

BW Offshore

Q2 2012 presentation

30 August 2012



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Highlights

- Q2 2012 EBITDA of USD 26.9 million
- Papa Terra project USD 50 million in negative contribution
- BW Athena and BW Joko Tole accepted and in operation
- Contract extensions for Petr6leo Nautipa and Berge Helene
- Operational contract with Statoil
- Dividend payment of USD 0.01 per share



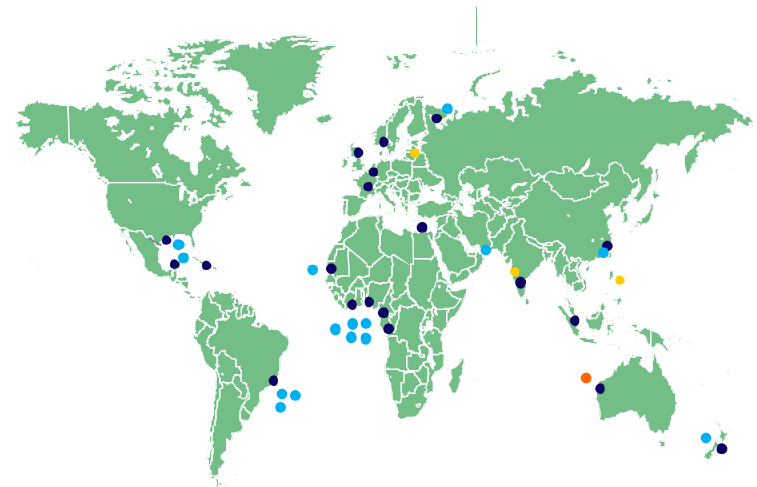
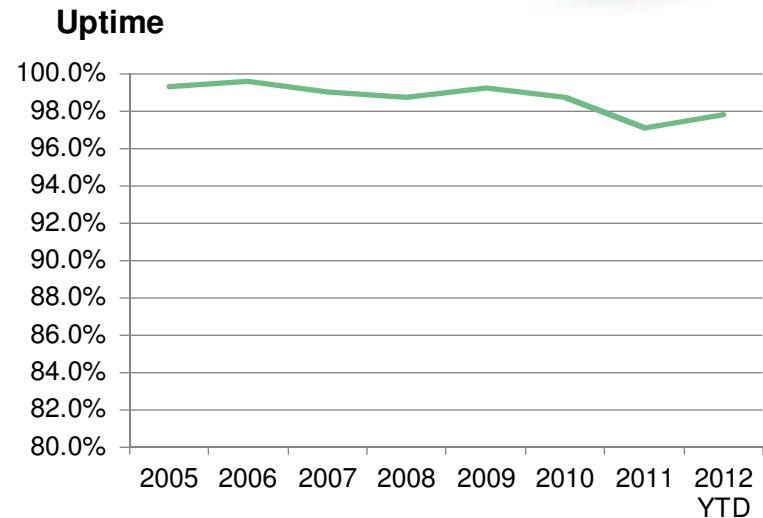
OPERATION



Operational highlights



- HSSEQ performance
 - Lost time injuries (LTI) < 1.0
- Fleet uptime
 - Q2 2012 uptime of 98.1%
- Petr leo Nautipa contract extension
 - Firm period until 2020
 - Options until 2022
- Berge Helene contract extension
 - Firm period until 2015
 - Options until 2021



Fleet actions and performance

- Re-classification programs with extensive steel replacement, equipment renewals and various upgrades have weakened fleet performance
 - Polvo
 - Umuroa
 - Cidade de São Mateus
 - Espoir Ivoirien
- Three units are approaching end of contracts and option periods. Potential for further extensions and in-situ renewal programs are explored
 - Espoir Ivoirien
 - Sendje Berge
 - Abo





