BW Offshore

BW OFFSHORE LIMITED

Condensed Interim Consolidated Financial Information
SECOND QUARTER AND FIRST HALF-YEAR 2015

KEY EVENTS

- EBITDA of USD 105.0 million in the second quarter and EBITDA of USD 198.2 in the first half-year 2015
- Recovery project for FPSO Cidade de São Mateus ongoing
- Successful placement of a NOK 900 million senior unsecured bond
- Dividend payment of USD 0.01 per share

FINANCIAL SUMMARY

SECOND QUARTER

Operating revenues for the quarter amounted to USD 243.7 million, an increase of USD 6.9 million (3%) (USD 236.8 million).[1]

Operating expenses amounted to USD 139.4 million, a decrease of USD 4.3 million (3%) (USD 143.7 million).

EBITDA for the second quarter amounted to USD 105.0 million, an increase of USD 11.8 million (13%) (USD 93.2 million).

Depreciation amounted to USD 72.0 million, an increase of USD 14.7 million (26%) (USD 57.3 million).

Operating profit for the quarter amounted to USD 32.3 million (USD 36.7 million).

Net financial expenses for the quarter amounted to USD 4.7 million (USD 21.9 million).

Tax expense for the quarter amounted to USD 8.0 million (USD 9.0 million).

Net profit amounted to USD 19.6 million compared to USD 5.8 million.

Main change to EBITDA relates to higher revenues due to recognition of demob fee from termination of the original contract offset by lower revenues under the revised contract with Ithaca Energy for FPSO Athena. EBITDA is also positively affected by unused maintenance days invoiced to clients during second quarter. Lastly EBITDA is negatively impacted by the accident on Cidade de São Mateus, as the Company only started recognising loss of hire insurance from mid-May.

Depreciations have increased mainly as depreciations of non-recoverable costs on BW Athena have been accelerated due to the outlook under the revised contract with Ithaca Energy.

Net financial expenses have decreased mainly as a result of higher interest rates reducing net liability on hedging contracts.

Total equity at 30 June 2015 amounted to USD 1,189.5 million, an increase of USD 6.9 million (1%) (USD 1,182.6 million at 31 March 2015). The equity ratio was 32.5% at the end of the quarter, down from 33.4%.

As of 30 June 2015, the Company had USD 1,022.4 million in interest-bearing loans and USD 60.0 million in letters of guarantee drawn under the USD 2,400 million credit facility. The committed amount on the USD 2,400 million credit facility was USD 1,308.6 million, following scheduled reductions. Total utilised debt facilities for the company, including bond loans and other facilities was USD 1,793.9 million. Total available liquidity as of 30 June 2015 amounted to USD 418.3 million.

During the quarter, BW Offshore successfully completed a NOK 900 million senior unsecured bond issue with maturity in June 2020. The interest payable on the bond is NOK NIBOR + 425bps. The bond loan has been swapped to USD. The proceeds will be used for general corporate purposes.

Net debt amounted to USD 1,577.4 million at 30 June 2015 (USD 1,542.2 million at 31 March 2015).

Net cash inflow from operating activities was USD 129.3 million (USD 80.6 million). Net cash outflow from investing activities was USD 125.7 million (USD 13.2 million). Cash outflow on investing activities is mainly related to capitalisation on the Catcher project and capital expenditures for ongoing life extension activities. Life extension activities are generally either covered on a cost plus basis or reimbursed through higher day rates. Net cash inflow from financing activities was USD 37.2 million (Net cash outflow of USD 131.5 million).

FIRST HALF-YEAR

EBITDA decreased by USD 96.4 million to USD 198.2 million (USD 294.6 million) in the first-half year of 2015.[2]

Operating profit decreased by USD 116.9 million to USD 69.0 million (USD 185.9 million) in the first half-year of 2015.

Net financial expenses were reduced by USD 5.4 million to USD 26.6 million (USD 32.0 million).

Net result before tax was reduced by USD 111.5 million to USD 42.4 million (USD 153.9 million).

Tax expense decreased by USD 2.6 million to USD 17.0 million (USD 19.6 million).

Net profit was USD 25.4 million (USD 134.3 million) and earnings per share were USD 0.04 (USD 0.20).

