



BW Offshore Limited



Picture of PETRÓLEO NAUTIPA

HIGHLIGHTS

- EBITDA of USD 120.3 million
- Stable operations with an uptime of 99.5%
- Petróleo Nautipa acquisition completed in October
- Contract extension for FPSO Berge Helene in October
- Dividend payment of USD 0.03 per share

FINANCIAL SUMMARY

THIRD QUARTER

Operating revenues for the quarter amounted to USD 248.5 million, a decrease of USD 71.3 million (22%) compared to USD 319.8 million in the previous quarter (second quarter of 2014).

Operating expenses amounted to USD 148.0 million, an increase of USD 9.7 million (7%) compared to USD 138.3 million in the previous quarter.

EBITDA for the third quarter amounted to USD 120.3 million, a decrease of USD 62.8 million (34%) compared to USD 183.1 million in the previous quarter.

Depreciation amounted to USD 55.7 million, an increase of USD 3.1 million (6%) compared to USD 52.6 million in the previous quarter.

Operating profit for the quarter amounted to USD 64.1 million compared to USD 130.1 million in the previous quarter.

Tax expense for the quarter amounted to USD 9.5 million compared to USD 10.6 million in the previous quarter.

Net profit amounted to USD 40.4 million compared to USD 101.2 million in the previous quarter.

Main changes compared to last quarter was the recognition of the early termination fee for Azurite in the second quarter (USD 70 million). The third quarter has further seen slightly higher revenues as well as higher operating expenses due to the incorporation of 100% of FPSO *Petróleo Nautipa* from 1 July 2014 due to the acquisition of the remaining 50% share from Yinson Production. This investment has until 30 June 2014 been presented as a joint venture.

Further to this, as required by IFRS 3 *Business Combinations*, a 100% ownership has resulted in the Company revaluating its previously held 50% to market value. This resulted in an upward adjustment of the net book value for the vessel by USD 19.7 million. This profit has been recognised as share of profit from associates. In addition the increased book value has increased the depreciation.

Operating expenses have also increased slightly due to high tender activity in the quarter.

Total equity at 30 September 2014 amounted to USD 1,207.6 million, a decrease of USD 6.3 million

(1%) compared to USD 1,213.9 million at 30 June 2014. The equity ratio was 33.9% at the end of the quarter, down from 34.9% last quarter.

As of 30 September 2014, the Company had USD 1,163.6 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 1,419.9 million, following scheduled reductions. Total utilised debt facilities for the company, including bond loans and other facilities was USD 1,789.6 million. Total available liquidity as of 30 September 2014 amounted to USD 372.0 million.

Net debt amounted to USD 1,577.5 million at 30 September 2014, compared to USD 1,574.1 million at 30 June 2014.

Net cash inflow from operating activities was USD 125.1 million compared to USD 144.5 million in the previous quarter. Net cash outflow from investing activities was USD 87.7 million compared to cash outflow of USD 37.5 million in the previous quarter. Cash outflow on investing activities is mainly related to capitalisation on the *Catcher* project and capital expenditures for ongoing life extension activities. Most life extension activities are either covered on a cost plus basis or reimbursed through higher day rates. Net cash outflow from financing activities was USD 49.3 million compared to cash outflow of USD 92.6 million in the previous quarter.

OPERATIONS

BW Offshore operates 18 units. The owned fleet consists of 14 FPSOs, one FSO and one VLCC tanker. All operating units experienced stable performance with an average uptime of 99.5% during the third quarter.

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

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

In July BW Offshore announced that it had initiated a process for reaching a mutual agreement for either of the two owners to take over the eventual 100% ownership of Tinworth Pte. Ltd., and correspondingly, the FPSO *Petróleo Nautipa*. Tinworth Pte. Ltd. and the FPSO was 50/50 owned

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between BW Offshore and Yinson Holdings Berhad through their respectively wholly owned Norwegian subsidiaries. BW Offshore subsequently gave and offer that Yinson accepted and signed the sale and purchase agreement with Yinson to take 100% ownership of the FPSO *Petróleo Nautipa*, owned through Tinworth Pte. Ltd. The price paid for the remaining 50% stake in the FPSO *Petróleo Nautipa* is USD 49.3 million, plus approximately USD 10 million consideration for the working capital in Tinworth Pte Ltd and its subsidiary. Formal completion of the transaction was effected early in October 2014.

