

# BW Offshore

## Q2 2011 presentation

30 August 2011



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# Highlights

- Q2 2011 EBITDA of USD 86.9 million
- Contract extension for FPSO Abo
- Planned repairs of Ningaloo Vision successfully completed and production resumed
- Dividend of USD 0.04 per share for Q2 2011



# STATUS

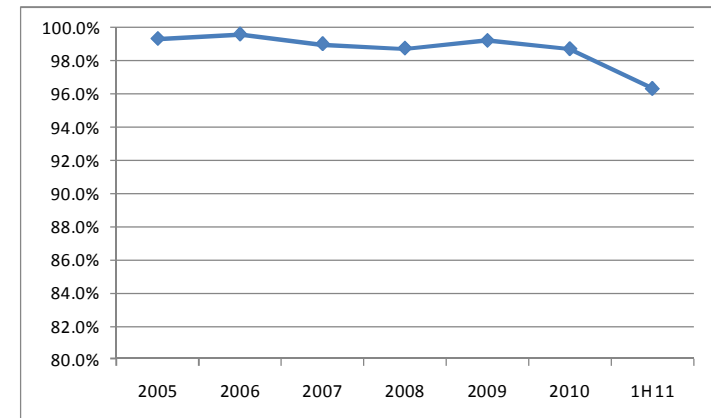


# Operations



- Uptime
  - Q2 2011 uptime of 98.1%
    - 99.6% ex Ningaloo Vision\*
  - 5 year average uptime is 98.7%
- FPSO BW Pioneer on stand-by day rate
  - 95% of full dayrate
  - Lease contract will commence at start of oil production
- FPSO Abo contract extended to April 2013

