



BW Offshore

Company Update

Carl K Arnet
Lin G Espey

January 2018

AGENDA

STRATEGY UPDATE

DUSSAFU DEVELOPMENT

OTHER ACTIVITIES

Q&A



DISCLAIMER



This Presentation has been produced by BW Offshore Limited exclusively for information purposes. This presentation may not be redistributed, in whole or in part, to any other person.

This document contains certain forward-looking statements relating to the business, financial performance and results of BW Offshore and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of BW Offshore or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of BW Offshore or any of its parent or subsidiary undertakings or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. BW Offshore assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither BW Offshore nor any of its parent or subsidiary undertakings or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. Actual experience may differ, and those differences may be material.

By attending this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of BW Offshore and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the businesses of BW Offshore. This presentation must be read in conjunction with the recent Financial Information and the disclosures therein.

This announcement is not an offer for sale or purchase of securities in the United States or any other country. The securities referred to herein have not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), and may not be sold in the United States absent registration or pursuant to an exemption from registration under the U.S. Securities Act. BW Offshore has not registered and does not intend to register its securities in the United States or to conduct a public offering of its securities in the United States. Any offer for sale or purchase of securities will be made by means of an offer document that may be obtained by certain qualified investors from BW Offshore. Copies of this Presentation are not being made and may not be distributed or sent into the United States, Canada, Australia, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any member State, the “Prospectus Directive”), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This Presentation is only directed at (a) persons who are outside the United Kingdom; or (b) investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (c) persons falling within Article 49(2)(a) to (d) of the Order; or (d) persons to whom any invitation or inducement to engage in investment activity can be communicated in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.

1982-2013

2014-2015

2016+

- Design, build, install, lease and operate
 - FSO
 - FPSO
- Increased misalignment over time of risk-reward between FPSO company and reservoir owners
- Exploring potential new models including reservoir risk
 - First farm-in evaluation (Polvo)

- Oil price collapse had major operational impact
- Market for new FPSOs virtually evaporated
- Extend and amend debt in order to secure financial runway
- Balance sheet strengthened with new equity

- Access to proven reserves
- Leverage existing FPSO fleet and in-house capabilities
- New partnership models and contract structures with farm-in and FPSO rates linked to oil and gas revenue
- Organisation strengthened with skills and resources to be an operator and partner

MARKET APPROACH



- Increased market activity
- Main newbuild market Brazil
- Competition bidding low
- BW Offshore bidding selectively



- Increased interest for redeployment to unlock fast-track developments
- Focus on small to medium sized E&P companies with existing undeveloped reservoirs
- Offering field development capabilities through partnership models



Unlocking the value of existing oil and gas discoveries by using existing floating production assets

Strengths

- Ability to adjust strategy to maximize returns
- Having existing assets with sunk costs – de-risking the asset component of a development
- Capabilities as project manager and integrator
- Accelerate time to first oil

What we have been doing

- Developing in-house capabilities within drilling, reservoir and geoscience
- Matching existing assets with high assurance of hydrocarbon resources
- Making Dussafu a success

Targets

- Medium/small oil companies with existing undeveloped field opportunities
- Minimize incremental investment costs in redeployment of units
- Identify partners with complementary skills in the basin of interest

VISION AND PURPOSE

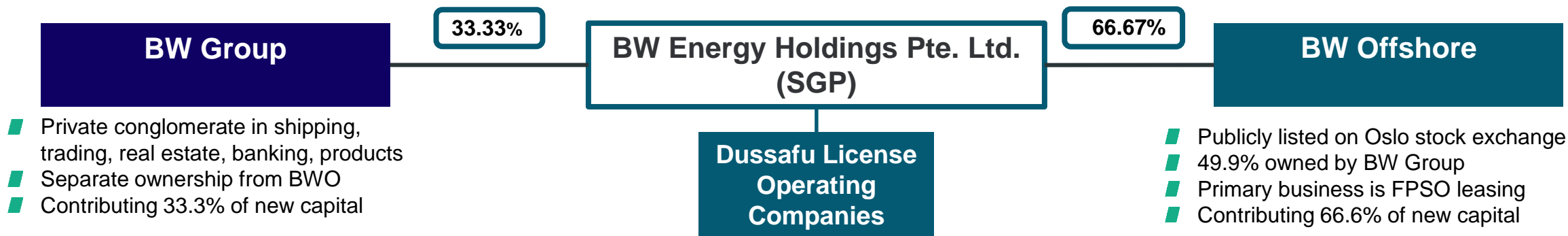


BW Offshore shall be the preferred partner in development and operation of discovered offshore fields

- To be a partner means sharing the risk and reward of the reservoir
- Use existing production assets to trigger development of discovered offshore oil and gas fields
- Unique focus on small to medium sized E&P companies
- Maximize return to shareholders whilst understanding the long term nature of our business



DUSSAFU STRUCTURE AND GOVERNANCE



BW Energy Holdings board is governed by successful industry veterans with extensive O&G upstream experience, much of which is in Gabon

Carl Krogh Arnet – Chairman
BWO Representative

Mr. Carl Krogh Arnet has been the Chief Executive Officer of BW Offshore Limited since 1 September 2008 and was previously the Managing Director of APL since 1996. Prior to joining APL, Mr. Arnet had various positions at Norsk Hydro in the period from 1981 to 1996, including Offshore Installation Manager and Vice President. Mr. Arnet holds an M.Sc. from the Norwegian University of Science and Technology (NTNU) and an MBA from the Norwegian School of Management (BI).

Sebastien Brochet
BW Group Representative

Mr. Sebastien Brochet is currently Senior Vice-President for Strategy, Corporate Development & HR of BW Group. Prior to joining BW Group in 2013, he worked for Bain & Company, spending eight years in its Energy and Industrial Practice in Singapore, Dubai and Paris and leaving as a Principal. Prior to that, he held various operational responsibilities (industrial, purchasing) in the Chemical industry, at Rhodia in Asia Pacific. Mr. Brochet holds an MBA from Harvard Business School and a Master degree in Chemical Engineering from the University of Technology of Compiègne in France.

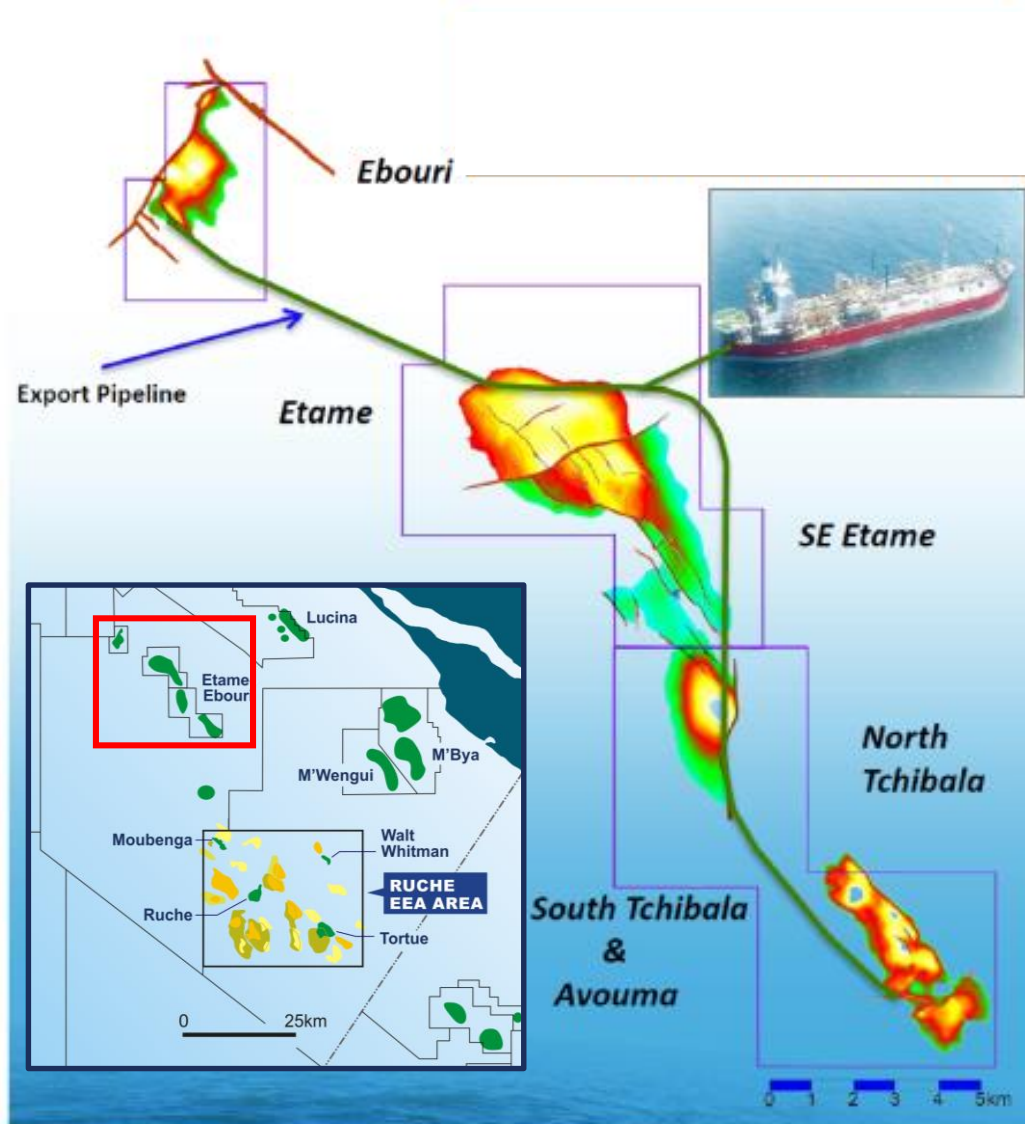
Tormod Vold
Independent

Mr. Tormod Vold has 34+ years of experience working for several E&P operating companies, most of which was spent within Royal Dutch Shell’s international operation units. Assignments included Europe, West Africa, and the Middle East in various roles including technical, project management, commercial, economics, strategic planning and general management. From 2010-2014, he was Technical Director for Shell Gabon responsible for drilling, sub-surface, facilities, projects and business and development planning. Mr. Vold holds an MSc from the University of Science and Technology (NTH/NTNU) in Norway, and undertook extensive leadership training with both Shell and INSEAD.

