

# BW OFFSHORE

Q3 2018

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SMARTER TOGETHER



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# RECENT HIGHLIGHTS



First oil from Dussafu achieved  
16 September

Daily production in line with expectation  
at an average of 12,500 bopd

BW Catcher final acceptance

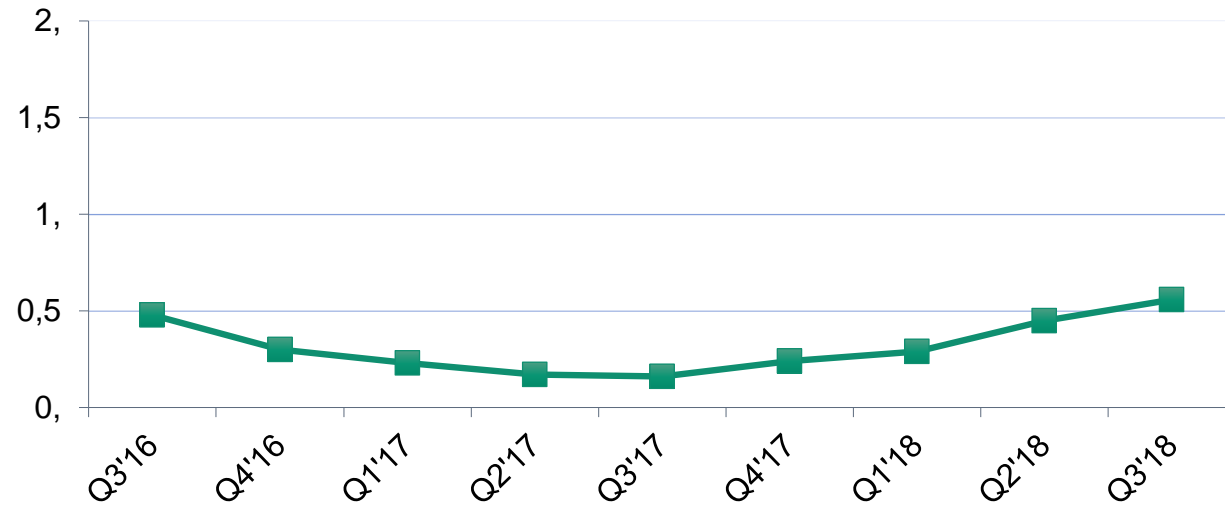
- EBITDA of USD 126.4 million
- Investment decision made for Tortue Phase 2 development
- Ruche area commercial after Ruche NE discovery

