

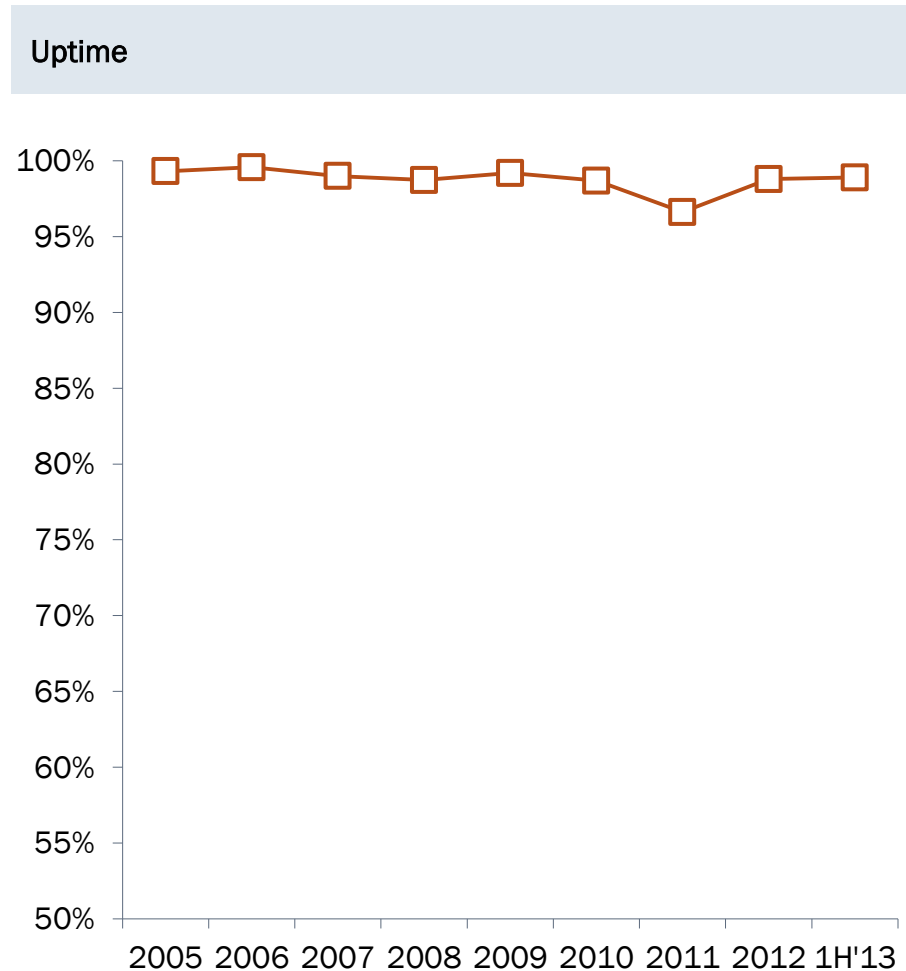


BW OFFSHORE
Pareto Securities' 20th
Annual Oil & Offshore
Conference
CEO Carl K. Arnet



BW Offshore

- First FPSO built in 1982
- Operates 16 FPSOs and 1 FSO in 12 countries
 - Owns 14 FPSOs and 1 FSO
- Global production of 700,000 boe/d
 - Five year average uptime of 98.3%
- LTI (per million man-hours) of 0.45 in Q2 2013
- Experienced project organisation
 - Delivered 38 units
- USD 7.8 billion contract portfolio with strong counterparties
 - 1H 2013 EBITDA of USD 225 million
- Quarterly dividend payments since Q1 2011
- Total equity of USD 1,143 million
 - Market cap USD 830 million
- Significant potential in existing fleet and new projects

