

BW Offshore

Q4 2007 presentation

15 February 2008



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BW Offshore overview

- Among the leading players in the floating production industry
 - 1,000 employees
 - Strong global position
 - Three business segments:
 - Floating production
 - Technology
 - Installation services

- Solid track-record
 - 12 FPSO projects delivered
 - 3 FPSO projects in process
 - 42 turrets and offshore terminals delivered

- Benefits from association with BW Group



2007 - Developed a world class company



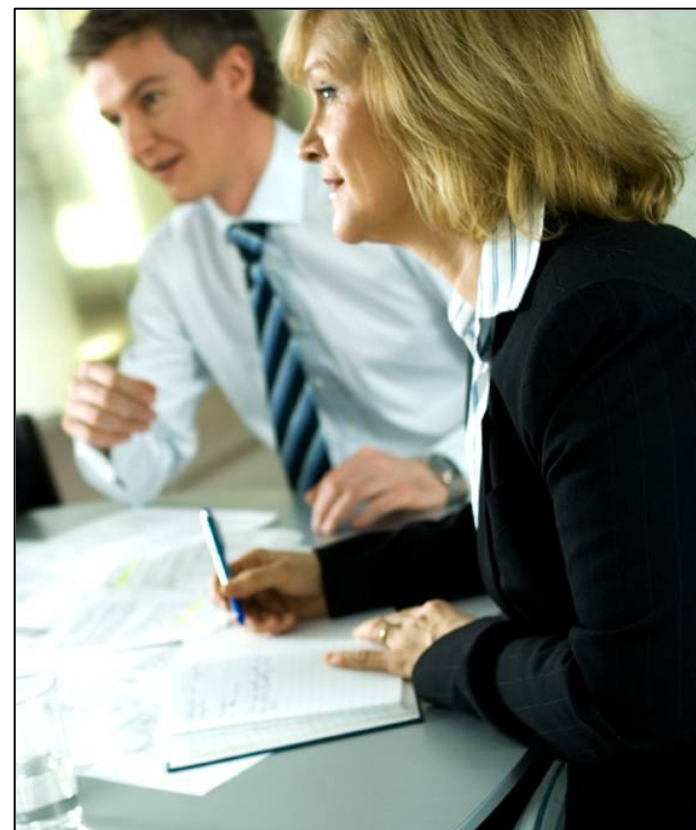
- Established in the FPSO top-tier segment
- Completed APL acquisition
- Delivery of the FPSO YÙUM K'AK'NÁAB to Pemex
- Contract award for the Chinook Cascade FPSO to Petrobras
- Another strong year within technology and installation
 - Awarded installation contract for the Reliance FPSO to Aker
 - Installation of North-East Gateway offshore LNG terminal
 - Awarded offshore LNG terminal for Suez LNG
 - Awarded turret and swivel contract for Nexus II FPSO
 - *Awarded turret and swivel contract for Maersk FPSO*
- Acquired 26.5% stake in Prosafe
- EBITDA up 140% (+182% including Prosafe)
 - Record margins for technology and installation services





Comments to the financial results

- Completed the final purchase price allocation related to the APL acquisition (IFRS 3)
 - Restated previous quarters of 2007
 - Positive EBITDA effect on Q2 and Q3, negative EBITDA effect on Q4
 - Higher amortization levels going forward
 - USD 10-15 million annually in 2008 and 2009
 - No implications on cash flow





Income statement

USD million	Q4 07	Q3 07	Q4 06	2007	2006
Operating revenues	116.8	182.6	125.2	662.6	450.8
Operating expenses	102.7	140.1	113.0	557.7	407.3
Profit from associates	4.7	6.8	0.0	17.7	0.0
EBITDA	18.8	49.3	12.2	122.6	43.5
EBIT ¹	6.7	34.6	6.7	81.1	17.0
Net financial items	-17.8	-16.6	-1.1	-11.3	-5.6
Profit before tax	-11.1	18.0	5.6	69.8	11.4
Net profit	-16.0	15.4	3.5	54.6	4.5

¹ Negative PPA impact of USD 13.6 million for 2007. No cash effect.

