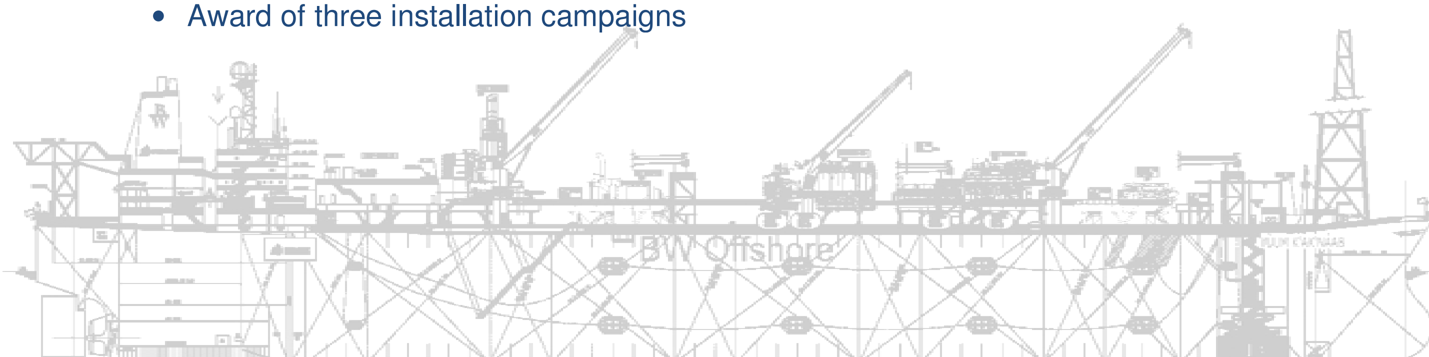
BW Offshore Limited

Second quarter and first half-year 2008

HIGHLIGHTS

- EBITDA of USD 34.5 million
- Letter of Intent for FPSO in Australia
- Letter of Award for deepwater offloading system in Angola
- FPSO conversions in line with expectations
- Sale of shares in Prosafe SE
- Award of three installation campaigns



FINANCIAL SUMMARY

(Figures in brackets refer to corresponding figures for 2007)

SECOND QUARTER

EBITDA was USD 34.5 million (USD 41.7 million) in the second quarter. The decrease is primarily a result of increased start-up costs for YÙUM K'AK'NÁAB, provisions related to Berge Okoloba Toru and an impairment charge of USD 84.7 million against our investment in Prosafe Production Public Limited. The decrease is offset by a gain on sale of shares in Prosafe SE amounting to USD 127.0 million. Share of profit of associates was USD -7.9 million (USD 5.2 million) and relates to the investments in Prosafe Production Public Limited, Prosafe SE and Nexus Floating Production Limited (Nexus). At 30 June 2008 the Company owned 23.9% of the shares in Prosafe Production Public Limited and 49.7% of the shares in Nexus.

Total revenue amounted to USD 124.8 million (USD 265.5 million). The change is mainly due to reduced construction contract revenues from the YÙUM K'AK'NÁAB conversion project that ended 30 June 2007.

Operating expenses in the second quarter amounted to USD 124.7 million (USD 229.0 million). Operating expenses for Floating Production were USD 56.4 million (USD 179.1 million). The change is mainly related to reduced construction contract expenses for the YÙUM K'AK'NÁAB conversion project. Operating expenses related to Technology and Installation Services amounted to USD 68.3 million (USD 49.9 million), due to higher activity in the segment.

Net financial items for the second quarter amounted to USD 15.6 million (USD -3.4 million).

Net profit after tax in the second quarter was USD 34.8 million (USD 25.2 million).

At 30 June 2008 total assets amounted to USD 2,790.0 million (USD 3,005.7 million). The change in total assets arose mainly from the sale of shares in Prosafe SE, repayment of outstanding debt and a write-down of shares held in Prosafe Production Public Ltd.
At 30 June 2008 total equity amounted to USD 1,509.6 million (USD 1,545.4 million).

Net cash flow from investing activities was USD 577.1 million; primarily a result of the sale of shares in Prosafe SE. Net cash flow from financing activities was USD -307.8 million, primarily due to repayment of interest-bearing debt.

