

# BW OFFSHORE

Q1 2018

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30 May 2018

**SMARTER TOGETHER.  
EVERY DAY**



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# RECENT HIGHLIGHTS



Successful completion of first production well and appraisal well at Tortue in Q2

Contract extension for FPSOs Polvo and Abo

BW Catcher reached nameplate capacity in mid-May

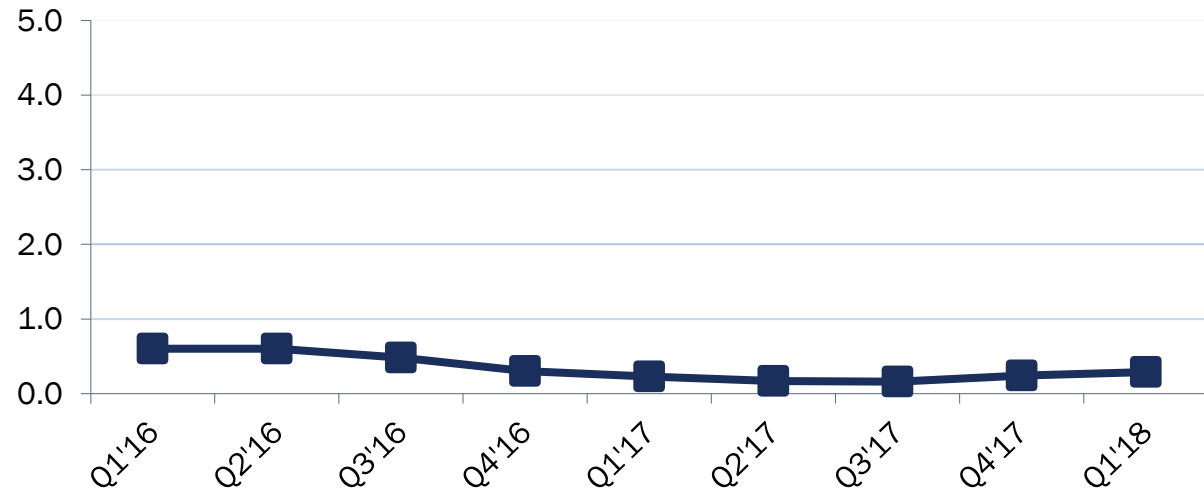
- EBITDA of USD 108.5 million in the first quarter
- Tuning of BW Catcher process facilities ongoing

