BW ENERGY

HALF YEAR REPORT 2024

BW ENERGY FIRST HALF-YEAR RESULTS

HIGHLIGHTS

- H1 2024 EBITDA of USD 185.6 million and net profit of USD 61.9 million
- H1 2024 gross production of 5.7 million barrels with 4.6 million barrels net to BW Energy
- Operating cash flow of USD 85.1 million and cash position of USD 244.2 million at 30 June
- First oil from Hibiscus South in early March, five months after initial discovery
- Second Hibiscus South well confirms northern extension with good reservoir quality
- 23 million[1] additional barrels of reserves after successful drilling on Hibiscus/Hibiscus South
- Signed USD 150 million gross sale and leaseback for *MaBoMo* production facility
- Successfully issued USD 100 million of five-year senior unsecured bonds
- Golfinho prepayment facility extended and increased

FINANCIALS

Total revenues for the first half-year of 2024 amounted to USD 346.2 million, an increase of USD 176.4 million (USD 169.8 million)[2]. Net sold volumes in the period were 3.7 million barrels (including 130,000 barrels of DMO deliveries) compared to 1.7 million barrels in the first half of 2023. Operating expenses were USD 160.6 million, an increase of USD 48.6 million (USD 112 million), primarily due to higher sales volumes.

EBITDA for the period was USD 185.6 million (USD 57.8 million). The increase in EBITDA was largely due to increased production from the Tortue, Hibiscus and Hibiscus South fields in the Dussafu license (73.5% working interest), and the Golfinho field (100% working interest) after assuming ownership in late August 2023.

Depreciation was USD 72.2 million (USD 32.8 million), mainly related to the producing assets in Dussafu Marine Block in Gabon and the Golfinho field offshore Brazil. Operating profit for the first half-year was USD 113.6 million compared to USD 25.0 million in the same period of 2023.

Net financial expense increased to USD 21.6 million (USD 8.9 million), primarily related to higher interest expense and accretion of asset retirement obligation. Tax expense was USD 30.1 million (USD 15.8 million), primarily related to the operation of the Dussafu Production Sharing Contract (PSC) in Gabon and the Golfinho field in Brazil.

Net profit was USD 61.9 million, compared to a profit of USD 0.3 million in the first half-year of 2023.

Total equity at 30 June 2024 was USD 759.8 million (USD 616.2 million) and equity ratio decreased to 38.4% (45.0%) due to an increase in total assets and debt.

Total available liquidity at 30 June 2024 amounted to USD 244.2 million (USD 233.5 million) of which USD 30.3 million was reserved for debt service.

1 Management estimates
2 Figures presented are compared to previous half-year (first half-year of 2023 in brackets).

Net cash inflow from operating activities was USD 85.1 million (USD 71.3 million) in the first half of 2024. Net cash outflow on investment activities was USD 205.4 million (USD 149 million), reflecting the net of Hibiscus / Ruche investments, Maromba project development, the final instalment for FPSO *Polvo,* and payments related to the acquisition of the Golfinho field and FPSO *Cidade de Vitória.* Net cash inflow from financing activities was USD 170.3 million (inflow USD 100.4 million), mainly reflecting the proceeds from *MaBoMo* sale-leaseback, net proceeds from the bond issue, the increased Golfinho prepayment facility and partial repayment of the RBL facility.

E&P OPERATION

Gabon

At Dussafu, *Adolo* uptime was 80.4% and *MaBoMo* uptime was 87.7% in the first half of 2024, with net production averaging 16,900 barrels of oil per day, equal to approximately 3.1 million barrels. Production was impacted by planned annual maintenance of the FPSO *BW Adolo* and the *MaBoMo* production facility of approximately 21 days in May and June (uptime was 97.3% for *Adolo* and 98.6% for *MaBoMo*, when adjusting for the planned maintenance period), as well as the continued issues with the ESPs (electrical submersible pumps) on the wells producing to *MaBoMo*.

Production costs (excluding royalties) in the first half of the year production were approximately USD 26 per barrel. Production costs are expected to reduce towards approximately USD 20 per barrel in the fourth quarter, primarily due to increase in production.

