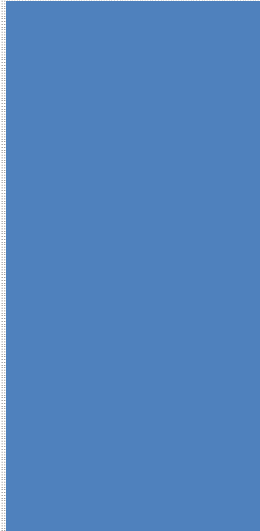




11.JANUARY 2016

CFO Knut R. Sæthre

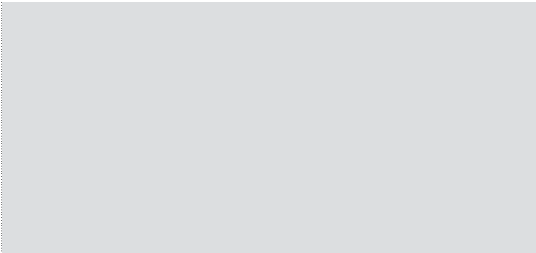


BW OFFSHORE

SEB NORDIC SEMINAR 2017

COPENHAGEN

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





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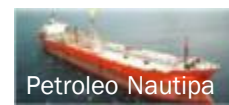
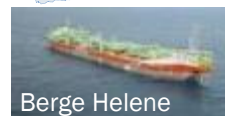
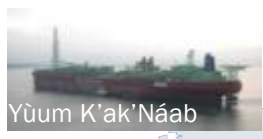
BW Offshore at a glance

- ✓ Producing 600,000 boepd
- ✓ LTI 0.6 per million manhours
- ✓ Delivered 38 projects since 1983
- ✓ USD 6.7 billion backlog
- ✓ Operating 13 FPSOs + 2 ready for redeployment
- ✓ Specialist in redeployments and life extensions
- ✓ 99% commercial uptime
- ✓ USD ~600 mill market cap





Global footprint



Units



Offices



Crew centers

*Operation & Maintenance



EBITDA USD
259 million at
Q3 2016

Financial
platform to
2020
implemented

Cost reduction
program
progressing

2016 highlights

- BW Catcher on plan and budget for First Oil in 2H 2017
- Cidade de São Mateus repair assessment completed – reached insurance settlement
- Trend of life extensions continues
- Arbitration versus Addax started
- Investment in oil field in Gabon



Dussafu - Strategic Rationale

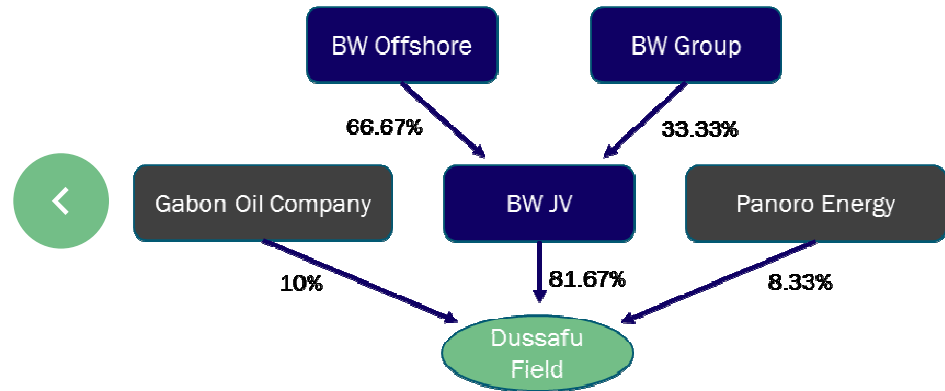
- ✓ E&P's financing capacity significantly reduced due to the oil price decline since 2014
- ✓ Accessibility of equipment and services has improved and break-even prices have come down
- ✓ A number of NPV positive developments are put on hold due to financing constraints
- ✓ BW offshore is motivated to participate in NPV positive developments where the use of existing FPSOs are key enablers
- ✓ BW JV has access to experienced personnel familiar with Gabon oil developments and internal resources to execute the development and operate the field