Production uptime

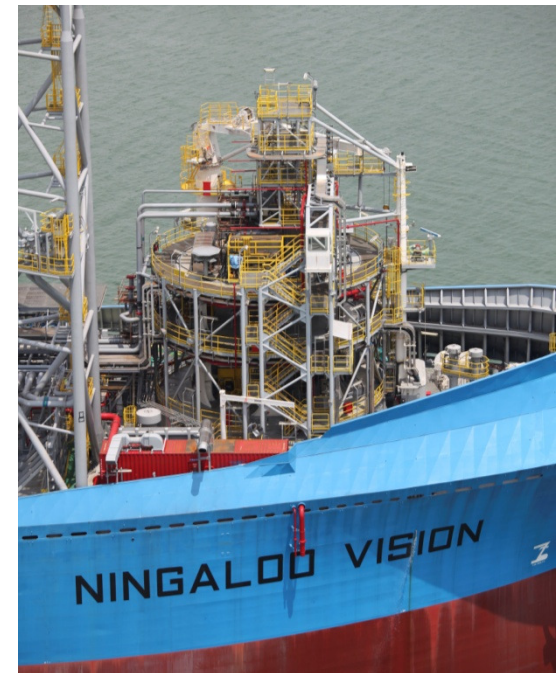


\* See separate slide for further description of the FPSO Ningaloo Vision status

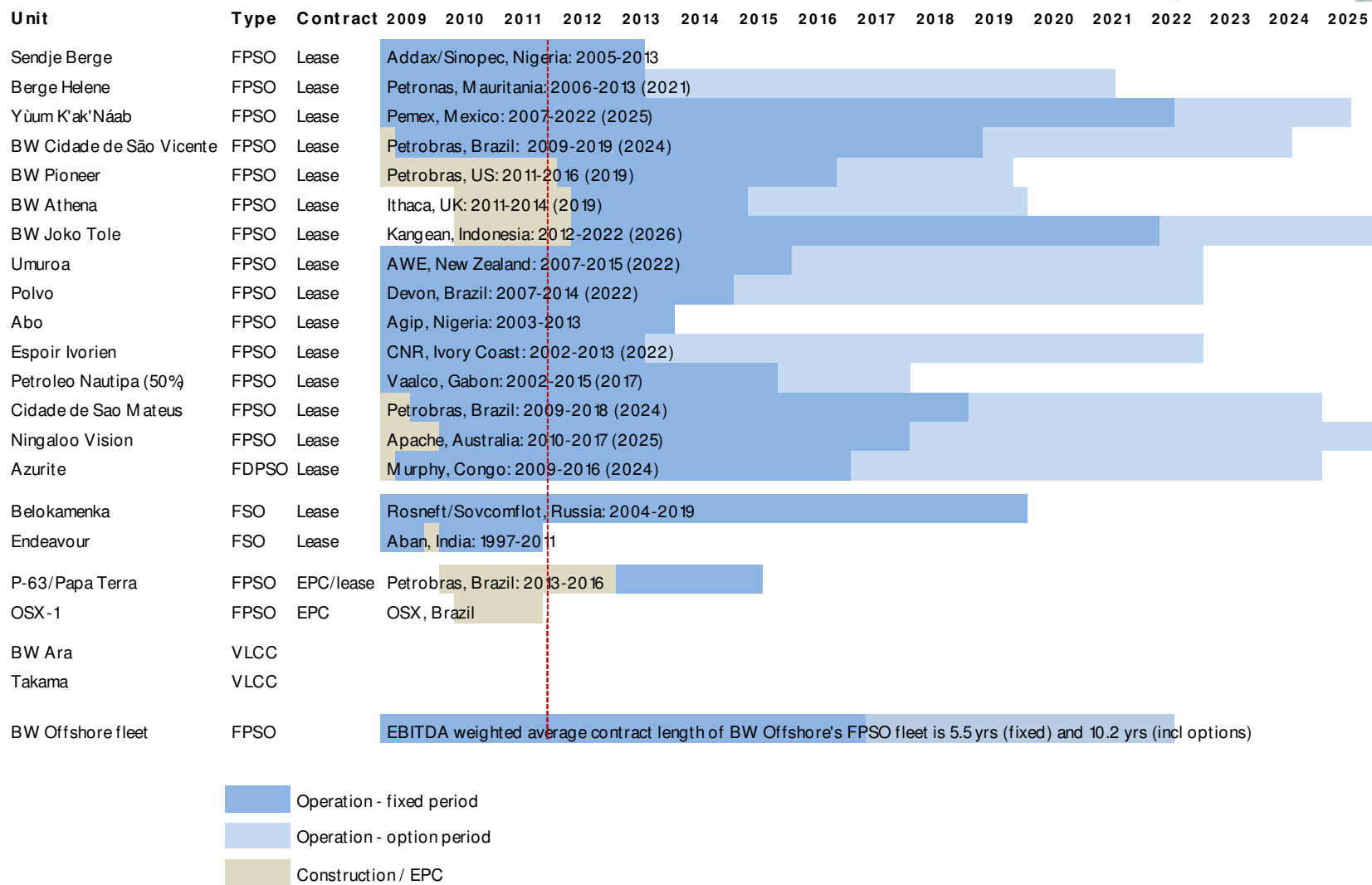


# Ningaloo Vision status

- The previously announced repairs have been carried out successfully
- During the shutdown certain upgrades to equipment that had caused excessive downtime previously in the year was carried out
  - Swivel seal system
  - Compressor skids
- Unit resumed production early August
- Further optimisation work of the unit is not planned to cause downtime



# Fleet





# FPSOs under construction

- BW Athena at Drydocks World, Dubai
  - Progress ~90% at end July and in line with plan
  - All modules arrived at yard , completing integration work and piping
  - Unit ready for operation end Q4 2011
- BW Joko Tole at Sembawang Shipyard, Singapore
  - Progress ~70% at end July and in line with plan
  - Completing steel and coating. Final module deliveries in September
  - Ready for operation first half 2012





# EPC and management projects

- P-63/Papa Terra at COSCO Dalian Shipyard, China
  - Progress ~70% at end July in line with plan
  - Final dry dock will be completed in September
  - BW Offshore's scope at yard is expected to be completed early 2012
  
