



BW Offshore



BW OFFSHORE

Q2 2014 presentation

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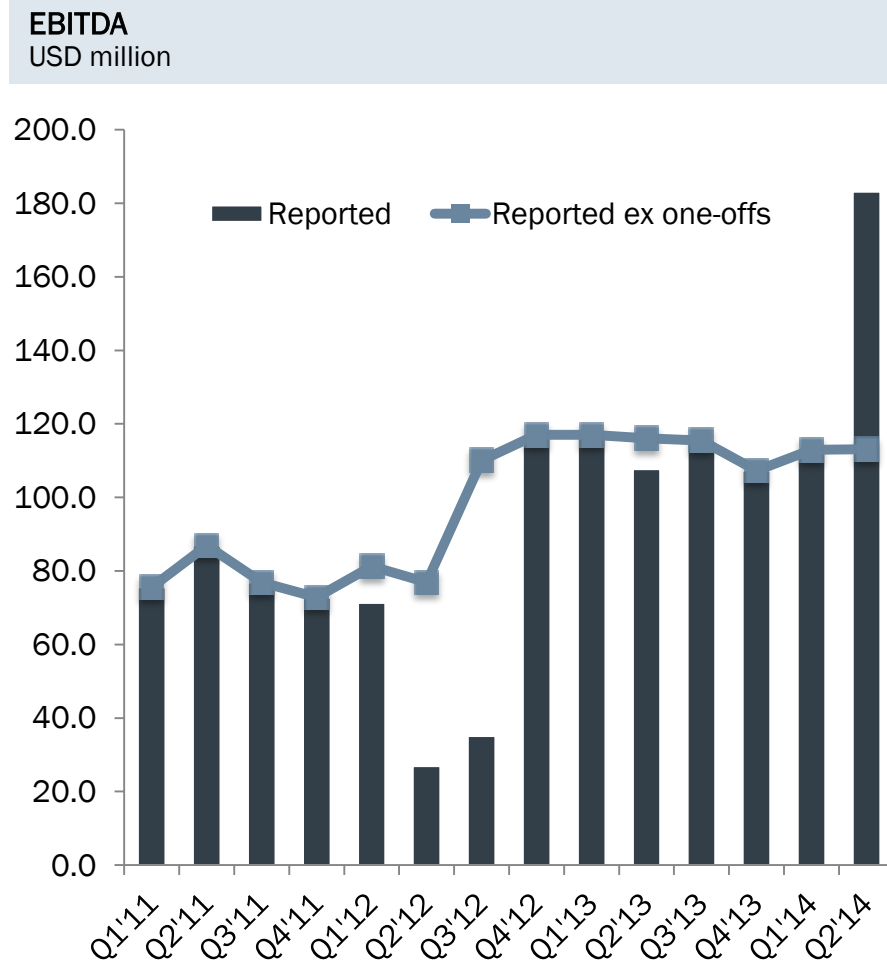
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Highlights Q2 2014

- Stable operations with an uptime of 99.7%
- EBITDA of USD 183.1 million
- Recognised compensation for Azurite contract termination
- Contract extension for BW Athena
- Agreement to take over full ownership of Petr leo Nautipa
- Completed USD 800 million Catcher facility
- Dividend of USD 0.03 per share





