



BW Offshore

WE BUILD, INSTALL, LEASE AND OPERATE

Q4 2016

28 FEBRUARY 2017

CEO Carl K. Arnet


CFO Knut R. Sæthre



Q4 2016



EBITDA USD
164.5 million



Acquisition of
stake in
Dussafu field



Insurance
settlement for
Cidade de São
Mateus

- BW Catcher on plan and budget for First Oil in H2 2017
- Short-term contract extension for Abo
- Acquired 56% of Kudu license in Q1 2017
- Impairments on Athena, Berge Helene, Cidade de São Mateus, Espoir Ivoirien and Polvo
- Reverse share split



OPERATIONS

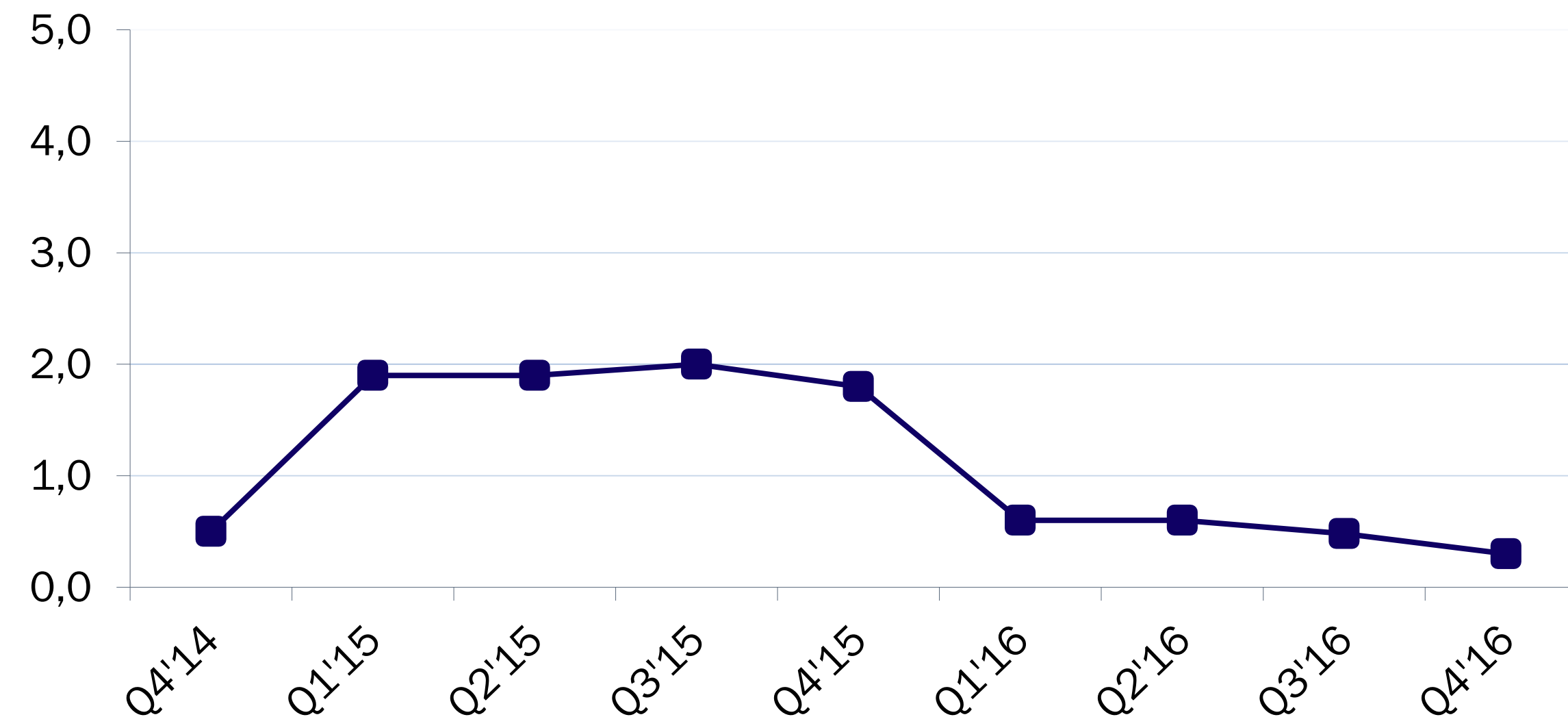
Operational Status

■ Lost time injuries (LTI) frequency of **0.3**

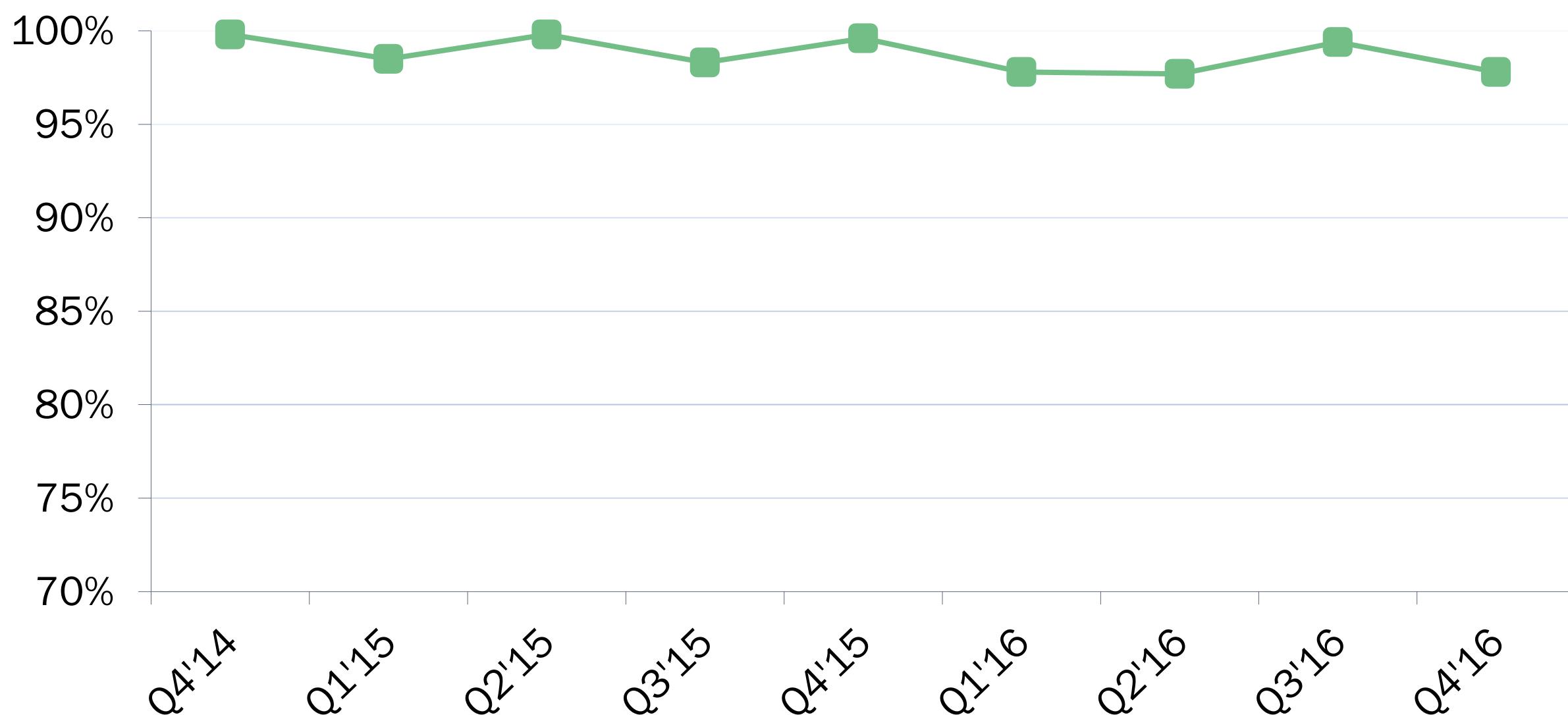


HSE record (LTI)

Lost time injuries per million man-hours



Uptime



■ Operating fleet uptime **97.8%**

Unit update

Cidade de São Mateus

- Insurance settlement USD 250 million
- USD 94.3 million recognized in Q4 16
- Impairment of USD 135.4 million recognized for damages
- Final repair plan is pending discussion with client

Abo

- Short term contract extension for Abo to 31st March 2017

Sendje Berge

- Ongoing arbitration process with Addax due to overdue receivables
- USD 66.7 million gross claim

Impairments

- BW Athena
- Berge Helene
- Espoir Ivoirien
- Polvo



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	AWE, New Zealand: 2007-2017 (2022)																
FPSO Polvo	FPSO	Lease & Operate	PetroRio, Brazil: 2007-2018 (2022)																
Abo FPSO	FPSO	Lease & Operate	Agip/ENI, Nigeria: 2003-2017 (2023)																
Espoir Ivoirien	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																