The termination from Murphy West Africa Limited for FDP SO *Azurite* was effective May 2014. The vessel is currently being marketed for new projects. The Company is being compensated for the early termination of the contract. The compensation is reflecting the value of the remaining period of the original fixed term of the contract.

BW Offshore is currently on a short term extension contract until end of fourth quarter 2014 for FPSO *Abo* with Nigerian Agip Exploration Ltd, a subsidiary of ENI S.p.A. The extension has been agreed to secure operational continuity while joint work to detail a longer term program for investment and production is completed. The Company is currently performing life extension activities on the unit, which are being compensated on a reimbursable cost plus basis.

All other FPSOs and FSOs are currently on longer term contracts.

PROJECTS

On 30 April 2014 BW Offshore signed a contract with Premier Oil for a FPSO to operate on the *Catcher* oil field in the UK North Sea. The field is owned by Premier Oil (50% operator), Cairn Energy (30%) and MOL (20%). The firm charter period of the contract is seven years, with extension options of up to 18 years. Based on a field life of 10 years, the contract value is USD 2.3 billion including FPSO charter rate and opex.

During third quarter the project has progressed according to planned schedule. In addition to progressing on engineering and procurement activities, some construction activities have now

started, including parts of the turret mooring system. BWO are and will continue to be working closely with all subcontractors to mitigate risk of any cost or schedule change to the project going forward.

The Company is also 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 USD 0.03 per share for the quarter. The shares will be traded ex-dividend as of 3 December 2014. The dividend will be payable on or about 11 December 2014 to shareholders of record on 4 December 2014.

OUTLOOK

The outlook for BW Offshore's products and services remains good due to the geographical presence, scale and competence of the Company. The demand situation for leased units remains good and is expected to remain at 10-12 awards per year in spite of the recent drop in oil price. The trend of longer front-end definition phases before projects are sanctioned is continuing. BW Offshore expects outsourcing of production to be one of the solutions and part of the current cost saving initiatives by the oil companies.

BW Offshore's cash flow from the operating units is secure and based on long term contracts with national and independent oil companies. The fleet of BW Offshore will continue to generate a steady cash flow in the time ahead. The trend of continued production outside the initially planned period is continuing. BW Offshore's expertise in maintaining production and assets over long periods is increasingly providing a sound basis for dividend payments as well as further investments in new assets.

BW Offshore intends to grow selectively and expects to see a continued improvement in the risk and reward balance for new FPSO projects.

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Bermuda, 20 November 2014

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Chairman

Ronny Johan Langeland
Vice Chairman

Clare Spottiswoode

Christophe Pettenati-Auzière

Maarten Scholten

Andreas Sohmen-Pao

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INCOME STATEMENT

(Unaudited figures in USD million)

	Notes	Q3 14	Q2 14	Q3 13*	YTD 14	YTD 13*
Operating revenue		248.5	319.8	232.1	805.6	695.6
Operating expenses		(148.0)	(138.3)	(119.9)	(411.3)	(368.0)
Share of profit/(loss) of associates and joint ventures	6	19.8	1.6	1.9	21.9	8.2
Operating profit before depreciation/amortisation		120.3	183.1	114.1	416.2	335.8
Depreciation	11	(55.7)	(52.6)	(65.9)	(163.6)	(195.4)
Amortisation		(0.5)	(0.5)	(0.4)	(1.6)	(1.5)
Gain on sale of assets		0.0	0.1	0.0	0.2	(0.1)
Operating profit / (loss)		64.1	130.1	47.8	251.2	138.8
Interest income		0.3	0.2	0.8	0.6	1.7
Gain/(loss) on financial instruments	7	4.1	(3.8)	(4.2)	(0.3)	4.4
Interest expense		(16.9)	(16.0)	(16.6)	(47.7)	(47.9)
Other financial items		(1.8)	1.3	(1.1)	(0.3)	(3.6)
Net financial income/(expense)		(14.3)	(18.3)	(21.1)	(47.5)	(45.4)
Profit/(loss) before tax		49.8	111.8	26.7	203.7	93.4
Income tax expense		(9.5)	(10.6)	(9.0)	(29.1)	(26.2)
Net profit/(loss) for the period		40.4	101.2	17.7	174.5	67.2
Net profit/(loss) attributable to owners of the Company		40.4	101.2	17.7	174.5	67.2
Basic/diluted earnings/(loss) per share (USD) net		0.06	0.15	0.03	0.25	0.10