The reduced profit mainly relates to the early termination fee for FPSO Azurite which was recognised during first half of 2014, lower revenues during 2015 as FPSO Cidade de São Mateus has been off-hire after the accident 11 February 2015, and increased depreciation costs on BW Athena due to the revised contract with Ithaca Energy.

OPERATIONS

BW Offshore operates 17 units. The owned fleet consists of 14 FPSOs and one FSO. Average uptime during the second quarter was 99.8% (94.4%). The lower uptime in the first quarter was caused by the off hire of FPSO Cidade de São Mateus, which is now excluded from the average uptime until the unit recommences operations after the repair project.

The Company operates the FPSO Peregrino for Statoil and Sinochem on the Peregrino oil field offshore Brazil.

[1] Figures presented are compared to previous quarter (first quarter of 2015 in brackets)

[2] Figures presented are compared to previous year (first half of 2014 in brackets)

The Company also operates the FPSO P-63 owned by Petrobras and Chevron on the Papa Terra field offshore Brazil for three years in a joint venture with Queiroz Galvão Óleo e Gás S.A. ('QGOG'). The operation started in November 2013.

Work is still ongoing after the accident on Cidade de São Mateus 11 February 2015 to empty the unit of cargo and disconnect the unit for transport to a yard for repairs. The disconnection of the unit has been significantly delayed by the approval process in Brazil. The cost of repairs are still being estimated together with impact from impairment to be taken for damages incurred. As the unit is still at the field, it has been challenging to get access to make an accurate assessment of the damages, and consequentially also to decide the book value to be impaired. This impairment charge will be booked as soon as a reliable estimate can be made.

BW Offshore carries insurance cover on a fleet wide basis, for its crew and support staff, pollution and clean up and any damage to vessels. In addition, the FPSO Cidade de São Mateus is also covered by a loss of hire insurance from 12 May for a period of 12 months. The accident and its consequences will to a large extent be covered by these policies and BW Offshore is working closely with insurers and their loss adjusters in the recovery operations. Given the delay to the disconnection the unit is expected to be without rate for some time before repairs can be carried out and the unit returns to the field. The length of this period is still uncertain.

All other FPSOs and FSO are on contract per the end of the quarter. Azurite has been returned by the client before the end of the fixed contract and is marketed for new projects.

PROJECTS

The Catcher project remains within budget with expected first oil in 2017. Good progress was made during the quarter on engineering, procurement and construction activities. Construction of the turret mooring system is progressing well with the mating cone module completed and delivered to the hull fabrication yard.

Hull activities have slipped due to yards inability to progress the hull delivery in accordance with the contractual schedule. A mitigation plan has been implemented to minimise the impact to the overall project schedule. Topside fabrication is developing as planned. At the end of the quarter more than 75% of the projected project cost has been committed. BW Offshore is closely monitoring progress and safety in all the project activities, ensuring that mitigating actions are implemented quickly if any deviation is detected.

The Company is undertaking a number of modification and life extension activities on existing units. These activities are either covered on a cost plus basis or reimbursed through higher day rates.

DIVIDEND

The Board has declared a cash dividend of one cent per share for the quarter. The shares will be traded ex-dividend as of 10 September 2015. The dividend will be payable on or about 18 September 2015 to shareholders of record on 11 September 2015.

OUTLOOK

The short- and medium term outlook for BW Offshore's products and services has changed due to the drop in oil price. Macro conditions for the offshore industry have significantly worsened with expected continued drop in capital expenditure.

BW Offshore still expects outsourcing of production to be a cost effective solution for oil & gas companies but believes it is prudent to expect a prolonged downturn in orders being awarded.

The majority of BW Offshore's fleet remain on long-term contracts with national and independent oil companies. The fleet will continue to generate a healthy cash flow in the time ahead.

Redeployment of units coming off contracts will be affected by the reduced number of new developments. In the current market, BW Offshore believes it is important to preserve financial capacity for a more uncertain future.

DECLARATION OF THE BOARD

We confirm to the best of our knowledge that the Condensed Interim Consolidated Financial Information for the first half-year of 2015 has been prepared in accordance with IAS 34 "Interim Financial Reporting", and gives a true and fair view of BW Offshore Limited's consolidated assets, liabilities, financial position and income statement as a whole. We also confirm to the best of our knowledge that the Financial Summary includes a fair review of important events that arose during the first half-year of 2015, and their impact on the Condensed Interim Consolidated Financial Information, and accounts properly for the principal risks and uncertainties for the remaining half-year of 2015, as well as major related parties transactions.