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OPERATIONS

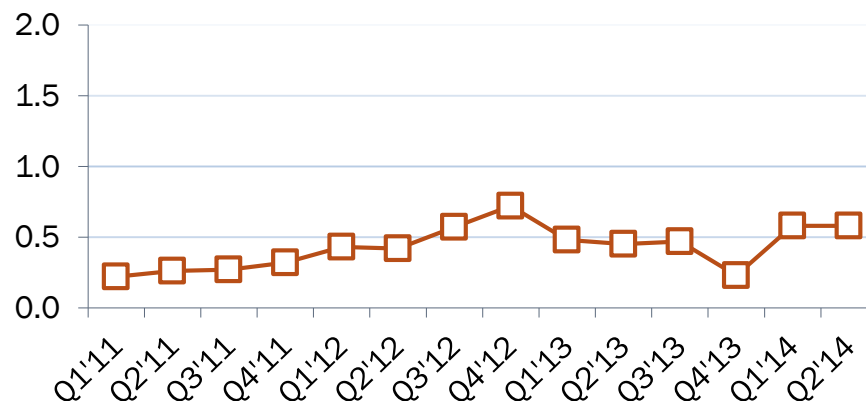


Operational highlights

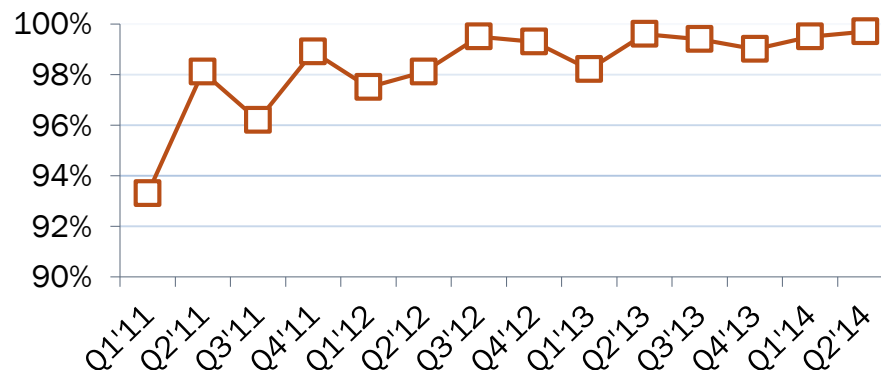
- HSSEQ performance
 - Lost time injuries (LTI*) frequency of 0.58
- Fleet uptime
 - 99.7% in Q2 2014
- Extension for FPSO BW Athena
 - Declared option until Q2 2020
 - Rolling 12 month termination right
- Agreement to take over 100% ownership of FPSO Petr leo Nautipa
 - USD 49.3 million for 50% stake
 - Effective from 1 June 2014