# OPERATIONAL STATUS

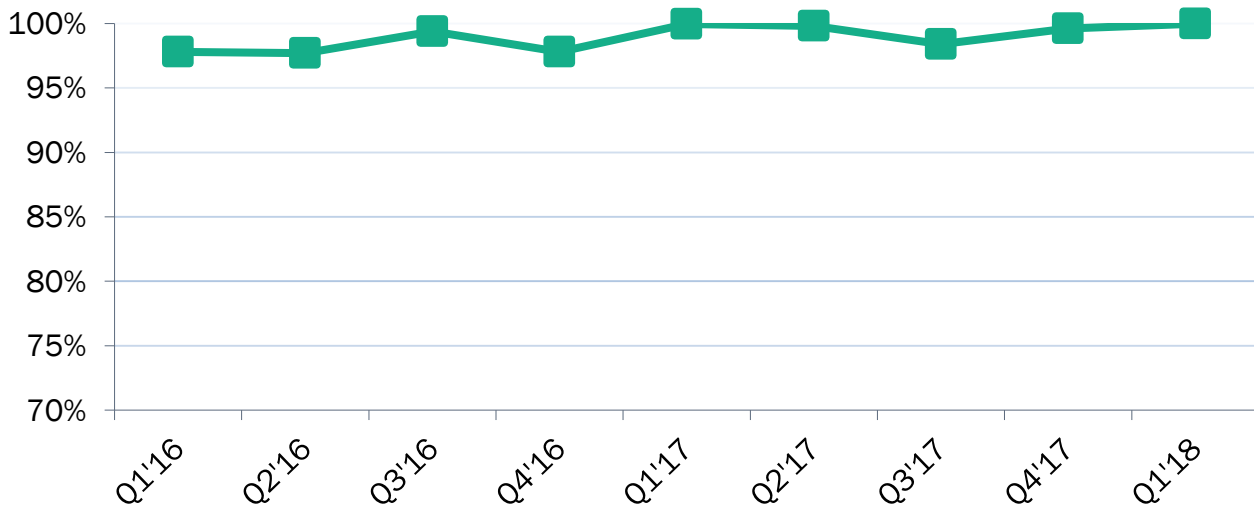


## HSE record (LTI)

Lost time injuries per million man-hours



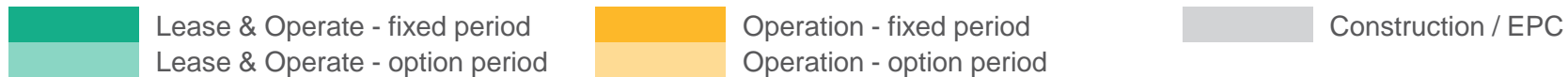
## Uptime



# FLEET CONTRACTUAL VIEW



Unit	Type	Contract	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Sendje Berge	FPSO	Lease & Operate	Addax/Sinopec, Nigeria: 2005-2021 (2023)														
Yúum K'ak' Náab	FPSO	Lease & Operate	Pemex, Mexico: 2007-2022 (2025)									Operation - option period					
BW Cidade de São Vicente	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2019 (2024)														
BW Pioneer	FPSO	Lease & Operate	Petrobras, US: 2012-2020														
BW Joko Tole	FPSO	Lease & Operate	Kangean, Indonesia: 2012-2022 (2026)														
Umuroa	FPSO	Lease & Operate	Tamarind, New Zealand: 2007-2018 (2022)														
FPSO Polvo	FPSO	Lease & Operate	PetroRio, Brazil: 2007-2019 (2022)														
Abo FPSO	FPSO	Lease & Operate	Agip/Eni, Nigeria: 2003-2018 (2019)														
Espoir Ivorien	FPSO	Lease & Operate	CNR, Ivory Coast: 2002-2022 (2036)														
Petroleo Nautipa	FPSO	Lease & Operate	Vaalco, Gabon: 2002-2020 (2022)														
BW Catcher	FPSO	Lease & Operate	Premier Oil, UK 2018-2025 (2043)														
BW Adolo	FPSO	Lease & Operate	BW Energy, Gabon 2018-2023 (2038)														
Berge Helene	FPSO	Tendering	Petronas, Mauritania: 2006-2017														
FPSO Cidade de São Mateus*	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2018 (2024)														
Belokamenka	FSO/ULCC	Tendering	Rosneft, Russia														
BW Athena	FPSO	Tendering	Ithaca, UK														



# BW CATCHER



- All hook up activities and commissioning completed – all utility systems performing to expectations
- Oil train is tested and nameplate capacity achieved in May
- Successfully offloaded five cargos
- Extensive testing and fine tuning is still ongoing
- Negative financial impact expected in Q2 due to reduced dayrate payments



## Berge Helene

- On the way to Singapore with expected arrival in Q3



## Abo FPSO

- Contract extended until end Q1 2019



## FPSO Polvo

- 1 year extension until July 2019
- Client planning for further extension of field life