COMPREHENSIVE INCOME STATEMENT

(Unaudited figures in USD million)

	Q3 14	Q2 14	Q3 13*	YTD 14	YTD 13*
Net profit/(loss) for the period	40.4	101.2	17.7	174.5	67.2
Other comprehensive income					
<i>Items to be reclassified to profit or loss:</i>					
Currency translation differences	(3.5)	0.7	0.0	(1.2)	0.1
Net profit/(loss) on cash flow hedges	(22.7)	(9.9)	1.0	(28.1)	(10.5)
Net items to be reclassified to profit or loss:	(26.1)	(9.1)	1.0	(29.3)	(10.4)
<i>Items not to be reclassified to profit or loss:</i>					
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	(26.1)	(9.1)	1.0	(29.3)	(10.4)
Total comprehensive income	14.3	92.1	18.7	145.2	56.8

The notes in pages 7-10 are an integral part of these consolidated interim financial statements.

*The financial information for 2013 has been restated as the company has adopted IFRS11 effective 1 January 2014.

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STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)

ASSETS	Notes	30.09.2014	30.06.2014	31.12.2013*	30.09.2013*
Vessels	2,11	2,694.1	2,565.7	2,509.9	2,550.7
Property and other equipment		11.6	11.5	12.4	12.4
Goodwill and intangibles		190.4	190.2	189.9	189.7
Finance lease receivables	3	145.4	149.8	158.2	162.3
Investments in associates and joint ventures	6	4.7	44.3	42.2	40.1
Derivatives		2.6	1.6	2.0	1.6
Deferred assets		29.1	29.2	3.9	4.5
Total non-current assets		3,077.9	2,992.3	2,918.5	2,961.3
Inventory		3.9	4.5	6.5	4.7
Trade receivables and other current assets		289.7	282.6	283.0	255.0
Derivatives		3.1	0.6	0.0	0.1
Cash and deposits		184.3	196.2	132.4	107.1
Total current assets		481.0	483.9	421.9	366.9
TOTAL ASSETS		3,558.9	3,476.2	3,340.4	3,328.2
EQUITY AND LIABILITIES					
Total equity attributable to owners of the Company	4	1,207.6	1,213.9	1,124.1	1,141.4
Total equity		1,207.6	1,213.9	1,124.1	1,141.4
Interest-bearing long-term debt	5	1,435.1	1,426.5	1,459.3	1,451.2
Pension obligations		6.3	6.6	6.8	2.9
Other long-term liabilities	8	215.8	212.3	202.9	174.9
Derivatives		54.5	43.1	44.4	45.4
Total non-current liabilities		1,711.7	1,688.4	1,713.4	1,674.4
Trade and other payables		259.1	196.1	176.1	193.7
Derivatives		15.4	5.7	5.7	6.7
Interest-bearing short-term debt	5	326.7	343.8	290.1	289.8
Income tax liabilities		38.4	28.3	31.0	22.2
Total current liabilities		639.6	573.9	502.9	512.4
Total liabilities		2,351.3	2,262.3	2,216.3	2,186.8
TOTAL EQUITY AND LIABILITIES		3,558.9	3,476.2	3,340.4	3,328.2

The notes in pages 7-10 are an integral part of these consolidated interim financial statements.

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STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)

2014	Share capital	Share premium	Treasury shares	Currency	Cash flow hedges	Other equity	Total
				translation reserve			
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	(61.7)	(61.7)
Profit (loss) for the period	0.0	0.0	0.0	0.0	0.0	174.5	174.5
Other comprehensive income	0.0	0.0	0.0	(1.2)	(28.1)	0.0	(29.3)
Total equity at 30 September 2014	6.9	1,085.0	(9.1)	(5.4)	(44.4)	174.6	1,207.6

