



BW Offshore



BW OFFSHORE

Q1 2014 presentation

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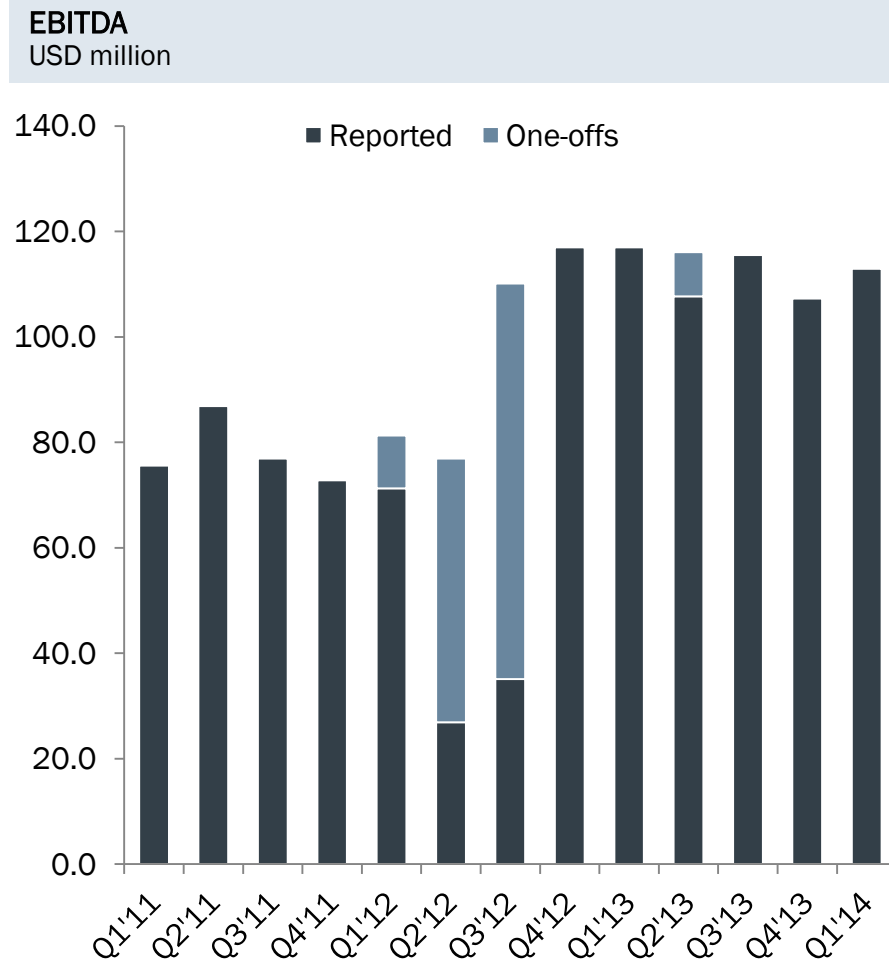
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Highlights Q1 2014

- Stable operations with an uptime of 99.5%
- EBITDA of USD 112.9 million
- Long-term extension for FPSO Sendje Berge
- Signed contract for the Catcher FPSO
- Completed NOK 750 million bond issue
- Dividend of USD 0.03 per share





