



BW Offshore



**BW OFFSHORE**  
**Q2 2015 presentation**

28 August 2015

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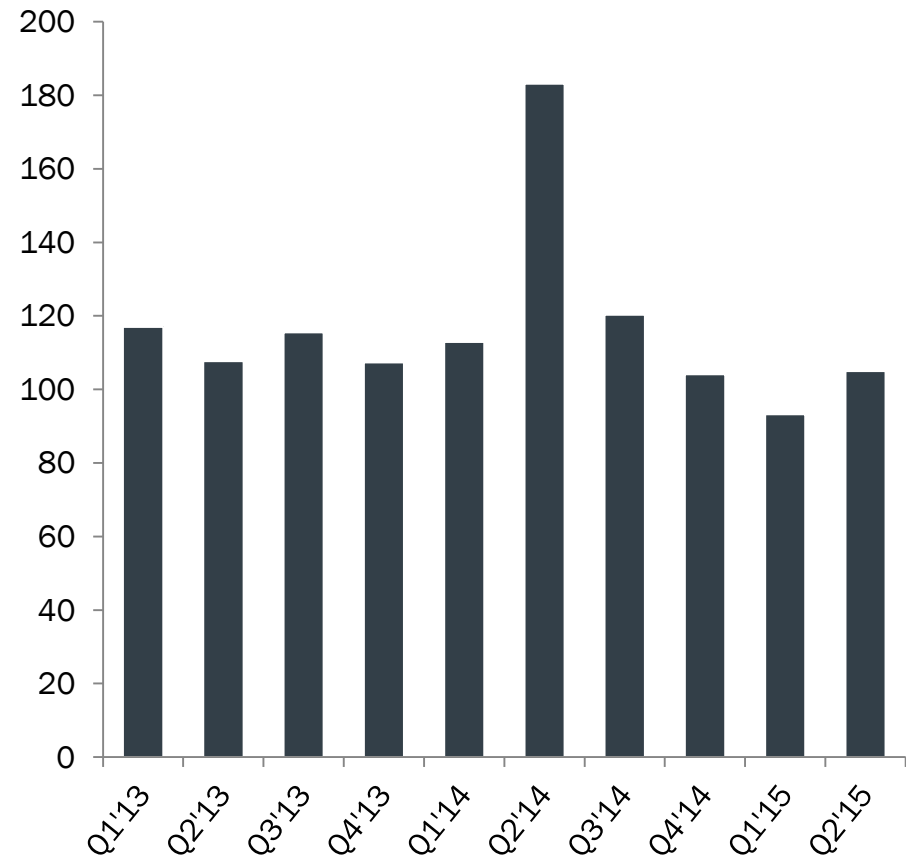
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# Key events Q2 2015

- EBITDA of USD 105.0 million
- Significant weakening of macro conditions for the offshore industry
- Recovery project for Cidade de São Mateus is progressing
- The Catcher project remains within budget with expected first oil in 2017
- Successful placement of NOK 900 million senior unsecured bond
- Dividend of 0.01 USD per share