2013*	Share capital	Share premium	Treasury shares	Currency	Cash flow hedges	Other equity	Total
				translation reserve			
Equity at 1 January 2013	6.9	1,085.0	(9.1)	0.8	(3.7)	52.7	1,132.6
Dividend distribution	0.0	0.0	0.0	0.0	0.0	(48.0)	(48.0)
Profit (loss) for the period	0.0	0.0	0.0	0.0	0.0	67.2	67.2
Other comprehensive income	0.0	0.0	0.0	0.1	(10.5)	0.0	(10.4)
Total equity at 30 September 2013	6.9	1,085.0	(9.1)	0.9	(14.2)	71.9	1,141.4

CASH FLOW STATEMENT

(Unaudited figures in USD million)

	Q3 14	Q2 14	Q3 13*	YTD 14	YTD 13*
Profit/ (loss) before taxes	49.8	111.8	26.7	203.7	93.4
Unrealised currency exchange losses/(gains)	2.4	(0.9)	(0.3)	2.0	3.8
Depreciation and amortisation	56.2	53.1	66.3	165.2	196.9
Taxes paid	(3.6)	(14.1)	(4.9)	(26.3)	(22.2)
Share of loss/ (profit) of associated companies	(19.7)	(1.6)	(1.9)	(21.9)	(8.2)
Loss/ (gain) on sale of shares and fixed assets	0.0	(0.1)	0.0	(0.2)	0.1
Change in fair value of derivatives	(0.6)	3.6	4.2	2.4	(4.4)
Change in working capital	60.1	(6.0)	(16.8)	91.7	(76.9)
Add back of net interest expense	16.6	15.7	15.8	47.0	46.2
Other items	(36.1)	(17.1)	3.0	(47.9)	7.5
Net cash flow from operating activities	125.1	144.5	92.3	415.7	236.3
Investment in fixed assets	(88.1)	(37.7)	(34.2)	(252.0)	(75.7)
Sale of fixed assets	0.0	0.0	0.0	0.1	(0.1)
Interest received	0.3	0.2	0.8	0.6	1.7
Net cash flow from investing activities	(87.7)	(37.5)	(33.3)	(251.2)	(74.1)
Proceeds from new interest bearing debt	168.0	30.0	325.0	507.0	461.8
Repayment of interest-bearing debt	(165.1)	(83.9)	(355.1)	(489.1)	(499.7)
Dividend paid	(20.6)	(20.6)	(20.6)	(61.7)	(48.0)
Interest paid	(31.6)	(18.2)	(23.1)	(68.8)	(67.1)
Net cash flow from financing activities	(49.3)	(92.6)	(73.7)	(112.7)	(153.0)
Net change in cash and cash equivalents	(11.9)	14.3	(14.8)	51.8	9.1
Cash and cash equivalents at beginning of period	196.2	181.8	121.9	132.4	98.0
Cash and cash equivalents at end of period	184.3	196.2	107.1	184.3	107.1

The notes in pages 7- 10 are an integral part of these consolidated interim financial statements.

*The financial information for 2013 has been restated as the company has adopted IFRS11 effective 1 January 2014.

NOTES TO THE ACCOUNTS (UNAUDITED)

(Figures in brackets refer to corresponding figures for 2013)

Note 1 - Accounting principles

This Interim Condensed Consolidated financial information for the third quarter, ended 30 September 2014 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 2013, 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 Offshore's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

BW Offshore has from 1 January 2014 adopted *IFRS11 Joint arrangements*, that require restatement of previous financial statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. Several other new standards and amendments apply for the first time in 2014. However, they do not impact the annual consolidated financial statements of the Company or the Interim Condensed Consolidated financial statements of the Company. A detailed description of these changes is given in BW Offshore's annual consolidated financial statements for the year ended 31 December 2013.

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

Note 2 – Vessels

The book value of operating vessels and vessels under conversion amounted to USD 2,694.1 million (USD 2,550.7 million) at 30 September 2014.

Capital expenditure related to vessels and vessels under conversion in the third quarter 2014, amounted to USD 86.3 million (USD 27.8 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.

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 September 2014. There were no changes in shares issued in the third quarter 2014. There were 700,000,000 authorised shares at 30 September 2014.

The Company held a total of 2,609,535 own shares at 30 September 2014.

