



BW OFFSHORE

Q2 2013 presentation

CEO Carl K. Arnet
CFO Knut R. Sæthre



Disclaimer

This Presentation has been produced by BW Offshore Limited ("BW Offshore") exclusively for information purposes. This presentation may not be redistributed, in whole or in part, to any other person.

This document contains certain forward-looking statements relating to the business, financial performance and results of BW Offshore and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of BW Offshore or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of BW Offshore or any of its parent or subsidiary undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. BW Offshore assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither BW Offshore nor any of its parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. Actual experience may differ, and those differences may be material.

By attending this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of BW Offshore and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the businesses of BW Offshore. This presentation must be read in conjunction with the recent Financial Information and the disclosures therein.

This announcement is not an offer for sale or purchase of securities in the United States or any other country. The securities referred to herein have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be sold in the United States absent registration or pursuant to an exemption from registration under the U.S. Securities Act. BW Offshore has not registered and does not intend to register its securities in the United States or to conduct a public offering of its securities in the United States. Any offer for sale or purchase of securities will be made by means of an offer document that may be obtained by certain qualified investors from BW Offshore. Copies of this Presentation are not being made and may not be distributed or sent into the United States, Canada, Australia, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any member State, the "Prospectus Directive"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

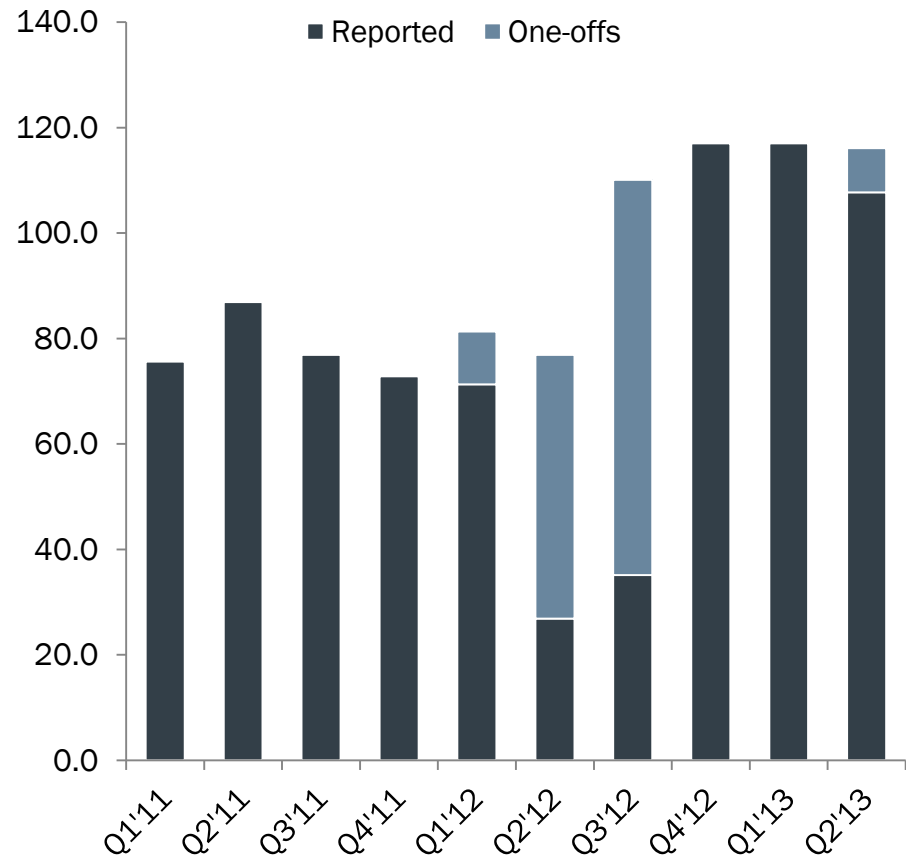
This Presentation is only directed at (a) persons who are outside the United Kingdom; or (b) investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (c) persons falling within Article 49(2)(a) to (d) of the Order; or (d) persons to whom any invitation or inducement to engage in investment activity can be communicated in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.