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OPERATIONS

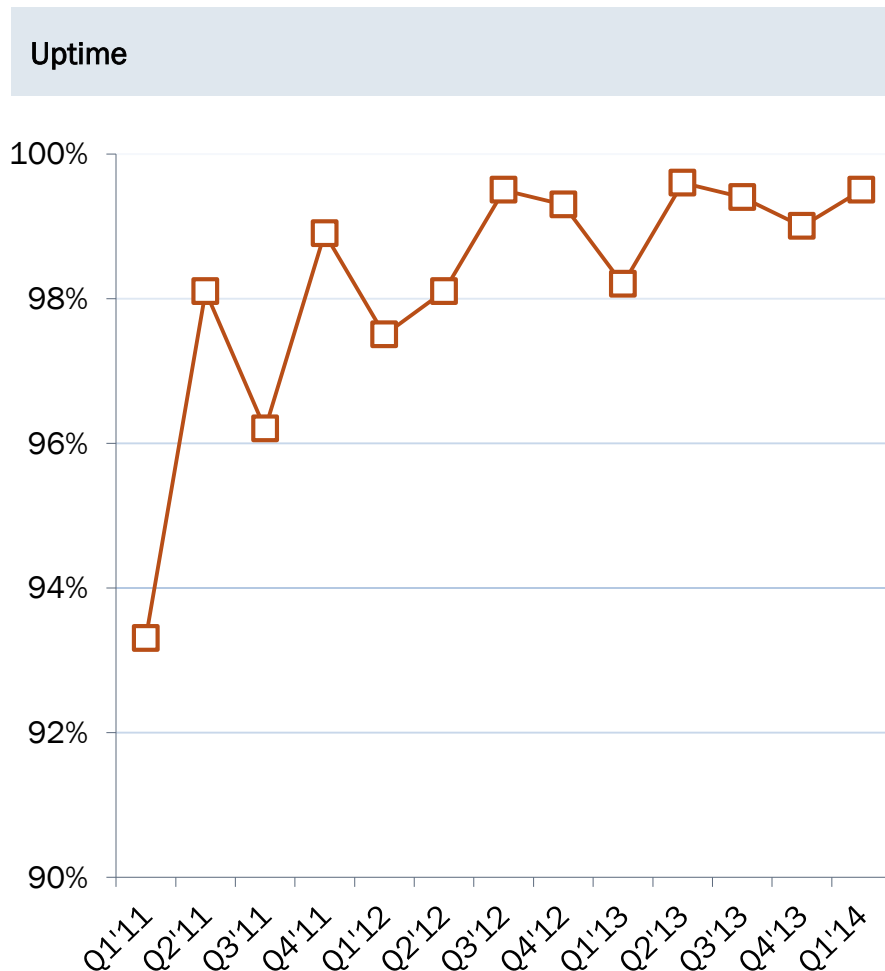




Operational highlights

- HSSEQ performance
 - Lost time injuries (LTI*) frequency of 0.58
- Fleet uptime
 - 99.5% in Q1 2014
- Extension for FPSO Sendje Berge
 - Firm period to Q1 2018
 - Options to Q1 20120
- Extension for FPSO Abo to end Q4 2014
- FPSO Azurite has arrived in Singapore
- Completed purchase of VLCC BW Opal
- Concluded not to pursue the Polvo farm-in