In March, production started from the DHBSM-1H well in the Hibiscus South field, just five months after the initial discovery in November 2023. A second well in Hibiscus South, DHBSM-2H, was brought online in late July. In August, DHIBM-3H underwent workover for ESP change-out and was restarted. The ESPs in DHIBM-4H and DHIBM-5H will then be replaced with a conventional solution. DHIBM-6H is producing on natural flow and DHBSM-1H is producing on ESP. In early August, the Dussafu license reached the milestone of 30 million barrels produced since first oil in 2018.

Brazil

Production from the Golfinho license was 1.5 million barrels net in the first half, an average of 8,500 barrels of oil per day. Towards the end of the period, reduced gas-lift compressor up-time and lack of gas production from the GLF-28 well impacted production. GLF-28 has subsequently been successfully restarted after ROV intervention operation, and work is underway to improve reliability. In August, the FPSO *Cidade de Vitória* was shut down for 12 days for compressor maintenance and other activities to improve production stability.

Production costs (excluding royalties) were approximately USD 48 per barrel aligning with expectations.

E&P DEVELOPMENT

Gabon

During the first half of 2024, the Company made a substantial oil discovery with good reservoir quality through both the DHIBM-7P and DHBSM-2P pilot wells. These wells appraised the northern flank of the

Hibiscus field and confirmed a northern extension of the Hibiscus South field, respectively. The combined results from these wells have led to an estimated increase in Hibiscus gross recoverable reserves (management estimates) by 23 million barrels of oil. The DHIBM-7P pilot was drilled at the Hibiscus field and is currently being completed as the fifth production well, DHIBM-7H. Additionally, in late July, the DHBSM-2H development well was completed, featuring the first conventional ESP system, with initial production around 7,700 barrels per day.

The current Hibiscus / Ruche Phase 1 drilling campaign comprises eight wells (five Hibiscus wells, two Hibiscus South wells and one Ruche well), and a Bourdon prospect test well. With the extension to the contract for the Borr *Norve* jack-up and the delivery of conventional ESP systems, all previously drilled and completed wells will be successively worked over and completed with conventional ESP systems.

The ongoing Hibiscus / Ruche drilling campaign has the potential to bring total oil production on the Dussafu license up to the FPSO capacity of approximately 40,000 barrels per day gross when all wells are on-stream.

Brazil
In Brazil, BW Energy has decided to discontinue preparations for the two Golfinho infill wells as cost inflation related to subsea equipment and services negatively impact return expectations for the development project. The Company will prioritise optimising production from the existing asset base, including stabilising FPSO performance and selected well workovers. These measures are expected to provide superior returns with lower risk. It will also improve understanding of the reservoirs for future development activities.

Also in Brazil, work progressed on the revised Maromba development plan with the Company evaluating a wellhead platform with an integrated drilling facility. This solution is expected to further reduce total field investments while improving the ability to access additional reserves. Completion of ongoing concept studies is targeted by end 2024. Total oil production from Maromba at peak annual average is expected between 30-40,000 barrels of oil per day. In April, BW Energy paid the second and last instalment of USD 20 million plus interest for *FPSO Polvo*, renamed *BW Maromba*. The FPSO is at the COSCO yard in China with detailed work-scope planning ongoing in preparation for upgrades.

Namibia
In Namibia, BW Energy is continuing development planning and concept selection for the Kudu gas-to-power project with relevant stakeholders. Analysis of data from the 2023 3D seismic survey, as well as additional data over an adjacent area acquired in 2024, is progressing. The Company is working on defining the target for a first exploration well and is securing long-lead items for an exploration program planned in 2025. Preparations are also underway for an independent rig tender, however, there is a close dialogue with other operators in the Orange Basin on exploring common use available resources.

CORPORATE MATTERS
Early in the first half of 2024, BW Energy extended and increased the Golfinho prepayment facility to USD 120 million from originally USD 80 million. The facility was fully drawn at the end of the period.

In April, BW Energy executed a sale and leaseback agreement for a gross amount of USD 150 million with a Minsheng Financial Leasing Co entity (MSFL) for the *MaBoMo* production facility on the Dussafu license. The transaction added USD 110 million of net liquidity for the Company.

