




BW Offshore

An aerial photograph of a large red and white offshore supply vessel at sea. The vessel has a tall white derrick on its deck and is surrounded by other smaller vessels in the distance. The water is a deep blue.

**BW OFFSHORE**  
**DNB Oil, Offshore &**  
**Shipping Conference**

4 March 2015

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
  - Global production of 700,000 boepd
- Assets on long term contracts with strong counterparties
  - Operating 17 FPSO/FSO
  - Order book of USD 10 billion
- Robust balance sheet
  - Total assets USD 3.7 billion
- Strong track record and performance
  - Delivered 38 FPSO/FSO projects
- Listed on the Oslo Stock Exchange
  - Market cap of ~USD 550 million
  - Main shareholder is BW Group (49.8%)



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



# Global footprint



\* Operation & Maintenance



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# OPERATIONS





# Cidade de São Mateus

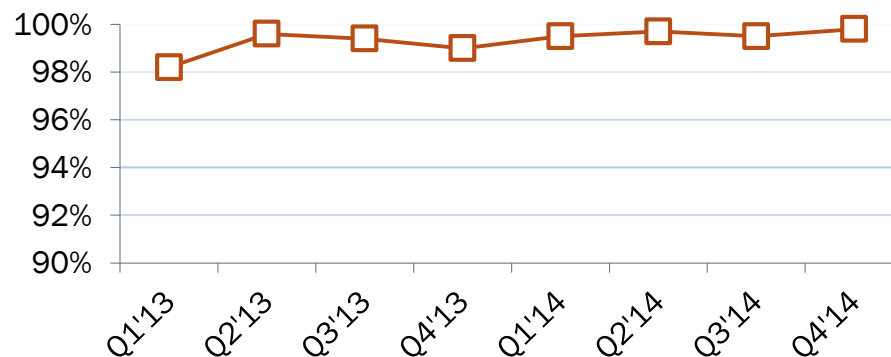
- On Wednesday, February 11, 2015, there was an explosion on Floating Production Storage and Offloading (FPSO) unit Cidade de São Mateus
- Of the 74 persons onboard, there have been nine fatalities. All crew are now accounted for
- Two personnel with injuries are receiving medical care in hospital. Their condition is reported to be stable
- BW Offshore management is on site to support personnel and next of kin
- "The rescue efforts of the past several days have now ended and all our men are accounted for. There is finally closure for the families of those we have lost. There will be continued efforts to provide the necessary support to the crew and families whose lives have been changed forever by this tragedy," says Carl Arnet, CEO of BW Offshore
- "We are grateful for the tireless support we have received from our client Petrobras and partners, as well as the local authorities. Our focus continues on getting to the root cause of the incident. We are also in discussions about reinstating the unit and finding continued employment for our crew," says Carl Arnet.



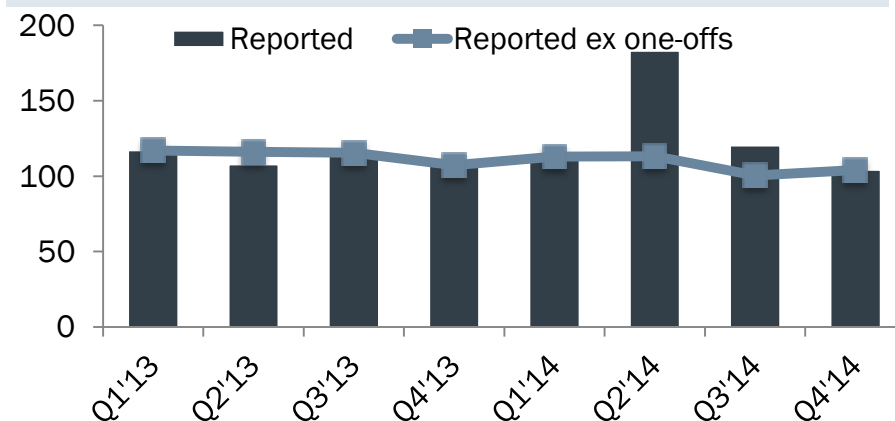
# Operational status

- Fleet uptime 99.6% for the full year
- Stable financial performance
- Acquired 100% ownership of Petroleo Nautipa with firm contract until Q3 2020
- Contract extensions in 2014
  - Abo firm contract extended to Q4 2016
  - Umuroa firm contract extended to Q4 2016
  - Berge Helene contract extended to Q2 2017
  - Polvo contracted extended to Q3 2015

