BW Offshore

Q4 2011 presentation

14 February 2012

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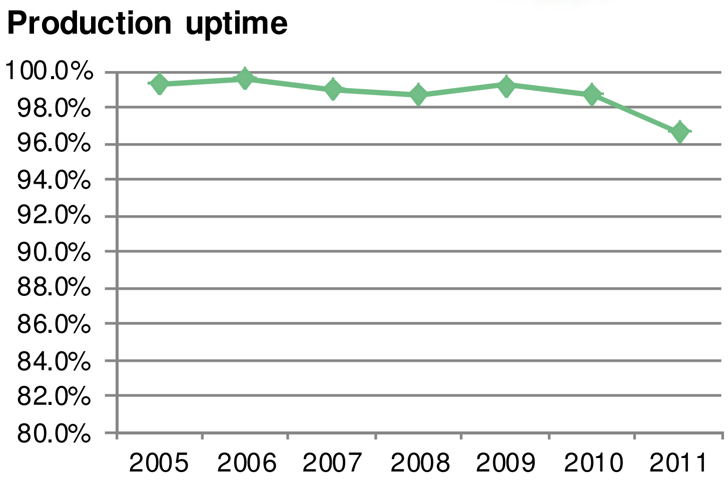
Highlights

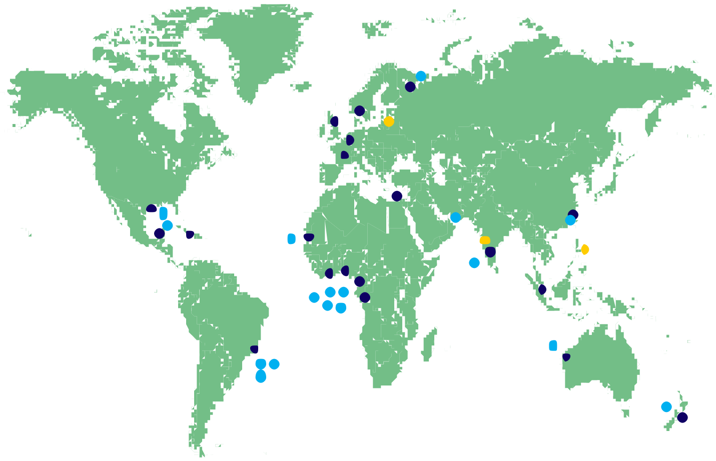
- Q4 2011 EBITDA of USD 72.8 million
- Ningaloo Vision sold to Apache in January 2012
- Construction completed on BW Athena and BW Joko Tole
  - Final phase of commissioning before sail-away
- EPC project P-63/Papa Terra under completion in China until planned departure end of Q2 2012
- Dividend of USD 0.02 per share for Q4 2011

STATUS

Operations

- Fleet uptime
  - Q4 2011 uptime of 98.9%
  - 5 year average uptime is 98.4%
- Excellent HSSEQ performance
  - Lost time injuries (LTI) < 1.0
- BW Pioneer on stand-by dayrate
- Continuing drive to improve operating margin by focusing on best practice
  - Asset integrity
  - Procurement
  - Manning
  - Overhead





