



**Q4 2020**

CEO Carl K. Arnet  
CFO Knut R. Sæthre  
COO Lin G. Espey

19 February 2021



# 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.

# Highlights



EBITDA of USD 28 million with two liftings completed

Capital raise of USD 75 million in Jan 2021

Resumed project execution activities

- Completed two liftings of 1.1 Mbbls (net BWE) at a price of USD ~46 per barrel
- Average daily production of ~13.5kbbbls
- Preparing for drilling of the Hibiscus extension exploration well before completing Tortue phase 2
- Progressing preparations for Hibiscus and Ruche development with reduced CAPEX and time to first oil
- Managing and closely monitoring the COVID-19 pandemic and impact on operations

# Zero-harm objective for people and environment



Minimizing impact to environment



Working for local society



Sound governance

- Full Year 2020:
  - BWE: 0 LTIs
  - BWE's major subcontractors: 5 LTIs with 750k hours worked
    - 2 LTIs on FPSO Adolo (1 in January and 1 in December)
    - 3 LTIs in one event on the SBM Installer in March 2020 during Tortue Phase 2 project
  - Zero 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 Co2 emission tied to steel consumption and operations

# NSAI Reserves Update



- Dussafu reserve update reflecting mainly adjustment for annual production rate of 5.2 million bbls
- Hibiscus extension exploration well planned in Q2 2021 a potential trigger for upwards revision
- Increase in Maromba 1C reserves with stable 2C reserves

## Gross Dussafu Reserves (MMBLS)

Category	YE2020			YE 2019		
	1P	2P	3P	1P	2P	3P
Reserves	73.5	104.9	134.8	76.9	112.4	142.6
	1C	2C	3C	1C	2C	3C
Contingent resources	15.6	36.2	65.0	15.1	35.7	63.6

## Gross Maromba Contingent Reserves (MMBLS)

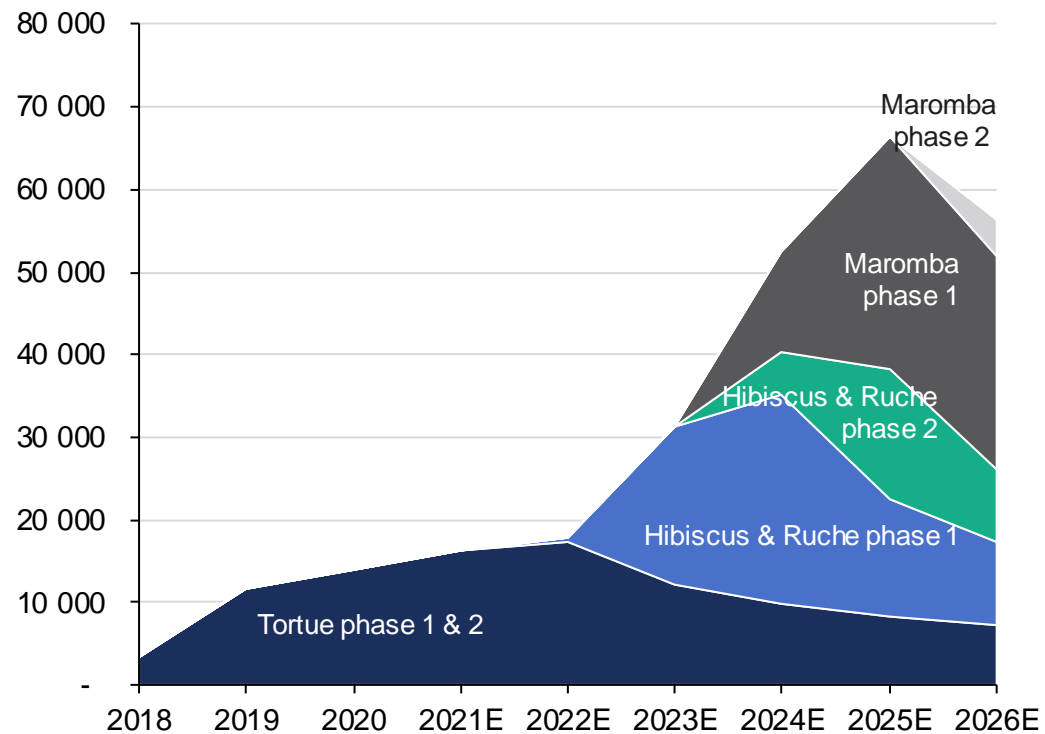
Category	YE2020			YE 2019		
	1C	2C	3C	1C	2C	3C
Development Pending	70.4	98.0	131.3	53.8	98.6	141.6
Development Unclarified	31.2	48.1	74.9	28.9	46.8	74.1
Total	101.6	146.1	206.2	82.7	145.4	215.7

