



Q2 2021

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

20 August 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



Q2 EBITDA of USD 47 million with two liftings completed resulting in a strong cash position of USD 216 million

Successful completion of the DTM-7H production well on time and below budget

Currently drilling Hibiscus North exploration well

- Managing and closely monitoring the COVID-19 pandemic and its impact on operations
- Completed two liftings of 1.1 million bbls (net BWE) at a price of USD ~70 per barrel
- Average daily production of ~10,500 bbls/day gross
- Completion and tie-in of the two wells (DTM-6H and DTM-7H) with first oil expected in Q4 2021
- Hibiscus/Ruche project progressing according to plan

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 LTIs recorded in Q2
- No incidents nor spills to the environment
- Security risk at Dussafu considered low, maintaining precautionary measures due to piracy activity to the north, in the Gulf of Guinea

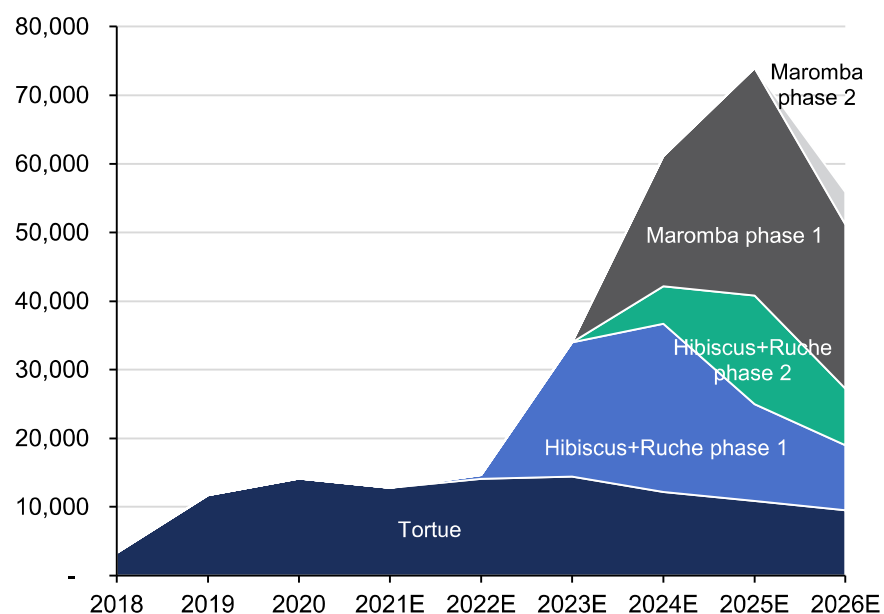
70-80%

Estimated GHG emission-savings from redeployment of existing FPSO¹ vs. newbuild

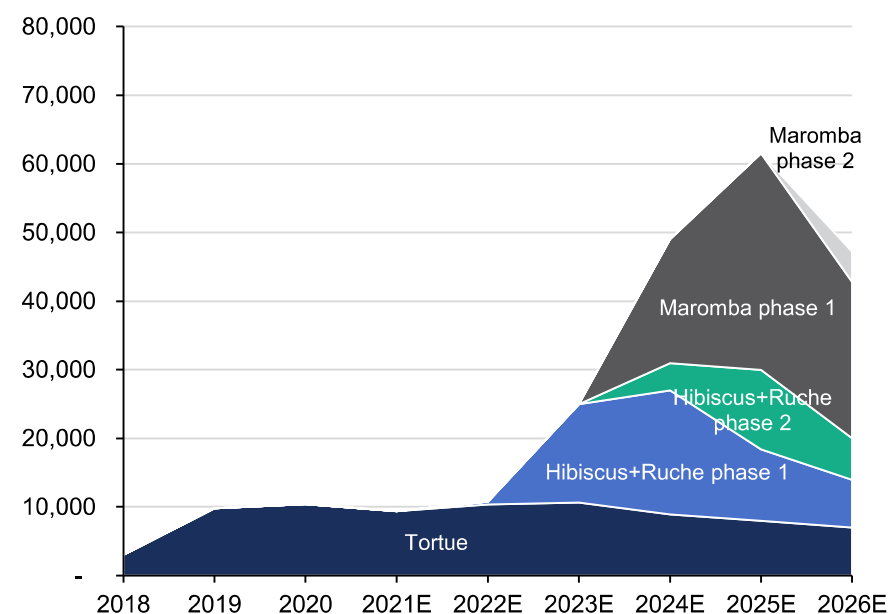
1) FPSO BW Adolo case study based on Co2 emission tied to steel consumption and operations

