



BW Offshore



BW OFFSHORE

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CFO Knut R. Sæthre



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BW Offshore

- Leading global provider of floating production units and services to the oil and gas industry
- Assets on long term contracts with strong counterparties
 - Owned fleet of 15 FPSOs and 1 FSO
 - Order book of USD 9.6 billion
 - Diversified portfolio
- Strong financial foundation with a robust balance sheet
 - Paid dividend for 18 consecutive quarters
- Strong track record and experience
 - Delivered 38 FPSO/FSO projects
 - Proven extension and redeployment capabilities
- Listed on the Oslo Stock Exchange
 - Market cap ~ USD 250 million
 - Main shareholder is BW Group (49.7%)



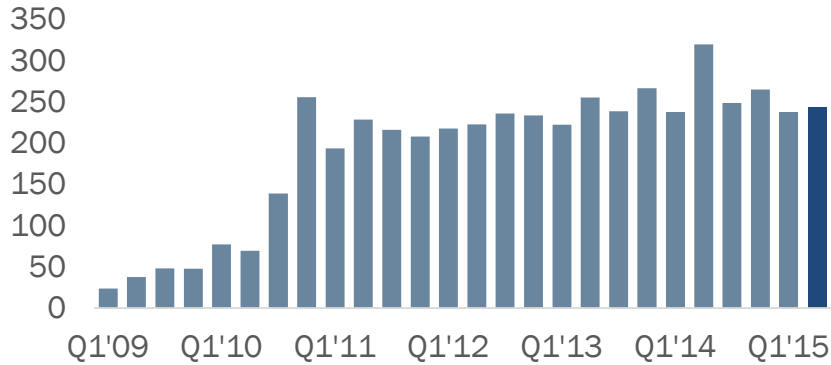
FPSO BW Cidade de São Vicente in production on the Lula field in Brazil, offloading to an oil tanker



