

BW OFFSHORE

Pareto Conference

CEO Marco Beenen

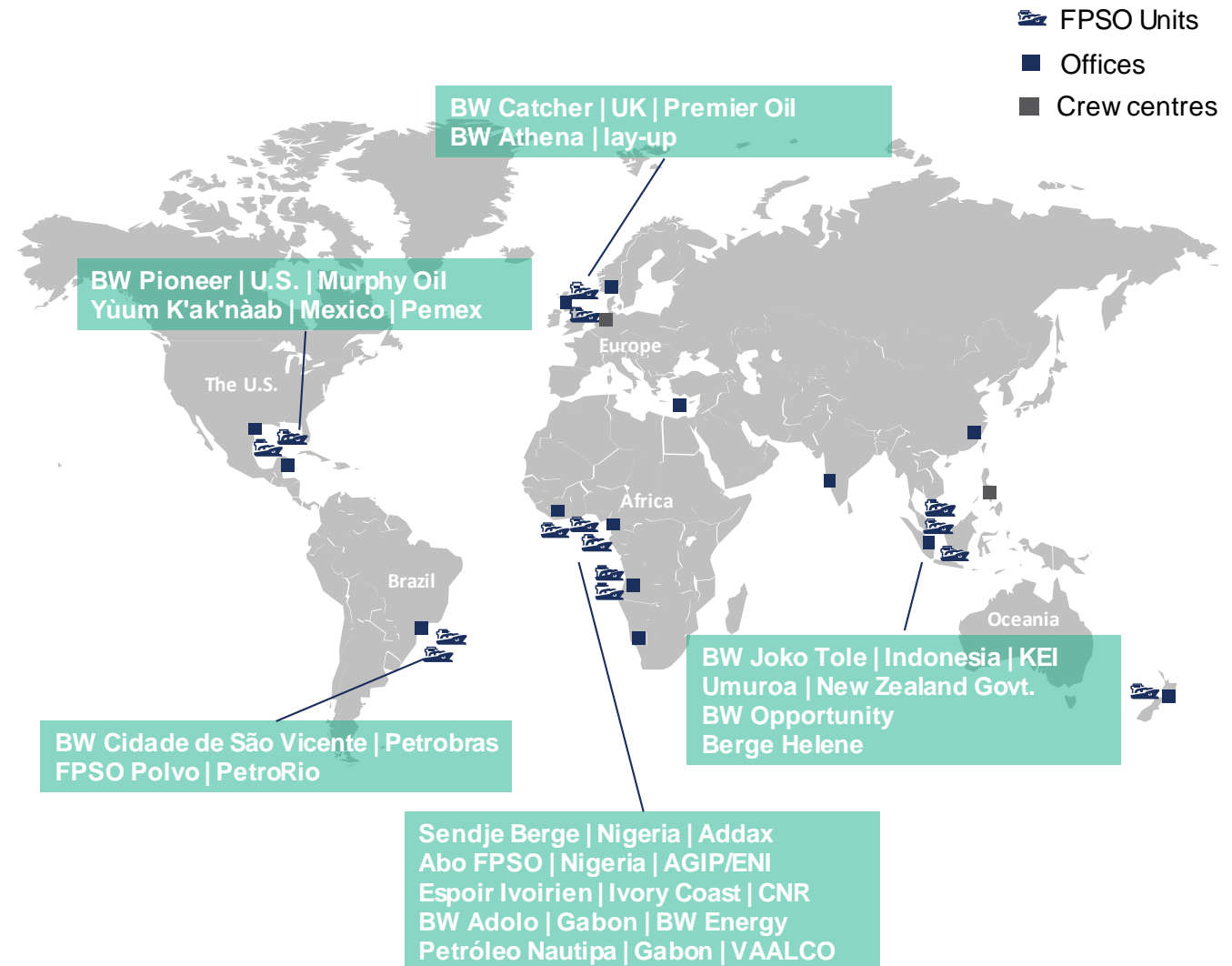
16 September 2020

SMARTER TOGETHER

Experienced FPSO operator with a proven track-record



- Eight decades of maritime heritage and 40 years of offshore energy production experience
- Successful execution of 40 FPSO/FSO projects world-wide
- Substantial in-house energy engineering, operations and business development capabilities
- Active fleet of 11 FPSOs currently producing 600,000 boe per day
- Stable fleet performance with 99% average uptime the past five years
- Significant cash flow visibility with a revenue backlog of USD 4.4 billion¹
- 39% owner of separately listed E&P and field development company, BW Energy
- Listed on the Oslo Stock Exchange since 2006 with a market capitalisation of USD ~600 million and total assets of USD 2.8 billion