EBITDA  
USD million





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# OPERATIONS

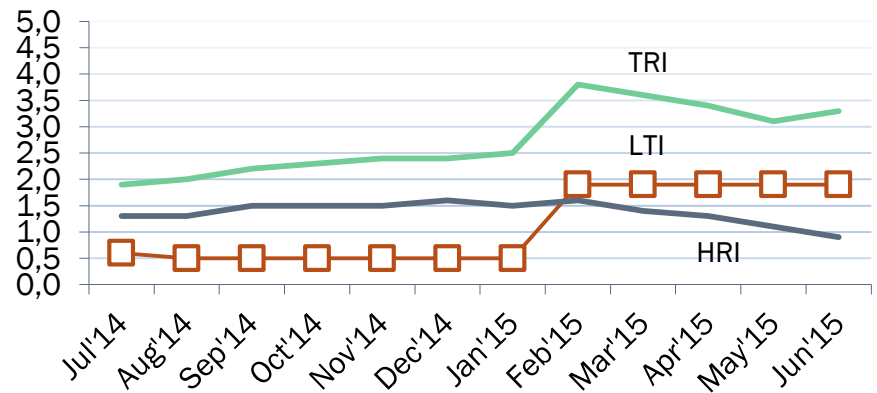




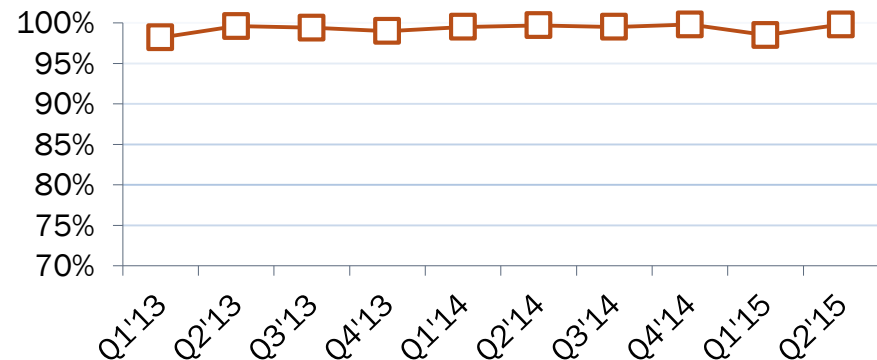
# Operational status

- HSSEQ performance
  - Lost time injuries (LTI\*) frequency of 1.9
  - LTI fleet of 2.3
  - LTI project of 0.0
  
- Operating fleet uptime 99.8% in Q2\*\*

HSE record (LTI)  
Per million man-hours



Uptime



\* Injuries per million man-hours  
 \*\* Excluding Cidade de São Mateus

TRI: Total reported injuries, HRI: High risk incidents

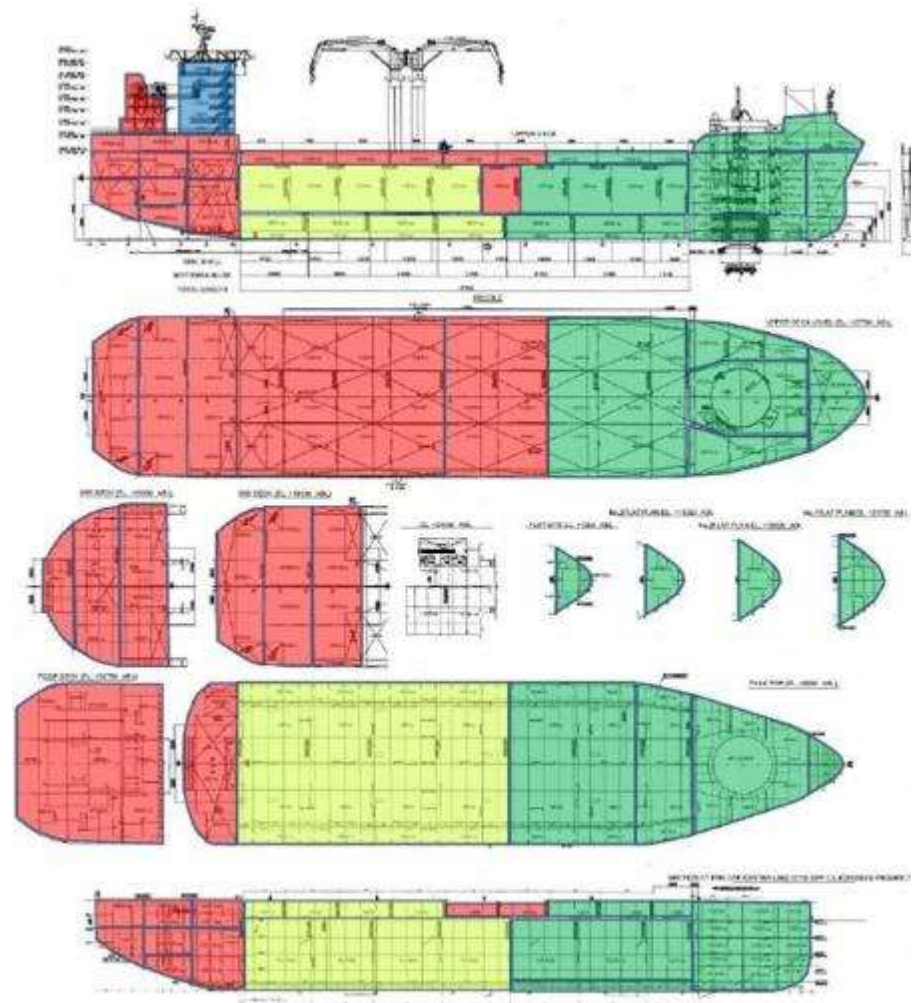
# Cidade de São Mateus

- 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 (I)

