



# Pareto Securities` Energy Conference

Knut R. Sæthre, CFO

16 September 2020



# Disclaimer



This Presentation has been produced by BW Energy Limited exclusively for information purposes. This presentation may not be redistributed, in whole or in part, to any other person.

This document contains certain forward-looking statements relating to the business, financial performance and results of BW Energy and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of BW Energy or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of BW Energy or any of its parent or subsidiary undertakings or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. BW Energy assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither BW Energy nor any of its parent or subsidiary undertakings or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. Actual experience may differ, and those differences may be material.

By attending this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of BW Energy and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the businesses of BW Energy. This presentation must be read in conjunction with the recent Financial Information and the disclosures therein.

This announcement is not an offer for sale or purchase of securities in the United States or any other country. The securities referred to herein have not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), and may not be sold in the United States absent registration or pursuant to an exemption from registration under the U.S. Securities Act. BW Energy has not registered and does not intend to register its securities in the United States or to conduct a public offering of its securities in the United States. Any offer for sale or purchase of securities will be made by means of an offer document that may be obtained by certain qualified investors from BW Energy. Copies of this Presentation are not being made and may not be distributed or sent into the United States, Canada, Australia, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

In any EEA Member State that has implemented Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (together with any applicable implementing measures in any member State, the “Prospectus Regulation”), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This Presentation is only directed at (a) persons who are outside the United Kingdom; or (b) investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (c) persons falling within Article 49(2)(a) to (d) of the Order; or (d) persons to whom any invitation or inducement to engage in investment activity can be communicated in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.



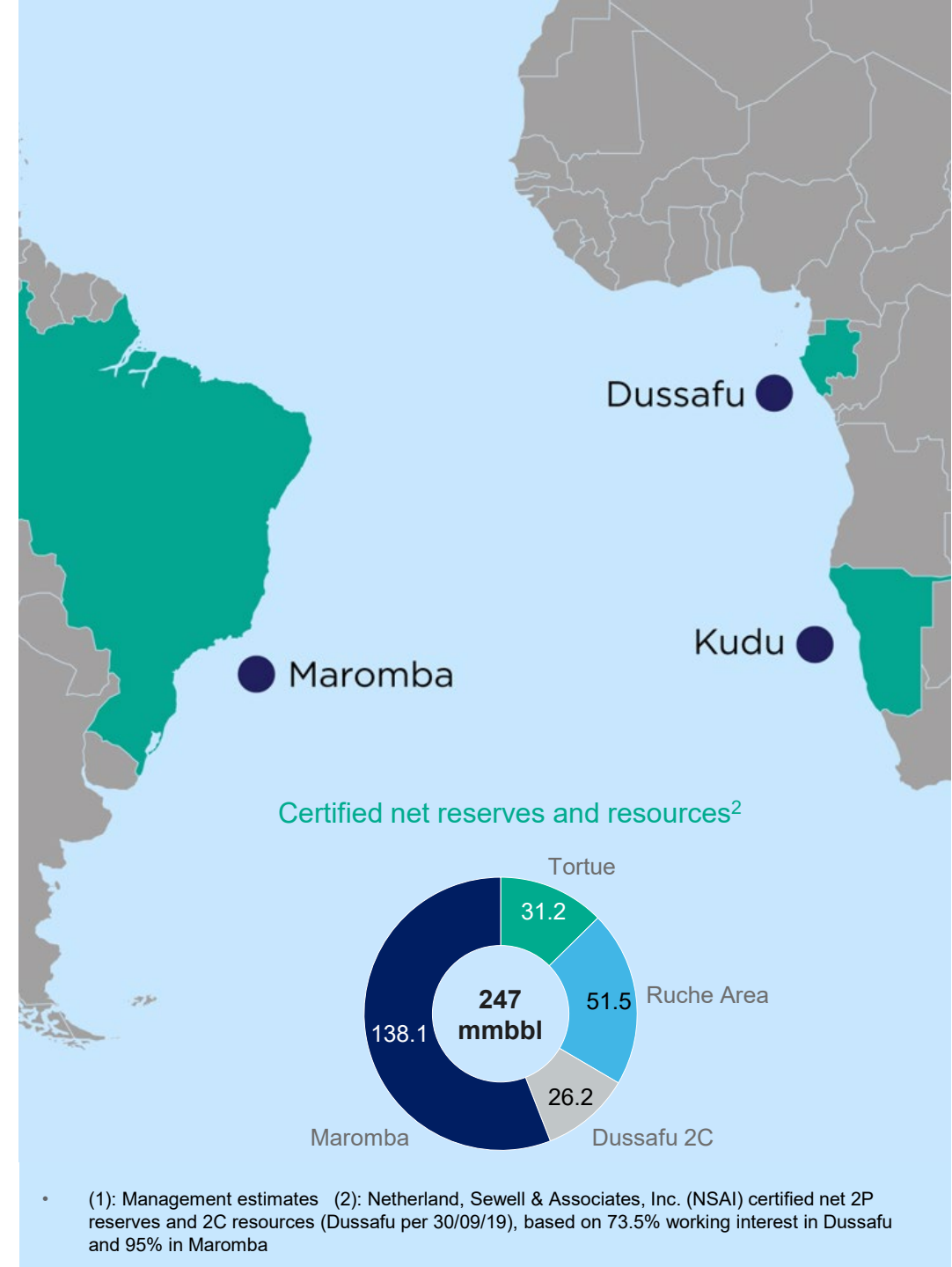
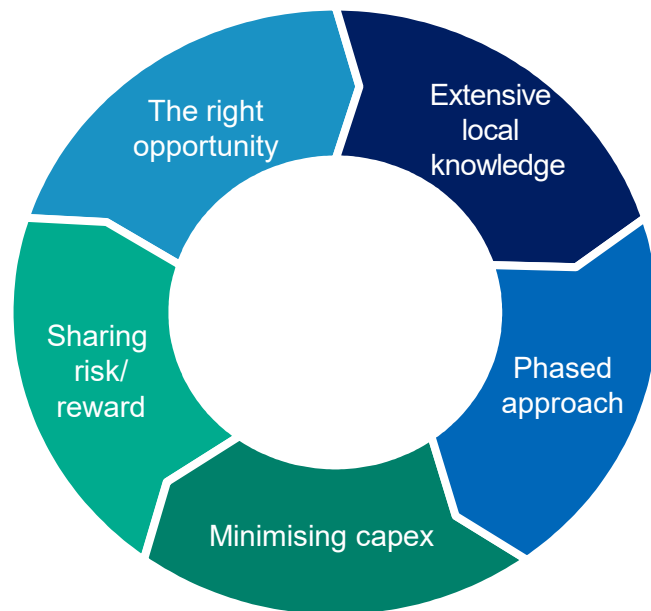
# Agenda

