



**ANNUAL REPORT
2022**



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CEO's report 2022



Step change ahead

BW Energy continues to progress multiple strategic initiatives for long-term value creation based on our signature approach of active infrastructure-led asset maturation combined with phased developments of proven resources through repurposing of existing energy infrastructure. This successful business model is reflected in the fast-track Hibiscus / Ruche development which is set to yield a material increase in oil production and a step change in our cash generation.

While we made significant headway the past year, we also faced challenges. Deliveries and costs were negatively impacted by continued global supply chain disturbances mainly due to the pandemic and the conflict in Ukraine. This influenced planned asset upgrades on Tortue, and while we completed the conversion of the *BW MaBoMo* production facility on schedule, we had to recognise some cost escalation towards completion.

We maintained a strong balance sheet and cashflow and successfully closed our first international reserve-based loan facility to support the execution of our growth strategy. BW Energy expects the current high energy demand and prices to continue into 2023 and beyond.

On track for significant Dussafu production growth

Full-year production from the Tortue field in Gabon was 3.86 million barrels of oil (gross). This reflected continued

COVID-19 related challenges and limitations to gas lift capacity throughout the year. Production averaged 10,582 barrels per day at an operating cost (excluding royalties) of approximately USD 36 per barrel. Importantly, we recorded zero LTIs in 2022 and no major environmental incidents.

A new larger gas lift compressor has been lifted onto the FPSO *BW Adolo* and will start operation later in 2023. The resulting increase to output from Tortue, combined with first oil from the Hibiscus / Ruche towards the end of the first quarter, will put us on a path for successive production growth as we complete our six- to eight-well drilling programme through 2023 and into early 2024. The ongoing drilling programme includes options for two exploration wells to further validate this highly prospective hydrocarbon region.

Despite the challenges, I am proud of what we have accomplished in Gabon. In 2021, as the world began to recover from the pandemic, we resumed the Hibiscus / Ruche development with a revised concept targeting first oil in early 2023 and a USD 100 million investment reduction compared to the original budget. In early 2022, we were on track for an even earlier production start. Then war erupted in Europe, impacting energy prices, already strained global supply chains, and further stoking inflation. As we close 2022, we are still set for first oil on schedule this coming March and to realise approximately half of the earlier projected project savings.

Expanding footprint in Brazil

In Brazil, we agreed to acquire the Golfinho and Camarupim Clusters, and the BM-ES-23 block from Petrobras as well as the producing FPSO *Cidade de Vitoria* from Saipem. The transactions are expected to close in 2023 and add approximately 9,000 barrels of oil per day net to BW Energy. The acquired assets hold several proven low risk in-field development opportunities with short lead times and substantial upside potential. In November, ANP (National Agency of Petroleum) approved BW Energy as a deep-water Class A operator in Brazil. BW Energy is progressing other relevant approvals by local authorities while developing the local operating organisation.

There are clear synergies for the planned Maromba field development. In April, we formally decided to proceed with the field development based on a phased subsea development tied back to a refurbished FPSO *Poivo*. The final investment decision is subject to completion of the ongoing project financing process. Maromba is a highly delineated field with proven reserves of over 100 million barrels of oil. First oil is targeted in 2026 and the planned full field development offers robust returns.

Maturing a potential world-class asset

Recent significant oil and gas discoveries made by oil majors offshore Namibia prove the existence of a large new hydrocarbon region offshore southern West Africa. The Kudu field is centrally located within the area and the new discoveries combined with existing well and seismic data confirm a significant value potential. In early 2023, we will acquire a 3D seismic survey over the total licence area to enhance the reservoir model in support of development planning and potential future farm-in discussions.

Kudu offers Namibia a path to stable domestic production of electricity based on natural gas with substantially lower carbon emissions than the current imported coal power. We continue negotiations with the local power company for the Kudu gas-to-power project based on our development concept. It provides tangible financial and environmental benefits through the re-purposing of a semi-submersible drilling rig and allows us to unlock an otherwise stranded resource and create significant long-term value from gas sales.

Executing growth strategy

Ongoing development activities in Gabon and the takeover of producing assets in Brazil are set to increase our oil production significantly during 2023. The related increase in operational cash flow combined with a strong balance sheet with USD 210 million in cash at the end of 2022 and our proven access to global credit markets, position us to execute our long-term growth strategy. It also supports our commitment to return value to shareholders through dividends of up to 50% of net profit after Maromba starts producing.

I would like to thank the entire BW Energy team and the Board of Directors for their effort and support throughout the year. We continue to prove the strength of our business model, targeting untapped discoveries with our phased development model to reduce risk, investments, and time to first oil. By re-using existing energy infrastructure, we help address key global concerns of energy security, affordability, and transition.



Carl K. Arnet
CEO BW Energy



CRESTCHIC
CORPORATION

BY DIMEN

2022 In Brief

0

Lost time injuries (LTIs
including contractors)

3.1

million

Hours Worked -
BW Energy & contractors

428

mmboe

Certified net
reserves and resources

3.86

mmboe

Gabon 2022
production

18.7

mmboe

Gabon production
inception to date

Key events

- Offer to acquire the Golfinho and Camarupim Clusters offshore Brazil from Petrobras agreed in second quarter
- Agreement to purchase FPSO *Cidade de Vitoria* from Saipem in second quarter
- Signed Dussafu Reserve Based Lending agreement in third quarter
- Completed conversion of *BW MaBoMo* for the Hibiscus / Ruche development project
- *BW MaBoMo* installed offshore Gabon in fourth quarter
- Hibiscus / Ruche drilling campaign set up completed with *Borr Norve* drilling rig arrival on location in fourth quarter
- Signed agreement for acquisition of 3D seismic over the Kudu licence in fourth quarter; to commence in first quarter 2023

Key financial figures

Operating revenue	USD million	277.6
EBITDA	USD million	154.2
EBIT (non-GAAP)	USD million	94.1
Net profit/(loss)	USD million	45.0
Total assets	USD million	1,205.3
Equity	USD million	615.3
Equity ratio		51.0%
Market capitalisation	NOK million	6,485

Strategic principles

BW Energy is an independent energy company which utilises existing offshore oil and gas production facilities to reduce development costs, accelerate project delivery and minimise carbon emissions.

The BW Energy organisation is agile and moves quickly and opportunistically to pursue value. It has succeeded where other oil and gas exploration and production companies have failed to execute a profitable solution. Employing an infrastructure-led development strategy allows for tailored solutions to unlock existing brownfield production and undeveloped greenfield discoveries. This facilitates short lead time from investment decision to cash generation, reduced capital exposure and project risk, while yielding attractive returns at the current forward prices for oil and gas.

Executing its strategy, BW Energy intends to deliver growth, attractive long-term risk-adjusted returns, and strong cash flow generation to the benefit of shareholders through share price appreciation and dividends. BW Energy seeks to create long-term value for its partners, employees, and for the countries in which it operates.

BW Energy integrates sustainability into the company's mindset and business practices to responsibly develop and produce oil and gas fields. BW Energy is committed to efficient, reliable, and compliant operations with zero harm to people, the environment, and the communities in which it operates. Integrated into BW Energy's sustainability strategy is a long-term focus on gas. BW Energy plans to apply its strategy to efficiently develop greenfield and brownfield gas opportunities. For brownfield gas opportunities, BW Energy will acquire fields with existing oil production that can be further developed into long-term gas production. This enables upfront cash generation that will be reinvested to capture additional value from gas sales and potential downstream power generation.

BW Energy has a highly competent team with exploration and production experience from all disciplines and major basins worldwide. The team benefits from a unique heritage in developing offshore production infrastructure. BW Energy's entrepreneurial culture fosters innovation and fuels its exploration and development programs. BW Energy strives to ensure that employees, contractors, and suppliers have the right training, tools, and knowledge to support safe execution of its strategy.

BW Energy's proven business model is designed to deliver superior returns and growth at modest investment levels, using proven and tested development concepts and existing infrastructure. The business model is efficient in gaining access to opportunities resulting in lower cost of entry.

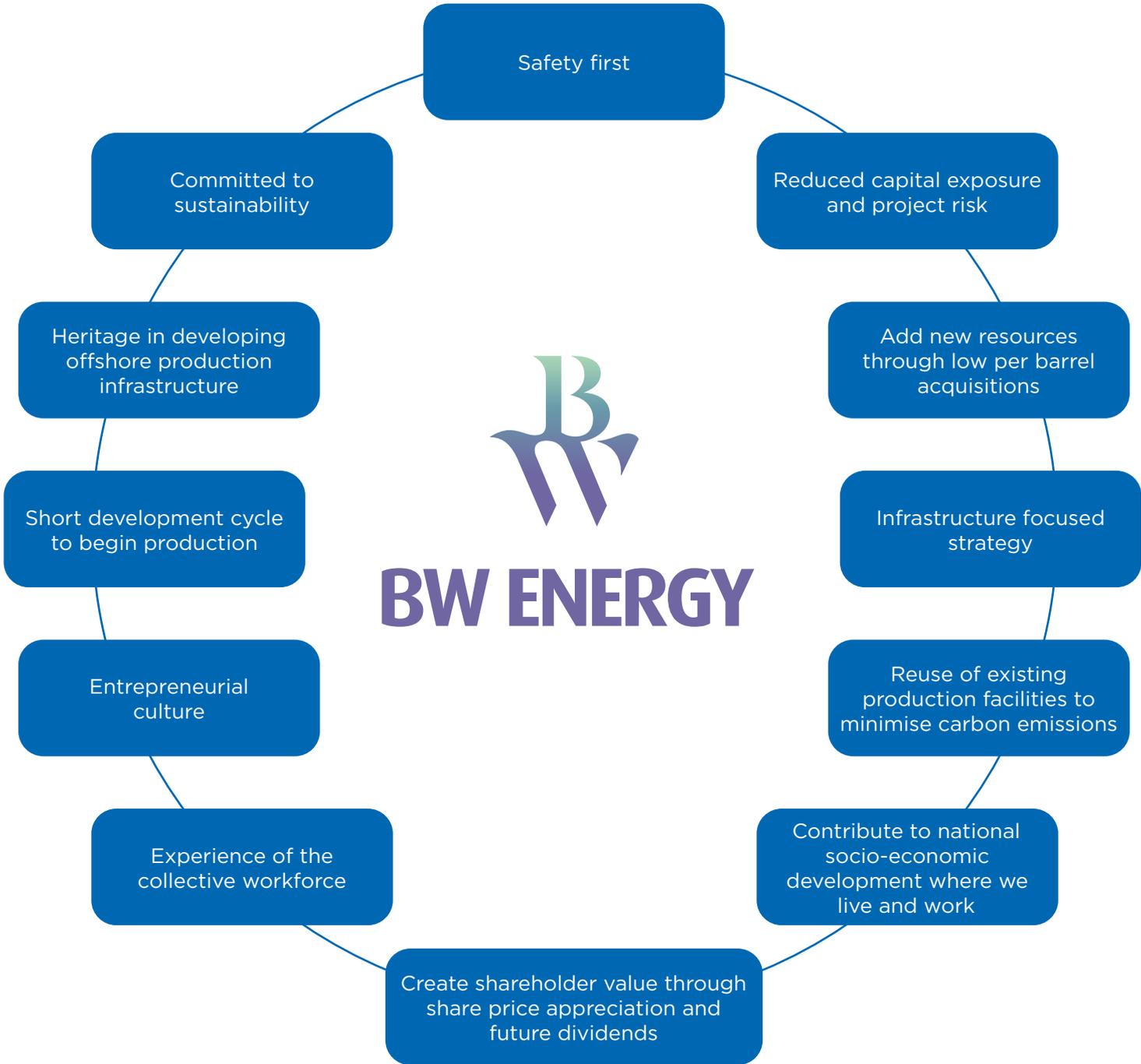


Figure 1: BW Energy strategic foundation

Energy transition

BW Energy expects oil and gas to remain a vital part of the global energy mix in decades to come and recognises the need to reduce carbon emission over time to mitigate climate change. BW Energy's strategy enables efficient, low-carbon field developments which support the ongoing transition. As demonstrated by the solutions-driven approach, the repurposing of an existing jack-up or semisubmersible rig provides significant reductions to investments, while reducing the Greenhouse Gas (GHG) emissions in the construction phase by 60-70% relative to a newbuild production asset.

BW Energy considers itself a company that identifies and unlocks value where others might not. This includes considering various technologies and their viability for use in combination with existing upstream infrastructure to enable low-cost solutions for renewable energy generation.

The ambition is to contribute to the global energy transition at a realistic pace that effectively adapts to significant changes in the energy economy. For BW Energy, this includes being strategically positioned to contribute to reducing the carbon footprint of oil and gas production while continuing to develop projects in emerging markets.



BW Heritage

BW Energy began as the E&P division of BW Offshore, and is now an affiliate of the BW Group, a global maritime energy transportation and floating gas infrastructure company with an 80-year history.

BERGESEN

1935 Founded by Sigvald Bergesen

1955 Bergesen Listing

1996 Leader in crude and gas shipping markets with 100 vessels

WORLD-WIDE

1955 Founded by Y.K. Pao

1979 Largest independent shipping group in the world: 200 vessels of 20 million dwt

2003 Bergesen acquisition and de-listing. Combined business rebranded BW.



2006 BW Offshore listed on the Oslo Stock Exchange

2008 Acquisition of Advance Production and Loading ASA (APL)

2010 Acquisition of Prosafe Production / Sale of APL

BW Energy History

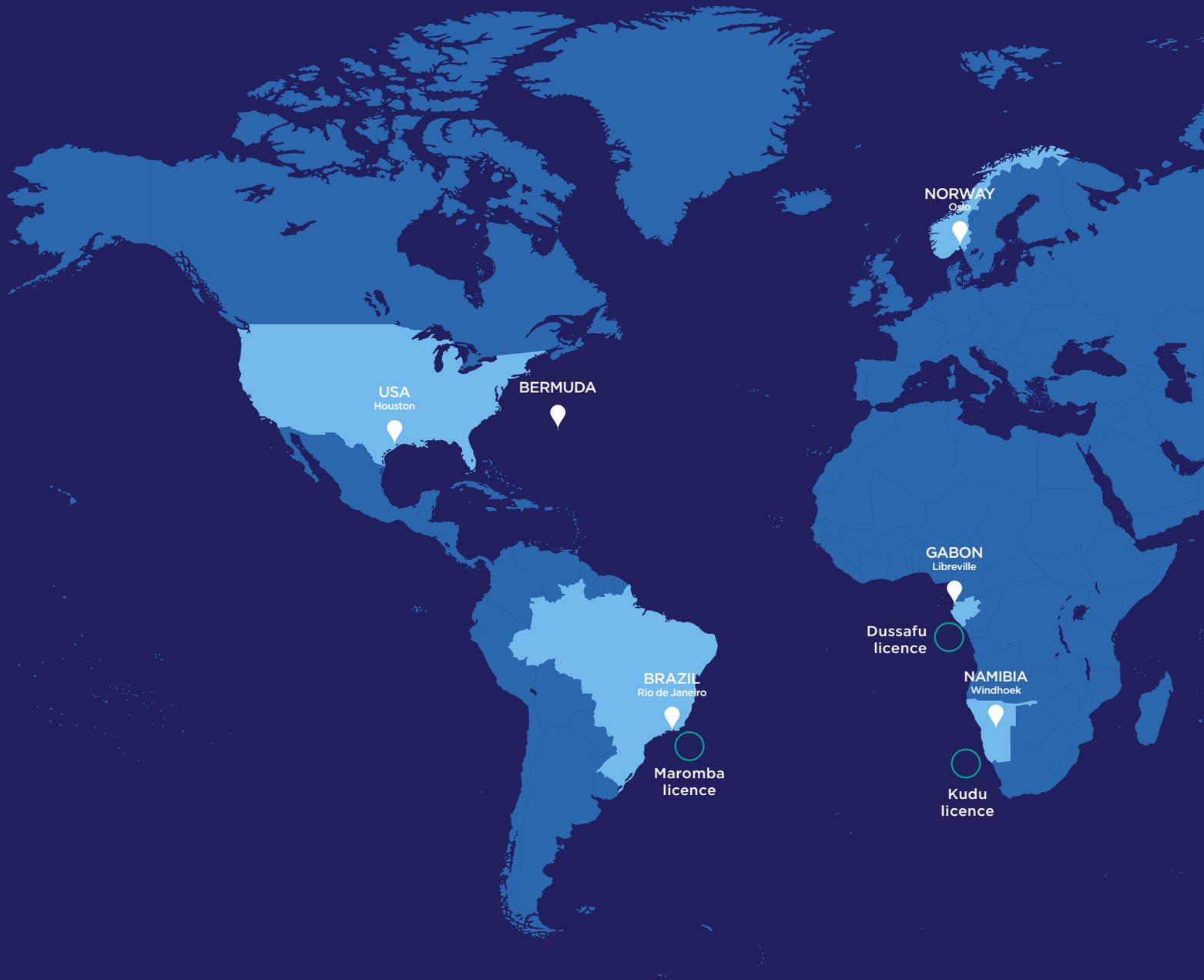
BW Offshore established an E&P division known as **BW Energy**

- 2016** BW Energy, in partnership with BW Group, entered into agreement for acquisition of operating interest in Dussafu licence
- 2017** Acquisition of operating interest in the Kudu licence in Namibia
- 2018** First oil achieved 18 months after the original investment in the Dussafu Marin licence offshore Gabon
- First two subsea wells tied back to *BW Adolo* FPSO



- 2019** BW Energy established as a separate entity with the E&P assets of BW Offshore and BW Group
- BW Energy acquired the Maromba licence in the Brazilian Campos Basin
 - Discovery of the Hibiscus field, the largest discovery in Dussafu Marin to date
- 2020** BW Energy was listed on the Oslo Stock Exchange in February
- Tortue Phase 2 brought on two additional subsea wells also tied back to the *BW Adolo* FPSO
- 2021** Tortue Phase 2 completed; final two wells brought on to production
- BW Energy agreed to purchase the semi-submersible drilling rig *West Leo*
- 2022** BW Energy signed an agreement to purchase the *Po/vo* FPSO
- *BW MaBoMo* conversion completed in Dubai; installed in place in Gabon in fourth quarter

Global footprint



34%

Women in leadership
positions

182

New joiners
in 2022

84%

Local national employees
in countries in which
BW Energy operates



294

Total employees

28

Nationalities

3

Operated assets

7

Number of offices

'It is a great privilege to lead such a team of dedicated individuals.'

- Carl Arnet, CEO

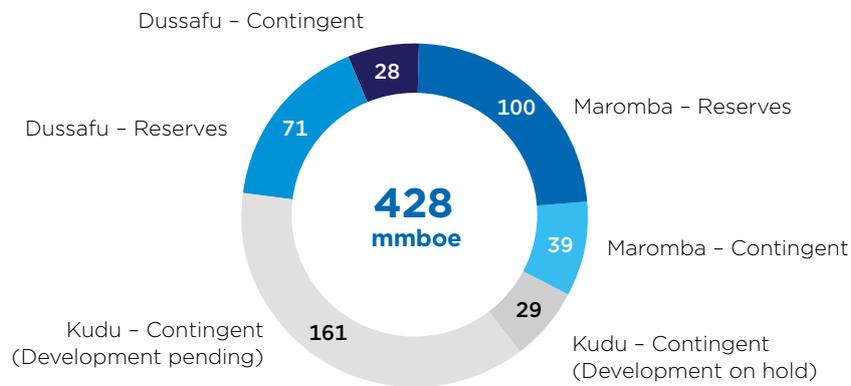


BW Energy assets

Gabon, Brazil, and Namibia

BW Energy targets robust opportunities of discovered reserves with clear growth potential, aiming to unlock value that traditional, larger E&P companies do not address. BW Energy holds a 73.5% operated working interest in the Dussafu Marin licence offshore Gabon, a 100% operated working interest (95% after future farm-out) of the Maromba field in the Campos Basin offshore Brazil, and a 95% operated working interest of the Kudu field offshore Namibia.

NET 2P + 2C RESERVES & RESOURCES ¹



¹ Dussafu as of 31 Dec 2022
 Maromba as of 30 Apr 2022
 Kudu as of 30 Jun 2022

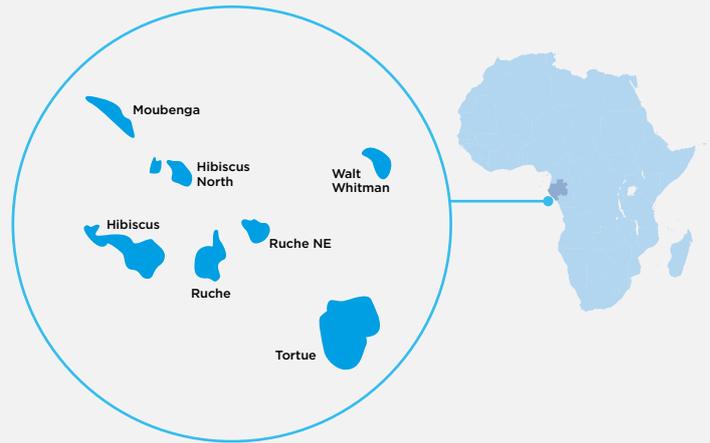
2P = proved plus probable volumes that will be recovered with 50% probability

2C = quantities of petroleum potentially recoverable, with 50% probability, from known accumulations but not currently considered to be commercially recoverable owing to one or more contingencies

Dussafu

GABON

In 2022, Tortue Field averaged a gross rate of approximately 10,600 barrels per day. Approximately 3.9 million barrels gross were produced during the year and the field uptime was 89%, including scheduled downtime. Gas lift capacity limitations continued to defer production in 2022 and will continue to constrain production until a second gas lift compressor is installed in early 2023. Once commissioned, the wells at Tortue are expected to reach full potential.



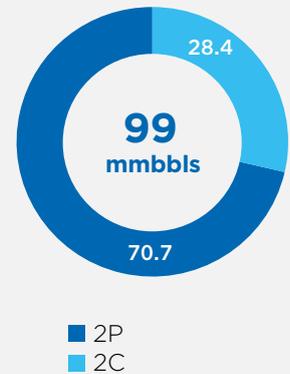
7,800

2022 Average net bopd

805km²

Licence area

Net reserves & resources



18.7

mmbbls gross production since 2018

116m

Average water depth

73.5%

Working interest

In 2022, BW Energy completed its first ever jack-up drill rig conversion to offshore production unit, with zero safety incidents. The conversion was completed in just 20 months, despite global supply chain challenges, and under the original FID budget.

The production facility was installed on location in October 2022. Production to *BW MaBoMo* will be routed to *BW Adolo* FPSO, located at the Tortue field. The 20 km pipeline was installed in late 2022.

Drilling activities began at the end of 2022, with the first Hibiscus well spud at midnight in the new year. A total of 12 wells are planned through a phased development. The wells will target the largest discovery at Dussafu, the Hibiscus field, as well as the neighbouring Ruche field. All wells in the first development phase will target the Gamba reservoir. Production at Dussafu is expected to at least triple in 2023.

BW Adolo FPSO will continue to serve as the hub for production in the Dussafu licence. The development is expected to recover gross reserves of approximately 47.6 million barrels based on third-party estimates. Gross investments for the first phase of the Hibiscus / Ruche development project are currently estimated at approximately USD 450 million.

BW Energy Gabon SA's operated ownership interest in the Dussafu licence is 73.5%, Panoro Energy ownership interest is 17.5%, and Gabon Oil Company's ownership interest is 9%.



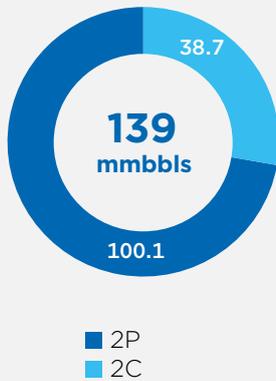
Maromba

BRAZIL

The Maromba discovery is in the southern part of the Campos Basin offshore Brazil, approximately 100 km southeast of the city of Cabo Frio.

Following the success at Dussafu, BW Energy plans to develop the Maromba BC-20A licence in phases, thereby minimising up-front capital expenditure and allowing the production and the supporting organisation to grow organically. Phasing will provide reservoir performance data which will be used to optimise future development phases. In April 2022, BW Energy entered into an agreement to purchase FPSO *Po/vo* from BW Offshore as a production unit for Maromba.

Net reserves & resources



375km²

Licence area

160m

Average water depth

100%

Working interest

Phase 1 will target heavy crude oil at API gravity of 16° but with low relative viscosity and sulphur content in the Maastrichtian reservoir. It will consist of three horizontal subsea wells that will be tied back to FPSO *Po/vo* with planned first oil in 2026. The wells will be completed with electric submersible pumps (ESPs) as the artificial lift mechanism.

Total average annual oil production at peak is expected between 30-40,000 barrels per day. The final investment decision is subject to completion of the project financing.

BW Energy Maromba do Brasil Ltda currently holds 100% operated ownership interest. Magma Oil holds a 5% back-in right in the Maromba licence which they are expected to execute upon first oil.

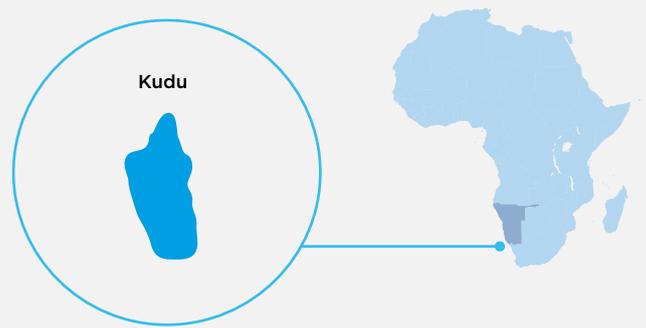
Kudu



NAMIBIA

The Kudu gas discovery is in the northern Orange sub-basin approximately 130 km off the south-west coast of Namibia.

BW Energy is progressing a revised development plan for the gas-to-power project that will utilise a repurposed semi-submersible drilling rig as a Floating Production Unit. Repurposing this facility will enable an optimisation of the project timeline and significantly reduce capital investments compared to previous development concepts.



4,567km²

Licence area

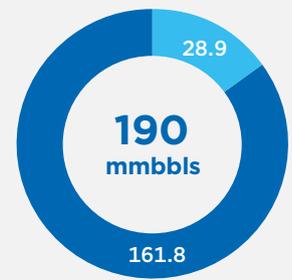
170m

Average water depth

95%

Working interest

Net reserves & resources



■ 2C Development Pending
■ 2C Development on hold

The revised development concept offers tangible financial, schedule and environmental benefits. The re-use of existing facilities also supports a substantial reduction in field development related greenhouse gas emissions compared to the material and works required for a newly built facility.

BW Energy aims to supply power to a growing African market with significant upside potential. A development of the Kudu field is an attractive opportunity for BW Energy to engage in the electricity market and potentially fully or partially assume a position as an Independent Power Producer (IPP) through strategic partnering.

In October 2022, BW Energy entered into an agreement for the acquisition of ~5,000 sq km of 3D seismic to further enhance the depositional model, additional reservoir presence, and identify potential upside targets in the Kudu PPL-003 licence. Acquisition is scheduled to commence in February 2023.

BW Energy currently holds a 95% operated ownership interest. National Petroleum Corporation of Namibia (NAMCOR) holds a remaining 5% working interest with an additional 5% back-in right upon first gas subject to certain conditions.

Directors' report

BW Energy is well positioned to realise the potential of discovered oil assets and is set for sequential production increases in the coming year from ongoing field development and acquisition activities. BW Energy's strategy of combining discoveries and production assets with phased developments, and maintaining control of timing of capital expenditures as well as capital at risk, offers attractive risk-reward in the current market and has proven robust over time, even in a low oil price environment.

In 2022, BW Energy produced oil from the Tortue field in offshore Gabon, which has six production wells connected to the *BW Adolo* FPSO. Production was impacted by limitations to gas lift capacity pending installation of a new and larger gas lift compressor in 2023.

The third phase of the Dussafu development progressed towards planned first oil at the end of the first quarter of 2023 with the Hibiscus / Ruche drilling operations commencing in early January. The re-purposed *BW MaBoMo* offshore production facility was installed on the field in October together with the 20 km subsea pipeline to the *BW Adolo* FPSO. The final installation of flexible pipelines and risers was completed in early January. To date, the development project has been executed with strong HSE performance as BW Energy recorded zero LTIs in 2022 and one LTI in 2021.