BW Athena

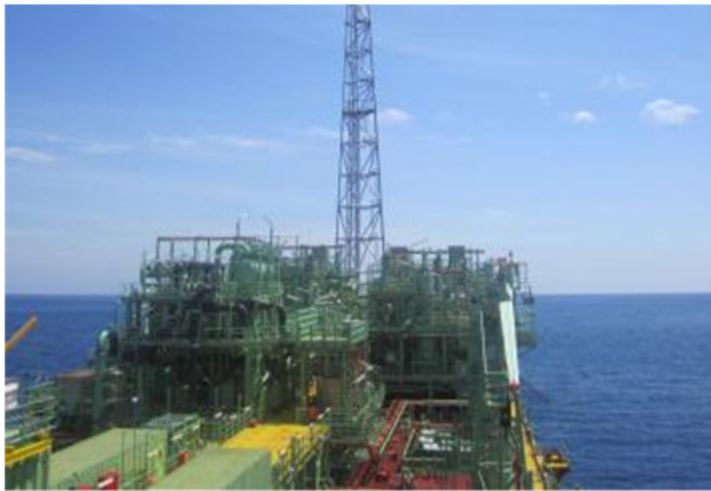
- Accepted by client on 8 June
- Three year firm contract
 - Options for additional five years
- Start-up in line with expectations, but some running-in problems related to utility systems





BW Joko Tole

- Accepted by client on 31 May
- Ten year firm contract
 - Options for additional four years
- Start-up better than expectations and 100% uptime from first day





O&M contract with Statoil, Brazil

- Reimbursable operation and maintenance contract for the FPSO Peregrino
 - Firm period until 2018
 - Options until 2033
- BW Offshore will take over operation after a six month transition period
 - Statoil and Sinochem acquired the vessel from Maersk in June
 - Unit currently operated by Maersk