1C increase by 16.6 mmbbls in development pending category

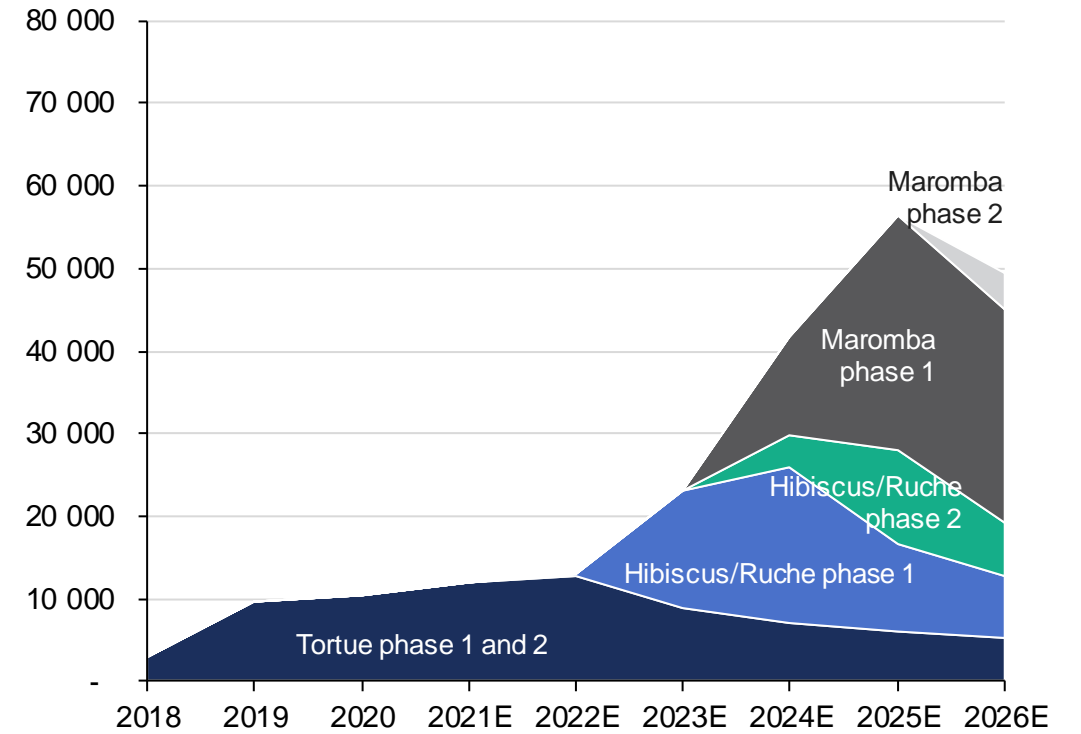
# Production outlook



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



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





**Dussafu**

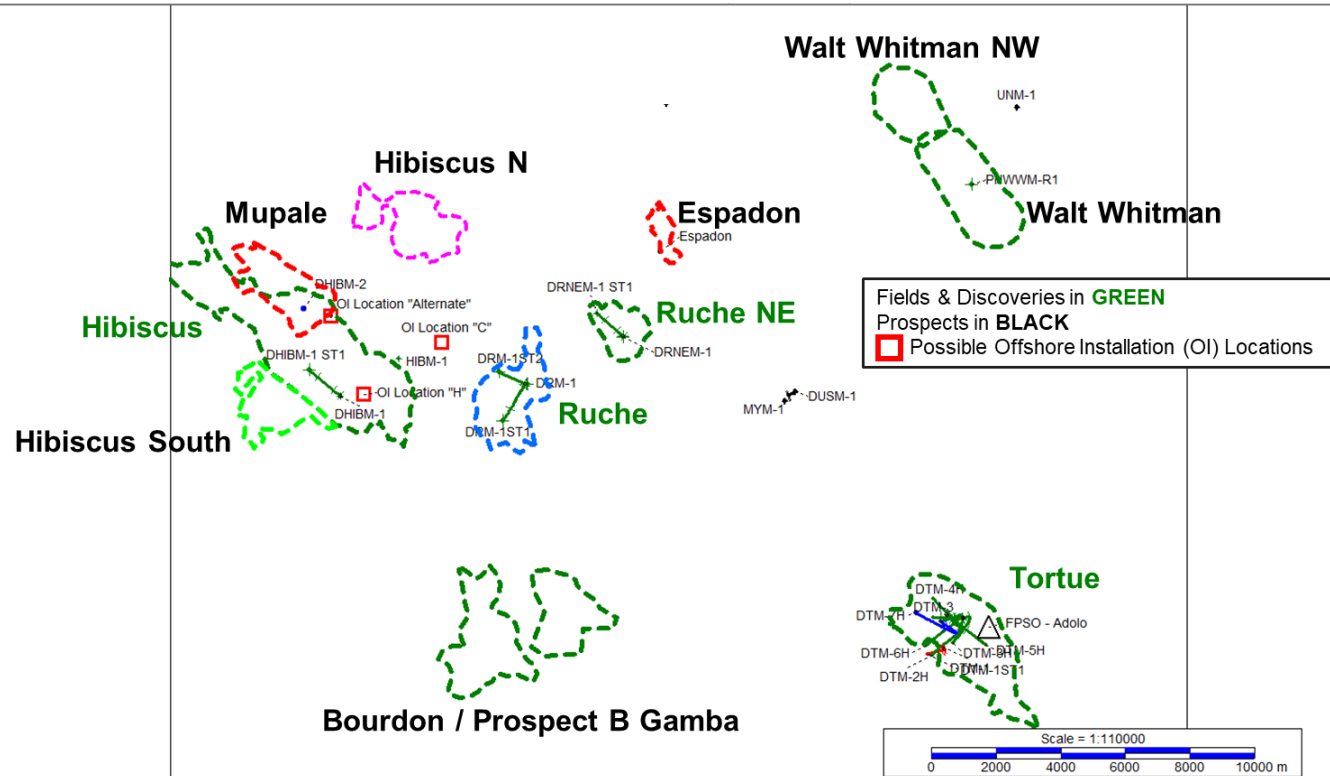
# Stable operations and restarting Tortue phase 2

- Q4 gross production 1.24 million bbls, equal to ~13,500 bbls/day
  - Completed annual maintenance program in October 2020
- Q4 OPEX at USD ~23 per barrel including USD 2.2 million of additional COVID costs
- Full year OPEX of USD 20 per barrel
  - Impact from extended COVID costs and restrictions
  - Production impact of complying with OPEC quotas
- Completion and tie-in of Tortue phase 2 wells DTM-6H and DTM-7H after Hibiscus Extension well
- First oil from the new Tortue wells expected Q3/Q4 2021



