

BW OFFSHORE

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Copenhagen

CFO Knut R. Sæthre
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SMARTER TOGETHER



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BW OFFSHORE – AT A GLANCE



- Owning 15 FPSOs
- Producing ~600,000 boepd
- Delivered 40 projects since 1983
- 99% commercial uptime
- LTI 0.3 per million manhours
- USD ~6.4 billion backlog
- USD ~750 million market cap
- Specialist in redeployments and life extensions
- Ventured into oil & gas field ownership and development



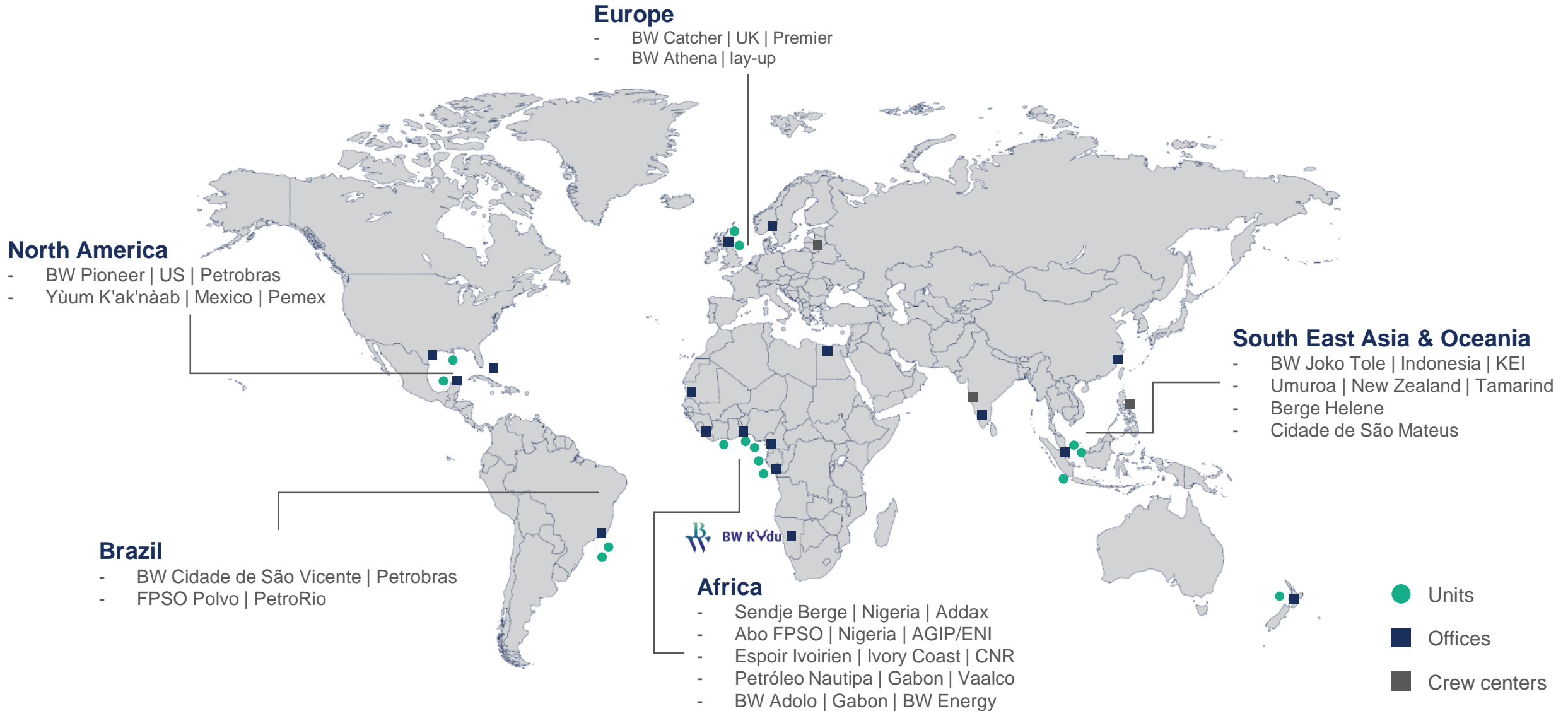
2018 HIGHLIGHTS



- Successful start up of BW Catcher
- First Oil produced by BW Adolo
- Investment decision made for Tortue Phase 2 development
- Ruche area commercial after Ruche NE discovery
- Contract extensions for Polvo, Abo and Umuroa
- Recycling the FSO Belokamenka in compliance with Hong Kong Convention



GLOBAL FOOTPRINT



SUSTAINABILITY



BW Offshore is committed to sustainability and contributing towards the United Nations' SDGs.



Guided by our Vision, Purpose and Principles, BW Offshore aspires to achieve sustainable development by striking a fair balance between financial results, value creation, sustainability and corporate responsibility.

