



BW Offshore

BW OFFSHORE

Q2 2016 presentation

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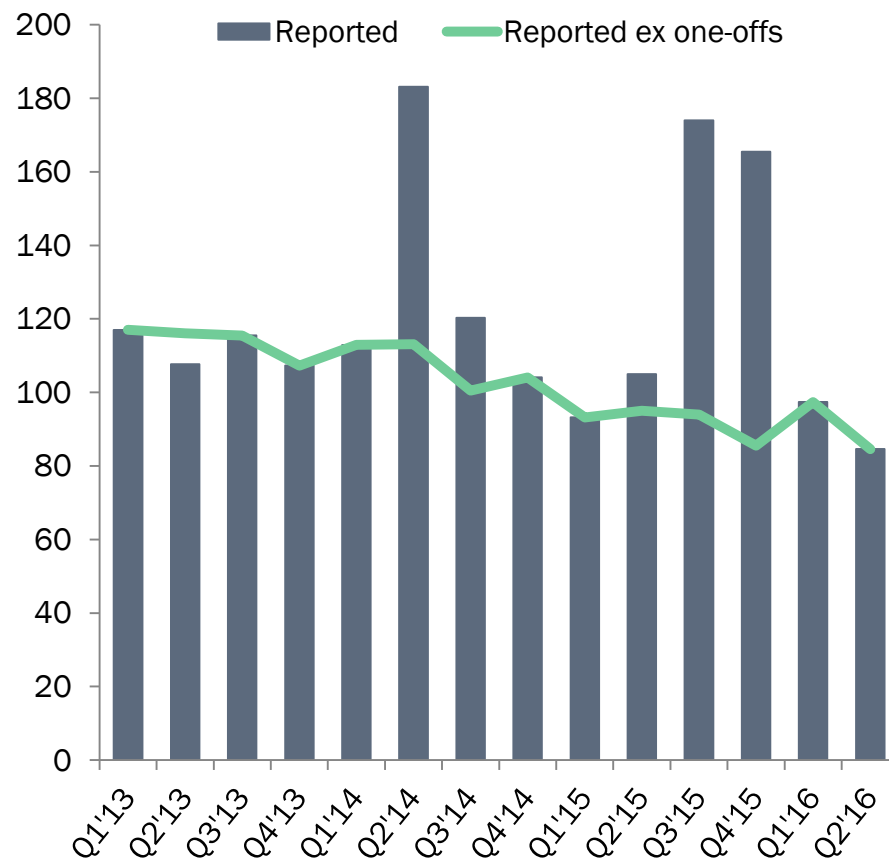
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Key events Q2

- EBITDA of USD 84.6 million
- Long term financial platform
- Catcher project on track for first oil in second half of 2017
- Cidade de São Mateus at yard for assessment
- Contract extension for Espoir Ivoirien
- BW Pioneer subsea mooring replacement campaign
- Cost reduction program