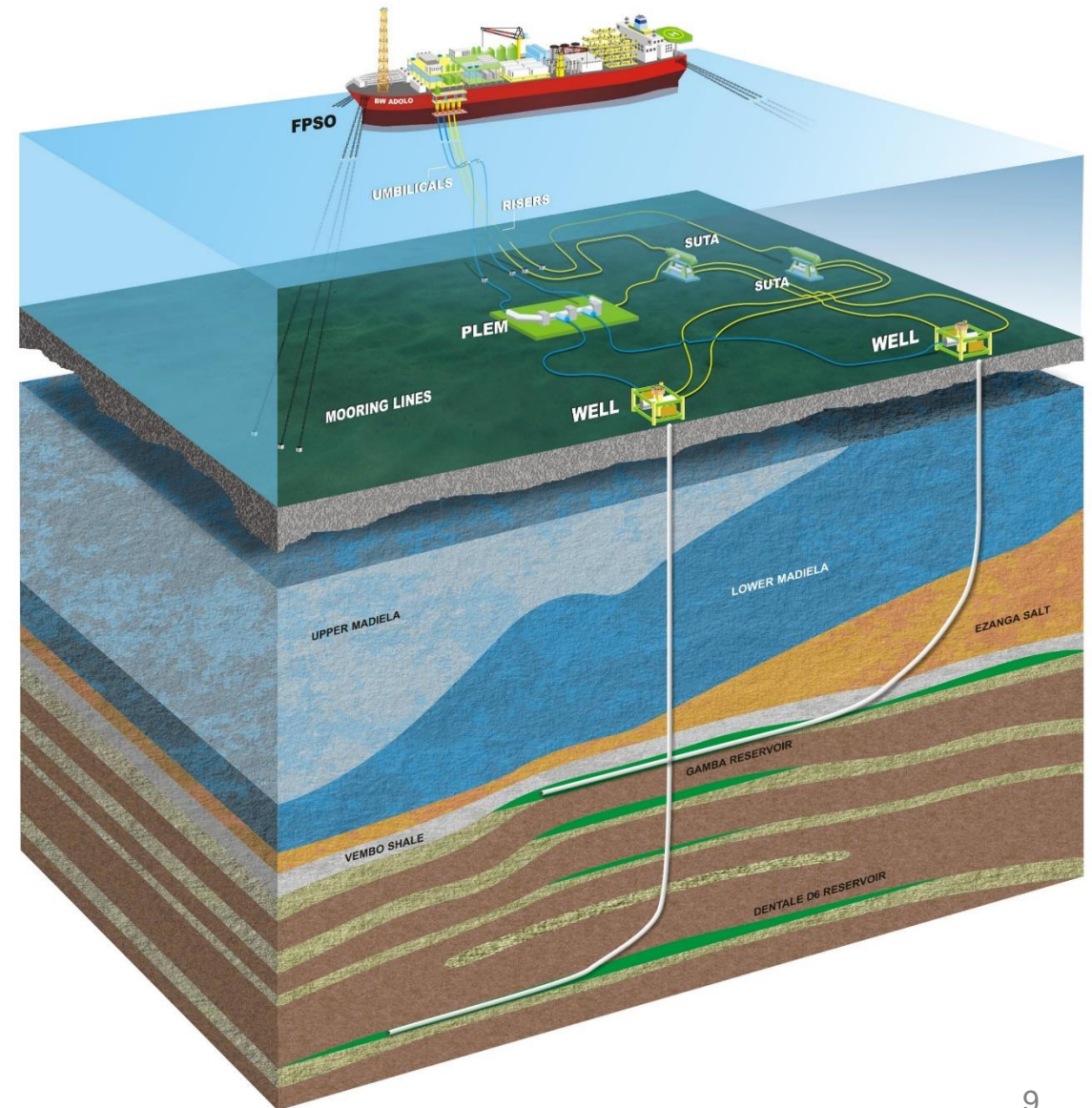
# DUSSAFU DEVELOPMENT



# TORTUE DEVELOPMENT UPDATE



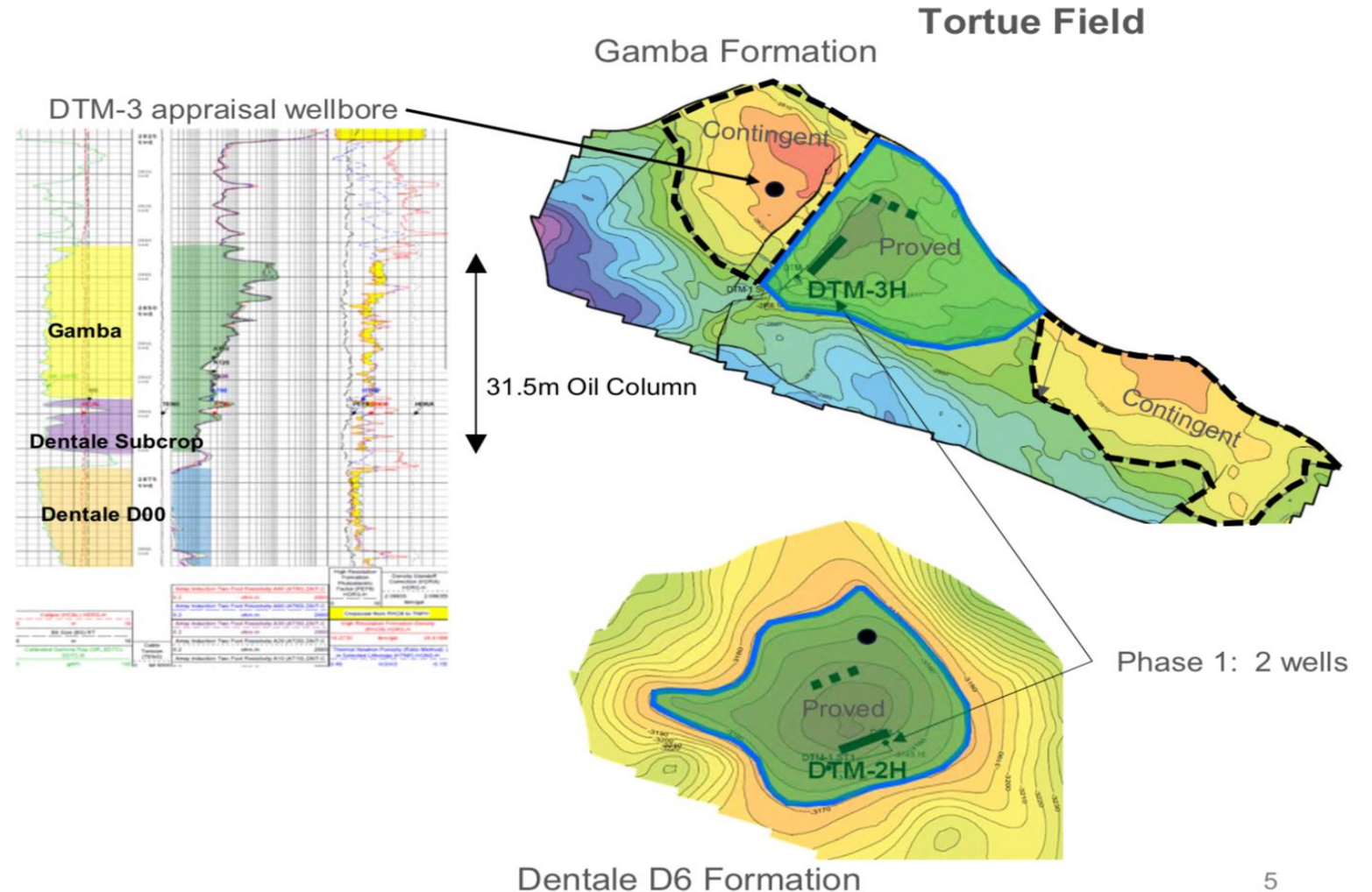
- All necessary government approvals obtained
- Project on schedule and budget
- Drilling operations progressing well
  - DTM-2H completed
  - DTM-3 completed (appraisal well for western Tortue)
  - DTM-3H operations ongoing
- All major SURF equipment have completed factory acceptance tests and ready to ship
- FPSO scheduled to arrive in Gabon August 2018
- First Oil scheduled for 2H 2018