The total gross Hibiscus / Ruche Phase 1 development CAPEX is projected to be approximately USD 450 million, mainly due to first oil shifting into 2023 and the impact of global inflation resulting in cost increases. CAPEX remains well below the original final investment budget of USD 490 million gross. The reuse of existing energy infrastructure has generated significant savings in addition to environmental benefits from repurposing extant assets rather than building new. Peak annual average oil production from Hibiscus / Ruche Phase 1, including Tortue wells, is expected between 30-40,000 barrels per day.

In April, BW Energy decided to proceed with the Maromba development project offshore Brazil and agreed to purchase the FPSO *Po/vo* from BW Offshore for a total consideration of USD 50 million. The FPSO will be upgraded and redeployed on the field. The development plan calls for three initial production wells with planned first oil in 2026. The staged development enables improved reservoir monitoring and optimisation of the second drilling campaign. Peak annual average oil production from Maromba is expected between 30-40,000 barrels per day. The final investment decision is subject to completion of the project financing.

In June, BW Energy signed an agreement to acquire a 100% operated working interest (WI) in the Golfinho and Camarupim Clusters and 65% WI in the BM-ES-23 block from Petrobras, as well as taking over the FPSO *Cidade de Vitoria* from Saipem for a combined consideration of up to USD 148 million, including contingent payments over time. Both transactions are expected to close in 2023, subject to fulfilment or waiver of conditions precedent. BW Energy is progressing with relevant approvals from the Brazilian authorities, operational preparedness, field development planning and build-up of the local organization, and was approved as a deep-water Class A operator by ANP in November. These transactions are expected to add approximately 9,000 barrels of oil per day net to BW Energy as well as several proven low risk in-field development opportunities with short lead times and substantial potential long-term upside.

In Namibia's Kudu licence, BW Energy holds a 95% working interest, alongside the National Petroleum Corporation of Namibia (NAMCOR) which holds the remaining 5% working interest with an additional 5% back in right upon First Gas subject to certain conditions. BW Energy is negotiating heads of terms for the Kudu gas-to-power project with the local power company based on a revised development concept with a semi-submersible drilling rig re-purposed as a Floating Production Unit. The concept

enables optimisation of the project timeline and reduced capital investments. As with Dussafu, reusing existing energy infrastructure will reduce the project's environmental impact. The timing of the final project sanctioning is subject to realising a project financing solution for the Kudu gas-to-power project as well as negotiating power sales agreements.

BW Energy has completed two years of detailed subsurface work in Kudu, which included integrating the existing 2D and 3D seismic, well and whole core databases. This effort highlighted additional potential in the licence, not only in terms of additional gas resource, but also identifying potential shallower oil targets which have been de-risked by recent discoveries in Namibia. BW Energy has therefore initiated acquisition of a modern 3D seismic, gravity and magnetic dataset over the licence in 2023, to further enhance the depositional model, de-risk additional upside targets, and provide better data to support Front End Engineering Development (FEED) programmes in addition to potential future farm-in discussions.

In August, BW Energy signed up to USD 300 million international Reserve Based Lending (RBL) facility. The facility has an initial commitment of USD 200 million which can be expanded up to an additional USD 100 million.

Health, safety, security, environment, quality

BW Energy has a zero-harm objective for personnel and the environment in all its operations. BW Energy has established policies for safety, security, occupational health, and environmental management that ensure these objectives are achieved, including the effective management of major accidental hazards, risks, and the mitigation of environmental impact, while ensuring a sustainable business and taking proper care of BW Energy property.

BW Energy registered zero Lost Time Injuries (LTIs) in 2022 including subcontractors. There was one LTI in 2021 and five recorded LTIs in 2020. For more information, please see the Sustainability section of this Annual Report.

Operations

The Dussafu field uptime was 89% in 2022 (2021: 88%) with gross production averaging 10,600 barrels of oil per day (2021: 11,300). Limitations to gas lift capacity continued to defer production during the year. The new, larger gas lift compressor was lifted onboard the FPSO in December and installation work is ongoing. Commissioning and start-up are expected to commence immediately after first oil from Hibiscus / Ruche, which has priority during the current high-activity period onboard the FPSO. The long-term recovery rate from Tortue is unaffected by the temporary limitation to gas lift capacity.

Financial performance

Income statement revenue was USD 277.6 million in 2022 compared to USD 271.5 million in 2021. Total operating expenses were USD 123.4 million compared to USD 124.3 million in 2021.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) for 2022 were USD 154.2 million compared to USD 147.2 million in 2021.

Operating profit was USD 94.1 million, compared to USD 98.4 million in 2021.

The changes in revenue, EBITDA, and operating profit were mainly due to a higher realised oil price in 2022 offset with lower sales volumes.

Net financial expenses were USD 10.3 million compared to USD 9.6 million in 2021.

Tax expense amounted to USD 38.8 million compared to USD 36.8 million in 2021. The increase was primarily related to the higher oil price realised in 2021.

Net profit for 2022 was USD 45 million compared to a net profit of USD 52 million in 2021.

Financial position

At 31 December 2022, BW Energy had a total equity of USD 615.3 million compared to USD 569.2 million at 31 December 2021. The year-end equity ratio was 51%, compared to 59.4% at the end of 2021.

At 31 December 2022, BW Energy had USD 171 million of interest-bearing debt following drawdown on the reserve-based lending (RBL) facility. BW Energy had no interest-bearing debt at the end of 2021. A further USD 29 million was available for drawdown under the facility at year-end.

Cash flow

Net cash inflow from operating activities was USD 168.5 million compared to USD 108.9 million in 2021. The increase was mainly due to the higher realised oil price.

Net cash outflow from investment activities amounted to USD 238.2 million, compared to USD 120.5 million in 2021. The investments were mainly related to increased activity on the Dussafu and Maromba projects.

Net cash inflow from financing activities was USD 129.6 million, reflecting funds drawn under the RBL facility net of lease liabilities and interest paid during the period. Net cash inflow was USD 41.9 million in 2021, mainly reflecting equity capital raised in the period.

Total cash balance at 31 December 2022 amounted to USD 210.8 million which includes USD 25 million in the debt service reserve account, compared to USD 150.9 million at year-end 2021.

Parent company accounts

BW Energy Limited is a holding company incorporated in 2018. BW Energy reported a net loss of USD 4.3 million for 2022 compared to a net loss of USD 2.7 million in 2021. Losses in the year were primarily due to settlement of crude oil hedges.

Total assets were USD 542.1 million at 31 December 2022. Total shareholders' equity in BW Energy Limited at 31 December 2022 was USD 454.6 million, corresponding to an equity ratio of 83.8%.

Going concern

Based on BW Energy's overall position at the end of the year, as well as the current outlook, the Board believes BW Energy has a good foundation for continued operations. The accounts have been prepared on a going concern basis.

Organisation

BW Energy is represented in three major oil and gas regions: offshore Gabon, Brazil, and Namibia, supported by local offices with local staff.

Work environment and culture in BW Energy are considered positive and strong, and there is continuous focus on improvement. Surveys and appraisal interviews are performed regularly to assess the strength of the working culture. In 2022, onshore absence due to sickness was 1.22 percent of total hours worked by employees.

BW Energy strives to be an attractive place to work that offers challenging and motivating jobs and equal development opportunities for all. There is no discrimination based on age, gender, gender identity or expression, culture, religion, sexual orientation, disabilities, or any other factor in the organisation with respect to remuneration, promotion, or recruitment.

Corporate Governance

The Board of Directors of BW Energy has adopted a Corporate Governance policy to reflect BW Energy's commitment to good corporate governance. This policy is based on the latest update to the 'Norwegian Guidelines on Corporate Governance', prepared by the Norwegian Corporate Governance Board. BW Energy's Corporate Governance policy complies with the Norwegian Guidelines, with certain deviations, as outlined and explained in the section titled Corporate Governance in this Annual Report.

BW Energy prepares a separate report disclosing material payments made to governments in the countries in which BW Energy operates. The report can be found on the BW Energy website, www.bwenergy.no.

Risk

BW Energy's risk exposure is analysed and evaluated to ensure sound internal control and appropriate risk management based on internal values, policies, and code of ethics. BW Energy is exposed to market risk (including commodity price risk), political risk, climate risk, credit risk, and liquidity risk. Development of oil and gas fields is associated with risks including but not limited to, the price of crude oil, cost overruns, production disruptions, as well as delays compared to initial plans. Some of the most important risk factors are related to the estimation and recoverability of reserves. Changes to energy prices might influence the economic viability of planned developments and anticipated revenues from the production of such developments. Furthermore, the global energy transition trend has heightened risk related to climate change for BW Energy. BW Energy expects continued regulatory attention including changes to taxation as it relates to climate change. The overall risk management programme focuses on addressing these risks and seeks to minimise potential adverse effects on the BW Energy's financial performance. The most important operational risk factors are related to the operation of Dussafu and the execution of projects, which could lead to accidents and oil spills to the environment if not managed properly.

BW Energy has limited indirect exposure to the war in Ukraine. Recent global macroeconomic and geopolitical developments have supported higher energy prices amid concerns for regional energy shortages. At the same time, project execution risk has increased with supply chain and logistics challenges, inflationary pressures, and higher interest rates. BW Energy is focused on mitigating potential impact from supply chain challenges and commodity inflation across its development portfolio.

BW Energy's operational activities are subject to tax in various jurisdictions. As assets and production sharing contracts are long-term in nature, BW Energy's results could be exposed to risk of changes to tax legislation.

BW Energy has a broad insurance programme to protect its personnel and subcontractors, the environment – both in operations and development – and BW Energy's assets, investments and properties, onshore and offshore. The programme is placed with rated underwriters, is subject to permanent risk management review and is in compliance with local legislation. BW Energy has also purchased and maintains a Directors and Officers Liability Insurance issued by a reputable, specialized insurer with appropriate rating.

Commodity hedges

BW Energy is trading derivatives for the explicit purpose of managing the risk to its revenue from volatility in commodity prices. The intent is to hedge against oil price drops that could negatively impact BW Energy's development and growth initiatives. As per BW Energy's hedging guidelines, which incorporates minimum hedge requirements from the RBL facility, BW Energy's approach is to utilise a combination of over-the-counter forwards and options (puts and calls) in such a way to hedge without paying premiums, ensure future cash flow stability for ongoing development projects, and retain exposure to upside.

During 2022, BW Energy entered into commodity price hedges for a total volume of approximately 1 million barrels. This was equivalent to approximately 38% of the 2022 net production entitlement. BW Energy has recognised crude oil hedge losses in the amount of USD 19.5 million in 2022, of which USD 14.3 million were realised in the period.

At the end of 2022, BW Energy had entered into hedges for a total volume of 1.3 million barrels for 2023 and 2024, of which approximately 71% were for 2023.

Outlook

BW Energy prioritises safety first with zero harm as an overriding objective for people and the environment. BW Energy is substantially reducing its carbon footprint by developing discovered oil and gas resources through large-scale repurposing of existing production infrastructure.

BW Energy expects oil and gas to remain an important part of the global energy mix in decades to come and remains focused on realising long-term value creation via its phased development strategy and investments in high-return assets. The flexible investment strategy has proven robust for a range of market scenarios and positions BW Energy to address both short- and long-term opportunities to drive cash flows and earnings.

Energy prices remain at historically high levels despite a softening of macroeconomic drivers during 2022 as geopolitical conflict, global supply chain challenges, inflation, and higher interest rates which slowed global economic growth. This is primarily due to strong underlying global energy demand combined with the war in Ukraine and sanctions imposed on Russia which have reduced regional energy supply in Europe and created concerns for shortages.

BW Energy expects to create significant value for its stakeholders going forward. Short-term, the focus is on bringing Hibiscus / Ruche to first oil and closing the asset transactions in Brazil. Both are milestones which are expected to provide a substantial increase in oil production. This should further support significant positive cash flow at current oil price levels. BW Energy has a solid capital base with the RBL facility that will initially fund accretive investments in the Dussafu licence offshore Gabon.

27 February 2023



Mr Andreas Sohmen-Pao
Chairman



Ms Hilde Drønen
Director



Mr William Russell Scheirman
Director



Mr Tormod Vold
Director



Mr Marco Beenen
Director



Board of Directors



Andreas Sohmen-Pao – Chairman

- Chairman of BW Group, BW Offshore, BW LPG, BW Epic Kosan, Hafnia, Cadeler and the Global Centre for Maritime Decarbonisation
- Trustee of the Lloyd's Register Foundation and director of Navigator Holdings
- BA (Hons) from Oxford University, UK and MBA from Harvard Business School, USA



Marco Beenen - Director

- CEO of BW Offshore
- Former President of GustoMSC and former Vice President Engineering with SBM Offshore
- M.Sc. from Delft University of Technology, Netherlands



Hilde Drønen - Director (Independent)

- CFO of DOF, an oilfield services group listed on the Oslo Stock Exchange
- Holds several directorships of various energy companies
- Former CFO in DOF Management, Former Director of Finance with Bergen Yards and former Group Controller for Møgster Group
- Master's Degree from Norwegian School of Management (BI) Oslo and MBA from Norwegian School of Economics and Business Administration (NHH), Berge



Russell Scheirman - Director (Independent)

- More than 35 years in oil & gas industry
- Held senior positions at McKinsey, ExxonMobil and VAALCO (1991-2015)
- B.S. & M.S. in Mechanical Eng. from Duke University, MBA from California Lutheran University, USA



Tormod Vold – Director (Independent)

- More than 34 years' experience from Royal Dutch Shell's international operations
- Former Technical Director for Shell Gabon (2010-2014)
- M.Sc. from Norwegian University of Science and Technology (NTNU), Norway
- Shell Leadership Development Programmes & Business Leadership INSEAD

<u>Audit Committee</u>	<u>Gender</u>	<u>Technical & Commercial Committee</u>	<u>Gender</u>	<u>Remuneration Committee</u>	<u>Gender</u>
Hilde Drønen	F	Russell Scheirman	M	Andreas Sohmen-Pao	M
Russell Scheirman	M	Tormod Vold	M	Tormod Vold	M

Management



Carl K. Arnet, CEO

- Former CEO BW Offshore, APL
- Board member of BW Offshore and Den Norske Krigsforsikring for Skib
- Former board member of Maritime and Port Authority of Singapore
- Held senior operating positions at Norsk Hydro (E&P division)
- M.Sc. from Norwegian University of Science and Technology (NTNU) and MBA from Norwegian School of Management (BI), Norway



Knut R. Sæthre, CFO

- Former CFO of BW Offshore and Managing Director of BW Offshore Norway
- Finance Director of APL Plc and President of APL Norway
- More than 30 years of international experience from Aker and ABB
- Lic.rer.pol.degree from the University of Fribourg, Switzerland and an MBA from Norwegian School of Economics and Business Administration (NHH), Norway



Lin Espey, COO

- Former Head of E&P BW Offshore
- 30 years of E&P experience from British Gas, BP, VAALCO and Memorial Resource Development
- Member of The University of Texas System Chancellor's Council
- B.Sc. in Petroleum Engineering from The University of Texas at Austin



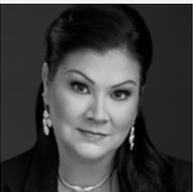
Thomas Kolanski, CCO

- Former SVP of Business Development and GM BW Offshore USA
- Joined BW Offshore in 2013, part of the strategic E&P development
- Doctor of Law from South Texas College of Law
- B.Sc. in Mechanical Engineering from The University of Texas



Thomas Young, CSO

- Former SVP of Commercial Strategy & Analysis BW Offshore
- Joined BW Offshore in 2012, developing E&P strategic initiative
- Bachelor of Commerce from Griffith University, Australia
- Double major in Finance and Economics



Tara Leiter, Executive Vice President and General Counsel

- Former Senior Lawyer at ExxonMobil and Blank Rome
- Over 20 years of experience in oil and gas, maritime, governance, trading/hedging, and large project finance
- Bachelor and two Master of Laws (International Law and Maritime Law), Malta
- Licenced to practice law in the United States and England



Liana Almeida, Senior Vice President of Human Capital

- Former VP of Human Resources for Wellbore Technologies Business Segment - NOV
- Broad Human Resources industry experience from major E&P Service Companies in US, Latin America, and Africa
- MBA in Human Resources from Pontificia Catholic University of Rio de Janeiro, Brazil
- Rice Advancement Management Program

Corporate governance report

BW Energy Limited is a Bermuda limited liability company listed on Oslo Børs, part of Euronext (Oslo Stock Exchange).

BW Energy Limited (hereinafter 'BW Energy') and its activities are primarily governed by the Bermuda Companies Act, its Memorandum of Association and its Bye-laws. Certain aspects of BW Energy's activities are governed by Norwegian law pursuant to the Listing Agreement between the Oslo Stock Exchange and BW Energy. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply.

1. Implementation and reporting on corporate governance

The Board of Directors (the 'Board') is of the opinion that the interests of BW Energy, and its shareholders taken as a whole, are best served by the adoption of business policies and practices which are legal, compliant, ethical, and open in relation to all dealings with customers, potential customers and other third parties. These policies are fair and in accordance with market practice in relationships with employees and are also sensitive to reasonable expectations of public interest.

The Board therefore commits BW Energy to good corporate governance and has adopted the most current version dated 14 October 2021, of the Norwegian Code of Practice for Corporate Governance (the 'Code'), prepared by the Norwegian Corporate Governance Board.

The Board provides an overall overview of BW Energy's corporate governance practices in BW Energy's Annual Report. The overview addresses each individual point of the Code and provides an explanation and description of the chosen alternative approach if BW Energy's practice varies from the Code. As of 31 December 2022, BW Energy's practices did not comply with the following recommendations of the Code:

- Section 2 (Business): BW Energy's objectives are wider and more extensive
- Section 3 (Equity and Dividends): Board's powers to issue and purchase shares are neither limited to specific purposes nor to a specified period
- Section 5 (Shares and negotiability): The Board may decline to register the transfer of any share if the transfer results in BW Energy being deemed a 'Controlled Foreign Company' in Norway
- Section 8: The composition of the Board does not meet the recommended gender guidelines of the Code

2. The Business

In accordance with common practice for Bermuda incorporated companies, BW Energy's objectives as set out in BW Energy's Memorandum of Association are wider and more extensive than recommended by the Code.

The Board is responsible for and leads BW Energy's strategic planning, including the definition of clear objectives, strategies, and risk profile for BW Energy's business activities, such that BW Energy creates value for the shareholders and affected stakeholders in a sustainable manner. BW Energy's objectives, main strategies and risk profile are reviewed annually and are described in the annual report, and consider financial, social, and environmental factors.

BW Energy has implemented corporate values, ethical guidelines, and guidelines for corporate social responsibility. These values and guidelines are described in BW Energy's Code of Ethics and Business Conduct and internal policies, as well as in the Sustainability section included in the annual report.

3. Equity and Dividends

On 31 December 2022, BW Energy's consolidated equity was USD 615.3 million, which is equivalent to 51% of total assets. The Board continuously evaluates BW Energy's capital requirements to ensure that BW Energy's capital structure is suitable considering BW Energy's objectives, strategies, and risk profiles.

Pursuant to BW Energy's Bye-laws, the Board is authorised to declare dividends to the shareholders. The following dividend policy has been approved by BW Energy's Annual General Meeting (AGM) and is published on BW Energy's website:

'BW Energy has an objective to generate long-term member returns which will be achieved through growth and dividend payments. BW Energy targets a dividend based on a pay-out ratio of 50% of annual net profit, adjusted for extraordinary items. The timing and amounts for such dividend payments will be decided by the Board, considering overall financial condition, capital requirements, including capital expenditure commitments, and general business conditions.'

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board has wide powers to issue any authorised unissued shares in BW Energy on such terms and conditions as it may decide and may exercise all powers of BW Energy to purchase BW Energy's own shares.

The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended in the Code.

4. Equal treatment of shareholders

BW Energy has one class of shares. Each share in BW Energy carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis unless there is just cause for treating them differently.

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the shareholders of BW Energy do not have pre-emption rights in share issues unless otherwise resolved by BW Energy. The Code requires that any decision to issue shares without pre-emption rights for existing shareholders shall be justified. In the event that BW Energy waives the pre-emption rights of existing shareholders, the Board of Directors will explain the justification in the stock exchange announcement issued in connection with the increase in share capital. There were no share issues in 2022.

Any transactions BW Energy carries out in its own shares shall be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in BW Energy's shares, BW Energy shall consider other ways to ensure equal treatment of all shareholders. There were no transactions in its own shares in 2022.

5. Shares and negotiability

BW Energy's constituting documents do not impose any restrictions on the ability to own, trade or vote for shares in BW Energy and the shares in BW Energy are freely transferable. However, the bye-laws include a right for the Board to decline to register the transfer of any share, and may direct the Registrar to decline (and the Registrar shall decline if so requested) to register the transfer of any interest in a share held through Verdipapirsentralen (VPS), where such transfer would, in the opinion of the Board, likely result in 50% or more of the aggregate issued and outstanding share capital of BW Energy, or shares of BW Energy to which are attached 50% or more of the votes attached to all issued and outstanding shares of BW Energy, being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or, alternatively, such shares being effectively connected to a Norwegian business activity, or BW Energy otherwise being deemed a Controlled Foreign Company as such term is defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid BW Energy being deemed a Controlled Foreign Company pursuant to Norwegian tax rules. The Board did not decline to register the transfer of any shares in 2022.

6. General meetings

The AGM normally takes place on or before 31 May each year. The 2022 AGM was held on 26 May. The Board seeks to ensure that as many shareholders can participate in BW Energy's general meetings and that the general meetings are an effective forum for the views of shareholders and the Board. To facilitate this:

- the notice and the supporting documents and information on the resolutions to be considered at the general meeting shall be available on BW Energy's website no later than 21 calendar days prior to the date of the general meeting.
- the resolutions and supporting documentation, if any, shall be sufficiently detailed, comprehensive, and specific to allow shareholders to understand and form a view on matters that are to be considered at the meeting.
- the registration deadline, if any, for shareholders to participate at the general meeting shall be set as closely to the date of the general meeting as practically possible and permissible under the provision in the Bye-laws.
- the members of the Board of Directors and the chairperson of the Nomination Committee are present at the general meeting; and,
- the shareholders shall have the opportunity to vote separately on each individual matter, including on each individual candidate nominated for election to BW Energy's Board and committees (if applicable).

Registration is made in writing, sent by post or e-mail. Shareholders who cannot be present at the general meeting must be given the opportunity to vote by proxy or to participate by using electronic means. BW Energy shall in this respect:

- provide information on the procedure for attending by proxy.
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and,
- prepare a proxy form, which shall, as far as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election.

Pursuant to common practice for Bermuda incorporated companies, BW Energy's Bye-laws state that the general meeting shall be chaired by the chairperson of the Board unless otherwise agreed by a majority of those shares represented at the meeting. Notwithstanding the aforesaid, the chairperson of the Board may appoint another person to act as chairperson of the general meeting, and in the absence of the chairperson, or a person appointed to act as chairperson, a chairperson shall be appointed or elected by those present at the meeting and entitled to vote. In the absence of the Chairman of the Board, Mr Michael Gerard Smyth chaired the 2022 AGM.

The minutes of general meetings are published on BW Energy's website no later than three business days after the date of the meeting.

7. Nomination Committee

The Nomination Committee composition is determined at BW Energy's general meeting from time to time and the members are appointed by a general meeting resolution, including the chair of the committee. The general meeting determines the remuneration of the Nomination Committee and stipulates guidelines for the duties of the Nomination Committee. The guidelines were approved by the 2020 AGM and are available at www.bwenergy.no.

The composition of the Nomination Committee should reflect a broad range of shareholder interests. The majority of the committee shall be independent of the Board and the executive personnel of BW Energy. No member of the Nomination Committee shall be a member of the Board of Directors and the committee shall not include the executive personnel of BW Energy.

The Nomination Committee proposes candidates for election to the Board. The Nomination Committee also is responsible for proposing the remuneration to be paid to the members of the Board. The Nomination Committee explains how the committee arrived at its proposal for each candidate. BW Energy established a deadline for the Nomination Committee to propose candidates of no later than four weeks prior to the AGM.

On 31 December 2022, the Nomination Committee consisted of Sophie Smith (Chair), Bjarte Bøe and Elaine Yew Wen Suen. The current committee members were appointed at the 2022 AGM. The Nomination Committee held one meeting in 2022.

BW Energy Board of Directors' Nomination Committee

Name	Role	Considered independent of the main shareholder and management	Served since	Shares in BW Energy (direct/indirect)
Ms Sophie Smith	Chair	Yes	2022	0
Mr Bjarte Bøe	Member	Yes	2020	0
Ms Elaine Yew Wen Suen	Member	Yes	2020	0

8. The composition and independence of the Board

The Board composition is governed by BW Energy's Bye-laws. The Board shall consist of between five to eight directors. The directors are elected for a period of one year unless otherwise determined by the general meeting. Members of the Board may be re-elected. Only a minority of the directors participating in any decision can be domiciled or living in Norway. The same shall be reflected in the composition of the Board. The Board appoints the chair amongst the elected Board members.

The composition of the Board ensures that it can act independently of any special interests. A majority of the shareholder-elected members of the Board are independent of BW Energy's executive personnel and material business connections of BW Energy. In addition, at least three of the members of the Board are independent of BW Energy's major shareholder(s). A major shareholder is defined as owning 10% or more of BW Energy's shares or votes, and independence entails that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question. The Board does not include BW Energy's Chief Executive Officer or any other executive personnel.

Given the diverse qualifications, experience, background and profile of the Directors, the composition of the Board meets BW Energy's need for expertise, capacity, and diversity. It does not meet the recommended gender guidelines of the Code. A brief description of the directors and their respective areas of expertise are presented in the annual report and on BW Energy's website www.bwenergy.no.

Name	Role	Considered independent of the main shareholders and management	Served since	Term expires	Participation in board meetings in 2020	Shares in BW Energy (direct/indirect)	Nationality
Mr Andreas Sohmen-Pao	Chairman	No	2019	2023	100%	99,225,342	Austrian
Mr Marco Beenen	Director	No	2019	2023	100%	29,394	Dutch
Ms Hilde Drønen	Director	Yes	2020	2023	100%	0	Norwegian
Mr Russell Scheirman	Director	Yes	2019	2023	100%	0	American
Mr Tormod Vold	Director	Yes	2019	2023	100%	0	Norwegian

At the AGM on 26 May 2022, the Board re-elected Mr Andreas Sohmen-Pao, Mr Marco Beenen, and Mr Russell Scheirman as directors to the Board for a period of one year until the AGM in 2023.

Members of the Board may own shares in BW Energy.

9. The work of the Board

The Board is ultimately responsible for the management of BW Energy and for supervising its day-to-day management. The duties and tasks of the Board are detailed in BW Energy's Bye-laws.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy, and implementation. The Board issues instructions for its own work, as well as for the executive personnel, with particular emphasis on clear internal allocation of responsibilities and duties.

In case of material transactions between BW Energy and a shareholder, a shareholder's parent company, director, officer, or person(s) closely related to any of these, BW Energy has guidelines and procedures on how the Board and executive personnel of BW Energy shall handle agreements with related parties, including when the Board will obtain a valuation from an independent third party. Independent valuations shall also be obtained in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Directors and officers of BW Energy and other leading personnel shall notify the Board if they directly or indirectly have a significant interest in matters to be considered by the Board.

The terms of reference for the Audit Committee and the Technical and Commercial Committee set out specific procedures for handling transactions between BW Energy or any of its subsidiaries on one side and companies within the BW Offshore group on the other side. These procedures are in place to ensure that related party transactions are carried out on arm's-length terms.

Each year, the Board schedules in advance a number of regular meetings for the following calendar year and additional meetings may be called by the Chairman of the Board as needed. The Board held five meetings in 2022. The directors normally meet in person, but if allowed by the Chairman of the Board, directors may participate in any meeting of the Board by means of video conference. Minutes in respect of the meetings of the Board are kept by BW Energy in Bermuda.