1. The Company
2. Assets
3. Economics
4. Summary



# Focused strategy to unlock assets and create value

- Diversified asset portfolio offshore West Africa and Brazil
- Full year production of 15,000-16,000 bbls/day (gross) from Dussafu
- Net certified 2P reserves of 83 million barrels and 2C resources of 164 million barrels (100% oil)
- Significant upside potential in prospect portfolio
- Operational and financial robustness to move when the time is right



• (1): Management estimates (2): Netherland, Sewell & Associates, Inc. (NSAI) certified net 2P reserves and 2C resources (Dussafu per 30/09/19), based on 73.5% working interest in Dussafu and 95% in Maromba



# Year-to-date highlights

- Protecting employees and partners and ensuring safe uninterrupted operations amid COVID-19 pandemic
- Successfully completed Initial Public Offering, raising net USD 121 million
- Improved financial flexibility with repayment of all external debt
- EBITDA of USD 36.5 million in 1H 2020 and cash position of USD 127.6 million
- Gross production of 2.5 million bbls in 1H 2020 with 1.5 million bbls net to BW Energy
- First oil from initial two Tortue Phase 2 wells, completion of two additional wells pending easing of COVID-19 restrictions
- Continuous focus on de-risking and optimising economics for development projects



The aframax tanker Minerva Olympia loading oil from BW Adolo

# Zero-harm objective for people and environment



Minimizing impact to environment



Working for local society



Sound governance

- Resource efficient, phased development strategy based on reusing existing offshore assets to and produce from already proven reservoirs
- Committed to supporting local communities in areas of operations
- Proactively handling COVID-19 together with partners and authorities

**70-80%**  
Estimated GHG emission-savings  
from redeployment of existing  
FPSO<sup>1</sup> vs. newbuild

1) FPSO BW Adolo case study based on Co2 emission tied to steel consumption and operations