At 30 June 2008 net interest bearing debt amounted to USD 370.2 million (USD 998.2 million)

FIRST HALF-YEAR

BW Offshore recorded a first half-year EBITDA of USD 50.3 million (USD 51.2 million). The first half-year of 2008 was influenced by higher than expected start-up costs regarding YÙUM K`AK`NÀAB and consequences of the challenging operating environment in the Niger Delta for the FPSO segment while the first half-year of 2007 included a net gain of USD 26.1 million related to the delivery of YÙUM K`AK`NÀAB. The combination of the split of Prosafe SE, the gain on sale of Prosafe SE shares and an impairment charge in Prosafe Production Public Limited resulted in a net profit of USD 42.3 million in the first half-year 2008.

Operating profit was USD 28.2 million in the first half-year of 2008, compared to USD 37.7 million in the same period of 2007. The operating profit in the FPSO segment amounted to USD 22.5 million in the first half-year of 2008 (USD 34.8 million). The operating profit in the Technology and Installation Services segment amounted to USD 5.7 million in the first half-year of 2008 (USD 2.9 million).

Operating expenses decreased by USD 91.9 million from USD 318.3 in the first half-year of 2007 to USD 226.4 million in the same period of 2008, mainly due to the reduced construction contract expenses as the conversion of YÙUM K`AK`NÀAB came to an end on 30 June 2007.

The financial statements show net financial result of USD -21.5 million in the first half-year of 2008 (USD 23.5 million), of which interest expenses amounted to USD 31.5 million (USD 7.9 million). The increase in interest expenses is mainly due to increased number of vessels in operation. An interest charge of USD 3.6 million related to the arrangement fee for the previous credit facility was made following the refinancing of the company's debt in the second quarter of 2008

Profit before tax amounted to USD 6.7 million in the first half-year of 2008 (USD 61.2 million). Net profit was USD 1.6 million (USD 0.00 per share) in the first half-year of 2008 compared to USD 54.4 million in the same period of 2007 (USD 0.15 per share).

BUSINESS SEGMENTS

Floating Production

EBITDA for the second quarter was USD 21.6 million (USD 36.3 million). The first half-year of 2008 was influenced by higher than expected start-up costs regarding YÙUM K`AK`NÀAB, and consequences of the challenging operating environment in the Niger Delta and lower than expected insurance settlement relating to Berge Helene.
Cash flow from operating activities in the second quarter was USD -46.1 million (USD -21.8 million).

The ongoing conversions of the FPSOs BW Pioneer and BW Peace are in line with the expectations of the management of BW Offshore.

On 7 July 2008, BW Offshore was awarded a Letter of Intent (LoI) to supply the FPSO for the Basker-Manta-Gummy (BMG) oil and gas fields offshore Australia. The FPSO will commence operation in the second quarter 2010.

Technology & Installation Services

The revenues in the second quarter were USD 114.5 million (USD 55.7 million) with an EBITDA of USD 12.9 million (USD 5.4 million), giving an EBITDA-margin of 11.6%. The figures reflect a higher activity level and improved margins. Major projects, such as Nexus, Chinook Cascade, Peregrino and Neptune are in production with no significant deviation from the plans. The order inflow during the first half year has been strong.

Cash flow from operating activities in the second quarter was USD 47.8 million (USD -25.0 million).

In June and July 2008, BW Offshore was awarded three installation campaigns for projects in the US, Brazil and Australia.

RISKS

BW Offshore Limited`s risk exposure is analysed and evaluated at the group level to ensure sound internal control and appropriate risk management based on the group`s values and code of ethics. The most important operational risk factors are related to the operation of FPSOs and the execution of projects. The financial risks comprise mainly of currency risk, credit risks and interest rate risk, as well as fluctuations in the share price of the Company`s holdings in listed securities. Further information is provided on risk factors and risk management, in the BW Offshore Limited`s Annual Report for 2007.

OUTLOOK

The demand for BW Offshore Limited`s services and products remains robust, as evidenced by our record order inflow during the first half of 2008 and an extensive pipeline of new prospects for all our business segments. The income from operation during the second half of 2008 will continue to be affected by the start up challenges on YÙUM K'AK'NÁAB,. The Company has taken measures to resume stable operations before the end of the year. We expect the Floating Production segment to show improved earnings going forward. The Technology and Installation segment is expected to show continued strong performance.