Production outlook

Gross production estimate bbls/day¹



Net production estimate bbls/day¹





Dussafu

Stable operations at Dussafu

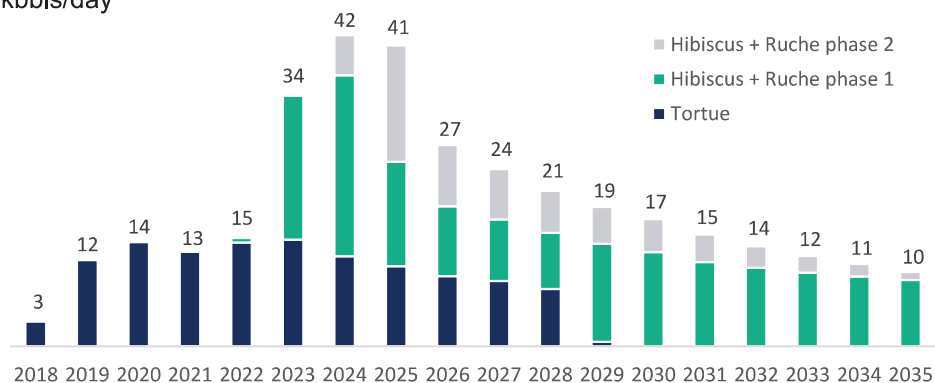
- The COVID-19 pandemic continues to restrict execution of work on the FPSO beyond day-to-day operations
- Q2 gross production 0.95 million bbls, equal to ~10,500 bbls/day
- Production impacted by planned maintenance shutdown
- Q2 OPEX at USD ~31 per barrel includes additional COVID costs and reflects this quarter's scheduled lower production
- Revised full year OPEX expectation to USD ~26 per barrel



Dussafu production forecast

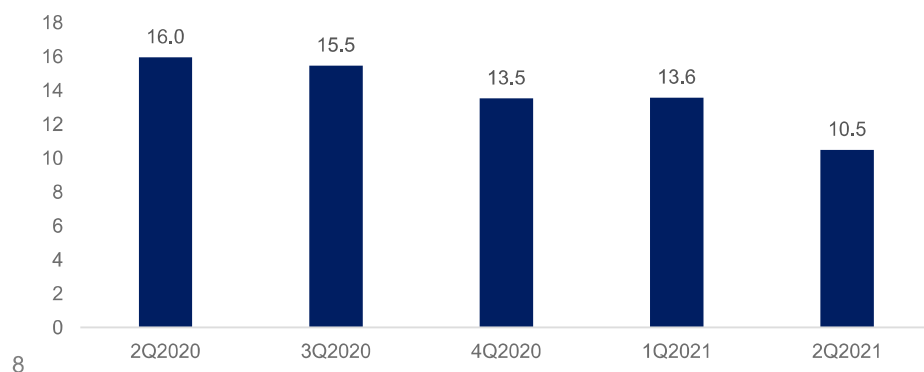
Gross production profile

kbbls/day

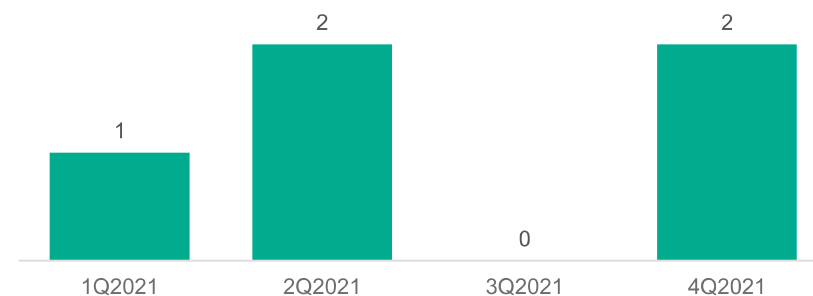


- Revised 2021 production estimate to ~4.7 million bbls gross
- Main impact from timing of subsea tie-in work affecting first oil from DTM-6H and DTM-7H
- Delays to implementation of the increased gas lift capacity