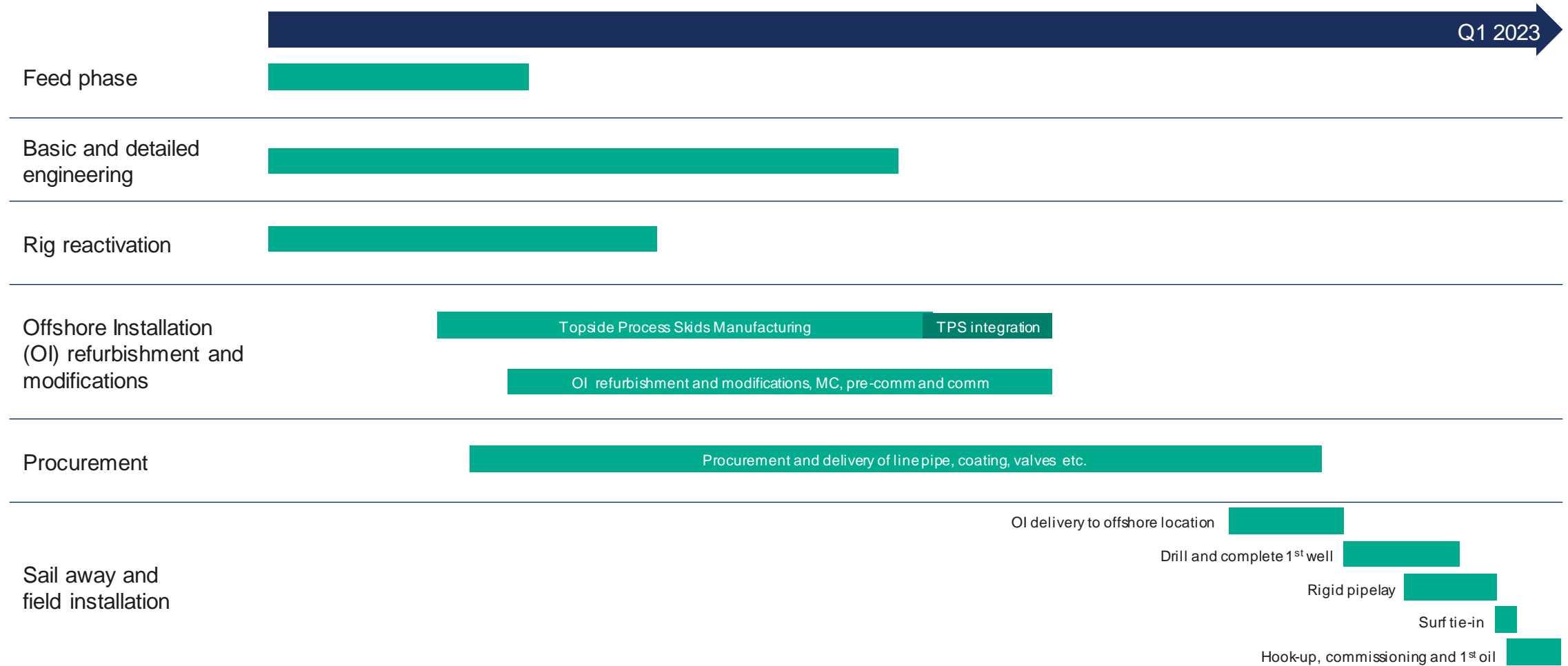


# Hibiscus development



- Planned drilling campaign to start March/April 2021
- DHIBM-2 exploration well targeting Hibiscus Extension is the first well in the upcoming campaign
- The well result will decide the location of the Hibiscus Alpha and has the potential to triple the reserves of the Hibiscus reservoir
- Jack-up conversion reduces investments by USD ~100 million, time to first oil and environmental footprint of the development