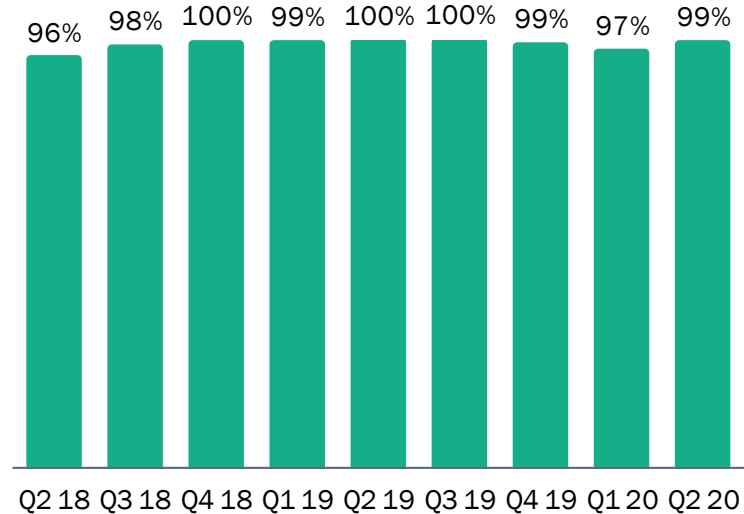


1) Includes firm backlog of USD 2.8 billion and options deemed likely to be exercised as at 30 June 2020

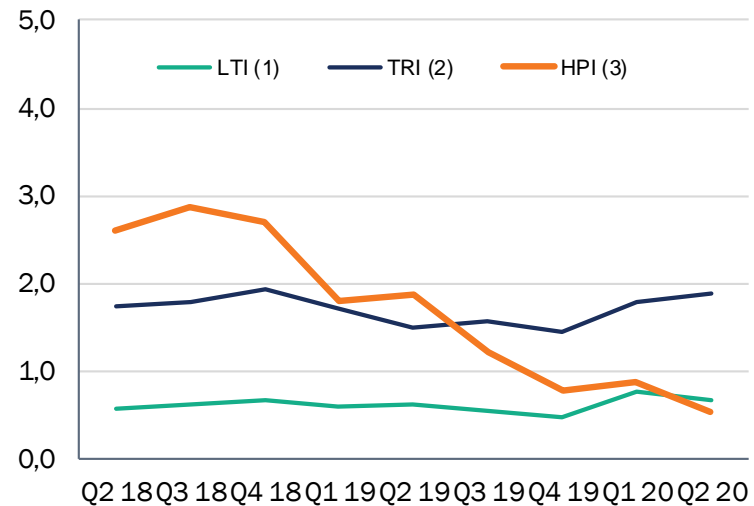
Safety first and “zero harm” focus in all operations



Fleet uptime



HSE record (LTM)



Covid-19 status

- Proactively taking steps to keep people and assets safe
- Risk management, planning and procedures in place to manage operational impact
- Virus outbreaks on four of 11 deployed FPSOs to date
 - Crew-change and deep-clean completed within 7 days on all units
 - Limited impact on commercial uptime

1) Lost time injuries per million man-hours.
2) Total recordable incidents per million man-hours.
3) High potential incidents per million man-hours.