DECLARATION FROM THE BOARD

We confirm to the best of our knowledge, that the interim Consolidated Financial Information for the first half year of 2008 has been prepared in accordance with IAS 34 (Interim Financial Reporting) and gives a true and fair view of BW Offshore Limited`s consolidated assets, liabilities, financial position and income statement as a whole. We also confirm to the best of our knowledge, that the Financial Summary includes a fair review of important events that have occurred during the first half year of 2008 and their impact on the interim Consolidated Financial Information, a description of the principal risks and uncertainties for the remaining half year of 2008, as well as major related parties transactions.

Bermuda, 28 August 2008

Helmut Sohmen Chairman	Christophe Pettenati-Auzière Vice Chairman

Andreas Sohmen Pao	David Gairns	Renè Huck	Kathie Child-Villiers

INCOME STATEMENT

(Unaudited figures in USD million)

	Notes	2Q 08	1Q 08	2Q 07*	1H 08	1H 07*	2007*
Operating revenue		**124.8**	**108.3**	**265.5**	**233.1**	**363.3**	**662.6**
Operating expenses		**(124.7)**	**(101.7)**	**(229.0)**	**(226.4)**	**(318.3)**	**(557.7)**
Share of profit of associates	6	(7.9)	9.2	5.2	1.3	6.2	17.7
Impairment charge of associates	6	(84.7)	0.0	0.0	(84.7)	0.0	0.0
Gain on sale of shares	6	127.0	0.0	0.0	127.0	0.0	0.0
Operating profit before depreciation/amortisation		**34.5**	**15.8**	**41.7**	**50.3**	**51.2**	**122.6**
Depreciation		(6.0)	(6.0)	(7.0)	(12.0)	(12.5)	(23.5)
Amortisation**		(5.1)	(5.0)	(1.0)	(10.1)	(1.0)	(17.6)
Gain (loss) on sale of assets		0.0	0.0	0.0	0.0	0.0	(4.4)
Operating profit		**23.4**	**4.8**	**33.7**	**28.2**	**37.7**	**77.1**
Net currency exchange gain (loss)		2.4	(12.1)	0.5	(9.7)	(0.1)	(1.6)
Interest income		3.9	3.5	0.6	7.4	2.1	12.8
Gain (loss) on financial instruments	7	19.9	(6.5)	1.6	13.4	29.4	23.7
Interest expense		(11.0)	(20.5)	(6.1)	(31.5)	(7.9)	(46.2)
Other financial items		0.4	(1.5)	0.0	(1.1)	0.0	0.0
Net financial items		**15.6**	**(37.1)**	**(3.4)**	**(21.5)**	**23.5**	**(11.3)**
Profit (loss) before tax		**39.0**	**(32.3)**	**30.3**	**6.7**	**61.2**	**65.8**
Income tax expense**		(4.2)	(0.9)	(5.1)	(5.1)	(6.8)	(13.7)
Net profit (loss)		**34.8**	**(33.2)**	**25.2**	**1.6**	**54.4**	**52.1**
Profit (loss) attributable to equity shareholders		34.8	(33.2)	24.1	1.6	53.3	50.5
Minority interest		-	-	1.1	-	1.1	1.6
Basic earnings/(loss) per share (USD)		0.08	(0.07)	0.06	0.00	0.15	0.12
Diluted earnings/(loss) per share (USD)		0.08	(0.07)	0.06	0.00	0.15	0.12

* Interest income and interest expenses have been restated in order to reflect the CIRR financing scheme related to Berge Helene

** Restated, see note 9 for additional information

The notes in pages 7-10 are an integral part of these consolidated interim financial statements

BALANCE SHEET

(Unaudited figures in USD million)

ASSETS	Notes	30.06.2008	31.03.2008	31.12.2007*	30.06.2007*
Vessels	2	749.2	684.3	610.7	529.5
Property and other equipment		20.5	18.8	17.9	18.5
Goodwill and intangibles**		532.1	535.0	537.7	447.2
Finance lease receivables		234.5	237.9	244.0	224.5
Investments in associates	6	369.8	979.5	978.9	898.2
Non-current deposits	5	301.0	289.4	320.3	76.5
Other non-current assets		1.4	12.0	12.1	1.1
Total non-current assets		**2,208.5**	**2,756.9**	**2,721.6**	**2,195.5**
Inventory		17.8	17.3	7.0	7.3
Trade and other current assets	3	154.1	149.6	146.8	623.6
Trade receivables not invoiced	10	81.3	91.0	97.7	144.4
Cash and deposits		328.3	57.3	36.5	34.9
Total current assets		**581.5**	**315.2**	**288.0**	**810.2**
TOTAL ASSETS		**2,790.0**	**3,072.1**	**3,009.6**	**3,005.7**