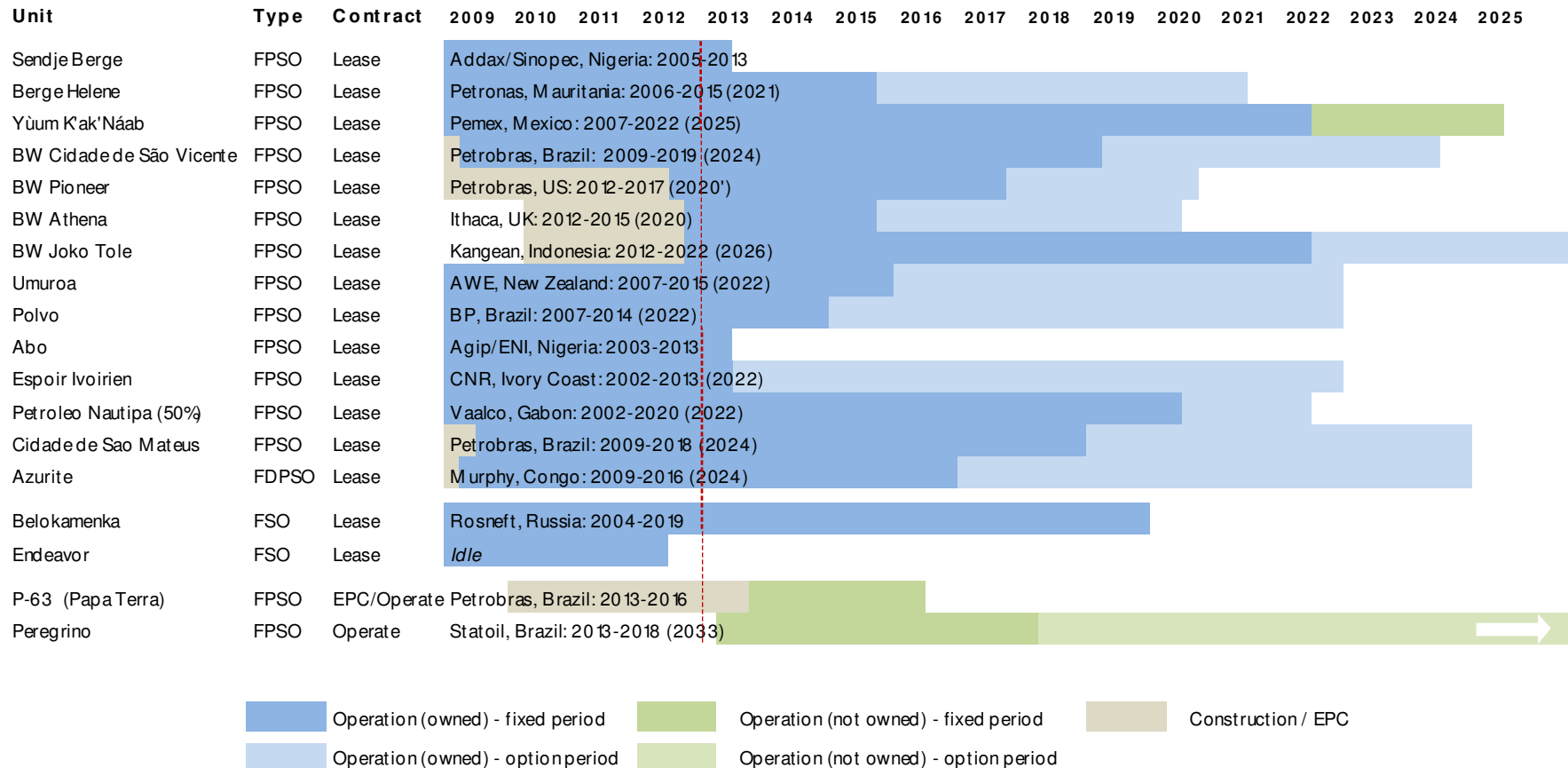


FPSO particulars

Oil production capacity:	100,000 bbl/d
Storage capacity:	1,600,000 bbl
Mooring:	STP Turret
Water depth:	120 meters

Picture: Øyvind Hagen, Statoil

Fleet overview





Papa Terra project status

STATUS

- Progress 98% at end July 2012
- Main issues:
 - Commissioning of boiler for propulsion
 - Minimize carry over to Brazil
- Planned start-up July 2013
- Current contract loss USD 25 mill
 - No allowance made for LD in projected cost

IDENTIFIED REASONS

- Much larger conversion scope than planned
- Late completion of engineering and large number of changes
- Slow progress on key deliveries
- Lower progress than expected at conversion yard

ACTIONS

- Re-organised the site organisation
- Mobilised further resources and personnel to site
- Mobilized more engineering resources
- Transferred JV scope from Brazil to China



FINANCE





Financial highlights

- Q2 2012 EBITDA of USD 26.9 million
 - Negative contribution from P-63 (Papa Terra) project
 - BW Athena and BW Joko Tole contribution in June
 - Insurance settlement related to Ningaloo Vision
- Last installment of USD 100 million from Apache Energy received in July (Q3 2012)



P&L



USD million	Q2 12	Q1 12	Q2 11	2011
Operating revenue	222.5	217.5	228.6	846.2
Operating expenses	-195.9	-148.4	-141.7	-534.0
Share of profit from associates	0.3	0.1	0.0	-0.3
EBITDA	26.9	69.2	86.9	311.9
Depreciation	-53.5	-43.6	-45.0	-178.6
Amortisations	-0.7	-0.6	-1.0	-4.5
Gain (loss) on sale of assets / impairments	0.3	0.2	2.6	-119.8
EBIT	-27.0	25.2	43.5	9.0
Net interest expense	-10.4	-14.1	-9.5	-46.2
Fx, fin instr and other fin items	-4.7	-1.6	-21.8	-33.7
Profit (loss) before tax	-42.1	9.5	12.2	-70.9
Income tax expense	-7.6	-6.1	-5.7	-43.9
Net profit (loss) from continued operations	-49.7	3.4	6.5	-114.8
<i>Net profit (loss) from discontinued operations</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.7</i>
Net profit (loss)	3.4	3.4	6.5	-115.5

Reported EBITDA	26.9
<i>Share of profit of associates (positive in Q)</i>	<i>-0.3</i>
Adjusted EBITDA	26.6
<i>Fx (included in EBITDA, negative in Q)</i>	<i>5.2</i>
Operational EBITDA	31.8