# HSE PERFORMANCE



## HSE record (LTI)

*Lost time injuries per million man-hours*



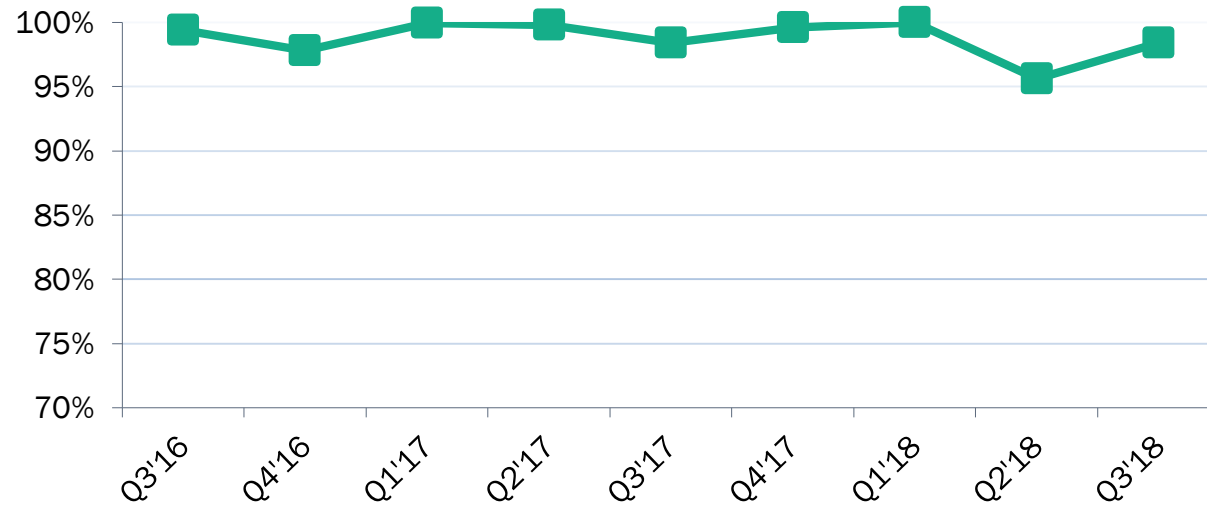
# FLEET STATUS



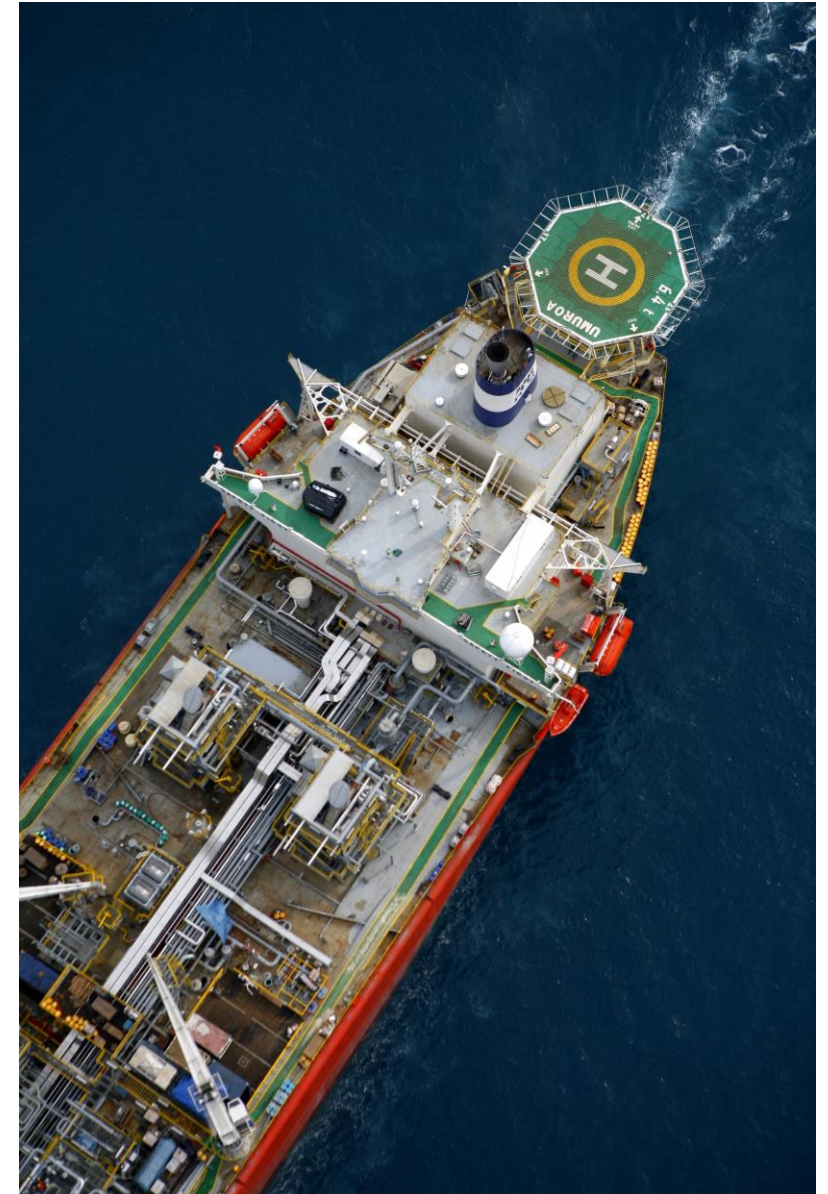
# FLEET PERFORMANCE



## Fleet uptime



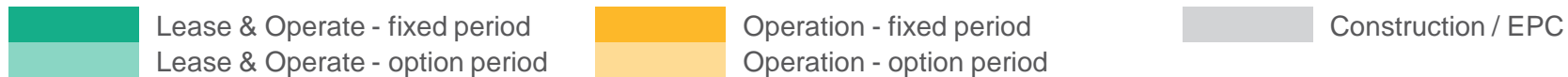
- Strong performance with 99% average uptime over last 5 years
- BW Catcher performance now stabilised



# 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 2018-2028 (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



- Successfully offloaded 24 cargos
- Produced 11 million barrels of oil
- Final acceptance certificate received
- Expect to reach agreement with Client to increase plateau production level to 66kbopd shortly

## BW Adolo



- Arrived in Gabon late July
- Final commissioning and start-up preparations went smoothly
- Production started 16 September
- Completed the 72 hours test in September
- Production stabilized at ~12,500 bopd with ~100% uptime
- Plant running on associated gas

## Cidade de São Mateus



- Dialog with Petrobras continues
- Decision made to repair the unit
- Preserve values and shorten lead-time for return to operations