* Injuries per million man-hours

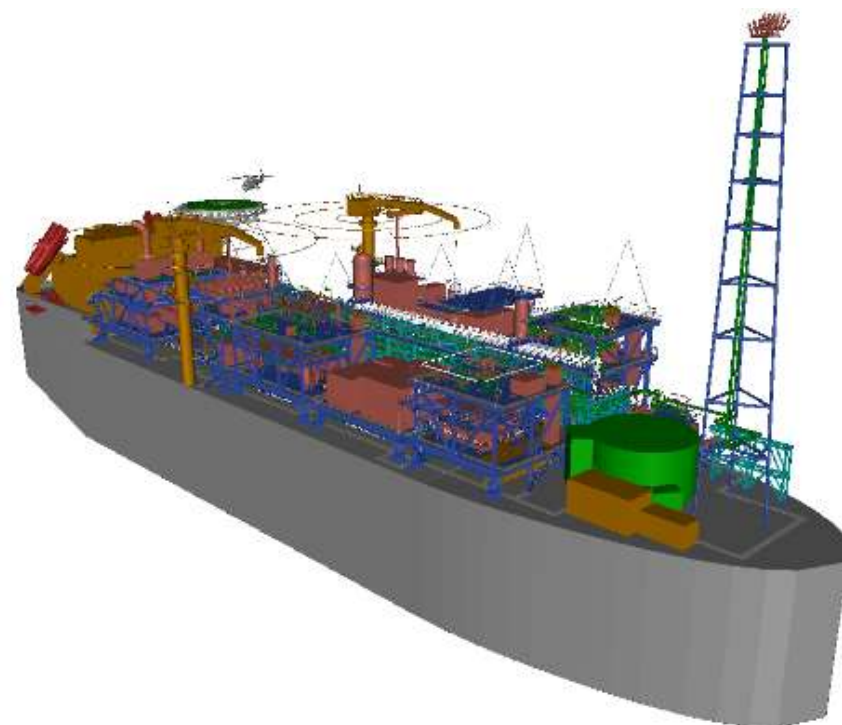


Catcher project

- Contract signed
 - Total project duration 38 months
 - First oil mid 2017
 - 7 years fixed + 18 years options
 - Contract value of a 10 year charter is USD 2.3 billion

- Extensive pre-planning and engineering started with FEED award Q4 2012

- North Sea specification FPSO
 - Processing capacity 60,000 bopd
 - Storage capacity 650,000 bbl
 - Newbuilt hull: IHI (Japan)
 - Turret/mooring system: National Oilwell Varco (NOV/APL)
 - Integration will be carried out in Singapore

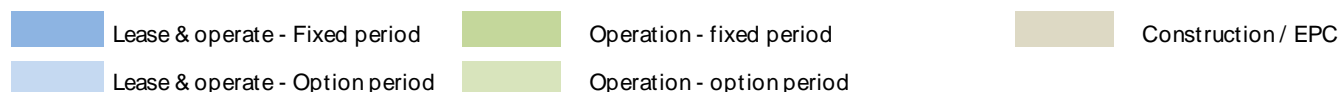
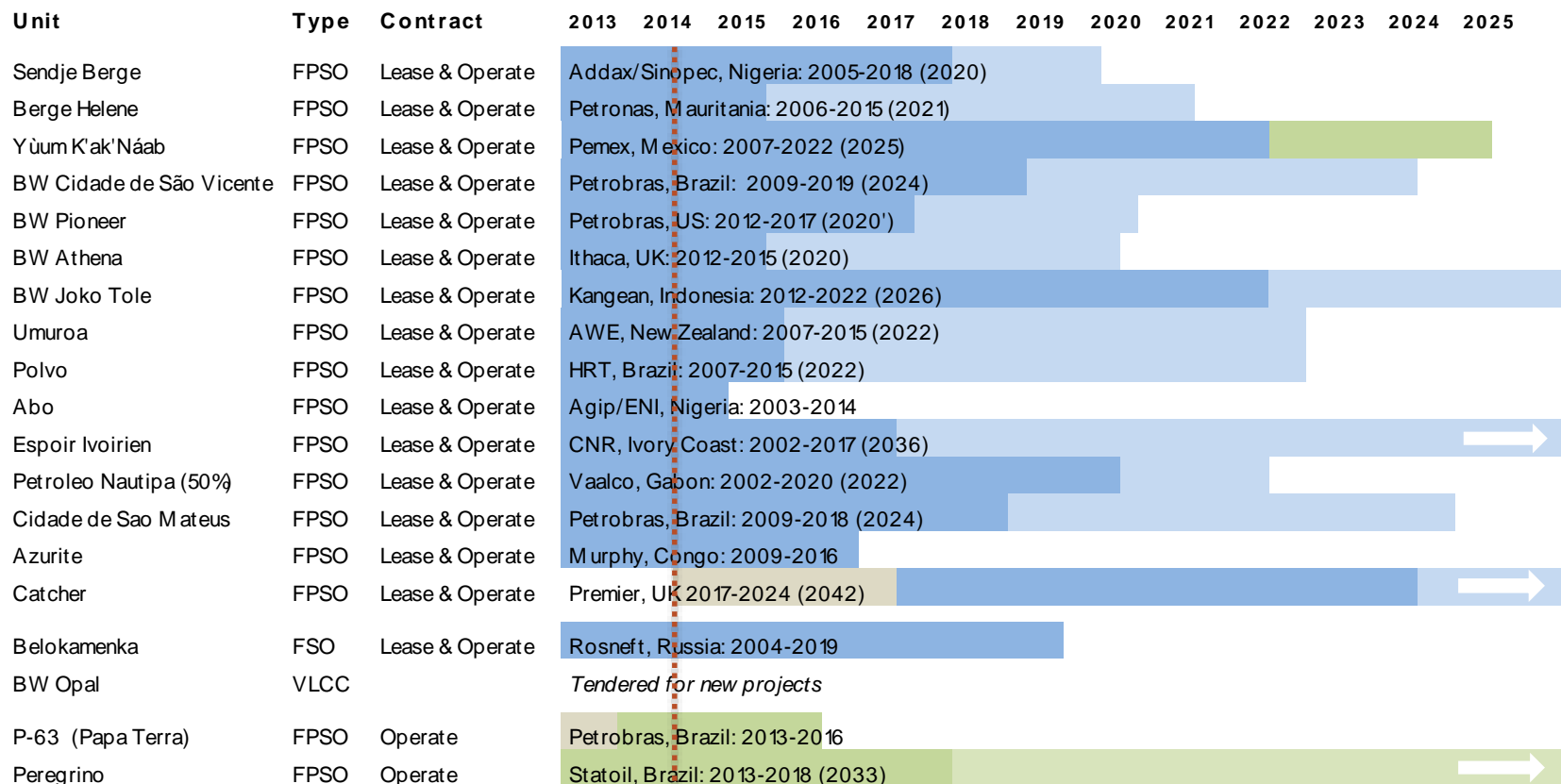


