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# BW Offshore

Voluntary Exchange Offer for Prosafe Production

21 June 2010



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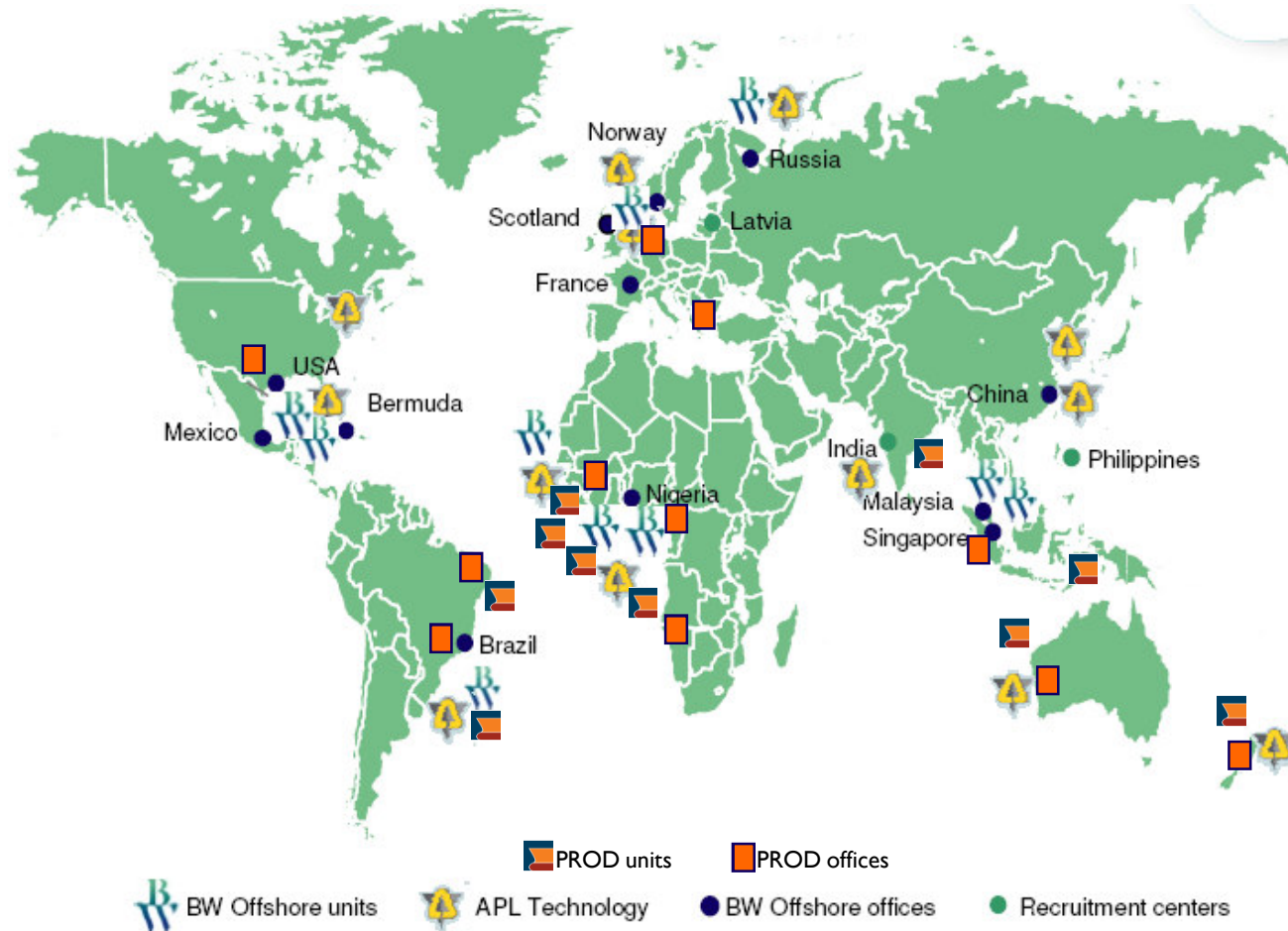


# Offer rationale

- The FPSO market is growing and the sector needs larger companies that can meet the increasing requirements from clients and regulators
- A combined BW Offshore and Prosafe Production will address these needs through
  - Diversification
  - Presence
  - Financial scale
  - Competence
- The Offer represents a balanced and sound transaction for both shareholder groups
- Create a large and attractive company for investors