SELECTED AREAS OF IMPACT



ENVIRONMENTAL RESPONSIBILITY

LIFE BELOW WATER

We strive for zero oil spills, ensuring compliance with all regulatory requirements as a minimum, while following the guiding principles of ISO 14001 for environmental management

SHIP RECYCLING

At BW Offshore, we are firm supporters of the Hong Kong Convention on the safe and environmentally sound recycling of ships

SOCIAL RESPONSIBILITY

ZERO HARM

Ensuring the safety of our employees is BW Offshore's greatest responsibility. BW Offshore has in place an established, holistic approach to Health, Safety, Security, Environment and Quality (HSSEQ) across all our operations

GOVERNANCE

ANTI-BRIBARY

Our Anti-bribery policy guide our interactions with suppliers, customers, members of the industry and other stakeholder at all levels of the organisation.

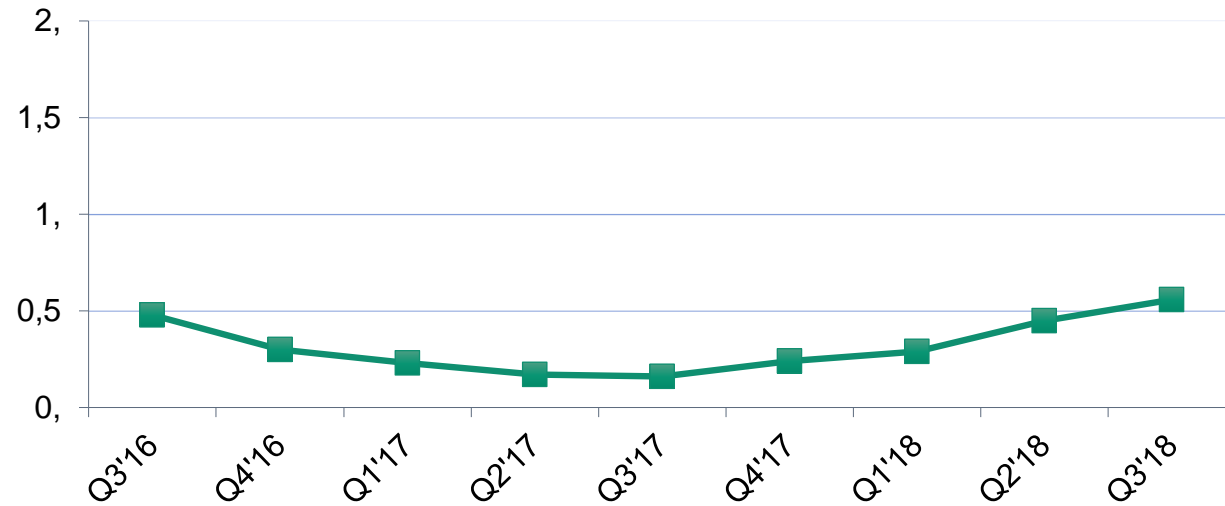
Member of the Marine Anticorruption Network (MACN)

HSE PERFORMANCE



HSE record (LTI)