Status

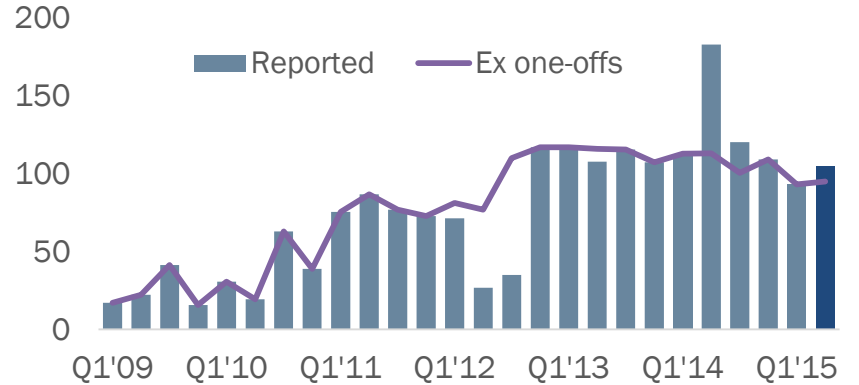
Revenue

USD million, excluding discontinued business



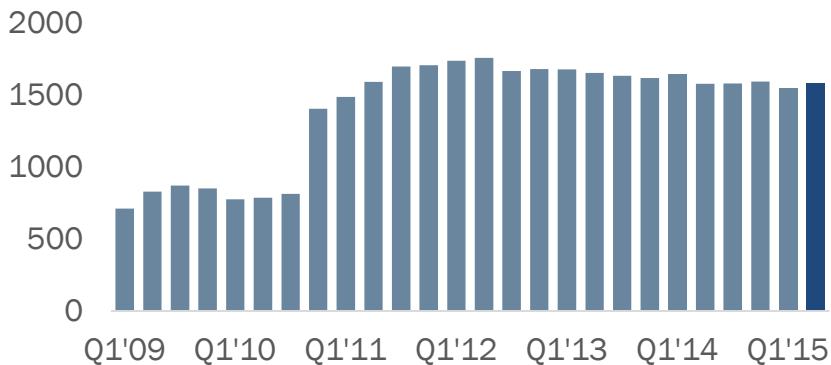
EBITDA

USD million, excluding discontinued business

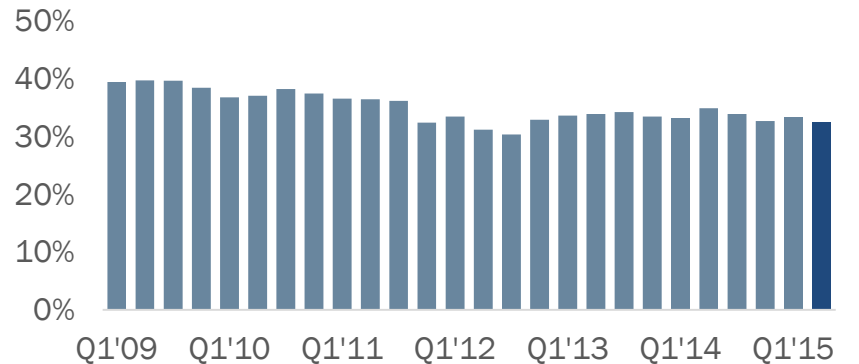


Net debt

USD million



Equity to Total assets





BW Offshore

Global production company

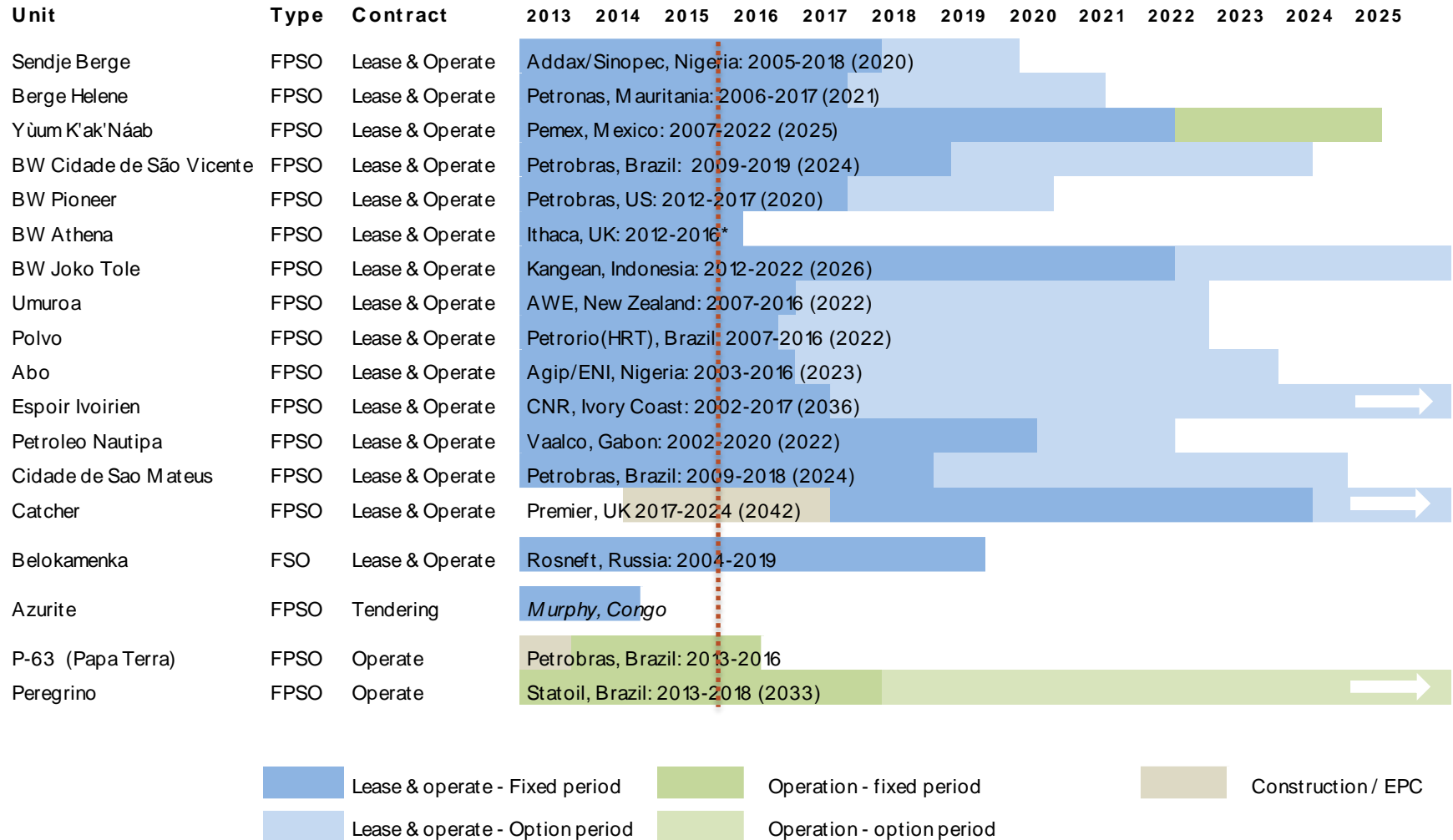


- Units
- Offices
- Crew centers