Balance sheet



USD million	31.12.07	30.09.07	31.12.06
Total non-current assets	2,701.5	2,573.9	514.4
Total current assets	288.0	399.7	438.4
Total assets	2,989.5	2,973.6	952.8
Total equity	1,511.1	1,530.4	383.4
<i>Total non-current liabilities</i>	<i>868.8</i>	<i>758.8</i>	<i>506.0</i>
<i>Total current liabilities</i>	<i>609.6</i>	<i>684.4</i>	<i>63.4</i>
Total liabilities	1,478.4	1,443.2	569.4
Total equity and liabilities	2,989.5	2,973.6	952.8

Cash flow



USD million	Q4 07	Q3 07	Q4 06	2007	2006
Operating activities	15.2	51.3	5.7	27.8	-4.8
Investing activities	-206.6	196.4	-112.4	-664.2	-371.5
Financing activities	129.5	-184.2	28.1	634.9	377.6
Net change in cash	-61.9	63.5	-78.6	-1.5	1.3
Cash at beginning of period	98.4	34.9	116.6	38.0	36.7
Cash at end of period	36.5	98.4	38.0	36.5	38.0



Key financial figures

	Q4 07	Q3 07	Q4 06	2007	2006
Equity ratio	50.5%	51.5%	40.2%	50.5%	40.2%
ROE	-1.7%	2.1%	2.2%	4.9%	1.4%
ROCE	1.0%	7.9%	1.6%	7.7%	5.6%
NIBD (USDm)	901.1	744.6	383.6	901.1	383.6
EPS (USD)	-0.04	0.03	0.02	0.12	0.02
Number of shares (m)	456.21	456.21	205.07	456.21	205.07
Shareprice (NOK)	22.90	24.70	26.20	22.90	26.20
Market cap (USDm)	1,924	2,091	862	1,924	862



Floating production

- Higher costs in the start-up phase of YÜUM K'AK'NÁAB
- High tendering activity
- Provisions for trade receivables
- Increased internal capacity
 - Geared for growth and new projects

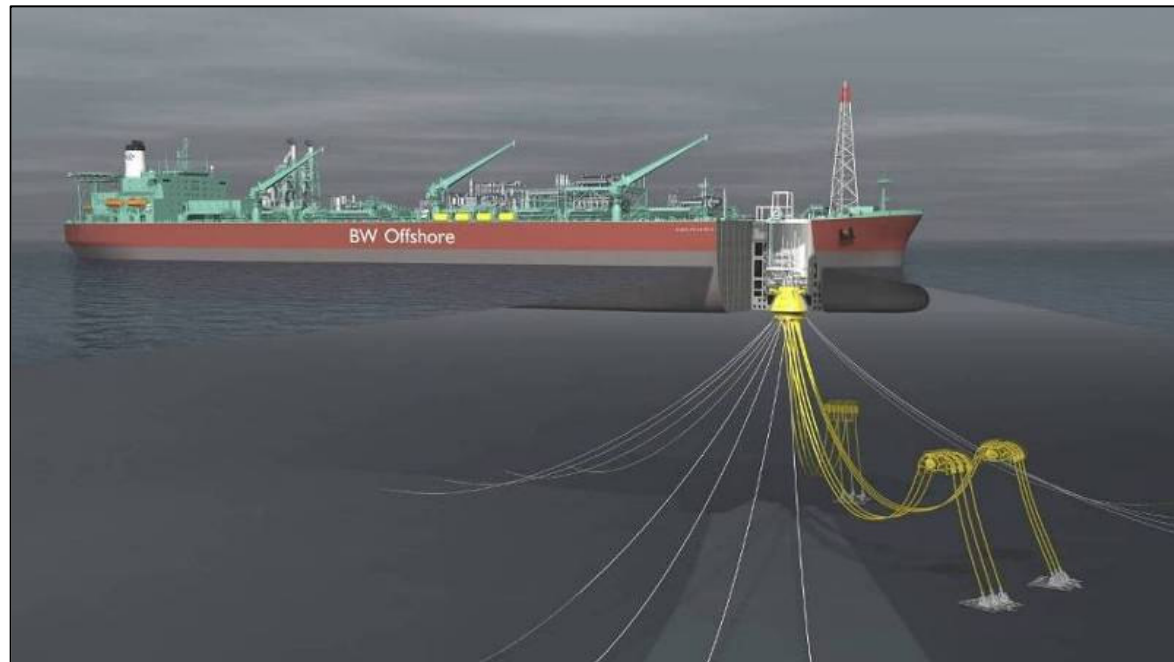
USD million	Q4 07	Q3 07	Q4 06	2007	2006
Operating revenues	48.4	86.4	125.2	442.3	450.8
Operating expenses	47.0	58.0	113.0	373.4	407.3
Profit from associates	4.6	6.9	0.0	18.1	0.0
EBITDA	6.0	35.3	12.2	87.0	43.5
Depr, amort and write-down	6.5	9.1	5.5	26.6	26.5
EBIT	-0.5	26.2	6.7	60.4	17.0