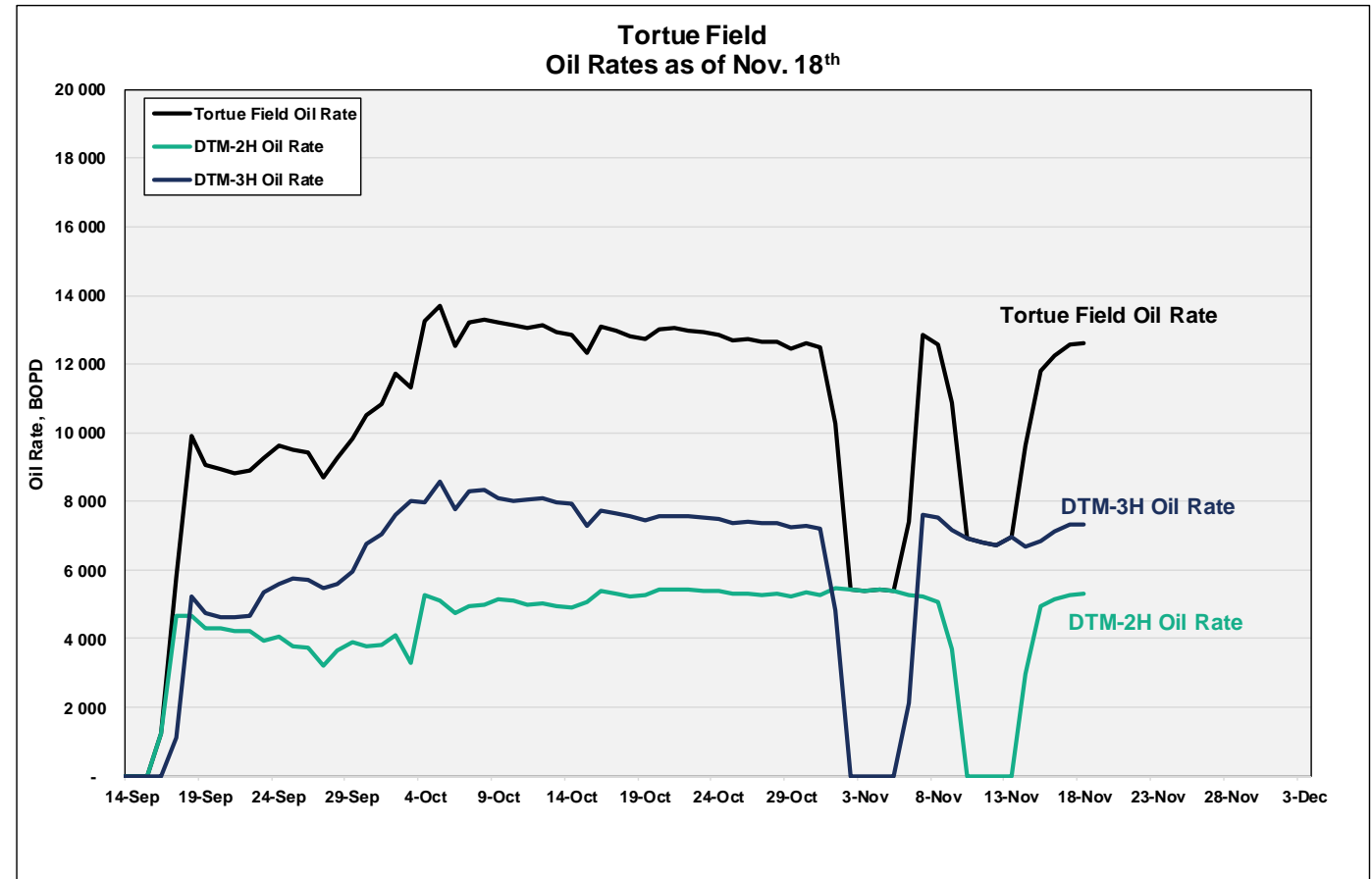
# E&P STATUS



# TORTUE PHASE 1 HIGHLIGHTS



- Excellent HSE performance
- Field producing in line with expectations:  
~12,500 bopd, no water
  - DTM-2H producing ~5,000 bopd
  - DTM-3H producing ~7,500 bopd
- Both wells have completed shut-in for pressure build up evaluation, confirming reservoir model
- First lifting scheduled for November 2018
  - 550,000 bbls nominated
  - First government lifting scheduled for Dec. 2018
- Production forecast for Y2019
  - 3.5 million barrels or ~9,500 bopd average

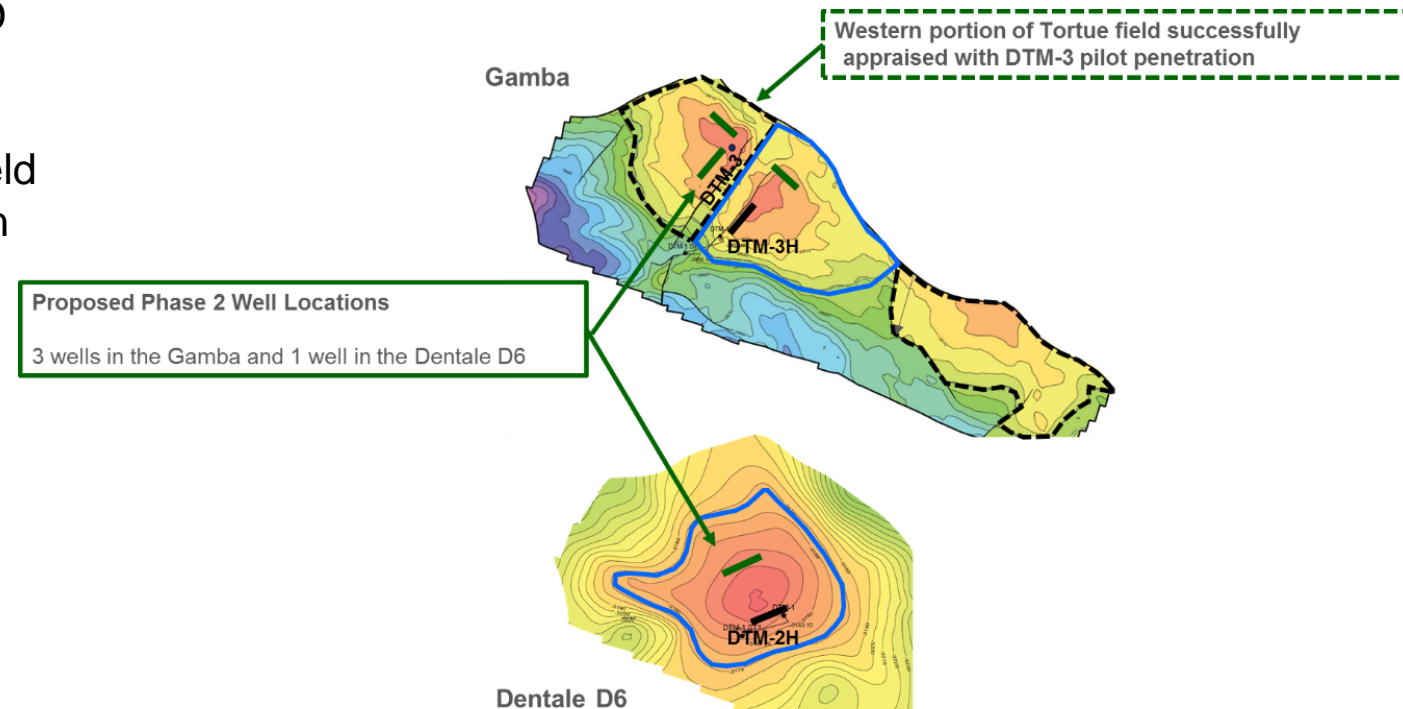


# TORTUE PHASE 2 FID



- Investment Decision made by the board for Tortue Phase 2 project
- 4 additional subsea production wells in the Tortue field tied back to the FPSO with a budget of USD 275 million
- Internal estimate 2P gross reserves for Tortue field Phase 1 and Phase 2 (6 wells) of 30 to 40 million bbls (excl. contingent resources)
- Phase 2 copy of phase 1 project in all respects
- Tortue Phase 2 Drilling Program will include two appraisal wells in Greater Ruche Area and an option for two additional appraisal wells