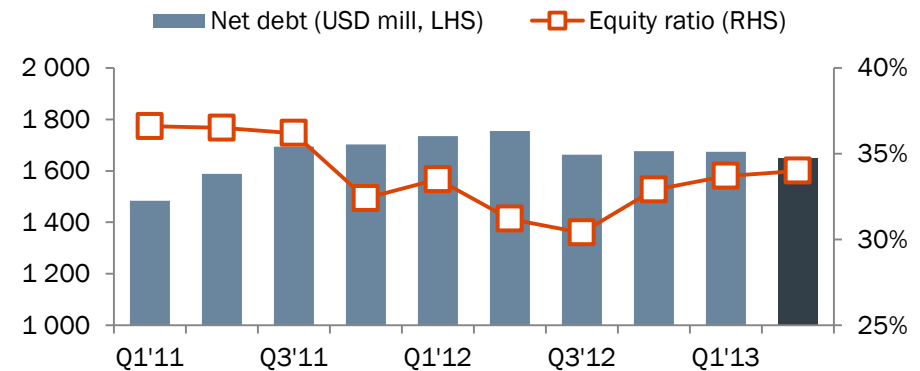




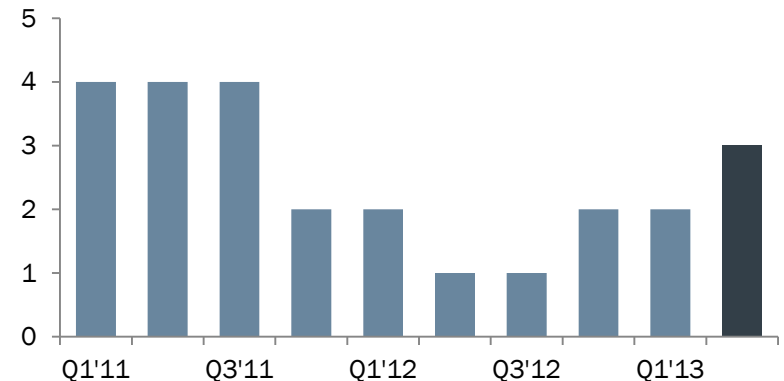
Financials

- EBITDA of USD 225 million in 1H 2013
- Net profit of USD 51 million in 1H 2013
- Net debt of USD 1,650 million
- Equity ratio 34.0%
- Distributed USD 172 million in dividend since Q1 2011, equal to 22% of EBITDA
- Available liquidity of USD 400 million
 - BW Joko Tole facility increased available liquidity by USD 285 million in July 2013

Net debt and equity ratio
USD million and percentage



Dividend
US cent per share

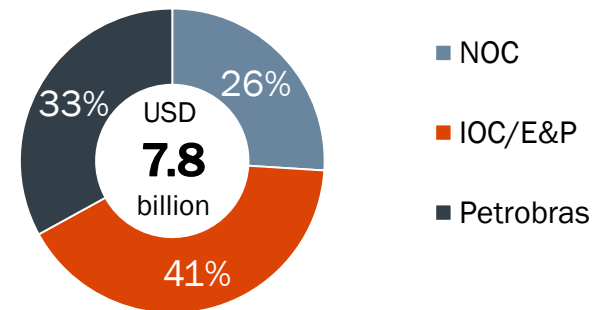




Order book

- Order book of USD 7.8 billion as of 30 June 2013
 - USD 3.7 billion are firm contracts
 - Average remaining contract length: 4.5 years firm and 4.5 years options
- Long term lease contracts with solid counterparties
 - Visible and sustainable revenue
- EBITDA margin 47% in 1H 2013
 - 51% adjusted for Papa Terra

Total order book and clients



Annual revenue backlog 2013-2022



Technical milestones

38 FPSO/FSO projects delivered

- The first FPSO in the US Gulf of Mexico (BW Pioneer)
- The deepest moored FPSO at 2,500 meters (BW Pioneer)
- The world's largest FPSO throughput with 600,000 bbl per day (YKN)
- Fast-track conversion of 11 months from contract award to first oil (BW Cidade de São Vicente)
- The first FPSO with drilling capability (FDPSO) (Azurite)