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



Chinook Cascade conversion status

- Signed conversion contract with Keppel
- Orders for long lead items placed in line with expectations
- Project on track





Technology

- Record strong Q4 2007 EBITDA margins of 18.7%
- STP buoy for Aker FPSO and swivel for Maari project delivered
- Engineering on Reliance installation for Aker completed
- Continued growth in order backlog
 - Q3 2007: USD 232 million
 - Q4 2007: USD 269 million

USD million	Q4 07	Q3 07	Q2 07 ¹	2007 ¹
Operating revenues	68.4	96.2	55.7	220.3
Operating expenses	55.7	82.1	46.5	184.3
Profit from associates	0.1	-0.1	0.4	-0.4
EBITDA	12.8	14.0	8.8	35.6
Depr, amort and write-down	5.6	-5.6	3.7	14.9
EBIT	7.2	8.4	5.1	20.7

¹ Figures from 8 May 2007



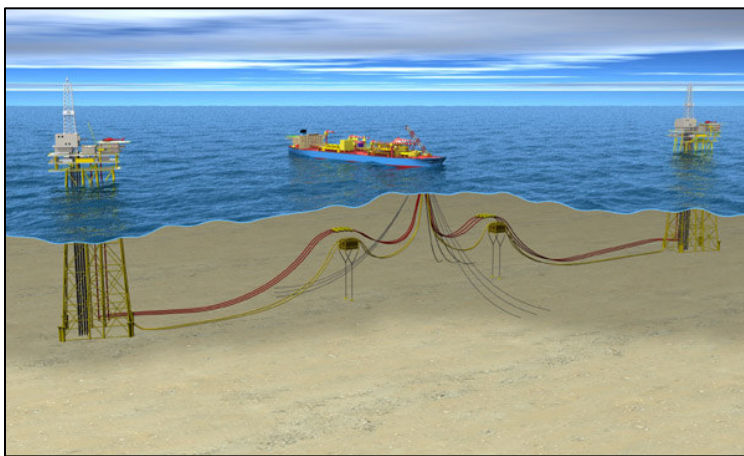
Robust order backlog

	2005	2006	2007	2008	2009	2010
Production systems						
Wenchang (STP)						
Xijang (STP)						
Maari (STP)						
Vincent (STP)						
Nexus I (STP)						
Montara (STP)						
Reliance (STP)						
Reliance (Installation)						
Chinook Cascade (STP)						
Nexus II (STP)						
Peregrino (STP)						
Terminal systems						
H2254 (LNG #4)						
H2263 (LNG #5)						
H2270 (LNGRV #6)						
H2271 (LNGRV #7)						
H1688 (LNGSRV #1)						
H1689 (LNGSRV #2)						
H2272 (LNGRV #8)						
Neptune (STL)						