Lost time injuries per million man-hours



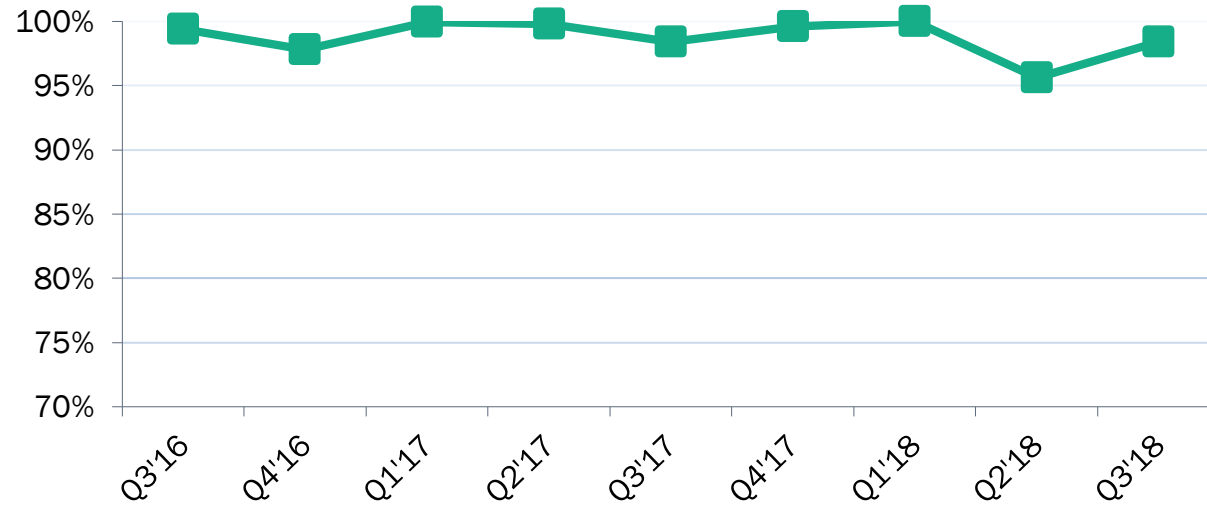
FLEET STATUS



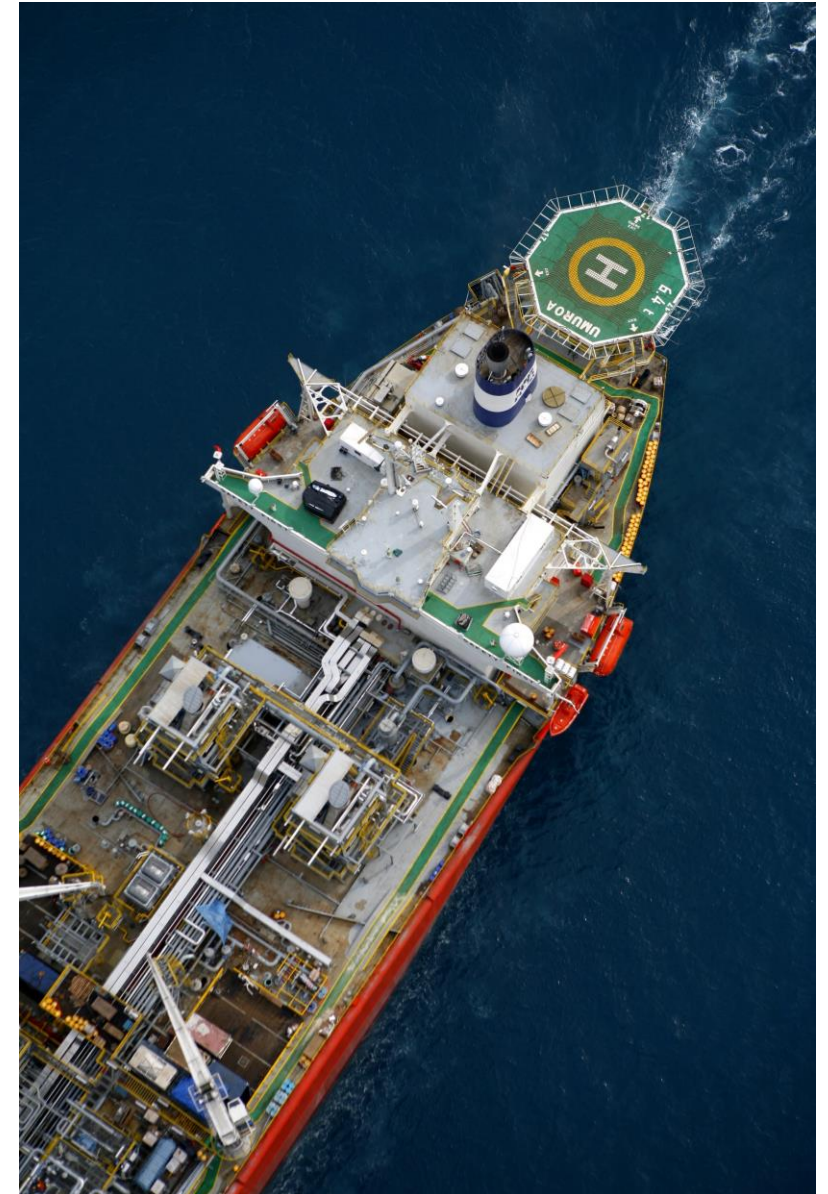
FLEET PERFORMANCE



Fleet uptime



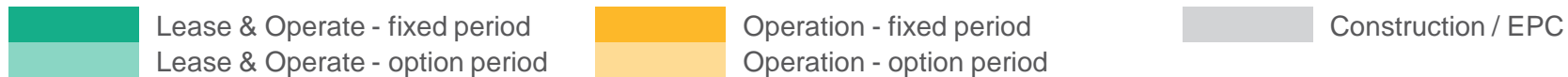
- Strong performance with 99% average uptime over last 5 years
- BW Catcher performance stabilised in Q3



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: 2007-2020 (2022)														
Abo FPSO	FPSO	Lease & Operate	Agip/Eni, Nigeria: 2003-2019														
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)														
BW Athena	FPSO	Tendering	Ithaca, UK														



BW Catcher



- Successfully offloaded 30 cargos
- Final acceptance certificate received
- Agreed with Client to increase plateau production level to 66kbopd

BW Adolo



- Production started in September 2018
- Production stabilized at ~12,500 bopd with ~100% uptime
- Plant running on associated gas