Bermuda, 27 August 2015

Andreas Sohmen-Pao Chairman	Ronny Johan Langeland Vice Chairman	Carsten Mortensen
Christophe Pettenati-Auzière	Maarten Scholten	Clare Spottiswoode

INCOME STATEMENT

(Unaudited figures in USD million)

	Notes	Q2 15	Q1 15	Q2 14*	H1 2015	H1 2014*
Operating revenue		**243.7**	**236.8**	**319.8**	**480.5**	**557.1**
Operating expenses		**(139.4)**	**(143.7)**	**(138.5)**	**(283.1)**	**(264.7)**
Share of profit/(loss) of associates and joint ventures	6	0.7	0.1	1.6	0.8	2.2
Operating profit before depreciation/amortisation		**105.0**	**93.2**	**182.9**	**198.2**	**294.6**
Depreciation	11	(72.0)	(57.3)	(52.6)	(129.3)	(107.9)
Amortisation		(0.7)	(0.7)	(0.5)	(1.3)	(1.0)
Gain on sale of assets	12	0.0	1.5	0.1	1.4	0.2
Operating profit / (loss)		**32.3**	**36.7**	**129.9**	**69.0**	**185.9**
Interest income		0.4	1.3	0.2	1.7	0.3
Gain/(loss) on financial instruments	7	8.5	(10.2)	(3.6)	(1.7)	(3.0)
Interest expense		(13.4)	(13.2)	(16.0)	(26.6)	(30.8)
Other financial items		(0.2)	0.2	1.3	0.0	1.5
Net financial income/(expense)		**(4.7)**	**(21.9)**	**(18.1)**	**(26.6)**	**(32.0)**
Profit/(loss) before tax		**27.6**	**14.8**	**111.8**	**42.4**	**153.9**
Income tax expense		(8.0)	(9.0)	(10.6)	(17.0)	(19.6)
Net profit/(loss) for the period		**19.6**	**5.8**	**101.2**	**25.4**	**134.3**
Net profit/(loss) attributable to owners of the Company		19.6	5.8	101.2	25.4	134.3
Basic/diluted earnings/(loss) per share (USD) net		0.03	0.01	0.15	0.04	0.20

** The financial information for 2014 has been restated as the company has reclassified currency hedges to gain/(loss) financial instruments effective 1 January 2015.*

COMPREHENSIVE INCOME STATEMENT

(Unaudited figures in USD million)

	Q2 15	Q1 15	Q2 14	H1 2015	H1 2014
Net profit/(loss) for the period	19.6	5.8	101.2	25.4	134.3
Other comprehensive income					
Items to be reclassified to profit or loss:					
Currency translation differences	0.6	(4.4)	0.7	(3.8)	2.2
Net profit/(loss) on cash flow hedges	0.4	(3.4)	(3.0)	(3.0)	9.9
Net items to be reclassified to profit or loss:	**1.0**	**(7.8)**	**(2.2)**	**(6.9)**	**12.1**
Items not to be reclassified to profit or loss:					
Actuarial gains/(losses) on defined benefit plans	0.0	0.0	0.0	0.0	0.0
Net items not to be reclassified to profit or loss:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Other comprehensive income, net of tax	**1.0**	**(7.8)**	**(2.2)**	**(6.9)**	**12.1**
Total comprehensive income	**20.6**	**(2.0)**	**99.0**	**18.5**	**146.4**

The notes in pages 6-9 are an integral part of these consolidated interim financial statements.

STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)