Dussafu - Transaction overview

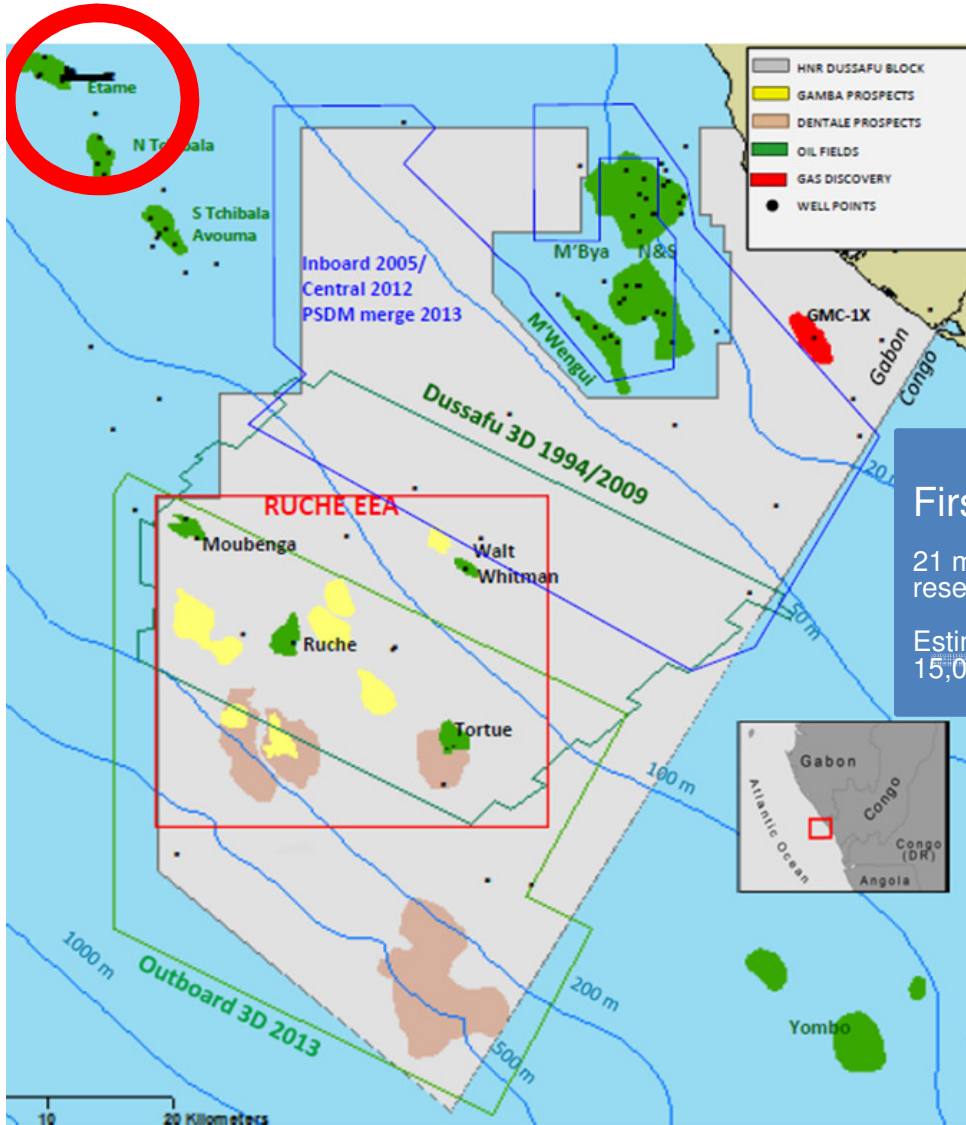


- BW Offshore has established a joint venture (JV) with the BW Group, where BW Offshore hold 66.67% and BW Group 33.33%
- The JV has entered into an agreement to acquire 66.67% interest in the Dussafu field, offshore Gabon, from Harvest natural resources
- The JV has at the same time signed a Memorandum of Understanding to further acquire 25% interest in the Dussafu field, from Panoro Energy
- Gabon Oil Company will participate with 10%



Planned license ownership

- BW Offshore 54.45%
- BW Group 27.22%
- Gabon Oil Company 10.0%
- Panoro Energy 8.33%



First Phase
 21 mbl P90 reserves
 Estimated peak 15,000 bpd

Dussafu-development plan

- F** **First phase**
 Gross investment estimated to USD 150 million
- S** **Second phase**
 Financing from field operating cashflow
- U** **Upside**
 Full field development that can yield up to 150 mbl recoverable not including several exploration prospects
- E** **Experience**
 Nearby Etame field located a few kilometres away with much the same characteristics
 Over 94 mbl recovered to date, initial estimate 30 mbl
 BWO operated Petroleo Nautipa FPSO on field since 2002 for Vaalco Energy



Dussafu - Development strategy

- ✓ Fast track development
- ✓ Flexibility for future field expansion
- ✓ Flexible processing capabilities
- ✓ Primary target Ruche and Tortue
- ✓ Subsea wells tied back to Central FPSO
- ✓ Once production established, continue to develop the other existing discoveries and later appraise remaining exploration prospects