* Operation & Maintenance



Fleet overview

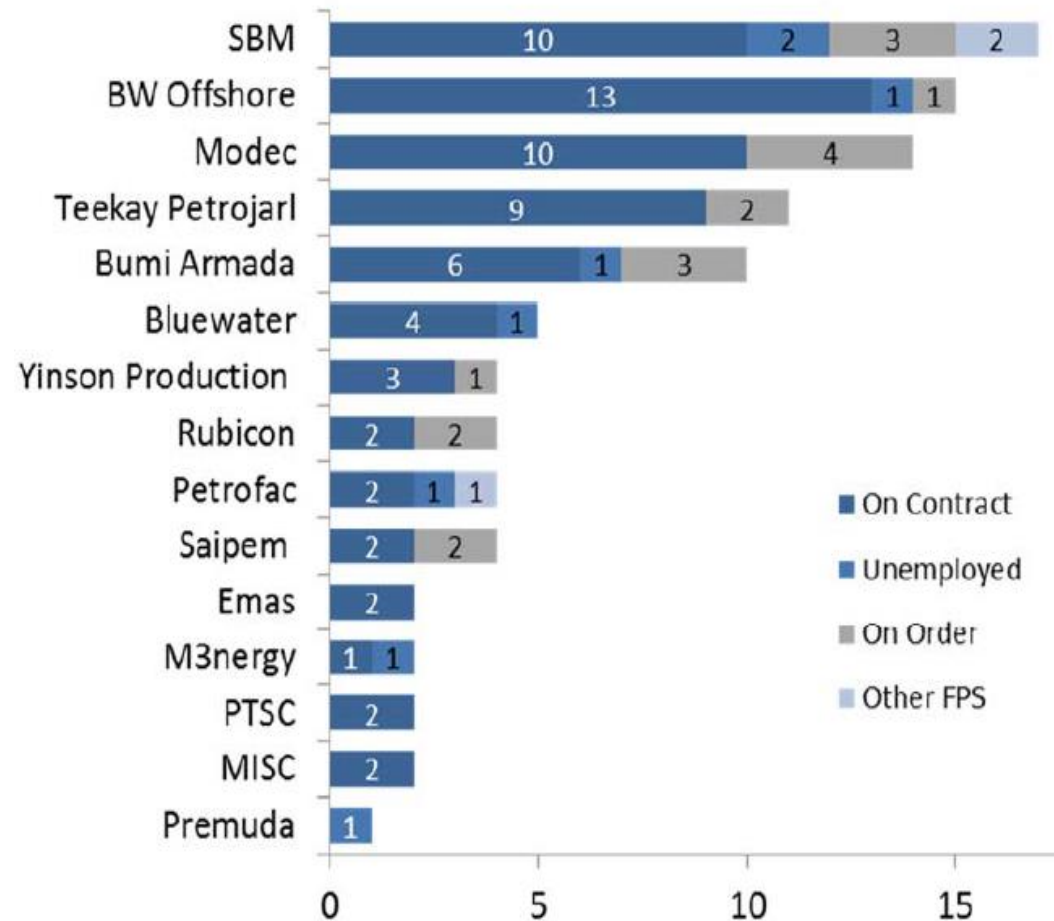


* BW Athena – 60 days mutual right of termination starting from June 2015



Market position

- Leading player in the global FPSO market
 - 15 units owned and operated
 - 2 additional units operated
- Fragmented market with few large players
- Smaller players generally have limited capability to bid new projects



