



# Q4 2021

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# Highlights



Full-year EBITDA of USD 147.2 million (+69%) and net profit of USD 52 million vs. loss of USD 41 million in 2020

Hibiscus / Ruche development on track for first oil in late 2022

Strong balance sheet with no debt and cash position of USD 150 million

- Q4 EBITDA of USD 58.8 million and net profit of USD 38.9 million
- Two liftings to the Company in the quarter with net sold volumes of 1.17 million barrels including DMO volumes
- Average realised price USD 79.2 per barrel
- Q4 gross production of 1.13 million barrels
- Final two Tortue Phase 2 wells brought on stream in October
- Currently five wells in operation, one supported by interim nitrogen gas lift

# Zero-harm objective for people and environment



Minimizing impact to environment



Working for local society



Sound governance

- COVID-19 still affecting general execution and, in particular, FPSO operation and modification work
- No recorded LTIs in Q4, 1 LTI for full-year 2021
- Security risk at Dussafu remains low
- No environmental incidents

70-80%

Estimated GHG emission-savings from redeployment of existing FPSO<sup>1</sup> vs. newbuild

1) FPSO BW Adolo case study based on CO<sub>2</sub> emission tied to steel consumption and operations

# NSAI Reserves Update



- Dussafu reserve update reflecting adjustment for gross annual production of 4.1 million barrels partly offset by a reserve revision
- Maromba reserves unchanged pending final investment decision

## Net Dussafu Reserves (MMBLS) as of 31 December 2021

Category	YE2021			YE 2020		
	1P	2P	3P	1P	2P	3P
Reserves	52.6	73.8	96.5	54.0	77.1	99.1
	1C	2C	3C	1C	2C	3C
Contingent Resources	12.1	27.9	49.1	11.5	26.6	47.8

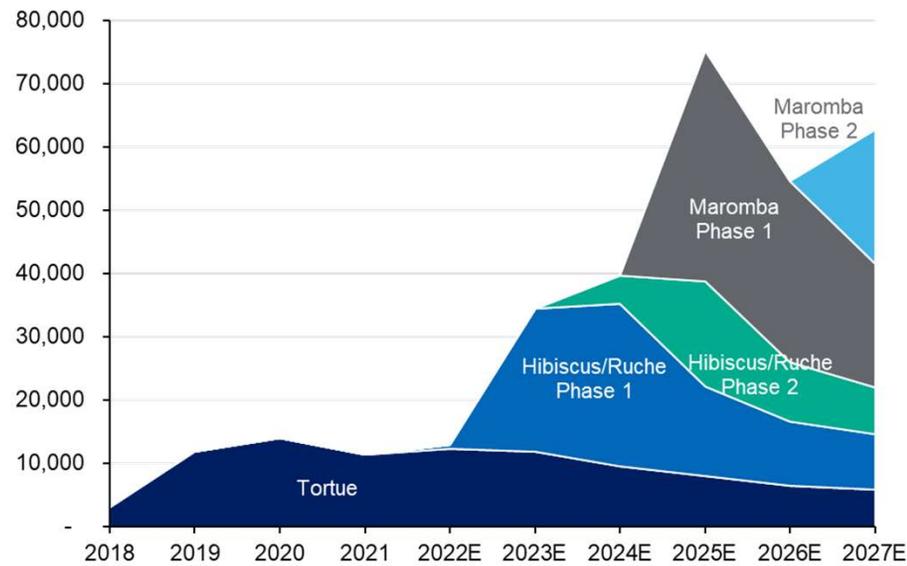
## Gross Maromba Contingent Reserves (MMBLS) as of December 31, 2020

Category	YE2021			YE 2020		
	1C	2C	3C	1C	2C	3C
Development Pending	70.4	98.0	131.3	70.4	98.0	131.3
Development Unclarified	31.2	48.2	74.9	31.2	48.2	74.9
Total	101.6	146.2	206.2	101.6	146.2	206.2