The following Board committees were appointed at year-end 2022:

Audit Committee

The Audit Committee acts as a preparatory and advisory committee for the Board. The Audit Committee is responsible for approving the Board's annual review of BW Energy's most important areas of exposure to risk and its internal control arrangements, as well as an annual supervisory plan for internal audit work. The Audit Committee follows up on internal controls in connection with quarterly reviews of the Group's financial reporting, in addition to two meetings in which internal control issues are addressed specifically. The Chief Financial Officer, BW Energy's other relevant senior staff, and representatives of the external auditor, attend the meetings of the Audit Committee. At least once a year, the Board and the Audit Committee review BW Energy's internal control procedures relating to its financial reporting process. On 31 December 2022, the Audit Committee consisted of Ms Hilde Drønen (Chair) and Mr Russell Scheirman, both of whom are independent members of the Board.

Technical and Commercial Committee

The Technical and Commercial Committee (TCC) assists the Board in fulfilling its responsibility with regard to the management of BW Energy's business, which include advising the Board on commercial and technical matters of BW Energy's operations, including potential investments or divestments by the Group, overall exploration, and field development plans (including any significant changes or updates thereto) and any material procurements and commitments. The TCC reviews, at

least annually, the systems utilized by BW Energy for identifying areas of material business risk, for measuring their possible impact on the Group and the procedures in place to mitigate the impact of such risks and it shall report to the Board accordingly. On 31 December 2022, the Technical and Commercial Committee consisted of Mr Russell Scheirman (Chair) and Mr Tormod Vold, both of whom are independent members of the Board.

Remuneration Committee

The Remuneration Committee acts as a preparatory and advisory committee for the Board in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. On 31 December 2022, the Remuneration Committee consisted of Mr Andreas Sohmen-Pao (Chair) and Mr Tormod Vold, both of whom are also members of the Board. The Board carries out an annual evaluation of its performance and expertise.

10. Risk management and internal control

The Board ensures that BW Energy has sound internal control procedures and systems to manage its exposure to risks related to the conduct of BW Energy's business, to support the quality of its financial reporting and to ensure compliance with laws and regulations. Such procedures and systems contribute to securing shareholders' investment and BW Energy's assets.

Management and internal control are based on BW Energy-wide policies and internal guidelines in areas such as Finance and Accounting, HSSE, Project Management, Operations, Technical and Business Development, in addition to implementation and follow-up of a risk assessment process. The management system is central to BW Energy's internal control and ensures that BW Energy's vision, policies, objectives, and procedures are known and adhered to.

The Board annually reviews BW Energy's most important areas of exposure to risk and its internal control arrangements and an annual supervisory plan for internal audit work is approved by the Chief Executive Officer, based on HSSEQ recommendations and risk assessments carried out.

The internal auditor function is independent from the line management and reports directly to the Audit Committee.

The systems for risk management and internal control also encompass BW Energy's guidelines regarding how BW Energy integrates considerations related to stakeholders into its creation of value. Please see BW Energy's Sustainability section for further information.

BW Energy has established a Code of Conduct for BW Energy and its employees' providing guidance to employees on how they can communicate with the Board to report matters relating to illegal or unethical conduct by BW Energy.

11. Remuneration of the Board of Directors

The general meeting decides the remuneration of the Board based on a proposal from the Nomination Committee. The remuneration of the Board and its individual directors shall reflect the Board's responsibility, competence, use of resources, and the complexity of the business activities. The remuneration of the directors shall not be linked to BW Energy's performance and the directors do not receive profit related remuneration or share options or retirement benefits from BW Energy. Any remuneration in addition to normal fees to the directors is specifically stated in the annual report. Detailed information of Board remuneration can be found in Note 7 of the Consolidated financial statements.

Directors or companies related to BW Energy, shall not normally undertake special tasks for BW Energy in addition to the directorship. However, if they do so, the entire Board shall be informed, and the fee shall be approved by the Board.

12. Remuneration of the executive personnel

Bermuda law does not require a vote by the AGM regarding the guidelines for remuneration of the executive personnel. BW Energy will communicate the executive remuneration guidelines to the AGM, but the guidelines will not be subject to a vote by the shareholders.

Remuneration of the executive personnel is reviewed annually by the Remuneration Committee, which generally considers the executive personnel's performance and gathers information from comparable companies before making its recommendation to the Board for approval. Such recommendation shall contribute to execution of strategy, long-term value creation and financial viability and ensure convergence of the interests of the executive personnel and the shareholders.

Any performance-related remuneration to executive personnel is subject to an absolute limit. The limit is approved by the Board based on a recommendation from the Remuneration Committee.

Any share option programme in BW Energy available to the employees of BW Energy, and subsidiaries, requires the approval of the Board. Detailed information of remuneration, loans, shareholding of the management and any share option programmes can be found in Note 7 of the Consolidated financial statements.

13. Information and communications

BW Energy is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information is based upon transparency, openness, and equal treatment of all shareholders. A precondition for the share value to reflect the underlying values in BW Energy is that all relevant information is disclosed to the market. Based on this, BW Energy will endeavour to keep the shareholders informed about profit developments, prospects, and other relevant factors for their analysis of BW Energy's position and value. It is emphasised that the information is uniform and simultaneous.

An updated financial calendar with dates for important events, such as general meeting, publishing of interim annual reports, dates for payment of potential dividend etc., is accessible for the shareholders on www.oslobors.no and on BW Energy's website www.bwenergy.no.

Public investor presentations are arranged in connection with submission of annual and quarterly results for BW Energy. The presentations are also accessible on BW Energy's website. Furthermore, continuous dialogue is held with, and presentations are given to, analysts and investors.

Please see the Investor Relations Policy available on BW Energy's website, www.bwenergy.no.

14. Take-overs

In the event of a take-over process, the Board shall ensure that BW Energy's shareholders are treated equally and that the BW Energy's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall abide by the principles of the Code and ensure that the following take place:

- the Board shall ensure that the offer is made to all shareholders, and on the same terms.
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or BW Energy.
- the Board shall strive to be completely open about the take-over situation.
- the Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and,
- the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board shall not attempt to prevent or impede the take-over bid unless this has been decided by the shareholders in general meeting in accordance with applicable laws. The main underlying principles shall be that BW Energy's shares shall be kept freely transferable and that BW Energy shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the shareholders in general meeting in accordance with applicable law

If an offer is made for BW Energy's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board shall consider whether to obtain a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall obtain an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in Section 8 above). Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

15. Auditor

BW Energy's external auditor is KPMG AS. The auditor is appointed by the general meeting and is independent of BW Energy Limited and shall annually confirm its independence in writing to the Audit Committee.

The auditor holds office for the term resolved by the general meeting or until a successor is appointed and is responsible for the audit of the Consolidated financial statements of BW Energy. The Board ensures that the auditor annually presents an audit plan to the Audit Committee and/or the Board.

The Audit Committee invites the auditor to participate in the Audit Committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee is informed of the annual and quarterly accounts and issues of special interest to the auditor. Further, the auditor participates in meeting(s) of the Board that deal with the annual accounts. At these meetings, the auditor reviews any material changes in BW Energy's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the management of BW Energy and/or the Audit Committee.

At least once a year, the Audit Committee reviews BW Energy's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement.

The Board has established guidelines specifying the right of BW Energy's executive management to use the auditor for purposes other than auditing.

The general meeting authorises the Board to determine the remuneration of the auditor. For more information about remuneration of the auditor, see Note 7 in the Consolidated financial statements.



Shareholder information

Investor relations policy

This investor relations policy (the 'IR Policy') for BW Energy Limited ('BW Energy') is based on the Oslo Stock Exchange's rules, regulations and recommendations for listed companies, in particular the Oslo Stock Exchange Code of Practice for IR, as of 1 March 2021 (the 'Code of Practice for IR').

1. Purpose

This IR Policy shall help BW Energy build trust and awareness in the investor community by ensuring that Investor Relations is conducted in compliance with relevant rules, regulations and recommended practices.

This policy shall help ensure that shareholders, potential investors and other stakeholders shall gain simultaneous access to accurate, clear, relevant, comprehensive and up-to-date information about BW Energy.

Good relations and an open, active dialogue with shareholders, potential investors, analysts and other participants of the capital markets, shall build trust and contribute to reduced costs of capital for BW Energy.

This IR Policy shall also contribute to BW Energy's management (the "Management") and board of directors (the "Board of Directors") obtaining information about the market's views and opinion on BW Energy.

The CFO is responsible for BW Energy's Investor Relations function.

2. Shareholder contact and communication with the financial market

All communication with shareholders shall be on an equal treatment basis and in compliance with the provisions of applicable laws and regulation. BW Energy shall continuously provide its shareholders, the Oslo Stock Exchange and the financial markets in general with timely and precise information about BW Energy and its operations.

The CFO is responsible for all day-to-day contact with BW Energy's shareholders on behalf of BW Energy.

Inside information shall be dealt with in compliance with BW Energy's Insider Trading Policy. The IR team may continuously communicate with shareholders for the purposes of developing an understanding of matters affecting BW Energy from time to time are of particular importance to its shareholders. The IR team will in such cases ensure that communication with shareholders is in compliance with the provisions of applicable laws and regulations and consistent with the principle of equal treatment of shareholders.

Relevant information about BW Energy shall be given in the form of annual reports, half-year reports, quarterly reports, press releases, notices to the stock exchange and investor presentations in accordance with what is deemed appropriate from time to time. All such information shall be published on BW Energy's website, www.bwenergy.no.

BW Energy shall offer subscription service for stock exchange announcements and press releases.

3. Policy

BW Energy complies with the Code of Practice for IR. Any future deviations from the Code of Practice for IR will be explained as required by the code.

Disclosure and reporting to the financial markets and contact with shareholders, investors and analysts shall be based on the following main principles:

- **Compliance with laws and regulations:** All disclosure, communication and reporting shall be in compliance with the applicable laws and regulations from time to time, in particular the Norwegian Securities Trading Act and the Oslo Stock Exchange's continuing obligations for listed companies. BW Energy shall also comply with the relevant recommendations and market practices for reporting financial and other IR information
- **Inside information:** Unless exceptions apply and are invoked, BW Energy shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act).
- **Language:** All financial and other IR information shall be published in English.
- **Information on value drivers:** BW Energy shall publish accurate, clear, comprehensive and relevant information about its historical earnings, operations, long-term potential, strategies, risk factors, outlook and any other information that BW Energy has defined as significant and relevant value drivers for the shares. Such information shall be consistent over time, giving equal weight to positive and negative factors, thus enabling shareholders and the financial markets to draw conclusions about the value of BW Energy.
- **Guiding:** BW Energy shall not publish specific guidance on BW Energy's future financial results. BW Energy operates in accordance with a set of financial and non-financial strategic targets, established by the Board of Directors. These targets govern BW Energy's operations within a defined strategic period. The targets are communicated at least every year in connection with the annual report or as soon as they are approved by the Board of Directors and shall not be disclosed elsewhere.
- **Quiet period:** Investor and analyst meetings shall not be held in the last four weeks prior to the presentation of results. In the same period, no comments shall be made to the media or other external parties regarding BW Energy's earnings and outlook.
- **Information BW Energy's website:** BW Energy shall comply with the principles of the Code of Practice for IR in respect of disclosing information for investors and the market on BW Energy's website as further set forth therein. BW Energy shall follow the Norwegian Code of Practice for Corporate Governance, including the code's principles regarding transparency, equal treatment of shareholders and disclosure of relevant information. Information shall therefore be available on www.bwenergy.no and other places where it is relevant.

Please see the Investor Relations Policy available on www.bwenergy.no.

4. IR events and arenas

In addition to making information easily available on a timely basis to shareholders and the financial markets, the IR team prioritises raising awareness of, and interest in, BW Energy and its shares among various market participants - both nationally and internationally. To help promote this goal, the meetings and presentations described below shall be held.

5. Information available on BW Energy's website

BW Energy will make information available on its website www.bwenergy.no in accordance with the recommendations set out in the Oslo Stock Exchange's Code of Practice for IR.

Event	Description
Annual report	<p>Annual reports and presentations shall be available on www.bwenergy.no. The annual report for the current as well as the preceding three years shall be made available on BW Energy's website.</p> <p>Annual reports shall be published within three months after the end of the financial year. BW Energy shall ensure that the annual report remains available and public for the following five years, as a minimum. It is recommended by the IR Code that the annual reports are published no later than three months after the end of the accounting period, unless BW Energy has published an interim report for the fourth quarter within this deadline.</p>
Quarterly reporting	<p>Quarterly reports (i.e., interim reports for the first and third quarter and half year reports for the first and the last half of the year) shall be published as soon as possible, and within the second month after the end of the said financial period. BW Energy shall ensure that the quarterly report remains available and public for the following five years, as a minimum.</p> <p>Half-year and interim reports for the current as well as the preceding three years shall be made available on BW Energy's website.</p>
Presentations	<p>Open results presentations shall be held for investors, analysts and other stakeholders. The presentations shall be available on www.bwenergy.no.</p>
Financial calendar	<p>The reporting dates for annual, half-year and quarterly reports shall be stated in the financial calendar, which also shall include the date of the ordinary general shareholders' meeting. The financial calendar shall be published on www.bwenergy.no</p>
Investor and analyst meetings	<p>BW Energy shall hold regular meetings with investors and analysts.</p> <p>BW Energy's ability to provide information about individual market participants, including investors and analysts, is limited by regulations applicable to listed companies, including the rules on good stock exchange practices, and the general requirement of equal treatment.</p> <p>All presentations used in the meetings will be available on www.bwenergy.no.</p>
Capital markets day	<p>BW Energy will consider holding a capital markets day when appropriate to keep the market up to date on development, strategy and outlook. Capital market days will be open to all who wish to attend, and the presentations will be made available on www.bwenergy.no.</p>
Conferences, seminars, symposia, etc.	<p>Representatives from BW Energy's management will participate in various conferences and seminars where relevant.</p> <p>All relevant presentations held by BW Energy's management will be published on www.bwenergy.no.</p>

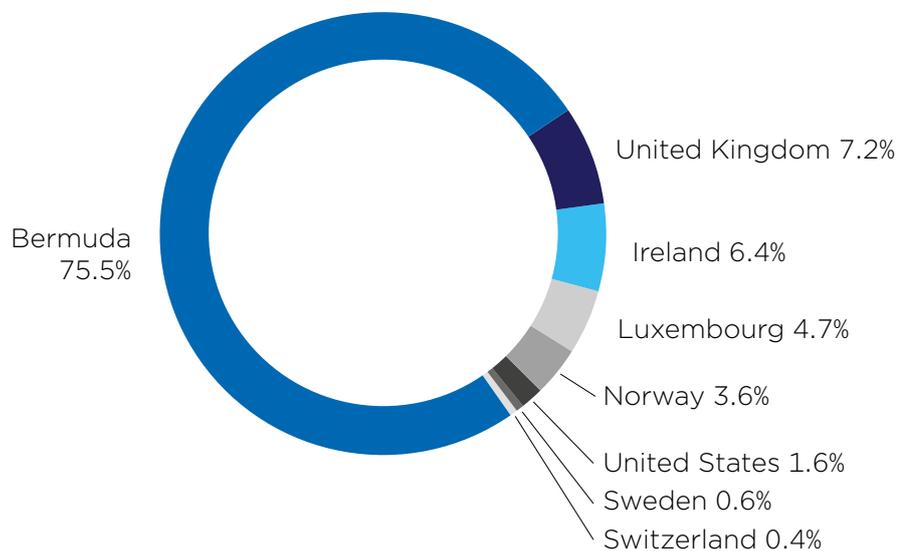
Top 20 shareholders

Rank	Holding	Stake %	Name
1	99,225,342	38.46	BW GROUP LIMITED
2	65,572,433	25.42	BW Offshore Limited
3	13,894,775	5.39	Cobas Asset Management
4	9,694,338	3.76	JPMorgan Chase Bank, N,A, London
5	4,255,725	1.65	VERDIPAPIRFONDET STOREBRAND NORGE
6	4,049,163	1.57	Brown Brothers Harriman (Lux,) SCA
7	3,821,010	1.44	Carl Arnet, CEO
8	2,983,011	1.16	JPMorgan Chase Bank, N,A,, London
9	1,505,284	0.58	Merrill Lynch International
10	1,500,166	0.58	The Northern Trust Comp, London Br
11	1,429,022	0.55	JPMorgan Chase Bank, N,A, London
12	1,420,582	0.55	Nordnet Bank AB
13	1,334,401	0.52	Danske Invest Norge Vekst
14	1,301,174	0.50	BNP Paribas
15	1,262,396	0.49	State Street Bank and Trust Comp
16	1,255,902	0.49	MP PENSJON PK
17	1,037,903	0.40	Pictet & Cie (Europe) S,A,
18	958,096	0.37	UBS Switzerland AG
19	908,191	0.35	AS CLIPPER
20	859,099	0.33	Goldman Sachs & Co, LLC

As of December 31, 2022

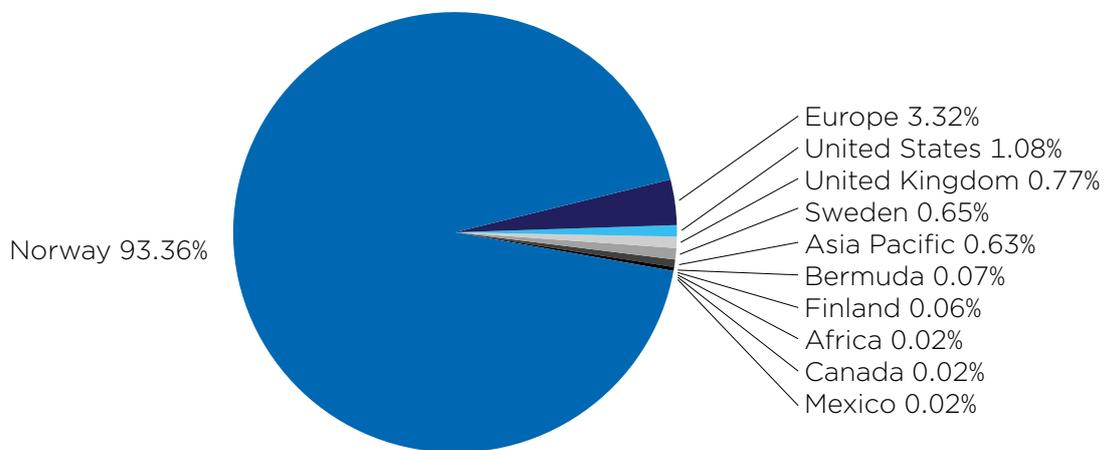
Top 20 Shareholders hold 84.7% of total BW Energy Limited shares.

GEOGRAPHICAL DISTRIBUTION OF TOP 20 SHAREHOLDERS HOLDINGS





GEOGRAPHICAL DISTRIBUTION OF ALL 5,358 SHAREHOLDERS



A full-page background image of a sunset over the ocean. The sun is on the right side, partially obscured by dark, heavy clouds. The sky is filled with various cloud formations, some catching the golden light of the setting sun. The ocean surface is dark with a shimmering golden reflection of the sun on the right side. The horizon line is visible in the distance.

Sustainability



Sustainability

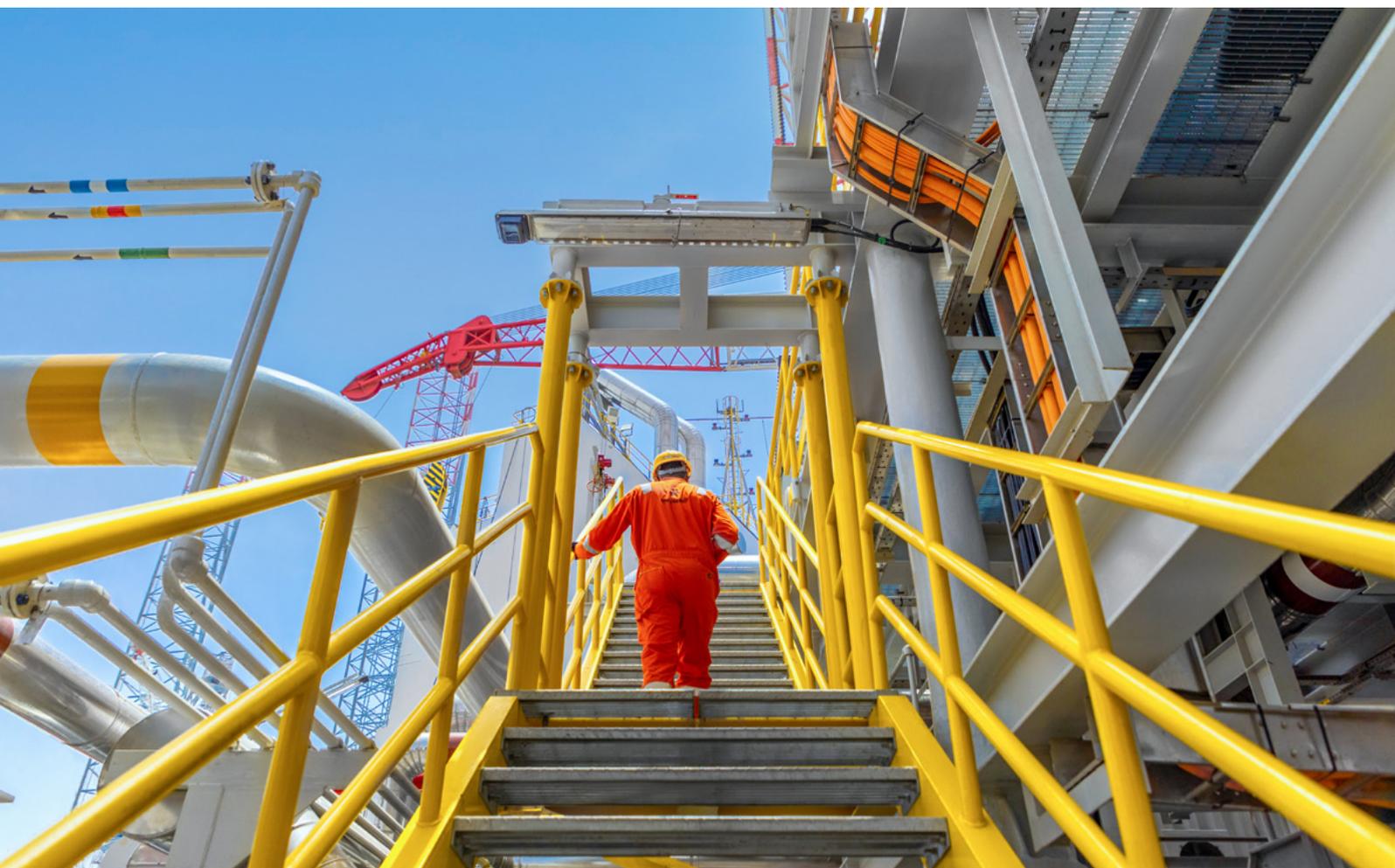
Guided by purpose, vision, and principles

BW Energy strives to achieve responsible development through the alignment of financial results, value creation, and sustainability.

BW Energy recognises the threats and challenges climate change poses to society and the environment and shares the global commitment towards cleaner, affordable energy sources for all and is committed to reducing greenhouse gas emissions. BW Energy's field development strategy is founded on re-use of existing energy infrastructure, allowing for increased economic value creation while minimising GHG emissions and waste generation during the development of proven oil and gas reservoirs.

The BW Energy Board of Directors is responsible for BW Energy's sustainability and corporate social responsibility policies, which in addition to providing robust ethics and compliance policies, also provides the guiding principles governing BW Energy's culture, operations, and activities.

BW Energy carries out its sustainability objectives by unlocking proven offshore oil and gas resources world-wide, and by utilising existing energy infrastructure to reduce development costs, project delivery time, and carbon emissions.



BW Energy's commitment to sustainability

Drawing upon the reporting guidelines of the International Oil and Gas Producers (IOGP), the American Petroleum Institute (API), the International Petroleum Industry Environmental Conservation Association (IPIECA) and the Global Reporting Initiative (GRI) standards, this report provides information about BW Energy's sustainability initiatives, progress, and performance during 2022 and reflects a commitment, ongoing since inception, to integrate sustainability principles and practices in all appropriate processes and daily operations.

BW Energy is committed to providing safe, efficient, and affordable energy and investment to support economic growth in countries in which BW Energy operates. Satisfactory financial performance over time is considered a pre-requisite for creating stakeholder value.

During 2020, prior to BW Energy's IPO as a standalone company, a materiality analysis was performed, which canvassed risk factors and opportunities that BW Energy's stakeholders perceived as important to BW Energy's long-term value creation. External stakeholders that participated in the process included customers, partners, regulators, supply chain, investors, and lenders. BW Energy defined the following as the most important factors for long-term value creation for all stakeholders:

- A strong governance framework
- Safe and secure operations
- Environmentally and socially conscious operations
- Being a non-discriminatory and fair employer

Throughout 2022 considerable progress was achieved developing the Operations Management System (OMS) covering, amongst others, relevant sustainability-related aspects of BW Energy's E&P activities. The OMS maps the various components of the organisation's environmental and social management system (ESMS) to the sustainability focus areas outlined above. It also links up to the UN Sustainable Development Goals (SDGs) where BW Energy can have the greatest impact.

The substance of BW Energy's ESMS (comprising policies, standards, management plans and procedures) was developed to ensure compliance with regulatory requirements of the countries where we conduct E&P activities as well as with applicable aspects of the following international sustainability standards:

- Equator Principles IV (EP) (dated July 2020 and effective 1 October 2020)
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (2012) (the IFC Performance Standards)
- World Bank Group (WBG) Environmental, Health and Safety (EHS) Guidelines (April 2007)
- WBG EHS Guidelines for Offshore Oil and Gas Development (June 2015)

Key sustainability highlights during 2022

Environment

- Established environmental and sustainability action plan for the Dussafu field
- Performed critical habitat assessments in Gabon
- Published biodiversity and invasive species action plans in Gabon
- Initiated flaring reduction plan for the Dussafu field

Social

- Provider of safe and secure jobs as local employer in underdeveloped areas
- Supporting local communities by providing academic tutoring for Gabon high school students
- Supported renovations at Omar Bongo University, Libreville, Gabon
- Established multiple social impact projects in the areas we operate
- Created Pippa the Dolphin, brand ambassador that represents diversity, inclusion, and promotes BW Energy values

Sound governance

- Initiated and published Sustainability section aligned with IOGP Guidelines
- Issued emissions reporting methodologies aligned with IOGP Guidelines
- Developed and deployed the BW Energy Operations Management System
- Committed to minimising environmental impact

UN Sustainable Development Goals

- BW Energy Social Performance Policy including EPIV Human Rights
- BW Energy Third Party Grievance Management Procedure
- BW Energy Regulatory Action Plan and Legal Register



- BW Energy has a zero-harm objective for personnel and the environment in all its operations.
- Provided food packages to low-income communities



- Supported internship programmes for university students
- Sponsored university business forums to encourage and promote entrepreneurship



- Supported General Directorate of fisheries in Gabon on assessment of seafood stocks
- Collaborated with local environmental and conservation organisations to monitor impacts of production operations on biodiversity and protected species



Safety first - zero harm objective for people and environment

BW Energy is dedicated to operating in a safe, efficient, and responsible manner, with zero harm to people, the environment, or the communities in which we operate. BW Energy strives to follow the best practices in the industry with the Health, Safety, Security & Environmental (HSSE) department tasked with ensuring that all necessary protocols and requirements are met or exceeded. This department helps BW Energy maintain a high level of performance and compliance in all its operations. BW Energy also has measures in place to manage potential risks and take proper care of equipment and property.

BW Energy aims to be a leader in the industry and minimise incidents that may cause harm to people or the environment. BW Energy closely tracks its performance and takes swift action if there are any concerning trends. Employees have the authority to stop any action they consider to be unsafe and to raise any concern without fear of retaliation. The goal is to have the lowest number of accidents and incidents that could impact safety, health, or the environment.

BW Energy has set up systems and tools to demonstrate how it is meeting its goals and standards for safe, efficient, and responsible operations. The process is based on BW Energy's goals, and the function of the Health, Safety, Security & Environmental (HSSE) department, which helps BW Energy achieve and surpass these goals through ongoing continuous improvement work. Our aim is to be transparent about our performance and compliance in a clear and straightforward manner.



