

BW OFFSHORE

Q4 2017

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22 February 2018

**SMARTER TOGETHER.
EVERY DAY**



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RECENT HIGHLIGHTS



First oil produced by BW Catcher

Closing of ICBCL preference shares transaction

Contract extension for Sendje Berge, Umuroa and Polvo

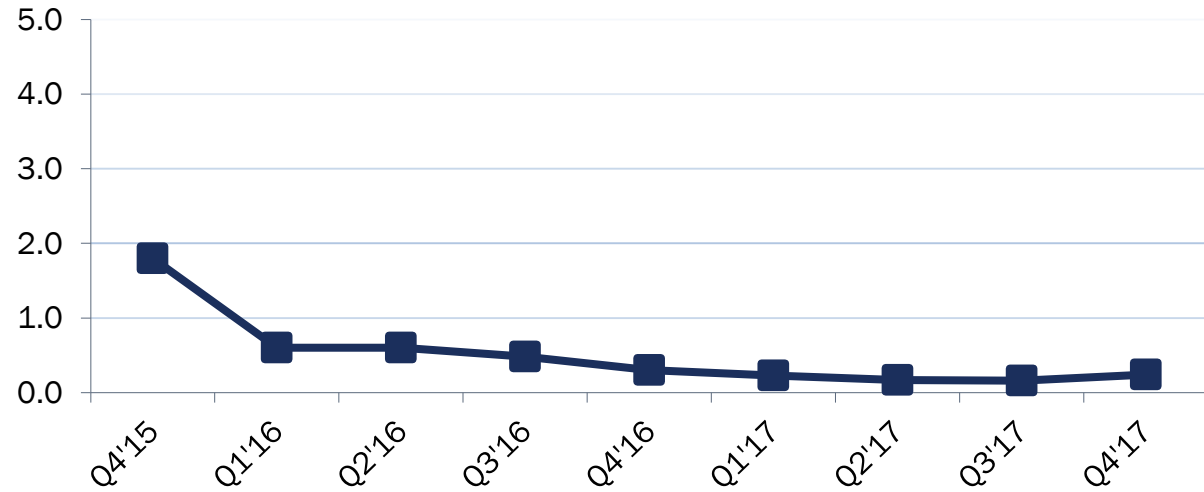
- EBITDA of USD 73.5 million in the fourth quarter
- Dussafu drilling campaign commenced January 27th
- BW Adolo readied for Dussafu field deployment

OPERATIONAL STATUS

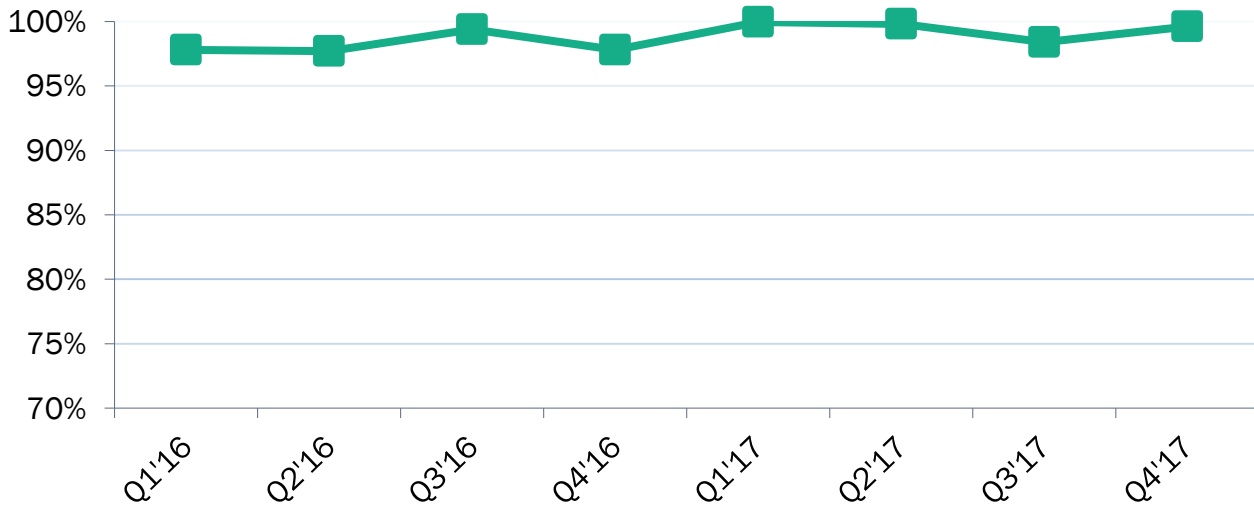


HSE record (LTI)

