

# PRESSRELEASE



## **BW Offshore selected to provide the FPSO to Petrobras for the Chinook Cascade oil fields in the US GoM**

**(Bermuda, 21 August 2007) BW Offshore Ltd has been selected by Petrobras America Inc. for the conversion, installation and operation of an FPSO at the Chinook Cascade fields in the US Gulf of Mexico. The final agreement is subject to the board approval of Petrobras and approval by the fields' partners, to be confirmed before 5 October 2007. The contract is for a total of up to 8 years including optional periods of up to 3 years after the end of the first 5 fixed years. The contract has a nominal value of USD 740 million and will generate an annual EBITDA contribution of about USD 80 million in the fixed period and USD 70 million in the optional periods. The project will also include 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.

Svein Moxnes Harfjeld, CEO of BW Offshore comments: "It is one of BW Offshore's goals to be the leading contractor of FPSOs with APL's disconnectable STP system in the US Gulf of Mexico. Furthermore, as part of BW Offshore's strategy to work with leading National Oil Companies, it is a pleasure to secure our first FPSO contract with Petrobras, one of the world's largest clients for FPSOs. We are proud of the confidence Petrobras has put in us to deliver the first FPSO to the US GoM. In June this year we delivered the first FPSO ever in the GoM to the Mexican State owned oil company, Pemex. It is also of great importance installing an FPSO on an oil field located in waters this deep, demonstrating that FPSO's are a preferred production solution in the development of ultra deep water oil fields."

### **For further information, please contact::**

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*BW Offshore is one of the world's leading FPSO contractors. BW Offshore is part of the BW Group, one of the world's largest maritime groups. The company's operational head office is in Oslo, Norway, with assets operating in Mexico, Nigeria, Mauritania and Russia. BW Offshore has 25 years experience and a track record of 12 successfully delivered projects. Adapting through competence, in-house technology, solid project execution and operational excellence, BW Offshore ensures that customer needs are met through versatile solutions for mid to large scale oil and gas projects. BW Offshore has 650 employees and is listed on the Oslo Stock Exchange with ticker code BWO. APL is a subsidiary of BW Offshore.*

*For more information, please visit [www.bwoffshore.com](http://www.bwoffshore.com)*

*Advanced Production and Loading (APL) is a market leader in the development, production and sale of advanced oil and gas offshore production systems that focus on ship-based storage and transportation of hydrocarbons. APL was established in 1993 in order to develop and commercialize the loading and production systems Submerged Turret Loading (STL) and Submerged Turret Production (STP). APL's technology has been selected as a mooring solution for production vessels, storage vessels and oil tankers in a wide range of field developments in the North Sea, Africa, Asia, Oceania, Russia, Latin-America, and the USA. Installation of the world's first offshore discharge terminal for LNG vessels based on APL's STL technology was recently completed offshore Louisiana in the US sector of the Gulf of Mexico. APL has operations in Arendal (Norway), Houston, Kuala Lumpur, Singapore, Shanghai, Paris and Rio de Janeiro. APL has 250 employees and is a subsidiary of BW Offshore. For more information, please visit: [www.apl.no](http://www.apl.no)*

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