EBITDA
USD million





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OPERATIONS

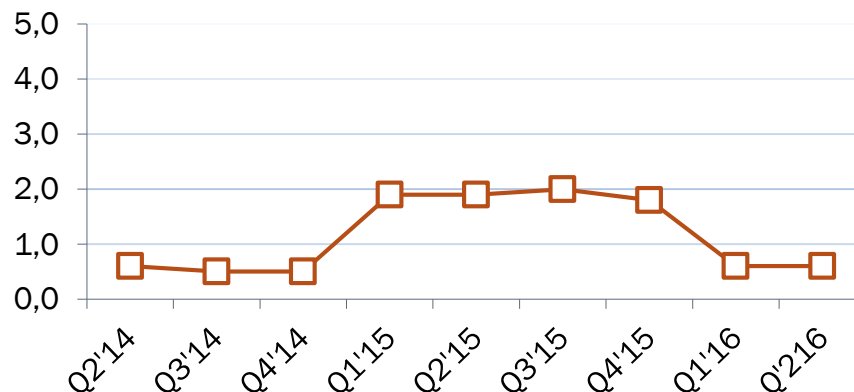


Operational status

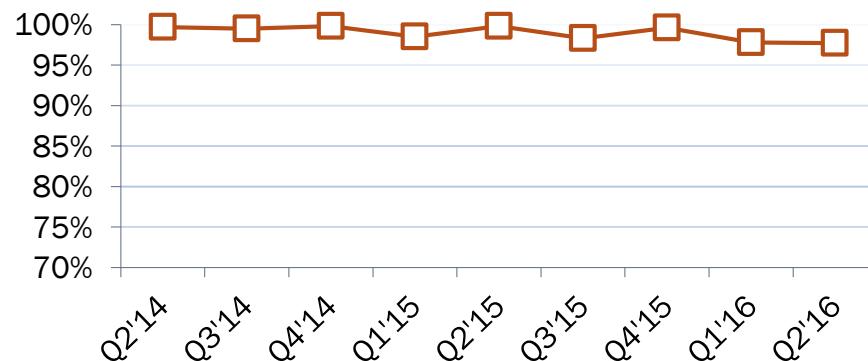
- HSSEQ performance
 - Lost time injuries (LTI) frequency of 0.6
- Operating fleet uptime 97.7%
- Espoir Ivoirien firm contract extended from Q2 2017 to Q2 2022
- Initiated London arbitration process due to increased overdues on Sendje Berge
- BW Pioneer 56 days shutdown due to mooring line replacement
- Cidade de São Mateus inspected at Keppel yard in Singapore
 - Subsequently completed assessment of damage and presented to insurance
 - Finalisation of reinstatement plan pending outcome of technical evaluations, concluding with insurance and discussion with client

HSE record (LTI)

Lost time injuries per million man-hours



Uptime



Catcher project

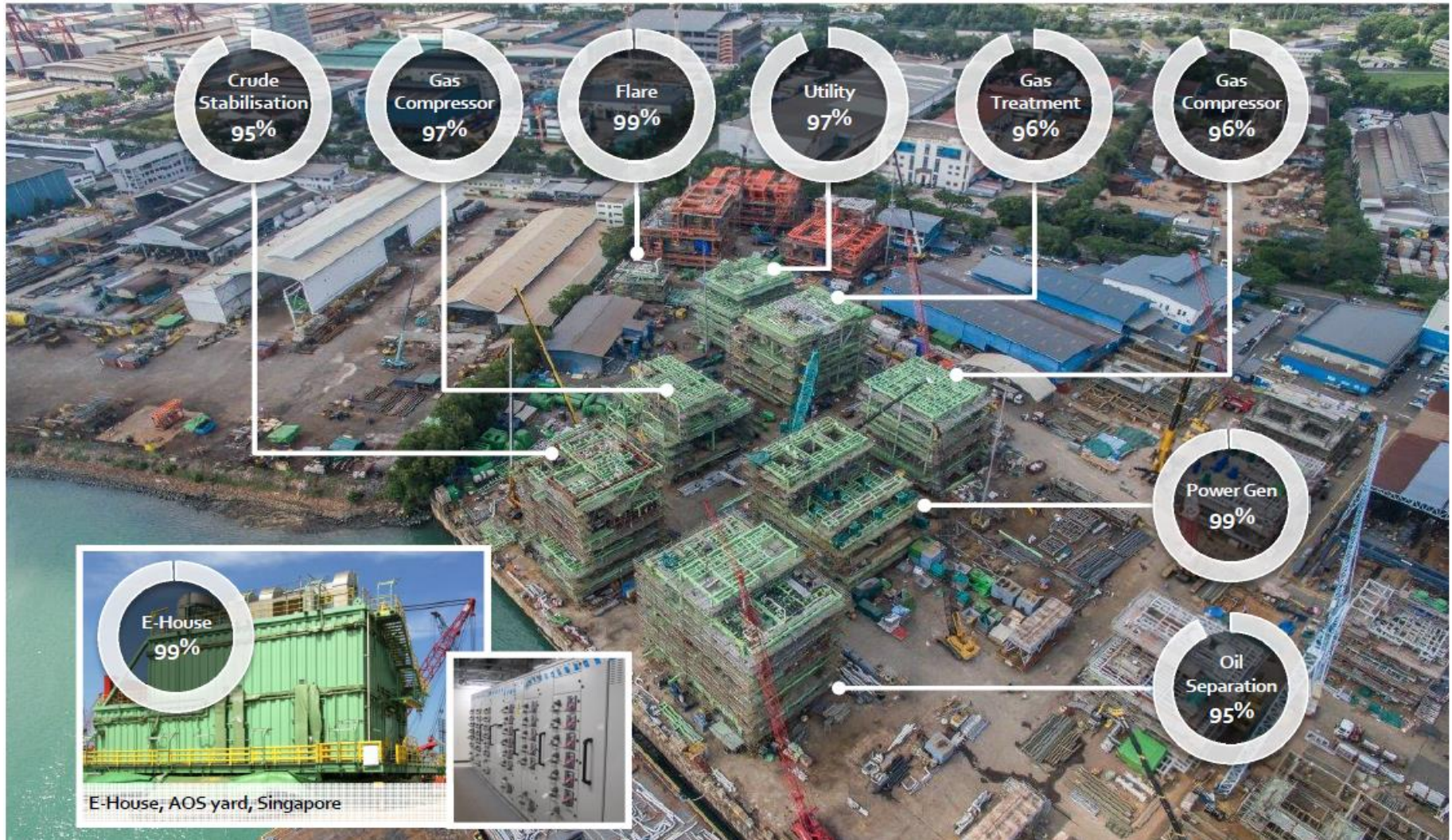
- First oil expected in second half of 2017
- The project is on budget
 - 90% of the costs committed
 - USD 0.66bn incurred by Q2 2016
- Buoy and mooring system completed according to schedule and installed at the Catcher field
- Hull mated and transferred to quayside at Keppel in Singapore
 - Living quarter on its way from Japan
- Topside pre-commissioning started and integration to commence in September