# SUCCESSFUL TORTUE FIELD APPRAISAL



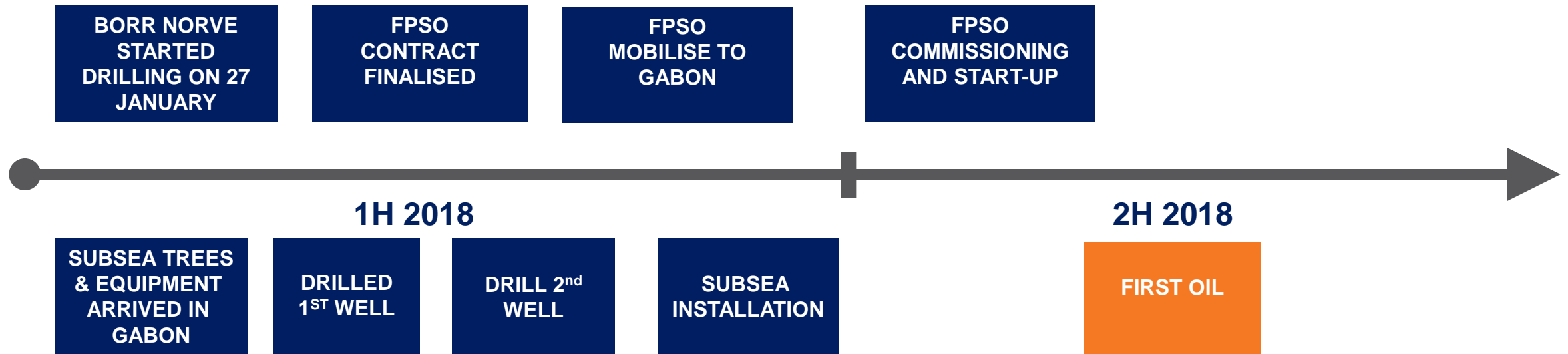
- DTM-3 successfully appraised the western portion of the Tortue field
- Encountered the Gamba formation on prognosis – early evaluation:
  - Thicker sand interval
  - Better porosity
  - Additional Dentale Sub-crop sand
  - Same Oil / Water contact as central compartment
- Subject to satisfactory completion of evaluation and necessary approvals obtained, will move western Gamba classification from “Contingent” to “Proved” reserves



- Gabon government has confirmed the use and contract of the FPSO BW Adolo
  - FPSO contract has been signed
- Unit is undergoing final tests and inspections before moving to anchorage in final preparation for voyage
- Sailaway expected in June
  - Expected arrival in Gabon in August
- Life extension scope increased due to positive reserve development and estimated longer production profile
- Gross CAPEX estimate of USD 125 million including reimbursable elements from BW Energy



# DUSSAFU TIMELINE - ON SCHEDULE





**RUCHE EEA AREA  
WITHIN THE  
DUSSAFU PERMIT**

- +15 million bbls mid case gross reserves
- Est. peak 10,000 to 15,000 bbls/day

- Up to 45 million bbls incremental gross Tortue upside reserves
- Est. peak 15,000 to 25,000 bbls/day

- Further potential for 40 million bbls gross reserves from other discoveries

## Tortue Phase 1: 2018

- On target for first oil in 2H 2018
- Project on schedule and on budget
- Initially 2 wells at Tortue
- Gross capital investment USD 160-170 million

## Tortue Phase 2 and onwards: 2019 →

- Tortue Phase 2 may contain up to 4 additional production wells after confirmation of western flank
- First Oil from Tortue Phase 2 tentatively scheduled for 1H 2020

## Current Ruche EEA upside

- Ruche NE structure appraisal well planned after current drilling program
- Part of potential 3 well appraisal plan to evaluate the greater Ruche area

A red helicopter is parked on a green helipad on the deck of a ship. The helicopter has "Era" written on its side. A pilot in a white uniform and headset is walking towards the camera. The background shows the ocean and a sunset sky. A large white diagonal shape is overlaid on the image.