HSSE framework

The BW Energy HSSE framework is a structured approach to achieving efficient, reliable, and compliant operations with zero harm. It is based on three core elements – people, process, and plant – and is designed to promote repeatable operational excellence and continuous improvement. The framework is defined within the BW Energy Management System and includes a comprehensive assurance programme that identifies opportunities for improvement.

HSSE performance

BW Energy tracks leading indicators like Process Safety, Occupational Safety, Environmental and Asset Integrity to anticipate future performance issues to proactively address and improve. BW Energy follows IOGP guidelines for incident reporting to benchmark with the industry.

Lost Time Injury (LTI) is an injury in the workplace that results in the injured person being unable to resume normal duties in their next or subsequent shifts, while Total Recordable Injuries (TRI) include lost time injuries, restricted work cases, and medical treatment cases. High Potential Incident (HPI) is an incident that could realistically have resulted in one or more fatalities or major damage under slightly different circumstances but did not cause harm or damage.

HSSE compliance

The *BW Adolo* FPSO used by BW Energy on the Dussafu licence is certified according to the International Ship and Port Facility Security code. BW Energy has a security policy in place to prevent unauthorised access and the introduction of dangerous items to protect its assets and ensure zero harm to personnel. BW Energy did not have any significant security incidents in 2022.

Continuous improvement

BW Energy views failures as an opportunity to learn and improve. BW Energy has established an effective process to identify the root causes of deviations and transform them into real improvements, progressively building on experience and strengthening performance. BW Energy's actions for continuous improvement include:

- Regularly monitoring health and safety indicators
- Periodically reviewing risk assessments and control measures
- Conducting incident investigations, identifying improvement changes
- Circulating safety alerts to the wider organisation
- Implementing health and safety initiatives
- Conducting audits, verifications, and inspections
- Facilitating senior management oversight
- Implementing effective solutions based on all the above

Future priorities

In 2023, BW Energy's priorities include further developing additional HSSE awareness campaigns and actively engaging with contractors to maintain a leading HSSE and LTI performance. BW Energy also plans to subject its Environmental Management System to continuous improvement to ensure continued compliance with the Equator Principles requirements, a financial industry benchmark used to determine, assess, and manage environmental and social risks in projects.

Environmentally conscious operations

During 2022, BW Energy made substantial progress developing and embedding the key elements of an Operations Management System (OMS) covering the key material sustainability topics. The main environmental focus areas have been:

- Climate risks and action
- Air emissions and energy use
- Biodiversity
- Marine discharges

The effort invested in implementing the OMS, which facilitates alignment with the Equator Principles as well as the environmental and social standards of the International Finance Corporation and the World Bank Group, positions BW Energy well to proactively navigate the risks and opportunities arising from the heightened global focus on sustainability issues.

BW Energy's business model/strategy has some inherent environmental benefits by (1) utilising already "sunk" CO₂ emissions as it minimises the need for exploration drilling, (2) supporting a circular economy by re-using and extending the useful life of existing offshore production infrastructure and (3) significantly reducing the construction-phase-related GHG emissions of field development that would otherwise arise if new production facilities were to be manufactured. A study comparing the construction-phase GHG emissions for refurbishing the *BW Adolo* FPSO versus an equivalent new-build FPSO, estimated an approximately 70% saving on GHG emissions. The study covered emissions from materials used (steel), energy consumed to do the shipyard work as well as facility transit-related emissions.

Environmental performance

BW Energy monitors a range of operational parameters that enables us to assure compliance with environmental regulatory requirements and determine effectiveness of the various techniques that are deployed to minimise the environmental impacts of our hydrocarbon exploration and production activities. In line with recommended industry good practice, BW Energy has selected some key indicators of environmental performance for inclusion in this report. Please refer to the operational control KPI Table 2.

Climate risk and action

For details, please refer to the section of this report that contains our TCFD statement. In Gabon, the regulatory requirements relating to climate change were recently augmented by promulgation of the Climate Change Ordinance. BW Energy initiated a programme in 2020 to overhaul internal processes for estimating GHG emissions and has facilitated efficient compliance with these new regulations.

Air emissions and energy use

During 2022, the estimated total amount of Scope 1 (direct) GHG emissions of 127,824 tons of CO₂ equivalent came from the following combustion sources:

- Flaring 49.9%
- Diesel combustion 26.6%
- Fuel gas combustion 23.5%

The approximately 4.5% increase in direct GHG emissions compared with 2021 is mostly attributable to greater consumption of diesel. During the same period, there was a 3.4% reduction in flaring GHG emissions.

GHG emissions arising from the use of fluorinated gases on *BW Adolo* are part of the FPSO owner's Scope 1 emissions and are therefore calculated and reported by BW Offshore and not by BW Energy.

During 2022, BW Energy commenced monitoring of Scope 2 (indirect) GHG emissions arising from purchased electricity for the office in Rio de Janeiro. For this reason, plus marked growth in the number of onshore office-based personnel in Gabon, Scope 2 emissions in 2022 grew to 235tCO₂e from 148tCO₂e in 2021.

Tracking of selected Scope 3 (indirect) GHG emissions has continued as in previous years, however, in keeping with IPIECA/API/IOGP current guidelines, are not within the scope of this report. These include contracted services for: offshore drilling, support / supply vessels, and personnel transfers offshore / onshore by helicopter. Oil production volumes reported elsewhere in this document may be used by stakeholders as a basis for calculating Scope 3 GHG emissions from consumer use of the product.

In line with current recommended good practice, BW Energy regularly analyses the chemical composition and physical characteristics of the conditioned associated gas used as a fuel source to generate power on *BW Adolo*. The net calorific value of the fuel gas was adjusted upwards based on the latest laboratory analysis of samples from the fuel gas scrubber. This adjustment, combined with greater consumption of diesel, has resulted in increased direct energy use compared with the previous year. Indirect energy use (energy from non-renewable sources used to generate purchased electricity) is reported for the first time.

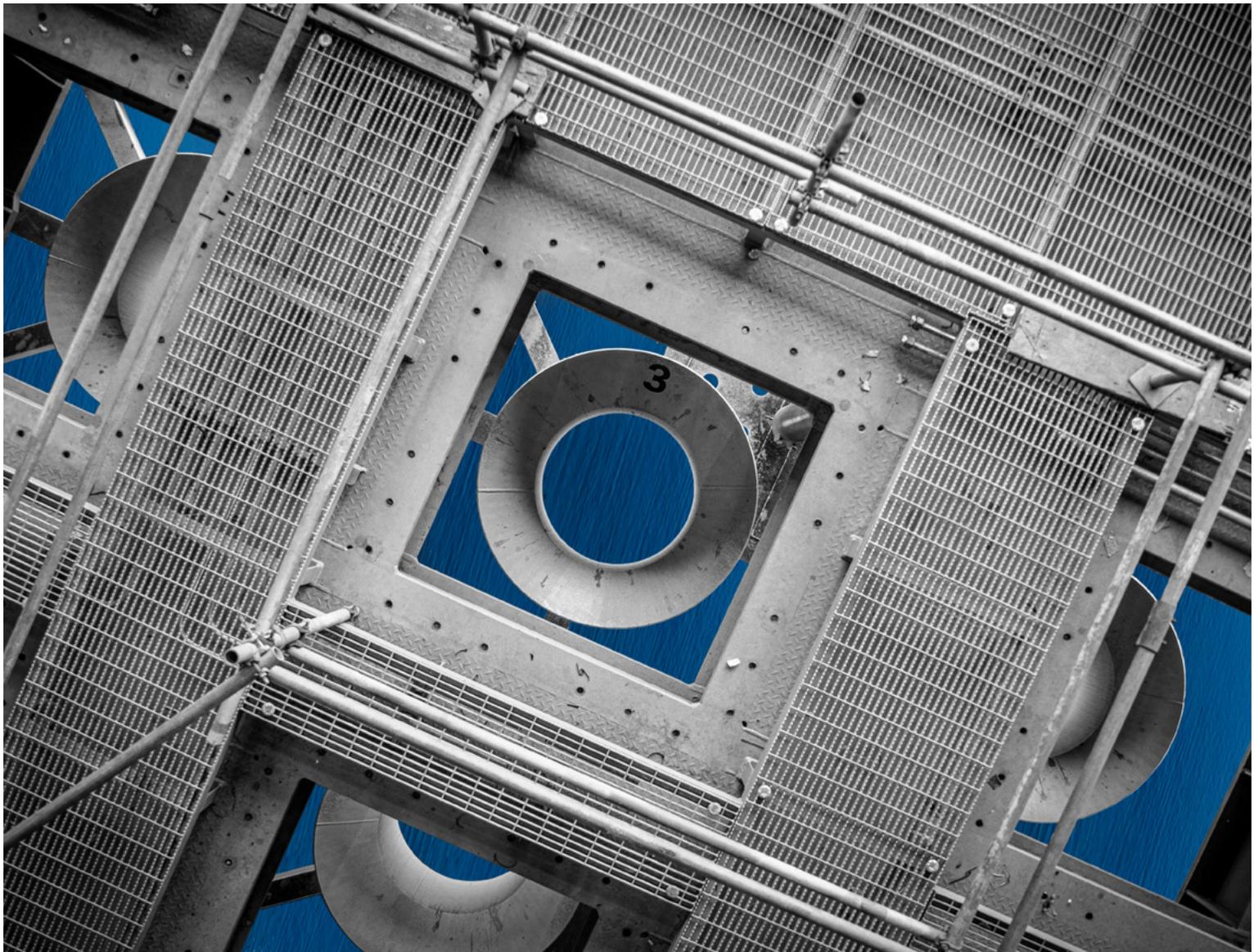
Biodiversity

To coincide with increased offshore construction and installation activity associated with the Ruche Phase 1 Project, BW Energy launched a focused campaign offshore Gabon to minimise the risk of Project vessels impacting marine mammals and turtles. The principal risks were identified to arise from underwater noise and potential collisions. This biodiversity conservation initiative for cetaceans and turtles had two main elements: (1) development of a biodiversity action and management plan including a BW Energy Vessel Code of Conduct and (2) the deployment of Gabonese Marine Mammal Observers to assist vessel masters undertaking the various construction and installation scopes of work and to gather and monitor data regarding the observed presence of whales, dolphins, turtles, and sea birds. The potential introduction of alien invasive species of marine flora and fauna into this area of high marine conservation value was also identified as a plausible risk during execution of the project. This was managed by development and implementation of a BW Energy alien invasive species management plan with a strategy centred upon the compliance of all vessels with the international conventions for managing bio-fouling and ballast waters.

Recognising the benefits of collaborating with key biodiversity conservation stakeholders in the government and NGO sector in Gabon, BW Energy has adopted a formal strategy for partnering with experts in Gabon in initiatives to enhance and supplement the existing baseline data relating to flagship species of marine mammals and turtles within the Marine Protected Area in which the Dussafu Block is located. The strategy will be implemented during 2023 and is designed to implement the BW Energy biodiversity action and management plan.

Discharges to ocean

With reference to the table containing the operational control KPIs, the *BW Adolo* FPSO continued to achieve very low concentrations of oil in produced water discharged overboard. Results compare very favourably with performance benchmarks compiled from IOGP member data. Produced water also contains traces of production chemicals. During 2022, BW Energy adopted a standard to be phased in during 2023 whereby chemical products for use on offshore production facilities are required to achieve alignment with ecotoxicity, bioaccumulation, and biodegradation requirements of the Offshore Chemical Notification Scheme, which the UK Department for Business, Energy & Industrial Strategy regulates. Produced water and cooling waters from the production process and power generation systems also discharge heat into the ocean. BW Energy commissioned thermal plume discharge modelling studies for both *BW Adolo* and *BW MaBoMo* which concluded that both facilities are compliant with the World Bank Group targets for thermal pollution of marine environments. Besides chronic, low-grade chemical and physical discharges to the ocean, BW Energy's offshore oil and gas operations could potentially result in acute hydrocarbon spills with impacts on marine life and the ocean's ability to render ecosystem services to the local economy and communities resulting in impacts to livelihoods. To further mitigate the risk in the event of a major loss of containment during 2022, BW Energy undertook a major overhaul of the emergency preparedness and response plans and systems for its operations offshore Gabon. There were no oil or chemical spills to ocean exceeding one barrel during the reporting period.



OPERATION CONTROL KPIS

HEALTH & SAFETY PERFORMANCE		2021	2022
HEALTH & SAFETY STATISTICS			
TRI		2	1
LTI (including contractors)		1	0
Hours Worked - BWE, Contractors, <i>BW Adolo</i> FPSO		1,072,159	3,098,356
SECURITY & ENVIRONMENT STATISTICS			
Environmental spills > 1 bbl		0	0
Security incidents		0	0

Table 1: Health and safety performance KPIs

For additional information, please see the GRI content index 2022.



ENVIRONMENTAL METRICS	Unit	2021	2022
ENERGY			
Direct energy use	GJ	854,300*	966,809
Indirect energy use	GJ		5,401
Total energy use	GJ		972,210
GREENHOUSE GAS EMISSIONS			
CO ₂ equivalent	Te	122,107	127,824
N ₂ O	Te	5.7	6.2
CH ₄ (Methane)	Te	214	207
CO ₂	Te	114,604	120,385
CO ₂ equivalent per barrel produced	kg/bbl	29.6	33.1
NON-GREENHOUSE GAS EMISSIONS			
CO	Te	155	167
NO _x	Te	77	139
SO ₂	Te	32.9	42.2
nmVOC	Te	213	208
FLARING			
Flared gas	mmscf	485	533
MARINE DISCHARGES & CHEMICAL MANAGEMENT			
Produced water discharged to sea	bbl	884,347	1,382,199
Oil in water content	ppm	7.5	7.1
WASTE			
Total waste	m ³	1,955	1,526
General waste	m ³	1,608	1,481
Recyclable waste	m ³	DNR	DNR
Hazardous waste	m ³	347	45

Table 2: Environmental KPIs

* The direct energy use calculation for 2021 was restated based on gas chromatography

DNR – data not recorded

For additional information, please see the GRI content index 2022.

Additional information on calculations of environmental KPIs

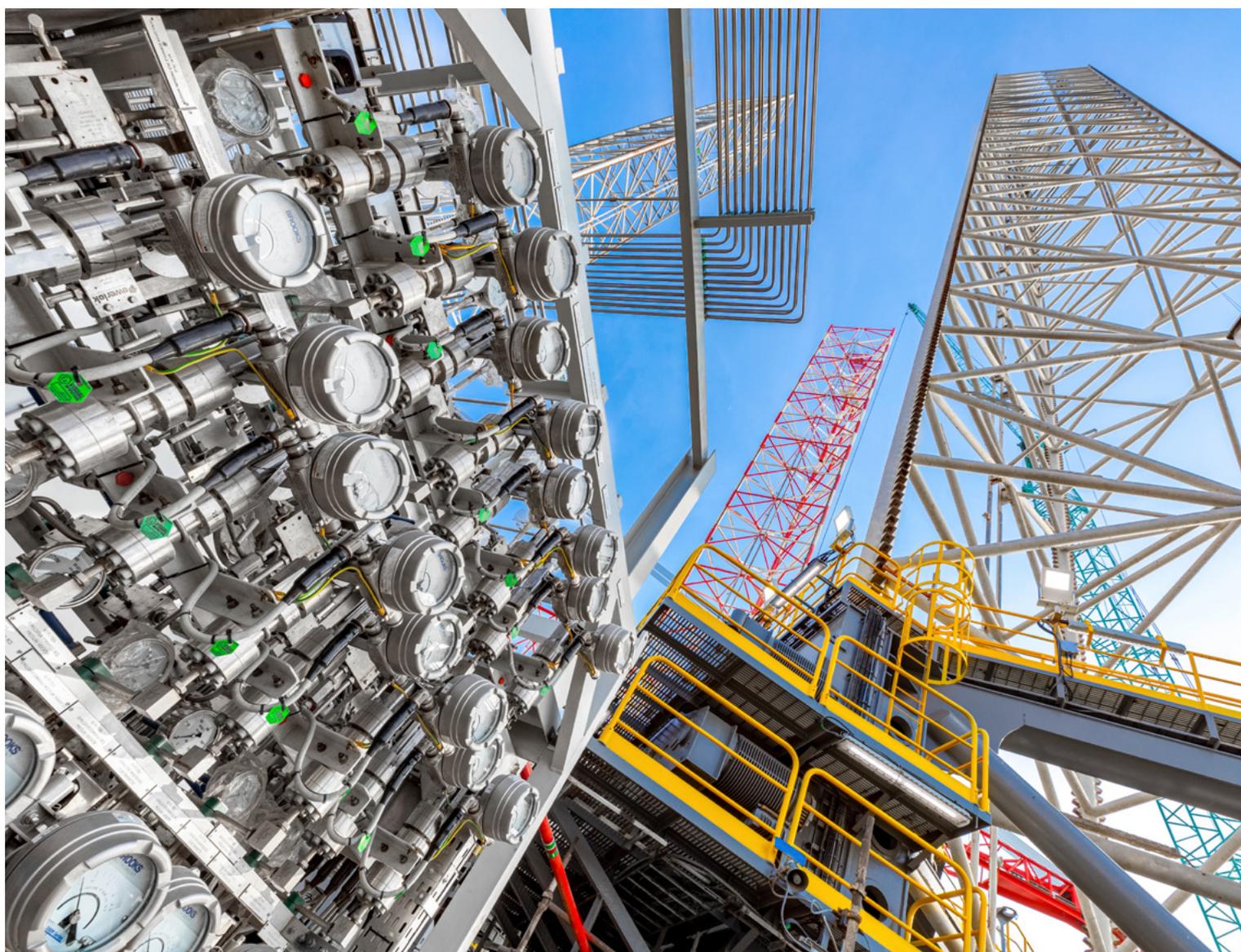
BW Energy is a member of the International Association of Oil and Gas Producers (IOGP) and aligns its reporting with the environmental and social guidelines endorsed by IOGP and produced jointly with American Petroleum Institute (API) and Ipieca. The reporting perimeter selected is based on operational control and not equity share.

PEOPLE - GENDER SPLITS (Female / Male)	2021	2022
Senior Management	0% / 100%	29% / 71%
Board of Directors	20% / 80%	20% / 80%
Total employees and long-term contractors	34% / 66%	23% / 77%

Table 3: Social KPIs

NOTE: Total number employees and long-term contractors for 2022 = 294; 2021 = 140.

For additional information, please see the GRI content index 2022.



A fair and inclusive employer

BW Energy focuses on its employees, organisation, and the opportunities it can provide for the wider community. BW Energy is deeply aware of the importance of its people and their contribution to meeting operational and financial objectives. Ensuring the safety and wellbeing of its employees is BW Energy's greatest responsibility; therefore, all processes seek to leverage human performance and a strong culture of care.



Human rights, anti-discrimination, and fair employment

The Code of Ethics and Business Conduct represent the commitment to respect the individual, uphold human rights, and institute fair and ethical employment practices. BW Energy's human capital policies, with associated routines and procedures, are aligned with ethical and compliant business practices, such as rules for transparent recruitment, and the provision of employment agreements establishing rights and entitlements for personnel.

BW Energy is committed to treat all persons with dignity and respect in the conduct of their duties and responsibilities. BW Energy prohibits unlawful discrimination based on ethnic or national origin (including protection for indigenous peoples), age, gender identity or expression, sexual orientation, marital status or family structure, religion, or disability. Inappropriate workplace conduct, such as harassment, violence, or discrimination, is not tolerated.

BW Energy supports the United Nations Universal Declaration of Human Rights and the standards advised by the International Labour Organisation. Slavery, forced labour, child labour, torture, and other violations of human rights are totally unacceptable.

Third parties providing goods and services to BW Energy are expected to comply with human rights and relevant employment practices. Contractor due diligence is conducted as part of efforts to ensure that the various supply chains operate in an ethical and responsible manner to prevent slavery, human trafficking, forced or child labour, and any other violations of human rights and labour standards.

Working for BW Energy

The headcount in BW Energy reflects a highly efficient corporate structure based on a core team supported by specialist competence and capacity. On 31 December 2022, BW Energy had approximately 294 associates, including fulltime employees, contractors, and consultants.

Workforce diversity and equal opportunity

BW Energy consists of people with a wide range of experiences, backgrounds, and characteristics. BW Energy continues to build a diverse workforce by attracting, recruiting, developing, and retaining people regardless of gender identity, sexual orientation, nationality, religion, and age, across all types of positions.

BW Energy believes that diversity promotes healthy collaboration and positive development of BW Energy's capabilities and operates with multinational teams at all offshore and onshore locations.

BW Energy's strategy is to deliver local content to meet and exceed local requirements. Developing local content and competencies strengthen BW Energy's position and operational abilities. A strong local connection provides knowledge, widens the available competency base, and supports the development of a collaborative company culture.

BW Energy continuously invests in employee competency and training to support personal and professional development with courses in the following categories: leadership, onboarding training, internships, professional, and technical training.

BW Energy's main asset is its human capital. BW Energy values its professionals through job competency development and challenging roles. BW Energy fosters an environment where employees feel empowered to exchange ideas and concepts. As well, BW Energy has initiated a Diversity and Inclusion initiative which provides opportunities for employees to discuss inclusive actions.

Performance management

BW Energy's Human Capital team works closely with managers to engage transparent discussion with all employees about their contributions creating a culture that supports performance management as a key element of leadership and development. The process ensures open discussion on expectations, feedback on achievements, and positive and constructive feedback between managers and employees, as well as setting objectives for the coming period.

Fair compensation structures

BW Energy applies a meritocratic approach to ensure that the compensation framework supports BW Energy's long-term business strategy and delivers a total compensation that fairly reflects each Employee's contribution and performance. The salaries and benefits offered by BW Energy on its operated assets are significantly higher than local minimum wages.

The Remuneration Committee is appointed to assist the Board by making recommendations and otherwise preparing the basis for Board decisions regarding executive remuneration and the benefits strategy of BW Energy. Executive remuneration and variable compensation schemes are subject to annual review and the discretion of the Board in accordance with BW Energy's governance.

BW Energy takes a holistic view of several factors to determine and ensure that total employee compensation is fair and above the minimum legal requirements in the various locations in which BW Energy operates. Factors included when determining compensation are position, competence, and performance. The compensation model consists of a base salary and allowances (when applicable) that are aligned and competitive in the markets in which BW Energy operates. Additional compensation may be paid through:

- Variable Compensation Schemes based on the annual performance related to BW Energy (financial and sustainability results) and the Employee's individual performance
- Long-term Incentive (LTI) programmes with stock-based compensation to incentivise long-term value creation for BW Energy, and to align the interests of the participating employees with the interests of the shareholders
- Benefits, representing pension plans and insurance schemes, for employees in all locations are aligned with or above local legislations and markets

Collective bargaining agreement

BW Energy is committed to supporting freedom of association and collective bargaining. This is clearly stated in the Code of Ethics and Business Conduct. Collective bargaining is a negotiation process between the employers and unionised employees to regulate the terms and conditions, which include wages, working conditions, benefits, and other aspects of workers' compensation and rights for workers. Currently, BW Energy has no employees covered under Collective Bargaining agreements.

Supporting local communities

As a prudent and responsible operator, BW Energy is committed to develop safe and long-term stable production while maximising recovery for BW Energy, state, and joint venture partners. As a socially responsible corporation, BW Energy supports the regions in which it operates through national support funds, local training, and social programmes.

Future priorities

BW Energy continues to support nationalisation programmes to increase the percentage of local workforce offshore and onshore as well as health initiatives in the communities in which BW Energy employees work and live.

A particularly important topic for BW Energy is to communicate our values and culture to all employees, contractors, and stakeholders. As a socially responsible corporation, BW Energy works with local organisations to improve job opportunities, training, and long-term stability in the community.

Operations Management System

BW Energy uses the International Oil and Gas Producers (IOGP) recommended guidelines for our Operations Management System (OMS) framework. These guidelines provide a framework for companies to manage their operations effectively and efficiently, while also ensuring the safety and health of their workers and protection of the environment.

For the OMS to function effectively and minimise potential adverse consequences while improving operational reliability and effectiveness, ongoing attention and leadership are required, as well as adherence to risk management standards and performance measurement and improvement.

Leadership and accountability

The system must have clear leadership and accountability structures in place, with defined roles and responsibilities for all personnel involved in the operations.

Risk management

The system must identify and assess risks associated with the operations and implement appropriate measures to manage and mitigate them.

Planning and implementation

The system must have a comprehensive plan for the management of operations, including procedures for the execution of tasks, contingency plans, and emergency response plans.

Performance measurement and improvement

The system must have processes in place for measuring and evaluating performance, identifying areas for improvement, and implementing corrective actions.

Competence and training

The system must ensure that personnel involved in the operations have the necessary competence and training to perform their tasks safely and effectively

BW Energy recognises the importance of organisational culture in shaping employee behaviour and ensuring responsible operations. Setting clear expectations and requirements for all employees is a crucial step in aligning the organisation’s culture with its safety and operational goals. The OMS aids BW Energy to effectively function by identifying and documenting processes and procedures, providing training to employees, and implementing performance metrics to monitor and improve operations.

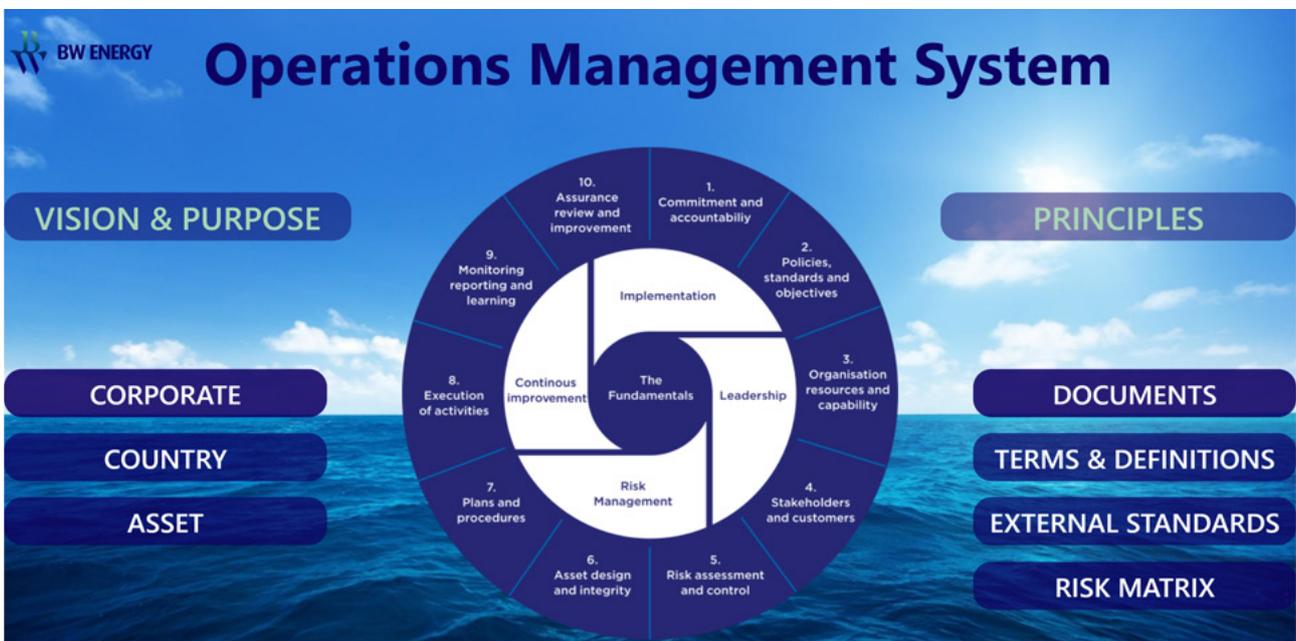


Figure 2: BW Energy Operating Management System Framework

Ethics & Compliance

Ethics & Compliance are key factors in BW Energy's business approach and success

BW Energy is a fair and non-discriminating local employer. As such, BW Energy complies with all applicable laws and regulations in every country in which it operates. Wherever appropriate, BW Energy operations also follow international norms and standards.

BW Energy expects its employees and service providers to model ethical behaviour. Indeed, ensuring ethical business behaviour is of great importance to BW Energy and its stakeholders. Therefore, BW Energy actively engages with local authorities to make sure such expectations are met.