# Key near-term value catalysts



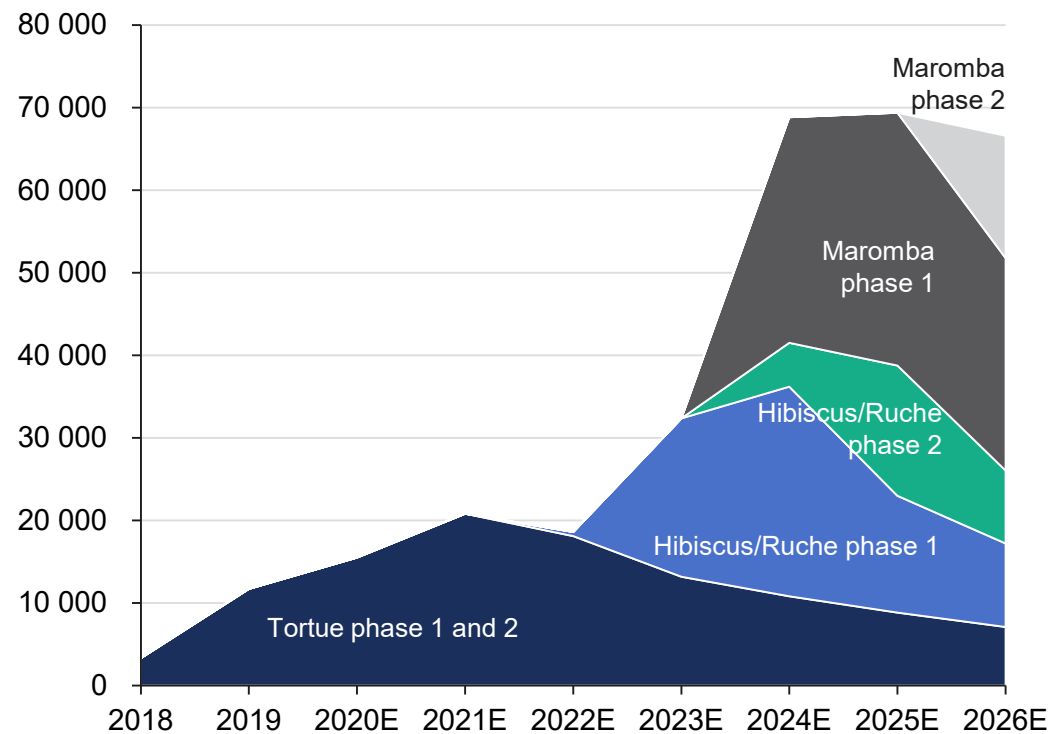
- Seismic reprocessing evaluation
- Up to three additional exploration wells planned from late 2020
- Tortue Phase 2 end Q2 2021: +8-9,000 gross bbls/day peak
- Hibiscus/Ruche development restart planned for Q4 2020
- Ruche is expected to lift Dussafu production to nameplate capacity on FPSO (~45,000 bbls/day)
- ANP approved FDP in Q3 2020
- Target FID 2021
- First oil 2024