In June, the Company issued USD 100 million, five-year senior unsecured bonds with a coupon of 10% per annum. The bond placement met strong investor demand across Nordic and international markets and was significantly oversubscribed. An application has been made for the bonds to be listed on the Oslo Stock Exchange.

On 1 August, the Company announced the acquisition of 17.6 million common shares and 17.6 million share purchase warrants of Reconnaissance Energy Africa Ltd. for an aggregate purchase price of approximately USD 16 million. By participating in the equity raise, BW Energy received a 20% non-operating interest in the onshore Petroleum Exploration License 73 (“PEL 73”) in Namibia. This enables the Company to expand its footprint in this strategically important energy region.

Total production net to BW Energy from Gabon and Brazil for 2024 is projected to be between 10 and 11 million barrels, based on the current Hibiscus / Ruche development plan and ESP work-over schedule. Full-year production cost (excluding royalties) is expected to be USD 30 to 35 per barrel. Net capital expenditures are expected to be approximately 350 million, factoring in the investment in Recon Africa and additional concept studies related to Maromba development planning.

RISK

Development of oil and gas fields is associated with various risks including, but not limited to, commodity price fluctuation, transportation risk, political risk, regulatory risk, credit risk, liquidity risk, cost overruns, and construction delays. BW Energy’s risk exposure is regularly analysed, evaluated, and updated consistent with best industry practices and appropriate risk management tools and techniques. For more information see BW Energy’s Annual Report. For the second half of 2024, BW Energy is focused on completing the ESP work-over schedule to bring production up towards the FPSO capacity.

COMMODITY HEDGES

BW Energy is trading derivatives for the explicit purpose of managing the risk to its revenue from commodity prices. The intent is to hedge against commodity price drops that could negatively impact BW Energy’s development and growth initiatives.

The Company entered the year with a total volume of 1.3 million barrels of Dated Brent hedges in place for 2024 and 2025, of which 74% were for 2024. Over the period, the Company entered into additional hedges, resulting in a total volume hedged of 4.6 million barrels for 2024, 2025, and 2026 as of June 30. From the hedges in place, 44% were for 2024, 48% were for 2025, and the remaining 8% for 2026. The hedges are a combination of swaps and options.

BW Energy has recognised a net loss from crude oil hedges in the amount of USD 4.8 million for the first half of 2024, of which approximately USD 4.6 million was unrealised. The Company will continue to hedge a portion of its expected production to assist in funding the planned capital expenditure program while complying with its obligations under the RBL facility.

OUTLOOK

BW Energy continually prioritises safety first with zero harm as an overriding objective for people and the environment. BW Energy is progressing towards reducing its carbon footprint through large-scale repurposing of existing production infrastructure.

The Company expects oil and gas to remain an important part of the global energy mix with increased demand 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 high levels despite a volatility in macroeconomic drivers to date in 2024 as geopolitical conflict, global supply chain challenges, inflation, and higher interest rates continue to impact global economic growth. Reduced OPEC production and continued concerns for global energy supply are among factors supporting current prices.

BW Energy expects to create significant value for its stakeholders going forward. Short-term, the focus is on completing the Hibiscus / Ruche development and resolving the ESP challenges to bring production up towards the FPSO capacity and optimising production at Golfinho in Brazil. This should further support significant positive cash flow at current oil price levels.

Bermuda, 28 August 2024

Andreas Sohmen-Pao Chair	Darrell McKenna Director	Alan Dowokpor Director
Hilde Drønen Director	Russell Scheirman Director	Ana Zambelli Director

CONDENSED CONSOLIDATED STATEMENT OF INCOME / (LOSS)

(Unaudited figures in USD million)

