

BW OFFSHORE

Q2 2018

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SMARTER TOGETHER.
EVERY DAY



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RECENT HIGHLIGHTS



BW Catcher successfully completed the 168-hour performance test in July

Successful appraisal of Tortue western flank and Ruche NE

BW Adolo arrived in Gabon and permanently moored

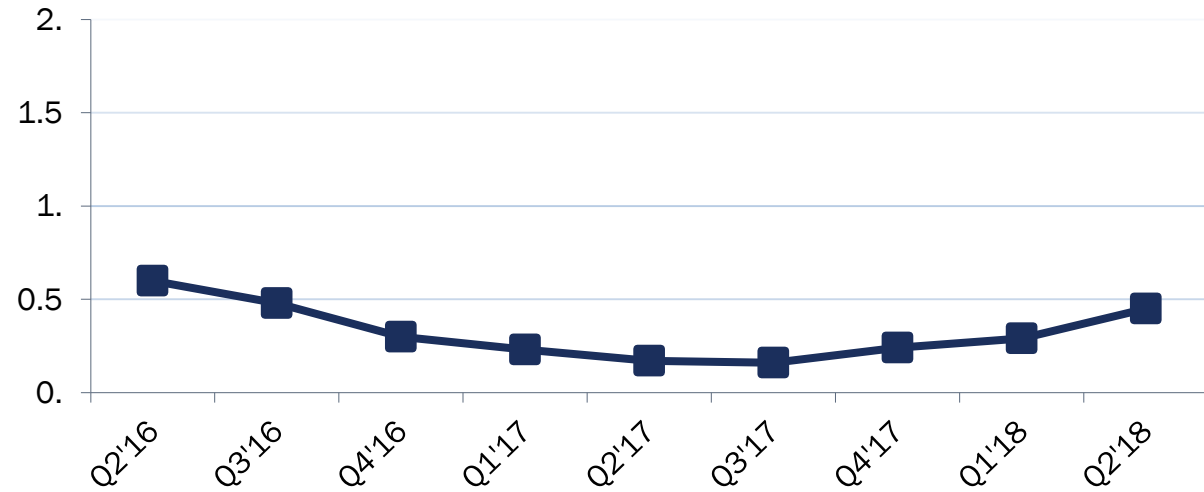
- EBITDA of USD 105.4 million in the second quarter and EBITDA of USD 213.9 in the first half-year
- Tortue Phase 1 development drilling campaign completed
- Contract extension for Umuroa and Abo

OPERATIONAL STATUS

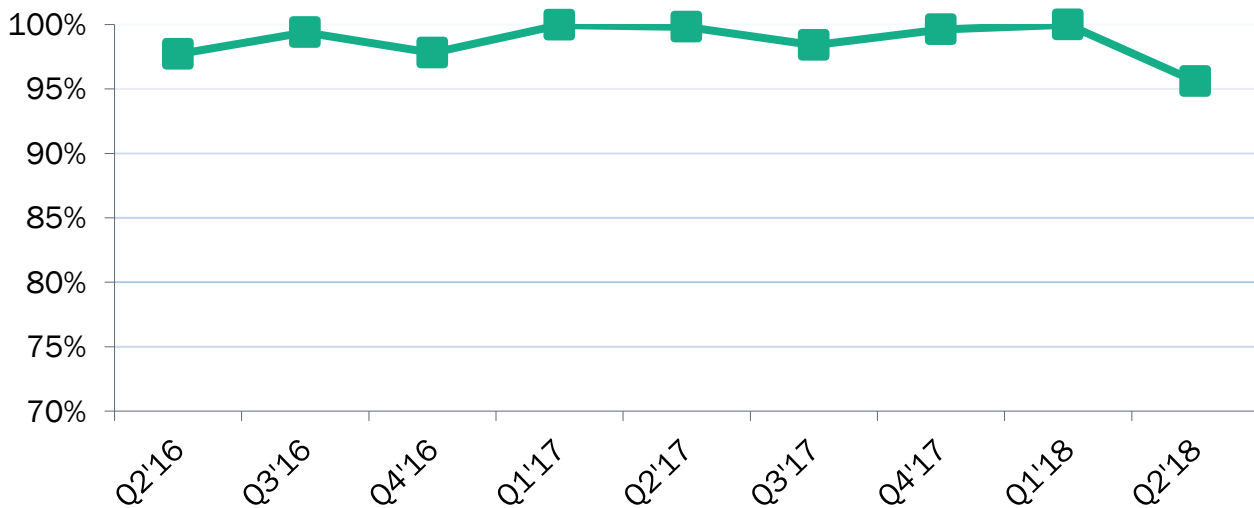


HSE record (LTI)

