



BW OFFSHORE

Q1 2017

CEO Carl K. Arnet

CFO Knut R. Sæthre

29 May 2017

**WE BUILD, INSTALL, LEASE AND
OPERATE**

RECENT HIGHLIGHTS



Signed cooperation agreement with ICBCL

Closing of the Dussafu acquisitions

BW Catcher commissioning ongoing

- EBITDA of USD 62 million
 - Underlying EBITDA before impairment USD 75.7 million
- 1-year extension for Abo FPSO
- Received arbitration award for Sendje Berge
- Termination notice received for Sendje Berge

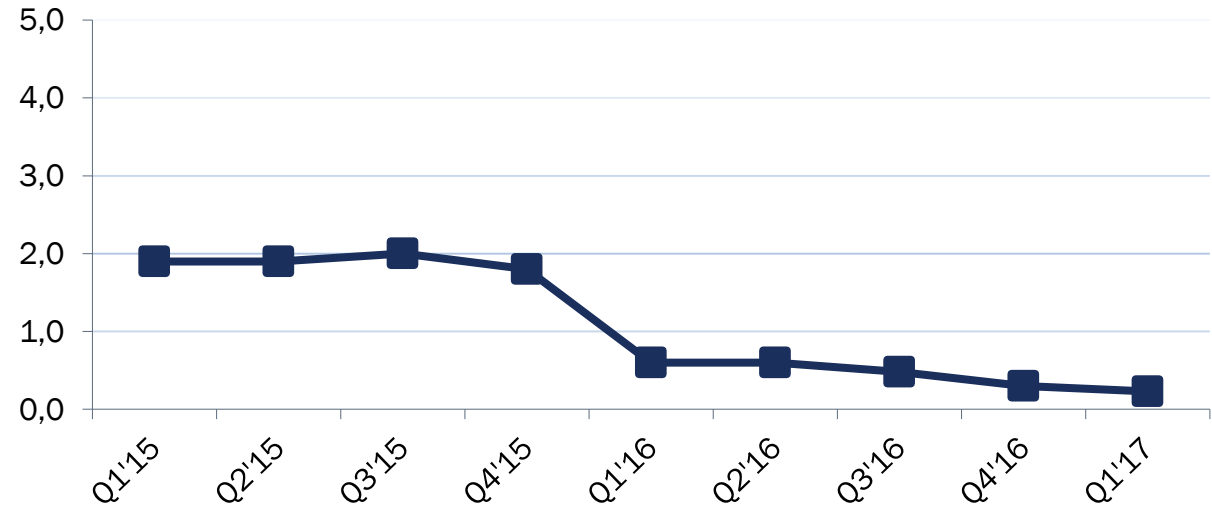
OPERATIONAL STATUS



Lost time injuries (LTI) frequency of **0.2**

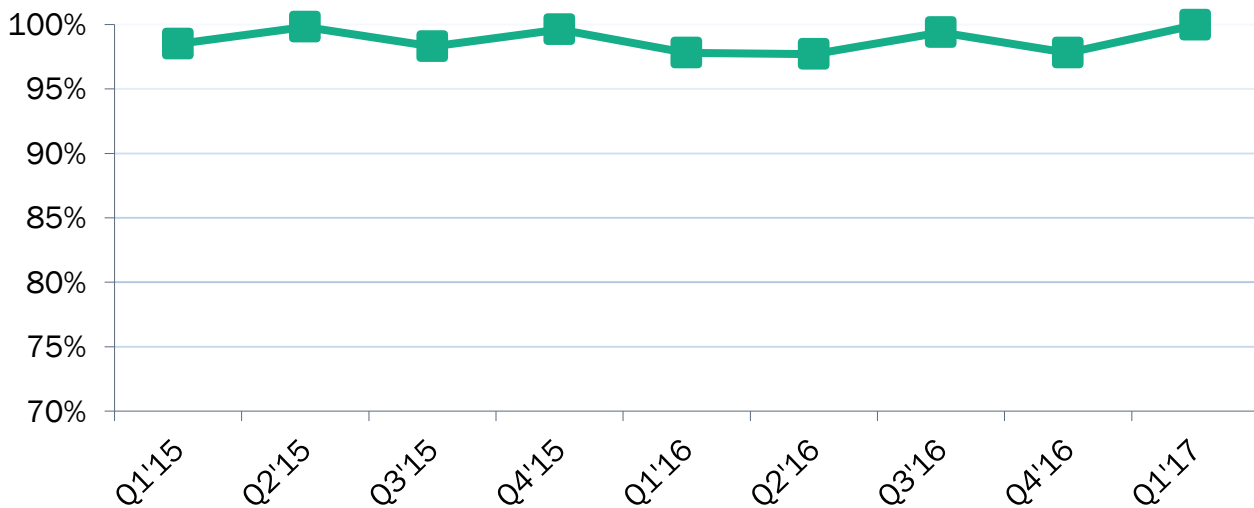
HSE record (LTI)