Uptime

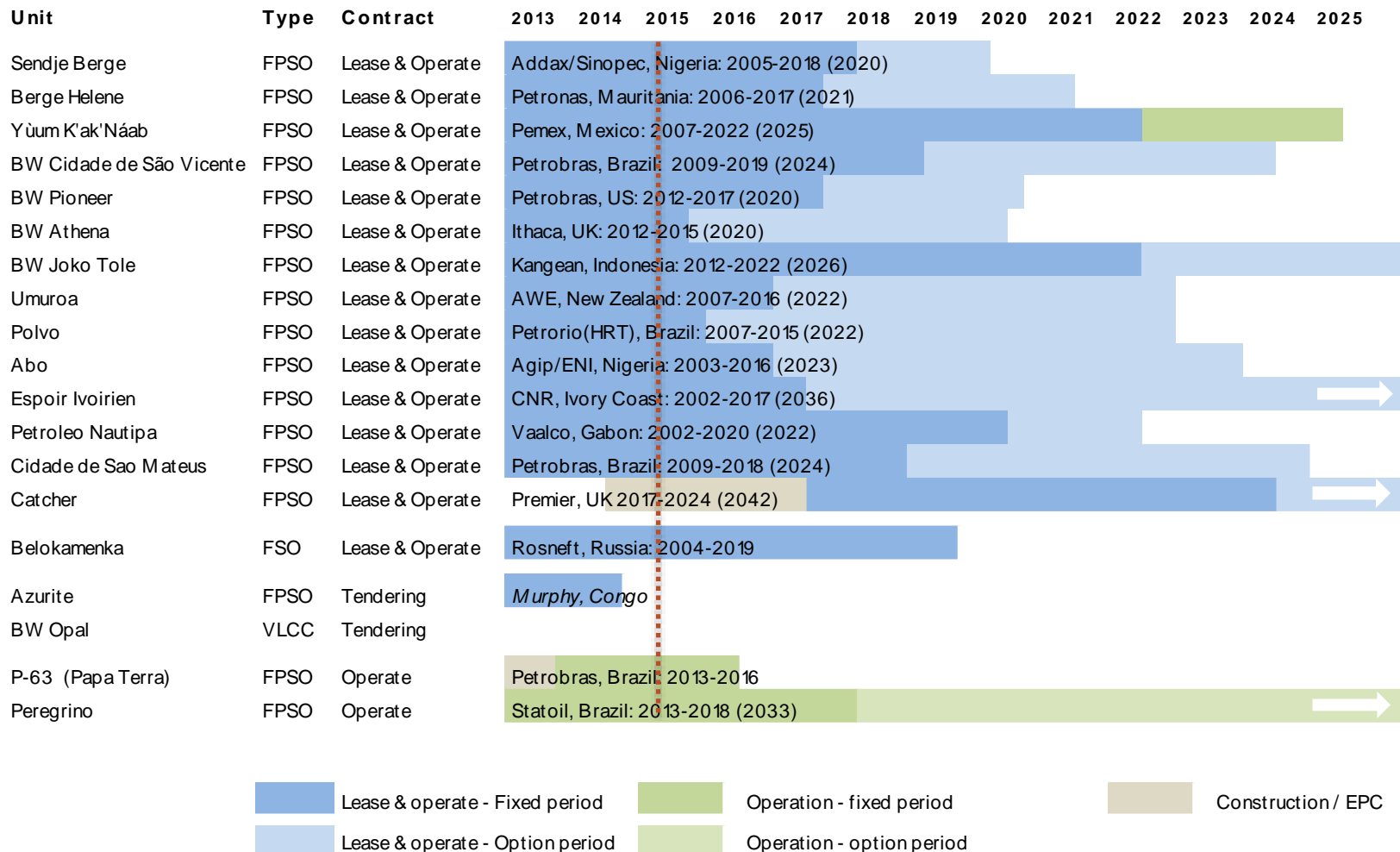


EBITDA  
USD million





# Fleet overview



# Asset management – value strategies

## Value growth existing contracts

- Proactive commercial and operational management

## Life extensions

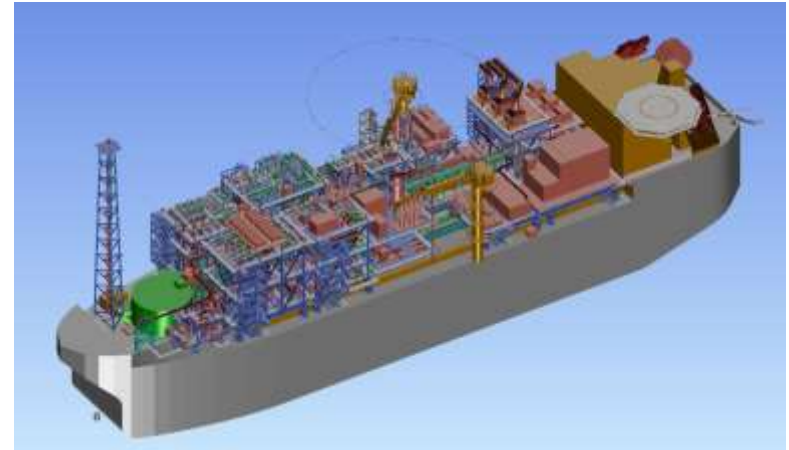
- Extension beyond existing contract
- FPSO replacement rarely a viable option for Client
- In-situ modifications most often required

## Redeployments

- Most units have significant remaining technical life
- Understanding market and operating theatres key to optimizing value

# Catcher project

- 16 months total FEED studies and planning pre contract award