* Injuries per million man-hours

HSE record (LTI)
Per million man-hours



Uptime



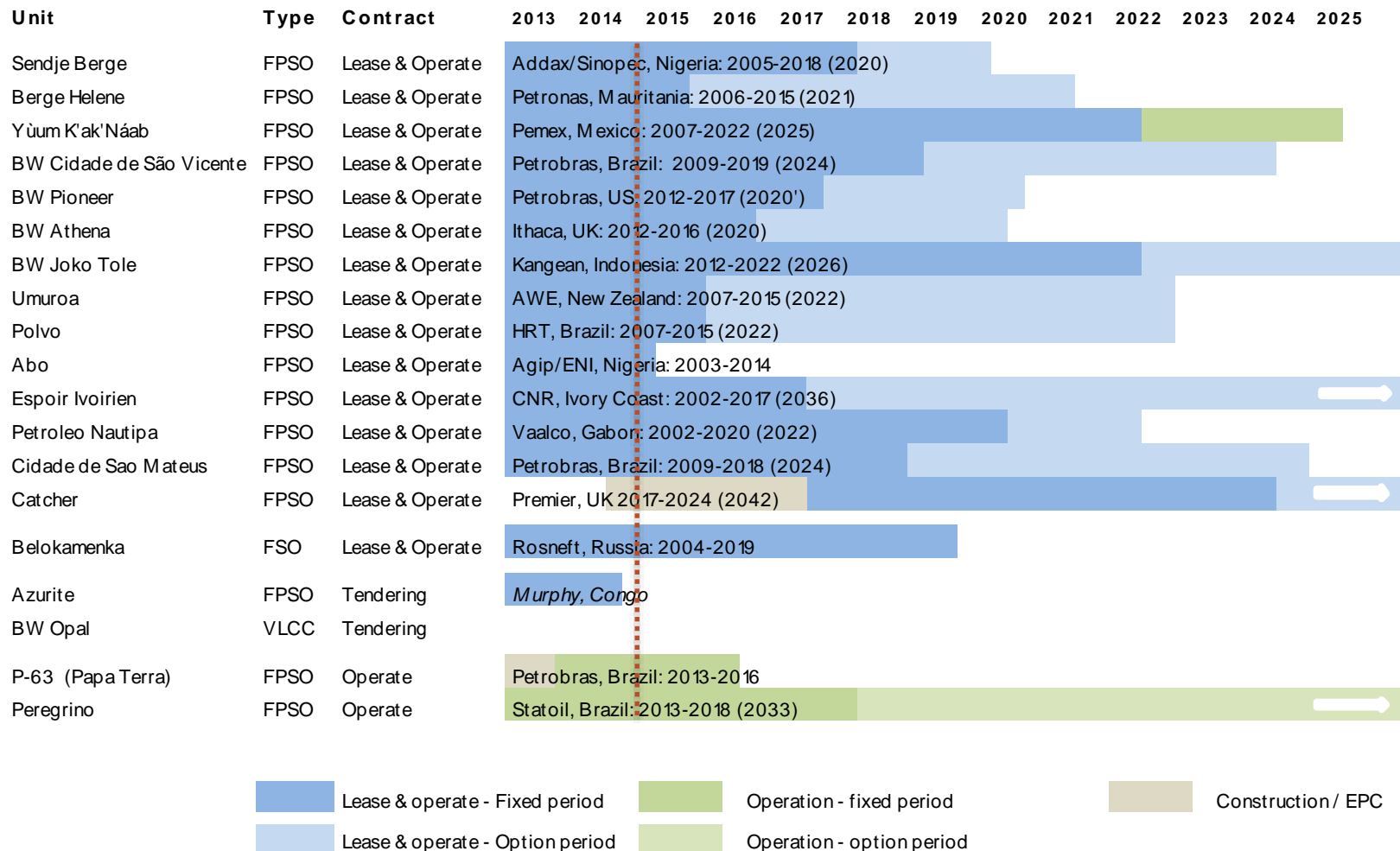
Catcher status

- Project team mobilized
- Model tests completed
- More than 50% of capex committed
- Main contracts awarded
 - Topside engineering
 - Hull
 - Turret mooring system
 - E-house and control system
 - Water treatment / injection module
 - Classification and verification services