Lost time injuries per million manhours



Commercial fleet uptime **100%**

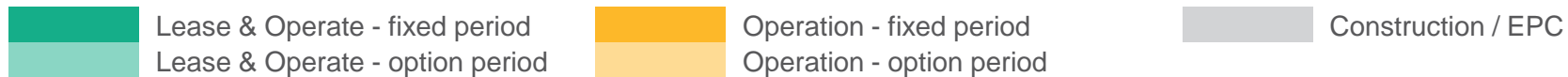
Uptime



FLEET CONTRACTUAL OVERVIEW



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: 2005-2018 (2020)															
Berge Helene*	FPSO	Lease & Operate	Petronas, Mauritania: 2006-2017															
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: 2007-2017 (2022)															
FPSO Polvo	FPSO	Lease & Operate	PetroRio, Brazil: 2007-2018 (2022)															
Abo FPSO	FPSO	Lease & Operate	Agip/Eni, Nigeria: 2003-2018 (2023)															
Espoir Ivorien	FPSO	Lease & Operate	CNR, Ivory Coast: 2002-2022 (2036)															
Petroleo Nautipa	FPSO	Lease & Operate	Vaalco, Gabon: 2002-2020 (2022)															
FPSO Cidade de São Mateus**	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2018 (2024)															
BW Catcher	FPSO	Lease & Operate	Premier, UK 2017-2024 (2042)															
Azurite	FPSO	Tendering	Murphy, Congo															
Belokamenka	FSO/ULCC	Tendering	Rosneft, Russia															
BW Athena	FPSO	Tendering	Ithaca, UK															
FPSO Peregrino	FPSO	Operate	Statoil, Brazil: 2013-2017															





Abo FPSO

- Contract extension for Abo FPSO to 31st March 2018



FPSO Cidade de São de Mateus

- Remains in lay-up
- USD 250 million in early repair settlement received in Q1 2017
- USD 87 million positive liquidity effect for BWO after repayment and reduction of the corporate facility



Berge Helene

- Extension beyond the original termination date in May 2017
- 75 day termination notice until the client is ready to commence with demobilization



Sendje Berge

- Received arbitration award for the claim against Addax relating to the outstanding day rates
- USD 18.7 million received in Q1 as partial payment
- Gross claim of USD 61.8 million outstanding per end Q1 2017
- Received termination notice on May 5th 2017

CATCHER – commissioning ongoing



- Continues to perform within time and budget
- Topside integration nearing completion
- Safety Case submitted and internal review completed by regulator and on track for acceptance before FPSO sail-away
- FPSO scheduled for sail away to the UK in the summer of 2017
- First Oil expected in Q4 2017
- USD 850 million incurred by end Q1 2017



BWE: DUSSAFU – progressing as planned



- BW Energy Gabon completed in April the acquisition of 100% interest in Harvest Dussafu for USD 34 million
- Completed an additional acquisition of 25% working interest in Dussafu production sharing contract from Pan-Petroleum Gabon for USD 12 million
- Now holds a 91.67% working interest in the Dussafu license
 - Panoro Energy holds the remaining 8.33%
- Offered the Gabon Oil Company (GOC) a 10% participation in the field subject to certain conditions



DUSSAFU – key milestones



Transactions

- Q4 2016 SPA signed with Harvest ✓
- Q1 2017 SPA signed with Panoro ✓
Harvest shareholder vote to approve sale ✓
- Q2 2017 Gabon approval and Harvest closing ✓
Panoro closing ✓