Source: Fearnleys

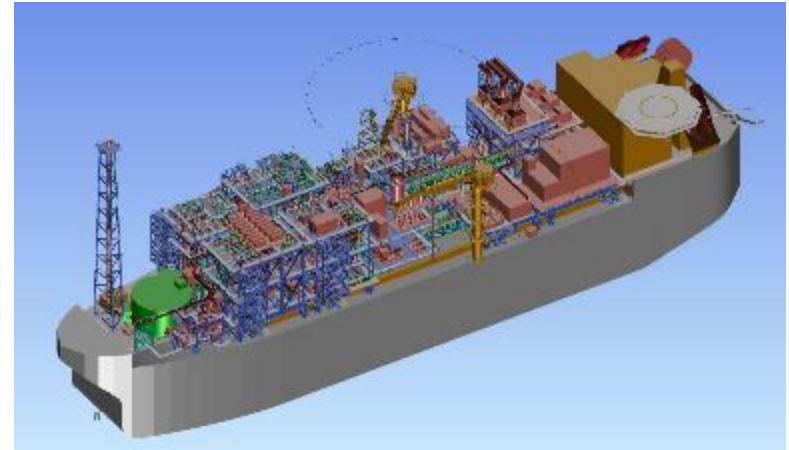
Cidade de São Mateus

- Joint investigation report with Petrobras issued to ANP, Federal Police and Ministry of Labour 30 April
- Technical findings and actions have been presented extensively to the industry to share lessons learned
- Process train has been freed of gas and liquids
- Cargo offloading is getting closer and tanker is now on site
- Next steps are disconnection of risers and mooring and tow to repair yard
- Working closely with insurance companies to take care of crew and families and the reinstatement of the unit



Catcher project

- 75% of total cost committed
- Subcontracts awarded
 - Aibel for topsides engineering
 - IHI for FPSO hull
 - APL (NOV) for turret mooring system
 - DNV for classification and Verification services
 - Kongsberg for E-House
 - Dyna-Mac for topside module fabrication
- Main focus of project is hull delivery schedule and planning of integration of topside



Catcher FPSO

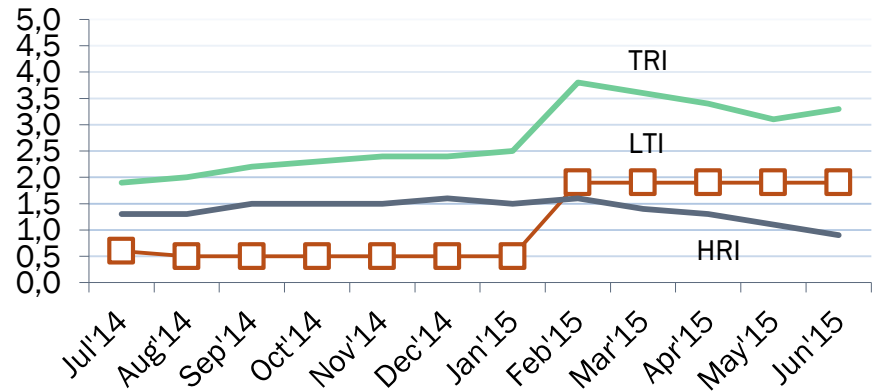
- Contract signed April 2014
- First oil: 2017
- Contract: 7 years fixed + 18 years options
- Processing capacity: 60,000 bbl/d
- Gas compression: 60 MMscfd
- Storage capacity: 650,000 bbl
- Newbuilt hull