Lost time injuries per million man-hours



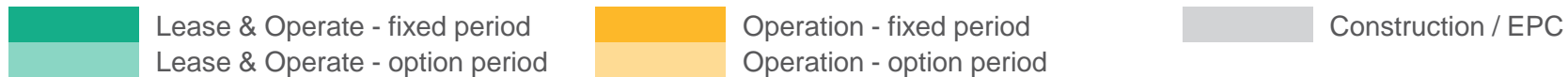
Uptime



FLEET CONTRACTUAL VIEW



Unit	Type	Contract	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Sendje Berge	FPSO	Lease & Operate	Addax/Sinopec, Nigeria: 2005-2021 (2023)														
Yúum K'ak' Náab	FPSO	Lease & Operate	Pemex, Mexico: 2007-2022 (2025)														
BW Cidade de São Vicente	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2019 (2024)														
BW Pioneer	FPSO	Lease & Operate	Petrobras, US: 2012-2020														
BW Joko Tole	FPSO	Lease & Operate	Kangean, Indonesia: 2012-2022 (2026)														
Umuroa	FPSO	Lease & Operate	Tamarind, New Zealand: 2007-2019 (2022)														
FPSO Polvo	FPSO	Lease & Operate	PetroRio, Brazil: 2007-2019 (2022)														
Abo FPSO	FPSO	Lease & Operate	Agip/Eni, Nigeria: 2003-2018 (2019)														
Espoir Ivorien	FPSO	Lease & Operate	CNR, Ivory Coast: 2002-2022 (2036)														
Petroleo Nautipa	FPSO	Lease & Operate	Vaalco, Gabon: 2002-2020 (2022)														
BW Catcher	FPSO	Lease & Operate	Premier Oil, UK 2018-2025 (2043)														
BW Adolo	FPSO	Lease & Operate	BW Energy, Gabon 2018-2023 (2038)														
Berge Helene	FPSO	Tendering	Petronas, Mauritania: 2006-2017														
FPSO Cidade de São Mateus*	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2019 (2024)														
Belokamenka	FSO/ULCC	Tendering	Rosneft, Russia														
BW Athena	FPSO	Tendering	Ithaca, UK														



BW CATCHER



- Operating on full day rate since the start of the third quarter
- Nameplate capacity of 60k bopd achieved in May
- Successfully completed the 168-hour performance test in July
- Successfully offloaded 15 cargos
- Awaiting Final acceptance certificate and approval by Premier and partners
- Preliminary discussions started with Premier regarding plateau production levels



- Arrived in Gabon 28 July after one month transit
- As of August 30, the vessel is hooked up to mooring system, risers and umbilicals
- Final commissioning and start-up preparations ongoing for first oil in September/October
- Gross CAPEX estimate of USD 125 million including reimbursable elements from BW Energy



Berge Helene

- Lay-up in Malaysia
- Condition assessment & preservation



Umuroa

- Contract extended until end Q4 2019
- Drilling campaign in Q2/Q3 2019 to prolong field life



Abo FPSO

- Extension until end 2018 with option to extend until end Q2 2019



DUSSAFU DEVELOPMENT



TORTUE HIGHLIGHTS



- On target for First Oil within 18 months of the Dussafu acquisition
 - Production start scheduled for September/October 2018
- BW Adolo FPSO on site and installation work ongoing to connect to the subsea wells
- Tortue Phase 1 drilling operations completed:
 - DTM-2H horizontal production well
 - DTM-3 successful appraisal well of western Tortue
 - DTM-3H horizontal production well
- Completed drilling Ruche NE appraisal well
 - Commencing appraisal sidetrack operations