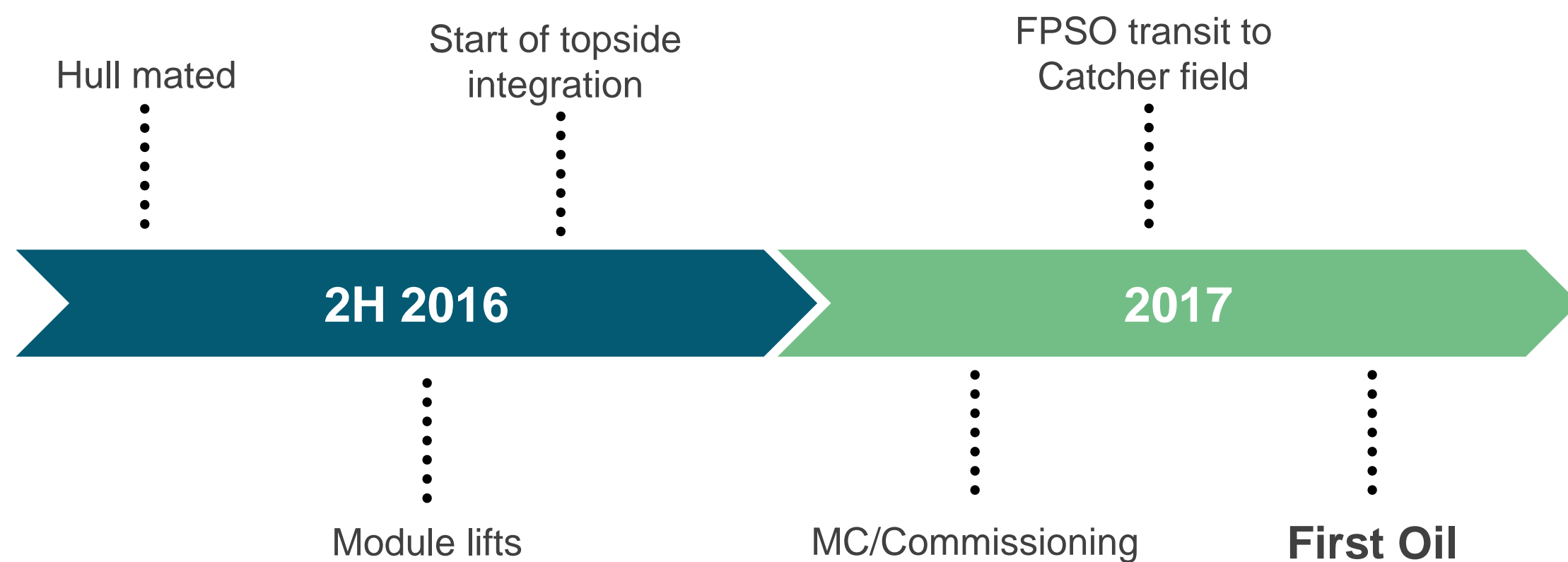


*In lay-up pending agreement with Petrobras



Catcher

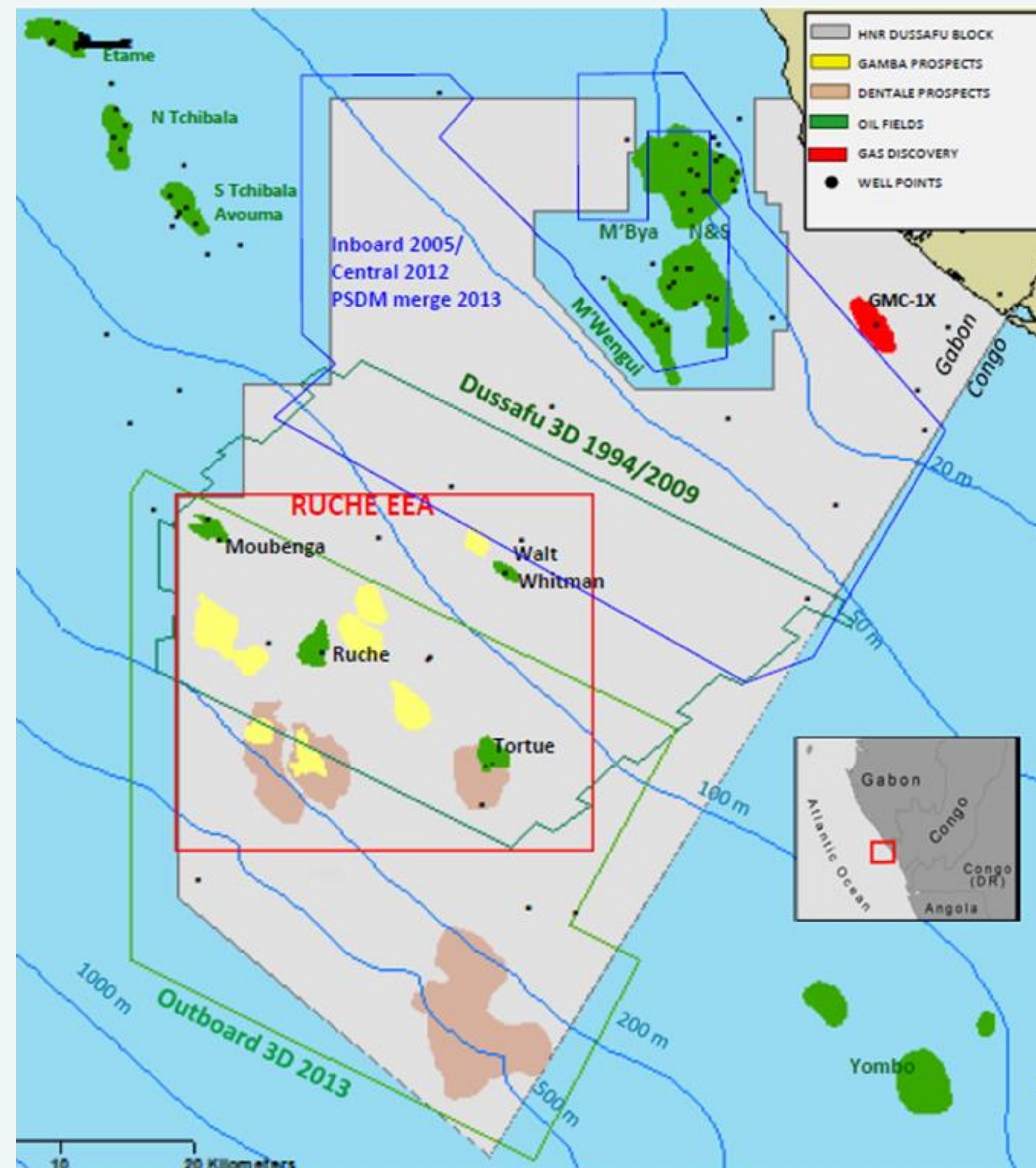
- On track for first oil in H2 2017
- All major construction done
- Piping and cabling being completed
- Mechanical completion, commissioning starting



- Field ready for hookup. Short weather window required
- On budget: 92% of costs committed
- 800 MUSD incurred by end 2016