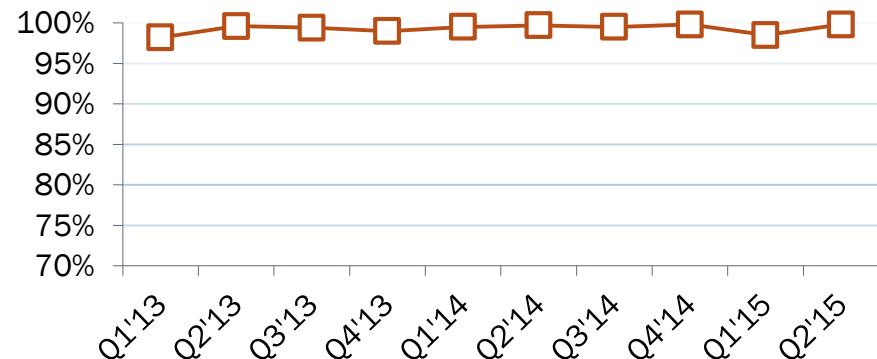
Key strengths

- In-house engineering capabilities
- In-house operations and life cycle competence
- Strong track-record on conversions and redeployments
- Unique position in gas FPSOs, conventional and LPG
- Cost effective infrastructure in all major offshore markets

HSE record
Per million man-hours



Uptime





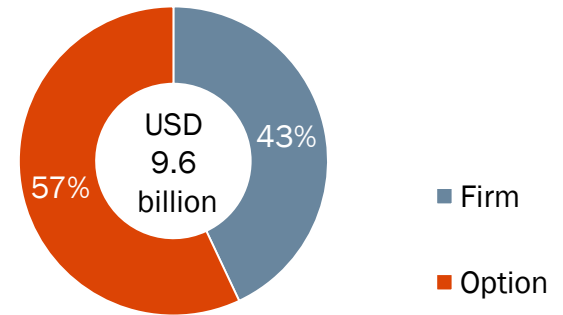
High revenue visibility

- Orderbook of USD 9.6 billion as of 30 June 2015
 - Whereof USD 4.1 billion are firm contracts
- Backlog with solid counterparties

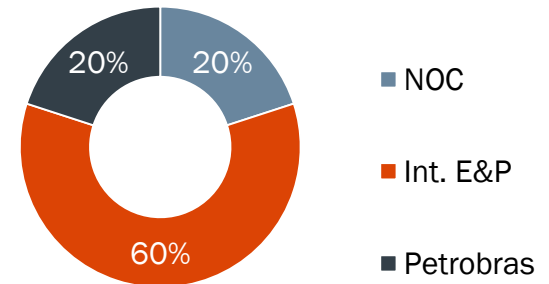


Logos from web

Backlog: Firm and option



Backlog: Counterparties





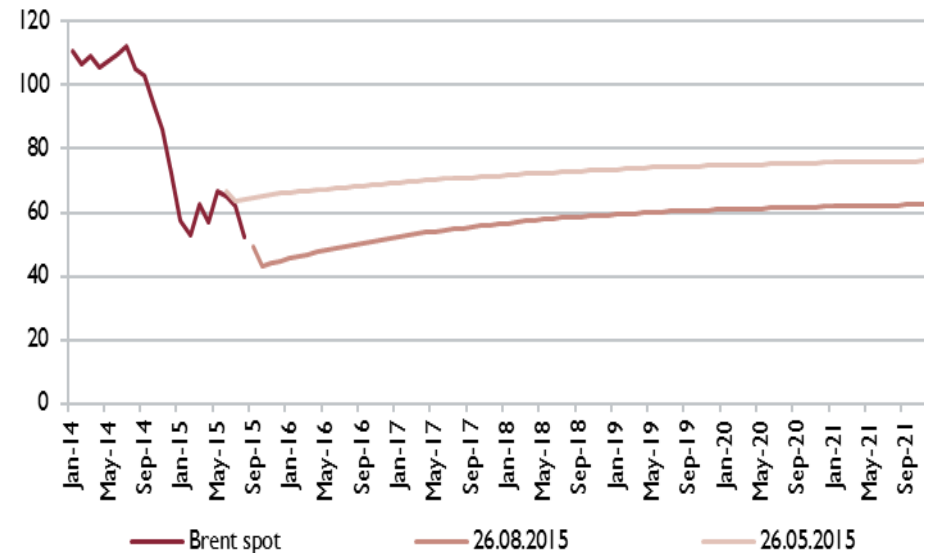
Macro

- Oil price has continued to slide and markets are expecting further weakening
- Production volumes have shown resilience in spite of the slide in price
- Order intakes are down on significantly reduced capital expenditure projections
- The offshore industry is aggressively seeking cost reductions at all levels and interfaces