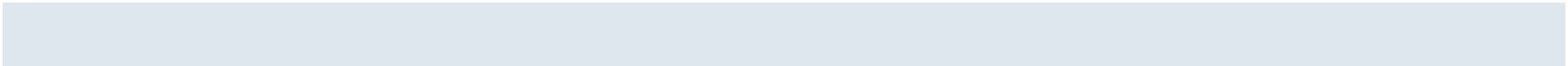
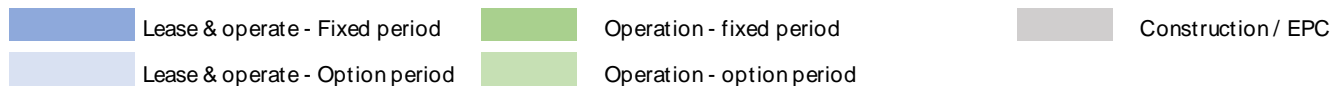
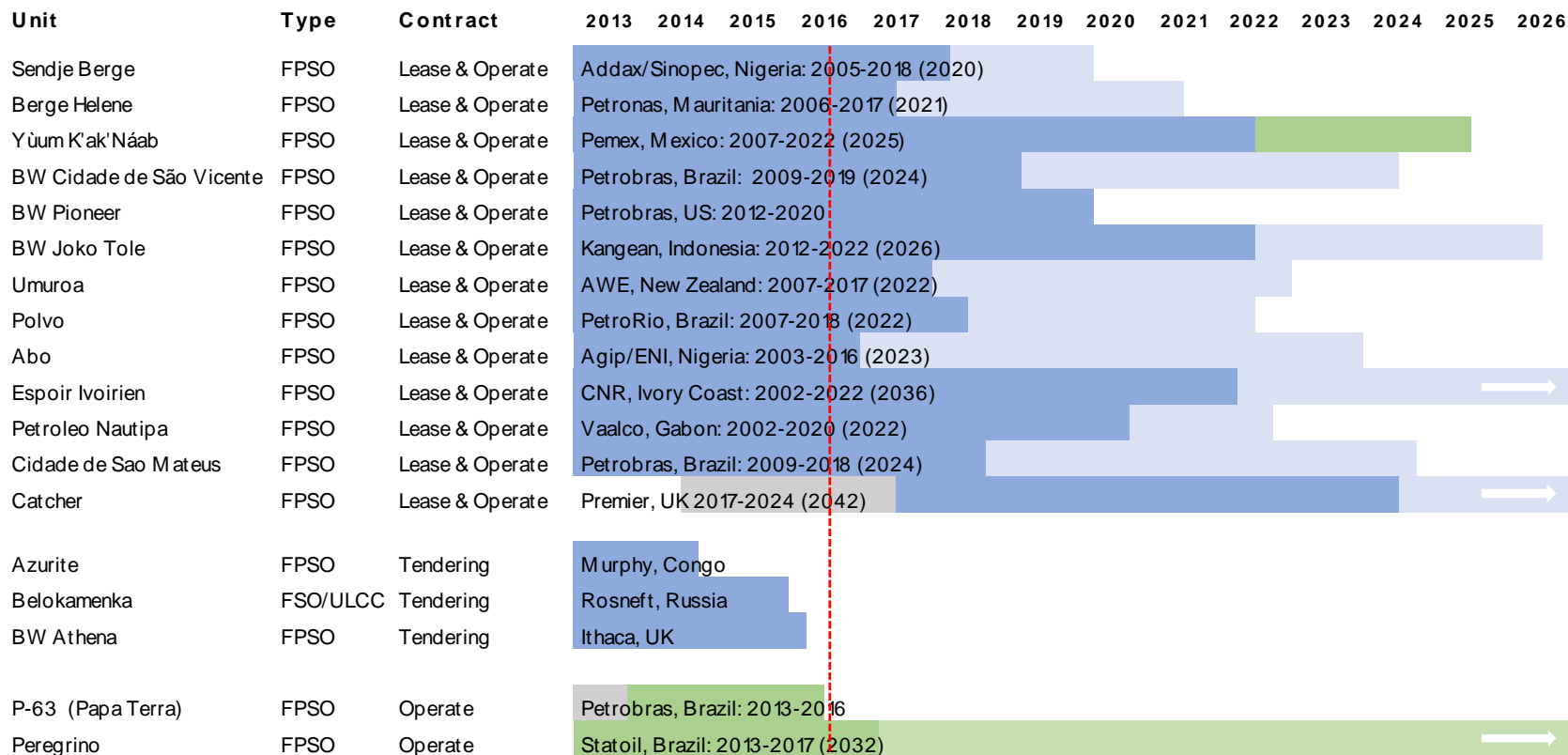
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Topside completion