EQUITY AND LIABILITIES	Notes	30.06.2008	31.03.2008	31.12.2007*	30.06.2007*
Total equity attributable to equity shareholders**	4	1,509.6	1,473.5	1,508.2	1,504.0
Minority interest		0.0	0.0	0.0	41.4
Total equity		**1,509.6**	**1,473.5**	**1,508.2**	**1,545.4**
Interest-bearing long term debt	5	999.0	1,252.8	844.6	747.8
Pension obligations		10.6	11.0	8.7	9.0
Other long-term liabilities**		44.0	36.8	38.5	59.8
Total non-current liabilities		**1,053.6**	**1,300.6**	**891.8**	**816.6**
Trade and other payables		216.7	221.1	180.6	288.9
Interest-bearing short term debt	5	0.5	62.3	413.3	345.2
Income tax liabilities		9.6	14.6	15.7	9.6
Total current liabilities		**226.8**	**298.0**	**609.6**	**643.7**
Total liabilities		**1,280.4**	**1,598.6**	**1,501.4**	**1,460.3**
TOTAL EQUITY AND LIABILITIES		**2,790.0**	**3,072.1**	**3,009.6**	**3,005.7**

* Non-current deposits and Interest-bearing long term debt have been restated in order to reflect the CIRR financing scheme related to Berge Helene

** Restated, see note 9 for additional information

The notes in pages 7-10 are an integral part of these consolidated interim financial statements

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)

	2Q 08	1Q 08	2Q 07	1H 08	1H 07	2007
Equity at beginning of period	**1,473.5**	**1,508.2**	**1,392.5**	**1,508.2**	**383.4**	**383.4**
Changes in equity						
New equity	0.0	0.0	85.9	0.0	1,065.8	1,064.0
Changes in minority interest	0.0	0.0	40.3	0.0	40.3	0.0
Own shares	(5.3)	0.0	0.0	(5.3)	0.0	0.0
Recognised income and expense						
Currency translation adjustments	(1.8)	6.4	1.5	4.6	1.5	8.7
Currency translation adjustments in associates	8.4	(7.9)	0.0	0.5	0.0	0.0
Profit (loss) attributable to equity shareholders	34.8	(33.2)	24.1	1.6	53.3	50.5
Profit (loss) attributable to minority interests	0.0	0.0	1.1	0.0	1.1	1.6
Total recognised income and expense	**41.4**	**(34.7)**	**26.7**	**6.7**	**55.9**	**60.8**
Equity at end of period	**1,509.6**	**1,473.5**	**1,545.4**	**1,509.6**	**1,545.4**	**1,508.2**

CASH FLOW STATEMENT

(Unaudited figures in USD million)

	Notes	2Q 08	1Q 08	2Q 07	1H 08	1H 07	2007
Net cash flow from operating activities		**1.7**	**27.9**	**(46.8)**	**29.6**	**(35.8)**	**179.3**
Net cash flow from investing activities	**2,6**	**577.1**	**(80.9)**	**(233.8)**	**496.2**	**(659.8)**	**(815.6)**
Net cash flow from financing activities	**4,5**	**(307.8)**	**73.8**	**192.5**	**(234.0)**	**692.5**	**634.8**
Net change in cash and cash equivalents		271.0	20.8	(88.1)	**291.8**	(3.1)	(1.5)
Cash and cash equivalents at beginning of period		57.3	36.5	123.0	**93.8**	38.0	38.0
Cash and cash equivalents at end of period		**328.3**	**57.3**	**34.9**	**385.6**	**34.9**	**36.5**

The notes in pages 7-10 are an integral part of these consolidated interim financial statements

NOTES TO THE ACCOUNTS (UNAUDITED)

Note 1 - Accounting principles

The interim consolidated financial information (hereafter “the Interim Financial Information”) of BW Offshore Limited, the “Company”, has been prepared in accordance with the International Accounting Standard IAS 34. The Interim Financial Information should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2007. The accounting policies applied in this Interim Financial Information and the presentation of the Interim Financial Information are consistent with those applied in the Annual Financial Statements.