Lost time injuries per million man-hours



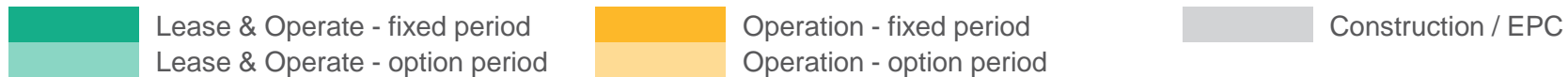
Uptime



FLEET CONTRACTUAL VIEW



Unit	Type	Contract	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		
Sendje Berge	FPSO	Lease & Operate	Addax/Sinopec, Nigeria: 2005-2021 (2023)															
Berge Helene	FPSO	Lease & Operate	Petronas, Mauritania: 2006-2017															
Yúum K'ak' Náab	FPSO	Lease & Operate	Pemex, Mexico: 2007-2022 (2025)															
BW Cidade de São Vicente	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2019 (2024)															
BW Pioneer	FPSO	Lease & Operate	Petrobras, US: 2012-2020															
BW Joko Tole	FPSO	Lease & Operate	Kangean, Indonesia: 2012-2022 (2026)															
Umuroa	FPSO	Lease & Operate	Tamarind, New Zealand: 2007-2018 (2022)															
FPSO Polvo	FPSO	Lease & Operate	PetroRio, Brazil: 2007-2019 (2022)															
Abo FPSO	FPSO	Lease & Operate	Agip/Eni, Nigeria: 2003-2018 (2023)															
Espoir Ivorien	FPSO	Lease & Operate	CNR, Ivory Coast: 2002-2022 (2036)															
Petroleo Nautipa	FPSO	Lease & Operate	Vaalco, Gabon: 2002-2020 (2022)															
BW Catcher	FPSO	Lease & Operate	Premier Oil, UK 2018-2025 (2043)															
BW Adolo	FPSO	Lease & Operate	BW Energy, Gabon 2018-2023 (2038)															
FPSO Cidade de São Mateus*	FPSO	Lease & Operate	Petrobras, Brazil: 2009-2018 (2024)															
Belokamenka	FSO/ULCC	Tendering	Rosneft, Russia															
BW Athena	FPSO	Tendering	Ithaca, UK															



BW CATCHER – Production started



- BW Catcher: First Oil Certificate received on 6 January 2018
 - Start of the 7 year fixed term contract
 - Options for extension of up to 18 years
 - Designed for 20 years of uninterrupted production
- Record-breaking 66 days from arrival at field to introduction of hydrocarbons
- Significant contribution to EBITDA
- Project well within budget of USD 1.2 billion
- Total of 4 Lost Time Incidents on 20 million man-hours



Sendje Berge

- 4 year fixed term contract extension with two one-year extension options
- The new day rate is linked to oil production volumes and oil price
- All outstanding claims settled

Umuroa

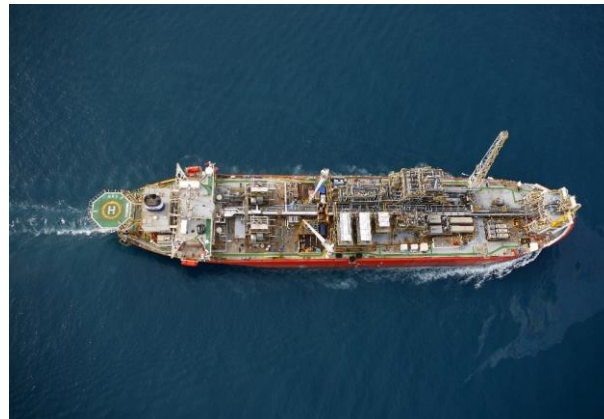
- 1 year extension until end of year 2018
- Client evaluating further extension of field life

FPSO Polvo

- 1 year extension until 8 July 2019
- Client planning for further extension of field life

Abo FPSO

- Previously extended until 31 March 2018
- Discussions for extension ongoing



Berge Helene

- Decommissioning and demobilisation ongoing
- Scheduled to return to yard in Q2 in preparation for redeployment



BW Athena

- Under evaluation for North Sea prospects



FPSO Cidade de São Mateus

- Unit remains in lay-up at Keppel in Singapore
- Awaiting decision for the future of the field



