

BW Offshore

Q3 2012 presentation

26 November 2012



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Main statements

- Q3 2012 EBITDA of USD 35.1 million
- P-63 (Papa Terra) revised forecast giving USD 75 million in negative contribution
- Espoir Ivoirien and Berge Helene extensions
- Dividend payment of USD 0.01 per share



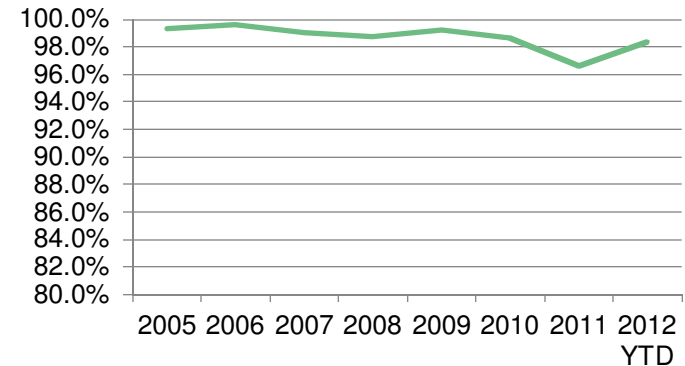
OPERATION



Operational statements

- HSSEQ performance
 - Lost time injuries (LTI) of 0.6
- Fleet uptime 99.5%
- P-63 has left COSCO Dalian
- Espoir Ivoirien fixed contract extended by four years
- Berge Helene fixed contract extended by two years
- Endeavor (FSO) operations ended and unit sold

Uptime





Fleet performance

- Improved regularity on all units
 - Consistent technical standard implemented and gaps identified and actioned
 - Optimising fleet overhead
 - Technical and commercial support functions strengthened
- Ongoing discussions for extensions
 - Sendje Berge
 - Abo