Cidade de São Mateus

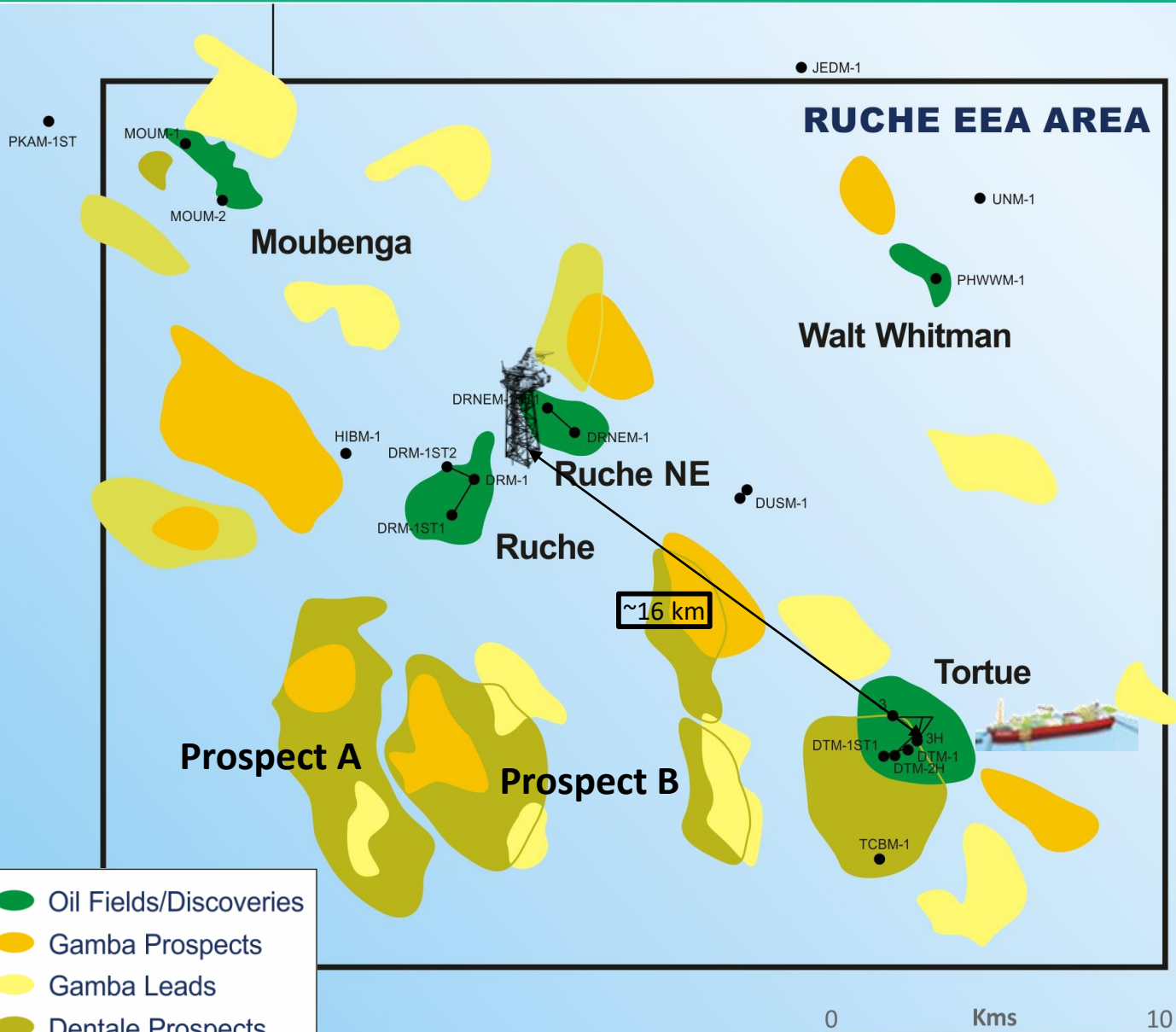


- Dialogue with Petrobras continues
- Decision made to repair the unit
- Preserve values and shorten lead-time for return to operations