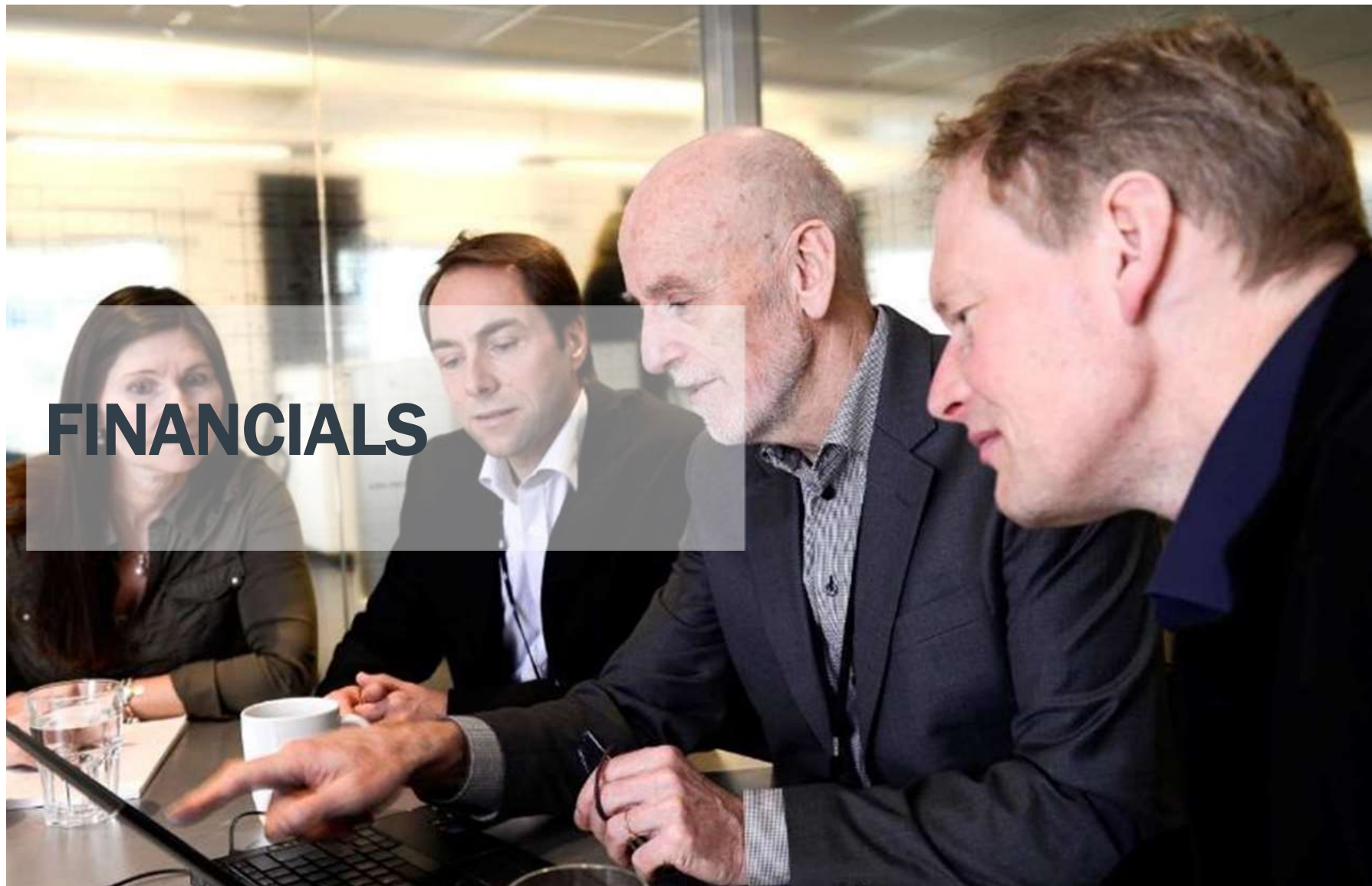


Fleet overview





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FINANCIALS

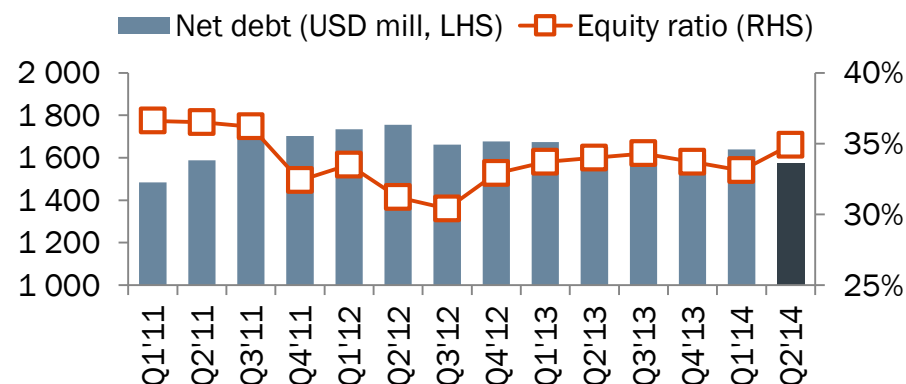


Financials – Q2 2014

- EBITDA of USD 183.1 million
 - Includes USD 70 million compensation for early termination of FPSO Azurite
- EBIT of USD 130.1 million
- Equity ratio 34.9%
- Dividend of USD 0.03 per share
 - Distributed USD 255 million since introduction of quarterly dividend in 2011, equal to NOK 2.30 per share