**FINANCE**

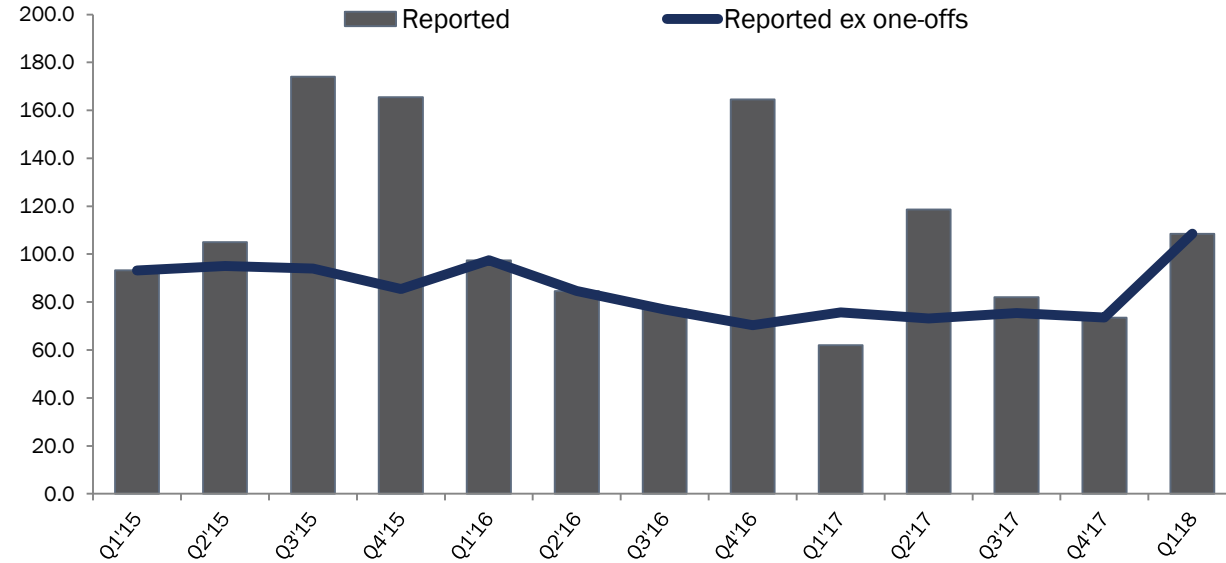
# FINANCIALS



- ▮ EBITDA of USD 108.5 million
  - ▮ Increase in EBITDA mainly due to BW Catcher on operation for a full quarter
  - ▮ Partly offset by negative effect from demobilisation of Berge Helene and the revised contract for Sendje Berge

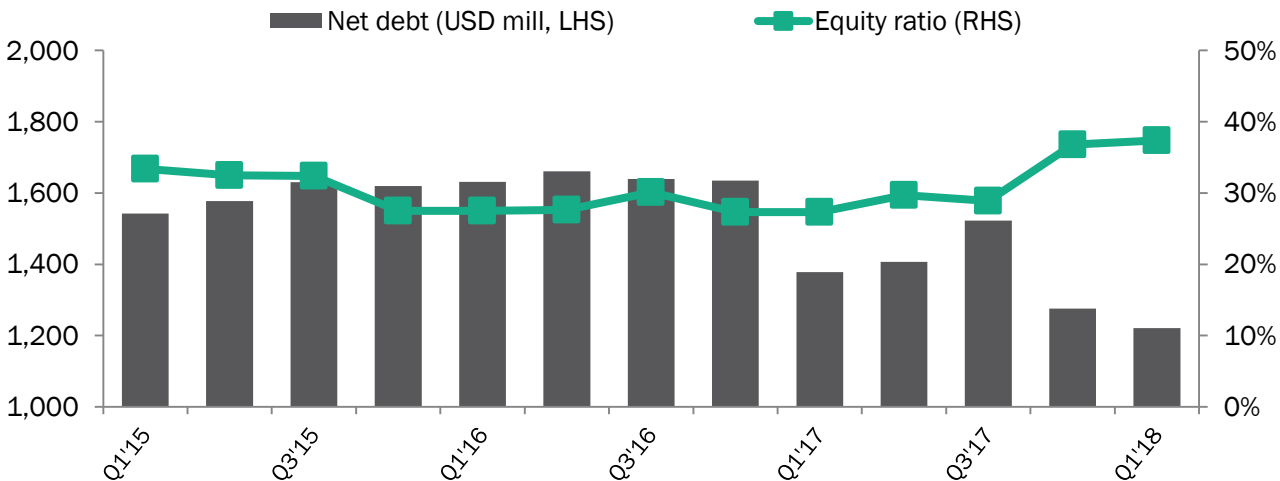
## EBITDA

USD million



## Net debt and equity ratio

USD million and percentage



- ▮ Equity ratio of 37.4%
- ▮ Estimated negative Q2 EBITDA impact of USD 15-20 million from start-up activities