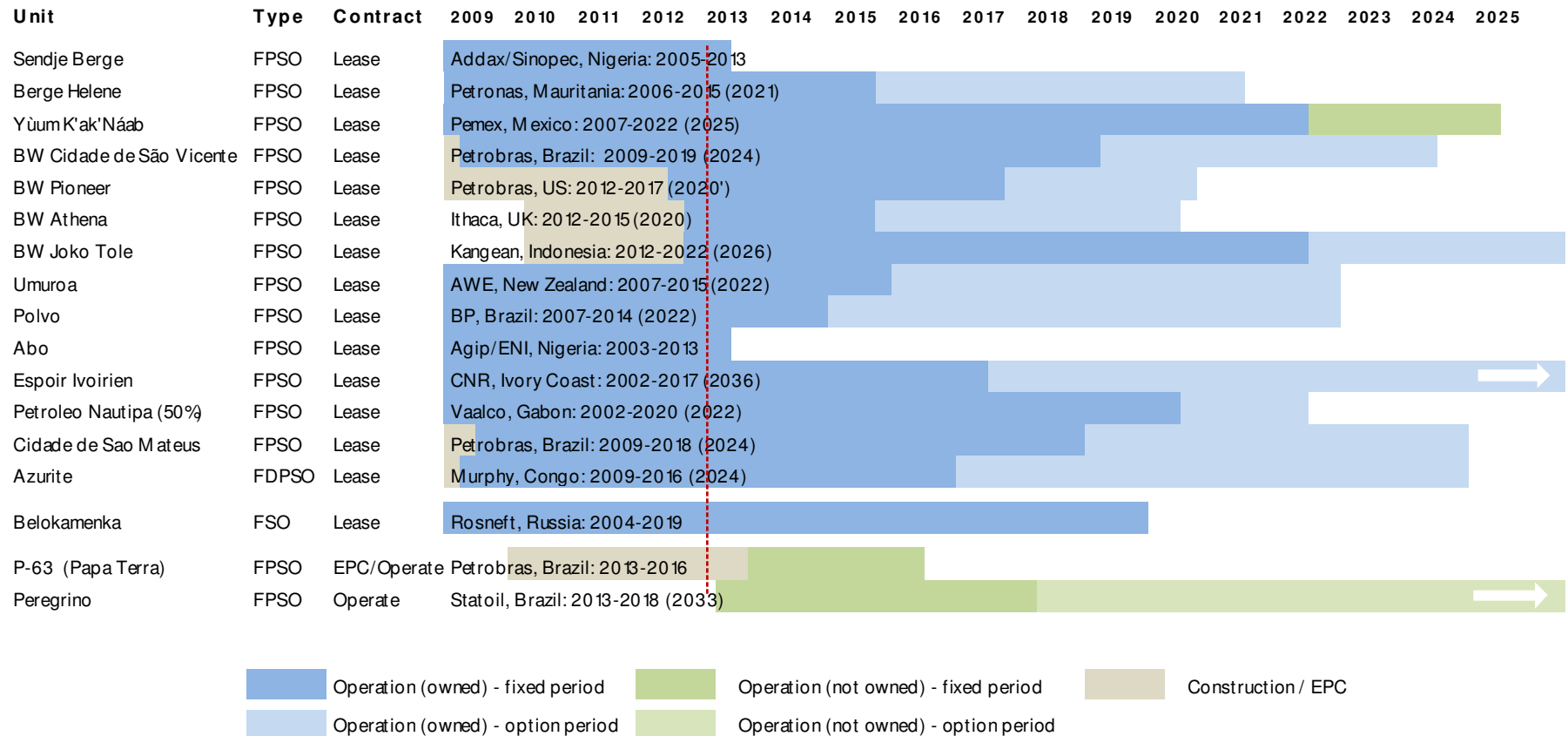
Espoir Ivoirien contract extension

- Firm period extended until 2017
- Option period extended until 2036
- Life extension and equipment renewal, no change of capacity
- Equipment renewal/replacement to be paid by client on cost-plus basis



Client:	CNR, Ivory Coast
Oil production capacity:	40,000 bbl/d
Gas compression capacity:	80 mmscfd
Storage capacity:	1,100,000 bbl
Mooring:	Internal turret
Water depth:	130 m

Fleet overview



Papa Terra status

- P-63 (Papa Terra) left COSCO Dalian Shipyard on 20 November
 - Estimated arrival in Brazil is February 2013
- Project cost increased by USD 75 million to USD 450 million
 - Increased engineering, construction, procurement and commissioning cost and increased yard costs associated with the delayed schedule
- Final integration of six modules in QUIP's Rio Grande yard
 - BW Offshore and QUIP working to meet the overall project schedule requirements from Petrobras for a July 2013 start-up



FINANCE





Financial statements

- Q3 2012 EBITDA of USD 35.1 million
 - Negative contribution from the Papa Terra-project
 - Full contribution from BW Athena and BW Joko Tole
- Linear booking of revenue and EBITDA for BW Joko Tole
- Finalised depreciation schedule for the three new units in production; BW Pioneer, BW Joko Tole and BW Athena
- Received final installment of USD 100 million from Apache in July

P&L



USD million	Q3 12	Q2 12	Q3 11	2011
Operating revenue	235.9	222.5	216.1	846.2
Operating expenses	-200.9	-195.9	-138.9	-534.0
Share of profit from associates	0.1	0.3	-0.5	-0.3
EBITDA	35.1	26.9	76.7	311.9
Depreciation	-63.9	-53.5	-46.3	-178.6
Amortisations	-0.6	-0.7	-1.0	-4.5
Gain (loss) on sale of assets / impairments	-0.6	0.3	15.3	-119.8
EBIT	-30.0	-27.0	44.7	9.0
Net interest expense	-14.5	-10.4	-13.4	-46.2
Fx, fin instr and other fin items	-8.1	-4.7	-20.5	-33.7
Profit (loss) before tax	-52.6	-42.1	10.8	-70.9
Income tax expense	-7.0	-7.6	-5.4	-43.9
Net profit (loss)	-59.6	-49.7	5.4	-115.5

Reported EBITDA	35.1
<i>Share of profit of associates (positive in Q)</i>	-0.1
<i>FX included in EBITDA (negative in Q)</i>	2.3
Operational EBITDA	37.3



Balance sheet

- Equity ratio 30.4%
- Net interest bearing debt USD 1,662.4 million

USD million	30.09.12	30.06.12	30.09.11	31.12.11
Total non-current assets	3 021.1	3 067.9	3 359.0	3 009.6
<i>Assets of disposal group held for sale</i>	-	-	7.1	185.0
Total current assets	353.3	422.2	367.1	607.0
Total assets	3 374.4	3 490.1	3 726.1	3 616.6
Total equity	1 025.0	1 089.6	1 342.0	1 171.9
Total non-current liabilities	1 766.6	1 875.9	1 847.5	1 901.8
<i>Liabilities of disposal group held for sale</i>	0.0	0.0	7.1	0.0
Total current liabilities	582.8	524.6	536.6	542.9
Total liabilities	2 349.4	2 400.5	2 384.1	2 444.7
Total equity and liabilities	3 374.4	3 490.1	3 726.1	3 616.6