Russell Scheirman
Independent

Mr. Russell Scheirman has 31+ years of experience in management positions in the O&G industry. Prior to joining BW Energy, Mr. Scheirman was with VAALCO from 1991 to 2015, when he retired. During this time, he acted in various managerial positions, including EVP, CFO, and a member of the Board of Directors. Between 2008 and 2015, Mr. Scheirman served as President and COO of VAALCO, overseeing daily operations of VAALCO’s exploration, drilling and production areas. Mr. Scheirman holds a B.S. and M.S. in Mechanical Engineering from Duke University in 1977 and 1978, respectively, and an MBA from California Lutheran University in 1984.

ANALOG FIELD: ETAME



- The adjacent Etame permit has been highly successful commercially and has very similar reservoir characteristics to Dussafu
- BWO has successfully operated the FPSO Petroleo Nautipa for over 15 years at the adjacent Etame field
- A large number of the technical and management personnel who developed Etame are part of the Dussafu team
- The Etame development was initiated with 3 subsea wells tied back to an FPSO – similar to the initial development plan for Dussafu
- Initial Etame reserves: 20-25 million barrels of oil
 - Over 100 million barrels of oil produced through 2017
 - Etame has produced more than the initial P50 reserve estimate

INITIALLY

- Prove Business Model with the Dussafu Tortue Project in Gabon

SHORT TERM

- Continue to develop Dussafu
- Start to mature new opportunities to repeat business model

LONG TERM

- Potential separate listing of oil and gas segment

OIL PRICE



Source: Thomson Reuters

DUSSAFU DEVELOPMENT





Lin Espey – Managing Director and Project Manager

- 27 years oil and gas industry experience, including 6 yrs on the adjacent Etame Marin Permit
- As VP Production for VAALCO, sanctioned and managed multiple new field development projects offshore Gabon
- Held multiple management and technical positions for VAALCO, BP, Arco and British Gas working in Africa, South America, Europe and North America.



John Price – Geoscientist

- 35 years oilfield experience, 12 years in Gabon including the Dussafu Marin block.
- Ex-Harvest – responsible for all sub-surface technical work leading to Ruche and Tortue discoveries.
- Planned/undertook geophysical acquisition, processing, interpretation sub-surface well planning, post-well appraisal and reporting to Gabon government for Dussafu for wells DTM-1 and DRM-1.



Javed Akhtar – Director of Subsurface

- 26 years experience as a reservoir engineer in the upstream oil & gas sector.
- Direct involvement with oil & gas developments in the Middle East, Latin America and Africa
- Most recently responsible for managing reservoir evaluation & production optimization in the Etame Marin block of southern Gabon



Howard Cornelius – Chief Geophysicist

- 37 years worldwide seismic interpretation, acquisition and processing experience.
- 11 years of successfully recommending the drilling and development of Gamba and Dentale wells both onshore and offshore Gabon.
- Instrumental in the discovery of four oil fields in Gabon.



Bill Parker – Director of Geosciences

- 40 years industry experience as petroleum geologist in both onshore and offshore
- Familiar with depositional systems in various international locations including the Far East, South America and West Africa.
- Extensive pre-salt knowledge with an emphasis on the Etame Marin and Dussafu Marin blocks offshore southern Gabon.



Chris Jones – Deputy Project Manager and Engineering Manager

- 26 years offshore platforms and FPSO experience within the Oil & Gas industry
- Fast-track projects in a variety of locations around the world including the USA (Gulf of Mexico), Middle East, South America, Asia and Europe.
- Process engineering background with project management and engineering management experience



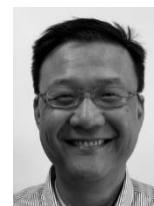
Ewan Anderson – Gabon Drilling Manager

- 24 years oilfield experience, 10 years of which in Gabon drilling operations
- Experienced in platform and subsea planning and operations
- Production engineering and management experience



Gordon Mutch – Drilling Manager

- 38 years oilfield experience, 14 years of which in Gabon drilling operations
- Experienced in platform and subsea planning and operations
- Production engineering and management experience



David Tong – Facilities Delivery Manager

- 28 years experience in offshore oil/gas production, 9 years of which in Gabon, delivering offshore facilities; offshore platforms, and subsea infrastructures
- Experienced in topside process facility development, subsea tie-backs to FPSO and production maximization through de-bottlenecking using existing facilities
- Hands on offshore asset installation, commissioning, start-up, subsea intervention and project execution



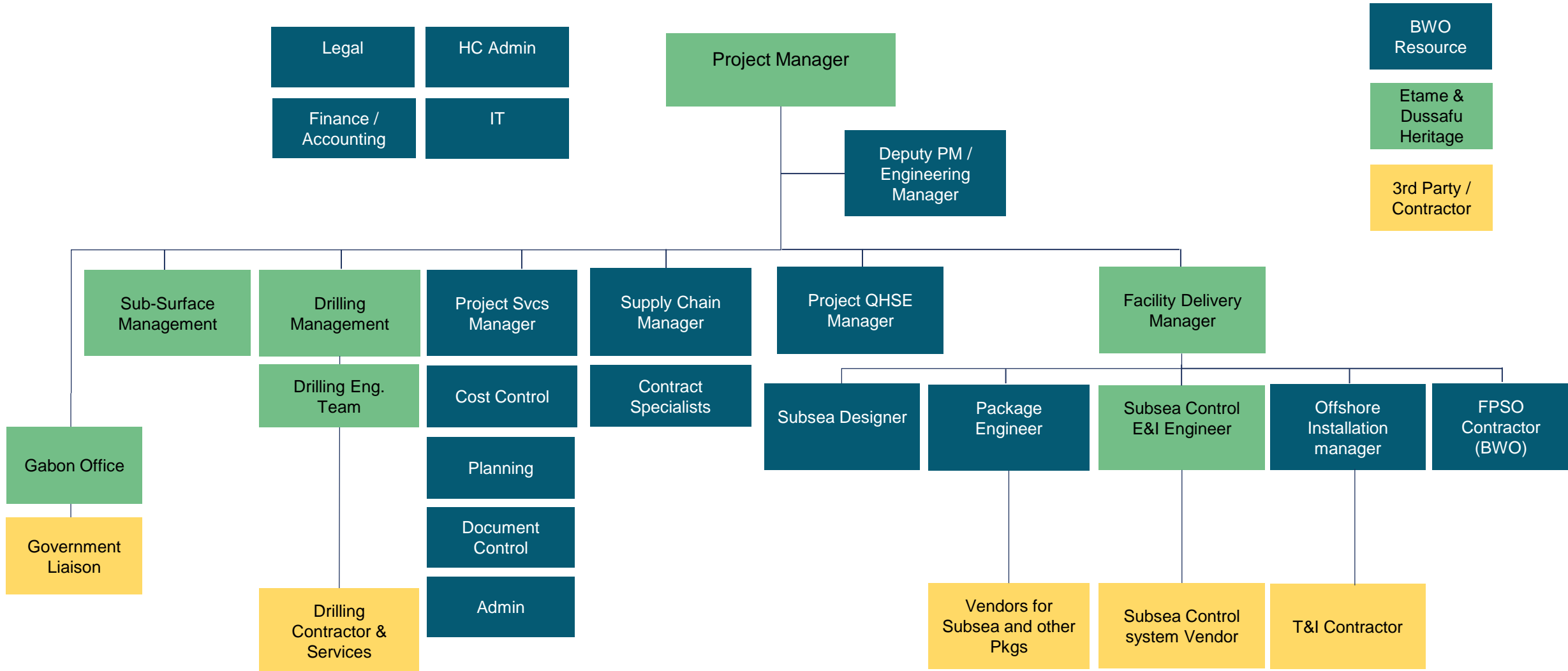
Roy Spiers – Drilling Engineering Manager

- 27 years oilfield experience, 13 years of which in Gabon drilling operations
- Experienced in platform and subsea planning and operations
- Planned and supervised Sasol exploration well in Dussafu block – DUSM-1 well