# Hibiscus/Ruche development program

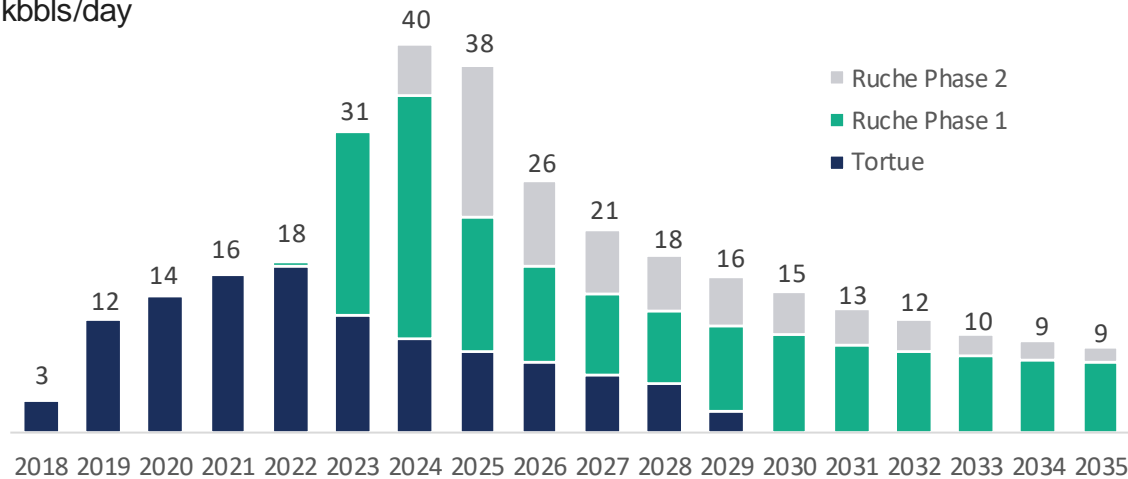


# Dussafu production forecast



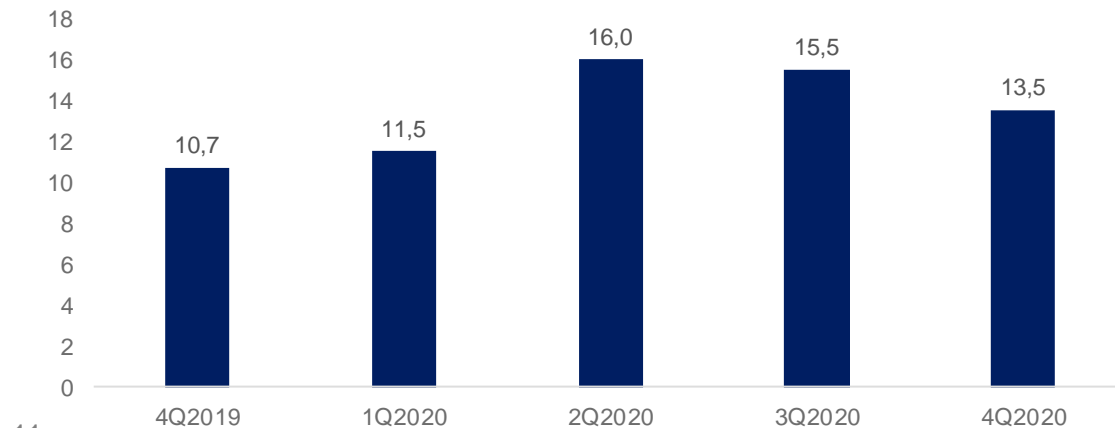
## Gross production profile

kbbbls/day

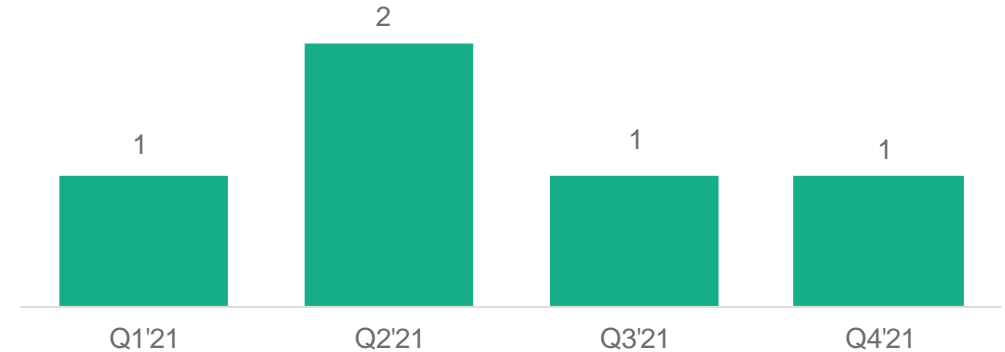


- 2020 production of 5.2 million bbls gross
  - Equal to an average ~14,100 bbls/day
  - Impact from COVID-19, maintenance and compliance with OPEC reductions
  - Two liftings completed in Q4
- 2021 production expected at 5.2 - 5.8 million bbls gross

## Quarterly gross production (kbbbls/day)

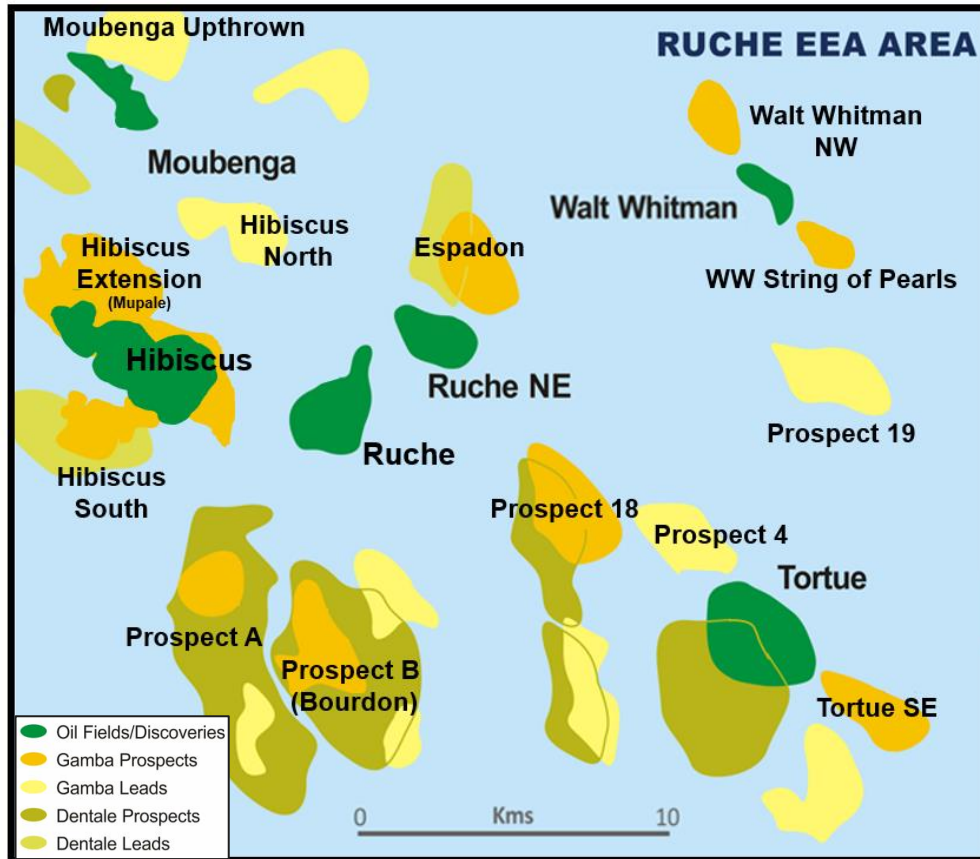


## Actual and planned quarterly lifting schedule to BW Energy:



# Exploration program

Large inventory of exploration prospects and leads



- Planning two exploration wells per year for the coming five years
- Coming drilling program will focus on the Hibiscus area
  - Hibiscus Extension
  - One optional exploration well
- Work ongoing to high grade the next targets for 2022 and onwards