# INCOME STATEMENT



USD million	Q1 2018	Q4 2017	2017
Operating Revenues	192.5	150.3	626.0
Operating Expenses	(84.5)	(77.3)	(290.7)
Share Of Profit From Associates	0.5	0.5	0.9
<b>EBITDA</b>	<b>108.5</b>	<b>73.5</b>	<b>336.2</b>
Depreciation	(76.5)	(57.6)	(225.9)
Amortizations	(0.5)	(0.7)	(2.7)
Impairment	0.0	0.0	(27.4)
<b>EBIT</b>	<b>31.5</b>	<b>15.2</b>	<b>80.2</b>
Net Interest Expense	(18.4)	(8.3)	(37.8)
FX, Fin. Instruments And Other Financial Items	14.5	6.3	1.1
<b>Profit (Loss) Before Tax</b>	<b>27.6</b>	<b>13.2</b>	<b>43.5</b>
Income Tax Expense	(9.5)	34.0	(2.3)
<b>Net Profit (Loss)</b>	<b>18.1</b>	<b>47.2</b>	<b>41.2</b>

# STATEMENT OF FINANCIAL POSITION

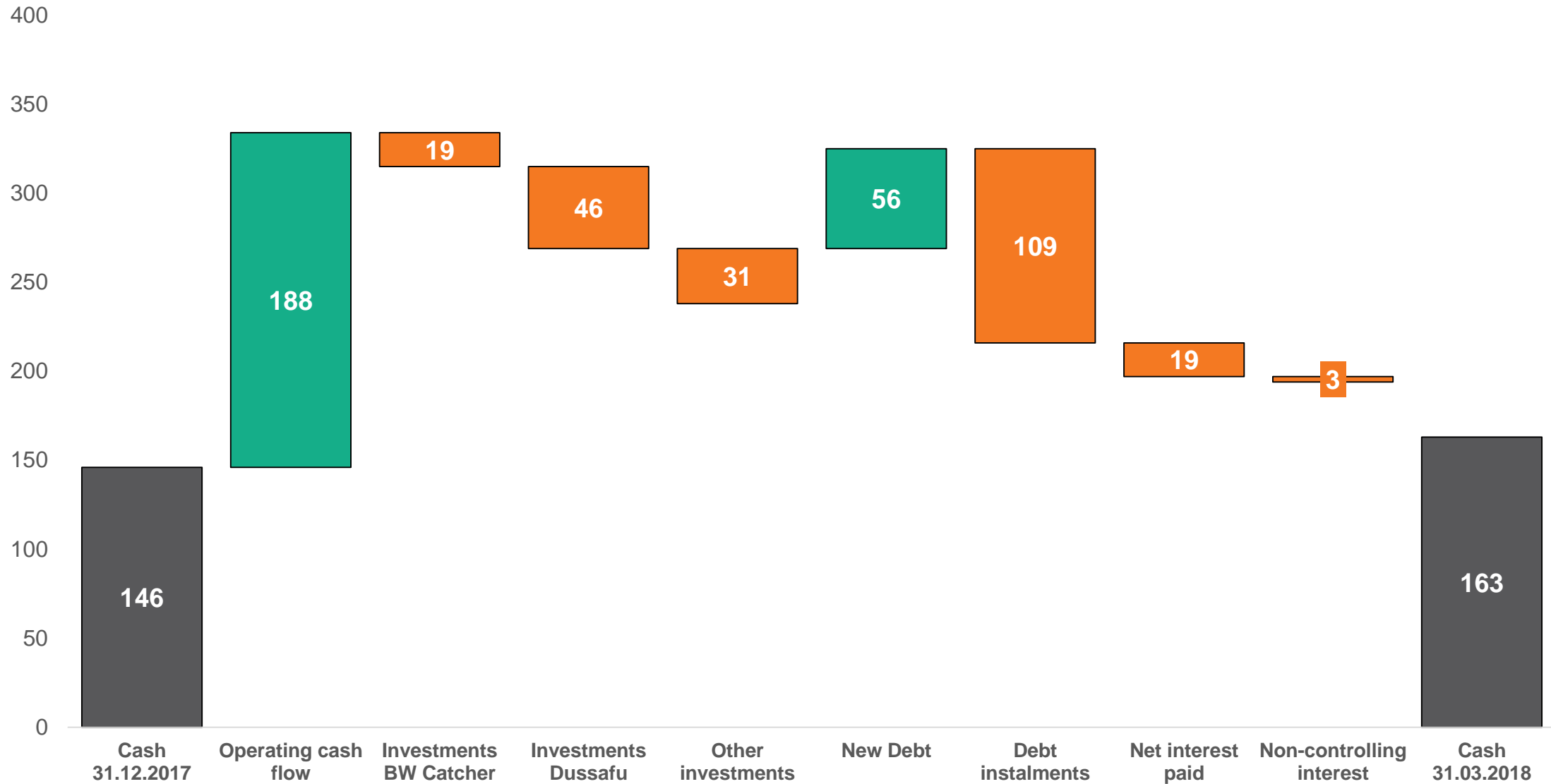


USD million	Q1 2018		Q4 2017	
Total Non-current Assets	3,018.9	89.0%	2,999.0	87.6%
Total Current Assets	373.6	11.0%	423.8	12.4%
<b>Total Assets</b>	<b>3,392.5</b>	<b>100.0%</b>	<b>3,422.8</b>	<b>100.0%</b>