Highlights Q2 2013

- Stable operations with an uptime of 99.6%
- EBITDA of USD 107.7 million
- Achieved certificate of substantial completion for FPSO P-63
 - Unit arrived on location
 - Increased estimate to complete project by USD 14.8 million
- Positive one-off effects from the fleet of USD 10 million
- Completed finance facility for BW Joko Tole
- Sendje Berge contract extended until end of Q1 2014
- Dividend increased to USD 0.03 per share

EBITDA
USD million





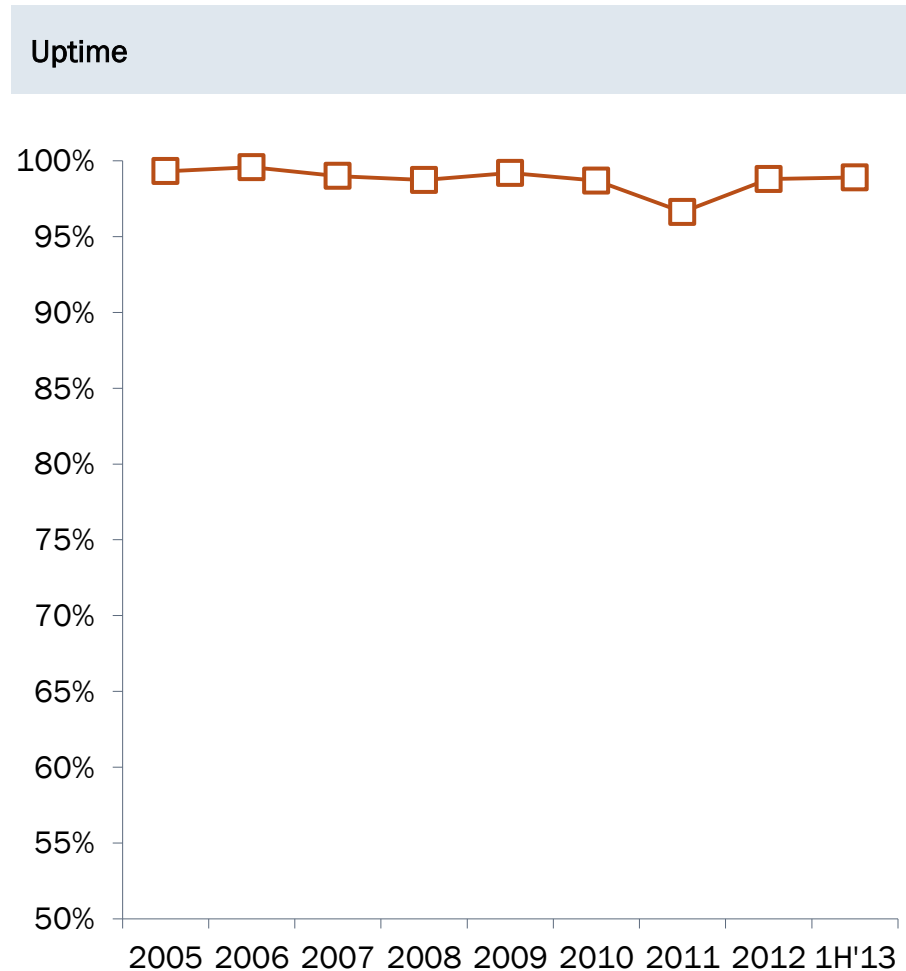
OPERATIONS