Reported interest bearing debt	1750.3
Cash and deposits	-87.9
Net interest bearing debt	1662.4



Financial covenants

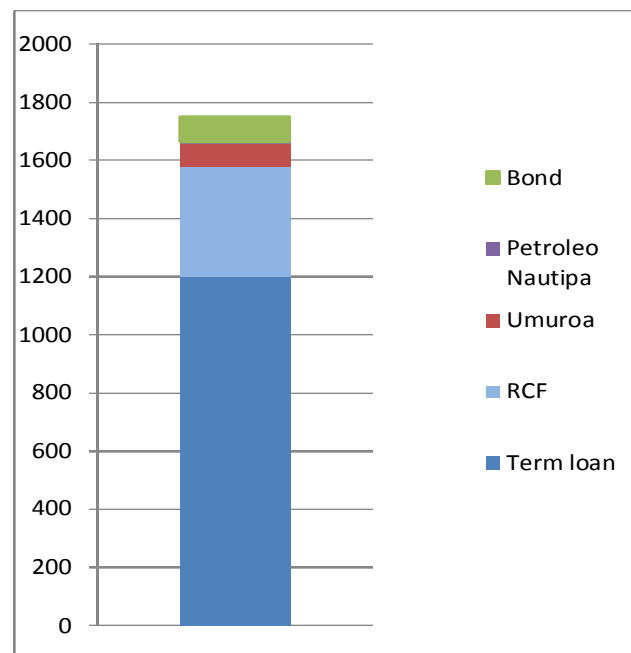
- BW Offshore has agreed with its lending banks on a waiver for the USD 2,400 million loan facility and the Umuroa loan
 - The waiver applies for the equity ratio covenant, the leverage covenant and the interest cover ratio
- Carve out of the Q2 2012 loss on Papa Terra of USD 50 million, as well as additional Papa Terra-losses of up to USD 75 million in the second half of 2012
 - Applicable for as long as the relevant quarter is included in the covenant calculations
- No changes to any other terms and conditions



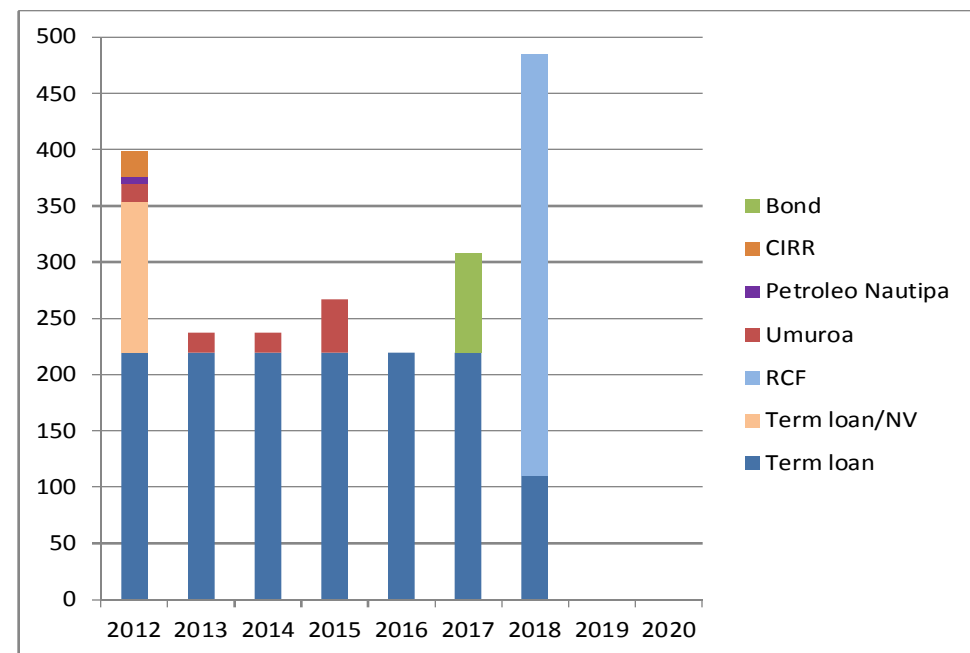
Debt and instalment profile

- Gross debt of USD 1,750.3 million per 30 September 2012

Gross debt (USD million)