Total Equity	1,269.4	37.4%	1,259.4	36.8%
<i>Total Non-current Liabilities</i>	<i>1,539.2</i>		<i>1,642.0</i>	
<i>Total Current Liabilities</i>	<i>583.9</i>		<i>521.4</i>	
Total Liabilities	2,123.1	62.6%	2,163.4	63.2%
<b>Total Equity And Liabilities</b>	<b>3,392.5</b>	<b>100.0%</b>	<b>3,422.8</b>	<b>100.0%</b>

USD million	Q1 2018		Q4 2017	
Reported Interest Bearing Debt	1,383.7		1,420.8	
Cash And Deposits	(162.7)		(145.5)	
<b>Net Interest Bearing Debt</b>	<b>1,221.0</b>		<b>1,275.3</b>	

# CASH FLOW Q1 2018



# FINANCING

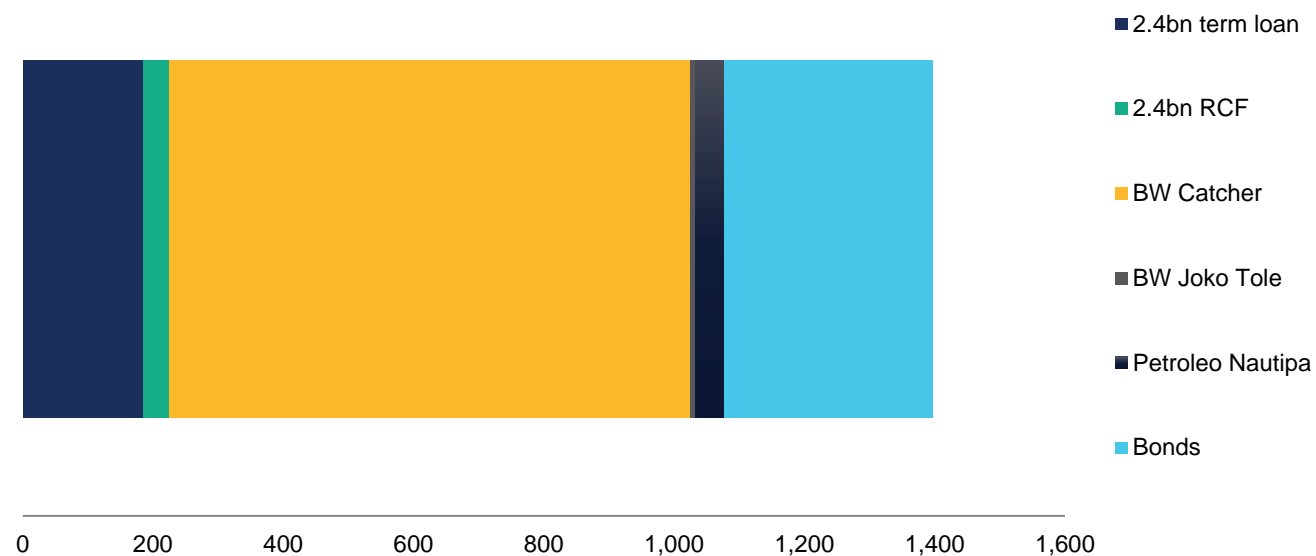


- Available liquidity including corporate facilities of USD 596.6 million
- Reimbursable payments totalling USD 95 million received in Q1 related to the installation campaign for BW Catcher
- The USD 800 million term loan facility for BW Catcher was fully drawn in January. First instalment paid in April

- The Umuroa facility was repaid in March
- The Joko Tole facility will be repaid in June

