

PRESSRELEASE



For immediate release:

BW Offshore Limited acquires the FPSO Crystal Sea

(Bermuda, February 22, 2007) BW Offshore Limited (BWO) today announces that the company has purchased the FPSO Crystal Sea. The purchase price is USD 80 million. As settlement the seller has received USD 60 million in cash and USD 20 million in BWO shares at NOK 27.90 per share. The FPSO was delivered to BWO today and is expected to be employed on an undisclosed intended FPSO contract with commencement within 12 months.

The FPSO Crystal Sea is a dynamic positioned FPSO and was built in 1994.

The purchase contract includes an indemnification from the previous owner for any intervention and claims originating from the time when the FPSO was owned by the previous owner.

As settlement for part of the purchase price corresponding to USD 20 million (as described above), BWO will issue 4,408,602 new shares in the company to the previous owner of the FPSO. The issue price will be NOK 27.90 per share. After the issuance, there will be 264,974,750 shares in issue in BW Offshore Limited.

BW Offshore CEO Svein Moxnes Harfjeld says "It is BWO's long-term goal to broaden its product offering in the oilfield services market. With the purchase of FPSO Crystal Sea we are taking a step forward in that ambition. We are already in dialogue with a client for an intended FPSO contract involving the Crystal Sea."

For further information, please contact:

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BW Offshore Limited

BW Offshore is one of the world's leading FPSO contractors. BW Offshore is publicly listed and part of the BW Group, one of the world's largest maritime groups. Our operational head office is in Oslo, Norway. We have assets operating in Nigeria, Mauritania and Russia, and we have recently entered into Mexico as well as set up a strategic cooperation in Malaysia.

BW Offshore is a dependable contractor for long-term lease arrangements as well as a provider of shorter-term solutions. A philosophy combining modularisation, standardisation and flexibility by design with hands-on project management ensures that a variety of customer needs are met. We offer versatile solutions for mid to large scale projects, both for oil and gas. We work with numerous reputable sub-contractors and suppliers as well as conversion yards. The Company is listed on the Oslo Stock Exchange with ticker code BWO.

For more information, please visit www.bwoffshore.com