ASSETS	Notes	30.06.2015	31.03.2015	31.12.2014	30.06.2014
Vessels and vessels under construction	2,11,12	2,758.6	2,705.9	2,747.7	2,565.7
Property and other equipment		10.8	11.3	12.2	11.5
Goodwill and intangibles		191.4	191.4	191.2	190.2
Finance lease receivables	3	131.5	136.3	140.9	149.8
Investments in associates and joint ventures	6	6.8	4.7	4.7	44.3
Derivatives		0.4	0.3	1.1	1.6
Deferred assets		8.4	11.1	18.6	29.2
Total non-current assets		**3,107.9**	**3,061.0**	**3,116.4**	**2,992.3**
Inventory		6.5	6.6	6.6	4.5
Trade receivables and other current assets		353.2	319.6	324.5	282.6
Derivatives		0.0	0.0	6.0	0.6
Cash and deposits		192.1	151.3	215.4	196.2
Total current assets		**551.8**	**477.5**	**552.5**	**483.9**
TOTAL ASSETS		**3,659.7**	**3,538.5**	**3,668.9**	**3,476.2**
EQUITY AND LIABILITIES					
Total equity attributable to owners of the Company	4	1,189.5	1,182.6	1,198.1	1,229.2
Total equity		**1,189.5**	**1,182.6**	**1,198.1**	**1,229.2**
Interest-bearing long-term debt	5	1,446.3	1,380.0	1,433.7	1,411.1
Pension obligations		16.1	15.3	14.3	6.6
Other long-term liabilities	8	239.7	235.3	219.3	212.3
Derivatives		110.0	127.0	100.4	43.1
Total non-current liabilities		**1,812.1**	**1,757.6**	**1,767.7**	**1,673.0**
Trade and other payables		265.2	213.0	263.0	196.1
Derivatives		32.9	35.1	33.1	5.7
Interest-bearing short-term debt	5	323.2	313.5	371.4	343.9
Income tax liabilities		36.8	36.7	35.6	28.3
Total current liabilities		**658.1**	**598.3**	**703.1**	**574.0**
Total liabilities		**2,470.2**	**2,355.9**	**2,470.8**	**2,247.0**
TOTAL EQUITY AND LIABILITIES		**3,659.7**	**3,538.5**	**3,668.9**	**3,476.2**

The notes in pages 6-9 are an integral part of these consolidated interim financial statements.

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)

2015	Share capital	Share premium	Treasury shares	Currency translation reserve	Cash flow hedges	Other equity	Total
Equity at 1 January 2015	6.9	1,085.0	(9.1)	(8.4)	(32.8)	156.6	1,198.1
Dividend distribution	0.0	0.0	0.0	0.0	0.0	(27.4)	(27.4)
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Profit/ (loss) for the period	0.0	0.0	0.0	0.0	0.0	25.4	25.4
Other comprehensive income	0.0	0.0	0.0	(3.8)	(3.0)	0.0	(6.9)
Total equity at 30 June 2015	**6.9**	**1,085.0**	**(9.1)**	**(12.2)**	**(35.8)**	**154.9**	**1,189.5**

2014	Share capital	Share premium	Treasury shares	Currency translation reserve	Cash flow hedges	Other equity	Total
Equity at 1 January 2014	6.9	1,085.0	(9.1)	(4.2)	(16.3)	61.8	1,124.1
Dividend distribution	0.0	0.0	0.0	0.0	0.0	(41.1)	(41.1)
Profit/ (loss) for the period	0.0	0.0	0.0	0.0	0.0	134.2	134.2
Other comprehensive income	0.0	0.0	0.0	2.2	9.9	0.0	12.1
Total equity at 30 June 2014	**6.9**	**1,085.0**	**(9.1)**	**(2.0)**	**(6.4)**	**154.9**	**1,229.2**

CASH FLOW STATEMENT

(Unaudited figures in USD million)