Note 2 – Vessels, vessels under conversion and conversion candidates

The book value of vessels in operation amounted to USD 342.4 million (USD 305.0 million) at 30 June 2008. The book value of vessels under conversion amounted to USD 383.4 million (USD 90 million) at 30 June 2008. The book value of conversion candidates and uncommitted FPSOs at 30 June 2008 amounted to USD 23.4 million (USD 134.5 million)

Capital expenditure related to vessels, vessels under conversion and conversion candidates in the second quarter, amounted to USD 72.6 million (USD 58.9 million).

Note 3 – Trade and other receivables

Trade and other receivables include a receivable from the client related to the operation of Berge Okoloba Toru amounting to USD 33.3 million at 30 June 2008 (USD 28.9 million). A provision of USD 11.3 million (USD 8.3 million) has been charged in the second quarter 2008, bringing the total provision to USD 33.3 million at 30 June 2008 (USD 16.6 million).

Note 4 - Equity

The number of issued shares was 456,213,515 at 30 June 2008. There were no changes in shares issued in the second quarter 2008. There were 500,000,000 authorized shares at 30 June 2008.

BW Offshore purchased 1,779,700 own shares in the second quarter 2008 and had a total of 1,819,205 own shares as of 30 June 2008. The purchased shares will be used for the company`s employee stock ownership program.

Note 5 - Interest-bearing debt

Long-term debt

The Group had the following long-term debts at 30 June:

	2008	2007
BW Group Limited	641.2	0.0
APL Bond loan	97.5	83.5
Mortgage loan	6.3	5.8
USD 600 credit facility	0.0	592.9
CIRR financing schemes	254.0	65.6
Total	999.0	747.8

The Group has reclassified prior years quarterly figures related to the CIRR financing schemes to reflect the presentation of loans and the deposits, as well as the respective interest income and expense amounts on gross basis; interest income and expense for the second quarter 2007 were grossed up by USD 0.9 million.

The loan from BW Group Limited is a five year USD 1.5 billion unsecured revolving credit facility with financial covenants related to equity, equity ratio and debt to borrowing base in addition to a cross-default clause against the companies partly and/or wholly-owned by BW Group Limited. The loan is charged with interest based on floating interest rate of LIBOR + 1.25% and a commitment fee of 0.5% of available, undrawn amount under this facility.

Short-term debt

The Company had the following short-term interest bearing debt at 30 June:

	2008	2007
USD 400 million credit facility	0.0	280.2
Other facility	0.5	65.0
Total	0.5	345.2

Note 6 – Investments in associates

The investment in Prosafe SE has been considered an associate of the Company since 18 January 2007 as the company held 26.5% of the shares. This investment has been accounted for using the equity method.

On 14 May 2008 the Annual General Meeting of Prosafe SE decided to split the company into an accommodation rig company (PRS) and a floating production company (Prosafe Production Public Limited - PROD). The split was carried out as a distribution of 90.1% of the shares in PROD to the shareholders of PRS as a dividend, in which the shareholders in PRS received one share in PROD for each share owned in PRS. Subsequent to the split, the Company held 60.9 million shares in PRS and 60.9 million shares in PROD. At the same time, based on the Company`s estimate of the relative fair values, which incorporated a third party appraisal, the accounting balances of Prosafe SE were allocated to either PRS or PROD.

On 23 May 2008 the Company decided to sell the shares in PRS at NOK 55 per share. Net proceeds from the transaction amounted to USD 651.5 million, and net gain from the transaction amounted to USD 127.0 million.

At 30 June 2008, the Company after appropriate impairment assessments realised that the value of PROD had detoriated and the estimated recoverable amount of the investment in PROD was now below book value. Accordingly, following an assessment, incorporating the best available estimates and assumptions, the fair value which, was determined based on discounted cash flow model of the estimated future earnings, showed that an impairment charge of USD 84.7 million was required to reduce the carrying value to fair value. This charge was recorded in Q2.