FPSO

- 2017 Contract award for the FPSO (long lead item)
- 2018 FPSO mobilizes to Gabon
FPSO moored and ready to hook up wells

Drilling

- 2017 Contract award for subsea trees (long lead items) ✓
- 2018 Subsea trees arrive in Gabon
Drilling rig on location
Complete 1st well
Complete 2nd well

Subsea

- 2017 Contract award for flexible risers/flowlines (long lead items)
- 2018 Subsea installation vessels commence work
- H2 2018 First Oil target

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 left. The background shows the ocean and a sunset sky. The word "FINANCE" is overlaid in large green letters on the left side of the image.

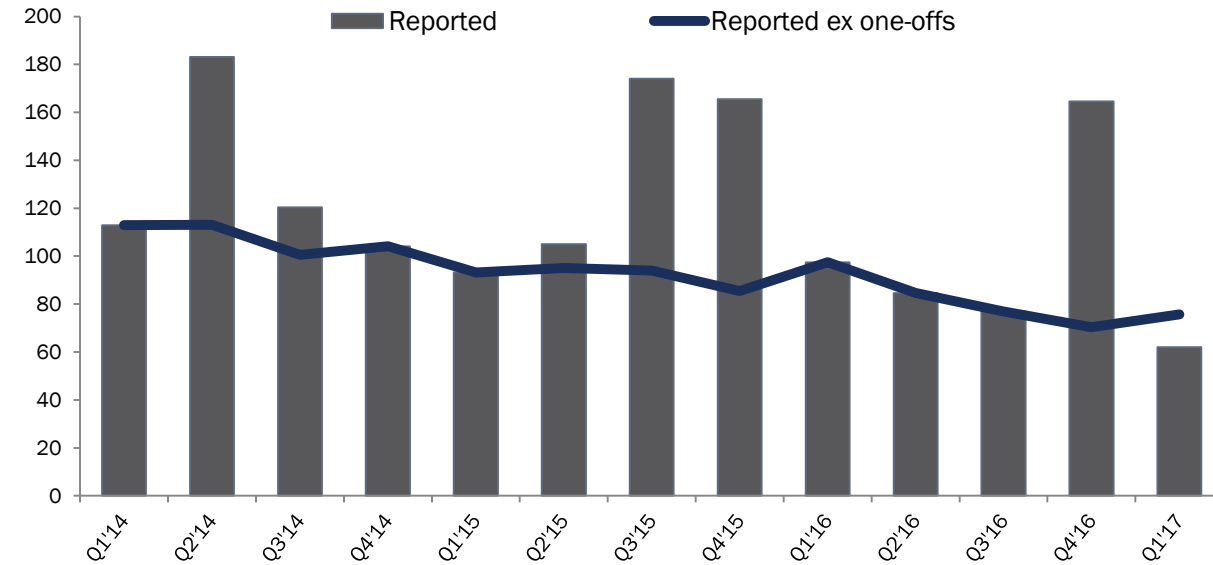
FINANCE

EBITDA of USD 62.0 million

- Provision for overdues of USD 5.8 million on Sendje Berge
- Additional impairment of USD 13.7 million in trade receivables
- EBITDA adjusted for additional impairment USD 75.7 million