	Notes	1H 2024	1H 2023	2023
Total revenues	2	346.2	169.8	507.3
Operating expenses		(160.6)	(112.0)	(266.3)
Operating profit before depreciation, amortisation and sale of assets		185.6	57.8	241.0
Depreciation and amortisation	3,4,7	(72.2)	(32.8)	(99.5)
Impairment		-	-	(0.4)
Net gain/(loss) on sale of tangible fixed assets		0.2	-	-
Operating profit		113.6	25.0	141.1
Interest income		4.0	3.6	8.2
Interest expense		(8.6)	(4.3)	(8.3)
Net currency gain/(loss)		(2.2)	1.0	(0.7)
Fair value gain/(loss) on financial instruments		1.4	0.2	(0.1)
Other financial items	7	(16.2)	(9.4)	(17.7)
Net financial items		(21.6)	(8.9)	(18.6)
Profit/(loss) before tax		92.0	16.1	122.5
Income tax expense		(30.1)	(15.8)	(41.5)
Net profit/(loss) for the period		61.9	0.3	81.0

EARNINGS PER SHARE			
Basic earnings/(loss) per share in USD net	0.24	0.00	0.31
Diluted earnings/(loss) per share (USD) net	0.24	0.00	0.31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

(Unaudited figures in USD million)

	1H 2024	1H 2023	2023
Net profit/(loss) for the period	61.9	0.3	81.0
Total comprehensive income for the period	61.9	0.3	81.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)

ASSETS	Notes	30.06.2024	30.06.2023	31.12.2023
Property, plant and equipment	3,11	1,119.4	637.3	1,054.3
Right-of-use assets	7	95.8	200.8	108.9
Intangible assets	4	269.5	253.2	255.3
Derivatives		0.6	0.2	0.1
Deferred tax assets		15.0	0	7.6
Other non-current assets		70.8	0.6	34.2
Total non-current assets		1,571.1	1092.1	1,460.4
Inventories		58.3	8.1	33.5
Trade and other current assets		105.1	34.9	51.7
Derivatives		-	1.1	0.6
Cash and cash equivalents		244.2	233.5	194.2
Total current assets		407.6	277.6	280.0
TOTAL ASSETS		1,978.7	1,369.7	1,740.4

EQUITY AND LIABILITIES	Notes	30.06.2024	30.06.2023	31.12.2023
Share capital	5	2.6	2.6	2.6
Share premium		550.1	550.1	550.1
Other equity		207.1	63.5	144.9
Total equity		759.8	616.2	697.6
Interest-bearing long-term debt	8	454.7	292.0	292.6
Deferred tax liabilities		12.3	10.4	11.7
Long-term lease liabilities	7	93.0	178.6	108.6
Derivatives		0.8	-	0.4
Asset retirement obligations	11	229.6	25.1	224.0
Other non-current liabilities		45.0	33.6	67.4
Total non-current liabilities		835.4	539.7	704.7
Interest-bearing short-term debt	8	134.5	-	79.9
Trade and other payables		205.8	144.4	219.7
Taxes payable		3.7	1.0	0.6
Derivatives	7	2.5	-	-
Short-term lease liabilities		37.0	68.4	37.9
Total current liabilities		383.5	213.8	338.1
TOTAL EQUITY AND LIABILITIES		1,978.7	1,369.7	1,740.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited figures in USD million)

At 30 June 2023	Share capital	Share premium	Retained earnings/ Net assets	Total equity
Equity at 1 January 2023	2.6	550.1	62.6	615.3
Profit/(loss) for the period	-	-	0.3	0.3
Share-based payments	-	-	0.6	0.6
Total equity at 30 June 2023	2.6	550.1	63.5	616.2

At 30 June 2024	Share capital	Share premium	Retained earnings/ Net assets	Total equity
Equity at 1 January 2024	2.6	550.1	144.9	697.6
Profit/(loss) for the period	-	-	61.9	61.9
Share-based payments	-	-	0.3	0.3
Total equity at 30 June 2024	2.6	550.1	207.1	759.8

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited figures in USD million)