Fleet overview

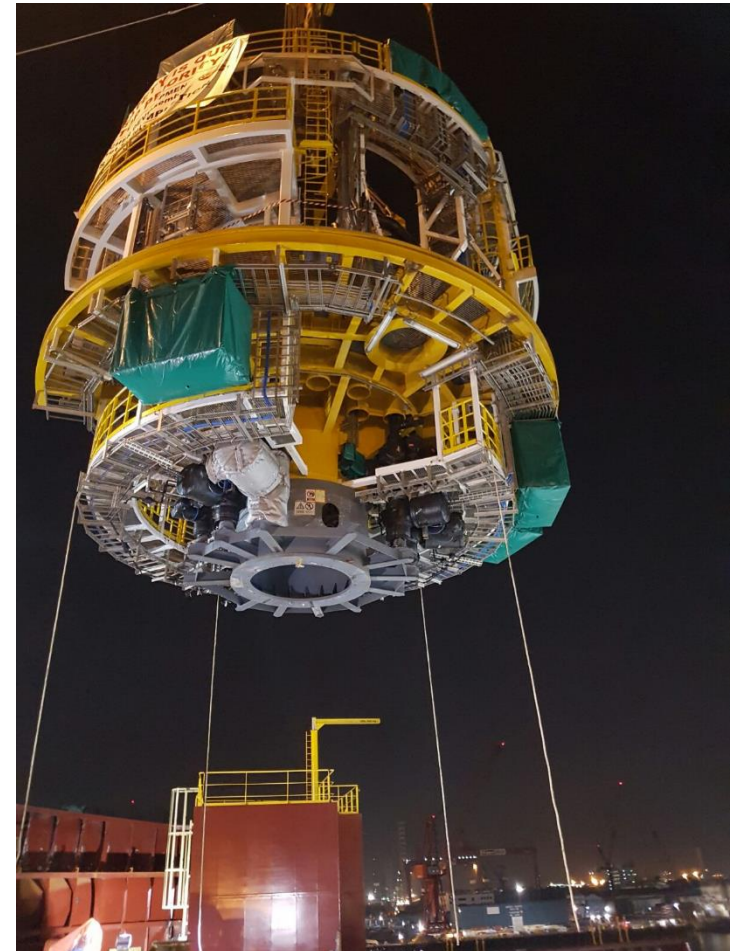




Cost reduction program

- Onshore efficiency program and reorganisation nearly completed
 - Adjusting the company to expected activity level while maintaining capabilities and competence
 - Significant 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
 - Fleet to reduce offshore cost by 10-15% through improved procurement, crew rotation and maintenance management with full effect from 2017
 - 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