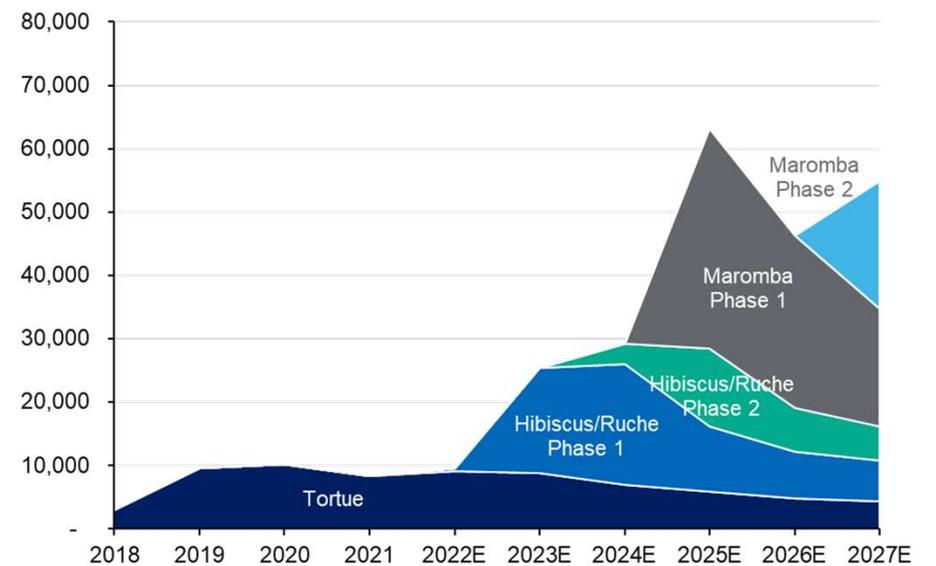
# Production outlook



## Gross production estimate bbls/day<sup>1</sup>



## Net production estimate bbls/day<sup>1</sup>





**Dussafu**

# Production at Dussafu

- Q4 gross production 1.13 million bbls, equal to ~12,250 bbls/day
  - Increase from Q3 reflects completion of the two new Tortue Phase 2 wells in October
  - Phase 2 development completed with zero HSSE incidents and USD 45 million below budget
- Production capacity improved through interim use of nitrogen, supplementing gas lift
  - Currently five wells producing
  - Permanent gas lift solution expected installation in Q4 2022
  - Impact on near-term production, the long-term recovery rate from Tortue remains unchanged
- Q4 OPEX at USD ~27 per barrel including COVID-19 costs and reflects increased production in the quarter
- COVID-19 pandemic continues to impact operations