Dussafu - Summary

- ❑ Established Joint Venture with BW Group
- ❑ Acquire Harvest Natural Resources (HNR) 66.7% interest in the Dussafu block offshore southern Gabon.
- ❑ Intention to further acquire 25% of Panoro Energy's 33.3% interest
- ❑ Gabon Oil Company to participate with 10% interest
- ❑ Capitalise on extensive Gabon experience
- ❑ Low-risk development opportunity
- ❑ Closing expected within first quarter 2017
- ❑ First oil within 2018





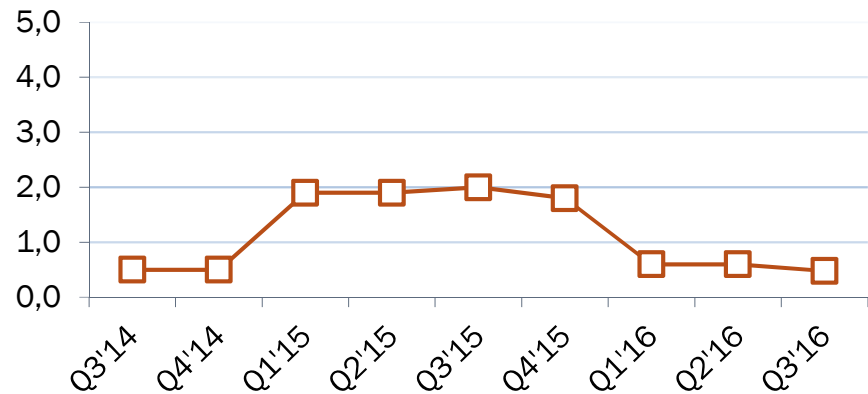


Operational status

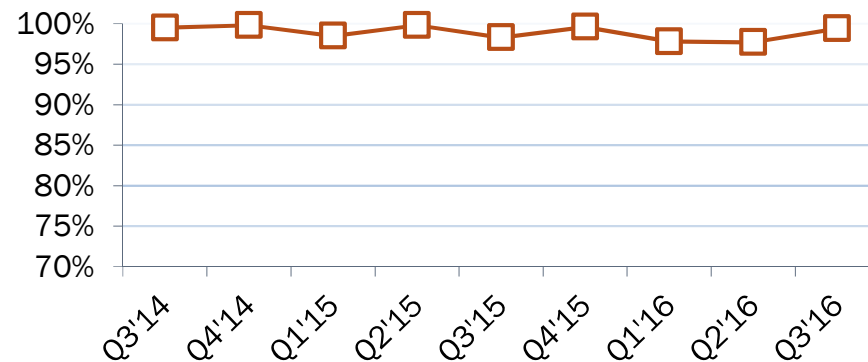
- HSSEQ performance
 - Lost time injuries (LTI) frequency of 0.5
- Operating fleet uptime 99.4%
- Addax arbitration process proceeding related to overdues on Sendje Berge
 - USD 52.6 million gross claim at Q3 2016
- Cidade de São Mateus anchored off Batam
 - USD 250 million repair settlement agreed with insurers
 - Total impairment of USD 300 million booked in 2015 and 2016
 - Final repair plan is pending discussions with client

HSE record (LTI)

Lost time injuries per million man-hours



Uptime





Catcher project

- First oil expected in second half of 2017
- The project is on budget:
 - 90% of costs committed
 - USD 0.76bn incurred by Q3 2016
- Topside integration work has commenced and all modules have been lifted on deck
- Project execution is progressing according to plan
- Catcher field status:
 - Risers are connected to the buoy
 - Ready for hook-up upon FPSO arrival
 - Operator Premier maintains first oil expectations