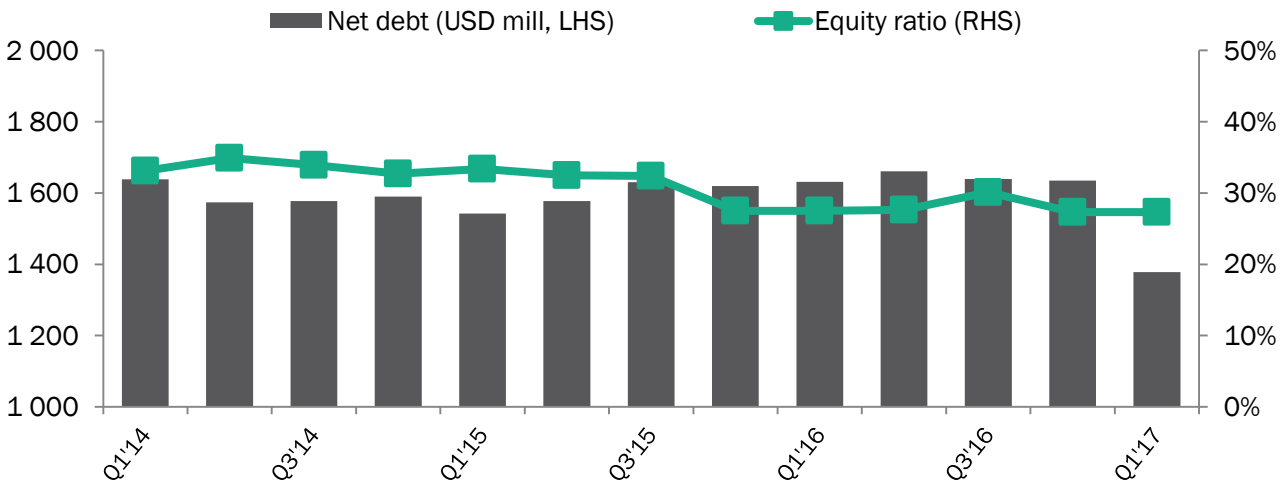
EBITDA

USD million



Net debt and equity ratio

USD million and percentage



USD 250 million repair settlement received in Q1 2017

Received USD 18.7 million from Addax as a partial payment related to the outstanding hire payable

INCOME STATEMENT



USD million	Q1 2017	Q4 2016	2016
Operating Revenues	159.6	298.2	844.7
Operating Expenses	(97.6)	(133.9)	(421.9)
Share Of Profit From Associates	0.0	0.2	0.6
EBITDA	62.0	164.5	423.4
Depreciation	(56.6)	(55.9)	(224.6)
Amortisations	(0.7)	(0.7)	(2.8)
Impairment	0.0	(223.2)	(231.0)
EBIT	4.7	(115.3)	(35.0)
Net Interest Expense	(11.0)	(11.5)	(44.5)
FX, Fin. Instruments And Other Financial Items	0.3	17.3	(20.7)
Profit (Loss) Before Tax	(6.0)	(109.5)	(100.2)
Income Tax Expense	(9.1)	(4.9)	(32.7)
Net Profit (Loss)	(15.1)	(114.4)	(132.9)

STATEMENT OF FINANCIAL POSITION



USD million	Q1 2017		Q4 2016	
Total Non-current Assets	2,766.0	82.9%	2,771.3	82.3%
Total Current Assets	572.1	17.1%	596.6	17.7%
Total Assets	3,338.1	100.0%	3,367.9	100.0%
Total Equity	910.1	27.3%	919.9	27.3%
<i>Total Non-current Liabilities</i>	<i>2,005.1</i>		<i>2,009.6</i>	
<i>Total Current Liabilities</i>	<i>422.9</i>		<i>438.4</i>	
Total Liabilities	2,428.0	72.7%	2,448.0	72.7%
Total Equity And Liabilities	3,338.1	100.0%	3,367.9	100.0%
USD million	Q1 2017		Q4 2016	
Reported Interest Bearing Debt	1,756.7		1,741.8	
Cash And Deposits	(379.1)		(106.9)	
Net Interest Bearing Debt	1,377.6		1,634.9	

CASH FLOW STATEMENT



USD million	Q1 2017	Q4 2016	2016
Net Cash Flow From Operating Activities	346.6	78.6	387.5
Net Cash Flow From Investing Activities	(55.1)	(75.9)	(399.7)
Net Cash Flow From Financing Activities	(19.3)	(8.9)	(2.7)
Net Change In Cash And Cash Equivalents	272.2	(6.2)	(14.9)
Cash And Cash Equivalent At Start Of Period	106.9	113.1	121.8
Cash And Cash Equivalent At End Of Period	379.1	106.9	106.9