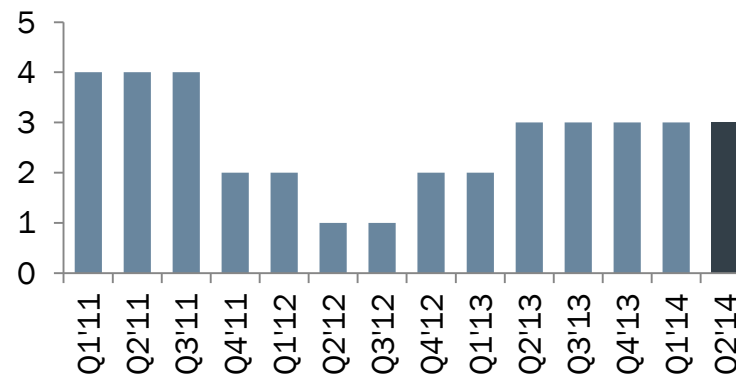
Net debt and equity ratio

USD million and percentage



Dividend

US cent per share





Income statement

USD million	Q2 2014	Q1 2014
Operating revenues	319.8	237.3
Operating expenses	-138.3	-125.0
Share of profit from associates	1.6	0.6
EBITDA	183.1	112.9
Depreciation	-52.6	-55.3
Amortisations	-0.5	-0.5
Gain (loss) from sale of assets / impairments	0.1	0.1
EBIT	130.1	57.2
Net interest expense	-15.8	-14.7
FX, financial instruments and other financial items	-2.5	-0.4
Profit (loss) before tax	111.8	42.1
Income tax expense	-10.6	-9.0
Net profit (loss)	101.2	33.1

USD million	Q2 2014
Reported EBITDA	183.1
Adjustment for compensation of Azurite termination	-70.0
Adjustment for FX included in EBITDA	-0.2
Operational EBITDA	112.9



Statement of financial position

USD million	30.06.2014		31.03.2014	
Total non-current assets	2,992.3	86.1%	2,986.4	86.6%
Total current assets	483.9	13.9%	461.9	13.4%
Total assets	3,476.2	100.0%	3,448.3	100.0%
<hr/>				
Total equity	1,213.9	34.9%	1,142.4	33.1%
<i>Total non-current liabilities</i>	<i>1,688.4</i>		<i>1,733.0</i>	
<i>Total current liabilities</i>	<i>573.9</i>		<i>572.9</i>	
Total liabilities	2,262.3	65.1%	2,305.9	66.9%
Total equity and liabilities	3,476.2	100.0%	3,448.3	100.0%

USD million	30.06.2014
Reported interest bearing debt	1,770.3
Cash and deposits	-196.2
Net interest bearing debt	1,574.1

Equity ratio	34.9%
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Cash flow statement

USD million	Q2 2014	Q1 2014
Net cashflow from operating activities	144.5	146.1
Net cashflow from investing activities	-37.5	-126.0
Net cashflow from financing activities	-92.6	29.3
Net change in cash and cash equivalents	14.3	49.4
Cash and cash equivalent at start of period	181.8	132.4
Cash and cash equivalent at end of period	196.2	181.8



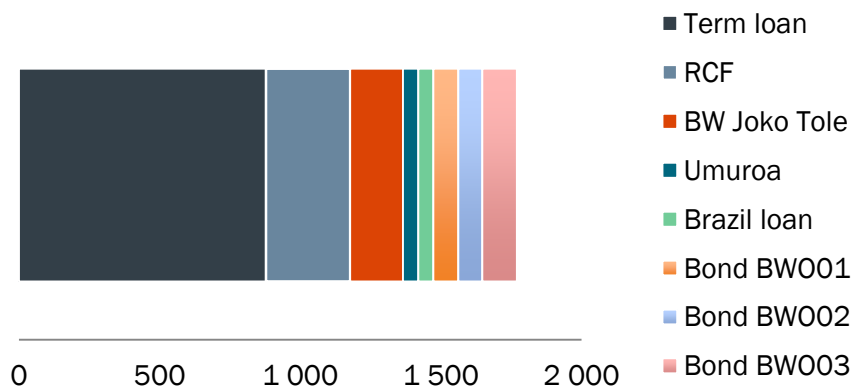


Financial strength

- Fully financed by operational cashflow, cash and existing facilities
 - Available liquidity under corporate facilities USD 460 million
 - Bank financing for the Catcher project USD 800 million – completed in July 2014
- Equity ratio covenant for all debt facilities aligned at 25.0%