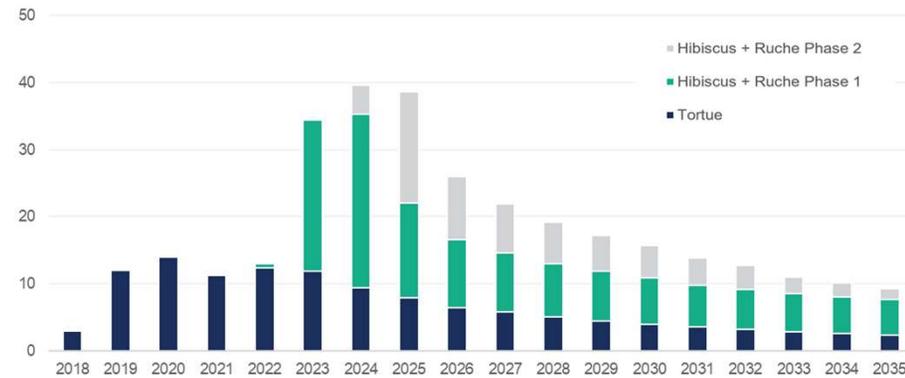


# Dussafu production forecast



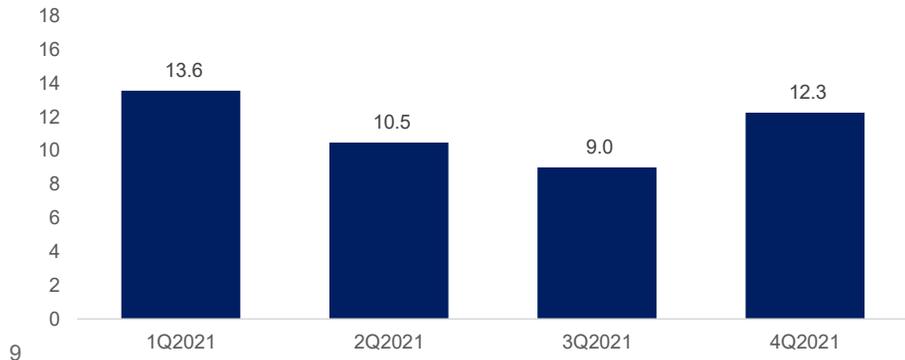
## Gross production profile

kbbls/day

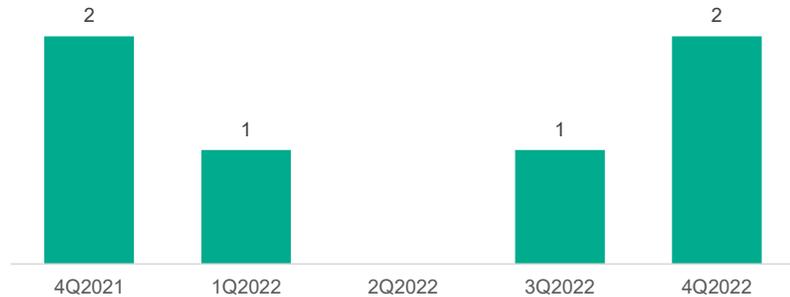


- Full-year 2021 gross production of ~11,300 bbls/day or ~4.1 million barrels of oil in total
- 2022 gross production is forecast at ~4.2 – 5.2 million barrels
  - 2022 OPEX per barrel is expected USD ~26 per barrel
- Next BW Energy lifting in March with 950k barrels nominated
  - Tank upgrades completed, increasing cargo capacity

## Quarterly gross production (kbbls/day)



## Planned quarterly lifting schedule to BW Energy:



# Hibiscus / Ruche field development progressing to plan

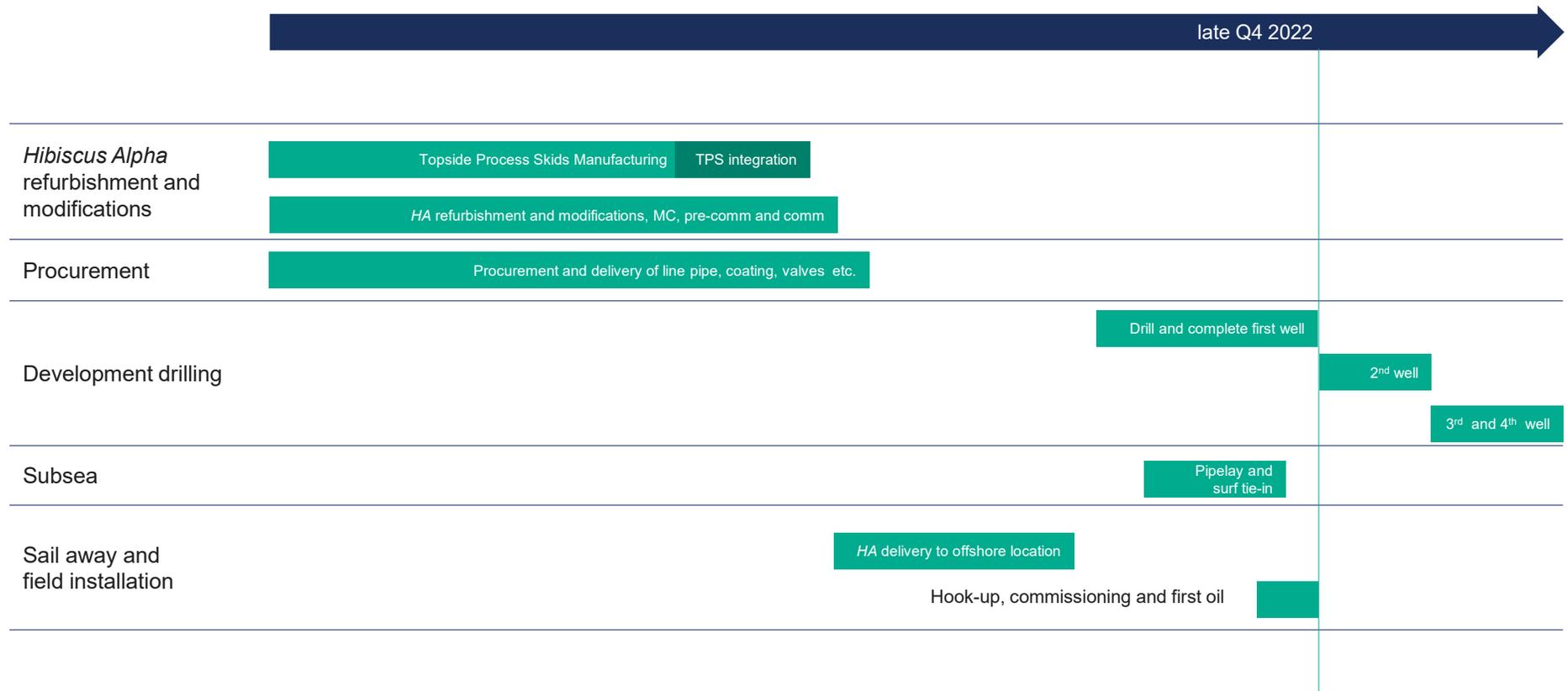
- *Hibiscus Alpha* conversion at Lamprell yard
  - Topside work well underway with equipment removal and remediation progressing to plan
  - Topside modules starting to arrive
  - Well-functioning COVID-19 protocols
- Field work
  - Rig from Borr Drilling contracted with expected mobilisation in September 2022 for 4 wells firm + 4 optional wells
  - Option to drill two exploration wells within the programme
  - Technip to manufacture and install infield pipeline
- On track for first oil in late 2022
  - Revised budget with savings from repurposing jack-up rig instead of a platform newbuild remain on track