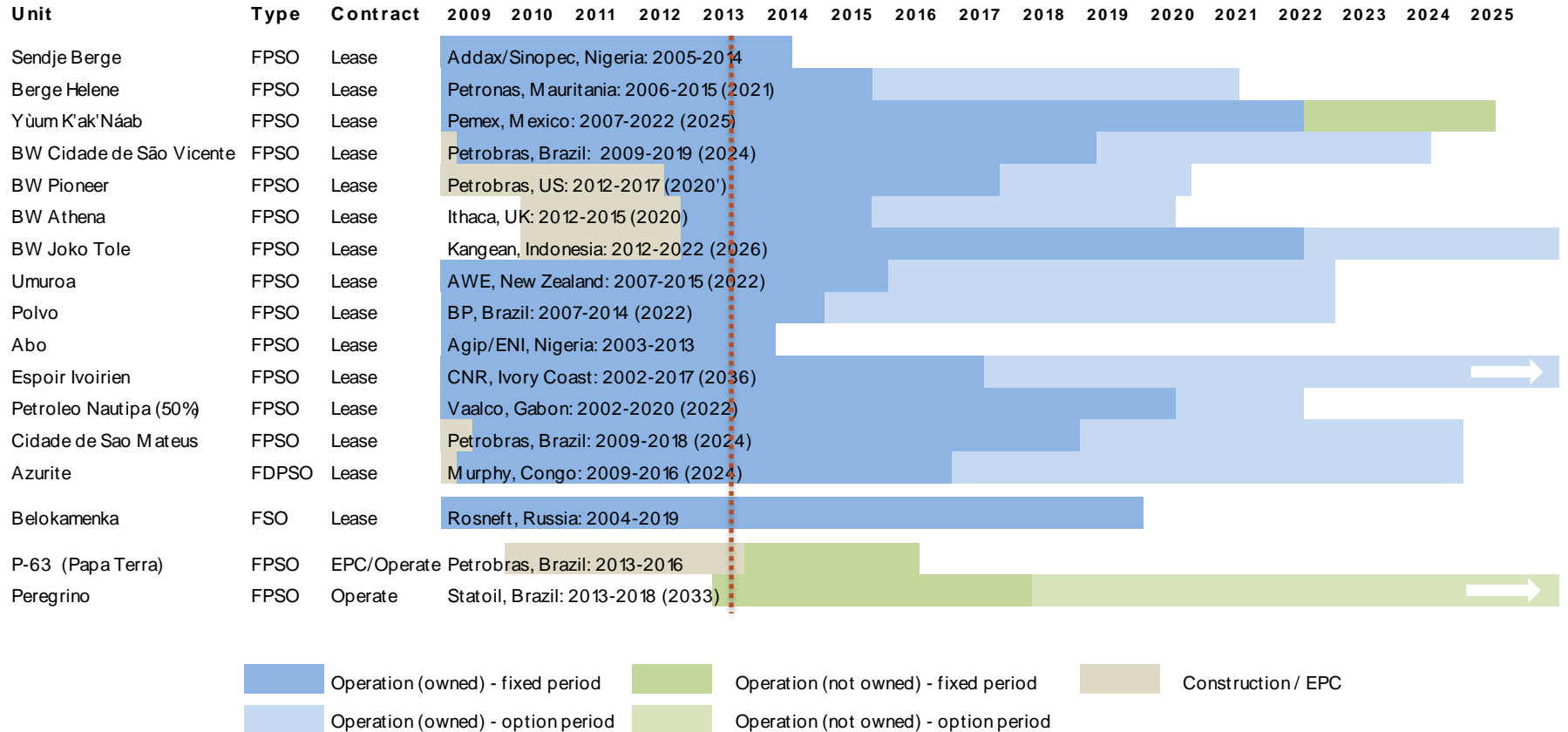
Significant gas FPSO history

- LPG FPSO Berge Sisar / Troll
 - Angola, 1982-2005
- LPG FPSO Berge Okoloba Toru
 - Nigeria, 2005-2009
- Gas FPSO Cidade de São Mateus
 - Brazil, 2009-2018+options
- Gas FPSO Joko Tole
 - Indonesia. 2012-2022 + options





