

SQUEEZE-OUT DOCUMENT

In connection with the acquisition and expropriation of the remaining 13,698,486 issued and outstanding shares of



Prosafe Production Public Limited

not already owned, directly or indirectly, by



BW Offshore Limited

for a consideration of either

- (i) 1.2 shares in BW Offshore plus NOK 3 in cash, or (ii) NOK 15.11 in cash, for each share held in Prosafe Production

All shareholders in Prosafe Production not having chosen to receive the consideration in form of alternative (i) above, by returning the Combined Consideration Acceptance Form by 12 November 2010 at 17:30 hours (CET), are deemed to have chosen alternative (ii), and will, accordingly, receive the consideration in form of NOK 15.11 for each share held in Prosafe Production

This squeeze-out document (the "Squeeze-Out Document") contains equivalent information as a prospectus and has been prepared by BW Offshore Limited ("BW Offshore" or the "Company") in connection with (i) its acquisition and expropriation of the remaining 13,698,486 issued and outstanding shares of Prosafe Production Public Limited ("Prosafe Production"), not already owned, directly or indirectly, by BW Offshore, pursuant to Cypriot law and, to the extent applicable, the articles of association of Prosafe Production (the "Squeeze-Out") and (ii) the offer of the new BW Offshore shares (the "Consideration Shares") to be issued as consideration for the Prosafe Production shares as a part of the Squeeze-Out and the listing of the Consideration Shares on Oslo Børs ASA ("Oslo Børs").

Investing in the Company's shares involves certain risks. See Section 2 ("Risk Factors") of the Offer Document and Section 1 ("Risk Factors") of the Supplemental Document.

Financial Advisers



29 October 2010

ANNOUNCEMENT

This Squeeze-Out Document has been prepared to comply with the requirements regarding public offer and listing of shares set out in Chapter 7 of the Norwegian Securities Trading Act of 2007 (the "Norwegian Securities Trading Act"). The Financial Supervisory Authority of Norway (the "NFSA") has received this Squeeze-Out Document for review before its publication in accordance with Section 7-15, cf. Sections 7-4 no 6 and 7-5 no 7 of the Norwegian Securities Trading Act. This Squeeze-Out Document has not been reviewed nor approved by Oslo Børs.

This Squeeze-Out Document is prepared in furtherance of the voluntary exchange offer to acquire all issued and outstanding shares of Prosafe Production made by BW Offshore (the "Voluntary Offer") through the offer document and information memorandum containing equivalent information as a prospectus dated 27 July 2010 (the "Offer Document"), as supplemented by an information memorandum and supplemental document dated 16 September 2010 (the "Supplemental Document"). Certain relevant Sections of the Offer Document and the Supplemental Document have been incorporated by reference into this Squeeze-Out Document, cf. Section 5.1 ("Incorporation by reference of the Offer Document and the Supplemental Document") and Section 6.3 ("Incorporation by Reference") below. The Squeeze-Out Document, the Offer Document and the Supplemental Document are available at www.bwoffshore.com. This Squeeze-Out Document has been published in an English version only.

This Squeeze-Out Document contains information important to the Squeeze-Out.

This Squeeze-Out Document will be filed with the Registrar of Companies in Bermuda in accordance with Bermuda law. In granting such consent and in accepting this Squeeze-Out Document for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Squeeze-Out Document.

All inquiries relating to this Squeeze-Out Document shall be directed to the Company or the Company's financial advisers, Carnegie ASA ("Carnegie") and HSBC Bank plc ("HSBC") in respect of the Squeeze-Out (hereinafter together referred to as the "Financial Advisers"). No other person has been authorised to give any information about, or make any representation on behalf of, the Company in connection with the Squeeze-Out and/or any matter referred to in this Squeeze-Out Document, and, if given or made, such other information or representation must not be relied upon as having been authorised by the Company or the Financial Advisers. The Financial Advisers are acting for the Company and no one else in connection with the Squeeze-Out and/or any matter referred to in this Squeeze-Out Document and will not be responsible to anyone other than the Company for providing advice in relation to the Squeeze-Out and/or any matter referred to in this Squeeze-Out Document. In the ordinary course of business, the Financial Advisers and certain of their affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries, hereunder Prosafe Production and its subsidiaries (the "Group").

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Squeeze-Out Document. Neither the publication nor the distribution of this Squeeze-Out Document or the completion of the Squeeze-Out shall under any circumstances create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Squeeze-Out Document is correct as of any time since its date.

Investing in the Company's shares involves certain risks. See Section 2 ("Risk Factors") of the Offer Document, and Section 1 ("Risk Factors") of the Supplemental Document, as well as Section 1 ("Risk Factors") of this Squeeze-Out Document.

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1 RISK FACTORS

Investing in BW Offshore involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in Section 2 ("Risk Factors") of the Offer Document (incorporated by reference hereto) and the risk factors set out in Section 1 ("Risk Factors") of the Supplemental Document (incorporated by reference hereto) before making an investment decision. The risks described in Section 2 ("Risk Factors") of the Offer Document and the risks described in Section 1 ("Risk Factors") of the Supplemental Document are not the only ones facing the Group. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair the Group's business operations and adversely affect the price of the Company's shares. If any of the risks actually occur, the Group's business, financial position and operating results could be materially and adversely affected.

A prospective investor, including any shareholder in Prosafe Production considering to accept the Combined Consideration in the Squeeze-Out, should consider carefully the factors described in Section 2 ("Risk Factors") of the Offer Document (incorporated by reference hereto) and in Section 1 ("Risk Factors") of the Supplemental Document (incorporated by reference hereto), and elsewhere in the Offer Document and the Supplemental Document, and should consult his or her own expert advisers as to the suitability of an investment in the Company's shares.

An investment in the Company's shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Such information is presented as of the date hereof and is subject to change, completion or amendment without notice.