- Contract signed with Premier and it's JV partners on April 2014
- 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 fabrication



## Catcher FPSO

- First oil: Mid 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



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**FINANCE**

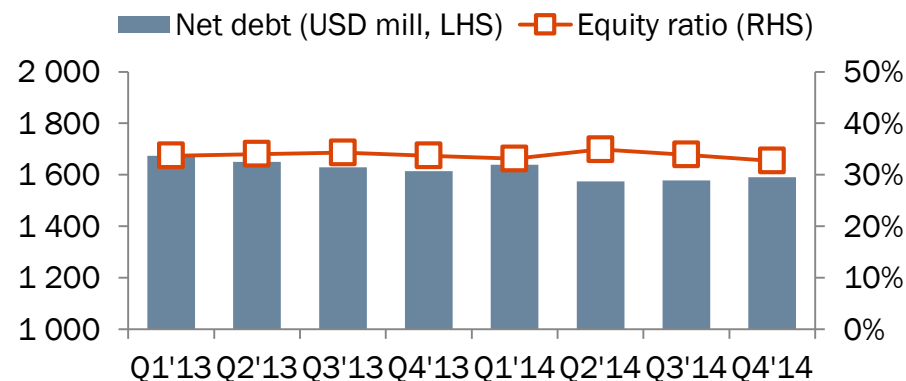


# Financials

- EBITDA of USD 520.3 in 2014
- Equity ratio 32.7%
  - Restatement of debt has increased equity ratio from 30.9% as presented in the preliminary 2014 report to 32.7%
- Dividend of USD 0.11 for 2014
  - Total divided payments of USD 76 million for 2014, equal to NOK 0.73 per share
  - USD 0.02 per share for Q4 2014