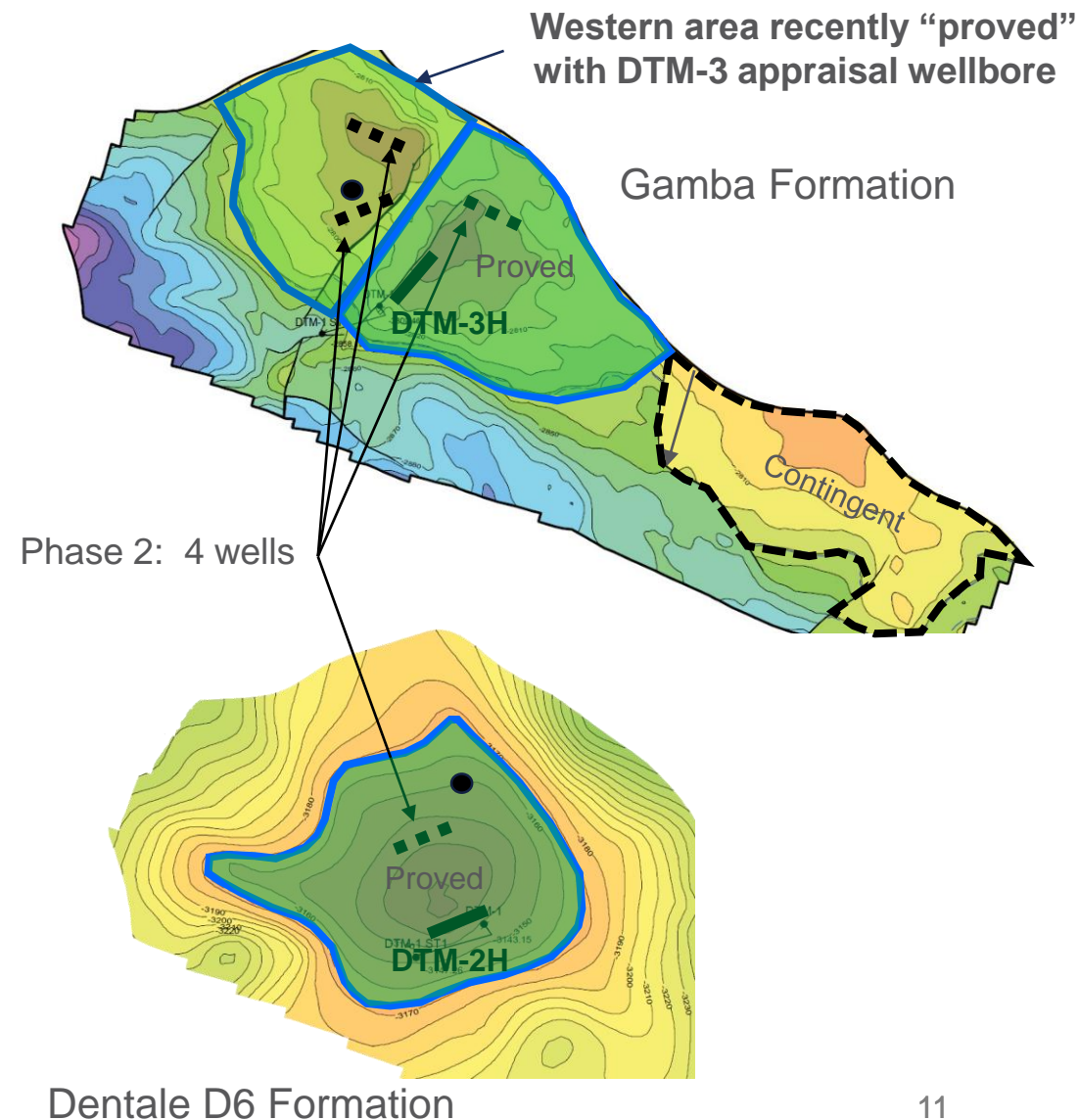
BW Adolo on location in Gabon

BRINGING TORTUE PHASE 2 TO FID



- Secured long lead equipment orders and signed a LOI for a drilling rig
- Proposed additional 4 subsea production wells tied back to the FPSO
- Provisional budget: USD 275 million
- First Oil: 2020
- Internal estimate 2P gross reserves for Tortue field Phase 1 and Phase 2 (6 wells) of 30 to 40 mmbbls
 - Excluding contingent reserves
- Projected incremental economics are robust and accretive to the Tortue Phase 1 economics
- FID for Tortue Phase 2 scheduled for Q4 2018 (post Tortue Phase 1 start-up)
 - Subject to government, JV and board approval