2019

2020

2021 –

- Record revenue and EBITDA
- Completed group debt refinancing
- Strengthened financial flexibility
- Management change
- BWE energy spin-off preparations

- **BWE listed as separate company in February**
- **Re-introducing shareholder returns**
- **Selective business development targeting long-term infrastructure-like contracts**
- **Positioning for FIDs in 2021**



Financial flexibility

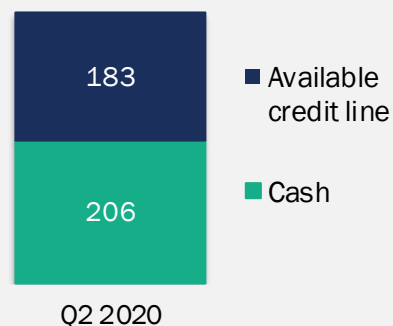
- Debt portfolio refinanced and maturities extended
- Substantial deleveraging over time
- USD 63m remaining 2020 debt instalments

2x

Net debt /
LTM FPSO EBITDA

Liquidity position

- Robust liquidity position



USD 389m

Total liquidity

Cash preservation

- Actively managing OPEX and CAPEX
- Covid-19 related expenses to ensure stable operations
- Limited capex

USD ~20m

Remaining CAPEX
for 2H 2020

Shareholder returns

- 101 MUSD BW Energy shares as dividend in-kind in Q1
- Annual cash dividend of USD 25 million to be paid quarterly from Q2
- USD 10 million share buy-back program completed