- 75% of total cost committed
  - Project is tracking with respect to budget
  - First oil in 2017
- Good progress on engineering, procurement and construction activities on:
  - Turret and mooring system
  - Topside fabrication
- Hull construction ongoing but affected by IHI construction of a drill ship currently occupying main dry dock:
  - Revised construction and assembly plan has been implemented
- Main focus of project is hull delivery schedule and planning of integration of topside



# Catcher project (II)

Hull construction, IHI (Japan)



Topside module construction, Dynamac (Singapore)



M40 - E-house construction, Kongsberg/AOS (Singapore)



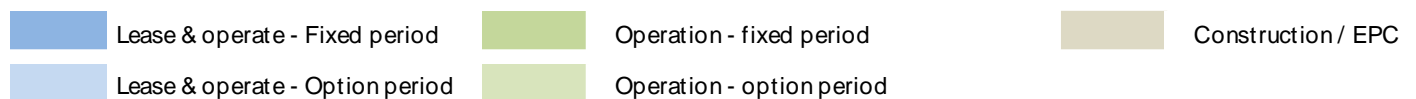
LQ, AMTEC(Japan)





# Fleet overview

Unit	Type	Contract	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sendje Berge	FPSO	Lease & Operate	Addax/Sinopec, Nigeria: 2005-2018 (2020)												
Berge Helene	FPSO	Lease & Operate	Petronas, Mauritania: 2006-2017 (2021)												
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: 2012-2017 (2020)												
BW Athena	FPSO	Lease & Operate	Ithaca, UK: 2012-2016*												
BW Joko Tole	FPSO	Lease & Operate	Kangean, Indonesia: 2012-2022 (2026)												
Umuroa	FPSO	Lease & Operate	AWE, New Zealand: 2007-2016 (2022)												
Polvo	FPSO	Lease & Operate	Petrorio(HRT), Brazil: 2007-2016 (2022)												
Abo	FPSO	Lease & Operate	Agip/ENI, Nigeria: 2003-2016 (2023)												
Espoir Ivoirien	FPSO	Lease & Operate	CNR, Ivory Coast: 2002-2017 (2036)												
Petroleo Nautipa	FPSO	Lease & Operate	Vaalco, Gabon: 2002-2020 (2022)												
Cidade de Sao Mateus	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2018 (2024)												
Catcher	FPSO	Lease & Operate	Premier, UK 2017-2024 (2042)												
Belokamenka	FSO	Lease & Operate	Rosneft, Russia: 2004-2019												
Azurite	FPSO	Tendering	<i>Murphy, Congo</i>												
P-63 (Papa Terra)	FPSO	Operate	Petrobras, Brazil: 2013-2016												
Peregrino	FPSO	Operate	Statoil, Brazil: 2013-2018 (2033)												