E&P STATUS



DUSSAFU STATUS



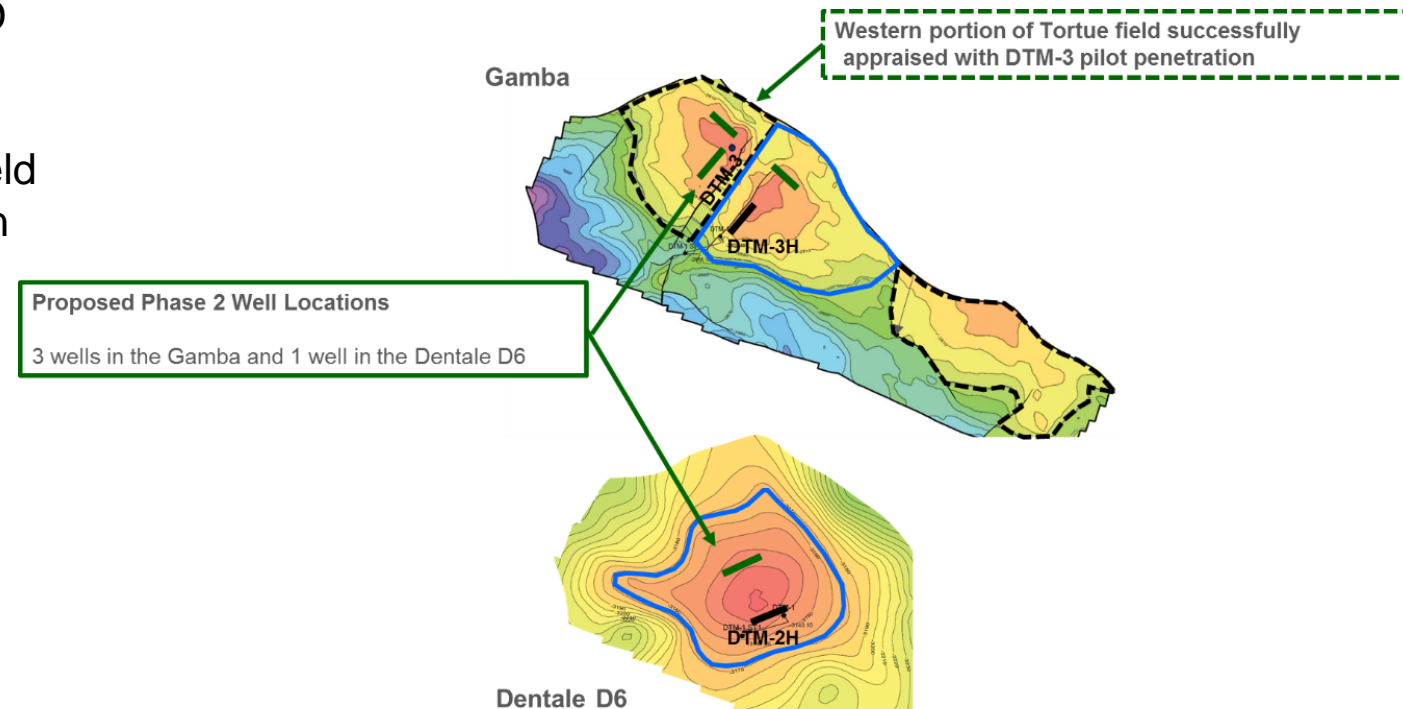
- Excellent HSE performance
- Field producing in line with expectations: ~12,500 bopd, no water
- Both wells have completed shut-in for pressure build up evaluation, confirming reservoir model
- First Offloads December 2018:
 - 550,000 bbls
 - 300,000 bbls (Government lifting)

TORTUE PHASE 2 FID

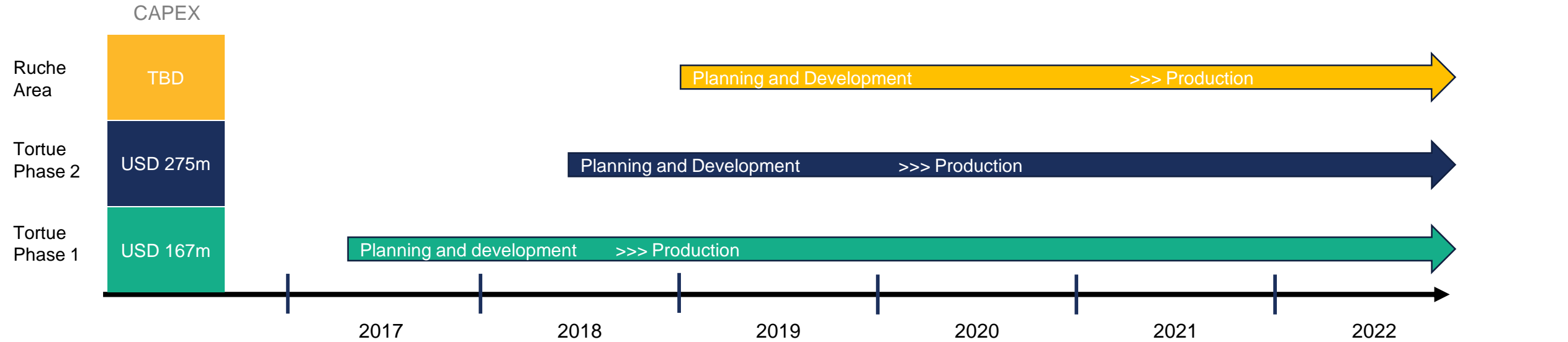


- Investment Decision made by the board for Tortue Phase 2 project
- 4 additional subsea production wells in the Tortue field tied back to the FPSO with a budget of USD 275 million
- Internal estimate 2P gross reserves for Tortue field Phase 1 and Phase 2 (6 wells) of 30 to 40 million bbls (excl. contingent 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



3-5 YEAR PLAN



Tortue Phase 1

- Two production wells
- Peak production 10 to 15k bopd gross
- Mid case gross reserve estimate of 15 million bbls from two wells

Tortue Phase 2

- Additional four production wells
- Peak production 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 with internal estimates of in total ~30 million bbls recoverable reserves
- Two more appraisal wells in the Greater Ruche Area as part of Tortue phase 2 drilling campaign
- BW Adolo has available capacity to process the Ruche oil
- Wellhead platform concept gives high oil recovery and good flexibility for well workover

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.