Quarterly gross production (kbbls/day)

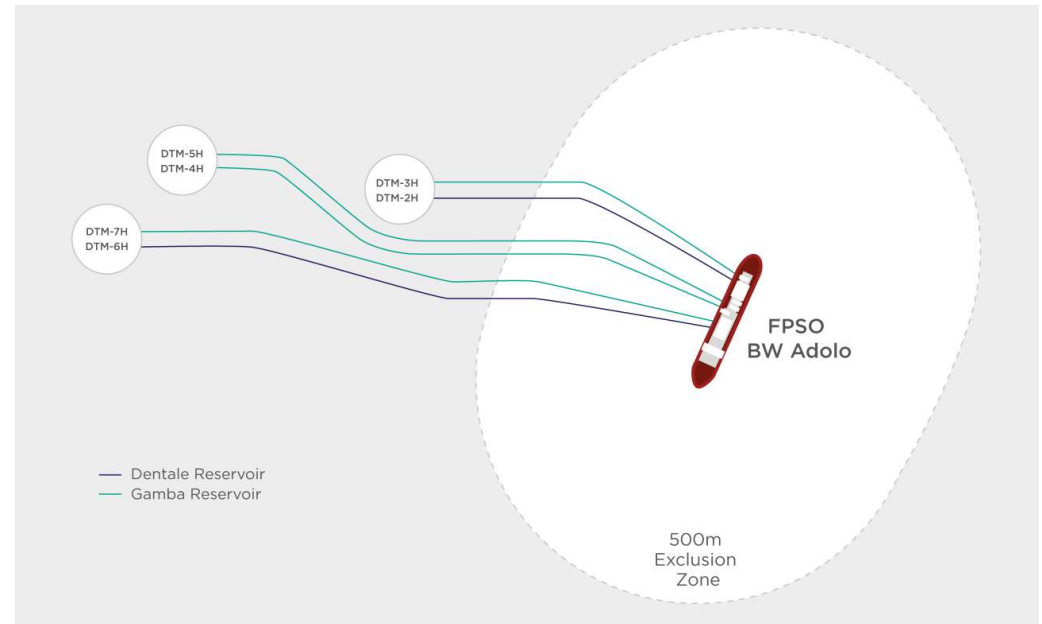


Actual and planned quarterly lifting schedule to BW Energy:

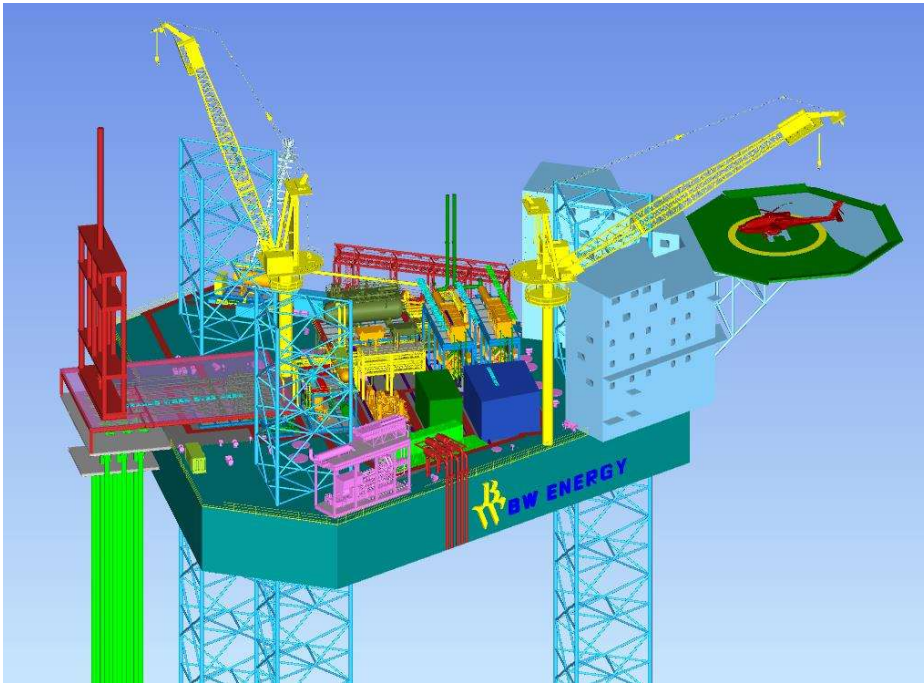


Nearing completion of Tortue phase 2 development

- Drilling of DTM-7H completed in July on time and below budget
 - Encountered 467m gross pay in horizontal section, 372m net pay, analogous to DTM-4H
- Preparing for tie-in of wells DTM-6H and DTM-7H with first oil expected Q4 2021
 - Subsea installation vessel expected on site in September
 - All relevant equipment is procured and available
 - Adolo preparations completed to minimize production impact during tie-in
- Total Tortue phase 2 project CAPEX trending below budget

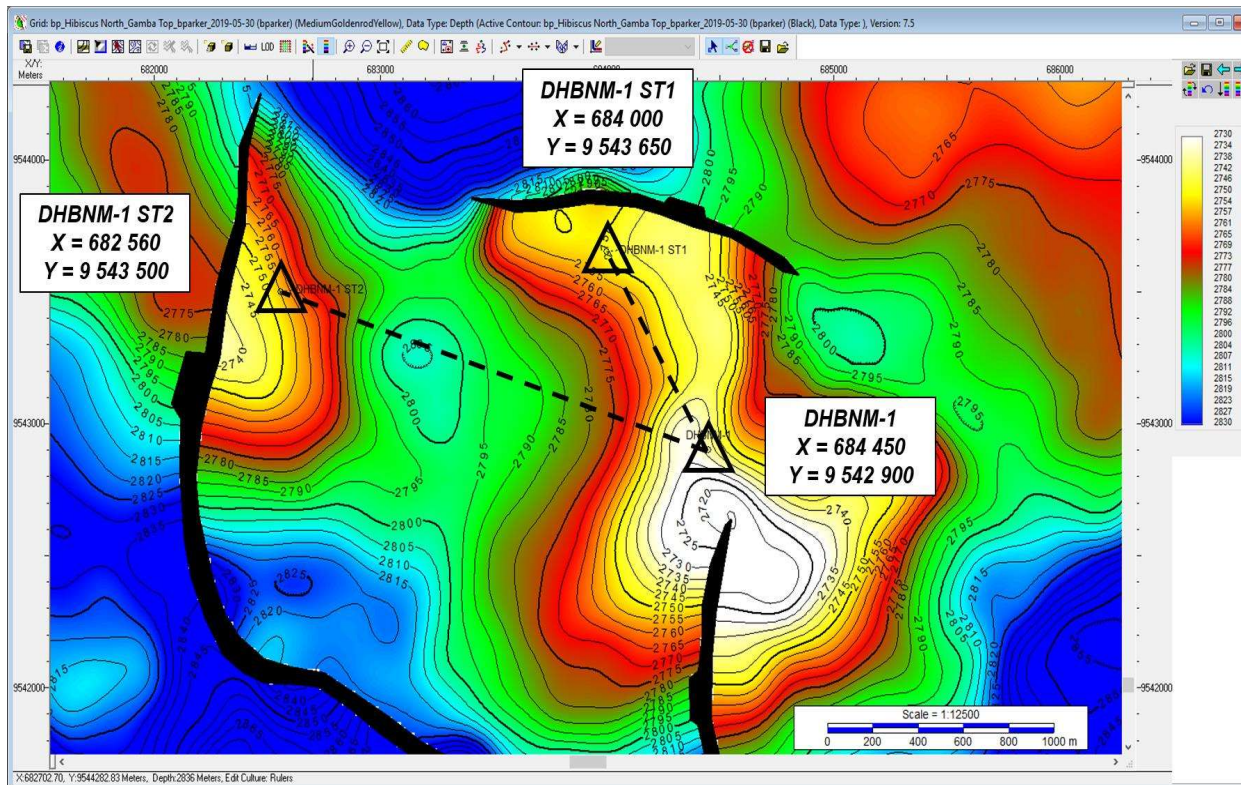


Hibiscus / Ruche project on track



- Jack-up currently at Dubai Drydock World
- Removal of derrick, drill-floor and associated equipment completed
- All major sub-contracts awarded and progressing as planned
- Project on track for first oil in Q4 2022, ahead of original schedule
- Jack-up repurposing reduces investments, time to first oil and environmental footprint of the development