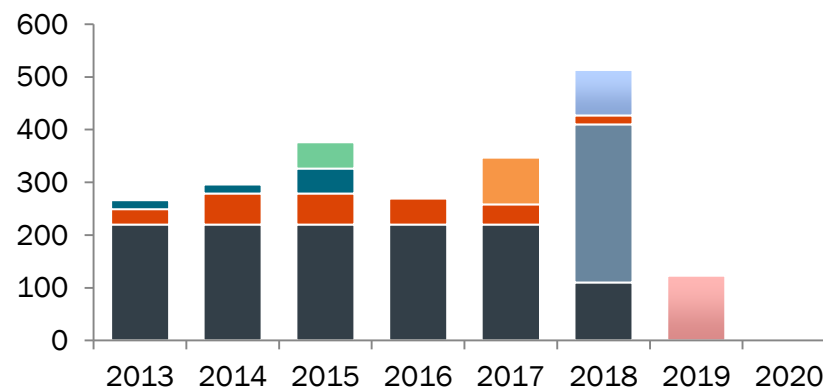
Gross debt
USD million

Per 30.06.2014



Instalments
USD million

Per 30.06.2014

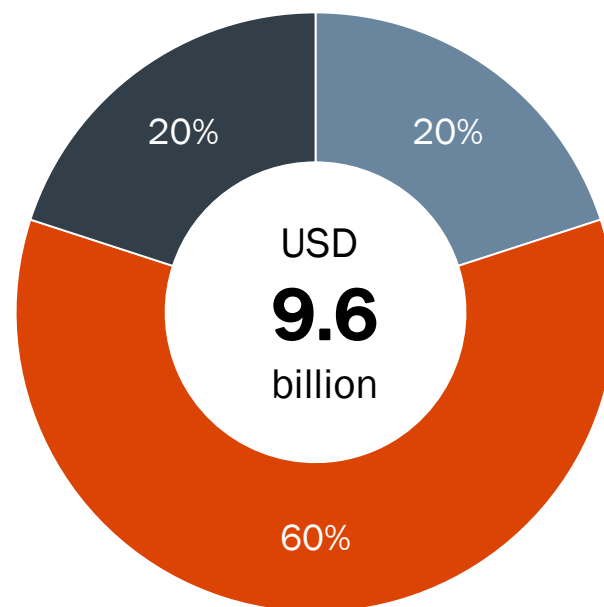




Orderbook

- Orderbook of USD 9.6 billion as of 30 June 2014
 - Whereof USD 4.6 billion are firm contracts
- Long term lease contracts with solid counterparties
 - Visible and sustainable revenue
- Portfolio with solid EBITDA-margins
 - Lease margin of approx. 50%

Total orderbook and clients



■ NOC ■ Int. E&P ■ Petrobras

*Catcher: Included 10 year contract value of USD 2.3 billion
Petróleo Nautipa: Included on 50% basis*



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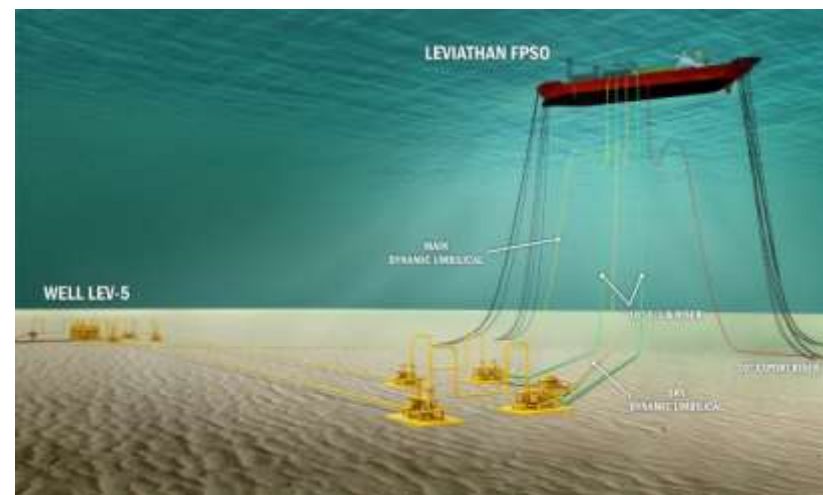
OUTLOOK

Prospects

- Leviathan FPSO – FEED update
 - Gas FPSO (1.6 BCFD) in 1,700 m water depth offshore Israel based on VLCC BW Opal
 - EPCI prospect

- Kudu FPSO – FEED
 - Gas FPSO in 170 m water depth offshore Namibia
 - Lease prospect