## Tortue Field

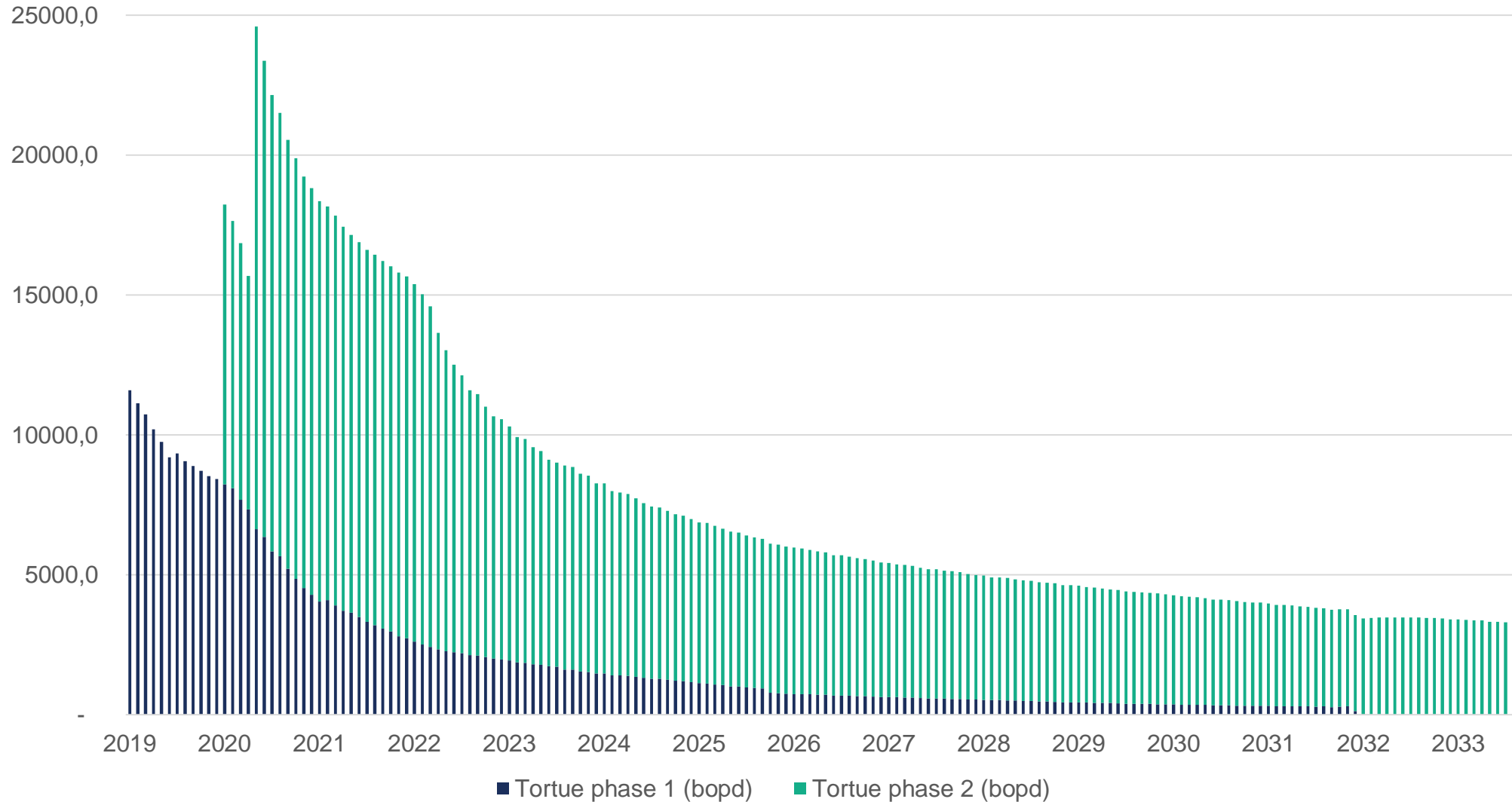


# TORTUE PRODUCTION FORECAST

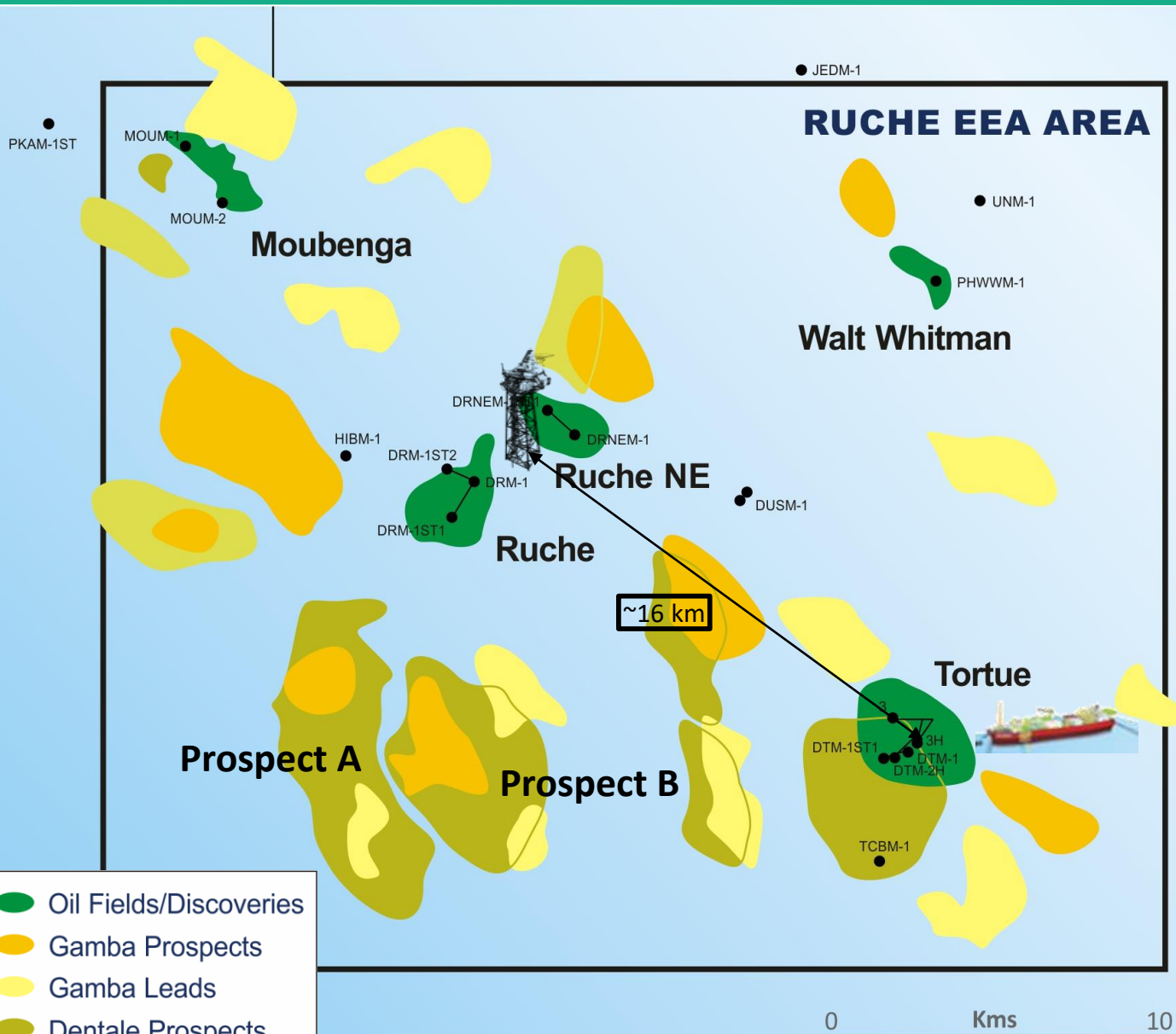


## Field life estimation

*Based on internally generated expected production estimates*

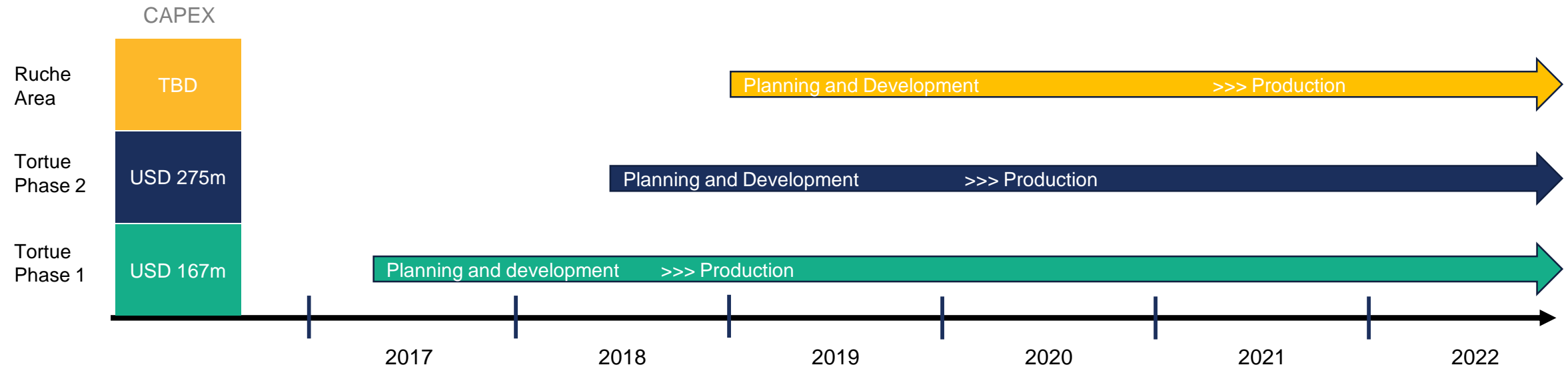


# RUCHE EEA PROSPECTS



- Ruche and Ruche NE discoveries are commercial with internal estimates of in total ~30 million bbls recoverable reserves
- Development concept:
  - Unmanned wellhead platform concept tied back to BW Adolo
  - 16 km distance to FPSO
  - 116 m water depth
- BW Adolo has available capacity to process the Ruche oil
- Wellhead platform concept gives high oil recovery and good flexibility for well workover