Operational highlights

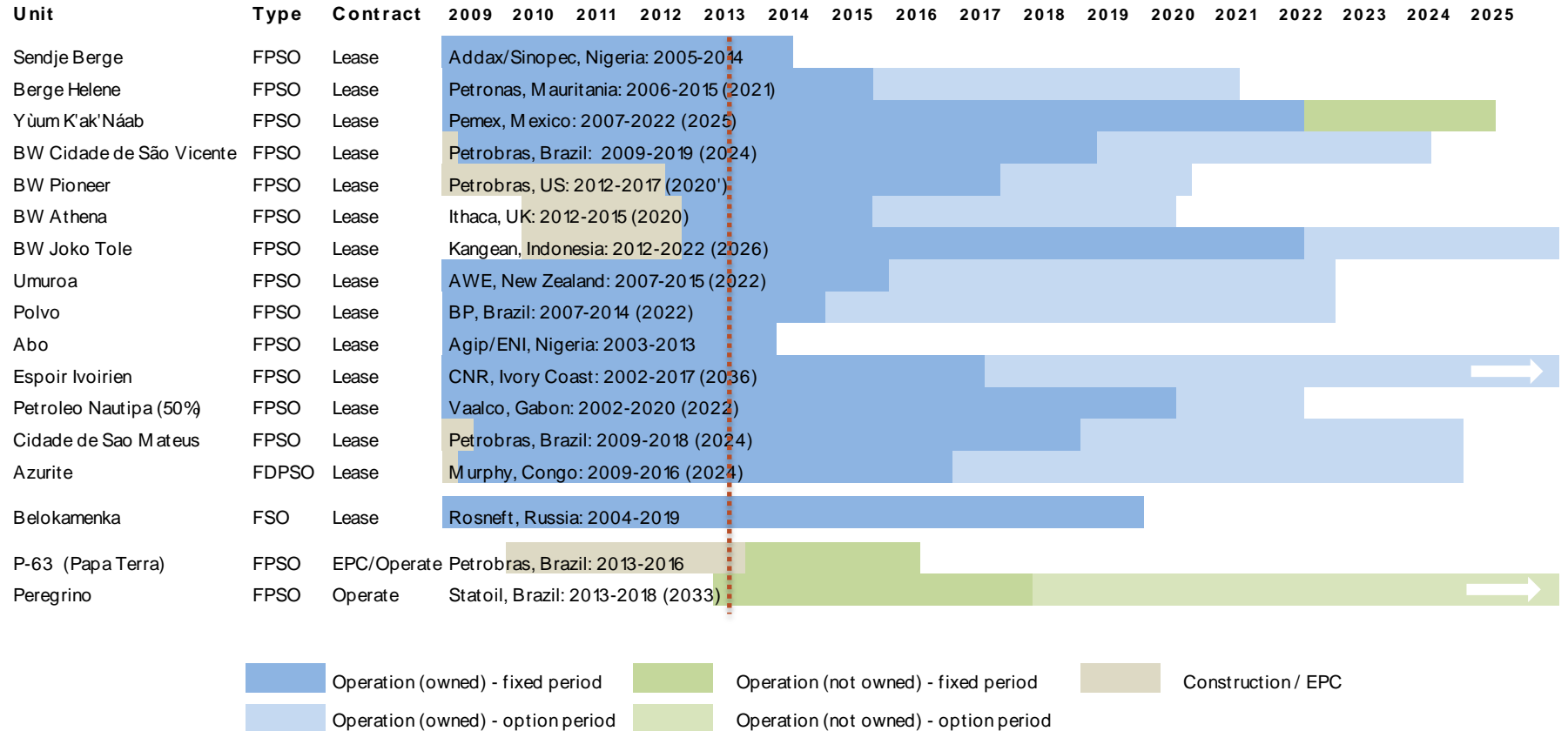
- HSSEQ performance
 - Lost time injuries (LTI*) of 0.45
- Fleet uptime
 - 99.6% in Q2 2013
 - Five year average of 98.3%
- Continued discussions with clients for Abo and Sendje Berge on work programs and commercial terms
 - Short-term contract extensions in place
- Client evaluates termination of Azurite-production
 - Contract compensates BW Offshore for any remaining fixed term period
- Life extension programs performing in line with expectations