	Notes	1H 2024	1H 2023	2023
Profit/(loss) before taxes		92.0	16.1	122.5
Adjustment for:				
Unrealised currency exchange loss/(gain)		4.7	(1.4)	-
Depreciation and amortisation	3,4,7	72.2	32.8	99.5
Impairment		-	-	0.4
Loss/ (gain) on sale of property, plant and equipment		(0.2)	-	-
Share-based payment expense		0.3	0.6	1.3
Changes in ARO through income statement		4.5	1.5	5.2
Change in fair value of derivatives		3.0	2.3	3.3
Add back of net interest expense		4.5	0.7	(3.2)
Changes in net working capital		(62.1)	33.2	(1.1)
Taxes paid in kind		(33.8)	(14.5)	(46.9)
Net cash flow from operating activities		85.1	71.3	181.0
Advances to JV partners		(38.5)	-	-
Investment in property, plant & equipment and intangible assets	3,4	(171.5)	(152.6)	(335.0)
Interest received		4.6	3.6	8.3
Net cash flow used in investing activities		(205.4)	(149.0)	(326.7)
Proceeds from interest-bearing debt	8	290.0	129.0	209.0
Repayment of interest-bearing debt	8	(70.0)	-	-
Transaction cost related to loans and borrowings	8	(4.1)	(2.5)	(2.7)
Interest paid	8	(20.6)	(9.7)	(29.0)
Payment of lease liabilities	7	(25.0)	(16.4)	(48.2)
Net cash flow used in financing activities		170.3	100.4	129.1
Net change in cash and cash equivalents		50.0	22.7	(16.6)
Cash and cash equivalents at beginning of period		194.2	210.8	210.8
Cash and cash equivalents at end of period		244.2	233.5	194.2

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Figures in brackets refer to corresponding figures for 2023)

Note 1 – Basis for preparation

Organisation and principal activities

BW Energy Limited (hereafter 'BW Energy' or 'the Company') is incorporated and domiciled in Bermuda. The Company is listed on Oslo Børs, a stock exchange that is part of Euronext. These condensed interim consolidated financial statements ('interim financial statements') as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group is engaged in oil and gas exploration and production activities.

These interim financial statements were authorised for issue by the Company's Board of Directors on 28 August 2024.

Basis of accounting

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The interim financial statements are unaudited.

As a result of rounding differences, numbers and or percentages may not add up to the total.

Changes in accounting policies

The accounting policies adopted in the preparation of these interim financial statements are consistent with those followed in the preparation of BW Energy's annual consolidated financial statements for the year ended 31 December 2023.

Use of estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Note 2 – Revenue

BW Energy Group generates revenue primarily from sale of crude oil to three customers (two customers in 2023). Revenue originates in Gabon and Brazil. BW Energy Group currently has one segment.

Other revenue is primarily comprised of 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 entitled share of profit oil production paid in kind to the government of Gabon. Under this arrangement taxation is based on a set percentage of average daily production volumes.

Realised and unrealised gain/loss on oil derivatives reflect the changes in fair value of embedded derivatives in commodity contracts linked to oil prices.

USD MILLION	1H 2024	1H 2023	2023
Revenue from contracts with customers	313.7	143.9	443.2
Realised gain/(loss) on oil derivatives	(0.2)	0.7	0.2
Unrealised gain/(loss) on oil derivatives	(4.6)	6.1	6.8
Other revenue	37.3	19.1	57.1
Total revenues	346.2	169.8	507.3

Note 3 – Property plant and equipment

USD MILLION	E&P assets under development	E&P production assets	Other assets	Total
At 1 January 2024	200.9	849.9	3.5	1,054.3
Additions and transfers	13.0	107.4	2.4	122.8
Changes in asset retirement cost 1)	0	1.1	-	1.1
Current year depreciation	-	(57.7)	(1.1)	(58.8)
At 30 June 2024	213.9	900.7	4.8	1,119.4

1) Asset retirement cost reflects addition of new wells

Additions to E&P development assets in the first half-year 2024 mainly relate to Maromba, and additions to production assets relate to Dussafu license area.
No impairment triggers were identified for the first half-year 2024.