## *Hibiscus Alpha* at Lamprell Shipyard, Dubai



***Port side crane fit up and installation***

# Hibiscus / Ruche development program

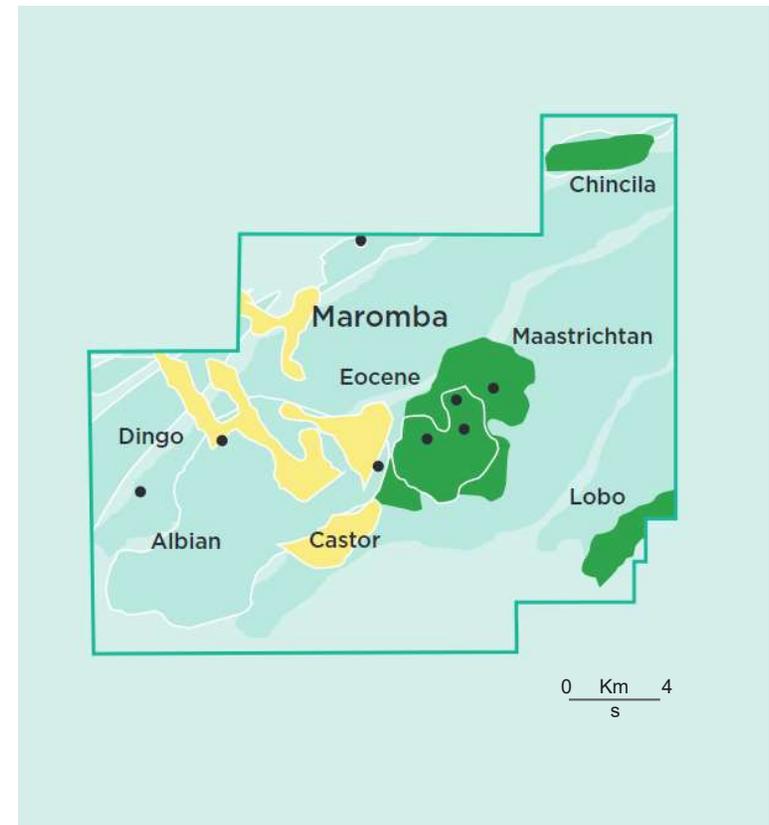




# Maromba

# Progressing Maromba to FID

- FPSO *Polvo* set to arrive in Dubai for final condition assessment to define yard scope and selection
- Environmental Impact Assessment (EIA) for IBAMA submission ongoing according to plan
- Continuing to optimize field CAPEX, OPEX and time to first oil
- On track to FID in 2022 and first oil in 2025 with a break-even below USD 40 per barrel oil price while achieving 15% IRR (incl. remaining acquisition costs)