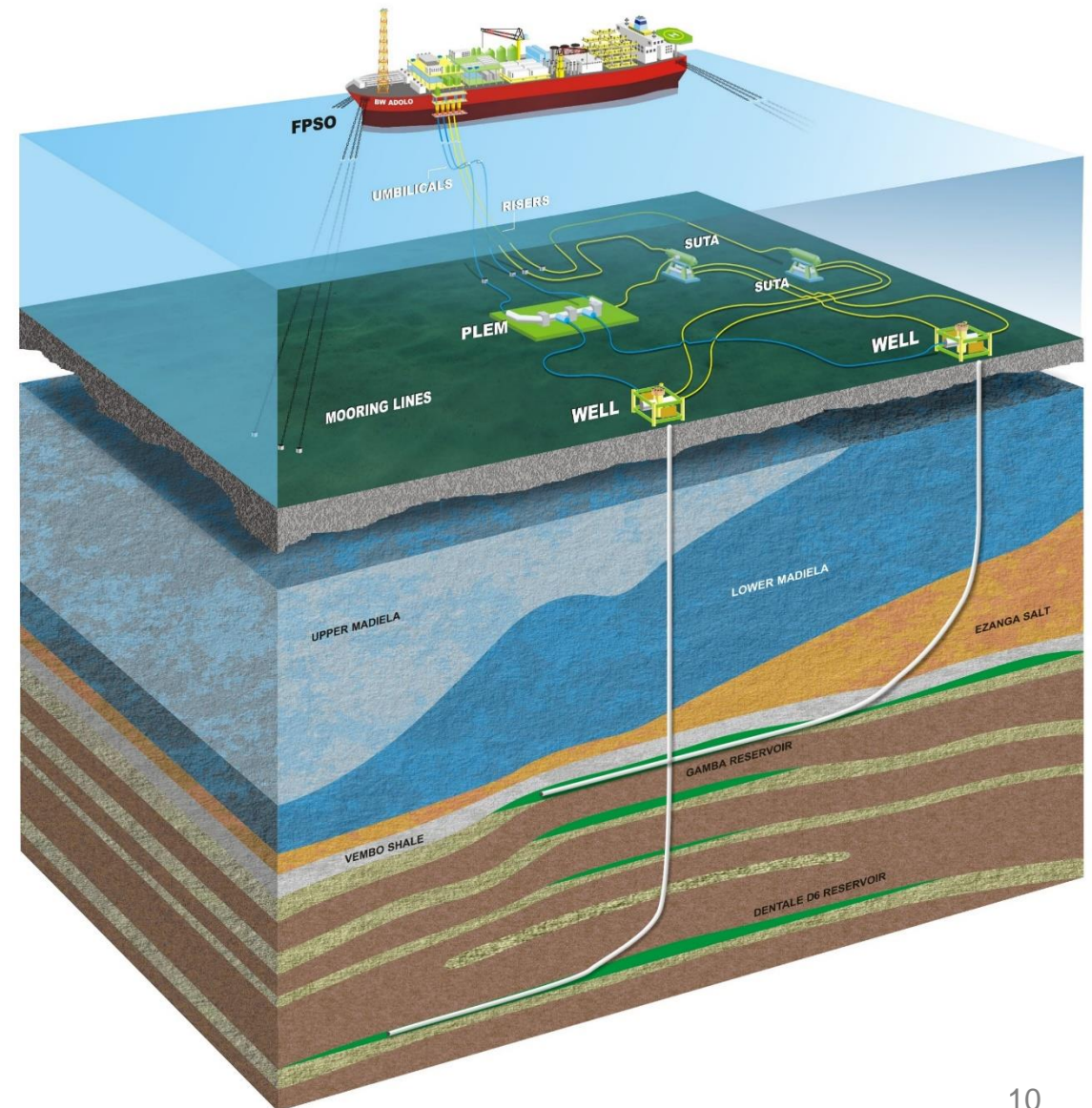
DUSSAFU DEVELOPMENT



TORTUE DEVELOPMENT PLAN



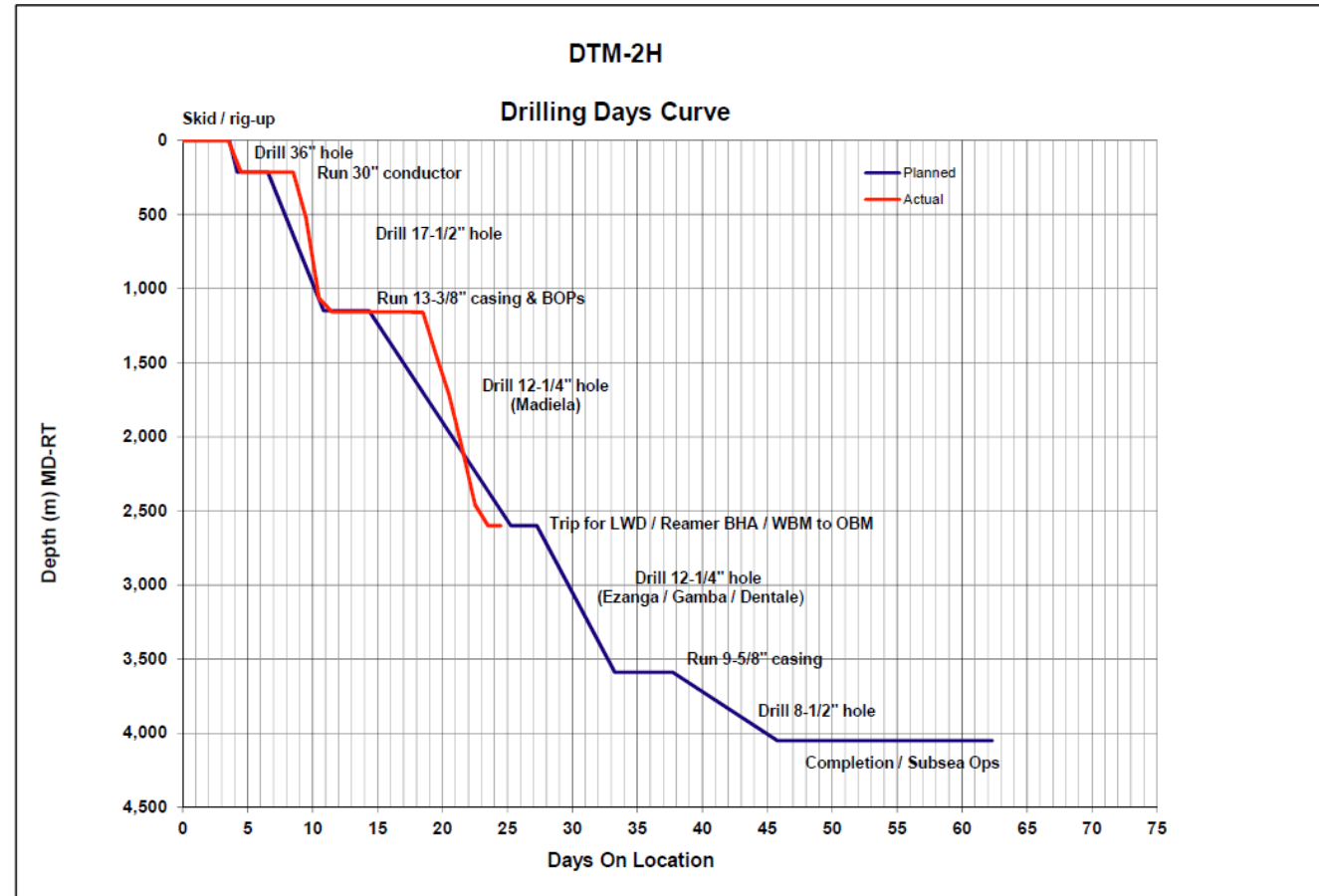
- Phase 1 initial development
 - 2 subsea production wells at Tortue tied back to BW Adolo
 - Water depth is 115 meters
 - Appraisal side track in the western part of Tortue in preparation for subsequent drilling programs
- All long-lead items have been purchased
- FPSO mooring was pre-installed in December 2017
- Drilling rig Borr Norve was mobilised to Port Gentil January 5th 2018
- Well DTM-2H was spudded January 27th 2018