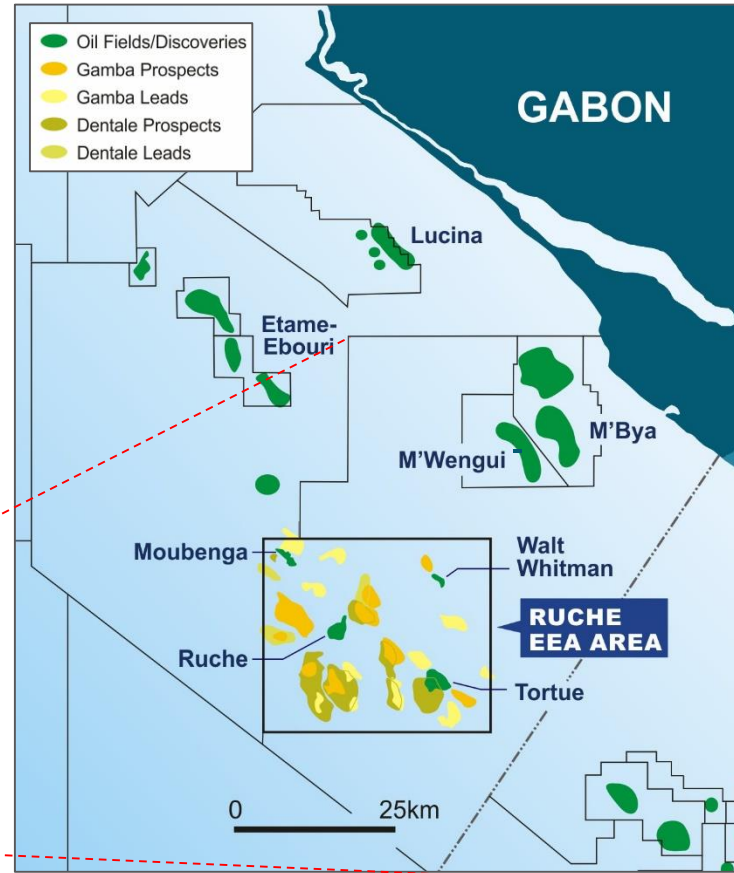
PROJECT ORGANISATION



Staffed with a blend of BWO project and support resources as well as exploration and production personnel with direct experience working the Dussafu and adjacent Etame permits



DUSSAFU ASSET DESCRIPTION



Government approved Exclusive Exploitation Authorisation (EEA) called the Ruche EEA

- Contains four proven pre-salt oil discoveries (Tortue, Ruche, Walt Whitman and Moubenga)
- 850 km² (larger than four UK North Sea blocks)
- Right to the EEA for 20 years
- Water depth of discoveries <120m
- Exploration acreage outside of EEA has been relinquished

Discoveries

- Harvest and Panoro drilled successfully in 2011 and 2012 with 'two-for-two' discoveries at Ruche and Tortue with the aid of modern 3D seismic
- Walt Whitman and Moubenga had been previously discovered

Significant exploration upside within the Ruche EEA

- Modern high quality 3D seismic covering entire EEA
- Over a dozen high graded prospects, many with stacked pay

LICENCE OWNERSHIP

	Current	Potential
BW Energy Gabon	81.7% (Operator)	73.5%
Panoro Energy	8.3%	7.5%
Gabon Oil Company	10% (transaction pending)	9%
Other/ Potential Back-in	0%	10%

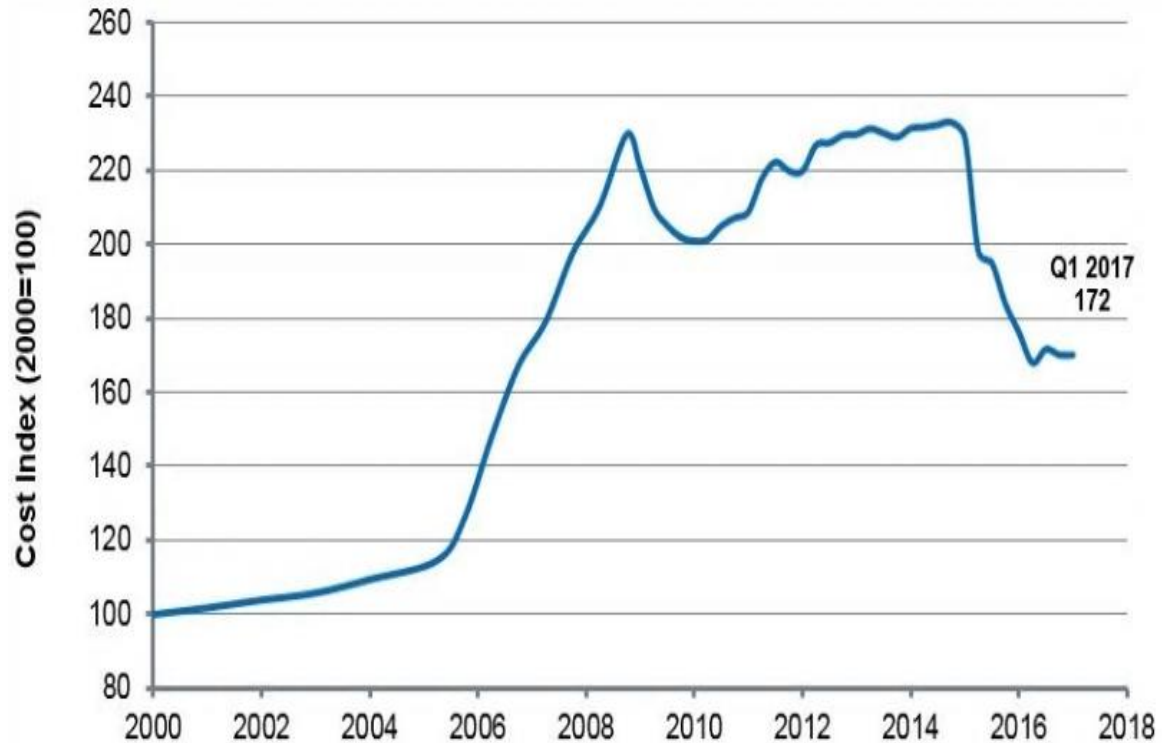
- Tullow and AIC-PETROFI hold the PSC-defined state back-in rights of 10%, exercisable within a certain time after first oil

- The right entails a full reimbursement of costs

PRODUCTION SHARING CONTRACT

- Production Sharing Contract offers low royalty rates and high net backs
- Sliding scale royalty rate
- Cost recovery 65% - 75% of bbls (net of royalty)
- Sliding scale profit oil split
- Production Bonuses
- Annual abandonment fund account contribution – cost recoverable
- Various other training/social support funds
- Gabon state's profit oil take offsets foreign income tax liability