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FINANCE

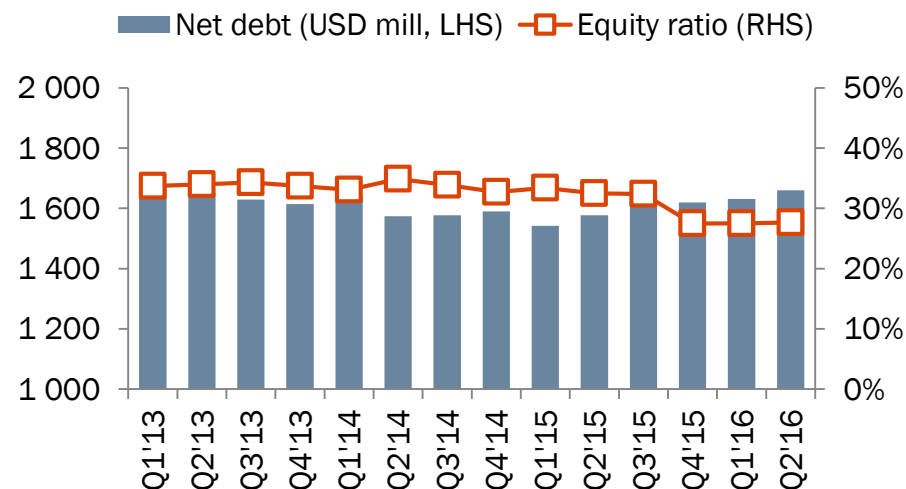




Financials

- EBITDA of USD 84.6 million
 - Loss of Hire insurance on Cidade de São Mateus ended in May. Negative effect USD 14m
 - Lower contribution from BW Pioneer due to shut down. Net effect negative USD 4.2m
- Impairment of USD 5.3 million
 - USD 2.7m following replacement of compressor on Joko Tole
 - USD 2.6m due to mooring line replacement on BW Pioneer
- Reduced quarterly revenue and depreciation due to contract extension on BW Pioneer
- Provision for overdues of USD 6 million