- FPSO OSX 1
  - Sail away from Singapore to Rio end August
  - BW Offshore's scope is engineering, procurement and project management services



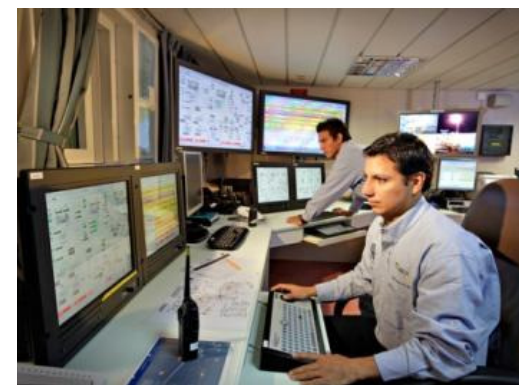
# FINANCE



Picture with the courtesy of OSX

# Key takeaways

- Operational EBITDA of USD 93.4 million
  - Reported EBITDA adjusted for negative MTM values of FX hedges
- All units operating in line with plans
  - BW Pioneer on standby day rate in full quarter
  - No profit recognised for Ningaloo Vision due to repair work
- Purchase price allocation will be finalized in Q3 2011



# P&L



USD million	Q2 11	Q1 11	Q2 10	2010
Operating revenue	228.6	193.5	74.6	549.3
Operating expenses	-141.7	-117.9	-55.4	-382.2
Share of profit from associates	0.0	0.0	0.1	-14.8
<b>EBITDA</b>	<b>86.9</b>	<b>75.6</b>	<b>19.3</b>	<b>152.3</b>
Depreciation	-45.6	-41.0	-13.2	-83.1
Amortisations	-1.0	-0.8	-1.0	-4.1
Gain (loss) on sale of assets / impairments	2.6	0.6	0.0	-85.0
<b>EBIT</b>	<b>42.9</b>	<b>34.4</b>	<b>5.1</b>	<b>-19.9</b>
Net interest expense	-9.5	-11.3	-5.0	-26.2
Fx, fin instr and other fin items	-21.8	6.2	-25.0	-37.0
<b>Profit (loss) before tax</b>	<b>11.6</b>	<b>29.3</b>	<b>-24.9</b>	<b>-83.1</b>
Income tax expense	-5.7	-5.4	-4.1	-16.4
<b>Net profit (loss) from continued operations</b>	<b>5.9</b>	<b>23.9</b>	<b>-29.0</b>	<b>-99.5</b>
<i>Net profit (loss) from discontinued operations</i>	<i>0.0</i>	<i>0.0</i>	<i>1.2</i>	<i>122.9</i>
<b>Net profit (loss)</b>	<b>5.9</b>	<b>23.9</b>	<b>-27.8</b>	<b>23.4</b>

<b>Reported EBITDA</b>	<b>86.9</b>
<i>FX adjustments (MTM)</i>	<i>6.5</i>
<b>Operational EBITDA</b>	<b>93.4</b>



# Balance sheet

- Equity ratio 36.5%
- Net interest bearing debt USD 1,587.8 million

USD million	30.06.2011	31.03.11	31.12.10
Total non-current assets	3 345.5	3 310.3	3 287.4
<i>Assets of disposal group held for sale</i>	7.1	7.1	7.1
Total current assets	428.4	509.2	382.8
<b>Total assets</b>	<b>3 773.9</b>	<b>3 819.5</b>	<b>3 670.2</b>
Total equity	1 376.0	1 396.8	1 375.6
Total non-current liabilities	1 766.5	1 774.4	337.7
<i>Liabilities of disposal group held for sale</i>	7.1	7.1	7.1
Total current liabilities	631.4	648.3	1 956.9
Total liabilities	2 397.9	2 422.7	2 294.6
<b>Total equity and liabilities</b>	<b>3 773.9</b>	<b>3 819.5</b>	<b>3 670.2</b>