BW Energy's Ethics & Compliance programme

BW Energy's Compliance programme consists of five components: (1) Compliance Standards and Policies; (2) Employee Training and Communication; (3) Confidential Reporting and Investigation; (4) Third-party Management, and (5) Continuous programme Monitoring. This is implemented by BW Energy's Head of Compliance who reports directly to the CEO. The Head of Compliance also provides quarterly updates to BW Energy's Audit Committee.

Compliance standards and policies

BW Energy has developed internal policies and procedures which provide a basis for the attitudes and principles that govern the culture at BW Energy. BW Energy's internal procedures and guidelines are designed to assist BW Energy employees to avoid even the appearance of impropriety. Many of these policies and procedures are summarised in the Code of Ethics and Business Conduct, which applies to all employees of BW Energy, and to all BW Energy Board members, officers, temporary employees, intermediaries, and others who act on behalf of BW Energy.

BW Energy does not make political contributions, nor does it authorise any personnel or representatives to do so on its behalf.

When BW Energy provides sponsorship, charitable contributions, and/or donations aimed at improving the lives and welfare of the local communities in which it operates, it does so only after ensuring that the contributions are legal, vetted, and properly recorded in its books and records.

Employee training and communication

BW Energy requires all employees to complete training on anti-bribery and corruption matters. This training can be provided through computer modules, in-person training sessions, or a combination of both. Training covers topics such as Gifts & Hospitality, Politically Exposed Persons, and Conflicts of Interest. Specifically, BW Energy employees must follow a reporting and approval process that monitors the giving or receiving of gifts or hospitality. In addition, BW Energy requires its employees to report any potential conflicts of interest on an annual basis. Such declarations include relationship to public officials or politically exposed personnel.

Confidential reporting and investigations

BW Energy has implemented an anonymous reporting channel (the Speak Up Channel) which is hosted by an independent third party. Access to the Speak Up Channel is available to any interested parties via BW Energy's external-facing internet site. This allows employees, business partners, and relevant stakeholders to report any concern they might have, including potential violations of BW Energy's Code Ethics and Business Conduct.

All reports submitted to the Speak UP Channel will be treated confidentially and will be investigated promptly and fairly. BW Energy is committed to ensuring that no retaliation is taken against individuals that make a good-faith report to the Speak Up Channel. Information related to reports received through the Speak Up Channel is communicated to the BW Energy Board on a quarterly basis.

Verified breaches of BW Energy’s Code of Ethics and Business Conduct may result in disciplinary action up to, and including, termination.

Third-party management

A key focus of BW Energy’s Compliance programme is the assessment of external vendors and service providers, also known as third-party providers (TPPs). All TPPs are assessed for compliance with relevant laws and regulations, and compliance with the principles of the BW Energy Code of Ethics and Business Conduct. It is the expectation of BW Energy that all TPPs will observe equivalent anti-corruption principles when conducting businesses with BW Energy, and for this reason, BW Energy has adopted a Supplier Code of Ethics and Business Conduct.

BW Energy’s Supplier Code of Ethics and Business Conduct emphasises that all of BW Energy’s TPPs should support the UN’s Universal Declaration of Human Rights and the standards advised by the International Labour Organisation. It also firmly establishes that BW Energy expects its TPPs to ensure that child labour, forced labour, and human trafficking is not undertaken in the performance of their activities.

Continuous programme monitoring

To assist BW Energy’s management in its operational responsibilities, and to ensure compliance with all applicable money laundering, corruption, and anti-bribery legislation as well as BW Energy’s ethics principles, BW Energy has established an internal Compliance Committee. This Compliance Committee assists BW Energy’s Head of Compliance to consider emerging compliance risks and to measure BW Energy’s progress addressing previously identified risks.

Report on payments to governments

To provide for enhanced transparency on payments made to governments, BW Energy prepares a separate report disclosing material payments made to governments in the countries in which BW Energy operates. The report is made on an annual basis at field and country level including additional contextual information, consisting of certain legal, monetary, numerical, and production volume information. The report is available on BW Energy’s website website, www.bwenergy.no.

The report meets the requirements of the Norwegian Securities Trading Act §5-5 and of the Norwegian Accounting Act §3-3d for entities which are active in extractive industries with regards to disclosure of direct payments to governments, including payments made by subsidiaries, joint operations, and joint ventures, or on behalf of such entities involved in extractive activities.

Governance structure

BW Energy has developed a corporate governance structure and adheres to the Norwegian Corporate Governance Board (NUES) Code of Practice, in force as of 14 October 2021. Please refer to the Corporate Governance section of the Annual Report for more details.



Figure 3: Corporate Governance

Future priorities

BW Energy will continue to monitor and address any Compliance issues that arise.



Task Force on Climate Related Financial Disclosures

BW ENERGY - TCFD DISCLOSURES 2022

Governance

Describe the board's oversight of climate-related risks and opportunities

The Board of Directors considers climate-related matters when reviewing and guiding strategy, risk management policies, and business plans, as well as setting performance objectives. The Board has allocated formal oversight of specific climate-related actions and plans to the Audit Committee, which also acts as a preparatory body for climate-related matters to be considered by the Board. Climate-related risks are part of the overall risk framework for BW Energy and are reviewed regularly by the Board and at least quarterly. In yearly meetings, the Board will consider progress towards climate-related goals and targets, relevant policy frameworks, and set new performance goals and targets, where relevant.

Describe the management's role in assessing and managing climate-related risks and opportunities

Project and operational risks are managed through the Operations Management System, as well as in relation to specific projects according to local regulations and requirements. There are monthly reports to the management on operational matters along with related KPIs. Specific climate-related risks are considered by the executive management at least quarterly. Climate-related opportunities are managed as part of BW Energy's ongoing business and strategy. The responsibilities are distributed across the management level in accordance with the Operations Management System's leadership and accountability structures. The executive management reports performance on climate-related matters, including associated KPIs, to the Board of Directors at least annually. A full overview of all sustainability matters, including climate-related risks and opportunities, are presented once a year for approval in preparation for the annual report.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

BW Energy defines short term as 0-2 years, medium term 3-10 years, and long term more than 10 years.

Describe the impact of climate related risks and opportunities on the organization's business, strategy, and financial planning

The transition to a low-carbon society involves increasing the amount of renewable energy in the world's energy supply. However, the provision of hydrocarbons as energy sources will remain vital to provide society with affordable energy. BW Energy capitalizes on the market opportunity to re-purpose and re-deploy existing offshore hydrocarbon production facilities, which yield an associated reduction or saving of GHG emissions compared to alternatives that involve building new infrastructure.

Strategy

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 20C or lower scenario

In 2022, BW Energy commissioned an independent third-party consultancy to study, quantify, and report on the comparative project phase GHG emissions of new-built versus re-purposed facilities for a specific project. The report estimated approximately 70% savings in GHG emissions from re-using existing facilities. BW Energy has not considered specific climate scenarios, but during the next 20-30 years, BW Energy expects hydrocarbons to continue to play a significant role in the global energy supply and believes that, in this context, its strategy is resilient towards climate-related risks and opportunities.

Risk management

Describe the organization's processes for identifying and assessing climate-related risks

Risks of a more strategic nature are identified and assessed through continuous stakeholder dialogue and initiatives across the value chain in the countries regions where BW Energy has operations. Operational climate-related risks are identified and assessed continuously as part of the Operations Management System.

Describe the organization's processes for managing climate-related risks

The Operations Management System is integral to manage climate-related risks of an operational nature. Risks that are more strategic are incorporated in the general strategy process and result in specific targets and aims for new business opportunities. This also involves close dialogue with local authorities and adherence to local rules and regulations.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Generic risks are managed at group level through the Operations Management System including physical climate risks like adverse weather events. Longer term risks, like transition risks, are part of the overall strategic framework of BW Energy and are integrated into long-term planning, along with the corresponding climate-related opportunities.

Metrics and targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

The key metric used is Scope 1 + 2 GHG emissions per barrel produced. This also involves sub-metrics such as energy intensity per barrel produced.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks

GHG emissions are reported annually. See the GRI disclosures in this report.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

BW Energy is in the process of developing its internal GHG reporting system and will seek to set clear targets for GHG emission reductions in the future.

CLIMATE RELATED RISKS

Risk Type	Classification	Description	Likelihood	Mitigation	Time horizon *
Physical	Acute	Increased severity of extreme weather like storms leading to disruption of operations	More likely than not	<ul style="list-style-type: none"> Emergency response preparedness Risk management systems 	MT →
	Chronic	Increased frequency of extreme weather events leading to disruption of operations	About as likely as not	<ul style="list-style-type: none"> Preparation for extreme weather when retrofitting new production facilities 	LT
Transition	Policy and legal	Higher carbon pricing levels impacting the cost of fuel and operations	Very likely	<ul style="list-style-type: none"> Energy efficiency improvements 	MT →
		Restrictions on emission levels	Likely	<ul style="list-style-type: none"> Ensure production is energy efficient and low carbon 	MT →
	Technology	Carbon capture, flaring capturing gas technologies, and the use of renewable energy offshore	Likely	<ul style="list-style-type: none"> Ensure that BW Energy keeps up with technological developments 	LT
	Market	Reduced demand for hydrocarbon energy supply as renewable energy makes up a larger proportion of the energy mix	Very likely	<ul style="list-style-type: none"> Consider investing in renewable energy technologies that can reduce BW Energy's carbon footprint Consider a more conservative oil price outlook when developing new projects 	LT →
	Reputation	Stigmatization of industry sectors with high energy usage and emissions	More likely than not	<ul style="list-style-type: none"> Invest in renewable energy technology to reduce emissions from operations Consider using carbon offsets 	LT

* Time Horizons: ST (short-term) 0-2 years, MT (medium term) 3-10 years, LT (long term) 11 years and onwards

Consolidated financial statements

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Consolidated Statement of Income

USD MILLION (Year ended 31 December)	Note	2022	2021
Total revenues	4	277.6	271.5
Operating expenses	5, 7	(123.4)	(124.3)
Operating profit before depreciation, amortisation, impairment and sale of asset		154.2	147.2
Depreciation and amortisation	12, 13, 21	(60.1)	(62.1)
(Impairment)/reversal charges	13	-	13.3
Operating profit		94.1	98.4
Interest income		1.7	0.7
Interest expense	15	(0.5)	-
Fair value gain/(loss) on financial instruments	18	7.3	2.3
Net currency gain/ (loss)		(2.2)	0.1
Other financial items	21	(16.6)	(12.7)
Net financial items		(10.3)	(9.6)
Profit/(loss) before tax		83.8	88.8
Income tax expense	8	(38.8)	(36.8)
Net profit/(loss) for the year		45.0	52.0
Basic earnings per share	6	0.17	0.20
Diluted earnings per share	6	0.17	0.20

The notes on pages 72 – 99 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

USD MILLION (Year ended 31 December)	2022	2021
Net profit/(loss) for the year	45.0	52.0
Other comprehensive income		
Items to be reclassified to profit or loss:		
Currency translation differences	-	-
Net items to be reclassified to income or loss	-	-
Total comprehensive income for the year	45.0	52.0

The notes on pages 72 – 99 are an integral part of these financial statements.

Consolidated Statement of Financial Position

USD MILLION (As at 31 December)	Note	2022	2021
ASSETS			
Property, plant and equipment	12	532.7	351.3
Intangible assets	13	212.5	175.2
Right-of-use-assets	21	209.9	197.2
Derivatives	18	9.2	2.1
Other non-current assets		0.6	1.6
Total non-current assets		964.9	727.4
Inventories	9	11.5	7.4
Trade and other current assets	10, 23	18.1	71.8
Cash and cash equivalents	11	210.8	150.9
Total current assets		240.4	230.1
Total assets		1 205.3	957.5
EQUITY AND LIABILITIES			
Share capital	14	2.6	2.6
Share premium		550.1	550.1
Retained earnings/accumulated deficit		62.6	16.5
Total equity		615.3	569.2
Interest-bearing long-term debt	15	164.9	-
Deferred tax liabilities	8	9.3	6.9
Derivatives	18	1.4	-
Asset retirement obligations	17	13.4	14.2
Long-term lease liabilities	21	187.2	213.6
Other non-current liabilities	23	33.6	50.3
Total non-current liabilities		409.8	285.0
Trade and other payables	16, 23	107.2	83.7
Derivatives	18	4.2	-
Short-term lease liabilities	21	68.8	19.6
Total current liabilities		180.2	103.3
Total equity and liabilities		1 205.3	957.5

The notes on pages 72 – 99 are an integral part of these financial statements.

27 February 2023


Mr Andreas Sohlen-Pao
Chairman


Ms Hilde Drønen
Director


Mr William Russell Scheirman
Director


Mr Tormod Vold
Director


Mr Marco Beenen
Director

Consolidated Statement of Changes in Equity

USD MILLION	Share capital	Share premium	Retained earnings / accumulated deficit	Share-holders' equity	Total equity
Equity at 1 January 2021	2.3	475.4	(34.5)	443.2	443.2
Profit for the period	-	-	52.0	52.0	52.0
Proceeds from share issue	0.3	74.7	-	75.0	75.0
Transaction cost on issue of shares	-	-	(1.4)	(1.4)	(1.4)
Share-based payments	-	-	0.4	0.4	0.4
Total equity at 31 December 2021	2.6	550.1	16.5	569.2	569.2
Equity at 1 January 2022	2.6	550.1	16.5	569.2	569.2
Profit for the period	-	-	45.0	45.0	45.0
Share-based payments	-	-	1.1	1.1	1.1
Total equity at 31 December 2022	2.6	550.1	62.6	615.3	615.3

The notes on pages 72 - 99 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

USD MILLION (Year ended 31 December)	Note	2022	2021
Operating activities			
Profit/(loss) before tax		83.8	88.8
Adjustment for:			
Currency exchange differences		2.1	0.5
Fair value change on financial instruments	18	(1.5)	(2.5)
Depreciation and amortisation	12, 13, 21	60.1	62.1
Impairment/(reversal) charges	13	-	(13.3)
Share-based payment expense		1.1	0.4
Changes in asset retirement obligations	17	1.5	0.7
Add back of net interest		(1.2)	(0.7)
Changes in net working capital		59.0	7.5
Taxes paid in kind	8	(36.4)	(34.6)
Net cash flows from operating activities		168.5	108.9
Investing activities			
Investment in property, plant and equipment	12	(182.0)	(40.7)
Investment in intangible assets	13	(57.9)	(80.5)
Interest received		1.7	0.7
Net cash flows used in investing activities		(238.2)	(120.5)
Financing activities			
Proceeds from interest-bearing debt	15	171.0	-
Transaction costs related to loans and borrowings	15	(6.3)	-
Interest paid	15	(3.5)	-
Proceeds from share issue	14	-	75.0
Transaction costs on issue of shares	14	-	(1.4)
Payment of lease liabilities	21	(31.6)	(31.7)
Net cash flows from/(used in) financing activities		129.6	41.9
Net change in cash and cash equivalents		59.9	30.3
Cash and cash equivalents at 1 January		150.9	120.6
Cash and cash equivalents at 31 December	11	210.8	150.9

The notes on pages 72 – 99 are an integral part of these financial statements.

Notes

Note 1 Reporting entity

BW Energy Limited, was incorporated on 22 May 2019 as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act. BW Energy Limited registered office is at Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM1189, Bermuda. BW Energy Limited (hereafter the "Company") is the parent company of the Company and its consolidated subsidiaries (hereafter "BW Energy Group").

BW Energy Limited is listed on Oslo Børs, part of Euronext (Oslo Stock Exchange).

BW Energy Group is engaged in oil and gas exploration and production activities.

Note 2 Significant accounting policies

Basis of accounting

The consolidated financial statements of BW Energy Group have been prepared pursuant to International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The consolidated financial statements have been prepared in accordance with the historical cost convention with some exceptions, as detailed in the accounting policies set out below.

The consolidated financial statements were approved by the Board of Directors on 27 February 2023.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of complying with BW Energy Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Functional and presentation currency

These consolidated financial statements are presented in United States Dollars (USD). This is also the functional currency of the parent company and most of its subsidiaries. The functional currency is determined in each entity in BW Energy Group based on the currency within the entity's primary economic environment. All figures are in USD million if not otherwise stated. Because of rounding differences, numbers and or percentages may not add up to the total. Figures in brackets refer to corresponding figures for 2021.

Changes in significant accounting policies

Various new standards are effective from 1 January 2022 and none of these changes have a significant impact on BW Energy Group's financial statements.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, BW Energy Group has not early adopted the new and amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on BW Energy Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Basis for consolidation

Subsidiaries

The subsidiaries are legal entities (including special purpose entities) controlled by BW Energy Group. Control is achieved when BW Energy Group is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Interests in joint arrangements

IFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

BW Energy Group has classified its E&P licences as joint operations and recognises investments in its E&P licences by reporting its share of related revenues, expenses, assets, liabilities, and cash flows under the respective items in the consolidated financial statements of BW Energy Group. Refer to Notes 12 and 13.

Transactions eliminated on consolidation

Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated.

Foreign currency transactions

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Classification of assets and liabilities

Assets for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Liabilities which fall due more than one year after being incurred are classified as non-current liabilities. Liabilities which fall due less than one year after they are incurred are classified as current liabilities.

Revenue

BW Energy Group's revenues derive from production and sale of crude oil.

Revenue from contracts with customers

Revenue from the sale of crude oil is recognised when a customer obtains control (sales method), normally this is when title passes at point of delivery. Revenues from production of oil properties are recognised based on actual volumes lifted and sold to customers during the period.

Where BW Energy Group has lifted and sold more than the ownership interest, an accrual is recognised for the cost of the overlift. Where BW Energy Group has lifted and sold less than the ownership interest, costs are deferred for the underlift. Overlift and underlift on the consolidated statement of financial position date are valued at production cost. Lifting imbalances are a part of the operating cycle and as such classified as other current liabilities/assets.

Other revenues

Profit oil tax

BW Energy Group is obligated to pay profit oil tax on the production of crude oil from the Dussafu field in Gabon. Payment of profit oil tax can either be settled in cash or in kind (crude oil). Since commencement of production in 2018, BW Energy Group settles the profit oil obligation in kind.

In kind payment of profit oil tax is separately lifted by the government for its entitled share of crude oil. Profit oil tax based on production entitlement is presented in the consolidated statement of profit and loss as income tax expense with a corresponding increase in other revenues.

Commodity derivative instruments

BW Energy Group has entered into commodity based derivatives linked to oil prices, the net impact of these instruments are reflected in other revenue.

Royalty

In accordance with the provisions of the Dussafu Profit Sharing Contract ("PSC"), BW Energy Group has the obligation to make certain royalty payments to the government of Gabon with a variable percentage based on gross daily production levels. Under the PSC, the Government of Gabon may elect to receive payment for royalties either in cash or in kind (crude oil). Royalty expense incurred in cash is recognised in operating expenses in the consolidated statement of profit and loss. Royalty settled in kind is presented net of revenues. Unpaid royalty expense in cash is accounted for in the consolidated statement of financial position as trade and other payables, unpaid royalty expense in kind is reflected in the over / underlift position.

Employee benefits

Share-based payment

The grant date fair value of equity settled share-based payment arrangements granted to employees is recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Taxes

BW Energy Group may be subject to income tax in the countries in which it operates. BW Energy Group provides for tax on profit based on the profit for financial reporting purposes, adjusted for non-taxable revenue and expenses.

Income tax expense represents the sum of tax currently payable, changes in deferred tax liabilities and deferred tax assets.

Deferred tax liabilities / assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Previously unrecognised deferred tax assets are recognised to the extent it has become probable that the deferred tax asset can be utilised. Similarly, the deferred tax asset is reduced to the extent that it is no longer regarded as probable that the deferred tax asset can be utilised.

Deferred tax liabilities and deferred tax assets are measured on the basis of the enacted or substantially enacted tax rates applicable to the respective entity in BW Energy Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income becomes taxable.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Production sharing contracts (PSCs)

The PSCs provide that the income tax to which the contractor is subject is deemed to have been paid to the government as part of the payment of profit oil as regulated by the PSC. BW Energy Group present this as an income tax expense with a corresponding increase classified as other revenues. This accounting presentation does not have a net impact on the statement of comprehensive income.

Intangible assets

Exploration and evaluation assets

IFRS 6 'Exploration for and Evaluation of Mineral Resources' requires exploration and evaluation assets to be classified as tangible or intangible assets according to the nature of the assets. BW Energy Group uses the 'successful efforts'-method of accounting for exploration and evaluation costs. Exploration and evaluation expenditure are capitalised when it is considered probable that future economic benefits will be generated. Expenditure that fails to meet this criterion are generally expensed in the period they are incurred.

Licence acquisition costs, exploration costs, geological expenses and other directly attributable expenses are classified as intangible assets. Exploration assets classified as intangible assets are assessed for impairment at regular intervals.

Once commercial reserves have been discovered, and a development plan has been approved, the carrying value of the relevant assets are transferred to property, plant and equipment. Further expenditure for development of a field, such as drilling production wells, installation of platforms and other structure is capitalised as tangible assets.

No amortisation or depreciation is charged during the development and until production commences.

Other intangible assets

Other intangible assets includes an Intellectual Property (IP) agreement acquired by BW Energy Group. The IP is measured at discounted cost less accumulated amortisation and any accumulated impairment losses. The IP is expected to have a useful life equivalent to the Dussafu licence life of field.

Property, plant, and equipment (PP&E)

Measurement

PP&E are measured at cost less accumulated depreciation and impairment charges. This includes costs of material, direct labour, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including financial costs paid during construction, attributable overheads and estimate of costs of demobilising the asset. PP&E include capital expenditure incurred under terms of PSC qualifying for recognition as assets.

Subsequent costs are included in the asset's carrying amount, as appropriate, only when it is probable that future economic benefits associated with the item will flow to BW Energy Group and the cost of the item can be measured reliably.

Depreciation

Depreciation will start when an item of PP&E is ready for use as intended by management.

The estimated useful lives of the categories of PP&E are as follows:

Crude oil production assets are depreciated using the unit-of-production method. Unit-of-production rates are based on proved and probable reserves (2P) estimated to be recovered from the area during the concession period. Oil volumes are considered produced once they have been measured onboard the storage tank on the FPSO.

Other PP&Es, like IT equipment, office equipment and cars:

3-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Impairment

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's fair value less cost of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash-generating units). Each exploration and exploitation licence are considered a separate cash-generating unit as long as it is connected to its own production facility.

At the end of each reporting period BW Energy Group will assess whether there is any indication that an impairment recognised in previous periods may no longer exist or may have decreased. If any such indication exists, BW Energy Group will estimate the recoverable amount of the asset. If the recoverable amount is higher than the carrying amount of the asset, the carrying amount of the asset will be increased to its recoverable amount. The increase shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised in previous periods. Previously recognised impairments should be reversed if there are significant changes with a favourable effect in the indicators.

Borrowing costs

Borrowing costs directly attributable to development of oil and gas field, which take a substantial period to get ready for their intended use, are added to the cost of the asset until the assets are ready for their intended use. Borrowing cost consists of interest expense, which BW Energy Group incurs in connection with the borrowing of funds.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

BW Energy Group's financial assets are derivatives, trade receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and BW Energy Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, BW Energy Group initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction costs.

BW Energy Group classifies its financial assets in two categories:

- Financial assets at amortised cost.
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

BW Energy Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

BW Energy Group's financial assets at amortised cost includes trade and other receivables and other non-current assets. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes interest rate swaps and oil price hedging contracts (reference to Note 2, other revenues). Fair value changes for interest rate swaps are recognised within net financial items.

Impairment of financial assets

For trade and other receivables and other non-current assets, BW Energy Group applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, BW Energy Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime (ECLs) at each reporting date, based on its historical credit loss experience.

BW Energy Group considers a financial asset in default when internal or external information indicates that BW Energy Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by BW Energy Group. A financial asset is written off when BW Energy Group has no reasonable expectations of recovering the contractual cash flows. BW Energy Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. This assessment is based on historical experience of recoveries of similar assets. BW Energy Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with BW Energy Group's procedures for recovery of amounts due.

Financial liabilities

Financial liabilities are classified as measured at amortised cost except for financial liabilities at fair value through profit or loss (FVTPL). Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of income, as well as any gain or loss on derecognition.

Derivatives are financial liabilities when the fair value is negative and as financial assets when the fair value is positive.

Inventories

Inventories, other than inventories of crude oil, are valued at the lower of cost or net realisable value. Cost of materials and other consumables is determined by the weighted average cost method and cost on fuel oil is determined by 'first-in-first-out' (FIFO) method. The cost of inventories comprises the purchase price, import duties and other taxes, transport, handling, and other costs directly attributable to the acquisition of finished goods, materials, and services.

Crude oil inventory is valued at production cost including depreciation. Production cost is the weighted average production cost for the period.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the equity as a deduction, net of tax, from the proceeds.

Provisions and contingent assets and liabilities

Provisions are recognised when BW Energy Group has a legal or constructive obligation resulting from past events, when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where BW Energy Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Contingent liabilities are not recognised in the consolidated financial statements. Contingent liabilities are disclosed, unless the likelihood of the contingent loss is assessed as remote.

Contingent assets are not recognised in the consolidated financial statements but are disclosed if there is a certain probability that the benefit will be added to BW Energy Group.

Asset retirement obligations (ARO)

Provisions for ARO are recognised when BW Energy Group has a legal or constructive obligation to cover expenses associated with dismantling and removal of assets, and when a reliable estimate of this liability can be made.

ARO are recognised based on the present value of the estimated cash outflows to be incurred to conduct abandonment activities, considering relevant risks and uncertainties. The corresponding amount is recognised to the related PP&E in the Consolidated Statement of Financial Position and depreciated using the same depreciation method used for the asset.

ARO will be assessed annually to incorporate the annual revisions to the estimated retirement costs, discount rate and retirement date estimates. Changes in estimates will be recognised as an adjustment to the provision and the corresponding PP&E.

In the event of decrease in the ARO provision related to a producing asset exceeds the carrying amount of the asset, the excess is recognised as a reduction of depreciation, amortisation, and net impairment losses in the Consolidated Statement of Income.

When an asset has reached the end of its useful life, all subsequent changes to the ARO provision are recognised when they occur in operating expenses in the Consolidated Statement of Income.

Leases

BW Energy Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract transfers the right to control the use of an identified asset, BW Energy Group uses the definition of a lease in IFRS 16.

The group as a lessee

BW Energy Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low value. BW Energy Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

BW Energy Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. Right-of-use assets are measured at cost and depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets used in BW Energy Group's oil production is depreciated using the unit-of-production method. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. In calculating the present value, BW Energy Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if BW Energy Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the Consolidated Statement of Income if the carrying amount of the right-of-use asset has been reduced to zero.

BW Energy Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Short-term leases and leases of low value

BW Energy Group applies the short-term lease recognition exemption to its short-term leases. A short-term lease is a lease that have a lease term of 12 months or less from the commencement date. It also applies the low-value exemption to leases of office equipment that are considered to be low value. Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term. BW Energy Group has elected to not separate non-lease components and account for the lease and the non-lease components as a single lease component.

Note 3 Significant accounting estimates and judgments

The preparation of the consolidated financial statements requires use of estimates and assumptions. The following is a summary of the assessments, estimates and assumptions made that could have a material effect on the consolidated financial statements. Actual results may differ from these estimates.

Reserves and resources estimate

Hydrocarbon reserves are estimates of the number of hydrocarbons that can be economically and legally extracted from BW Energy Group's oil properties. BW Energy Group estimates its commercial reserves and resources with support from an independent third party. Commercial reserves are determined using estimates of oil in place, recovery factors and commodity prices. Forecasted oil prices are based on available market data. BW Energy Group has used oil prices based on price deck from an external industry consultant. Future development costs are estimated using assumptions as to the infrastructure required to produce the commercial reserves, whether a platform is needed, number of wells, the cost of such wells and other capital costs. The proven and probable reserves (2P) are used for calculation of depreciation of E&P assets by applying the unit of production method. Changes to the reserve estimate might have an impact on depreciation and can indicate a possible trigger for impairment.

