BW Offshore

Q3 2008 presentation

13 November 2008

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Highlights

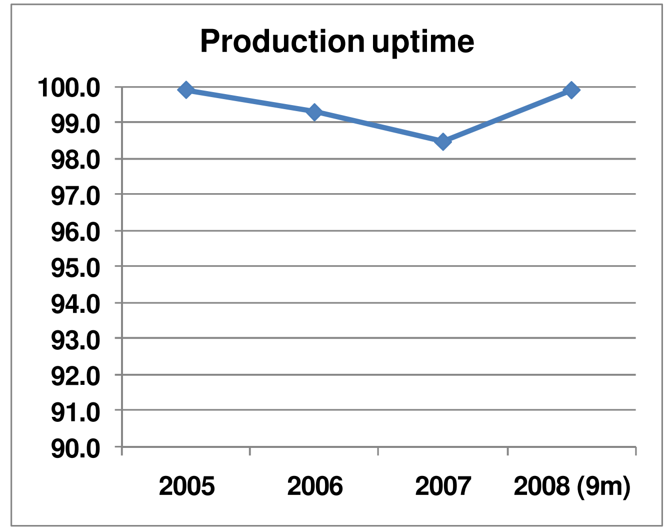
- Contracted order portfolio - healthy
  - Strong order inflow for Technology & Installation
  - Received variation orders for ongoing FPSO conversions
- Conversions - on track
- Operating profit – positive before non-cash charges
- Funding and cash position - strong