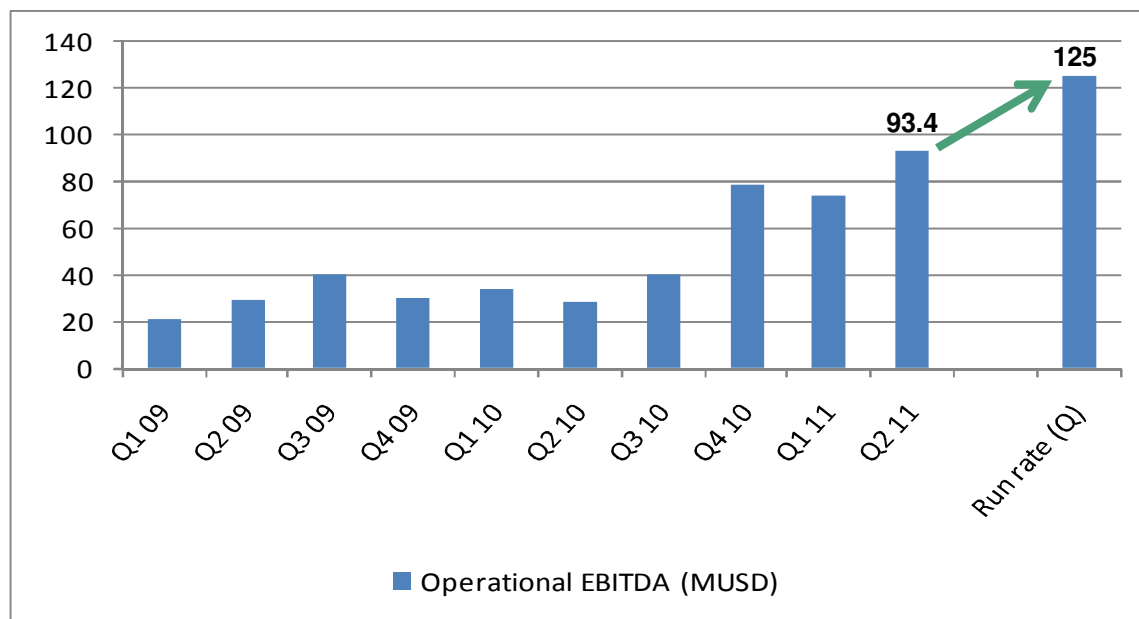
<b>Reported interest bearing debt *</b>	<b>1890.0</b>
<i>Cash and deposits</i>	233.9
<i>Non-current deposits *</i>	68.3
	-302.2
<b>Net interest bearing debt</b>	<b>1587.8</b>

\* Per Q2 2011, USD 68.3 million is related to the CIRR financing scheme; increasing both long term debt and non-current deposits



## Contracted EBITDA growth

- Growth in EBITDA in line with guiding
- Run rate EBITDA of existing contracts is USD 500 million

