

BW Offshore

Q1 2008 presentation

16 May 2008



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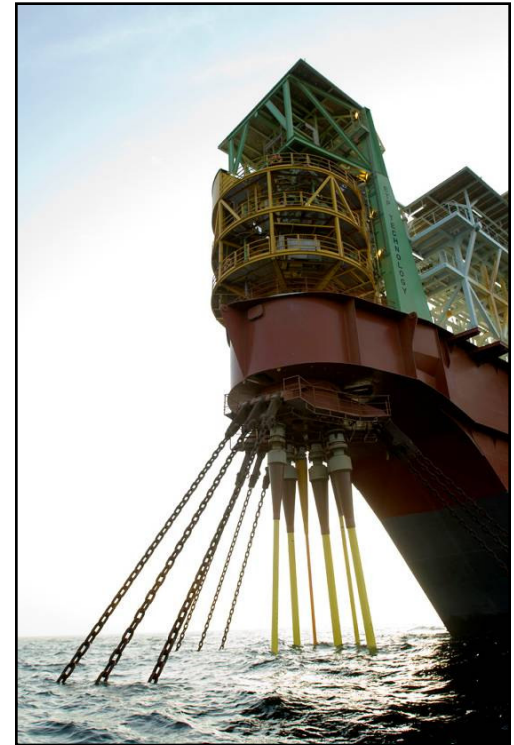
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Highlights

- EBITDA amounted to USD 15.8 million
- Result negatively affected by non-cash financial items
- Awarded Lol from Petrobras for BW Peace
- Awarded Lol from StatoilHydro for BW Carmen
- Turret and swivel contract for Maersk FPSO
- New unsecured credit facility of USD 1.5 billion





Income statement

USD million	Q1 08	Q4 07	Q1 07	2007
Operating revenues	108.3	116.8	97.8	662.6
Operating expenses	101.7	102.7	89.3	557.7
Profit from associates	9.2	4.7	1.0	17.7
EBITDA	15.8	18.8	9.5	122.6
EBIT ¹	6.3	6.7	4.0	81.1
Net financial items	-37.1	-17.8	26.9	-11.3
Profit before tax	-30.8	-11.1	30.9	69.8
Net profit	-32.1	-16.0	29.2	54.6

¹ Negative PPA impact of USD 13.6 million for 2007 and USD 10-15 million for 2008. No cash effect.

Balance sheet



USD million	31.03.08	31.03.07	31.12.07
Total non-current assets	2,745.4	1,563.7	2,708.6
Total current assets	315.2	694.9	288.0
Total assets	3,060.6	2,258.6	2,996.6
Total equity	1,477.5	1,392.5	1,511.1
<i>Total non-current liabilities</i>	<i>1,285.1</i>	<i>672.8</i>	<i>875.9</i>
<i>Total current liabilities</i>	<i>298.0</i>	<i>193.3</i>	<i>609.6</i>
Total liabilities	1,583.1	866.1	1,485.5
Total equity and liabilities	3,060.6	2,258.6	2,996.6

Cash flow



USD million	Q1 08	Q4 07	Q1 07	2007
Operating activities	27.9	15.2	-393.7	179.3
Investing activities	-80.9	-206.6	-21.3	-815.6
Financing activities	73.8	129.5	500.0	634.8
Net change in cash	20.8	-61.9	85.0	-1.5
Cash at beginning of period	36.5	98.4	38.0	38.0
Cash at end of period	57.3	36.5	123.0	36.5



Key financial figures

	Q1 08	Q4 07	Q1 07	2007
Equity ratio	48.3%	50.4%	63.5%	50.4%
ROE	-4.2%	-1.7%	1.9%	5.0%
ROCE	-1.5%	0.7%	5.7%	7.5%
NIBD (USDm)	968.7	934.4	532.4	934.4
EPS (USD)	-0.08	-0.04	0.11	0.12
Number of shares (m)	456.21	456.21	205.07	456.21
Shareprice (NOK)	15.20	22.90	25.50	22.90
Market cap (USDm)	1,362	1,924	1,843	1,924