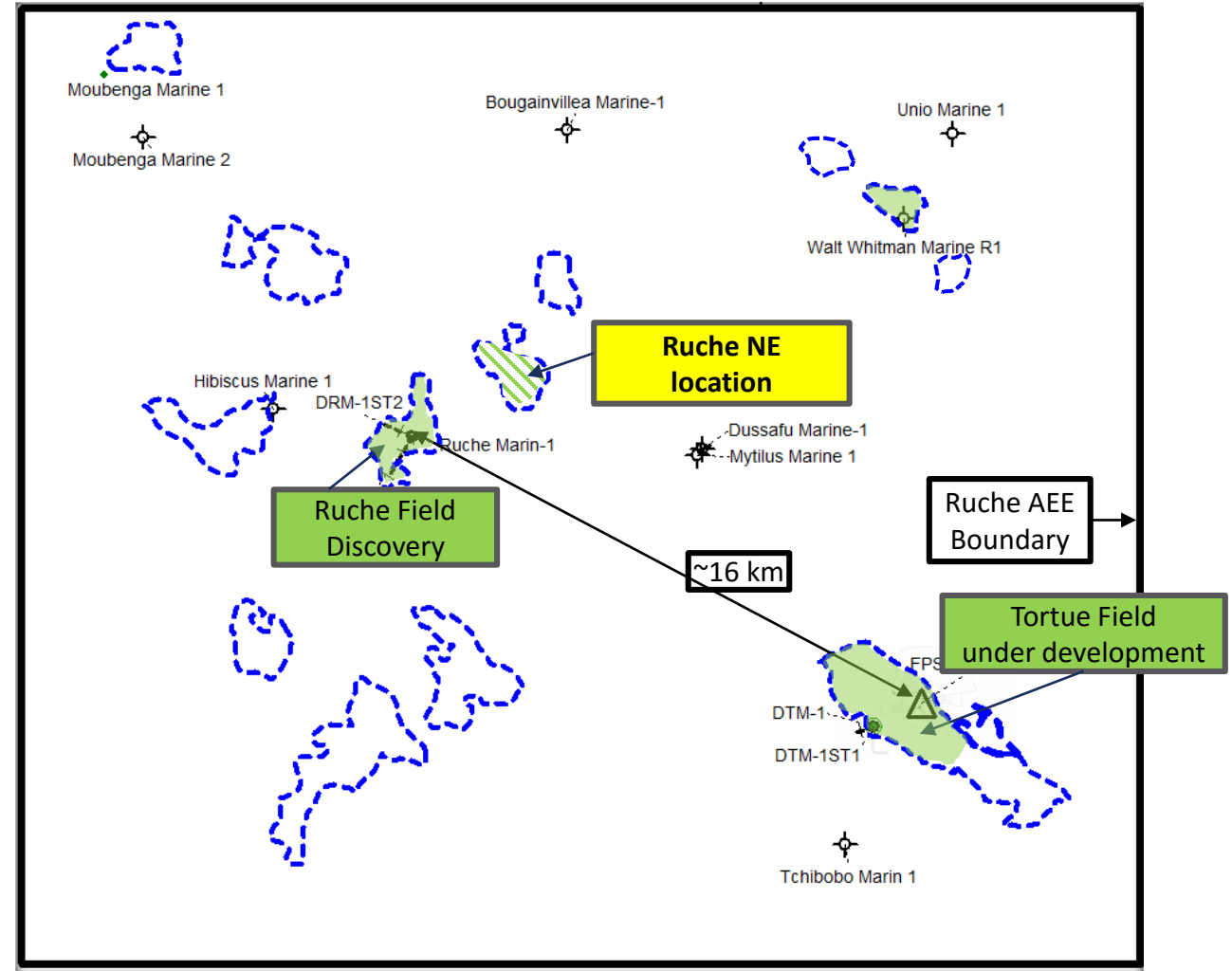
Tortue Field



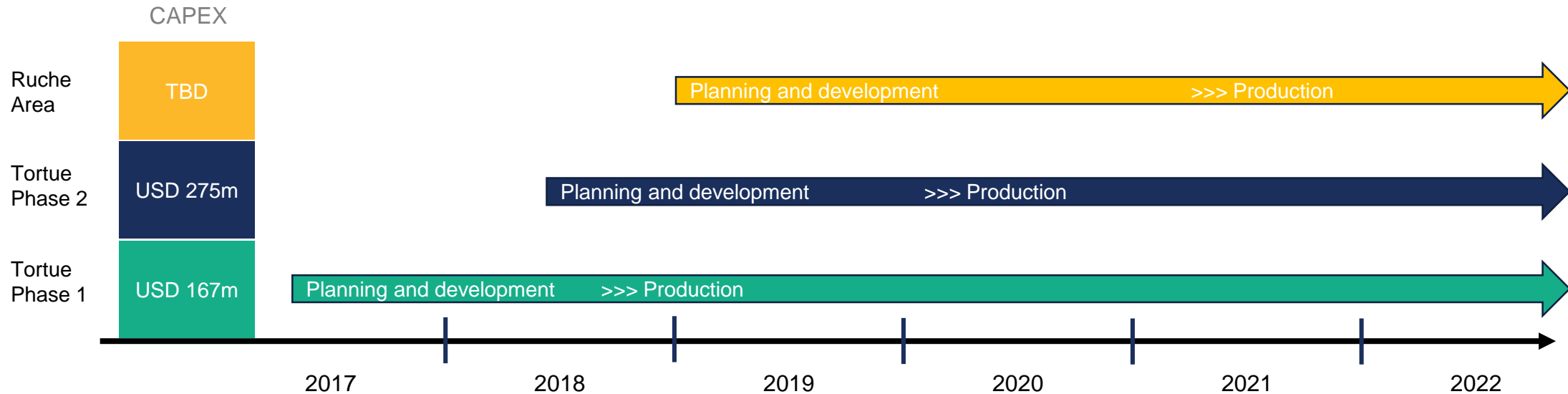
RUCHE NE PRELIMINARY WELL RESULTS



- The Ruche North East appraisal well (DRNEM-1) has completed wireline logging evaluation operations
- The well was drilled to a measured depth of 3400 meters
- The well encountered 15 meters of good quality oil pay in Gamba formation
- In addition, the well encountered 25 meters of oil pay from multiple Dentale horizons
- Conducting an appraisal sidetrack to further delineate the Ruche NE field and to confirm commerciality of a Ruche area development



3-5 YEAR PLAN



Tortue Phase 1

- Two production wells
- Produce 10 to 15k bopd gross
- Western Tortue Appraisal sidetrack
- Mid case gross reserve estimate of 15mmbbls from two wells

Tortue Phase 2

- Additional four production wells
- Producing in total 15 to 25k bopd gross
- Additional 15-25mmbbls reserves from four wells

Ruche complex development

- First Ruche NE appraisal well ongoing
- Two more appraisal wells in the Greater Ruche Area
- Development of Ruche complex
- Remaining Tortue contingent resources
- Remaining opportunities:
 - Additional Greater Ruche Area prospects
 - Greater Walt Whitman discovery area
 - Greater Moubenga discovery area
 - Prospects A&B

A red helicopter is parked on a green helipad on the deck of a ship. The helicopter has "Era" written on its side. A pilot in a white uniform and headset is walking towards the camera. The background shows the ocean and a sunset sky. A large white diagonal shape is overlaid on the image.