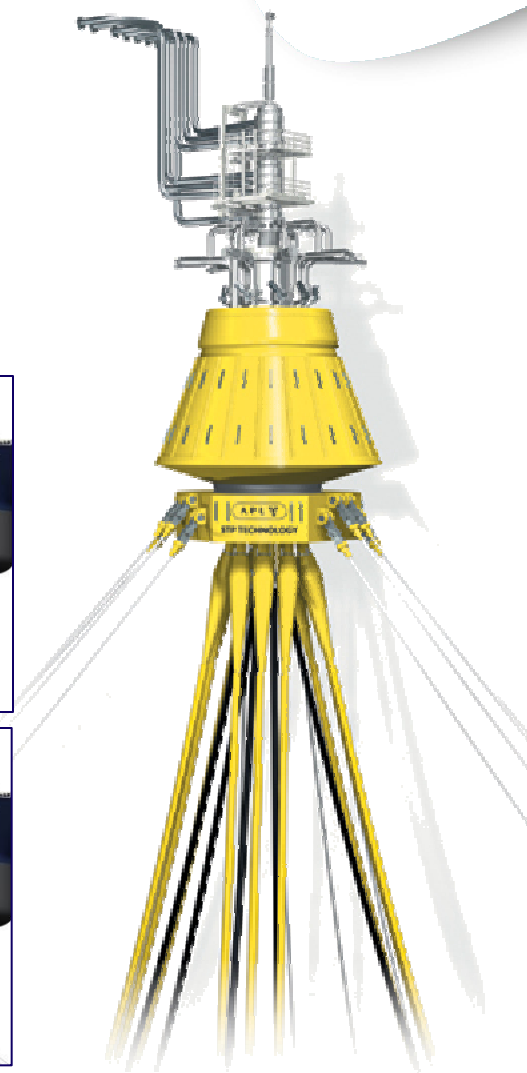
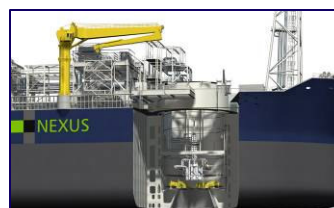
- From contract award to delivery
- Installation, commissioning until production start

Awarded three major technology orders

- Suez LNG Neptune offshore LNG terminal
 - STL system
- Nexus II FPSO
 - STP turret, swivel stack, SDS
- Maersk Peregrino FPSO
 - STP turret, swivel stack

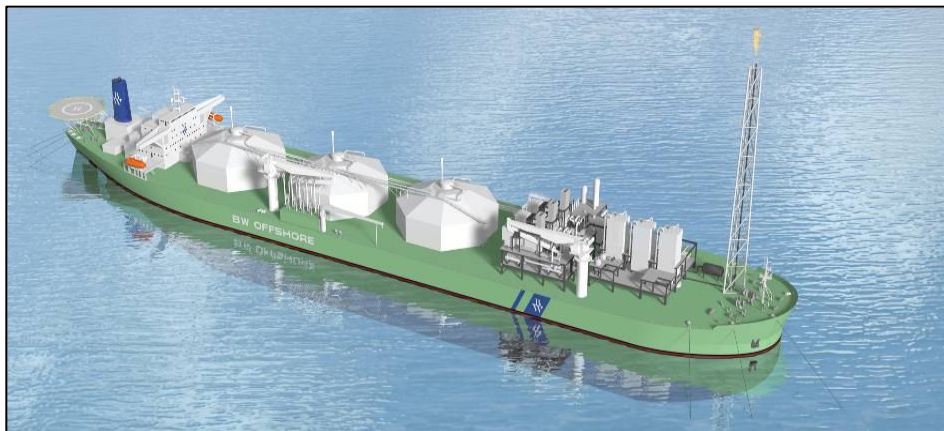


StatoilHydro



Status FLNG

- Concept developed with international partners
 - Offshore LNG is technically feasible
 - DNV has confirmed no show-stoppers
 - FEED studies ongoing
- Good returns to all stakeholders
- Expect contract within 15 months
- Delivery time of an FLNG system is 36 months