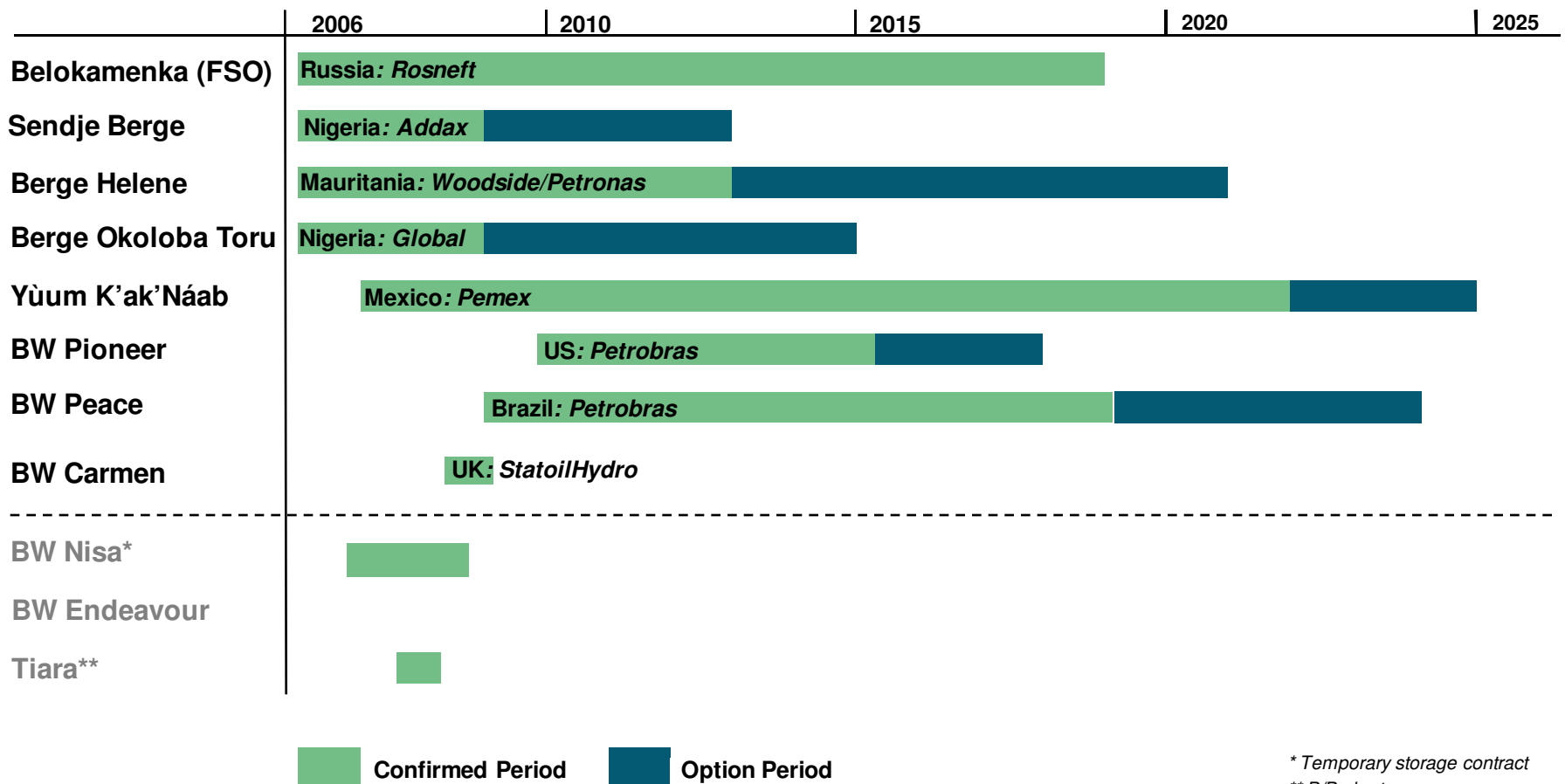
Floating production

- High uptime and solid performance on all FPSOs in operation except for YÙUM K'AK'NÁAB
- Negative effect on results from YÙUM K'AK'NÁAB
 - Production capacity with limited redundancy returned in April
 - Full capacity to be restored in Q4 2008
 - Deviation in oil specification is expected to result in significant modification
- Continued high operating costs in Nigeria

USD million	Q1 08	Q4 07	Q1 07	2007
Operating revenues	43.7	48.4	97.8	442.3
Operating expenses	40.3	47.0	89.3	373.4
Profit from associates	9.2	4.6	1.0	18.1
EBITDA	12.6	6.0	9.5	87.0
Depr, amort and write-down	5.8	6.5	5.5	26.6
EBIT	6.8	-0.5	4.0	60.4

Historical figures include construction contract revenue and expenses related to YÙUM K'AK'NÁAB conversion

FPSO – All units on contracts



* Temporary storage contract
 ** B/B charter



BW Pioneer for Petrobras on track

- Vessel delivered in January
 - Currently at yard for marine upgrades
- Vessel to arrive at Keppel in July for FPSO conversion
- Project on schedule and in line with expectations
- Start up in Q1 2010