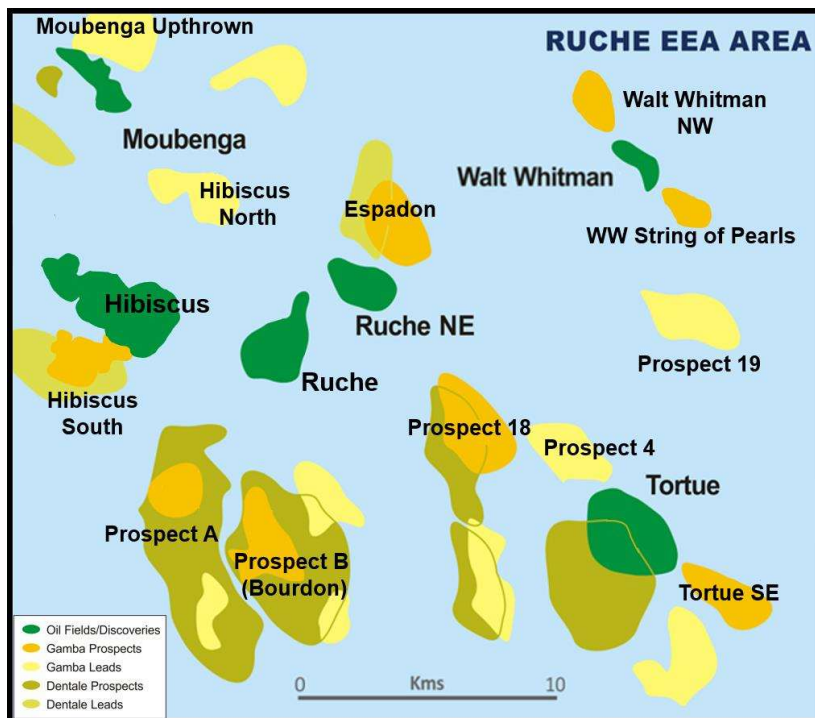
Status Hibiscus North exploration well



- The well was spudded late July and drilling operations are ongoing
- Geological analog to the Ruche Field
 - Gamba: primary target
 - Dentale: secondary target
- Aims to test the interpretation of both legacy and reprocessed seismic
- Well cost estimate USD ~18 million
 - Appraisal sidetracks ~ USD 9 million each
- Estimated potential reserves of 10 to 40 million barrels of oil