FINANCING

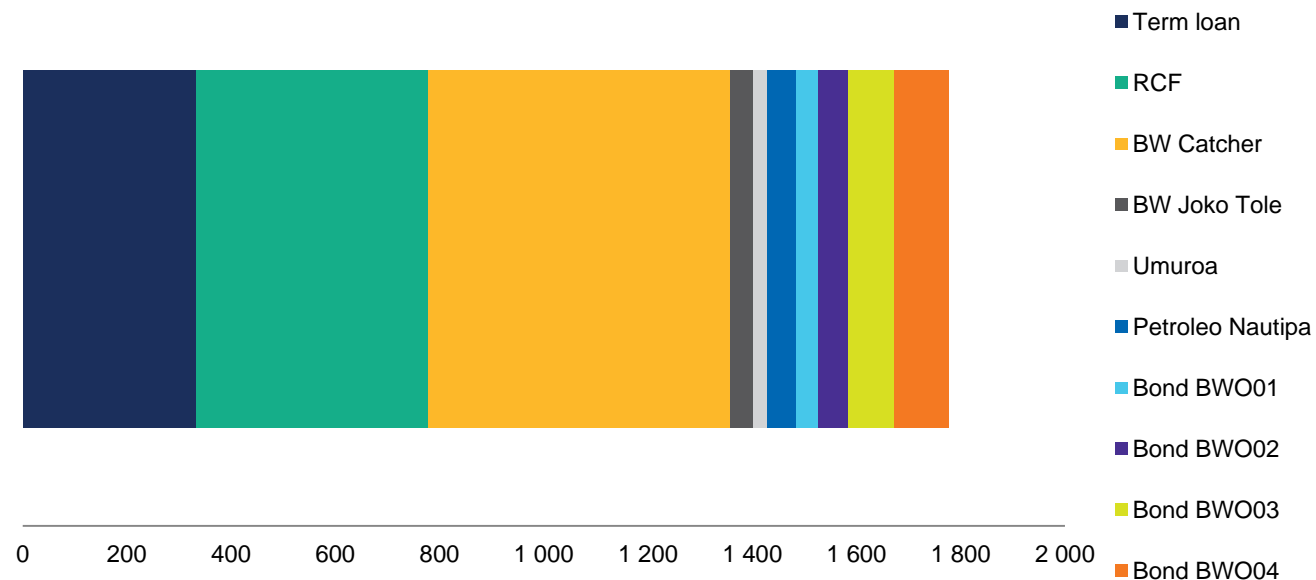


- Available liquidity including corporate facilities USD 270.5 million
- USD 250 million repair settlement received in Q1 2017
 - Positive liquidity effect of USD 87 million after repayment of associated debt

- Utilised USD 580 million of USD 800 million bank financing for the Catcher project
- NOK 140 million partial redemption of BWO01 bond
- Good headroom to all financial covenants

