

SUPPLEMENTAL PROSPECTUS



BW OFFSHORE LIMITED

(An exempted company limited by shares incorporated under the laws of Bermuda)

Supplementing information contained in the Prospectus dated 30 June 2016 concerning the Rights Issue by BW Offshore and the listing of the Offer Shares on the Oslo Stock Exchange

This document (the "**Supplemental Prospectus**") is a supplement to the prospectus (the "**Prospectus**") issued by BW Offshore Limited (the "**Company**" or "**BW Offshore**") on 30 June 2016 in connection with an underwritten rights issue (the "**Rights Issue**") by BW Offshore and the listing on the Oslo Stock Exchange of 8,559,810,000 Offer Shares issued at a Subscription Price of NOK 0.10 per Offer Share and has been prepared in connection with BW Offshore's announcement on 8 July 2016 concerning the extension of the lease contract for the FPSO Espoir Ivoirien from 2017 to 2022. The information is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. This Supplemental Prospectus must be read together with the Prospectus and as part of the basis for any decision of investment in the Company's Shares. Capitalised terms and expressions defined in the Prospectus shall have the same meaning when used in this Supplemental Prospectus unless otherwise defined herein or the context otherwise requires. References in the Prospectus to the "Prospectus" should, unless the context otherwise requires, hereafter be read to refer to the Prospectus, as supplemented hereby.

Investing in the Shares, including the Offer Shares, involves a high degree of risk. Prospective investors should read the Supplemental Prospectus and the Prospectus and, in particular, consider Section 2 "Risk factors" in the Prospectus when considering an investment in the Company.

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares and Subscription Rights may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to QIBs as defined in Rule 144A and (ii) outside the United States in compliance with Regulation S and on exemptions provided by Directive 2003/71/EC (including Directive 2010/73/EU and together with any relevant implementing measure, the "Prospectus Directive") in Member States of the EEA that have implemented the Prospectus Directive, in each case, in compliance with any applicable laws and regulations. The distribution of this Supplemental Prospectus and the Prospectus and the offer and sale of the Subscription Rights and the Offer Shares in certain jurisdictions may be restricted by law.

For more information regarding restrictions in relation to the Rights Issue, see Section 19 "Selling and transfer restrictions" in the Prospectus.

Any dispute arising with regard to this Supplemental Prospectus is subject to Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, the Prospectus or this Supplemental Prospectus.

Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus, as described above.

Joint Bookrunners

ABN AMRO

Danske Bank

DNB Markets

Nordea Markets

Pareto Securities

Joint Lead Managers

ING

SEB

Swedbank

The date of this Supplemental Prospectus is 8 July 2016

IMPORTANT INFORMATION

This Supplemental Prospectus is a supplement to the Prospectus issued by BW Offshore dated 30 June 2016 in connection with the Rights Issue and the listing of the Offer Shares on the Oslo Stock Exchange. This Supplemental Prospectus contains information important to the Rights Issue.

The Supplemental Prospectus is a part of an EEA prospectus and has been reviewed and approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") in accordance with Section 7-7, cf. Section 7-15 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Supplemental Prospectus. The approval by the Norwegian FSA is dated 8 July 2016 and only relates to information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Supplemental Prospectus. This Supplemental Prospectus has been prepared solely in the English language.

Subscribers that have subscribed for Offer Shares in the Rights Issue before the publication of this Supplemental Prospectus have the right to withdraw their subscription within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) the Norwegian Securities Trading Act (i.e. prior to 16:30 hours (CET) on 12 July 2016) cf. Section 2.2 "Right to withdraw subscriptions" below). Such withdrawal is made by contacting the Manager with whom the subscription was made or, with respect to investors that have subscribed for Offer Shares through the VPS online subscription system, by contacting DNB Markets. Subscribers that have subscribed for Offer Shares in the Rights Issue before the publication of this Supplemental Prospectus and that have not used the right to withdraw their subscription within the two-day deadline as indicated above will be regarded as having accepted the revised terms of the Rights Issue and hence will not need to submit a new subscription.

The information in this Supplemental Prospectus is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus.