Net debt and equity ratio
USD million and percentage

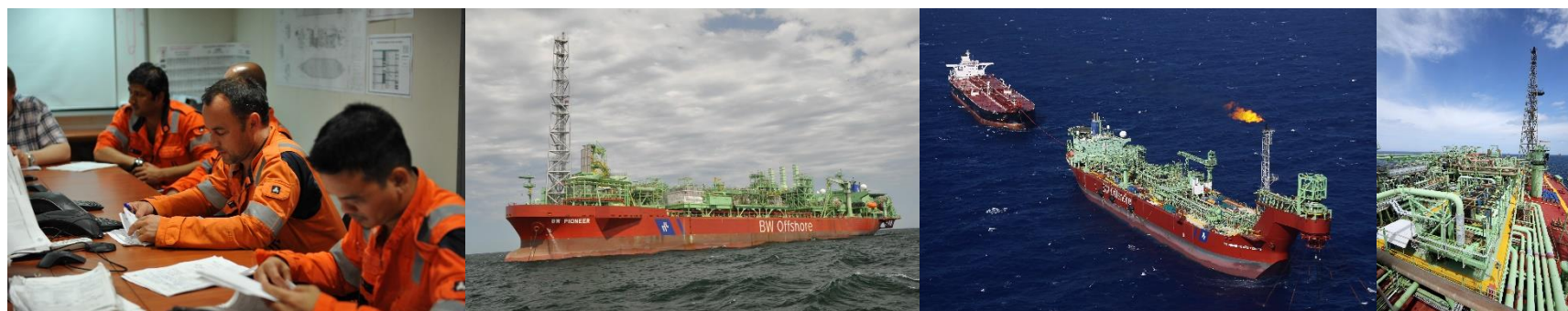




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Income statement

USD million	Q2 2016	Q1 2016
Operating revenues	172.5	214.4
Operating expenses	-87.9	-117.1
Share of profit from associates and joint ventures	0.0	0.1
EBITDA	84.6	97.4
Depreciation	-53.7	-59.7
Amortisations	-0.7	-0.7
Impairment	-5.3	-0.8
EBIT	24.9	36.2
Net interest expense	-10.3	-11.1
FX, financial instruments and other financial items	-7.8	-18.3
Profit (loss) before tax	6.8	6.8
Income tax expense	-11.2	-9.7
Net profit (loss)	-4.4	-2.9





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Statement of financial position

USD million	Q2 2016		Q1 2016	
Total non-current assets	2,917.2	84.9%	2,863.9	84.5%
Total current assets	519.9	15.1%	523.8	15.5%
Total assets	3,437.1	100.0%	3,387.7	100.0%
<hr/>				
Total equity	950.4	27.7%	948.7	28.0%
<i>Total non-current liabilities</i>	<i>1,884.1</i>		<i>1,790.9</i>	
<i>Total current liabilities</i>	<i>602.6</i>		<i>648.1</i>	
Total liabilities	2,486.7	72.3%	2,439.0	72.0%
Total equity and liabilities	3,437.1	100.0%	3,387.7	100.0%

USD million	Q2 2016
Reported interest bearing debt	1,802.3
Cash and deposits	141.8
Net interest bearing debt	1,660.5



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Cash flow statement

USD million	Q2 2016	Q1 2016
Net cash flow from operating activities	107.4	122.5
Net cash flow from investing activities	-117.7	-89.2
Net cash flow from financing activities	42.2	-45.1
Net change in cash and cash equivalents	31.9	-11.9
Cash and cash equivalent at start of period	109.9	121.8
Cash and cash equivalent at end of period	141.8	109.9





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High revenue visibility

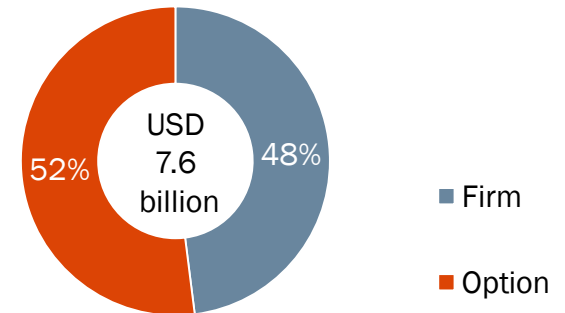
- Orderbook of USD 7.6 billion as of 30 June 2016
 - Whereof USD 3.65 billion are firm contracts

Client overview:

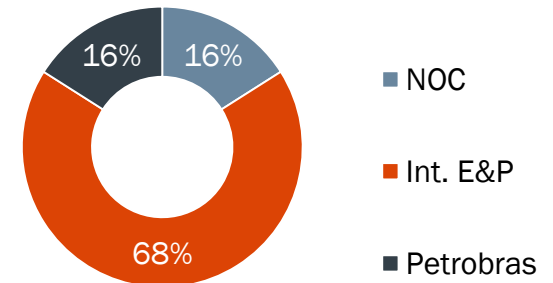


Logos from web

Backlog: Firm and option



Backlog: Counterparties



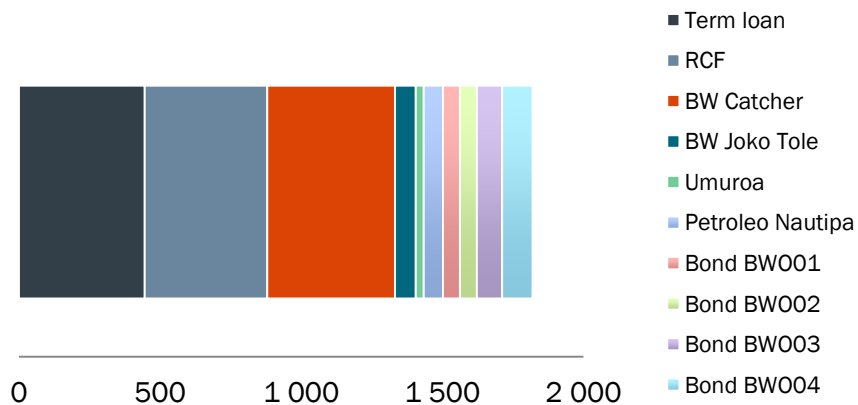


Long-term financial platform in place

- Secured more than USD 500m in additional liquidity from 2016 to 2020
 - Strong support from all stakeholders
 - Transaction closed in July
- Available liquidity including corporate facilities at end Q2 USD 288 million
- Utilised USD 452 million of USD 800 million bank financing for the Catcher project

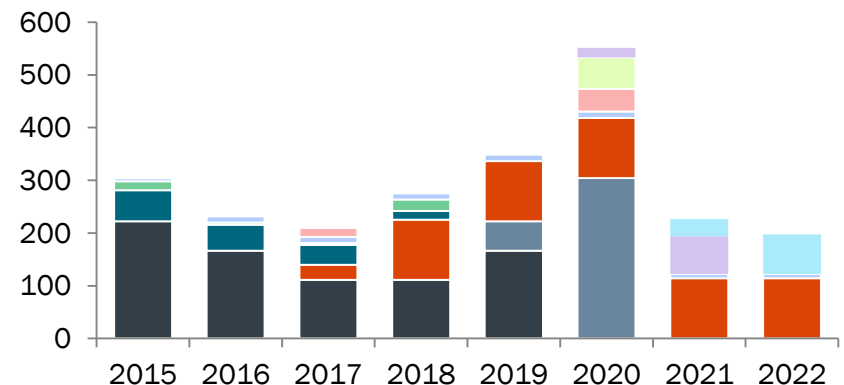
Gross debt
USD million

Per 30.06.2016



Instalments
USD million

Per 29.08.2016





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A photograph of three offshore workers in orange safety gear and white hard hats on a platform. One worker in the foreground is talking on a mobile phone and pointing upwards. Another worker in the middle ground is wearing a red life vest. A third worker is partially visible on the right. In the background, a large black and orange cylindrical structure is visible against a bright sky. The word 'OUTLOOK' is overlaid in a white box on the left side of the image.

OUTLOOK



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Our landscape

■ Positive

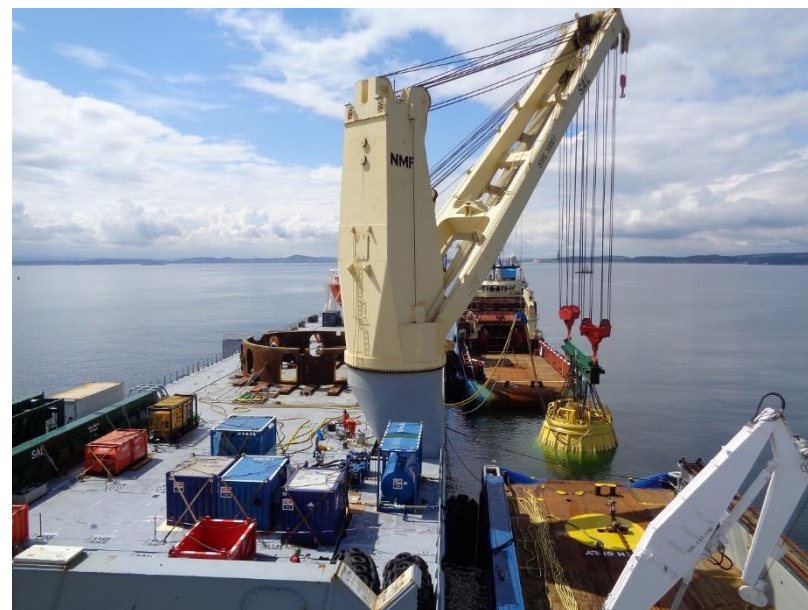
- Cost efficient production
- Extensions despite low oil price
- Good quality fleet
- Competitiveness of conversions

■ Actions

- Drive to cut cost – stay relevant
- Ensured clear path on liquidity to 2020
- Target early mover oil co's for redeployments
- Exploring partnerships and alternative commercial models