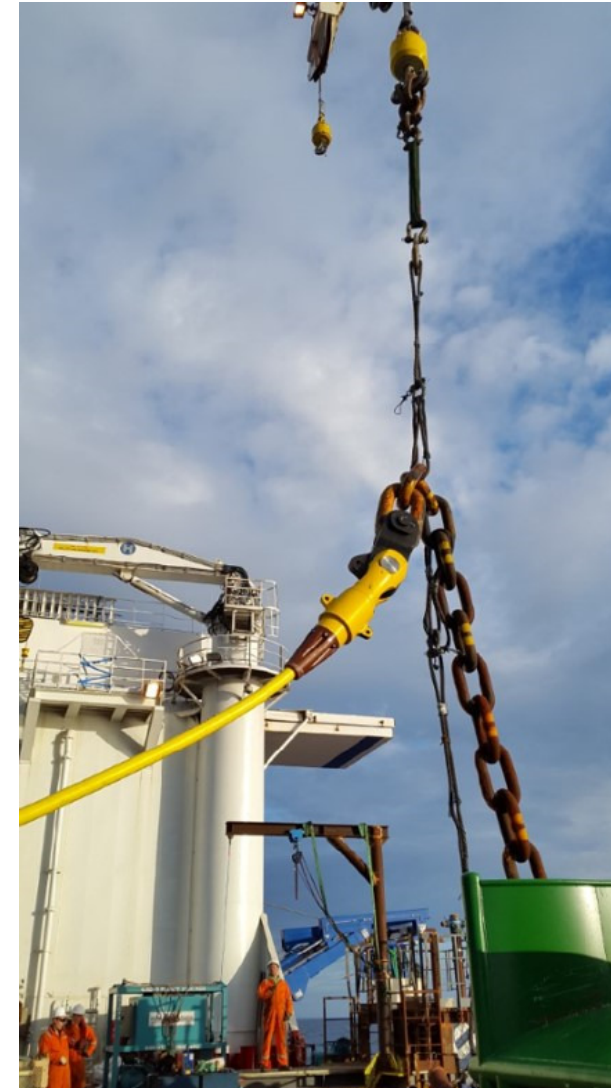




Update on cost reduction program

- Onshore efficiency program and re-organisation completed:
 - Adjusting the company capacity to expected activity level while maintaining capabilities and competence
 - Reduction of personnel in Norway, Singapore and Brazil
 - Annualised cost savings of USD 30m from 2017

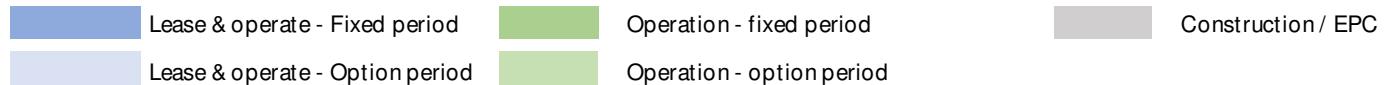
- Offshore program for best practice and right-sizing continues:
 - Reduce offshore cost by 10-15% through improved procurement, crew rotation and maintenance management
 - Reduction in lay up costs
 - BW Athena in cold lay up in Scotland
 - Azurite, Belokamenka and Cidade de São Mateus side by side in Indonesia





Fleet 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													
Yùum 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)													
Polvo	FPSO	Lease & Operate	PetroRio, Brazil: 2007-2018 (2022)													
Abo	FPSO	Lease & Operate	Agip/ENI, Nigeria: 2003-2016 (2023)													
Espoir Ivoirien	FPSO	Lease & Operate	CNR, Ivory Coast: 2002-2022 (2036)													
Petroleo Nautipa	FPSO	Lease & Operate	Vaalco, Gabon: 2002-2020 (2022)													
Catcher	FPSO	Lease & Operate	Premier, UK 2017-2024 (2042)													
Cidade de Sao Mateus	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2018 (2024)													
Azurite	FPSO	Tendering	Murphy, Congo													
Belokamenka	FPSO/ULCC	Tendering	Rosneft, Russia													
BW Athena	FPSO	Tendering	Ithaca, UK													
P-63 (Papa Terra)	FPSO	Operate	Petrobras, Brazil: 2013-2016													
Peregrino	FPSO	Operate	Statoil, Brazil: 2013-2017													





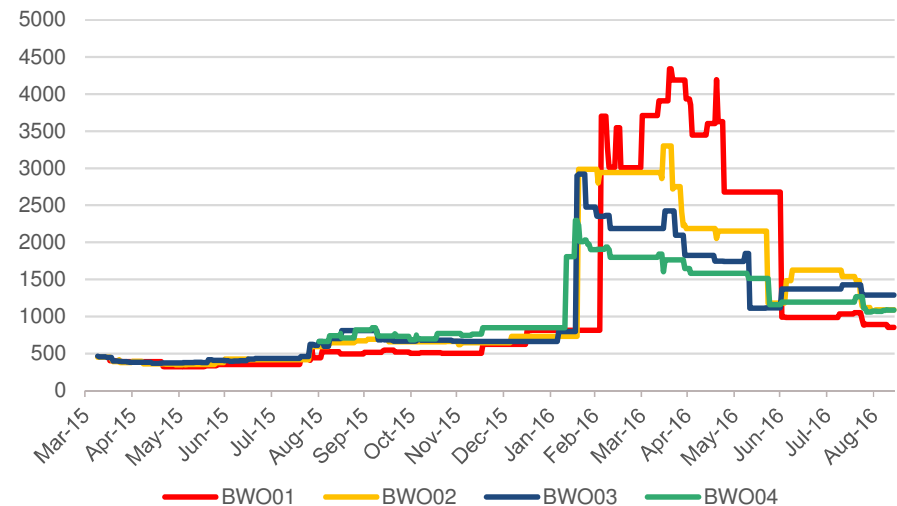
Financial runway in place

- Actions taken to secure the financial platform until 2020:
 - Equity injection
 - Amortization relief on the corporate facility
 - Maturity extensions for bonds
- By year-end 2020 total debt is reduced by USD ~1 billion
- The company will refinance the USD 2.4 billion corporate facility prior to 2020
- USD 320 million available liquidity at the end of Q3 2016