BW Offshore's response

- Preserve financial fire power for a prolonged downturn
- Technology development and new solutions to lower costs
- Continued improvement processes

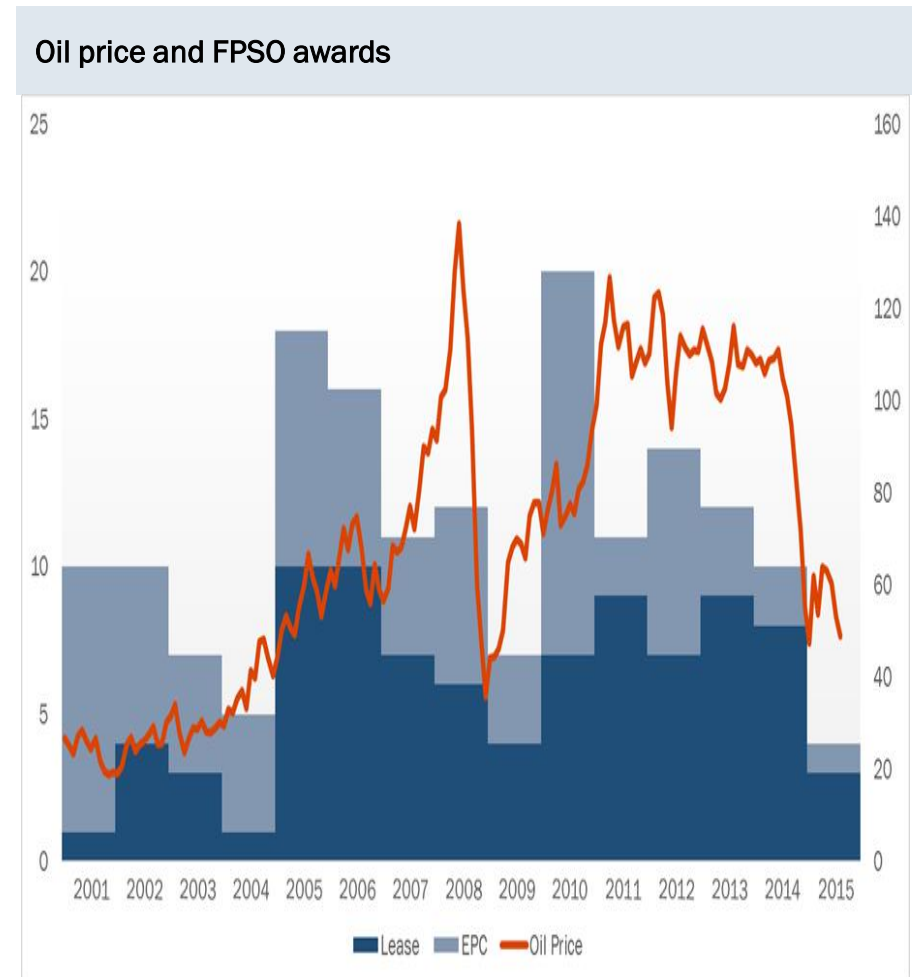
Brent oil – spot and forward (USD/bbl)



Source: Factset, Carnegie

Market trends and prospects

- Prospects continue to be delayed due to the drop in oil price
- We are still seeing activity on new prospects for expected conclusion in first half of 2016
- Active existing prospects
 - Leviathan
 - Kudu
- Leased FPSO as a concept still attractive for offshore developments





Summary

- Offshore infrastructure ~ one of the world's leading FPSO companies
 - Operating 17 units
- Order backlog of USD 9.6 billion from solid oil and gas companies
 - Average contract length of 9 years (4 years fixed + 5 years options)
 - Proven contract extension and redeployment capabilities
- Strong financial foundation and robust balance sheet
 - Available liquidity of USD 418 million
 - Undrawn amount of ~USD 630 million on the Catcher facility





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Q & A

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Further information: www.bwoffshore.com

IR contact: Kristian Flaten, Vice President IR and Corporate Finance
kristian.flaten@bwoffshore.com