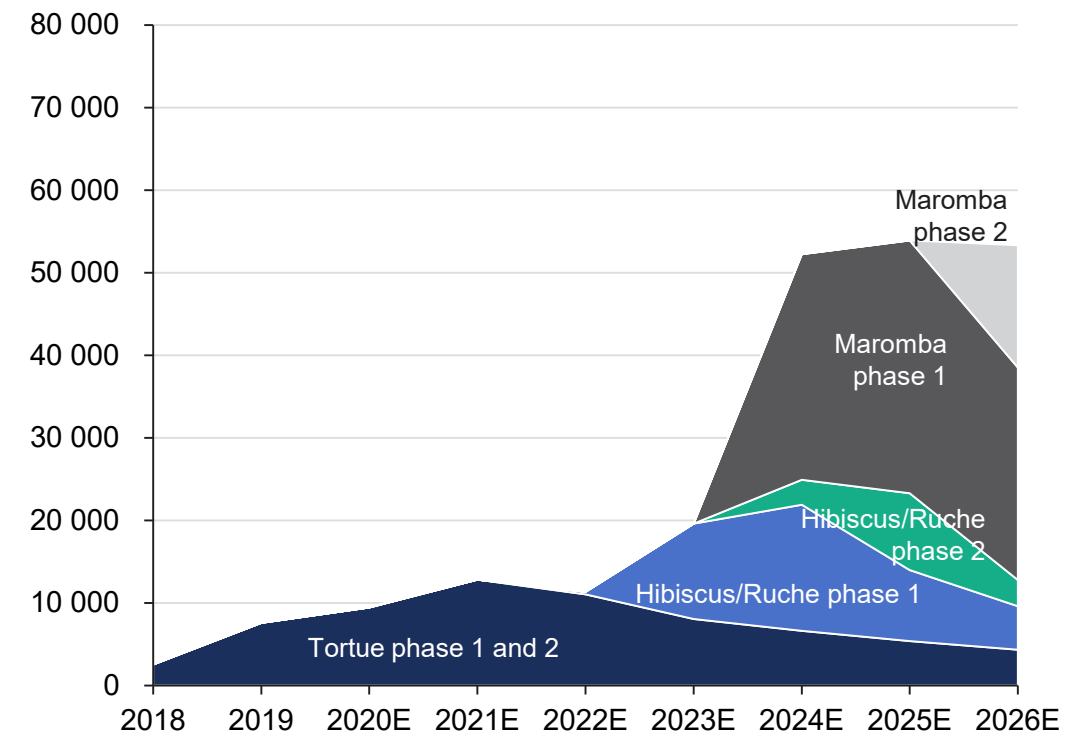
- FPSO tank expansions
- Reduced unit well cost
- FPSO Adolo de-bottlenecking - additional 30,000 bbls/day
- Satellite field developments
- Development cost reductions identified (path to FID 15% IRR at sub-USD 40 per bbl realised oil price)
- Identified new FPSO candidate
- Reduced royalty rates

# Production outlook

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



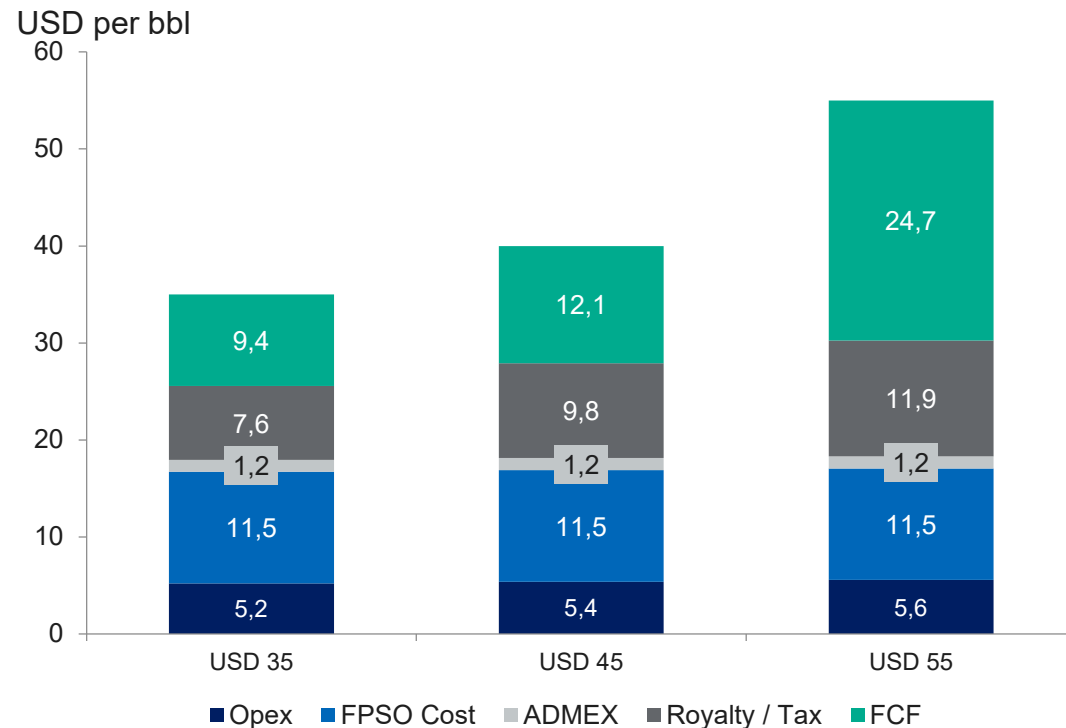
## Net entitlement production estimate bbls/day<sup>1</sup>