The Company has engaged ABN AMRO Bank N.V. ("**ABN AMRO**"), Danske Bank A/S, Norwegian branch ("**Danske Bank**"), DNB Markets, a part of DNB Bank ASA ("**DNB Markets**"), Nordea Markets, a part of Nordea Bank Norge ASA ("**Nordea Markets**") and Pareto Securities AS ("**Pareto Securities**") as "**Joint Bookrunners**" and ING Bank N.V. ("**ING**"), Skandinaviska Enskilda Banken AB (publ.), Oslo Branch ("**SEB**") and Swedbank Norway, a branch of Swedbank AB (publ.) ("**Swedbank**") as "**Joint Lead Managers**". The Joint Bookrunners and the Joint Lead Managers are together referred to herein as the "**Managers**".

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Rights Issue, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares or Subscription Rights regarding the legality of an investment in the Offer Shares or the Subscription Rights by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares or the Subscription Rights.

NOTICE ABOUT NORDEA MARKETS

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 19.2 "United States" in the Prospectus. Nordea Markets is not a SEC registered broker-dealer and will only participate in the Rights Issue outside the United States. No action taken by the Company or any of the other Managers in the U.S. shall be attributed to Nordea Markets.

NOTICE ABOUT ABN AMRO

ABN AMRO is not a registered broker-dealer in the United States and to the extent that it intends to conduct activities in connection with the Rights Issue in the United States, it will do so through its affiliate, ABN AMRO Securities (USA) LLC, a U.S. registered broker-dealer, pursuant to applicable U.S. securities laws.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares or the Subscription Rights. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and, subject to certain exceptions, may not be offered, sold, exercised, pledged, delivered or otherwise transferred directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales (a) in the United States will be made only to certain QIBs in reliance on an exemption from registration under the U.S. Securities Act and (b) outside the United States only in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares or Subscription Rights may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 19.2 "United States" in the Prospectus.

Any Offer Shares or Subscription Rights offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 19.2 "United States" in the Prospectus.

NEITHER THE OFFER SHARES NOR THE SUBSCRIPTION RIGHTS HAVE BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED JUDGMENT UPON THE MERITS OF THE RIGHTS ISSUE OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS SUPPLEMENTAL PROSPECTUS AND THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER THE LAWS OF THE UNITED STATES.

In the United States, this Supplemental Prospectus and the Prospectus are being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares or the Subscription Rights. The information contained in this Supplemental Prospectus and the Prospectus has been provided by the Company and other sources identified herein. Distribution of this Supplemental Prospectus and the Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Supplemental Prospectus and the Prospectus are personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or Subscription Rights or subscribe for or otherwise acquire the Offer Shares or Subscription Rights. Investors confirm their agreement to the foregoing by accepting the delivery of this Supplemental Prospectus and the Prospectus.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Supplemental Prospectus and the Prospectus are only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the

"Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Subscription Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Supplemental Prospectus or the Prospectus or any of their contents.

Each Manager has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares or the Subscription Rights in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares and the Subscription Rights in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the EEA that has implemented the EU Prospectus Directive, other than Norway (each, a Relevant Member State), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Supplemental Prospectus and the Prospectus have been prepared on the basis that all offers of Subscription Rights and Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares or Subscription Rights which is the subject of the Rights Issue contemplated in this Supplemental Prospectus and the Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares or Subscription Rights through any financial intermediary.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Supplemental Prospectus and the Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares or Subscription Rights under, the offers contemplated in this Supplemental Prospectus and the Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) in the case of any Offer Shares or Subscription Rights acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares or Subscription Rights acquired by it in the Rights Issue have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers have been given to the offer or resale; or (ii) where such Offer Shares or Subscription Rights have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares or Subscription Rights to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Subscription Rights or Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any of the Offer Shares or Subscription Rights, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 19 "Selling and transfer restrictions" in the Prospectus for certain other notices to investors.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law and the Company's memorandum of association (the "**Memorandum of Association**") and bye-laws (the "**Bye-laws**"). The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Directors**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Directors and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway or Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Directors or members of Management/officers under the securities laws of those jurisdictions or entertain actions in Norway or Bermuda against the Company or its Directors or members of Management/officers under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway or Bermuda. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway or Bermuda.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

1 RESPONSIBILITY FOR THE SUPPLEMENTAL PROSPECTUS

The Board of Directors of BW Offshore Limited accepts responsibility for the information contained in this Supplemental Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Supplemental Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