FINANCE

FINANCIALS

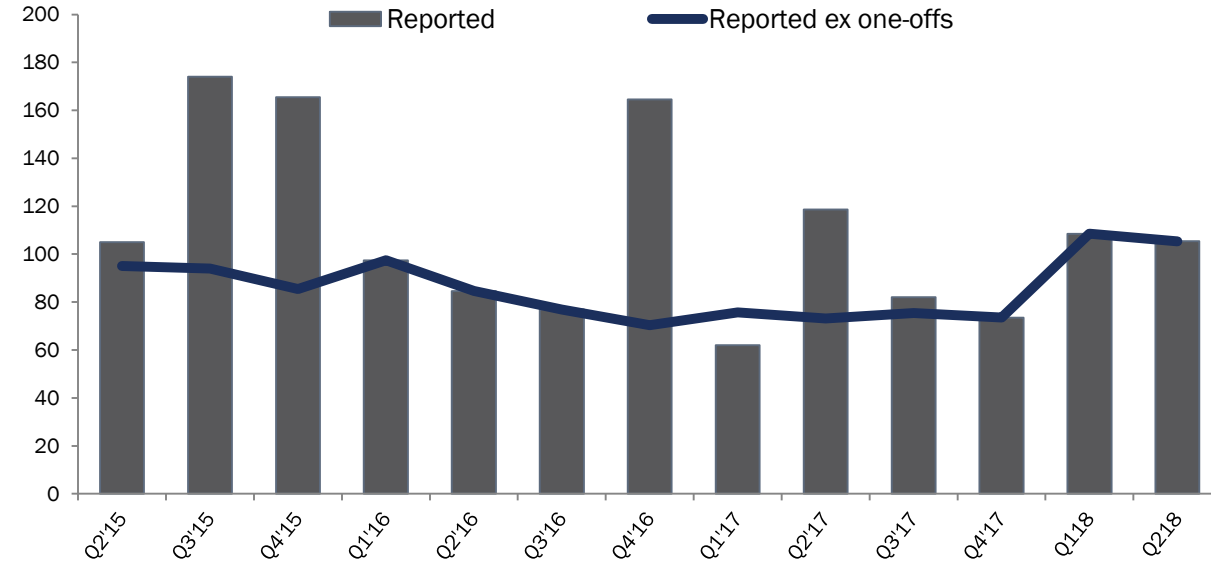


EBITDA of USD 105.4 million

- Impact from start-up activities on BW Catcher
- Positive effect of approximately USD 11 million from amended Abo FPSO contract
 - Accelerated amortisation of variation-order revenue
 - Amended contract covers life extension capex
 - Accelerated depreciation

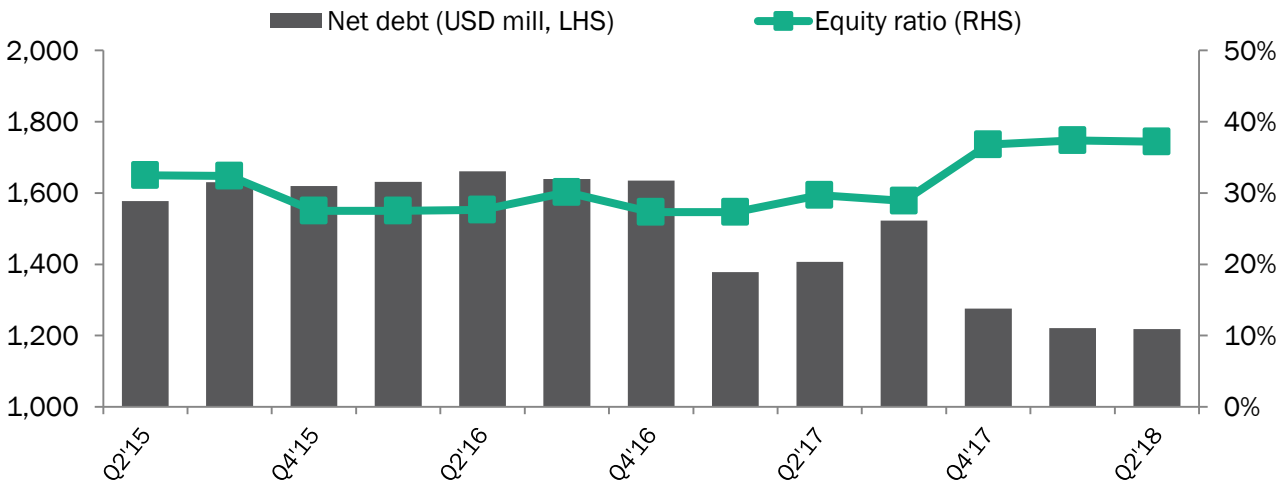
EBITDA

USD million



Net debt and equity ratio

USD million and percentage



Equity ratio of 37.2%

INCOME STATEMENT



USD million	Q2 2018	Q1 2018	2017
Operating Revenues	200.2	192.5	626.0
Operating Expenses	(95.1)	(84.5)	(290.7)
Share Of Profit From Associates	0.3	0.5	0.9
EBITDA	105.4	108.5	336.2
Depreciation	(82.7)	(76.5)	(225.9)
Amortisation	(0.5)	(0.5)	(2.7)
Impairment	(0.1)	0.0	(27.4)
EBIT	22.1	31.5	80.2
Net Interest Expense	(19.8)	(18.4)	(37.8)
FX, Fin. Instruments And Other Financial Items	(2.3)	14.5	1.1
Profit (Loss) Before Tax	0.0	27.6	43.5
Income Tax Expense	(7.5)	(9.5)	(2.3)
Net Profit (Loss)	(7.5)	18.1	41.2