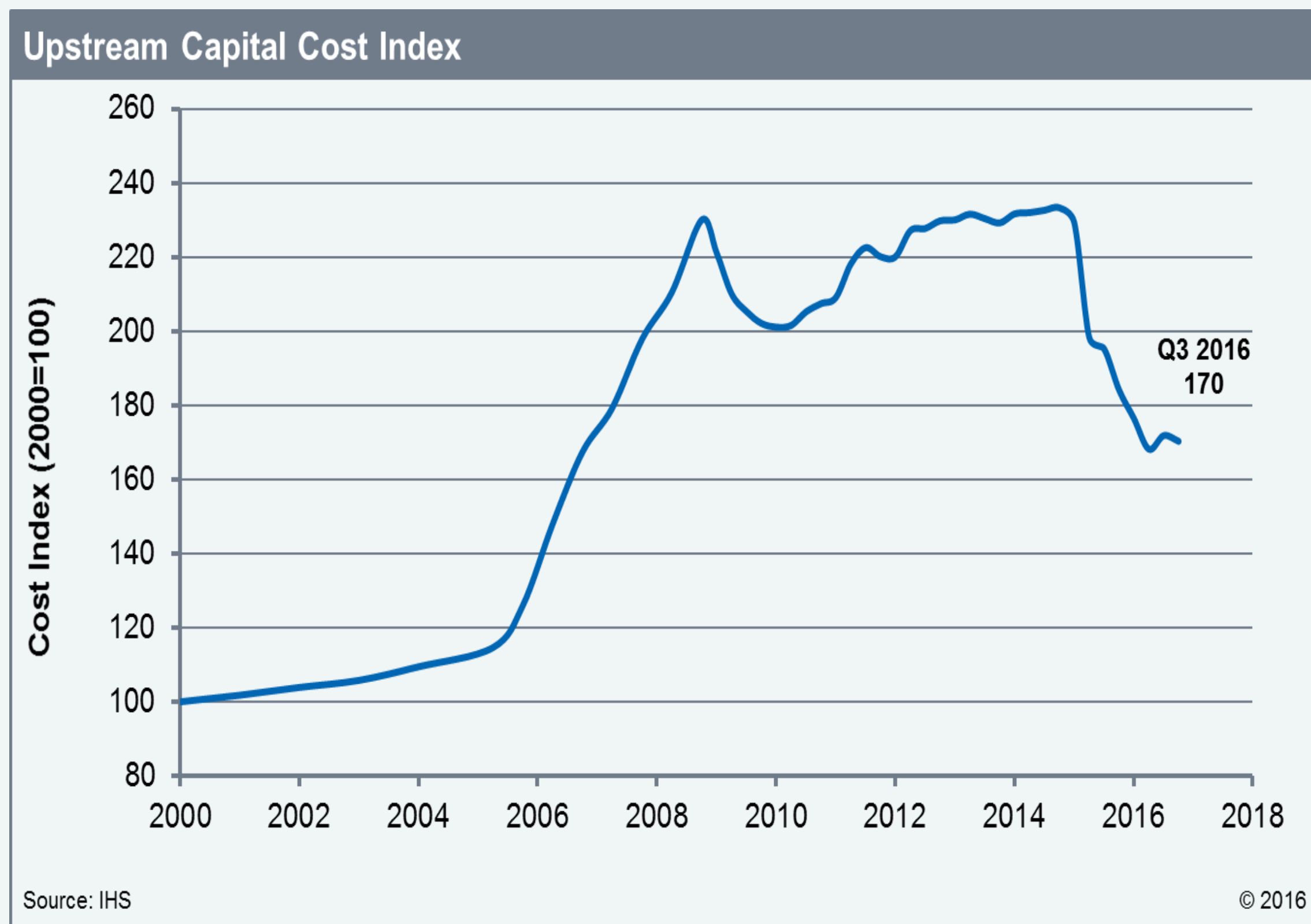
Dussafu Field

- Contains HNR's discoveries: Tortue and Ruche plus two previous discoveries W. Whitman and Moubenga
- Development plan targets first production by Q3 2018
- Right to the block for 20 years
- Water depth of discoveries <120m



Dussafu Costs

Favorable Development Conditions



Examples Capital Cost Reductions

Subsea Equipment

- ~40-50% from previous quote

Drill Rigs

- ~40-50% from previous quote

Flexibles

- ~20-30% from previous quote

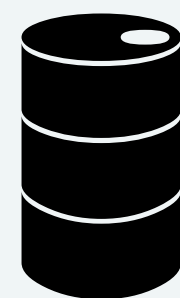
Support vessels

- ~50-60% from previous quote

Dussafu Project



Low risk development opportunity with short time to First Oil and use of available FPSO



Similar development to Vaalco Etame (adjacent block) where BW Offshore has participated for 15 years



Once production established and initial investment being recovered, continue to develop other existing discoveries and prospects.

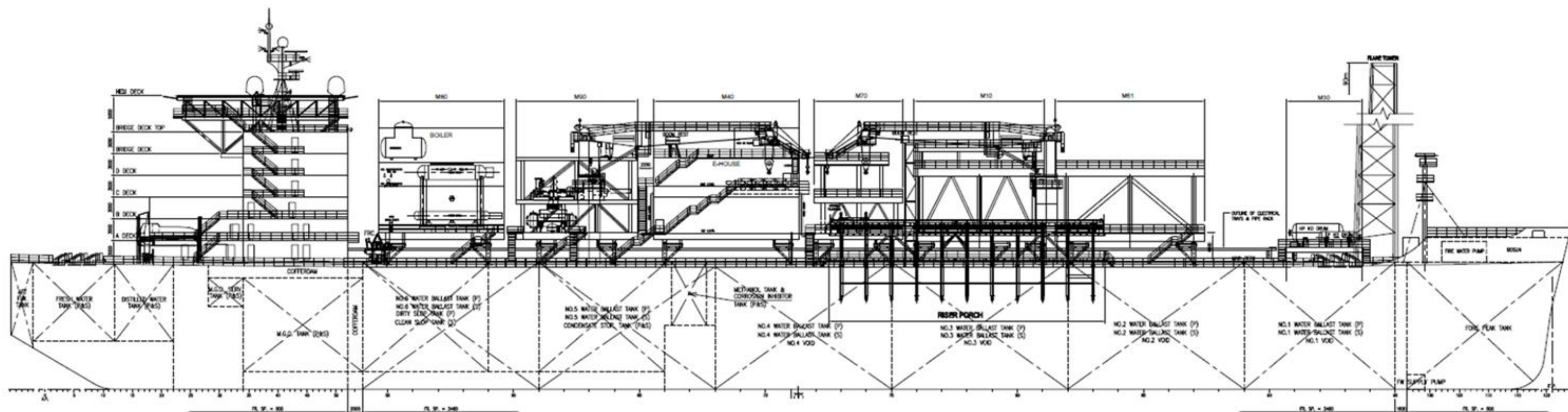


BW Offshore has established an experienced management and technical team with experience from Gabon

Kudu

- Gas to power infrastructure project with 15 – 25 years horizon
- Main reservoir 1C-2C-3C contingent resource range is 0.75-1.33-2.30* Tscf
- Field 170 km off the coast of Namibia
- FPU development, gas piped to shore
- Favorable development conditions