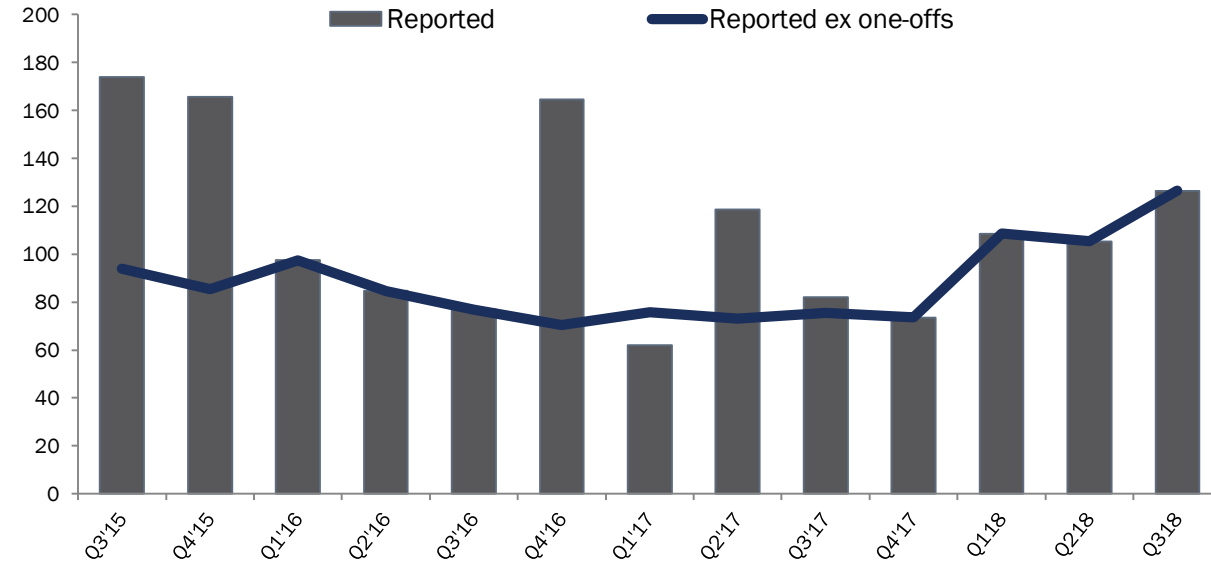
FINANCE

FINANCIALS PER Q3 2018



- YTD EBITDA of USD 340.3 million
- Contribution from Dussafu field
- Commercial downtime on BW Catcher
- Maintenance program on YKN