2 RESPONSIBILITY FOR THE SQUEEZE-OUT DOCUMENT

The Board of Directors of BW Offshore hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Squeeze-Out Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

29 October 2010

The Board of Directors of BW Offshore Limited

Dr. Helmut Sohmen
Chairman

Christophe Pettenati-Auzière
Deputy Chairman

Andreas Sohmen-Pao
Director

René Huck
Director

Maarten R Scholten
Director

Kathie Child-Villiers
Director

3 RESTRICTIONS AND CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

3.1 Restrictions

The distribution of this Squeeze-Out Document, any separate summary documentation regarding the Squeeze-Out and the making of the offer of Combined Consideration may be restricted by law in certain jurisdictions and neither this Squeeze-Out Document nor any such summary, nor the offer of the Combined Consideration discussed herein or therein, constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such an offer or solicitation would be unlawful. The offer of Combined Consideration is not being made in or into Australia, Canada, Japan, South Africa or, subject to the exceptions discussed below, the United States, and will not be permitted to be accepted in or from these jurisdictions.

United States

The Consideration Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or under any of the relevant securities laws of any state or other jurisdiction of the United States. Neither the U.S. Securities and Exchange Commission ("SEC") nor any U.S. states securities commission has approved of the Consideration Shares or determined if this document is accurate or complete.

In the United States, the Consideration Shares are only being offered to Prosafe Production shareholders who are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act in transactions not involving any public offering within the meaning of the U.S. Securities Act. Accordingly, the Combined Consideration is only open for acceptance in the United States to Prosafe Production shareholders who are "qualified institutional buyers" and no offer or solicitation for an offer is made to any other person in the United States. Any person (including nominees, trustees and custodians) who would, or otherwise intends to, forward this document or any related documents to the United States or to any "U.S. person" as defined in Regulation S under the U.S. Securities Act may only do so if such person knows that the recipient is a "qualified institutional buyer." U.S. persons accepting the Combined Consideration will in addition to the Combined Consideration Acceptance Form be required to execute the U.S. Offeree Representation Letter. See Section 5.9 ("Acceptance of the Offer") in the Offer Document (incorporated by reference hereto).

The Company may treat as invalid any purported acceptance of the Combined Consideration that appears to the Company or any of its agents to have been executed in or despatched from the United States by a person which has not executed a U.S. Offeree Representation Letter, or which otherwise is considered by the Company or its agents, in their absolute discretion, to have been made by a person in the United States or by a U.S. person under circumstances where an exemption from the registration requirements of the U.S. Securities Act is not available.

The Squeeze-Out is for the shares of a Cypriot company with consideration in the form of cash and shares or cash only in a Bermudian company. The shares of both companies are listed for trading on Oslo Børs and the Squeeze-Out is governed by Cypriot laws as far as the Cypriot Takeover Act applies, provided, however, that Norwegian law shall apply in all other respects, including in respect of the Combined Consideration Acceptance Form and the issuance of the Consideration Shares, as further set out in Section 4.6 ("Governing Law and Jurisdiction") below. Further, matters of a legal nature related to the content of this Squeeze-Out Document and certain matters related to the publication of the Squeeze-Out Document are subject to Norwegian law. All matters of a legal nature related to company law issues as well as certain securities law issues are subject to Cypriot law as Prosafe Production is a Cypriot company.

The provisions of Cypriot, Bermudian and Norwegian law differ considerably from the corresponding United States legal provisions. Only a limited set of United States legal provisions apply to the Squeeze-Out, the Squeeze-Out Document. The applicable procedural and disclosure requirements of Norwegian law are different than those of the U.S. securities laws in certain material respects. The timing of payments, withdrawal rights, settlement procedures, and other timing and procedural matters of the Squeeze-Out are consistent with Norwegian practice, which differs from U.S. domestic tender offer procedures.

Pursuant to an exemption provided from Rule 14e-5 under the U.S. Securities Exchange Act of 1934, as amended, the Company may acquire, or make arrangements to acquire, Prosafe Production shares, other than

pursuant to the Squeeze-Out, on or off Oslo Børs or otherwise outside the United States during the period in which the Squeeze-Out remains open for acceptance, so long as those acquisitions or arrangements comply with applicable Norwegian law and practice and the provisions of such exemption.

It may be difficult for U.S. shareholders to enforce their rights and any claim they may have arising under the federal securities laws, since the issuer is located outside the United States, and some or all of its officers may be residents of a foreign country. U.S. shareholders may not be able to sue the Company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult for U.S. shareholders to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgement.

United Kingdom

This Squeeze-Out Document is being distributed to and is only directed at (i) persons who are outside the United Kingdom, (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or (iii) are persons falling within Article 43 (Members and creditors of bodies corporate) of the Order (all such persons together being referred to as "relevant persons"). This Squeeze-Out Document is directed only at investment or investment activity to which this Squeeze-Out Document relates is available only to relevant persons and will be engaged in only with relevant persons.

3.2 Cautionary Note Regarding Forward-Looking Statements

This Squeeze-Out Document includes forward-looking statements, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives. When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to", "may", "plan" and similar expressions, as they relate to the Company, its subsidiaries or its management, the markets in which it operates, the Squeeze-Out, the acquisition of Prosafe Production (as further described in the Offer Document (incorporated by reference hereto)) or the sale of the Company's APL division (as further described in the Supplemental Document), are intended to identify forward-looking statements. No forward-looking statements contained herein should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these forward-looking statements will prove to be correct. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment and markets in which the Group will operate. Factors that could cause the Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include, but are not limited to:

- the competitive nature of the markets in which the Group operates;
- global and regional economic conditions;
- technological developments;
- government regulations;
- changes in political events; and
- force majeure events.

Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such forward-looking statements in Section 2 ("Risk Factors") of the Offer Document and Section 1 ("Risk Factors") in the Supplemental Document.