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



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**FINANCE**

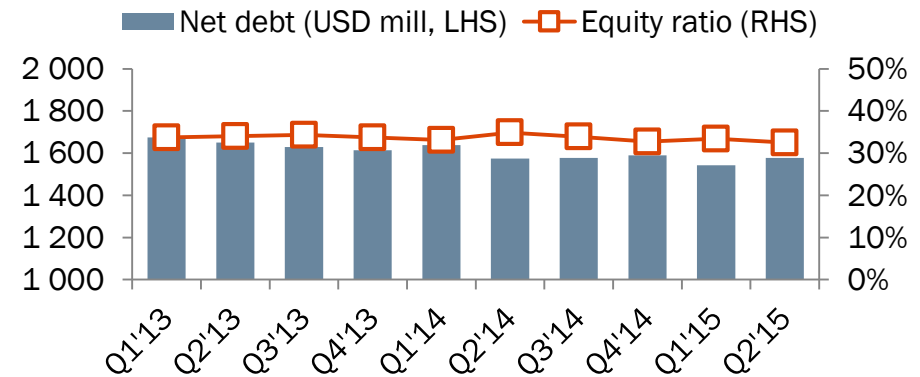


# Financials

- Received advanced payment of USD 20 demobilisation fee for BW Athena
  - Recognised USD 10 million for Q2 2015
  - USD 10 million to be booked in Q3 2015
- Increased depreciations on BW Athena
  - Field specific equipment depreciated by USD 15 million
- Equity ratio 32.5%

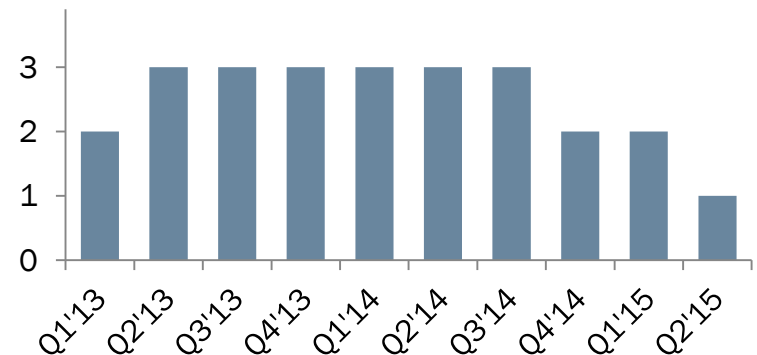
## Net debt and equity ratio

USD million and percentage



## Dividend

US cent per share





# Income statement

USD million	Q2 2015	Q1 2015
Operating revenues	243.7	236.8
Operating expenses	-139.4	-143.7
Share of profit from associates and joint ventures	0.7	0.1
<b>EBITDA</b>	<b>105.0</b>	<b>93.2</b>
Depreciation	-72.0	-57.3
Amortisations	-0.7	-0.7
Gain (loss) from sale of assets / impairments	0.0	1.5
<b>EBIT</b>	<b>32.3</b>	<b>36.7</b>
Net interest expense	-13.0	-11.9
FX, financial instruments and other financial items	8.3	-10.0
<b>Profit (loss) before tax</b>	<b>27.6</b>	<b>14.8</b>
Income tax expense	-8.0	-9.0
<b>Net profit (loss)</b>	<b>19.6</b>	<b>5.8</b>





# Statement of financial position

USD million	30.06.2015		31.03.2015	
Total non-current assets	3,107.9	84.9%	3,061.0	86.5%
Total current assets	551.8	15.1%	447.5	12.6%
<b>Total assets</b>	<b>3,659.7</b>	<b>100.0%</b>	<b>3,538.5</b>	<b>100.0%</b>
<hr/>				
Total equity	1,189.5	32.5%	1,182.6	33.4%
<i>Total non-current liabilities</i>	<i>1,812.1</i>		<i>1,757.6</i>	
<i>Total current liabilities</i>	<i>658.1</i>		<i>598.3</i>	
Total liabilities	2,470.2	67.5%	2,355.9	66.6%
<b>Total equity and liabilities</b>	<b>3,659.7</b>	<b>100.0%</b>	<b>3,538.5</b>	<b>100.0%</b>

USD million	30.06.2015
Reported interest bearing debt	1,769.5
Cash and deposits	-192.1
<b>Net interest bearing debt</b>	<b>1,577.4</b>

<b>Equity ratio</b>	<b>32.5%</b>
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# Cash flow statement

USD million	Q2 2015	Q1 2015
Net cash flow from operating activities	129.3	80.6
Net cash flow from investing activities	-125.7	-13.2
Net cash flow from financing activities	37.2	-131.5
Net change in cash and cash equivalents	40.8	-64.1
Cash and cash equivalent at start of period	151.3	215.4
Cash and cash equivalent at end of period	192.1	151.3