# 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 15 million bbls from two wells

## Tortue Phase 2

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

## Ruche complex development

- Ruche NE confirms commercial development of Ruche area
- Two more appraisal wells in the Greater Ruche Area as part of Tortue phase 2 drilling campaign

## Further development

- 2 optional appraisal wells for Walt Whitman and A/B area

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. The word "FINANCE" is overlaid in large green letters.

**FINANCE**

# FINANCIALS

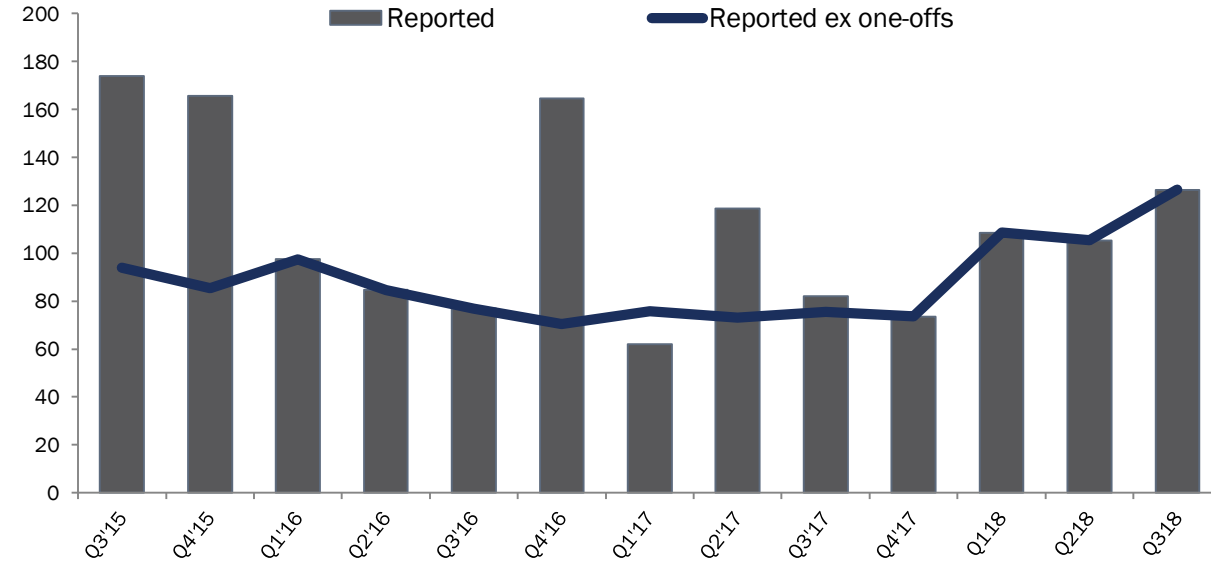


**EBITDA of USD 126.4 million**

- Contribution from Dussafu field
- Commercial downtime on BW Catcher
- Maintenance program on YKN