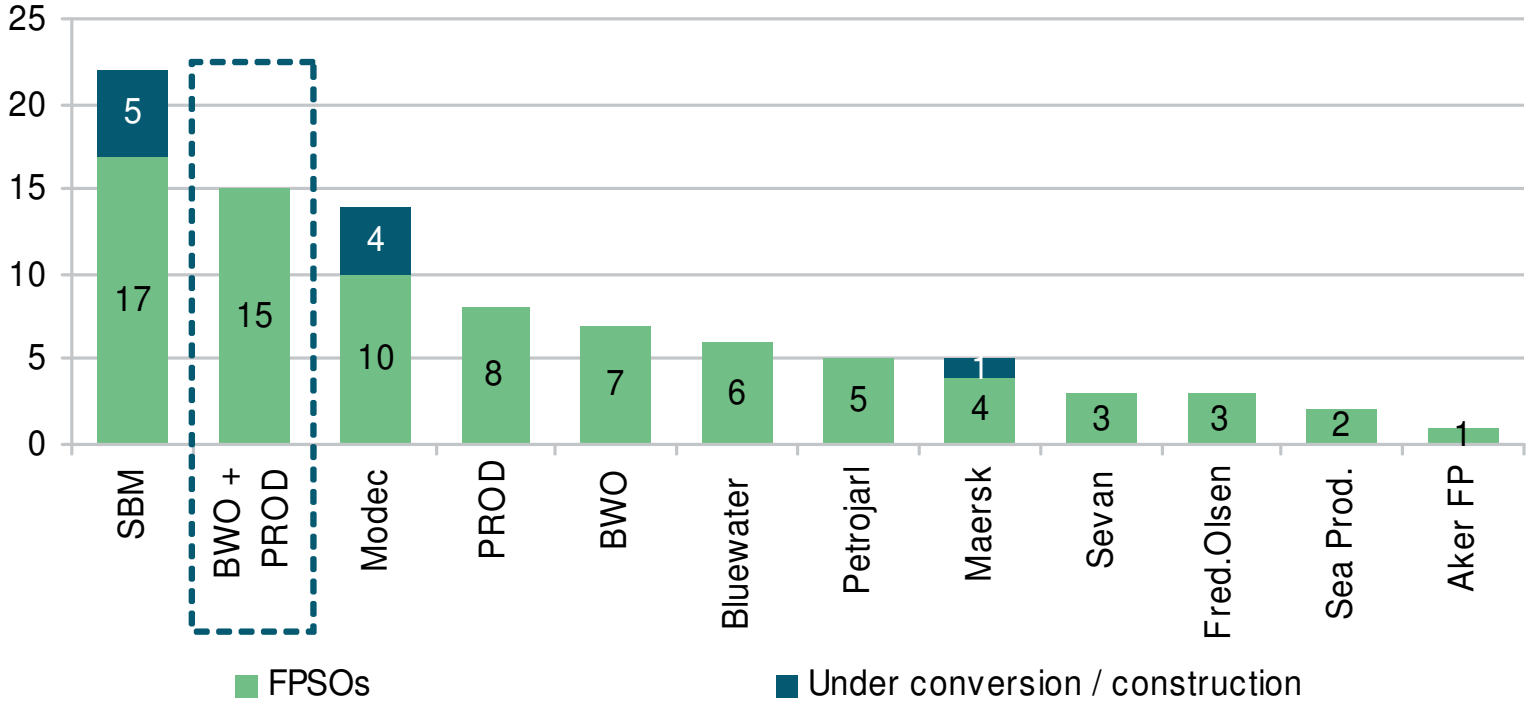
# Presence, diversification and synergies



# Creating an FPSO industry leader



## Overview of the FPSO players



Excludes FSOs and hulls.

Source: Carnegie Research



# The Offer

- Voluntary Exchange Offer for all shares of PROD not owned by BWO
- Offer consideration of 1.2 BWO shares and NOK 5.25 in cash
  - Corresponds to NOK 16.21 per PROD share, based on the closing share price of BWO on 18 June 2010 of NOK 9.13
  - Values the total share capital of PROD at approximately NOK 4.1 billion
  - Premium of 17.0% to the closing price of PROD on 18 June 2010
  - Premium of 20.1% to 1 month VWAP of PROD for the period ending on 18 June 2010
- The Offer is fully financed
  - In addition to BWO's existing credit facility of USD 1.5 billion, a new bridging credit facility of USD 1.1 billion has been established from BW Group on competitive terms
  - Above facilities refinance PROD existing credit facility and fund the cash component of the Offer while also preserving capacity for further growth for the combined entity
- No further equity issue needed beyond share consideration as a result of the Offer



# Conditions

- Offer subject to customary conditions, i.a. 90% acceptance level
- Offer consideration subject to successful completion of PROD's turret sale

Complete details of the Offer will be included in Offer Document

- Expected to be sent to PROD shareholders during the week starting 12 July 2010



## Summary - The combined company

- Leading FPSO lease operator in a growing market
- Addressing the increasing requirements to the FPSO operators
- Diversified portfolio of assets (15 FPSOs combined)
- Diversified portfolio of clients
- Market cap approx. NOK 6.3 billion post transaction
  - Based on # shares post offering at 100% acceptance level and BWO closing price on 18 June
- BW Group down to between 47-49% ownership at 90-100% acceptance level
  - Increased free float in both absolute and relative terms

**Positioned to capture improving sector returns**