Q3 2008

FLOATING PRODUCTION

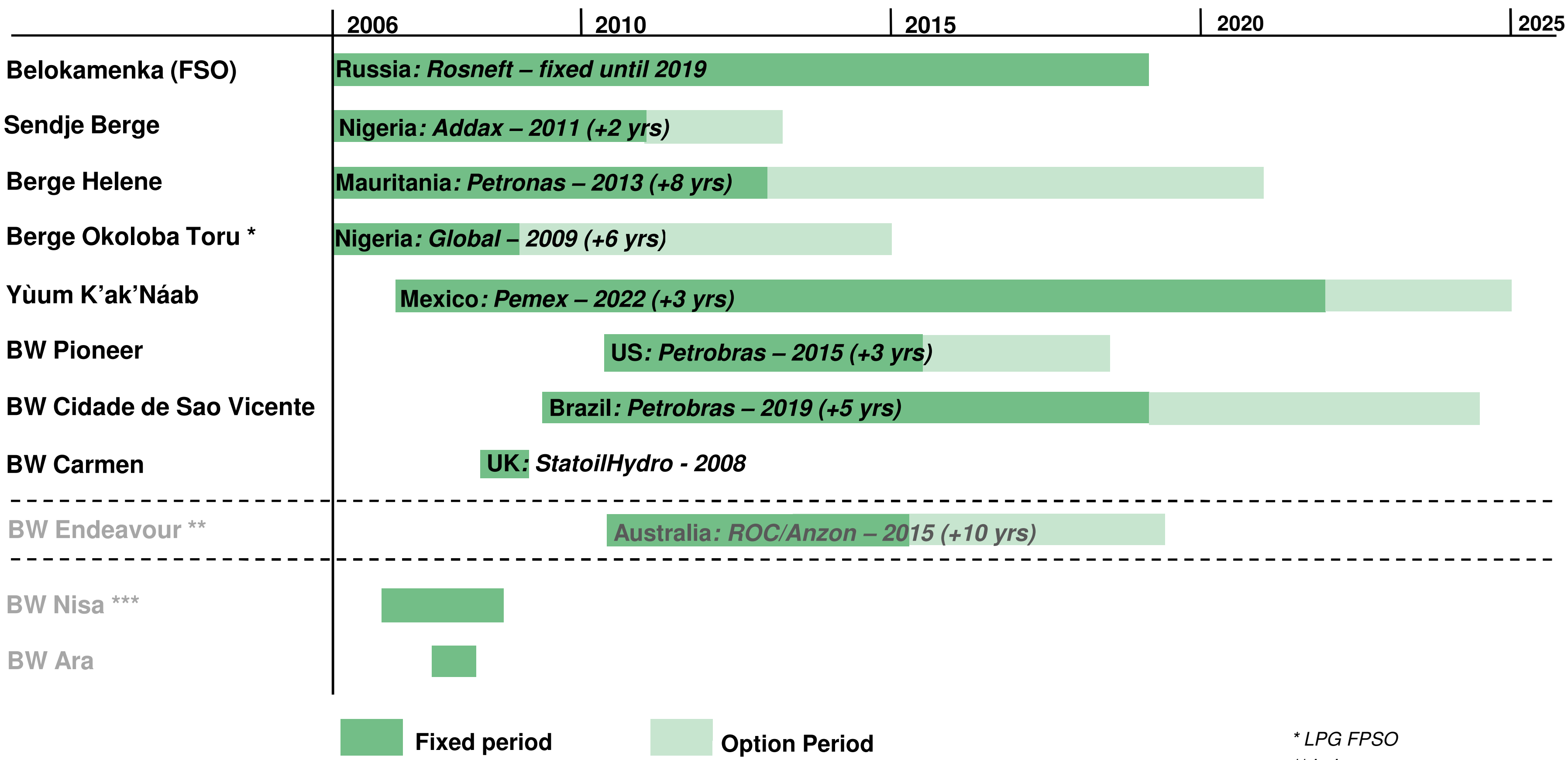
Operations

- High production uptime
  - Jan - Oct 2008: 99.9%
- YÙUM K'AK'NÁAB
  - Oil uptime (Jan – Oct 2008) 99.7%
  - Gas uptime improving
- Berge Okoloba Toru out of production due to civil unrest
- BW Carmen on contract for StatoilHydro



FPSO – fleet overview

Order backlog USD 2.8 billion



** LPG FPSO*
*** LoI*
**** Temporary storage contract*

The order backlog includes option periods. No revenue included for BW Endeavour and Berge Okoluba Toru

Conversions on track

- BW Cidade de Sao Vicente (Petrobras) – Tupi/Brazil
  - Start up first half 2009
- BW Pioneer (Petrobras) – Chinook Cascade/US GoM
  - Start up first quarter 2010
- *BW Endeavour (ROC/Anzon) – BMG/Australia: Letter of Intent*
  - *Contract negotiations on-going*