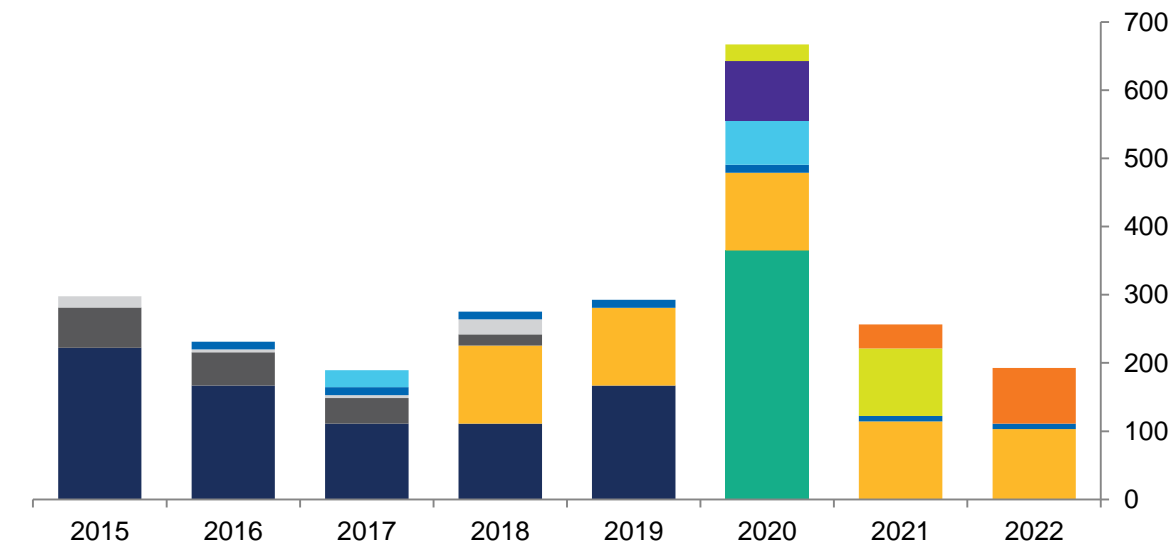
Gross debt

USD million per 31.03.2017



Instalments

USD million per 31.03.2017

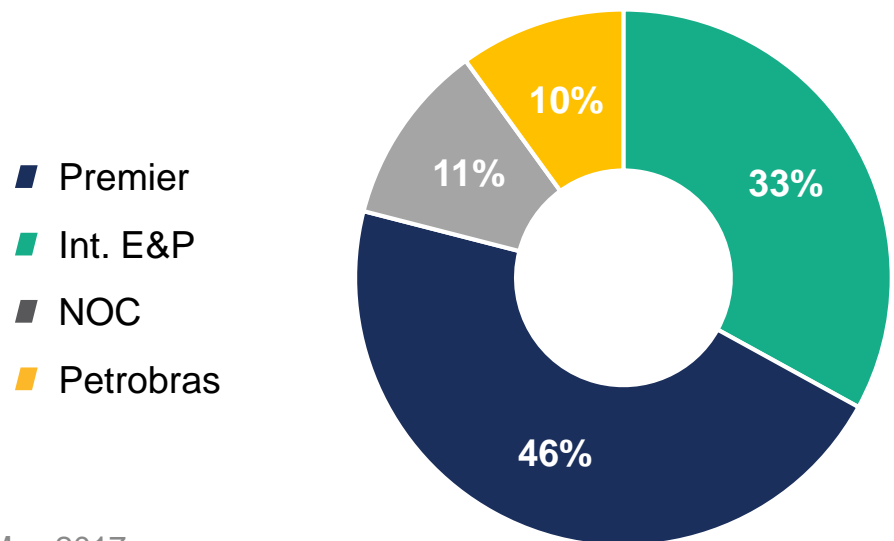
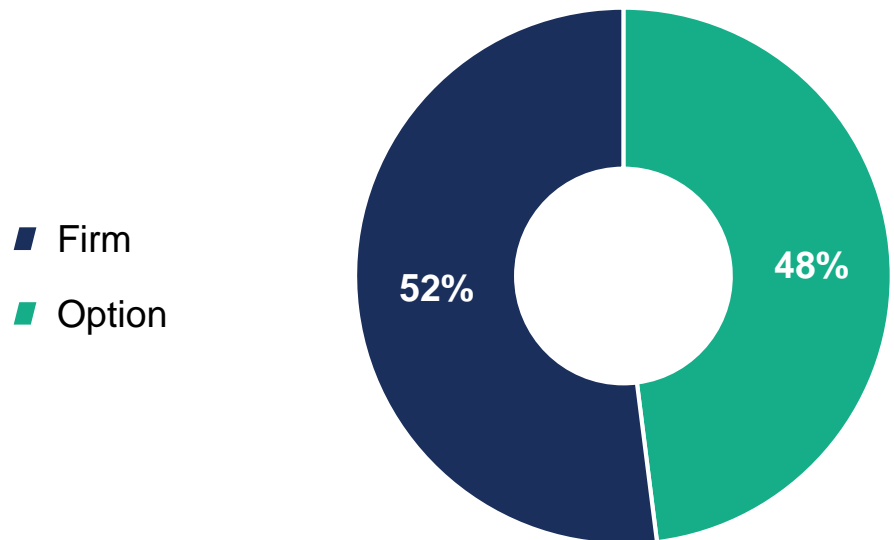