Catcher field owners:

- Premier Oil (50%, operator)
- Cairn Energy (30%)
- MOL (20%)



Fleet overview





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FINANCIALS

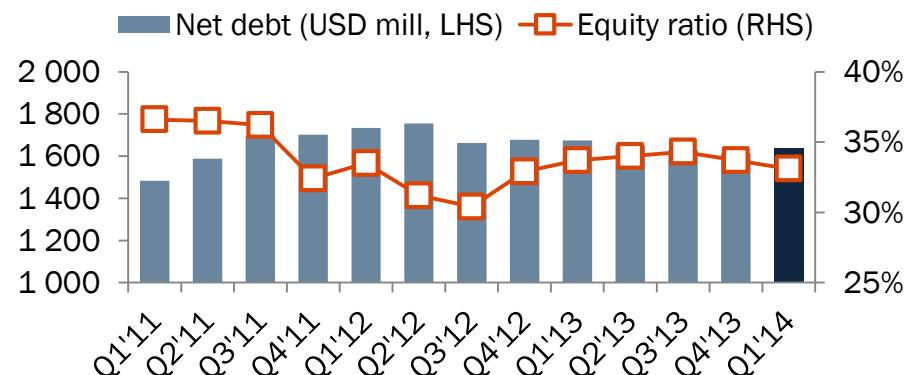


Financials

- EBITDA of USD 112.9 million in Q1 2014
- EBIT of USD 57.2 million in Q1 2014
- Revised useful life of fleet based on extension and redeployment track-record
- Q1 2014 dividend of USD 0.03 per share
 - Distributed USD 234 million since introduction of quarterly dividend in 2011, equal to NOK 2.04 per share