Fleet overview

Unit	Type	Contract	2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Sendje Berge	FPSO	Lease	Addax/Sinopec, Nigeria: 2005-2013
Berge Helene	FPSO	Lease	Petronas, Mauritania: 2006-2013 (2021)
Yùum K'ak'Náab	FPSO	Lease	Pemex, Mexico: 2007-2022 (2025)
BW Cidade de São Vicente	FPSO	Lease	Petrobras, Brazil: 2009-2019 (2024)
BW Pioneer	FPSO	Lease	Petrobras, US: 2012-2017 (2020')
BW Athena	FPSO	Lease	Ithaca, UK: 2012-2015 (2020)
BW Joko Tole	FPSO	Lease	Kangean, Indonesia: 2012-2022 (2026)
Umuroa	FPSO	Lease	AWE, New Zealand: 2007-2015 (2022)
Polvo	FPSO	Lease	BP, Brazil: 2007-2014 (2022)
Abo	FPSO	Lease	Agip, Nigeria: 2003-2013
Espoir Ivorien	FPSO	Lease	CNR, Ivory Coast: 2002-2013 (2022)
Petroleo Nautipa (50%)	FPSO	Lease	Vaalco, Gabon: 2002-2015 (2017)
Cidade de Sao Mateus	FPSO	Lease	Petrobras, Brazil: 2009-2018 (2024)
Azurite	FDPSO	Lease	Murphy, Congo: 2009-2016 (2024)
Belokamenka	FSO	Lease	Rosneft/Sovcomflot, Russia: 2004-2019
Endeavour	FSO	Lease	Aban, India: 1997-2011
Ningaloo Vision	FPSO	Operation	Apache, Australia: 2012
P-63/Papa Terra	FPSO	EPC/operate	Petrobras, Brazil: 2013-2016

Operation (owned) - fixed period
Operation (not owned)
Operation (owned) - option period
Construction / EPC

FPSO Ningaloo Vision sold 10 January 2012 to Apache
BW Offshore will operate the unit for up to 9 months

Ningaloo Vision

- FPSO Ningaloo Vision sold to Apache* in January 2012
- Price of USD 185 million on an “as is where is” basis
- Extensive offshore repair work during 2011 due to technical problems from the conversion
- BW Offshore will operate the FPSO for a period of up to 9 months on a cost-plus-basis

* A subsidiary of Apache Energy Limited on behalf of the Van Gogh field joint venture partners Apache and INPEX

FPSOs under construction – I

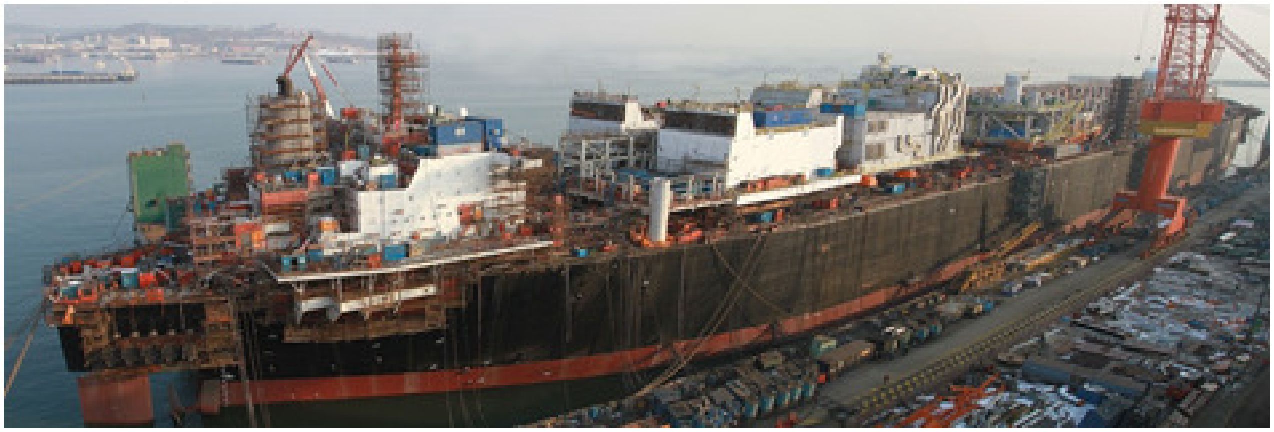
- BW Athena at Drydocks World, Dubai
  - Construction completed
  - Finalising minor punch list items
  - Commissioning work ongoing
  - Preparing for sail-away