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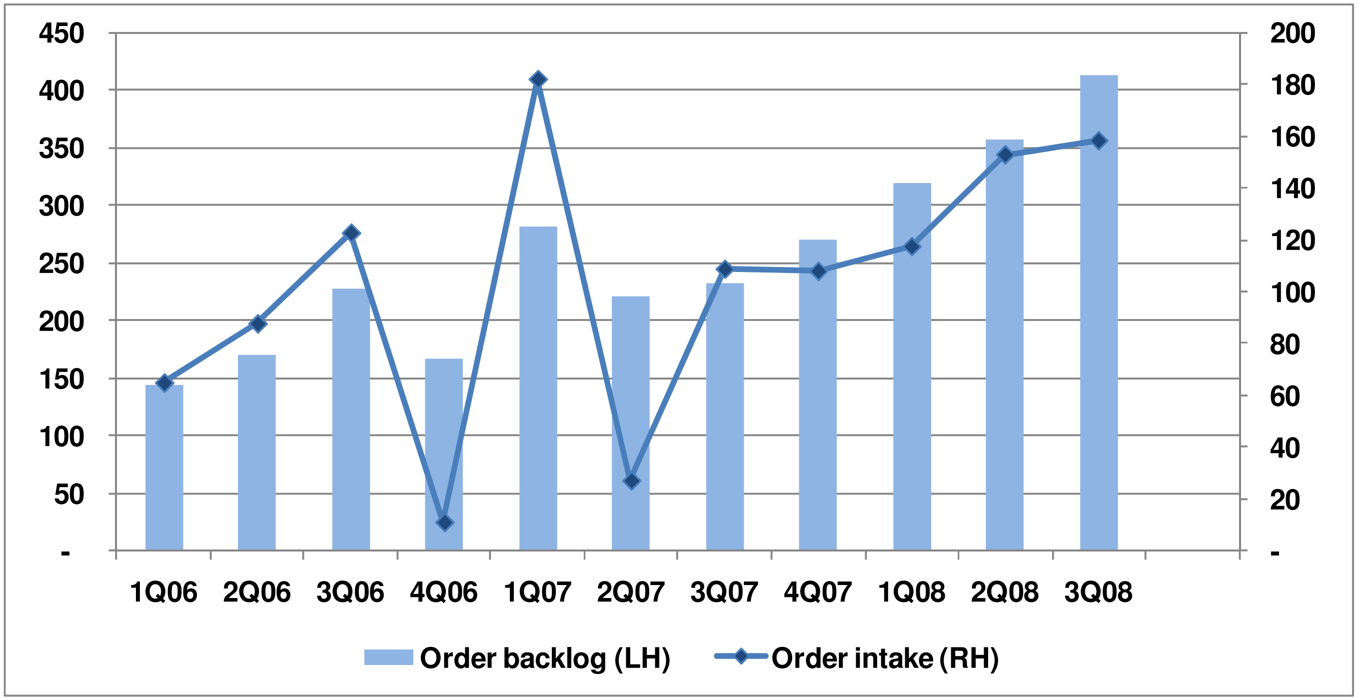
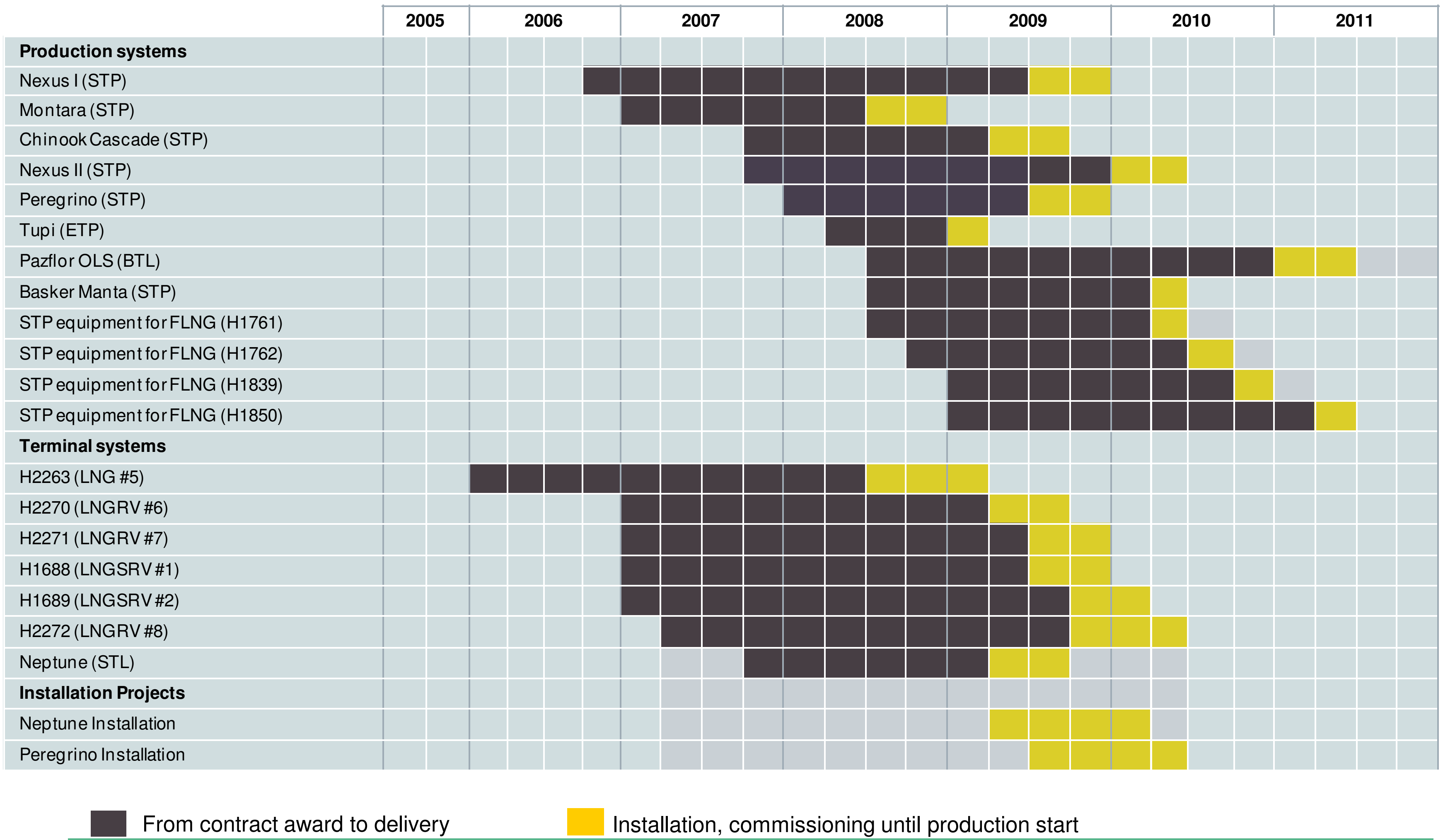
TECHNOLOGY & INSTALLATION