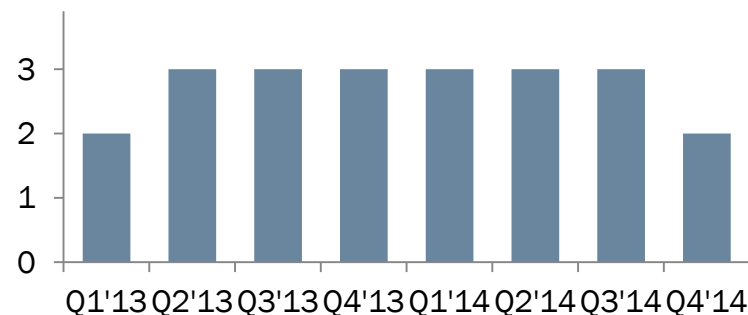
## Net debt and equity ratio

USD million and percentage



## Dividend

US cent per share

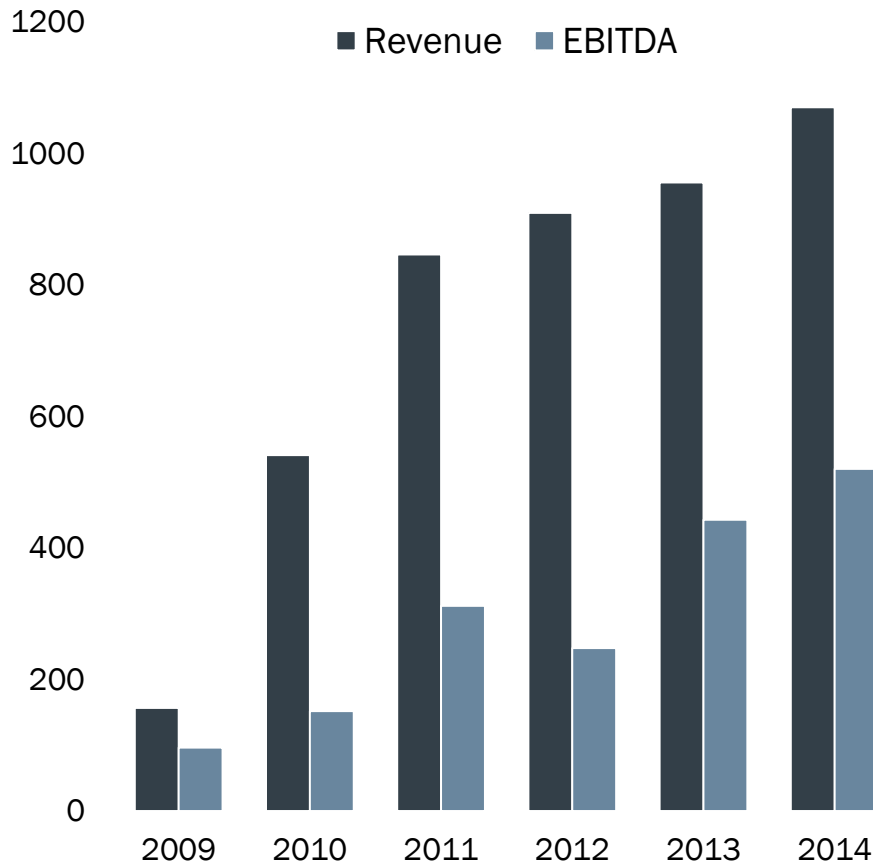




# Financial development - I

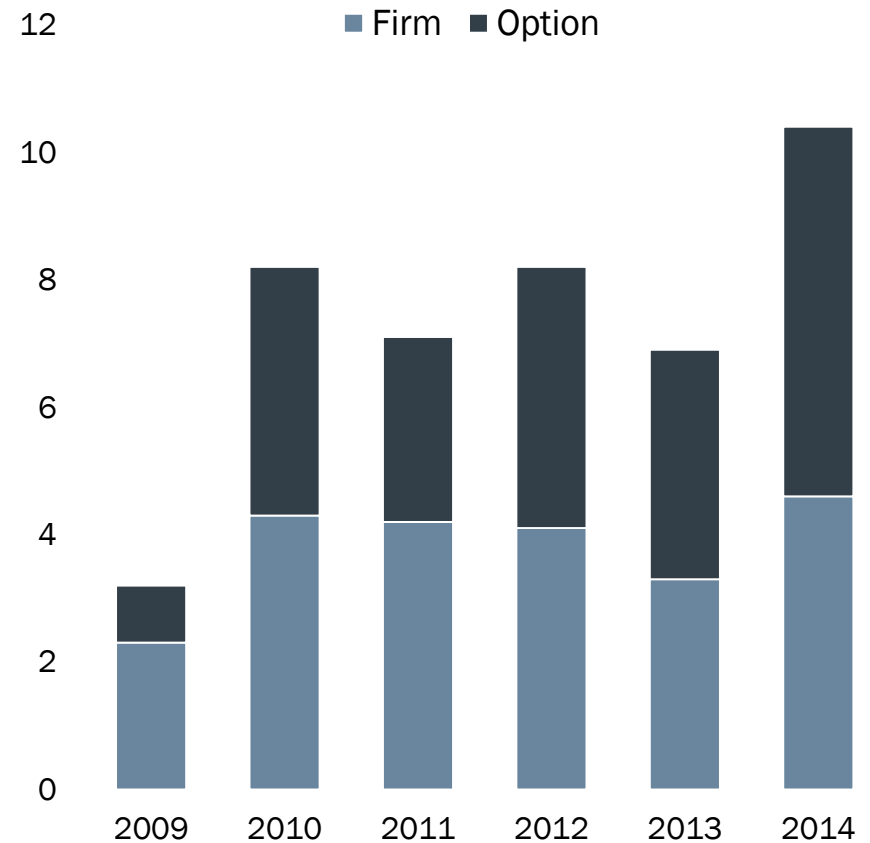