These forward-looking statements reflect only the Company's views and assessment, and are based on information available to the Company, as of the date of this Squeeze-Out Document. Except to the extent required by law or the rules of Oslo Børs, the Company expressly disclaims any obligation or undertaking to release any updates or revisions of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

4 THE SQUEEZE-OUT

4.1 Introduction

On 27 July 2010, BW Offshore launched the Voluntary Offer for all of the issued and outstanding shares of Prosafe Production not already owned, directly and indirectly, by BW Offshore through the Offer Document, as supplemented by the Supplemental Document dated 16 September 2010.

The acceptance period in the Voluntary Offer expired on 30 September 2010, and on 1 October 2010, BW Offshore announced that the board of directors of the Company (the "Board of Directors") had declared the Voluntary Offer unconditional.

Settlement of the Voluntary Offer was completed on 12 October 2010. On basis of acceptances and transfer of the accepted Prosafe Production shares under the Voluntary Offer, BW Offshore acquired in total 180,570,288 shares in the Voluntary Offer, corresponding to approximately 70.76% of the total number of issued shares in Prosafe Production. Together with the 60,932,990 shares (23.88%) in Prosafe Production that BW Offshore owned, directly and indirectly, prior to the Voluntary Offer, BW Offshore currently owns, directly and indirectly, 241,503,278 shares, corresponding to 94.63% of the total number of issued shares in Prosafe Production.

On the basis of its shareholding in Prosafe Production, BW Offshore is exercising its right to acquire and expropriate the remaining shares in Prosafe Production through the Squeeze-Out as further described below.

4.2 Legal Background

Under Section 36(1), and Section 36(2) of the Public Takeover Bids for the Acquisition of Securities of Companies Law of 2007, Law 41(I)/2007 (the "Cypriot Takeover Act"), the Company is, as a direct and indirect shareholder in aggregate of 94.63% of the total number of issued shares in Prosafe Production, entitled to exercise a right to acquire and expropriate the remaining 13,698,486 shares held or otherwise owned, by the minority shareholders of Prosafe Production (the "Remaining Shares").

In pursuance of this right, BW Offshore announced on 11 October 2010 that an application under Section 36(4)(a) of the Cypriot Takeover Act had been submitted to the Cyprus Securities and Exchange Commission ("CySEC"), under which BW Offshore applied for a CySEC decision to be issued under Section 36(5) of the Cypriot Takeover Act, permitting BW Offshore to acquire and expropriate the Remaining Shares.

Following the approval from CySEC's of the acquisition of the Remaining Shares, and upon the expiry of Acceptance Period (as defined below), BW Offshore will proceed with the completion of the Squeeze-Out and effect the transfer and register the Company as the holder of the Remaining Shares.

Section 24(13) of the articles of association of Prosafe Production includes certain provisions relevant to the Squeeze-Out. However, BW Offshore has been advised that the Cypriot Takeover Act prevails over the said provisions in the articles of association, and accordingly, the Squeeze-Out will only be carried out pursuant to the articles of association of Prosafe Production to the extent such provisions are not in conflict with or otherwise replaced by the provisions under the Cypriot Takeover Act.

4.3 The Squeeze-Out – the Consideration

4.3.1 Resolution by the Board of Directors of BW Offshore and approval by CySEC

On 1 October 2010, the Board of Directors resolved to complete the Voluntary Offer and to authorise further actions in respect of, inter alia, the Squeeze-Out. On 21 October the Board of Directors by a written resolution also approved the Squeeze-Out pursuant to the requirement of the articles of association of Prosafe Production

On 29 October 2010, CySEC approved the Squeeze-Out. Accordingly, BW Offshore is entitled under the Cypriot Takeover Act to proceed with the Squeeze-Out. The approval by CySEC of the Squeeze-Out will be duly announced in accordance with Sections 7, 36(5)(a) and 36(6) of the Cypriot Takeover Act.

4.3.2 *The consideration offered*

The consideration in the Squeeze-Out consists of either:

- (i) a cash payment of NOK 3.00 and issue of 1.2 shares in BW Offshore per Prosafe Production share (the "Combined Consideration"); or
- (ii) a cash payment of NOK 15.11 per Prosafe Production share (the "Cash Consideration").

The Combined Consideration is the same as the consideration offered in the Voluntary Offer. The Cash Consideration is the cash equivalent to the consideration in the Voluntary Offer, based on a valuation of one BW Offshore share of NOK 10.09, which is the volume weighted average trading price of the BW Offshore shares quoted on Oslo Børs in the three days period prior to 1 October 2010, the date on which the Voluntary Offer was declared unconditional.

The Consideration Shares to be issued under the Combined Consideration are ordinary shares in BW Offshore, and will have equal rights in all respects as the existing BW Offshore shares, see Section 4.4 ("The Consideration Shares") below.

4.3.3 *How to choose the consideration/How to proceed*

Shareholders in Prosafe Production are free to choose between the Combined Consideration and the Cash Consideration in the period from and including 1 November 2010 to 12 November 2010 at 17:30 hours (CET) (the "Acceptance Period"), provided, however, that the offer of Consideration Shares under the Combined Consideration would in some jurisdictions be unlawful pursuant to applicable laws, see Section 3.1 ("Restrictions") above.

Shareholders who wish to receive the Cash Consideration for their Remaining Shares are not required to notify the Company in this respect. The Company will pay the Cash Consideration to all Prosafe Production shareholders who have not submitted a Combined Consideration Acceptance Form, duly completed and signed, by expiry of the Acceptance Period, and such shareholders will be deemed to have chosen the Cash Consideration.

Shareholders who wish to receive the Combined Consideration for their Remaining Shares should complete and sign the Combined Consideration Acceptance Form, attached as Appendix 1 hereto. Prior to accepting the Combined Consideration, the shareholders in Prosafe Production should carefully consider the risk factors set out in Section 2 ("Risk Factors") of the Offer Document, Section 1 ("Risk Factors") of the Supplemental Document and herein.