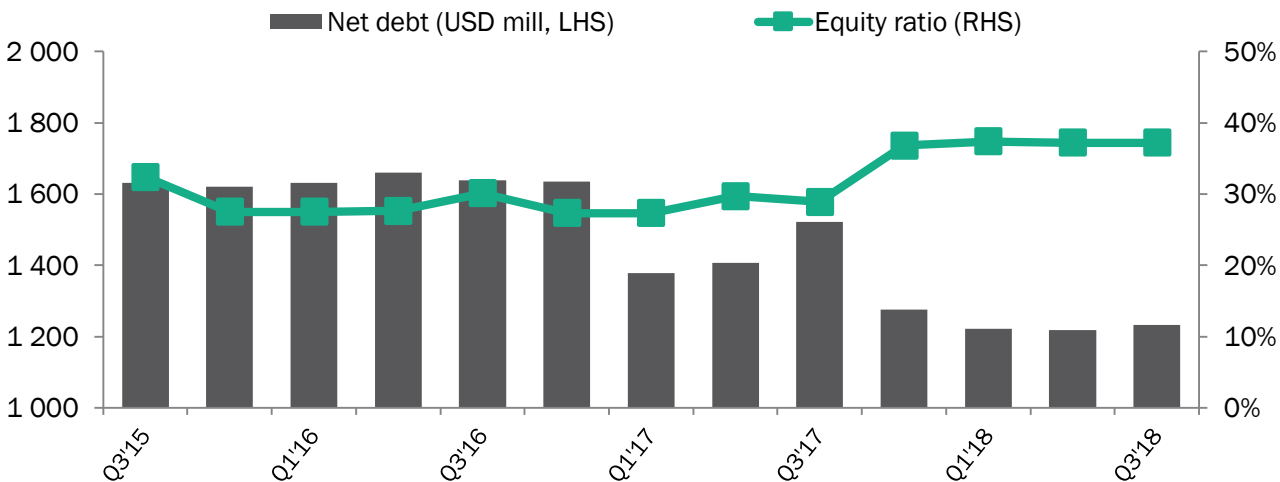
EBITDA USD million



- Equity ratio of 37.2%
- Net Debt of USD 1,233.2 million

Net debt and equity ratio

USD million and percentage



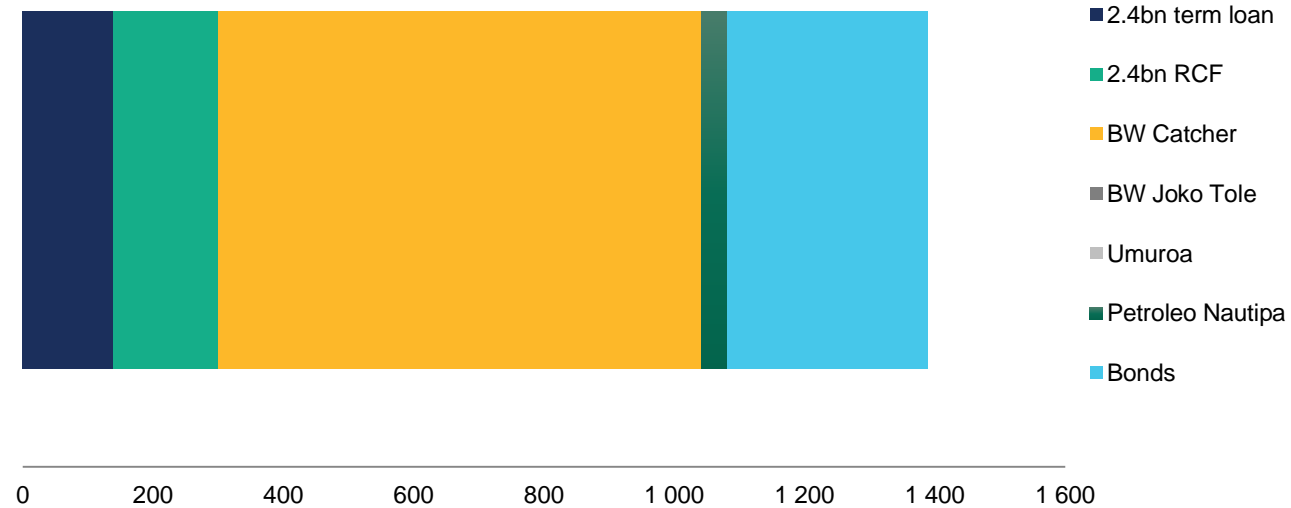
DEBT AND INSTALMENT PROFILE



- Available liquidity including corporate facilities of USD 459.3 million
- Discussions for refinancing of the corporate facility ongoing
- Discussions for a reserved based lending facility (RBL) ongoing
- Addressing Nordic bonds as we approach maturities starting 2020