USD 0.034

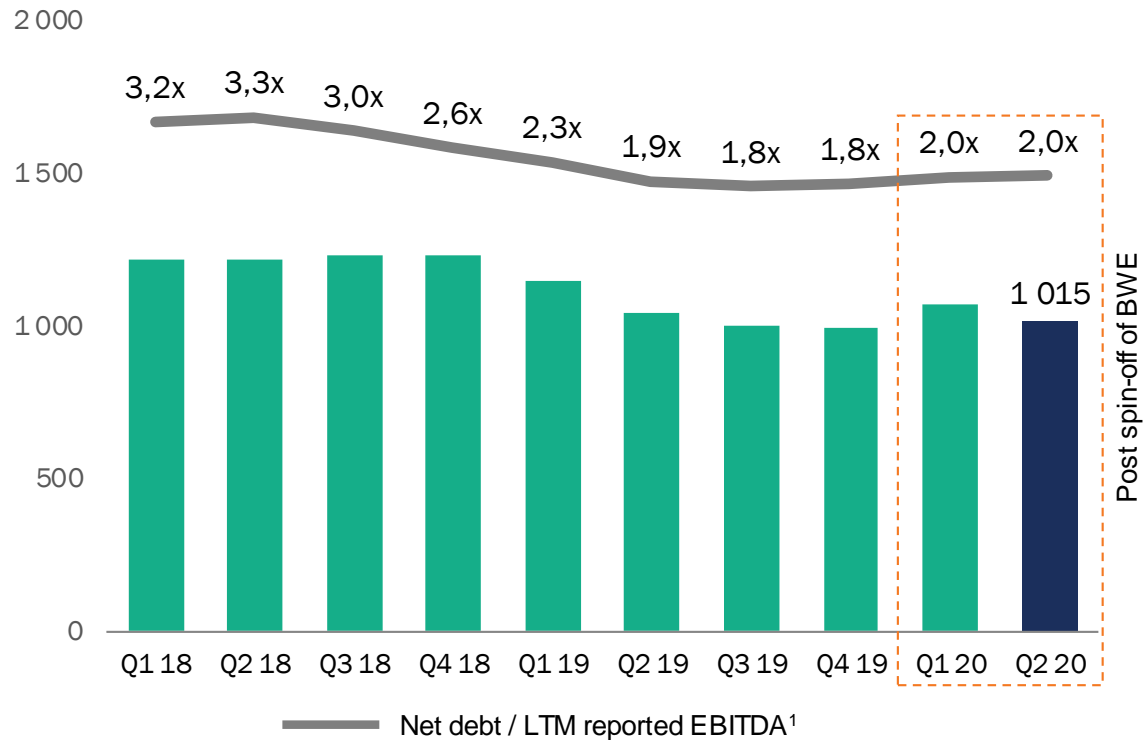
Quarterly cash
dividend per share

Solid financial position



Net debt and leverage ratio

USD million



Equity ratio

50%

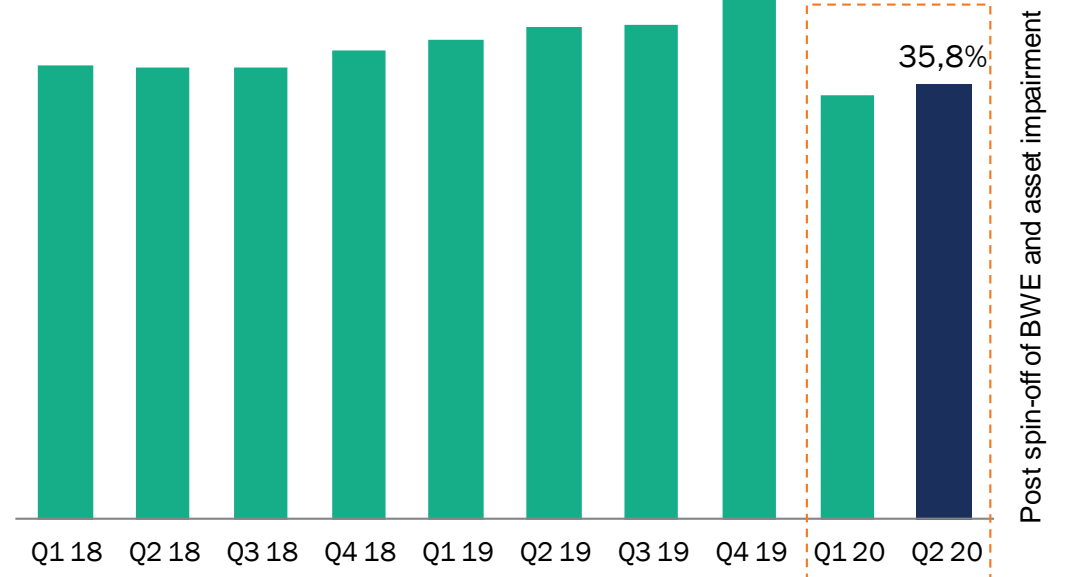
40%

30%

20%

10%

0%

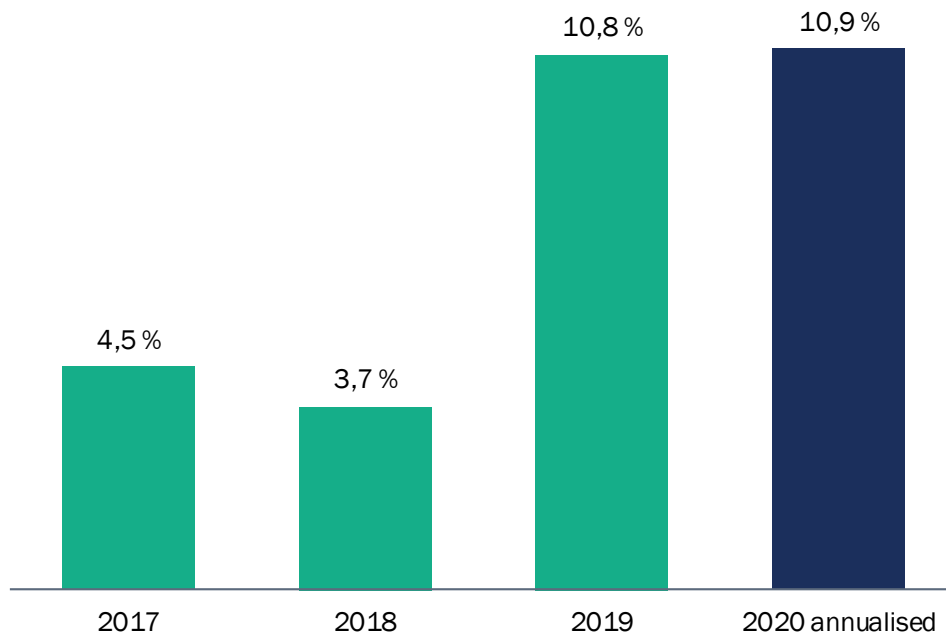


1) Leverage ratio based on continuing operations in Q4 18 – Q2 2020 which excludes EBITDA contribution from BW Energy during this period