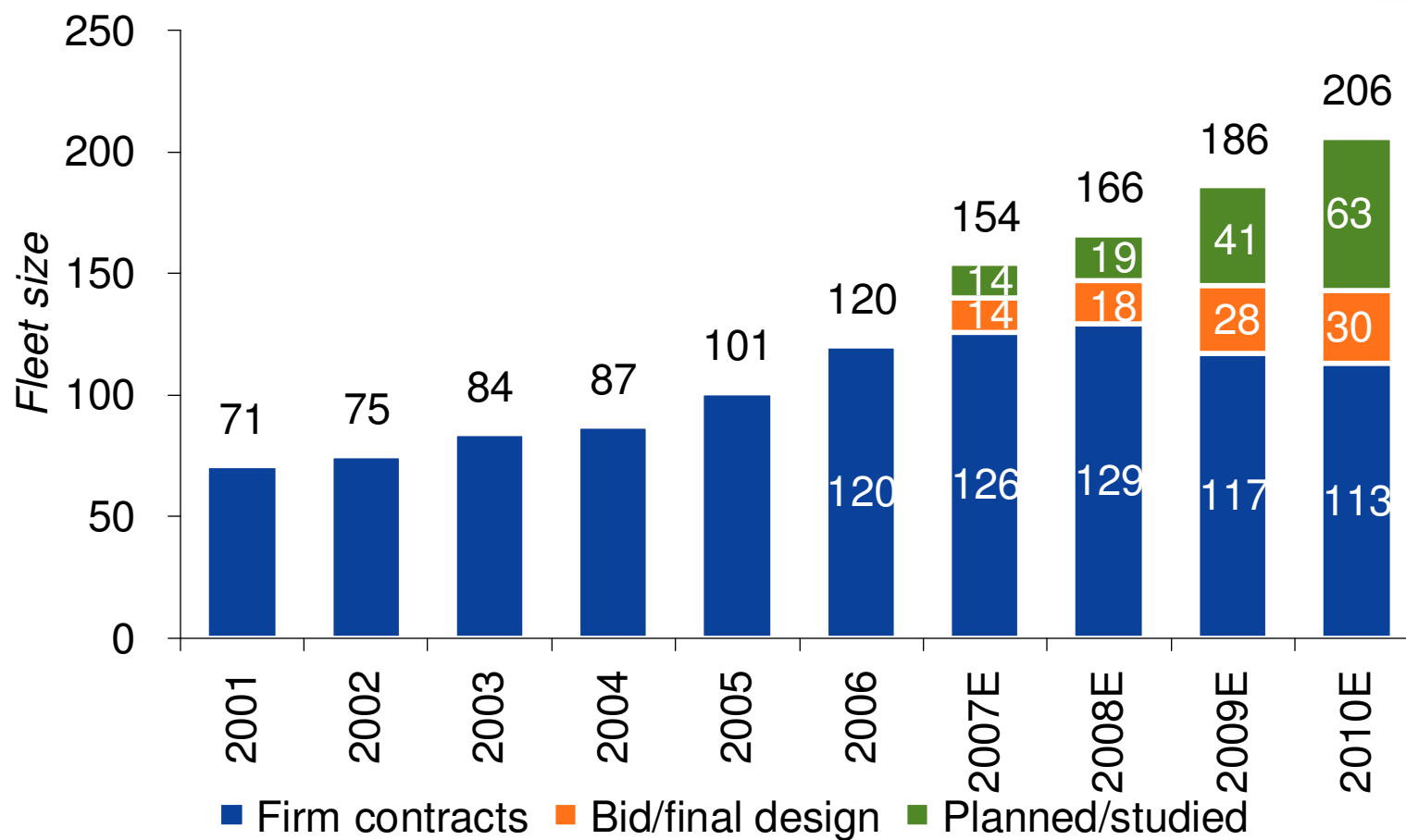


A fully integrated unit for

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

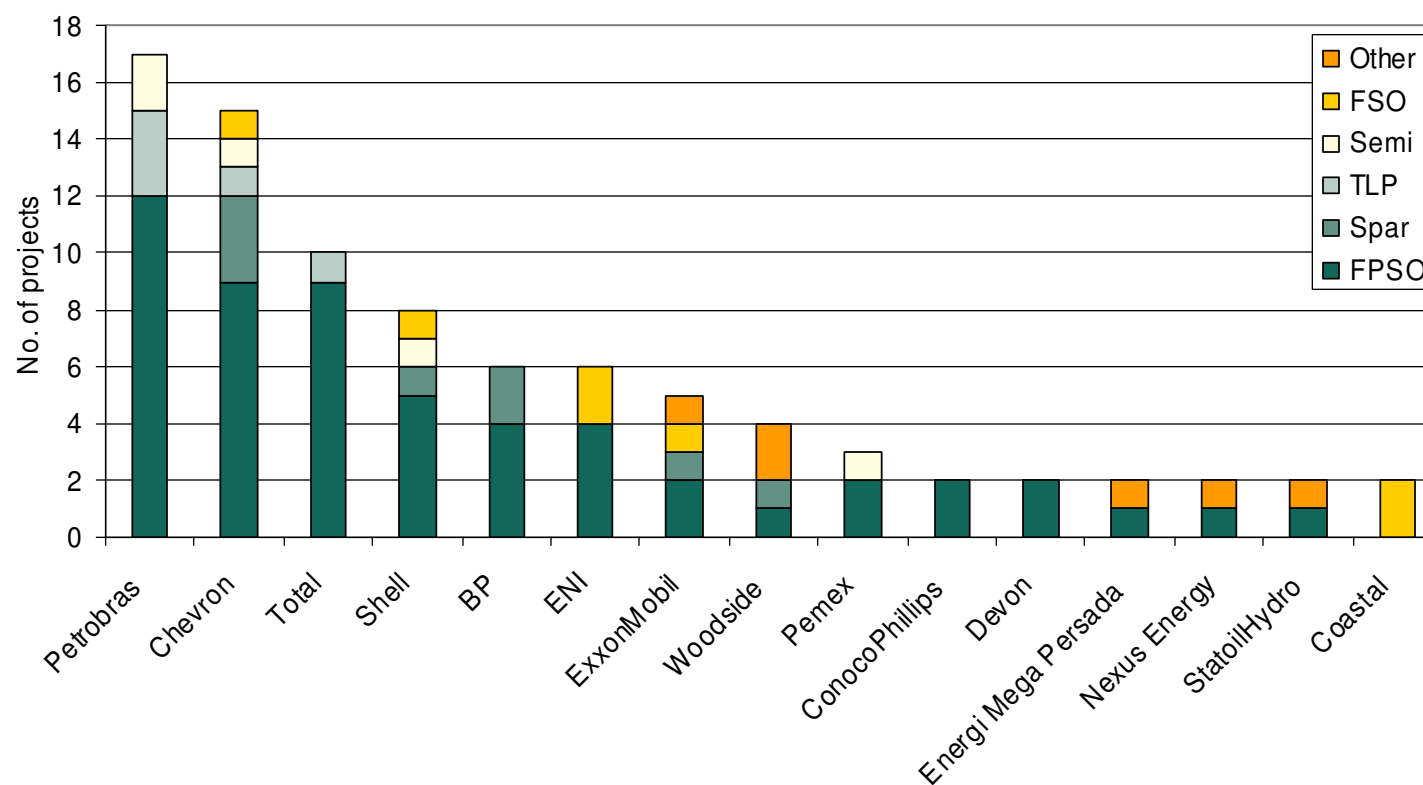


Record high FPSO demand





Targeting contracts for several majors



- Petrobras' demand the next 4-5 years is 12 FPSOs, 3 TLPs and 2 production semis
- NOCs demand 19 FPSOs, 23% of total demand