Bank funding: Strong and supportive lending banks



Unsecured bonds: Spread over NIBOR





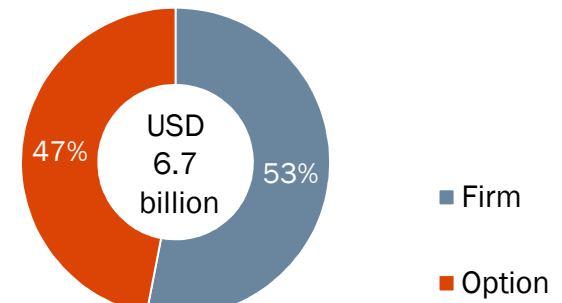
Counterparts

- Orderbook of USD 6.7 billion as of 30 September 2016
 - Whereof USD 3.6 billion are firm contracts

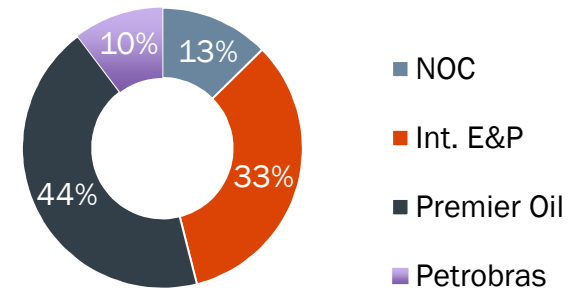
Client overview:



■ Backlog: Firm and option



■ Backlog: Counterparties



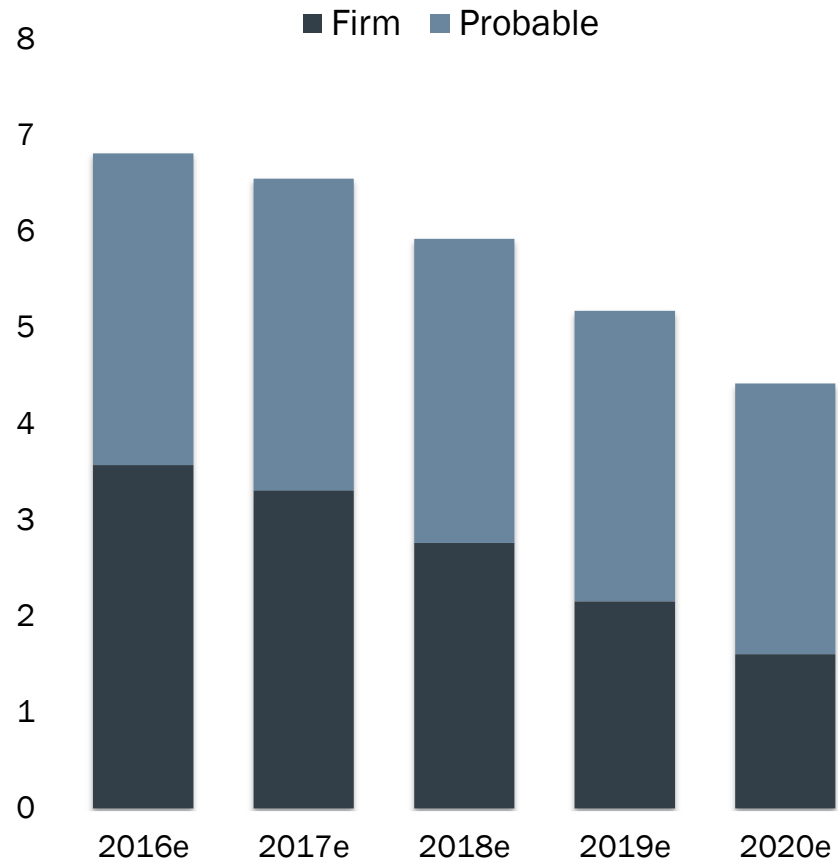


Revenue visibility

- USD 6.7 billion backlog (firm+probable*) gives good revenue visibility
- Backlog revised based upon information on:
 - Client reported production profile
 - Actual field performance
 - Current oil price
- Revenue secured by long term contracts
- Lease contracts with EBITDA margins of ~60%
- Extensions/Redeployments necessary to defend asset book values
 - Extensions of options under current contracts
 - Extensions beyond current contracts
 - New redeployments