# Jasmine Alpha (former Balder) on HLV Osprey

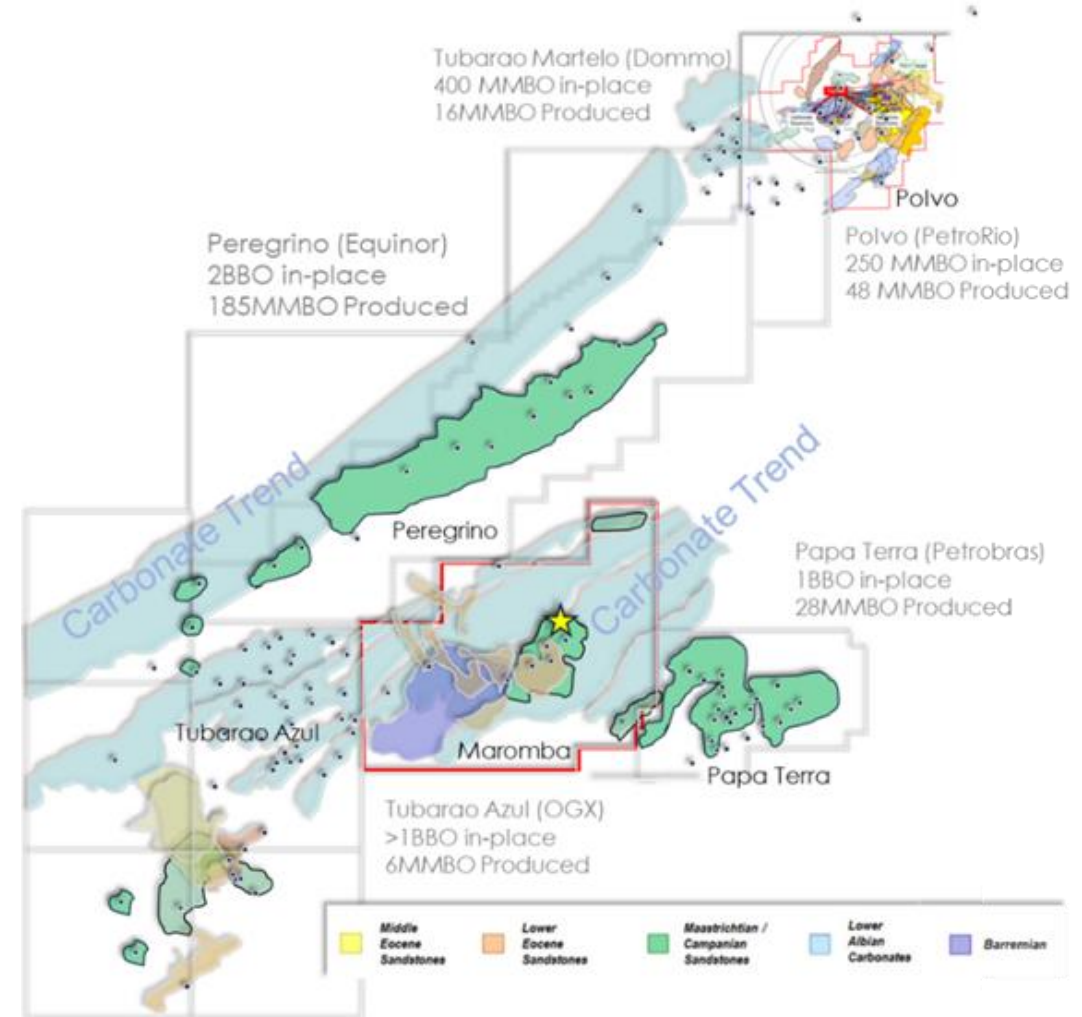




# Maromba

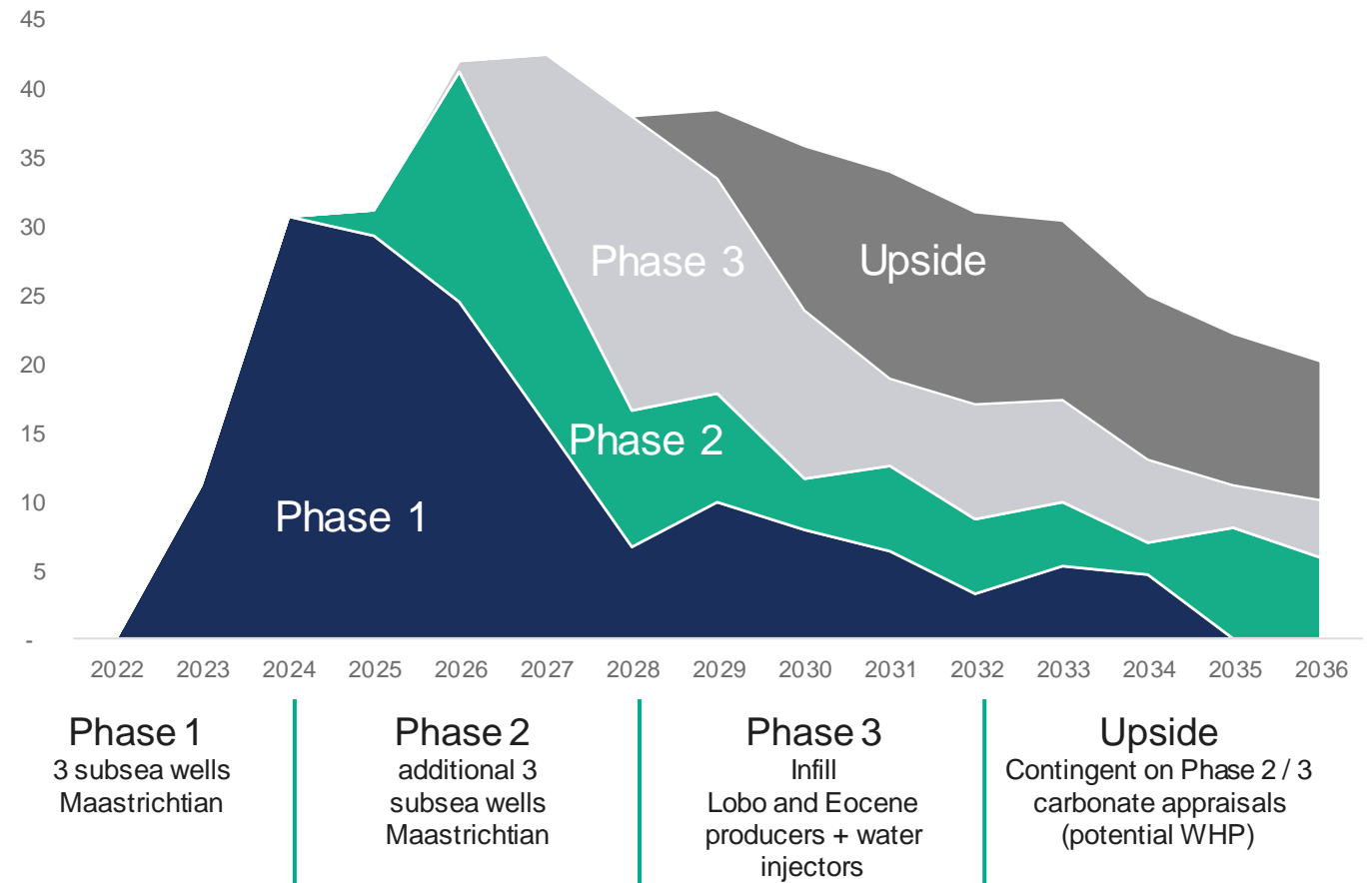
# Maromba - Southern Campos Basin - progress