	Q2 15	Q1 15	Q2 14	H1 2015	H1 2014
Profit/ (loss) before taxes	27.6	14.8	111.8	42.4	153.9
Unrealised currency exchange losses/(gains)	(0.7)	(0.9)	(0.9)	(1.6)	(0.4)
Depreciation and amortisation	72.7	57.9	53.1	130.6	108.9
Taxes paid	(8.0)	(7.8)	(14.1)	(15.8)	(22.7)
Share of loss/ (profit) of associated companies	(0.7)	(0.1)	(1.6)	(0.8)	(2.1)
Loss/ (gain) on sale of shares and fixed assets	0.0	(1.5)	(0.1)	(1.4)	(0.2)
Change in fair value of derivatives	(8.5)	10.2	3.6	1.7	3.0
Change in working capital	25.8	(21.5)	(6.0)	4.3	31.6
Add back of net interest expense	13.0	11.9	15.7	24.9	30.4
Other items	8.2	17.4	(17.1)	25.6	(11.8)
Net cash flow from operating activities	**129.3**	**80.6**	**144.5**	**209.9**	**290.6**
Investment in fixed assets	(124.8)	(99.9)	(37.7)	(224.7)	(163.9)
Acquisition of subsidiaries	0.0	0.0	0.0	0.0	0.0
Investment in associates	(1.4)	0.0	0.0	(1.4)	0.0
Sale of fixed assets	0.0	85.5	0.0	85.5	0.1
Interest received	0.5	1.3	0.2	1.7	0.3
Net cash flow from investing activities	**(125.7)**	**(13.2)**	**(37.5)**	**(138.8)**	**(163.5)**
Proceeds from new interest bearing debt	161.0	200.0	30.0	361.0	339.0
Repayment of interest-bearing debt	(88.9)	(295.1)	(83.9)	(384.0)	(324.0)
Dividend paid	(13.7)	(13.7)	(20.6)	(27.4)	(41.1)
Interest paid	(21.2)	(22.7)	(18.2)	(43.9)	(37.2)
Net cash flow from financing activities	**37.2**	**(131.5)**	**(92.6)**	**(94.3)**	**(63.4)**
Net change in cash and cash equivalents	40.8	(64.1)	14.3	(23.3)	63.8
Cash and cash equivalents at beginning of period	151.3	215.4	181.8	215.4	132.4
Cash and cash equivalents at end of period	**192.1**	**151.3**	**196.2**	**192.1**	**196.2**

The notes in pages 6-9 are an integral part of these consolidated interim financial statements.

NOTES TO THE ACCOUNTS (UNAUDITED)

(Figures in brackets refer to corresponding figures for 2014)

Note 1 - Accounting principles

This Interim Condensed Consolidated financial information for the second quarter, ended 30 June 2015, has been prepared pursuant to IAS 34, "Interim Financial Reporting". The Interim Condensed Consolidated financial reporting should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS, as adopted by the European Union.

The accounting policies adopted in the preparation of the Interim Condensed Consolidated financial statements are consistent with those followed in the preparation of BW Offshores annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of January 2015. The adoption of these new standards and interpretations did not have a material impact on the Group.

BW Offshore has from 1 January 2015 changed the accounting policy for classification of currency hedges from operating result to gain/(loss) on financial instruments. BW Offshore has decided to change the policy, as effects from gains or losses from currency hedges are a result of changes in exchange rates over a period of time rather than a result of operational performance. BW Offshore believe this provides for better presentation of the operational results.

During completion of the annual accounts for 2014, bond loans have been downward adjusted compared to the fourth quarter interim report of 2014 with USD 65.9 million. This has given a positive effect of USD 65.9 million on Net profit/(loss) on cash flow hedges and consequently equity compared to the fourth quarter report of 2014. Comparative numbers for 2014 in this report has been updated to reflect this.

As a result of rounding differences, numbers and or percentages may not add up to the total.

Note 2 – Vessels and vessels under construction

The book value of operating vessels and vessels under construction amounted to USD 2,758.6 million (USD 2,565.7 million) at 30 June 2015.

Capital expenditure related to vessels and vessels under construction in the second quarter 2015, amounted to USD 123.6 million (USD 36.5 million). This is related to capital expenditures on the Catcher project and capital expenditures for ongoing life extension activities. Most life extension activities are either on a reimbursable cost plus basis or covered through higher day rates.

BW Offshore will record an impairment charge for the book value of the damages to Cidade de São Mateus. However as the unit is still at the field, it has been challenging to get access to make an accurate assessment of the damages and consequentially also to decide the book value to be impaired. This impairment charge will be booked as soon as a reliable estimate can be made.

Ithaca Energy has terminated the original for FPSO Athena. At the same time, a revised contract was entered into with effect from 8 June 2015 where the parties have 60 days mutual right of termination. Considering the outlook under the revised contract, BW Offshore has changed their estimates for expected end of the contract. As a result, the Company has chosen to accelerate depreciation of non-recoverable costs for BW Athena. The change in estimate increased depreciations by USD 13.5m for the quarter. Assuming the estimate remains unchanged it will have a similar effect on depreciations for third quarter at which non-recoverable costs will be fully depreciated.

Note 3 – Finance lease receivables

Amortisation of finance lease receivables on FPSO YÙUM K`AK`NÀAB and FSO Belokamenka.

Note 4 - Equity

The number of issued shares was 688,006,004 at 30 June 2015. There were no changes in shares issued in the second quarter 2015. There were 700,000,000 authorised shares at 30 June 2015.