*equal to 133 – 410 mmoeb



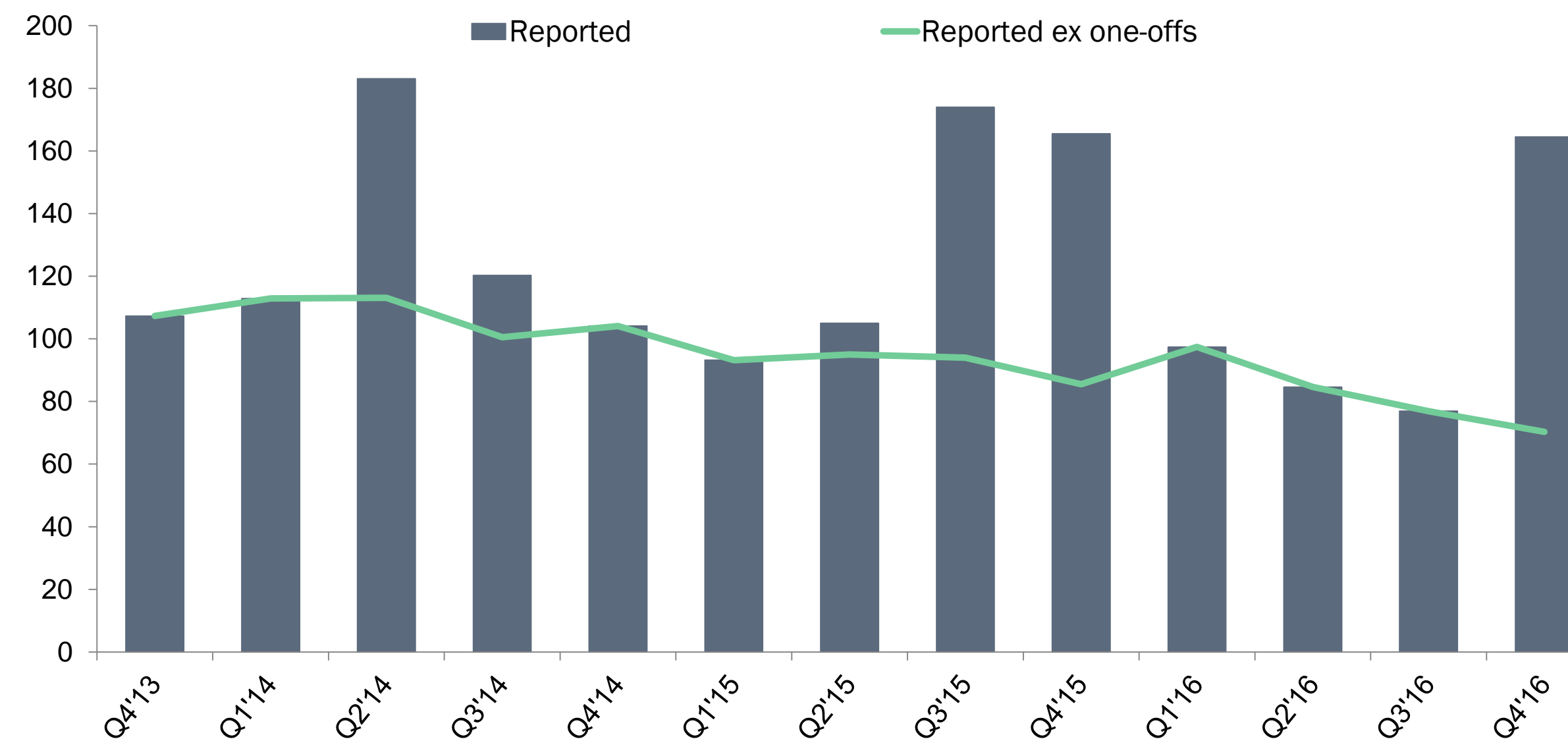
- Solid interest from established infrastructure investors
- Power demand in the region is growing
- FID targeted end 2017



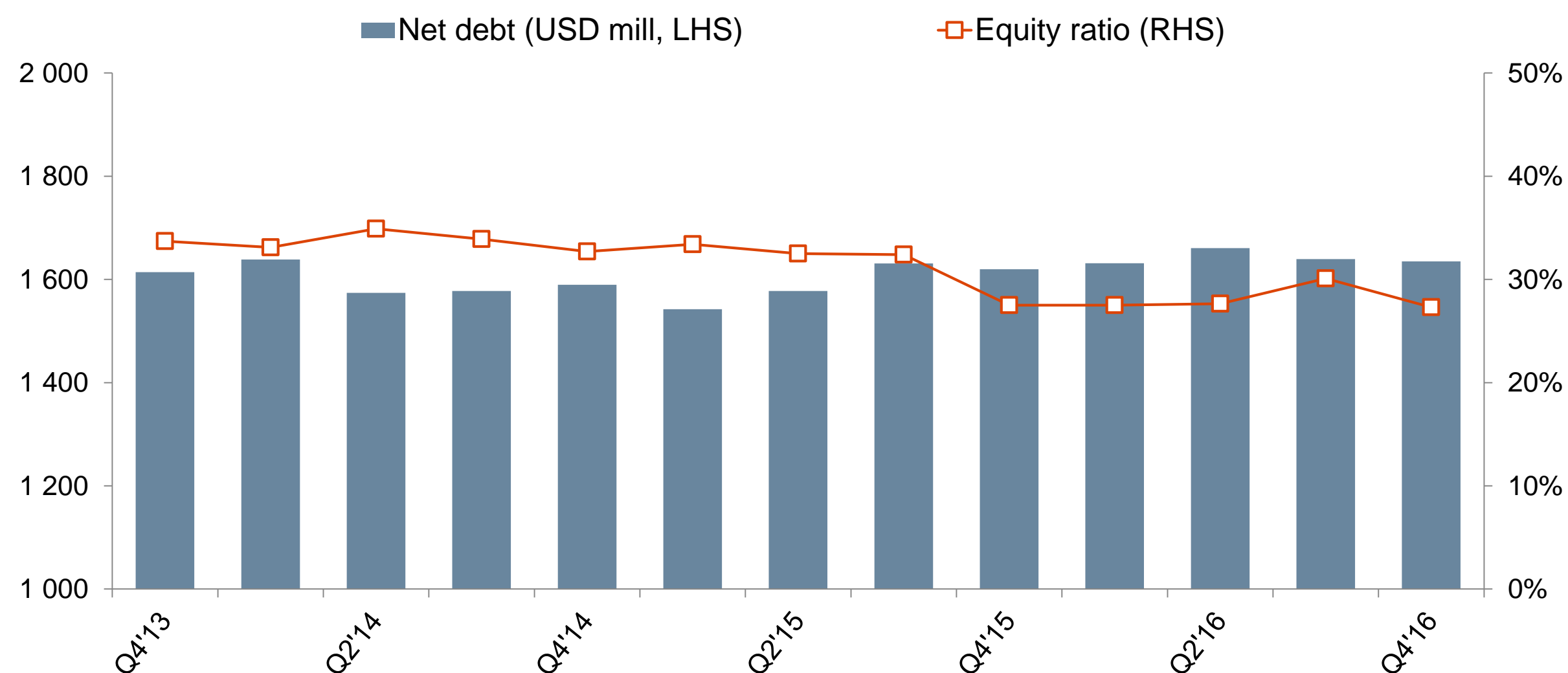
Financials

- EBITDA of USD 164.5 million
- Impairment of USD 223.2 million
 - USD 135.4 million recognized for damages on Cidade de São Mateus
 - USD 87.8 million related to Athena, Berge Helene, Espoir Ivoirien and Polvo
- Insurance recovery of USD 94.3 million from Cidade de São Mateus recognised as revenue