Share of profit

	2Q 08	1Q 08	2Q 07	1H 08	1H 07	2007
Prosafe SE	4.7	9.2	5.6	13.9	6.6	18.1
Nexus Floating Production Ltd	(0.4)	0.0	(0.4)	(0.4)	(0.4)	(0.4)
Prosafe Production Public	(12.2)	0.0	0.0	(12.2)	0.0	0.0
Total	(7.9)	9.2	5.2	1.3	6.2	17.7

Note 7 – Gain / (loss) on financial instruments

	2Q 08	1Q 08	2Q 07	1H 08	1H 07	2007
Change in fair value of interest swaps	22.1	(6.6)	1.6	15.5	0.0	1.6
Fair value of Prosafe option	0.0	0.0	0.0	0.0	30.1	30.1
Other financial derivatives	(2.2)	0.1	0.0	(2.1)	(0.7)	(8.0)
Net gain / loss on financial instruments	19.9	(6.5)	1.6	13.4	29.4	23.7

Note 8 – Segment information

Floating Production

	2Q 08*	1Q 08*	2Q 07**	1H 08*	1H 07**	2007**
Operating revenues	43.2	43.7	209.8	86.9	307.6	442.3
Operating expenses	(56.4)	(40.3)	(179.1)	(96.7)	(268.4)	(373.4)
Share of profit of associates	(7.5)	9.2	5.6	1.7	6.6	18.1
Impairment charge of associates	(84.7)	0.0	0.0	(84.7)	0.0	0.0
Gain on sale of shares	127.0	0.0	0.0	127.0	0.0	0.0
Operating profit before depreciation	**21.6**	**12.6**	**36.3**	**34.2**	**45.8**	**87.0**
Depreciation, amortisation and write-down	(5.9)	(5.8)	(5.5)	(11.7)	(11.0)	(26.6)
Operating profit / (loss)	**15.7**	**6.8**	**30.8**	**22.5**	**34.8**	**60.4**
Segment assets	1,879.7	2,209.3	2,246.9	1,879.7	2,246.9	2,167.2

Technology and Installation Services

	2Q 08*	1Q 08*	2Q 07 **	1H 08*	1H 07**	2007**
Operating revenues	114.5	66.7	55.7	181.2	55.7	220.3
Operating expenses	(101.2)	(63.5)	(49.9)	(164.7)	(49.9)	(184.3)
Share of profit of associates	(0.4)	0.0	(0.4)	(0.4)	(0.4)	(0.4)
Operating profit before depreciation	**12.9**	**3.2**	**5.4**	**16.1**	**5.4**	**35.6**
Depreciation, amortisation and write-down	(5.2)	(5.2)	(2.5)	(10.4)	(2.5)	(18.9)
Operating profit / (loss)	**7.7**	**(2.0)**	**2.9**	**5.7**	**2.9**	**16.7**
Segment assets	910.3	862.8	758.8	910.3	758.8	842.4

*Operating revenue in the second quarter 2008 included inter-company transactions of USD 32.9 million that were eliminated in the consolidation. Operating revenues and operating expenses in the first quarter 2008 included inter-company transactions of USD 2.1 million that were eliminated in the consolidation. No inter-company transactions took place in 2007.

** Figures for the period of 8 May to 31 December 2007

Note 9 – Business combinations

In 2007, BW Offshore acquired 100% of the shares in APL, making Advanced Production & Loading (APL) a wholly owned subsidiary of BW Offshore. APL is a market leader in the development, production and sale of advanced oil and gas offshore production systems that focuses on ship-based storage and transportation of hydrocarbons.

The Company has during the second quarter 2008 finalised the fair value of the net identifiable assets acquired, resulting in identifying customer related intangibles of USD 60.9 million. The effect of adding value to customer related intangibles is an increase in amortization of USD 1.5 million before tax per quarter. Further the Equity is changed accordingly.

The purchase price allocation related to this acquisition has resulted in identifying fair values of the following assets and liabilities:

	Fair value	Remaining useful life
Technology	15.8	10 years
Order backlog	31.1	3 years
Tender portfolio	5.3	4 years
Customer related intangibles	60.9	10 years
Associated company (Nexus Floating Production Ltd)	80.0	
Other identifiable assets less liabilites	(8.9)	
Deferred tax	(32.0)	
Goodwill	437.8	
Total	590.0	

Note 10 – Trade receivables not invoiced

Trade receivables not invoiced relates to ongoing projects in APL.

Note 11 – Related party transactions

The Group had transactions regarding IT-services and crewing services with one of its related parties in the first quarter 2008. The amounts related to these transactions are not considered to be material to the Group. On 29 April 2008, BW Offshore accepted a refinancing offer from BW Group Limited, its majority shareholder, for a five-year USD 1.5 billion unsecured revolving credit facility.