Upstream Capital Cost Index



Source: IHS

© 2017 IHS

Dussafu Capital Cost Reductions

Subsea Equipment

- ~40-50% less than previous quotes

Drilling Rigs

- ~40-50% less than previous quotes

Flexibles

- ~20-30% less than previous quotes

Support vessels

- ~50-60% less than previous quotes

DUSSAFU TIMELINE



✓ BORR NORVE ARRIVED IN PORT GENTIL, GABON ON 5-JAN



FPSO
CONTRACT
FINALIZED

FPSO
MOBILIZES TO
GABON

1H 2018

2H 2018

SUBSEA TREES
& EQUIPMENT
ARRIVE IN
GABON

DRILL
1ST WELL

DRILL
2ND WELL

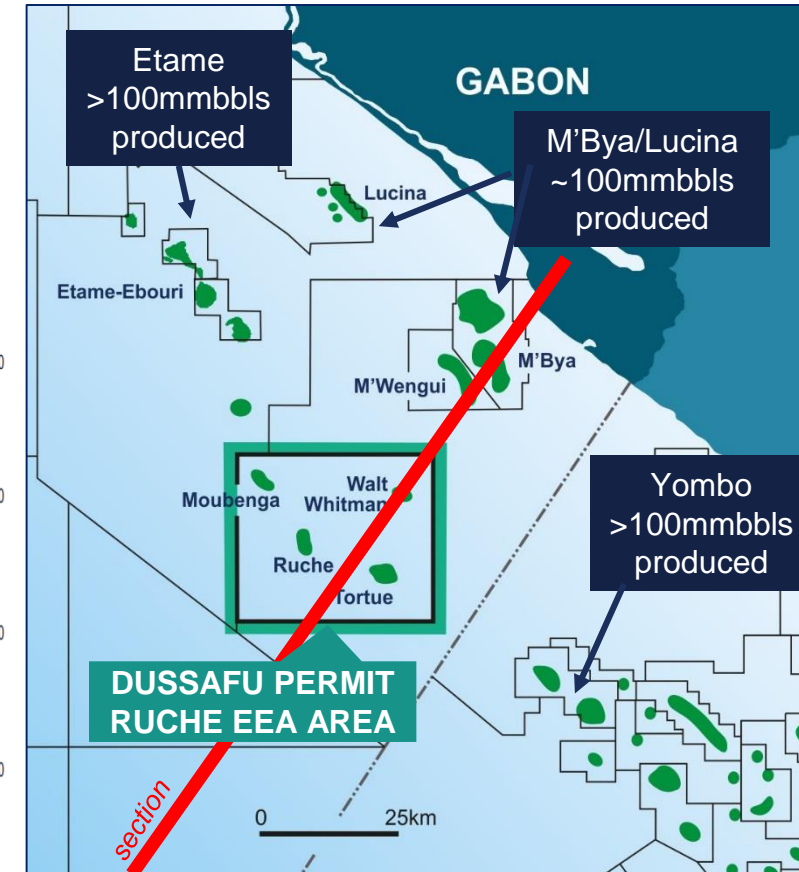
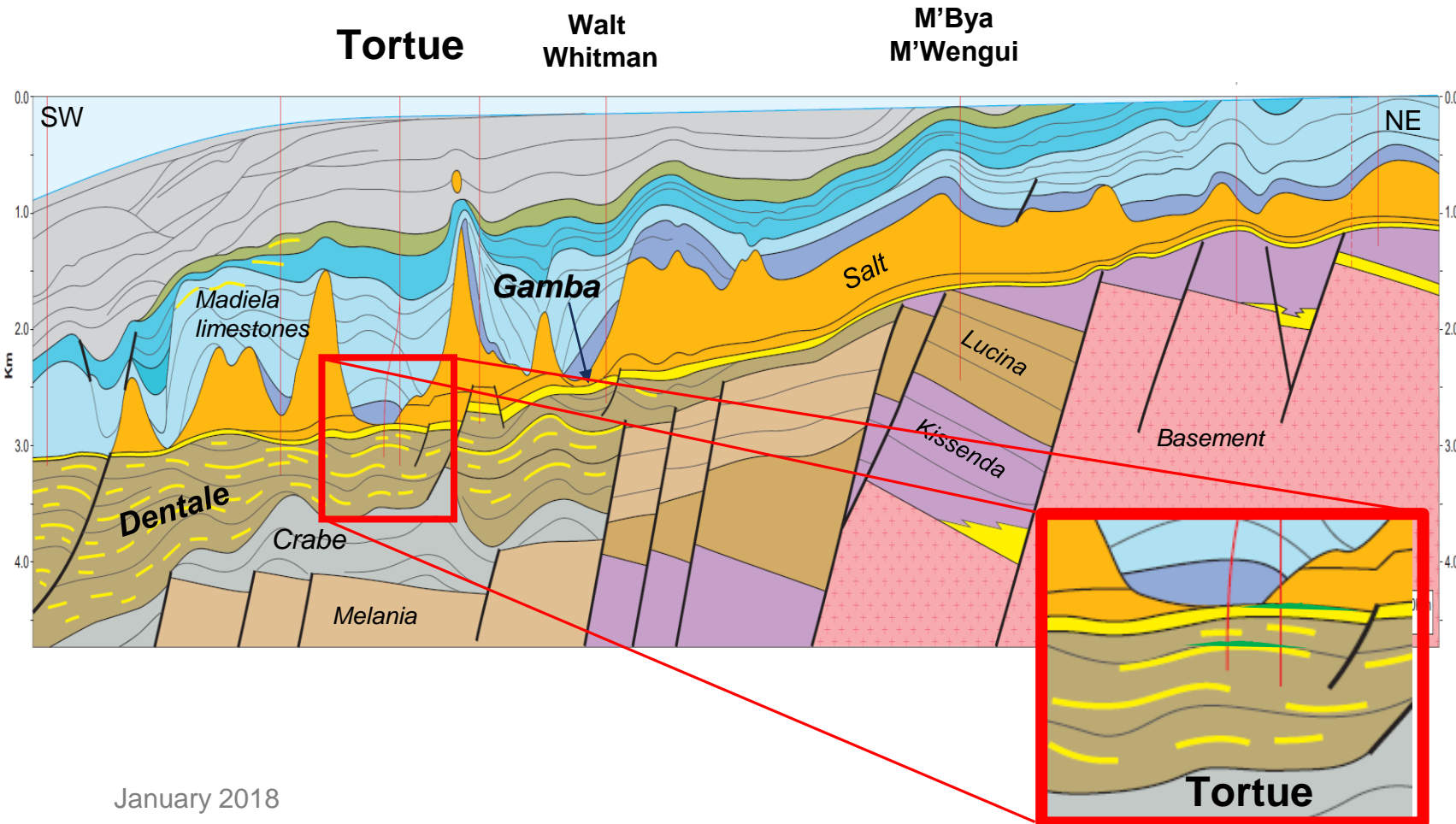
SUBSEA
INSTALLATION

FIRST
OIL

DUSSAFU GEOLOGICAL SETTING



- Atlantic Margin, pre-salt play
- Proven petroleum system
- Dussafu surrounded by prolific producing oilfields
- Dussafu will produce from pre-salt Gamba and Dentale sandstones



Many nearby field clusters have all produced more than 100 million bbls

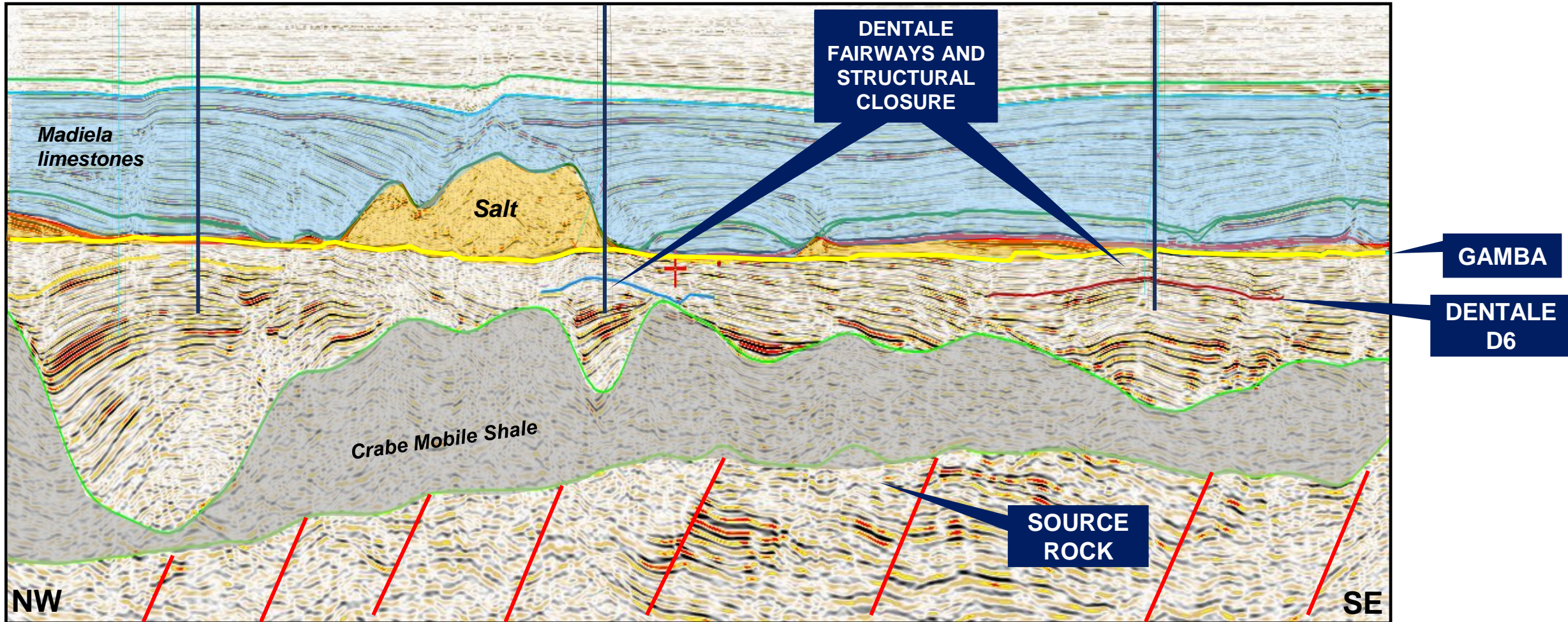
SEISMIC SECTION THROUGH DISCOVERIES



Moubenga

Ruche

Tortue



New 3D seismic has provided a step-change in the understanding of pre-salt reservoir and traps

TORTUE GAMBA AND DENTALE RESERVOIRS



Pre-salt reservoirs

- 2800-3200m subsea
- Gamba sands
- Vembo shale seal
- Dentale stacked channel sands
- Intra-formational seals