DTM-2H WELL



- Drilling performance has been to expectations
- Displaced water based mud with oil based mud in preparation for drilling through the Ezanga salt @ 2679 meters Measured Depth (MD)
- Then through Vembo shale and Gamba sand for the final target in the Dentale Formation @ 2915 m MD
- Total Depth of 12-1/4" casing is 3580 m MD @ inclination of 88.5 degrees
- Wireline logging will be performed before setting the 9-5/8" casing
- Final hole section will be drilled to 4051 m MD in 8-1/2" while geosteering in the reservoir interval



BW ADOLO FPSO



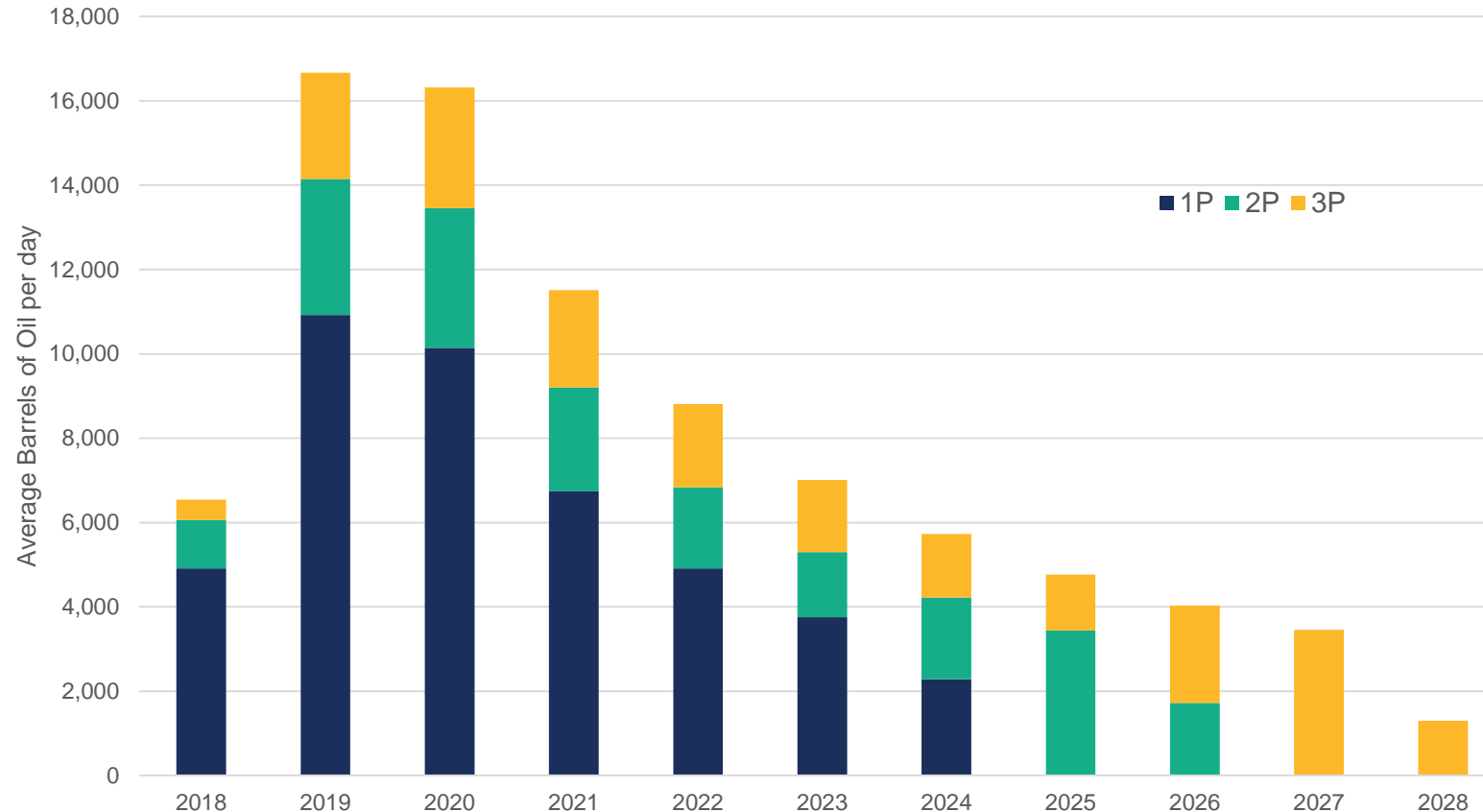
- VLCC (formerly Azurite) with large riser and storage capacity
- Excess processing and heating capacity
- Large accommodations and deck space for future field expansion
- Currently in Keppel shipyard in preparation for deployment
- Gabon government has confirmed the use of the FPSO, including rates, and the FPSO contract is in the process of being finalised