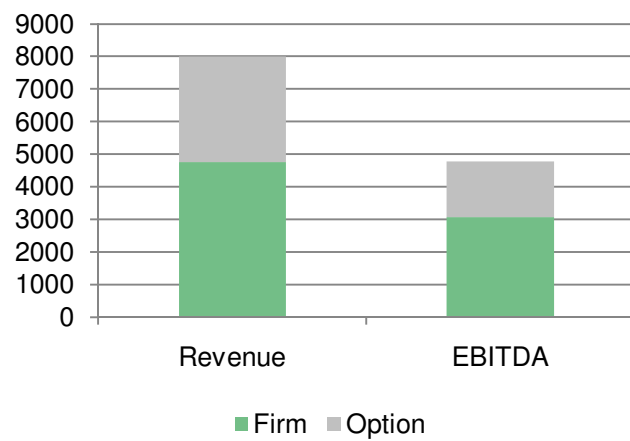




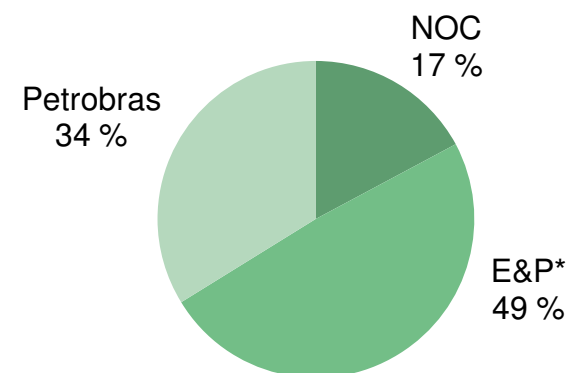
# Secure cashflow

- High earnings visibility based on contracted cashflow
  - Order book of USD 8.0 billion in revenue
  - Order book of USD 5.0 billion in EBITDA
  - Average contract length is 10.2 years including options (firm 5.5 years)
- Solid counterparties

**Order book**



**Clients**



*\*Agip, Apache, AWE, CNR, Devon, Kangean, Ithaca, Murphy, Vaalco*



# Cash and funding

- Cash at 30 June 2011 USD 233.4 million
- Remaining cash outflow on existing projects is USD ~250 million
  - Includes BW Athena, BW Joko Tole and P-63
- Seven year secured loan of USD 2.4 billion
  - USD 1,700 million term loan (drawn USD 1,700 million)
  - USD 700 million revolving credit facility (drawn USD 50 million)
  - Predictable terms and flexibility for both growth and dividend
- Financial resources available for new FPSO/FSO projects that meet the company's targeted returns

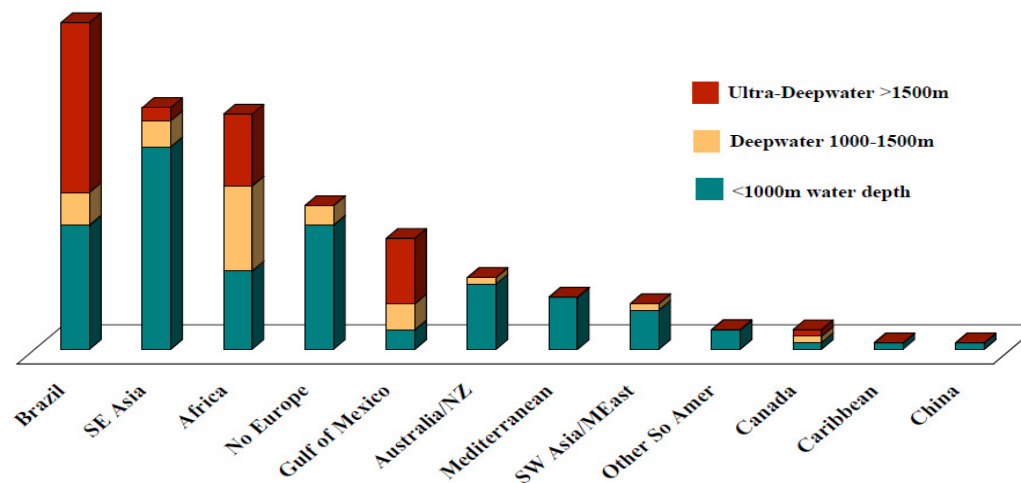
# OUTLOOK





# Strong demand at improved terms

- Strong demand in all markets
  - More than 200 potential FPSO projects evaluated by clients world-wide
  - High activity in all regions
- Limited number of active FPSO companies
  - Track record in engineering, project execution and operation
  - Financial strength and capabilities