# Attractive Dussafu economics at current oil prices

## Operational free cash flow 2020E<sup>1</sup>

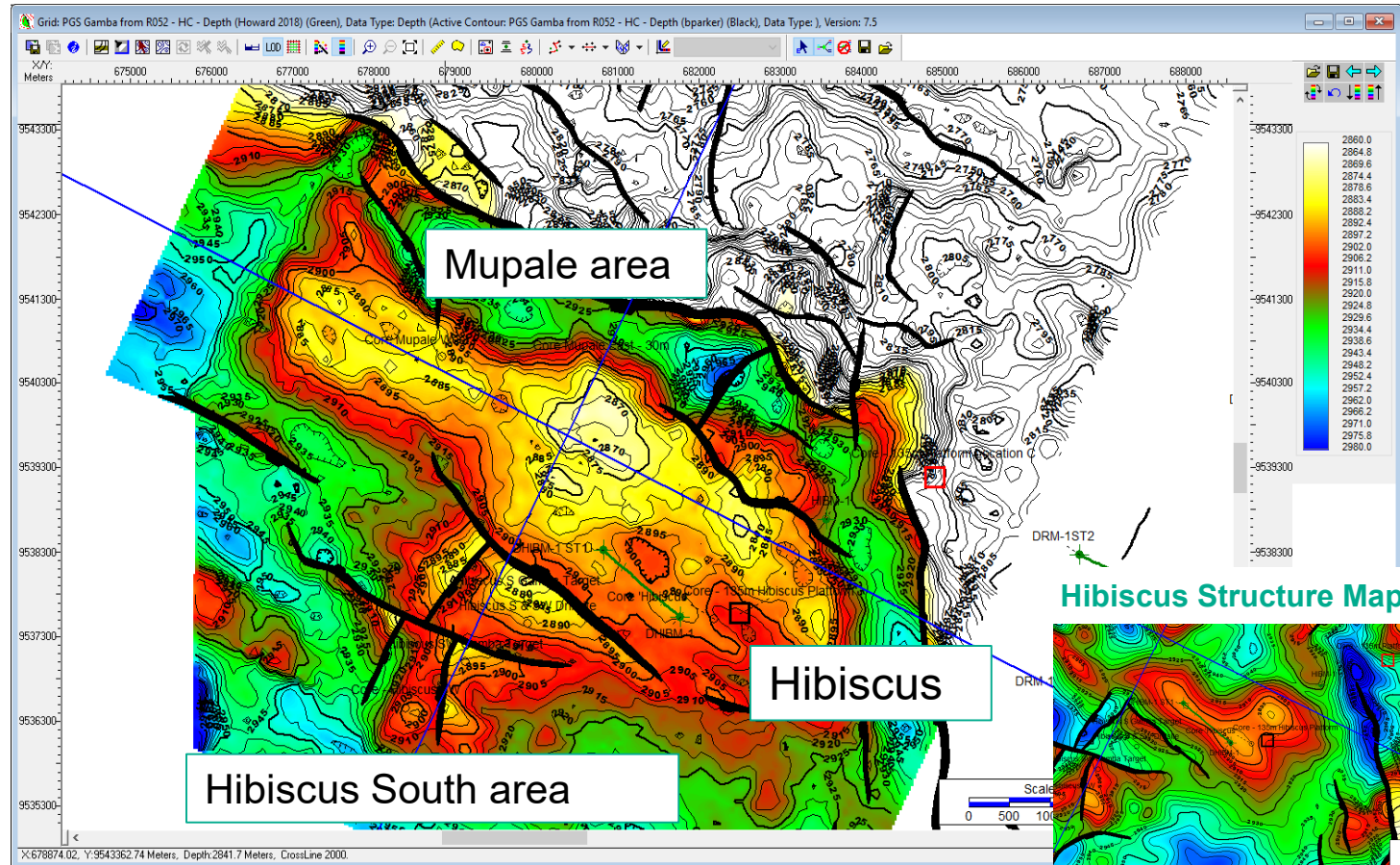


- Full year OPEX expectation of USD 17-18 per barrel
- OPEX expected to decline to approximately USD 10 per bbl at nameplate capacity