Lease revenue backlog YE 2016-2020

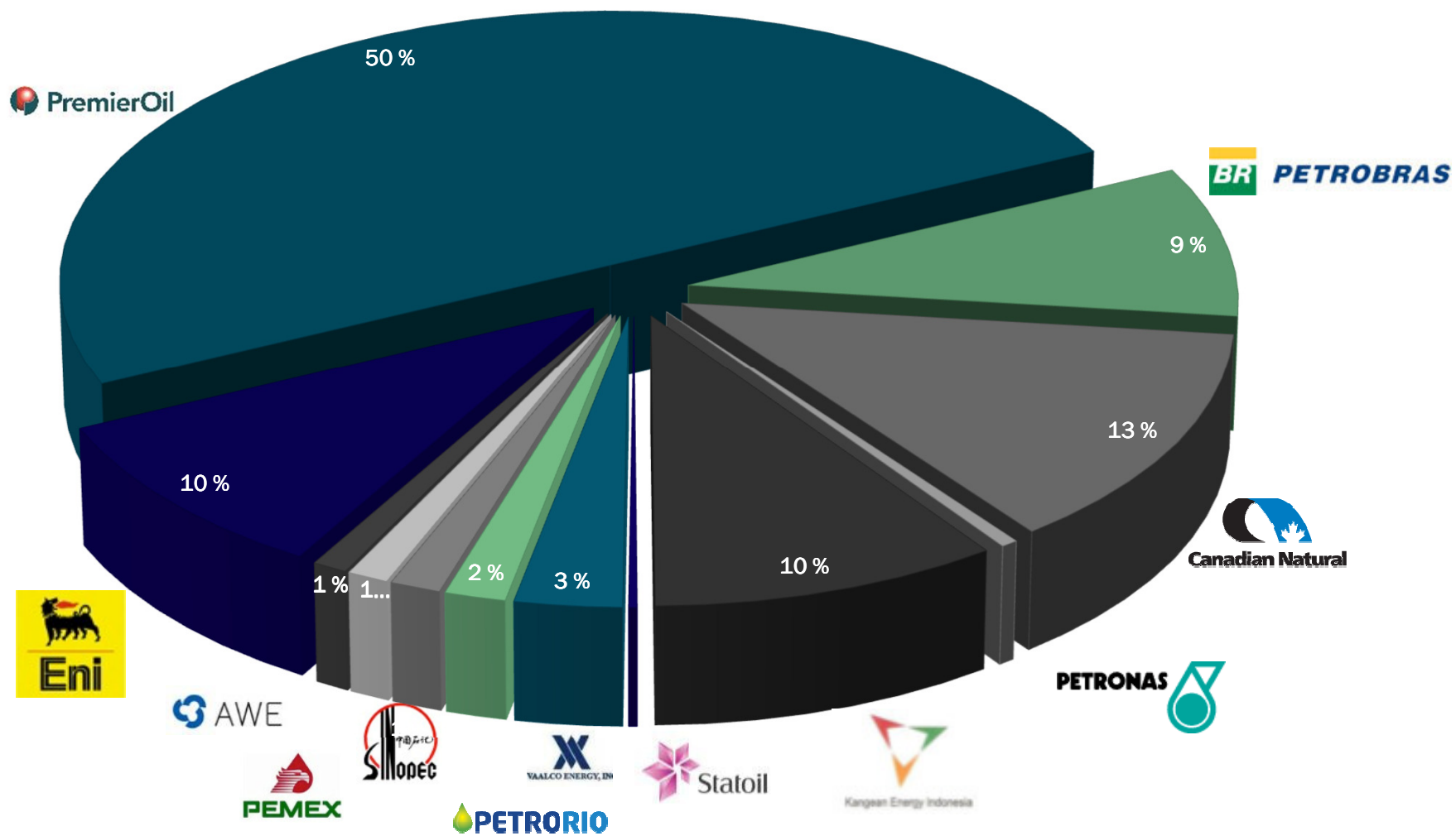
USD billion



*Excludes options that are not considered likely to be declared



EBITDA backlog





OUTLOOK



Our landscape

◆ Positive

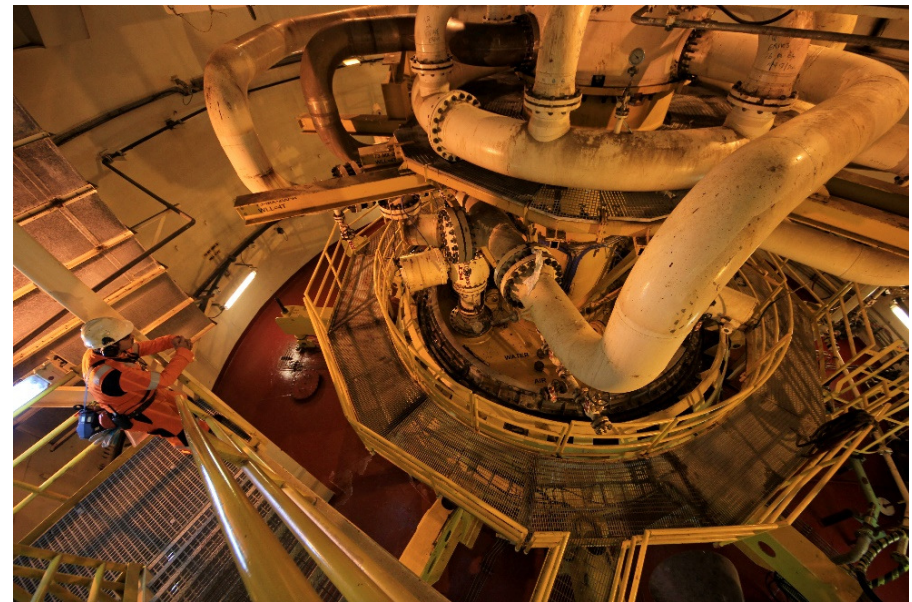
- Cost efficient production
- Extensions despite low oil price
- Good quality fleet
- Competitiveness of FPSO concept

▶ Actions

- Drive to cut cost – be relevant