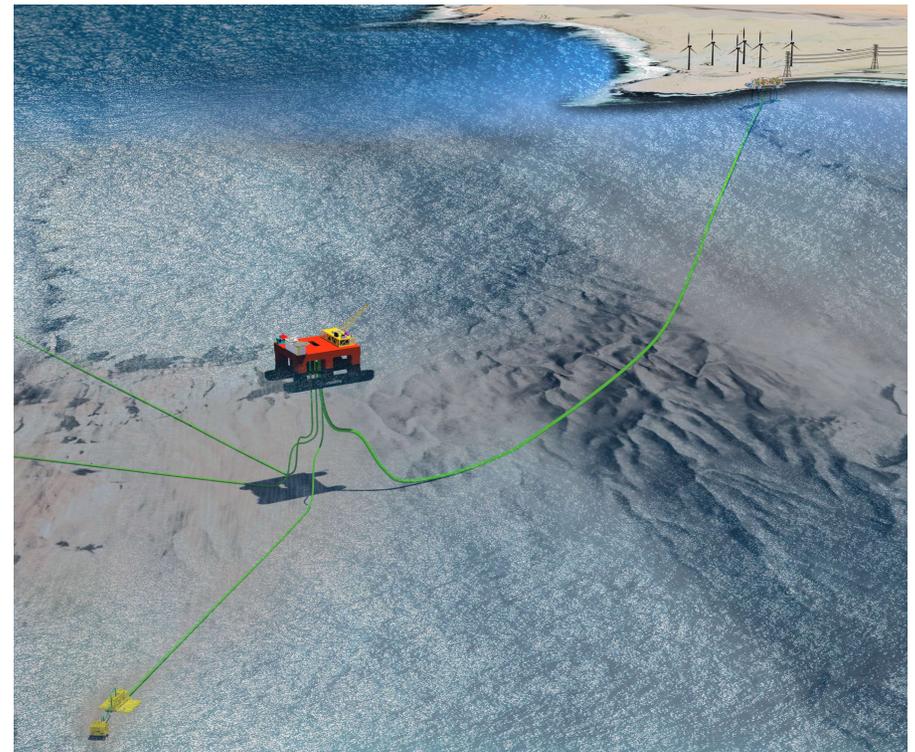




**Kudu**

# Advancing revised Kudu gas development plan

- Discussions ongoing with NAMPOWER, the national power company, and other stakeholders
- Purchase completed of semi-submersible rig *West Leo* for USD 14 million in Q1 2022 for use as Floating Production Facility (FPF)
- Progressing project development concept:
  - Initially 3 wells tied back to the FPF via flexible subsea flowline
  - Process capacity of 130MMSCFD of gas and 100 BBLSD of condensate
  - Jack-up barge to serve as nearshore Power Plant (PP) in Elizabeth Bay, ~200m from shore receiving processed gas by pipeline
  - Onshore Substation and Transmission System tie-in with power grid
- Replacing imported coal-based electricity with domestic power from natural gas significantly reduces the Namibian carbon footprint while ensuring stable energy supply





# Q4 Financials

# Income Statement - Q4 2021



USD million	Q4 2021	Q3 2021	Change
Operating revenue	103.6	24.0	79.7
Operating expenses	(44.8)	(15.7)	(29.2)
<b>EBITDA</b>	<b>58.8</b>	<b>8.3</b>	<b>50.5</b>
Depreciation	(11.8)	(1.2)	(10.6)
Depreciation - ROU	(8.1)	(6.1)	(2.1)
Amortisation	(0.2)	(0.2)	0.0
Impairment	13.3	-	13.3
<b>Other expenses</b>	<b>(6.8)</b>	<b>(7.4)</b>	<b>0.6</b>
<b>Operating profit/(loss)</b>	<b>52.0</b>	<b>0.9</b>	<b>51.1</b>
Interest income	0.1	0.2	(0.0)
Interest expense	-	-	-
Lease liability interest expense	(3.0)	(3.1)	0.1
Other financial items	(0.5)	0.1	(0.6)
<b>Net financial income/(expense)</b>	<b>(3.4)</b>	<b>(2.8)</b>	<b>(0.6)</b>
<b>Profit/(loss) before tax</b>	<b>48.6</b>	<b>(1.9)</b>	<b>50.5</b>
Income tax expense	(9.8)	(8.4)	(1.4)
<b>Net profit/(loss) for the period</b>	<b>38.9</b>	<b>(10.3)</b>	<b>49.2</b>

- EBITDA increased by USD 50.5 million due to two liftings in Q4 vs. none in Q3
- Depreciation for state profit oil in Q4
- Kudu Impairment reversal

# Income Statement – Full year 2021



USD million	2021	2020
Operating revenue	271.5	160.3
Operating expenses	(124.2)	(73.6)
<b>EBITDA</b>	<b>147.2</b>	<b>86.7</b>
Depreciation	(31.8)	(34.0)
Depreciation - ROU	(29.7)	(36.3)
Amortisation	(0.6)	(0.6)
Impairment	13.3	(13.3)
<b>Other expenses</b>	<b>(48.8)</b>	<b>(85.3)</b>
<b>Operating profit/(loss)</b>	<b>98.4</b>	<b>1.4</b>
Interest income	0.7	0.9
Interest expense	0.0	0.0
Lease liability interest expense	(12.5)	(12.3)
Other financial items	2.1	(2.3)
<b>Net financial income/(expense)</b>	<b>(9.6)</b>	<b>(13.6)</b>
<b>Profit/(loss) before tax</b>	<b>88.8</b>	<b>(12.2)</b>
Income tax expense	(36.8)	(28.9)
<b>Net profit/(loss) for the period</b>	<b>52.0</b>	<b>(41.1)</b>