The Company held a total of 2,609,535 own shares at 30 June 2015.

Note 5 - Interest-bearing debt

Non-current debt

The Company had the following long-term interest-bearing debt at 30 June:

	2015	2014
USD 2.4 billion loan facility	796.8	960.4
Joko Tole loan	73.1	130.3
BWO04 - NOK 900 million Bond	113.4	0.0
BWO03 - NOK 750 million Bond	94.9	120.9
BWO02 - NOK 500 million Bond	63.4	80.9
BWO01 - NOK 500 million Bond	63.6	81.1
USD 800 million credit facility	173.2	0.0
USD 80 million bank loan	67.8	0.0
Umuroa loan	0.0	37.5
Total	1,446.3	1,411.1

During the quarter, BW Offshore completed BWO04, a NOK 900 million senior unsecured bond issue with maturity in June 2020. The interest payable on the bond is NOK NIBOR + 425bps. The bond loan has been swapped to USD. The proceeds will be used for general corporate purposes. The bond loan is subject to certain covenants, including minimum book equity of at least 25% of total assets and minimum USD 75 million available liquidity including undrawn amounts available for utilisation by the Group.

Current debt

The Company had the following current interest-bearing debt at 30 June:

	2015	2014
USD 2.4 billion loan facility	218.6	217.5
Joko Tole loan	57.2	57.4
USD 50 million unsecured term loan	0.0	53.2
BWO04 - NOK 900 million Bond	(0.3)	0.0
BWO03 - NOK 750 million Bond	(0.3)	(0.4)
BWO02 - NOK 500 million Bond	(0.2)	(0.2)
BWO01 - NOK 500 million Bond	(0.2)	(0.2)
USD 800 million credit facility	(1.2)	0.0
USD 80 million bank loan	11.4	0.0
Umuroa loan	38.2	16.7
Total	323.2	343.9

Note 6 – Investments in associates and joint ventures

Investments in associates relates primarily to the 50% shareholding in OCS Services Limited, providing primarily manning services.

Investments in Joint Ventures relates to the 50% shareholding in LLC “Oil Terminal Belokamenka” as at end of second quarter.

The Group has accounted for its shareholding in these investments according to the equity method.

Note 7 – Gain/ (loss) on financial instruments

	Q2 15	Q1 15	Q2 14*	H1 2015	H1 2014*
Gain/(loss) on financial instruments	8.5	(10.2)	(3.6)	(1.7)	(3.0)
Net gain/ (loss) on financial instruments	8.5	(10.2)	(3.6)	(1.7)	(3.0)

**The financial information for 2014 has been restated as the company has reclassified currency hedges to gain/(loss) on financial instruments effective 1 January 2015.*

Note 8 – Other long-term liabilities

Other long-term liabilities comprise of upfront payments related to charter contracts. Payments received under operating leases are recognised as operating revenue on a straight-line basis over the lease term. This implies that there might be significant timing differences between cash flow and recognised revenue from a particular lease.

Note 9 – Related party transactions

No related party transactions considered material to BW Offshore occurred during the quarter.

Note 10 – Capital commitments

Total unrecognised contractual capital commitments at 30 June 2015 amounted to USD 511.3 million (corresponding figure for 30 June 2014 was USD 419.6 million).This commitment is related to the Catcher project, ongoing life extension activities, operations as well as commitments on long term office rental. The increase is mainly related to the Catcher project.

Note 11 – Depreciation

The level of depreciation depends on the estimated useful life of the different components of the vessels and the residual value at the end of useful life. The estimated useful life used for depreciations are based on experience and knowledge of the vessels owned by the Company.

Note 12 – Sale of vessel

In the first quarter, The Company sold the VLCC BW Opal for USD 85.5 million to BW Group. The transaction was performed on an arms-length basis, based on independent valuation reports and technical inspection of the vessel. The agreement also includes an option to buy-back the vessel until Q1 2017.

Note 13 – Segments

The Company`s activities are focused on construction, ownership and operation of FPSOs and FSOs. The assets and liabilities are allocated based on the operations of the segment. Sales between segments are presented net of intercompany transactions.