Note 5 - Interest-bearing debt

Non-current debt

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

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	2014	2013
USD 2.4 billion loan facility	935.2	1,053.0
Joko Tole loan	130.6	173.5
BWO03 - NOK 750 million Bond	122.7	0.0
BWO02 - NOK 500 million Bond	86.1	85.7
BWO01 - NOK 500 million Bond	89.6	89.4
USD 800 million credit facility	37.4	0.0
Umuroa loan	33.6	49.6
Total	1,435.1	1,451.2

Current debt

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

	2014	2013
USD 2.4 billion loan facility	217.8	216.5
Joko Tole loan (current part)	42.8	57.2
USD 50 million unsecured term loan	50.7	0.0
BWO03 - NOK 750 million Bond	(0.4)	0.0
BWO02 - NOK 500 million Bond	(0.3)	(0.3)
BWO01 - NOK 500 million Bond	(0.3)	(0.3)
USD 800 million credit facility (current part)	(0.4)	0.0
Umuroa loan (current part)	16.7	16.7
Total	326.7	289.8

Note 6 – Investments in associates and Joint ventures

Investments in associates relates 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 Investment in Tinworth Pte Ltd was reclassified as a subsidiary as BW Offshore acquired 100% of the company during third quarter.

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. Instead of consolidating the assets, liabilities, revenues and expenses, the Group will present its share of equity in joint venture as investment in shares in joint ventures and its share of result from joint ventures on one line as revenues from joint ventures. The Group has considered the shareholdings in LLC “Oil Terminal Belokamenka’ and Tinworth Pte Ltd (up to and including second quarter 2014) as joint ventures and have accounted for its shareholdings according to the equity method. The change is applied retrospectively, and the table below shows the effects on the restated comparative consolidated numbers.

In July 2014 a sale and purchase agreement with Yinson to take 100% ownership of Tinworth Pte Ltd and consequently the FPSO Petr leo Nautipa was signed. Formal ownership and control over the remaining 50% stake in Tinworth Pte. Ltd., and correspondingly the FPSO Petr leo Nautipa has been assumed from 1 July 2014. As a consequence the investment has been reclassified from a joint venture to a subsidiary and fully consolidated from that date. This has led to a significant reduction of investments in associates and joint ventures in the balance sheet.

A purchase price allocation for the acquisition of the remaining 50% in Tinworth Pte. Ltd. And correspondingly the FPSO Petr leo Nautipa has been performed. The purchase price allocation has not led to creation of any goodwill as the purchase price has been allocated to all assets and liabilities acquired.

As BW Offshore acquired control over the remaining 50% of Tinworth Pte. Ltd., this company and its subsidiary is now 100% controlled by BWO. In this situation IFRS 3 Business Combinations would apply. It required BW Offshore to revalue its previously held 50% ownership as at 1 July 2014 to market value. The revaluation has therefore provided for a positive adjustment to net book value of USD 19.7m. This has been recognised as a profit from investments in joint ventures in the income statement.

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STATEMENT OF FINANCIAL POSITION

	31.12.2013	30.09.2013
Vessels and other equipment	(28.2)	(21.2)
Investments in associates and joint ventures	37.5	35.5
Other non-current assets	(1.5)	0.0
Other current assets	(19.0)	(10.4)
Cash and deposits	(3.1)	(5.1)
Equity	0.0	0.0
Non-current liabilities	0.0	1.4
Current liabilities	(14.3)	(2.6)

INCOME STATEMENT

	31.12.2013	Q3 2013
Operating revenue	(6.1)	(6.3)
Operating expenses	2.6	3.1
Share of profit/(loss) of associates and joint ventures	3.6	1.8
Depreciation and amortisation	0.9	0.7
Income tax expense	(1.0)	0.4
Net profit/(loss) for the period	0.0	(0.3)

CASH FLOW STATEMENT

	31.12.2013	Q3 2013
Net cash flow from operating activities	(7.1)	(3.2)
Net cash flow from investing activities	7.9	0.0
Net cash flow from financing activities	0.0	0.0
Net change in cash and cash equivalents	0.8	(3.2)
Cash and cash equivalents at beginning of period	(3.9)	(1.8)
Cash and cash equivalents at end of period	(3.1)	(5.1)

Note 7 – Gain/ (loss) on financial instruments

	Q3 14	Q2 14	Q3 13	YTD 2014	YTD 2013
Gain/(loss) on financial instruments	4.1	(3.8)	(4.2)	(0.3)	4.4
Net gain/ (loss) on financial instruments	4.1	(3.8)	(4.2)	(0.3)	4.4

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 to be material to BW Offshore occurred during the quarter.