Contract overview



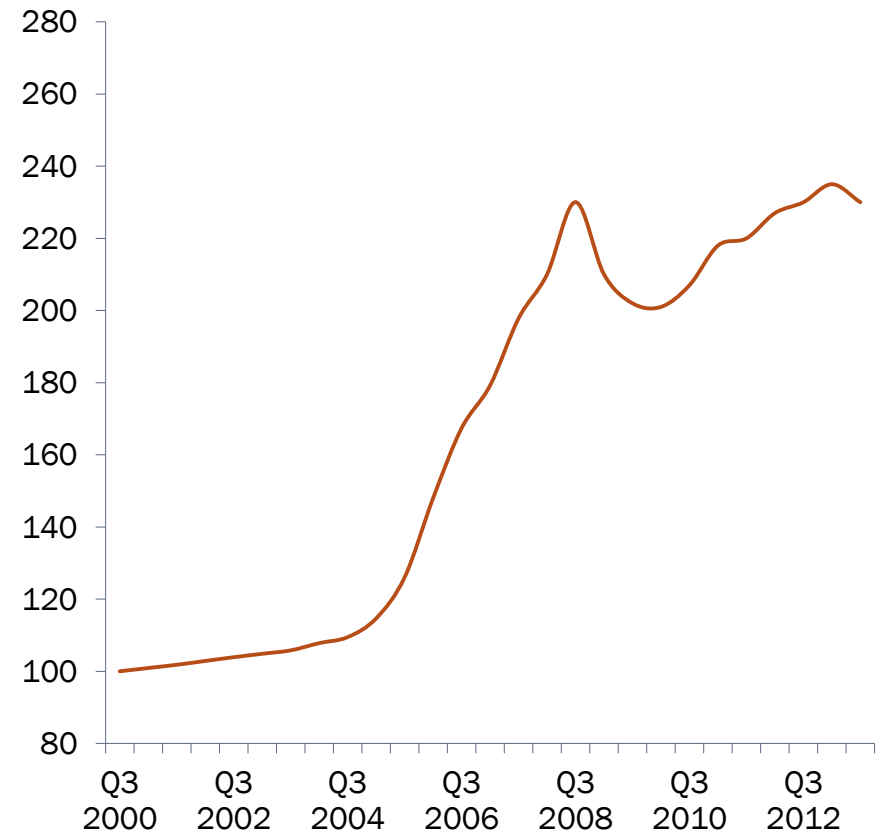


VALUE CREATION

Asset development

- FPSOs have a significant value after current contract
 - Technical life normally exceeds current contract
 - 90% of all FPSOs have been extended or redeployed
- Competitive position towards new conversions extends economic life
 - Increasing value of production tail
 - CAPEX inflation for new assets
- New technical solutions for in-situe life extension

Upstream capital cost index



Source: IHS CERA/BWO

Extensions and redeployments add to asset values

- BW Offshore opines that real asset values shall be calculated from the base case contract value plus a probability weighted average value of asset scenarios:
 - Extension at current field
 - One or more redeployments at new fields
 - Scrapping
- Probabilities based on market experience and current field data
- Redeployment capex investments based on experience and assumed capex inflation
- Opex rates assumed at cost +10% mark-up consistent with recent extensions



Extension and redeployment examples (I)

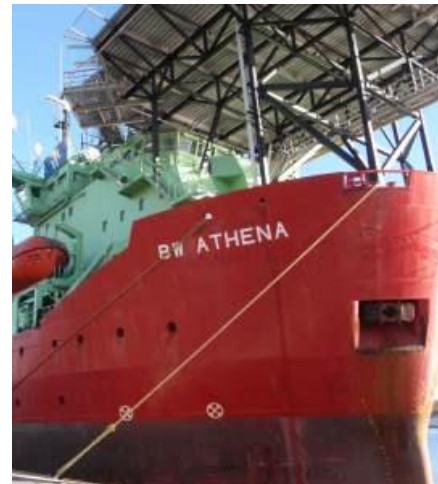
■ Petrolia Nautipa

- Built 1974 – converted to FPSO 1998
- Operation 1998-2002 on the Kiame field for Ranger, Angola
- Redeployment 2002–2007 to Etame field for VAALCO, Gabon
 - Extension 2007-2012
 - Extension 2012-2020



■ BW Cidade de São Vicente

- Built 1975 – converted to FPSO 1995
- Purchased and converted by BW Offshore
- Operation 2009-2019 on the Lula (Tupi) field for Petrobras, Brazil



■ BW Athena

- Built 1994 – converted to FPSO 2012
- Operation from 2012 on the Athena field for Ithaca, UK

Extension and redeployment examples (II)

■ Berge Helene

- Built 1976 – converted to FSO 2002
- Operation for Maersk Oil, Qatar
- Converted to FPSO
- Redeployment 2006-2013 as FPSO for Woodside, Mauritania
- Extension 2013-2015



■ Sendje Berge

- Built 1974 – converted to FPSO 2000
- Operation 2000-2002 Ceiba field for Triton Energy
- Upgraded 2004
- Redeployment 2005-2009 Okwori field for Addax Petroleum
- Extension 2009-2011
- Extensions 2011-2014