USD MILLION	E&P assets under development	E&P production assets	Other assets	Total
At 1 January 2023	308.5	233.9	0.8	543.1
Additions and transfers	(225.5)	329.2	0.1	103.8
Changes in asset retirement cost 1)	-	11.2	-	11.2
Current year depreciation	-	(20.7)	(0.1)	(20.8)
At 30 June 2023	83.0	553.7	0.8	637.3

1) Asset retirement cost reflects addition of new assets and changes in cost estimate

E&P additions in the first half-year 2023 mainly relate to development of the Dussafu license area in Gabon.
No impairment triggers were identified for the first half-year 2023.

Note 4 – Intangible assets

USD MILLION	E&P exploration and evaluation expenditures	Acquired license costs	Other intangible assets	Total intangible assets
At 1 January 2024	169.0	27.0	59.3	255.3
Additions	17.7	-	0.2	17.9
Current year amortisation	-	(1.8)	(1.9)	(3.7)
At 30 June 2024	186.7	25.2	57.6	269.5

Additions into exploration and evaluation expenditures in the first half-year 2024 mainly relate to continued efforts for Kudu and Maromba license areas. These assets are not amortised.

The acquired license costs result from the acquisition of Golfinho cluster in Brazil (reference to Note 6), USD 24.8 million related to producing area is currently amortised using units-of-production method and the remainder is not amortised as related to an exploration block.

Other intangible assets include the intellectual property asset and capitalised software costs. The intellectual property asset is amortised over the life of the Dussafu license using the straight-line method.

No impairment triggers were identified for the first half-year 2024.

USD MILLION	E&P exploration and evaluation expenditures	Other intangible assets	Total intangible assets
At 1 January 2023	149.4	63.1	212.5
Additions	42.2	0.5	42.7
Current year amortisation	-	(2.0)	(2.0)
At 30 June 2023	191.6	61.6	253.2

Additions to exploration and evaluation expenditures in the first half-year 2023 mainly relate to exploration of the Kudu license area in Namibia.
Other additions relate to intellectual property agreement described in Note 10.
No impairment triggers were identified for the first half-year 2023.

Note 5 – Capital and reserves

The authorised share capital of BW Energy is USD 3,000,000 consisting of 300,000,000 shares with a par value of USD 0.01 each, of which 257,994,300 shares have been issued.

Note 6 – Acquisitions

Acquisition of *FPSO BW Maromba*

In April 2022, BW Energy Group signed an agreement to purchase the FPSO *Polvo* (renamed to *BW Maromba*) 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. Effective 30 November 2023 BW Energy Group has exercised its purchase option and obtained title to the FPSO. USD 31 million, including accrued interest, was paid in October 2023, and the remaining USD 21.5 million, including accrued interest, in April 2024.

Acquisition of FPSO *Cidade de Vitória*

In June 2022, BW Energy Group signed an agreement to acquire the FPSO *Cidade de Vitória* from Saipem for a cash consideration of USD 73 million. The acquisition was completed in November 2023 for a total consideration of USD 73.5 million, including agreed-upon contractual adjustments and taxes, with USD 41 million paid in 2023, USD 15.0 million paid in first half-year 2024, and an additional USD 17.5 million payable in monthly instalments through May 2025.

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. The acquisition was completed in August 2023 for a total consideration of USD 51.4 million, including cash payment of USD 15.2 million and contingent consideration estimated at USD 36.2 million. As a result of the transaction, BW Energy Group acquired the 100% operated working interest in the Golfinho and Camarupim clusters and the 65% working interest in the BM-ES-23 block.

The transaction was financed through BW Energy Group’s existing liquidity and an oil pre-payment facility, with USD 12.2 million paid at closing following an initial USD 3 million payment made at signing in 2022. Additionally, BW Energy Group has agreed to future contingent payments of up to USD 55 million tied to oil price and production volume from current producing assets and development of proved undeveloped oil and gas reserves, of which USD 20 million was paid in first half-year 2024.