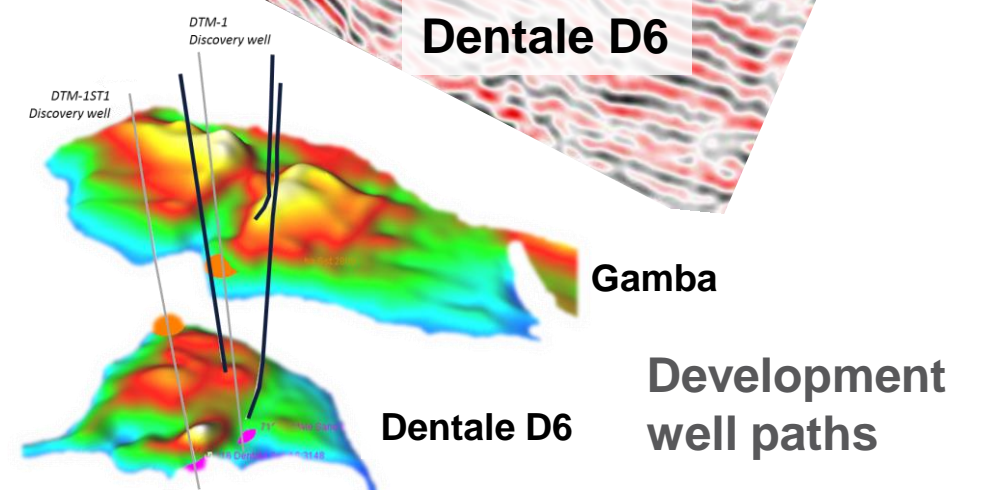
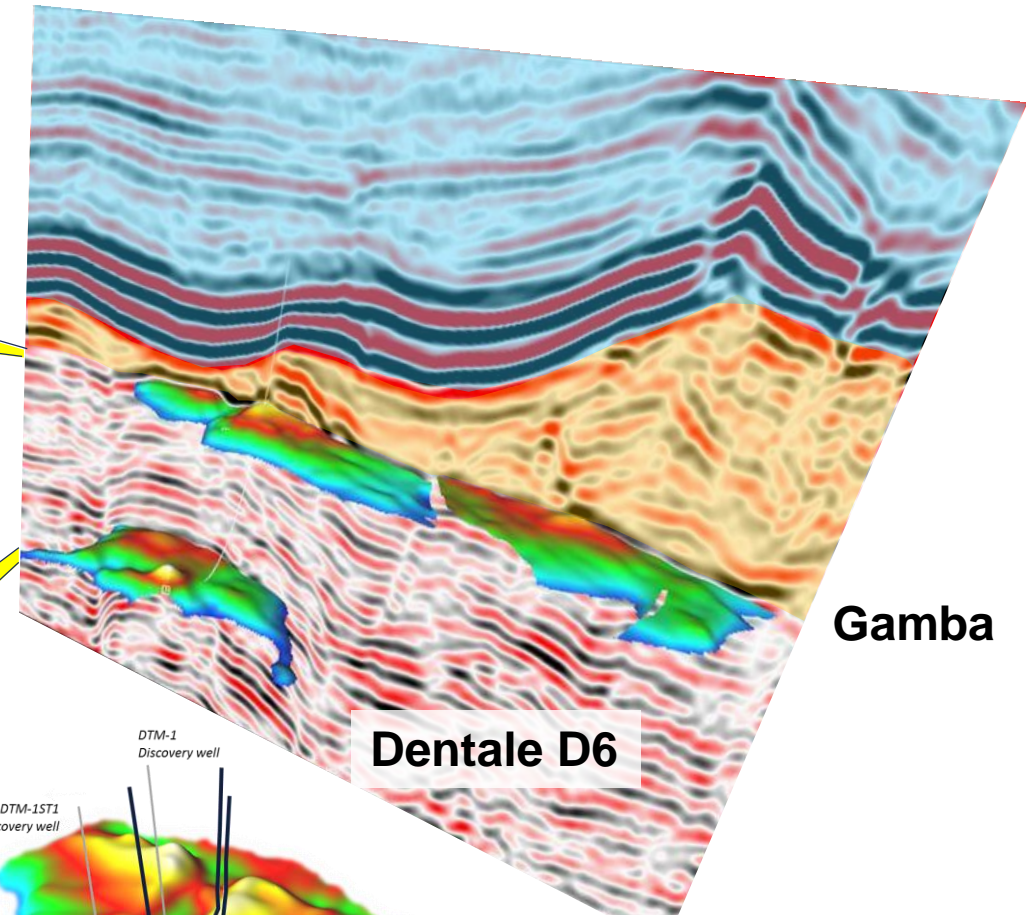
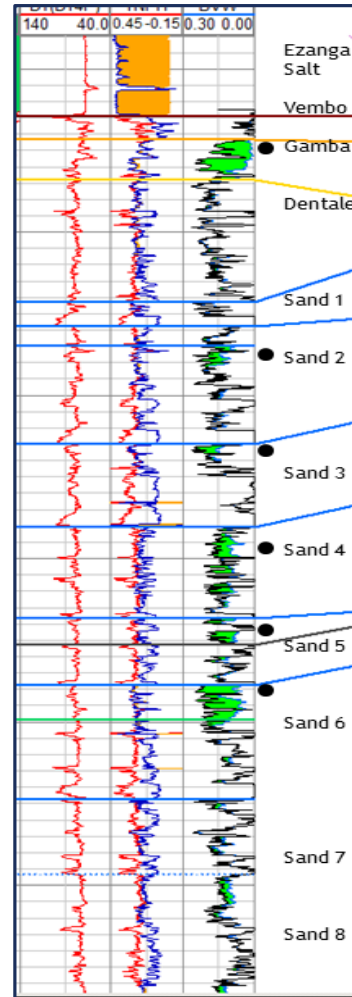
Gamba

- 20m gross thickness
- 77% net sand
- 12-27% porosity, 18% average
- ~ 500 mD permeability
- 28 deg API oil
- ~ 35m column
- No H₂S

Dentale D6

- 30m gross thickness
- 85% net sand
- 12-30% porosity, 21% average
- ~ 600 mD permeability
- 30 deg API
- ~ 40m column
- No H₂S

Well log highlighting oil saturation



PHASING AND RESERVES



TORTUE DEVELOPMENT

Gamba

Gamba 2C

The contingent resources will be assessed with an appraisal well in the first drilling campaign.

Gamba 3C

The contingent resources will be appraised in subsequent drilling campaigns.

1P (Proved), 2P and 3P Reserves

Phase 1: 1 well in each of the Gamba and Dentale D6

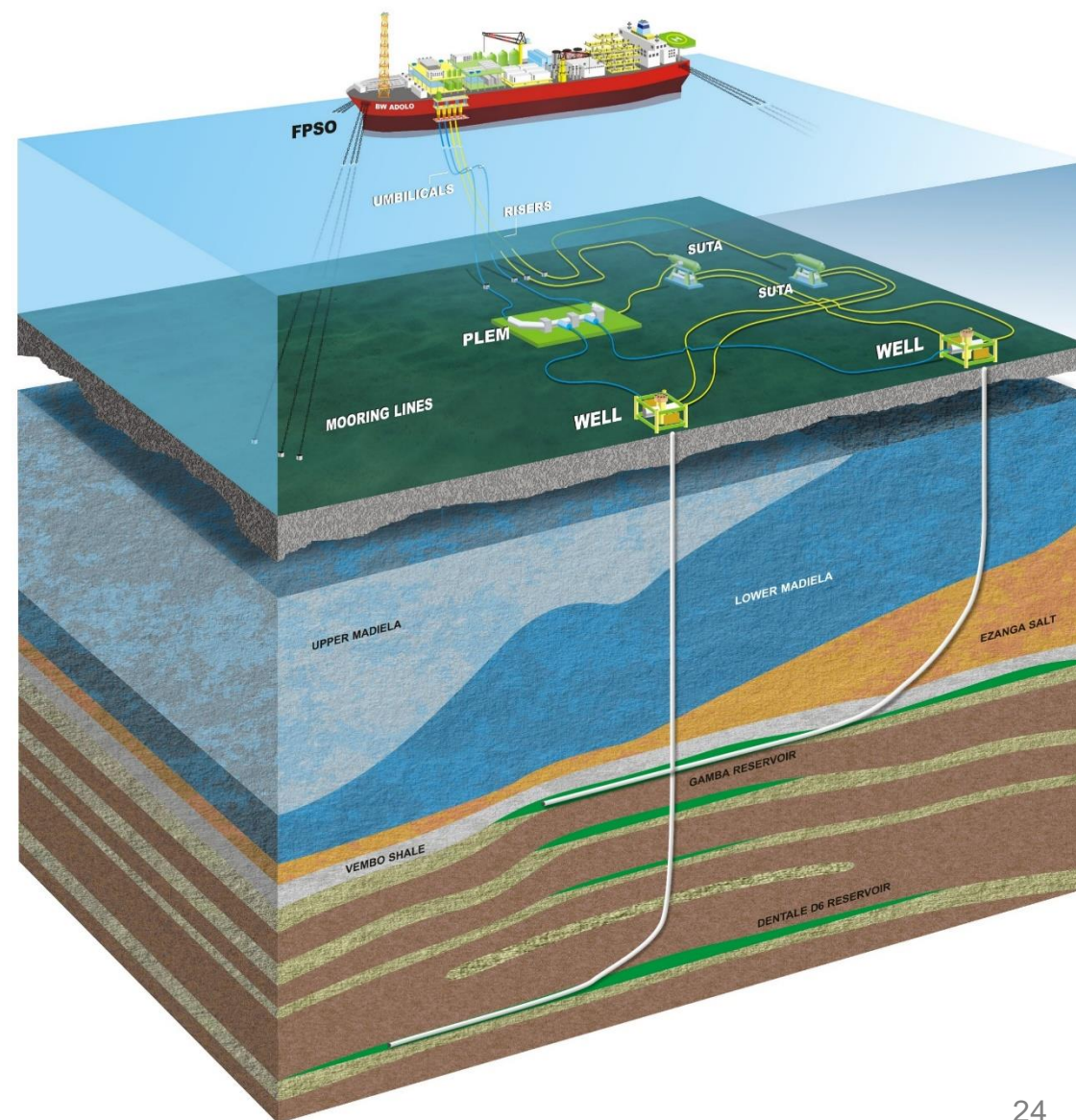
Phase 2: 1 well in each of the Gamba and Dentale D6

