

PRESSRELEASE



Petrobras and its partners approve Chinook Cascade FPSO contract

(Bermuda, 8 October 2007) With reference to the notice published on 21 August 2007, BW Offshore Limited confirms that the company has signed the contract for the conversion, installation and operation of an FPSO at the Chinook Cascade fields in the US Gulf of Mexico.

The contract is for a total of up to 8 years including option periods of up to 3 years. The project also includes the delivery and installation of an APL disconnectable Submerged Turret Production Buoy (STP) including fluid swivel and the appurtenant mooring system.

The contract will strengthen BW Offshore's position as the leading contractor of FPSOs to the Gulf of Mexico. The FPSO will be installed on the Chinook Cascade fields in the beginning of 2010. Production will commence in the first quarter of 2010. The FPSO will have a storage capacity of about 600,000 barrels of oil, a process capacity of 80,000 bopd and gas export facilities of 16 mmscfd. The FPSO will be installed on the field with a water depth of 2,600 metres, probably the deepest water depth an FPSO ever has been installed on.

BW Offshore's subsidiary, APL will deliver a complete STP buoy and mooring system to the oil field. The APL STP technology is the world's leading disconnectable turret system with an unparalleled track record of more than 1,500 disconnect/connect operations, enabling the FPSO to disconnect from its moorings and seek sheltered waters in a hurricane situation with minimum disruption to operations. This will be the deepest application to date for the STP system and the first APL turret and swivel delivery to a Petrobras operated field.

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BW Offshore is one of the world's leading FPSO contractors. The company's operational head office is in Norway, with assets operating in Mexico, Nigeria, Mauritania, Malaysia and Russia. BW Offshore has 25 years experience and a track record of 12 successfully delivered FPSO projects. Through its subsidiary APL, BW Offshore is a market leader in the development, production and sale of advanced loading and production systems; Submerged Turret Loading (STL), Submerged Turret Production (STP) and offshore LNG terminals. APL's technology has been selected as a solution for production vessels, storage vessels and oil and gas tankers in a wide range of field developments. BW Offshore has a global network with offices in Europe, Asia Pacific, West Africa and the Americas. Adapting through competence, in-house technology, solid project execution and operational excellence, BW Offshore ensures that customer needs are met through versatile solutions for offshore oil and gas projects. BW Offshore has 900 employees and is listed on the Oslo Stock Exchange with ticker code BWO. For more information, please visit www.bwoffshore.com and www.apl.no.

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