Balance sheet



- Equity ratio 31.2 %
- Net interest bearing debt USD 1,754.6 million

USD million	30.06.12	31.03.12	30.06.11	31.12.11
Total non-current assets	3 067.9	3 055.1	3 334.1	3 009.6
<i>Assets of disposal group held for sale</i>	-	-	7.1	185.0
Total current assets	422.2	401.9	428.4	607.0
Total assets	3 490.1	3 457.0	3 762.5	3 616.6
Total equity	1 089.6	1 157.5	1 364.6	1 171.9
Total non-current liabilities	1 875.9	1 785.4	1 766.5	1 901.8
<i>Liabilities of disposal group held for sale</i>	0.0	0.0	7.1	0.0
Total current liabilities	524.6	514.1	631.4	542.9
Total liabilities	2 400.5	2 299.5	2 397.9	2 444.7
Total equity and liabilities	3 490.1	3 457.0	3 762.5	3 616.6

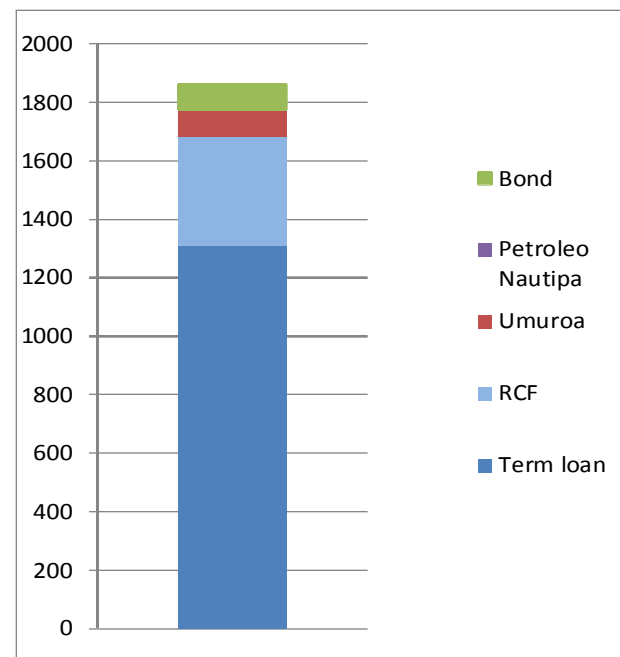
Reported interest bearing debt	1863.6
Cash and deposits	-109.0
Net interest bearing debt	1754.6



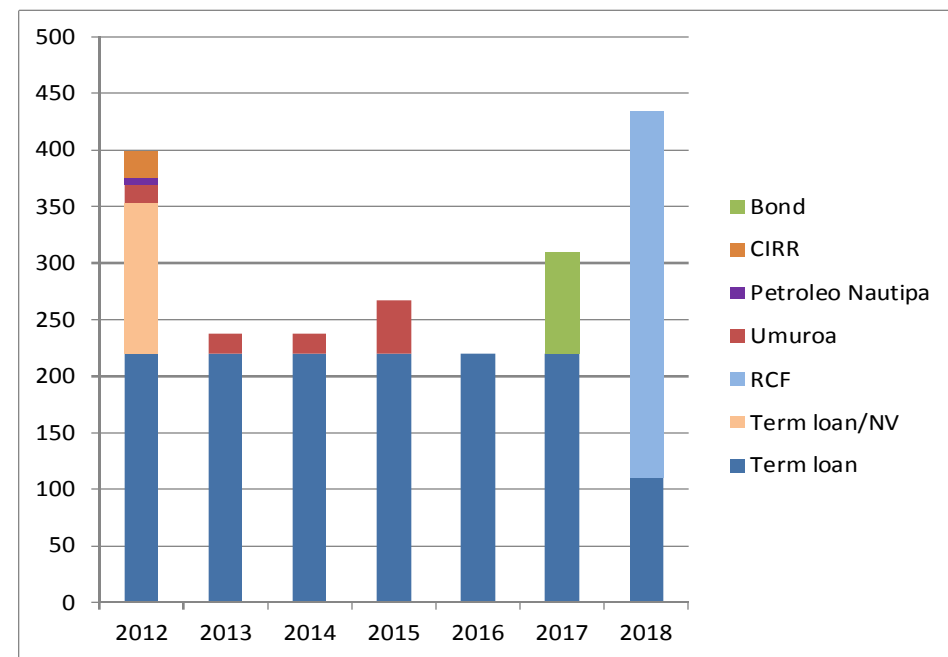
Debt and installment profile

- Gross debt of USD 1,863.6 million per 30 June 2012

Gross debt (USD million)