- Ensured clear path on liquidity to 2020
- Target early mover oil co's for redeployments
- Exploring partnerships and alternative commercial models
- Exploring alternative field development models to trigger profitable developments that are robust at low oil price

◆ Uncertainties

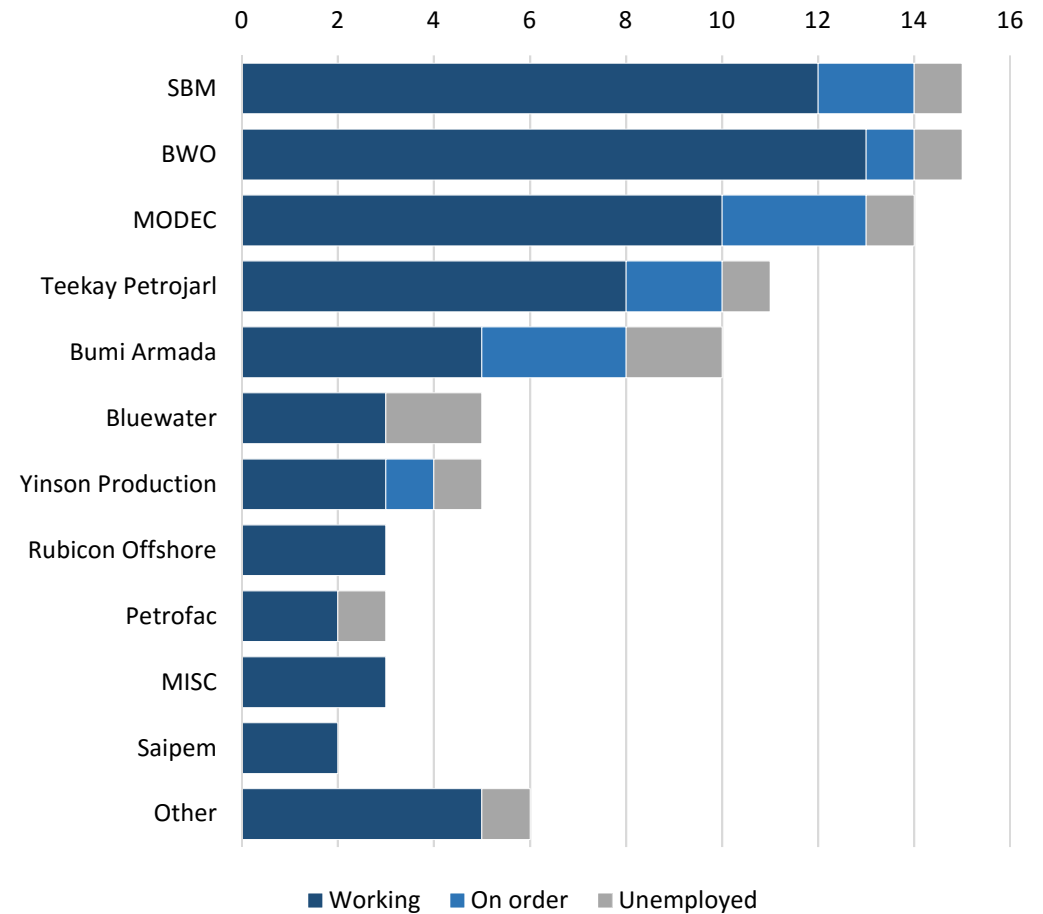
- Oil price affecting new developments/redeployments
- Counterparty risk
- Asset values