TORTUE PRODUCTION FORECAST

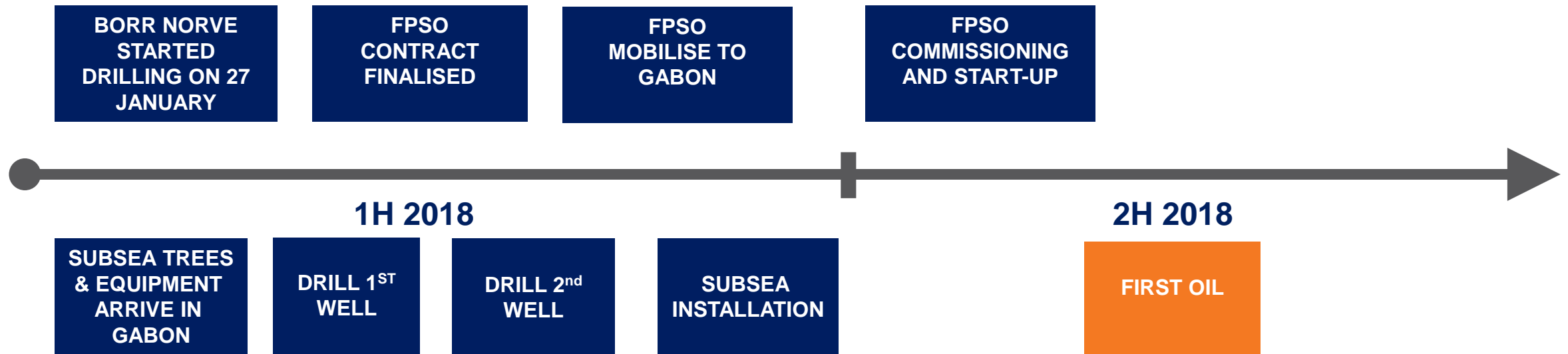


PHASE 1 AND PHASE 2 (4 wells)



Note: From preliminary NSAI report dated December 2017. Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC.

DUSSAFU TIMELINE



FINANCE

A red helicopter is parked on a green helipad on the deck of a ship. The helicopter has "Era" written on its side. A pilot in a white uniform and headset is walking towards the camera. The background shows the ocean and a sunset sky. A large white diagonal shape is overlaid on the image, partially obscuring the helicopter's rotor blades.