Instalments (USD million)

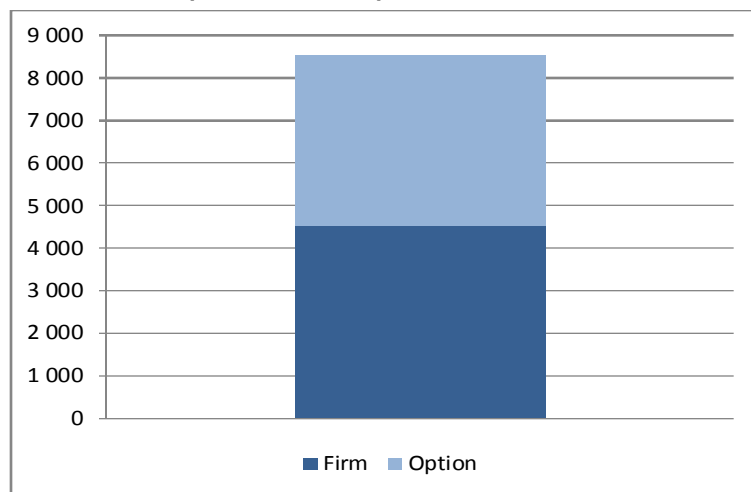




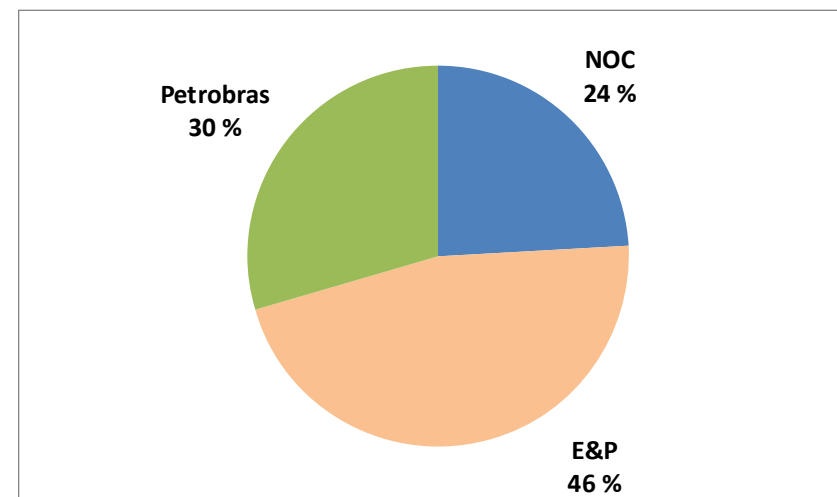
Orderbook

- Orderbook of USD 8.5 billion
 - Whereof USD 4.5 billion are firm contracts
- New orders of USD 800 million in Q3
- High value cashflow and backlog from solid counterparties

Orderbook (USD million)



Clients



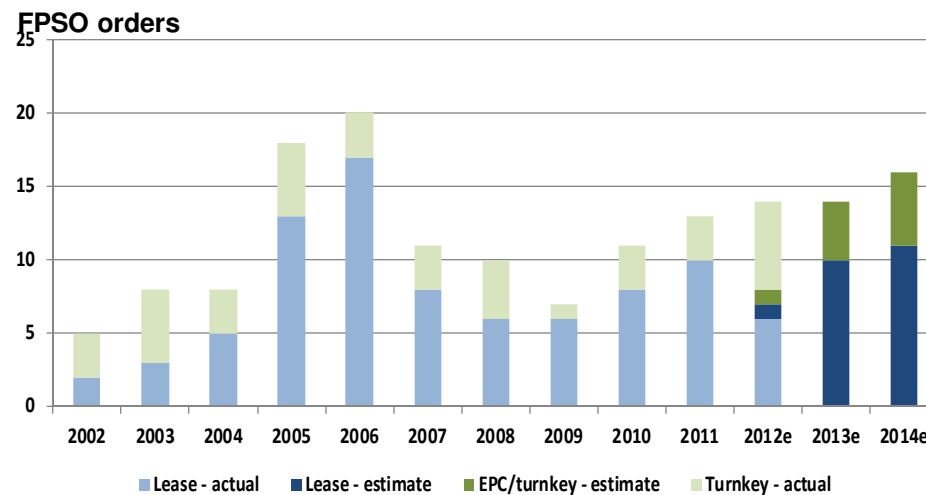
MARKET





Market statements

- Large number of prospects
- Flat to slightly increasing demand (contracts) expected near term
- Number of active competitors still reducing
- Contract extensions on existing fields have very high probability
- Yard capacity is very good due to lower shipbuilding activity