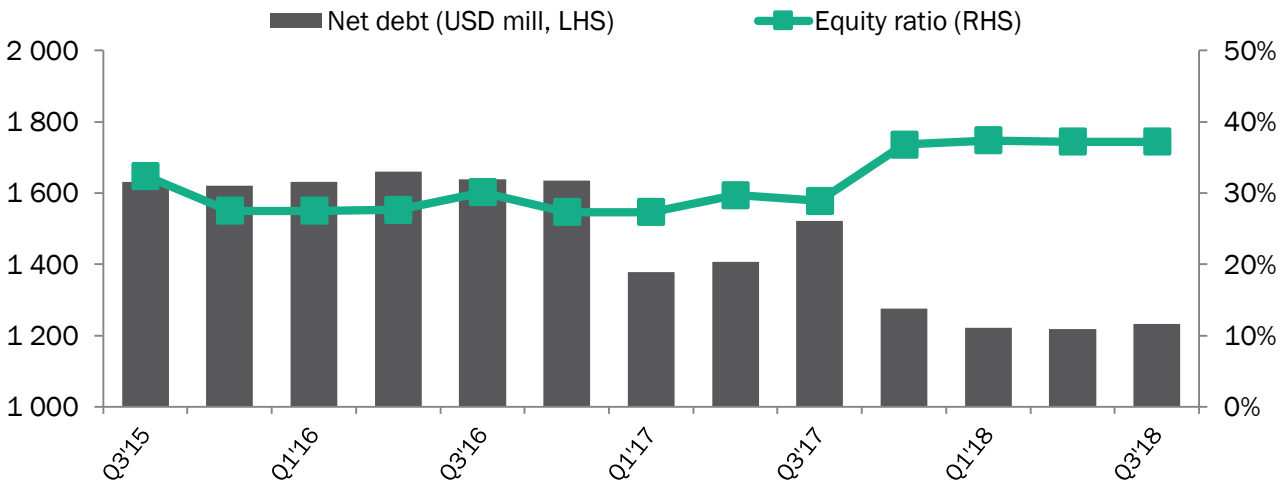
## EBITDA

USD million



## Net debt and equity ratio

USD million and percentage



**Equity ratio of 37.2%**

**Net Debt of USD 1,233.2 million**

# INCOME STATEMENT



USD million	Q3 2018	Q2 2018	2017
Operating Revenues	222.3	200.2	626.0
Operating Expenses	(96.0)	(95.1)	(290.7)
Share Of Profit From Associates	0.1	0.3	0.9
<b>EBITDA</b>	<b>126.4</b>	<b>105.4</b>	<b>336.2</b>
Depreciation	(86.2)	(82.7)	(225.9)
Amortisation	(0.5)	(0.5)	(2.7)
Impairment	0.0	(0.1)	(27.4)
<b>EBIT</b>	<b>39.7</b>	<b>22.1</b>	<b>80.2</b>
Net Interest Expense	(18.3)	(19.8)	(37.8)
FX, Fin. Instruments And Other Financial Items	3.4	(2.3)	1.1
<b>Profit (Loss) Before Tax</b>	<b>24.8</b>	<b>0.0</b>	<b>43.5</b>
Income Tax Expense	(9.2)	(7.5)	(2.3)
<b>Net Profit (Loss)</b>	<b>15.6</b>	<b>(7.5)</b>	<b>41.2</b>

# STATEMENT OF FINANCIAL POSITION



USD million	Q3 2018		Q2 2018	
Total Non-current Assets	3,054.8	89.7%	3,028.0	89.2%
Total Current Assets	352.4	10.3%	365.1	10.8%
<b>Total Assets</b>	<b>3,407.2</b>	<b>100.0%</b>	<b>3,393.1</b>	<b>100.0%</b>

Total Equity	1,268.7	37.2%	1,261.9	37.2%
<i>Total Non-current Liabilities</i>	<i>1,500.6</i>		<i>1,491.0</i>	
<i>Total Current Liabilities</i>	<i>637.9</i>		<i>640.2</i>	
Total Liabilities	2,138.5	62.8%	2,131.2	62.8%
<b>Total Equity And Liabilities</b>	<b>3,407.2</b>	<b>100.0%</b>	<b>3,393.1</b>	<b>100.0%</b>

USD million	Q3 2018		Q2 2018	
Reported Interest Bearing Debt	1,378.6		1,363.1	
Cash And Deposits	(145.4)		(145.0)	
<b>Net Interest Bearing Debt</b>	<b>1,233.2</b>		<b>1,218.1</b>	