FINANCIALS

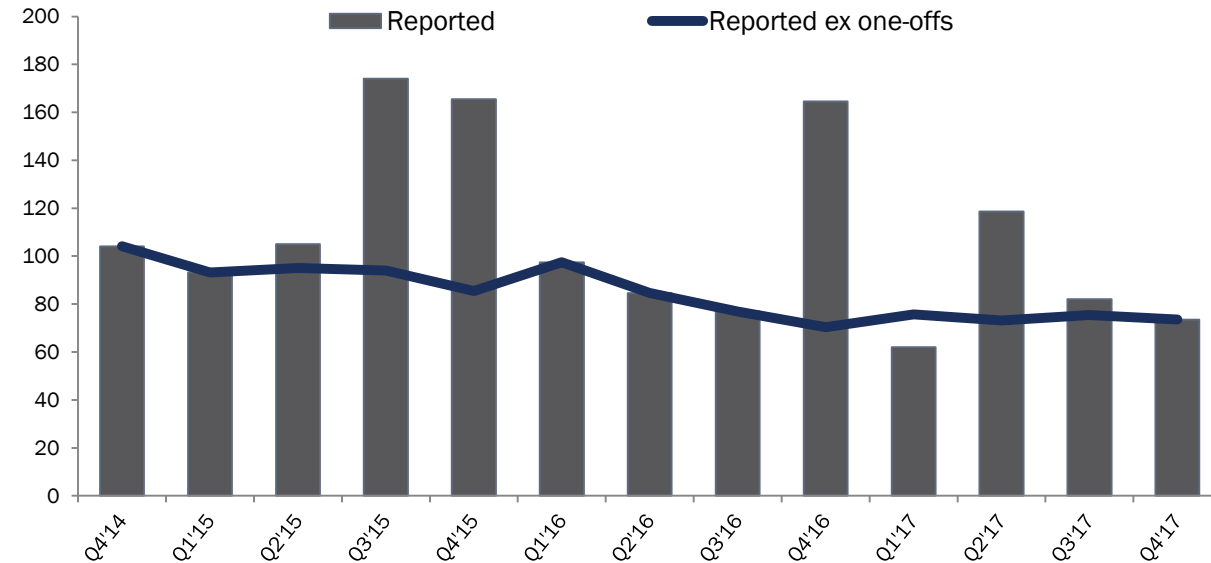


EBITDA of USD 73.5 million

- Decrease in EBITDA mainly due to revised contract on Sendje Berge
- Partly offset by BW Catcher revenue recognition following First Oil on 23 December 2017

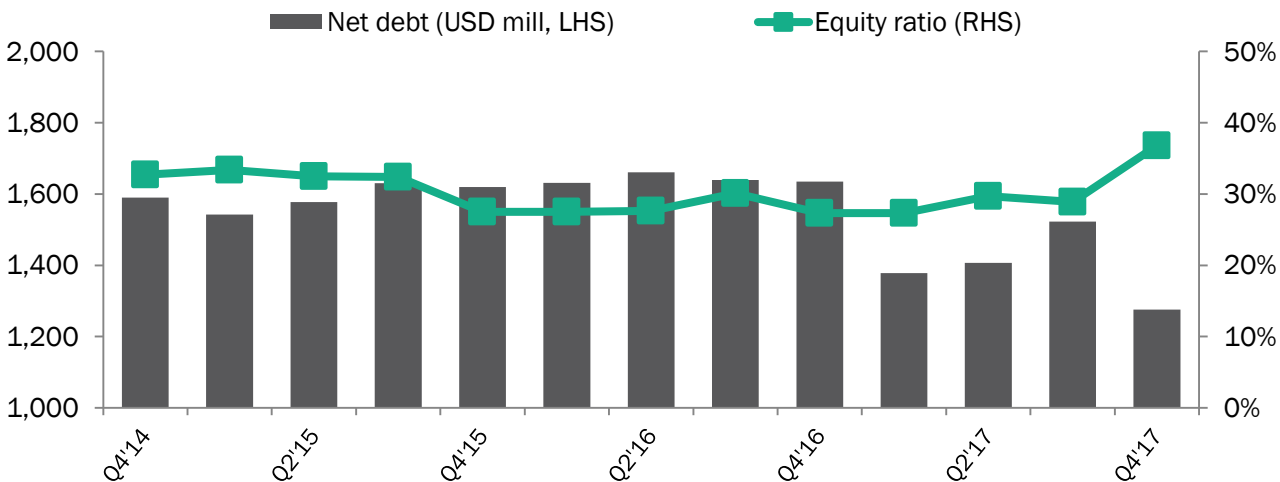
EBITDA

USD million



Net debt and equity ratio

USD million and percentage



- Tax income of USD 34 million after reassessment of tax accruals and deferred tax assets
- ICBCL preference shares issue
 - Equity ratio of 36.8%

INCOME STATEMENT



USD million	Q4 2017	Q3 2017	2017	2016
Operating Revenues	150.3	152.7	626.0	844.7
Operating Expenses	(77.3)	(70.5)	(290.7)	(421.9)
Share Of Profit From Associates	0.5	(0.1)	0.9	0.6
EBITDA	73.5	82.1	336.2	423.4
Depreciation	(57.6)	(54.6)	(225.9)	(224.6)
Amortizations	(0.7)	(0.6)	(2.7)	(2.8)
Impairment	0.0	0.0	(27.4)	(231.0)
EBIT	15.2	26.9	80.2	(35.0)
Net Interest Expense	(8.3)	(8.2)	(37.8)	(44.5)
FX, Fin. Instruments And Other Financial Items	6.3	2.8	1.1	(20.7)
Profit (Loss) Before Tax	13.2	21.5	43.5	(100.2)
Income Tax Expense	34.0	(17.6)	(2.3)	(32.7)
Net Profit (Loss)	47.2	3.9	41.2	(132.9)