Note 7 – Leases

BW Energy Group leases an FPSO, helicopters, boats, office premises, warehouses and apartments. Leases of office premises, warehouse and apartments have lease terms between 1 and 13 years, while vessels have lease terms between 2 and 10 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	Aircrafts	Right-of-use assets	Lease liabilities
Balance at 1 January 2024	26.3	77.7	4.9	**108.9**	**146.5**
Additions	1.4	-	-	**1.4**	**1.4**
Adjustments	1.1	0	0	**1.1**	**0.9**
Depreciation expense	(2.7)	(11.1)	(1.8)	**(15.6)**	**n/a**
Interest expense	n/a	n/a	n/a	**n/a**	**6.8**
Foreign currency translation gain/(loss)	-	-	-	**-**	**(0.7)**
Lease payments	n/a	n/a	n/a	**n/a**	**(24.9)**
Balance at 30 June 2024	26.1	66.6	3.1	**95.8**	**130.0**

USD MILLION	Land and buildings	Vessels	Right-of-use assets	Lease liabilities
Balance at 1 January 2023	1.5	208.4	**209.9**	**256.0**
Additions	-	-	**-**	**-**
Adjustments	-	(0.2)	**(0.2)**	**(0.2)**
Depreciation expense	(0.5)	(8.5)	**(9.0)**	**n/a**
Interest expense	n/a	n/a	**n/a**	**7.4**
Foreign currency translation gain/(loss)	-	-	**0.1**	**0.1**
Lease payments	n/a	n/a	**n/a**	**(16.3)**
Balance at 30 June 2023	1.0	199.7	**200.8**	**247.0**

Lease payments of USD 24.9 million (USD 16.3 million) consist of lease instalments of USD 18.1 million (USD 8.9 million) and interest expense of USD 6.8 million (USD 7.4 million).

Note 8 – Interest-bearing debt

The Group had the following long-term interest-bearing debt:

USD MILLION	1H 2024	1H 2023	2023
Reserve Based Lending (RBL) facility	230.0	300.0	300.0
MaBoMo sale-leaseback	135.0	-	-
Unsecured bond	100.0	-	-
Total long-term debt	465.0	300.0	300.0
Golfinho prepayment facility and offtake agreement	120.0	-	80.0
MaBoMo sale-leaseback	15.0	-	-
Total short-term debt	135.0	-	80.0

Reserve Based Lending (RBL) facility

On 9 August 2022, BW Energy Group signed an international Reserve Based Lending (RBL) facility of up to USD 300 million. The funds are used to finance the development of Company's oil and gas assets. The facility had an initial commitment of USD 200 million which could be expanded up to an additional USD 100 million. The secured long-term debt facility was provided by a syndicate of five international banks and had a tenor of six years. In June 2023 the additional USD 100 million accordion was completed by three additional banks, bringing the total RBL facility up to USD 300 million. The Company paid off USD 70 million of this debt in June 2024.

Key financial covenants for the RBL are required to be tested 30 June and 31 December for Net debt to EBITDAX ratio. Calculation dates for Field life and Loan life cover ratios are 1 April and 1 October. 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 2023.

Golfinho prepayment facility and offtake agreement

On 21 July 2023 BW Energy entered into an oil prepayment facility agreement for up to USD 80 million with a leading commodity trading company. The prepayment facility has a term of one year which may be extended by an agreement between BW Energy Group and the commodity trader. In March 2024, the parties agreed to extend the term and increased the borrowing by USD 40 million.

This prepayment facility was drawn in full and used to finance the acquisition of the oil and gas assets in Brazil and other development costs. As part of the transaction, BW Energy also entered into an offtake agreement to sell and deliver the crude oil produced from the Golfinho field to the commodity trader during the term of the facility. The repayment of the outstanding principal and accrued interest will be made by applying 18–25% of the crude oil sale proceeds for designated transactions with this commodity trader.

MaBoMo sale-leaseback

In April 2024 BW Energy Group executed a sale and leaseback agreement with a Minsheng Financial Leasing Co entity (MSFL) for the *MaBoMo* production facility on the Dussafu license offshore Gabon. The agreement generated USD 150 million of gross sales proceeds under a ten-year lease term with an option to repurchase the unit from the end of year seven, and is presented under financing activities in the consolidated statement of cash flows.

The transaction provided net USD 110 million of liquidity to BW Energy, in line with the working interest in the Dussafu license. USD 40 million was distributed to other JV partners participating in the Dussafu license and is presented as a receivable in the balance sheet and under investing activities in the consolidated statement of cash flows. The proceeds will be used to finance the execution of BW Energy's growth strategy including the continuing development projects in Gabon.