# CASH FLOW YTD



# DEBT AND INSTALMENT PROFILE

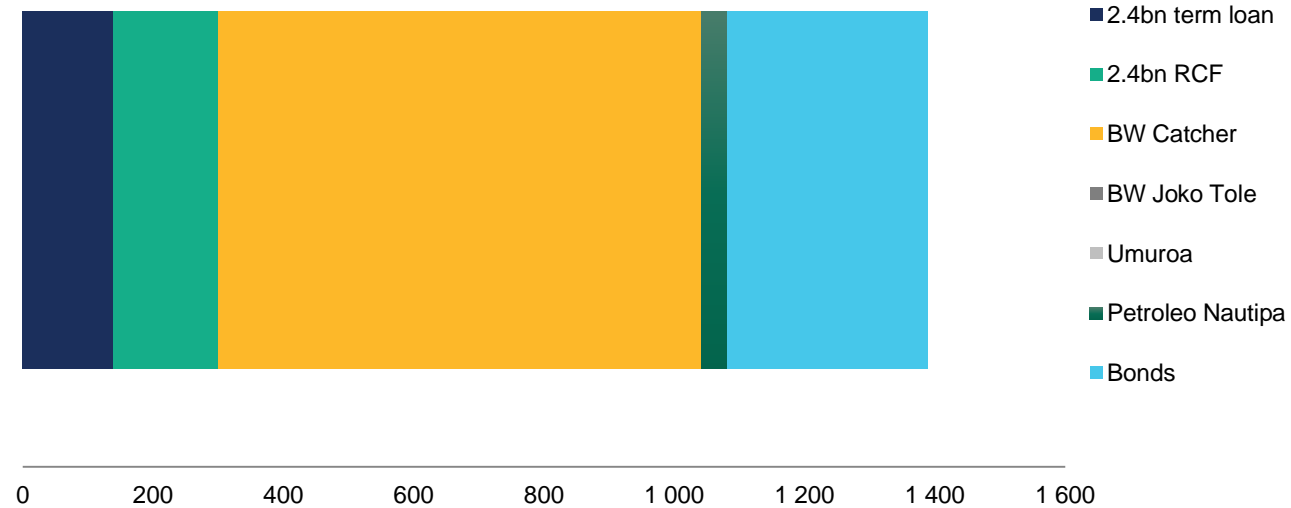


Available liquidity including corporate facilities of USD 459.3 million

Refinancing discussions of corporate facility ongoing

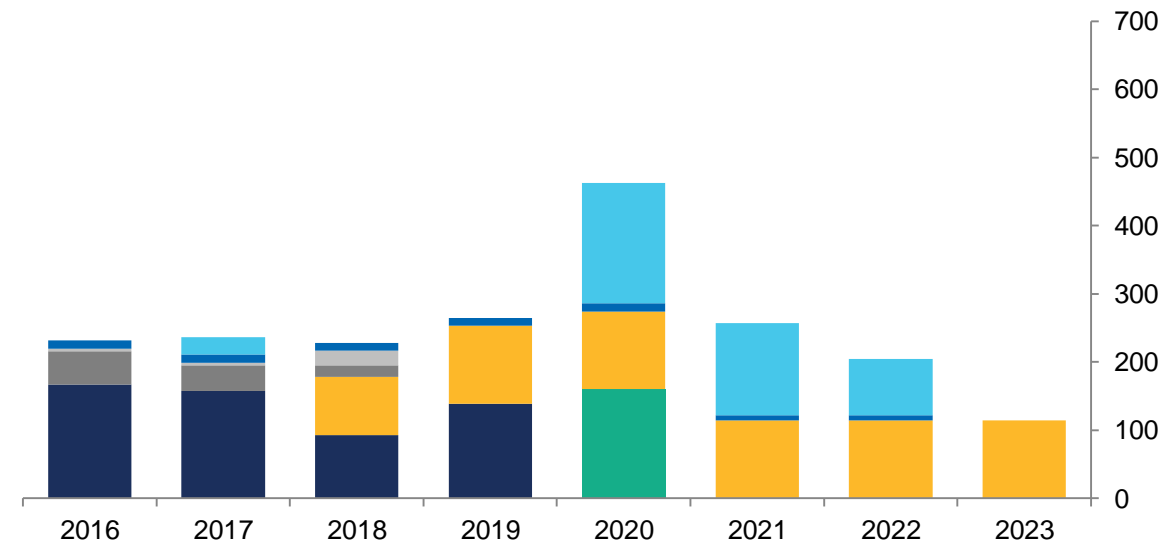
## Gross debt

USD million per 30.09.2018



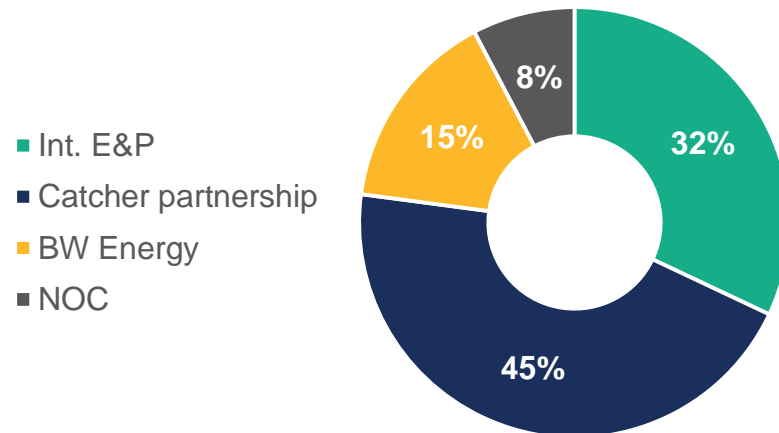
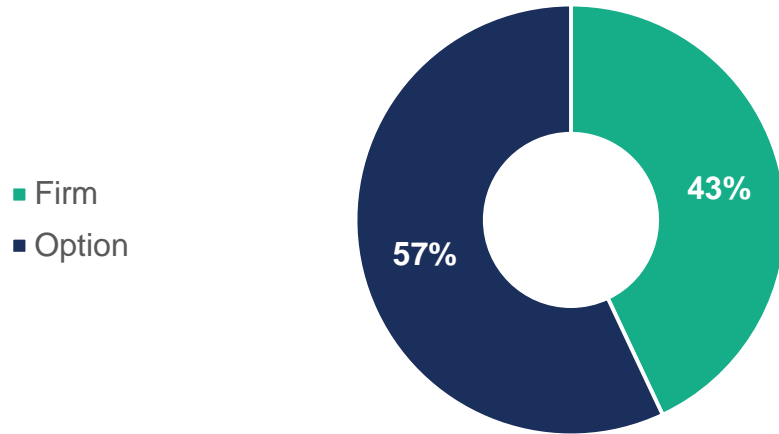
## Instalments