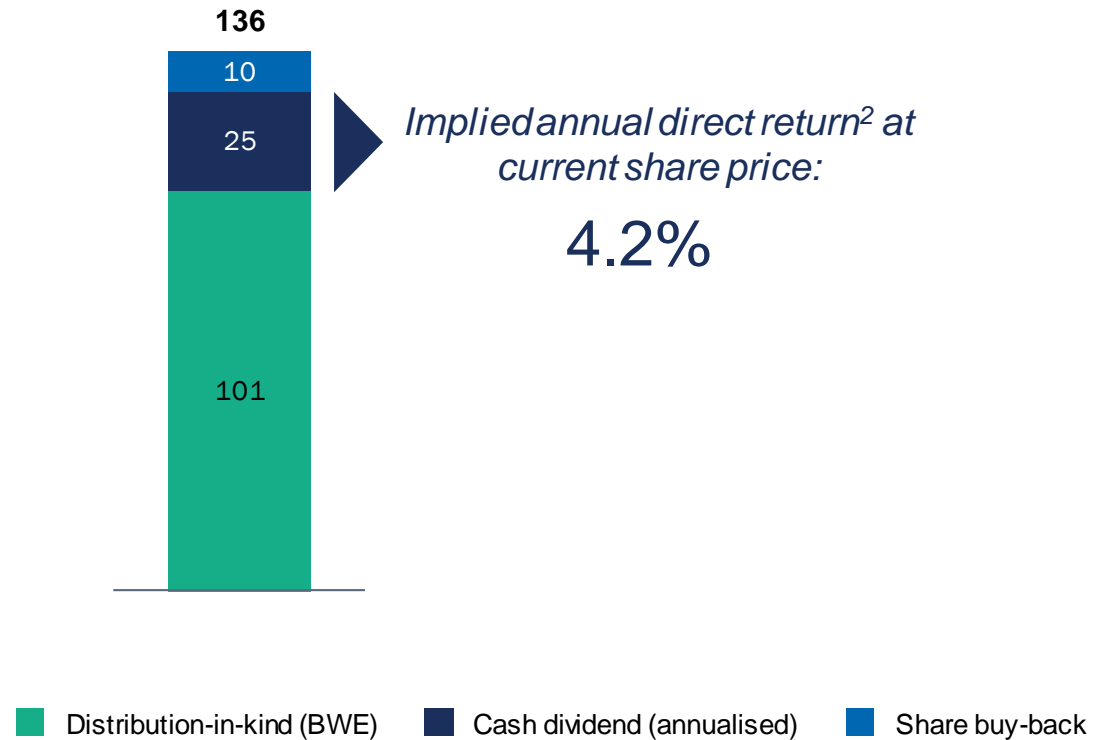
Selective investments approach key to increasing returns



Return on Equity¹



Direct return to shareholders (USDm)