Increased order intake and backlog

- Order intake during Q3 2008 was USD 158 million
  - Includes only signed contracts
- Order backlog by end Q3 2008 was USD 412 million



Projects on track



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FINANCE

Floating Production

- BW Carmen on contract
- Stable performance from the operating units
  - YÙUM K'AK'NÁAB on track

USD million	Q3 08	Q2 08	YTD 08	YTD 07	2007
Operating revenue	48.2	43.2	135.1	393.9	442.3
Operating expenses	-38.9	-56.4	-135.6	-326.3	-373.4
Share of profit (loss) of associates	-1.6	-7.5	0.1	13.5	18.1
Impairment charge of associates	0.0	-84.7	-84.7	0.0	0.0
Gain on sale of shares	0.0	127.0	127.0	0.0	0.0
EBITDA	7.7	21.6	41.9	81.1	87.0
Depr, amort and write-down	-6.0	-5.9	-17.7	-20.2	-26.6
EBIT	1.7	15.7	24.2	60.9	60.4

Q208 figures include a net positive effect from Prosafe and Prosafe Production transactions. Negative effect from provisions
Full year 2007 figures include construction contract revenue and expenses related to YÙUM K'AK'NÁAB conversion

Technology & Installation

- High activity level
- Non-cash impairment charges
  - Nexus Floating Production USD 68.8 million
  - Goodwill USD 167.8 million
- Adjusted EBITDA margin 9.5%

USD million	**Q3 08**	**Q2 08**	**YTD 08**	**YTD 07**	**2007**
Operating revenue	102.5	114.5	283.7	151.9	220.3
Operating expenses	-92.8	-101.2	-257.5	-135.4	-184.3
Share of profit (loss) of associates	0.0	-0.4	-0.4	-0.5	-0.4
Impairment charge of associates	-68.8	0.0	-68.8	0.0	0.0
EBITDA	-59.1	12.9	-43.0	16.0	35.6
Depr, amort, write-down	-172.3	-5.2	-182.7	-6.3	-18.9
EBIT	-231.4	7.7	-225.7	9.7	16.7

2007 figures are from 8 May 2007 when APL was included in the consolidated figures of BW Offshore
Q3 2008 includes impairment charges on Nexus (USD 68.8 million) and impairment charge on goodwill (USD 167.2 million)

Income statement

- Recurring EBITDA from core business: USD 19.0 million
- Recurring EBIT from core business: USD 7.8 million