In order to receive the Combined Consideration, shareholders in Prosafe Production must procure that a Combined Consideration Acceptance Form is received by Carnegie prior to the expiry of the Acceptance Period. Acceptance of the Combined Consideration is irrevocable from the time the Combined Consideration Acceptance Form has been received by Carnegie, and may not be withdrawn, in whole or in part. Acceptances of the Combined Consideration may not be made conditional.

Upon receipt of a duly completed and submitted Combined Consideration Acceptance Form, the Prosafe Production shares on the accepting shareholder's account in the Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*) (the "VPS") will be blocked in favour of Carnegie. Accordingly, no transactions relating to such Prosafe Production shares are permitted following submission of the Combined Consideration Acceptance Form. In the event that parties other than the shareholder hold rights in respect of the relevant Prosafe Production shares, such rights holder must also sign the Combined Consideration Acceptance Form. The acceptance further implies that the VPS, on instruction from Carnegie upon settlement, will transfer the shares in Prosafe Production to Carnegie and that the VPS in the same transaction, or as soon as possible thereafter, will provide for payment of the Combined Consideration by the Company once the Consideration Shares are issued.

An acceptance of the Combined Consideration will comprise all of the shareholder's shares in Prosafe Production on the VPS account covered by the acceptance. If the shareholder owns shares in Prosafe Production on more than one VPS account, separate Combined Consideration Acceptance Forms must be submitted in respect of

each VPS account. Further, with respect to Prosafe Production shares registered on VPS accounts in the name of a broker, dealer, commercial bank, trust company or other nominee, the acceptance will comprise all of the shares on the VPS account, unless the Combined Consideration Acceptance Form clearly states that not all of the Prosafe Production shares on the said VPS account are covered by the acceptance, in which case the acceptance will solely comprise the designated shares in Prosafe Production on such VPS account for which the Combined Consideration in fact have been accepted, and not other shares in Prosafe Production registered on the same VPS account and held by shareholders not choosing the Combined Consideration. The acceptance of the Combined Consideration also includes any shares which are acquired or will be acquired and which are credited to the above VPS account until the shares are debited from the shareholder's VPS account and transferred to an escrow account in the name of Carnegie, save for Prosafe Production shares on VPS accounts in the name of a broker, dealer, commercial bank, trust company or other nominee owned by a shareholder in Prosafe Production not choosing the Combined Consideration.

A Prosafe Production shareholder accepting the Combined Consideration will freely be able to manage any other securities owned by such shareholder that are registered on the same VPS account as the Prosafe Production shares comprised by the acceptance of the Combined Consideration.

Prosafe Production shareholders who accept the Combined Consideration will maintain, to the extent permitted under applicable law, their rights as shareholders, including voting rights, until completion of the Squeeze-Out.

The Company reserves the right to reject any or all acceptances of the Combined Consideration that, in the Company's opinion, are not in the proper form, or which may be unlawful. None of BW Offshore, the Financial Advisers or any other person will be under any duty to give notification of any defects or irregularities in the acceptance of the Combined Consideration or incur any liability for failure to give any such information.

Combined Consideration Acceptance Forms, duly completed and signed, must be sent by mail or facsimile or delivered by hand to:

Carnegie ASA
Stranden 1, Aker Brygge
P.O.Box 684 Sentrum
N-0106 Oslo
Norway
www.carnegie.no
Telephone: +47 22 00 93 20
Facsimile: +47 22 00 99 60

Any U.S. person or a person within the United States wishing to choose the Combined Consideration must together with the Combined Consideration Acceptance Form submit a duly executed U.S. Offeree Representation Letter. Any person who submits the Acceptance Form without a U.S. Offeree Representation Letter will be deemed to have represented and warranted to BW Offshore and the Financial Advisers that (a) it is not a U.S. person, (b) it is accepting the Combined Consideration in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act and in compliance with such regulation and (c) it is not accepting the Combined Consideration from within Canada, Australia, Japan or South Africa or any other jurisdiction in which it may not lawfully do so.

4.3.4 Accepting the offer/rejections of the offer or objections to the consideration

The consideration offered in the Squeeze-Out may be accepted by way of submitting a Combined Consideration Acceptance Form for receiving the Combined Consideration or remain passive and thereby receive the Cash Consideration. Any shareholders in Prosafe Production who wish to reject the offer in the Squeeze-Out will nonetheless be subject to the Squeeze-Out and their shares in Prosafe Production will be acquired by BW Offshore against payment of the Cash Consideration.

Pursuant to Section 36(7) of the Cypriot Takeover Act, the shareholders of Prosafe Production remain entitled to take legal action against BW Offshore within six months of the announcement of the completion of the Squeeze-Out and dispute the amount of the consideration offered in the Squeeze-Out. Nonetheless, the Prosafe Production shares will be transferred to BW Offshore in the Squeeze-Out regardless of any such entitlement.

4.3.5 Settlement and transfer of the Prosafe Production shares

Settlement of the Combined Consideration and the Cash Consideration, as applicable, and transfer of the remaining Prosafe Production shares under the Squeeze-Out will be carried out as soon as practicable following expiry of the Acceptance Period and no later than 14 days after the expiry of the Acceptance Period (*i.e.* on 26 November 2010).

4.4 The Consideration Shares

4.4.1 Share issue by BW Offshore

In a special general meeting held in the Company on 8 October 2010, it was resolved to increase the authorised capital of the Company by USD 2,000,000 from USD 5,000,000 to USD 7,000,000.