Dentale D6

TORTUE DEVELOPMENT PLAN



- Phase 1 initial development consists of
 - 2 subsea production wells at Tortue tied back to a leased BWO FPSO
 - Water depth is 115 meters
 - Appraisal well in the western part of Tortue in preparation for subsequent drilling programs
- Same development concept that has been used successfully in adjacent Etame Permit
- All long-lead items have been purchased
- FPSO mooring was pre-installed in Dec. 2017
- Rig has been mobilized with drilling expected to commence 1Q 2018
- All major subsea equipment (risers/flowlines/umbilicals) have been ordered
- First Oil planned for 2H 2018



TORTUE PHASE 1 DRILLING



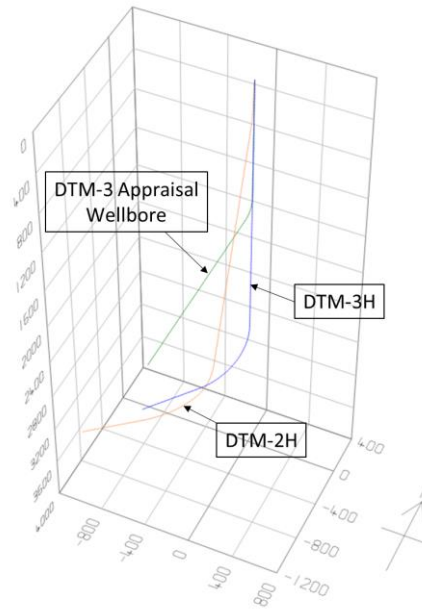
Drilling Scope

- 2 Subsea horizontal oil production wells
 - Provision for gas lift and sand control
 - Well design similar to successful Etame wells in adjacent permit
- 1 appraisal well in the west to prepare for Tortue Phase 2 development
- High specification 400' jack-up rig Borr Norve to start drilling in Q1 2018

- All major drilling services have been awarded and all long lead items are being delivered to Port Gentil.

Drilling Team

- Highly experienced drilling management team in place
 - Conducted over 40 drilling operations offshore Gabon in adjacent Etame permit



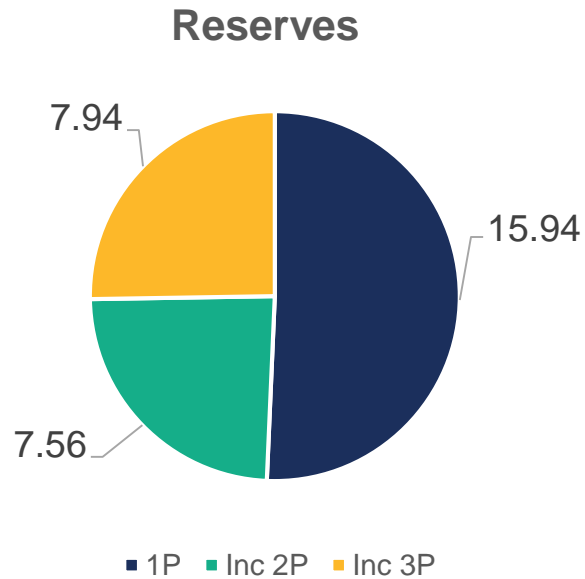
- VLCC (formerly Azurite) with large riser and storage capacity
- Excess processing and heating capacity
- Large accommodations and deck space for future field expansion
- Currently in Keppel shipyard in preparation for deployment
- Gabon government has confirmed the use of the FPSO, including rates, and the FPSO contract is in the process of being finalised



TORTUE PRODUCTION FORECAST



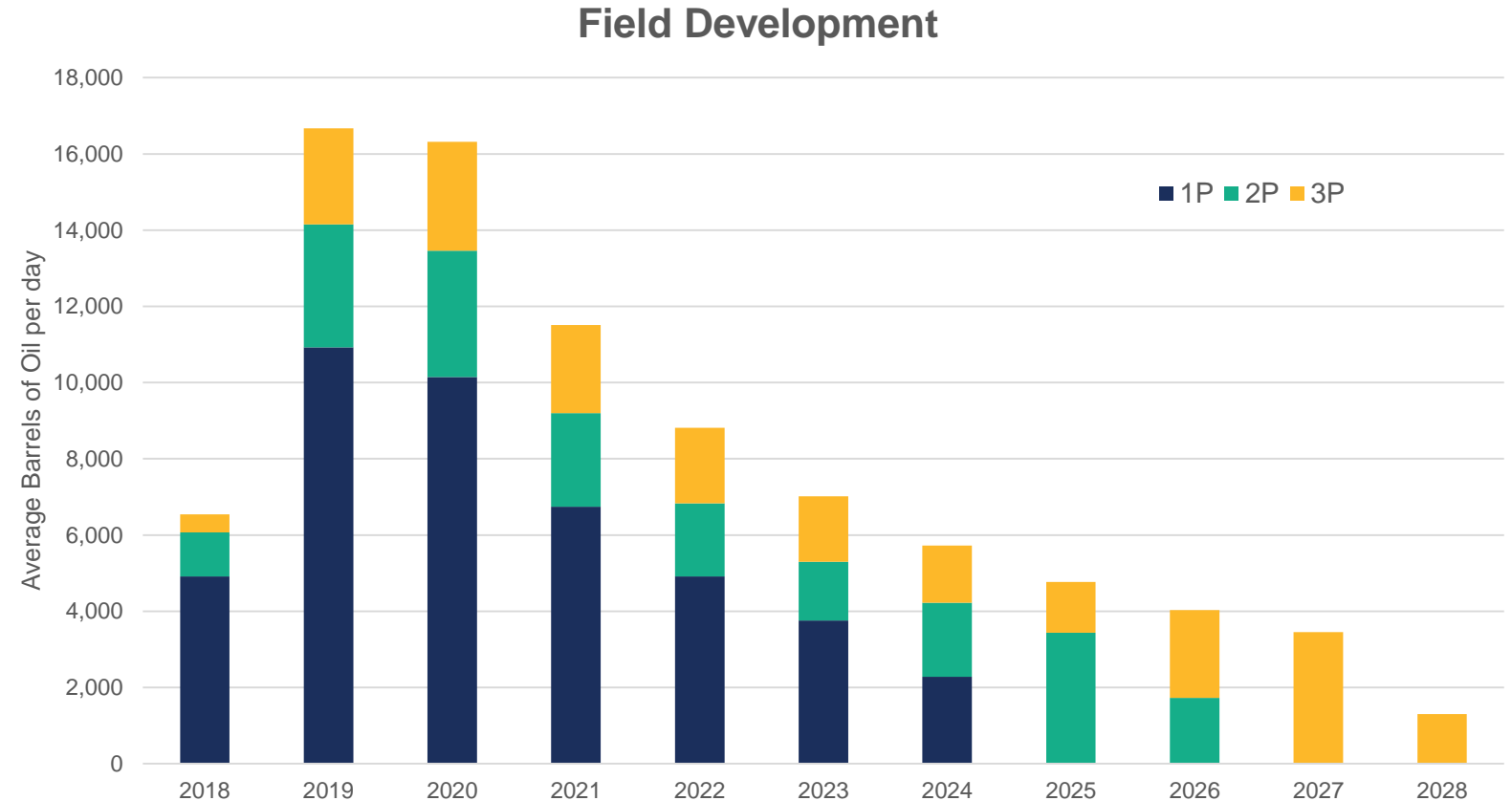
PHASE 1 AND PHASE 2 (4 wells)



Total 1P = 15.94 million bbls

Total 2P = 23.50 million bbls

Total 3P = 31.44 million bbls



Note: From preliminary NSAI report dated December 2017. Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC.