Asset retirement obligations

Asset retirement costs will be incurred by BW Energy Group at the end of the operating life of some of BW Energy Group's facilities and properties. BW Energy Group assesses its retirement obligations at each reporting date. The ultimate asset retirement costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions, including estimated retirement costs, discount rates, and estimated retirement dates, are made in determining the provision for asset retirement obligations. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at the reporting date represents management's best estimate of the present value of the future asset retirement costs required.

Impairment (reversal) of non-current assets

Management must determine whether there are circumstances indicating a possible impairment of BW Energy Group's non-current assets. The estimation of the recoverable amount for the E&P assets includes assumptions of expected future cash flows and future market conditions, including entitlement production, future oil and gas prices, asset specific risk factors, expected reserves and the date of expiration of the licences.

All impairment (reversal) assessment calculations demand a high degree of estimation. Management must make complex assessments of the expected cash flows arising from such assets and the selection of discount rates. Changes to these estimates could have significant impact on the impairment (reversals) recognised and future changes may lead to additional impairments or to reversals of previously recognised impairments.

Note 4 Revenue

Revenue streams

BW Energy Group generates revenue primarily from sale of crude oil. BW Energy Group currently has two customers (two customers in 2021). All revenue originates in Gabon. BW Energy Group currently has one segment.

Other revenues primarily comprise profit oil tax settled in kind. The majority of BW Energy Group's tax expense is related to the operation of the Dussafu PSC arrangement in Gabon. Taxation under this PSC arrangement is based on the government of Gabon's entitled share of profit oil production paid in kind. Under this arrangement taxation is based on a set percentage of average daily production volumes.

Other revenue also includes commodity based derivatives gain/(loss) relates to changes in fair value of embedded derivatives in commodity contracts linked to oil prices.

USD MILLION	2022	2021
Revenue from contracts with customers	252.1	228.4
Realised gain/(loss) on oil derivatives	(14.3)	-
Unrealised gain/(loss) on oil derivatives	(5.1)	-
Other revenue	44.9	43.1
Total revenue	277.6	271.5

Refer to Note 18 for further details regarding commodity derivatives.

Note 5 Operating expenses

USD MILLION	2022	2021
Employee benefit expenses	25.1	14.7
Operating expenses	98.3	109.6
Total operating expenses	123.4	124.3

Royalty expense incurred for 2022 amount to USD 11.7 million (USD 9.6 million).

Note 6 Earnings per share

Basic

Basic earnings per share are calculated by dividing the net result attributable to the shareholders of the parent by the weighted average number of ordinary shares in issue during the year.

IN THOUSAND	2022	2021
Issued ordinary shares at 1 January	257,994	234,304
Effect of share issued	-	22,327
Weighted-average number of ordinary shares at 31 December	257,994	256,631
	2022	2021
Profit attributable to ordinary shareholders	45.0	52.0
Weighted-average number of ordinary shares (in '000)	257,994	256,631
Basic earnings per share net	0.17	0.20

Diluted

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

IN THOUSAND	2022	2021
Weighted-average number of ordinary shares (basic)	257,994	256,631
Effect of share option on issue	2,874	626
Weighted-average number of ordinary shares (diluted) at 31 December	260,868	257,257

	2022	2021
Profit attributable to ordinary shareholders	45.0	52.0
Weighted-average number of ordinary shares (diluted in '000)	260,868	257,257
Diluted earnings per share net	0.17	0.20

Note 7 Employee benefit expenses, remuneration to directors and auditors

Employee benefit expenses

USD MILLION	2022	2021
Wages, administrative personnel	21.3	12.9
Social security contributions	2.2	1.1
Pension	0.5	0.3
Share-based payment	1.1	0.4
Total employee benefit expenses	25.1	14.7

	2022	2021
Average number of employees	106	61

Top Management Remuneration

USD	Salary	Bonus	Pension	Other benefits	Number of Share options	Number of RSUs	Number of shares ¹
2022	2,562,839	1,072,482	82,834	208,791	1,995,000	-	3,980,469
2021	2,293,753	771,914	77,390	124,764	799,000	257,993	3,880,059

¹ In December 2021, Carl K. Arnet, CEO of BW Energy Limited, transferred his 3,721,010 shares in BW Energy Limited to an insurance company that will hold these shares under a life insurance policy where Carl K. Arnet is the policyholder, bears the investment risk and has discretion to make investment decisions.

In 2021 and in 2022, Top Management comprises of the followings:

Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Commercial Officer (CCO) and Chief Strategy Officer (CSO).

Board of Directors' remuneration

USD	Directors fee	Number of shares	Share options
2022	358,792	99,254,736	-
2021	430,167	96,622,351	-

The compensation for members of the Board of Directors for the period May 2022 to May 2023 will be decided at the annual general meeting in May 2023.

Employee remuneration

Variable compensation scheme

The Variable Compensation Scheme (VCS) is awarded in March each year if the Company reaches set goals.

The aggregated bonus pool available for payment is determined with close reference to the Company's safety performance, profitability, and shareholder value creation. The overall company performance against performance targets is determined by the Board of Directors based on recommendation from the Remuneration Committee. The CEO's performance against performance targets is determined by the Board of Directors.

The maximum potential pay-out of the Variable Compensation Scheme for the Executive Management Team is set at 6 months' salary as outlined in the Executive Remuneration Guidelines set in May 2021.

Long-term share option program

On 7 July 2021, a Long-Term Incentive Program (LTIP) was initiated. The LTIP is discretionary, and participants are invited on an annual basis.

The total number of shares awarded under the LTIP are 3,818,993, where 3,561,000 are allocated to options that will give the holder the right to acquire one BW Energy share and 257,993 are allocated to Restricted Share Units (RSUs) providing the holder shares at each vesting event.

The options will have a vesting period of three years, followed by a three-year exercise period. The options will expire 6 years after the award date. The RSUs are settled in shares immediately following vesting schedule. At time of vesting the shares will be settled at the Fair Market Value. The RSUs will vest 1/3 annually over three years.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Grant date	Number of instruments	Vesting conditions	Contractual life of options
On 7 July 2021	1,289,993	Vesting period of three years, followed by a three years exercise period	6 years
On 28 February 2022	1,000,000	Same as above	6 years
On 6 July 2022	1,529,000	Same as above	6 years
Total share options	3,818,993		

A total of 23 BW Energy employees have been invited to participate in the program.

The strike price of the options is calculated based on the volume weighted average share price five trading days prior to grant date, plus a premium of 15.76% (corresponding to a 5% increase annually over 3 years).

Measurement of fair values

The fair value of the employee share options has been measured using the Black-Scholes formula. The inputs used in the measurement of the fair value at grant date were as follows.

	2022	2021
Fair value at grant date (NOK)	9.63	7.76
Share price at grant date (NOK)	23.5	25.7
Exercise price (NOK)	29.17	30.73
Expected volatility (weighted average)	59 %	45 %
Expected life	4 years	4 years
Expected dividends	n/a	n/a
Risk-free interest rate (based on government bonds)	2.352 %	1.022 %

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price particularly over the historical period equal to the expected term, adjusted for extreme movements. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Reconciliation of outstanding share options and RSU

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

Options	2022		2021	
	Number of options	Weighted -average exercise price (NOK)	Number of options	Weighted -average exercise price (NOK)
Outstanding at 1 January	1,032,000	30.73	-	-
Terminated during the year	(45,000)	30.20	-	-
Granted during the year	2,529,000	29.17	1,032,000	-
Outstanding at 31 December	3,516,000	29.61	1,032,000	30.73
Exercisable at 31 December	-	n/a	-	n/a

RSUs	2022		2021	
	Number of options	Weighted -average exercise price (NOK)	Number of options	Weighted -average exercise price (NOK)
Outstanding at 1 January	257,993	0.00	-	-
Granted during the year	0	-	257,993	-
Outstanding at 31 December	257,993	0.00	257,993	0.00
Exercisable at 31 December	-	n/a	-	n/a

Expense recognised in profit or loss

For details of the related employee benefit expenses, see the employee benefit expenses table.

Auditors' remuneration

USD THOUSAND	2022	2021
Audit	346.4	191.6
Other services	-	315.9
Total fees	346.4	507.5

KPMG AS is the appointed auditor of BW Energy Group.

Other services fees in 2021 are mainly related to project due diligence and advisory services provided by the Auditor.

Note 8 Income taxes

The income tax expense for the period comprises corporate income tax, profit oil tax and deferred tax.

The majority of BW Energy Group's tax expense is related to the operation of the Dussafu PSC arrangement in Gabon. Taxation under this PSC arrangement is based on the government of Gabon's entitled share of profit oil production paid in kind. Under this arrangement profit oil taxation is based on a set percentage of average daily production volumes. As BW Energy Group's taxation is primarily driven by the PSC profit oil taxation, income tax expenses will not necessarily change proportionally with changes in the overall net profit before tax. As a consequence of the PSC taxation arrangement, there is no direct correlation between profit before tax and taxation and therefore the effective tax rate may differ significantly between comparable periods.

Tax expense for the year

USD MILLION	2022	2021
Changes in deferred tax	2.4	2.0
Profit oil tax	35.1	33.3
Tax expense including withholding tax current year	1.3	1.5
Total tax expense recognised in statement of income	38.8	36.8

In 2022, USD 35.1 million (USD 33.3 million) of income tax expense is related to Dussafu (State Profit Oil).

Deferred tax liabilities are specified as follows:

Deferred tax liabilities

USD MILLION	2022	2021
Unpaid / Unremitted foreign interest	9.3	6.9
Deferred tax liabilities	9.3	6.9

Note 9 Inventories

USD MILLION	2022	2021
Fuel oil	2.8	1.0
Materials and consumables	4.5	6.4
Crude oil	4.2	-
Inventory	11.5	7.4

BW Energy Group was in an under-lift position as of year-end 2022 with crude oil inventory of 76.000 barrels. Year-end 2021 BW Energy Group did not hold any crude oil inventory considering BW Energy Group was in an over-lift position.

Note 10 Trade and other current assets

USD MILLION	2022	2021
Trade receivables	6.4	44.8
Other receivables	9.1	25.0
Tax receivables	0.2	0.3
Prepayments	2.4	1.7
Trade and other current assets	18.1	71.8

The fair value of trade and other current assets is the same as the carrying amount.

As of 31 December 2022 and 2021, there were no overdue balances. The carrying amount of BW Energy Group's trade and other receivables are mainly denominated in USD.

USD 1.8 million (USD 6.2 million) of other receivables at 31 December 2022 relates to a receivable from Dussafu Joint Venture (JV) partners.

Credit risk and foreign exchange risk regarding trade receivables are described in Note 18.

Note 11 Cash and cash equivalents

Cash and cash equivalents are denominated primarily in USD, XAF, BRL and EUR. There is no restricted cash at 31 December 2022 and at 31 December 2021.

USD 25 million of the total cash position at 31 December 2022 is set aside in the debt service reserve account related to the Dussafu RBL funds (refer to Note 15).

Note 12 Property, plant and equipment

USD MILLION	E&P assets under development	E&P production assets	Other equipment	Total
Cost at 1 January 2022	121.5	351.5	0.9	473.9
Additions and changes in asset retirement cost ¹	187.0	23.0	0.7	210.7
Reclassifications	-	-	-	-
Reclassifications from intangible assets	-	-	-	-
Cost at 31 December 2022	308.5	374.5	1.6	684.6
Accumulated depreciation at 1 January 2022	-	(122.0)	(0.5)	(122.5)
Current year depreciation	-	(29.0)	(0.3)	(29.3)
Accumulated depreciation at 31 December 2022	-	(151.0)	(0.8)	(151.8)
Book value at 31 December 2022	308.5	223.5	0.8	532.7
Of which is capitalised interest	3.0	-	-	3.0
Useful life		UoP ²	3-5 years	

1 Asset retirement cost has been decreased due to change in discount rate

2 UoP = Unit of Production. Revenue from oil production is recognised based on barrels sold while the E&P production assets are depreciated using unit of production. Since the assets are used in the production process, the variance is considered to be a part of the crude oil inventory. Depreciation of USD 0.8 million is recognised in inventory in the statement financial position at 31 December 2022.

BW Energy Group has performed an impairment trigger assessment at 31 December 2022 and no triggers were identified.

USD MILLION	E&P assets under development	E&P production assets	Other equipment	Total
Cost at 1 January 2021	40.0	289.4	0.8	330.2
Additions and changes in asset retirement cost ¹	8.4	35.6	0.1	44.1
Reclassifications	(26.5)	26.5	-	-
Reclassifications from intangible assets	99.6	-	-	99.6
Cost at 31 December 2021	121.5	351.5	0.9	473.9
Accumulated depreciation at 1 January 2021	-	(90.4)	(0.3)	(90.7)
Current year depreciation	-	(31.6)	(0.2)	(31.8)
Accumulated depreciation at 31 December 2021	-	(122.0)	(0.5)	(122.5)
Book value at 31 December 2021	121.5	229.5	0.4	351.3
Useful life		UoP ²	3-5 years	

1 Asset retirement cost has been increased due to change in discount rate.

2 UoP = Unit of Production.

The Dussafu licence expires in 10 years from commencement of production. At the end of this term, BW Energy Group can file for additional two 5-year extensions. Dussafu assets are being depreciated based on 2P reserves over a 20-year licence period. We consider it probable that the licence extensions will be granted. BW Energy Group's ownership of the Dussafu licence is 73.5%

Note 13 Intangible assets

USD MILLION	E&P exploration and evaluation expenditures	Other intangible assets	Total Intangible assets
Cost			
At 1 January 2022	105.5	71.7	177.2
Additions	43.9	(2.4)	41.5
Reclassification to E&P assets under development	-	-	-
Carrying amount, 31 December 2022	149.4	69.3	218.7
Amortisation and impairment			
At 1 January 2022	-	(2.0)	(2.0)
Amortisation	-	(4.2)	(4.2)
At 31 December 2022	-	(6.2)	(6.2)
Net book value			
At 31 December 2022	149.4	63.1	212.5

E&P additions and reclassification in 2022 mainly relates to development of the Dussafu oil field in Gabon, in addition to investment in the Maromba field in Brazil, Kudu field in Namibia and investments in FPSO *Po/vo*.

BW Energy Group has performed an impairment trigger assessment at 31 December 2022 and no triggers were identified.

USD MILLION	E&P exploration and evaluation expenditures	Other intangible assets	Total Intangible assets
Cost			
At 1 January 2021	117.4	7.5	124.9
Additions	87.7	64.2	151.9
Reclassification to E&P assets under development	(99.6)	-	(99.6)
Carrying amount, 31 December 2021	105.5	71.7	177.2
Amortisation and impairment			
At 1 January 2021	(13.3)	(1.4)	(14.7)
Amortisation	-	(0.6)	(0.6)
Reversal of impairment	13.3	-	13.3
At 31 December 2021	-	(2.0)	(2.0)
Net book value			
At 31 December 2021	105.5	69.7	175.2

E&P additions and reclassification in 2021 mainly relates to development of the Dussafu oil field in Gabon.

Other additions relate to Intellectual Property agreement described in Note 22.

In July 2021, BW Kudu Limited, a wholly owned subsidiary of BW Energy Limited and the National Petroleum Corporation of Namibia (NAMCOR) completed a Farm-In and Carry Agreement (FICA). The FICA increased BW Kudu's working interest in the Kudu licence offshore Namibia from 56% to 95%. Total consideration was USD 14 million. Repurposing will enable an optimisation of the project timeline and significantly reduce capital investments compared to previous development concepts.

The Kudu asset was fully impaired with USD 13.3 million in 2020 as a result of management re-prioritisation of E&P projects and future development plans. Based on the above-mentioned milestones reached during 2021, management decided in 2021 to reverse the impairment.

E&P intangible assets that are under the exploration and evaluation phase are not amortised except for the Intellectual Property agreement described in Note 23, which is amortised over the life of field of the Dussafu licence.

Note 14 Share capital

At 1 January 2022: 300 000 000 ordinary shares at par value USD 0.01 each
 At 31 December 2022: 300 000 000 ordinary shares at par value USD 0.01 each

Issued and fully paid	USD THOUSAND
At 31 December 2020	2,343
Share issue 2021	237
At 31 December 2021	2,580
At 31 December 2022	2,580

On 20 January 2021, BW Energy Limited successfully completed USD 75 million private placement, issuing 23,690,000 new shares at a subscription price of NOK 27 per share. Transactions costs on the share issue was USD 1.4 million.

Reference to “Shareholder information” section for information of the 20 largest shareholders at 31 December 2022.

Note 15 Loans and borrowings

On 9 August 2022, BW Energy Group signed up to USD 300 million international Reserve Based Lending (RBL) facility. The funds will initially be used to finance the further development of the Dussafu licence offshore Gabon.

The facility has an initial commitment of USD 200 million which can be expanded up to an additional USD 100 million. The secured long-term debt facility has been provided by a syndicate of five international banks and has a tenor of six years. BW Energy Group had a total withdrawn balance of USD 171 million as of 31 December 2022.

Key financial covenants for the RBL are required to be tested 30 June and 31 December. These covenants, applicable at levels of the borrower group as defined in the loan documentation, include the following:

- Net Debt to EBITDAX not to exceed 3:1
- Field life cover ratio of 1.50x
- Loan life cover ratio of 1.30x

BW Energy Group was not in breach of any financial covenants as of 31 December 2022.

In addition, a portion of annual production is required to be hedged for up to 24 months.

USD MILLION	Effective interest rate	Maturity date	Carrying amount	
			2022	2021
Reserve Based Lending (RBL) facility	SOFR 3 months + 0.25% + margin ¹	07-Aug-28	164.9	-
Total long-term debt			164.9	-

¹ Margin varies based on development and maturity of the field

USD 6.3 million was capitalised as transaction costs in relation to loans and borrowings in 2022.

USD 3.0 million was capitalised as borrowing cost in 2022. The rate (weighted average interest rate) used to determine the amount of borrowing cost eligible for capitalisation in 2022 is 13.24 percent. Refer to Note 12.

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

USD MILLION	Interest payable	Lease liabilities	Interest-bearing long-term debt	Equity	Total
Balance at 1 January 2022		233.2	-	569.2	
Proceeds from interest bearing debt	-	-	171.0	-	171.0
Interest paid	(3.5)	-	-	-	(3.5)
Transactions costs relating to borrowings	-	-	(6.3)	-	(6.3)
Payment of lease liabilities	-	(31.6)	-	-	(31.6)
Total changes from financing cash flows	(3.5)	(31.6)	164.7	-	129.6
Other changes:					
New leases/adjustments	-	40.0	-	-	
Expensed loan cost	-	-	0.2	-	
Interest expense	3.8	14.4	-	-	
Total liability-related other changes	3.8	54.4	0.2	-	
Total equity-related other changes	-	-	-	46.1	
Balance at 31 December 2022	0.3	256.0	164.9	615.3	

1 included in Trade and other payables

USD MILLION	Lease liabilities	Equity	Total
Balance at 1 January 2021	252.2	443.2	
Proceeds from share issue	-	75.0	75.0
Transactions cost relating to share issue	-	(1.4)	(1.4)
Payment of lease liabilities	(31.7)	-	(31.7)
Total changes from financing cash flows	(31.7)	73.6	41.9
Other changes:			
New leases/adjustments	0.2	-	
Interest expense	12.5	-	
Total liability-related other changes	12.7	-	
Total equity-related other changes	-	52.4	
Balance at 31 December 2021	233.2	569.2	

Note 16 Trade and other payables

USD MILLION	2022	2021
Trade payables	18.4	13.2
Accrued other expenses	87.0	68.9
Tax payable	0.9	0.9
Public duties payables	0.9	0.6
Total trade and other payables	107.2	83.7

Note 17 Provisions and contingent assets and liabilities

BW Energy Group has made a provision for asset retirement obligations related to future demobilisation of FPSOs operating for BW Energy Group, removal and decommissioning umbilicals and other production assets, plugging and abandonment of production or exploration wells and removal of other subsurface equipment and facilities in Gabon. The amount recognised is the present value of the estimated future expenditures determined in accordance with local conditions and requirements. The applied discount rate is 7.9 % (5.7%), calculated based on risk free rate, adjusted for credit risk of BW Energy Group.

USD MILLION	Asset retirement obligations
Provision at 1 January 2021	13.0
Impact of change in discount rate	0.5
Accretion expense	0.7
Provision at 31 December 2021	14.2
Changes in estimates and provisions relating to new assets	2.6
Impact of change in discount rate	(4.2)
Accretion expense	0.8
Provision at 31 December 2022	13.4

The total acquisition price for the Maromba field is USD 115 million, which is to be paid over three milestones as the development progresses towards first oil. The first milestone payment (USD 30 million) was paid in September 2019. The second milestone (USD 25 million) is due at start of drilling activities and the third milestone (USD 60 million) is due at first oil or 3 years after the start of drilling activities, whichever comes first. These considerations will be recognised when final investment decision is made and it becomes probable that the conditions will be satisfied.

Note 18 Financial risk management

BW Energy Group's central finance division has the responsibility for financing, treasury management and financial risk management.

Financial risk factors

Activities expose BW Energy Group to a variety of financial risks: market risk (including currency risk, commodity risk and interest rate risk), credit risk, and liquidity risk.

BW Energy Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. A finance management team led by the Chief Financial Officer identifies and evaluates financial risks in close co-operation with operating units. The finance management team's activities are governed by policies approved by the Board of Directors for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investing excess liquidity. The finance management team will report to Top Management, the Audit Committee and the Board of Directors on the status on activities on a regular basis.

The BW Energy Group does not use financial instruments, including financial derivatives, for trading purposes.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect BW Energy Group's income or the value of its holding of financial instruments.

Foreign currency risk

The functional currency of the Company and most of its subsidiaries is US. In general, operating revenues and a significant portion of operating expenses are denominated in USD. BW Energy Group is exposed to expenses and investments incurred in currencies other than USD ('foreign currencies'); the major currencies being Central Africa CFA Franc ('XAF'), Euro ('EUR') and Brazilian Reals ('BRL'). Operating expenses denominated in XAF and EUR constitute a part of total operating expenses. Consequently, fluctuations in the exchange rate on XAF, BRL, and EUR may have impact on the financial statements. BW Energy Group has no financial instruments for currency hedging per 31 December 2022 that manages risk actively. To a certain extent, BW Energy Group has a natural hedge on local currencies where income is being used to settle expenses.

Interest rate risk

BW Energy Group is exposed to interest rate risk through its financing activities. Most of the Group's interest-bearing debt has floating interest rate conditions, making the Group influenced by changes in the market rates.

BW Energy Group holds an interest rate swap with a nominal value of USD 50 million with maturity in 2030. The interest swap rate is at 0.99% and is planned to hedge future debt. The market value of the interest rate swap was positive by USD 9.2 million at 31 December 2022 (positive by USD 2.1 million at 31 December 2021).

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown in below table.

USD MILLION	Profit or loss	
	100 bp increase	100 bp decrease
31 December 2022		
Interest rate swaps	3.3	(3.3)
Cash flow sensitivity	3.3	(3.3)
31 December 2021		
Interest rate swaps	4.1	(4.1)
Cash flow sensitivity	4.1	(4.1)

Commodity price risk

BW Energy Group revenues are mainly derived from the sale of crude oil related to the Dussafu licence. Revenue is, and will continue to be exposed to fluctuations in oil prices.

BW Energy Group continuously evaluates and assesses opportunities for hedging as part of a prudent financial risk management process. Through the period, BW Energy Group entered into derivative financial instruments including zero cost collars and commodity swaps to manage volatility. These derivatives are mark to market with changes in market value recognised in the income statement. BW Energy Group does not apply hedge accounting.

At year-end 2022, BW Energy Group had hedges in place for 1.3 million barrels over the year 2023 and 2024, with approximately 71% being 2023, in compliance with RBL requirements.

Fair value of the crude oil contracts amounted to negative USD 5.6 million in fair value in 2022 and are presented gross in the statement of financial position. Net effect of crude oil hedge contracts recognised in the statement of income in 2022 is negative by USD 19.4 million.

USD MILLION	2022		2021	
	-10%	+10%	-10%	+10%
Change in Brent price	(16.4)	16.4	-	-

Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations.

Financial guarantees, derivatives and cash deposits are only conducted with approved counterparties and predominantly with investment grade financial institutions and are governed by standard agreements (ISDA and LMA documentation).

The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on accounts receivable. BW Energy Group's customer and licence partners are credit worthy oil companies.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, free flow of cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet obligations of finance liabilities when they become due.

BW Energy Group monitors the liquidity through cash flow forecasting of operational and investment activities in the short-, medium- and long-term. To maintain its strong financial position, BW Energy Group has reduced operational costs by negotiating cost reductions with suppliers, cost sharing with other operators and controlled general and administrative expenses.

BW Energy Group operates in multiple international jurisdictions and is exposed to various economic uncertainties, including, taxation policies, currency controls, and foreign exchange restrictions that can impose a risk to liquidity. BW Energy Group's primary source of liquidity is cashflow from production of oil in the Dussafu licence which is subject to foreign currency regulations of the Central African Economic and Monetary Community (CEMAC). In December 2021, new foreign currency regulations were issued by the Bank of Central African States (BEAC) requiring a share of crude oil sale proceeds to be repatriated in to the CEMAC region. BW Energy Group evaluated the new regulations and deemed that the impact does not propose a significant threat to its liquidity.

The following table sets out the maturity profile of the BW Energy Group's financial liabilities based on contractual undiscounted payments. When counterparties have a choice of when to settle an amount, the liability is included based on the earliest date of which the counterparty can require settlement.

Maturity profile – financial liabilities, Year ended 2022

USD MILLION	Carrying Amount	Q1 23	Q2 23	Q3 23	Q4 23	2023	2024-2027	2028 and beyond	Total
Reserve Based Lending (RBL) facility	164.9	-	-	-	-	-	-	171.0	171.0
Crude oil hedge	5.6	1.0	1.3	1.0	0.9	4.2	1.4	-	5.6
Interest payments	0.3	4.5	4.5	4.5	4.5	17.9	71.6	10.4	99.9
Asset retirement obligations	13.4	-	-	-	-	-	-	48.6	48.6
Other non-current liabilities	33.6	-	-	-	-	-	36.7	-	36.7
Lease liabilities	256.0	20.5	20.5	20.5	20.5	81.8	93.3	172.6	347.7
Trade and other payable	107.2	40.6	22.2	22.2	22.2	107.2	-	-	107.2
Total	581.0	66.5	48.4	48.1	48.0	211.1	203.0	402.6	816.7

Maturity profile – financial liabilities, Year ended 2021

USD MILLION	Carrying Amount	Q1 22	Q2 22	Q3 22	Q4 22	2022	2023-2026	2027 and beyond	Total
Asset retirement obligations	14.2	-	-	-	-	-	-	48.6	48.6
Other non-current liabilities	50.3	-	-	-	-	-	52.1	-	52.1
Lease liabilities	233.2	7.8	7.8	7.8	7.8	31.1	102.3	193.2	326.6
Trade and other payable	83.7	30.8	17.6	17.6	17.6	83.7	-	-	83.7
Total	381.4	38.6	25.4	25.4	25.4	114.8	154.4	241.8	511.0

Fair values

IFRS 13 requires disclosures of fair value measurements by the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (level 2). This is presented on separate lines in the Statement of Financial Position.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022	Carrying amount					Fair value			
	Note	Fair value-hedging instrument	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
USD MILLION									
Financial assets measured at fair value									
Interest Rate Swaps used for hedging	18	9.2	-	-		-	9.2	-	
		9.2	-	-	9.2	-	9.2	-	9.2
Financial assets not measured at fair value									
Trade and other receivables	10,23	-	18.1	-	18.1	-	-	-	-
Cash and cash equivalents		-	210.8	-	210.8	-	-	-	-
Other non-current assets		-	0.6	-	0.6	-	-	-	-
		-	229.5	-	229.5	-	-	-	-
Financial liabilities measured at fair value									
Crude oil hedge	18	(5.6)	-	-	(5.6)	-	(5.6)	-	(5.6)
		(5.6)	-	-	(5.6)	-	(5.6)	-	(5.6)
Financial liabilities not measured at fair value									
Interest-bearing long-term debt	15	-	-	(164.9)	(164.9)	-	-	(171.0)	(171.0)
Other non-current liabilities	17,23	-	-	(47.0)	(47.0)	-	-	-	-
Trade and other payables	16,23	-	-	107.2	107.2	-	-	-	-
Lease liabilities	21	-	-	(256.0)	(256.0)	-	-	-	-
		-	-	(360.7)	(360.7)	-	-	(171.0)	(171.0)
31 December 2021	Carrying amount					Fair value			
USD MILLION	Note	Fair value-hedging instrument	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Interest Rate Swaps used for hedging	17	2.1	-	-		-	2.1	-	
		2.1	-	-	2.1	-	2.1	-	2.1
Financial assets not measured at fair value									
Trade and other receivables	10,22	-	71.8	-	71.8	-	-	-	-
Cash and cash equivalents		-	150.9	-	150.9	-	-	-	-
Other non-current assets		-	1.6	-	1.6	-	-	-	-
		-	224.3	-	224.3	-	-	-	-
Financial liabilities not measured at fair value									
Other non-current liabilities	16,22	-	-	(64.5)	(64.5)	-	-	-	-
Trade and other payables	15,22	-	-	(83.7)	(83.7)	-	-	-	-
Lease liabilities	20	-	-	(233.2)	(233.2)	-	-	-	-
		-	-	(381.4)	(381.4)	-	-	-	-

Capital structure and equity

The primary objective of BW Energy Group's management of the capital structure is to maximise return to the owners by ensuring competitive conditions for both BW Energy Group's own capital and borrowed capital.