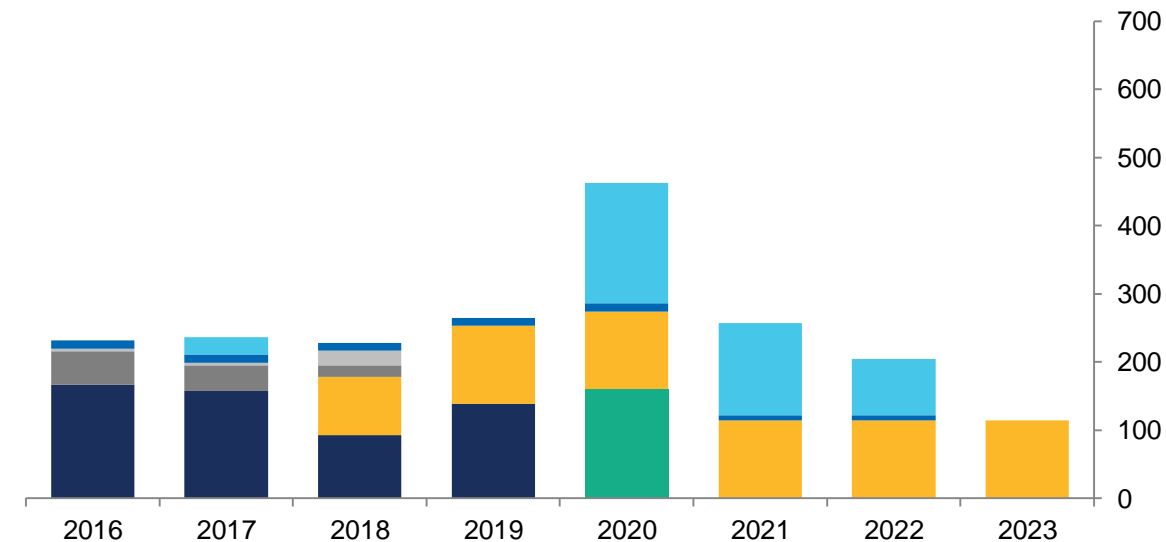
Gross debt

USD million per 30.09.2018



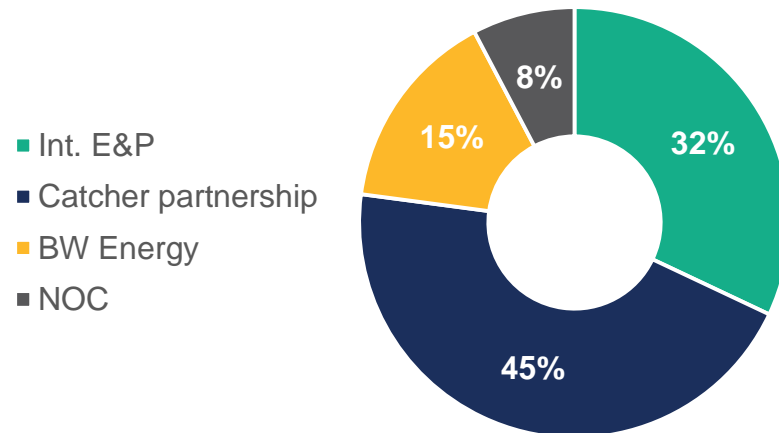
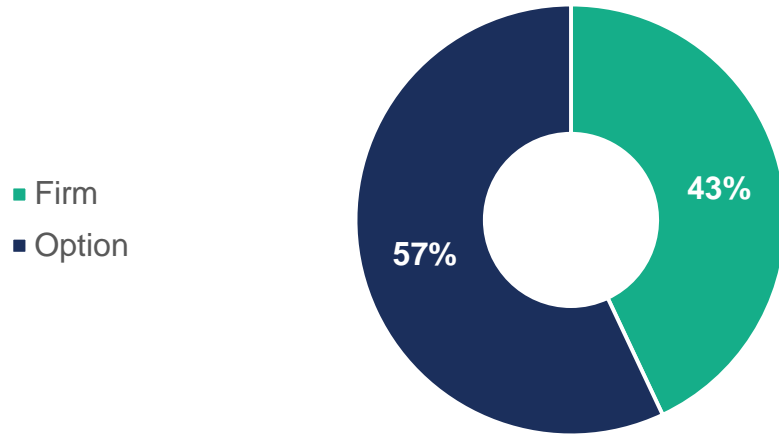
Instalments

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 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

- 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

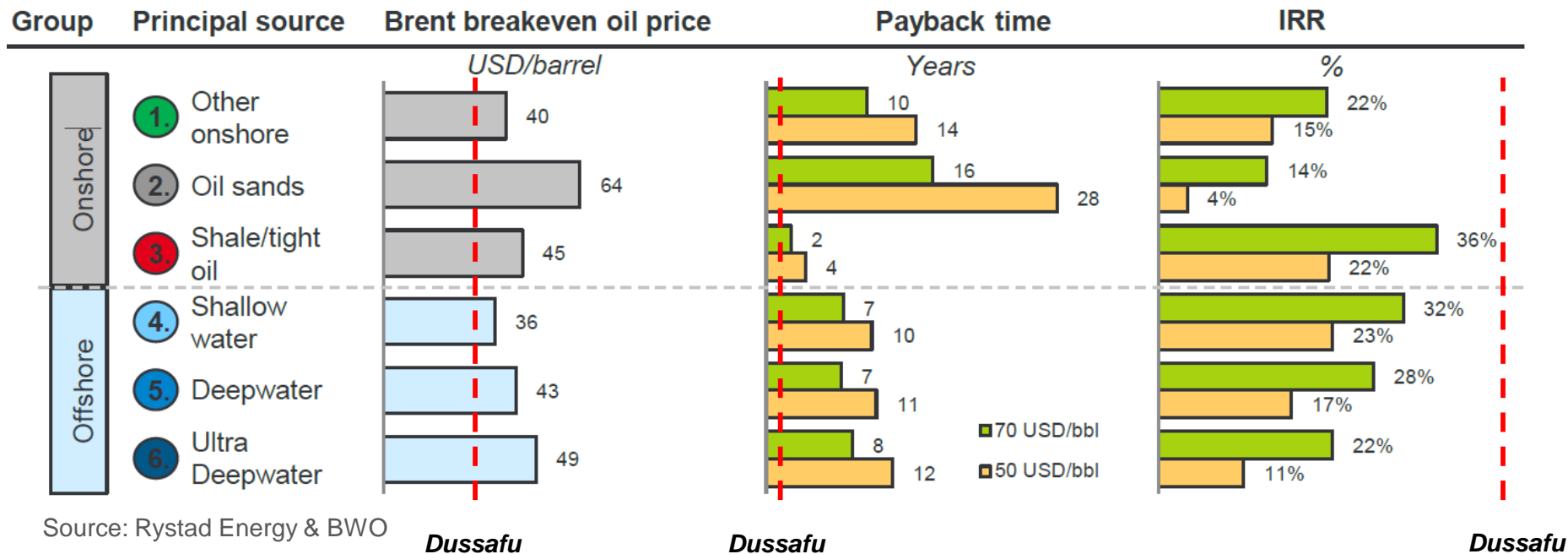


■ BWO's strategy of redeployment is unlocking value in fields deemed uncommercial by the traditional approach

- 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 ✓

H1 2019

- FPSO Polvo Extension ✓
- Start Tortue Phase 2
- Initiate further appraisal program
- Cidade de São Mateus agreement
- Discussions with Namibia Govt. on Kudu development continues
- Extensions for
 - BW Cidade de São Vicente
 - Abo FPSO
 - Umuroa
 - BW Pioneer

Q&A





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For further information please contact ir@bwoffshore.com