

PRESSRELEASE



Installation contract award and launch of new service company

(Bermuda, 7 August 2007) BW Offshore's (BWO) subsidiary APL (Advanced Production & Loading) has entered into an agreement with Aker Floating Production for the installation of the APL delivered Submerged Turret Production (STP) Buoy and related equipment for the MA-D6 oil and gas field offshore India. APL will additionally install other subsea structures for the project. The installation will take place during the first quarter of 2008.

The award of the contract coincides with the launch a new business within BW Offshore; BW Offshore Installation Services (BWOIS). BWOIS will in due course acquire one or more vessels for conversion to installation vessels. BWOIS will offer installation services to BWO FPSOs on new contracts, APL turret, terminal and mooring deliveries as well as to external customers. With the establishment of BWOIS, BWO will be able to offer a broader base of services to the development of offshore oil and gas fields. There is strong demand for installation services and this venture is an example of a new business area being developed through the combination of BWO and APL.

The market for FPSOs and the development of offshore oil and gas fields remains strong with a solid outlook for the coming years.

CEO Svein Moxnes Harfjeld comments "We are very pleased to inform the market of this contract and excited about the prospects of our new business area; BW Offshore Installation Services. We have a substantial internal market for installation services and this activity will form an important part in our strategy to become the leading provider of offshore production services."

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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

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

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