- Field Development Plan approved by ANP
- Progressing project towards environmental approval (IBAMA)
  - Site and soil survey planned for Q1 2021
- Optimising field CAPEX and OPEX
- Reducing time from execution start to first oil
- Pursuing tax reductions by marginal field status
- On track to FID for phase 1 in Q1 2022 with a break-even below USD 40 per bbl oil price while achieving 15% IRR (incl. remaining acquisition costs)



# Maromba Long Term Production Potential

- Maastrichtian sandstones are regionally proven reservoirs having produced more than a billion of barrels of oil in the region
- Independent assessment of primary Maastrichtian sandstone P50 oil-in-place in line with internal estimate
  - NSAI oil-in-place at 495 mmbbl with 2C reserves at 98 mmbbl
- Production test conducted by previous operator proved production capability
- Carbonate reservoirs provide longer term upside potential and are on active production in other areas of the Campos



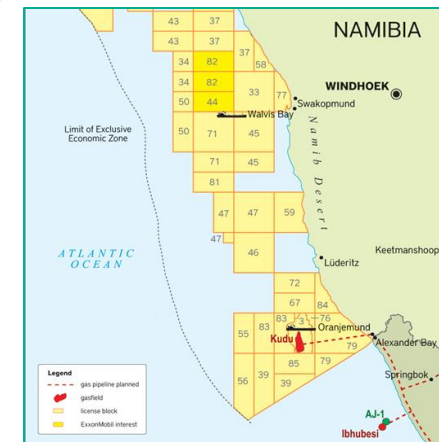
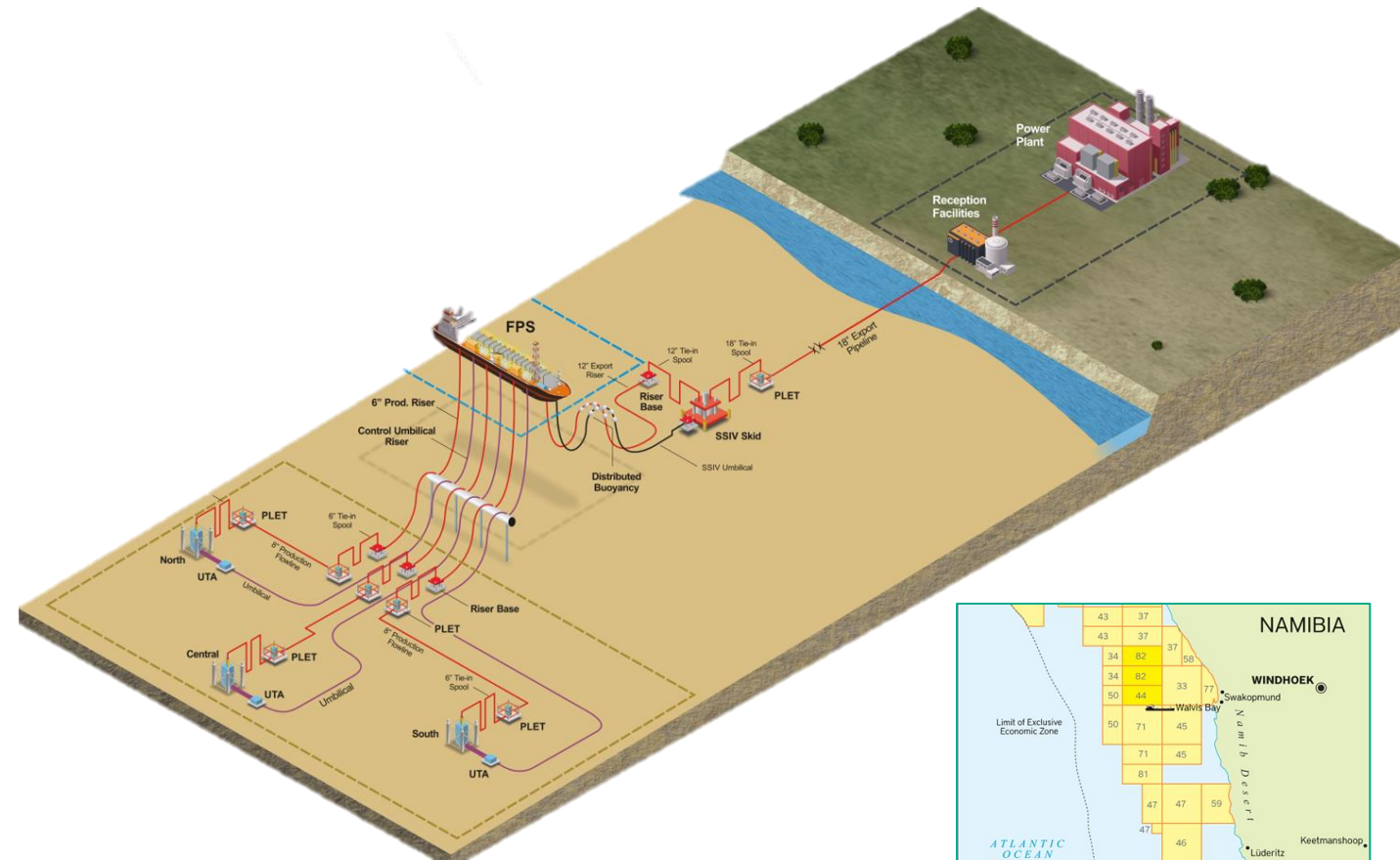