The current number of issued and outstanding shares in BW Offshore is 672,897,795, and the maximum number of Consideration Shares to be issued in the Squeeze-Out, assuming full acceptance of the Combined Consideration, is 16,438,183 new Shares in the Company. Accordingly, the issuance of the Consideration is within the authorised share capital of the Company, and the Board of Directors approved on 1 October and 22 October 2010 the Squeeze-Out, which includes issuance of the Consideration Shares

The Consideration Shares will be issued as fully paid shares in the name of the Company's VPS registrar, DnB NOR Bank ASA, upon the completion of the Squeeze-Out. The subscription price for the Consideration Shares will depend on the market price of the existing Shares of BW Offshore on the date of completion and is paid by the Prosafe Production shareholders through transferring the ownership of the Prosafe Production shares to BW Offshore.

The Consideration Shares will be ordinary shares in BW Offshore with a par value of USD 0.01 per Share.

4.4.2 Registration in the VPS

The Consideration Shares will, when issued, be entered in the Company's register of members in the name of the Company's VPS registrar, DnB NOR Bank ASA, which will hold such Consideration Shares as nominee on behalf of the Prosafe Production shareholders accepting the Combined Consideration in the Squeeze-Out. The beneficial ownership interest in the Consideration Shares will be registered in the VPS, and will then be tradable on Oslo Børs and referred to as shares in BW Offshore.

4.4.3 Issuance and trading of the Consideration Shares

The Consideration Shares will be issued upon settlement of the Squeeze-Out, which is expected to take place as soon as possible following expiry of the Acceptance Period and no later than 14 days after the expiry of the Acceptance Period (*i.e.* on 26 November 2010). The Consideration Shares will be tradable on Oslo Børs when registered on the relevant Prosafe Production shareholders' VPS accounts. It is expected that admission to trading and listing will take place on or about 26 November 2010.

4.4.4 The rights of the Consideration Shares

The Consideration Shares will have equal rights in all respects as the existing BW Offshore shares.

4.5 Proceeds and Expenses

If all of the Prosafe Production shareholders choose to receive the Combined Consideration in the Squeeze-Out, 16,438,183 Consideration Shares will be issued and approximately NOK 41.1 million in cash will be paid to the Prosafe Production shareholders as consideration for the 13,698,486 shares in Prosafe Production.

The estimated expenses related to the Squeeze-Out are approximately NOK 500,000 (approximately USD 90,000) (exclusive of VAT). The expenses incurred in connection with the Squeeze-Out will be borne by BW Offshore.

The Company will pay commissions and transaction costs in the VPS directly attributable to the Squeeze-Out, *i.e.* costs that arise in connection with the registration and processing of the acceptances, transfer of the Prosafe Production shares and costs in connection with the settlement to the shareholders in Prosafe Production. This implies that Prosafe Production shareholders will not be debited with brokers' fees or similar

costs directly related to the transfer of shares in the VPS in connection with the Squeeze-Out. Any other expenses incurred by the individual Prosafe Production shareholders, *e.g.* for advisory services and other transaction expenses, will not be covered or reimbursed by the Company.

4.6 Governing Law and Jurisdiction

The Squeeze-Out is governed by Cypriot laws as far as the Cypriot Takeover Act applies, provided, however, that Norwegian law shall apply in all other respects, including in respect of the Combined Consideration Acceptance Form and the issuance of the Consideration Shares. Any disputes that arise in conjunction with this Squeeze-Out Document and the Combined Consideration Acceptance Form which cannot be amicably resolved are subject to the jurisdiction of Norwegian courts with legal venue in the Oslo District Court, provided, however, that this shall not extend any dispute regarding the amount of the consideration offered in the Squeeze-Out, which shall be subject to the jurisdiction of Cypriot courts.

5 NEW OR UPDATED INFORMATION SINCE THE OFFER DOCUMENT AND THE SUPPLEMENTAL DOCUMENT

5.1 Incorporation by reference of the Offer Document and the Supplemental Document

The Company incorporates by reference the Offer Document dated 27 July 2010 in its entirety, including its audited consolidated financial statements for the financial years ended 31 December 2009, 2008 and 2007, except for the following of the Offer Document: Section 1 ("Summary"), Section 3 ("Responsibility for the Offer Document"), Section 4 ("Restrictions and Cautionary Notice Regarding Forward-Looking Statements"), Section 5 ("The Offer") (except for Section 5.4 ("Background and Reason for the Offer"), Section 5.14 ("Announcements"), Section 5.19 ("Advisers") and Section 5.20 ("Tax")), Section 6 ("Pro Forma Financial Information (Unaudited)"), Section 7 ("Currencies"), Section 9.1 ("Operating and Financial Review – Information on Financial Condition and Operating Results"), Section 17 ("Securities Trading in Norway"), Section 18 ("Taxation"), Section 19 ("General Information") (except for risk factors related to Prosafe Production as incorporated by reference in Section 19.3 ("Incorporation by Reference")), Section 20 "Norsk Sammendrag (Norwegian Summary)", Section 21 ("Definitions and Glossary of Terms") and the appendices attached thereto. The Offer Document is available at www.bwoffshore.com, cf. Section 6.3 ("Incorporation by Reference") below.

In addition, the Company incorporates by reference the Supplemental Document dated 16 September 2010 in its entirety, including its unaudited interim consolidated financial information for the second quarter and first half-year 2010, except for the following of the Supplemental Document: Section 2 ("Responsibility for the Supplemental Document"), Section 3 ("Restrictions and Cautionary Notice Regarding Forward-Looking Statements"), Section 5 ("The APL Transaction") (except for Section 5.1.5 ("The BW Offshore Group's position in its markets following the APL Transaction") and Section 5.1.6 ("Legal structure of the BW Offshore Group following the APL Transaction"), Section 5.1.7 (sub-section "Based on completion of the APL Transaction and the Offer") and Section 5.3 "Pro Forma Financial Information"), Section 6 ("Currencies"), Section 8.1 ("Operating and Financial Review – Information on Financial Condition and Operating Results"), Section 16 ("Securities Trading in Norway"), Section 17 ("Taxation"), Section 18 ("General Information"), Section 19 ("Definitions and Glossary of Terms") and Appendix 2 and 3. The Supplemental Document is available at www.bwoffshore.com, cf. Section 6.3 ("Incorporation by Reference") below.