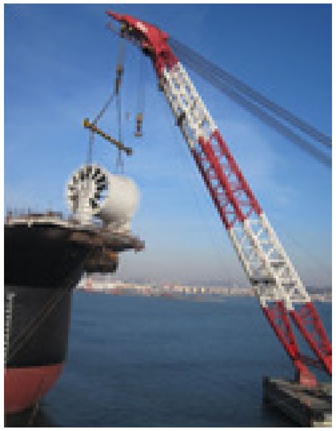
FPSOs under construction - II

- BW Joko Tole at Sembawang Shipyard, Singapore
  - Construction completed
  - Finalising minor punch list items
  - Commissioning work ongoing
  - Preparing for sail-away
  - Mobilising for final installation campaign
  - Ready for operation Q2 2012

EPC project

- P-63/Papa Terra at COSCO Dalian Shipyard, China
  - Progress ~90% at end January
  - 7 million man hours completed without LTI
  - Extended yard stay to facilitate integration of QUIP topside modules
  - Planned sail-away Q2 2012





FINANCE

Key takeaways

- Purchase price allocation (PPA) finalised
- APL sale finalised
- Ningaloo Vision sold
- Impairment of USD 138.5 million (non-cash)



P&L

USD million	Q4 11	Q3 11	Q4 10	2011	2010
Operating revenue	208.1	216.1	255.8	846.2	549.3
Operating expenses	-135.5	-138.9	-216.9	-534.0	-382.2
Share of profit from associates	0.2	-0.5	0.0	-0.3	-14.8
EBITDA	**72.8**	**76.7**	**38.9**	**311.9**	**152.3**
Depreciation	-46.8	-46.3	-47.2	-178.6	-86.0
Amortisations	-1.6	-1.0	-1.2	-4.5	-4.1
Gain (loss) on sale of assets / impairments	-138.5	15.3	-85.0	-119.8	-85.0
EBIT	**-114.1**	**44.7**	**-94.5**	**9.0**	**-22.8**
Net interest expense	-12.1	-13.4	-12.6	-46.2	-26.2
Fx, fin instr and other fin items	2.6	-20.5	-10.9	-33.7	-37.0
Profit (loss) before tax	**-123.6**	**10.8**	**-118.0**	**-70.9**	**-86.0**
Income tax expense	-27.4	-5.4	-7.2	-43.9	-16.4
Net profit (loss) from continued operations	**-151.0**	**5.4**	**-125.2**	**-114.8**	**-102.4**
Net profit (loss) from discontinued operations	*-0.7*	*0.0*	*115.7*	*-0.7*	*122.9*
Net profit (loss)	**-151.7**	**5.4**	**-9.5**	**-115.5**	**20.5**

Reported EBITDA	**72.8**
Share of profit of associates (positive in Q)	-0.2
Adjusted EBITDA	**72.6**
Fx (included in EBITDA, negative in Q)	*0.7*
Operational EBITDA	**73.3**

Balance sheet

- Equity ratio 32.4 %
- Net interest bearing debt USD 1,702.4 million

USD million	**31.12.11**	**30.09.11**	**31.12.10**
Total non-current assets	3 009.6	3 359.0	3 274.8
Assets of disposal group held for sale	*185.0*	*7.1*	*7.1*
Total current assets	607.0	376.8	393.5
Total assets	**3 616.6**	**3 735.8**	**3 667.3**
Total equity	1 171.9	1 351.7	1 372.7
Total non-current liabilities	*1 901.8*	*1 847.5*	*431.8*
Liabilities of disposal group held for sale	*0.0*	*7.1*	*7.1*
Total current liabilities	*542.9*	*536.6*	*1 862.8*
Total liabilities	2 444.7	2 384.1	2 294.6
Total equity and liabilities	**3 616.6**	**3 735.8**	**3 667.3**

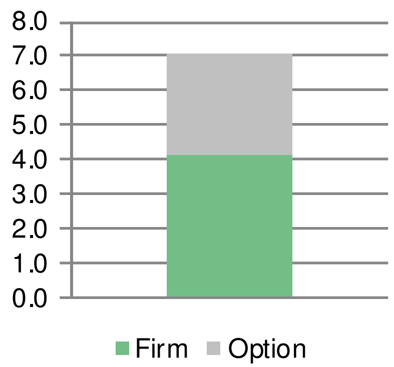
Reported interest bearing debt *		**1968.8**
Cash and deposits	*243.6*	
*Non-current deposits **	*22.8*	
		-266.4
Net interest bearing debt		**1702.4**