Valuation examples

■ BW Pioneer

- Firm contract until 2017 (options until 2020)
- Asset value USD 700 million based on risk weighted scenarios (extension, redeployment or scrap)

■ BW Athena

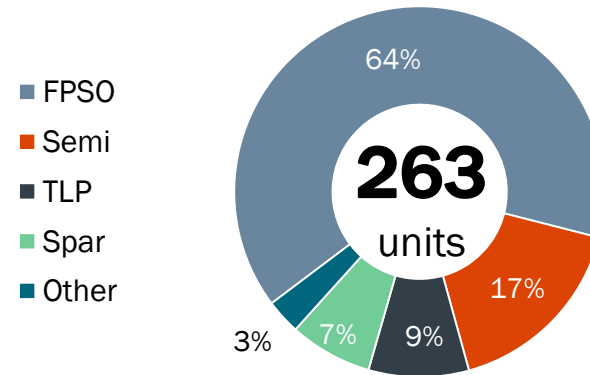
- Firm contract until 2015 (options until 2020)
- Asset value USD 500 million based on risk weighted scenarios (extension, redeployment or scrap)



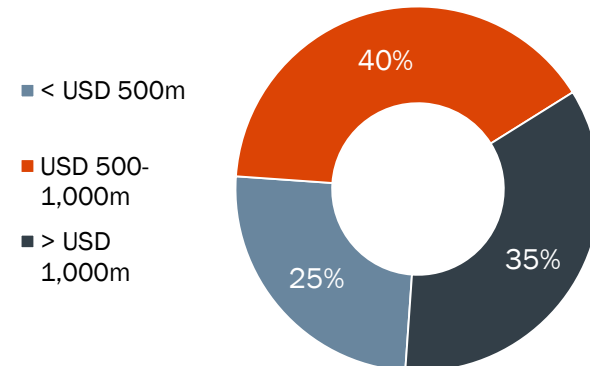
Market status

- FPSO is the preferred solution for floating production
- 7 FPSO awards YTD
 - 5 leases
 - 2 turnkey/EPC
- 10-15 awards expected per year
 - 60% leased (including redeployments)
 - 40% turnkey/EPC
- Average contract length for an FPSO lease-contract is 5 years firm and 7 years options (and growing)

Existing floating production units



FPSO demand divided by capex size

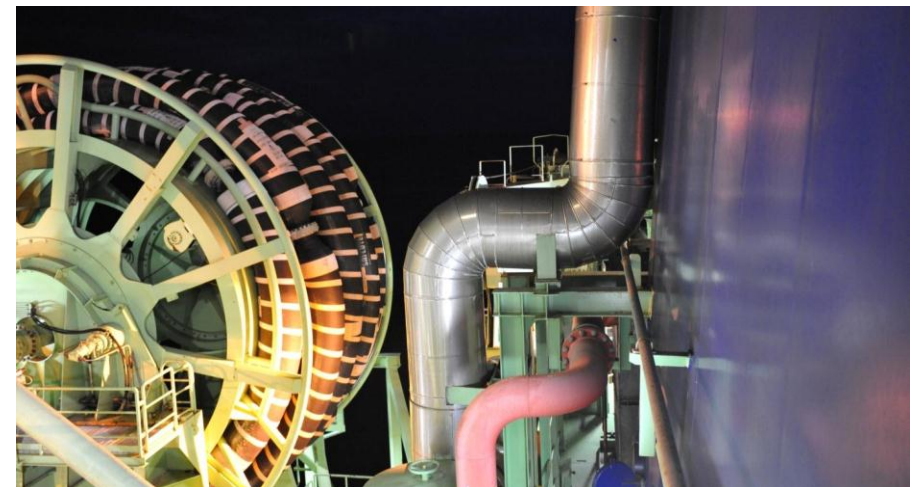


Source: IMA, Fearnley

Capacity

- Increased execution capacity
 - Project management and services
 - Engineering
 - Procurement
 - Construction

- Solid financial capacity
 - Extensions and redeployments
 - New project(s)





Market opportunities



Investment case

- World-leading FPSO contractor with a diversified asset base
- Robust demand and growing fleet
- Stable performance and long term revenue horizon
- Significant value potential in developing assets and system values in existing fleet
 - Contract extensions and redeployments
- Capability and capacity for new contracts
- Sustainable dividend payments supported by the solid order book with ~50% EBITDA margins



Q & A





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