STATEMENT OF FINANCIAL POSITION



USD million	Q2 2018		Q1 2018	
Total Non-current Assets	3,028.0	89.2%	3,018.9	89.0%
Total Current Assets	365.1	10.8%	373.6	11.0%
Total Assets	3,393.1	100.0%	3,392.5	100.0%

Total Equity	1,261.9	37.4%	1,269.4	37.4%
<i>Total Non-current Liabilities</i>	<i>1,491.0</i>		<i>1,539.2</i>	
<i>Total Current Liabilities</i>	<i>640.2</i>		<i>583.9</i>	
Total Liabilities	2,131.2	62.8%	2,123.1	62.6%
Total Equity And Liabilities	3,393.1	100.0%	3,392.5	100.0%

USD million	Q2 2018		Q1 2018	
Reported Interest Bearing Debt	1,363.1		1,383.7	
Cash And Deposits	(145.0)		(162.7)	
Net Interest Bearing Debt	1,218.1		1,221.0	

CASH FLOW YTD



FINANCING



Available liquidity including corporate facilities of USD 553.9 million

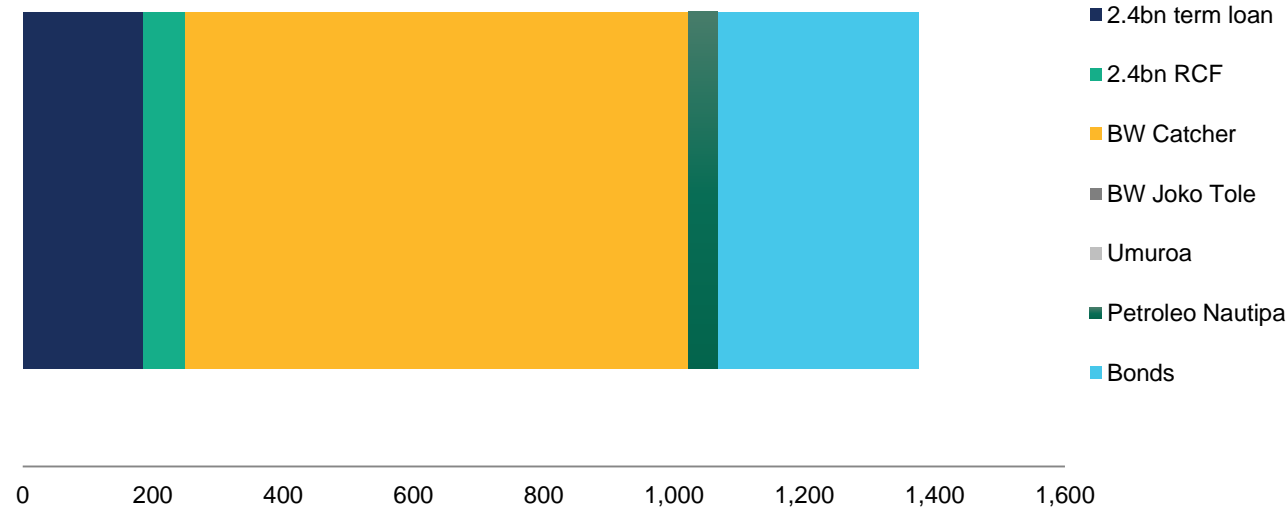
Refinancing discussions of corporate facility ongoing