Note 10 – Capital commitments

Total unrecognised contractual capital commitments at 30 September 2014 amounted to USD 551.3 million (USD 85.8 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.

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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. BW Offshore has during first quarter reviewed and amended the estimates used for defining useful life on the existing fleet. This review has resulted in a revised depreciation schedule on a number of FPSOs in the fleet.

Note 12 – Subsequent events

On 29 October BW Offshore announced a two year contract extension for the lease and operation of the FPSO Berge Helene from Petronas Carigali Mauritania 1 Pty. Ltd. The firm period has been extended from second quarter 2015 to second quarter 2017.

On 8 October BW Offshore completed the sale and purchase agreement with Yinson Production to take 100% ownership of the FPSO Petróleo Nautipa.

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/FSO activity	Q3 14	Q3 13*
Revenues from third parties	248.5	232.1
General and administrative	(12.1)	(11.1)
Currency hedges and other currency effects	(3.6)	0.3
EBITDA	120.3	114.1
Net gain on sale of tangible fixed assets	0.0	0.0
Depreciation, amortization and impairment	(56.2)	(66.3)
EBIT	64.1	47.8
Other segment information		
Capital expenditure	86.3	27.8
Non-current assets (excl finance items)	2,932.5	2,799.0
Investments in associates	4.7	40.1
Geographical information_ Revenue		
<i>The classification of revenue per region is determined by the final destination of the FPSO/FSO</i>		
Americas	98.8	99.3
Europe/Africa	122.5	107.0
Asia**	27.2	25.8
Total revenue	248.5	232.1
The FPSOs/FSO by region can be analyzed as follows:		
Americas	1,247.7	1,357.1
Europe/Africa	1,020.1	825.0
Asia	426.3	368.6
Total non-current assets	2,694.1	2,550.7

*The financial information for 2013 has been restated as the company has adopted IFRS11 effective 1 January 2014.

**Includes the VLCC BW Opal which is in layup.

BW Offshore Limited
Condensed Interim Consolidated Financial Information
Third quarter 2014

KEY FIGURES

	Note	Q3 14	Q2 14	Q3 13*	YTD 14	YTD 13*
EBITDA-margin	1	49.9%	57.3 %	49.2 %	52.1 %	48.3 %
Equity ratio	2	33.9%	34.9 %	34.3 %	33.9 %	34.3 %
Return on equity	3	12.3%	35.3 %	7.3 %	19.2 %	7.7 %
Return on capital employed	4	5.2%	14.3 %	5.2 %	8.4 %	4.9 %
Net interest bearing debt (USD million)	5	1,577.5	1574.1	1633.9	1577.5	1633.9
Cash flow per share (USD)	6	0.17	0.21	0.13	0.59	0.34
EPS - basic and diluted (USD)	7	0.06	0.15	0.03	0.25	0.10
Shares - end of period (million)		688.0	688.0	688.0	688.0	688.0
Share price (NOK)		8.04	9.00	8.16	8.04	8.16
Market cap (NOKm)		5,532	6,192	5,614	5,532	5,614
Market cap (USDm)		857	1,006	934	857	934

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 2013 has been restated as the company has adopted IFRS11 effective 1 January 2014.

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	2003-2014
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
YUUM K' AK' NÁAB	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	HRT	2007	2007-2015 + options until 2022
BW Pioneer	US	Petrobras	2010	2012-2017 + options until 2020
Umuroa	New Zealand	AWE	2007	2007-2015 + options until 2022
BW Athena	UK	Ithaca Energy and partners	2012	2012-2016 + options until 2020
BW Joko Tole	Indonesia	Kangean Energy	2012	2012-2022 + options until 2026
FSO				
Belokamenka	Russia	Rosneft	2003	2004-2019
Conversion candidates				
BW Opal	Singapore	Available		
Azurite	Singapore	Available		
Operating and maintenance agreement				
Peregrino (FPSO)	Brazil	Statoil		2013-2018 + options until 2033
P-63 (FPSO)	Brazil	Petrobras		2013-2016