## Revenue and EBITDA

USD million



## Orderbook

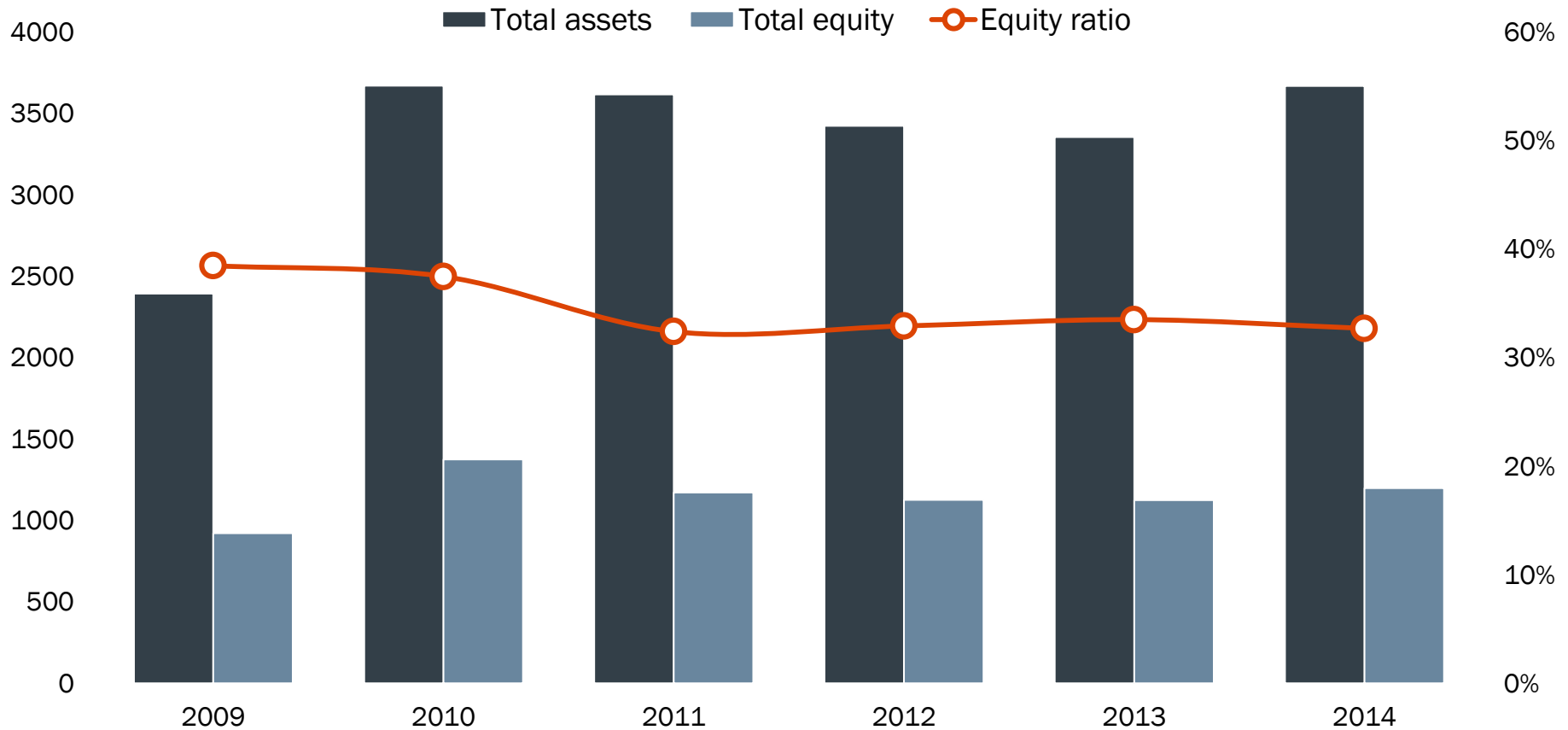
USD billion





# Financial development - II

Asset and Equity development  
USD million



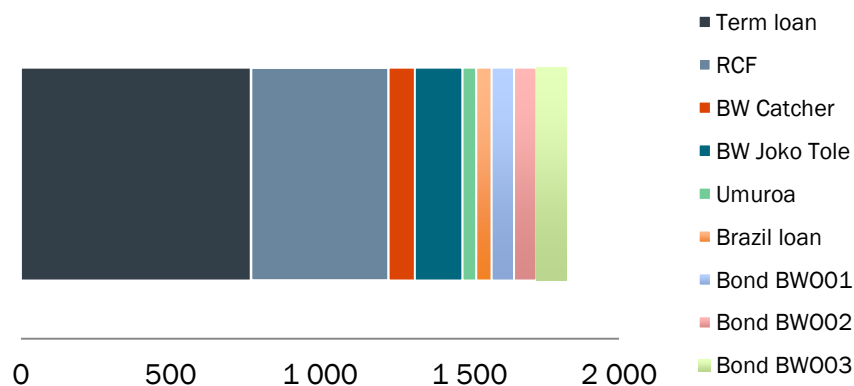


# Financing

- Fully financed by operational cash flow, cash and existing facilities
  - Available liquidity including corporate facilities USD 337 million
- Utilised USD 88 million of USD 800 million bank financing for the Catcher project
- Repayment of the Brazil loan in February 2015