FPSO activity	**Q2 15**	**Q2 14***
Revenues from third parties	243.7	319.8
General and administrative expenses	(10.9)	(12.8)
EBITDA	105.0	182.9
Net gain on sale of tangible fixed assets	0.0	0.1
Depreciation, amortization and impairment	(72.7)	(53.1)
EBIT	32.3	129.9
Other segment information		
Capital expenditure	124.8	37.7
Non-current assets (excl finance items)	2,976.3	2,842.5
Investments in associates and joint ventures	6.8	44.3
Geographical information - Revenue		
The classification of revenue per region is determined by the final destination of the FPSO		
Americas	104.2	105.4
Europe/Africa	112.4	187.1
Asia and the Pacific	27.0	27.3
Total revenue	**243.7**	**319.8**
The FPSOs by region can be analyzed as follows:		
Americas	1,173.0	1,271.8
Europe/Africa	1,263.2	859.6
Asia and the Pacific	322.3	434.3
Total non-current assets	**2,758.6**	**2,565.7**

**The financial information for 2014 has been restated as the company has reclassified currency hedges to gain/(loss) financial instruments effective 1 January 2015.*

KEY FIGURES

	Note	Q2 15	Q1 15	Q2 14*	H1 15	H1 14*
EBITDA-margin	1	43.1%	39.4%	57.2%	41.2%	52.9%
Equity ratio	2	32.5%	33.4%	35.4%	32.5%	35.4%
Return on equity	3	4.5%	4.5%	34.9%	4.4%	23.1%
Return on capital employed	4	4.2%	4.8%	16.3%	4.5%	11.7%
Net interest bearing debt (USD million)	5	1,577.4	1,542.2	1,558.8	1,577.4	1,558.8
Cash flow per share (USD)	6	0.19	0.12	0.21	0.30	0.42
EPS-basic/diluted	7	0.03	0.01	0.15	0.04	0.20
Shares-end of period (million)		688.0	688.0	688.0	688.0	688.0
Share price (NOK)		5.05	5.57	9	5.05	9
Market cap (NOKm)		3,474	3,832	6,192	3,474	6,192
Market cap (USDm)		442	474	1,006	442	1,006

Notes to key figures

1 Earnings before interest, taxes, depreciation and amortisation / Operating revenues
2 Equity / Total assets
3 Annualised net profit / Average equity
4 Adjusted EBIT (annualised) / Average (Total assets - vessels under conversion - investments without contributions to EBIT - interest free debt and equivalents)
5 Interest bearing debt - cash and cash equivalents
6 Net cash flow from operating activities / Weighted average number of shares - (USD)
7 Net profit / Weighted average number of shares

**The financial information for 2014 has been restated as the company has reclassified currency hedges to gain/(loss) financial instruments effective 1 January 2015.*

FLEET AND CONTRACTS

Name of unit	Location	Counterparty	Converted	Contract period
FPSOs				
Sendje Berge	Nigeria	Addax/Sinopec	2000	2005-2018 + options until 2020
Abo	Nigeria	Agip/ENI	2003	2003-2016 + options until 2023
Espoir Ivoirien	Ivory Coast	CNR	2002	2002-2017 + options until 2036
Berge Helene	Mauritania	Petronas	2005	2006-2017 + options until 2021
Petróleo Nautipa	Gabon	Vaalco Energy	2002	2002-2020 + options until 2022
YÙUM K`AK`NÀAB	Mexico	Pemex	2006	2007-2022 + options until 2025
BW Cidade De São Vicente	Brazil	Petrobras	2009	2009-2019 + options until 2024
Cidade De São Mateus	Brazil	Petrobras	2009	2009-2018 + options until 2024
Polvo	Brazil	Petrorio (HRT)	2007	2007-2016 + options until 2022
BW Pioneer	US	Petrobras	2010	2012-2017 + options until 2020
Umuroa	New Zealand	AWE	2007	2007-2016 + options until 2022
BW Athena	UK	Ithaca Energy and partner	2012	2016*
BW Joko Tole	Indonesia	Kangean Energy	2012	2012-2022 + options until 2026

**60 days mutual right of termination starting from June 2015*

FSO				
Belokamenka	Russia	Rosneft	2003	2004-2019
Available FPSOs				
Azurite	Singapore	Available	2009	
Operating and maintenance agreement				
Peregrino (FPSO)	Brazil	Statoil		2013-2018 + options until 2033
P-63 (FPSO)	Brazil	Petrobras		2013-2016