- Azurite FPSO - tendering
 - Several redeployment opportunities being evaluated





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Current priorities

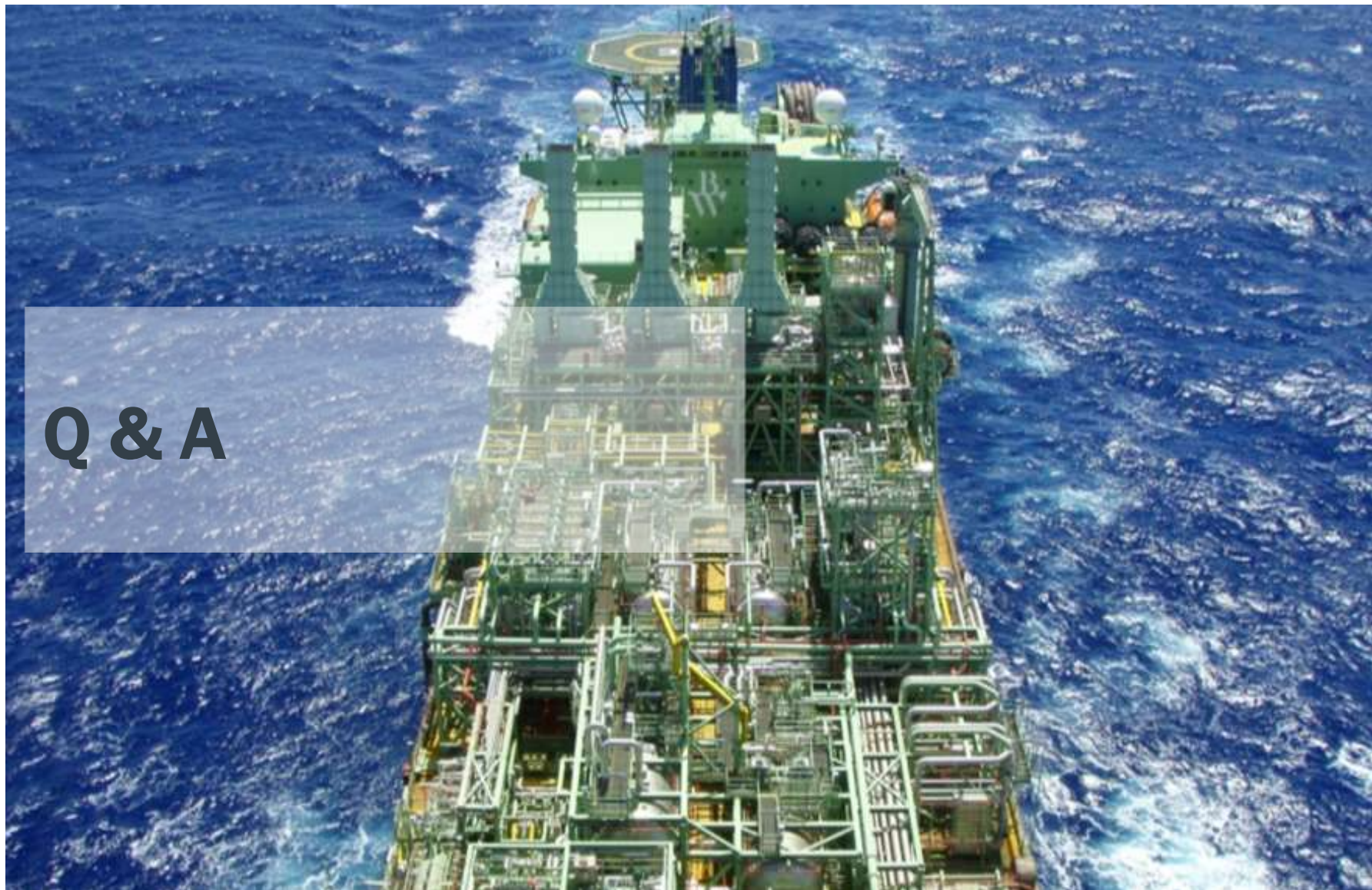
- Execute Catcher project according to plan
- Leviathan FEED
- Life extension programs
- New project opportunities
- Optimise fleet performance
- Recruit project and technical staff





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Q & A





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