EBITDA USD million



Net debt and equity ratio USD million and percentage



- Cost reduction program results in USD 50 million annualised cost savings from 2017
- Provision for overdues of USD 5.8 million on Sendje Berge
- Stopped using hedge accounting for swaps related to the bond loans
- Exchange gain of USD 21 million, mainly related to the bond loan swaps
- Completed a 1-for-50 reverse share split

Income Statement

	USD MILLION	Q4 2016	Q3 2016	2016	2015
Operating Revenues		298.2	159.6	844.7	1,108.0
Operating Expenses		(133.9)	(83.0)	(421.9)	(570.6)
Share Of Profit From Associates		0.2	0.3	0.6	0.4
EBITDA		164.5	76.9	423.4	537.8
Depreciation		(55.9)	(55.3)	(224.6)	(260.0)
Amortisations		(0.7)	(0.7)	(2.8)	(2.5)
Impairment		(223.2)	(1.7)	(231.0)	(396.4)
EBIT		(115.3)	19.2	(35.0)	(119.7)
Net Interest Expense		(11.5)	(11.6)	(44.5)	(46.8)
FX, Fin. Instruments And Other Financial Items		17.3	(11.9)	(20.7)	(9.3)
Profit (Loss) Before Tax		(109.5)	(4.3)	(100.2)	(175.8)
Income Tax Expense		(4.9)	(6.9)	(32.7)	(40.5)
Net Profit (Loss)		(114.4)	(11.2)	(132.9)	(216.3)

Statement of Financial Position

USD MILLION	Q4 2016		Q3 2016	
Total Non-current Assets	2,771.3	82.3%	2,976.7	86.3%
Total Current Assets	596.6	17.7%	472.1	13.7%
Total Assets	3,367.9	100.0%	3,448.8	100.0%
Total Equity	919.9	27.3%	1,038.4	30.1%
<i>Total Non-current Liabilities</i>	<i>2,009.6</i>		<i>2,020.3</i>	
<i>Total Current Liabilities</i>	<i>438.4</i>		<i>390.1</i>	
Total Liabilities	2,448.0	72.7%	2,410.4	69.9%
Total Equity And Liabilities	3,367.9	100.0%	3,448.8	100.0%

USD MILLION	Q4 2016	Q4 2015
Reported Interest Bearing Debt	1,741.8	1,741.5
Cash And Deposits	(106.9)	(121.8)
Net Interest Bearing Debt	1,634.9	1,619.7

Cash Flow Statement

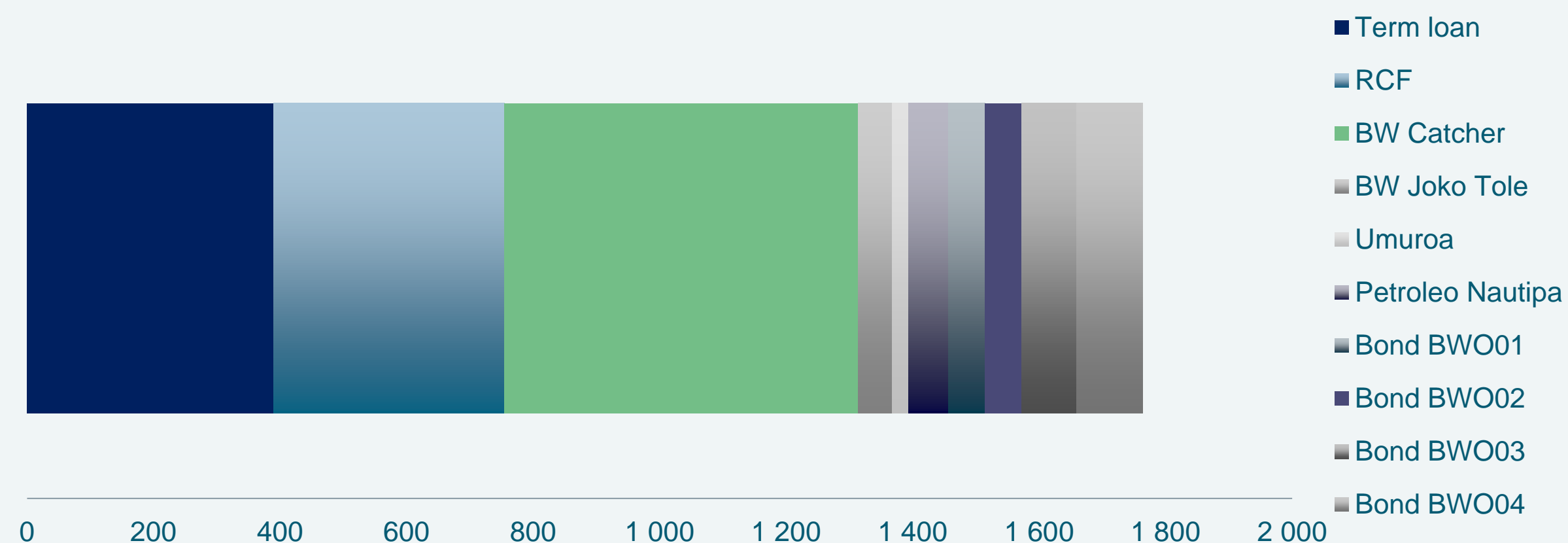
USD MILLION	Q4 2016	Q3 2016	2016	2015
Net Cash Flow From Operating Activities	78.6	78.9	387.5	438.4
Net Cash Flow From Investing Activities	(75.9)	(116.8)	(399.7)	(396.2)
Net Cash Flow From Financing Activities	(8.9)	9.2	(2.7)	(135.8)
Net Change In Cash And Cash Equivalents	(6.2)	(28.7)	(14.9)	(93.6)
Cash And Cash Equivalent At Start Of Period	113.1	141.8	121.8	215.4
Cash And Cash Equivalent At End Of Period	106.9	113.1	106.9	121.8