# Balance Sheet



ASSETS	Q4 2021	Q3 2021	Change
Property and other equipment	0.4	0.4	0.0
Right-of-use assets	197.2	205.0	(7.8)
E&P tangible assets	351.0	255.0	96.0
Intangible assets	175.2	178.0	(2.8)
Other non-current assets	3.7	4.0	(0.3)
<b>Total non-current assets</b>	<b>727.5</b>	<b>642.4</b>	<b>85.1</b>
Inventories	7.4	27.0	(19.6)
Trade receivables and other current assets	71.8	38.6	33.2
Cash and cash equivalents	150.9	170.6	(19.7)
<b>Total current assets</b>	<b>230.0</b>	<b>236.2</b>	<b>(6.1)</b>
<b>TOTAL ASSETS</b>	<b>957.5</b>	<b>878.6</b>	<b>78.9</b>
EQUITY AND LIABILITIES	Q4 2021	Q3 2021	Change
Shareholders' equity	569.2	530.2	39.1
<b>Total equity</b>	<b>569.2</b>	<b>530.2</b>	<b>39.1</b>
Deferred tax liabilities	6.9	6.4	0.5
Asset retirement obligations	14.2	14.9	(0.7)
Other long-term liabilities	50.3		50.3
Long-term lease liabilities	213.6	218.1	(4.5)
Derivatives	-	-	-
<b>Total non-current liabilities</b>	<b>285.1</b>	<b>239.4</b>	<b>45.7</b>
Trade and other payables	82.7	89.0	(6.3)
Short-term lease liabilities	19.6	19.7	(0.1)
Tax liabilities	0.9	0.4	0.5
<b>Total current liabilities</b>	<b>103.2</b>	<b>109.0</b>	<b>(5.8)</b>
<b>Total liabilities</b>	<b>388.3</b>	<b>348.5</b>	<b>39.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>957.5</b>	<b>878.6</b>	<b>78.9</b>

- Reclassification of asset under construction from intangible (Ruche Phase 1)
- Reclassification to tangibles, offset by IP agreement and Kudu impairment reversal
- Over-lift position of 100Kbbbls at end Q4 vs. under-lift position of 200Kbbbls at end Q3
- Increase mainly due to December lifting proceeds received January 2022
- IP Agreement
- Reduction of outstanding invoices

# Hedging program initiated to support funding



## Q1 2022 hedging activity

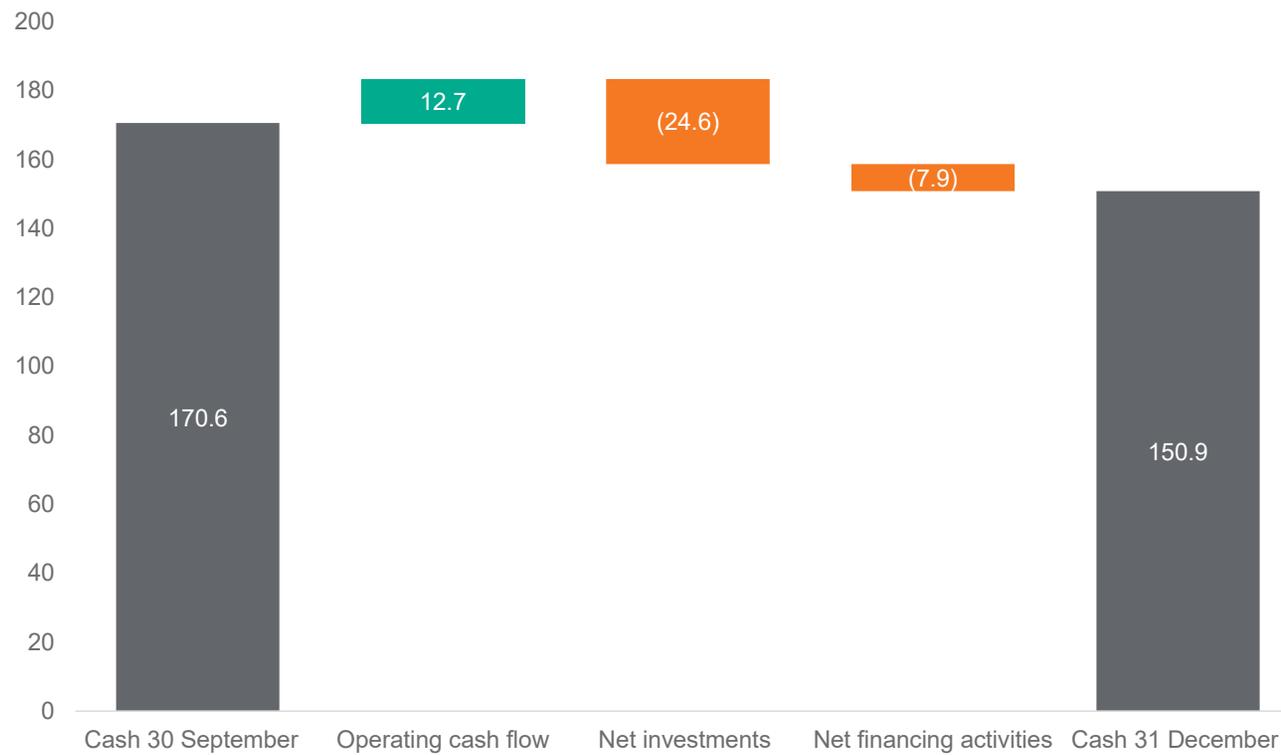
- Reduce commodity price risk
- Support future funding for ongoing development projects
- Hedged volumes split on swaps and zero-cost collars