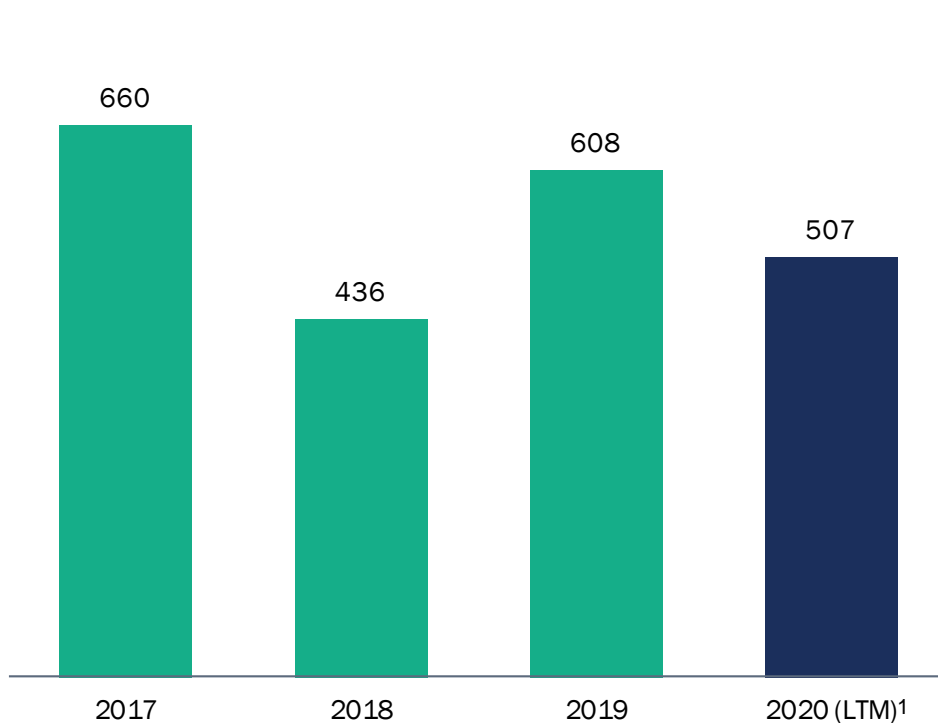


1) ROE based on net profit and equity adjusted for Q1 2020 impairment, non-controlling interest and excluding preference shares

2) Current share price of NOK 29.14 and USD/NOK of 9.0041 as of 14.09.2020

Net cash flow from operating activities

USD million



Capital allocation priorities

- Attractive, long-term investments meeting return criteria
- Additional backlog needed to support long-term sustainable and increased dividend payments
- Capitalise on market window with reduced competition

1) LTM – Last twelve months

Working towards newbuild FPSO FID in 2021

- Engaging in a “handful” of prospects in Australia and Americas with solid counterparties looking beyond current oil price and Covid-19
- Expect FID 2021 for one of the targeted FPSO prospects
 - Return on equity (ROE) requirements of ~15%
 - Co-investing with strategic and financial players
 - Focus on reducing GHG footprint



Extensions & options

- Historical resilience and track record in oil price downturns
- Supported by low field cash break-even¹ levels ranging from USD 10 to 30/bbl for 2020
- Hedging and field abandonment cost are additional factors



Redeployments





- Impacted by lower oil price and E&P capex reductions
- Mainly marginal developments and smaller E&P companies
- Reduced visibility and longer expected lead-times reflected in impairment of idle fleet
- Activity expected to rebound with oil price and various prospects are being discussed



1) Based on estimated opex per barrel for 2020. Excluding planned field capex.

Significant value from options, new contracts and redeployments



FPSO	Firm period	Options / extensions	New firm period	Future options	Status	Next trigger
BW Pioneer 	5 years firm from first oil in 2012	3 years of options declared	5 years firm contract	5x 1-year options to be declared	<ul style="list-style-type: none"> New contract signed March 2020 5-year firm with USD 350 million EBITDA contribution firm period 5x1 year options 	2025
Petróleo Nautipa 	5 years firm contract from first oil in 2002	15 years of extensions negotiated in three rounds	Upcoming negotiations	Upcoming negotiations	<ul style="list-style-type: none"> Good productivity from existing wells Clear potential for additional recoverable reserves 	2022
BW Catcher 	7 years firm from first oil at year-end 2017	18x 1-year options to be declared	To be negotiated	To be negotiated	<ul style="list-style-type: none"> Good productivity from existing wells Further tie-ins planned USD ~530 million of EBITDA contribution up until Q2 2020 	2024
Redeployment						
BW Adolo 	7 years Azurite firm contract	-	10 years firm period (field life) with BW Energy	10 years Option period (current license)	<ul style="list-style-type: none"> Only producing asset of BW Energy Good production from existing wells Room for further tie-ins 	2038

Key considerations

- Field productivity
- Proven reserves
- Additional licence reserve potential
- Field/license abandonment cost
- Oil price

- Safeguarding people and operations amid lingering Covid-19 pandemic
- Ensuring robust returns on existing fleet
- Selectively pursuing new prospects, meeting required risk-return criteria
- Target of one FID for a new FPSO project in 2021



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