The Umuroa facility was repaid in March

The Joko Tole facility was repaid in June

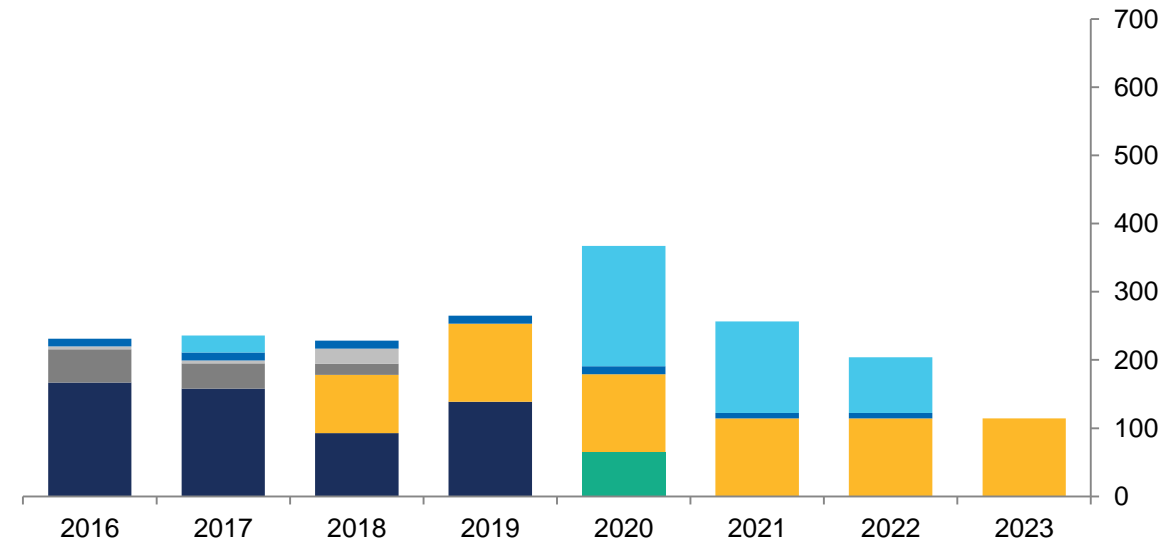
Gross debt

USD million per 30.06.2018



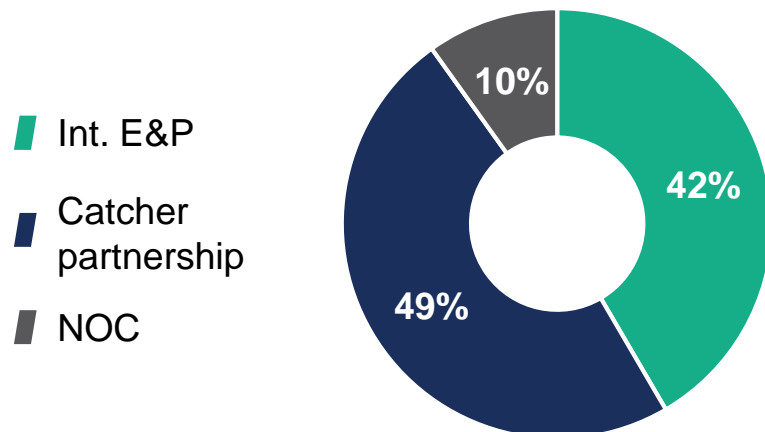
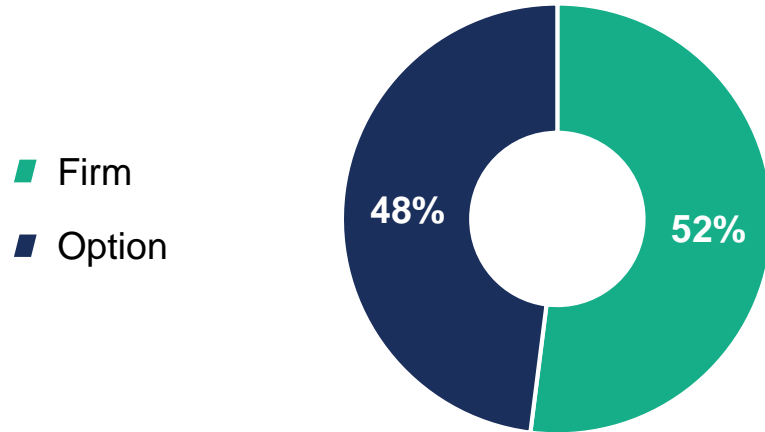
Instalments

USD million per 30.06.2018



FPSO segment

Probable orderbook of USD 5.6 billion



Oil and gas segment

Probable gross reserves of 23.5 million barrels

Gross reserves¹

Gross 1P = 15.9 million bbls

Gross 2P = 23.5 million bbls

Gross 3P = 31.4 million bbls

Net reserves to BW Energy²

Net 1P = 11.8 million bbls

Net 2P = 17.1 million bbls

Net 3P = 21.4 million bbls

¹: From preliminary NSAI report dated December 2017. Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC.

²: Net reserves reflects BW Energy's interest. BW Offshore owns 66.67% of BW Energy.