All information incorporated by reference hereto from the Offer Document and the Supplemental Document, shall be considered as up to date, valid and repeated by the Company as of the date of this Squeeze-Out Document, including all statements (positive and negative) given by the Company therein, unless otherwise stated below. The non-incorporated parts of the Offer Document and the Supplemental Document are either not relevant or covered elsewhere in this Squeeze-Out Document.

For information purposes only, further information relating to the sale of the Company's APL division, including related pro forma financial information, is available in Section 5 ("The APL Transaction") of the Supplemental Document.

5.2 Capitalisation and Indebtedness

Other than the issue of 1.2 shares in BW Offshore and the payment of NOK 3 in cash for each share in Prosafe Production to the shareholders of Prosafe Production that accepted the Voluntary Offer, following which "D. Total shareholders' equity" was increased by USD 385 million and "B. Total non-current debt" was increased by USD 93 million, there has been no material change in the Company's actual capitalisation (as presented in Section 9.3 ("Capital Resources – Capitalisation and Indebtedness") of the Supplemental Document) since 30 June 2010.

5.3 Board of Directors of BW Offshore

On 22 October 2010, the Board of Directors resolved to summon for a special general meeting to held in the Company on 5 November 2010, for the elected of Ronny Johan Langeland and Carine Smith Ihenacho as new

members to the Board of Directors, and the approval of the resignation of René Huck, David Gairns and Kathie Child-Villiers from their positions as members of the Board of Directors.¹

Following the special general meeting, the Board of Directors will consist of the following members:

Name	Position	Director since	Expiry of term
Dr. Helmut Sohmen	Chairman	2006	2011
Ronny Johan Langeland.....	Deputy Chairman	2010	2011
Christophe Pattenati-Auzière.....	Director	2006	2012
Andreas Sohmen-Pao.....	Director	2005	2012
Maarten R. Scholten.....	Director	2010	2011
Carine Smith Ihenacho.....	Director	2010	2011

The following is a presentation of the new members proposed to be elected to the Board of Directors:

Ronny Johan Langeland, Deputy Chairman, born 1962, runs his own investment and consultancy company. Mr. Langeland's previous appointments include vice president for investment at Storebrand and Avanse Forvaltning. Mr. Langeland has also held a number of other directorships. Mr. Langeland held the position as director of Prosafe Production from 2008 and the position as Chairman from 2010 and up to 25 October 2010. Mr. Langeland is a Norwegian citizen and resides in Rælingen, Norway.

Mr. Langeland is independent from the Company's management, major shareholders and principal business associates. Mr. Langeland indirectly holds 12,000 shares in BW Offshore (the shares are directly held by Nøvtun AS, a company owned by Mr. Langeland).

Carine Smith Ihenacho, Director, born 1962, is a candidata juris from the University of Oslo, Norway, and holds a Masters of Law (LL.M.) from Harvard Law School, USA. Ms. Smith Ihenacho has an extensive legal and commercial background from positions in Kværner ASA, Norsk Hydro ASA, Bugge, Arentz-Hansen & Rasmussen law firm (BA-HR), Hydrogas Ltd., European Bank of Reconstruction and Development (EBRD) and Aibel Group Ltd. Since May 2010, Ms. Smith Ihenacho has been part of Statoil ASA's legal department, with renewable energy and M&A as areas of responsibility. In addition, Ms. Smith Ihenacho holds a number of other directorships. Ms. Smith Ihenacho held the position as director of Prosafe Production from 2010 and up to 25 October 2010. Ms. Smith Ihenacho is a Norwegian citizen, and resides in London, UK.

Ms. Smith Ihenacho is independent from the Company's management, major shareholders and principal business associates. Ms. Smith Ihenacho does not hold any shares in BW Offshore.

5.4 Share Capital

Since the Supplemental Document, the Company has on 8 October 2010 increased its authorised share capital by USD 2,000,000, from USD 5,000,000 to USD 7,000,000 divided into 700,000,000 shares with a par value of USD 0.01 per share. Further, the Company has increased its issued share capital by USD 2,166,842.80 by issuing 216,684,280 new shares as consideration under the Voluntary Offer. The implicit subscription price when issuing the new shares (*i.e.* the value of the contribution in kind), as booked by the Company, was NOK 10.40 per new BW Offshore share. This was calculated on basis of the NOK amount equal to the value of one share in Prosafe Production as of 30 September 2010 (based on the trading price of the Prosafe Production share as quoted on Oslo Børs the date prior to the date which the Voluntary Offer was declared unconditional) per 1.2 BW Offshore share and less the cash consideration under the Voluntary Offer of NOK 3 per Prosafe Production share. Accordingly, as of the date of this Squeeze-Out Document, the issued share capital of the Company is USD 6,728,977.95, consisting of 672,897,795 shares, fully paid and with a par value of USD 0.01 per share. There are no share options issued in the Company.

¹ David Gairns resigned from his position as member of the Board of Directors effective as of 12 October 2010, while René Huck and Kathie Child-Villiers resigned from their positions as members of the Board of Directors effective as of 5 November 2010.

Upon completion of the Squeeze-Out, the Company's issued share capital will be USD 6,893,359.78, consisting of 689,335,978 shares fully paid with par value of USD 0.01 per share, assuming that all Prosafe Production shareholders accept the Combined Consideration under the Squeeze-Out.

5.5 Major Shareholders

As of the date of this Squeeze-Out Document, only one shareholder of the Company owns an interest in the Company which is notifiable under the Norwegian Securities Trading Act (5% or more): BW Group Limited holds, directly and indirectly, 323,834,963 shares in the Company, which following the share capital increase on 8 October 2010, resulted in a reduction of the relative ownership of BW Group Limited in the Company, from approximately 66.7% prior to the share capital increase, to a relative ownership of approximately 48.1% following the share capital increase. Consequently, the Company is no longer considered to be controlled by BW Group Limited.