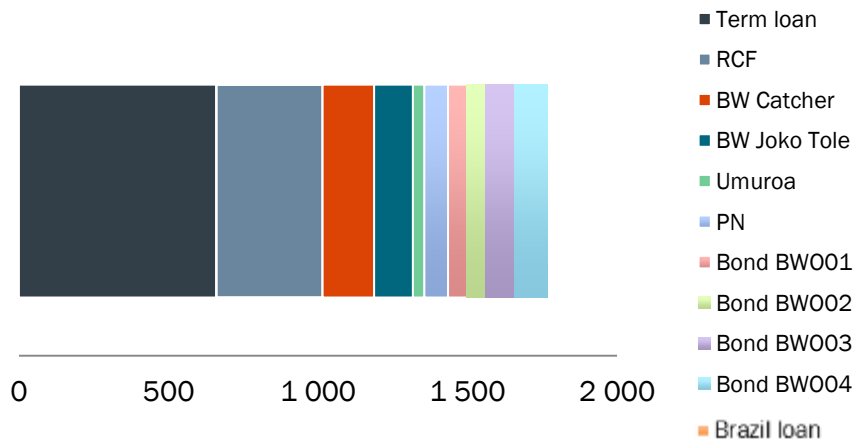


# Financing

- Available liquidity including corporate facilities USD 418.3 million
- Utilised USD 172 million of USD 800 million bank financing for the Catcher project
- Successfully completed NOK 900 million (USD 113 million) unsecured bond