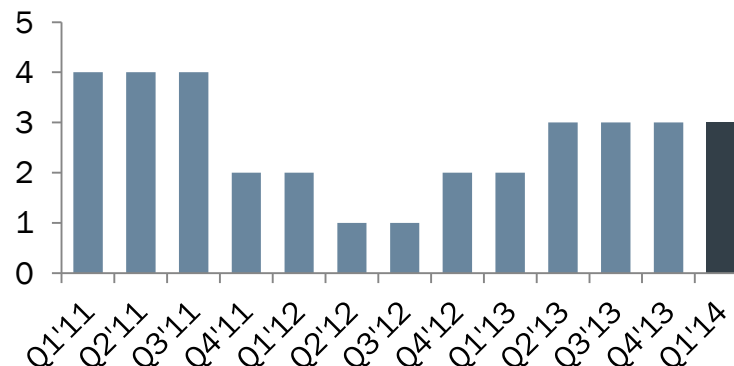
Net debt and equity ratio

USD million and percentage



Dividend

US cent per share





Income statement

USD million	Q1 2014	Q4 2013
Operating revenues	237.3	260.6
Operating expenses	-125.0	-156.8
Share of profit from associates	0.6	3.6
EBITDA	112.9	107.4
Depreciation	-55.3	-66.5
Amortisations	-0.5	-0.5
Gain (loss) from sale of assets / impairments	0.1	-0.2
EBIT	57.2	40.2
Net interest expense	-14.7	-14.4
FX, financial instruments and other financial items	-0.4	-1.6
Profit (loss) before tax	42.1	24.2
Income tax expense	-9.0	-10.0
Net profit (loss)	33.1	14.2

USD million	Q1 2014
Reported EBITDA	112.9
Adjustment for FX included in EBITDA	-1.2
Operational EBITDA	111.7



Statement of financial position

USD million	31.03.2014		31.12.2013	
Total non-current assets	2,986.4	86.6%	2,918.5	87.4%
Total current assets	461.9	13.4%	421.9	12.6%
Total assets	3,448.3	100.0%	3,340.4	100.0%
<hr/>				
Total equity	1,142.4	33.1%	1,124.1	33.7%
<i>Total non-current liabilities</i>	<i>1,733.0</i>		<i>1,713.4</i>	
<i>Total current liabilities</i>	<i>572.9</i>		<i>502.9</i>	
Total liabilities	2,305.9	66.9%	2,216.3	66.3%
Total equity and liabilities	3,448.3	100.0%	3,340.4	100.0%

USD million	31.03.2014
Reported interest bearing debt	1,820.3
Cash and deposits	-181.8
Net interest bearing debt	1,638.5

Equity ratio	33.1%
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Cash flow statement

USD million	Q1 2014	Q4 2013
Net cashflow from operating activities	146.1	83.2
Net cashflow from investing activities	-126.0	-25.8
Net cashflow from financing activities	29.3	-32.2
Net change in cash and cash equivalents	49.4	25.3
Cash and cash equivalent at start of period	132.4	107.1
Cash and cash equivalent at end of period	181.8	132.4



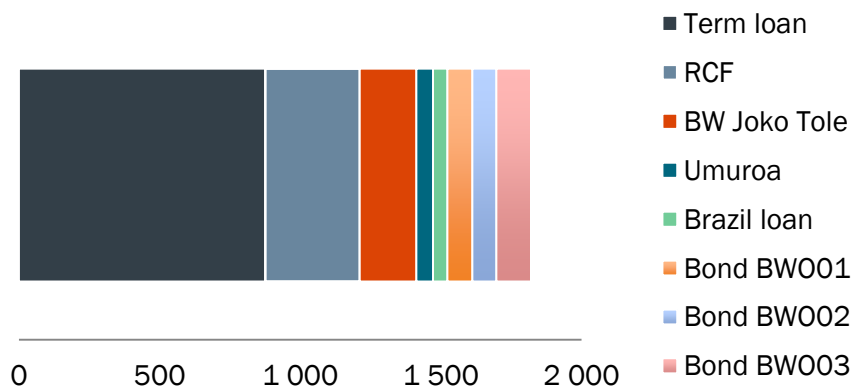


Financial strength

- Available liquidity of USD 420 million
- USD 800 million bank financing for the Catcher project
- Fully financed by operational cashflow, existing liquidity and new bank loan