**Kudu**

# Kudu Status

- BW Energy (Operator) has agreed a 95% working interest in the license; awaiting government approval
  - NAMCOR (government oil entity) will hold 5% carried interest after approval
- Kudu gas is trapped in aeolian sandstones at 4,400 meters depth
- Reservoir located 130 km from land and 170 m water depth
- Primary monetisation strategy involves providing power to Namibia and/or South Africa or providing gas directly to South Africa
- Namibia receives a majority of its power from South Africa. South Africa forecasts internal power shortages and has signalled to Namibia reduced power deliveries and escalating power rates





# Q4 Financials

# Income Statement – Q4 2020



USD million	Q4 2020	Q3 2020	Change
Operating revenue	67.8	38.3	29.4
Operating expenses	(39.5)	(16.1)	(23.4)
<b>EBITDA</b>	<b>28.3</b>	<b>22.2</b>	<b>6.1</b>
Depreciation	(13.1)	(8.0)	(5.1)
Depreciation - ROU	(7.6)	(9.7)	2.1
Amortisation	(0.2)	(0.2)	-
Impairment	(2.5)	-	(2.5)
Gain/(loss) sale of assets	-	-	-
<b>Other expenses</b>	<b>(23.3)</b>	<b>(17.8)</b>	<b>(5.6)</b>
<b>Operating profit/(loss)</b>	<b>4.9</b>	<b>4.4</b>	<b>0.5</b>
Interest income	0.2	0.1	0.1
Interest expense	0.0	-	0.0
Lease liability interest expense	(3.6)	(3.1)	(0.4)
Other financial items	1.3	0.2	1.1
<b>Net financial income/(expense)</b>	<b>(2.0)</b>	<b>(2.8)</b>	<b>0.8</b>
<b>Profit/(loss) before tax</b>	<b>2.9</b>	<b>1.6</b>	<b>1.3</b>
Income tax expense	(8.0)	(8.4)	0.4
<b>Net profit/(loss) for the period</b>	<b>(5.1)</b>	<b>(6.8)</b>	<b>1.6</b>

- EBITDA increased by USD 6.1 million mainly due to 550 kbbls more sold
- Depreciation increase due to additional barrels sold
- Impairment related to Kudu Farm-in
- MTM for interest rate swaps and FX gains

# Income Statement - 2020



USD million	2020	2019	Change
Operating revenue	160.3	282.4	(122.1)
Operating expenses	(73.3)	(90.7)	17.4
<b>EBITDA</b>	<b>87.0</b>	<b>191.7</b>	<b>(104.7)</b>
Depreciation	(34.7)	(48.2)	13.5
Depreciation - ROU	(35.5)	(25.9)	(9.7)
Amortisation	(0.6)	(0.6)	-
Impairment	(13.2)		(13.2)
Gain/(loss) sale of assets	(1.2)	0.3	(1.4)
<b>Other expenses</b>	<b>(85.2)</b>	<b>(74.5)</b>	<b>(10.7)</b>
<b>Operating profit/(loss)</b>	<b>1.8</b>	<b>117.3</b>	<b>(115.5)</b>
Interest income	0.9	2.0	(1.1)
Interest expense	0.0	(0.7)	0.7
Lease liability interest expense	(12.6)	(9.0)	(3.7)
Other financial items	(2.3)	1.7	(4.0)
<b>Net financial income/(expense)</b>	<b>(14.0)</b>	<b>(6.0)</b>	<b>(8.0)</b>
<b>Profit/(loss) before tax</b>	<b>(12.2)</b>	<b>111.3</b>	<b>(123.5)</b>
Income tax expense	(28.9)	(38.8)	9.9
<b>Net profit/(loss) for the period</b>	<b>(41.1)</b>	<b>72.5</b>	<b>(113.6)</b>

- 900k decrease in barrels sold in 2020 and an average negative price variance of USD 22 per barrel
- Lower opex per barrel due to higher production in 2020
- Reduced depreciation due to lower volumes sold in 2020 along with a lower DD&A rate
- Increase in ROU depreciation mainly due to Adolo lease extension in Q4 2019
- Non-Cash impairment for Kudu
- Increase in discount rate from 4.2% to 5.3%