Note 12 – Capital commitments

Total capital committed at 30 June 2008 amounted to USD 248.4 million (USD 47.7 million).

Note 13 – Subsequent events

On 7 July 2008, BW Offshore was awarded a Letter of Intent (LoI) to supply the FPSO for the Basker-Manta-Gummy (BMG) oil and gas fields' offshore Australia. The FPSO will commence operation early Q2 2010. The contract is for a fixed period of five years, plus options to extend the contract for up to a total period of fifteen years. The contract has a nominal value for the total period of up to fifteen years, including installation, of USD 1,300 million.

On 18 July 2008, BW Offshore received a Letter of Award (LoA) from Total Exploration & Production Angola for the engineering, procurement and fabrication of a Buoy Turret Loading system for the PAZFLOR project Deep-Offshore Angola. The BW Offshore contract value is approximately USD 100 million and the project is due for delivery early 2011.

On 26 July, Berge Okoluba Toru was exposed to a hostage situation, which was resolved in satisfactory manner. The situation in the Niger Delta is still very unstable and the vessel is temporary evacuated. Berge Okoloba Toru operates on a gas production contract with Global Gas and Refining Ltd.

On 31 July 2008, BW Offshore received a Letter of Intent (LoI) with Maersk Contractors for the installation of the Peregrino FPSO Mooring System and STP Buoy offshore Brazil. BW Offshore will deliver the production buoy, the mooring systems and the complete installation of the FPSO Mooring System and STP Buoy.

On 13 August 2008, APL bought back nominal value of NOK 290.5 million in the Company`s bond.

KEY FIGURES

	Note	Q2 2008	Q1 2008	Q2 2007	1H 2008	1H 2007	2007
EBITDA-margin	1	27.6 %	14.6 %	47.0 %	25.2 %	42.4 %	29.2 %
Equity ratio	2	54.1 %	48.3 %	53.0 %	54.1 %	53.0 %	50.4 %
Return on equity	3	2.7 %	-3.8 %	3.2 %	-2.2 %	6.7 %	4.9 %
Return on capital employed	4	4.7 %	-1.0 %	10.6 %	2.7 %	8.1 %	7.4 %
Net interest bearing debt (USD millior	5	370.2	968.4	998.2	370.2	998.2	934.4
Cash flow per share (USD)	6	0.00	0.06	0.00	0.06	0.03	0.07
EPS - basic and diluted (USD)	7	0.08	(0.07)	0.06	0.00	0.15	0.12
Shares - end of period (million)		456.2	456.2	456.2	456.2	456.2	456.2
Share price (NOK)		16.0	15.2	27.8	16.0	27.8	22.9
Market cap (NOKm)		7,299.4	6,934.4	12,682.7	7,299.4	12,682.7	10,447.3
Market cap (USDm)		1,434.1	1,362.4	2,146.0	1,434.1	2,146.0	1,924.0

Notes to key figures

1 Earnings before interest, taxes, depreciation and amortisation / Operating revenues (adjusted for construction contract revenue)
2 Equity / Total assets
3 Annualised net profit / Average equity
4 Adjusted EBIT (annualised) / Average (Total assets - vessels under conversion - investments without contributions to EBIT - interest free debt and equivalents)
5 Interest bearing debt - cash and cash equivalents
6 Net cash flow from operating activities / Weighted average number of shares
7 Net profit / Weighted average number of shares

FLEET AND CONTRACTS

Name of unit	Country of operation	Contract period
FPSOs		
Berge Okoloba Toru	Nigeria	2005-2009 + options
Sendje Berge	Nigeria	2005-2009 + options
Berge Helene	Mauritania	2006-2013 + options
YÙUM K'AK'NÁAB	Mexico	2007-2022
BW Cidade de Sao Vicente	Brazil (under conversion)	2009-2019 + options
BW Pioneer	USA (under conversion)	2010-2015 + options
BW Carmen	UK	2008
BW Endeavour*	Australia (under conversion)	2010-2015 + options
Arctic FSO		
Belokamenka	Russia	2004-2019
Conversion candidates		
BW Nisa (323,000 dwt)	Malaysia	2006 – temporary FSO
M/T Tiara (294,739 dwt)	-	Uncommitted

*Letter of Intent received in July 2008 to supply the FPSO for the Basker-Manta-Gummy (BMG) oil and gas fields offshore Australia.