BW Group Limited is approximately 93.0% owned by companies controlled by corporate interests associated with the Sohmen family. Dr. Helmut Sohmen is the Chairman and his son Andreas Sohmen-Pao is a director of the Board of Directors of BW Offshore.

BW Offshore is not aware of any other person or company having an interest in the Company's shares which is notifiable under Bermuda law.

6 ADDITIONAL INFORMATION

6.1 Documents on Display

For the life of this Squeeze-Out Document, the documents indicated in the list below, may be inspected at the offices of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda or requested by telephone: +1 (441) 295 1422 or facsimile: +1 (441) 292 4720, or downloaded from the Company's website: www.bwoffshore.com:

- The Memorandum of Association and Bye-Laws of the Company;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Offer Document, the Supplemental Document and this Squeeze-Out Document;
- The Company's historical financial information for 2009, 2008 and 2007;
- The Company's interim financial reports for the second quarter 2010 and 2009; and
- The Offer Document, the Supplemental Document and this Squeeze-Out Document.

The Offer Document, the Supplemental Document, this Squeeze-Out Document and other documents (or copies thereof) referred to in this Section 6.1 ("Documents on Display") will be physically available for inspection for 12 months after the date of the Squeeze-Out Document at the Company's business address at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

Historical financial statements for the Company's subsidiary undertakings will not be published in accordance with Bermudian law.

6.2 Confirmation Regarding Sources

The Company confirms that information in this Squeeze-Out Document which has been sourced from third parties has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6.3 Incorporation by Reference

The information incorporated by reference in this Squeeze-Out Document shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this Section 6.3 ("Incorporation by Reference"), no other information is incorporated by reference into this Squeeze-Out Document.

The Company incorporates by reference the Offer Document (www.bwoffshore.com) and the Supplemental Document (www.bwoffshore.com), as set out in the cross reference list below.

In addition, the Company also separately incorporates by reference its audited consolidated financial statements for the financial years ended 31 December 2009, 2008 and 2007 and its unaudited interim consolidated financial information for the second quarter and first half-year 2010.

For more details, see the cross reference list included below.

Section in the Squeeze-Out Document	Disclosure requirements of the Squeeze-Out Document	Reference document and link	Page (P) in reference document ²
Sections 1, 3.2, 4, 5.1	-	BW Offshore – Offer Document: http://www.bwoffshore.com/Disclaimer/DIsclaimer0710/Country/	P1-3, 12-20, 25, 31, 33, 45-51, 58-124, 130-131
Sections 1, 5.1	-	BW Offshore – Supplemental Document: http://www.bwoffshore.com/Disclaimer/DIsclaimer0710121/Country/	P1-4, 8-9, 12-14, 17-24, 26-36, A2-A4, A10
Sections 5.1	Audited historical financial information (Annex I, Section 20.1)	BW Offshore – Financial Statements 2009: http://www.newsweb.no/newsweb/search.do?messageId=258373 BW Offshore – Financial Statements 2008: http://www.newsweb.no/newsweb/search.do?messageId=235134 BW Offshore – Financial Statements 2007: http://www.newsweb.no/newsweb/search.do?messageId=206791	P35-81 P31-69 P26-63
Section 5.1	Audit report (Annex I, Section 20.4.1)	BW Offshore – Auditor’s Report 2009: http://www.newsweb.no/newsweb/search.do?messageId=258373 BW Offshore – Auditor’s Report 2008: http://www.newsweb.no/newsweb/search.do?messageId=235134 BW Offshore – Auditor’s Report 2007: http://www.newsweb.no/newsweb/search.do?messageId=206791	P41 P37 P32
Section 5.1	Accounting policies (Annex I, Section 20.1)	BW Offshore – Accounting Principles: http://www.newsweb.no/newsweb/search.do?messageId=258373	P47-52
Sections 5.1	Interim financial information (Annex I, Section 20.6.1)	BW Offshore – Second Quarter Financial Information 2010: http://www.newsweb.no/newsweb/search.do?messageId=266536 BW Offshore – Second Quarter Financial Information 2009: http://www.newsweb.no/newsweb/search.do?messageId=244480	P1-12 P1-11

² The original page number as stated in the reference document.

APPENDIX 1

Combination Consideration Acceptance Form

Combined Consideration Acceptance Form

This form (the "Combined Consideration Acceptance Form") shall only be used by shareholders in Prosafe Production Public Limited ("Prosafe Production") having chosen to receive the Combined Consideration (as defined in the squeeze-out document dated 29 October 2010 (the "Squeeze-Out Document")), as consideration for all of its shares held in Prosafe Production, in connection with the acquisition and expropriation (the "Squeeze-Out") of the remaining 13,698,486 issued and outstanding shares of Prosafe Production not already owned, directly or indirectly, by BW Offshore Limited ("BW Offshore"), on the terms set forth in the Squeeze-Out Document, to which this Combined Consideration Acceptance Form is attached. **Shareholders who have not returned this Combined Consideration Acceptance Form, properly completed and signed, by 17:30 hours (CET) on 12 November 2010, will be deemed to have chosen to receive the Cash Consideration (as defined in the Squeeze-Out Document). Shareholders having chosen to receive the Cash Consideration are not required to return this Combined Consideration Acceptance Form in order to receive their consideration for any Prosafe Production shares held.**

Shareholder:

Properly completed and signed Combined Consideration Acceptance Forms may be faxed, sent by post or delivered to:

Carnegie ASA
Stranden 1, Aker Brygge
P.O. Box 684 Sentrum
0106 Oslo, Norway
Tel: +47 22 00 93 20
Fax: +47 22 00 99 60

The shareholders' register of Prosafe Production shows:

VPS account:	No. of shares:	Rights holders registered:

ACCEPTANCE DEADLINE:

This Combined Consideration Acceptance Form must be received by Carnegie ASA ("Carnegie") by 17.30 hours (CET) on 12 November 2010. Shareholders with Prosafe Production shares registered on several VPS accounts will receive one Combined Consideration Acceptance Form for each VPS account. Shareholders choosing to receive, as consideration for its shares held in Prosafe Production, the Combined Consideration in connection with the Squeeze-Out must return all Combined Consideration Acceptance Forms received, properly completed and signed, within the acceptance deadline. Shareholders who have not returned this Combined Consideration Acceptance Form, properly completed and signed, within the said deadline, will be deemed to have chosen to receive the Cash Consideration. BW Offshore reserves the right to reject any or all incorrect, delayed or illegally undertaken acceptances and to treat any incorrect or delayed acceptances for valid.