Stable competitive environment

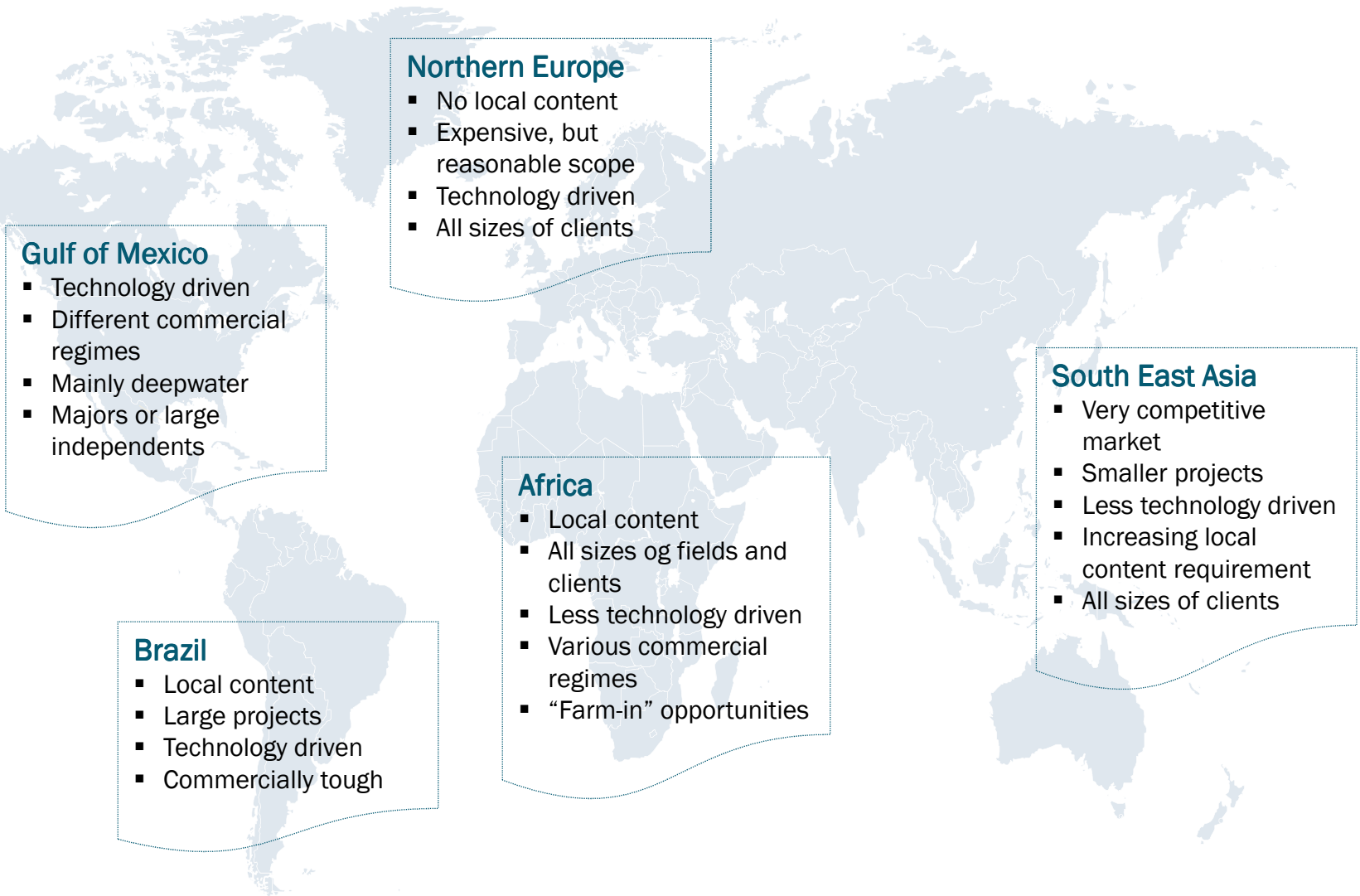
- Few awards expected in the next two years
- Several second-hand FPSO to be re-deployed
- Increased competition likely – in particular for mid to smaller sized projects
- 2 BWO FPSOs are currently available for re-deployment
- Berge Helene FPSO is expected demobilized in 2017



Source: Fearnley Offshore, May 2016



Regional market summary





BWO – way forward

- Deliver the Catcher project on time and on budget
- Bidding for Libra and Sepia to Petrobras
- Capture extensions at lower day rate against resource upside (or and tariff)
- Establish relationship with strategic co-investor(s)
- Continue to improve organizational capability and systems





BW Offshore

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