BW Peace obtains attractive contract

- First production unit on Petrobras' giant Tupi field
 - Fast track delivery with start up first half of 2009
 - 10 year firm period and 5 years option period
- Will undergo some upgrades and modifications
 - Expect project to include additional modification during operation
 - Expected conversion at Singapore yard





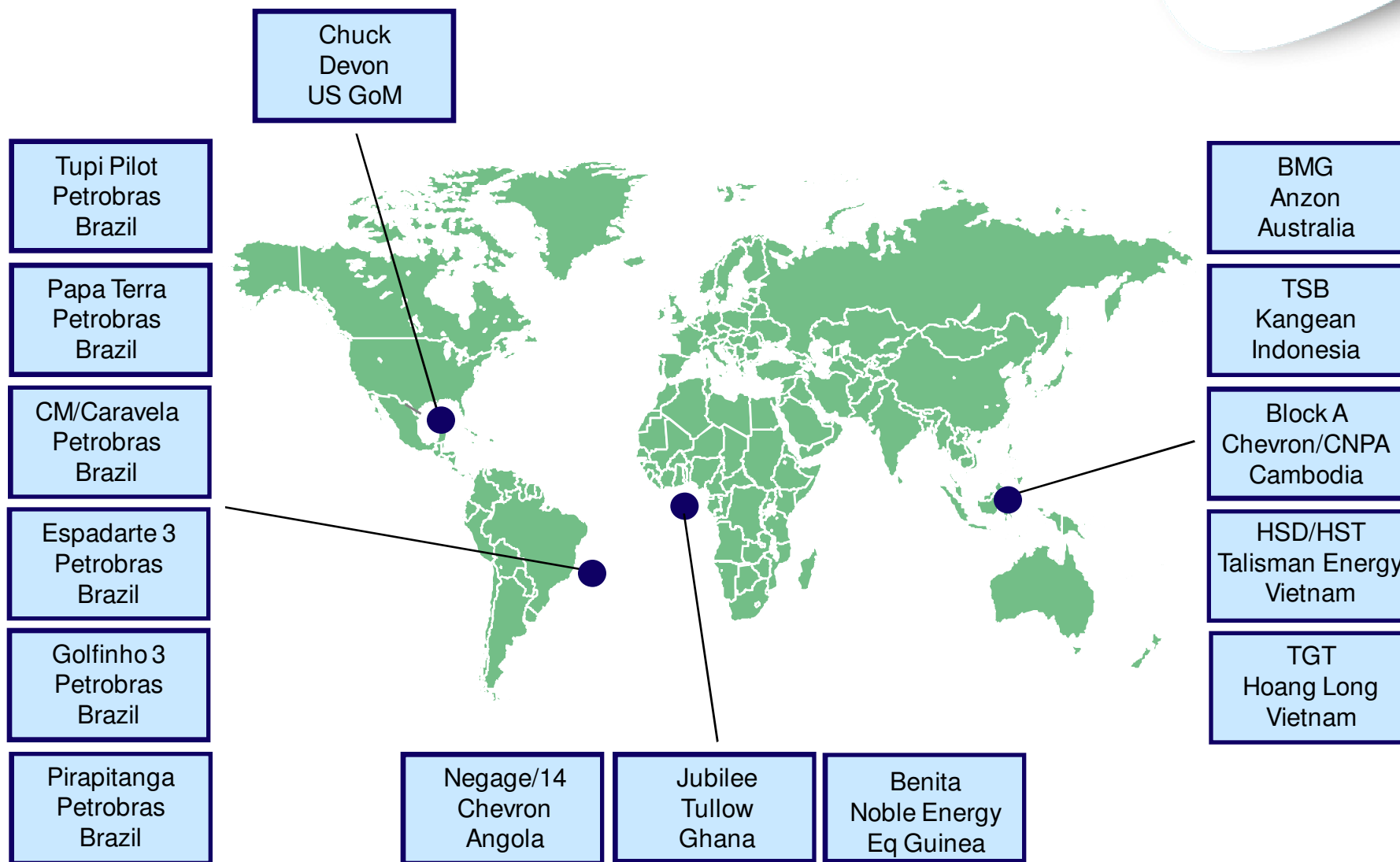
BW Carmen secures employment

- Lol with StatoilHydro for the Bressay field on the UK sector
- To operate as Anti Pollution Testing Vessel (APTV)
- Start up in August 2008
- The FPSO is available for new opportunities by end 2008
 - Several short and long term prospects