To BW Offshore and Carnegie:

- I/We confirm that I/we have received and reviewed the Squeeze-Out Document and hereby irrevocable have chosen to receive as consideration, for all my/our Prosafe Production shares, the Combined Consideration, in accordance with the terms set forth in the Squeeze-Out Document. My/our acceptance also comprises any Prosafe Production shares which I/we, have acquired or will acquire prior to the said deadline as stated above and which will be registered in the VPS.
- I/We hereby irrevocably accept the Combined Consideration as full consideration for my/our Prosafe Production shares under the Squeeze-Out.
- I/We accept that I/we may not sell, otherwise dispose of, encumber or transfer to another VPS account, the Prosafe Production shares tendered hereunder. Furthermore, I/we irrevocably authorize Carnegie to block the shares on the above-mentioned VPS account in favour of Carnegie on behalf of BW Offshore.
- Carnegie is given irrevocable authorization to debit my/our VPS account, and to transfer the Prosafe Production shares to BW Offshore upon settlement of the Squeeze-Out.
- I/We accept that settlement will be made by way of transfer of BW Offshore shares to my/our VPS account and Norwegian kroner (NOK) to the bank account used by the VPS for dividend payments, or, if there is no record of such account, payment will be sent by bankers' draft. For shareholders who do not hold a bank account with a Norwegian bank, payment details for offshore payments must be included, such as name of the bank, SWIFT/BIC, IBAN, or similar payment codes depending on the jurisdiction where the bank account is located.

Fill in here (if relevant):

- | | Bank | SWIFT/BIC-code | IBAN-number |
|-----|--|----------------|-------------|
| 6. | My/Our Prosafe Production shares are transferred free of any encumbrances and any other third party right whatsoever and with all shareholder rights attached to them. Any third party with registered encumbrances or other third-party rights over my/our Prosafe Production shares and/or VPS account(s) must sign the Combined Consideration Acceptance Form and thereby waive their rights therein and approve the transfer of my/our Prosafe Production shares to BW Offshore free of any encumbrances and any other third party right whatsoever for the acceptance to be valid. | | |
| 7. | BW Offshore will pay my/our costs directly related to the VPS transactions in connection with the transfer of the Prosafe Production shares and the Combined Consideration. | | |
| 8. | This Combined Consideration Acceptance Form and the issuance of the Consideration Shares (as defined in the Squeeze-Out Document) are subject to Norwegian law. The Squeeze-Out is governed by Cypriot laws as far as the Cypriot Takeover Act applies, provided, however, that Norwegian law shall apply in all other respects. Any disputes that arise in conjunction with the Squeeze-Out Document and this Combined Consideration Acceptance Form which cannot be amicably resolved are subject to the jurisdiction of Norwegian courts with legal venue in the Oslo District Court, provided, however, that this shall without prejudice to item 2 above not extend any dispute regarding the amount of the consideration offered in the Squeeze-Out, which shall be subject to the jurisdiction of Cypriot courts. | | |
| 9. | I/We represent that I/we am/are permitted by all applicable law to receive the Combined Consideration and has complied with all applicable legal requirements so that the Combined Consideration may be made to, and accepted by, me/us under the laws of all relevant jurisdictions. | | |
| 10. | I/we acknowledge that any U.S. person or a person within the United States wishing to receive the Combined Consideration must together with this Combined Consideration Acceptance Form submit a duly executed U.S. Offeree Representation Letter in the form available from Carnegie. If I/we have submitted the Combined Consideration Acceptance Form without also submitting a U.S. Offeree Representation Letter, I/we will be deemed to have represented and warranted to BW Offshore and Carnegie that I/we (a) am/are not a U.S. person, (b) am/are receiving the Combined Consideration in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act and in compliance with such regulation and (c) am/are not receiving the Combined Consideration from within Canada, Australia, South-Africa or Japan or any other jurisdiction in which I/we may not lawfully do so. | | |

Place	Date	Telephone no.	Signature *)
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*) If signed pursuant to proxy, a proxy form or company certificate confirming the authorised signature must be enclosed.

Rights holder(s): In the event that there is registered holder(s) of rights on the VPS-account this is marked with a YES above in the right-hand box of this Acceptance Form. As rights holder the undersigned consents that the transaction is undertaken on the above-mentioned terms.

Place	Date	Telephone no.	Rights holder's signature *)
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*) If signed pursuant to proxy, a proxy form or company certificate confirming the authorised signature must be enclosed. If more than one charge holder is registered, each of the charge holders must sign.



BW Offshore Limited

Clarendon House
2 Church Street
Hamilton HM 11
BERMUDA

www.bwoffshore.com

Carnegie ASA

Stranden 1
P.O. Box 684 Sentrum
0106 Oslo
NORWAY

Phone: +47 22 00 93 20

Fax: +47 22 00 99 60

www.carnegie.no

HSBC Bank plc

8 Canada Square
London E14 5HQ
UNITED KINGDOM

Phone: +44 (0)20 7991 8888

Fax: +44 (0)20 7991 4459

www.hsbc.com