STATEMENT OF FINANCIAL POSITION



USD million	Q4 2017		Q3 2017		Q4 2016	
Total Non-current Assets	2,999.0	87.6%	2,911.2	89.3%	2,771.3	82.3%
Total Current Assets	423.8	12.4%	350.3	10.7%	596.6	17.7%
Total Assets	3,422.8	100.0%	3,261.5	100.0%	3,367.9	100.0%

Total Equity	1,259.4	36.8%	941.4	28.9%	919.9	27.3%
<i>Total Non-current Liabilities</i>	<i>1,642.0</i>		<i>1,822.0</i>		<i>2,009.6</i>	
<i>Total Current Liabilities</i>	<i>521.4</i>		<i>498.1</i>		<i>438.4</i>	
Total Liabilities	2,163.4	63.2%	2,320.1	71.1%	2,448.0	72.7%
Total Equity And Liabilities	3,422.8	100.0%	3,261.5	100.0%	3,367.9	100.0%

USD million	Q4 2017		Q3 2017		Q4 2016	
Reported Interest Bearing Debt	1,420.8		1,671.0		1,741.8	
Cash And Deposits	(145.5)		(148.6)		(106.9)	
Net Interest Bearing Debt	1,275.3		1,522.4		1,634.9	

CASH FLOW STATEMENT



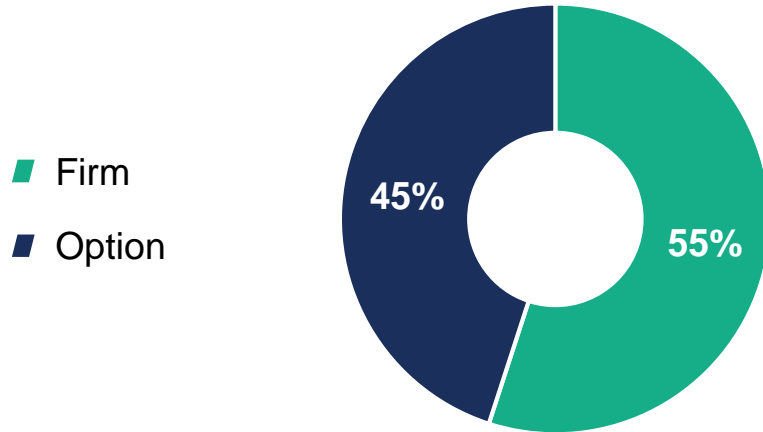
USD million	Q4 2017	Q3 2017	2017	2016
Net Cash Flow From Operating Activities	110.3	96.3	659.5	387.5
Net Cash Flow From Investing Activities	(128.5)	(175.7)	(476.6)	(399.7)
Net Cash Flow From Financing Activities	15.1	79.0	(144.3)	(2.7)
Net Change In Cash And Cash Equivalents	(3.1)	(0.4)	38.6	(14.9)
Cash And Cash Equivalent At Start Of Period	148.6	149.0	106.9	121.8
Cash And Cash Equivalent At End Of Period	145.5	148.6	145.5	106.9