* Injuries per million man-hours





Fleet overview



Papa Terra status

- Project completed on schedule, as announced by Petrobras
 - Certificate for substantial completion achieved in June 2013
- Petrobras requested that P-63 was moored offshore Macae where their changes related to the new subsea architecture have been carried out
- P-63 has departed Macae anchorage and has arrived on location
- Petrobras expects first oil 23 October
- A review of the project budget has resulted in an increase of the estimate to complete by USD 14.8 million



Photo credit: Petrobras news agency



FINANCIALS

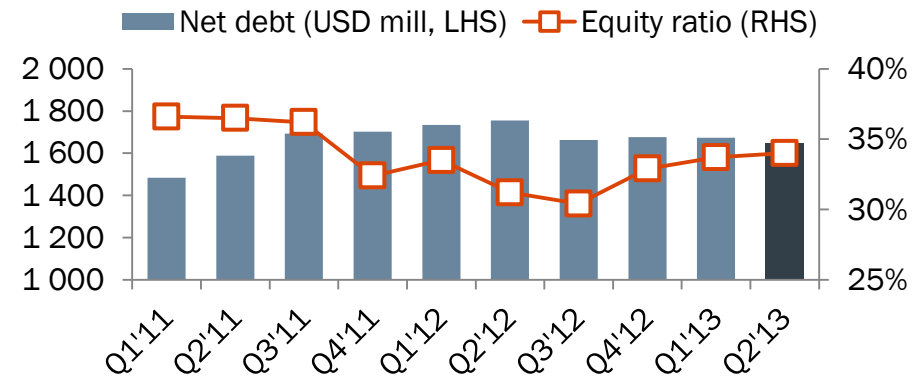


Financials

- EBITDA of USD 107.7 million
 - Negative P-63 contribution of USD 14.8 million
 - Positive one-offs of approximately USD 10 million
- Total equity of USD 1,143 million
 - Equity ratio 34.0%
- BW Joko Tole financing finalised in July
- Quarterly dividend of USD 0.03 per share
 - Distributed USD 172 million since introduction of dividend in 2011, equal to NOK 1.51 per share

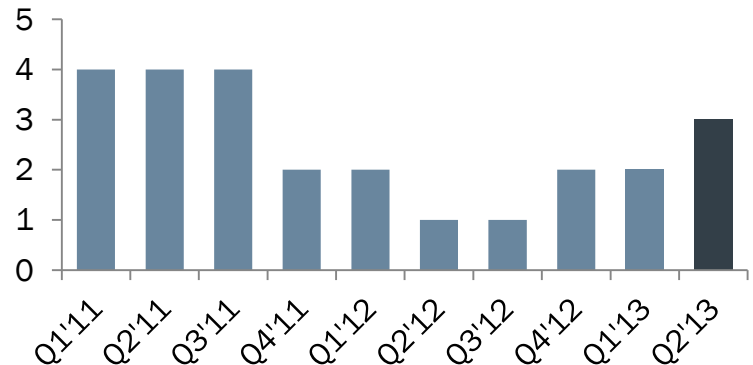
Net debt and equity ratio

USD million and percentage



Dividend

US cent per share





Income statement

USD million	Q2 2013	Q1 2013	1H 2013
Operating revenues	251.1	222.2	477.3
Operating expenses	-147.7	-105.5	-253.2
Share of profit from associates	0.3	0.3	0.6
EBITDA	107.7	117.0	224.7
Depreciation	-65.5	-64.3	-129.8
Amortisations	-0.6	-0.5	-1.1
Gain (loss) from sale of assets / impairments	-0.1	0.0	-0.1
EBIT	41.5	52.2	93.7
Net interest expense	-17.1	-13.4	-30.5
FX, financial instruments and other financial items	6.9	-0.7	6.2
Profit (loss) before tax	31.3	38.1	69.4
Income tax expense	-9.0	-9.0	-18.0
Net profit (loss)	22.3	29.1	51.4

USD million	Q2 2013
Reported EBITDA	107.7
Adjustment for share of profit of associates	-0.3
Adjustment for FX included in EBITDA	3.6
Operational EBITDA	111.0