Summary of Hedging Portfolio						
	Weighted Average by Option-Type			Volume Hedged (bbls)	Swap Volume (bbls)	ZCC Volume (bbls)
	Swap	Zero Cost Collar (ZCC)				
		Put	Call			
<b>March lifting (950k bbls)</b>	\$94.73	\$70.00	\$103.75	475,000	380,000	95,000
<b>Remainder 2022</b>	\$82.51	\$65.00	\$97.80	384,376	192,188	192,188
<b>2023</b>	\$77.41	\$60.00	\$92.78	653,268	326,634	326,634
<b>Total:</b>				<b>1,512,644</b>		

# Cash Flow Q4 2021

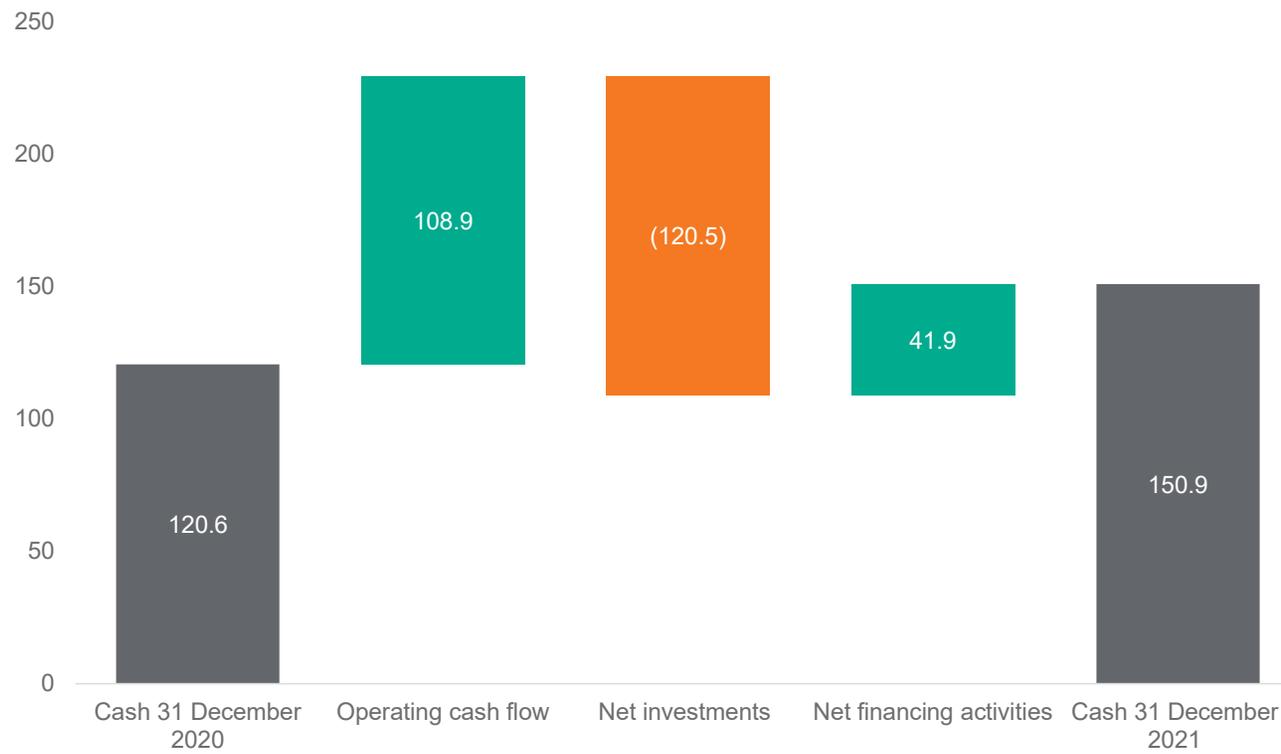


USD million



# Cash Flow 2021

USD million





# Outlook

# Strategic priorities and value levers

## Production & exploration

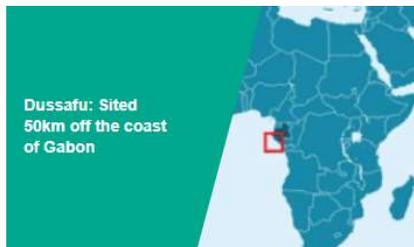
- Optimising Dussafu output
  - Increase gas lift capacity
- Completing Hibiscus North oil-in-place assessment
- Executing Dussafu exploration program

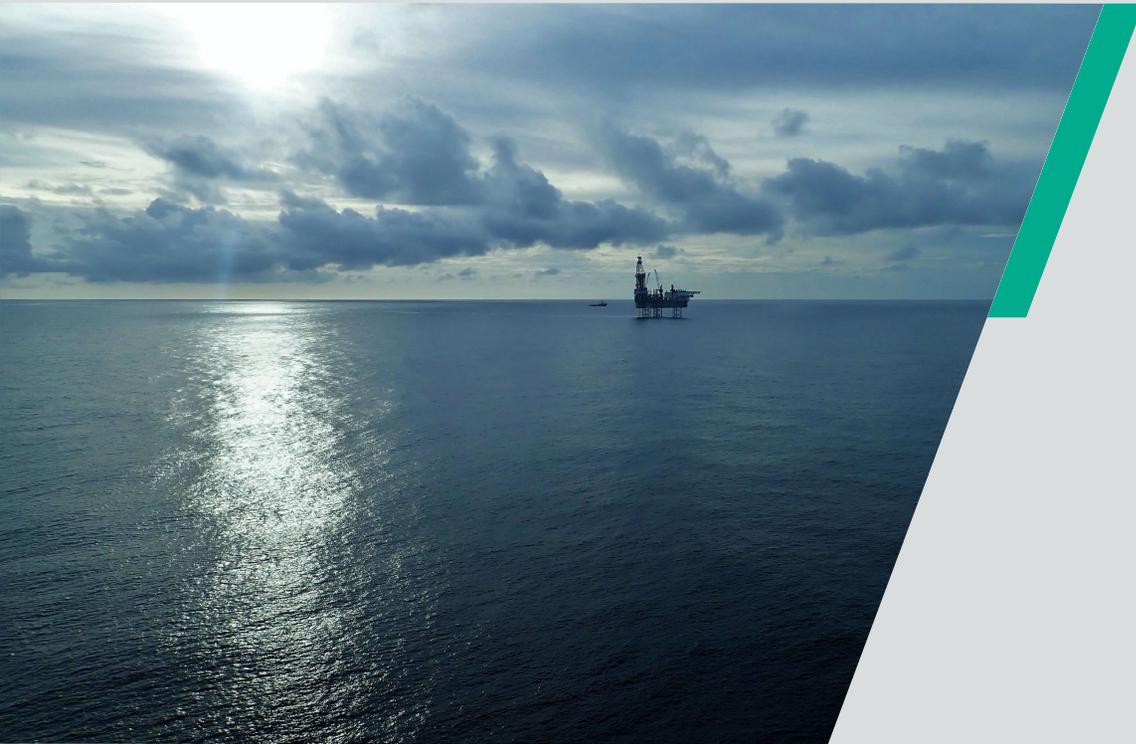
## Development

- Bringing Hibiscus / Ruche to first oil in late 2022
- Progressing Maromba to FID in 2022 and planned first oil in 2025
- Maturing new, right-sized Kudu development concept with lower capex and improved timeline

## Corporate

- Maintaining strong balance sheet
- Ensuring operational cash flow to fund new projects and future shareholder returns
- Intention to pay dividend of up to 50% of net profit once fully operational at Dussafu and Maromba
- Progressing RBL financing





**Q&A**