Installments (USD million)

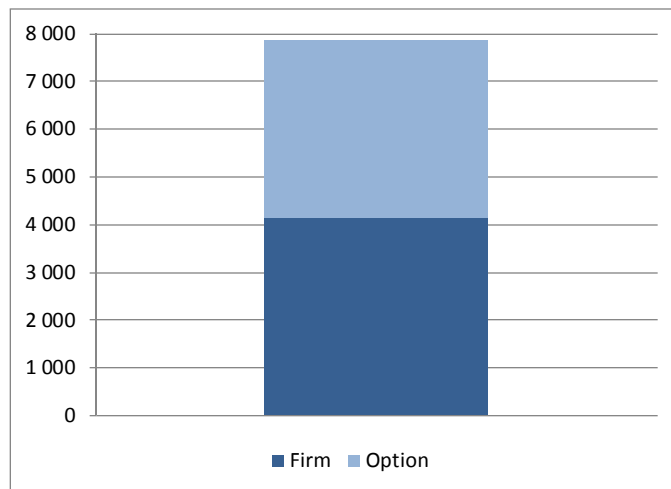




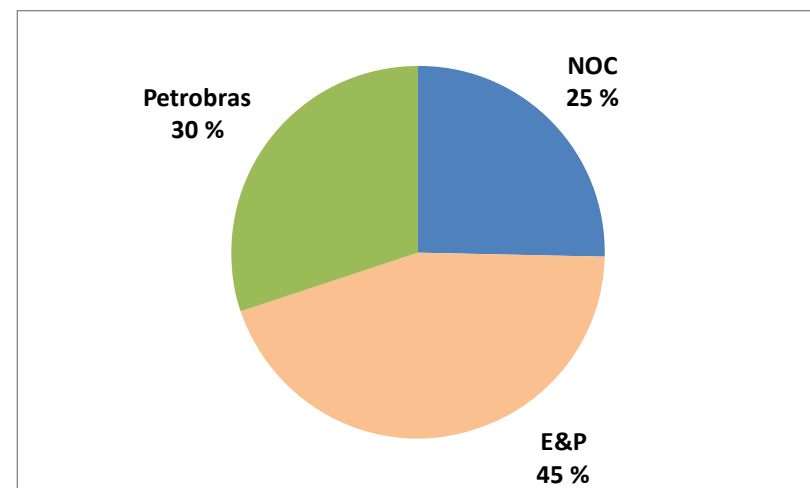
Orderbook

- Orderbook of USD 7.9 billion
 - Whereof USD 4.2 billion are firm contracts
- New orders of USD 900 million in Q2
- High value cashflow and backlog from solid counterparties

Orderbook (USD million)



Clients



MARKET & SUMMARY





Market

- Limited number of contract awards during first half 2012
- Number of future field developments remains high, but low short term bidding activity
- Continue disciplined approach to pricing and terms

FPSO supply and demand (based on existing projects only)



Source: ODS/IHS, Pareto

Selected opportunities



Project Name	Operator	Country	Indicated award
Madura FPSO	CNOOC	Indonesia	Q4 2012
Ayatzil-Tekel FPSO	Pemex	Mexico	Q1 2013
Catcher FPSO	Premier Oil	UK North Sea	Q2 2013
Ande Ande FPSO	AWE	Indonesia	Q2 2013
Atlanta/Olivia FPSO	QGEP	Brazil	Q2 2013
Leviathan FPSO	Noble Energy	Israel	Q3 2013
Gerrongan FPSO	Shell	Brunei	Q4 2013
Chissonga FPSO	Maersk Oil	Angola	Q4 2013



Summary

- Completing Papa Terra project has top priority
- Focus on operations on existing units
- Negotiating potential extensions
- Continue market activities



Q & A





Further information: www.bwoffshore.com

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