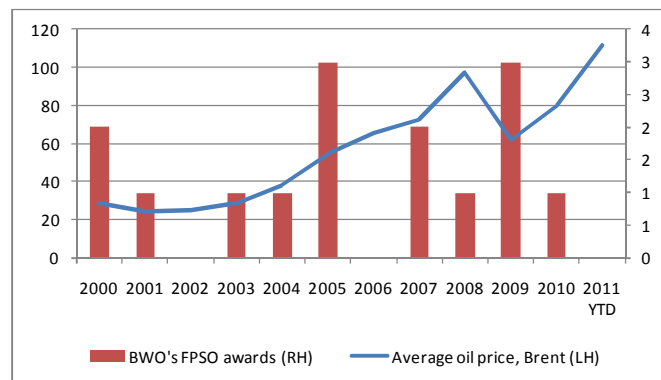


Source: IMA

# High interest for options and redeployments



- BW Offshore is negotiating extensions with several clients:
  - Abo (Nigeria)
  - Sendje Berge (Nigeria)
  - Espoir Ivorien (Ivory Coast)
  - Petròleo Nautipa (Gabon)
- High oil price makes tail production profitable
  - Average oil price at contract award for BW Offshore's fleet is USD 55





# Summary

- Predictable cash flow from existing assets
  - Annual run rate EBITDA of USD 500 million
  - Order book of USD 8 billion backed by solid counterparties
- Quarterly dividend payments
  - Current yield at 8.3 %
- Resources and capabilities to grow the business at improved terms in the current market and competition



Q & A





# APPENDIX

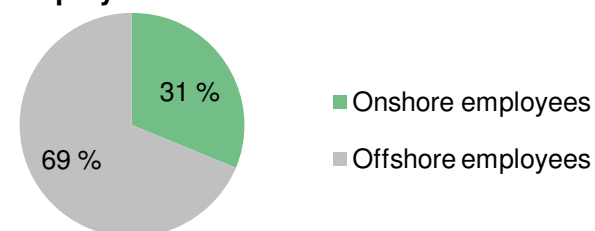




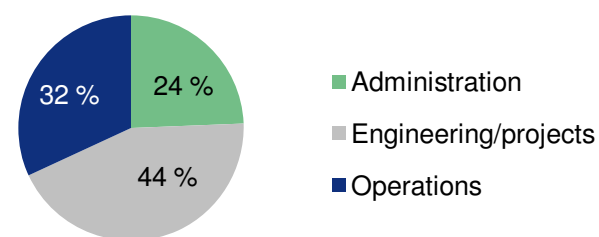
# BW Offshore today

- Global headcount 1,900
- Operations in 14 countries
- More than 30 projects delivered
- Operating fleet of 13 FPSOs and 2 FSOs
- Two FPSOs under construction
- Two EPC / management projects
- Market cap USD 1.3 billion

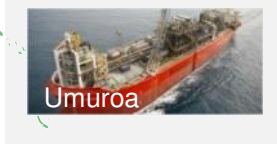
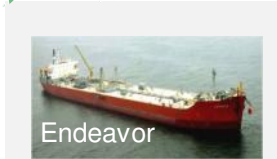
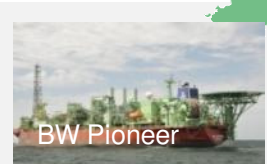
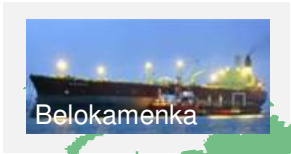
Employees – onshore and offshore



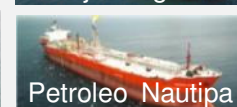
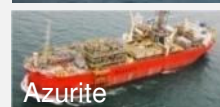
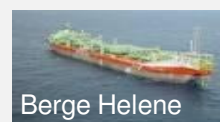
Onshore - functions



# Global footprint



- Units
- Offices
- Crew centers





## 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 water 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



### **Esprit Ivorien, FPSO**

#### **CNR, Ivory Coast**

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



### **Polvo, FPSO**

#### **Devon, 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



## **Petr leo 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
- *Contract expired 31 July 2011*

# Units on contract - project



## **OSX 1, FPSO**

### **OSX, Brazil**

- 42,000 bpd liquid processing
- 40,000 bpd oil processing
- 60,000 pbd water 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)



# Conversion candidates



## **BW Ara**

- VLCC
- 2,000,000 bbls storage capacity



## **Takama**

- VLCC
- 1,900,000 bbls storage capacity



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