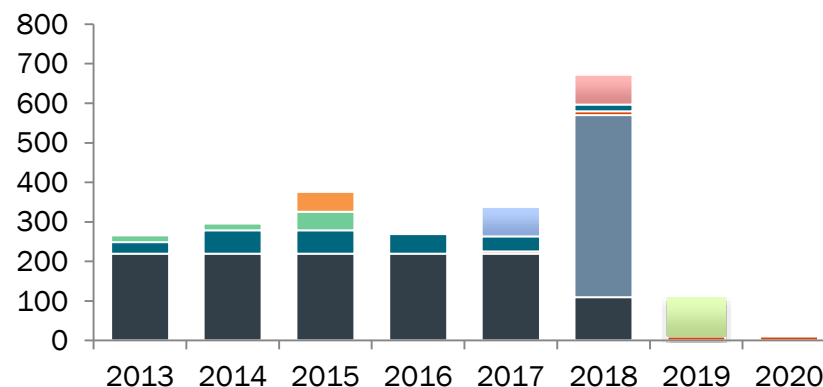
Gross debt  
USD million

Per 31.12.2014



Instalments  
USD million

Per 31.12.2014

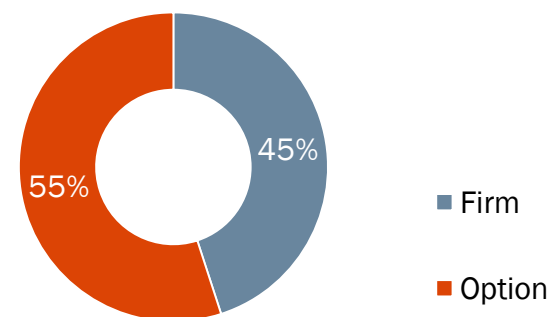




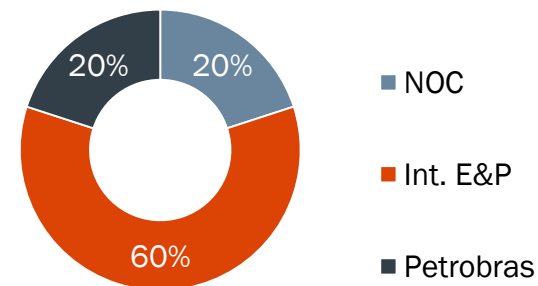
# High revenue visibility

- USD 10.4 billion backlog secure high revenue visibility
  - USD 4.6 billion firm
- Contracts secured with good counterparties

Backlog: Firm and option



Backlog: Counterparties





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**OUTLOOK**

# Prospects

- In general prospects are being delayed due to the drop in oil price
- Leviathan 1.6 BCFD gas FPSO
  - FEED for Noble Energy
  - Suspended from March
- Azurite FPSO – redeployment
  - Opportunities being evaluated





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# Current priorities

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





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**Q & A**

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A photograph of four business professionals in an office setting. Three men and one woman are gathered around a table, looking at a laptop. One man is pointing at the screen. The scene is brightly lit, likely from office windows.

# APPENDIX



# Income statement

USD million	Q4 2014	Q3 2014	2014
Operating revenues	264.8	248.5	1,070.4
Operating expenses	-160.6	-148.0	-571.9
Share of profit from associates and joint ventures	-0.1	19.8	21.8
<b>EBITDA</b>	<b>104.1</b>	<b>120.3</b>	<b>520.3</b>
Depreciation	-57.1	-55.7	-220.7
Amortisations	-0.7	-0.5	-2.3
Gain (loss) from sale of assets / impairments	0.0	0.0	0.2
<b>EBIT</b>	<b>46.3</b>	<b>64.1</b>	<b>297.5</b>
Net interest expense	-15.9	-16.6	-63.0
FX, financial instruments and other financial items	-8.7	2.3	-9.1
<b>Profit (loss) before tax</b>	<b>21.7</b>	<b>49.8</b>	<b>225.4</b>
Income tax expense	-9.0	-9.5	-38.2
<b>Net profit (loss)</b>	<b>12.7</b>	<b>40.4</b>	<b>187.2</b>

USD million	Q4 2014
<b>Reported EBITDA</b>	<b>104.1</b>
Adjustment for FX included in EBITDA	5.1
<b>Operational EBITDA</b>	<b>109.2</b>



# Statement of financial position

USD million	31.12.2014		30.09.2014	
Total non-current assets	3,116.4	84.9%	3,077.9	86.5%
Total current assets	552.5	15.1%	481.0	13.5%
<b>Total assets</b>	<b>3,668.9</b>	<b>100.0%</b>	<b>3,558.9</b>	<b>100.0%</b>
<hr/>				
Total equity	1,198.1	32.7%	1,207.6	33.9%
<i>Total non-current liabilities</i>	<i>1,767.7</i>		<i>1,711.7</i>	
<i>Total current liabilities</i>	<i>703.1</i>		<i>639.6</i>	
Total liabilities	2,536.7	67.3%	2,351.3	66.1%
<b>Total equity and liabilities</b>	<b>3,668.9</b>	<b>100.0%</b>	<b>3,558.9</b>	<b>100.0%</b>

USD million	31.12.2014
Reported interest bearing debt	1,805.1
Cash and deposits	-215.4
<b>Net interest bearing debt</b>	<b>1,589.7</b>

<b>Equity ratio</b>	<b>32.7%</b>
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# Cash flow statement

USD million	Q4 2014	Q3 2014	2014
Net cash flow from operating activities	133.2	125.1	548.9
Net cash flow from investing activities	-168.5	-87.7	-419.7
Net cash flow from financing activities	66.4	-49.3	-46.3
Net change in cash and cash equivalents	31.1	-11.9	83.0
Cash and cash equivalent at start of period	184.3	196.2	132.4
Cash and cash equivalent at end of period	215.4	184.3	215.4





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Further information: [www.bwoffshore.com](http://www.bwoffshore.com)

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