CASH FLOW 2017



FPSO segment

Probable orderbook of USD 5.8 billion



Oil and gas segment

Probable gross reserves of 23.5 million barrels

Gross reserves¹

Gross 1P = 15.9 million bbls

Gross 2P = 23.5 million bbls

Gross 3P = 31.4 million bbls

Net reserves to BW Energy²

Net 1P = 11.8 million bbls

Net 2P = 17.1 million bbls

Net 3P = 21.4 million bbls

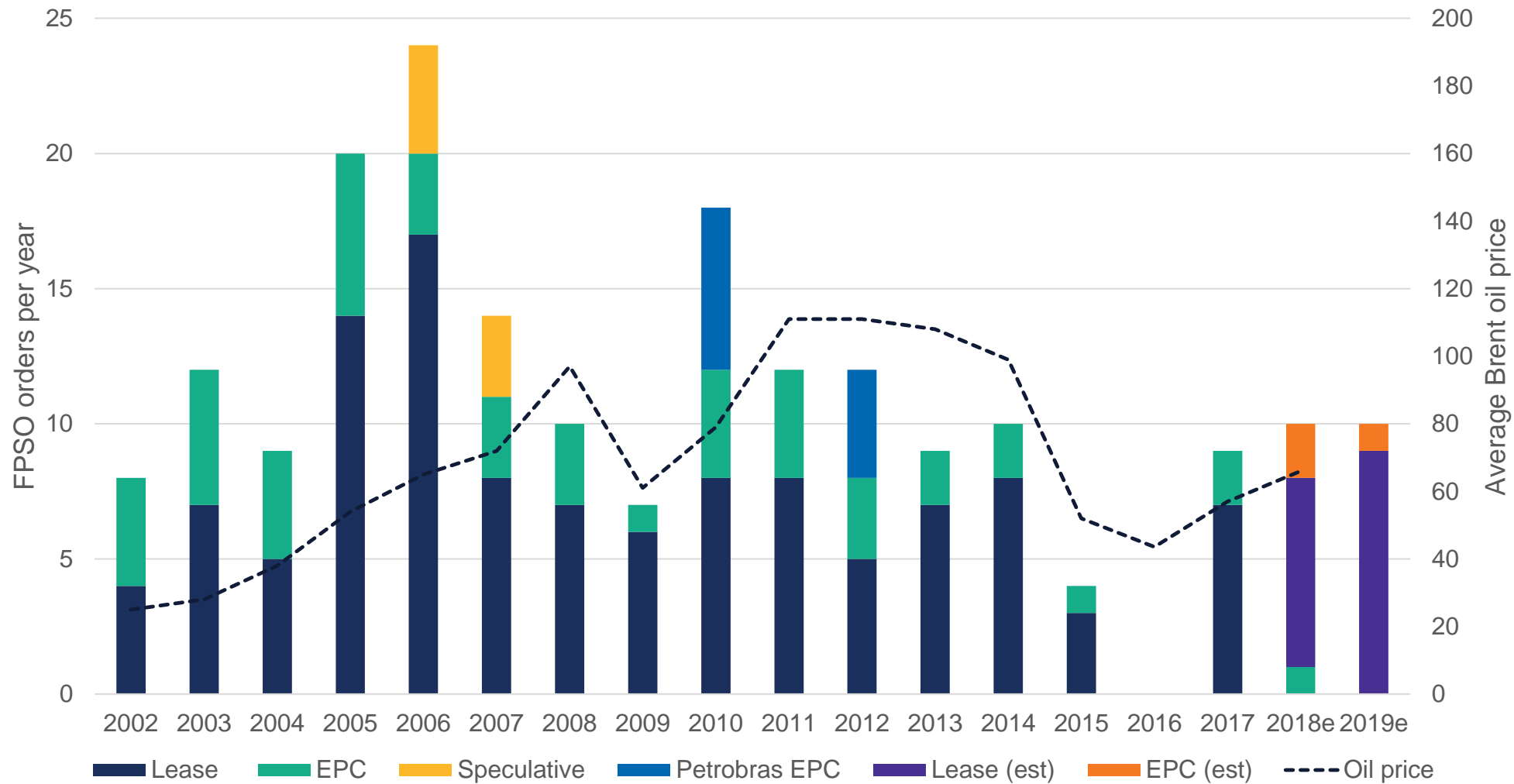
1: From preliminary NSAI report dated December 2017. Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC.

2: Net reserves reflects BW Energy's interest. BW Offshore owns 66.67% of BW Energy.



OUTLOOK

FPSO ORDERS



Source: Fearnley

STRENGTHENED POSITION



Improving markets

- Higher energy prices
- Continued focus on reducing break even cost and short time to cash flow
- Large scale developments moving ahead

Operational performance

- Stable operations and improved safety performance
- New group function to focus on operational integrity and performance

Financial flexibility

- Strengthened balance sheet
- Cash flow visibility
- Long-term bank relationships in place
- Established new financial partnership
- Financial markets improving

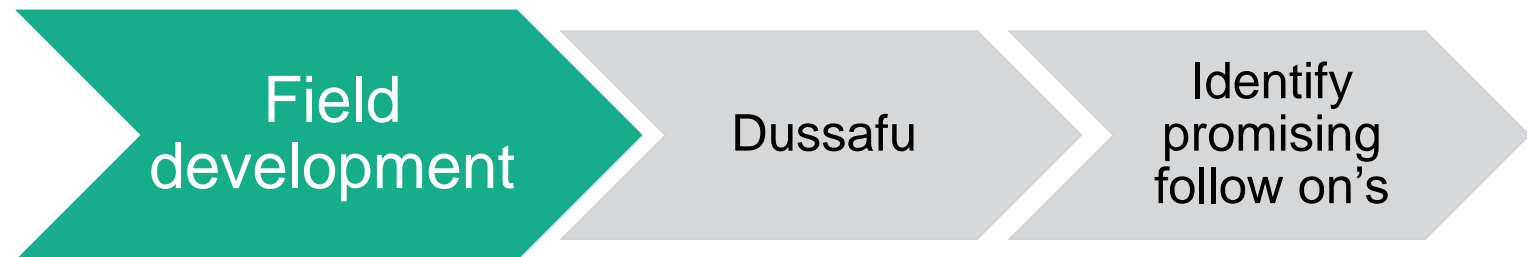
Positioned for growth

- Large number of discoveries made before the market downturn
- Large number of new, more specialised players emerging

- Increased market activity
- Main newbuild market Brazil
- Competition bidding low
- BW Offshore bidding selectively



- Increased interest for redeployment to enable fast-track developments
- Focus on small to medium sized E&P companies specialising in exploration
- Offering field development capabilities through partnership models



H2 2017

- Sendje Berge extension ✓
- Catcher preference share issue ✓
- Umuroa extension ✓
- Catcher First Oil ✓

H1 2018

- Berge Helene decommissioning ✓
- Polvo extension ✓
- Abo extension
- Buzious 5 bid
- Marlim I & II bids
- Kudu FID
- Cidade de São Mateus agreement

H2 2018

- Dussafu First Oil
- Cidade de São Vicente extension

H1 2019

- Dussafu Phase 2



Q&A



BW Offshore

For further information please contact ir@bwoffshore.com