Statement of financial position

USD million	30.06.2013	31.03..2013	30.06.2012
Total non-current assets	2,984.7	3,035.6	3,067.9
Total current assets	381.7	343.1	422.2
Total assets	3,366.4	3,378.7	3,490.1
<hr/>			
Total equity	1,143.0	1,137.7	1,088.6
<i>Total non-current liabilities</i>	<i>1,767.2</i>	<i>1,779.3</i>	<i>1,876.9</i>
<i>Total current liabilities</i>	<i>456.2</i>	<i>461.7</i>	<i>524.6</i>
Total liabilities	2,223.4	2,241.0	2,401.5
Total equity and liabilities	3,366.4	3,378.7	3,490.1

USD million	30.06..2013
Reported interest bearing debt	1,773.5
Cash and deposits	-123.8
Net interest bearing debt	1,649.7

Equity ratio	34.0%
---------------------	--------------

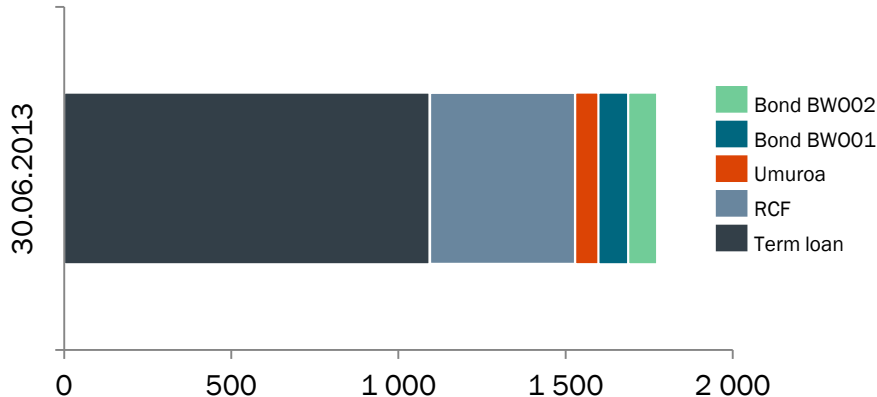


Financial strength

- Gross debt of USD 1,774 million
 - Net debt of USD 1,650 million
- BW Joko Tole facility increased available liquidity by USD 285 million in July 2013
 - USD 250 million term loan
 - USD 35 million performance bond
- Financial capacity to take on a new lease project