USD million	**Q3 08**	**Q2 08**	**YTD 08**	**YTD 07**	**2007**
Operating revenue	114.8	124.8	347.9	545.8	662.6
Operating expenses	-95.8	-124.7	-322.2	-461.7	-557.7
Share of profit (loss) of associates	-70.4	34.4	-26.8	13.0	17.7
EBITDA	-51.4	34.5	-1.1	97.1	122.6
EBIT	-229.7	23.4	-201.5	70.6	77.1
Net financial items	-21.7	15.6	-43.2	6.9	-11.3
Profit (loss) before tax	-251.4	39.0	-244.7	77.5	65.8
Net profit (loss)	-255.5	34.8	-253.9	68.0	52.1

Reported EBITDA		**-51.4**
Share of profit of associates	*-1.6*	
Impairment charge of associates	*-68.8*	
		70.4
Recurring EBITDA from core business		**19.0**

Reported EBIT		**-229.7**
Share of profit of associates	*-1.6*	
Impairment charge of associates	*-68.8*	
Impairment charge of goodwill	*-167.2*	
Gain on sale of assets	*0.1*	
		237.5
Recurring EBIT from core business		**7.8**

The figures includes a negative PPA impact. From Q208, the negative PPA impact is about USD 6 million quarterly in 2008 and 2009. No cash effect.
2007 figures include construction contract revenue and expenses related to YÙUM K'AK'NÁAB conversion

Balance sheet

- Equity ratio 50.4%
- Net interest bearing debt USD 445 million

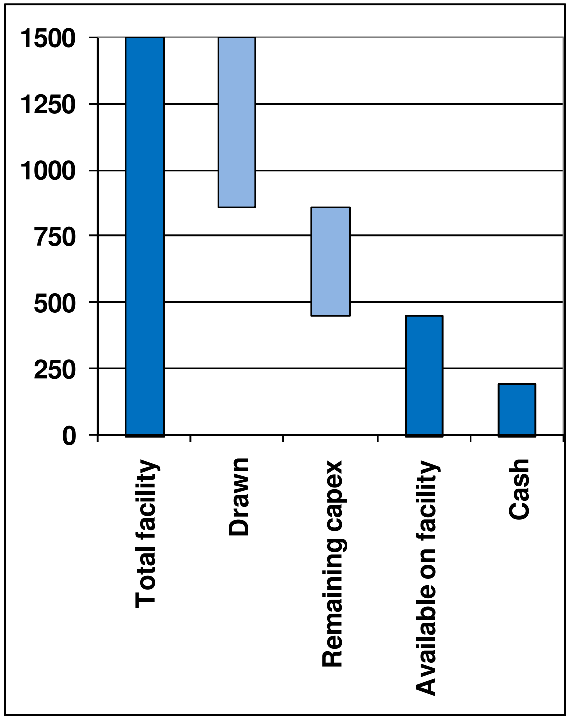
USD million	**30.09.08**	**30.06.08**	**31.12.07**
Total non-current assets	2,016.9	2,208.5	2,721.6
Total current assets	428.9	581.5	288.0
Total assets	2,445.8	2,790.0	3,009.6
Total equity	1,233.2	1,509.6	1,508.2
Total non-current liabilities	*951.5*	*1,053.6*	*891.8*
Total current liabilities	*261.1*	*226.8*	*609.6*
Total liabilities	1,212.6	1,280.4	1,501.4
Total equity and liabilities	2,445.8	2,790.0	3,009.6

Reported Interest bearing debt *		904.4
Cash and deposits	*194.5*	
Non-current deposits *	*264.6*	
		-459.1
Net interest bearing debt		**445.3**

* Whereof USD 223 million is related to the CIRR financing schemes; increases both long term debt and non-current deposits

Cash and facilities

- Net cashflow from operating activities USD 29 million
- Cash USD 195 million
- Strong funding under USD 1,500 million facility
  - Drawn 642 mill per Q3 2008
  - Favourable terms
- Remaining capex on contracted FPSOs USD 400-450 million
  - Includes variation orders and installation
- Bought back 76% of bond loan
  - Bought back notional NOK 379 million
    - Last buy-back at price 85



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OUTLOOK

Contracted cashflow growth

- EBITDA improvement from 2009
  - Stabilising operating performance
  - New contracted FPSOs commence operation in 2009 and 2010
- Selective bidding for attractive projects
- Financial capabilities will be utilised to increase profitability