Exploration program

Large inventory of exploration prospects and leads



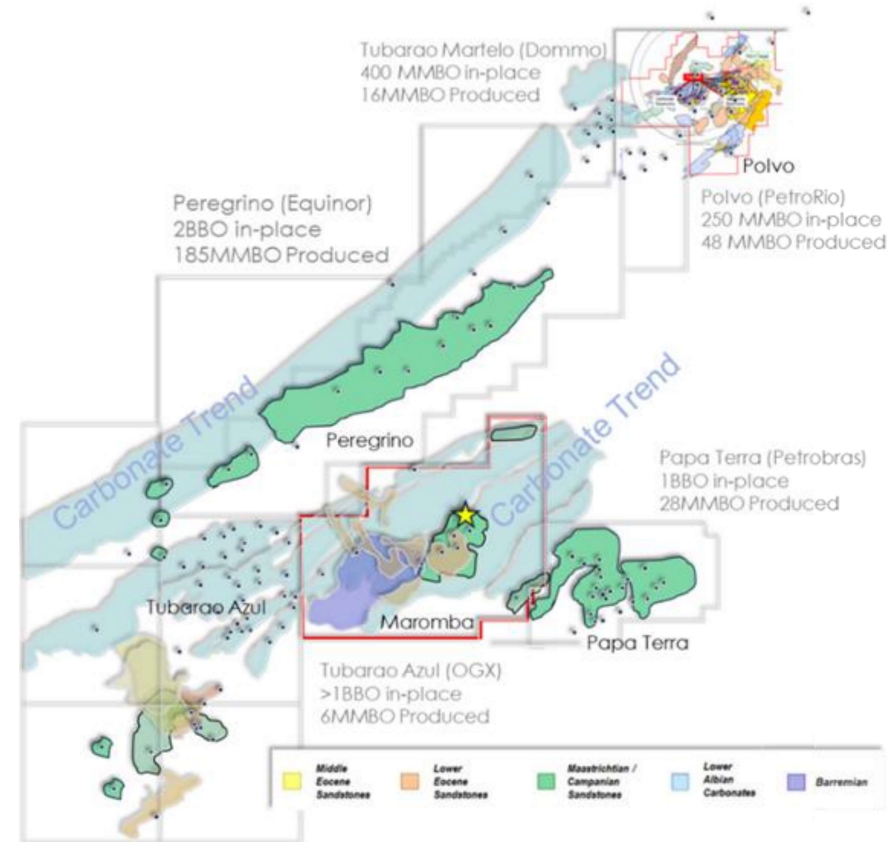
- Planning two exploration wells per year for the coming four years
- Next exploration well is Hibiscus North
 - Hibiscus South planned to be drilled from Hibiscus Alpha later
- Work ongoing to high grade the next eight targets for 2022 and onwards
- Significant long-term development potential



Maromba

Progressing Maromba to FID

- Positive indications from authorities related to marginal field status and potentially reduced royalty rate
- Polvo pre-feed concludes FPSO is suitable for the Maromba development
- Environmental Impact Assessment (EIA) for IBAMA submission ongoing
- Continuing to optimize field CAPEX, OPEX and time to first oil
- 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)





Q2 Financials

Income Statement



| USD million | Q2 2021 | Q1 2021 | Change |
|---|---------------|---------------|--------------|
| Operating revenue | 89.8 | 54.1 | 35.7 |
| Operating expenses | (42.8) | (20.9) | (22.0) |
| EBITDA | 46.9 | 33.2 | 13.7 |
| Depreciation | (11.7) | (7.1) | (4.6) |
| Depreciation - ROU | (6.9) | (8.5) | 1.7 |
| Amortisation | (0.2) | (0.2) | - |
| Impairment | - | - | - |
| Other expenses | (18.8) | (15.8) | (2.9) |
| Operating profit/(loss) | 28.2 | 17.4 | 10.8 |
| Interest income | 0.2 | 0.2 | - |
| Interest expense | - | - | - |
| Lease liability interest expense | (3.2) | (3.2) | - |
| Other financial items | (0.8) | 3.3 | (4.1) |
| Net financial income/(expense) | (3.7) | 0.3 | (4.1) |
| Profit/(loss) before tax | 24.4 | 17.7 | 6.7 |
| Income tax expense | (9.0) | (9.7) | 0.8 |
| Net profit/(loss) for the period | 15.5 | 8.0 | 7.5 |

- EBITDA increase of USD 13.7 million due to additional 492 thousand barrels of liftings
- Increased depreciation due to higher Q2 sales
- Decrease reflecting lower Q2 production
- USD 1.4 million loss on mark-to-market (MTM) interest rate swaps vs. USD 3.2 million gain in Q1