USD million per 30.09.2018



## FPSO segment

Probable orderbook of USD 6.4 billion



## E&P segment

Probable gross reserves of 23.5 million barrels

### Gross reserves<sup>1</sup>

Gross 1P = 15.9 million bbls

Gross 2P = 23.5 million bbls

Gross 3P = 31.4 million bbls

### Net reserves to BW Energy<sup>2</sup>

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

- The general energy complacency and investor pressure on conventional big oil is providing opening for new companies with a different “view”
- Discovered oil deposits of < 200 million bbls can be bought at fairly reasonable prices (USD 3/ bbls)
- Break even costs for oil developments have come down, mainly due to drilling and drilling related services and subsea infrastructure
- The main production asset is now around 50% of an offshore oil development
- Having access to existing production assets is a significant competitive advantage both in terms of project execution risk mitigation and time to First Oil
- The number of contractors capable and willing to undertake field developments is (still) limited



The Big Read Oil + myFT

## Oil producers face their ‘life or death’ question

Fear of an imminent peak in demand means companies are less likely to invest. So does that make shortages and a price rise inevitable?

JUNE 19, 2018 by David Sheppard and Anji Raval in London

Asked last month by a frustrated investor if, “hand on heart”, [Royal Dutch Shell](#) was more concerned about “the sustainability of the company or with the sustainability of the planet”, chief executive Ben van Beurden acknowledged that climate change will be “[the defining challenge](#)” facing the [oil industry](#) for years to come.

He then went on to describe the benefits of energy for millions of people around the world as “quite often a matter of life and death”. He could have been talking about his own industry, which has only just emerged from a brutal downturn and which, according to some, is facing an even graver challenge: whether to invest in oil at a time when climate concerns could see [demand peak](#) as early as the 2020s.

# REDEPLOYMENT STRATEGY CONFIRMED

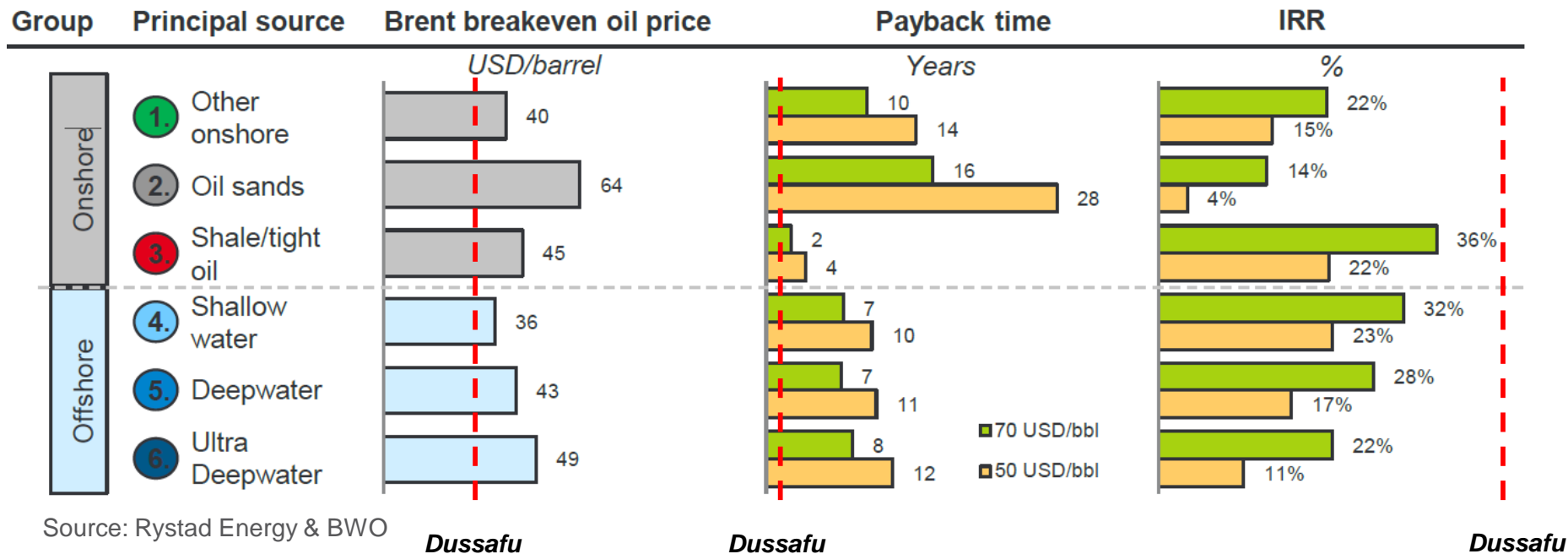


■ BWO's strategy of redeployment is unlocking value in fields deemed uncommercial by the traditional approach

- Dussafu was classified as uneconomical prior to BWO development plan

■ BWO's Dussafu is very competitive

- Competitive break-even price
- Short payback time
- High IRR



## H1 2018

- Berge Helene decommissioning ✓
- Polvo extension ✓
- Abo extension ✓
- Umuroa extension ✓
- Completed DTM-2H production well ✓
- DTM-3 appraisal well on Tortue ✓
- DTM-3H completion ✓

## H2 2018

- Ruche NE appraisal well ✓
- Dussafu First Oil ✓
- BW Catcher Final Acceptance ✓
- Tortue Phase 2 FID ✓
- Sea Lion FEED ✓
- BW Cidade de São Vicente extension
- Cidade de São Mateus agreement

## H1 2019

- Start Tortue Phase 2
- Initiate further appraisal program
- Discussions with Namibia Govt. on Kudu development continues
- Extensions for
  - Abo
  - Polvo
  - Umuroa
  - BW Pioneer

# Q&A





**BW Offshore**

For further information please contact [ir@bwoffshore.com](mailto:ir@bwoffshore.com)