BW Energy Group aims to have a good reputation in all debt and equity markets. The Board continuously evaluates BW Energy Group's capital structure, ensuring a capital and debt structure that is appropriate to BW Energy Group's objective, strategy, and risk profile. This involves monitoring available funding sources and related cost of capital.

BW Energy Group has access to capital markets, including bank and bond financing and seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. BW Energy Group seeks to optimise its capital structure by balancing the return on equity against liquidity requirements.

BW Energy Group monitors changes in financing needs, risk, assets and cash flows, and evaluates the capital structure continuously. To maintain the desired capital structure, BW Energy Group considers various types of capital transactions, including, purchase or issue new shares or debt instruments, sell assets or pay back capital to the owners.

Note 19 List of subsidiaries

Subsidiaries	Country of incorporation	Ownership 2022	Ownership 2021
BW Energy Dussafu B.V.	Netherlands	100 %	100 %
BW Energy Production Pte Ltd ¹	Singapore	100 %	100 %
BW Energy Gabon SA	Gabon	100 %	100 %
BW Energy Holdings Pte Ltd	Singapore	100 %	100 %
BW Kudu Holding Pte Ltd	Singapore	100 %	100 %
BW Kudu Limited	United Kingdom	100 %	100 %
BW Energy Maromba do Brasil Ltda	Brazil	100 %	100 %
BW Energy Maromba B.V.	Netherlands	100 %	100 %
BW Maromba Holdings Pte Ltd	Singapore	100 %	100 %
BW Energy USA Management Inc.	USA	100 %	100 %
BW Energy OI Ltd	Bermuda	100 %	100 %

¹ Former BW Energy Gabon Pte Ltd.

Note 20 Acquisitions and disposals

Proceeds with phased Maromba development and agreement to purchase FPSO

In April 2022, the BW Energy Group signed an agreement to purchase the FPSO *Poivo* from BW Offshore for a total consideration of USD 50 million, split by USD 5 million in one year charter hire and USD 45 million for purchase of the vessel. The transaction will be completed no later than 24 July 2023. BW Energy Group has the option to complete the transaction before that date. If the transaction is completed early, BW Energy Group will pay USD 30 million upon the vessel transfer date, with the remaining USD 20 million provided as a seller's credit by BW Offshore until settlement on 24 July 2023, at the latest. An independent third-party valuation of the FPSO concluded that the sales price is within a fair market value range.

The contract is classified as a lease liability as of 31 December of 2022, where the related depreciation is capitalised as part of Maromba cash generating unit. Upon acquisition of the vessel in 2023, the asset will be reclassified to Tangible assets as part of the Maromba cash generating unit. Refer to Note 21.

BW Energy Group has initially decided to proceed with the Maromba development project offshore Brazil and the FPSO will be upgraded and redeployed on the field. The development plan is based on an initial drilling campaign of three wells with planned first oil in 2025 and a second campaign with a further three wells in 2027. The final investment decision is subject to certain conditions precedent, including completion of the project financing.

Acquisition of Golfinho and Camarupim Clusters offshore Brazil

In June 2022, BW Energy Group signed an agreement to purchase the Golfinho and Camarupim Clusters offshore Brazil from Petrobras. As a result of the transaction, BW Energy Group will acquire the 100% operated WI in the Golfinho and Camarupim clusters and the 65% WI in the BM-ES-23 block.

As per agreement, BW Energy Group paid to Petrobras an amount of USD 3 million at signing and scheduled to pay USD 12 million at closing. The transaction is subject to fulfilment or waiver of conditions precedent with an expected closing and effective date in the first quarter of 2023. Additionally, the Group has agreed contingent payments after closing of up to USD 60 million tied to oil price and production volume (from current producing assets and development of proven undeveloped resources/gas accumulations).

Agreement to acquire the FPSO Cidade de Vitoria

In June 2022, BW Energy Group's signed an agreement to acquire the FPSO *Cidade de Vitoria* from Saipem for a cash consideration of USD 73 million. The transaction is subject to fulfilment or waiver of conditions precedents with an expected closing and takeover of the FPSO in the first quarter of 2023. The transaction will accelerate BW Energy Group's build-up of a local operating organisation in Brazil and increase stakeholder engagement ahead of the Maromba development.

Kudu

On 2 July 2021 BW Kudu Limited, a wholly owned subsidiary of BW Energy Limited and the National Petroleum Corporation of Namibia (NAMCOR) completed a Farm-In and Carry Agreement (FICA). The FICA increased BW Kudu's working interest in the Kudu licence offshore Namibia from 56% to 95%. NAMCOR retains the remaining 5% working interest which is to be carried by BW Kudu until first gas.

The FICA gives NAMCOR the opportunity to acquire an additional 5% working interest post- first gas, which would result in a total working interest of 10%, if exercised. BW Kudu paid USD 4 million at completion of the transaction.

Note 21 Leases

The Group as a lessee

BW Energy Group leases office premises, apartments, warehouses and vessels. Leases of office premises, warehouse and apartments generally have lease terms between 1 and 3 years, while vessels have lease terms between 2 and 20 years.

BW Energy Group has leases of certain office equipment that are considered of low value.

Right-of-use assets and lease liabilities

USD MILLION	Land and buildings	Vessels	Right-of-use assets	Lease liabilities
Balance at 1 January 2022	0.7	196.5	197.2	233.2
Additions	0.9	46.3	47.2	47.3
Adjustments	3.4	(10.7)	(7.3)	(7.3)
Depreciation expense	(3.7)	(23.7)	(27.4)	n/a
Interest expense	n/a	n/a	n/a	14.4
Lease payments	n/a	n/a	n/a	(31.6)
Foreign currency translation gain/(loss)	0.2	-	0.2	-
Balance at 31 December 2022	1.5	208.4	209.9	256.0

Additions in 2022 is mainly related to the agreement to purchase the FPSO *Po/vo* (reference to Note 20).

Lease payments of USD 31.6 million (USD 31.7 million) consists of lease instalments of USD 17.2 million (USD 19.2 million) and interest expense of USD 14.4 million (USD 12.5 million).

USD MILLION	Land and buildings	Vessels	Right-of-use assets	Lease liabilities
Balance at 1 January 2021	1.1	225.4	226.5	252.2
Additions	0.7	-	0.7	0.8
Adjustments	(0.2)	-	(0.2)	(0.3)
Depreciation expense	(0.8)	(28.9)	(29.7)	n/a
Interest expense	n/a	n/a	n/a	12.5
Lease payments	n/a	n/a	n/a	(31.7)
Foreign currency translation gain/(loss)	(0.1)	-	(0.1)	(0.3)
Balance at 31 December 2021	0.7	196.5	197.2	233.2

USD MILLION	2022	2021
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	81.8	31.1
Later than one year and not later than five years	93.3	102.3
Later than five years	172.6	193.2
Total undiscounted lease liabilities at 31 December	347.7	326.6
Lease liabilities included in the statement of financial position at 31 December		
Current	68.7	19.6
Non-current	187.3	213.6

Amounts recognised in profit or loss

USD MILLION	2022	2021
Interest on lease liabilities	14.4	12.5
Depreciation of right-of-use assets	27.4	29.7

For right-of-use assets used in joint arrangements, the partners share of the lease payments are classified as other income.

Extension options

Some leases, such as the lease relating to *BW Adolo* and certain office leases, contain contractual rights and options, such as extension and cancellation options that may impact the lease term and are exercisable only by the BW Energy Group and not by the lessors. These options may impact the estimated lease term. BW Energy Group assesses the lease term at lease commencement, and subsequently when facts and circumstances which under the control of BW Energy Group require it. For the lease of the *BW Adolo*, BW Energy Group is reasonably certain that the lease term will exceed the non-cancellable contract period of 365 days and expects the lease to continue until Dussafu life of field.

Note 22 Commitments & guarantees

Commitments related to development of oil fields and operations, contracted for at the balance sheet date, but not recognised in the financial statements are as follows:

USD MILLION	2022	2021
Nominal amount	219.4	90.0
Fair value	199.5	81.8
Interest rate	10.0 %	10.0 %

Commitments relates mainly to the developing assets of the Dussafu, Maromba and Kudu fields.

For the bank debt relating to the USD 300 million international Reserve Based Lending (RBL) facility, as referred to in Note 15, a standard security package was granted to the Lenders, including share security and bank account, security over the borrowing base asset as well as assignments of material contracts and insurances. The highest guarantor of the facility is BW Energy Holdings Pte. Ltd.

Note 23 Related parties transactions

The largest individual shareholder, BW Group Limited, owning 38.5%, is incorporated in Bermuda and is controlled by Sohmen family interests.

BW Offshore Limited, owning 25.4%, is incorporated in Bermuda. The largest individual shareholder of BW Offshore Limited Group is BW Group Limited, owning 49.9%.

Private Placement

On 20 January 2021, BW Energy Limited completed a private placement of 23,690,000 new shares. The following related parties of BW Energy have been allocated shares in the Company in the Private Placement:

- CEO of BW Energy Carl Arnet was allocated 243,294 new shares at NOK 27 per share in the Private Placement. Following completion of the Private Placement Carl Arnet own 2,649,582 shares in the Company, equal to 1.03% following the issuance of the new shares. In addition, close associates of Carl Arnet own 16,324 shares in the Company.
- CFO of BW Energy Knut Sæthre was allocated 18,518 shares and following completion of the Private Placement hold 125,991 shares in the Company, corresponding to approximately 0.05% of the total number of shares in the Company.
- BW Group Limited is represented at the Board of Directors of the Company and was allocated 8,322,192 new shares at NOK 27 per share in the Private Placement. Following completion of the Private Placement, BW Group Limited own 90,632,259 shares in the Company, equal to 35.13% following the issuance of the new shares

IP agreement with Seaboard LLC

In October 2018, BW Energy Group finalised an agreement with Seaboard Production Partners, LLC (SPP) for the transfer of Intellectual Property, including but not limited to development plans, reservoir and geological analysis and economic modelling to be utilised in the development of the Dussafu field. The manager, also a shareholder of SPP, is now a part of the management of BW Energy Group.

The agreement is built on an earn out model with a defined set of performance targets primarily revolving around time weighted payback on equity for the original shareholders, which would entitle SPP further payments conditional upon these targets being met. Nominal payments under the original agreement amount to a maximum of USD 75 million of which USD 7.5 million was paid in 2018.

In the fourth quarter of 2021, BW Energy Group reassessed contractual pay-out obligation and concluded that the realisation of performance targets are considered probable and it is expected that the maximum pay-out will be made under the arrangement. The discounted value of remaining pay-out as of 31 December 2021 in the amount of USD 64.2 million was recorded as intangible asset with corresponding obligation recorded as current and non-current liabilities. BW Energy Group continuously evaluates the timing of pay-out and adjusts its current and non-current liabilities with a revised discount rate at the end of each period.

In January 2022, BW Energy Group signed an amendment to the IP agreement with Seaboard LLC that allowed contingent acceleration of approximately 20% of the back-end payments, discounted, and to be paid in 2022 and 2023.

As of December 2022, a total of USD 24.6 million has been paid, including accelerated payments and USD 7.5 million paid in 2018. Remaining payments are expected to be completed by 2025.

Refer to Note 13.

FPSO Polvo

BW Energy Group has initially decided to proceed with the Maromba development project offshore Brazil and signed an agreement to purchase the FPSO *Polvo* from BW Offshore, reference to Note 20.

BW Adolo

In May 2018, BW Energy Group entered into a bareboat charter agreement (operating lease) with BW Adolo Pte. Ltd., and an agreement with Tinworth Gabon S.A. for the operations and maintenance of *BW Adolo* during the Charter. Both companies are subsidiaries of BW Offshore Limited. The FPSO *BW Adolo* commenced operation on the Dussafu field in September 2018.

In addition, BW Energy Group also purchases other management services from BW Offshore Group.

Related parties transactions

USD MILLION	Transaction values for the year ended 31 December		Balance outstanding as at 31 December ¹	
	2022	2021	2022	2021
Sales of goods and services	2.2	1.9	0.3	1.5
Purchase of services				
Operating services ²	83.1	81.4	3.0	8.2
Other services	12.0	11.2	1.8	3.7
Total purchase of services	95.1	92.6	4.8	11.9

1 Included in Trade and other current assets and Trade and other payables.

2 Operating services relating to *BW Adolo*.

The carrying amounts of related parties receivables and payables are in USD.

Note 24 COVID-19 and other macro developments

BW Energy Group completed the year with strong operational performance and outstanding financial stability despite the remaining impacts of COVID-19 pandemic. Operations and development programs continued while ensuring well-being of its people, and safeguarding of its assets.

The Hibiscus / Ruche development project continued to progress with limited constraints due to remaining restrictions related to COVID-19. Conversion of *BW MaBoMo* (previously *Hibiscus Alpha*) at the shipyard was completed per plan and was installed on site in Gabon during the fourth quarter of 2022.

There are a number of factors that could impact the BW Energy Group, including levels of industry product supply, energy prices, inflation and higher interest rates, in addition to significant oil price volatility and the uncertainty created by Russia's invasion of Ukraine.

Note 25 Climate risk

BW Energy Group is committed to transition into a lower carbon environment while recognising the impact of climate change to its business and the oil and gas industry. We expect continued regulatory attention on climate change issues and emissions of greenhouse gases. The increased attention to climate change may result in changes to taxation and regulations, demand for crude oil and natural gas, higher compliance costs, and limitation of investors and lenders.

BW Energy Group expects taxations and regulations to change for the oil and gas industry and have an impact on its business and financial outlook. We closely monitor such regulations and legislations in regions of our operations and presence.

Climate change issues may cause shift toward alternative sources of energy, lowering demand and price for oil and gas. A significant reduction in oil and gas price could result in potential impairments impacting book values of Group's oil and gas assets. BW Energy Group evaluates its assets with various considerations and runs sensitivities with multiple oil price scenarios for robustness.

BW Energy Group's future development and investments depend on multiple sources, including operational cash flow, capital, and borrowings. Increased concern over climate change could lead to increased cost of capital. Recently, certain investors and lenders have limited or restricted their activities and lending towards oil and gas industry. To mitigate such risk, BW Energy Group works closely with various financial institutions and investors globally and continuously evaluates its investment strategy to optimise a strong balance sheet.

Furthermore, BW Energy Group is exposed to changing weather conditions and natural disasters caused by climate change as a result of its development and production activities offshore. Impact of severe climate change could cause damage to facilities, disrupt operational activities and result in significant costs increases. Severe weather could also delay drilling programs and cause production shut ins. BW Energy Group maintains insurance to protect its physical assets and revenue stream.

Note 26 Subsequent events

First Hibiscus production well spudded

The On 9 January 2023, BW Energy Group announced the start of drilling of the first production well on the Hibiscus / Ruche Phase 1 development in the Dussafu Block offshore Gabon. Drilling operations commenced on schedule in the first week of January and in line with the target of producing first oil in March 2023.

Note 27 Reserves (unaudited)

BW Energy Group engaged Netherland, Sewell & Associates, Inc. (NSAI) for reserve and resource certification.

Evaluations were based on standard petroleum engineering and evaluation principles. This includes use of standard engineering and geoscience methods, or a combination of methods, including volumetric analysis, analogy, and reservoir modelling, considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2015 PRMS definitions and guidelines. The reserves and contingent resources in this report have been estimated using deterministic methods.

As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, conclusions necessarily represent only informed professional judgment.

Estimated remaining gross oil reserves by NSAI for oil properties located in Tortue field:

As of 31.12.2022	1P Gross mmbbl	1P Net mmbbl	2P Gross mmbbl	2P Net mmbbl
Dussafu Marine Permit	65.1	47.8	96.2	70.7

As of 31.12.2021	1P Gross mmbbl	1P Net mmbbl	2P Gross mmbbl	2P Net mmbbl
Dussafu Marine Permit	71.6	52.6	100.4	73.8

Proved reserves (1P) are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be commercially recoverable; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves and 2P is proved and probable reserves.

During 2022 and 2021, the BW Energy Group had the following reserve development:

	2P reserve mmbbl
Balance as of 31 December 2020	104.9
Production 2021	(4.1)
Revision of previous estimate	(0.4)
Balance as of 31 December 2021	100.4
Production 2022	(3.9)
Revision of previous estimate	(0.4)
Balance as of 31 December 2022	96.2

Parent company financial statements

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Statement of Income

USD MILLION (Year ended 31 December)	Note	2022	2021
Revenue	3	4.0	7.8
Operating expenses	4	(20.6)	(15.1)
Operating profit		(16.6)	(7.3)
Interest income		5.8	2.5
Fair value gain/(loss) on financial instruments	8	7.4	-
Other financial items		(0.2)	2.4
Net financial items		13.0	4.9
Profit/(loss) before tax		(3.6)	(2.4)
Income tax expense	5	(0.7)	(0.3)
Net profit/(loss) for the year		(4.3)	(2.7)

The notes on pages 105 - 110 are an integral part of these financial statements.

Statement of Comprehensive Income

USD MILLION (Year ended 31 December)	2022	2021
Loss for the year	(4.3)	(2.7)
Total comprehensive income for the year	(4.3)	(2.7)

The notes on pages 105 - 110 are an integral part of these financial statements.

Statement of Financial Position

USD MILLION (As at 31 December)	Note	2022	2021
ASSETS			
Intangible assets		0.2	-
Shares in subsidiaries	9	355.6	290.4
Long-term intercompany receivables	10	100.5	64.5
Derivates		9.2	2.1
Total non-current assets		465.5	357.0
Trade and other current assets		1.0	1.1
Short-term intercompany receivables	10	10.0	26.4
Cash and cash equivalents		65.6	76.1
Total current assets		76.6	103.6
Total assets		542.1	460.6
EQUITY AND LIABILITIES			
Share capital	6	2.6	2.6
Share premium		550.1	550.1
Other equity		(98.1)	(94.8)
Total equity		454.6	457.9
Trade and other payables		3.5	2.0
Short-term intercompany payables	10	83.9	0.6
Tax liabilities		0.1	0.1
Total current liabilities		87.5	2.7
Total equity and liabilities		542.1	460.6

The notes on pages 105 - 110 are an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

USD MILLION	Note	Share capital	Share premium	Retained earnings/ Net assets	Total equity
Equity at 1 January 2021		2.3	475.4	(91.0)	386.7
Loss for the period		-	-	(2.7)	(2.7)
Proceeds from share issue		0.3	74.7	-	75.0
Transaction costs on issue of share		-	-	(1.4)	(1.4)
Share-based payments		-	-	0.4	0.4
Total equity at 31 December 2021		2.6	550.1	(94.8)	457.9
Equity at 1 January 2022		2.6	550.1	(94.8)	457.9
Loss for the period		-	-	(4.3)	(4.3)
Share-based payments		-	-	1.1	1.1
Total equity at 31 December 2022		2.6	550.1	(98.1)	454.6

The notes on pages 105 - 110 are an integral part of these financial statements.

Statement of Cash Flows

USD MILLION	Note	2022	2021
Operating activities			
Profit/(loss) before tax		(3.6)	(2.4)
<i>Adjustment for:</i>			
Currency exchanges differences		-	-
Fair value change on financial instruments	8	(7.1)	(2.3)
Add back of net interest expense		(0.7)	(0.2)
Share-based payment expense		1.1	0.4
Changes in net working capital		(6.5)	(5.4)
Taxes paid	5	(0.7)	(0.3)
Net cash flows from/(used in) operating activities		(17.5)	(10.2)
Investing activities			
Investment in subsidiaries		(52.2)	(6.4)
Investment in intangible assets		(0.1)	-
Loans to subsidiaries	10	(9.2)	(62.8)
Interest received		0.7	0.2
Net cash flows used in investing activities		(60.8)	(69.0)
Financing activities			
Loans from subsidiary	10	67.8	-
Proceeds from share issue	6	-	75.0
Transaction costs on issue of shares	6	-	(1.4)
Net cash flows from financing activities		67.8	73.6
Net change in cash and cash equivalents		(10.5)	(5.6)
Cash and cash equivalents at 1 January		76.1	81.7
Cash and cash equivalents at 31 December		65.6	76.1

The notes on pages 105 - 110 are an integral part of these financial statements.

Notes

Note 1 Reporting entity

BW Energy Limited, was incorporated on 22 May 2019 as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act. BW Energy Limited registered office is at Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM1189, Bermuda. BW Energy is the holding company.

BW Energy Limited is listed on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the Oslo Stock Exchange).

All figures are in USD million if not otherwise stated. As a result of rounding differences, numbers and or percentages may not add up to the total.

The financial statements were approved by the Board of Directors on 27 February 2023.

Note 2 Accounting policies

Basis of accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The financial statements have been prepared in accordance with the historical cost convention with some exceptions, as detailed in the accounting policies set out below

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Accounting for subsidiaries

The subsidiaries are entities (including special purpose entities) over which the Company has control. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. Investments in subsidiaries are stated at cost less any impairment.

Currency translation

Functional and presentation currency

The Company's presentation currency is United States Dollars ("USD"). This is also the functional currency of the Company and most of its subsidiaries.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon satisfaction of the performance obligations for the transfer of services in each such contract. A performance obligation is satisfied when or as the customer obtains the goods or services delivered. It is recognised at an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. Revenues are presented net of indirect sales taxes.

Interest income

Interest income is recognised on a time proportion basis applying the effective interest method.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are trade and intercompany receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction costs.

The Company classifies its financial assets in:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and intercompany receivables and other short-term deposits.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes interest rate swaps and oil price hedging contracts.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a. The Company has transferred substantially all the risks and rewards of the asset, or
 - b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

For intercompany receivables, the Company applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit of loss (FVTPL). Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets and as financial assets when the fair value is positive.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions for other liabilities and charges

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Classification of assets and liabilities

Assets for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Liabilities which fall due more than one year after being incurred are classified as long-term liabilities, except for following year's instalments on long-term debt. This is presented as current interest-bearing debt. Liabilities which fall due less than one year after they are incurred are classified as current liabilities.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Shares in subsidiaries and intercompany receivables are subject to impairment testing at the end of each reporting period. Valuation is subject to assessment of the recoverability in the underlying investment or receivable. Management's assessment can affect the level of impairment loss, or reversal of such, that is recognised in profit or loss.

Changes in accounting policies

There are no changes in the accounting policies.

Note 3 Revenue

USD MILLION	2022	2021
Realised gain/(loss) on oil derivatives	(13.8)	-
Other revenue	17.8	7.8
Total revenue	4.0	7.8

There were no commodity hedges in the company per year end 2022. Commodity hedges are described in more detail under Note 18 of the consolidated financial statements

Other revenue relates to overhead charges to subsidiaries in the BW Energy Group.

Note 4 Operating expenses

USD MILLION	2022	2021
Employee benefit expenses	2.6	0.4
Management and support services	8.7	8.2
Shared services	3.2	2.4
Legal fee	0.3	1.1
Consultant's fee	1.5	0.4
Director's fee	0.4	0.4
Audit fee	0.2	0.4
Travel	0.6	0.1
IT expenses	2.1	1.0
Other operating expenses	1.0	0.9
Total operating expenses	20.6	15.3

Note 5 Income tax

BW Energy Limited is a Bermuda company. Currently, the Company is not required to pay taxes in Bermuda on ordinary income or capital gains. The income tax for 2022 and 2021 concerns withholding tax which the Company is subject to in certain countries where the Company has financial income.

Note 6 Share capital

Authorised share capital:

At 1 January 2022: 300 000 000 ordinary shares at par value USD 0.01 each
 At 31 December 2022: 300 000 000 ordinary shares at par value USD 0.01 each

Issued and fully paid:

	USD THOUSAND
At 31 December 2020	2 343
Share issue 2021	237
At 31 December 2021	2 580
At 31 December 2022	2 580

On 20 January 2021, BW Energy Limited successfully completed USD 75 million private placement, issuing 23 690 000 new shares at a subscription price of NOK 27 per share. Transactions costs on the share issue amounted to USD 1.4 million.

Note 7 Financial assets and liabilities

As of 31 December, the Company had financial assets and liabilities in the following categories:

USD MILLION Year ended 31 December 2022	Financial assets	Financial liabilities measured at amortised cost	Fair value
Cash and cash equivalents	65.6	-	65.6
Intercompany receivables	110.5	-	110.5
Other current assets	1.0	-	1.0
Intercompany payables	-	(83.9)	(83.9)
Other current liabilities	-	(3.5)	(3.5)
Derivatives	9.2	-	9.2
Total	186.3	(87.4)	

USD MILLION Year ended 31 December 2021	Financial assets	Financial liabilities measured at amortised cost	Fair value
Cash and cash equivalents	76.1	-	76.1
Intercompany receivables	90.9	-	90.9
Other current assets	1.1	-	1.1
Intercompany payables	-	(0.6)	(0.6)
Other current liabilities	-	(2.0)	(2.0)
Derivatives	2.1	-	2.1
Total	170.2	(2.6)	

Note 8 Financial risk management

The Company's activities expose it to a variety of financial risks. Overall risk management follows and is handled by the BW Energy Group. These processes and policies are described in more detail under Note 18 of the consolidated financial statements. In 2022, the company was exposed to commodity risk through commodity hedges that was settled during the year, for further reference see Note 3.

Foreign currency risk

The Company's business is not exposed to significant foreign exchange risk as its operating expenses are mainly denominated in United States Dollars, which is the functional currency of the Company.

Interest rate risk

Except for the amount due to and from subsidiaries, the Company's operating cash flows are independent of changes in market interest rates.

The Company holds an interest rate swap of USD 50 million. See Note 18 of the consolidated financial statements.

Credit risk

The Company's credit risk is primarily attributable to the amount due from the subsidiaries (non-trade). At the balance sheet date of 31 December 2022, this amount receivable from subsidiaries (non-trade) is not past due. The maximum exposure is represented by the carrying amount of this financial asset on the balance sheet.

Liquidity risk and Capital risk

Funding requirements of the Company are met by the subsidiaries of BW Energy Group. The Company's objective when managing capital is to ensure that it is adequately capitalised and that funding requirements are met by BW Energy Group.

The Company is not subject to any externally imposed capital requirements.