# Hibiscus field growth potential

- Recent results of reprocessed seismic suggest an increase in the Greater Hibiscus oil-in-place volumes by potentially ~3.0x
- Interpretation indicates Hibiscus South and Mupale as a single structure
- Verification could give ~155 million barrels recoverable
  - Assuming 55% recovery factor
  - 280 million barrels oil-in-place
  - Current NSAI reserves: 45 million barrels
- Planned new well to confirm interpretation
- Potential to increase FPSO production capacity

## Hibiscus Structure Map 2020 – Reprocessed Seismic



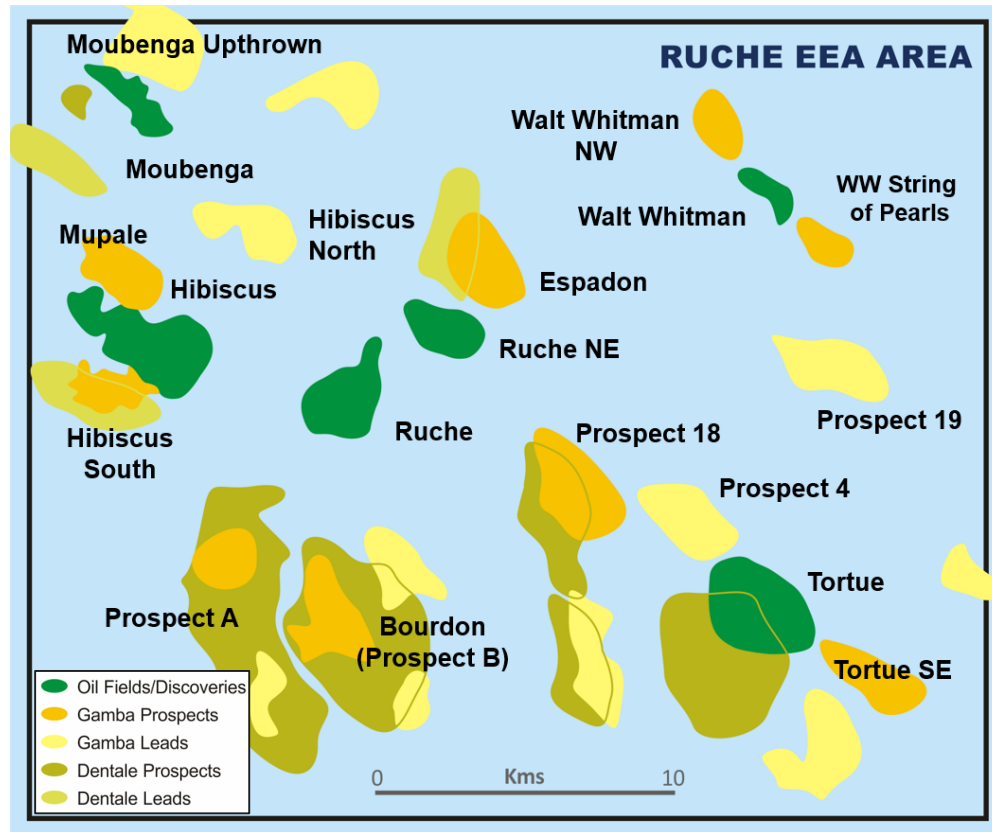
# Hibiscus/Ruche – determining driver for further Dussafu growth



- Ruche restart planned when COVID-19 restrictions are eased to allow efficient project execution
- Progressing alternative field development plan to reduce CAPEX and time to first oil
  - Alternative includes jack-up conversion instead of building a new wellhead platform
  - Potential to reduce cash break-even to approximately USD 25 per barrel Brent and yield 15% IRR at <USD 30 per bbl Brent
  - Development plan includes Phases 1 and 2, based on already proven reserves
- Hibiscus/Ruche development restart currently assumed in Q4 2020 based on revised CAPEX and schedule