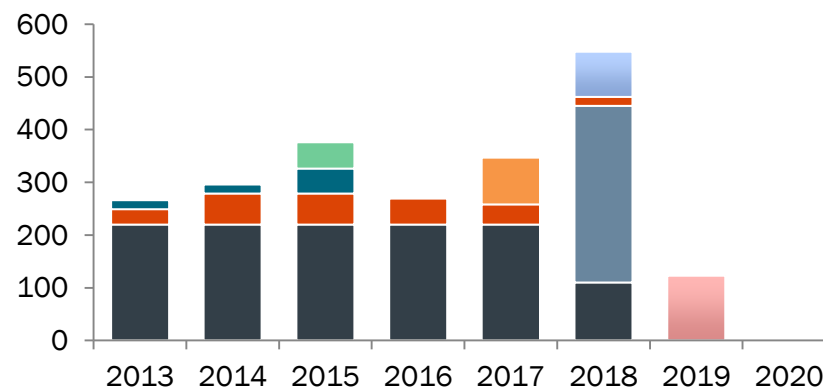
Gross debt USD million

Per 31.03.2014



Instalments USD million

Per 31.03.2014

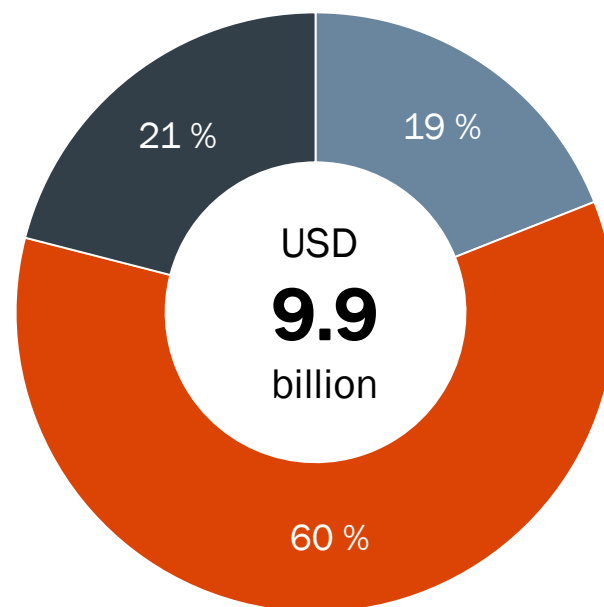




Orderbook

- Orderbook of USD 9.9 billion as of 31 March 2014
 - Whereof USD 4.9 billion are firm contracts
- Long term lease contracts with solid counterparties
 - Visible and sustainable revenue
- Portfolio with solid EBITDA-margins
 - EBITDA margin of 48% in Q1 2014

Total orderbook and clients



■ NOC ■ Int. E&P ■ Petrobras

Catcher: Included 10 year contract value of USD 2.3 billion



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FUTURE

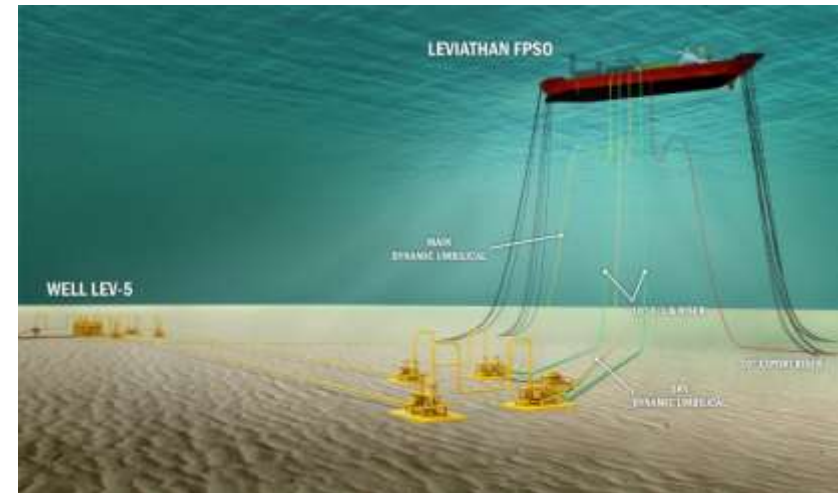
Prospects

- Leviathan FPSO – EPCI prospect
 - Gas FPSO (1.6 BCFD) in 1,700 m water depth offshore Israel
 - Participated in a FEED from October 2012 to August 2013
 - BW Offshore has been requested by Noble Energy to update the FEED