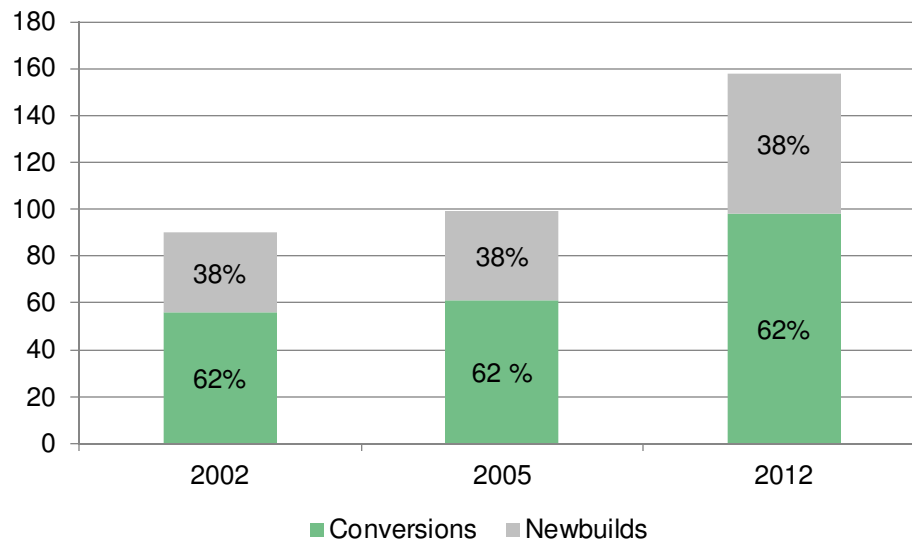
Source: Fearnley Offshore



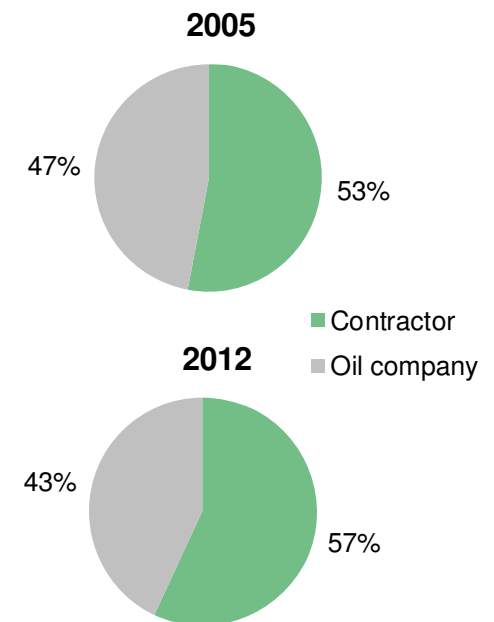
FPSO fleet development

- Number of FPSOs expected to grow significantly
- Relative share of conversions vs newbuilds unchanged
- Contractor owned FPSOs limited by financial resources
- Oil companies' contracting strategies

FPSO fleet – units & type



FPSO fleet – ownership



Selected opportunities



Project Name	Operator	Country	Indicated award
Madura FPSO	CNOOC	Indonesia	Q2 2013
Leviathan FPSO	Noble Energy	Israel	Q3 2013
Catcher FPSO	Premier Oil	UK North Sea	Q3 2013
Ande Ande FPSO	AWE	Indonesia	Q3 2013
Cameia FPSO	Cobalt Energy	Angola	Q3 2013
Lakhsa FPSO	Shell	Brunei	Q4 2013
Chissonga FPSO	Maersk Oil	Angola	Q4 2013
Ayatzil-Tekel FPSO	Pemex	Mexico	Q4 2013

SUMMARY





Focus areas

- Papa Terra (P-63) project completion and start-up
- Operational improvements in fleet
- Extensions for Sendje Berge and Abo
- Selective market opportunities



Q&A





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