■ Uncertainties

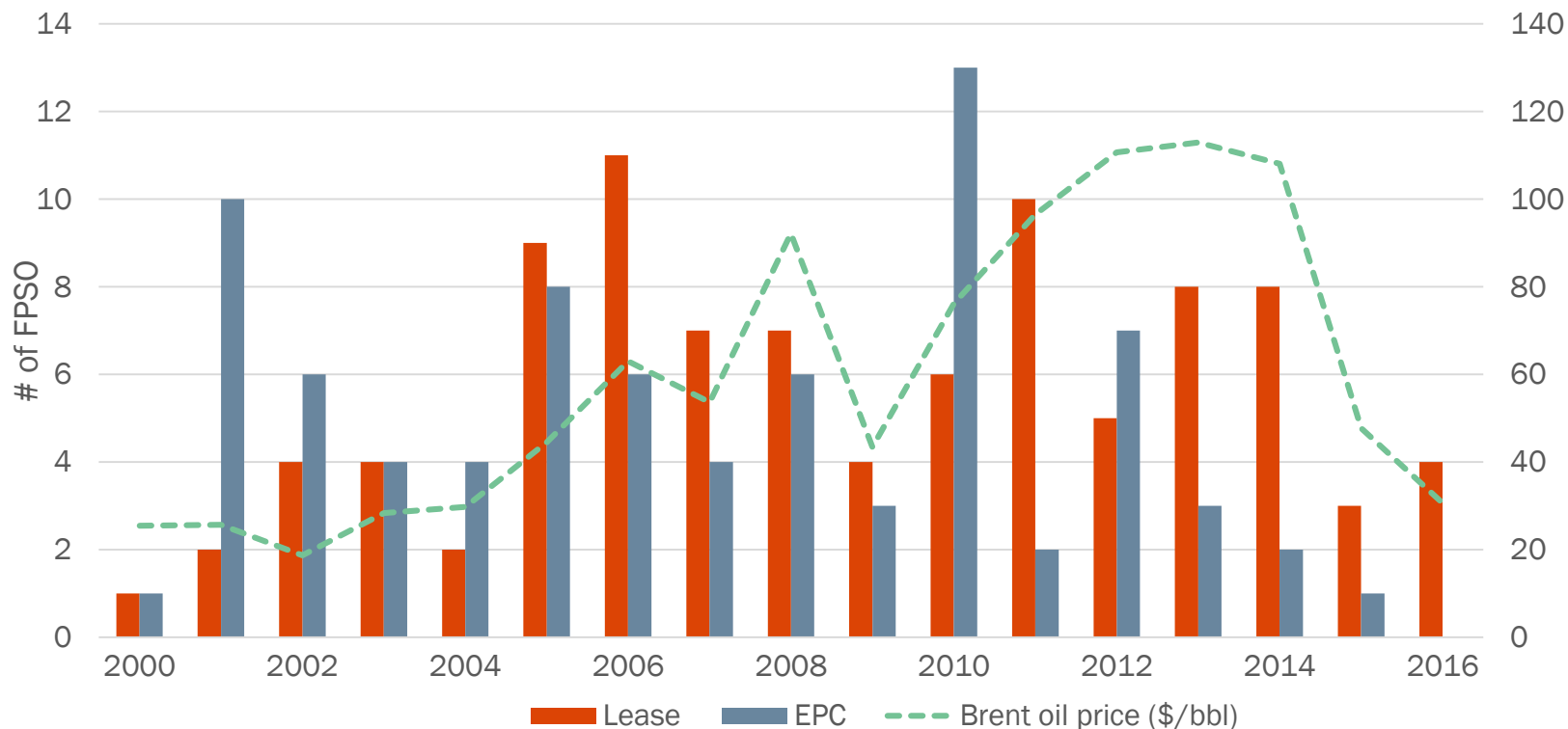
- Oil price
- New developments/redeployments
- Counterparty risk
- Asset values





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FPSO lease & EPC awards





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Current priorities

- Catcher project
- Cidade de São Mateus recovery
- Cost reduction program
- Fleet performance
- Life extension programs
- Redeployment prospects





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Further information: www.bwoffshore.com

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