World wide FPSO prospects





Technology and Installation

- Successful completion of the mooring installation campaign for the Aker FPSO and subsea equipment in India
- Delays of the Maari/Montara and Wenchang/Xijiang FPSOs resulting in higher costs
- Completed hook up of the Alvheim and Xijiang FPSOs

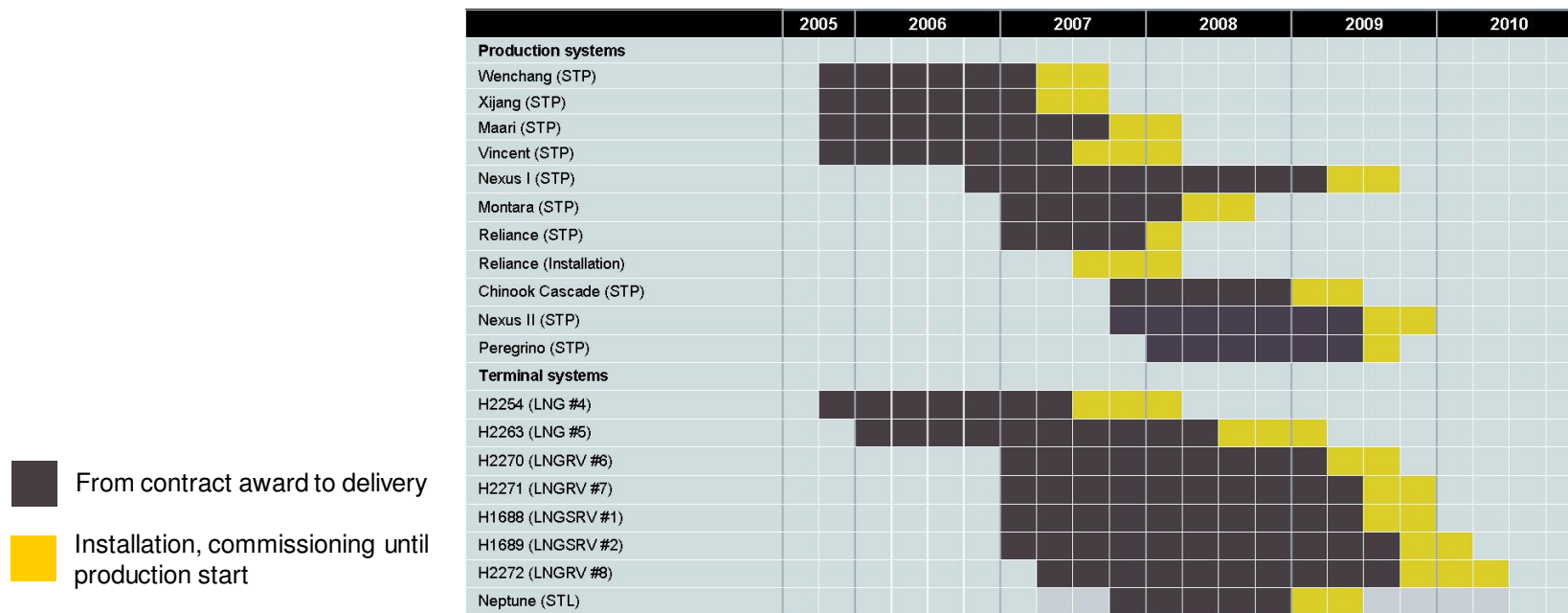
USD million	Q1 08	Q4 07	2007 ¹
Operating revenues	66.7	68.4	220.3
Operating expenses	63.5	55.7	184.3
Profit from associates	0.0	0.1	-0.4
EBITDA	3.2	12.8	35.6
Depr, amort and write-down	3.7	5.6	14.9
EBIT	-0.5	7.2	20.7

¹ Figures from 8 May 2007



Robust order backlog

- Robust order backlog and high bidding activity
 - April 2008: USD 430 million
- Promising outlook for installation contracts
 - Targeting three campaigns in 2009





Status FLNG

- Detailed feasibility study with NOC sponsor
- Concept developed with international partners
 - DNV has confirmed no show-stoppers
- Selected Mustang Engineering as topside partner
- Attractive economics with good returns to all stakeholders

A fully integrated unit for

- ✓ Processing and conditioning of liquids and gas
- ✓ Storage
- ✓ Offtake





Positioned for further growth

- Focus on organic growth
 - Target to win one large FPSO contract in 2008
 - Target to secure USD 500 million order intake for technology
 - Target to secure three installation campaigns for 2009
- Prosafe
 - AGM has resolved to split the company
- Strong demand for BW Offshore services
 - Floating production
 - Technology
 - Installation services