REVENUE VISIBILITY



Probable orderbook of USD 6.5 billion

Our clients



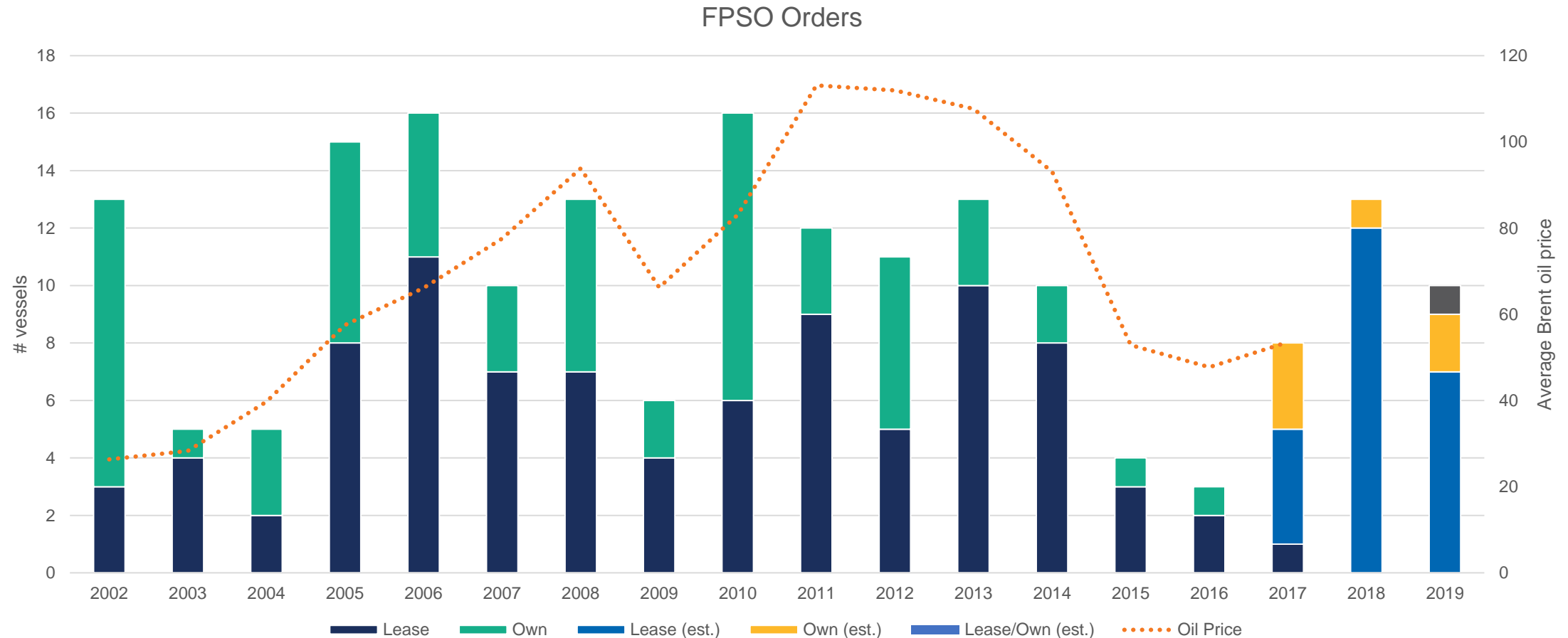


OUTLOOK

MARKET STATUS



- ▮ Increase in inquiries and studies
- ▮ Existing projects being reconsidered



Data source 1: EMA FPS report Q2 2017, based on contracting dates.

Data source 2: Thomson Reuters Eikon, Avg. yearly Brent Crude prices by month close

STRATEGIC PARTNERSHIP



- Initiated strategic and financial partnership with ICBC Leasing (ICBCL)
- ICBCL is a global leasing firm with USD 44 billion in total assets and part of the world's largest financial group (ICBC)
- The agreement provides BW Offshore with the financial capacity to take on large projects
- ICBCL to invest in the Catcher FPSO through the subscription of preference shares, subject to both parties' final approval



H1 2017

- ICBCL cooperation agreement ✓
- Addax arbitration ✓
- Dussafu closing ✓
- Abo extension ✓
- Sepia & Libra bid ✓
- Zabazaba bid
- Cidade de São Mateus agreement
- Umuroa extension
- Catcher preference share issue
- Peregrino O&M handover

H2 2017

- Berge Helene decommissioning
- Sendje Berge decommissioning
- Catcher First Oil
- Kudu FID
- Buzious 5 bid

H1 2018

- Polvo extension
- Abo extension
- Marlim I & II bids

H2 2018

- Dussafu First Oil
- Cidade de São Vicente extension

Q&A





BW Offshore