- Kudu FPSO – lease prospect
 - Gas FPSO in 170 m water depth offshore Namibia
 - Participated in a FEED from 2013-2014

- Ayatsil-Tekel FPSO – lease prospect

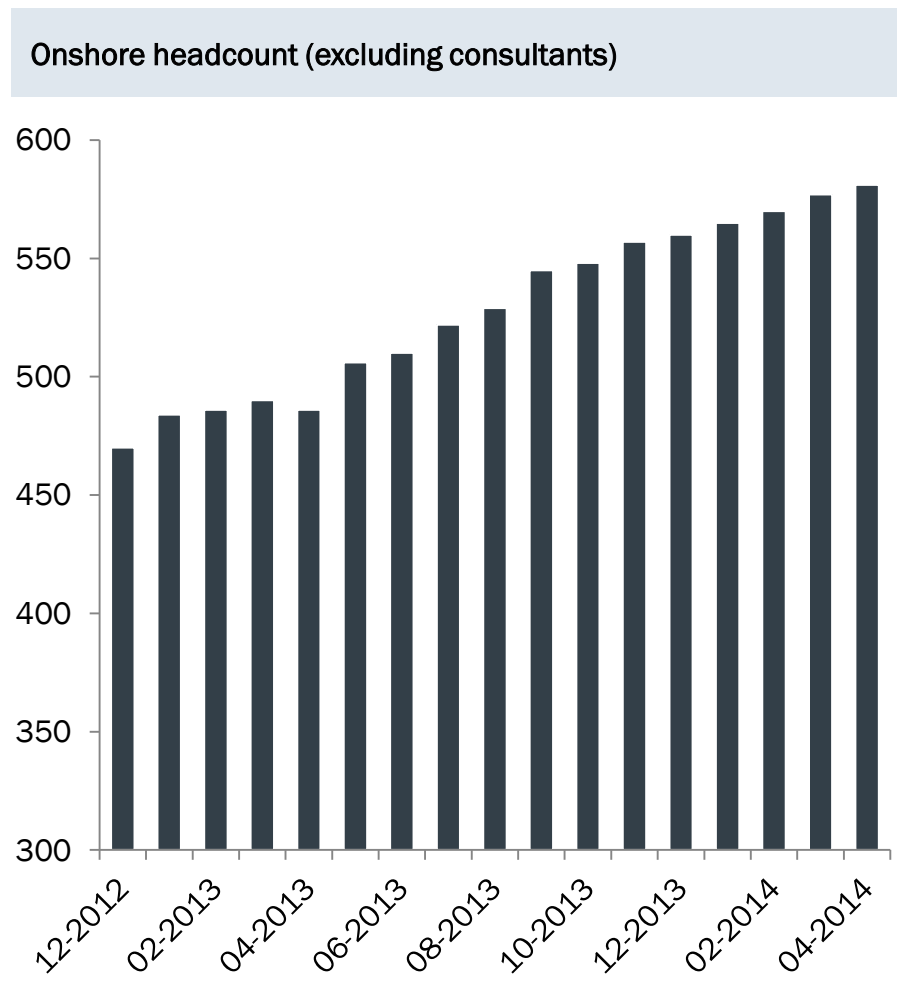
- Azurite FPSO - redeployment
 - Several opportunities being evaluated





Expanding execution capabilities

- Continue to expand our hubs in
 - Singapore
 - Oslo
 - Rio de Janeiro
 - Lagos
- Planning a new technical hub in Houston
- Recruitment profile
 - Engineering
 - Procurement
 - Construction
 - Planning
 - Controlling
 - Project management





Current priorities

- Catcher project
- Leviathan FEED
- Execute life extension programs
- Conclude new project opportunities
- Operational improvements in fleet
- Recruitment and strengthening of project and technical staff





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Capital Markets Day

12 June 2014

Oslo



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Q & A

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