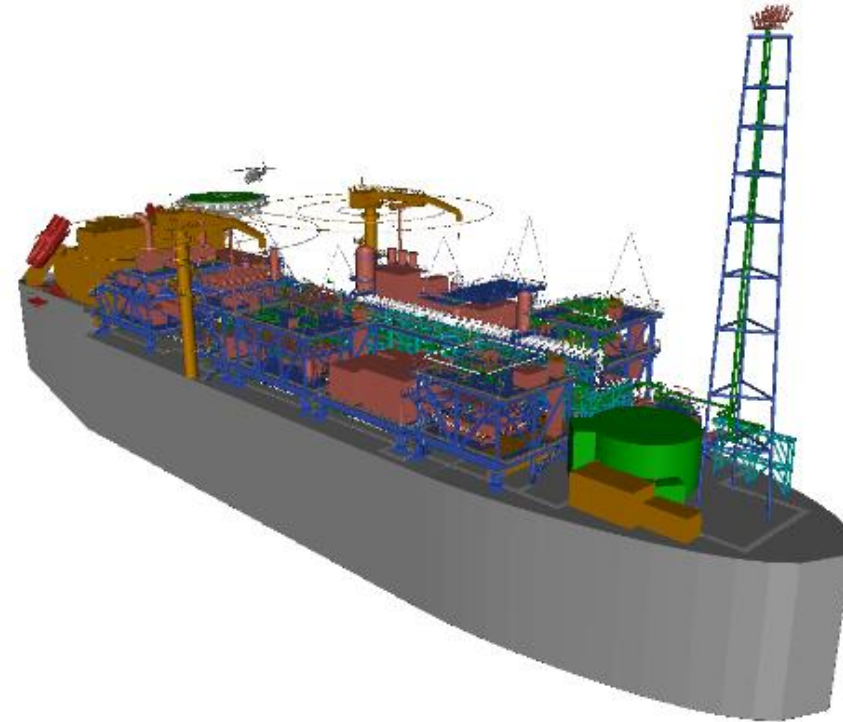


OUTLOOK

SEA LION PROJECT



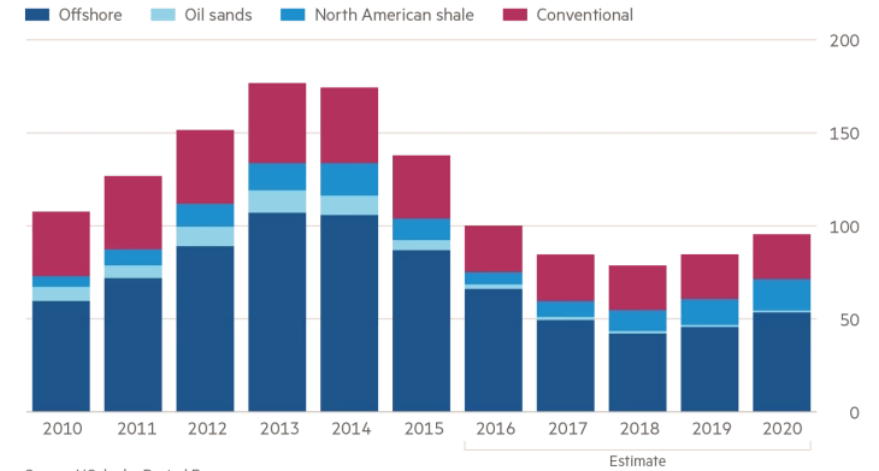
- BW Offshore has been awarded a FEED contract for an FPSO for Phase 1 of the Sea Lion development in the North Falkland Basin
- BW Offshore to leverage on knowledge, skills and experience from the Catcher project
- Sea Lion Phase 1
 - Operated by Premier Oil with Rockhopper Exploration as a JV partner
 - 220 kilometres north of the Falkland Islands
 - First phase subject to FID in 2019



- Oil and gas investments are creeping up but not taking off
- Continued focus on short time to oil
- Supply will still need more frontier developments to fill the gaps
- Break even costs for oil developments have come down, mainly due to drilling and drilling related services and subsea infrastructure costs
- Having access to existing production assets is a significant competitive advantage both in terms of project execution risk mitigation and time to First Oil

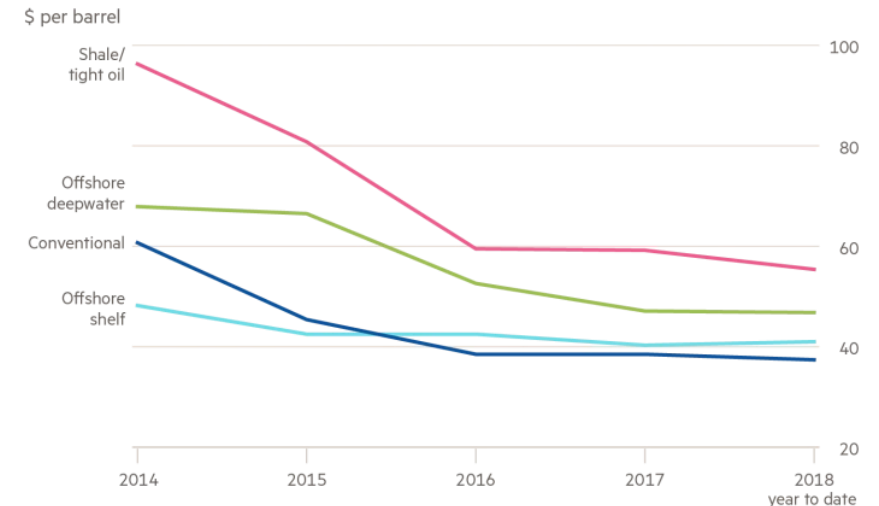
Oil and gas majors scale back on investment

Value by sector (\$bn)



Source: UCube by Rystad Energy © FT

Break-even prices for benchmark Brent crude have fallen



Source: Rystad Energy © FT

H1 2018	H2 2018	H1 2019
<ul style="list-style-type: none">- Berge Helene decommissioning ✓- Polvo extension ✓- Abo extension ✓- Umuroa extension ✓- Completed DTM-2H production well ✓- DTM-3 appraisal well on Tortue ✓- DTM-3H completion ✓	<ul style="list-style-type: none">- Ruche NE appraisal well- Dussafu First Oil- Cidade de São Vicente extension- Kudu FID- Cidade de São Mateus agreement- Dussafu Phase 2 FID	<ul style="list-style-type: none">- Start Phase 2 and potential further appraisal program- Extensions Abo, Polvo, Umuroa and BW Pioneer

Q&A





BW Offshore

For further information please contact ir@bwoffshore.com