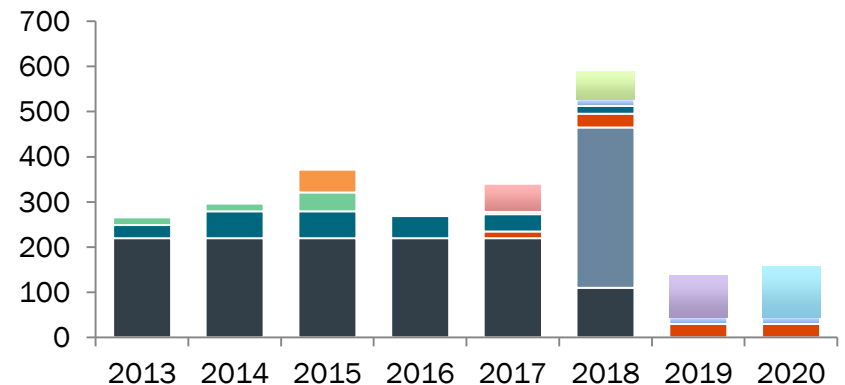
## Gross debt USD million

Per 30.06.2015



## Instalments USD million

Per 30.06.2015





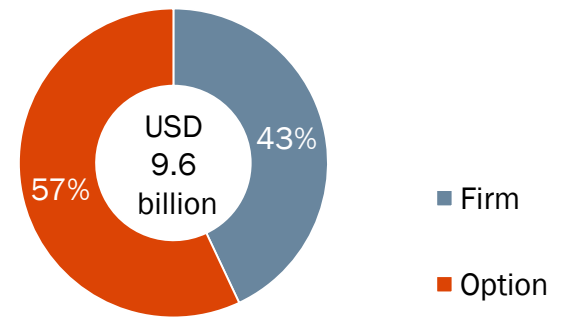
# High revenue visibility

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

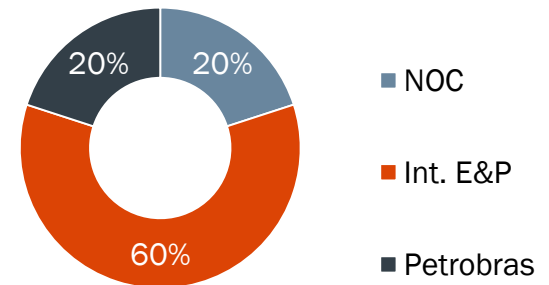


Logos from web

Backlog: Firm and option



Backlog: Counterparties





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**OUTLOOK**



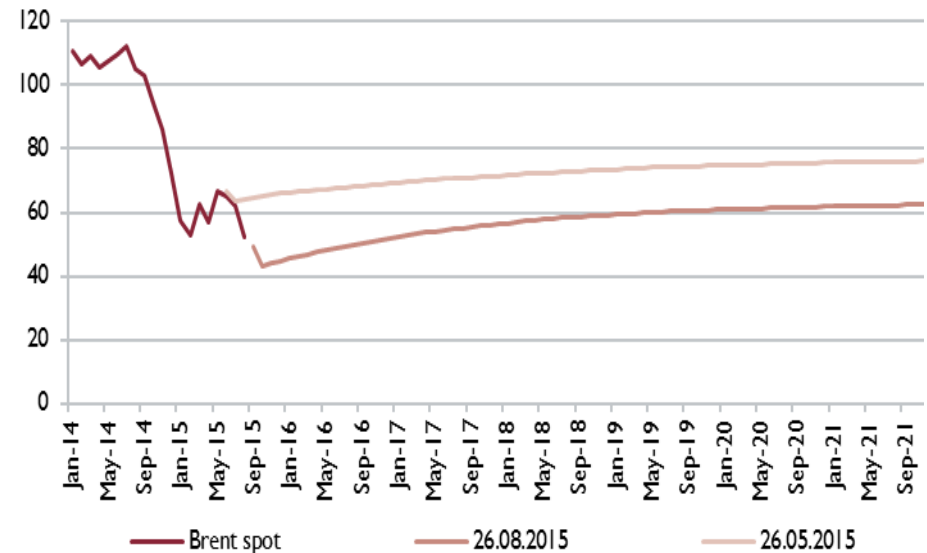
# Macro

- 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)



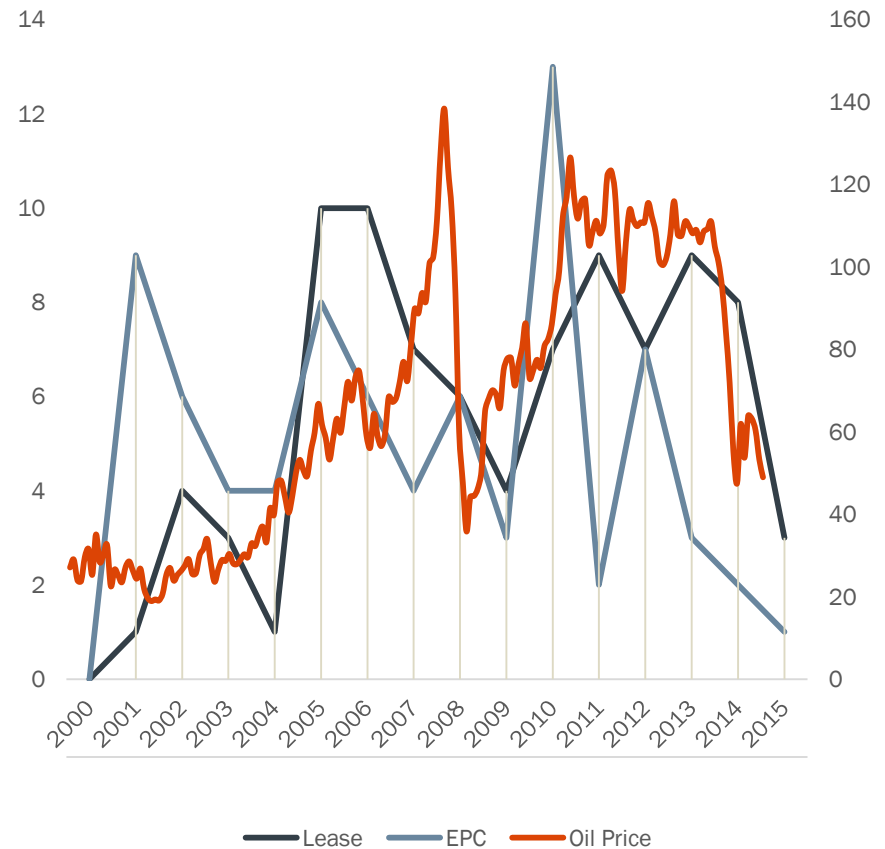
Source: Factset, Carnegie



# 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

Oil price and FPSO awards



# Current priorities

- Catcher project – hull delivery
- Cidade de São Mateus recovery
- Fleet performance
- Life extension programs
- Azurite redeployment
- New prospects





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**Q & A**

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