** Per Q4 2011, USD 22.8 million is related to the CIRR financing scheme; increasing both long term debt and non-current deposits*

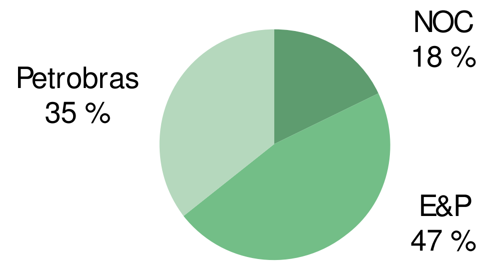
Secure cashflow

- Run rate EBITDA of existing contracts is USD 465 million
- Long term contracted cash flow with strong counterparties
  - Order book of USD 7.1 billion in revenue
- Average contract length is 10 years including options (firm 5 years)
- Financial resources available for new FPSO/FSO projects that meet the company's targeted returns

Order book



Clients



E&P includes: Agip, AWE, BP, CNR, Kangean, Ithaca, Murphy, Vaalco

Funding and dividends

- Available funds under existing facilities for projects and fleet extensions
- Targeting USD 250-275 million project finance facility for BW Joko Tole
- Balance growth and quarterly dividend distribution
  - Dividend policy of 20-25% of EBITDA
  - Q4 2011 dividend of USD 0.02 per share
  - Total 2011 dividends of USD 0.14 per share

Investments in fixed assets

- Development of project returns
  - BW Joko Tole capex in line with plan
  - BW Athena capex above plan
    - Additional investment supported by positive development in the North Sea
- Total 2011 investments in assets of ~ USD 400 million
  - Includes ~ USD 125 million in extraordinary costs for repair work and completion work of Ningaloo Vision and BW Pioneer
- EPC projects (P-63/Papa Terra and OSX 1) booked as construction contract revenue and expenses

OUTLOOK

Selected opportunities next 12 months

Project Name	Operator	Country	Indicated award
Western Isles FPSO	Dana	UK-North Sea	Q2 2012
Campos FSO	BG	Brazil	Q2 2012
Fram FPSO	Shell	UK-North Sea	Q3 2012
Kudu FPU	Tullow	Namibia	Q3 2012
T.E.N. FPSO	Tullow	Ghana	Q3 2012
Madura FPSO	CNOOC/Husky	Indonesia	Q4 2012
Ande Ande Lamut FPSO	AWE	Indonesia	Q4 2012
Lady Nora FPSO	Woodside	Australia	Q1 2013
UBON FPSO	Chevron	Thailand	Q1 2013
Ayatsil FPSO	Pemex	Mexico	Q1 2013
Chisonga FPSO	Maersk Oil	Angola	Q1 2013
Catcher FPSO	Premier	UK-North Sea	Q1 2013
ConSon FPSO	CSOC	Vietnam	Q1 2013
Atlanta/Olivia FPSO	QGEP	Brazil	Q1 2013
Udele/Ofrima FPSO	Addax/Sinopec	Nigeria	Q1 2013
Siri FPSO	Petrobras	Brazil	Q1 2013

