargo heating system
Spread mooring



BW Pioneer, FPSO
Petrobras, US

80,000 bopd processing
25.6 mmscfd gas export
600,000 bbls storage capacity
Disconnectable turret mooring
Double hull (M/T Sarasota)

Available units



BW Carmen, FPSO

40,000 bpd liquids handling capacity
25,000 bopd processing capacity
50,000 bbls storage capacity
DP



BW Ara

ULCC (322.000 dwt)
2,000,000 bbls storage capacity



Q1 2010: 19 May 2010

Further information: www.bwoffshore.com

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