Source: First, IMA



Positioned for further growth

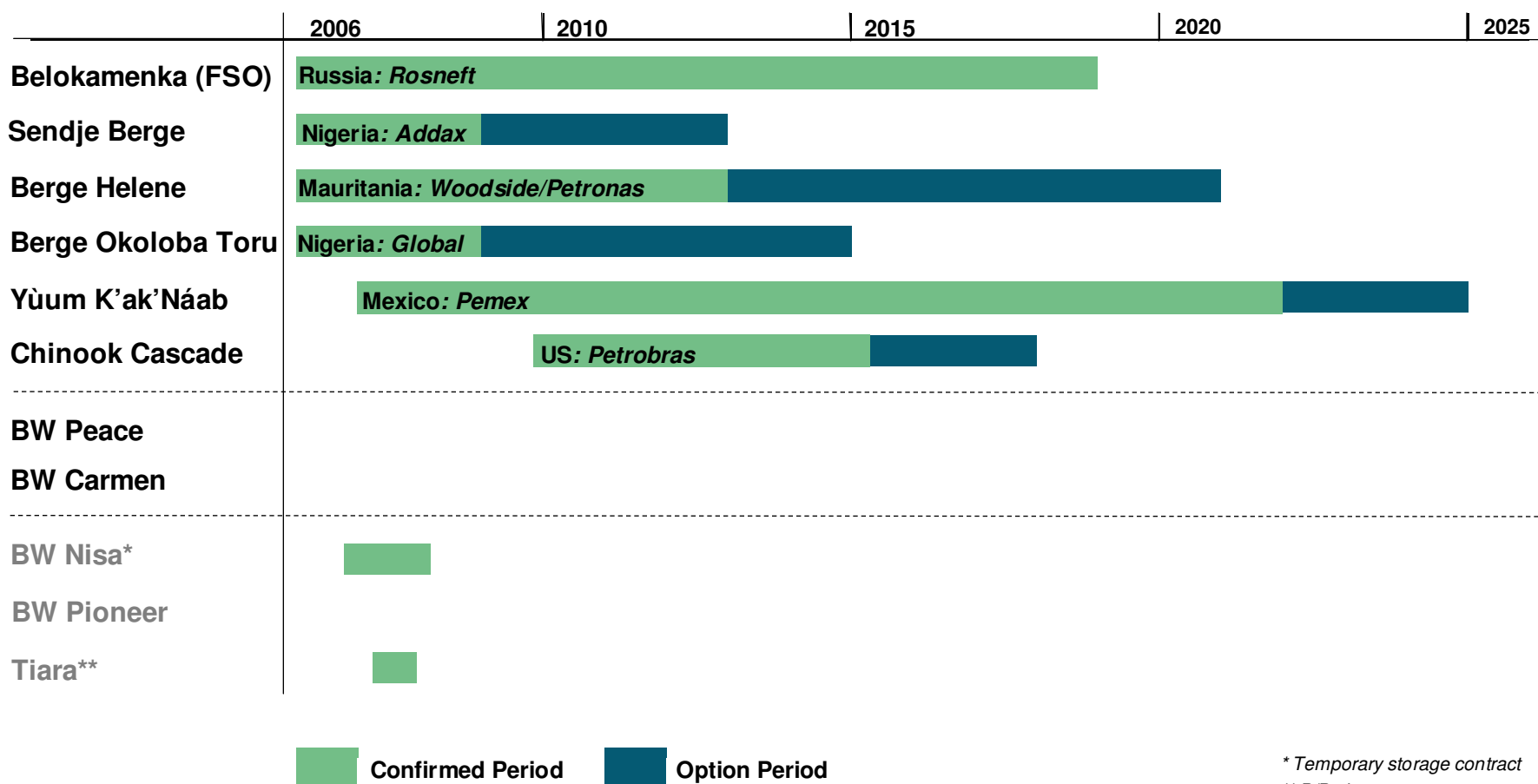
- Strong focus on organic growth
 - Win more and larger contracts with increased profitability
 - Expand product offering
- Solid contracted cash flow
 - Expect strong growth in EBITDA going forward
- Strong demand for BW Offshore services
- Strategy
 - Enhance staff competence
 - Extend geographical presence
 - Develop technologies







Floating production: Fleet overview



* Temporary storage contract
 ** B/B charter



Units on contract



Sendje Berge

Addax, Nigeria

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



Berge Helene

Woodside, Mauritania

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



Yùum K'ak'Náab

Pemex, Mexico

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



Units on contract



Berge Okoloba Toru
Global, Nigeria

10,000 bpd propane/butane
75,000 m³ storage
Spread mooring



Belokamenka
Rosneft, Russia

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



BW Pioneer
Petrobras, US - *Contract signed Q3 2007*

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



FPSOs awaiting contract



BW Carmen

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



BW Peace

45,000 bopd oil processing
25.6 mmscfd gas compression
1,000,000 bbls storage capacity
Prepared for facilities upgrades



Conversion candidates



BW Nisa

ULCC (322.000 dwt)
2,200,000 bbls storage capacity
One of few large hulls suitable for conversion
Attractive for large scale FPSO projects
Storage contract with 180 days cancellation