Note 9 Shares in subsidiaries

Name of companies	Country of incorporation	Ownership at 31 December 2022	Ownership at 31 December 2021
BW Energy Holdings Pte Ltd	Singapore	100%	100%
BW Kudu Holding Pte Ltd	Singapore	100%	100%
BW Maromba Holdings Pte Ltd	Singapore	100%	100%
BW Energy USA Management Inc.	USA	100%	100%
BW Energy OI Ltd	Bermuda	100%	100%

Note 10 Intercompany receivables and payables

USD MILLION	2022	2021
Long-term related parties receivables		
BW Energy Holdings Pte. Ltd.	57.0	64.5
BW Energy OI Limited	43.5	-
Total long-term related parties receivables	100.5	64.5

Short-term related parties receivables		
BW Energy OI Ltd	0.7	22.0
BW Maromba Holdings Pte. Ltd.	0.3	3.2
BW Kudu Holding Pte. Ltd.	1.8	0.3
BW Kudu Limited	0.1	-
BW Energy Gabon Pte. Ltd.	3.4	0.6
BW Energy USA Management inc.	3.6	0.3
BW Energy Dussafu B.V.	0.1	-
Total short-term related parties receivables	10.0	26.4

USD MILLION	2022	2021
Short-term related parties payables		
BW Energy Maromba do Brasil LTDA	0.2	-
BW Maromba Holdings Pte. Ltd.	27.0	-
BW Energy Holdings Pte. Ltd.	55.1	-
BW Energy Gabon Pte. Ltd.	0.2	0.1
BW Energy USA Management INC.	1.4	0.5
Total short-term related parties payables	83.9	0.6

Intercompany loan agreements with subsidiaries are set up based on regular market rates depending on the location of operation i.e., annual discount rate of the Banque des Etats de l'Afrique Central in relation to our operations in Gabon. Outstanding balances at year-end are unsecured.

Independent auditor's report



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To the General Meeting of BW Energy Limited

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BW Energy Limited, which comprise:

- the financial statements of the parent company BW Energy Limited (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of BW Energy Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International

Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Slavanger	Ulsteinvik
Bodø	Kjeller	Stord	Ålesund
Drammen	Kristiansand	Straume	



Independent Auditor's Report – BW Energy Limited

Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services have been provided.

We have been the auditor of the Company for three years from the election by the general meeting of the shareholders on 17 February 2020 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Related party transaction with BW Offshore Limited

Reference is made to Note 23 Related parties transactions, Note 20 Acquisitions and disposals and Note 21 Leases in the Consolidated Financial Statements.

<i>The Key Audit Matter</i>	<i>How the matter was addressed in our audit</i>
<p>In April 2022, BW Energy signed an agreement to purchase the FPSO Polvo from BW Offshore Limited for a total consideration of USD 50 million. The valuation of the FPSO has been confirmed by an independent third party.</p> <p>The consideration consists of USD 5 million in bareboat charter hire in addition to an acquisition price of USD 45 million, all payable at the date the FPSO is transferred to BW Energy.</p> <p>Under the terms of the agreement BW Energy will lease the vessel until a purchase arrangement is executed, which according to the terms of the agreement will be no later than 24 July 2023. If the transaction is closed prior to this date BW Energy will pay USD 30 million upon the transfer date and a seller's credit of USD 20 million will be provided by BW Offshore Limited until settlement on 24 July 2023.</p> <p>We considered the transaction with BW Offshore Limited to be a significant related party transaction.</p> <p>As of 31 December 2022, the FPSO is leased from BW Offshore Limited and BW Energy has recognized a right to use asset of USD 46 million and a lease obligation of USD 48 million.</p>	<p>We obtained an understanding of the process for identifying related party transactions, performed a walkthrough of the process related to governance surrounding the transaction with BW Offshore Limited.</p> <p>We obtained a copy of the agreement signed in April 2022 and assessed the nature and business rationale and assessed that the agreement is approved in accordance with internal procedures including involvement of the Board.</p> <p>We assessed the objectivity and competence of the third party that provided the vessel valuation.</p> <p>We assessed the accounting classification and measurement, including the disclosure of the arrangement in relevant notes.</p>

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover



Independent Auditor's Report – BW Energy Limited

the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the Corporate Governance report and to the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the



Independent Auditor's Report – BW Energy Limited

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of BW Energy Limited we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5493004D19CJBN3DL40-2022-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for

**Independent Auditor's Report – BW Energy Limited**

Assurance Engagements (ISAE) 3000 – “Assurance engagements other than audits or reviews of historical financial information”. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagget data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 February 2023
KPMG AS

A handwritten signature in blue ink, appearing to read 'Dave Vijfvinkel', written over a horizontal line.

Dave Vijfvinkel

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period ended 31 December 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the BW Energy Group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the Company and the BW Energy Group, together with a description of the principal risks and uncertainties facing the Company and the BW Energy Group.

27 February 2023



Mr Andreas Sohmen-Pao
Chairman



Ms Hilde Drønen
Director



Mr William Russell Scheirman
Director



Mr Tormod Vold
Director



Mr Marco Beenen
Director

General data ESEF

Name of reporting entity or other means of identification	BW Energy Limited
Domicile of entity	Bermuda
Legal form of entity	Limited
Country of incorporation	Bermuda
Address of entity's registered office	Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM 1189, Bermuda
Principal place of business	Bermuda
Description of nature of entity's operations and principal activities	Holding company
Name of parent entity	BW Energy Limited
Name of ultimate parent of group	BW Energy Limited

Alternative performance measures (APMs)

BW Energy Group discloses alternative performance measures in addition to those required by IFRS, as we believe these provide useful information to management, investors and security analysts regarding our historical financial performance.

EBIT

EBIT, as defined by BW Energy Group, means earnings before interest and tax.

EBITDA

EBITDA, as defined by BW Energy Group, means EBIT excluding depreciation and amortisation, impairment and disposal and gain from sale of tangible fixed asset. EBITDA may differ from similarly titled measures from other companies.

EBITDAX

EBITDAX, as defined by BW Energy Group, means EBITDA excluding Exploration Expense.

USD MILLION (Year ended 31 December)	2022	2021
Total revenues	277.6	271.5
Operating expenses	(123.4)	(124.3)
Operating profit before depreciation, amortisation, impairment and sale of asset (EBITDA)	154.2	147.2
Depreciation and amortisation	(60.1)	(62.1)
(Impairment)/reversal charges	-	13.3
Operating profit (EBIT)	94.1	98.4

Capital expenditures

Capital expenditures means investments in E&P assets, intangible assets and property and other equipment, including asset retirement cost. Capital expenditure may differ from investment in property, plant and equipment and intangible assets presented in the Consolidated Statement of Cash Flows, as capital expenditure may also contain non-cash transactions.

USD MILLION	2022	2021
Property and other equipment	210.7	44.1
Intangible assets	41.5	151.9
Total capital expenditures	252.2	196.0
Asset retirement cost	(1.6)	(0.5)
Change in working capital	(10.7)	(74.4)
Investment in property, plant and equipment and intangible assets	239.9	121.1

Equity ratio

Equity ratio is an indicator of the relative proportion of equity used to finance BW Energy Group's assets, defined as total equity divided by total assets.

Addresses

Bermuda

c/o Inchona Services Limited
Washington Mall Phase 2
4th Floor, Suite 400
22 Church Street, HM 1189
Hamilton, Pembroke, HM EX, Bermuda

Brazil

Rua Lauro Muller, 116
8th Floor, Rooms 801 and 802
Botafogo, CEP: 22290-160
Rio de Janeiro

Gabon

Boulevard du Bord de Mer
Immeuble Bord de Mer, 3^{ème} étage
BP 23771 Libreville, Gabon

Norway

Karenslyst Allé 6
0278 Oslo, Norway
Postal address:
P.O. Box 33 Skøyen
0212 Oslo, Norway

Singapore

30 Pasir Panjang Road
#14-31 / 32 Mapletree Business City
Singapore 117440

USA

945 Bunker Hill Road, Suite 1200
Houston, Texas 77024 USA

Namibia

Cirrus Building
35 Schanzen Road
on Erf 775
Windhoek, Namibia

contact@bwenergy.no

www.bwenergy.no

2022 Global Reporting Initiative Disclosures

Statement of use	BW Energy Limited has reported in accordance with the GRI Standards for the period of 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details		BW Energy Organizational details are described in the 2022 Annual Report, page 28, and Note 1 of the Consolidated financial statements.
	2-2 Entities included in the organization's sustainability reporting		BW Energy's reporting includes all entities as noted in the 2022 Annual Report in Note 19 of the Consolidated financial statements.
	2-3 Reporting period, frequency and contact point		BW Energy publishes its Annual Report based on the calendar year 2022. Contact person for BW Energy's Annual Report and communication is Knut Sæthre, CFO, contact@bwenergy.no .
	2-4 Restatements of information		No restatement of information.
	2-5 External assurance		BW Energy does not have a policy in place for external assurance practices. BW Energy's 2022 Annual Report is assured internally by the Board of Directors. To date, BW Energy has not sought to have its Annual Report externally assured as understood in the context of the GRI. However, the environmental and social work streams for the Dussafu RBL Facility have been subject to ongoing due diligence/verification and periodic formal review by the Independent Environmental and Social Consultant (ERM). The estimates of projected GHG emissions for the life of the Dussafu field have been reviewed in detail by subject matter experts at ERM and RSK and found to be fit for purpose and free from error.
	2-6 Activities, value chain and other business relationships		BW Energy is engaged in exploration and production activities in the Oil and Gas sector. BW Energy's revenues are derived from the sales of produced crude oil to refineries around the globe. BW Energy's value chain is described in the 2022 Annual Report in Note 4 of the Consolidated financial statements and in the Supplier Code of Ethics and Business Conduct found on the website, www.bwenergy.no/siteassets/documents/supplier-code-of-ethics.pdf
	2-7 Employees		Note to tables: - The personnel statistics are based on the year end headcount from December 2022. - 'Other' region for personnel overview includes employees working remotely. - Legacy Contingent workers are considered long-term, indirect staff.

ONSHORE

Gender, Location, Employment Category

Employment Category	Gender	Brazil	Gabon	Namibia	Norway	Singapore	USA	Other	Grand Total
Sr Management	Female	-	-	-	-	-	2	-	2
	Male	-	-	-	1	1	3	-	5
Management	Female	5	2	-	-	-	3	1	11
	Male	6	4	1	-	-	6	1	18
Employee	Female	17	12	1	1	-	17	-	48
	Male	25	23	-	-	-	16	-	64
Legacy Contingent	Female	-	1	-	-	-	-	-	1
	Male	-	1	1	-	-	8	1	11
Contingent Worker	Female	-	-	1	-	-	4	2	7
	Male	1	17	1	-	-	12	14	45
Grand Total		54	60	5	2	1	71	19	212

OFFSHORE

Gender, Location, Employment Category

Employment Category	Gender	Gabon	Grand Total
Sr Management	Female	-	-
	Male	-	-
Management	Female	-	-
	Male	2	2
Employee	Female	-	-
	Male	7	7
Legacy Contingent	Female	-	-
	Male	1	1
Contingent Worker	Female	-	-
	Male	72	72
Grand Total		82	82

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
General Disclosures			
GRI 2: General Disclosures 2021	2-8 Workers who are not employees		<p>Tables included in disclosure 2-07 are also applicable to disclosure 2-08.</p> <p>Note to tables: The most common type of non-permanent personnel are contingent workers hired for a time specific period. Contingent workers are hired through 3rd party agreements.</p> <p>Non-permanent personnel are typically hired for the following roles: 1. Positions such as technical and subject matter expert roles to cover for peak capacity needs during projects.</p>
	2-9 Governance structure and composition		<p>BW Energy's governance structure is described in the 2022 Annual Report, page 28.</p> <p>All members of the board are non-executive.</p>
	2-10 Nomination and selection of the highest governance body		<p>Nomination and selection of BW Energy's Board of Directors is described in the 2022 Annual Report, page 30 and under Investors on the website, www.bwenergy.no.</p>
	2-11 Chair of the highest governance body		<p>The Chair of BW Energy's Board of Directors is not a senior executive.</p>
	2-12 Role of the highest governance body in overseeing the management of impacts		<p>Information regarding the role of the highest governance body and its committees is covered in the 2022 Annual Report, page 32 and on the website, www.bwenergy.no.</p> <p>The Board of Directors performs annual reviews of BW Energy's strategic planning and impacts through the sustainability reporting process.</p>
	2-13 Delegation of responsibility for managing impacts		<p>The BW Energy Board of Directors has delegated senior management with the responsibility to manage impacts.</p>
	2-14 Role of the highest governance body in sustainability reporting		<p>BW Energy Board of Directors has ultimate responsibility for reviewing and approving sustainability reporting.</p>
	2-15 Conflicts of interest		<p>BW Energy requires all employees to complete a Conflict of Interest (COI) Declaration during onboarding. Employees must also provide COI updates whenever appropriate. In addition, BW Energy's Annual Compliance Survey requires all employees to confirm on an annual basis that all COIs have been properly disclosed. This information is available to Senior Management and members of the Board. See the Ethic and Compliance section of the Annual Report, page 59.</p>

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
General Disclosures			
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns		Any critical concerns are reported to the BW Energy Board of Directors on at least a quarterly basis.
	2-17 Collective knowledge of the highest governance body		The BW Energy Board of Directors possesses significant expertise in sustainable development, gained through extensive experience in the Oil and Gas sector. The Board actively participates in various forums and remain at the forefront of developments in the oil and gas industry and its evolving technologies.
	2-18 Evaluation of the performance of the highest governance body		An annual questionnaire is issued by the Chair to the BW Energy Board of Directors for self-review. In 2022, no actions were taken in response to evaluations.
	2-19 Remuneration policies		BW Energy Board of Directors remuneration information can be found in part 11 of the Corporate Governance section in the Annual Report, page 33. Information on the BW Energy Executive Compensation can be found in Note 7 of the Consolidated financial statements.
	2-20 Process to determine remuneration		BW Energy's process for designing its remuneration policies is described the Nomination Committee section of the BW Energy Corporate Governance Report on page 31 in the 2022 Annual Report.
	2-22 Statement on sustainable development strategy		For statement on BW Energy's sustainable development strategy, see 2022 Annual Report, page 8, as well as in general throughout the 2022 Annual Report.
	2-23 Policy commitments		See BW Energy's Code of Ethics and Business Conduct, 'Respect for the individual, Human Rights and Employment Practices.' See also BW Energy's Supplier Code of Ethics and Business Conduct, 'Respect for the Individual, Human Rights and Employment Practices.' Both policies can be found on the BW Energy website under Sustainability, www.bwenergy.no .
	2-24 Embedding policy commitments		BW Energy's policy commitments are included in the Code of Ethics and Business Conduct, and the subsequent policies, guidelines, standards, etc. All such documents are available to company staff via the BW Energy Intranet Site and its Management Systems. Training related to such obligations is conducted annually.
	2-25 Processes to remediate negative impacts		The BW Energy's Speak Up Channel is available to all employees, suppliers, and external parties. The Speak Up Channel is managed by an independent third-party provider to ensure reporter anonymity. The Speak Up Channel is available in a wide variety of languages. BW Energy has a no retaliation policy for any personnel raising concerns, questions, grievances or complaints in good faith. Results of investigations are reported to the Board of Directors at least on a quarterly basis.
	2-26 Mechanisms for seeking advice and raising concerns		Information about BW Energy's Compliance Program is available to employees on the intranet and through targeted information campaigns. External parties may obtain information via the BW Energy's website, www.bwenergy.no .
	2-27 Compliance with laws and regulations		BW Energy has not been involved in any instances of non-compliance that resulted in administrative or judicial penalties during 2022.
	2-28 Membership associations		BW Energy is a member of the International Association of Oil and Gas Producers (IOGP).
	2-29 Approach to stakeholder engagement		BW Energy's approach to stakeholder engagement in Gabon is described in the Environmental and Social Impact Assessment (ESIA) Addendum and can be found on the BW Energy website found under Sustainability, www.bwenergy.no .
2-30 Collective bargaining agreements		Collective bargaining agreements, and rights and obligations are described in the 2022 Annual Report, page 57.	

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics		BW Energy determines materials topics through an iterative review and the organization has developed and implemented an Environmental and Social Management System whereby sustainability risks and opportunities are identified, assessed, managed, monitored and reported as part of day-to-day business. Refer to the Sustainability section of the 2022 Annual Report for more information.
	3-2 List of material topics		The key material sustainability topics for BW Energy include: - Safety first - Robust governance principles - Environmentally conscious operations - Fair and inclusive employer
	3-3 Management of material topics		Management of Material Topics is described throughout the BW Energy 2022 Annual report and is referred to in the subtopics below.
Economic performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11.2.2 11.14.2 11.21.2	Refer to the BW Energy Consolidated financial statements in the 2022 Annual Report.
Market presence			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	11.11.2 11.14.3	The proportion of BW Energy senior management and asset managers hired from local communities is 60%.
Indirect economic impacts			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	11.14.4	Refer to the Sustainability section of the 2022 Annual Report for details.
	203-2 Significant indirect economic impacts	11.14.5	Refer to the Sustainability section of the 2022 Annual Report for details.
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	11.20.2	In 2022, 100% of BW Energy's operations are assessed regularly for risks related to corruption.
	205-2 Communication and training about anti-corruption policies and procedures	11.20.3	BW Energy's anti-corruption policies and procedures have been communicated to 100% of BW Energy's governance body members, employees, and business partners. Over 91% of BW Energy's employees received anti-corruption training during 2022. In 2022, 100% of BW Energy's governance body members have received training on anti-corruption.
	205-3 Confirmed incidents of corruption and actions taken	11.20.4	In 2022, BW Energy did not record any confirmed cases of corruption, nor were there any cases where employees were dismissed or disciplined as a result of corruption.
Anti-competitive behaviour			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	11.19.2	BW Energy had zero (0) legal actions pending or completed during 2022 regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	11.21.4	Refer to Note 2 of the Consolidated financial statements in the 2022 Annual Report.
	207-2 Tax governance, control, and risk management	11.21.5	Refer to Note 2 and Note 8 of the Consolidated financial statements in the 2022 Annual Report.
	207-3 Stakeholder engagement and management of concerns related to tax	11.21.6	Refer to Note 2 and Note 8 of the Consolidated financial statements in the 2022 Annual Report.
	207-4 Country-by-country reporting	11.21.7	Refer to BW Energy Report on Payments to Governments 2022 which can be found on the website, www.bwenergy.no .
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	11.1.2	BW Energy calculates and reports the energy content in gigajoules of the fuel consumed by the organization. The fuel is predominantly associated gas that is conditioned into fuel gas, as well as diesel and a small quantity of heavy fuel oil. These fuels are used offshore for power generation, transport/propulsion and to run engines on the hydrocarbon production facilities. BW Energy also tracks the kWh of electricity purchased by the organization to power its onshore offices. To date this has not been converted into equivalent energy content and included in the reported energy consumption, however the quantities are extremely low compared to the energy consumed by the offshore hydrocarbon production facilities. So this is not considered to be a material omission in the context of BW Energy's business activities. Refer to KPI Table 2 on page 53 of the Annual Report for 2022 results. The conversion factors used in the energy consumption calculations are based on laboratory analysis of the composition of actual samples of the fuel gas and diesel used on the production facilities in the Dussafu Block offshore Gabon. The reporting basis is operational control. Methodology is as recommended in the IPIECA/IOGP/API Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (3rd Edition, 2015).
	302-2 Energy consumption outside of the organization	11.1.3	BW Energy does not currently calculate energy consumed upstream or downstream of its reporting perimeter.
	302-3 Energy intensity	11.1.4	See 'Energy consumption' table.

Energy consumption

Indicator	Unit	2022	GRI Standard
Gas fuel consumed (non-renewable)	GJ	466,654	GRI 302
Liquid fuel consumed (non-renewable)	GJ	544,566	GRI 302
Electricity consumed	GJ	5,401	GRI 302
Energy intensity ¹	GJ per 1,000t oil produced	1,810	GRI 302
Energy consumption from renewable sources	%	-	GRI 302
Energy consumption from non-renewable sources	%	100	GRI 302

¹ Direct

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Water and effluents			
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts		Refer to HSSE framework section on page 48 and Environmentally conscious operations section on page 49, in the 2022 Annual Report.
	303-3 Water withdrawal	11.6.4	Not applicable.
	303-4 Water discharge	11.6.5	Refer to KPIs Table 2 in the Sustainability section of the 2022 Annual Report, page 53.
	303-5 Water consumption	11.6.6	Not applicable.
Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	11.4.2	In Gabon the offshore hydrocarbon production operations are located in la Réserve Aquatique du Grand Sud du Gabon (a nationally designated marine protected area) and overlap with two ecologically and biological sensitive areas (EBSAs). The Dussafu Block is also situated adjacent to the Mayumba National Park.
	304-2 Significant impacts of activities, products and services on biodiversity	11.4.3	Refer to the Sustainability section of the 2022 Annual Report.
	304-3 Habitats protected or restored	11.4.4	Refer to GRI Disclosure 304-1 regarding collaboration/partnerships with third parties to protect natural marine habitats that have high conservation value.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5	Refer to Chapter 6 (Critical Habitat Assessment) of the Dussafu ESIA Addendum for the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk. See: www.bwenergy.no/sustainability/dussafu-esia-addendum/
Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	11.1.5	BW Energy's KPI Table 2 on page 53 of the 2022 Annual Report contains Scope 1 and Scope 2 absolute emissions of GHGs and below for more information. The GHGs included in Scope 1 emissions estimates are CO ₂ , CH ₄ and N ₂ O. Only combustion sources of GHG emissions are currently included in Scope 1 emissions calculations (i.e., no venting and fugitives emissions sources). See table 'Greenhouse gas emissions' for more information.

Greenhouse gas emissions

Indicator	Unit	2022	GRI Standard
Scope 1 GHG emissions	tonnes CO ₂ e	127,824	GRI 305
Scope 2 GHG emissions (location based)	tonnes CO ₂ e	235	GRI 305
Total GHG emissions (Scope 1 + Scope 2 location based)	tonnes CO ₂ e	128,059	GRI 305
Carbon intensity (Scope 1 + 2)	kg CO ₂ e per boe	33	GRI 305
CO ₂ emissions	tonnes	120,385	GRI 305
CO ₂ emissions excl. flaring	tonnes	62,819	GRI 305
CO ₂ emissions from flaring	tonnes	57,566	GRI 305

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Emissions			
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	11.1.6	<p>BW Energy's Scope 2 emissions are in the table noted in Disclosure 305-1. Scope 2 emissions are limited to those arising from electricity purchased by BWE since the company does not use heating, cooling or steam provided by third parties. Only CO₂ emissions are calculated (none of the other 5 GHGs) and the CO₂ emissions factors used are specific to the geographic location of BWE offices and include: Houston, USA; Libreville, Gabon; Port Gentil, Gabon; Rio de Janeiro, Brazil.</p> <p>The source of the CO₂ emission factors (in kgCO₂/kWh) varies depending on operating location. EF source for Gabon is Ecometrica (2011) Electricity-specific emission factors for grid electricity. EF source for Texas is US EPA eGrid database Feb 2020 (EFs for 2018). EF source for Rio de Janeiro office electricity consumption is the Government of Brazil (https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/dados-e-ferramentas/fatores-de-emissao) which is provided on a per month basis.</p>
	305-4 GHG emissions intensity	11.1.8	The organization-specific metric (denominator) chosen to calculate emissions intensity ratio is wellhead production.
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	11.3.2	BW Energy reports on emissions of NO _x , SO _x and VOC in the 2022 Annual Report, KPI Table 2, on page 53. The Company uses the Oil and Gas UK Environmental Emissions Monitoring System, and bases its reporting on methodologies from the American Petroleum Institute 2021 Compendium of Greenhouse Gas Emissions methodologies for the Oil and Natural Gas Industry.
Waste			
	306-3 Waste generated	11.5.4 11.8.2	BW Energy distinguishes between hazardous, recyclable and residual (landfill) solid waste types. The available data is contained in KPI Table 2 on page 53 of the Annual Report.
	306-4 Waste diverted from disposal	11.5.5	Refer to information in Disclosure 306-3.
	306-5 Waste directed to disposal	11.5.6	BW Energy uses two main facilities in Gabon for waste disposal: (1) GPS MANDJI – the Municipal Landfill located at Ntchengue area; (2) IEG GABON – located at Cap-Lopez area and used mainly for incineration.
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	11.10.2	See tables entitled 'Joiners 2022' and 'Turnover 2022' for information.

Joiners 2022

Gender / Age	Africa	Americas	Europe	Other *	Total Joiners	Total Percentage
Female					37	20%
<30	2	3	1	-		3%
31-50	3	22	-	2		15%
>51	-	4	-	-		2%
Male					145	80%
<30	8	3	-	-		6%
31-50	71	19	-	8		54%
>51	19	14	-	3		20%
Grand total	103	65	1	13	182	100%

* 'Other' region for personnel overview includes employees working remotely.

Turnover 2022

Gender / Age	Africa	Americas	Other *	Total Turnover	Total Percentage
Female				2	10.53%
<30	-	1	-		5.26%
31-50	-	1	-		5.26%
Male				17	89.47%
<30	-	1	-		5.26%
31-50	-	4	6		52.63%
>51	1	4	1		31.58%
Grand total	1	11	7	19	100%

* 'Other' region for personnel overview includes employees working remotely.

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Employment			
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3	At a minimum, BW Energy complies with local legislative requirements for employee benefits.
	401-3 Parental leave	11.10.4 11.11.3	At a minimum, BW Energy complies with local legislative requirements for employee benefits.
Labour/management relations			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	11.7.2 11.10.5	At a minimum, BW Energy complies with local legislative requirements for notification periods.
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	11.9.2	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-2 Hazard identification, risk assessment, and incident investigation	11.9.3	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-3 Occupational health services	11.9.4	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-4 Worker participation, consultation, and communication on occupational health and safety	11.9.5	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-5 Worker training on occupational health and safety	11.9.6	Refer to the HSSE framework section of the 2022 Annual Report, page 48.

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	11.9.7	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11.9.8	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-8 Workers covered by an occupational health and safety management system	11.9.9	Refer to the HSSE framework section of the 2022 Annual Report, page 48.
	403-9 Work-related injuries	11.9.10	BW Energy's statistics are described in KPI Table 1 in the 2022 Annual Report, page 52.
	403-10 Work-related ill health	11.9.11	In 2022, BW Energy had zero (0) recorded cases as a result of ill health. Statistics include all workers at BW Energy premises, onshore and offshore.
Training and education			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	11.10.6 11.11.4	In 2022, 91% of BW Energy's employees received more than an hour of dedicated anti-corruption training. BW Energy does not track training per gender.
	404-2 Programs for upgrading employee skills and transition assistance programs	11.7.3 11.10.7	BW Energy continuously invests in employee training and competency. BW Energy supports personal development and training by internal or external courses, within the categories of leadership development, induction training, internships, professional, and technical training.
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	11.11.5	BW Energy's Board and Management composition is described in the 2022 Annual Report on KPI Table 3, page 54. On 31 December 2022, 23% percent of the total workforce was female and 77% percent male.

OFFSHORE

Gender / Age

Gender / Age	Percentage
Female	23%
<30	3%
31-50	17%
>51	3%
Male	77%
<30	4%
31-50	48%
>51	24%

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	11.11.7	BW Energy had zero (0) incidents of discrimination during 2022.
Freedom of association and collective bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11.13.2	BW Energy is not aware of any incidents in which workers' rights to exercise freedom of association or collective bargaining may have been violated.
Forced or compulsory labour			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	11.12.2	BW Energy is not aware of any operations or suppliers considered to have significant risk for incidents of forced or compulsory labour.
Security practices			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	11.18.2	Not applicable. BW Energy does not employ security personnel.
Rights of indigenous peoples			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	11.17.2	BW Energy is not aware of any incidents or violations involving the rights of indigenous peoples.
Local communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2	BW Energy's activities are undertaken in accordance with best international practices relating to planning and execution of stakeholder engagement, environmental and social impact assessment, public disclosure, community grievance management, social investment/community development.
	413-2 Operations with significant actual and potential negative impacts on local communities	11.15.3	Due to the remoteness of BW Energy's production facilities from land, there are no significant negative impacts on local communities. The key potential impact on local communities is in the unlikely event of a significant oil spill.

GRI standard	Disclosure	GRI sector standard ref. no.	Statement
Material topics			
Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	11.10.8 11.12.3	Refer to BW Energy 'Supplier Code of Ethics and Business Conduct', found under Sustainability at www.bwenergy.no .
	414-2 Negative social impacts in the supply chain and actions taken	11.10.9	Refer to BW Energy 'Supplier Code of Ethics and Business Conduct', found under Sustainability at www.bwenergy.no .
Public policy			
GRI 415: Public Policy 2016	415-1 Political contributions	11.22.2	BW Energy does not make political contributions.



www.bwenergy.no