Balance Sheet



| ASSETS | Q2 2021 | Q1 2021 | Change |
|--|--------------|--------------|--------------|
| Property and other equipment | 0.4 | 0.4 | (0.0) |
| Right-of-use assets | 211.1 | 218.0 | (6.9) |
| E&P tangible assets | 246.1 | 238.4 | 7.7 |
| Intangible assets | 134.4 | 115.2 | 19.2 |
| Other non-current assets | 3.8 | 5.2 | (1.4) |
| Total non-current assets | 595.8 | 577.2 | 18.6 |
| Inventories | 13.6 | 14.0 | (0.5) |
| Trade receivables and other current assets | 64.1 | 59.4 | 4.7 |
| Cash and cash equivalents | 216.5 | 184.8 | 31.7 |
| Total current assets | 294.2 | 258.3 | 35.9 |
| TOTAL ASSETS | 890.0 | 835.5 | 54.6 |
| EQUITY AND LIABILITIES | Q2 2021 | Q1 2021 | Change |
| Shareholders' equity | 540.3 | 524.8 | 15.5 |
| Total equity | 540.3 | 524.8 | 15.5 |
| Deferred tax liabilities | 5.9 | 5.4 | 0.5 |
| Asset retirement obligations | 14.7 | 13.2 | 1.5 |
| Long-term lease liabilities | 223.1 | 228.1 | (5.0) |
| Derivatives | - | - | 0.0 |
| Total non-current liabilities | 243.7 | 246.7 | (3.0) |
| Trade and other payables | 86.2 | 44.4 | 41.8 |
| Short-term lease liabilities | 19.5 | 19.3 | 0.2 |
| Tax liabilities | 0.3 | 0.2 | 0.1 |
| Total current liabilities | 106.0 | 64.0 | 42.1 |
| Total liabilities | 349.8 | 310.6 | 39.1 |
| TOTAL EQUITY AND LIABILITIES | 890.0 | 835.5 | 54.6 |

- Increase in Tangible and Intangible assets mainly due to the DTM-7H and Hibiscus Extension wells
- Increase in receivables from JV partners
- Increase in decommissioning provision due to the addition of DTM-7H
- Increase mainly related to ongoing drilling campaign and the over-lift position

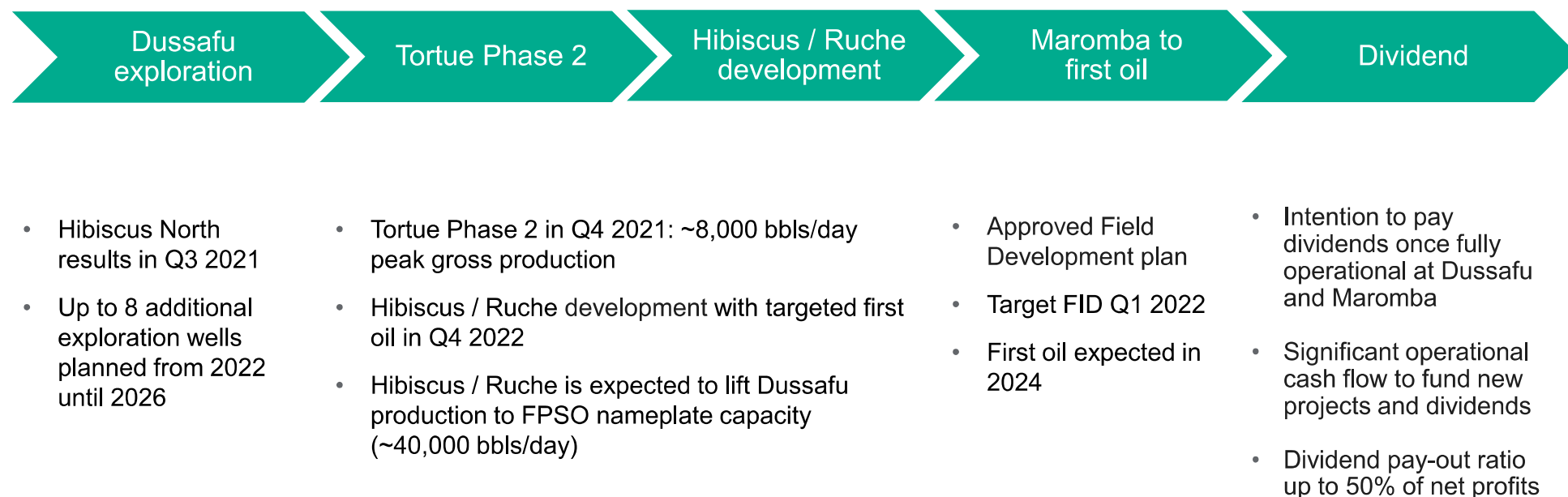
Cash Flow Q2 2021





Outlook

Key value catalysts





Q&A