From “cottage industry” to large scale development solutions

Sendje Berge *(2005)*

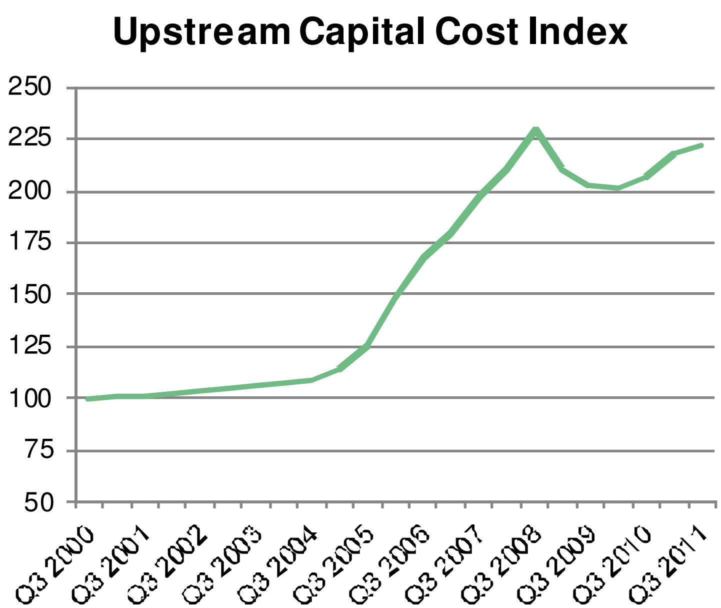
- Benign water
- Spread moored
- Simple topside
- 140 m water depth

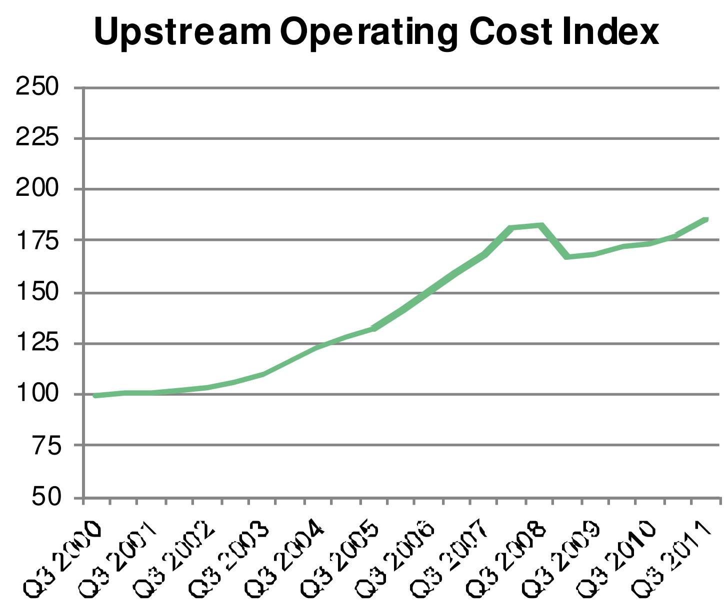
BW Pioneer *(2011)*

- Hurricanes
- Turret moored
- Quick disconnect
- Fluid swivel
- 2,500 m water depth

Investment x 6

The cost challenge





Source: IHS CERA / BW Offshore

The long term return solution - I

- FPSO companies have taken too much risk – and costs
  - Construction
  - Operation
- Strengthen commercial focus in all phases of asset ownership
  - Business development
  - Project
  - Operation
  - Redeployment
- Pursue projects with balanced contractual terms
  - Improve contractual risk allocation
  - Improve scope planning and cost estimation
  - Reduce long term inflation risk by cost plus models on opex