# Balance Sheet

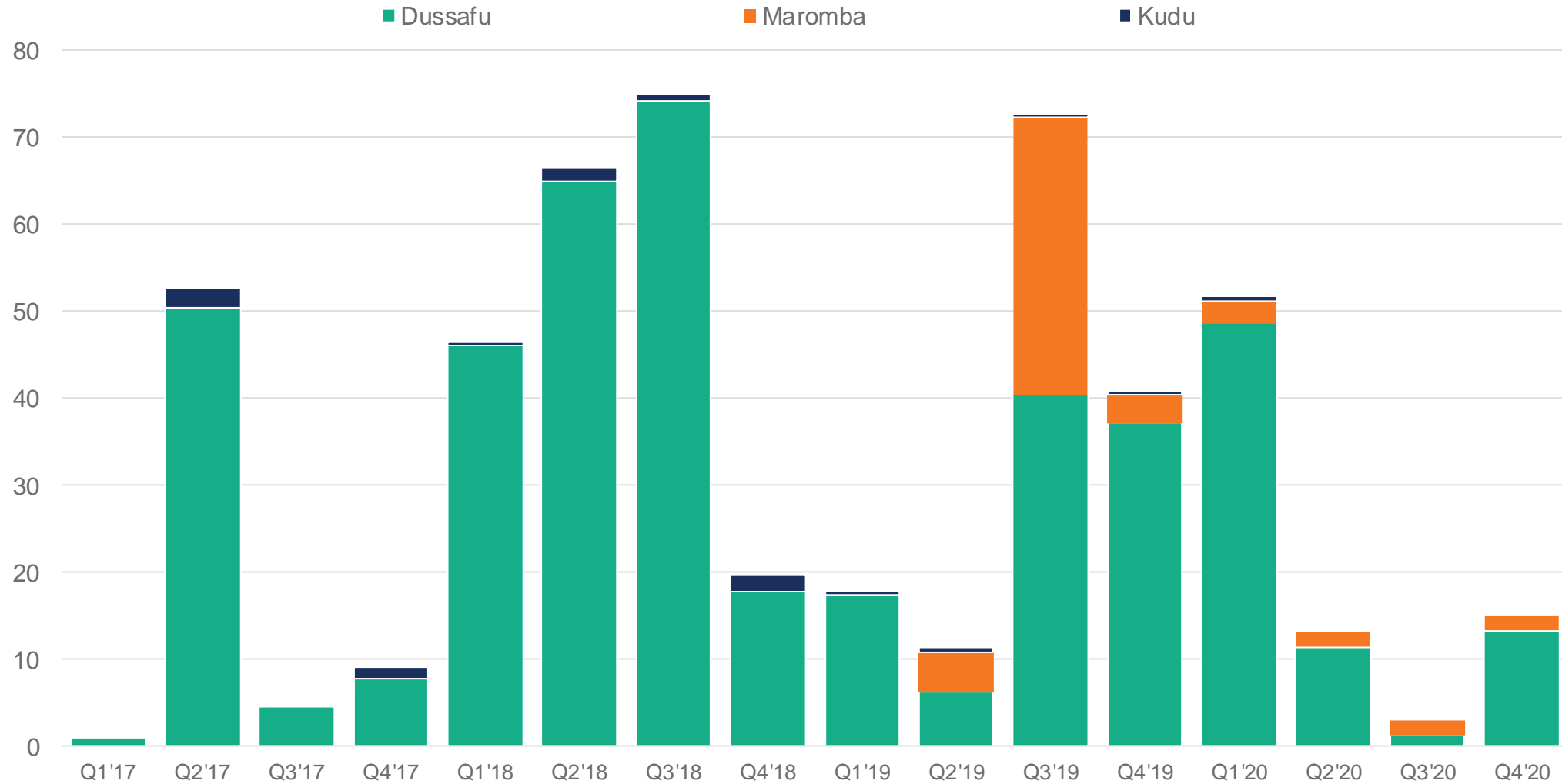


ASSETS	Q4 2020	Q3 2020	Change
Property and other equipment	0.5	0.5	(0.0)
Right-of-use assets	226.5	225.0	1.5
E&P tangible assets	239.0	237.3	1.7
Intangible assets	110.2	107.1	3.2
Other non-current assets	3.3	7.5	(4.2)
<b>Total non-current assets</b>	<b>579.5</b>	<b>577.4</b>	<b>2.2</b>
Inventories	8.4	18.3	(9.9)
Trade receivables and other current assets	54.6	16.3	38.3
Cash and cash equivalents	120.6	145.3	(24.7)
<b>Total current assets</b>	<b>183.6</b>	<b>179.9</b>	<b>3.7</b>
<b>TOTAL ASSETS</b>	<b>763.1</b>	<b>757.3</b>	<b>5.9</b>
EQUITY AND LIABILITIES	Q4 2020	Q3 2020	Change
Shareholders' equity	443.2	448.4	(5.2)
<b>Total equity</b>	<b>443.2</b>	<b>448.4</b>	<b>(5.2)</b>
Deferred tax liabilities	4.9	4.4	0.5
Asset retirement obligations	13.0	12.9	0.1
Long-term lease liabilities	233.0	231.4	1.6
Derivatives	0.4	1.7	(1.2)
<b>Total non-current liabilities</b>	<b>251.4</b>	<b>250.4</b>	<b>1.0</b>
Trade and other payables	48.9	42.5	6.4
Short-term lease liabilities	19.1	15.9	3.2
Tax liabilities	0.5	0.1	0.4
<b>Total current liabilities</b>	<b>68.5</b>	<b>58.5</b>	<b>10.0</b>
<b>Total liabilities</b>	<b>319.9</b>	<b>308.9</b>	<b>11.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>763.1</b>	<b>757.3</b>	<b>5.8</b>

- Inventory decrease due to reduced overlift position
- Increase in trade receivables due to December lifting paid in January
- USD 75 million equity issue completed in Q1 2021

# Investment in Assets (CAPEX)

USD million



# 2020 Cash Flow







# Summary

# Key value catalysts



- Hibiscus Extension
- Seismic reprocessing evaluation
- Up to 10 additional exploration wells planned from 2021 until 2026
- Tortue Phase 2 Q3/Q4 2021: ~8,000 bbls/day peak gross production
- Hibiscus / Ruche development with first oil Q1 2023
- Hibiscus / Ruche is expected to lift Dussafu production to FPSO nameplate capacity (~40,000 bbls/day)
- ANP approved FDP
- Target FID Q1 2022
- First oil expected in 2024



**BW ENERGY**