TORTUE FINANCIAL METRICS – 2P CASE



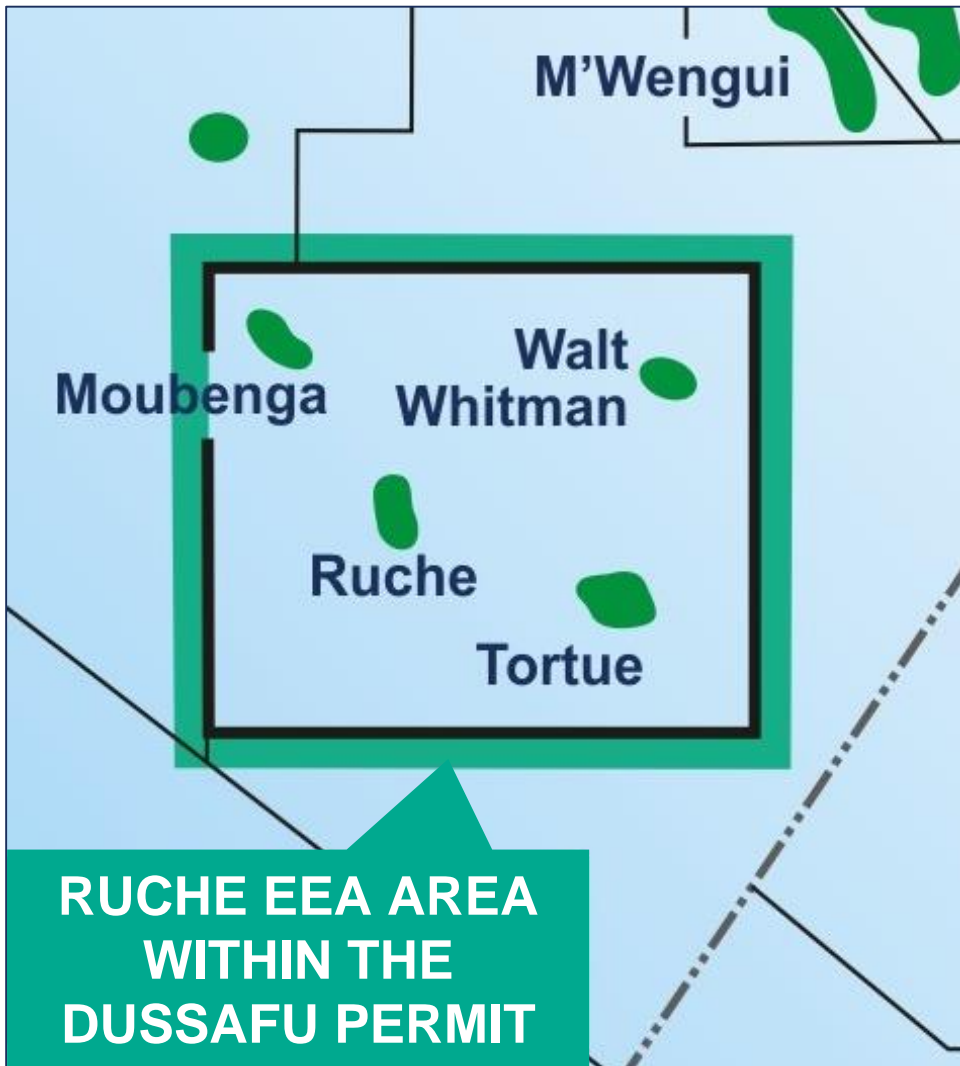
- Illustrative economics are based on average realized price¹ of USD 59 / bbl²
- Initial³ OPEX = USD 13 - 16 / bbl⁴
- Field Life OPEX = ~ USD 20 / bbl⁴
- 23.5 million bbls⁴ recovered

- CAPEX to first oil USD 160 - 170 million including:
 - 2 wells tied-back
 - 1 appraisal well
 - FPSO deployment & installation
 - Contingency

- Subsequent two wells in 2019 including tie-backs @ USD 40-50 million per well

1. Realized price for Dussafu oil is assumed to be USD 0.10 discount to Brent
2. Based on Brent strip pricing at December 2017
3. Initial term = first 12 months of production
4. Values are based on gross (100%) production and cash flow from NSAI 4-well Preliminary data (Dec 2017)

DUSSAFU OVERALL DEVELOPMENT



- +15 million bbls mid case gross reserves
- Est. peak 10,000 to 15,000 bbls/day

- Up to 45 million bbls incremental gross Tortue upside reserves
- Est. peak 15,000 to 25,000 bbls/day

- Potential for up to 100 million bbls gross upside reserves from existing discoveries