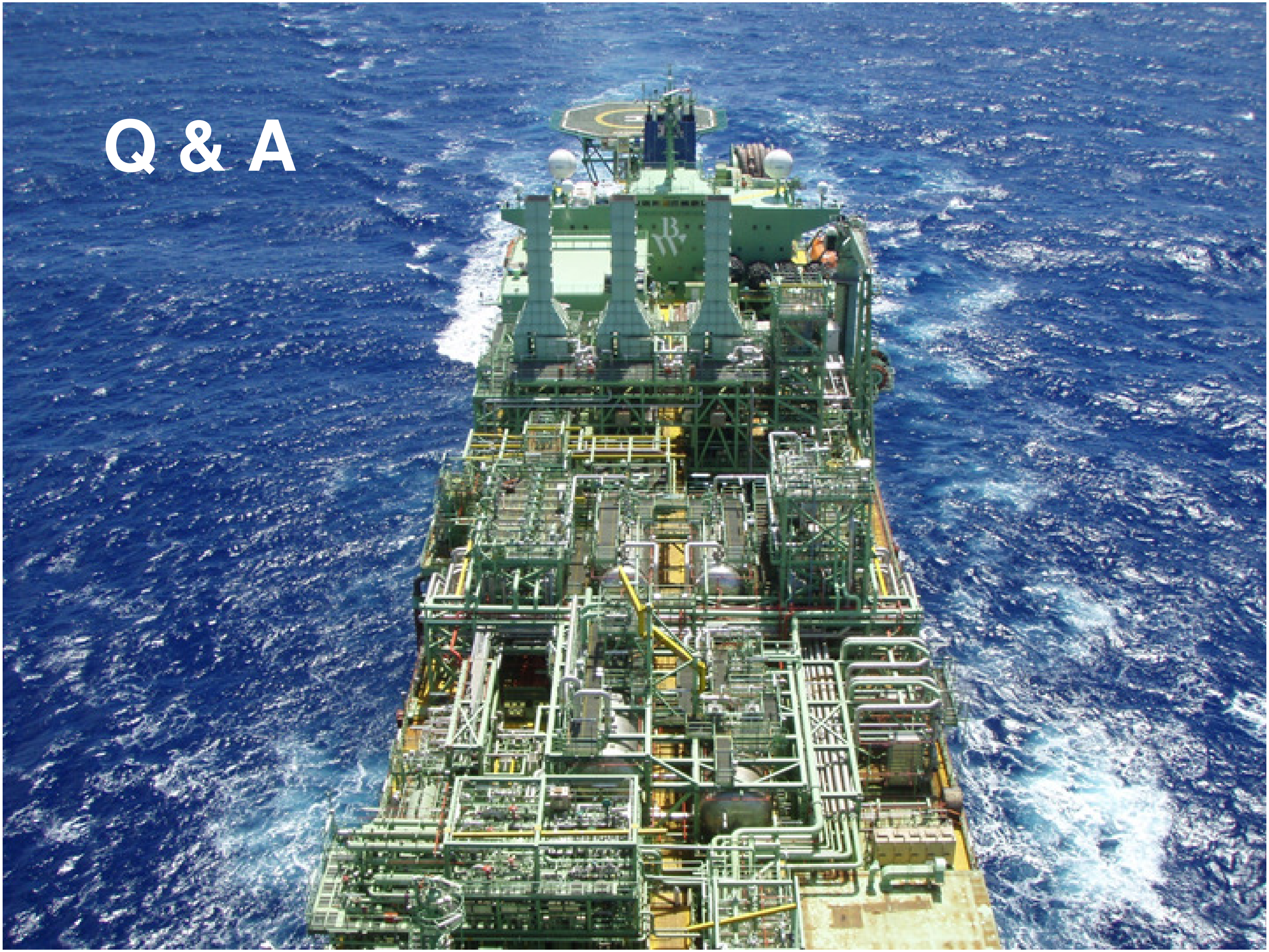
The long term return solution - II

- Strengthening project execution
  - Standardise engineering and execution
  - Improve project control
- Operational improvement initiatives on all units
  - Benchmark operational performance
  - Improve procurement process
  - Improve contract management
- Capture administrative cost synergies by streamlining global footprint

Summary

- Completing two major projects and three start-ups in first half 2012
  - Growing run rate EBITDA from USD 300 million to USD 465 million
- High market activity
- Strengthening project planning and execution capability
- Continue operational improvement processes on existing fleet and overhead




Q & A

APPENDIX

Units on contract – in operation

Sendje Berge, FPSO
Sinopec, Nigeria

- 60,000 bpd oil processing
- 55 mmscfd gas compression
- 2,000,000 bbls storage
- Spread mooring

Yùum K'ak'Náab, FPSO
Pemex, Mexico

- 600,000 bpd oil handling
- 200,000 bpd oil processing
- 2,500,000 bbls storage
- Disconnectable turret mooring