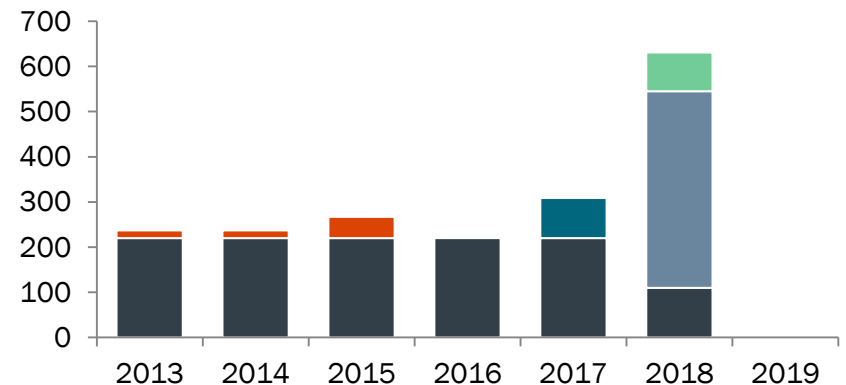
Gross debt
USD million

Per 30.06.2013



Instalments
USD million

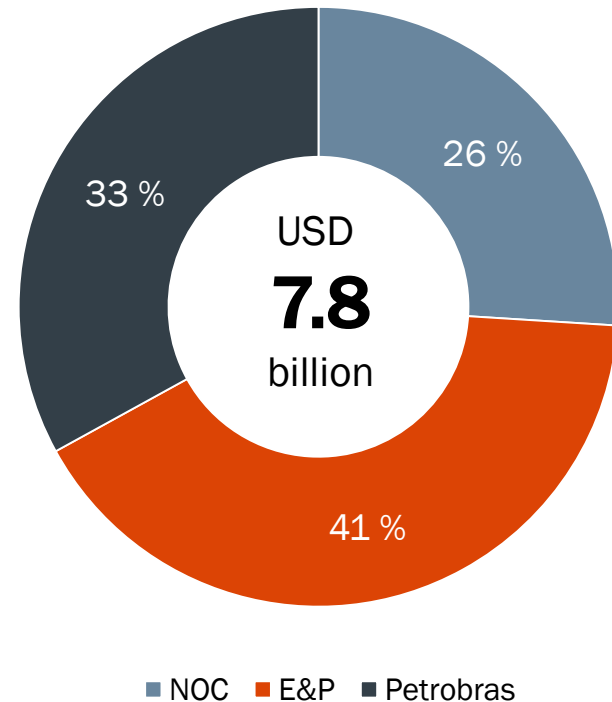
Per 30.06.2013



Orderbook

- Orderbook of USD 7.8 billion as of 30 June 2013
 - Whereof USD 3.7 billion are firm contracts
- Long term lease contracts with solid counterparties
 - Visible and sustainable revenue
- EBITDA margin 47% in 1H 2013
 - 51% adjusted for Papa Terra

Total orderbook and clients





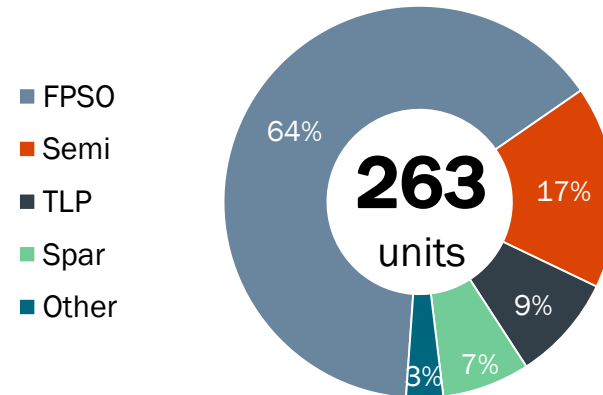
FUTURE

Market status

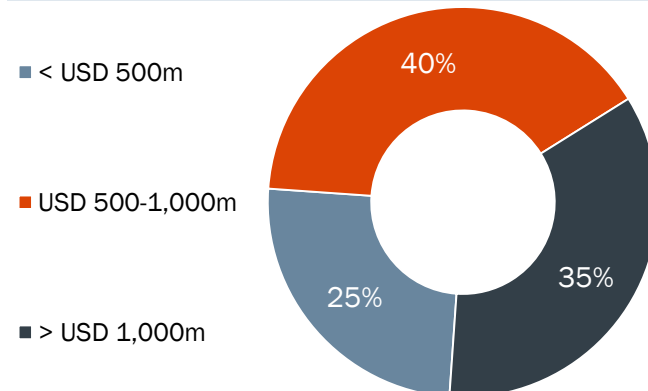
- 7 FPSO awards YTD
 - 5 leases
 - 2 turnkey/EPC

- 10-15 awards expected per year
 - 60% leased (including redeployments)
 - 40% turnkey/EPC

Existing floating production units



FPSO demand



Source: IMA

Current market focus



Current activities

- Completing large compensated FEED-studies
 - Leviathan
 - Catcher
- Selective approach to new investments opportunities
- Continuing drive to monetize on global fleet and to improve operations by focusing on standardisation and best practice
- Recruiting technical personnel in Singapore, Oslo and Rio
- Increasing capacity in project management, procurement, planning and cost control



Short term priorities

- Papa Terra (P-63) installation and start-up
- Concluding extension contracts and work programs for Sendje Berge and Abo
- Operational improvements in fleet
- Start work on Azurite redeployment
- Conclude FEEDs and market opportunities



Q & A





Further information: www.bwoffshore.com

IR contact: Kristian Flaten, Vice President IR and Corporate Finance
kristian.flaten@bwoffshore.com