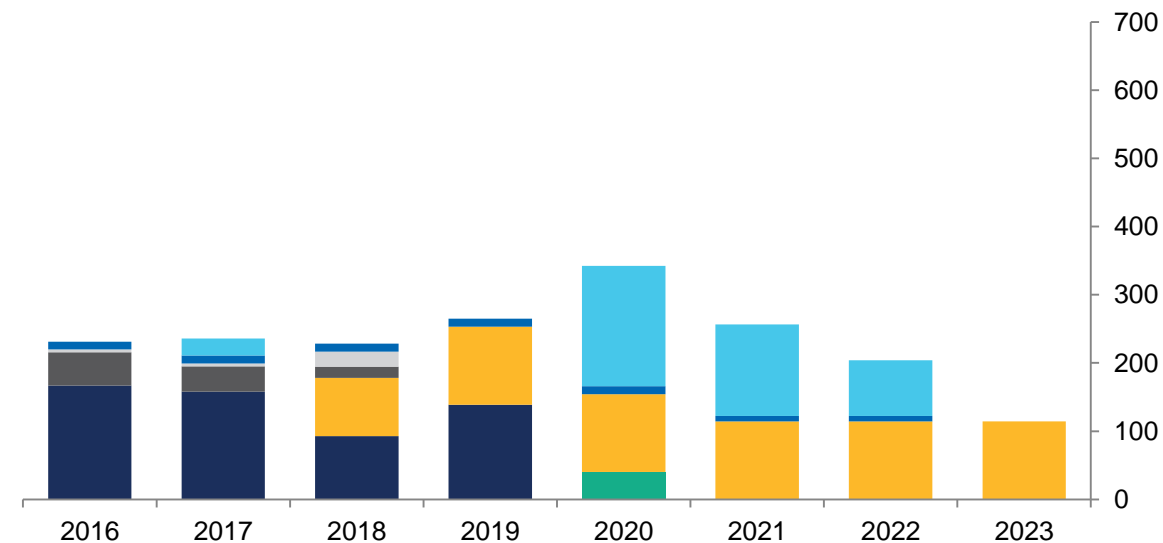
## Gross debt

USD million per 31.03.2018



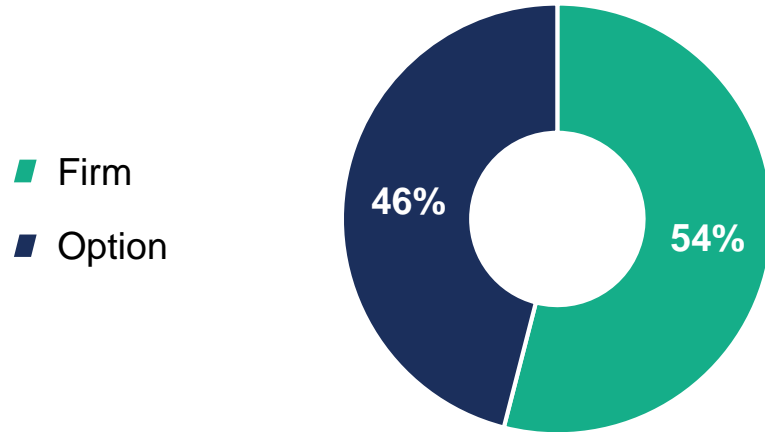
## Instalments

USD million per 31.03.2018



## FPSO segment

Probable orderbook of USD 5.5 billion



2018 Q1

## Oil and gas segment

Probable gross reserves of 23.5 million barrels

### Gross reserves<sup>1</sup>

Gross 1P = 15.9 million bbls

Gross 2P = 23.5 million bbls

Gross 3P = 31.4 million bbls

### Net reserves to BW Energy<sup>2</sup>

Net 1P = 11.8 million bbls

Net 2P = 17.1 million bbls

Net 3P = 21.4 million bbls

<sup>1</sup>: From preliminary NSAI report dated December 2017. Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC.

<sup>2</sup>: Net reserves reflects BW Energy's interest. BW Offshore owns 66.67% of BW Energy.



# OUTLOOK

- Improved market conditions
- Increased likelihood of extensions
- Market focus – fast-track to first oil
- More opportunities for redeployments
- Evaluating multiple opportunities for field development participation



## PetroRio pushes for more years at Polvo

Brazilian independent PetroRio has been investing to extend the lifecycle of the Polvo field, planning to keep the Campos basin shallow-water development on stream for a least another decade, writes Fabio Palmigia. Ever since it acquired operatorship of Polvo



## Tamarind planning Tui exploration well

Offshore campaign centres on infill wells - but Tui East-1 could reap larger reward

Malaysian operator Tamarind Resources has confirmed an exploration well will form part of an offshore drilling campaign it is planning at New Zealand's Tui oilfield. The company is

## H2 2017

- Sendje Berge extension ✓
- Catcher preference share issue ✓
- Umuroa extension ✓
- Catcher First Oil ✓

## H1 2018

- Berge Helene decommissioning ✓
- Polvo extension ✓
- Abo extension ✓
- Completed DTM-2H production well and DTM-3 appraisal well on Tortue ✓
- Declined Buzious 5 bid

## H2 2018

- DTM-3H completion
- Ruche NE appraisal well
- Dussafu First Oil
- Cidade de São Vicente extension
- Kudu FID
- Cidade de São Mateus agreement
- Marlim I & II bids

## H1 2019

- Dussafu Phase 2 and potential further appraisal program

Q&A

PIONEER





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For further information please contact [ir@bwoffshore.com](mailto:ir@bwoffshore.com)