Berge Helene, FPSO
Petronas, Mauritania

- 100,000 bpd liquids processing
- 75,000 bpd oil processing
- 100,000 bpd w ater injection
- 54 mmscfd gas compression
- 2,000,000 bbls storage
- Turret mooring

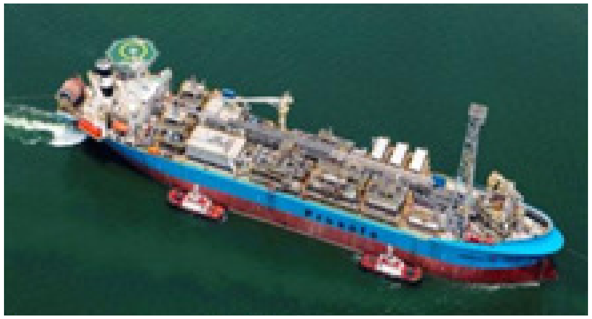
Units on contract – in operation

Belokamenka, FSO
Sovkomflot, Russia
- 2,400,000 bbls storage
- Cargo heating system
- Spread mooring

BW Pioneer, FPSO
Petrobras, US
- 80,000 bpd oil processing
- 25.6 mmscfd gas export
- 600,000 bbls storage
- Disconnectable turret mooring

BW Cidade de São Vicente, FPSO
Petrobras, Brazil
- 40,000 bopd oil processing
- 1,000,000 bbls storage

Units on contract – in operation



Ningaloo Vision, FPSO
Apache, Australia

- 63,000 bpd oil processing
- 80 mmscfd gas compression
- 620,000 bbls storage
- Disconnectable turret

- *Unit is sold*
- *BW Offshore to operate unit for up to 9 months*

Espoir Ivorien, FPSO
CNR, Ivory Coast

- 40,000 bpd oil processing
- 60 mmscfd gas compression
- 1,100,000 bbls storage
- Turret mooring

Polvo, FPSO
BP, Brazil

- 90,000 bpd oil production
- 8 mmscfd gas compression
- 1,600,000 bbls storage
- Turret mooring

Units on contract – in operation

Umuroa, FPSO
AWE, New Zealand

- 50,000 bpd oil processing
- 25 mmscfd gas compression
- 775,000 bbls storage
- Turret mooring

Abo, FPSO
Agip, Nigeria

- 44,000 bpd oil processing
- 44 mmscfd gas compression
- 930,000 bbls storage
- Spread mooring

Petróleo Nautipa, FPSO
Vaalco, Gabon

- 20,000 bpd oil production
- 3 mmscfd gas compression
- 1,080,000 bbls storage
- Spread mooring

Units on contract – in operation

Azurite, FDPSO
Murphy, Congo
- 40,000 bpd oil processing
- 18 mmscfd gas compression
- 1,400,000 bbls storage
- Spread mooring

Cidade de São Mateus, FPSO
Petrobras, Brazil
- 35,000 bpd oil processing
- 353 mmscfd gas compression
- 700,000 bbl storage

Endeavor, FSO
Aban, India
- 550,000 bbls storage

Units on contract - project

OSX 1, FPSO - completed

OSX, Brazil

- 42,000 bpd liquid processing
- 40,000 bpd oil processing
- 60,000 pbd w ater injection
- 53 mmscfd gas compression
- 950,000 bbls storage
- Turret mooring

BW Joko Tole (TSB), FPSO

Kangean Energy, Indonesia

- 7,000 bpd fluids processing
- 340 mmscfd gas compression
- 200,000 bbls storage
- Spread mooring

BW Athena, FPSO

Ithaca Energy, UK

- 40,000 bpd liquids handling
- 28,000 bpd oil processing
- 50,000 bbls storage
- Turret mooring
- Ex BW Carmen

Units on contract - project

P-63/Papa Terra, FPSO
Petrobras, Brazil
- 2,200,000 bbls storage capacity
- Ex BW Nisa (ULCC)

Further information: www.bwoffshore.com

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