# Significant remaining exploration potential

## Large inventory of prospects and leads



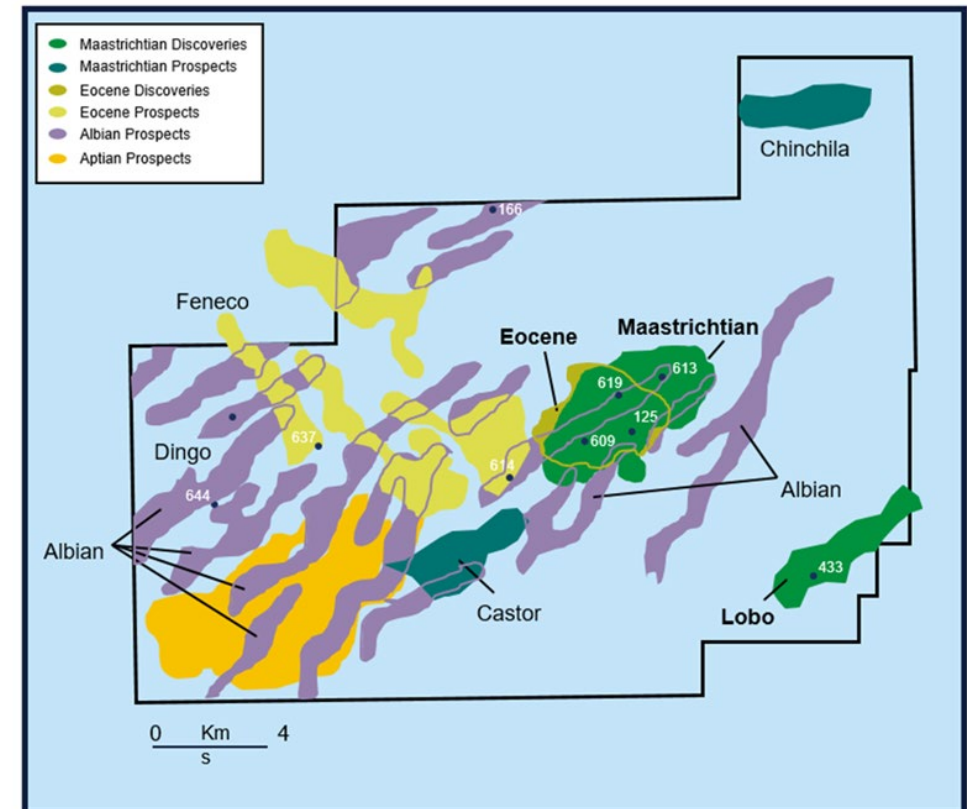
## Dussafu discoveries and drilling prospects

Discoveries	Target reservoir	Million bbl P50 contingent resources <sup>1</sup>
Walt Whitman	Gamba	13
Moubenga	Dentale	6
Exploration prospects	Target reservoir	P50 prospective resources <sup>1</sup>
Hibiscus North	Gamba	28
Bourdon (Prospect B)	Gamba & Dentale	50
Mupale	Gamba	40
Walt Whitman NW	Gamba	7
WW 'String of Pearls'	Gamba	16
Prospect 18	Gamba & Dentale	15
Prospect A	Gamba & Dentale	39
Tortue SE	Gamba	17
Hibiscus South	Gamba	14
Espadon	Gamba & Dentale	7
Moubenga Upthrown	Gamba	18
Prospect 19	Gamba	17
Prospect 4	Gamba	13
<b>Total prospects</b>	<b>Gamba &amp; Dentale</b>	<b>281</b>



# Progressing Maromba towards FID

- Field Development Plan for Maromba approved by ANP
- Project team progressing project towards environmental approval (IBAMA)
  - Site and soil survey planned for Q4 2020
- Review of project and field economics is ongoing
  - Optimise CAPEX and OPEX
  - Reduce time from FID to first oil
  - Identified new FPSO candidate
  - Continuing to pursue marginal field status to obtain royalty reductions
- Path to FID for phase 1 with a realised oil price of sub-USD 40 per bbl for 15% IRR including remaining acquisition milestones



# Investment Highlights



## Differentiated strategy

- Unlocking value from fields proven by other oil companies
- Access to existing FPSOs enables phased, fast-track development at lower cost



## Unique competence and experience

- Experienced management and extensive resources
- Long operating history in all major offshore basins



## Proven E&P capabilities

- 18-month development at Dussafu with ~98% uptime since first oil
- Demonstrated deal-making and exploration capabilities to add resources



## Capital efficient growth

- Path to increased Dussafu production and first oil from Maromba at low break evens
- Growing pipeline of new opportunities



## Robust capital structure

- Largely self-financed: strong cash flow and planned RBL
- Cash position of USD 127.6 million as of June 30, 2020
- Access to capital markets as needed



**BW ENERGY**