BW Endeavour

Suezmax (155.000 dwt)
1,200,000 bbls storage capacity
Built 1976 in Sweden

Tiara

VLCC (295,000 dwt)
Built 1982 in Japan
Bare boat charter



Track record, FPSO

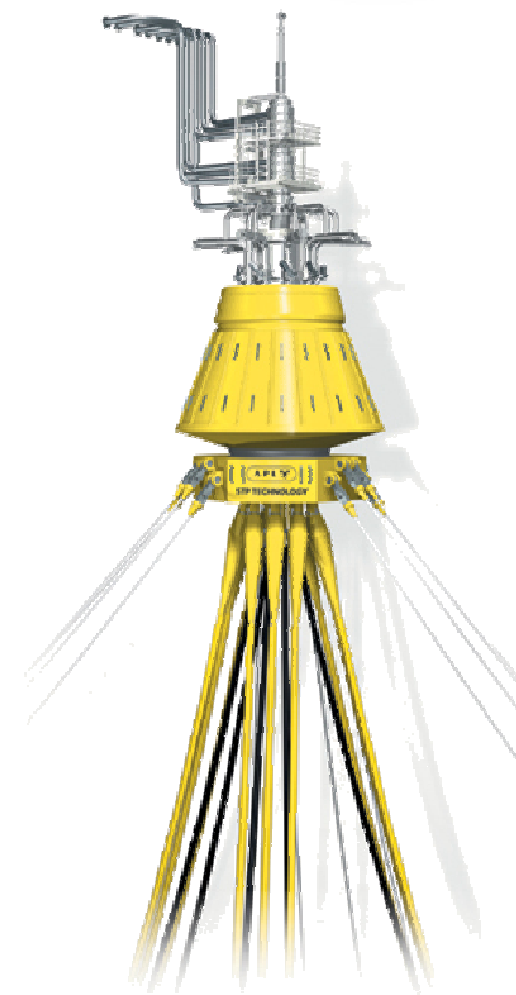
VESSEL	TYPE	FIRST OIL	LOCATION	CUSTOMER
Berge Sisar	LPG FPSO	1982	Cabinda, Angola	Chevron
Berge Troll	LPG FPSO	1989	Cabinda, Angola	Chevron Texaco
Navion Munin	Oil FPSO	1997	Lufeng field, South China Sea	Statoil
Berge Hugin	Oil FPSO	1999	Pierce field, North Sea	Enterprise Oil
Sendje Berge	Oil FPSO	2000	Ceiba field, Equatorial Guinea	Triton Energy (Amerada Hess)
Sendje Ceiba	Oil FPSO	2002	Ceiba field, Equatorial Guinea	Amerada Hess
Berge Helene	Oil FPSO	2004	Qatar	Maersk
Belokamenka	Oil FSO	2004	Kola Bay, Russia	Rosneft
Sendje Berge	Oil FPSO	2005	Okwori field, Nigeria	Addax
Berge Okoloba Toru	LPG FPSO	2005	Bonny River, Nigeria	Global
Berge Helene	Oil FPSO	2006	Chinguetti field, Mauritania	Woodside
Yuum K'ak'Náab	Oil FPSO	2007	Mexico	Pemex
<i>BW Peace</i>	<i>Oil FPSO</i>	<i>2008e</i>	-	-
<i>BW Pioneer</i>	<i>Oil FPSO</i>	<i>2010e</i>	<i>Chinook/Cascade, USA</i>	<i>Petrobras</i>



Track record, STP production systems

■ 17 STPs completed or under delivery

- Nexus II (Nexus Floating Production -)	2010
- Peregrino FPSO (Maersk Contractors -)	2009
- Chinook/Cascade (BWO – USA)	2009
- Nexus I (Nexus Floating Production -)	2009
- MA 1 FPSO (Aker Floating Production – India)	2008
- Montara (TPOT – Australia)	2008
- Vincent FPSO (Woodside/Maersk–Australia)	2007
- Maari (TPOT – New Zealand)	2007
- Wenchang II FPSO (CNOOC–South China Sea)	2007
- Xijiang FPSO (CNOOC-South China Sea)	2007
- Puffin FPSO (AED Oil/Frontline–Australia)	2007
- KMZ FPSO (BW Offshore/Pemex–GoM)	2007
- Alvheim FPSO (Marathon – North Sea)	2006
- Panyu FPSO (Devon –South China Sea)	2003
- Wenchang FPSO (CNOOC–South China Sea)	2002
- Pierce FPSO (BW Offshore/Shell – North Sea)	1998
- Lufeng FPSO (BW Offshore/Statoil – S. China Sea)	1997



Track record, STL LNG terminal systems



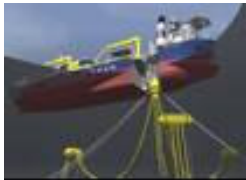
- 13 systems completed or under delivery
 - 10 ships set for LNG tankers
 - Three terminal projects with five STL buoys





Technology: Turn key 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



Harsh environment FPSO

Terminal systems



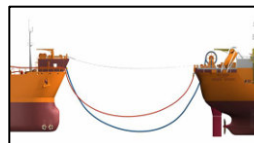
Submerged Turret Loading (STL) for LNG and Shuttle Tankers



Single Anchor Loading (SAL) for Shuttle Tankers



Buoy Turret Loading (BTL) for Shuttle Tankers



BLS and SDS systems for Shuttle Tankers