Unsecured bonds

On 7 June 2024, BW Energy completed the private placement of USD 100 million of new five-year senior unsecured bonds with a coupon rate of 10% per annum. Settlement of the bond issue occurred 21 June 2024. An application has been made for the bonds to be listed on the Oslo Stock Exchange. Net proceeds from this bond issue will be used for general corporate purposes.

Note 9 – Commitments

Total unrecognised contractual capital commitments on 30 June 2024 amounted to USD 210.7 million (corresponding figure for 30 June 2023 was USD 164.3 million). Commitments relate mainly to the developing assets of the Dussafu, Maromba and Golfinho license areas.

For the bank debt relating to the USD 300 million international Reserve Based Lending (RBL) facility, as referred to in Note 8, 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 10 – Related party transactions

FPSO *BW Adolo*

Fees for bareboat charter and operational services amount to USD 42.8 million for the first half-year of 2024 (USD 36.6 million).

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

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 license area. The manager, also a shareholder of SPP, is now a part of the management of BW Energy Group.

The agreement is built on an earnout 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.

As of 30 June 2024, payments total USD 40.4 million, of which USD 3.0 million was paid in 2024. Remaining payments are expected to be completed by 2026.

FPSO *Polvo*

BW Energy purchased the FPSO *Polvo* (now named *BW Maromba*) from BW Offshore, reference to Note 6.

Note 11 – Provisions and contingent assets and liabilities

The Group made a provision for asset retirement obligations related to future demobilisation of FPSOs, 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 and Brazil. The amount recognised is the present value of the estimated future expenditures determined in accordance with local conditions and requirements.

Note 12 – Subsequent events

Acquisition of Reconnaissance Energy Africa shares

On 1 August, the Company announced the acquisition of 17.6 million common shares and 17.6 million share purchase warrants of Reconnaissance Energy Africa Ltd. (‘ReconAfrica’) for an aggregate purchase price of approximately USD 16 million. By participating in this equity raise, BW Energy received a 20% non-operating interest in the onshore Petroleum Exploration License 73 where ReconAfrica will provide BW Energy with a carry of USD 6.4 million based on the intended initial work program. BW Energy has also committed to contingent payments of up to USD 125 million if specific milestones are met.

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	1H 2024	1H 2023	2023
Total revenues	346.2	169.8	507.3
Operating expenses	(160.6)	(112.0)	(266.3)
Operating profit before depreciation, amortisation, impairment and sale of asset (EBITDA)	185.6	57.8	241.0
Depreciation and amortisation	(72.2)	(32.8)	(99.5)
(Impairment)/reversal charges	-	-	(0.4)
Net gain/(loss) on sale of tangible fixed assets	0.2	-	-
Operating profit (EBIT)	113.6	25.0	141.1

Capital expenditures

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

USD MILLION	1H 2024	1H 2023	2023
Property and other equipment	123.9	125.5	583.8
Intangible assets	17.9	42.7	48.3
Total capital expenditures	141.8	168.2	632.1
Change in working capital	30.8	(4.4)	(163.4)
Asset retirement cost	(1.1)	(11.2)	(133.7)
Investment in property, plant and equipment and intangible assets	171.5	152.6	335.0

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.

DECLARATION OF THE BOARD

We confirm to the best of our knowledge that the Condensed Interim Consolidated Financial Information for the six months ending 30 June 2024 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and gives a true and fair view of BW Energy Limited's consolidated assets, liabilities, financial position and income statement as a whole. We also confirm to the best of our knowledge that the Financial Summary includes a fair review of important events that arose during the first six months of 2024, and their impact on the Condensed Interim Consolidated Financial Information, and accounts properly for the principal risks and uncertainties for the remaining six months of the financial year, as well as major related party transactions.

Bermuda, 28 August 2024

Andreas Sohmen-Pao Chair	Darrell McKenna Director	Alan Dowokpor Director
Hilde Drønen Director	Russell Scheirman Director	Ana Zambelli Director

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