8 July 2016

The Board of Directors of BW Offshore Limited

Andreas Sohmen-Pao
Chairman

Christophe Pettenati-Auzière
Deputy Chairman

Clare Spottiswoode
Director

Maarten R. Scholten
Director

Carsten Mortensen
Director

Thomas Thune Andersen
Director

2 SUPPLEMENTAL INFORMATION


2.1 FPSO Espoir Ivoirien contract extension

On 8 July 2016, BW Offshore announced that its client with respect to the FPSO Espoir Ivoirien, CNR International (Côte d’Ivoire) SARL, had exercised the option to extend the fixed term of the lease contract for the FPSO Espoir Ivoirien from 2017 to 2022. The terms are based on existing extension options, with some adjustments for life extension investment scope, delivering cost savings for both parties.

Consequently, the new contract period for Espoir Ivoirien included in the tables in Section 8.6 "Construction projects" and Section 8.7.1 "Introduction" in the Prospectus is 2002-2022 + options until 2036.

Further, the description relating to Espoir Ivoirien in Section 8.7.4 "Espoir Ivoirien" in the Prospectus is amended as follows:

The following table presents technical specifications for Espoir Ivoirien:

Technical specifications Espoir Ivoirien	
	<p>First oil: February 2002</p> <p>Liquid production capacity: 58,000 bbl/d</p> <p>Oil production capacity: 45,000 bbl/d</p> <p>Water injection capacity: 60,000 bw/d</p> <p>Gas compression: 80 mmscf/d</p> <p>Storage capacity: 1,100,000 bbls</p> <p>Length overall: 269 meters</p> <p>Breadth moulded: 54 meters</p> <p>Depth moulded: 20 meters</p> <p>Built year: 1975</p> <p>Converted to FPSO year: 2001</p> <p>Mooring: Internal turret</p> <p>Water depth: 120 meters</p> <p>Topside weight: 3,253 ton</p> <p>Class: DNV</p> <p>Flag: Panama</p>

Contract with Canadian Natural Resources

The FPSO Espoir Ivoirien operates at the Espoir field offshore Ivory Coast for CNR International (Côte d’Ivoire) SARL, a subsidiary of Canadian Natural Resources (CNR). After the original conversion, the vessel was upgraded in 2005 to accommodate the tie-in of the West Espoir wellhead platform. The contract duration was originally ten years fixed and ten years optional from February 2002. In April 2012, the contract was renegotiated to reflect a long-term life extension plan with five years fixed, and options spanning until 2036. The new contract carried a mix of reimbursed cost-plus CAPEX and CAPEX reimbursed through a fixed charter rate. In July 2016, CNR exercised its option to extend the fixed term of the lease contract from 2017 to 2022. The terms are based on existing extension options, with some adjustments for life extension investment scope, delivering cost savings for both parties. The current average production is approximately 16,000 bbls/day (2016), and CNR is targeting field life beyond 2030 based on several planned drilling campaigns and a predictable reservoir that has previously delivered according to expectations.

2.2 Right to withdraw subscriptions

Subscribers that have subscribed for Offer Shares in the Rights Issue before the publication of this Supplemental Prospectus have the right to withdraw their subscription within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) of the Norwegian Securities Trading Act (i.e. prior to 16:30 hours (CET) on 12 July 2016). Such withdrawal is made by contacting the Manager with whom the subscription was made or, with respect to investors that have subscribed for Offer Shares through the VPS online subscription system, by contacting DNB Markets. Investors that have subscribed for Offer Shares in the Rights Issue before the publication of this Supplemental Prospectus and have not utilised the right to withdraw their subscription within the two-day deadline as indicated above, will be regarded as having accepted the revised terms of the Rights Issue and hence will not need to submit a new subscription.



BW Offshore Limited

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Norway

Nordea Markets
Essendrops gate 7
N-0107 Oslo
Norway

Pareto Securities
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N-0250 Oslo
Norway

Joint Lead Managers

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the Netherlands

SEB
Filipstad brygge 1
N-0252 Oslo
Norway

Swedbank
Filipstad brygge 1
N-0252 Oslo
Norway

Legal Adviser to the Company

(as to Norwegian law)

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Norway

Legal Adviser to the Joint Bookrunners

(as to Norwegian law)

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Tjuvholmen allé 16
N-0252 Oslo
Norway