Financing

- Available liquidity including corporate facilities USD 323 million
- Utilised USD 560 million of USD 800 million bank financing for the Catcher project
- USD 250 million repair settlement received in Q1 2017
- Good headroom to all financial covenants

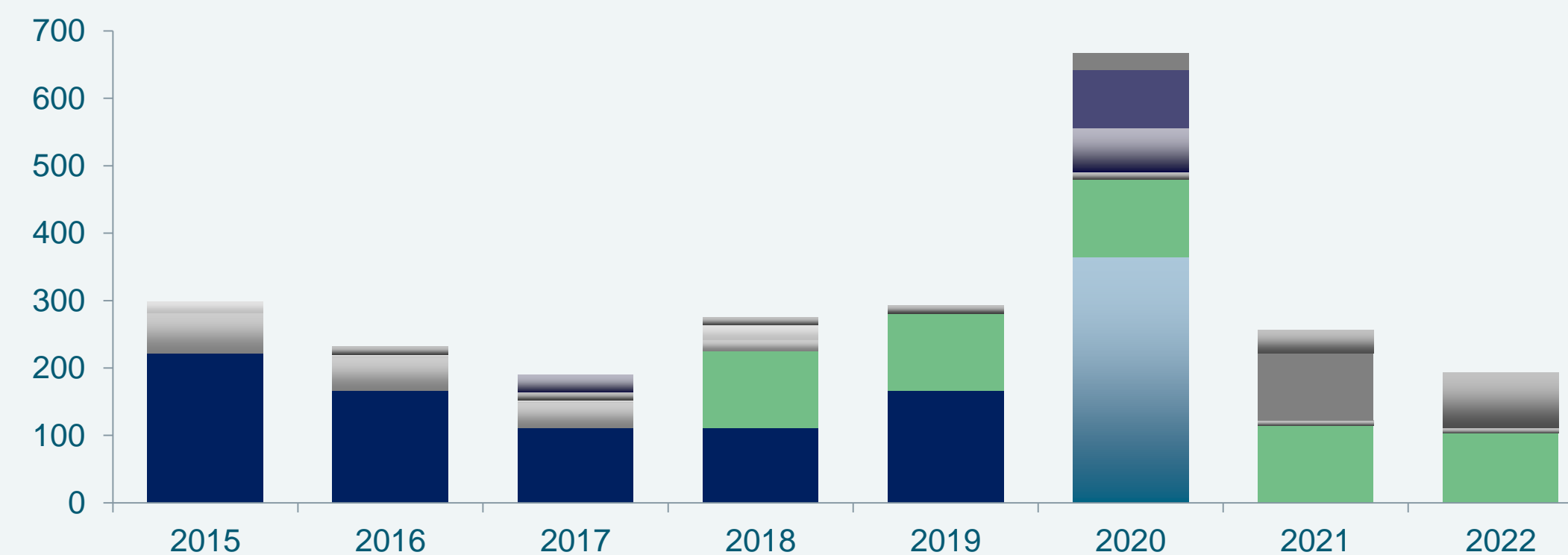
Gross debt
USD million

Per 31.12.2016



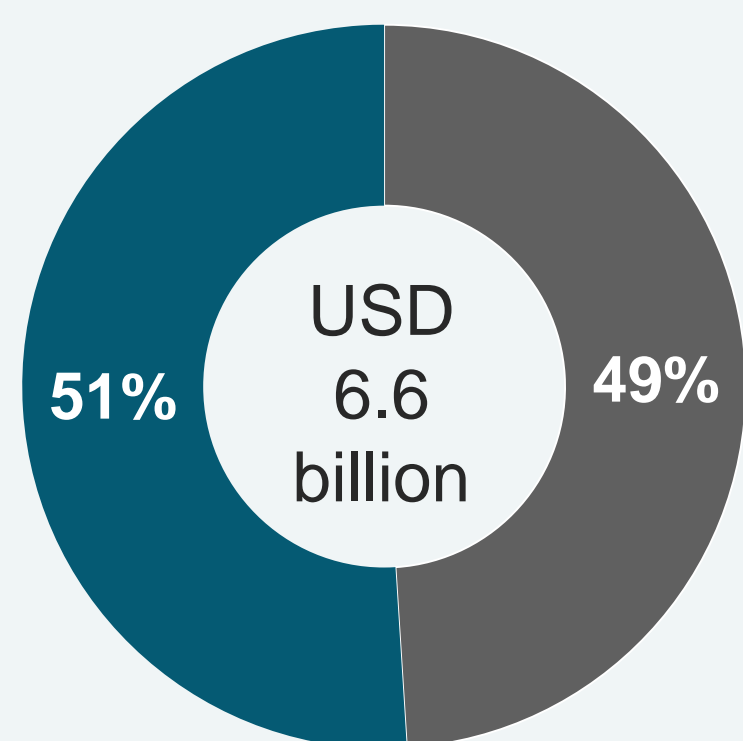
Instalments
USD million

Per 31.12.2016

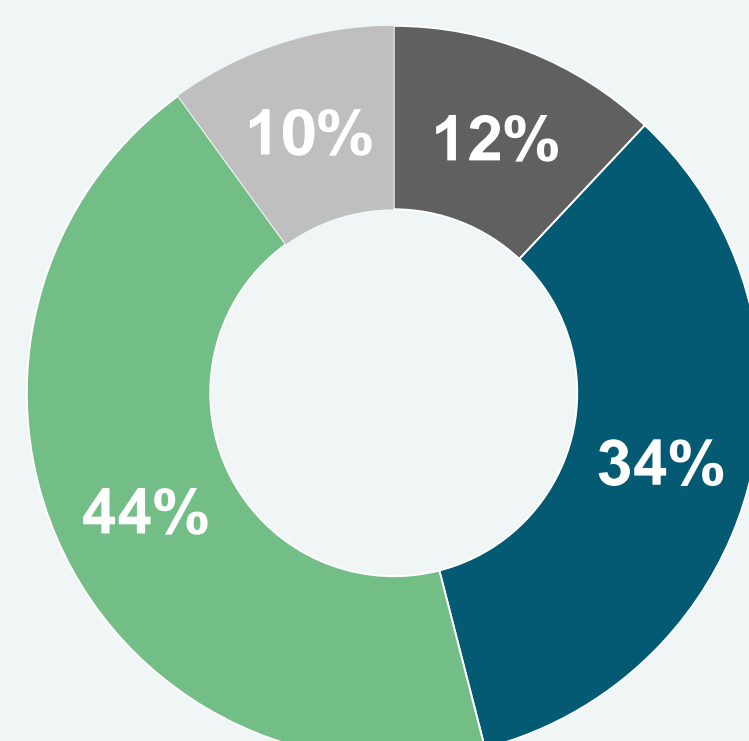


Revenue Visibility

Backlog



Firm and option



Counterparties

- Option
- Firm

- NOC
- Int. E&P
- Premier
- Petrobras

Our clients



The FPS Market

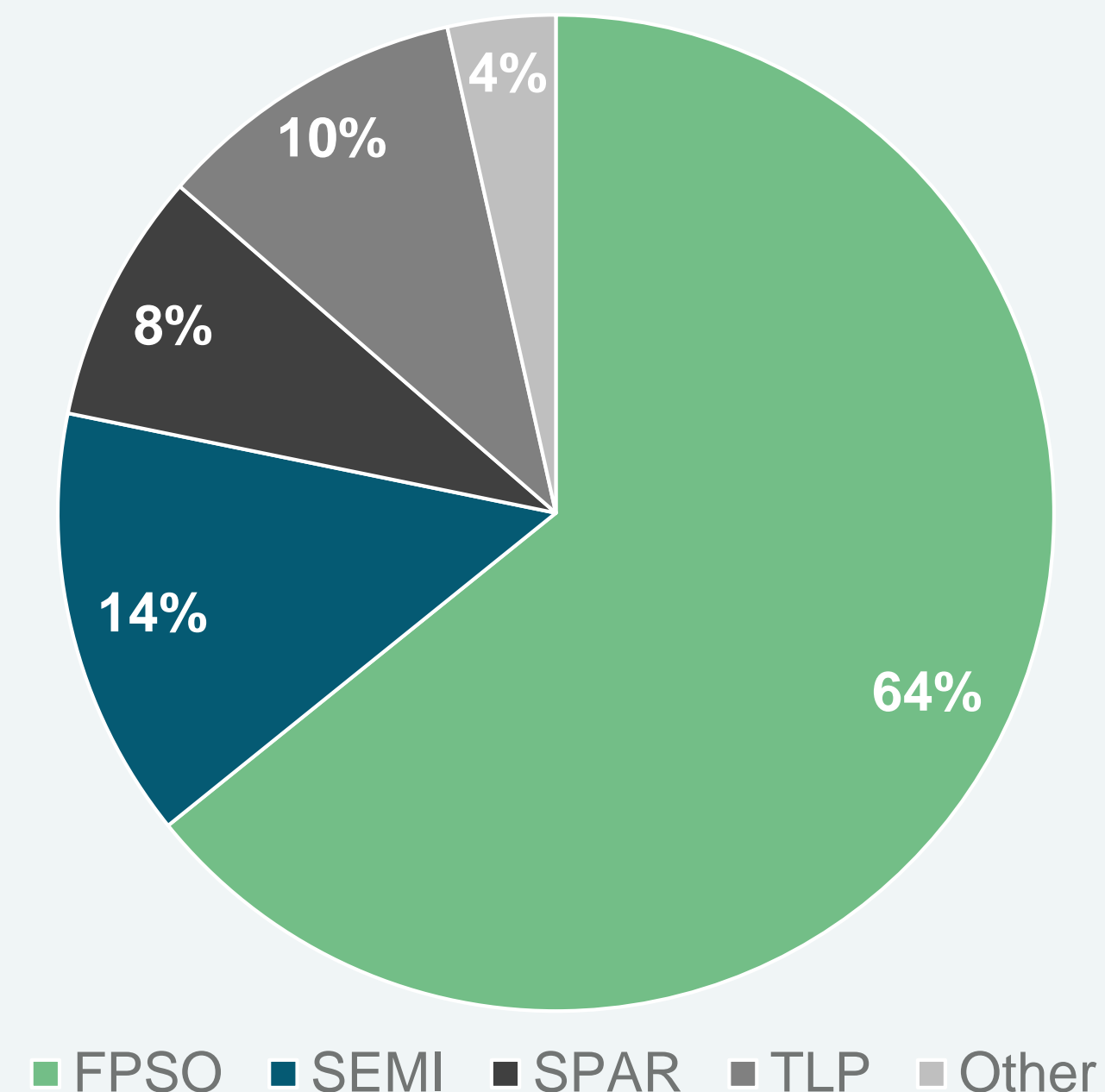
FPSO the preferred solution

- Flexible, safe and proven solution
- Generic and field specific sections
- Deck space and deck load capacity
- Storage capacity
- Self propelled marine unit

Recent market activity

- Libra Pilot and Sepia tenders underway (H1 2017)
- Buzios V and Marlim 1 (2H 2017)
- Libra 2, Marlim 2 and Parque das Baleias (2018)

Current Market Status



Priorities

- Drive Catcher Project to First Oil
- Bidding for Libra 1 and Sepia to Petrobras
- Close Dussafu agreements
- Drive Dussafu development to First Oil



- Establish relationship with infrastructure-investor(s) and drive Kudu to FID
- Continue to develop organizational capability and systems

Event Guidance

H1 2017

- Addax arbitration
- Dussafu closing
- Abo extension
- Sepia and Libra bids
- Cidade de São Mateus agreement
- Umuroa extension

H2 2017

- Peregrino handover
- Berge Helene decommissioning
- Catcher first oil
- Kudu FID
- Sendje Berge extension

H1 2018

- Polvo extension

H2 2018

- Dussafu first oil
- Cidade de São Vicente extension



BW Offshore

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