Tortue Phase 1: 2018

- Initially 2 wells at Tortue
- Gross capital investment USD 160-170 million

Tortue Phase 2 and onwards: 2019 →

- Up to 2 additional wells per drilling phase

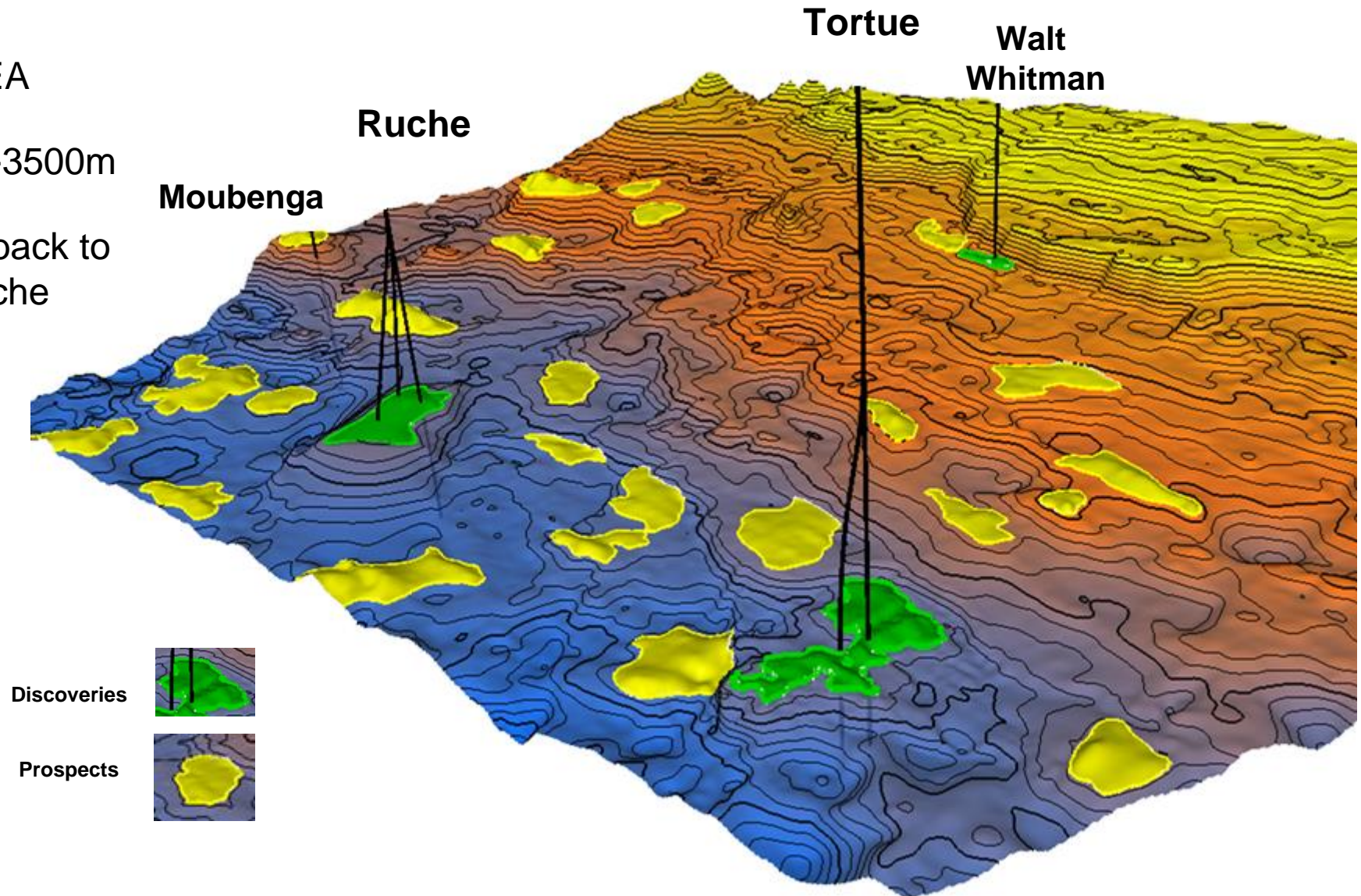
Ruche EEA upside

- Further upside from several attractive exploration prospects

PROSPECTIVITY – NEAR-FIELD POTENTIAL



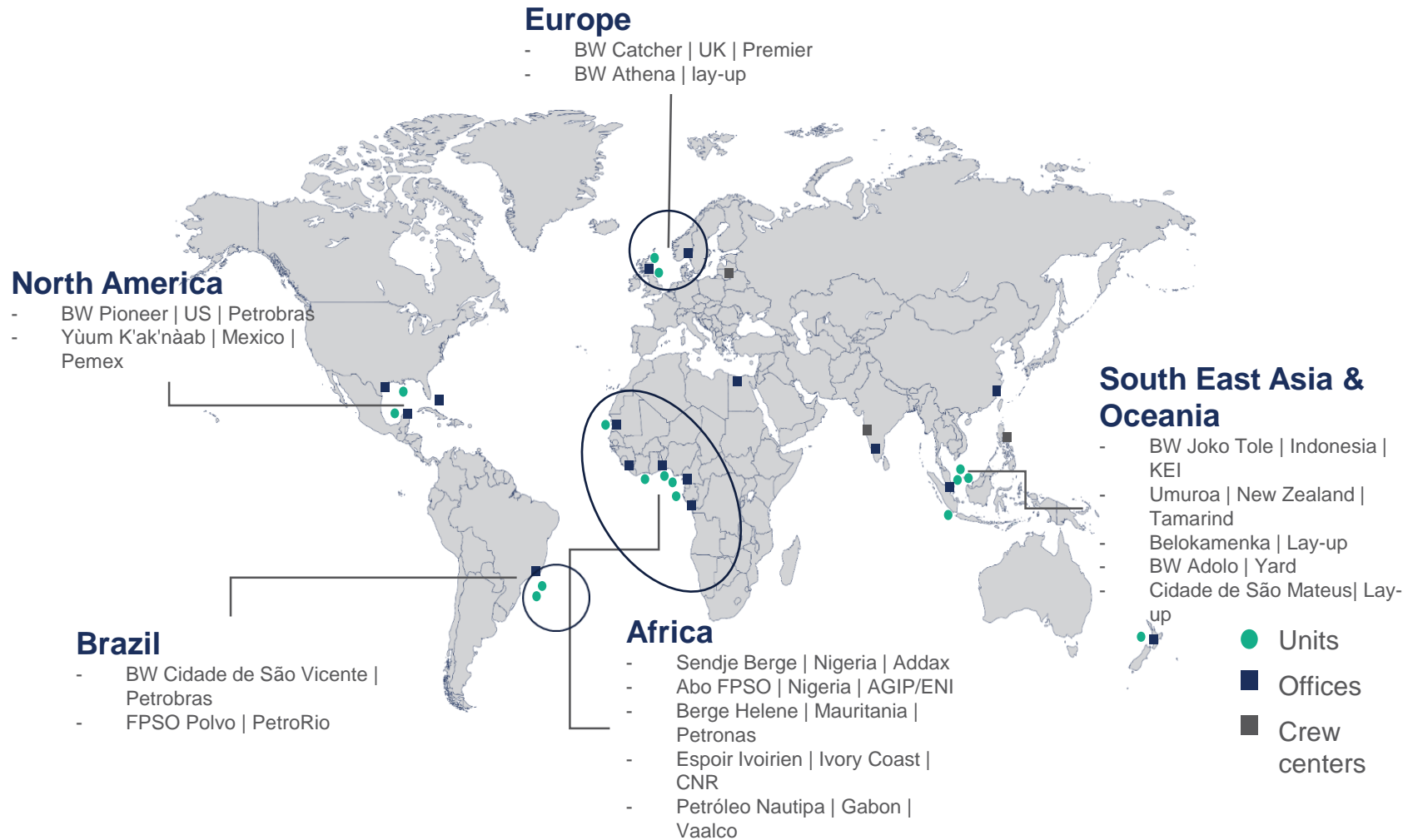
- Significant prospectivity in EEA
- Target reservoir depths 2500-3500m
- New discoveries can be tied back to infrastructure at Tortue or Ruche
- In water depths <120m





OTHER ACTIVITIES

NEW OPPORTUNITIES



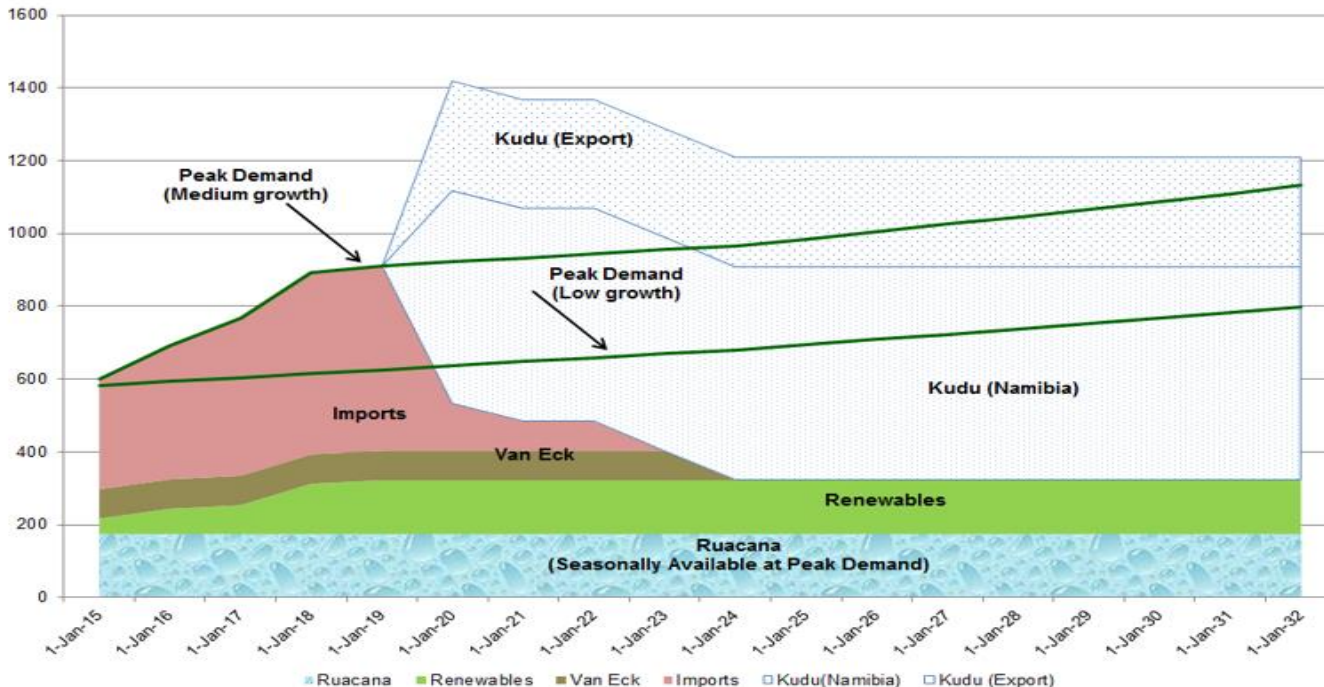
BWO Global Footprint

- BWO has extensive operating experience from all around the globe
- Main focus areas for the new partnering approach is:
 - Africa
 - North Sea
 - Brazil
- BWO is in discussion on a number of opportunities that are subject to NDAs including:
 - Berge Helene
 - BW Athena

KUDU = INVESTMENT IN INFRASTRUCTURE



- The nature of energy infrastructure projects is similar to FPSOs commercially in terms of execution risk versus a 20-25 year contracted cash flow
- Scope is extended to include drilling, pipeline, subsea infrastructure as well as the FPU
- The risk includes reservoir volume risk (no commodity price risk) due to GSA



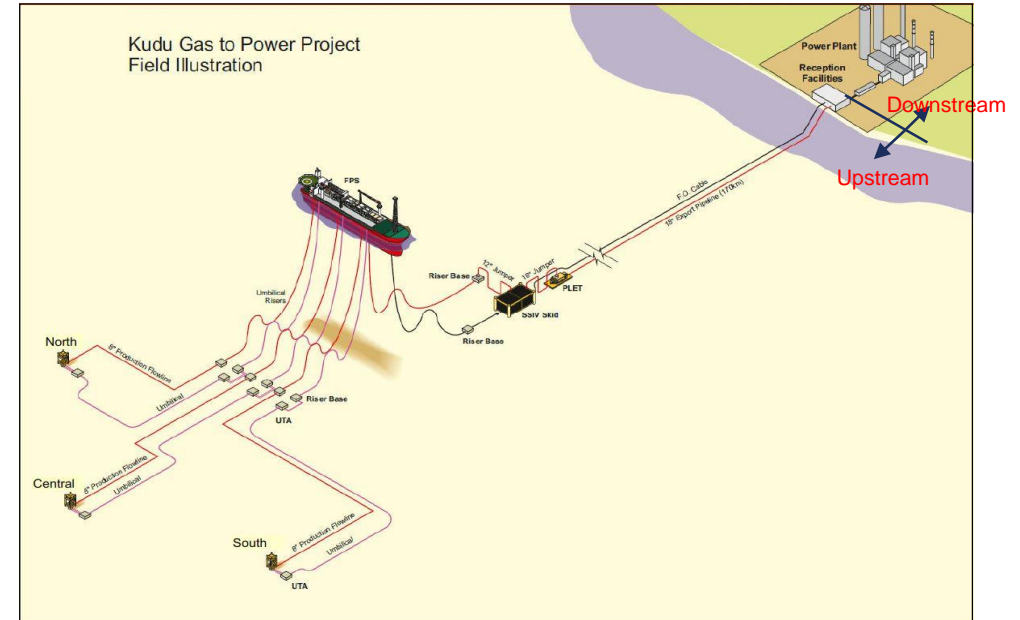
- Investing in energy infrastructure has country or sovereign risk versus traditional client counter-party risk
- Possible guarantee options to mitigate this risk include MIGA/Sinosure, export finance agencies (ECA), and players such as the World bank (IFC) and African Development Bank of ERBD

PROJECT OVERVIEW



Project summary

Location	170 km offshore Namibia
Contingent resources	
2C	1.33 Tcf (contracted 0.67 Tcf)
Oil equivalent	240 mmboe @ 2C
Purchase price	USD 2.4 million prior to FID & USD 8 million @ FID
Exploration wells drilled	8
Water depth	170 meters
Expected field duration	>25 years
Counterparty	Nampower/Government
Development	2-3 wells + FPU + gas pipeline to shore



- Field discovered in 1974
- The 440MW KuduPower generating station planned near Oranjemund, clears the path for the first stage development of the field
- Decisions for the necessary transmission lines and interconnects in the grid has already been taken
- The Kudu gas to power project is recognised as vital to cover the growing demand for clean and sustainable energy in Namibia along other energy sources like solar and hydro power



Q&A



BW Offshore